



NAIROBI CITY COUNTY ASSEMBLY

OFFICIAL REPORT

Second County Assembly – Fourth Session

Tuesday 16th June 2020

The House met at 2.30 p.m.

[Hon. Deputy Speaker (Mr. John Kamangu) in the Chair]

PRAYERS

Hon. Deputy Speaker: We don't have the quorum, Serjeant-at-Arms, ring the bell for ten minutes.

(Quorum bell was rung for 10 minutes)

We now have the quorum, Clerk, please proceed.

STATEMENTS

Hon. David Mberia: Thank you, Mr. Speaker. I wanted to give a statement--- I can't see the Leader of Majority, the Deputy and the Whip.

Hon. Deputy Speaker: Can we give them five minutes?

Hon. David Mberia: The Leader of Majority was supposed to give an undertaking on what I am supposed to present.

Hon. Deputy Speaker: That is why I have said we proceed with other business then we shall come back to you when they are in.

Hon. David Mberia: Thank you.

Hon. Deputy Speaker: Hon Redson.

REQUEST FOR A STATEMENT REGARDING DELAYED COMPLETION OF IMPORTANT PROJECTS IN
THE COUNTY

Hon. Redson Onyango: Hon. Speaker, pursuant to Standing Order No.45 (2) (c), I wish to request for a statement from the Chairperson of the Sectoral Committee on Water and Sanitation regarding delayed completion of important projects in the County

Hon. Speaker, this Assembly is mandated to allocate and approve budgets for various County Government developments initiatives in every financial year. The Assembly has without doubt played this role well over the years pursuant to the Standing Orders and the Public Finance Management Act, 2012 for instance.

The construction of a toilet facility at Stage 46 in Ngei Ward was allocated funds in the financial year 2014/2015. Even though the said facility is critical to the residents of the Ward, it has not been useful to the residents because it lacks the requisite drainage and sanitation system. In essence, it has never been utilized since its construction hence there is no value for money.

Hon. Speaker, in the statement, the Chairperson should inquire into and report on:

- i. Measures being put in place by the County Executive to have the toilet facility completed and open for public use; and
- ii. What steps the County Government is taking to ensure that such facilities are adequate in the Wards to enhance hygiene and sanitation.

Hon. Deputy Speaker: Thank you, Hon Redson. Chair of Water? Deputy Chair or any member of the Committee?

Hon. Moses Ogeto: Hon. Speaker, give us two weeks.

Hon. Deputy Speaker: Hon Redson, are you comfortable with two weeks?

Hon. Redson Onyango: I am comfortable.

Hon. Deputy Speaker: Thank you. Do you have another one? Proceed.

REQUEST FOR A STATEMENT REGARDING THE DELAY IN ISSUANCE OF BURSARY FORMS IN THE
85 WARDS

Hon. Redson Onyango: Hon. Speaker, pursuant to Standing Order No.45 (2) (c), I wish to request a statement from the Chairperson of the Sectoral Committee on Children, Early Childhood Education, and Vocational Training regarding the delay in issuance of bursary forms in the 85 Wards.

Hon. Speaker, many issues have been raised relating to failure by the County Executive Education Sector to communicate the status of pending issuance of bursaries. Aware that despite the COVID 19 pandemic, schools are likely to open for the first term in September 2020. These are unprecedented times that call for responsiveness from the County Government to cushion parents or guardians who have school-going children but are unable to pay for fees.

Hon. Speaker, in the statement, the Chairperson should inquire into and report on:

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- i. The reason the sector has not communicated about the formal written concern raised relating to the previous issuance of blank bursary forms;
- ii. List of suppliers who applied for the tender, those qualified for the tender to print the bursary forms and how much they were paid; and
- iii. When the bursary will be issued to the 85 Wards.

Hon. Deputy Speaker: Is the Chair of Education, Millicent Mugadi around? Hon. Mary Ariviza, proceed.

Hon. Mary Mwami: Thank you, Mr. Speaker. I have just been introduced into the committee just last week, I request for two weeks.

Hon. Deputy Speaker: Hon Redson, are you comfortable with two weeks?

Hon. Redson Onyango: I am comfortable.

Hon. Deputy Speaker: Thank you. Clerk, proceed.

MOTION

Hon. Deputy Speaker: Chair of Budget?

ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE COUNTY FISCAL STRATEGY PAPER FOR THE FINANCIAL YEAR 2020/2021

Hon. Robert Mbatia: Thank you, Mr. Chair. I beg to move:

THAT, this Assembly adopts The Report of the Select Committee on County Finance, Budget & Appropriations on the consideration of the County Fiscal Strategy Paper for the financial year 2020/2021, laid on the Table of the Assembly on Tuesday, 16th June 2020.

Hon. Speaker, it needs no reminder that the budget process for the financial year 2020/2021 kicked off at a time when the world has set its technological, financial and human resources towards fighting the global pandemic that had threatened to extinguish the human race. This process hence marked a new arena for the committee as it was not able to hold physical meetings to receive public submissions on the document or engage with the sectoral committees on their proposals aimed at reengineering the County fiscal discourse.

Closer home, Hon. Speaker, the County Fiscal Strategy Paper (CFSP) and the Debts Management Strategy Paper had been considered in the backdrop of the deed of the transfer of functions that gifted four key performance areas from the County Government of Nairobi to the Nairobi Metropolitan Services (NMS). The consideration of the papers had been undertaken in full consciousness of these lingering realities.

Hon. Speaker, the provisions of Section 125 of the Public Financial Management (PFM) Act, 2012 require the budget process for county government to commence with preparation of integrated development plans which shall include both long term and medium-term planning. The same shall be achieved through annual planning and establishing financial and economic priorities for the county over the medium term as well as making an overall estimation of the county government revenues and expenditure before the adoption of the County Fiscal Strategy Paper that paves way for preparation of budget estimates for the county government. As pointed out, it is clear that planning paves the way for budgeting and the consideration of the CFSP was delayed to allow the Assembly consider and approve the Annual Development Plan (ADP) to ensure that the broad strategic priorities and policy

goals meant to guide the county government in preparing its budget for the coming financial year and the overall medium-term is approved by the Assembly in the CFSP for 2020/2021 and are informed by the ADP.

Hon. Speaker, at the inauguration of the devolution of the First County Government of Nairobi, the County of Nairobi inherited debts of about Kshs.36.3 billion and between 2013 and 2017, the debt had swollen to 56.5 billion. Considering the Debt Management Strategy Paper it attributes this growth on non-remittance of statutory debt deduction and payment of suppliers and legal creditors and related penalties.

Mr. Speaker, the tabled Debt Management Strategy Paper continued to exhibit a worrying trend of county debts which stood at Kshs.76.5 billion as at 30th of December 2019. This represents an increase of Kshs.6.5 billion over the last one year and still being due to interests and penalties. The unaudited statements as at December 2018 further indicate that the county account payables stood at Kshs.70 billion. This increment implies that the county debt had risen steadily to over Kshs.30 billion since the inception of county governments. This casts a lot of doubt on whether the county is on track towards flattening the debt curve.

Hon. Speaker, despite indicating that Kshs.5 billion had been allocated for debt repayment in the financial year 2020/2021, the overall budget projections for the coming financial year indicate that the amounts in the budget matrix for debts settlement stand at about Ksh.3 billion only. It is worth noting that information submitted to the Committee show that eligible pending bills across the various sectors as audited by the office of the Auditor General were at Kshs.7.6 billion as at 31st December 2019, with an annual allocation provided in the CFSP being Kshs.1.7 billion. The committee bemoans that the journey to containing the ever-increasing pending bills remains a tough one.

Hon. Speaker, on a positive note, it is remarkable that after a special audit of the office of the Auditor General on the pending bills, some Kshs.1.1 billion had been paid out to contractors and suppliers, Kshs.3 billion had been paid to Kenya Revenue Authority (KRA) as pending arrears of unremitted VAT and PAYE with additional money to be set aside in the submitted supplementary estimates for the financial year 2019/2020. In the financial year 2020/2021, the CFSP ceilings of Kshs.3 billion had been set aside towards clearance of pending bills, a move that could start steering the county towards the right path and could further be enhanced if the County Treasury make bold strides in realizing receivables owed by other stakeholders.

Hon. Speaker, the presented Fiscal Strategy Paper for this coming financial year is separated into five chapters. The first chapter gives background information of the county government and most importantly the legal requirements behind the preparation. Mr. Speaker, I will jump that because it is in the report.

Hon. Speaker, on public participation, Section 125 (2) of the PFM Act, 2012 requires that the County Executive Committee Member for Finance shall ensure that there is public participation in the budget process. The paper has stated that the public and other stakeholders were consulted in the coming up of this document but failed to provide details of their submission including how the same were incorporated in this document. Once again, the Committee continues to reiterate that all budget documents should contain submissions from all stakeholders and analysis on how various views were incorporated.

Hon. Speaker, the overall county budget for the financial year 2020/2021 is projected to be at Kshs. 31.4 billion, comprising of Kshs. 22 billion for recurrent and Kshs.9.4 billion for development expenditure. The budget represents a decrease of about Kshs.5.5 billion from the amounts contained in the budget for the financial year 2019/2020 which we are winding up. Out of this allocation, the County anticipates to spend Kshs. 1.98 billion on County Assembly operations, Kshs. 13.97 billion on salaries for the Executive, Kshs.6.5 billion on operations and maintenance, Kshs.5.93 billion on development expenditure and Kshs.3 billion on pending bills.

Hon Speaker, in the coming financial year, the county purposes to enhance revenue collection through the employment of efficient and effective revenue collection system and increase enforcement and compliance. The internal revenue for the financial year 2020/2021 is projected at Kshs 14.65 billion being a

reduction of about Kshs 3 billion from the amounts contained in the annual budget estimates for this current financial year 2019/2020.

The following are the key issues in regard to internal revenue projections. Our recommendations on the policy are:

That the Nairobi City County Government and the Nairobi Metropolitan Services implements and finalizes the previous budgeted projects before initiating any new ones.

That the project's implementation be done in line with the approved county plans as highlighted in the Kenya Vision 2030, Medium Term Plans, Budget Policy Statement and the Big Four Agenda.

On revenue projection, we recommend that the revenue-raising measures to be implemented in the financial year 2020/2021 be discussed and modalities of operations be agreed upon between the Nairobi City County government, Kenya Revenue Authority in line with the deed of transfer of functions.

In addition to the requirements of the Public Finance Management Act, 2012, the revenue-raising measure be undertaken within the framework of approved county legislation.

Mr. Speaker, we have the Nairobi City County Revenue Act of 2015, we have the Nairobi City County Revenue Administration Act of 2019, and we have the Nairobi Trade License Act of 2019 which are legislation to support revenue-raising measures.

That in line with the provision of Section 109 of the PFM Act, all revenue collected from internal sources of revenues be swept into the County Revenue Fund (CRF) and the same be reported to the County Assembly periodically for oversight.

That the revenue targets be approved as contained in the CFSP 2020/2021.

On expenditures, that the revenue and expenditure ceilings on Schedule 1 and 2 attached on the CFSP report forms the basis of the financial year 2020/2021 budget.

On Medium Term Debt Management Strategy that the Assembly approves, the Debt Management Strategy and appending 2020 CFSP and the budget estimates for financial year 2020/2021 and the same remains binding for the next two financial years.

Mr. Speaker, as I wind up, I want to ask my senior member, Hon. Ogada to second me. Thank you.

Hon. Michael Ogada: Thank you Mr. Speaker for giving me this time to second this document. Today, I will not be talking much because my senior Imwatoke spoke very well and some of the things I wanted to say in the morning he did cover them.

Mr. Speaker, we have a document in front of us as presented by the Committee of Finance. It is a good document because the Committee took their time to interrogate the document. They also gave it to sectoral committees to look at them and gave us suggestions, proposals, ideas of how to make the document even better. What we are presenting before you today is the best that could be found from these Members of the House.

Mr. Speaker, if you look at the strategy paper we are presenting today, just as my senior put it, is that there is a glaring reduction in terms of what has been presented today and what we did present in the financial year which is just ending. It has been reduced by almost Kshs 6 billion. That is a clear indicator that we are not doing very well because if we were doing well, you cannot be given money to spend then

you don't spend it then you tell us to reduce it. When you are writing that document and bringing it to us, you are trying to confirm to us that you are not able to use what you have been given.

Our budget as it is presented today has been reduced by Kshs. 6 billion. That means it is going to affect the development in our Wards. Our developments are going to suffer the fate by almost Ksh 3 billion. As you go deep into it, you realize that in terms of recurrent expenditure it is also going to be reduced by about Kshs 4 billion. So, we don't know which areas are going to be affected – is it the salaries of the people that is going to be reduced or is it the service we offer to the people of Nairobi that is not going to be offered satisfactorily? There is a problem in terms of that and the document we are talking about was given to us from the Executive.

Mr. Speaker, looking at the document again, you realize that our Assembly has been given an allocation in terms of development and we have got members of this House who have always been yearning for offices and we gave them a promise that they will get the offices and finally it was said we are going to put up a building that was budgeted for. It has been postponed severally without commencement. We always put it in the documents but when it goes to execution they don't see it worthwhile to spend the money. As a Committee, we are urging the Assembly Service Board to ensure that whatever monies is given to them are spent. Let them not be given money and we use it for decorations because we can use that money somewhere else.

The other thing is that when my senior was talking, he really talked about debts. Before devolution came, the county owed outsiders around Kshs 30 billion, but since devolution came which came with a lot of performance and money coming in ---- Previously, the council didn't get a lot of money from the Central Government, they used to get little but now they get in tunes of billions – Ksh 14 billion, Kshs 16 billion, it is almost going to Kshs 20 billion. But you realize the council used to pay their debtors promptly and efficiently as compared to now when there is much money.

As we speak today for the last 7 years that the County Government has been in force, the debt has hiked to Kshs 76 billion from Kshs 30 billion. That is an increment of around Kshs 46 billion. I don't know if we go to the ground we can see what was done on credit because whatever has been spent should reflect on the ground in terms of service. We served our people on credit and therefore we are supposed to pay. If you come to the ground, you will not be able to convince the public that I spent any money on credit on them. I don't know whether those monies were spent in other Wards but at least in mine, it is not there.

What I am trying to say is that in terms of debt resolution we need to at least up our game because at Kshs 76 billion now, I think by the end of this financial year we are going to hit Kshs 100 billion in terms of debt. That is a serious concern. We are supposed to be declared bankrupt and those are some of the contributing factors that made the Central Government feel we are not working. They looked at many things. They looked at our balance sheet. I know most of you take loans from the bank. When you go to the bank to take a loan you just don't walk inside a bank and pick the loan. You must present your balance sheet. The balance sheet is affected by your level of indebtedness. So, in terms of indebtedness that we are now, you cannot go for any loans anywhere and get any money. Nobody will give you.

Hon Speaker, I feel that is a serious thing and as a Committee and as an Assembly, we have done our best. There is not a single financial year that a document has been presented to us and we reject. We

have always approved and passed them. Only that the implementing arm is not working well or has decided also to surrender to fate the way some of us seem to have surrendered to fate. It seems there could be some issues.

When it goes to the issues of revenue because whenever you are putting a ceiling on how much you're supposed to spend, we are going to spend Kshs 31 billion. This is in paper. Are we going to realize that money? On that, I am lost because according to the document which my Chair has just presented, the Executive talked about revenue-raising measures they are going to enhance. As we talk currently, our revenues are being raised by another arm of government. I don't know how they are going to engage the KRA to ensure as for the terms of enhancing revenue we are equal to the task. As I speak today, we have a budget of Kshs 36 billion to finance. In terms of local revenue, we have not hit Kshs 8 billion and the financial year is ending in the next two weeks. From government transfers, we have about Kshs 14 billion. That is Kshs 22 billion. It tells you we have a shortfall of around Kshs 14 billion. That tells us in terms of performance we have issues.

Mr. Speaker, we have presented a document here to be passed though it is in a unique time. It is a time when we don't know whether what we are passing today is going to be executed by us or it is going to be executed somewhere else or we have the authority to pass figures for them. This need to be explained to some of us because when the President reorganized his government, Nairobi Metropolitan was taken to the Office of the President. Our interaction with them in terms of the budget-making process, I think we need to be educated.

As I second, I request that maybe through your Chair that we need to speak with authority such that we are talking about what we understand and what we know. I am only seconding it because I sit in this Committee but not because I know where it is going to be spent. I am at a loss because when I go to the ground I will not be able to explain to the voters that we passed a budget of this much and it is going to be spent in this way because we are at a loss there. Even in terms of revenue, there could be a problem.

We were sharing with my colleague *Mheshimiwa* Okeyo some few minutes ago, what Ukur Yatani read in Parliament when he was giving his presentation. He declared that the government transfers- the equitable shares from the National Government is no longer going to be wired to City Hall but instead it is going to be taken to the Nairobi Metropolitan directly. This means that this county is not going to receive not even 10 bob from the Central Government. On top of that, they have put it as an instruction that this county is going to add Nairobi Metropolitan Services another Kshs.9 billion on top of the Kshs.16 billion. If for the whole year we have not been able to collect 9 billion and you are now instructing us to give this money to Nairobi Metropolitan, how are we going to pay ourselves, how is the county going to be run?

There is a glaring problem which the leadership of this House must sit down soberly and look at it. Where there is a problem, you sit and reason together with the Central Government. If we don't reason, then I can foresee in the next four months, members missing their salaries because we will not be able to fund that. I stand to second this document.

(Question proposed)

Hon. Deputy Speaker: Thank you, Hon. Ogada. Anybody who would want to contribute?

Hon. Emily Oduor: Thank you, Mr. Speaker Sir, I stand here to support this document. Some of the issues that I wanted to raise were well articulated by the senior member. At some point, we had some reservations when we were making the CFSP. What is the relation between us, NMS and KRA? That was the dilemma we had even this morning before we signed this document. I think that this is going to be declared very well and as Hon. Ogada has said, it's a worry not only for the Committee but Members for the County Assembly.

Another issue that he has talked about is pending bills, they are increasing by the day. I am getting worried about it because right now our revenue is being collected by the Kenya Revenue Authority and we don't even pay the statutory deductions which is supposed to go to KRA. With this dilemma, I am so worried that if we continue holding these statutory deductions they might decide to hold the money at the source. They will tell us that we owe them this amount of money and so they are going to deduct the statutory deductions. I am appealing to the Executive to please deal with the statutory deductions. Otherwise, you are going to bring the whole county to a standstill.

Next, is about the new programmes. Every time we sit here as the Budget Committee, we see new programmes being rolled out. The Chair has talked about it. But the following year we have a new programme yet the previous year's programmes are not implemented. This is a very big worry because at the end of the day we have about 1,000 programmes that were supposed to be implemented within a period of 5 years. I think they pick what we have in the CIDP. At the end of the year, someone is going to judge us and tell us that within the five years we had these programmes, none of them was implemented. These are the few concerns that we have as the Budget Committee, and we hope as a House you will help us save some of these dilemmas.

I can see the Majority and the Minority leaders, you need to help us see how we are going to work with NMS as the Budget Committee. We don't want to bring a budget that is not implementable. We want to know whether we are going on with the Kshs.30 billion plus or we are working with Kshs.9 billion so that when you finally bring the final budget here, we need to know what we are banking with. Otherwise, I support.

Hon. Deputy Speaker: Thank you, Hon. Madam Odenje. Hon. Fredrick Onyango Okeyo Bata!

Hon. Fredrick Okeyo: *(Laughed)* Thank you, Hon. Speaker. I want to support the document but there are a few issues that I want to talk about. The Problem of a senior talking before a junior is because he normally takes the top layer and leave you with *hizo za chini*.

There are two or three issues that I would like to talk about. Number one, I want to appeal to the Majority and the Minority Leaders – the leadership of the Assembly – to follow up because CFSP is a very important document. We cannot do a CFSP and keep it for ourselves, we need to know how it is going to be funded. Where is the money going to come from? What the CS of Finance, Ukur Yatani did last week has a very serious impact on us and we have talked about it. Where is our salary going to be drawn from? If our equitable share is going to go to the NMS, at least we should have bargained that as an Assembly our money comes from that equitable share so that we don't have issues up and down running.

Number two is about projects. When it comes to the ground, what will happen? The revenue is also going to NMS. Today when I was driving to town with my friend, something made us realize that nothing is

going on in Nairobi. If you look at the billboards, especially on Jogoo Road or Thika Road, all the billboards are empty. One of the billboards was being painted and these are some of the sources of income for the county.

At the same time, when you look at the work which is going on within the CBD, our parking spaces are reducing. This means that our revenue is also reducing. Revenue from parking has been very vital, it is like a sure bet of revenue because people park vehicles within the CBD. When CS Yatani read the budget and said that the NMS in addition to the equitable share will also be getting Kshs.9 billion from our revenue source, yet we know with the Corona pandemic we are not going to collect any money. This time around we have surpassed Kshs.6 billion because COVID 19 delayed a bit. If the pandemic could have come at around January, our revenue could have been about Kshs.2 billion for the whole financial year COVID 19 came around March and this means that we had collected in January and February for the third quarter. If it could have come around December last year, we could be having nothing to talk about.

Lastly, I want to talk about leadership, the leadership needs to take care of the Committee. We need serious engagements with the NMS as the Budget Committee so that we can know where we are heading to or what we are going to do. Money can be allocated, but what next? We need accountability, we need to know what is the percentage for development, the recurrent budget and the votes of account of everything.

One good thing about NMS is that it will have money for development, which is a plus. But will they be accountable? Who will they be answerable to? How will it be done? Is it on the basis that you are on this side and I am on that side and so the people on the other side should get development? It should be equitable; equality should be discussed. Thank you, and I support.

Hon. Mary Mwami: Thank you very much, Mr. Speaker Sir. I stand to support this motion of the Budget Committee which I am a member after being incorporated last week. I would like to point out some few notes in support of what the other previous speakers have said. We need to be very careful as an Assembly and we need the leadership of this House to engage at high levels so that we don't miss our salaries as we did in the last two months. People won't keep smiling at us as leaders if they continue missing their salaries.

Just like Hon. Okeyo has said, we should negotiate that the money for the County Assembly come from the equalization fund instead of us waiting to get money from the Governor or the Executive side. I think that this is very important. We don't want to be engaged with the Executive side every time asking for money and the County Secretary not signing what is going to change signatures and what a few. We need to work and oversight the Executive as well as the NMS. It is very important that we have a kind of independence and this is the time when the process is being done. We should not look at it from far, we should engage as it is very vital at this time.

Secondly, it is on the pending bills. I agree with this report that we must not start paying new people that we allocated projects since we came in 2017 and leave people who gave their services to this county in 2016 and under, or the years before. It is very important that we pay pending bills first come, first served. I know there was an issue that some of these people may not have done the job but EACC cleared people and these people must be paid. It is very bad for people who offered services to this county from 2016 but have not been paid four years later and they had bank loans and so on. We must pay the earlier

bills. Governments are successive. You cannot come in and claim you won't pay for what was done by the previous government. You must pay. You have to pay as long as things were done. I hope the finance minister is listening to this.

Lastly, we must work together such that whatever money is voted for, work must be done. For now, the executive wakes up and decides which things will be done and which ones to ignore. I am in two very vital committees. Part of it is with NMS and part of it is with the county government. Agriculture is under the county government and it is important whatever has been mentioned here like poultry and fish ponds are done. It must be done otherwise we won't have any impact with the *mwananchi*. There are ponds in several schools like Hospital Hill and Moi Girls' in Nairobi. Let poultry and fish ponds belonging to various youth and women groups be done so that we can be at the forefront.

I am told that at LSK grounds, Nairobi had the best cows last year. I am looking forward to a time when we can have gardens because that is one of our core functions. Every house should have a garden at the back. It is healthy to have our vegetables instead of eating the contaminated ones that we see. Research shows that the vegetables we eat are contaminated. So, I stand to support this, but with some caution. I am a critical thinker. What the national government has done is to make sure we are behind the executive to make sure that revenues are being collected. Thank you.

Hon. Kennedy Obuya: Thank you, Hon. Speaker. I am rising to oppose this good document. Before I do an oversight, I am a representative. I was elected by the people of Imara Daima to represent their interests. It is so sad that I have never been privileged to be part of Budget Committee members since I was sworn in. I have made so many attempts and engaged the Chair of the budget. I cannot be a representative that every budget in this house for the last financial years, Imara Daima has never received any allocation other than bursaries. On behalf of the citizens that elected me, I will not participate in this and I want it to go on *HANSARD* that I will be opposing every budget for the rest of this Assembly till the interest of Imara Daima citizens is catered for.

Hon. Speaker, I don't want to quote anyone but it is also on record that I had made an attempt over this matter for consideration of Imara Daima on budget allocations. I once said, to quote in Swahili that "*fuata vile wenzako wanafuata*". I do not understand, because I believe all these budgets are properly informed by the CIDP and the ADPs. Views of the citizens of Imara Daima were collected for the three financial years but it is sad that the Chair who has been in this House for many years whom I have approached more than once, Imara Daima has never been...I strongly condemn this. Hon. Chair for budget, you are my friend and I have known you for years, but you are doing a great injustice for the citizens of Imara Daima. Thank you. I beg to oppose.

Hon. Deputy Speaker: Hon. Kimemia, you are not using your card. You are using Mbithi's card. How can you be given the wrong card? You are using Mbithi's card. Is Hon. Mbithi around? He is not. Anyway, proceed.

Hon. Anthony Kimemia: Thank you very much, Hon. Speaker. Next time I won't use someone else's card. I stand to second Hon. Obuya.

Hon. Deputy Speaker: Address the Chair, not Obuya.

Hon. Anthony Kimemia: I stand to second Hon. Obuya. That means I stand to oppose the document for obvious reasons. One, the members who stood before Obuya and spoke are members of the Budget Committee and what they did at best is to convince me not to support the document. They told me how I am not going to get my salary. They told me how my Ward is not going to be developed. They told

me the debt that the county is having will not be paid. They told me because of COVID-19, they are not going to move more than 6 billion and yet we want 14 billion. So, I don't understand why they want me to support this document yet in their words they don't support the document. So, I stand to oppose.

I want this document to go back to the executive. Let them relook at the document and do a good budget which is going to help us. NMS is being given money from the exchequer yet they want money from us. They have KRA collecting money from us. Here, I see a double standard. They are working in two ways. The leadership, instead of fighting here, should go and sit down with NMS and the executive and think of how you are going to get ourselves protected in terms of development and salaries. The people outside think that we can work well with NMS, but the truth of the matter is that we are in a bad place. Therefore, I stand to oppose. Thank you.

Hon. Charles Thuo: Thank you, Hon. Speaker. I commend the Budget Committee for the work they have done. I stand to support this document. Some of our members are mistaking this document for the budget estimates. This is the county CFSP. It does two major things. It tells this Assembly and Nairobians that the amount of money the county is expected to get and spend and the revenue projections and how if there is a deficit, how is it going to be financed. It speaks of projections. It sets the ceilings as well for each sector to ensure that each of the major sectors get proper findings. I stand to be corrected. It is not the budget estimate and it is not cast in stone.

The reason why I think the members are mistaking this document is that it is being brought now because by law, this document should have been tabled by the 28th of February. We all know the challenge that we are facing. It is the reason why members are mistaking it with the budget estimates and they imagine if they cannot see their Wards. I hope that is corrected. I am not a mathematician, but some of these things are basics.

In supporting this document, a CFSP is going to be done whether it pleases us or not. It is upon the government which we are part of to ensure that we come up with strategies to make sure that the estimates that we are going to table are properly funded and that is where I imagine the CFSP comes a little bit earlier than the estimate so that we can make proper measures to ensure that in the coming year, we can raise our revenue whether locally or to lobby from the national government. I hope I have addressed the fears and I stand to be corrected by the Chair. I have a lot of issues with development, but we should not use this to discredit the Budget Committee.

On the issue of salaries and funding NMS, I have one policy myself. If you realize that your lifestyle is beyond your means of earning, most people make either of two options. Some choose to cut their spending and others choose to increase their earning. It is up to us to know what we have to do. Do we cut our spending or increase the revenue of this county? You cannot tell me that Nairobi can only collect 8 billion. I am sure senior member Ogada can agree with me that something is not right. It is upon everybody in this Assembly to ensure that money is collected timely. I have been here when we collected 12 billion and we still have not reached our climax. We can do more. And this money is not out there. It is in people's pockets. A lot of money is stolen before it gets to the exchequer. We, as an Assembly, have not done exactly what we should do and the people at the executive are taking advantage of that. I would suggest and urge members not to panic because we might feel that we have a deficit, but to start thinking and strategizing and being innovative to realize and do things that are geared toward increasing our revenue so that we can increase our spending. With more revenue, we will have more developments.

Therefore, I stand to support this document and urge all Members of this Assembly to support. I do not know whether you realize the importance of the document. It means if you do not increase this budget this document will not pass, then we cannot table the budget estimates. Without tabling the budget estimates, then we will be in a worse situation which will not help. We still have room for improvement. Thank you, Hon. Speaker, I stand to support this document.

Hon. Deputy Speaker: Thank you Majority Leader. The mover?

Hon. Robert Mbatia: Thank you, Hon. Speaker. As I reply, I want to answer the fears of the two Hon. Members. Like the way the Majority Leader has indicated, it is true that probably there is a misconception about the document before us today. Before us, is a document that sets the policy framework for the County for the next financial year.

There is the division of Revenue Bill that is introduced at the Senate that divides the money between the National Government and the counties. At the National Assembly, there is the County Revenue Allocation Bill (CARA) that is introduced to divide the money that has been allocated to counties know to various 47 counties. When we come to county assemblies and Nairobi been one of them, the CFSP comes to divide the money that we have been allocated and what we shall collect into various sectors. That is one of the major roles of this document before us. It only set the ceilings and the road map of how we shall be funding all that.

So, Mr. Speaker, I want to assure my very good friend Hon. Obuya that from the previous document and we have indicated here in this document that we must first finish the stated and the budgeted projects, Imara Daima is one of them. I want to assure him that the challenge could be the rollout of those projects that we are insisting here that they must be rolled out before we introduce new once.

Mr. Speaker, the other fear that I am also part of it is what Hon. Kimemia has raised. But I want to assure him that as *Mheshimiwa* Majority Leader has indicated that we have no choice, we have to go through it. We have to sort these problems ourselves. Indeed, the future does not look very bright for us as a County because of the times we are in and also our bad manners.

(Applause)

Mr. Speaker, considering one on the revenue, it is true that it is dipping as it has been indicated that we once raised Kshs. 12billion with lesser fees rates than what we are applying currently and we managed to raise the 12billion. Therefore, it is true that we can realize even the Kshs.14 billion that we have projected.

But moving forward this time as I urge this Assembly and the Members of the Budget Committee, we must give the Nairobians an incentive during this pandemic. It is very hard as we have not given them masks and sanitizers. The best thing that this Assembly can be remembered with is giving Nairobi an incentive. By saying this, I mean we need to revise our fees, charges, and taxes that we imposed on members of the business fraternity and the residents. We need to revise them to be able to revamp these businesses because they have been hard hit at this time. The only incentive we might give is revision. I am sorry to say, but we must revise downwards the charges.

Mr. Speaker, with that, businesses will be able to restart again and grow. So, that will break some doubt on the projections we have. But that is a debate will come to this Assembly once we introduce the

Finance Bill later because we might not even, as *Mheshimiwa* Okeyo has indicated, be able to raise what we have currently. Parking is getting fewer and people are not advertising. What we can do? We lower our rates so that people can advertise. *Mheshimiwa* Kamangu can put up his business and advertise so that it can bring more people there. So, our source revenue needs to be looked at. As much as we want it to go up, we must give our people an incentive especially this time of the pandemic.

Mr. Speaker, I know several issues have been raised especially on the funding of the County Assembly and the Executive that has remained. On the law before the practice, the division of Revenue Bill that was passed indicated that national transfers for Nairobi would be deposited at County Revenue Fund (CRF). What that means is that this Assembly must budget for that and appropriate it, whether to NMS, Executive or Assembly, we must appropriate here.

Two, own source revenue from our understanding at this point is that it is collected and put in our CRF. For that to be expended, it must be appropriated here. So, both of the national transfer and own source revenue, those monies must be appropriated at this Assembly, whether to NMS, County Executive or the Assembly. Our question and as Members have raised is, who will oversight that? This Assembly cannot just appropriate and budget and not an oversight. That is a discussion that should be introduced now and the leadership should pursue that so that we get clear information on that. We cannot again just appropriate and sit back and watch as money is being spent.

Also, Mr. Speaker, considering the CS Ukur's statement as he was making his budget pronouncement, he indicated that they will sweep all the Kshs. 15.9 billion of the National Transfer and an extra Kshs. 9.7 billion of own-source revenue for NMS. If we go on that route, indeed, we might not even get salaries for the Executive and even for our staff that are in our Wards. Even the operation here, as *Mheshimiwa* Ogada put it, we might just close shop if that is the route that we will head to. Currently, we are hardly at Kshs.8 billion, and looking at the next financial year which is almost starting, it is very bleak as there are a lot of uncertainties when we will even flatten the COVID 19 curve. If we are going into that financial year as we are now and the first charge on our source of revenue of Kshs. 9.7 billion goes direct to NMS, then Mr. Speaker you better go home even yourself. Therefore, we need a lot of clarity on all that.

I want to thank your office for this because we had a challenge over these times to prepare this document. I also want to thank all the sectoral committees and their chairs for a wonderful job, well done. I also want to thank our Budget Office which worked tirelessly to have this document and even our secretariat.

The Members of the Budget, some are outgoing, I want to thank them because we did a good document considering the times. I also want to welcome those new members that have come into the Budget Committee I officially welcome them to the Committee. There is a lot of work before us.

Mr. Speaker, I reply thank you.

(Question put and agreed to)

PAPERS

Hon. Speaker: Under Order No. 5, I will invoke Standing Order No.41 (2) to allow the Chairperson of the Select Committee on County Finance, Budget and Appropriation to lay the following papers and

commit the same to Select Committee on County Finance, Budget and Appropriation and all the sectoral committees.

(a) The Nairobi City County Executive Budget Estimates for the year 2020/2021

(b) The Nairobi City County Assembly Service Board Budget Estimates for the year 2020/21

Hon. Charles Thuo: I think the Chair is happy with the work of the Committee of Budget and he would like to give more duties to them, I am sure you mean well.

I wish to lay this Paper;

THAT, pursuant to Section 129 of the Public Finance Management Act, 2012, I beg to lay the following Paper on the floor of the Assembly today, 16th June 2020: The Nairobi City County Executive Budget Estimates for the financial year 2020/2021.

(The Paper was laid on the table of the Assembly)

Hon. Speaker, pursuant to Section 129 of the Public Finance Management Act, 2012, I beg to lay the following Paper on the floor of the Assembly today, 16th June 2020: The Nairobi City County Assembly Service Board Budget Estimates for the financial year 2020/2021.

ADJOURNMENT

Hon. Deputy Speaker: Hon. Members, having transacted today's business, the House stands adjourned until Thursday 18th June 2020 at 2.30 pm. Thank you and God bless you all.

(The House rose at 3.45 p.m.)