



NAIROBI CITY COUNTY ASSEMBLY

OFFICIAL REPORT

Third County Assembly – Second Session

SPECIAL SITTING

Thursday 18th May 2023

The House met at 9.30 a.m.

[The Temporary Speaker (Hon. Malyun Abdi) in the Chair]

PRAYER

Hon. Temporary Speaker: Hon. Members, you may be seated. Order, Hon. Members!

COMMUNICATION FROM THE CHAIR

CONVENING OF THE SPECIAL SITTING

Hon. Temporary Speaker: Hon. Members, I have the following communication to convey:

Hon. Members, may I take this opportunity to welcome you all to today's special sitting which has been convened at a time when the Assembly is on the long recess. I sincerely thank you for honoring the invitation despite the short notice. However, I recognize that leadership is best demonstrated and assessed during times when it is most inconveniencing and I have no doubt that by honoring this invitation, you have demonstrated the highest measure of commitment to the interests of the entire County.

Hon. Members, pursuant to Standing Order No. 32, I received a letter dated 16th May 2023 from the Leader of the Majority Party requesting that I convene Special Sittings, today, 18th May 2023 commencing at 9.30 a.m. for the morning Sitting and 2.30 pm for the afternoon Sitting. Accordingly, having reviewed the business proposed in the request and determined its urgency, I acceded to the said request and convened the Sittings. Consequently, today's special sitting was published in the Kenya Gazette dated 17th May 2023 under the Gazette Notice No. 115 to consider the following business: -

- i. Report of the Select Committee on Finance, Budget and Appropriations on netting of the nominee for appointment to the position of the Non-Executive Chairperson of the Nairobi City County Revenue Authority;
- ii. The Report of the Select Committee on Finance, Budget and Appropriations on consideration of the Supplementary (II) Budget Estimates for the FY 2022/23; and
- iii. The Nairobi City County Supplementary (II) Appropriations Bill, 2023

Consequently, Hon. Members, during this morning Sitting, the Assembly shall consider the Committee's report on vetting of the nominee for appointment to the position of Chairperson of Revenue Authority and the Committee's Report on Supplementary II Budget estimates. During the afternoon Sitting, the Assembly shall consider the Supplementary (II) Appropriations Bill, 2023.

Hon. Members, Standing Order No. 32 (4) provides that, and I quote:

"Whenever the County Assembly meets for a Special Sitting, the Speaker shall specify the business to be transacted on the day or days appointed and the business so specified shall be the only business before the County Assembly during the special sitting, following which the County Assembly shall stand adjourned until the day appointed in the County Assembly calendar."

Consequently, Hon. Members, the business specified in the aforementioned Gazette notice shall be the only business to be transacted during today's sittings. In view of the foregoing, both Sittings are properly convened.

You are so guided. Thank you, Hon. Members.

PAPERS

REPORT ON THE VETTING OF NOMINEE FOR APPOINTMENT OF CHAIRPERSON OF NAIROBI CITY COUNTY REVENUE AUTHORITY

Hon. Temporary Speaker: Chairperson, Budget and Appropriations Committee.

Hon. Wilfred Odalo: Thank you, Madam Speaker. Pursuant to Standing Order No. 196, I beg to lay the following Paper on the Table of the Assembly, today, Thursday 18th May 2023:

The 8th Report of the Select Committee on County Finance, Budget and Appropriations on the vetting of nominee for appointment of Chairperson of Nairobi City County Revenue Authority.

I beg to lay.

REPORT ON THE SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2022/2023

Hon. Wilfred Odalo: Subsequently, Madam Speaker, pursuant to Standing Order No. 196, I beg to lay the following Paper on the Table of the Assembly, today, Thursday 18th May 2023:

The 9th Report of the Select Committee on County Finance, Budget and Appropriations on the Second Supplementary Budget Estimates for the financial year 2022/2023 for the Nairobi City County Government and County Assembly.

I beg to lay.

(The Paper was laid on the Table)

Hon. Temporary Speaker: Next Order.

NOTICES OF MOTION

CONSIDERATION OF NOMINEE FOR APPOINTMENT AS CHAIRPERSON NAIROBI CITY COUNTY REVENUE AUTHORITY

Hon. Wilfred Odalo: Thank you, Madam Speaker. I beg to give notice of the following Motion:

THAT, taking into consideration the findings of the Select Committee on County Finance, Budget and Appropriations in its Report on the Vetting of Nominee for Approval as Chairperson, Nairobi City County Revenue Authority, laid on the Table of the Assembly on Thursday, 18th May, 2023 and pursuant to the provisions of Section 6(1) (a) of the Nairobi City County Revenue Administration Act, 2021, Sections 3 and 9 of the Public Appointments (County Assemblies Approval) Act, 2017, and Standing Order 48 (4), this Assembly approves the nomination of Mr. Andrew Chege for appointment as Chairperson of the Nairobi City County Revenue Authority by His Excellency the Governor.

CONSIDERATION OF THE SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR THE FY 2022/2023

Hon. Wilfred Odalo: THAT, this Assembly adopts the 9th Report of the Select Committee on County Finance, Budget and Appropriations on the Consideration of the Second Supplementary Budget Estimates for the FY 2022/2023 for the Nairobi County Government and County Assembly, laid on the Table of the Assembly on Thursday, 18th May 2023.

Hon. Temporary Speaker: Clerk.

STATEMENT

DEMISE OF HON MOSES KITEMA'S WIFE

Hon. Peter Imwatok: Hon. Speaker and the Hon. Members of the County Assembly, I thank you for attending this Special Sitting. I have a statement to give on behalf of this House in respect to the demise of our colleague's wife, MCA for Kware, Mheshimiwa Moses Kitema, who lost his wife in a tragic road accident in Machakos County. The Assembly and the family are planning to lay her to rest this Saturday in Makueni County.

Hon. Speaker, in respect to our colleague, through your authority, we can stand for a minute of silence to honour the wife and then I can proceed.

(Members stood in honour of Hon. Kitema's wife)

Thank you. Hon. Speaker, on the same note, the bereaved family has communicated to both Whips on the venue of the interment of the late. It will be on Saturday in Makueni County. As a tradition in this House, when we lose an immediate family member i.e. wife, child or husband, we know what to do. More importantly, it is good to give that warmth. This evening will be going to Kware Redeemed Church for the

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harambee from 5 p.m. I urge all Members across the political divide to come together and help our brother and on Saturday we attend the burial in Makueni. We have been there; we know what we are supposed to do. We will go as a County Assembly family led by the Speaker and the rest of the Assembly.

Thank you, Madam Speaker.

Hon. Temporary Speaker: Clerk.

MOTION

CONSIDERATION OF NOMINEE FOR APPOINTMENT AS CHAIRPERSON NAIROBI CITY COUNTY REVENUE AUTHORITY

Hon. Wilfred Odalo: Thank you, Madam Speaker. I beg to move:

THAT, while taking into consideration the findings of the Select Committee on County Finance, Budget and Appropriations, this Assembly approves the nomination of Mr. Andrew Chege for appointment as Chairperson of the Nairobi City County Revenue Authority by His Excellency the Governor.


Madam Speaker, since the onset of devolution, the issue of revenue collection and management have been upon with all stakeholders working round the clock to find ways of unlocking the immense potential that exist within the County Government, especially Nairobi City County. Quarterly reports submitted to this County Assembly for consideration paint a dull picture on our revenue performance thereby calling upon all of us to rewire our thinking with practical ways of improving county revenue outturn.

Hon. Members, it should be noted that Commission of Revenue Allocation places Nairobi City County revenue potential at Kshs.67 billion. It therefore implies that due to the act of omission or commission, the County leaves about Kshs.57 billion uncollected annually in terms of various forms of taxes, fees and charges. To arrest this, Madam Speaker, our predecessor enacted Nairobi City County Revenue Administration Act 2021, which contains various progressive provisions on how to manage the sticky issues on revenue collection including the challenges of managing County revenue without central command. In this regard, the Act mandates the creation of Nairobi City County Revenue Authority with one job, one man or a lady to expand the revenue basket, improve accountability in revenue collection and ensure harmony in revenue administration matters.

Madam Speaker, in line with Section 6 (1) (a) of Nairobi City County Revenue Act of 2021, His Excellency the Governor nominated and submitted to the County Assembly the nominee for the Chairperson of the Authority. The name of the nominee being Mr. Andrew Chege, was dully conveyed by the Speaker and committed to the County Finance, Budget and Appropriation Committee.

The nominee appeared before the committee on Tuesday 9th May 2023 and was vetted pursuant to provisions of Section 7 of Public Appointments County Assembly Approvals Act, 2017. From the vetting undertaken, the Committee learnt that the nominee has vast wealth experience in management of revenue system with keen eye on modernization, team work and growth. In his previous tour of duty, Mr. Chege was involved in unlocking the revenue challenges related to Value Added Tax (VAT) at the Kenya Revenue Authority as well as realigning the revenue targets across over 33 countries where he has worked. Mr. Chege has worked as lead consultant in economic power house like the International Monetary Fund (IMF) and the World Bank where he has positively contributed to the re-engineering of tax system across the world.

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Madam Speaker, the Committee was specifically pleased by the admission of the nominee that the solution of our revenue performance does not lie in the increasing the tax but on the need to expand the tax net while remaining alert on the prosperity to increase the tax avoidance. In his own words; *'To cut the tree, we must take considered time in sharpening the axe thereby reducing the real time spent during tree cutting.'*

Madam Speaker, the committee wishes to request this House to approve Mr. Andrew Chege as the Chairman of the Nairobi City County Revenue Authority. The credentials presented before us were okay. He has an elaborate experience ranging from working for IMF to small and medium economies. A person with crystal clear understanding of what needs to be done and how it should be done as well as he got the necessary skills to do the job.

The Committee hence urges this Assembly to approve the nomination of Mr. Andrew Chege for appointment by His Excellency the Governor as the Chairman of the Nairobi City County Revenue Authority. I call upon Hon. Mark Mugambi to second the motion.

Hon. Mark Mugambi: Thank you so much, Hon. Speaker and thank you Chairman of Budget, Dr. Wilfred Odalo. Madam Speaker, allow me to thank the Governor H. E Johnson Sakaja and his advisors for this well thought out move.

Madam Speaker, the County projects an annual collection of Kshs.18 billion. Whereas currently despite our bragging of an increased revenue collection, we have hardly reached this target. The creation of this Revenue Authority is a good move in the right direction. In the National Government, the revenue authority is the backbone of the mobilization of resources which are key to our development and recurrent expenditure. I am foreseeing us not only trying to reach the target but also surpass in the near future. It is my belief that this Revenue Authority will help this County.

Allow me to thank the Governor because Nairobi City County is the only county that has not stagnated due to non-payment of salaries and other services even without the help of the National Government. I am foreseeing a scenario where this County will start lending money to the National Government if we put our revenue streams in order. I believe that this is what this gentleman that the Budget Committee has vetted is bringing on board.

Also, allow me also to thank the Budget Committee, being led by the super Chairman, Dr. Odalo and the Vice-Chair, the iron lady, Hon. Emily Oduor. We thank you for doing due diligence while vetting this nominee. This Assembly shall be remembered for turning around the fortunes of this great city. With these few remarks, I second this motion. Thank you.

(Question proposed)

Hon. Temporary Speaker: Hon. Members, you may now debate. Hon. Matara.

Hon. Silas Matara: Thank you, Hon. Speaker for this opportunity. First, I would like to appreciate the efforts of our able Governor in terms of ensuring that Nairobi works and bringing new thinking into this system because we cannot do the same thing the same way and expect different results; this is referred to as insanity.

Secondly, let me extend my gratitude to the able Chair of Budget and his team for the good work. From his sentiments while moving the motion, they assured this House that the gentleman that is being

approved in this House to lead the County Revenue Authority is well equipped, well versed, well learned and well experienced in revenue collection, which will go a long way in ensuring that the budgeted programmes that we promised the people of Nairobi during elections, can be implemented by having resources because services and functions can be well implemented with adequate resources. It is also going to cure the problem of sorting out the pending bills that fall into our books each and every time. It will also increase the allocation to the Assembly and the operations of the Assembly in terms of our budgets are going to be improved and also each and every member is going to have something to tell their people when they go back to re-election. With those few remarks, I beg to support. Thank you.

Hon. Temporary Speaker: Leader of Majority.

Hon. Peter Imwatok: Hon. Madam Speaker, when I started public speaking, I used to shake. I was trying what Daktari is trying to talk here. When I look at the Senate, every Senator walks from his seat and comes to speak and address the Chair from here. It is comfortable we address you from here because I can see your smile. Madam Speaker, it is historical to this House that today we are approving a nominee, looking onto his credentials not his political party or tribe. The Budget Committee, led by the Chairperson and the Vice Chair, and the able team across the political aisle, have said Mr. Chege is qualified. Not because he is a Kikuyu, not because he affiliates his vote to UDA or ODM, but he is qualified. No one in the Committee questioned who brought him. All said and done, we will question what he is capable of doing.

Since we pass NCCRA Act in this House, we have been pleading with the previous governors, from Governor Mike Mbuvi Sonko to Ann Kananu to have our own KRA, which is NCCRA, but no one could heed that. I thank the Governor that in less than two months, he has appointed this team. I congratulate the Budget and Appropriations Committee, some of them were in Mombasa and they rushed back to vet this particular nominee.

I know Mr. Chege in person but I don't know his working. I expect, as the CRA has put the ceiling of revenue collection of this county at Kshs.65 billion. But unfortunately, the highest collection was in 2015 during Dr. Odhiambo Evans Kidero's era where he collected Kshs.15.6 billion. All said done, Mr. Chege, you have a task to do because the same entry is the same exit point. We expect the Budget the Chair is going to read in less than 30 days, revenue collection to be hit as quick as possible.

As a caution, Madam Speaker, I have seen some nominees there, they are staffs of the County. I believe they will also give Mr. Chege humble time to streamline the issue of revenue. Mr. Chege and the team accountable. We need money and development to the County. With the approximated budget of Kshs.42 billion, can Hon. Chege give as just Kshs.25 billion this financial year plus the CRA allocation at Kshs.45 billion, we are ready to sort Nairobi's problems.

Thank you, Madam Speaker, the Committee of Budget and Appropriations, the Jubilee side, the UDA side and the ODM side. Thank you.

(Applause)

Hon. Temporary Speaker: Thank you, Leader for Majority. Member from Ngara Ward.

Hon. Anthony Karanja: Thank you, Hon. Speaker. I want to confirm that am not the Member for Ngara Ward but my microphone is on.

Hon. Temporary Speaker: Leader of Majority, I am giving you a chance but I have called Hon. Chege. You can go on.

Hon. Anthony Karanja: Thank you, Hon. Speaker. I would like to add my voice to the report because I am a member of the Appointments Committee. On the academic credentials that have been highlighted by my counterpart, the Hon. Majority leader, I would like to add that Mr. Andrew Chege has a very impressive track record. He is a consultant for the Ethiopian Government on revenue and it is even on the public domain that he was able to increase the revenue in Ethiopia by 2800%. Mr. Andrew Chege is a consultant for the Tanzanian Government and during the time when he was consulting for them during the late Dr. Magufuli's reign, the revenue increased by 700%. He is also the one who proposed, developed, established and operationalized the ETR system in this country. He is a technology graduate from the University of Nairobi and so many other universities which I cannot remember. I believe that he is going to turn around the fortune of this County.

Mr. Speaker, we also looked at his net worth, he is a billionaire by Kenyan standards. I remember we asked him where he amassed that amount of wealth and he listed his consultancies and actually noted that, currently he has a contract worth 300 million dollars in one of the African countries. I think he is also consulting for Ghana and another West African country. So, we are lucky to have him. Sometimes it looks like we are doing some people a favor to give them an opportunity to serve this city. For the first time, I want to believe that he is doing us a favor to agree to work for us.

(Loud consultations)

Hon. Temporary Speaker: Order, Members!

Hon. Anthony Karanja: Hon. Speaker, protect me from the Chair, Budget, the Majority Leader and the Minority Whip.

Hon. Temporary Speaker: You are protected, Minority Leader, go on.

Hon. Anthony Karanja: Thank you. So, Hon. Speaker, I want to say that it is a great opportunity for this city because we have all always suspected and always know the potential of this County that we do not even need any money from the National Government. We have capacity to generate our own revenue. Since 2015, our revenue has dropped by more than Kshs.7 billion. It is not that this money is not there, it is either not being collected or it is getting lost between collection and depositing in the bank.

Hon. Speaker, I would like to congratulate Governor Johnson Sakaja for taking the bold step of establishing the NRA. We passed this bill in the last Assembly but the governor then could not have the courage to establish it. So, we want to congratulate him and we want to give our support as this County Assembly to make sure that Nairobi works. Thank you.

(Applause)

Hon. Temporary Speaker: Member for Ngara Ward.

Hon. Chege Mwaura: Thank you, Madam Speaker for giving me this opportunity, although you gave me and then you took it away after my boss decided to bully me. In the other life, he had a campaign slogan

that used to go, “*Hatubahatishi. Nitashinda, mtado?*” I guess he has brought the same here that, I can talk before you, *utado?* So, I stand guided.

First, is to congratulate the Budget Committee, as I stand to support this motion. I know they have done due diligence on behalf of this House. Looking at and hearing the credentials of this bright gentleman, I can assure you, just as his name goes, will never disappoint. Same as Waithera Chege and Chege Mwaura, he will not disappoint. Just from what the Leader of Majority has said, as a House we cannot forget our core business, that is to oversight. We are happy to support and we will give them all the relevant support that they will require.

Madam Speaker, the revenue raising capabilities of this County are enormous. I know the team will go into now separation of powers where we have a team that is dedicated for revenue capabilities and then the other for expenditures. On the revenue side, we hope that they will streamline the digital system so that now can have a foolproof. The last biggest amount was in 2016/2017 under Governor Kidero when we clocked Kshs.12.6 billion. We went down to Kshs.8 billion. I hope having started in the new financial year with this new team, we hope that at least we can raise by at least 50% moving forward. if not, we will again be asking very difficult and serious questions despite our names corresponding. We hope that the team will be given necessary tools to be able to achieve. Not just to name a revenue authority but also to incentivize so that members of this city once the services are given, they are also able to remit their taxes as due.

Madam Speaker, finally, I would also want to speak on a serious issue which I think we will take it up; on the financial autonomy of county assemblies. Moving forward because now we have a proper revenue authority that can give us money, we also want to have a gentlemen agreement between the Executive and the Assembly so that the money that should be coming to the Assembly can be reinforced and be given in good time.

(Applause)

Even as we push the Senate, can we even have that discussion to have a local arrangement so that the money – currently, it is less than 0.5% of the total budget that is coming to the Assembly, which is about Kshs.1.5 billion. If we can be able to divide that in the next 10 to 12 months so that every month we don't need to fight about that amount that the County Government of Nairobi can collect on own source revenue. Let us calculate, whether it is Kshs.200 million or Kshs.300 million per month, let it be remitted to our accounts even as we are waiting for Senate to make the changes to the law. I think that is the discussion the Budget Committee and the leadership can take it up. We first and foremost show the country that this County can lead by example and start taking the right steps in ensuring financial autonomy. Moving forward, we now talk to the National Government so that the money that is coming from them can be spread at 85% and 15% equally so that we don't have to go and beg at any Executive office for the affairs of this Assembly.

Finally, Madam Speaker, I wish that they also do not turn to be like KRA. I wish to inform Members in the same space that we got orders yesterday with regards to car taxation issue. We hope that it will be fair. I am assuring this House that in the next two weeks once the matter is heard interparty, we are going to ensure that those orders are extended so that Members can get their full amount of the car reimbursement as given by the government.

(Applause)

I thank you Members for attending this Special Sitting even when I know you sometimes feel hard and maybe the time is not going as fast as they want. I urge for caution, let us not rush into positions that jeopardize the movement of the County because we want to make political steps or we want to make political mileage whereas there are processes that we can take and we are going to get there eventually. At the end of the day, we are going to get there slowly but surely and very systematically. Thank you, Madam Speaker.

Point of Order

Hon. Temporary Speaker: Leader of Majority.

Hon. Peter Imwatok: It is a point of order, Madam Speaker. The SG of CAF is addressing a very pertinent issue---

Hon. Temporary Speaker: On which Standing Order, Hon. Majority Leader?

Hon. Peter Imwatok: 56 (h) on privilege. What the SG of CAF has spoken is about my privilege as a member. If we have a court order saying the car reimbursement to be given in full, the class will start working on for those of us who took the entire money, not to deduct our money. And also work around the project Kshs. 600,000 back. Thank you Speaker.

(Applause)

Hon. Temporary Speaker: Thank you, Leader of Majority. That is Order No. 59, not 56. Hon. Kados.

Hon. Paul Kados: Thank you, Hon. Speaker. Let me first start by congratulating my brother, Daktari Odalo and the Committee for having passed the person whom we have seen the credentials. He has done a lot for this country and he has worked in so many countries and we have had results.

I also want to congratulate our Governor for having thought of nominating the person as the Chairperson to collect money for this Government. This is what we have been crying for in this city. This County can collect over Kshs.30 billion if every effort is made into collecting revenue. But my worry in supporting this, the team must, and that I am asking the Chairman of the Budget and the whole Committee to step in and help that board to delink itself from the collecting system, which we understand the servers are somewhere in Manyani where even the Governor or this County cannot reach. They need to come up with a system which would be managed by this County. We were at one point there during the time of our former Governor Kidero, but after interference, that is when revenue started going down.

Madam Speaker, the other issue I would like the Committee, that board and the whole Government of Nairobi County Government to look into, is harassment by our officers. Most of Nairobians are willing to pay revenue. There was a case where a person had paid all funds to the County; building plans, health fees, clearance from NCA, NEMA among others, but he was arrested yesterday just because he had coughed another Kshs.300 thousand to some very crook officers. I reported that to the County Secretary. Since they wanted more money from this person, today, they brought him to court after paying everything. In fact right now, he is being released.

Madam Speaker, I think it is the onus of this Assembly to come with some solutions where our collecting teams, especially the Inspectorate Department, is looked into because of the harassment they are doing to our people. The other thing I would like to be looked into is, even in wards there must be competition in collection. If we just give it a blanket approval, you will find some wards lagging very far behind because

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even some of us politicians don't like collection to be done their wards. If we want to change the lives of our people, we must start teaching our people why they should be paying these rates.

With those few remarks, Madam Speaker, I support and I congratulate again the Committee of Budget for having come up with a very important person who can help this County. Thank you.

Hon. Temporary Speaker: Thank you, Hon. Kados. Hon. DNG.

Hon. Davidson Ngibuini: Thank you so much, Hon. Speaker. Mine is just to give some caution in support of what has been stated by Hon. Kados, our Deputy Speaker. It is indeed it is a well thought move to have this Nairobi City County Revenue Authority. However, it is sad that our revenue collection is still being done by KRA. This is the first order of business that I would love this appointee to take on and delink, as the Deputy Speaker has mentioned. Indeed, it begs the question as to why is this still the case even after the deed of transfer of functions from the National Government to the County Government has already taken place, KRA is still in charge of our revenue collection. It would be very sad to put in all these efforts to increase revenue and to do all these good things yet these money goes to benefit others and the County Government has no control over the funds. So, I hope that the Chairperson of these Nairobi City County Authority, with the guidance of the Finance Budget and Appropriations Committee, will priorities sorting out these matter as its first order of business and compel KRA to relinquish its control over our monies. Thank you.

Hon. Temporary Speaker: Thank you. Hon. Emily Oduor, please, take one minute for the interest of time.

Hon. Emily Oduor: Thank you, Madam Speaker. For a while I though you forget gender balance because so many are claiming that they have their microphones on but you seem not to recognize them. For the sake of equality, you should consider both genders.

Otherwise, I stand to support this motion. I was in the Appointments Committee in the last Assembly and this Assembly too, and I must say that Mr. Chege impressed me. When you know that you are going to be interviewed by Hon. Ogeto and Hon. Kiragu, then you know that it is going to be tough. However, it reached a point where we had no questions to ask the man because he had all the credentials that we were looking for. This is one person that has looked at a way of expanding revenue collection horizontally. By this, I mean that he is going to expand the number of people paying tax instead of increasing tax. For example, in the parking area, we can increase it from Kshs.200 to Kshs.500. He gave us a lot of information on what he intends to do. It has been said by Hon. Bishop, I believe this is one man we need more than he needs us.

If you hear what he has done in other countries, we felt sorry that one of us can go to Tanzania, Ethiopia and Ghana and improve the revenue collection yet right here in Nairobi, we have a big problem in revenue collection. We hope and know that he is going to replicate what he has done in those countries here. With those few words, Madam Speaker, I support.

Hon. Temporary Speaker: Thank you. Due to the interest of time, may the mover reply.

Hon. Wilfred Odalo: Thank you Madam Speaker. Let me take this opportunity to thank my very cooperative members and staff Wilfred Manyi, Alphonse and team for making this work. I beg to reply.

(Question put and agreed to)

Hon. Temporary Speaker: Clerk.

MOTION**CONSIDERATION OF THE SECOND SUPPLEMENTARY BUDGET ESTIMATES
FOR THE FY 2022/2023**

Hon. Wilfred Odalo: Thank you, Madam Speaker. I beg to move:

THAT, this Assembly adopt the 9th report of the select committee on County Finance Budget and Appropriations on the Second Supplementary Budget Estimates for the Nairobi City County Government and the County Assembly for the year 2022/2023.

Madam Speaker, budgets are made to address specific issues in the society with specific focus on the improvement of the lives of the people. Last month, this Assembly approved the County Integrated Development Plan, the Annual Development Plan and the County Fiscal Strategy Paper that are key documents for the realization of the aspirations of the regime---

(Loud consultations)

Hon. Temporary Speaker: Order, Hon. Members! There is a serious business going on and I request that we be patient.

Hon. Wilfred Odalo: Thank you for protecting me, Madam Speaker, and ensuring that the Serjeant-at-Arms do their work. I also request that you protect me from the Minority Leader.

Madam Speaker, this supplementary budget has therefore been submitted to provide basis for the alignment of the current budget to realities that have come to bear since the passage of the first supplementary estimates. Hon. Members, you may remember that in the approved supplementary I, the County Assembly had granted authority to spend towards car grant for Members of the County Assembly and settling of the pending bills as well as the reallocation in the budget capture in the priority areas for the third regime. Madam Speaker, the Budget Committee has scrutinized the submitted supplementary II budget estimates and is content that the proposed adjustments and reallocations are well intentioned and shall be proposing the various areas that require amendments.

Madam Speaker, the Emergency Fund is an important tool through which residents of Nairobi get alleviated from the calamities related to disaster, that are not limited to fire outbreak. Over the last few months, the County has witnessed a number of fire outbreaks that have strained the existent of allocation for emergencies. To continue making the County responsive to our people during their hour of need, the Committee has resolved that the allocation for emergency fund be increased by Kshs.250 million. The Budget Committee informed the House during the consideration that the County Fiscal Strategy Paper 2023 that as a County, we must converge at the pending bills table to develop a work plan roadmap that will ensure that the County improves our credit worth by religiously allocating money for pending bills and most importantly ensuring that the allocation amounts are used for that purpose. The Committee has remained faithful to this commitment by authorizing additional amount of Kshs.1 billion for the settlement of various pending bills.

Madam Speaker, on resource mobilization, the Committee cannot overemphasize that we are not on the first line as far as internal revenue generation is concerned. A while ago, the Assembly adopted the appointed of the Chairperson of Nairobi City County Revenue Authority. In that report, we emphasize that we

must rethink our revenue strategies, improve efficiency and cast the tax net wider to bring on board all potential players. The committee has through this supplementary budget, continued with more action and less talks by setting aside Kshs.150 million for Integrated County Revenue Management System. This system will support the Revenue Authority in revenue administration by turning our revenue targets into reality.

The Health Sector plays a critical role, and unless supported, the lives and livelihood of our people may be in limbo. It is for this reason that the Committee has okayed additional allocation for the Health Sector to a tune of Kshs.340 million majorly for the purpose of medical drugs and non-pharmaceutical. Other areas that the Committee has considered as critical towards the realization of the transformation of agenda by his Excellency the Governor Johnson Sakaja, includes sanitary towels, clean materials under a green Nairobi, which has been allocated an addition of Kshs.100 million.

The Mobility and Works Sector's allocation has been re-increased by accumulative Kshs.600 million.

Under the Education, the Committee has agreed with the Education Sub Sector that the payment of pending financial obligations is of paramount importance. It is for that reason that the committee has proposed that the allocation of the sector be increased by Kshs.50 million.

Madam Speaker, we are strong as our Human Resource and the Committee is aligned to the Governors manifesto on improvement of working environment for all county staff and ensuring that we have motivated personnel able to perform the assigned duties to the best of their abilities. It is for this reason that the committee has allocated one billion for enhancing our human resource database through adoption of staff who were previously performing functions under the defunct Nairobi Metropolitan Services. Further, the committee has enhanced the allocation for staff medical insurance to a tune of Kshs.1.3 billion, allocation of Kshs.20 million for purchase of new uniforms for Inspectorate officers thereby cutting across by reducing the overwhelming paperwork as well as supporting the purchase of NHIF complement computer at an average cost of Kshs.40 million.

Madam Speaker, based on the above and having reviewed the supplementary estimates for the year 2023, the Committee recommends;

- That the policy recommendations contained in table report be approved.
- That the specific budget reduction, budget increase and resolution on the development budget allocation be approved

Under the Ward Development Fund, the Committee continues to underscore the need for timely completion of payment of the rates certificates. The Committee in this regard has agreed with the County Treasury on the need of fully utilizing the amount allocated for Ward Development projects through the first and this supplementary estimates with addition of Kshs.200 million so that WDF amount will now be Kshs.1.62 billion.

In conclusion and pursuant to provision of Section 135 and 154 of the Public Finance Management Act, 2012 and the Standing Order 234, the Select Committee on Finance Budget and Appropriations recommends that this County Assembly adopts the 9th report of the Select Committee on Finance, Budget and Appropriations on the 2nd Supplementary Budget Estimates for the Nairobi City Government and the County Assembly for the year 2022/2023.

Madam Speaker, allow me to call my senior, the Minority Leader to second the motion.

Hon. Anthony Karanja: Hon. Speaker, I would like to second this motion as a member of the Budget Committee and urge Members to support the County in passing this budget. We sat down and burnt the midnight oil looking at where to move items. We increased areas of development especially in the Inspectorate, Finance and Health. It is a very painful budget because the Assembly has taken a bold step to forego its ambitions of owning offices this time because we could not make commitments by the end of this financial Assembly and that is part of the money that is being distributed for development and staff emoluments including the unpaid per diems of Members and allowances owed to staff of the County. I believe that we will be able to see a lot of activity in the two months before we do the next budget. I beg to second and support this motion.

(Applause)

Hon. Temporary Speaker: Order, Members!

(Question proposed)

Hon. Temporary Speaker: Hon. Mark Mugambi Macharia.

Hon. Mark Mugambi: Thank you once again, Madam Speaker---

Hon. Temporary Speaker: Let him go ahead in order of seniority

Hon. Moses Ogeto: Thank you, Madam Speaker. It is good to appreciate that despite him being in the same level as I, I am on my third term.

As a member of the Budget committee, we had to look at the document vigorously and ensure that the same has been done. You realize that the Chair emphasized that the Education Department's budget has been increased. In the estimates, the Committee in its wisdom ensured that the WDF budget be increased so that there is development in the whole of Nairobi. Also, the Committee increased its budget for disaster to Kshs.250 million to take care of the fire outbreaks in our *kijijis*. The Health Sector's budget has also been increased so that residents of Nairobi are taken care of. The Transport Sector has also received an increase so that we can reduce the potholes in this city.

I want to sincerely thank the Members who have come today because it shows commitment to the agenda of the Governor. I believe that during the afternoon session where we will be handling the Appropriations Act, we will have the same attendance and support the Governor and his manifesto. Members are committed to ensure that the Governor works and Nairobi residents get the services for which they elected us to offer. With those few remarks, I beg to support this motion.

Hon. Temporary Speaker: Thank you. Leader of Minority.

Hon. Anthony Karanja: Hon. Speaker, in the interest of time I do not think that there is any issue with the budget, so, I would like to call the mover to reply.

Point of Order

Hon. Temporary Speaker: What is your point of order, Hon. Hashim Kamau?

Hon. Hashim Kamau: I am seeking clarification from the Budget Committee through the Chair. When one rises, it is because they are either supporting or opposing. Page 9 of 16, (iii) says, "That in order

to reduce pending legal bills, an additional Kshs. 420 million be set aside for pending legal creditors.” When you go to page 10, of 16, (xv), “That Kshs.1.5 billion of public works, road maintenance and infrastructure, with the decrease ranging from Kshs.1 million to almost Kshs.95 million across the wards---”

(Hon. Moses Ogeto spoke off the record)

I was on a point of Order and I raised the issue that is being raised by the Majority Whip.

Number two, just the last one, Madam Speaker, “we reduce Kshs.110 million in the construction and rehabilitation of stadia.” So, much clarification, Madam Speaker---

Point of Information

Hon. Temporary Speaker: Majority Whip.

Hon. Moses Ogeto: Hon. Speaker, this is a House of debate and rules. The Member is purporting that the report, which has been done the Members of Budget Committee, is invalid. He should go to the committee’s recommendations on the absorption rates. It is good for him to approach the Chair so that he can explain to him what the committee observed. My counterpart is there, he is a Member of Budget, he should approach him and explain what the committee has observed. It is on the last page of it. It is either the Member opposes or support the motion. If he wants to get information, let him approach the Leader of Minority there.

Hon. Temporary Speaker: Thank you Majority Whip. Minority Whip.

Hon. Mark Mugambi: Thank you, Hon Speaker. Also, to give an insight to my Member, I am a Member of the Budget Committee. This is not a report of the Budget Committee only; it comes from the sectors of the Executive Arm of this Government. The sectors, using their own wisdom, are able to know how much they are going to utilize before the financial year ends. Failure to which, this in return affects the sectors’ absorption rate. Therefore, if it affects the absorption rate, the sector cannot be able to request for an increase in the next budget yet they didn’t utilize.

A supplementary budget is a reorganization of whatever is available from one sector to the other. You cannot rise on a point of Information to question. I think the best thing is either the Member supports or opposes and afterwards maybe take keen of those sectors that have been affected and liaise with the Chair of those committees or the Executive to know if he needs to find reasons as to why they found need to reallocate these monies. For instance, in a sector like Works, the moment they realized they cannot be able to use a certain amount of money, they reallocated it into purchase of materials that are supposed to be used in our asphalt---

Hon. Hashim Kamau: Time is over!

Hon. Mark Mugambi: Hon Speaker, I think the Member is playing with the wires. Before I was rudely interrupted, I was saying, the Public Works Sector found it wise that instead of advertising projects within one month, which will not have been awarded and completed because we are well aware that the financial year ends in June and nothing much will have taken place from advertising, evaluation, the contractors going to site and completion, therefore, they redirected the money into purchase of materials. The purchase will be done quickly so that the asphalt plant produces the tarmac quickly and the repairs within the CBD will

continue. With these few remarks, I think my Member is well educated and well guided. Hon Speaker, just call the mover. Thank you,

Hon. Temporary Speaker: Leader of Minority.

Antony Karanja: Hon Speaker, I think you have made it clear who is supposed to speak. I ask the Member to sit down. First of all, Hon. Speaker, defend the Members' rights to question, I believe he has the right to clarification and to question. I remember the Leader of Majority now used to have a very hard time as a lone ranger in this Assembly trying to question. Nevertheless, he continued and he made a lot of progress under very difficult circumstances. So, for the two Whips, the right for this Member to question any document must and should be protected. And any other member for that matter.

(Applause)

However, the right to question does not necessarily mean that what he is questioning is correct. This County cannot commit that money in the next one and a half weeks, that is by the end of this month. The money will be lost. The only sensible thing for this County to do is to reallocate that money. If there is a stadium, a hospital or a road that has not been advertised by now, just like my Whip is saying, we cannot let it appear in the same budget, otherwise, the money will be lost. So, I want to say that he has a right to talk, however, he needs to support or reject the report, like the Whip is saying. Thank you

Hon. Temporary Speaker: The mover to reply.

Hon. Wilfred Odalo: Thank you. A rider on that before I reply, Hashim is a senior Member of this House. It is in record that the other day when the whole Assembly passed rejection of Mr. Musumba as the County Secretary, he ran to court. This is not an exception. As a senior Member, I have worked with five governors. The only way we can reciprocate a sitting governor is to align to his manifesto. We should not be watermelons; you either oppose or support. Our senior Member, even if you want to run to court as you did on the County Secretary's position ---

(Laughter)

Hon. Temporary Speaker: Order, Hon. Chair!

Hon. Wilfred Odalo: I beg to reply.

(Question put and agreed to)

ADJOURNMENT

Hon. Temporary Speaker: Hon. Members, the House stands adjourned till today 2:30pm. Thank you for your cooperation.

The House rose at 11:00 a.m.

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