



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

5TH SESSION

NBI CA. PLC. 2017 / (067)

29th June, 2017

PAPER LAID

Pursuant to Standing Order 180 (6) I beg to lay the following Paper on the Table of the Assembly, today Thursday 29th June, 2017.

THE REPORT OF THE SELECT COMMITTEE ON WARDS DEVELOPMENT FUND ON
THE STUDY VISIT TO ARUSHA CITY COUNCIL, UNITED REPUBLIC OF TANZANIA

(Chairperson, Select Committee on Wards Development Fund)

Copies to:
The Speaker
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Almond-
Speaker
29/6/17

*Paper Laid on
29/06/17 by
Hon. David M.*

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

**REPORT OF THE WARDS DEVELOPMENT FUND COMMITTEE ON
THE STUDY VISIT TO ARUSHA CITY COUNCIL, UNITED
REPUBLIC OF TANZANIA**

Sunday 26th February 2017– Monday 6th March 2017

g/k

Background Information

The Nairobi City County Assembly Wards Development Fund Committee is established pursuant to the provisions of Section 35 of the Nairobi City County Wards Development Fund Act 2014 and mandated to:

- a) consider and recommend to the County Assembly any matter requiring action by the County Assembly pursuant to the provisions of this Act;*
- b) oversee the implementation of this Act and in this respect, shall after every two years submit a report to the County Assembly and where necessary, propose any amendments to this Act, in particular, with respect to the quantum of funds repayable into the Fund in accordance with section 4 of the Act;*
- c) oversee the policy framework and legislative matters that may arise in relation to the Fund;*
- d) continually review the framework set out for the efficient delivery of development programmes financed through the Fund; and*
- e) consider and report to County Assembly with recommendations, names of persons required to be approved by County Assembly under this Act*

In furtherance of its mandate the Committee resolved to undertake a benchmarking exercise in the Republic of Tanzania and specifically to the Arusha City Council. The aim of the visit was to enable the Committee appraise itself the leadership structure, role and operations of the Arusha City Council; get an understanding of the challenges faced by the Council in discharging its mandate and the policies and laws enacted to address the challenges among others. The benchmarking exercise took place between 26th February and 6th March 2017.

About Arusha City Council

Arusha City Council is situated in northern Tanzania, just below Mt. Meru at an elevation of 1,500m above the sea level. The fast growing city of Arusha has long

been the ideal gateway to East Africa's most famous tourist attractions. It is now also a popular centre for International meetings, conventions, and conferences. For some years Arusha has been the trading centre for Tanzanite; a unique Gemstone mined only in northern Tanzania.

Lying halfway between Cairo and Cape Town, the town has a history that commenced in the 19th Century when Captain Johannes built a fort at the foot of Mount Meru to facilitate the German colonization. From the little fort, which still stands and has become converted into a museum of natural history, the town of Arusha grew; first as a trading post for the local people, and now into famous centre for various international activities

Arusha was declared Township Authority in 1948 with population of 5,320 inhabitants. In 1980 was upgraded to Municipality and acquire a City Status in 2012. As the hub of the country's tourist industry, Arusha is the starting point for many wildlife and mountain climbing safaris in the northern circuit of Tanzania wildlife sanctuaries. Besides the City is the main market for Tanzanite minerals from Mererani mines and connected to the rest of the world by Kilimanjaro International Airport and the great Northern road that crosses through Tanzania from Nairobi to connect the Town to the rest of World

Arusha City has three divisions namely Them, Elerai and Suye which is subdivided into nineteen (25) wards and one hundred and thirty seven (154) streets within the City which covers an area of 270 km².

The city is located in Northern Tanzania between latitude 2 and 6 South, Longitude 34.5 and 38 East. The temperature is characterised by warm and cold

temperature ranging from 17C to 34C. The current population projection is estimated at 416,442 people.

Arusha City is headquartering of Arusha region, East Africa Community (E.A.C), the base for the International Criminal Tribunal Court of Rwanda (I.C.T.R) and African Court for people and human right. Another International body, one of many centred in Arusha, is ESAMI (Eastern and Southern Africa Management Institute).

Committee Membership

The County Assembly Wards Development Fund Committee comprises of the following 11 Members:

1. Hon. Maurice Gari, MCA -Chairperson
2. Hon. George Maina, MCA - Vice-Chairperson
3. Hon. Elizabeth Manyala, MCA
4. Hon. Peter Isuha, MCA
5. Hon. David Kitavi, MCA
6. Hon. Michael Wainaina. MCA
7. Hon. Wilfred Odalo, MCA
8. Hon. Peter Wahinya, MCA
9. Hon. Jairo Atinya, MCA
10. Hon. Erastus Muiruri, MCA
11. Hon. James Mwaura, MCA

The following five (6) Members of the County Assembly and one (1) Member of Staff took part in the study visit:

12. Hon. Maurice Gari, MCA - Leader of Delegation
13. Hon. George Maina, MCA
14. Hon. Mike Obonyo, MCA
15. Hon. Joyce Bocha MCA
16. Hon. Stephen Kambi, MCA
17. Hon. Michael Wainaina. MCA
18. Mr. Erick Otieno -Fiscal Analyst I

Acknowledgement

The Select Committee on WDF wishes to thank the Offices of the Speaker and the Clerk of the Nairobi City County Assembly for all the support they extended so as to make this study visit a reality

The Committee further extends its gratitude to His Lordship the Mayor of Arusha City Council, Hon Calist L Bukhai who facilitated the team's visit to Arusha. The Committee would also wish to notice the indelible support received from the other Arusha City Council Officials including Hon. the Deputy Mayor, The City Director, the Public Relations Officers, the officials at the Muriet Garbage Site. The Committee also pays gratitude to the Members of Staff at the Palace Hotel and the Arusha International Conference Centre.

During this visit, the delegation was utmost privileged to meet their counterparts who serve as Councilors in the Arusha City and hold discussions on various issues of mutual interest. Of note was the meeting with the City Director who


enlightened the team on the realm of measures the City had put in place to fast-track development initiatives. The delegation enjoyed the discussions held with Hon. the Deputy Mayor, the presentations done by the Arusha City Council officials on improvement of revenue collection as well as the visit to the Garbage Site.

The Committee commends the warm reception and friendly hosting that the team accorded them. It did not go without notice that despite it being a busy period for the Council, the elected officials and Members of staff were always available to attend to the Kenyan delegation.

Finally, the Committee thanks the Members of the Committee on WDF and specifically the Members who took part on this visit for their commitment and informative contributions that made the deliberations not only fruitful but also invaluable for the success of the exchange program.

Hon. Speaker,

On behalf of the WDF Committee, it is my pleasant duty and utmost privilege to present the Committee's report on the benchmarking visit to the Republic of Tanzania.

Signed.......... Date.....29/06/2017.....

Hon. Maurice Gari, MCA

Chairman: Ward Development Fund Committee

CHAPTER ONE: MEETINGS WITH VARIOUS STAKEHOLDERS

1. Courtesy Call to the Deputy Mayor of the Arusha City Council

1.1 Introduction

The Members started their study visit to the City Council by paying a courtesy call to the most powerful lady in the hierarchy of the Council; The Hon. Viola Likindikoki, who is the Deputy Mayor. In the meeting, Hon. highlighted to the visiting team the key tenets of the Arusha City Council including the composition, procedures and role in the management of public resources.

1.2 Overview of Council

The Deputy Mayor began her deliberations with the visiting delegation by taking the Members through the composition of the Council which she noted was comprised of thirty three elected Councillors. In these numbers, she pointed out; the ruling party (Chama Cha Mapinduzi) had only one elected Councillor with the rest belonging to the opposition party (Chama Cha Dema).

On coming to office of the Council officials, the Deputy Mayor enlightened the Kenyan team that once elected; the first business of a new Council was to elect the Mayor, the Deputy Mayor and the Chairpersons of Committees. She explained that whereas the Mayor was elected for a term of five years, the Deputy Mayor and the Chairpersons of Committees had their contracts renewed on annual basis.

1.3 Public Finance Management

The Deputy Mayor further informed the meeting that the major Committees in the Council were those mandated to oversee issues related to Finance, Social Services as well as Environment and City Planning. On the implementation of their projects, it was elaborated that the Council had Wards Development Committees based at the Wards and which were mandated to come up with development priorities for ratification at the Full Council Meeting. To achieve the priorities presented, it was said; the priorities were rationalized and fitted within the annual budgets. The budgets once passed by the Full Council, the Deputy Mayor explained, were forwarded to the National Assembly of Tanzania in Dodoma for final approval. In that regard therefore the Deputy Mayor was keen to point out that the resolution or otherwise of the Council on the budget estimates were not final. Nonetheless, she submitted, the Council Members and employees were paid their salaries and allowances from the national coffers. This therefore left huge resources for utilization in development projects.

1.4 Q & A Session

- i. **The hosts requested the visiting delegation to provide them with a comparison of the defunct City Council of Nairobi and the Nairobi City County Assembly in regard to implementation of development projects:** The MCAs submitted that the new system despite its many merits had created lethargies and red-tapes which slowed down implementation of projects. This, they said, limited the presence of the devolved units at the grassroots.

2. Discussion with the Revenue Officials

The representatives of the WDF Committee had the chance to meet with the City Director and other senior officials of the Council tasked with the responsibility of managing the Council's Internal Revenues Sources. The officials informed the Kenyan team that the Council had five main sources of revenue namely Service Levy; Business License; Bill Boards; Market Due and Bus Stand. From the very beginning it was noted that these sources of revenues were almost akin to those being levied by the County Government of Nairobi. The officials further briefed the delegation that the Council had continuously created awareness among the various stakeholders, undertaken capacity building of management and staff on new system installation, provided incentives for staff who supervise revenue collection and offering 10% of own source revenue for provision of soft loans to women and youth groups as strategies for revenue collection.

The team finally enlightened the Kenyan delegation that 60 % of the Internal Revenues were utilized for development expenditures while 40% was spent on recurrent programmes. Details were provided on the development projects that the Council had managed to undertake with the own source revenue and these included numerous classrooms, purchase of agricultural equipment, construction of medical centres, ward offices among others.

The following were some of the specific measures that the Arusha City Council had put in place to improve own revenue:-

- i. Shift from manual system to LGRCIS since January 2014 whereby revenue increased from 5 billion TZS to 8.8 TZS

billion from Financial Year 2012/2013 to 2013/2014. (an incremental of 3.8 billion TZS);

- ii. Linking of LGRCIS with GIS improved identification of tax payers , hence reduced revenue administration costs;
- iii. The benefits of LGRCIS include time management; accuracy, proper and timely reporting, broader tax base and transparency;
- iv. Advertisement on local radio, local newspaper and Television the importance of paying Taxes;
- v. Distribution of Brochures to tax payers;
- vi. Establishment of Revenue collection task force;
- vii. Use of GIS in identifying tax payers; and
- viii. Establishing a desk to collect opinions from tax payers

5. Presentation by the Head of Budget on the Council's Budget Preparation Process

The City Director and his officers informed the meeting that the Tanzania budget cycle starts in the month of September with the Ministry of Finance and Planning issuing the budget guidelines to all Ministries, Regions and Local Governments. The meeting was informed that the Council's budget process consisted of the following stages:-

- i. **Preparation of the development projects from the Ward Level:**
The development projects are prepared using the bottom up planning known as O & OD (opportunities and obstacle to development). At this stage the streets Chairpersons meet and identify the development projects based on their needs by the use of Needs Assessment Plans;

- ii. **The Ward Development Committee:** This is the Committee by the elected ward Councilors where by the all plans from the streets which make up such a ward, passes to all the plans from their streets/villages and identify the selected projects so as to harmonize and come up with the priority projects which will solve the community's needs;
- iii. **The City Management Team (CMT):** This is the management made up of the head of departments and sections that represents the different sectors. Their mandate is to harmonize all the wards committee projects basing on the nature of the projects in each sector and prioritize them taking into account the ceilings submitted to the LGA's by the Ministry of Finance.

The Budget experts informed the Kenyan delegation that the following Committees were responsible for steering the Councils budget process:

- a. **The Economic, Education and Health Committee:** This committee is led by the elected ward Councilor and some of the head of departments, and its obligation is to discuss all the projects that fall under this Committee;
- b. **The Works, Town Planning and Environment Committee:** This is also led by the elected councilor who is the chairperson and its obligation is to pass the entire development project.
- c. **The Finance and Administration Committee:** This committee is led by the City Mayor as the Chairman and City Director as Secretary with other Committee Chairpersons and Heads of Departments being Members. Its main obligation is to pass through all the identified projects and allocate funds for each;
- d. **The District Consultative Committee (DCC):** This is led by the District Commissioner as the chair person and the Director as

meetings Secretary. The committee is made up of all the Head of Departments, the Ward Executive Officers and all the development stake holders within the District. Their main agenda is to discuss on the different development projects within the area;

- e. **The Special Budget Full Council:** -This is led by the City Mayor as the Chairman and City Director is meeting secretary. All the councilors and Head of Department and sections are the members of this meeting. This is the special council which has the mandate of passing the budget at the council level;
- f. **The Regional Secretariat**-This is led by the Regional Administrative Secretary (RAS)It is a consultative committee whose mandate is to pass through all the development plans and projects from the different councils within the region and harmonize them so as to have a Regional Budget;
- g. **The Ministry of Finance and Planning:-** The scrutinization committee. This is led by the Permanent Secretary and the budget officers. Their main task is to pass through all the budgets from the different Regions and check whether they abide to all the budget guidelines and allocate funds to all the votes basing on the ceilings.
- h. **The Parliamentary Budget Committee:-** This is final budget committee whose mandate is to pass through all the ministerial budgets and allocate funds to each ministry. It is led by the Honorable Speaker and all the ministers and the members of the parliament are the members. Its main function is to pass budget to all the ministries.
- i. **The Budget Implementation:** The budget implementation starts on the 1st of July and the release of funds is based on the collections

and funds received from the different donors. The implementation is also based on the action plans.

The Members of the Kenyan delegation while noting that the various systems of budgeting in the Council and

6. Visit to the Arusha International Conference Centre (AICC)

The members held discussions with the officers at the AICC who briefed the team on the responsibilities of the Centre in improving the image and economic of the Republic of Tanzania. Members were told that the working of the Centre was similar to the Kenyatta International Convention Centre in Nairobi. It was said that the Centre as is the case with KICC helps the Tanzania Tourist Board to promote tourism and open up Arusha as the best bet for any tourist destination. It was stated that the Centre had been able to pay host to a number of landmark events and organization including the genocide tribunal for Rwanda. To improve its revenue and also ensure that those who use the facility were attended to during times of emergency, the Centre has opened up a 32-bed hospital. In summary, members were delighted that the Centre managed to generate enough funds to take care of its activities without relying on exchequer issues.

The Centre in addition to the services if offered had various facilities including duty free shops, insurance companies, banking services etc.

In summary, members were delighted that the Centre managed to generate enough funds to take care of its activities without relying on exchequer issues. The team undertook to recommend the centre as an alternative venue for conference and business activities.

7. Site Visit to Muriet Garbage Site

The Members of the Nairobi City County Assembly had the chance of visiting the revamped garbage site being run by the Arusha City Council in Muriet. The team was taken through a robust process of how garbage is brought into the site, weighed, sorted and decomposed. The site consisted of a number of key areas including the weighing bridge, the garage to take care of the vehicles and machinery at the plant, the security office, a dam to drain the water squeezed out of the waste as well as a site borehole to test on how the waste management systems were affecting the environment. The Kenyan delegation was briefed on a master plan of ensuring the garbage did not produce any bad odour.

The team appreciated the robust measures which the Council had put in place to ensure waste generation and disposal did not become a persistent thorn in the flesh of Arusha residents. The Members noted that the disposal mechanisms were worth domesticating to improve the status of Dandora dumpsite by ensuring that disposal of waste does not make neighbouring surroundings inhabitable. They recommended that the Nairobi City County department on Environment needed to visit the site to learn on better solid waste management mechanisms.

CHAPTER TWO: LESSONS LEARNT FROM THE ARUSHA EXAMPLE

1. Efficiency in implementation of approved projects is the norm in Arusha. The Council, despite having limited resources, had managed to build over 100 classrooms in less than three months, construct and equip a number of health facilities among others. while still undertaking other
2. Transparency in management of public finances has been greatly inculcated in the government. The team was informed that there were rare cases of misuse of public funds and those found culpable were dealt with decisively;
3. Procurement and its processes is a tool to enhance implementation of development projects and not limit it. The City Director submitted that officers mandated to undertake procurement prepare their plans in time and put in measures that 60% of the budget allocated for development is expended by the end of the financial year.
4. Use of the right technology coupled with political and officers' goodwill can greatly bolster revenue generation. The Council's e-payment systems had been able to double the revenue generated annually
5. Waste management requires shift in mindset and investment in the right technologies; and
6. Bottom-up approach is the best method of budgeting. The Council uses the Ward Development Committees as the first stop in identification of projects and this improves the confidence and acceptability of the development projects in general.

CHAPTER THREE: CONCLUSION AND RECOMMENDATIONS

3.1 Conclusion

The visit to Arusha provided an ample opportunity for the Kenyan delegation to witness how local governments can help, with the right leadership, to improve the lives of the citizens at the very grassroots. The City despite having an average revenue basket and not being part of the ruling government had made enormous strides forward towards ensuring that the service delivery to the people is not compromised.

3.2 Recommendations

Following the visit to Arusha City Council, the Committee invites the Assembly to resolve as follows:

1. That measures need to be put in place to decentralize all financial and procurement functions of the county government; and
2. That the County Executive and specifically the Environment undertakes a benchmarking visit to Muriet Garbage Site to learn on modern-day waste management techniques.