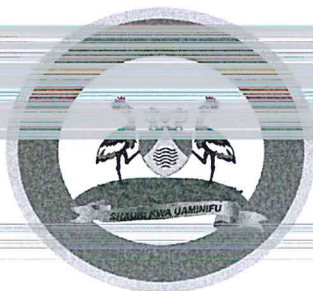


COUNTY GOVERNMENT OF NAIROBI CITY



*Paper laid on  
Tues 30th April  
2019 @ 10.30am  
Sm Ulic OCS  
30.4.19*

NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – THIRD SESSION

TWELFTH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET  
AND APPROPRIATIONS

ON

THE NAIROBI CITY COUNTY FISCAL STRATEGY PAPER AND THE DEBT  
MANAGEMENT STRATEGY PAPER FOR THE FY 2019-20 AND OVER THE MEDIUM  
TERM

APRIL 2019

## I. PREAMBLE

Hon Speaker, the requirement for submission of the County Fiscal Strategy Paper is underpinned in the provisions of Section 117 (1) of the Public Finance Management (PFM) Act 2012 which dictates that the County Treasury submits to County Assembly the County Fiscal Strategy Paper (CFSP) approved by the County Executive Committee by the 28<sup>th</sup> day of February in each year. The County Fiscal Strategy Paper so submitted is a policy document that provides the broad objectives and policy directions that would be considered in the preparation of the budget for the coming financial year and over the medium. In addition, the Paper provides details of the expected financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year. Further, the provisions of Section 123 (1) of the Act require that on or before the 28<sup>th</sup> February in each year, the County Treasury submits to the County Assembly a statement setting out the debt management strategy of the county government over the medium term with regard to its actual liability and potential liability in respect of loans and its plans for dealing with those liabilities. The statement on the debt management strategy is contained in the Debt Management Strategy Paper (DMSP). In compliance with the quoted provisions on public finance management, the County Treasury submitted to the County Assembly the two papers for consideration and approval.

Hon Speaker, The CFSP and the DMSP for the FY 2019-20 were tabled in the County Assembly on March 2019. Having been laid, the CFSP stood committed to all the Sectoral Committees and the Budget Committee for consideration and reporting as per their respective mandates. The DMSP was submitted to the Finance, Budget and Appropriations Committee for consideration and reporting. The PFM law and the Nairobi City County Assembly Standing Orders require that when finalizing the consideration of any budget document, the Budget Committee shall consult the Sectoral Committees, members of the public and the County Executive Committee Member for Finance.



Hon Speaker, it is noteworthy that the provisions of Standing Order 221 (6) dictate that the County Assembly approval of the motion on the report of the CFSP presented by the Budget Committee constitutes the County Assembly resolution setting forth the total overall projected revenues, the ceilings recommended for the County Government, and County Assembly and where necessary, the total sums for each Vote and the allocations to individual programs for the fiscal year 2019-20. The law therefore does not permit any discretion in implementing the resolutions of this Assembly as contained in this report.

Hon Speaker, the Members of the County Assembly Finance, Budget & Appropriations Committee who examined and made recommendations on the CFSP and the DMSP 2019 were as follows: -

1. Hon. Robert Mbatia, MCA Chair
2. Hon. Patrick Karani, MCA Vice- Chair
3. Hon. Michael Ogada, MCA
4. Hon. Osman Adow, MCA
5. Hon. Daniel Ngegi, MCA
6. Hon. Anthony Ngaruiya, MCA
7. Hon. Kariuki Wanjiru, MCA
8. Hon. J.M Komu, MCA
9. Hon. Paul Ndungu, MCA
10. Hon. James Kariuki, MCA
11. Hon. Susan Mukungu, MCA
12. Hon. Catherine Okoth, MCA
13. Hon. Emily Oduor, MCA
14. Hon. Nimo Hajj, MCA
15. Hon. Nancy Muthami, MCA
16. Hon. Elias Okumu, MCA
17. Hon. Paul Shilaho, MCA
18. Hon. Jane Muasya, MCA
19. Hon. Fredrick Okeyo, MCA

Hon Speaker, the Nairobi City County Assembly Finance, Budget and Appropriations Committee being served by the aforementioned Members is constituted under the provisions of Standing Order 199 and mandated to: -

- a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget;
- b) discuss and review the estimates and make recommendations to the County Assembly;
- c) examine the County Fiscal Strategy Paper presented to the County Assembly;
- d) examine Bills related to the county budget, including Appropriations Bills; and
- e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlay.

#### Examination of the County Fiscal Strategy Paper and the Debt Management Strategy Paper for the FY 2019-20

Hon Speaker, both the CFSP and DMSP for the FY 2019 -20 and over the medium term were submitted to this County Assembly at a time when the Sectoral Committees were yet to finalize their determination on the development priorities contained in the Annual Development Plan (ADP) for the coming financial year. Cognizant of the fact that the provisions of Section 104 of the County Government Act 2012 read together with the provisions of Section 125 of the PFM Act 2012 require that Planning precedes budgeting, the consideration of the CFSP was delayed to allow the Assembly consider and approve the ADP. This was to ensure that the broad strategies and priorities approved by the Assembly in the CFSP 2019-20 were informed by the County development priorities. The Budget Committee therefore submits that the delay in tabling of the report of the CFSP is a one off occurrence that shall not be repeated in subsequent financial years.

Hon Speaker, in the previous financial years the Finance, Budget and Appropriations Committee has considered the DMSP and the CFSP together as a way of ensuring that the debt management strategies are properly aligned to the fiscal direction being pursued by the County Government. The Committee does not need to over-emphasize the effects of debt and debt repayment on the County's financial position. In this regard, the Committee



has undertaken due diligence to ensure that the strategies contained in the two documents put the County Government on the right development path. The Committee wishes to report that it has adequately scrutinized the strategies and satisfied itself that the proposals contained therein together with the recommendations in this report are best fit for the County Government.

Hon Speaker, in reviewing the County Fiscal Strategy Paper and the Debt Management Strategy Paper for FY 2019-20, the Committee held a total of ten (10) sittings within and outside the County Assembly precincts. In these deliberations, the Committee received submissions from the County Executive Committee Member responsible for Finance, the Chairs of Sectoral Committees, the Secretary to the County Assembly Service Board and the members public. The recommendations from the discussions have been sieved and included in this report.

#### Acknowledgment

Hon Speaker, I would wish to pay special tribute to the following:

- a) Members of the County Assembly who worked tirelessly to ensure that this onus task was completed;
- b) The Members of the Finance, Budget and Appropriations Committee who reviewed the strategies, combed through the Sectors priorities and made determination on the budget ceilings for both the County Government and the County Assembly;
- c) Officers from the County Executive who appeared before it for purposes of making their submissions;
- d) Members of the public who honored their civic duty and participated in the public hearings held at Charter Hall on Monday 25<sup>th</sup> March 2019;
- e) Offices of the Speaker and the Clerk for the support received as it discharged its mandate of scrutinizing the 2019 County Fiscal Strategy Paper and Debt Management Strategy Paper;
- f) The County Assembly Budget Office which crystallized the content of the papers for both the Sectoral Committees and the Budget Committee; and

g) The Clerks of Sectoral Committee who provided support to Sectoral Committees during the consideration of this report.

Hon Speaker, it is therefore my distinct honor and utmost privilege, on behalf of the Finance, Budget & Appropriations Committee to table this report and recommend it to the Assembly for adoption.

Signed.....



Date.....

30<sup>th</sup> April 2019

Hon. Robert Mbatia, MCA

Chairman: Finance, Budget and Appropriations Committee



## II.SCRUTINY OF THE DEBT MANAGEMENT STRATEGY PAPER FOR THE FY 2019-20

1. Hon Speaker, at the inception of the devolution the first County Government of Nairobi City inherited a consortium debt approximated at Kshs. Kshs.36.3billion. Between the year 2013 to 2017 when the County changed stewardship the debt had grown to Kshs 56.516billion mostly due to factors reported to include non-remittance of statutory deductions, non-payment of suppliers and legal creditors and related penalties. The tabled DMSP indicates that the County debt stood at Kshs. 66.58billion as at June 2018 being an increase by Kshs. 10billion over the last one financial year. The unaudited statements indicate that the account payables read over Kshs. 70billion as at December 2018.

2. Hon Speaker, previous documents submitted to the County Assembly indicated that as at June 2017 the total account receivables stood at Kshs. 298.185billion being a rise from the 208.9billion in 2016 and Kshs. 147.3billion in 2015. The Committee noted with concern that neither the CFSP nor the DMSP had provided information on the growth of the amounts owed to the County Government. The County Assembly has in the past urged the County Treasury to pursue measures aimed at ensuring repayment of these amounts. The Committee reports that despite the financial health the County is likely to enjoy from remittance of the amounts owed, there has been lethargy in follow up and ensure repayment.

3. Hon Speaker, the figures presented indicate that the path towards fiscal consolidation remains a tricky one. Huge growth has been seen in pending payments for statutory creditors, suppliers/creditors, legal creditors and utilities with a small reduction being witnessed in the KCB loan. The Contingent liabilities remaining dormant as it has over the decades. The Committee also observed that a debt towards employee benefits of retirees /deceased has reduced over the years and the retired among us can start reaping their life long benefits while the dead also rest in financial peace.

4. Hon Speaker, The DMSP indicates that to contain the growth of public debt over the medium term the County shall focus on debt rescheduling, debt/asset swops and

payment of current statutory deductions as and when they fall due. However, the Committee notes that these strategies were first documented over three financial years ago and the status of their implementation including the success rate need to be reviewed. It is the considered opinion of the Committee that the rationale for planning and budgeting is to provide a systematic way of quantifying progress in implementation of government policy while also detailing comprehensive mechanisms of monitoring that progress. Whereas the Committee was persuaded that the strategies are still likely to bear intended fruits, it is of the view that there should be zeal in their implementation as per the budget matrices.

5. Mr. Speaker Sir, the County Assembly has in the past resolved that there is need to decentralize pending bills to ensure that the burden of repayment is incurred at the point where the bills have been incurred. The Paper indicates that there is intention to ensure pending bills of suppliers of goods and services is domiciled in the sectors but fails to provide details of how the total amounts owed has been disaggregated to the various sectors together with the corresponding sector allocations to settle the same. Information submitted to the Committee show that pending bills across the various Sectors is in excess of Kshs. 18billion.

6. Hon Speaker, the strategies to deal with amounts owed to suppliers are planned in the DMSP to include enhanced verification of arrears, increased budgetary allocation for pending bills, enhanced compliance to the legal framework and improved capacity of the Legal Services Department. The Committee notes that it is not clear from the CFSP submitted whether there has been increased allocation for pending bills and CFSP has not presented measures on how the capacity of the Legal Department will be enhanced in the coming financial year to reduce external payments on litigation. Whereas the DMSP provides that over the medium term, the County shall finance its large infrastructure projects through external borrowing, the deficit financing mechanism is not carried in the submitted CFSP. To ensure that the capacity of the Legal Department is enhanced, the Committee shall be proposing a number of measures aimed at ensuring that the



department is aligned to the provisions of the Office of the County Attorney Act and contemporary dynamics in the County Government.

7. Hon Speaker, to settle the KCB loan, the County intends to pursue debt rescheduling and review the repayment plan. The DMSP indicates that the County shall purpose to come up with a detailed and realistic repayment plan. The repayment plan has not been provided hence the timelines for its development and incorporation in the budget for approval are not determinable.

### III.SCRUTINY OF THE COUNTY FISCAL STRATEGY PAPER FOR THE FY 2019-20

#### 3.1. INTRODUCTION

8. Hon Speaker, the provisions of Standing Order 221 require that the report of the Budget Committee on the County Fiscal Strategy Paper contains a schedule of overall projected revenue and ceilings recommended for the County Government, and County Assembly and where necessary the total sums of each Vote and the allocations for each programme for the fiscal year in question. This once again serves to emphasize the fact that the County Assembly remains the neutral arbiter between various actors in the County Government on total the allocation of resources.

9. Hon Speaker, the Committee wishes to remind Members that the provisions of section 117 of the PFM Act decree that in compiling the strategies and priorities to be contained in the CFSP the County Treasury takes into consideration the views of the Commission on Revenue Allocation, the National Treasury, and members of the public among other relevant stakeholders. These consultations are meant to ensure that the County has sound fiscal projections and reasonable strategies for implementation of the budget.

10. Hon Speaker, the provisions of Section 117 of the Public Finance Management Act, 2012 outlines the contents of the CFSP which in summary include:

- a) Specification of the broad strategies and policy goals that will guide in budget preparation;
- b) Financial outlook with respect to county government revenues, expenditures and borrowing for the next financial year and the medium term;
- c) The total resources to be allocated to individual programmes and projects within the various sectors in the County;
- d) The proposed expenditure ceilings for the two arms of government; and
- e) Financial outlook with respect to county government borrowing

11. Hon Speaker, the presented County Fiscal Strategy Paper for the FY 2019-20 is divided into five parts. Chapter I of the CFSP provides background information on the County Government with specific emphasis on the legal underpinning for preparation of the CFSP, the rationale for the preparation of the CFSP, the County achievements for the FY 2017-18 up to midyear 2018-19 and review of the revised estimates for the FY 2018-19. Chapter II provides details on the macroeconomic indicators both local and international and how they affect the County's economy, details on county revenue performances and expenditure by sectors and details of the Counties debts and liabilities as at 30<sup>th</sup> June 2018. The Chapter also expounds on the implementation status of the Debt Management strategies approved in DMSP and the wage cost situation in the County. Chapter III enumerates the County Government's policy direction that will be employed to achieve the medium term outlook. It discusses the outlook on revenues, asset management and touches on sectors broad strategies. Chapter IV documents the budget priorities for the FY 2019-20 with information provided on the expected revenue outturn, expenditure projections, the priority areas for the various Sectors and the maximum resources each of the sectors is expected to utilize to achieve the strategic priorities (budget ceilings for the FY 2019-20). Chapter V of the Paper provides a brief on the implementation of the fiscal responsibility principles and the fiscal risks that are associated with the presented outlook.



### 3.2. REVIEW OF COMPLIANCE OF THE COUNTY FICAL STRATEGY PAPER 2019-20 TO THE PREVAILING LEGISLATION

12. Hon Speaker, the budget process and associated reporting on utilization of public resources is guided by the provisions of the law with clarity on the accountability levels required at each stage. The County Assembly is mandated to verify that budget documents submitted to the County Assembly have met the statutory threshold set in the originating laws. The baseline of these parameters is the requirement that there should be thorough engagement with the public on their needs, proper consultation with individual sectors on their priorities and approval of the document by the County Executive Committee. More importantly, evidence of the extent to which the consultations have been undertaken should be traced in the document presented. These are meant to guarantee total ownership of the document by both the County Government and the people who it is expected to benefit.

13. Hon. Speaker, the Committee noted during the consideration of the CFSP that it could not be verified whether the submitted CFSP was subjected to consideration and approval by the County Executive Committee as required by the PFM Act. The Committee has informed the County Executive that such approval is meant to improve ownership of the Paper by underscoring the need for consultation in the process of budget preparation. Going forward the Committee has resolved that submitted CFSPs and all other budget documents shall be accompanied with evidence of approval by the County Executive Committee.

14. Hon Speaker, on public participation, the CFSP 2019 has restated the importance of public input in policy formulation but has not detailed the extent to which public views were taken to account. The Budget Circulars issued by the County Treasury have consistently underscored the need for the Sector Working Groups to identify and involve stakeholders throughout the budget process and 'information of their involvement documented'. In this regard therefore, it is the continued expectation of the Budget

Committee that the County Treasury should have attached details of those who submitted their views, the views received and how they were incorporated in finalizing the CFSP. Once again, the Committee continues to reiterate that all budget documents should contain submissions from all stakeholders and analysis on how the various views were incorporated. The Committee shall be making recommendations in this regard in order to ensure that budget documents submitted to the County Assembly meet the set legal yardstick.

15. Hon Speaker, provisions of Section 117 of the PFM Act require that the CFSP specifies the broad strategies and policy goals that will guide in budget preparation; financial outlook with respect to County Government revenues; expenditures and borrowing for the next financial year and the medium term, the total resources to be allocated to individual programmes and projects within the various sectors in the County; the proposed expenditure ceilings for the two arms of government; statement of fiscal risks and their effects on policy assessment of current state of county economic environment. Whereas the Committee commends the County Treasury for having provided information on the above in the submitted CFSP, challenges still remain in ensuring that the County's expenditure on wages and salaries fall below 35% of total revenues and that the County public debt does not exceed 20% of total revenues.

16. Hon Speaker, the provisions of Section 117 of the PFM Act 2012 require that the CFSP be aligned to the broad national government priorities contained in the Budget Policy Statement (BPS). The BPS 2019 outlines the strategy of the National government to continue implementation of policies and programmes that are geared towards the realization of the big four agenda; a number which were initiated in the 2018-19 budget. The National Government has initiated measures targeted at supporting job creation by increasing value addition and the manufacturing sector's share of GDP; enhancing food and nutrition security; providing universal health coverage to all Kenyans as well as the provision of affordable housing. It states that the key drivers of growth in 2019, 2020 onwards will be strong performance in the agricultural and manufacturing activities,



favorable weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business confidence. The County in compliance to the law continues to allocate huge funds to the improvement of health care services and development of infrastructure. And indeed the Housing sector submitted the Nairobi City County Sessional Paper on Urban Housing Renewal and Regeneration Policy for approval by the House as a mechanism to support the Government's housing agenda.

### 3.3. BUDGET CEILINGS FOR THE FY 2019-20

17. **Hon Speaker**, the CFSP has enumerated the funding structure of the budget for the coming financial year by providing projected figures for the various revenue streams, maximum expenditure numbers for each of the Sectors and prioritization criteria in allocation of resources. The CFSP indicates that there shall be sustained allocations for earmarked funds like Wards Development Fund, Emergency Fund and the rolling out of the bursaries fund.

18. **Hon Speaker**, in the FY 2019-20 the total County budget has been proposed not to exceed Kshs.35.533 billion composed of Kshs. 24.072billion for recurrent and Kshs. 11.461billion for development expenditures. To ensure the County takes care of its legal obligations, implements inspectorate and investigative services, supports the Sub- County Administration and improve effectiveness of the Internal Audit department, the Office of the Governor is expected to utilize Kshs. 6.3billion. To support the Big Four Plan on universal health coverage, the Health Sector has been allocated Kshs. 7.2billion. The Finance and Economic Planning Sector which is mandated to ensure prudent public finance management has been allocated a total budget of Kshs. 2.7billion. To support infrastructural development and ensure a learned society the Public Works Sector and Education Sector have been allocated Kshs. 5.2billion and Kshs. 1.9billion respectively. The County Government is supposed to provide a clean city free from garbage and environment pollution. To support this mandate, the Environment Sector has been

allocated Kshs. 2.2billion. To support the legislative, oversight and representative mandate of the County Assembly, the Assembly has been allocated Kshs. 3.2 billion.

19. Mr. Speaker Sir, further and as part of the above allocations, the County Treasury has proposed to allocate Kshs. 100million for Emergency Fund and Kshs. 100million as Appropriations- in-Aid towards the liquor licensing board. The County Treasury has further allocated Kshs.500million towards debt resolution and Kshs 325million targeting revenue enhancement interventions for key revenue streams. On ward development programmes there is proposed allocation of Kshs. 1.27billion for development translating to Kshs. 14.9million per ward.

20. Hon Speaker, the revenues kitty of the County in the FY 2019-20 as documented in the tabled CFSP is Kshs.33.932billion is composed of Kshs. 17.267billion from the National Share of revenue and Kshs. 16.665billion from internal sources of revenue. With this resource outlay, the budget for the FY 2018-19 has a deficit of Kshs. 1.601. From own sources of revenue, the County projects to collect Kshs.3.925billion from Single Business Permits, Kshs.2.892 from Rates, Kshs.2.763billion from Parking Fees, Kshs.1.908billion from Building Permits and also collect Kshs.1.425billion from Billboards and Adverts.

21. Hon Speaker, in this regard therefore, to ensure that the Sectors ceilings are realistic and within the most achievable resource envelope, the Committee would be making recommendations on the same to this House for adoption.

#### IV. SUBMISSION FROM MEMBERS OF THE PUBLIC

22. Hon Speaker, through an advert on the dailies, the County Assembly called upon Members of the public to submit written memoranda on the CFSP 2019 as well as take part in public hearing held on the document on Monday 25<sup>th</sup> March 2019 at Charter Hall.



The following were some of the recommendations on the CFSP and DMSP received from the Members of the public: -

a) **Provide information on the implementation of the budget**– the public requested the County to publicize information on implementation of the budget regularly.

b) **Allocate funds towards stadiums** – the public requested that the County allocates funds towards improvement of stadiums and sport facilities.

c) **Complete stalled projects** – the public raised concerns that abandoned projects that had stalled in the County have started to be dilapidated and should be prioritized.

d) The Public submitted that grabbed lands that been surrendered back to the county should be developed to County amenities to avoid being grabbed again.

e) **Improve absorption of development expenditure** - the Members of public recommended that policies should be put in place to ensure funds allocated for development are used and the projects earmarked for them publicized.

f) **Involve public in WDF projects** – the Members of the Public requested to be involved in WDF projects identification as provided for in the WDF act.

g) **Maintenance of Markets**- noting that County markets contributed a significant amount to the revenue kitty the public requested that the County should allocate funds for refurbishment and maintenance of markets.

h) **Implement the Finance Act, 2018**- the Members of public requested that the County ensures that the Act was implemented as approved.

i) **Reduce allocation to the County Assembly and Office of the Governor**– Members of Public noted that the allocations to the Office of the Governor and County Assembly were high despite both entities not being development oriented and their budgets should be reduced and money allocated to development oriented sectors.

j) **Member of the public from Eastleigh raised concerns that there was 5-7 acres of the land for market and urged the Committee to consider allocating some funds towards the development of the land which had been grabbed.**

## V. SUBMISSIONS FROM SECTORAL COMMITTEES

23. Hon Speaker, the provisions of Standing Order 199 (6) and 221 (4) decree that the Budget Committee shall invite Chairpersons of all Sectoral Committees to make presentation during consideration of the budget. In this process, the Sectoral committees of the County Assembly have an integral duty of not only ensuring that the resources allocated to departments within their watch are sufficient for the intended sector priorities but also to confirm to this Assembly that there is value for money in all such endeavor. Further the Sectoral Committees are expected to validate the sector achievements and the viability of any mitigating measures. After considering the contents of Paper in line with their respective mandates as outlined in Standing Order 221, the Committees are then required to submit their recommendations to the Finance, Budget and Appropriations Committee. In this regard, therefore the Budget Committee commends all those Sectoral Committees who diligently reviewed their sector programmes, priorities and budget ceilings for the FY 2019-20.

24. The following were some of the recommendations of the Sectoral Committees:

a) Agriculture, Livestock and Fisheries Committee

— That the ceiling for the Food, Agriculture and Forestry Sector contained in the tabled CFSP be increased by Kshs. 90,941,398 and that the Sector ceiling be approved as Kshs. 634million consisting of Kshs. 434million for recurrent and Kshs. 199million for development programmes.

That the following policy measures be initiated under the Sector (s): -

- That the procurement process be streamlined to make it transparent and responsive to Sector requirements.
- That approved requisitions by CCOs be honored along the accounting system.
- That the Sector optimal staffing levels be maintained to cushion succession crisis through recruitment of new officers

b) Trade, Tourism and Cooperatives Committee



- That the ceilings for the Commerce, Tourism and Cooperatives be retained at 1.44 billion consisting of Kshs. 800million for recurrent and Kshs. 640million for development

That the following policy measures be initiated under the Sector in the FY 2019-20;

- That the Sector to develop a policy on County Loans Scheme to support the SMEs before the end of the financial year 2018-19;
- That the County to develop a policy where procurement of development projects to be done within the first quarter of the financial year;
- That the Sector should establish measures to reduce the rollover of projects every financial year;

c) Justice and Legal Affairs Committee

- That the budget ceilings for the departments under the Office of the Governor and that of the Deputy Governor be revised as follows: -.

	CFSP FY 2019-20 as amended Recurrent(Millions)	CFSP FY 2019-20 as amended Development(Millions)
Administration and Support services/County Executive	677	32
Devolution and Sub- County Administration	2100	148
Security and Compliance	2100	43
Legal Affairs	648	
Audit and Risk Management	99	10

<b>TOTAL</b>	<b>5624</b>	<b>233</b>
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That the following policy measures be initiated by the Sector/Departments in the FY 2019-20: -

— That the confidential expenditure that was incurred in the FY 2018-19 should not be part of the budget for the FY 2019-20 when the estimates shall be tabled since such expenditure is against the provisions of the PFM, Act, 2012.

— That the Office of the County Attorney be allocated an independent vote head to allow financial independence in compliance with the Nairobi City County Office of the County Attorney Act.

— That the recruitment of Advocates should be fast-tracked in order to improve the efficiency of the Legal Department.

— That decretal fees be decentralized and budgeted for under the various Sectors.

— That recruitment of constables should be prioritized in the FY 2019-20 and any bureaucratic bottle-necks that have hampered the process should be eliminated.

— That only one office block should be constructed at the sub-county level which should accommodate all the Departments to cut on cost of the construction and to improve efficiency in service delivery.

d) Culture and Community Services Committee

— That the ceiling for the Subsectors contained in the CFSP be increased and approved as follows: -

Sub Sector	FY 2019-20 Ceiling (Tabled CFSP)		FY 2019-20 Ceiling (Amended by Sectoral Committee)		Total (Amended)
	Recurrent	Dev	Recurrent	Dev	
Disaster Management and Coordination	279,000,000	120,000,000	685,290,000	271,000,000	956,290,000
Youth and Sports	122,000,000	369,000,000	146,000,000	601,176,000	747,176,000



Liquor Licensing Board	70,000,000	30,000,000	211,000,000	39,000,000	250,000,000
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That the following policy measures initiated under the sector in the FY 2019-20

#### Disaster Management and Coordination-

- The County should adequately allocate funds to the Subsector to carry out its mandate and reduce overreliance on donors
- The Subsector be assigned its own code/vote different from that of Security and Compliance to allow the subsector to run its activities efficiently and effectively.

#### Liquor Board

- The priorities for the liquor Board be implemented as intended in the approved ADP.

#### Youth Affairs, Culture and Sports

- The Subsector should provide detailed information on various priority projects to be undertaken.

That the Sports Subsector operationalize the Sports Fund as included in its proposed budgetary allocation.

#### e) Energy and ICT Committee

- That the following be approved as the sector priorities for the Energy Sub-sector without any alterations as provided in the CFSP;

Delivery Unit	Projects	Proposed Estimates (Kshs. in M's)
Energy Sub-Sector	To promote use of clean and affordable energy	2Million
	Energy audit	10Million

	Total	30Million
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- That Energy Sub-sector programmes be fully fledged separate from Water and Sanitation for ease implementation and monitoring in the FY2019-20;
- That the ceiling for the ICT and E-Government sector contained in the tabled CFSP be approved as proposed by reducing Kshs. 42,318,926 from the development vote for Information Systems Applications and Strategy Projects to increase the recurrent vote in same due to increased activities in the Data Centre.
- That the budget ceilings for the ICT and E- Government Sector be approved at Kshs. 621million consisting of Kshs. 249million for recurrent and Kshs. 372million for development.

f) Transport and Public Works Committee

- That the development budget ceiling for the Roads, Transport and Public Works Sector contained in the tabled CFSP be increased by Kshs.2.4 billion to Kshs.6.3 billion and recurrent expenditure ceiling being retained at Kshs. 1.256 billion

That the following policy measures be initiated under the Roads, Transport and Public Works Sector;

- That to enhance parking revenue collection, the County to acquire internally run electronic revenue payment system.
- That the County to seeks funding in order to construct modern multi- story parking towers in the existing spaces in the CBD.
- That to avoid any form diversion of funds from the Road Maintenance Levy Fund grant to the County, the County to open an account to which these monies are deposited for proper funds utilization and accountability.
- That the County to decentralize procurement services to the Sectors in order to enable the designates champion for processing Sector projects in a timely manner.



— That the County forms a working group including the sector accounting officers, Chief Finance Officer and head of procurement that will meet periodically to assess and prioritize pending payments to service providers and contractors working with the County.

— That going forward, the Sector to align the contract sums to the approved budget to avert the imbalances that occur in budgeting.

— That the County decentralizes the finance unit to enable the Sector deal with the issue of payment of certificates in a timely manner. This will qualify the Sectors to be assessed fairly based on the absorption of funds allocated to it.

g) Health Services Committee

— That the ceilings for the recurrent expenditure be revised upwards from Kshs. 6,711,000,000 to Kshs. 8,106,669,061 and the ceilings for development be increased from Kshs.484, 000,000 to Kshs.950, 000,000.

— That the proposed revision of the recurrent budget is meant to cater for the Health Sector CBA

— That the development be utilized for improvement of accident, emergency and ICU in the four public hospitals, completion and equipping of 66 bed blocks in Mama Lucy Kibaki Hospital and renovation of maternity block in Mbagathi Hospital.

h) Environment and Natural Resources Committee

— That recurrent expenditure ceiling of the Environment and Natural Resources sub-sector be increased from Kshs.1.058 Billion to Kshs.2.38billion and that of the development expenditure be increased from Kshs.150 Million to Kshs.1.221 Billion.

That the following policy measures be initiated under the Environment and Natural Resources sub-sector

— That the Sector initiates partnerships with other government agencies and corporate organizations to reduce financial burden to the County.

— That the County should ensure realization of the projected and targeted revenues.

i) Children, Early Childhood Education and Vocational Training Committee

— That the ceilings for the Education, Gender and Social Services sector contained in the tabled CFSP be increased for recurrent expenditure be revised from Kshs. 1,146,000,000.00 to Kshs. 1,311,000,000 to address key recurrent expenditure and programmes that are integral towards service delivery.

— That the ceilings for the Education, Youth Affairs, Sports, Culture and Social Services sector provided for in the CFSP for development projects be increased from Kshs.396 Million to Kshs. 524,176,000 to address key development projects and programmes that are integral towards service delivery.

j) Planning and Housing Committee

— That the budget ceilings for the Urban Planning and Lands subsectors be approved as proposed in the CFSP 2019-20

That the County Government initiates the following policy measures; -

— Ensure each sector has an independent account that is managed by the sector itself.

This move will reduce instances of having pending bills under sectors and will also greatly reduce the instances of having roll over projects.

— Regulate the appointments of county officers to acting positions so as to avoid persons holding acting positions over a long period of time without being confirmed.

k) Labor and Social Welfare Committee

— That the ceilings for Public Service Management be increased by Kshs.2.6billion and the total Sector budget be approved as Kshs. 3.775billion consisting of Kshs. 3.667billion for recurrent and Kshs. 108million for development;

— That the ceilings for the County Public Service Board be increased by Kshs. 93.484billion and the total Sector budget be approved as Kshs. 146million;

— That the ceilings for the Youth Affairs and Family & Social Welfare be revised to provide for the priorities contained in the Committee report.

That the following policy measures be initiated under the Sectors: -

— That the staff Medical Insurance to be provided by NHIF and not any other private Insurance Company such as AAR in order to bring down Insurance cost;



- That the Car Loan and Mortgage Scheme be finalized and submitted for approval;
- That the procurement system be decentralized to enable the Sectors to fully implement their development priorities; and

— That the Voluntary Early Retirement policy be finalized and implemented in order to address the issue of huge wage bill in the County.

- That the training vote in all Sectors be centralized in the Public Service Management since the Sector is mandated to train and has the capacity, skill and knowledge to undertake trainings staff in line with their area of operations.

#### l) Water and Sanitation Committee

- That the ceiling for the Water and Sanitation Sub Sector contained in the tabled CFSP be increased to Kshs. 7million for each ward under ward-based water and sanitation projects.

— That the ceilings for the Water and Sanitation Subsector be approved as Kshs. 775million consisting of Kshs. 100million for recurrent and Kshs. 675million for development.

That the following policy measures be initiated under the Sector

- That Energy programme be fully fledged programme separate from Water and Sanitation for ease implantation and monitoring;
- That the County Treasury ensures timely uploading of the annual budget and procurement plan FY 2019-20 in the IFMIS system;
- That the County ensures full implementation and enforcement of the Finance Act 2018 which introduced new revenue streams aimed at enhancing revenue collection and hence improved cash flow for expenditure.
- That a Budget Implementation Committee with members drawn Sector Working Groups be constituted.
- That the County enhances personnel knowledge and skills capacity through training and development

## VI. GENERAL OBSERVATIONS ON THE FISCAL STRATEGIES AND THE BUDGET CEILINGS

25. Hon Speaker, the Budget Committee is mandated to oversight the roles and mandate of the Finance and Economic Planning Sector. In this regard, during the consideration of this CFSP the Committee was keen to determine the revenue raising measures for funding the budget of the financial year 2019-20. The Committee wishes to remind this Chamber that it has been undertaking a revenue enquiry where it invited various key revenue generating sectors and directorates to brainstorm on how to expand the revenue basket. Indeed, the Committee also held forums with specific revenue payers in the County. The Committee learned that there was a huge disconnect between the County Senior Officers, the revenue collecting officers/agents and the revenue paying residents of this County. This, the Committee believes, raises fundamental questions on whether the current methods being employed are helping the County realize its optimal revenue potential. Whereas the findings of the inquiry shall be shared in due time it is an eye opener on the County revenue administration and management.

26. Hon. Speaker, as earlier pointed out the submitted budget figures had a deficit of Kshs. 1.6billion which the Committee notes was neither discussed, the impact evaluated, nor measures proposed on how it would be filled. The Committee appreciates the need to fund the various activities that form part of the County Government's election promises but cautions that care must be taken to ensure that desire to roll out programmes must not blind us to the financial realities of our time. The presented CFSP has asserted that there has been consistent revenue underperformance with projected revenue expected to deliver below targets even in the coming financial year making it highly unlikely that even the projections would be realized. Anecdotal evidence indicates that there is no scientific input in coming up with the revenue figures with Sectors submitting during consideration of the CFSP that they were neither consulted nor informed during computation of the various revenue targets. Historical budget performance evidences that the County has at best only being able to perform at 75% in revenues with the shortfall being from the internal



revenue sources. The measures proposed to change this tide remain historical and the Committee remains doubtful that the revenue targets proposed would be realized.

27. Hon. Speaker, the Committee observes that despite enthusiastic internal revenue projections going up to Kshs.16.6billion on own revenue sources the County has only been able to perform at an average of Kshs.11billion over the previous financial years. The report on the revenue performance provided by County Treasury indicates that as at 30<sup>th</sup> March 2019 the County had been able to collect about Kshs. 8.2billion from all internal sources of revenue against an annual target of Kshs.15.49billion. This implies that to achieve the intended target, the County would be required to hit a new ceiling and collect in excess of Kshs. 7billion in the fourth quarter of the current financial year. Historical data indicates that the highest amount the County has ever collected in the third quarter of any financial years stands at Kshs. 2.29billion. While the current performance is an improvement from the same time in 2018 where the revenue was at Kshs.7.8 billion, the ability by the County to fully achieve its revenue target remains low. There is no doubt that the County's revenue performance is directly related to delivery of services and any mismatch should an issue of concern legislators sitting in this house.

28. Hon. Speaker, as required by the Standing Orders, the Sectoral Committee Chairpersons presented the Sectoral Committee reports to the Finance, Budget and Appropriations Committee. From the reports submitted, the Sectors through the Sectoral Committee Chairpersons requested for resources in excess of Kshs. 45billion being an increase by Kshs. 11.25billion from the tabled budget ceilings. The Committee notes that the priority areas proposed for funding by the Sectoral Committees are very important as they range from furnishing of hospitals, building of schools, ensuring cleaner streets and making the County roads motorable. That notwithstanding, the Committee having considered the resources available would be recommending that some of the priorities be shelved and accommodated in the subsequent financial year (s) when additional resources become available.

29. **Hon. Speaker**, this house passed the Nairobi City County Finance Bill, 2018 late last year, which has since come into force. The Act was meant to provide an enabling environment for collection of fees and charges, make it conducive for taxpayers to remit the amounts due to the County Government and expand the revenue net. However, Committee has learnt during these deliberations that there is laxity by County Officers in several sectors to implement the Act. Due to the brilliant suggestions mentioned above by the very able Sectoral Committee Chairpersons the Finance Committee is extending a brotherly hand to the Sectoral Committees to walk with us in ensuring that the Sectors now focus on revenue generation. It has happened in other legislatures and indeed it can happen in this house that we can approve a supplementary budget to allocate more resources to sectors if we come together to improve our revenue generation.

30. **Mr. Speaker Sir**, the Finance Committee acknowledges that it is charged with the responsibility of tracking the County's revenues/ budget performance and reporting on the status of such performance to the County Assembly but the work of ensuring that weaknesses are addressed, and outputs improved is the duty of us all. Therefore, to improve revenue collection, the County Assembly must be unanimous on the need for change, the measures to be executed must be agreed upon across the political divide and the timelines for reviewing the strategies employed must be realistic and achievable.

31. **Hon Speaker**, Parts III of the PFM Regulations 2015 provide a number of issues to consider during the preparation and approval of the CFSP for any financial year. One of the principle is expenditure on wages and salaries shall not exceed 35% of total county revenues. The County expenditure on personnel emoluments remain to be significantly high at almost 56% of the total revenues in FY 2017-18. The CFSP reports that the County Government has undertaken a number of measures to make the wage bill sustainable. The PSM has undertaken to roll out the Voluntary Early retirement programme in the coming financial year but the projected savings from the programme in terms of compensation to employees are not clear from the strategy paper. The Committee has advised the County Executive to confirm the exact policies and measures which have been put in place to



implement the programme and what they have been able to achieve be reported as a way of ensuring that their success and weaknesses are tracked and addressed. The Committee agrees with the County Executive that freeze on additional employment must not deny the County a chance to fill the human capacity gaps in departments such as Legal and Engineering

32. **Hon Speaker**, in the CFSP 2019 the County Assembly Service Board states that it will seek to broaden several strategic objectives and priorities for the County Assembly in FY 2019-20 key among them being enhancing the legislative process in the County Assembly, improving the oversight function of the County Assembly, enhancing the representation role of the Members of the County Assembly, development of effective management structures, systems, policies and procedures, County Assembly Service - Human resource development, development of infrastructure and facilitate transparency and accountability in financial planning while also deepening the use of ICT. The Committee has reviewed these strategic priorities and budget requests attached to them and wishes to confirm that they are realistic and implementable.

33. **Hon Speaker**, one of the greatest impediments to growth has been low absorption of development budget. The County Treasury purposes to change this by implementing a realistic, balanced and pro-growth budget which is in tandem with the fiscal responsibility principles. To improve absorption capacity, the County Treasury purposes to ensure proper and timely projects conceptualization, upgrade technical capacities for design and delegation of accounting functions. These are sound policies that should be rolled out without delay and Sectors trained on proper projects conceptualization to avoid scenarios where budgeted activities continually get rolled over from one financial year to another. Overall, the Committee continues to encourage the County Treasury to ensure strict adherence of prudent financial management principles as set out in the PFM Act 2012 and the PFM Regulations, 2015.

34. **Hon Speaker**, the Committee notes that another impediment to achievement of County revenue targets is the granting of waivers by the County Government. During the Committee interactions with the County Treasury, it observed that there has not been strict adherence to the Public Finance Management Act 2012 and the Nairobi City County Tax Waivers Administration Act 2013 on issuance, management and reporting on waivers. The law requires that waivers to be granted have to get written concurrence from the Governor, have to be gazetted for public input and reported to the County Assembly within fourteen days. The Committee notes that ad hoc issuance of waivers in complete disregard of the underpinning law limits the County's ability to fund the budget and therefore deliver on the priority areas set out in this paper.

## VII. RECOMMENDATIONS

### I. POLICY MEASURES

35. **Hon. Speaker**, in addition to the recommendations contained in other parts of this report, the Committee recommends that the following policy measures be implemented by the various Sectors:

#### — Finance and Economic Planning Sector

- a) That going forward, the County Executive Committee Member for Finance shall ensure that the following are attached to all budget documents submitted to the County Assembly: -
  - i. A copy of confirmed minutes of the County Executive Committee indicating the date the budget document was considered and approved by the County Executive Committee;
  - ii. Summary of the report arising from the Sector Working Groups;
  - iii. Summary of issues arising from public hearings on the budget document under consideration including synthesis on how the matters were considered;
  - iv. Report on implementation status of previous resolutions of the County Assembly on the budget document under consideration;



- v. Inventory of ongoing projects for all the Sectors including the expected completion date and the respective costs; and
- vi. Scientific data eg. Engineers estimates informing the costing of projects included in the budget documents.

b) That not later than seven days after adoption of a report on any budget document, the County Treasury shall make necessary amendments to the tabled budget document and submit published copies to the County Assembly;

c) That the County Executive Committee Member for Finance assigns full accounting functions to Sector Chief Officers as required by the provisions of Section 148 of the PFM Act, 2012;

d) That in line with the provisions of Regulation 82 of the Public Finance Management (County Government), Regulations 2015 the County Treasury facilitates Sectors to open and operate individual accounts at the Central Bank of Kenya;

e) That in line with the provisions of the Nairobi City County Office of the County Attorney Act, 2014, a separate vote be created in the Estimates indicating the budget estimates and programmes for the Legal Department. That the vote be named "Office of the County Attorney";

f) That the development projects proposed by the Sectoral Committees and annexed to this report form the basis for preparation of the budget for the FY 2019-20;

g) That the County implements and finalizes the incomplete projects from the previous financial years;

h) That in line with the provisions of Section 109 of the PFM Act, 2012, the County Treasury develops and presents to the County Assembly a legislative framework exempting hospitals from sweeping their revenues to the County Revenue Fund;

i) That the County Treasury shall ensure that all agency fees are budgeted for and spent in line with the provisions of the PFM Act, 2012;

j) That to avoid any form diversion of conditional grants from Road Maintenance Levy Fund, the County opens an account to which these monies are deposited for proper funds utilization and accountability;

- k) That in compliance with the provisions of Section 159 of the PFM Act, 2012 and the Nairobi City County Tax Waivers Administration Act, 2013, all waivers shall be published in the Kenya gazette for public input and the waivers granted reported to the County Assembly not more than fourteen days after being granted; and
- l) That the County Executive Committee Member for Finance comes up with proper policies to regulate commitments and ensure that quarterly expenditure commitments match quarterly revenue inflows.

#### — Public Service Management

- a) That the Sector develops a policy to guide Voluntary Early Retirement and the same be presented to the County Assembly for consideration before the end of the current financial year;
- b) That measures initiated to ensure that actual expenditure on wages and salaries reduces gradually to 35% by FY 2020-21 be implemented; and
- c) That the training vote in all Sectors be centralized in the Public Service Management since the Sector is mandated to train and has the capacity, skill and knowledge to undertake trainings in line with their area of operations.

#### — Trade, Commerce, Tourism and Cooperative Sector

- a) That the Sector develops a policy on County Loans Scheme to support the SMEs and the same be submitted to the County Assembly for consideration before the end of the FY 2018-19;

#### — Office of the Governor and Deputy Governor

- a) That only one office block should be constructed at the sub-county level which should accommodate all the Departments to cut on cost of the construction and to improve efficiency in service delivery;
- b) That the County should pursue partnership with other government agencies and corporate organizations to reduce financial burden to the County; and
- c) That the budget estimates and programmes for the Public Communications be moved from the ICT Sector to the Office of the Governor.



— **Office of the County Attorney**

- a) That the office develops a policy on management of decretal fees to among others require that the fees be decentralized and budgeted for under the various Sectors; and
- b) That the Office prioritizes recruitment of Legal Counsels in the FY 2019-20

— **Environment, Energy, Water and Natural Resources Sector**

- a) That the Environment sector should strategize on efficient waste collection and transportation through zoning of waste collection operation areas, introduction of formal contracts between private waste collectors, CBO's on solid waste management and awareness creation and public participation in environment matters to Nairobi residents.

— **Public Works, Transport and Infrastructure Sector**

- a) That to enhance parking revenue collection, the County to acquire internally run electronic revenue payment system;
- b) That the County seeks funding in order to construct modern multi-story parking towers in the existing spaces in the CBD;
- c) That the County forms a working group including the sector accounting officers, Chief Officer for Finance and Head of Supply Chain Management that will meet periodically to assess and prioritize pending payments to service providers and contractors working with the County; and
- d) That going forward, the Sector to align the contract sums to the approved budget to avert the imbalances that occur in budgeting.

**II.REVENUE PROJECTIONS**

- a) That the revenue projections be amended by including Kshs. 700million as estimated bank balances to be carried forward from the FY 2018-19.

**III.EXPENDITURE CEILINGS**

- a) That the ceilings for the two arms of government be set as follows:

— County Assembly- Kshs. 3.201 billion consisting of Kshs. 1.530billion for development and Kshs. 1.671billion for recurrent expenditures.

— County Executive — Kshs. 32.083billion consisting of and Kshs. 9.463billion for development and Kshs. 22.620billion for recurrent expenditures.

b) That the schedules 1, 2 and 3 attached to this report forms the basis for the FY 2019-20 budget.

#### IV. MEDIUM TERM DEBT MANAGEMENT STRATEGY

a) That the Assembly approves the debt management strategies underpinning the 2019 CFSP and the budget estimates for the FY 2019-20 and that the same remains binding for the next two financial years.

Hon Speaker, in conclusion and pursuant to the provisions of Section 117 (6), Section 123 of the Public Finance Management Act 2012 and Standing Order 221 (7) the County Finance, Budget and Appropriation Committee recommends that:

“This County Assembly adopts the Nairobi City County Fiscal Strategy Paper for the FY 2019-20 and the Nairobi City County Debt Management Strategy Paper for the FY 2019-20”



### Schedule 1: Revenue Projections for the FY 2019-20

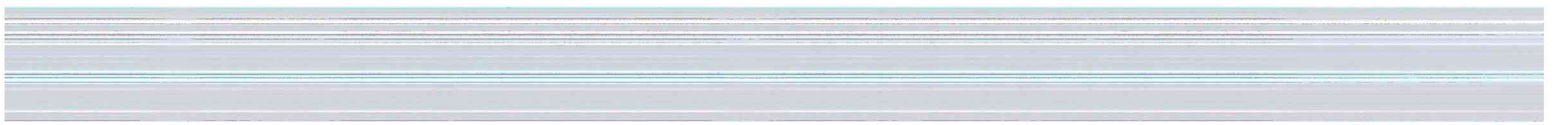
	STREAM	Submitted CFSP 2019 (Kchs. Millions)	Committee Revised CFSP 2019 (Kchs. Millions)
	Own Source Revenues (OSR)		
1	RATES	3,925	3,925
2	SINGLE BUSINESS PERMITS	2,892	2,892
3	PARKING FEES	2,763	2,763
4	BLDNG PERMITS	1,908	1,908
5	BILLBOARDS & ADVERTS	1,425	1,425
6	House Rents	615	615
7	CONSTRUCTION SITE BOARD	211	211
8	FIRE INSPECTION CERT	313	450
9	REGUL. OF BLDNG /CHANGE /AMALG/SUB	166	166
10	WAKULIMA MARKET	110	110
11	OTHER MARKETS	250	250
12	LIQOUR FEES	200	250
13	OTHER INCOMES (INCL. ACCOUNT RECEIVABLES)	1,888	2,353
14	CASH BALANCES C/F		700
15	Sub-Total: Own Source Revenues	16,665	18,016
16	Equitable Share	16,500	16,500
17	Conditional Grants	767	767
18	Sub-Total: GOK Transfers	17,267	17,267
19	TOTAL	33,932	35,284

Schedule 2: Sectors Expenditure Ceilings for the FY 2019-20

VOTE CODE TITLE	Tabled CFSP FY 2019-20 (Kshs. Millions)			Committee Amended Budget Ceilings for the FY 2019-20 (Kshs. Millions)		
	Recurrent	Capital	Total	Recurrent	Capital	Total
5311: COUNTY PUBLIC SERVICE BOARD	53	-	53	53	-	53
5312:OFFICE OF GOVERNOR & DEPUTY GOVERNOR	5,903	353	6,256	5,565	617	6,182
OFFICE OF THE COUNTY ATTORNEY				338	31	369
5313:ICT, E-GOVT & PUBLIC COMMUNICATIONS	207	414	621	207	349	556
5314:FINANCE & ECONOMIC PLANNING	2,156	561	2,717	2,034	594	2,628
5315:HEALTH	6,711	484	7,195	6,711	658	7,369
5316: URBAN PLANNING AND LANDS	520	200	720	520	168	688
5317:PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	1,256	3,900	5,156	1,256	3,638	4,894
5318: EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	1,496	369	1,865	1,696	411	2,107



5319:TRADE,COMMERCE,TOURISM & COOPERATIVES	640	800	1,440	640	474	1,114
5320:PUBLIC SERVICE MANAGEMENT	1,067	108	1,175	1,067	91	1,158
5321:AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	393	150	543	393	126	519
5322:COUNTY ASSEMBLY	1,671	1,530	3,201	1,671	1,530	3,201
5323: ENVIROMENT, WATER, ENERGY & NATURAL RESOURCES	1,624	550	2,174	1,624	463	2,087
5324: URBAN RENEWAL AND HOUSING	166	742	908	166	500	666
5325:WARD DEVELOPMENT FUND	39	1,270	1,309	39	1,304	1,343
5326:EMERGENCY FUND	100	-	100	100	-	100
5327:LIQOUR LICENSING BOARD	70	30	100	211	39	250
TOTALS	24,072	11,461	35,533	24,291	10,993	35,284





### Schedule 3: Projects Recommended by Sectoral Committees for FY 2019-20

#### 1. Commerce, Tourism and Cooperatives Sector

DEPARTMENT	PROJECT DESCRIPTION	DEVELOPMENT
Administration	Rehabilitation -mezanaine floor city hall annex (Extension of current project)	3,000,000
	Nyayo house (12floor CCOs office)	10,000,000
	Purchase of 2 motor vehicles for CCOs	6,000,000
<b>Sub Total</b>		<b>19,000,000</b>
Trade development	Construction of industrial park	155,000,000
	MSME Trade Fund	30,000,000
	Purchase of Motor vehicle	3,000,000
	construction of business information centre	10,000,000
<b>Sub Total</b>		<b>198,000,000</b>
Market	Modern Kiosk	50,000,000
	Rehabilitation of existing markets	226,500,000
	2 Pick ups	6,500,000
	New Markets- Ruai and Utawala	200,000,000
<b>Sub Total</b>		<b>483,000,000</b>
Weight and Measures	Establishment of laboratory	45,000,000
	Mobile verification unit	15,000,000
<b>Sub Total</b>		<b>60,000,000</b>
Trade licensing	Purchase of one double cab and a minibus	10,000,000
<b>Sub Total</b>		<b>10,000,000</b>
Betting and Gaming	Purchase of motor vehicle	3,000,000
<b>Sub Total</b>		<b>3,000,000</b>
Cooperative Development	Purchase of CRM software	7,000,000
Cooperative Audit	Purchase of motor vehicle	3,000,000
<b>Sub Total</b>		<b>10,000,000</b>
Tourism	2 Tour buses	10,000,000
	Tourism signage	4,000,000
<b>Sub Total</b>		<b>14,000,000</b>
Culture	Development of heritage gallery	3,000,000

Sub Total		3,000,000
TOTAL		800,000,000

## 2. Liquor board strategic priorities for the FY 2019/2020

Programme	Activities	KPI	Target 2019/2020	Budget Estimates
General Administration, Planning and Support services	Conduct awareness campaigns/Publicity/Sensitization	% of awareness to be achieved	100%	49,000,000
	Equipping and running of Drop in centres	Drop in Centres to be functional	3	12,000,000
	Construction of Rehabilitation Centres	No. of Rehabs Centres to be constructed	1	18,000,000
	Construction of Containerized offices	No. of offices to be built	7	14,000,000
	Capacity building for members and secretariat	No. of Trainings/workshops to be conducted	3	36,000,000
	Organize two retreat	No. of retreats to be organized	2	20,000,000
	Administrative support services	Quarterly Progress reports to be submitted	4 Quarterly Reports	12,000,000
Liquor Board and Sub County Services	Inspection of liquor premises	No. of liquor premises to be inspected	6000	62,000,000
Liquor enforcement services	Conduct enforcement on all non-compliant liquor dealers	% increase in compliance	70%	20,000,000
	Purchase of two vehicle	No. of Vehicles to be Purchased	2	7,000,000
TOTAL				250,000,000



### 3. Education, Youth Affairs, Sports, Culture and Social Services

Delivery Unit	Project description	Proposed Estimates (Kshs. in M's)
ECDE Department	Rehabilitation of 15 No. existing E.C.D.E centers.	50
	Construction of 27 No. new E.C.D.E centers & construction of perimeter walls	244
	Purchase of Didactic materials/Equipment's for E.C.D.E centers	40
Vocational Training Department	Rehabilitation and construction of Perimeter walls in 4 No. Vocational Training Centers	40
	Construction of 2 No. New Vocational Centre (Including equipping)	50
	Purchase of Equipment's for the existing vocational training centers	40
Children services	Rehabilitation of 2 No. Teachers Training Centres	10
	Construction of a Rehabilitation Centre in Ruai-phase 3	50
Welfare & Recreation	Rehabilitation of 10 No. Social Halls	
	Kaloleni Community Centre 6M	
	Mathare North Community center 3m	
	Muthurwa Community Center 2M,	
	Kariokor 3M,	
	Dandora (Perimeter Wall) 7M,	
Welfare & Recreation	Jericho (General Repairs) 3M,	
	Kangemi Community Center 3M	
	Lumumba Community Centre (General repairs) 3M	
	Mbotela Community Center 4M	
	Waithaka Community Center 3M	
		47
Welfare & Recreation	Construction of 4 No. Social Halls at Umoja tena, Kariobangi, Shaurimoyo and Mountain view Wards	40
Welfare & Recreation	Completion of the construction of Joseph Kangethe center	10
Sports	Phase 2 on the Construction of a Stadium in Woodley Ward	100
	Phase 3.on the construction and completion of 4No. Stadia i.e. Ziواني & Kawangware	500
	Rehabilitation of City Stadium	50
One Stop Youth Centre	Renovation of One stop Youth Centre	7.5
	ICT Infrastructural support to One stop Youth Centre	3

Family and Social Welfare	Construction of County Safe house for victims of SGBV	10
	Construction of a Perimeter fence at Mji wa Huruma Phase 2	15

#### 4. Food, Agriculture and Forestry Sector

S/No	Project	Quantity	Cost Kshs Million
1.	Establishment of Multistorey gardens	1,600	9.6
2.	Installation of greenhouses and water harvesting tanks	16	12.8
3.	Installation of vegetable processing equipment (shredder/solar drier)	10	2
4.	Purchase and 400 dairy goat production sites	40 groups 10 goats/ group	16
5.	Construction & stocking of poultry units	17 units 500 broilers/ unit	15.2
6.	Number of fish tanks installed	20 units	18
7.	Completion of Pangani animal clinic	1	17
	Purchase of incinerator	1	15
	Purchase of assorted equipment		15
8.	Rehabilitation of Dog Kennels	55	13
9.	Purchase of Specialized vehicle for dogs	1	5
10.	Construction of Animal holding ground in Dagoretti South	1	15
11.	Construction of Poultry Slaughterhouse	1	30



12.	Establishment of a tree nursery	1	5
13.	Installation of cold storage/ preservation facility	1	11
<b>TOTAL</b>			<b>199.6</b>

### 5. Environment, Water, Energy and Natural Resources Sector

S/No	Project	Key Output	Key performance indicators	Budget (M Kshs)
1	Procurement, installation and servicing of litterbins	Proper disposal of waste and cleaner streets	Number of litterbins installed and serviced	16
2	Procurement of additional sweeping contracts outside the CBD	Proper disposal of waste and cleaner streets	Number of sweeping contracts in place	240
3	Procurement of trucks	Effective and efficient waste collection and transportation	Number of trucks procured	120
4	Procurement of Specialized equipment and machines	Effective and efficient waste collection and transportation	Number of trucks procured	218.5
5	Procurement of ICT equipment, GPS and CCTV	Effective and efficient waste collection and transportation	Number of trucks fitted with GPS and CCTV installed	13.5
6	Procurement of inspection vehicles	Sustained environmental soundness	Number of pickups procured	5

7	Improving access roads, drainage and construction of perimeter wall and installation of weighbridge and other civil works	Increased efficiency at the dumpsite	Reduced turnaround time	195
8	Landscaping and civil works (all major parks)	Improved recreational grounds	Number of parks improved	50
9	Routine Maintenance activities	Increased access/use of public spaces by nairobians	Number of clients using public parks	30
10	Rehabilitation of walkways, guard and perimeter fences, irrigation system	Increased access/use of public spaces by nairobians	Number of clients using public parks	15
11	Landscaping and beautification of medians and shoulders, roundabouts and other open spaces	Increased aesthetic appeal in the city	Kilometres of median landscaped, number of roundabouts	50
12	Procurement of noise metres	Reduced nuisance and noise levels	Number of noise metres procured	6
13	Procurement of air sampling kits	Increased surveillance to air quality standards	Number of air sampling kits procured	6
14	Procurement of water sampling kits	Reduced discharge into water bodies	Number of water sampling kits procured	2.5
15	Environmental awareness and Education Programme	Reduced environmental nuisances and increased cleanliness levels	Number of forums held, materials produced and disseminated,	178.5



16	Policy formulation	Proper guidelines to govern environmental issues	Number of policies formulated	5
17	Environmental Impact Assessment, Strategic	Monitoring of environmental impacts on all projects	Number of facilities subjected to EIA and facilities audited.	20
	Environmental Assessment and Environmental Audits			
18	Feasibility study for establishment of new SW Final Disposal Facility	Improved final disposal of waste and reduced pollution levels	Feasibility study report	50
19	Construction of Water Kiosks and installation of water ATMs			
20	Water system extension			
21	Sewer network extension			
22	Drilling of borehole			
23	Water harvesting and reuse			
24	Nairobi Rivers restoration			

## 6. Public Works, Transport and Infrastructure Sector

PROGRAMME		DESCRIPTION	PROJECT LOCATION	BUDGET ALLOCATION AS PER CFSP FY2019-2020
ROADS AND DRAINAGE	1	NCC/T/RPWT/239/2014-2015: Rehabilitation of Lumumba Drive	ZIMMERMAN	3,737,110.74
	2	NCC/T/RPT/246/2014-2015: Construction of Muthiora Road	WAITHAKA	4,146,639.68

3	NCC/RPWT/T/303/2016-2017: Completion of muthiora road	KABIRU	70,394,671.46
4	NCC/RPW&T/RT/130/2017-2018: Construction of Estate Roads in Matopeni	MATOPENI	7,296,778.78
5	NCC/RPW&T/T/131/2017-2018: Rehabilitation of Githurai Outfall Drain	GITHURAI	1,937,766.66
6	NCC/T/RPW&T/238/2014-2015: Construction of Sunton Chieko Road	MWIKI	25,102,020.23
7	NCC/T/RPT/253/2014-2015: Construction of Baba Dogo - Lucky Summer Road (Phase I)	BABA DOGO	11,983,576.68
8	NCC/T/RPW&T/248/2014-2015: Rehabilitation of Access Road to Olive Hospital off Ole Shapara Road	SOUTH C	25,201,509.37
9	NCC/CE/RT/252/2014-2015: Rehabilitation of Falcon Road	KWA REUBEN	71,287,640.06
10	NCC/T/RPT/243/2014-2015: Rehabilitation of Thiong'o Road	MOUNTAIN VIEW	15,811,005.43
11	NCC/T/RPW&T/258/2014-2015: Construction of Mama Wahu Road	NG'ANDO	47,628,200.25
12	NCC/RPW&T/T/130/2017-2018: Construction of estate roads in Matopeni	MATOPENI	7,296,778.78
13	NCC/RPWT/RT/259/2014-2015: Construction of Aviation Total Road	EMBAKASI	39,795,174.89
14	NCC/RPW&T/T/241/2014-2015: Rehabilitation of Access Roads to Drive-In Estate	MATHARE	13,159,590.22
15	NCC/RPW&T/116/2015-2016: Rehabilitation of Bishop Ireri Road	KASARANI	1,717,440.93
16	NCC/RPW&T/123/2015-2016: Rehabilitation of HACCO INDUSTRIES Road	CLAY CITY	20,367,024.61
17	NCC/RPW&T/116/2015-2016: Rehabilitation of MAJI MAZURI Road	CLAY CITY	1,367,022.05



18	NCC/RPW&T/108/2015-2016: Rehabilitation of Ndwaru Road	WAITHAKA	36,409,547.55
19	NCC/RPW&T/113/2015-2016: Construction Of Salim Road	GATINA	66,012,854.79
20	NCC/RPW&T/114/2015-2016: Construction of Captain Mungai Street	EASTLEIGH	32,203,846.25
21	NCC/RPW&T/119/2015-2016: Rehabilitation of Stadium Road- Bin Agare Slum	MAKONGENI	1,942,410.02
22	NCC/RPW&T/T/123/2017- 2018: Rehabilitation of access road to Uhuru Estate Primary School, Access road to Jamaa Hospital Buruburu Cresent and Access road courts	KARIOBANGI SOUTH	1,667,168.99
23	NCC/RPW&T/125/2015-2016: Rehabilitation of Baba Dogo to Riverside and Kariadudu Roads	BABA DOGO	23,709,523.55
24	NCC/RPW&T/126/2015-2016: Rehabilitation of Mother Teresa Road	HURUMA	15,108,291.86
25	NCC/RPW&T/165/2015-2016: Completion of By-Pass Mihang'o Link Road	MIHANGO	85,447,189.03
26	NCC/RPW&T/T/432/2015- 2016: Rehabilitation of Carlifonia Estate Roads	CARLIFONIA	19,707,024.10
27	NCC/RPW&T/RT/128/2015- 2016: Construction of Vietnam Road Mukuru Kwa Njenga Ward	MUKURU	27,067,329.91
28	NCC/RPW&T/115/2015 - 2016: Rehabilitation of Road from D.O. to Nyando Road/Thawabu Road	KAYOLE SOUTH	39,260,095.38
29	NCC/RPW&T/RT/1054/2015- 2016: Construction of Karen Ridge Road	KAREN	48,543,544.42
30	NCC/RPW&T/330/2016-2017: Re-construction of Dandora Phase II Roads	DANDORA II	15,388,424.08
31	NCC/RPW&T/T/134/2016- 2017: Construction of Selected Roads in Utawala Ward	UTAWALA	44,599,932.78

32	NCC/RPW&T/T/300/2016-2017: Rehabilitation of Academy Road in Karen	KAREN	16,404,767.70
33	NCC/RPW&T/T/195/2016-2017: Rehabilitation of Roads and Drainage Improvement in Ziwani Shopping Centre	ZIWANI	1,751,770.66
34	NCC/RPW&T/T/160/2016-2017: Grading and Gravelling of roads in Kayole South Ward	KAYOLE SOUTH	2,912,026.76
35	NCC/RPW&T/T/011/2016-2017: Construction of New Donholm Road	UPPER SAVANNA	5,488,881.39
36	NCC/RPW&T/T/136/2016-2017: Drainage improvement along Daniel Comboni Road-Ngei Ward	HURUMA	4,946,703.12
37	NCC/RPW&T/133/2017-2018: Rehabilitation of Njiru Ward Roads	NJIRU	11,423,530.03
38	NCC/RPW&T/T/193/2016-2017: Drainage improvement in Baraka Estate		4,683,985.99
39	NCC/T/RPT/254/2014-2015: Rehabilitation of Upendo Road	KARIOBANGI	10,665,863.80
40	NCC/RPWT/120/2015-2016 Construction of hope petrol station acces road	KAYOLE	9,120,922.09
41	NCC/RPWT/RT/1055/2014-2015 Construction of cardinal otunga crescent road	KARIOBANGI NORTH	19,601,721.67
42	NCC/RPW&T/T/192/2016-2017: Grading, Gravelling and Drainage improvement in Tassia Estate	TASSIA	-
43	NCC/RPW&T/T/192/2016-2017: Grading and Gravelling of roads in Kayole South Ward	KAYOLE SOUTH	2,912,026.76
44	NCC/RPW&T/T133/2017-2018: Rehabilitation of Catholic Road and Drainage in Mwiki Road	MWIKI	5,168,557.87
45	NCC/CE/T/070/2013-2014: Construction of Storm Water Outfalls in Runda Evergreen and Benin Drive	RUNDA	26,295,816.25



46	NCC/RPW&T/T/125/2017-2018: Rehabilitation of Access Roads to Pioneer I & II and Ol Leleshwa Road in Buru Buru Estate	KARIOBANGI SOUTH	3,457,872.65
47	NCC/RPW&T/T/127/2017-2018: Construction of Baba Dogo - Lucky Summer road (Phase I)	Baba Dogo	19,977,836.37
48	NCC/RPW&T/T/295/2016-2017: Construction of Baba Dogo - Lucky Summer Link Road (Phase II)	BABA DOGO	53,048,714.33
49	NCC/RPW&T/T/010/2016-2017: Drainage Improvement along Ndege Road	KAREN	9,006,129.20
50	NCC/RPW&T/291/2016-2017: Grading and Graveling of Selected Roads in Eastleigh North Ward	EASTLEIGH.N	2,962,396.00
51	NCC/RPW&T/T/120/2017-2018: Rehabilitation of Ole Sangale Roads in Madaraka Estate	Madaraka	14,883,231.53
52	NCC/WDF/RPW&T/T/292/2016-2017: Grading and Graveling of Madoya Road in Huruma Ward	HURUMA	2,863,299.50
53	NCC/RPW&T/T/130/2016 - 17: Grading and Graveling of Kasarani Ward Roads	KASARANI	906,827.44
54	NCC/RPW&T/T/128/2016 - 17: Grading and Graveling of Korogocho Ward Roads	KOROGOCHO	3,136,136.62
55	NCC/RPW&T/T/171/2016 - 17: Rehabilitation of Gathuru Road in Kawangware Ward	KANGWARE	27,550,708.38
56	NCC/RPW&T/122/2017-2018: Rehabilitation of Nyambene Road	Kamukunji	1,401,416.53
57	NCC/RPW&T/T/161/2016 - 2017: Grading and Graveling of Roads in Lucky Summer Ward	LUCKY SUMMER	2,869,260.20
58	NCC/RPW&T/302/2016-2017: Completion of Kimondo Road	IMARA DAIMA	63,079,503.73

59	NCC/RPWT/012/2016-2017: Consultancy services for feasibility studies, preliminary and detailed design and tender documentation, environmental and social impact assessment report for proposed drainage improvement along Third avenue Eastleigh, Runda/Evergreen, Ridgeways, garden and Thome Estates	SECTOR	12,115,339.29
60	Rehabilitation of Loresho Ridge,		5,839,235.52
61	Rehabilitation of Saunders Close		5,839,235.52
62	Access to Viken industrial park off the Eastern Bypass 1.0km	RUAI	87,588,532.87
63	Construction of selected roads in Ngara -Jadongo Road and Jadongo lane (phase I)	NGARA	23,643,720.38
64	Rehabilitation of selected roads in Umoja I ward	UMOJA 1	27,444,406.97
65	Rehabilitation of Kaptagat road	KITSURU	11,678,471.05
66	Rehabilitation of selected roads in Gatina Ward	GATINA	70,772,633.85
67	Rehabilitation of access road in Eastleigh 7th street	EASTLEIGH	18,101,630.13
68	Construction of El Molo Drive	KILIMANI	11,678,471.05
69	Construction of perimetr wall at highways	Highways	38,759,797.27
70	Counter funding Nairobi regeneration	County wide	-
71	Proposed Construction of roads in Ngara -Jadongo link Road and Kirinyaga Road (phase II)	CBD	-
72	Rehabilitation of Igembe, Mutonguini, Nyangusu and Mbulia Roads in Umoja I WardNCC/RPWT/T/032/2018-2019	UMOJA 1	27,150,425.40
73	Construction of Councillor's Road in Ruai WardNCC/RPWT/T/033/2018-2019	RUAI	40,721,480.85



	74	Rehabilitation of Kamitha Road in Gatina Ward NCC/RPWT/T/034/2018-2019	GATINA	37,569,373.14
	75	Drain Improvement – Mathare & Githurai Rurie	GITHURAI	4,482,711.04
	76	Improvement of Zulu Road, KUG Road and Rurii Road NCC/RPWT/T/122/2018-2019	WESTLANDS	7,561,950.15
	77	Construction of Woodlands Lane NCC/RPWT/T/xxx/2018-2019		30,717,233.08
	78	Access road to karandini market	NGANDO	5,839,235.52
	79	NCC/RPW&T/T/132/2016-2017: Rehabilitation of Selected Roads in California Estate	KAMUKUNJI	24,778,727.84
	80	Construction of catholic road mwiki	MWIKI	23,356,942.10
		<b>TOTAL</b>		<b>1,667,456,593.10</b>
Roads maintenance materials	1	All the works outlined in the 17/18 & 2018/19 approved work plans (ROAD MAINTENANCE MATERIALS).	Highways	291,961,776.23
	2	Roads Maintenance Assorted Equipment (Motor Vehicles, Movable Plants)	Highways	58,392,355.25
	3	Procurement of Modern Asphalt Plant and Pothole Patching Machines	Highways	58,392,355.25
		<b>TOTAL</b>		<b>408,746,486.72</b>
RML F	1	Administrative Cost		9,617,220.91
	2	Roads And Infrastructure		210,665,764.72
		Routine works in division I		6,360,895.31
	3	Street And Public Lighting		9,985,092.75
	4	Traffic And Transportation		50,801,349.06
	5	Vehicles, Plant, Equipments & Tools		29,163,769.87

	6	Construction Of Likoni - Plainsview Link Road		75,979,920.10
	7	Construction Of Mama Okinda Msf Bridge		2,101,360.43
	8	Construction Of Kisumu Ndogo Gatwekera Bridge		9,342,776.84
	9	Improvement Of Drainage - Ndege Road		22,862,049.37
	10	Construction Of Memon - Midlands Estate Road - South C		27,442,226.01
	11	Construction Of Riara Lane & Uthiru Gardens		18,309,794.20
	12		County wide	
		FY 2018-2019 RMLF PROJECTS		242,823,167.00
	13			
		FY 2019-2020 RMLF PROJECTS		262,765,598.60
		TOTAL		978,220,985.17
BRIDGES	1	NCC/T/DPW&T/059/2018-19		
		Construction of Mwiki Githurai Motorable Bridge & Approaches	MWIKI	18,685,553.68
	2	Construction of footbridge at Kenya Wine across Ngong River.NCC/RPWT/T/058/2018-2019	LAND MAWE	-
	3	Construction of 2 No. Box Culvert at Githurai/Kahawa.NCC/RPWT/T/057/2018-2019	GITHURAI	-
	4	Construction of access roads at mathare 4A	MATHARE NORTH	2,043,732.43
	5	NCC/RPW&T/142/2015-2016 Construction of Mathare Mabatini Bridge	MLANGO KUBWA	6,247,982.01
	6	Construction of korogochi motorable bridge	KOROGOCHO	7,007,082.63
	7	NCC/RPWT/T/081/2018-2019Construction of of a motorable bridge at witu road/shimo la Tewa	SOUTH B	20,437,324.34
	8	Rehabilitation of drainage	Kwa Rueben	5,839,235.52
	9	.NCC/RPWT/T/063/2018-2019Construction of a footbridge at Gatoto school	Kwa rueben	7,007,082.63



	10	NCC/RPWT/T/064/2018-2019 Construction of a footbridge at St. Mary's across Ngong River	Viwandani	6,715,120.85
	11	NCC/RPW&T/T/178/2016-2017 - Construction of Double Box Culvert at Ruai ACK Church	RUAI	5,974,285.36
	12	NCC/RPW&T/T/179/2016-2017 - Construction of Double Box Culvert at Ruai Map "C"	KAHAWA	5,945,544.65
	13	NCC/RPWT/T/082/2018-2019 Construction of a box culvert between kahawa and mugumo-ini	MUGOMOINI	12,846,318.15
	14	NCC/RPWT/T/084/2018-2019 Extension of muthurwa-majengo footbridge in Gikomba market	GIKOMBA	7,299,044.41
	15	NCC/RPW&T/T/105/2016-2017 - Construction of a Box Culvert at Githurai/Zimmerman across Githurai River	GITHURAI	4,418,151.20
	16	NCC/RPWT/T/083/2018-2019 Construction of box culvert in Kariobangi South	Kariobangi South/Uhuru	7,591,006.18
	17	NCC/RPW&T/T/062/2018-2019 - Construction of Lucky summer Motorable Bridge	LUCKY SUMMER	22,189,094.99
	18	Construction of 2 No. Box Culvert and Footbridge in Kahawa Ward	KAHAWA	14,598,088.81
	19	NCC/RPW&T/T/176/2016-2017 - Construction Of DoD Kayole Motorable Bridge (Matopeni)	KAYOLE	5,839,235.52
		<b>TOTAL</b>		<b>141,998,329.78</b>
<b>PUBLIC AND NMT</b>	1	Rehabilitation of walkways along selected roads in the CBD	CBD	5,521,233.68
	2	Framework Contract for Routine Maintenance of traffic and pedestrian signals NCC/RPWT/T/073/2018-2019	CBD	11,678,471.05
	3	Construction of Public Transport Facility at Njiriris along Mumias	BURU BURU	28,985,965.14

		RoadNCC/RPWT/T/070/2018-2019		
	4	Repair of Traffic Signal Inspection chambers and walkways along kenyatta		
		avenue and mama ngina streetNCC/RPWT/T/071/2018-2019	CBD	32,699,718.94
	5	Completion of construction of NMT facilities along Manyanja Road	UPPER SAVANNA	9,947,711.71
	6	Construction of NMT Facilities along Heshima Road & Buru buru Road	KARIOBANGI SOUTH	14,598,088.81
	7	Completion of Construction of NMT facilities from Mombasa road to KPA village / South C area	SOUTH C	1,079,659.23
	8	Construction of NMT Facilities along Kamaiti Road - Zimmerman to Roysambu	ZIMMERMAN	14,598,088.81
	9	Completion of rehabilitation of Ojijo Road, construction of public transport and NMT facilities	PARKLANDS	17,920,423.47
	10	Completion of the construction of NMT and PTF along Baba Dogo Road	BABA DOGO	13,828,646.91
	11	Construction of PTF along route 48 (Kileleshwa), Othaya Road, Nyeri Road, Gatundu Road, Mandera Road, Kandara Road and Gichugu Road)	KILELESHWA	9,037,181.03
	12	Construction of PTF at Kangemi including access Road to Kangemi	KANGEMI	29,196,177.62
	13	Consultancy for re-designing of muthurwa terminus	CBD	11,678,471.05
	14	NCC/RPWT/T/068/2018-2019Construction of Globe Cinema bus terminus	CBD	35,035,413.15
	15	NCC/RPWT/T/069/2018-2019Construction of Public Transport Facility at Mwiki along Kasarani - Mwiki Road	MWIKI	17,517,706.57



	16	Construction of Njiririis along Mumias South Road	KARIOBANGI SOUTH	29,196,177.62
	17	Installation of manhole covers within the CBD	CBD	-
	18	CBDNCC/RPWT/T/072/2018-2019 Installation of pedestrian safety fences	CBD	15,201,915.98
	19	Installation and Maintenance of traffic and pedestrian signals	CBD	22,699,719.94
	20	NCC/RPWT/T/074/2018-2019 Construction of parking facilities in Industrial area	INDUSTRIAL AREA	23,356,942.10
	21	Rehabilitation of parking area in Kahawa West market	KAHAWA	7,007,082.63
	22	Consultancy for the policy and regulations fomulation (Traffic management and parking issues)	SECTOR	8,758,853.29
	23	Rehabilitation of office block	SECTOR	8,758,853.29
	24	1 No. Tow truck for parking	SECTOR	4,087,464.87
		<b>TOTAL</b>		<b>382,389,965.88</b>
<b>GARAGE</b>	1	Refurbishment of office block	SECTOR	-
	2	Supply, installation and commissioning of a Computerised Maintenance Management System (CMMS) c/w a Server and its networking	SECTOR	1,167,847.10
	3	Supply, installation and commissioning of an air compressor	SECTOR	1,167,847.10
				<b>2,335,694.21</b>
<b>ELECTRICAL MAINTANACE</b>	1	Electrical Equipments	ELECTRICAL	58,392,355.25
	2	Electrical Materials	ELECTRICAL	233,569,420.98
	3	Refurbishment of office block	ELECTRICAL	9,372,462.34
				<b>291,961,776.23</b>
<b>BUILDING WORKS</b>	1	Procurement of assorted equipment	ELECTRICAL	8,758,853.29

	2	Rehabilitation of office block	SECTOR	1,751,770.66
	3			
		Purchase of 1 No Lorry	SECTOR	4,963,350.20
	4			
		Purchase of 1 No Pick-up	SECTOR	2,043,732.43
		<b>TOTAL</b>		
				<b>26,890,168.92</b>
		<b>CUMULATIVE TOTAL</b>		<b>3,900,000,000</b>

#### 7. ICT and E-Government Sector

Programme	Sub-Programme	Project Description	Project Scope	Proposed Budget FY 2019/2020
General Administration, Planning and Support Services	Administration	1. Refurbishment of ICT Offices		
		2. Purchase of vehicle		1) 10M 2) 5M
Information and Communication Services	News And Information Services	Construction of Call Center		1) 10M
	ICT and Media Regulatory Services			
	eLearning	1. E-Learning Lab for staff trainings. 2. Information Hub for Nairobi Citizens	1. Customer Care System 2. Hubs	1) 5M 2) 10M
	E-Government Services	1. Integrated County Revenue Management System	1. E-payments maintenance 2. Business Intelligent System	1) 191M 2) 14M



		2. Purchase of Software.		
ICT Infrastructure Development		1. Internet Connectivity	1. Activation and Support of Data Centre	
			2. Communication within and without the County	1) 20M
	ICT Infrastructure Connectivity	2. Smartnet licenses and Support		2) 100M
			1. Data Recovery Site	1) 10M
	Information Security			
<b>Total</b>				<b>371M</b>

8. Office of the Governor and the Office of the Deputy Governor: -

No.	Department	Priorities	Estimated Cost
a)	Administration and Support services	Creation of modern receptions at City Hall/City Hall Annex	10,000,000
		Restructuring of Offices and creation of open Space offices	5,000,000
b)	Devolution and Sub-County Administration	Construction of seven (7) Sub County offices as follows:- <ul style="list-style-type: none"> <li>– Embakasi South</li> <li>– Ruaraka</li> <li>– Langata</li> <li>– Kamukunji</li> <li>– Starehe</li> <li>– Embakasi Central</li> <li>– Embakasi North</li> </ul>	112,000,000
		Procurement of six (6) vehicles	36,000,000

c)		Procurement of Specialized materials i.e. Hand cuffs, Pistols,	11,000,240
	Security and Compliance	Walk through detector, Bullets, Hand held Metal detectors, Batteries, Luggage screening	
		Procurement of surveillance motor-vehicles	70,000,000
		Procurement of investigation software for surveillance and monitoring.	6,000,000
d)	Legal Affairs	Expansion of city court	15,000,000
		Purchase of bulk Cabinets	10,000,000
		Purchase of software programs for legal case management	20,000,000
e)	Audit and Risk Management	Establishment of an audit Resource Centre	7,000,000
		Acquisition of Computer Auditing Software	10,000,000
f)	Fire and Disaster Management	To develop and operationalize disaster prevention and mitigation system	Kshs. 43 Million
		Disaster response and reconstruction	Kshs. 30 Million.
		Decentralization of emergency and ambulance services.	Kshs. 26 Million



		Specialized material for fire	Kshs 346million
		Purchase of 5 No. Ambulances	Kshs 100Million
		Purchase of 17 No. All-terrain vehicles	Kshs 51Million
		Equipping of 4 No. Fire stations	Kshs. 120Million
		Recruitment of 200 Fire Marshals	Kshs 40 Million

## 9. Health Services Sector



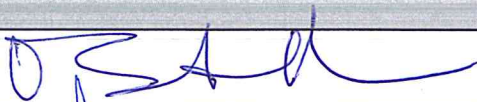
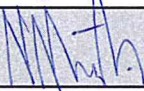





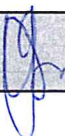



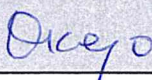
1.	Completion and equipping the 66 bed block hospital in Mama Lucy Kibaki Hospital		Kshs. 150 million.
2.	Renovations in Mbagathi Hospital		Kshs. 265 million
3.	Major renovations in Mutuini and Pumwani hospitals		Kshs. 180 M.

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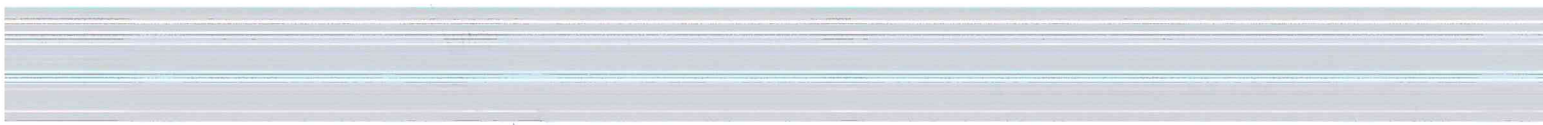




We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the County Fiscal Strategy Paper for the FY 2019-20 as adopted by the Committee on the 29<sup>th</sup> day of April 2019

NAME	SIGNATURE
1. Hon. Robert Mbatia, MCA	
2. Hon. Patrick Karani, MCA	
3. Hon. Michael Ogada, MCA	
4. Hon. Osman Adow, MCA	
5. Hon. Daniel Ngengi, MCA	
6. Hon. Anthony Ngaruiya, MCA	
7. Hon. Kariuki Wanjiru, MCA	
8. Hon. J.M Komu, MCA	
9. Hon. Paul Ndungu, MCA	
10. Hon. James Kariuki, MCA	
11. Hon. Susan Makungu, MCA	
12. Hon. Catherine Okoth, MCA	
13. Hon. Emily Oduor, MCA	
14. Hon. Paul Shilaho, MCA	
15. Hon. Nancy Muthami, MCA	
16. Hon. Elias Okumu, MCA	
17. Hon. Nimo Hajji, MCA	
18. Hon. Jane Muasya, MCA	
19. Hon. Fredrick Okeyo, MCA	

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MINUTES OF THE 43<sup>RD</sup> SITTING OF 2019 OF THE NAIROBI CITY COUNTY ASSEMBLY  
FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD  
ON MONDAY 29<sup>TH</sup> APRIL 2019 AT 11.00AM AT COMMITTEE ROOM TWO, CITY HALL  
BUILDINGS

**PRESENT**

1. Hon. Robert Mbatia, MCA    Chair
2. Hon. Patrick Karani, MCA    Vice Chair
3. Hon. Catherine Okoth, MCA
4. Hon. Osman Adow, MCA
5. Hon. Michael Ogada, MCA
6. Hon. Jane Muasya, MCA
7. Hon. Daniel Ngengi, MCA
8. Hon. J.M Komu, MCA
9. Hon. Emily Oduor, MCA
10. Hon. Fredrick Okeyo, MCA
11. Hon. Paul shilaho, MCA
12. Hon. Elias Okumu, MCA
13. Hon. Anthony Ngaruiya, MCA
14. Hon. Nancy Muthami, MCA

**ABSENT**

1. Hon. Susan Makungu, MCA
2. Hon. Wanjiru Kariuki, MCA
3. Hon. Paul Ndungu, MCA
4. Hon. James Kariuki, MCA
5. Hon. Nimo Omar, MCA

**SECRETARIAT**

1. Mr. Erick Otieno                      -Fiscal Analyst
2. Mr. Musa Senator                    -Fiscal Analyst
3. Mr. Mohamed Galgalo                -Fiscal Analyst, Intern

## MIN 182/FBAC/APRIL/2019: Preliminaries

The Chairperson called the meeting to order at 11.00am and opened the sitting with a word of prayer.

The following agenda for the day was adopted after being proposed by Hon. Nancy Muthami and Seconded by Hon. Fredrick Okeyo.

1. Preliminaries
2. Consideration and adoption of draft Committee report on the CFSP and DMSP 2019
3. Consideration and adoption of draft report on the Supplementary Estimates (II) for the FY 2018-19
4. Any Other Business
5. Adjournment

## MIN 183/FBAC/APRIL/2019: Consideration and adoption of draft Committee report on the CFSP and DMSP 2019

The Fiscal Analyst took Members through the draft report on the County Fiscal Strategy Paper and the Debt Management Strategy Paper for the FY 2019-20. The Committee adopted the report with the following recommendations after being proposed by Hon. Fredrick Okeyo and being seconded by Hon. Jane Muasya.

### I. POLICY MEASURES

#### — Finance and Economic Planning Sector

- a) That going forward, the County Executive Committee Member for Finance shall ensure that the following are attached to all budget documents submitted to the County Assembly: -
  - i. A copy of confirmed minutes of the County Executive Committee indicating the date the budget document was considered and approved by the County Executive Committee;
  - ii. Summary of the report arising from the Sector Working Groups;



- iii. Summary of issues arising from public hearings on the budget document under consideration including synthesis on how the matters were considered;
- iv. Report on implementation status of previous resolutions of the County Assembly on the budget document under consideration;
- v. Inventory of ongoing projects for all the Sectors including the expected completion date and the respective costs; and
- vi. Scientific data eg. Engineers estimates informing the costing of projects included in the budget documents.

b) That not later than seven days after adoption of a report on any budget document, the County Treasury shall make necessary amendments to the tabled budget document and submit published copies to the County Assembly;

c) That the County Executive Committee Member for Finance assigns full accounting functions to Sector Chief Officers as required by the provisions of Section 148 of the PFM Act, 2012;

d) That in line with the provisions of Regulation 82 of the Public Finance Management (County Government), Regulations 2015 the County Treasury facilitates Sectors to open and operate individual accounts at the Central Bank of Kenya;

e) That in line with the provisions of the Nairobi City County Office of the County Attorney Act, 2014, a separate vote be created in the Estimates indicating the budget estimates and programmes for the Legal Department. That the vote be named "Office of the County Attorney";

f) That the development projects proposed by the Sectoral Committees and annexed to this report form the basis for preparation of the budget for the FY 2019-20;

g) That the County implements and finalizes the incomplete projects from the previous financial years;

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- h) That in line with the provisions of Section 109 of the PFM Act, 2012, the County Treasury develops and presents to the County Assembly a legislative framework exempting hospitals from sweeping their revenues to the County Revenue Fund;
- i) That the County Treasury shall ensure that all agency fees are budgeted for and spent in line with the provisions of the PFM Act, 2012;
- j) That to avoid any form diversion of conditional grants from Road Maintenance Levy Fund, the County opens an account to which these monies are deposited for proper funds utilization and accountability;
- k) That in compliance with the provisions of Section 159 of the PFM Act, 2012 and the Nairobi City County Tax Waivers Administration Act, 2013, all waivers shall be published in the Kenya gazette for public input and the waivers granted reported to the County Assembly not more than fourteen days after being granted; and
- l) That the County Executive Committee Member for Finance comes up with proper policies to regulate commitments and ensure that quarterly expenditure commitments match quarterly revenue inflows.

— **Public Service Management**

- a) That the Sector develops a policy to guide Voluntary Early Retirement and the same be presented to the County Assembly for consideration before the end of the current financial year;
- b) That measures initiated to ensure that actual expenditure on wages and salaries reduces gradually to 35% by FY 2020-21 be implemented; and
- c) That the training vote in all Sectors be centralized in the Public Service Management since the Sector is mandated to train and has the capacity, skill and knowledge to undertake trainings in line with their area of operations.

— **Trade, Commerce, Tourism and Cooperative Sector**



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- a) That the Sector develops a policy on County Loans Scheme to support the SMEs and the same be submitted to the County Assembly for consideration before the end of the FY 2018-19;

— Office of the Governor and Deputy Governor

- a) That only one office block should be constructed at the sub county level which should accommodate all the Departments to cut on cost of the construction and to improve efficiency in service delivery;
- b) That the County should pursue partnership with other government agencies and corporate organizations to reduce financial burden to the County; and
- c) That the budget estimates and programmes for the Public Communications be moved from the ICT Sector to the Office of the Governor.

— Office of the County Attorney

- a) That the office develops a policy on management of decretal fees to among others require that the fees be decentralized and budgeted for under the various Sectors; and
- b) That the Office prioritizes recruitment of Legal Counsels in the FY 2019-20

— Environment, Energy, Water and Natural Resources Sector

- a) That the Environment sector should strategize on efficient waste collection and transportation through zoning of waste collection operation areas, introduction of formal contracts between private waste collectors, CBO's on solid waste management and awareness creation and public participation in environment matters to Nairobi residents.

— Public Works, Transport and Infrastructure Sector

- a) That to enhance parking revenue collection, the County to acquire internally run electronic revenue payment system;

b) That the County seeks funding in order to construct modern multi- story parking towers in the existing spaces in the CBD,

c) That the County forms a working group including the sector accounting officers, Chief Officer for Finance and Head of Supply Chain Management that will meet periodically to assess and prioritize pending payments to service providers and contractors working with the County; and

d) That going forward, the Sector to align the contract sums to the approved budget to avert the imbalances that occur in budgeting.

## II. REVENUE PROJECTIONS

a) That the revenue projections be amended by including Kshs. 700million as estimated bank balances to be carried forward from the FY 2018-19.

## III. EXPENDITURE CEILINGS

a) That the ceilings for the two arms of government be set as follows:

— County Assembly- Kshs. 3.201 billion consisting of Kshs. 1.530billion for development and Kshs. 1.671billion for recurrent expenditures.

— County Executive – Kshs. 32.083billion consisting of and Kshs. 9.463billion for development and Kshs. 22.620billion for recurrent expenditures.

b) That the schedules 1, 2 and 3 attached to the report forms the basis for the FY 2019-20 budget.

## IV. MEDIUM TERM DEBT MANAGEMENT STRATEGY

a) That the Assembly approves the debt management strategies underpinning the 2019 CFSP and the budget estimates for the FY 2019-20 and that the same remains binding for the next two financial years.



**MIN 184/FBAC/APRIL/2019: Consideration and adoption of draft report on the Supplementary Estimates (II) for the FY 2018-19**

The Fiscal Analyst took the Members through the draft report on the Second Supplementary Estimates FY 2018-19. The Committee adopted the report with the following recommendations after being proposed by Hon. Anthony Ngaruiya and being seconded by the Hon Emily Odour.

**1) Policy Measures**

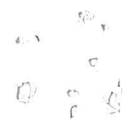
- a) That the County Executive Committee Member for Finance includes in the third quarter and full year reports submitted pursuant to the provisions of Section 116 of the PFM Act 2012, a brief on implementation of the revenue raising measures contained in the Finance Act 2018;
- b) That the County Treasury submits to the County Assembly report of the steering taskforce formed to address the challenges arising from revenue leakages and budget deficits;
- c) That the County Executive Committee Member immediately submits to the County Assembly a report on the extent of the accounting functions assigned to the respective County Chief Officers; and
- d) That in line with the provisions of Regulation 82 of the Public Finance Management (County Government), Regulations 2015 the County Treasury facilitates Sectors to open and operate individual accounts at the Central Bank of Kenya;

**2) Expenditure Reallocations**

- a) That the County Assembly adopts the budgetary reallocations as contained in the tabled supplementary estimates (II) for the FY 2018-19

**3) Budget Reductions**

- a) That under the Office of the Governor and Deputy Governor (Inspectorate Headquarters) the allocation for Contracted Technical Services (Vote 2211311) be reduced by Kshs. 120million and the item on Contracted Technical Services and corresponding allocation of Kshs. 90million be moved to Education Sector;



- b) That under the Education, Youth Affairs, Sports, Culture and Social Services, the allocation for Scholarships and other Educational Benefits -Secondary Education (County Executive bursaries) be reduced by Kshs. 20million;
- c) That under the Urban Planning and Lands Sector the allocation of Kshs. 30million for purchase of vehicles be knocked off the budget;
- d) That under the ICT, E- Government and Public Communications Sector the allocation for purchase of software (Enterprise Resource Planner) be reduced by Kshs. 100million;
- e) That under the Finance and Economic Planning Sector (Revenue Mobilization) the allocation of Kshs. 63million for Other Creditors be reduced by Kshs. 20million;
- f) That under the Public Works, Transport and Infrastructure Sector the allocation of Kshs. 100million for payment of pending bills be knocked off the budget.
- g) That under the County Assembly the development budget be reduced by Kshs. 100million and the amounts be reinstated in the budget for the coming financial year

#### 4) Budget Increases

- a) That under the Health Sector (Health Centres and Dispensaries Headquarters) the allocation for Other Operating Expenses (Vote 2211399) be increased by Kshs. 20million as the amounts are conditional grants from DANIDA;
- b) That under the Office of the Governor (Inspectorate Services) Kshs. 22million be allocated for leasing of vehicles;
- c) That the allocation for Legal affairs department be increased by Kshs. 40million to cater for pending legal bills;
- d) That under the Public Works, Transport and Infrastructure Sector, Kshs. 50million be allocated for construction of roads and drainages;
- e) That Kshs. 13million be allocated under Public Service Management to cater for Training under Human Resource Development;
- f) That under Youth Affairs and Sports Kshs. 5million be allocated for development of Nairobi City County Youth Policy;
- g) That under Environment, Water, Energy and Natural Resources Sector Kshs. 10million be allocated under Water Sub- Sector for subsistence allowance and other sector needs; and



- h) That under the Public Works, Transport and Infrastructure Sector, the allocation for Regeneration of Nairobi Eastlands Roads- Counterpart Funding be increased by Kshs. 330million.

MIN 185/TBAC/APR/2019: Adjournment

The time being ten minutes to one o'clock in the afternoon and having dispensed the business of the day the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....



Date.....

29/04/2019

(CHAIRMAN)

Sign.....



Date.....

29/4/19

(FISCAL ANALYST/COMMITTEE CLERK)

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