#### GOVERNMENT OF NAIROBI CITY COUNTY



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THE NAIROBI CITY COUNTY ASSEMBLY

#### OFFICE OF THE CLERK

#### SECOND ASSEMBLY-FOURTH SESSION

NBI CA. PLC. 2020 / (019)

4th June, 2020

#### PAPER LAID

Pursuant to Standing Order 191, I beg to lay the following Paper on the Table of the Assembly, today Thursday 4<sup>th</sup> June, 2020.

THE 23RD REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON ITS CONSIDERATION OF THE NAIROBI CITY COUNTY ANNUAL DEVELOPMENT PLAN FY 2020/2021.

(Chairperson, Select Committee on County Finance, Budget and Appropriations)

Copies to: The Speaker The Clerk Hansard Editor Hansard Reporters The Press , e t

#### COUNTY GOVERNMENT OF NAIROBI CITY



by Hom R. Mbaha Cohai, budge Ag SCA(c) H/6/202

NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY -FOURTH SESSION

23<sup>RD</sup> REPORT OF THE COUNTY ASSEMBLY FINANCE, BUDGET AND
APPROPRIATIONS COMMITTEE

ON

THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2020-21

**MARCH 2020** 

Madam. Speaker, the provisions of Section 126 (1) of the Public Finance Management Act 2012 decree that Every county government shall prepare a development plan in accordance with Article 220(2) of the Constitution. Section 126 (3) of the same act states that the County Executive Committee member responsible for planning shall, not later than the 1st September in each year, submit the development plan to the county assembly for its approval, and send a copy to the Commission on Revenue Allocation and the National Treasury.

Madam. Speaker, it is in fulfilment of the above legislations and the provisions of Standing Order 219, that on Tuesday 10<sup>th</sup> September 2019 the Leader of the Majority Party tabled in this Assembly the Annual Development Plan for the FY 2020-21. Having been laid in the table of the Assembly, the ADP was committed to the Sectoral Committees for review in line with their respective mandates and reporting to the Finance, Budget and Appropriations Committee. At the same time the Plan was also committed to the Finance Committee for consideration with specific focus on the development programmes and priorities that fall within the Sectors it oversights, being the Finance and Economic Planning Sector and the County Assembly.

Madam. Speaker, the Nairobi City County Assembly Finance, Budget & Appropriations Committee is established pursuant to the provisions of Standing Order 199 with a specific mandate among which is 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 programs with direct budget outlay

Madam. Speaker Sir, the County Assembly Finance, Budget & Appropriations Committee comprises of the following 20 Members:

1. Hon. Robert Mbatia, MCA

Chair

2. Hon. Patrick Karani, MCA

Vice- Chair

- 3. Hon. Michael Ogada, MCA
- 4. Hon. David Okello, MCA
- 5. Hon. Anita Thumbi, MCA
- 6. Hon. Anthony Ngaruiya, MCA
- 7. Hon. Cecilia Ayot, MCA
- 8. Hon. Samora Mwaura, MCA
- 9. Hon. Paul Ndungu, MCA
- 10. Hon. Elijah Mputhia, 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. Millicent Mugadi, MCA
- 17. Hon. Milicent Jagero, MCA
- 18. Hon. Herman Azangu, MCA
- 19. Hon. Emapet Kemunto, MCA
- 20. Hon. Mellab Atemah, MCA

Examination of the County Annual Development Plan for the FY 2019-20

In reviewing the Annual Development Plan for the FY 2020-21 the Committee held a total of five (5)

sittings. The Committee during this review heard from our own Sectoral Committees, the County

Executive and members of the public on the positive aspects of the plan as well as areas that would require

improvement by this County Assembly.

Acknowledgment

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

i. Members of the County Assembly who worked tirelessly to ensure that this

onus task was completed;

ii. Officers from the County Executive who appeared before it for purposes of

making their submissions;

iii. The Public for having honored the call of the County Assembly to take part in the

public hearings undertaken on the Plan at Charter Hall on Monday, 25th November

2019; and

iv. The Office of the Clerk for all the resources and guidance provided throughout the

process. The Committee notes that the roles of the County Assembly Fiscal Analysts

and the Clerk Assistants of various Sectoral Committees during this review were

invaluable;

Madam. Speaker, it is therefore my pleasant duty and distinct honor, on behalf of the Finance,

Budget & Appropriations Committee to table this Report and recommend it to the Assembly for

adoption.

SIGN...

DATE 12-03-2020

Hon. Robert Mbatia, MCA

Chairman: Finance, Budget and Appropriations Committee

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#### SCRUTINY OF THE NAIROBI CITY COUNTY ANNUAL DEVELOPMENT PLAN FOR THE FY 2020-21

#### A. BACKGROUND INFORMATION

- 1. Madam. Speaker, unlike many assertions the budget process is a cycle but not a period. This cycle starts every year by Planning. The provisions of section 104 (1) of the County Government act states that a county government shall plan for the county and no public funds shall be appropriated outside a planning framework developed by the county executive committee and approved by the county assembly. Planning is immediately followed by budget formulation, budget approval, implementation and finally review. The role of budget oversight is an ever-present process from planning to review. The Committee therefore calls upon the Members of this County Assembly to be keen to avoid mishaps in the budget foundation which is this Annual Development Plan.
- 2. Madam. Speaker, it's a very crucial period for this County. This County Assembly and indeed this Members present in this Chambers this evening will be called upon to approve schedules of proposed development which are going to set the first engagement in the implementation of four key County functions by the National Government. The County Assembly considered and approved the CIDP for 2018-2022. The approved CIDP provides clear goals and objectives accompanied with implementation matrix for the realization of the set outcomes. This Annual Development Plan therefore provides the roadmap towards implementation of development projects and programmes pulled out of the CIDP. The document before this house today will be the biggest test of representation and the basis of all new oversight.

## B. COMPLIANCE OF THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2020-21 TO THE PREVAILING LEGISLATION

- 3. Madam. Speaker, the Finance, Budget and Appropriations would once again wish to highlight the provisions of the law which have underscored the place and value of planning in public finance management. It is no doubt that there is an elaborate legal literature on the role and place of the ADP in the annual budget calendar. The provisions of Section 126 (3) of the PFM Act 2012 is explicit that not later than 1st September of each year the County Executive Committee Member for planning shall submit the development plan to the County Assembly for its approval. It is the expectation of the law that early approval of the ADP would ensure that there is no delay in the subsequent budget processes and timelines. It is for this reason that the provisions of Section 107 of the County Governments (CGA) Act, 2012 provides that the plan would be able to guide, harmonize and facilitate development within the County. The Committee commends the County Treasury for having adhered to the above provisions of the law and submitted the ADP for the FY 2020-21 within the legal timelines.
- 4. Hon. Speaker, Section 126 (1) of the PFM Act, 2012 dictates that the ADP shall include:
  - strategic priorities for the medium term that reflect the county government's priorities and plans;
  - a description of how the county government is responding to changes in the financial and economic environment;
  - programmes to be delivered with details for each programme of—
    - (i) the strategic priorities to which the programme will contribute;
    - (ii) the services or goods to be provided;
    - (iii) measurable indicators of performance where feasible; and
    - (iv) the budget allocated to the programme;

- payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid;
- a description of significant capital developments;
- a detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible;
- a summary budget in the format required by regulations; and
- such other matters as may be required by the Constitution or this Act.
- 5. Hon. Speaker, in reviewing the document the Committee noted that by and large the ADP had met the statutory threshold spelt out in both the County Governments Act and the Public Finance Management Act 2012. The plan has made considerable attempt to evaluate the strategies that the County would aim to pursue in the medium-term period and also provided some of the priorities to be pursued. The strategic priorities remain the main areas of interest for the County and once realized would improve the standard of the City. However, whereas the ADP has tried to persuade on the measures the County has put in place to respond to crosscutting financial and economic issues, the Committee notes that some of the problems and their corresponding solutions are repetitive and out dated. Issues like traffic management, environmental degradation, high youth unemployment and solid waste management have remained riddles for Nairobi City since rolling out of the County Government and answers to the same must now be found. The Committee has on numerous occasions urged the County Executive to avoid the temptation of making promises that we can't keep as a County but most importantly that we must endeavor to keep the promises we have already made. One of those promises we have made to the public is that of ensuring that we have a clean city free from traffic congestion and all forms of pollution.

- 6. Madam. Speaker, the Committee notes that unless drastic measures are put in place and all documented proposals put to action, the County faces the risk of having too many write-ups on how to address the challenges we face. The Committee is of the view that if there is anything we should learn from our experiences over the past year it is that issues like environmental pollution and traffic management require first and foremost attitude turnaround from all of us and cooperation from all quarters. The Committee appreciates that the ADP has detailed how to address problems like low revenue collection and huge wage bill but it notes that unless the same is accompanied with commensurate action the same may remain only but abstract theoretical essay.
- 7. Madam. Speaker, the ADP has provided the programmes that the County wants to implement with details of their budget requirement fully captured in the book. The Committee is convinced that most the indicators are realistic and measurable. However, in areas where the Committee noted specific issues that it would wish addressed it would be highlighting the same in the subsequent parts of this report. In relation to the provisions of Section 12 (1) (g) that requires that the CIDP contains a summary budget in format required by regulations, the Committee notes that the plans have been prepared in total cognizance of the legal provisions. That notwithstanding the Committee has directed the County Treasury to always ensure that the all future Plans submitted to this County Assembly for approval are within the resource requirements achievable by the County in one financial year.

#### C. SUBMISSIONS FROM THE PUBLIC ON THE PLAN

8. Madam. Speaker, democracy is best defined as Government of the people, by the people, for the people, Article 1 and Article 10 (2) a, b and c of the Constitution empowers the citizens to have say in their governance. Further section 113 of the County Governments act and indeed our own legislation the Nairobi City County Public Participation Act makes public participation in county planning processes compulsory. To satisfy these legal requirements and ensure that the County Plans have received input from the entire County, the County Assembly through the

- Finance, Budget and Appropriations Committee held public consultations with the public and organized groups at Charter Hall on Monday, 25<sup>th</sup> November 2019.
- 9. **Madam. Speaker,** these were the submissions that the Members of the public made to the County Assembly:
  - a) The Members lamented that the County Government gave a very short notice for the public participation and this resulted to low turnout during the exercise;
  - b) The Members notified the committee that a sign language interpreter was missing, and the County should endeavor to provide copies in braille to ensure inclusivity.
  - c) The Members of Public raised issues with inequality in resource mobilization in the County leading to inequity in living conditions in the County.
  - d) Representatives from Wasiliana Hub Mediators presented a written memorandum and noted that there was need by the County to embrace alternative dispute resolutions mechanism.

    Hence, advised the County to adopt an 'A Meditation First County' approach in grievances resolution. That such approach would go a long way towards reducing of litigation costs which were weighing the County down.
- e) Representative from Mbunge la Mwananchi noted that the document was voluminous and contained detailed presentation of the County programmes. In this regard, He urged the Committee to ensure that the proposed plans were adhered to for progress in the County.

#### D. SUBMISSIONS FROM THE SECTORAL COMMITTEES

10. **Madam. Speaker,** the Finance, Budget and Appropriations Committee organized a meeting on Wednesday 26<sup>th</sup> February 2020 during which the Chairpersons of the Sectoral Committees appeared before it with their respective Sector County Executive Committee Members and Chief Officers to make presentation on their consideration of the ADP. The following were the recommendations which were submitted by the Sectoral Committees:

#### a) Environment and Natural Resources Committee

- That the procurement of sweeping contracts be maintained at Kshs.2.184B as per the ADP, since it has been allocated in the CIDP KShs. 10.920B;
- That procurement of a weighbridge ramp be allocated Kshs 30M be done in the current Financial Year as per the CIDP and the ADP be amended accordingly to reflect that change;
- That procurement of refuse compactor be allocated Ksh 50M and the same be included in the ADP, since it has been allocated in the CIDP with allocation of 340M
- That procurement of 15 refuse trucks (skip loaders) at a cost of Kshs 105M in the CIDP be increased to 17 No with an allocation of Kshs 170M and the ADP be amended accordingly to reflect that change;
- That the improvement of access roads, drainage, construction of perimeter walls, installation of weighbridge and flood lights with allocation of Kshs 10M be retained in ADP as proposed in the CIDP;
- Dandora dumpsite modernization be retained as proposed in the CIDP;
- That procurement of a weighbridge at a cost of Kshs 25M be done in the current Financial Year as per the CIDP and the ADP be amended accordingly to reflect that change; and
- That procurement of air sampling kits, procurement of supervisory vehicles, water-sampling kits and procurement of noise meters be done in the current Financial Year.

#### b) Transport and Public Works Committee

— The rolled over projects be incorporated in the County Annual Development Plan FY2020/2021.
The dispensing with the rolled over projects will give the County an opportunity to roll out new projects that will yield then greatest impact on the functioning of the County Government and the lives of residents;

- That the procurement of street and public lights maintenance materials as well as purchase of road maintenance equipment be prioritized in the FY 2020/2021;
- That resources be provided for recruitment of staff in the Sector to facilitate timely succession planning in time; and
- That the County Executive Committee Member in charge of the Sector to engage his counterpart in the Treasury on how pending bills worth **Ksh.167**, **351,261** will be paid.

#### c) Culture and Community services

- i. Trade, Tourism and Cooperatives Liqour Licensing Sub-sector
- That the programmes for the Liqour Board be implemented as proposed;
- That the Liquir Board improves its performance on revenue collection by ensuring that all Liquir outlets in the County are licensed;
- That the sub-sector should be submitting their quarterly reports on all the Sensitization programmes undertaken;
- That the sub-sector finalizes on the drafting of the Nairobi City County Alcoholic Drinks

  Control and Licensing Board Policy by the end of the FY 2019/2020
- ii. Disaster Management and Coordination
- That, the programmes for the sector be implemented as proposed;
- That, the sub-sector ensures they complete the renovation of Tom Mboya and Industrial Fire Stations as well as completing the recruitment of the 200 staff to the fire department;
- iii. Education, Youth Affairs, Children, Sports, Culture and Social Services
- That, the programmes for the sector be included in the ADP and the same be implemented as proposed; and
- That, the Sector prioritizes its project so as to avoid roll over of projects.

#### d) Justice and Legal Affairs Committee

- That department ensures all renovations should are centralized to the administration department.

  The Plan is generally flooded with renovation of offices across sectors leading to duplication;
- That the Sub County Administration reduces the number of vehicles to be procure from 24 to 6 vehicles;
- There should be a fleet management department that caters for the purchase of all the motor vehicles in the County. The function should be centralized; and
- That the allocations of the legal affairs department be considered in the Annual Development Plan 2020/2021 since they were included in the County Integrated Development Plan 2018/2022.

#### e) Children, Early Childhood education and Vocational Training

- The Sector should prioritize all pending payments to ensure projects are completed within the budget financial year;
- The Committee having looked into the proposed Projects for the County Annual Development Plan 2020/21, therefore recommends the Select Committee on Finance, Budget and Appropriations to approve the County Annual Development Plan 2020/21 for the Children, Early Childhood Education and Vocational Training as proposed.

#### f) Planning and Housing Committee

- All the projects listed in the second year of the CIDP should be appearing in the ADP FY 2020/21.
- The ADP should only consist of projects for one financial year and in this case the FY 2020/21 and all projects should be aligned to the CIDP.

#### g) Health Services Committee

— That, the Committee recommends that the Health Sector programmes contained in the ADP be approved as proposed.

#### h) Water and Sanitation Committee

- That Rolling out sewer revolving fund to increase sewer connection and extending Sewer system.
- That Exploring funding of pro-poor for sanitation services
- That Increase water supply Maragua Dams (Murang'a County) & Ndarugo Dams (Kiambu and Machakos County) to be developed in the next five years. Dams to be financed by National Government

#### i) Energy and ICT Committee

— That the programmes below be replaced with the ones presented in the tabled ADP for FY2020-21 as they are the Sector priorities.

#### **BUDGET SUMMARY**

	PROGRAMMES	PROJECT	PROJECTION
it.		DESCRIPTION	FY2020/2021
	100 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
1.	General	1. Refurbishment of ICT Offices	15,000,000
	Administration	2. Purchase of vehicle	8,000,000
	Planning &		
	Support Service		
2.	Information	1. ICRMS – Year 2	407,000,000
	Systems &	2. Business Intelligence	14,000,000
	eGovernment	3. Customer Relationship	20,000,000
		Management System	10,360,000
		4. Email Messaging (Enterprise	1,800,000
		Edition)	

		5. Help Desk	
3.	ICT Infrastructure	1. Licences and Support for	115,649,138
	Development	Smartnet, Data Storage and	
		VMware.	3,200,000
		2. Environment Monitoring	10,000,000
		Security System.	2,000,000
		3. Service Level Agreement	4,500,000
		4. Storage for CCTV	6,902,779
		Redundancy	5,000,000
-		5. Redundant Generator	
		6. Disaster Site Recovery	
		7. Implement of ISMS (Info Sec	
		Mngt. Sys)	
4.	County	1. Contact Centre	30,000,000
	Information &	2. Bulk SMS System	5,200,000
	Communication	3. Cleaning Services and	200,000,000
	Service	Sanitation	50,000,000
		4. Media Archive	

5.	eLearning & ICT	eLearning Staff Lab	5,000,000
	Capacity Building	2. Innovation Hub	5,000,000
		Refurbishment	
	TOTAL	-	918,611,917

#### a) Energy Sub-Sector

#### **BUDGET SUMMARY**

Progra	Project	New or	Expected	Target	Measurable	Budgetin
m		phased	Output	for	indicator	g Ksh.(M)
				2020/2		
				1		
Energy	- Energy Audits	New	- Efficient energy	- 2	- No of audits	8m
	- LED bulbs and		use	500	conducted	
	Solar	,	- Increasing uptake	bulbs	- No of stoves	
9	Panels installation	New	of Renewable	10kw	- Amount of energy	
	- Innovative clean		energy		generated	
	Cooking, stove	New				
	- Energy generation					
	from waste					

#### j) Labor and Social Welfare Committee

The Public Service Management Annual Development Plan be approved as proposed;

- The County Public Service Board Annual Development Plan be approved as Proposed;
- The Youth Affairs & Social Services Sectors' Annual Development Plan be approved as proposed;

- The Annual Budget estimates for the Sectors be in line with the Sectors' priorities to enable the Sectors achieve their objectives;
- The County to provide adequate funding for the Sectors in order to ensure
   Implementation of planned activities;
- The County should endeavor to decentralize the procurement system so as to
   Address the lengthy procurement process challenge in the County.

#### k) Agriculture, Livestock and Fisheries Committee

- —All procurement functions be decentralized at procurement office to hasten

  the process. Fast track all revenue documents; to enable optimal revenue collection
- —The County to initiate pending bills account; this will allow Sectors to concentrate on implementation of budgeted activities in the financial year
- —Procurement be fast tracked/ hastened to avoid spillover projects and pending bills
- —Decentralization of funds to Sector level for timely and improved service delivery
- —Employment of Sector inspectors
- —The Sectors should quickly embrace urban farming technologies (to enhance food security) and cascade them to Wards level; owing to limited arable land in the City
- —There is need for the Sector to always premise its subsequent Annual Development on the County

  Integrated Development. The ADP 2020 -2021 is aligned to the CIDP

#### l) Trade, Tourism and Cooperatives Committee

- That the Committee approves the County Annual Development Plan 2020-2021 for the Commerce, Tourism and Cooperatives Sector with the view of amending the CIDP to meet the increasing demand for markets in the County, completing all pending construction and rehabilitation of existing markets;
- That the Sector should move with speed and finalize on the development of the

- Special Loans Revolving Fund Regulations in the current financial year to ensure transparency and accountability;
- That the Sector should ensure that all projects for current financial year 2019/2020 are rolled out and funds committed to projects as approved by the Assembly;
- That the allocation for rehabilitant and construction of markets in Mugumoini and

  Harambee Wards are fast racked for implementation in the financial year 2020/21 since the same

  were allocated in the previous financial years.

# E. OBSERVATIONS OF THE FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE ON THE SECTORS' PROGRAMMES AND PROJECTS

- 11. **Madam. Speaker,** the Finance, Budget and Appropriations Committee held discussions with the County Treasury to disseminate the specifics of the projects and programmes enlisted in the ADP and from the discussions the Committee managed to come up with a number of observations. This section of the report would endeavor to record some of the observations of the Committee on selected Sectors programmes as well as propose ways of dealing with any identified gaps.
- 12. Madam. Speaker, the Internal Audit department is meant to promote good governance, public participation and the rules and laws. It purposes to focus on the programmes of audit service at Kshs 48.5Million, being Ksh.11.5million for acquisition, installation, operationalization and maintenance and renewal of audit software. A further Kshs. 10Million is proposed for hiring a risk management consultant, Ksh.20million for organizing and conducting training on risk management and Kshs 7million for procuring 1 motor vehicle to provide transport facilities to the Auditors. The Committee observed that Internal Audit & Risk Management intended to hire a risk management consultant at an estimated cost of Ksh.10 million, the Committee observes that this is a positive step as the professionals in the sector need to be trained in risk assessment. In the past the Assembly has observed that most of the time the County has been exposed to both

internal and external risks due to insufficient information in contracts and procurement documents. The Finance Committee further notes that despite several resolutions by this department has been maintained under the devolution Sector yet it is one of the financial function departments that should fall under the County Treasury.

- 13. Madam. Speaker, the Security and Compliance Sector sub-sector is mandated to enforce County Laws and other Acts of Parliament while providing security services (guarding) to county properties and installations. The Committee observed that in the Financial year 2018/19 the sub-sector had nothing worth being recognized as achieved following the Sector's own admission in the that it had 0% absorption of development, the Committee wonders what new strategies the department will put in place to achieve its priorities. In the financial year 2020-21, the Security and compliance, intends to implement four programs Inspectorate, General Administration, Investigation and General Administration. The Committee noted that if the proposed 1,000 individual's recruitment was allowed to hold any hope that the County would reach the fiscal responsibility principle of not more than 35% expenditure of annual revenues on wages and salaries was deemed.
- 14. Madam. Speaker, the Agriculture sector intends to Promote urban agriculture and regulation the Committee observes that the Sector has identified several projects aimed at bolstering income of youth, women groups and other beneficiaries through provision of facilities such as fruit processing machines, vegetable shredding equipment and green houses. These initiatives are commendable, however the need for development of regulation remains a priority in order to ensure equity in promoting the projects and avoid marginalization. The Committee further notes that while the sector intends to come up with poultry slaughterhouse and livestock holding ground as a Public Private Partnership there is need to quantify how much financing will be obtained from PPI. Further the sector needs to elaborate whether sufficient land has been identified for holding livestock and its location.

- 15. **Madam. Speaker,** the Education sector abandoned the programmes contemplated in the CIDP 2018-22 and the ADP 2019-20 namely Education services, Social Services and Gender & Community Development. The Committee notes that by introducing new programmes it would be difficult to track the achievements of sector priorities in the CIDP.
- 16. Madam. Speaker, the ICT and E-Government sector has identified several 5 programmes in its 2020/21 ADP whereas the CIDP only provided for two programmes further the ADP provides for projects to be undertaken in one financial year. the Committee however notes that the sector had listed some programmes with timeframes of 2, 3 and 5 years making it unclear how projects with long time frame shall be apportioned in 2020-21. The committee further notes that despite an of Kshs.318M in FY2018/2019 the sector has planned for projects worth Ksh.2.247billion in FY 2020/21. the Committee note the poor absorption by the sector and marvels how the sector intends to implement the projects.
- 17. Madam. Speaker, the Roads, Public Works and Transport Sector intends to implement Roads and drainage programme where it plans to construct roads, maintaining existing roads network and the same time build and maintain drainage systems throughout the city at Kshs.4. 890billion. The Committee notes that the sector should clearly identify the roads it intends to construct for ease of monitoring. The Finance Committee notes that in the past the Sector has been faced by inability to absorb significant percentages of its development budget leading to constant rolling over of project the same has been time and again attributed to various reasons ranging from lack of capacity in technical staff to cash flow issues to late planning.
- 18. Madam. Speaker, under the Environment, Energy, Water and Natural Resources Sector It is observed that projects such as procurement of land fill compactor and improvement of access roads in Dandora under solid waste management sub-program have no performance indicators nor budget allocation. Under beautification sub-program the budget allocation for individual projects is not itemized, it has been generalized as the budget for the sub-program. It is noted that

the construction of a weigh bridge project at the cost Kshs.40M was not captured in the CIDP 2018-2022. The Committee observes that procurement of air sampling kits, procurement of supervisory vehicles, water sampling kits and procurement of noise meters that are supposed to have been done by the end of FY2019/20 and not extend to the FY2020/21 as indicated in the ADP.

- 19. Madam. Speaker, the Ward Development Fund despite several hiccups towards the implementation of the Ward Development Fund, the County Executive in accordance to the law provide the ADP for the Fund. The Fund administration has allocated Kshs.14million to each ward totaling to Kshs.1.204billion for the FY2019/2020. The Committee notes that Section 21 of the Nairobi City County Ward Development Act, 2014 requires that ward development projects be submitted by the ward development Fund Committee, the administrator did not indicate whether the projected were forward by the Committees. Further, its noted that the provisions of the WDF Act entrust the approval of WDF projects to be approved by a Management Committee, this Committee is yet to be formed and approved by the Assembly. Finally, the Finance Committee noted that most of the projects under the fund where in relation to the Public works sector. need for the Fund Management.
- 20. Madam. Speaker, the resource requirement to implement the ADP as presented is Kshs.35.419 billion. The Committee notes that total external transfers as at 30<sup>th</sup> June 2019 from the National Government and other agencies amounted to Kshs. 15.967 billion and the County raised Kshs. 10.24 billion internally by the end of the year. this brought the total available resource for the FY2018-19 to Kshs.26.2 billion. The Finance Committee observes that a resource requirement of Kshs.35.419 billion is long haul for the County. Arising from the ongoing discussion indications from the National Treasury is that the equitable share to Counties may be reduced leaving the County to source for the extra

resources. Further, arising from the current transfer of the role of revenue collection to the Kenya Revenue authority the County is in new waters. The Committee notes that there is need for extensive consultations on how to improve the revenues.

#### F. COMMITTEE'S RECOMMENDATIONS

21. **Madam. Speaker,** in summary and pursuant to the provisions of Section 126 (3) of the PFM Act, 2012 and Standing Order 219, the Finance, Budget and Appropriations Committee recommends that the Annual Development Plan for the FY 2020-21 be amended as follows under the respective Sectors: -

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

- That the sewer revolving fund be rolled out to increase sewer connection and extending sewer system.
- That procurement of a weighbridge ramp be allocated Kshs 30M be done in the current Financial Year as per the CIDP and the ADP be amended accordingly to reflect that change;
- That procurement of refuse compactor be allocated Ksh 50M;
- That procurement of a weighbridge at a cost of Kshs 25M be expunged from the ADP; and
- That procurement of air sampling kits, procurement of supervisory vehicles, water-sampling kits and procurement of noise meters be expunged from the ADP

#### b. Transport, Infrastructure and Public Works Sector

- That the rolled over projects under the sector be prioritized;
- That the procurement of street and public lights maintenance materials as well as purchase of road maintenance equipment be prioritized in the FY 2020/2021;
- Resources be provided for recruitment of staff in the Sector facilitate timely succession planning in time; and

— The County Executive Committee Member in charge of the Sector to engage the County Treasury on how pending bills worth **Kshs. 167,351,261** will be paid.

#### c. Trade, Commerce, Tourism and Cooperatives Sector

- That all pending construction and rehabilitation of existing markets be prioritized to meet the increasing demand for markets in the County;
- That the Sector should move with speed and finalize on the development of the Special Loans

  Revolving Fund Regulations in the current financial year to ensure transparency and accountability; and
- That the Sector should ensure that all projects for current financial year 2019/2020 are rolled out and funds committed to projects as approved by the Assembly; and
- That the programmes for the liquor board be implemented as proposed.

#### d. Devolution, Administration and Public Service Management

- That all renovations should are centralized to the administration department as the plan is generally flooded with renovation of offices across sectors leading to duplication;
- That the Sub County Administration reduces the number of vehicles to be procure from 24 to 6 vehicles;
- That the allocations of the legal affairs department be considered in the Annual Development Plan 2020/2021 since they were included in the County Integrated Development Plan 2018/2022.
- The Public Service Management Annual Development Plan be approved as proposed;
- The County Public Service Board Annual Development Plan be approved as proposed;
- The disaster management Annual Development Plan be approved as proposed;
- The Annual Budget estimates for the Sectors be in line with the Sectors' priorities to enable the Sectors achieve their objectives;

- The County to provide adequate funding for the Sectors in order to ensure implementation of planned activities;
- The County should endeavor to decentralize the procurement system so as to address the lengthy procurement process challenge in the County.

#### e. Education, Youth Affairs, Children, Sports, Culture and Social Services

— That the sector aligns its ADP 2020/21 programmes with the approved CIDP programmes

#### f. Urban Planning, Lands, Housing and Urban Renewal Sector

- That all the projects listed in the second year of the CIDP should be incorporated in the ADP 2020/21.
- That the ADP should only consist of projects for one financial year and in this case the FY 2020/21 and all projects should be aligned to the CIDP.
- The Sector should ensure that all the projects it intends to achieve in the 2020/21 ADP are costed and are implementable within a span of one year.

#### g. Health Sector

— The committee recommends that the Health Sector programmes contained in the ADP be approved as proposed.

#### h. ICT and E-Government sector

—That the following be the sector ADP priorities

PROGRAMMES	PROJECT	PROJECTION
	DESCRIPTION	FY2020/2021
General	3. Refurbishment of ICT Offices	15,000,000
Administration	4. Purchase of vehicle	8,000,000
	a e s	
	General Administration	General 3. Refurbishment of ICT Offices  Administration 4. Purchase of vehicle

	Planning &		
	Support Service		
2.	Information	6. ICRMS – Year 2	407,000,000
	Systems &	7. Business Intelligence	14,000,000
	eGovernment	8. Customer Relationship	20,000,000
		Management System	10,360,000
		9. Email Messaging (Enterprise	1,800,000
		Edition)	
		10. Help Desk	
3.	ICT Infrastructure	8. Licences and Support for	115,649,138
	Development	Smartnet, Data Storage and	
		VMware.	3,200,000
		9. Environment Monitoring	10,000,000
		Security System.	2,000,000
1		10. Service Level Agreement	4,500,000
		11. Storage for CCTV	6,902,779
		Redundancy	5,000,000
		12. Redundant Generator	
		13. Disaster Site Recovery	
		14. Implement of ISMS (Info Sec	
		Mngt. Sys)	
4.	County	5. Contact Centre	30,000,000
	Information &	6. Bulk SMS System	5,200,000

	Communication	7. Cleaning Services and	200,000,000
	Service	Sanitation	50,000,000
		8. Media Archive	
5.	eLearning & ICT	3. eLearning Staff Lab	5,000,000
J.	eleaning & ici	J. Clearing Stair Lab	3,000,000
	Capacity Building	4. Innovation Hu	5,000,000
		Refurbishment	
	TOTAL		918,611,917

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

— The committee recommends that the **Food, Agriculture and Forestry Sector** programmes contained in the ADP be approved as proposed.

#### 1. The Ward Development Fund

- That the County Executive moves with speed to put in place the Ward Management Fund
   Committee;
- That the Fund Management and the transport Sector to critically look at the nature of works to avoid duplication of projects and prioritize unbudgeted areas;

#### m. County Assembly Service Board

— The committee recommends that the **County Assembly Service Board** ADP be approved as proposed.

Madam Speaker, in conclusion and pursuant to the provisions of Section 126 (3) of the Public Finance Management Act 2012 and Standing Order 219 the County Finance, Budget and Appropriations Committee recommends that:

"This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on the Annual Development Plan for the FY 2020-21."



# MINUTES OF THE 11<sup>th</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE, BUDGET & APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY 11<sup>Th</sup> MARCH, 2020 AT 12.00 NOON IN CHARTER HALL.

#### PRESENT

- 1. Hon. Robert Mbatia, MCA
- 2. Hon. Patrick Karani, MCA
- 3. Hon. Emapet Kemunto, MCA
- 4. Hon. Paul Ndung'u, MCA
- 5. Hon. Anthony Ngaruiya, MCA
- 6. Hon. Nancy Muthami, MCA
- 7. Hon. Catherine Okoth, MCA
- 8. Hon. Cecilia Ayot, MCA
- 9. Hon. Ann Thumbi, MCA
- 10. Hon. David Okelo, MCA
- 11. Hon. Herman Azangu, MCA

- Chairperson
- Vice Chairperson

#### **ABSENT**

- 1. Hon. Millicent Mugadi, MCA
- 2. Hon. Paul Shilaho, MCA
- 3. Hon. Emily Oduor, MCA
- 4. Hon. Elijah Mputhia, MCA
- 5. Hon. Samora Mwaura, MCA
- Hon. Millicent Jagero, MCA
- 7. Hon. Michael Ogada, MCA
- 8. Hon. Mellab Atemah, MCA
- 9. Hon. Susan Makungu, MCA

#### Secretariat:

- 1. Mr. Titus Muiruri Clerk Assistant
- 2. Mr. Asman Omweri Clerk Assistant

#### **Budget Office**

- 1.Mr. Erick Roberts Fiscal Analyst
- 2.Mr. Musa Senator Fiscal Analyst
- 3.Mohammed Galgalo Fiscal Analyst Intern

4. Precious Njeru – Fiscal Analyst Intern

#### MIN032/NCCA/FBAC/MARCH/2020:

#### **PRELIMINARIES**

— The Chair called the meeting to order at 12.20 p.m. and opened the meeting with a word of prayer. He then welcomed Members and the secretariat present to the meeting and took them through the agenda as follows:-

#### **AGENDA**

- 1. Preliminaries
- 2. Consideration and adoption of the Report on County Annual Development Plan for the FY 2020-21
- 3. Consideration and adoption of the Report on Revenue Inquiry
- 4. Any Other Business
- 5. Adjournment
- The agenda of the meeting was proposed by Hon. Nancy Muthami and seconded by Hon. Herman Azangu.

## MIN033/NCCA/FBAC/MARCH/2020:- CONSIDERATION AND ADOPTION OF THE REPORT ON COUNTY ANNUAL DEVELOPMENT PLAN FOR THE FY 2020-21

The fiscal analyst took members through the draft report on the ADP and the Committee resolved to invite the clerk of the County Assembly and the senior finance officer to shed more light on the CADP for the FY-2020/21 of the County Assembly Service Board.

The above resolution was proposed by Hon. David Okelo and seconded by Hon. Paul Ndungu.

### MIN034/NCCA/FBAC/MARCH/2020:- CONSIDERATION AND ADOPTION OF THE REPORT ON REVENUE INQUIRY

The fiscal analyst took members through the draft report on the revenue inquiry and it was resolved that the Nairobi County Revenue Administration Act, 2019 and the Nairobi County Trade Licensing Act, 2019 be operationalized to enhance revenue collection.

It was further resolved that the committee to undertake the second phase of site visits on revenue inquiry to assess the status of county revenue streams.

The above resolution was adopted by the Committee after being proposed by Hon. Emapet Kemunto and seconded by Hon. David Okello.

#### MIN035/NCCA/FBAC/MARCH/2020:-ANY OTHER BUSINESS

There was no any other business for the committee to transact.

#### MIN036/NCCA/FBAC/MARCH/2020:- ADJOURNMENT

There being no other business, the chair adjourned the committee siting at 13.10 p.m.

#### **CONFIRMED AS TRUE RECORD OF PROCEEDINGS**

SIGN.	DATE. 12-03-2020
HON. ROBERT MBATIA (CHAIRMAN)	
SIGN SIGN ASMAN J. OMWERI (COMMITTEE CLERK)	DATE 11-3-2020

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