

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

SECOND ASSEMBLY-FOURTH SESSION

*Approved
Bluen.
16/6/2020*

NBI CA. PLC. 2020 / (025)

16th June, 2020

PAPER LAID

Pursuant to Standing Order 191, I beg to lay the following Paper on the Table of the Assembly, today Tuesday, 16th June, 2020.

THE REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON CONSIDERATION OF THE NAIROBI CITY COUNTY FISCAL STRATEGY PAPER FY 2020/2021.

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

Copies to:
The Speaker
The Clerk
Hansard Editor
Hansard Reporters
The Press

*Paper laid on
16th June 2020 by
Committee Chairperson
16/6/2020
AK*

GOVERNMENT OF NAIROBI CITY COUNTY



Approved
Blamini
16/6/2020

THE NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY
(FOURTH SESSION)

NOTICE OF MOTION

Hon. Speaker, I beg to give notice of the following motion:-

THAT, this Assembly Adopts **THE REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS CONSIDERATION OF THE NAIROBI CITY COUNTY FISCAL STRATEGY PAPER FY 2020/2021**, laid on the Table of the Assembly today, Tuesday, 16th June 2020.

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

Motion of Motion moved
on 16th June 2020
by the Committee Chair
16/06/2020

COUNTY GOVERNMENT OF NAIROBI CITY



*Paper laid on
16th June 2020 by
the Committee Chairperson
AK
16/06/2020*

NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – FOURTH SESSION

25TH 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 2020-21 AND OVER THE
MEDIUM TERM

JUNE 2020

I.PREAMBLE

Hon Speaker, the guiding provisions of Section 117 (1) of the Public Finance Management (PFM) Act 2012 requires that the County Treasury submits to County Assembly the County Fiscal Strategy Paper (CFSP) approved by the County Executive Committee by the 28th day of February in each year. The submitted Paper, being a policy document, is therefore expected to provide 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 term. Moreover, Section 117 (4) dictates that the County Treasury shall include in this Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term. Further, the provisions of Section 123 (1) of the Act requires the County Treasury to submit 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 on or before the 28th February in each year. The debt management strategy should encompass information on the total stock of debt as at the date of the statement, the sources of loans made to the county government, the principal risks associated with those loans, the assumptions underlying the debt management strategy as well as an analysis of the sustainability of the amount of debt, both actual and potential. The statement on the debt management strategy is contained in the Debt Management Strategy Paper (DMSP). The County Treasury submitted to the County Assembly the two papers for consideration and approval in compliance with the quoted provisions on Public Finance Management (PFM) Act 2012.

Hon Speaker, the aforementioned Papers for the FY 2020-21 were tabled in the County Assembly on Tuesday 3rd March 2020. Having been laid and in line with Standing Order 221 (3) the CFSP was committed to the respective Sectoral Committees for scrutiny according to their mandates and were required to make recommendations to the Finance, Budget and Appropriations Committee. The DMSP was submitted to the Finance, Budget and Appropriations Committee for consideration and reporting. The Finance, Budget and

Appropriations Committee is required under Nairobi City County Assembly Standing Order 221 (4) to consult each Sectoral Committee while considering the Fiscal Strategy Paper and table its report containing its recommendations to the County Assembly for consideration. Further the provisions of PFM Act require that when finalizing the consideration of any budget document, the Budget Committee shall consult members of the public and the County Executive Committee Member for Finance.

Hon Speaker, it is worth mentioning that the provisions of Standing Order 221 (6) decree 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 2020-21.

Hon. Speaker, it needs no reminder that the budget process for the FY 2020-21 kicked off at a time when the World had set its technological, financial and human resources towards fighting the global pandemic that had threatened to extinguish the human race. This process hence marked a new arena for the Committee as it was not able to hold physicals meeting to receive public submissions on the document or engage with Sectoral Committees on their proposals aimed at re-engineering the County's fiscal discourse. Closer home, Hon. Speaker, the CFSP and DMSP have been considered in the backdrop of Deed of Transfer of functions that shifted four key performance areas of the County Government to the National Government. The consideration of the Papers therefore has been undertaken in full consciousness of these lingering realities.

Hon Speaker, the Members of the County Assembly Finance, Budget & Appropriations Committee who examined and made recommendations on the CFSP and the DMSP 2020 were as follows: -

- | | | |
|----|---------------------------------|--------------------|
| 1. | Hon. Robert Mbatia, MCA | Chair |
| 2. | Hon. Patrick Karani, MCA | Vice- Chair |

3. Hon. Michael Ogada, MCA
4. Hon. Samora Mwaura, MCA
5. Hon. Anita Thumbi, MCA
6. Hon. Anthony Ngaruiya, MCA
7. Hon. Elijah Mputhia, MCA
8. Hon. Millicent Mugadi, MCA
9. Hon. Paul Ndungu, MCA
10. Hon. Millicent Jagero, MCA
11. Hon. Susan Makungu, MCA
12. Hon. Catherine Okoth, MCA
13. Hon. Emily Oduor, MCA
14. Hon. Emapet Kemunto, MCA
15. Hon. Nancy Muthami, MCA
16. Hon. Herman Azangu, MCA
17. Hon. Paul Shilaho, MCA
18. Hon. Mellab Atemah, MCA
19. Hon. David Okello, MCA
20. Hon. Cecilia Ayot, MCA

Hon Speaker, The Sectoral Committee on Finance, Budget and Appropriations Committee is one of the Committees of the Nairobi City County Assembly established under Standing Order 199 mandated to among others;-

- 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 2020-21

Hon Speaker, the provisions of Section 125 of the PFM Act 2012 require the budget process for county governments to commence with preparation of integrated development plans which shall include both long term and medium term planning and the same shall be achieved through annual planning and establishing financial and economic priorities for the county over the medium term as well as making an overall estimation of the county government's revenues and expenditure before adoption of County Fiscal Strategy Paper that pave way for preparing budget estimates for the county government. As pointed out, it is clear that planning paves the way for budgeting and the consideration of the CFSP was delayed to allow the Assembly consider and approve the ADP so as to ensure that the broad strategic priorities and policy goals meant to guide the County Government in preparing its budget for the coming financial year and over the medium term is approved by the Assembly in the CFSP for 2020-21 and are informed by the annual County development priorities.

Hon Speaker, this year as was the case for the previous financial years the Finance, Budget and Appropriations Committee scrutinized the DMSP and the CFSP together as to confirm that the strategies put forth in management of debt are correctly aligned to the fiscal direction being pursued by the County Government.

Hon Speaker, in the scrutiny of the County Fiscal Strategy Paper and the Debt Management Strategy Paper for FY 2020-21, a total of ten (10) sittings were held most of which were virtual in line with the advisory of the Head of Public Service and the Ministry of Health on management of the coronavirus pandemic. Towards this end, the Committee received submissions from the County Executive Committee Member responsible for Finance, considered reports submitted by the Chairs of Sectoral Committees and also heard comments from the Secretary to the County Assembly Service Board. The recommendations from the discussions have been included in this report.

Acknowledgment

Hon Speaker, in coming up with this report, I wish to sincerely thank following:

- a) Members of the County Assembly who toiled vigorously to ensure that this important task was completed;
- b) The Members of the Finance, Budget and Appropriations Committee who reviewed the strategies, scrutinized through the Sectors priorities and made determination on the budget ceilings for both the County Government and the County Assembly;
- c) Offices of the Speaker and the Clerk of the County Assembly for the support and services extended to the Committee while considering the CFSP and the Debt Management Strategy Paper for 2020/2021;
- d) The County Assembly Budget Office which analyzed and summarized the two papers for both the Sectoral Committees and the Budget Committee; and
- e) The Clerks of Sectoral Committee who offered support to Sectoral Committees during the consideration of this report.

Hon Speaker, on behalf of the Committee, I now have the honor and pleasure to table this Report on the Examination of the County Fiscal Strategy Paper and Debt Management Strategy Paper for 2020/21 and recommend it to the Assembly for adoption.

Signed.......... Date.....15/8/2020.....

Hon. Robert Mbatia, MCA

Chairman: Finance, Budget and Appropriations Committee

II.SCRUTINY OF THE DEBT MANAGEMENT STRATEGY PAPER FOR THE FY 2020-21

1. **Hon Speaker,** at the inauguration of the devolution the first County Government of Nairobi City inherited a debt estimated at about Kshs.36.3billion and between 2013 and 2017 the debt had swollen to Kshs.56.516billion. Considered debt management strategy papers attribute this growth on non-remittance of statutory deductions, non-payment of suppliers and legal creditors and related penalties. The tabled DMSP continue to exhibit a worrying trend as the County debt stood at Kshs. 76.5billion as at 30th December 2019. This represents an increase by Kshs. 6.5billion over the last one year still being due to interests and penalties. The unaudited statements as at December 2018 further indicate that the account payables were over Kshs. 70billion. This increment implies that the County debt has been steadily on the rise by over Kshs. 30billion since inception of the County Government and this cast doubt on whether the County is on track towards flattening its debt curve.
2. **Hon Speaker,** according to 4th Quarter County Budget Implementation Report for 2018/19 FY submitted to the County Assembly by the County Treasury, total account receivables as at 30th June 2019 stood at Ksh.466.3billion. This represented an increase of Ksh.168billion over two financial years as the total account receivables stood at Kshs. 298.185billion in June 2017 which was also a rise from the Ksh.208.9billion in 2016. The receivables were at Kshs. 147.3billion in 2015. However, the Committee noted with a lot of concern that neither the CFSP nor the DMSP has provided information on the growth of the amounts owed to the County Government and neither was any figure of these amounts provided in 2019 CFSP a tradition that has been carried forward to the current year. It is evident that the County Treasury has not put in place measures to ensure recoverability of these receivables which would ordinarily result into a better tradeoff of the county debts in comparison with its receivables hence safeguarding the County's pivotal assets in the form of accounts receivable.

3. **Hon Speaker**, the amount of debt as depicted above shows that the track geared towards fiscal consolidation remains a thorny one. Massive growth has been witnessed in pending payments for statutory creditors, suppliers/creditors, legal creditors and utilities. The KCB loan has also exhibited dismal performance in repayment.
4. **Hon Speaker**, The DMSP indicates that in the FY 2020-21 and over the medium term the County shall be focusing on debt rescheduling, debt/asset swaps, increased budgetary allocation to pending bills, commitment controls, and enhanced revenue forecasting, payment of current statutory deductions as and when they fall due among others. The Committee has once again called on the County Treasury to audit these strategies and confirm to the County Assembly on whether they are bearing any fruit in curtailing the County debt.
5. **Hon Speaker**, despite indication that Kshs. 5billion has been allocated for debt repayment in the financial year 2020-21, the overall budget projections for the coming financial year indicate that the amounts in the budget matrix for debt settlement stand at about Kshs. 3billion. It is worth noting that information submitted to the Committee show that eligible pending bills across the various Sectors as audited by the Office of the Auditor General were Kshs. 10.667billion as at 31st December 2019. With the annual allocation provided in the CFSP, the Committee bemoans that the journey to containing the ever-increasing pending bills still remains a tough one.
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. It is clear from the CFSP submitted that the allocation for pending bills has in real terms been reduced compared to the actual and committed expenditures for the current financial year. Further the 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. In fact, the allocation for the Office of the

Governor where the Legal Department is domiciled has been reduced by Kshs. 1billion compared to the figures contained in the approved annual estimates for the FY 2019-20.

7. **Hon Speaker**, on a positive note, it is remarkable that after the special audit by the Office of the Auditor General on pending bills, some Kshs. 1.1billion has been paid out to contractors and suppliers, Kshs. 3billion to KRA as pending arrears of unremitted VAT, WHT and PAYE with additional money to be set aside in the submitted supplementary estimates for the FY 2019-20. In the financial year 2020-21 the CFSP ceilings of Kshs. 3billion has been set aside towards clearance of pending bills a move that could start steering the County towards the right path and could further be enhanced if the County Treasury make bold strides in realizing receivables owed by other stakeholders.

III.SCRUTINY OF THE COUNTY FISCAL STRATEGY PAPER FOR THE FY 2020-

21

3.1. INTRODUCTION

8. **Hon Speaker**, the Standing Order 221 of Nairobi City County Assembly requires 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. From the foregoing, it should be noted that the County Assembly plays a key impartial role in the allocation of ever scarce resources of the County Government.

9. **Hon Speaker**, in desire to achieve fiscal projections and reasonable strategies for implementation of the budget, Section 117 (5) of the of the PFM Act,2012 makes it mandatory for the County Treasury to seek and take into account the views of the Commission on Revenue Allocation, the National Treasury, and members of the public among other relevant stakeholders.

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 2020-21 is separated into five chapters. The first Chapter gives background information on the County Government and most importantly the legal requirements behind the preparation of the CFSP,

the reasoning for the preparation of the CFSP, the key achievements by the County for the last financial year and any to other achievements up to half the current financial year 2019-20. Chapter two offers rich information on the macroeconomic indicators domestically and globally and their impact on the County's economy. Moreover, the Chapter provides key information on county revenue performances and expenditure by various sectors and on receivables and liabilities as at 30th June 2019. The Chapter also expounds on the implementation status of the Debt Management strategies approved in DMSP as well as component of the wage bill in the County in relation to the overall budget. The third Chapter records the policy direction that will be employed to attain the medium-term outlook by the County Government. The Chapter deliberates on the outlook on revenues and asset management. Chapter five highlights the budget priorities for the FY 2020-21 and the maximum resources (ceilings) expected to be utilized by each Sector to achieve the strategic priorities. Additionally, Chapter five of the Paper offers 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 2020-21 TO THE PREVAILING LEGISLATION

12. Hon Speaker, accountability at various levels is paramount when it comes to the budget process and reporting on utilization of public resources. The County Assembly is mandated to verify that budget documents submitted to the County Assembly have met the statutory threshold set by the governing laws. Key among these is the requirement that there should be thorough engagement with the public to reflect their needs, deeper consultation with each sector on their priorities and approval of the document by the County Executive Committee. The rationale behind all these is to warranty total ownership of the document by both the County Government and the respective stakeholders it should benefit. The Committee notes that whereas the narrative indicates that these primary levels of consultations were undertaken, there is no proof provided to support the same.

13. **Hon. Speaker,** the Committee noted during the consideration of the CFSP that the Paper was submitted within the timelines but tabling delayed so as to incorporate the Assembly's matters. There was however no evidence provided to show that the CFSP was approved by the CEC as required by law.

14. **Hon Speaker,** on public participation, Section 125(2) of PFM Act, 2012 requires that the County Executive Committee member for finance shall ensure that there is public participation in the budget process. The paper has stated that the public and other stakeholders were consulted in the coming up with the document but failed to provide details of their submissions including how the same were incorporated in the final 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.

15. **Hon Speaker,** the underlying theme for the CFSP 2020 is *"Focusing Medium Term Development Towards Shared Prosperity and Sustainability"*. The County intends to put more effort on growth factors that would ensure there is sustained development in the City. However, the CFSP once again casts doubt on the role of the ADP in the budget process as the cost of all the projects in the ADP have not been properly accounted for in the CFSP. The remedy for development is the need for planning to inform budgeting. Even though the CFSP has made positive steps in ensuring that allocations are geared towards achieving set objectives, the contents of the Paper have not clearly spoken to the theme especially on measures that would be put in place to spur growth, the areas where the same will be focused and how that growth will be monitored to ensure it leads to sustainable development.

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 2020 indicates that the National Government shall continue implementing Big Four Agenda by creating jobs and thereby transforming lives. How the County intends to support this process and feed into the enablers is not clear in the submitted CFSP. It is further not clear from the CFSP the drivers the County would employ in achieving key agenda like provision of affordable housing and enhancing food and nutrition security. Under the macro-economic policy framework, the CFSP has documented the macroeconomic indicators that are likely to affect the County's economy. It is discussed that inflation will remain steady over the medium term, interest rates capping would ensure that interest rates remain low and the exchange rate is also expected to be less volatile over the medium term. The Paper has generally analyzed the effects of the indicators but has failed to categorically quantify how the same would affect the overall County revenue out-turn, expenditure figures and ease of doing business within the County. The report on the Gross County Product by KNBS indicates that Nairobi's share of GDP remains large at 21.7% but the County is growing way below the national average GDP growth rate of 5.6%. The economic activity growth relative to the average growth for all counties is also in the negative slope for Nairobi City. To compound the above, the County also has near zero per capita GCP growth relative to the average per capita GCP in all counties at 2.8%. The Paper has presented an optimistic picture from the national outlook as documented in the BPS whereas in isolation Nairobi County is not doing very well.

16. Hon Speaker, it has been noted that the greatest impediments to growth has been low absorption of development budget. The County Treasury, once again as was in the year 2019,

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 concept conceptualization, upgrade technical capacities for design and delegation of accounting functions. These it proposes shall be achieved through sustaining the wage bill at the current levels, restraint in non- core borrowing among others. It is remarkable that the Public Service Management has undertaken to do payroll cleansing through among others rolling out the Voluntary Early retirement programme in the coming financial year, but the worrying trend is that there is still projected increase in expenditure on compensation to employees. This makes the projected savings from any payroll clean ambiguous.

3.3. BUDGET CEILINGS FOR THE FY 2020-21

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, the overall County budget for the FY 2020-21 is projected to be Kshs. 31.434billion comprising of Kshs. 22billion for recurrent and Kshs. 9.43billion for development expenditures. The budget represents a decrease by about Kshs. 5.5billion from the amounts contained in the budget for the FY 2019-20. Out of this allocation the County anticipates to spend Kshs. 1.98billion on the County Assembly operations, Kshs. 13.97billion on salaries for the County Executive, Kshs. 6.56billion on Operations and Maintenance, Kshs. 5.93billion on development expenditures and Kshs. 3billion on pending bills.

19. Hon Speaker, 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. 5.11billion. To support the Big Four Plan on universal health coverage, the Health Sector has been allocated Kshs. 7.21billion. The Finance and Economic Planning Sector which is mandated to ensure prudent public finance management has been allocated a total budget of Kshs. 1.95billion. In supporting infrastructural development and ensuring a learned society the Public Works Sector and Education Sector have been allocated Kshs. 4.01billion and Kshs. 1.49billion respectively. For provision of a clean city free from garbage and environment pollution, the Environment Sector has been allocated Kshs. 1.784billion. In desire to achieve its triplet role of legislation, oversight and representation, the County Assembly has been allocated Kshs. 1.98 billion.

20. Hon Speaker, the County Treasury has proposed to allocate Kshs. 100million for Emergency Fund and Kshs.250million as Appropriations- in-Aid towards the liquor licensing board. On ward development programmes there is proposed allocation of Kshs 1.34billion for development translating to Kshs. 15.7million per ward.

22. Hon Speaker, in the coming financial year, the County purposes to enhance revenue collection through employment of efficient and effective revenue collection system and increased enforcement and compliance. The internal revenues for the FY 2020-21 is projected at Kshs. 14.65billion being a reduction by about Kshs. 3billion from the amounts contained in the annual budget estimates for the FY 2019-20. The following are the key issues in regards to internal revenues projections:-

a) In line with the provisions of Section 157 and 160 of the PFM Act 2012 the County Treasury has transferred the role of revenue collection to the Kenya Revenue Authority with the County expected to undertake revenue receiver functions. The CFSP may at an appropriate time need to be cognizant of this development with the changed working arrangements submitted for information or approval of members. Further the strategies to enhance revenue from each of the revenue streams in the transferred functions may need to be enhanced through engagement with the Kenya Revenue Authority as the final implementers.

b) Previous internal revenue performance indicates that the County Government has never hit Kshs. 12billion in terms of internal revenue collection since the rolling out of the devolved system of government. As at December 2019 the County had collected Kshs. 3.6billion being 23% of the amounts anticipated to be collected in the entire financial year. The paper having admitted that the revenue projections cannot be realized, the projected in flows from internal sources of Kshs. 16.67billion is adjudged unrealistic.

c) As was reported in the previous financial year, one of the greatest impediments to achievement of County revenue targets is the grant of waivers by the County Government. Over the last year there have been a number of waivers for payments of fees and charges that have been granted to various businesses and categories within the County. It is summarily observed that there has not been a 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.

21. Hon Speaker, in this regard therefore, to ensure that the Sectors ceilings aligned to the requirements of the Deeds of Transfer of Functions, the 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. SUBMISSIONS FROM SECTORAL COMMITTEES

22. 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 2020-21.

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

a) Agriculture, Livestock and Fisheries Committee

— That the ceiling for Agriculture, Livestock and Fisheries in the tabled County Fiscal Strategy Paper be approved as Kshs. 318million consisting of Kshs. 298million for recurrent expenditure and Kshs. 20 million for towards development expenditure with the following recommendations; -

1. That the 2019/20 projects under fish tank units and poultry units be amended and the committee proposes that the projects be undertaken in the newly listed areas as below.

a. Fish tank units proposed beneficiaries

S/N O.	Name of the Beneficiary	Sub- County	Ward	Officer' s name and Tel No.	Group Contact Person and Tel No
1	Vilisho Vision Women Group	Embakasi East	Embakasi	Jane J.Kipkulei 0718346224	Evelyn Itambo 0722889863
2	Shepherd Self Help Youth Group	Dagoret i South	Riruta	Jane W. Thuo 0722487312	Stanley Didi 0720827834 & 0731210584
3	Better Living Youth Group	Ruaraka	Lucky Summer	Benta A. Abongo 0721848582	Maxwell 0727614443
4	Jericho Chase Youth Group	Makadara	Harambee	Stephen K. Kariuki	

				0726590168	
5	Vuhambani Women Group	Dagoretti North	Kabiro		Josephine Khamede 0720353472
6	Usafi Mtaani Youth Group	Embakasi South	Kwa Reuben	Jane J. Kipkulei 0718346224	Peter Maina 0733188070
7	Mwengenye Self Help Youth Group	Kasarani	Njiru	Mercy N. Wanjoga 072551628 0	Gregory Kimani 0716846490
8	FADC Youth Group	Dagoretti South	Ruthimitu	Jane W. Thuo 0722487312	Peter Kibui Njau 0723256831

b. Poultry units proposed beneficiaries

	Name of group	Sub- county	War d	Contact person
1	Kamcap broiler SHG	Kasarani	Ruai	Joseph Minai 0712745246
2	Bypass self help group	Lang'ata	Mugomoini	Richard 0734407620
3	Kayole south CBO	Embakasi Central	Kayole South	Jackline Isomanga 0713173275
4	On-lineSHG	Embakasi North	Dandora area 4	Miriam Kanini 0722954702
5	Tusaidiane Githurai 44 Self Help Group	Roysambu	Kahawa	Jacinta W. Mwangi 0722108981

6	Single mothers SHG	Makadara	Hamza	Priscilla smothers 0721278815
7	Eastlands resource centre	Kamukunji	California	Hassan Abdulahakim 0719414543
8	Pangani young Gerneration	Starehe	Pangani	Rumba 0729866386
9	H-town poultry group	Mathare	Huruma	Kelvin Oduma 0726313783
10	Bakipa Women Group	Embakasi East	Lower savanna	Quinter 0725711025
11	Mukuru talents	Embakasi South	Kwa Njenga	Ken 071481639
12	Babadogo Hygenic Youth Group	Ruaraka	Baba Dogo	Lydia 0707416402
13	Jeopa SHG	Embakasi West	Mowlem	Njoro 0725447037/07317 90517
14	Dawa youth group	Kibra	Sarango'mbe	Mr, Baraza 0720754910
15	Progressive Unity Welfare Group	Westlands	Kangemi	Godfrey A. Muhazi 0728222925
16	Jamii Community Dev't Organization	Dagoretti north	Kabiro	Onchoke 0727824834
17	Mutego youth group	Dagoretti south	Waithaka	John Kamau 0715335689

b) Health Services Committee

- That the ceiling for Health Services as contained in the tabled County Fiscal Strategy Paper be approved as Kshs. 7.21 billion consisting of Kshs. 6.47billion for recurrent expenditure and Kshs. 748million for development expenditure.

c) Justice & Legal Affairs Committee

- That to enhance the allocation for Legal Affairs department and purchase of new fleet by the administration department and Audit and risk Management the budget ceilings for the departments under the Office of the Governor and that of the Deputy Governor set in the CFSP at Kshs. 5.119 billion with Kshs. 4.974 billion set aside for recurrent and Kshs. 145 million earmarked for development programmes be revised as follows: -.

No.	Sector	Estimates FY 2019/20	Estimates FY 2019/20	CFSP 2020/21	Estimates FY 2019/20	FY 2020/21	FY :
		Recurrent	Development	Recurrent	Development	As amended Recurrent	Amc Dev
a)	Administration and Support services/County Executive	618,000,000	15,000,000	773,000,00	32,000,000	677,000	3
b)	Devolution and Sub- County Administration	1782	30	2170	148	2100	
c)	Security and Compliance	2,088,569,884	44,000,000	1,940,671,793	12,237,260.95		
d)	Legal Affairs	366,000,000	31,000,000	7,157,643	208	228,608,464	
e)	Audit and Risk Management	89,941	10	79,325,742	0	-	1

— That the following policy measures be initiated by the Sector/Departments in the FY 2020-21:-

- i) The recruitment of additional Advocates should be prioritized to improve the Legal Affairs Department capacity to reduce outsourcing of advocates huge costs.
- ii) Legal fees should be distributed amongst key departments that always attract litigation to avoid depletion of the Legal Affairs departmental development budget to cater for the same.
- iii) Recruitment of constables should be prioritized during the FY 2020/2021. to enhance the enforcement capacity
- iv) Construction of Sub-County offices should be done in phases to avoid piecemeal implementation of the same at various sub-County offices.
- v) That the budget Committee to establish whether the County should budget for transferred functions, the administration department has budgeted for purchase of new fleet while some of the functions have been transferred.

— That the following be approved as the programmes for the various Departments under the 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:-	112,000,000

	- Embakasi South	
	- Ruaraka	
	- Langata	
	- Kamukunji	
	- Starehe	
	- Embakasi Central	
	- Embakasi North	
	Procurement of six (6) vehicles	36,000,000
c) Security and Compliance	Procurement of Specialized materials i.e. Hand cuffs, Pistols, Walk through detector, Bullets, Hand held Metal detectors, Batteries, Luggage screening	11,000, 240
	Procurement of surveillance motor-vehicles	70,000,000
d) Legal Affairs	Procurement of investigation software for surveillance and monitoring	6,000,000
	Renovation and furnishing of Magistrates Chambers and city court	4,000,000
	Purchase of bulk Filer	24,000,000
	Purchase of software programs for legal case management	20,000,000
	Recruitment of Legal Counsels and Training	10,000,000
	Formulation of Legal Services policy	15,000,000
	Amendment of County Laws	10,000,000
	Digitization of Court Cases	20,000,000
	E-Resource Library	3,000,000
e) Audit and Risk Management	Purchase of utility vehicle(Double Cabin Pickup)	5,500,000

	Acquisition of Computer Auditing Software	10,000,000
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d) Trade, Tourism & Cooperatives Committee

- That the ceiling for Trade, Commerce, Tourism and Cooperative Sector be retained at Kshs.680million consisting of Kshs.502 million for recurrent and Kshs.178 million for development expenditure.
- That the following policy measures be initiated under the Sector in the FY 2020/21;
 - a) The County to develop a policy where procurement of development projects to be done within the first quarter of the financial year;
 - b) The Sector should establish measures to reduce the rollover of projects every financial year;
- The development projects for the Sector of Commerce, Tourism and Cooperatives be approved and implemented in the FY 2020/21 as detailed below;

Sub Sector/ Department	Project Details	Cost (Ksh)
General Administration Planning and Support Services	Refurbishment of City Hall mezzanine floor	10,000,000
Cooperative Development Services	Purchase and installing of an information management system	6,000,000
Tourism Development	Over haul of existing two (2) tourist buses	1,000,000
	Equipping tourist information desks and signages	2,000,000
Trade Development	Dagoretti&Langata) & Kariokor industrial parks	5,000,000
	Establishment of Micro, Small & Medium Enterprises information centres in Westlands, Eastlands& CBD	6,000,000

	Uhuru market textile centre of excellence incubation centre		20,000,000
Market Services	Construction of new markets	Dandora E extension	10,000,000
		Ruai Market	2,000,000
		Dandora 1 (Total)	4,000,000
		Modern kiosks	10,000,000
	Rehabilitation of other markets	County wide rehabilitation of other markets	10,000,000
		ShauriMoyo Burma	7,000,000
		Jogoo Road market	9,000,000
		City Park Market	37,000,000
		Ngara	4,000,000
		Kariokor market sheds	4,000,000
		Kahawa west	4,000,000
		Githurai market improvement	3,000,000
		City market Improvement	4,000,000
Weights & Measures	Construction of legal metrology laboratory		10,000,000
	Acquire Mobile Verification Unit		10,000,000
Total			178,000,000

e) Children, Early Childhood Education and Vocational Training Committee

— That to enhance the implementation of the Sector priorities for FY 2020/21, the Sector ceilings set at Kshs. 1.49 billion being Kshs. 1.39 billion for recurrent expenditure and Ksh.100million for development be adjusted upward to meet the proposed additional expenditures below.

No.	Item	Amount Requested	Amount Allocated	Deficit	JUSTIFICATION

1	2640101 Scholarships and other Educational Benefits -- Secondary Education	207,000,000	100,000,000	107,000,000	To meet H. E The governor's Bursary scholarship for form 1- 4 and bank charges thus increase transition rates from Primary to Secondary Education
2	2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	25,000,000	13,454,300	11,545,700/-	Supply of Milk in Public ECDE centers being a County flagship project that increases access & improves nutrition.
3	2630101 Current Grants to Semi-Autonomous Government Agencies	80,000,000	16,000,000	64,000,000	Free public EDCE grant. This is a sector flagship project that has seen enrolment increase from 16,000 to over 24,000 Children.
4	2210802 Boards, Committees, Conferences and Seminars	5,500,000	2,500,000	3,000,000/-	To settle allowances for gazetted Committee that oversees H. E The governor's Bursary scholarship
5	2211305 Contracted Guards and Cleaning Services	321,740,000	2,000,000	319,740,000	To Security firms that guard our ECDE Centres.

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- That the procurement process should be decentralized to the Sector to reduce the long process of procuring services which has hampered the implementation of the Sector projects;
- That the Sector should start the procurement process immediately at the beginning of the financial year to avoid last minute cancellation of tenders which hampers commencement of projects;
- That the Sector should prioritize the projects that were cancelled the previous financial year; rendering process should commence immediately at the start of the FY 2020/2021;
- That the Committee to approve the following projects for the Sub-Sector of Children, Early Childhood Education and Vocational Training for the FY 2020/2021: -

Delivery Unit	Project description	Proposed Estimates (Kshs. in M's)
ECDE Department	Construction of 12 No. new E.C.D.E centers & construction of perimeter walls	133
	Purchase of Furniture and play equipment for E.C.D.E centers	20
Vocational Training Department	Rehabilitation and construction of Perimeter walls in 4 No. Vocational Training Centers (Waithaka, Kiwanja, Highrise & Umoja)	40
	Construction of 2 No. New Vocational Centre (Including equipping) Highrise and Umoja 2	50

	Purchase of Equipment's for the existing vocational training centers	20
Children services	Construction of a Rehabilitation Centre in Ruai-phase 3	50
One Stop Youth Centre	Renovation of One stop Youth Centre	7.5
	ICT Infrastructural support to One stop Youth Centre	3
	Children, Early Childhood Education & Vocational Training Total	323.5

- vi) That the Ward Bursary Committees be allocated Kshs. 17 million, which is Kshs. 200,000 per Ward to facilitate the Committees at the Ward level to oversee the Bursaries in the Wards.

f) Culture & Committee Services Committee

- That the Sector priorities for Liquor Board; the Disaster Management & Coordination Sector and Sports and Culture be approved as submitted by the Sectors.
- That the ceilings for Liquor Board sector be retained as in tabled CFSP.
- That the ceilings for Sports Management remains as submitted by the sector and should not include the additional funds of Kshs. 10 million for Community teams support and Establishment of sports fund as requested by the department.
- That the ceilings for Disaster management sector be retained as tabled in the CFSP and the request for an additional of Ksh. 130,000,000 is declined.

g) Environment and Natural Resources Committee

- That the Sub Sector ceilings of Ksh. 1.784 Billion comprising recurrent expenditure of Kshs. 1,634million and development expenditure of Kshs. 150 million be increased by

a further by Kshs. 1.724 Billion and that the following be approved as the Sector ceilings:

ITEMS	FY 2019/2020
Recurrent	2,578,294,622
Development	871,000,000
Total	3,449,294,622

- That the Programmes for Environment and Natural Resources be approved as hereinabove indicated, and as submitted by the Sector; and
- That policy measures be initiated under the Sector in the FY 2020-2021 to improve execution of the County Budget.

h) Water & Sanitation Committee

- That the ceilings for the be approved as contained in the CFSP 2020/2021; and
- That the projects to be Rolled over from the Current Financial Year 2019/2020 to be given first priority during the identification of the capital projects for the 2020/2021 Budget Estimates.

i) Labour and Social Welfare Committee

- That the ceilings set at Kshs. 999million consisting of Kshs. 274million, Ksh.650million and Ksh.75million for personnel emoluments, medical insurance and other recurrent expenditures for Public Service Management be increased by Kshs.1.7billion to provide for the following;

ITEMS	FY 2020/2021
Recurrent: <ol style="list-style-type: none"> 1. Additional medical insurance Ksh 200million 2. Implementation of performance management system Ksh 20 million; 	

3. Medical expenses for ex-gratia payments Ksh 20 million;	1,240,000,000
4. Implementation of Car loans Ksh 500 million and Mortgage Ksh 500 million schemes for the benefit of staff.	
Total	
Development:	
5. Installation of biometric card readers to increase staff productivity (balance) Ksh 15 million;	530,000,000
6. Renovation of HRM offices 15 million was left out of development;	
7. Implementation of the VERS program Ksh 500 million that was excluded.	
Total	
Total	1,770,000,000

— That the ceilings for the County Public Service Board provided for in the CFSP be increased from Kshs. 73 million to Kshs. 148,037,179 000 to cater for the following;

S/N	ACTIVITY/ITEM	ESTIMATED EXPENDITURE
1	Annual Consultative Meetings with; a) C.A's Labor Committee b) C.A's Liaison Committee c) C.A's Leadership d) C.A's Budget Committee e) C.A's Implementation Committee f) Public Service Commission g) Federation of Kenyan Employers h) Salaries & Remuneration Commission	20,000,000

	<ul style="list-style-type: none"> i) Inter -governmental Technical Relations Committee j) Workers' Unions k) Pensions Schemes (Lapfund, Laptrust) l) Directorate of Personnel Management 	
2	<p>Participation in external forums:</p> <ul style="list-style-type: none"> a. Devolution Conference b. KICOSCA c. County Assembly's Forum (Legislative Summit) d. County Public Service Boards' National Consultative Forum e. Council of Governors 	6,000,000
3	<p>Capacity Building:</p> <ul style="list-style-type: none"> a. Domestic training for Board members and the Secretariat. b. Foreign training for Board Members. 	20,000,000
4	Staff Promotions	3,000,000
5	Operationalization of Board's Committees	5,000,000
6	<p>Development of Policy Documents:</p> <ul style="list-style-type: none"> · County Human Resource Policies and Procedures Manual. · Staff Code of Conduct. · County Schemes of Service. <p>Activities under this will include:</p> <ul style="list-style-type: none"> a. Stakeholder engagements 	5,000, 000

	PSC,SRC, County Assembly, Unions, Executive, Consultancy services, Staff training on HR Manual, Validation &Publishing	
7	Development of Board Charter	5,000,000
8	Public Sensitization on application of jobs through NCPSB Recruitment Portal (17 Sub counties)	5,000,000
9	Other operational activities: ·Finalization of the County Staff establishment. ·Induction of CHRMAC members	10,000,000
10	Overtime	1,000,000
11	Extraneous Allowance	3,000,000
12	Office Vehicles - 2	15,000,000
	Sub total	77,000,000
13	Salaries	37,266,659
14	Operations & Maintenance	12,770,520
	TOTAL	148,037,179

— That the following projects for Youth Affairs, Gender and Family & Social Welfare provided for in the CFSP for Recurrent and Development projects be increased by Kshs. 40 million hence be approved and implemented in the FY 2020-21:as justified below

S/ No	CODE & TITLE	ITEM	ECONOMIC USE	AMOUN T ALLOCA TED	DEFICIT
1	5318000901 Family Welfare Headquarters	2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	Food for Mji wa Huruma	1,031,700	8,000,000
1.	Social Welfare	Policy formulation	Consultation with stakeholders and policy formulation	0	5, 000,000
2	5318000701 Youth Affairs Headquarters	2211399 Other Operating Expenses	Capacity Building programs for youth. And Development of the Nairobi County Youth Policy	0	12,000,000
3	5318000601 Community Development Headquarters	2210714 Gender Mainstreaming	Gender audit and mainstreaming. Gender and Community Development Policies development	1,547,600	5,000,000
4	5318001601 Children Services Headquarters	2210899 Hospitality Supplies – other	Food for Street families programme	5,158,700	10,000,000

	TOTAL				40,000,000
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j) Transport and Public Works Committee

- That the budget ceiling for the Roads, Transport and Public Works Sector contained in the tabled CFSP as Ksh.2.89 billion and Kshs. 1.147billion for development and recurrent expenditure respectively be retained as provided.
- That the following policy measures be initiated under the Roads, Transport and Public Works Sector;
 - i. To enhance parking revenue collection, the County to acquire internally run electronic revenue payment system;
 - ii. Further, the County to seek funding in order to construct modern multi-story parking towers in the existing spaces in the CBD;
 - iii. The County to decentralize procurement services to the Sectors in order to enable the designates champion for processing Sector projects in a timely manner; and
 - iv. 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.

k) Energy and ICT Committee

- That recurrent expenditure ceiling of the Information, Communication and E-Government Sector be maintained at Kshs. 208million and that of the development be increased from Kshs. 270 million to Kshs. 295 million.
- That the following policy measures be initiated under the Information, Communication and E- Government & the Energy sub-sector in the FY 2019/20 to improve budget execution,

1. Partner with other government agencies and corporate organizations to reduce financial burden to the County;
2. Recommend for devolving of procurement to the Sectors to increase procurement processes; and
3. Have regular meetings with the Finance Sector to expedite the processing of payment to contractors.

l) Ward Development Committee

— That the ceilings for the Ward Development Fund set at Kshs.1.334billion with Kshs.1.304billion being towards development activities and Kshs.30million being towards recurrent expenditure be reviewed and be increased to take care of pending/rollover projects as shown below;

Nairobi City County Ward Development Programme Total Summary		
	Summary	Amount (Ksh)
	2016/2017 PROJECTS	
1	Roads and Drainage	402,269,423.49
2	Electricals	73,067,518.10
3	Building works	74,656,159.73
4	Recalled Projects (2018/19)	141,433,458.00
	Total	691,426,559.32

— That the Wards Development Fund fiscal strategies be approved as provided in the CFSP.

— Section 4 (2) (a) of the Ward Development Fund Act, 2014 provides that WDF amounts should not be less than 5% of all the ordinary Revenue of the Nairobi City

County in every financial year. Therefore, the amount referred to in the CFSP for FY 2020/21 should be calculated on the basis of the ordinary revenue collected in the previous year at 5% and not 4%.

m) Planning & Housing Committee

- That the recurrent expenditure ceiling for the Urban Planning, Lands sub-sector be reviewed upwards by Kshs. 92,899,049 to Kshs. 512,899,049 and upward review of development expenditure by Kshs. 156.4million to Kshs. 176.4million.
- The development expenditure for Urban Renewal and Housing Sub-Sector be review upwards by Kshs. 450 million to be Kshs. 500 million and 140 million ceiling for recurrent expenditure be retained as below;

	Recurrent(Ksh .M) (A)	Committee's Resolution (B)	Developme nt(Ksh. M) (C)	Committee's Resolution (D)	Total (Ksh. M) B+D
Urban Planning and Lands	420	512,899,049	20,000,000	176,400,000	689,299,049
Urban Renewal and Housing	140	140,000,000	50,000,000	500,000,000	640,000,000
TOTAL	560	652,899,049	70	676,400,000	1,329,299,049

- That the programmes of the Urban Planning, Lands, Urban Renewal and Housing be approved in line with the following matrix:

PROGRAMME	FY 2020-21 Ceiling (Tabled CFSP)	FY 2020-21 (Amended by Committee)
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A. URBAN PLANNING AND LANDS				
	Recurrent	Development	Recurrent	Development
Urban Planning, compliance and enforcement			56,385,000	151,200,000
General administration, planning and support service			224,529,573	-
Land Management			231,984,476	25,200,000
Total	420,000,000	20,000,000	512,899,049	176,400,000
Cumulative Total	440,000,000		689,299,049	
B. URBAN RENEWAL				
General administration				
Housing development				
Project Management				
Total	140,000,000	50,000,000	140,000,000	500,000,000
Cumulative Total	190,000,000		640,000,000	

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

- i. To enhance absorption of development funds, the Sector to work closely with the Finance Department in ensuring that projects that are budgeted for and either ready to be rolled out or roll out are paid for promptly in order to break the record of low absorption

V. GENERAL OBSERVATIONS ON THE FISCAL STRATEGIES AND THE BUDGET CEILINGS

24. 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 2020-21 going by past trends to avoid allocating dummy resources to sectors priorities.

25. Hon. Speaker, the Sectoral Committee Chairpersons presented the Sectoral Committee reports as required by the Standing Orders, to the Finance, Budget and Appropriations Committee. Overall, from the reports submitted, the Sectors through the Sectoral Committee Chairpersons requested for funds in excess of Kshs. 37billion being an increase by over Kshs. 6billion from the tabled budget ceilings. The increase indeed is meant to cater for essential needs by various sectors but 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.

26. 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 principles is expenditure on wages and salaries shall not exceed 35% of total county revenues. The County expenditure on personnel emoluments remains to be significantly high at almost 42% of the total revenues in FY 2018-19. Whereas the PSM has undertaken to do payroll cleansing through among others rolling out the Voluntary Early retirement programme in the coming financial year, there is still projected increase in expenditure on compensation to employees. This makes the projected savings from any payroll clean ambiguous. Most importantly, 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.

VI.RECOMMENDATIONS

I. POLICY MEASURES

- a) That the Nairobi City County Government and the Nairobi Metropolitan Services implements and finalizes the previously budgeted for projects before initiating any new ones; and
- b) That projects implementation be done in line with approved County plans as aligned to the Kenyan Vision 2030, Medium Term Plans, Budget Policy Statement and the Big Four Agenda.

II.REVENUE PROJECTIONS

- a) That the revenue raising measures to be implemented in the FY 2020-21 be discussed and modalities of operation be agreed upon between the Nairobi City County Government and Kenya Revenue Authority in line with the Deeds of Transfer of Functions;
- b) That in addition to the requirements of the Public Finance Management Act 2012, the revenue raising measures be undertaken within the framework of approved County legislations. i.e. Nairobi City County Revenue Act 2015, Nairobi City County Revenue Administration Act 2019 and Nairobi City County Trade Licensing Act 2019;
- c) That in line with the provisions of Section 109 of the PFM Act, 2012 all revenues collected from internal sources of revenues be swept into the County Revenue Fund and the same be reported to the County Assembly periodically for oversight;
- d) That the revenue targets be approved as contained in the County Fiscal Strategy Paper

III.EXPENDITURE CEILINGS

- a) That the revenue and expenditure ceilings on schedules I and II attached to the CFSP forms the basis for the FY 2020-21 budget.

IV. MEDIUM TERM DEBT MANAGEMENT STRATEGY

- a) That the Assembly approves the debt management strategies underpinning the 2020 CFSP and the budget estimates for the FY 2020-21 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 Appropriations Committee recommends that:

“This County Assembly adopts the Nairobi City County Fiscal Strategy Paper for the FY 2020-21 and the Nairobi City County Debt Management Strategy Paper for the FY 2020-21”

MINUTES OF THE 29TH VIRTUAL SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE, BUDGET & APPROPRIATIONS COMMITTEE HELD ON MONDAY 15TH JUNE, 2020 AT 11.00 A.M.

PRESENT

- | | | |
|--------------------------------|---|------------------|
| 1. Hon. Robert Mbatia, MCA | - | Chairperson |
| 2. Hon. Patrick Karani, MCA | - | Vice Chairperson |
| 3. Hon. Cecilia Ayot, MCA | | |
| 4. Hon. Catherine Okoth, MCA | | |
| 5. Hon. David Okelo, MCA | | |
| 6. Hon. Emapet Kemunto, MCA | | |
| 7. Hon. Mellab Atemah, MCA | | |
| 8. Hon. Susan Makungu, MCA | | |
| 9. Hon. Paul Shilaho, MCA | | |
| 10. Hon. Nancy Muthami, MCA | | |
| 11. Hon. Millicent Mugadi, MCA | | |
| 12. Hon. Millicent Jagero, MCA | | |
| 13. Hon. Paul Ndung'u, MCA | | |
| 14. Hon. Emily Oduor, MCA | | |
| 15. Hon. Michael Ogada, MCA | | |

ABSENT

1. Hon. Ann Thumbi, MCA
2. Hon. Herman Azangu, MCA
3. Hon. Elijah Mputhia, MCA
4. Hon. Samora Mwaura, MCA
5. Hon. Anthony Ngaruiya, MCA

Secretariat:

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

Budget Office

1. Mr. Erick Roberts – Fiscal Analyst
2. Mr. Alphonse Ouma – Fiscal Analyst

MIN110/NCCA/FBAC/JUNE/2020:

PRELIMINARIES

— The Chair called the meeting to order at 11.18 a.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. **Adoption of the County Fiscal Strategy Paper Report.**
3. Any Other Business
4. Adjournment

— The agenda of the meeting was proposed by Hon. Millicent Mugadi and seconded by Hon. Emily Oduor. It was further resolved

MIN111/NCCA/FBAC/JUNE/2020:- ADOPTION OF THE COUNTY FISCAL STRATEGY PAPER (CFSP) REPORT.

The Chairman informed the Committee that due to unavoidable circumstances and time restraints, the meeting between the Committee and the Nairobi Metropolitan Services together with representatives from the Kenya Revenue Authority and the County Finance and Economic Planning to get their inputs that would form part of the CFSP report, could not be held; as such the report was adopted without further amendments.

The committee adopted the report unanimously as proposed by Hon. Emily Oduor and seconded by Hon. David Okello.

MIN112/NCCA/FBAC/JUNE/2020:- ANY OTHER BUSINESS


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


MIN113/NCCA/FBAC/MARCH/2020:- ADJOURNMENT

There being no other business, the chair adjourned the committee sitting at 11.40 a.m.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

SIGN.....
HON. ROBERT MBATIA (CHAIRMAN)

DATE.....

SIGN.....
ASMAN J. OMWERI (COMMITTEE CLERK).

DATE.....