

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY
(THIRD SESSION)



29TH OCTOBER 2024

NCCA/TJ/PL/2024(57)

PAPER LAID

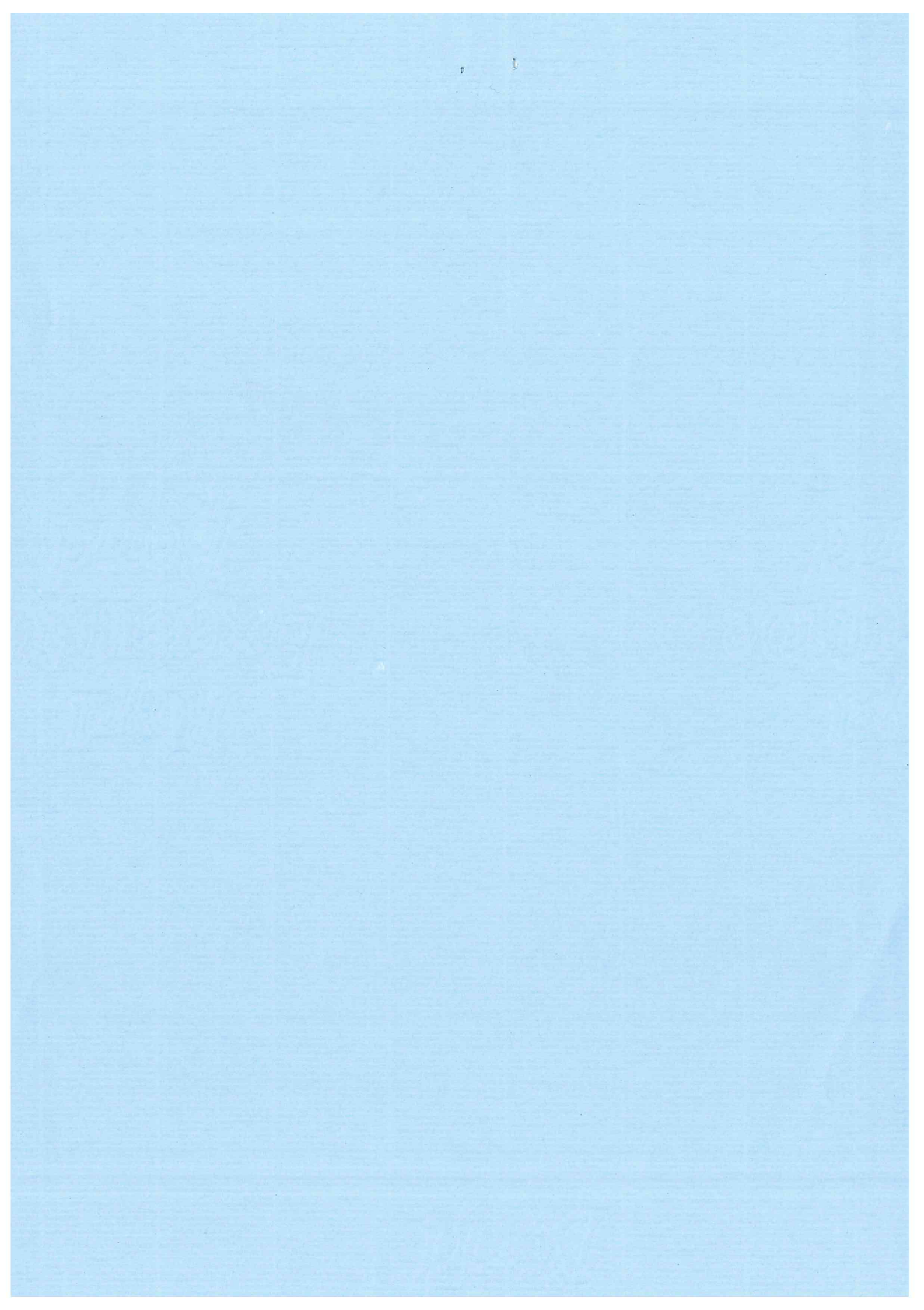
SUBJECT: CBROP

Pursuant to Section 118 (1) of the Public Finance Management Act, 2012, I beg to lay the following Paper on the Table of this Assembly, today Tuesday 29th October 2024:

— **THE NAIROBI CITY COUNTY BUDGET REVIEW AND OUTLOOK PAPER, 2024.**

(The Leader of Majority Party)

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





NAIROBI CITY COUNTY

www.nairobi.go.ke

OFFICE OF THE GOVERNOR

County Secretary and Head of County Public Service

NCCG/CECM(FIN)/CBROP/55/2024

17th October, 2024

The Clerk
Nairobi City County Assembly
City Hall Building, 2nd Floor
P O Box 45844-00100

NAIROBI



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RE: SUBMISSION COUNTY BUDGET REVIEW OUTLOOK PAPER - 2024

Pursuant to Section 118(1) of the Public Finance Management Act, 2012 the County Treasury shall prepare a County Budget Review and Outlook Paper in respect of the County for each financial year.

Please find a copy of the County Budget Review and Outlook Paper 2024 for your consideration.

[Signature]
GODFREY AKUMALI
AG. COUNTY SECRETARY AND HEAD OF COUNTY PUBLIC SERVICE

CC: H.E The Governor
Nairobi City County

H.E The Deputy Governor
Nairobi City County

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LET'S MAKE **NAIROBI** WORK

NAIROBI CITY COUNTY



COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2024

FOREWORD

Section 118 of the Public Finance Management Act requires the County Treasury to prepare the County Budget Review and Outlook Paper (CBROP) for every financial year, specifying the details of the actual fiscal performance in the previous year, update the economic and fiscal forecasts and provide information on how the county adhered with the financial objectives and the fiscal responsibility principles.

This CBROP 2024 provides an in-depth analysis of budget performance for the financial year 2023/2024, assessing the performance towards achieving the revenue targets and a close look at how different sectors utilised their allocation; evaluates the recent economic development and outlook and the resultant effect to the County's forecasts; portrays the resource allocation framework and medium-term fiscal projections. All this in an effort to synchronise the lessons learnt from implementation of the previous budget, inform the changes in the current budget, and guide fiscal policy decisions in the medium term.

In the FY 2023/2024, the county achieved 82.1% (Kshs. 33.3B) of the Kshs. 40.59 B targeted revenues. Own Source Revenue target of Kshs. 19.89B was not realised with the county only attaining 64.1%(Kshs 12.8billion) of the target. The five biggest revenue streams in the financial year were Land rates, Parking fees, Single business permit, Billboards and advertisement, and Building permits. These top 5 revenue sources constituted 76% of the total county collection.

Total expenditures in the financial year 2023/2024 amounted to Kshs. 31.79billion against a target of Kshs. 42.86 billion. The under absorption was recorded in both recurrent and development expenditures; out of the total expenditure, the development was Kshs. 3.268 billion and Kshs. 28.52billion was utilised for recurrent expenditure.

As a county we are faced with the reduced fiscal space due to the high wage bill and other non-discretionary items of expenditure and the perennial underperformance of own source revenues. To reverse this trend, the County requires to invest in resource mobilisation and cutting down of non-core expenditures as a part of our fiscal consolidation policy to free up resources to key areas of service delivery. Additionally, the County will accelerate the alternative funding strategies such as PPPs to support growth.

Further, as we embark on the formulation of the FY 2025/2026 budget estimates, the reality of our constrained fiscal space cannot be underestimated. Therefore, and aware of this reality, Sector Working Groups will be required to ensure that the Zero Based Approach is applied in determining their resource requirements



CHARLES KERICH

CECM-FINANCE AND ECONOMIC PLANNING

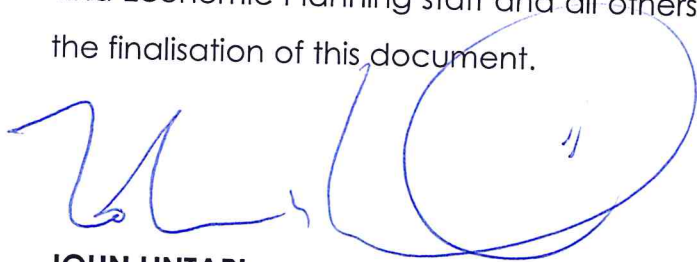
NAIROBI CITY COUNTY

ACKNOWLEDGEMENT

The production of this paper is as a result of resolute dedication by many who congregated, shared ideas and opinions; all in the spirit of ensuring the paper comprehensively captures and communicates the County's fiscal performance as required by law. It will be an insightful document both for the new government and all stakeholders who have an interest in Nairobi County. I acknowledge the pool of resources, time and ideas offered by all.

It is my singular honour to applaud all members of staff of Nairobi City County, who both directly and indirectly participated in the production of this plan, and sincerely thank **H.E. the Governor Johnson Sakaja and the Deputy Governor H.E. James Njoroge Muchiri** for their leadership and support. I wish to acknowledge the County Executive Committee Member for Finance and Economic Planning Mr. Charles Kerich for his enthusiastic commitment and unwavering focus in all matters fiscal matters and specifically for steering this review process. Special thanks to the Acting County Secretary for the impeccable coordination throughout the process.

Finally, allow me to appreciate the magnificent dedication and zeal of the Finance and Economic Planning staff and all others who made significant contributions to the finalisation of this document.



JOHN LINTARI

CHIEF OFFICER – ECONOMIC PLANNING

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Legal Framework for the Publication of the Budget Review and Outlook Paper

The Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law states that:

- (1) The County Treasury shall prepare a County Budget Review and Outlook Paper in respect of the County for each of the financial year and submit the paper to the County Executive Committee.
- (2) The Budget Review and Outlook Paper shall include:
 - a) Actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - c) Information on any changes in the forecasts compared with the County Fiscal Strategy Paper; and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year;
 - d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
- (3.) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
- (4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
 - a) Arrange for the Paper to be laid before the County Assembly; and
 - b) As soon as practicable after having done so, publish and publicise the Paper.

Fiscal Responsibility Principles in Public Financial Management

In line with the constitution the Public Financial Management Act 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law under Section 107 states that:

- 1) The County government recurrent expenditure shall not exceed the county government total revenue,
- 2) Over the medium term a minimum of 30% of the county government budget shall be allocated to development expenditure,
- 3) The county government's expenditure on wages and benefits to employees shall not exceed a percentage of the county government total revenue by regulations,
- 4) Over the medium term, the government's borrowings shall only be used only for the purpose of financing development expenditure only; and short-term borrowings shall only be restricted to management of cash flows and shall not exceed five (5%) of most recent audited county government revenue,
- 5) The County debt shall be maintained at a sustainable level as approved by the County assembly,
- 6) Fiscal Risks shall be managed prudently,
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in future.

PART I: INTRODUCTION

Objective of the County Budget Review and Outlook Paper 2024

1. The CBROP 2024 has been prepared in accordance with the provisions of the Public Finance Management Act 2012 Section 118. The CBROP 2023 provides a review of the fiscal performance for the financial year 2023/2024 including adherence to the objectives and principles outlined in the County Fiscal Strategy Paper 2023 and the PFM Act, 2012. The document also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term, in addition to forming the basis for the formulation of the County Fiscal Strategy Paper 2025 that will outline the programmes to be funded over the medium term in line with the CIDP 2023-2027.
2. The fiscal performance for the financial year 2023/2024 closed with a positive growth in total revenues from Kshs 29.8 billion to Kshs 33.3 billion. The growth was largely occasioned by the improvement of own source revenues from Kshs 10.4 billion to Kshs 12.8 billion in financial years 2022/2023 and 2023/2024 respectively. The revenue mobilisation strategies undertaken by this administration are beginning to bear results. Overall total revenues of in FY 2023/2024 Kshs 33.3 billion fell short of the target Kshs 40.59 billion largely due to challenges experienced with revenue collection system and other revenue administration challenges.
3. The Public Finance Management Act 2012 aims at ensuring that the annual budget processes improve the efficiency and effectiveness of the revenue mobilisation and public spending to stimulate economic activity and ensure debts sustainability. This CBROP 2024 therefore provides indicative sector ceilings which will guide the budget preparation process for the FY 2025/2026 and the medium term. The sector ceilings are based on the overall resource envelope informed by the medium-term macro-fiscal projections as presented in other parts of this document. Sector ceilings will be aligned to priority programmes outlined in the County Integrated Development Plan 2023-2027 and firmed up in the CFSP 2025.

PART II: FISCAL PERFORMANCE IN FY 2023/2024

REVENUE PERFORMANCE

4. By the end of the financial year 2023/2024, the total revenue including equitable share, conditional grants and own source revenues amounted to Ksh 33.3billion against revised target of Kshs. 40.59 billion. Total collections from own source revenues amounted to Kshs 12.8billion against a target of Kshs 19.98billion. This represents 64.1% performance on own source revenues (**Table1**). Receipts from the National Government includes the revenues from the equitable share and conditional grants as outlined in the County Allocation of Revenue Act 2023 and County Government Additional Allocations Act 2024. Total receipts from the National government amounted to Kshs 20.5 Billion against a revised target of Kshs 20.6billion.

Table 1: Nairobi County Government FY 2023/2024 Revenues (Kshs 'Millions))

REVENUES	FY 2022/2023 Actuals	FY 2023/24		Deviation	Growth	% Growth
		Actual	Target			
Total Revenues	30,711,322,185	33,319,128,769	40,593,712,128	-7,274,583,359	2,607,806,584	9
Equitable Share	19,249,677,414	20,072,059,113	20,072,059,113		822,381,699	4
Sweden-Agricultural Sector Dev't Support Programme II	31,569,932	6,507,770	6,507,770		-25,062,162	-79
World Bank-to Finance Loccally Led Climate Action Plans (FFLoCA)			11,000,000	-11,000,000		
DANIDA Grant-Primary Health Care in Devolved Context		29,048,250	29,048,250	-	29,048,250	
Provision of fertilizer subsidy programme			14,721,991	-14,721,991		
Allocations for court fines			70,740,842	-70,740,842		
Allcation for mineral royalties			3,884	-3,884		
Road Maintenance Levy Fund	927,334,931			-	-927,334,931	-100
World Bank -Kenya Informal Settlement Improvement Project II	100,000,000	398,671,470	400,000,000	-1,328,530	298,671,470	299
Local Revenues	10,402,739,908	12,812,842,166	19,989,630,278	-7,176,788,112	2,410,102,258	23

Source: County Treasury, 2024

OWN SOURCE REVENUES

5. In FY 2023/2024, the County collected a cumulative total of Kshs. 12.8 billion in own-source revenues, against a target of Kshs. 19.98 billion. This represents a revenue performance of 64.1% of the target (**Table 2**). The collection marked an improvement of Kshs. 2.4 billion from the previous year's performance of Kshs. 10.4 billion. The improved performance can be attributed to several factors:

- **Revenue Mobilization through a Multisectoral Approach:** This approach involved collaborations across departments to enhance efficiency in revenue collection.
- **Various Rapid Results Initiatives (RRI):** These initiatives were designed to achieve quick gains in revenue mobilization, particularly through targeted enforcement and compliance checks.
- **Joint Enforcement on Defaulters:** Coordinated efforts were made to identify defaulters across different sectors, leading to increased compliance.
- **Support from Top Management:** The backing from senior County leadership played a crucial role in streamlining operations and ensuring the success of various revenue-enhancing strategies.
- **Unified Business Permits:** The introduction of the Unified Business Permit (UBP) contributed significantly to the revenue boost. The UBP merged various revenue licenses, simplifying the process for businesses and reducing the customer journey, which encouraged compliance and quicker payments.

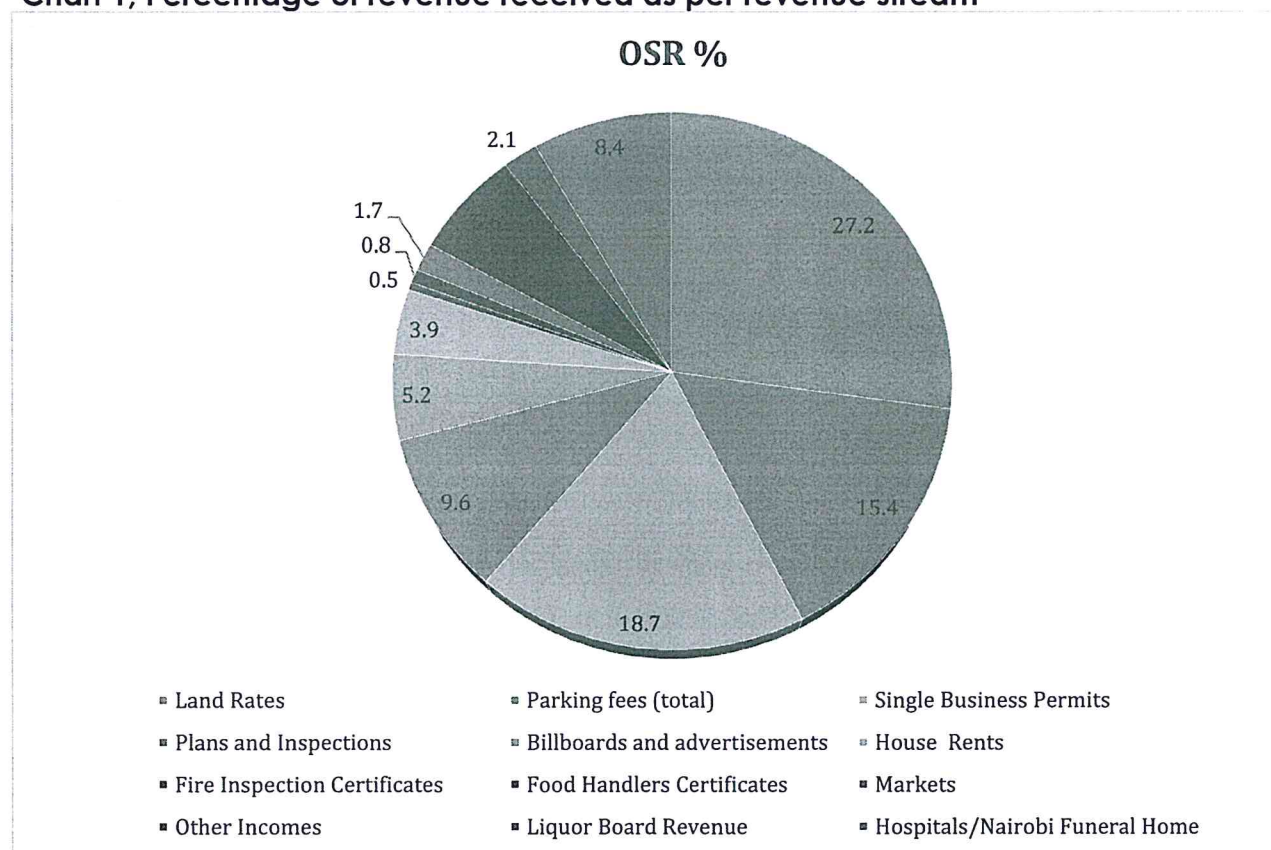
6. The County faced several challenges that hindered its ability to meet the full revenue target as indicated hereunder:

- **System-Related Downtimes:** Frequent disruptions in the NairobiPay system affected revenue collection efficiency, as customers struggled to process payments during these downtimes.
- **Countrywide Gen Z Demonstrations:** The year saw a series of national demonstrations, which disrupted business operations and limited revenue collection from key streams such as parking fees and market cess.

Table 2: Own Source Revenues Performance for FY 2023/2024 (Kshs)

Local Revenues	FY 2022/2023 Actuals	FY 2023/24		Deviation	Growth	% Growth	% Perf
		Actual	Target				
Total Local Revenues	10,402,739,908	12,812,842,166	19,989,630,278	7,176,788,112	2,410,102,258	23	64
Land Rates	2,866,395,246	3,483,511,667	7,029,557,863	3,546,046,196	617,116,421	22	50
Parking fees (total)	1,861,601,275	1,971,655,353	3,000,000,000	1,028,344,647	110,054,078	6	66
Single Business Permits	1,633,513,224	2,394,575,767	3,000,000,000	-605,424,233	761,062,543	47	80
Plans and Inspections	1,015,728,312	1,234,773,822	1,900,000,000	-665,226,178	219,045,510	22	65
Billboards and advertisements	593,283,759	661,616,854	1,200,000,000	-538,383,146	68,333,095	12	55
House Rents	450,419,350	503,392,053	605,400,000	-102,007,947	52,972,703	12	83
Fire Inspection Certificates	202,611,108	58,338,357	453,000,000	-394,661,643	-144,272,751	-71	13
Food Handlers Certificates	132,717,178	106,789,406	300,000,000	-193,210,594	-25,927,772	-20	36
Markets	91,656,792	214,271,356	560,000,000	-345,728,644	122,614,564	134	38
Other Incomes	378,701,869	840,935,715	1,371,672,415	-530,736,700	462,233,846	122	61
Liquor Board Revenue	238,309,894	270,747,747	300,000,000	-29,252,253	32,437,853	14	90
Hospitals/Nairobi Funeral Home	937,801,901	1,072,234,069	270,000,000	802,234,069	134,432,168	14	397

Chart 1; Percentage of revenue received as per revenue stream



Land Rates

7. In FY 2023/2024, the County collected a total of Kshs. 3.48 billion from land rates, against a target of Kshs. 7.02 billion, achieving 50% of the target. The shortfall is primarily attributed to system development-related issues that affected the County's ability to meet its revenue goals. However, there was a notable increase of Kshs. 617 million from the previous year's collection in FY 2022/2023. This improvement was largely due to the County's efforts to reach ratepayers through short message services (SMS) and the issuance of a waiver to encourage payments. As part of its strategy to enhance revenue collection from land rates, the County plans to:

- **Improve Data Collection:** Efforts will be made to reach and register all ratepayers into the Nairobi Pay system by increasing the number of rated properties.
- **Update the County Database:** The database will be updated with new titles, following the Government's titling program.
- **Adopt GIS Technology:** The use of Geographic Information System (GIS) will be adopted to improve the valuation and management of properties within the County.
- **Introduce and Enforce Sectional Titles:** The County will also introduce and enforce sectional titles to capture more properties in the ratepayer register and improve revenue collection.

Parking Fees

8. In FY 2023/2024, the total cumulative receipts from parking fees amounted to Kshs. 1.97 billion, against a target of Kshs. 3 billion, achieving 66% of the target. This represents a deviation of Kshs. 1.03 billion from the projected revenue. The underperformance can be attributed to several factors, including:

- **Non-collection During Demonstrations:** Planned demonstrations against the Finance Bill 2024, which took place every Tuesday and Thursday, affected

collections from parking bays. As parking fees are perishable and cannot be recovered once lost, this led to significant revenue shortfalls.

- **System Downtime:** Frequent technical issues with the collection system led to disruptions in the ability to process parking fee payments.
- **Loss of Major Parking Zones:** Key areas such as the Law Courts parking bay were lost, further limiting the availability of parking spaces for fee collection.
- **Non-collection on Weekends:** A waiver on weekend parking fees also contributed to the revenue shortfall.

9. To optimize revenue from parking fees, the County is implementing several strategies:

- **Identification and Marking of New Parking Slots:** Aggressive efforts are being made to identify and mark new parking spaces to expand the revenue base.
- **Automation of Collection Points:** The County plans to automate fee collection at key locations, including Sunken and Country Bus Station, to improve efficiency.
- **Increase in Private Seasonal Ticket Sales:** There is a push to increase the uptake of private seasonal parking tickets, providing a steady revenue stream.
- **Public Service Vehicle (PSV) Fee Collection:** The County aims to ensure consistent collection from 430 SACCOs, targeting 35,000 public service vehicles and expecting to collect Kshs. 1,260,000,000 at an average fee of Kshs. 2,625 per vehicle per month.

Unified Business Permits

10. In FY 2023/2024, total collections from Unified Business Permits (UBP) amounted to Kshs. 2.39 billion, against a target of Kshs. 3 billion, achieving 80% of the target.

The increased revenue was primarily due to the introduction of the Unified Business Permit, which consolidated six licenses into one, simplifying the process and making

it easier for clients to obtain the permit with a single visit. However, the deviation of Kshs. 610 million from the target was largely due to system-related challenges that affected the efficiency of collection.

11. To reverse this underperformance and improve future collections, the County plans to implement the following strategies:

- **Enhance NairobiPay System Functionalities:** Upgrades will be made to address current gaps and ensure a more efficient and user-friendly system.
- **Conduct a Business Census:** A comprehensive census will be conducted to identify and register all businesses within Nairobi, to expand the revenue base.
- **Collaborate with Government Agencies and Trade Associations:** Partnerships with key stakeholders will be strengthened to enhance compliance and promote ease of doing business.
- **Establish One-Stop Revenue Service Centres:** Revenue service centres will be enhanced at the sub-county level to provide efficient services and improve customer experience.

Building Permit

12. In FY 2022/2023, total collections from building permits amounted to Kshs. 1.23 million, against a target of Kshs. 1.9 billion, representing 65% performance of the target. Despite this, the performance showed improvement compared to the previous fiscal year. The deviation from the target was primarily due to:

- **Delays in Approvals of Building Plans:** System-related issues, particularly the failure to automatically post payments made via RTGS and EFT, contributed to the delayed processing of building plans.

13. To enhance revenue from building permits, the County has collaborated with the system developer to ensure that all payments are automatically mapped into the system, improving efficiency and reducing delays in approvals.

Billboards and Advertisements

14. In FY 2022/2023, the County's efforts to collect revenues from **Billboards and Advertisements** resulted in **Kshs. 661 million**, against a target of **Kshs. 1.2 billion**, achieving **50%** of the expected performance. This shortfall was not merely a matter of low compliance but a result of two key challenges.

- First, the County lacked the **appropriate equipment** to effectively monitor and enforce advertising regulations. Without the proper tools, it was difficult to ensure that all billboards and advertisements were properly accounted for, and enforcement became a daunting task.
- Secondly, a significant portion of advertisement revenues was **largely coded** to UBP small Formats instead of being categorized correctly under advertisement revenues which contributed to the underperformance.

15. To overcome these obstacles and boost revenue collection in this area, the County has devised a strategy that involves **decentralizing the management of small-format advertisements**. By giving sub-counties greater control over the monitoring and enforcement of advertisements, the County aims to improve oversight and ensure that every advert, large or small, is properly accounted for.

16. With this decentralization, enforcement operations will be more efficient, allowing for faster responses and more accurate revenue collection. The County's goal is clear: create a more structured, locally-managed system that taps into the full potential of advertising revenue while resolving the issues that held them back in the past.

Other Factors Attributed to Revenue Shortfall in FY 2023/2024

17. The County faced several significant challenges that hindered its ability to meet the revenue targets set for FY 2023/2024. A combination of systemic

inefficiencies, external disruptions, and administrative delays were the primary factors that contributed to the underperformance.

a. Loss of Perishable Revenues Due to Demonstrations

- **Impact of Demonstrations on Revenue Streams:** The widespread demonstrations against the Finance Bill 2024 had a major impact on key revenue streams, especially perishable sources such as parking fees and market cess. These revenues, once lost, are not recoverable, and the demonstrations led to the closure of businesses, reducing the ability to collect from these streams.
- **Temporary Halting of Operations:** During the protests, many County services were halted, causing delays in the collection of fees, permits, and taxes, further compounding the revenue loss.

b. Delays in Budget Implementation

- **Stagnation of Planned Initiatives:** Revenue-enhancing measures such as fuelling of vehicles for enforcement teams were delayed, contributing to the revenue shortfall.

c. Lengthy Procurement Processes

- **Delays in Acquiring Tools and Resources:** The procurement process was slow and bureaucratic, preventing the timely acquisition of essential tools needed to enhance revenue collection.
- **Operational Disruptions:** These procurement delays impacted enforcement activities, inspections, and the roll-out of customer sensitization programs, all of which are vital for efficient revenue collection.

d. Reallocation of Funds

- **Reallocation of Resources:** Due to urgent priorities and unforeseen issues, funds allocated for revenue-enhancing were reallocated. This reduced the financial resources needed to modernize revenue collection infrastructure.

e. Inadequate and Inaccurate Database

- **Challenges with Data Accuracy:** The County's revenue collection efforts were hindered by an outdated and inaccurate database, especially for property rates, business licenses, and house rent. This made it difficult to track defaulters and potential revenue streams.
- **Limited Capacity for Expansion:** Efforts to expand the revenue base by registering new businesses and properties were slowed, limiting the County's ability to grow its revenue streams.

g. Lack of Working Tools

- **Insufficient Field Equipment:** The teams responsible for revenue collection lacked essential tools such as vehicles and portable devices for data collection. This severely affected the efficiency of inspections and enforcement activities.
- **Operational Delays:** The absence of necessary tools delayed field operations and enforcement efforts, critical to maintaining compliance and collecting overdue fees.

h. Lack of Access to Collection Systems

- **System Downtime:** Frequent downtimes in the Nairobi Pay system limited the ability of revenue collection teams to perform their duties. System failures also delayed payment processing and updating records.

i. Introduction of Eviction for Non-Compliance

- **Challenges with Enforcing Penalties:** The County faced difficulties in enforcing penalties for non-compliance which led to a build-up of arrears and uncollected revenue.
- **Resistance from Businesses:** Businesses and market operators often resisted enforcement actions, making it more challenging to recover overdue payments.

Table 3: Own Source Revenue Projections for 2025/2026 & the Medium Term

REVENUE STREAM	FY 2023/2024 Actuals	FY 2024/2025 Approved	Projections		
			FY 2025/26	FY 2026/27	FY 2027/28
Land Rates	3,483,511,667	6,750,000,000	7,100,300,000	7,171,303,000	7,171,303,000
Parking fees (total)	1,971,655,353	3,000,000,000	3,030,000,000	3,060,300,000	3,060,300,000
Unified/Single Business Permits	2,394,575,767	3,200,000,000	3,487,530,000	3,522,405,300	3,522,405,300
Plans and Inspections (Building Permits)	1,234,773,822	2,000,000,000	2,070,500,000	2,091,205,000	2,091,205,000
Billboards and advertisements	661,616,854	1,250,000,000	1,212,000,000	1,224,120,000	1,224,120,000
House Rents	503,392,053	600,000,000	606,000,000	612,060,000	612,060,000
Fire Inspection Certificates	58,338,357	450,000,000	36,360,000	36,723,600	36,723,600
Food Handlers Certificates	106,789,406	300,000,000	303,000,000	306,030,000	306,030,000
Markets	214,271,356	560,000,000	565,600,000	571,256,000	571,256,000
Other Incomes	840,935,715	1,950,926,033	1,849,310,000	1,867,803,100	1,867,803,100
Liquor Fees	270,747,747	351,000,000	368,200,000	384,135,000	384,135,000
Hospitals /NFH	1,072,234,069		1,200,000,000	1,200,000,000	1,200,000,000
SUB TOTAL	12,812,842,166	20,411,926,033	21,828,800,000	22,047,341,000	22,047,341,000

18. Revenue-Raising Measures to Achieve Targets for FY 2025/2026 to 2027/2028

The County Government has identified several strategies to improve revenue collection by enhancing efficiency, expanding the revenue base, adopting modern technology, and enforcing compliance.

Property Rates and Land Valuation

- **GIS-Based Valuation Roll:** Implement a Geographic Information System (GIS)-based roll to enhance the accuracy of property valuations, ensuring fair and comprehensive revenue collection.
- **Expansion of Rated Properties:** Increase the number of rated properties from 175,000 to 250,000, leveraging new titles from government titling programs.
- **Introduction of Sectional Titles:** Enforce regulations on sectional titles to capture previously untaxed properties.
- **Devolution of Rates Compliance:** Delegate compliance and enforcement responsibilities to Sub-County units for timely delivery of demand notices and better monitoring.

- **Regularization of Buildings:** Focus on regularizing unapproved buildings in areas like Pipeline and Dandora to ensure compliance with county regulations.
- **Surveillance on Developments:** Intensify surveillance on ongoing developments to ensure that all new constructions with County approvals have paid the required dues and contribute to the revenue base.
- **Government Debt Collection:** Prioritize debt recovery from government institutions through negotiation, lobbying, and applying the Inter-Governmental Relations Act.
- **Public Sensitization:** Educate the public on the importance of timely payment of County dues and the consequences of non-compliance.

Revenue Collection System Improvements

- **Enhancements to Nairobi Pay System:** Continuously update the NairobiPay system to improve user experience, address system downtime, and facilitate seamless revenue collection.

Revenue Task Force and Compliance

- **Formation of a Revenue Task Force:** Establish a task force dedicated to cracking down on revenue defaulters and increasing compliance.
- **Field Operations and Mobility:** Provide adequate transportation and mobile units for field officers to enhance enforcement and on-ground revenue collection efforts.

Parking Fees and Compliance

- **Management of Parking Slots:** Improve management of the County's 16,900 parking slots and enforce payment compliance through clamping and towing of non-compliant vehicles.
- **Public Service Vehicles (PSVs):** Collect parking fees from 35,000 public service vehicles, targeting KSh. 1.26 billion annually.
- **Government Arrears:** Follow up on parking fee arrears owed by government institutions.

- **Automation of Parking Facilities:** Modernize key parking facilities like Sunken and Country bus stations through automation.

Business Licensing and Compliance

- **Expansion of Business Database:** Increase the number of registered businesses from 188,000 to at least 300,000 through inspections and customer registration.
- **Business Census:** Conduct a detailed census to capture accurate business data, ensuring proper taxation and registration.
- **Compliance App:** Implement and enforce a compliance app for smooth business registration and fee collection.
- **Regular Enforcement:** Issue demand notices and enforce compliance actions against defaulters regularly.

Advertising Fees and Compliance

- **Billboard and Advertisement:** Enforce better management of the 1,600 billboard sites and 700 sky signs, aiming for a monthly revenue increase.
- **Small Format Advertising:** Decentralize management of small format advertisements to sub-counties and eliminate unnecessary approval processes.

Public Engagement and Customer Service

- **Customer Sensitization Campaigns:** Promote the use of County payment systems (NairobiPay) through public education campaigns.
- **Business Association Collaboration:** Collaborate with business associations and trade organizations to increase awareness, compliance, and registration of informal businesses.
- **Target Informal Traders (Mama Mboga):** Enrol informal traders like "mama mboga" into the Unified Business Permit (UBP) system for improved revenue collection.

Alternative Dispute Resolution (ADR)

- **Revenue Dispute Resolution Mechanisms:** Establish ADR systems to address revenue-related disputes, ensuring timely resolution and reducing revenue loss.

Enhanced Enforcement and Supervision

- **Compliance Checks and Enforcement Actions:** Conduct regular compliance checks, issue demand notices, and enforce penalties on defaulters.
- **Rationalization of Staff:** Allocate revenue and enforcement staff efficiently to boost operations.
- **Supervision of Revenue Collectors:** Set performance targets for revenue collectors to increase accountability and collection rates.

Market and Rent Revenue Collection

- **Lading Fees and Market Revenue:** Enforce the collection of lading fees for livestock and market access fees for dry cereals.
- **Automation of Rent Collection:** Automate the rent collection process and ensure new tenants are onboarded into the Nairobi Pay system.
- **Finance Act 2023:** Fully implement the provisions of the Finance Act 2023 to ensure appropriate fees and rates are collected.

Data Management and Integration

- **LAIFOM Data Migration:** Migrate historical arrears data from the LAIFOM system to the Nairobi Pay system to ensure seamless tracking of arrears and follow-up.

19. Assumptions Underpinning Revenue Projections

Several key assumptions inform these revenue-raising strategies, which are critical to the County achieving its revenue targets:

Improved Compliance and Enforcement

- Expansion of rated properties from 175,000 to 250,000 will be achieved, driven by government programs.
- Continuous enforcement actions like clamping, towing, and demand notices will enhance compliance rates across key revenue streams.

Successful Implementation of Technological Systems

- Improvements in the Nairobi Pay system will streamline payments and boost collection efficiency.
- Automation of key revenue collection processes, including house rent will reduce leakages and boost revenue.

Expansion of the Revenue Base

- The business census will identify new taxable entities, adding them to the County's database.
- Government titling programs will facilitate the capture of new properties for taxation.

Support from Government Agencies

- Collaboration with government institutions and business associations will facilitate debt recovery and compliance among businesses.

Availability of Resources

- Adequate resources, including manpower, transportation, and technology, will be available to support field operations and revenue collection.

Economic Stability

- Economic growth within the County will lead to increased business activity, higher property values, and improved capacity to pay dues.

Legislative and Policy Support

- Consistent implementation of the Finance Act 2023 without significant delays will enable the County to levy new rates and fees.

Effective Debt Recovery Measures

- Successful debt recovery from defaulters, including government institutions, will enhance revenue inflows.

Public Acceptance of Revenue Reforms

- The assumption is that public sensitization campaigns will reduce resistance to new revenue measures like sectional titles and property valuation reforms.

Minimal External Disruptions

- No major disruptions, such as political unrest or natural disasters, are anticipated, which could otherwise hinder revenue collection efforts.

EXPENDITURE PERFORMANCE

20. Total spending in the financial year 2022/2023 amounted to Ksh. 31.79 billion **excluding** direct spending by hospital facilities against a revised target of Ksh. 42.3billion **(representing an absorption rate of 75% of the target)**. The shortfall was attributed to low absorption on both recurrent and development expenditure items **(Table 3)**. The low spending is attributed to delayed procurements and shortfall in overall revenues. Wages and salaries to staff constitute a bigger percentage of the total recurrent expenditure. This therefore implies that fewer resources are available for service delivery. Urgent measures therefore need to be taken to reduce the wage bill in order to free resources for service delivery.

21. Development spending amounted to Kshs 3.268billion against a revised target of Kshs 8.454b. resulting to an absorption rate of 39% of development funds. The low spending is attributed to delayed procurement of projects and revenue shortfall. The implication is that largely majority of projects planned for implementation in FY 2023/2024 are likely to roll over to the FY 2024/2025.

TABLE 3: Total Expenditure for FY 2023/2024

	FY 2022/2023 Actual	FY 2023/2024		Deviation	% Absorption
		Pler .Actuals	Target		
Total Expenditure	29,469,372,052	31,790,533,298	42,286,936,833	-9,958,961,962	75
1.RECURRENT	25,597,510,794	28,522,154,715	33,832,049,342	-4,772,453,055	84
Transfers to County Assembly	1,728,651,942	1,859,024,843	2,380,000,000	-520,975,157	78
Transfers to Nairobi Metropolitan Services	3,726,066,440			0	
Wages and Salaries	11,185,554,751	17,319,812,635	18,340,227,951	-1,020,415,316	94
Operations and Maintenance	8,758,557,669	9,114,052,939	12,881,821,391	-3,767,768,452	71
Liquor Board Expenses	198,679,992	229,264,298	230,000,000	-735,702	100
2.DEVELOPMENT	3,871,861,258	3,268,378,584	8,454,887,491	-5,186,508,907	39
Transfers to County Assembly	20,158,456	86,171,005	300,000,000	-213,828,995	29
Transfers to Nairobi Metropolitan Services				0	
Other Development Expenditures	3,826,349,839	3,141,994,531	8,084,887,491	-4,942,892,960	39
Liquor Board Expenses	25,352,963	40,213,048	70,000,000	-29,786,952	57

Source: County Treasury, 2024

Expenditure by Sectors

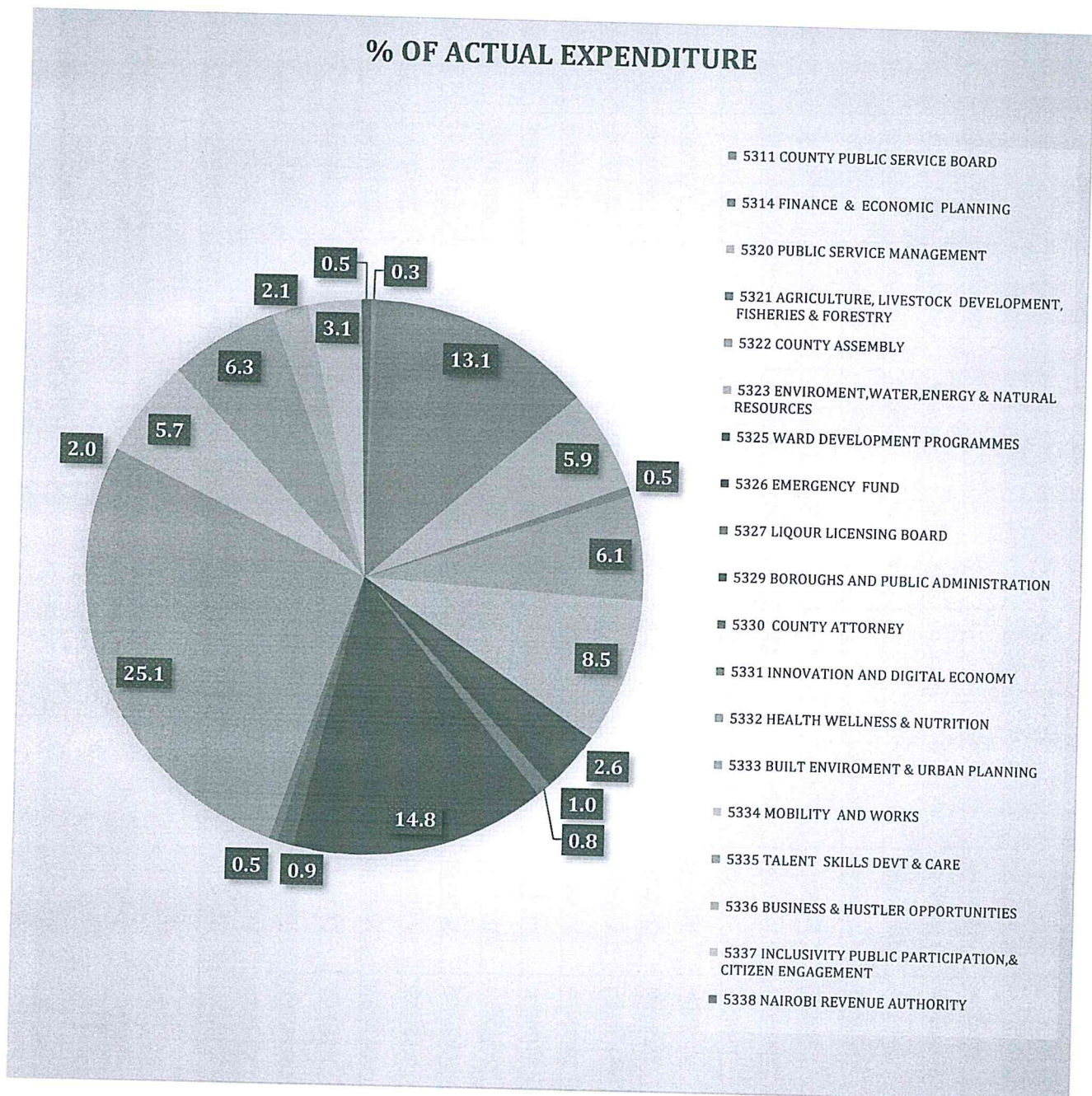
22. Total spending by sectors and other county entities including County Assembly amounted to Ksh.31.79billion against a target of Ksh 42.8Billion (Or 75% absorption of the target. **(Table 5)**

Recurrent spending was Kshs 28.52billion out of the total spending of Kshs 33.8billion; accounting for 84% of the total spending by all agencies. Development spending amounted to Kshs 3.268 billion against the revised target of Kshs 8.45billion. Total spending on development by all county entities fell far below the revised targets.

TABLE 5: Expenditure by Sectors FY 2023/2024 (Kshs)

VOTE	Recurrent			Development			Total		
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	% absorption
5311 COUNTY PUBLIC SERVICE BOARD	100,012,705	130,882,659	30,869,954	-	-	-	100,012,705	130,882,659	76.4
5314 FINANCE & ECONOMIC PLANNING	3,673,524,787	4,147,136,446	473,611,659	487,640,449	850,997,846	363,357,398	4,161,165,235	4,998,134,292	83.3
5320 PUBLIC SERVICE MANAGEMENT	1,888,609,506	2,071,508,897	182,899,391	-	10,000,000	10,000,000	1,888,609,506	2,081,508,897	90.7
5321 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	166,038,941	275,479,579	109,440,638	-	27,709,966	27,709,966	166,038,941	303,189,545	54.8
5322 COUNTY ASSEMBLY	1,859,024,843	2,380,000,000	520,975,157	86,171,005	300,000,000	213,828,995	1,945,195,847	2,680,000,000	72.6
5323 ENVIRONMENT, WATER, ENERGY & NATURAL RESOURCES	2,664,755,631	3,572,696,840	907,941,209	36,294,387	732,460,000	696,165,613	2,701,050,018	4,305,156,840	62.7
5325 WARD DEVELOPMENT PROGRAMMES	20,595,706	74,134,616	53,538,910	805,347,004	1,300,000,000	494,652,996	825,942,710	1,374,134,616	60.1
5326 EMERGENCY FUND	320,199,588	440,000,000	119,800,412	-	-	-	320,199,588	440,000,000	72.8
5327 LIQUOR LICENSING BOARD	229,264,298	230,000,000	735,702	40,213,048	70,000,000	29,786,952	269,477,346	300,000,000	89.8
5329 BOROUGHES AND PUBLIC ADMINISTRATION	4,622,161,953	5,090,528,905	468,366,952	80,197,889	748,000,000	667,802,111	4,702,359,841	5,838,528,905	80.5
5330 COUNTY ATTORNEY	296,890,677	308,808,389	11,917,712	2,613,216	2,800,000	186,784	299,503,893	311,608,389	96.1
5331 INNOVATION AND DIGITAL ECONOMY	123,606,109	219,030,399	95,424,290	34,365,896	240,000,000	205,634,104	157,972,005	459,030,399	34.4
5332 HEALTH WELLNESS & NUTRITION	7,808,415,690	8,423,134,191	614,718,501	157,302,628	519,807,357	362,504,729	7,965,718,318	8,942,941,548	89.1
5333 BUILT ENVIRONMENT & URBAN PLANNING	423,212,188	502,846,371	79,634,183	218,134,517	665,000,000	446,865,483	641,346,705	1,167,846,371	54.9
5334 MOBILITY AND WORKS	995,273,532	1,484,161,082	487,887,550	828,513,890	1,730,132,817	901,618,927	1,824,787,422	3,214,293,899	56.8
5335 TALENT SKILLS DEVT & CARE	1,858,162,830	2,194,821,186	336,658,356	134,921,036	402,261,822	267,340,786	1,993,083,866	2,597,083,008	76.7
5336 BUSINESS & HUSTLER OPPORTUNITIES	606,277,237	727,303,425	121,026,188	64,707,964	470,763,447	406,055,483	670,985,202	1,198,066,872	56.0
5337 INCLUSIVITY PUBLIC PARTICIPATION & CITIZEN ENGAGEMENT	690,635,357	1,177,568,159	486,932,802	291,955,657	384,954,236	92,998,579	982,591,014	1,562,522,395	62.9
5338 NAIROBI REVENUE AUTHORITY	174,493,136	382,008,198	207,515,062	-	-	-	174,493,136	382,008,198	45.7
TOTAL EXPENDITURE	28,522,154,715	33,832,049,342	5,309,894,627	3,268,378,584	8,454,887,491	5,186,508,907	31,790,533,298	42,286,936,833	75.2

Chart 2: Actual expenditure per sector in percentage



Pending Bills

23. The total outstanding pending bills as at 30th June, 2024 amounted to Ksh118 .8billion compared to the previous balance of Kshs 106.8billion in the FY 2022/2023 representing a marginal growth of Kshs 11.9Billion. This growth is largely attributed to the interest and penalties related to statutory payments inherited from prior years **Table6**. In addition, during the year 2023/2024 the County managed to settle pending bills amounting to Kshs 2.56Billion in the midst of the resource constraints occasioned by the underperformance of own source revenues. As the County prepares to transition to the accrual based accounting, a thorough verification exercise is currently underway to audit the pending bills to establish authenticity.

Table 6: Outstanding Payables as at 30th June 2024

	CATEGORY	Pending Bills Outstanding As at 30th June 2023	Pending Bills Outstanding As at 30th June 2024	Net Change	% Change
A	STATUTORY DEBTS				
	KRA (Principal & Penalties)	286,734,338	898,957,328	612,222,991	214
	NSSF	282,821,839	285,195,464	2,373,625	1
	sub-total	569,556,177	1,184,152,792	614,596,616	108
B	SUPPLIERS & CONTRACTORS				
	Recurrent	4,801,512,882	10,807,165,812	5,461,144,126	118
	Development	4,034,867,666	2,796,399,950	-1,238,467,716	-31
	National Bank automation service		336,199,820	336,199,820	
	sub-total	8,836,380,548	13,939,765,582	4,558,876,230	58
C	LITIGATION COSTS	21,422,467,547	21,201,501,599	-220,965,948	-1
	sub-total	21,422,467,547	21,201,501,599	-220,965,948	-1
D	UTILITIES				
	KPLC- Electricity	495,102,248	724,967,163	229,864,915	46
	Water Bills	234,997,059	234,997,059		
	sub-total	730,099,307	959,964,222	229,864,915	31
E	LOANS				
	KCB LOAN	4,504,199,426	4,504,199,426		
	NITA		8,288,750	8,288,750	
	sub-total	4,504,199,426	4,512,488,176	8,288,750	0
F	PENSION SCHEMES(Laptrust/Lapfund)	48,612,890,674	54,850,179,763	6,237,289,089	13
	sub-total	48,612,890,674	54,850,179,763	6,237,289,089	13
G	CONTIGENT LIABILITIES				
	Pension Schemes (Actuarial Deficit)	2,624,000,000	2,624,000,000		
	Government guaranteed loans	15,328,285,000	15,328,285,000		
	On lent Water (Foreign Loans)	3,815,640,000	3,815,640,000		
	sub-total	21,767,925,000	21,767,925,000		
H	STAFF COSTS				
	supernuation scheme		20,985,425	20,985,425	
	Employee benefits- Retirees	269,195,513	357,275,999	88,080,486	33
	Unpaid allowances	136,715,992	544,508,804	407,792,812	298
	sub-total	405,911,505	922,770,228	516,858,724	
	Total	106,849,430,182	119,338,746,362	12,489,316,180	11

Source: County Treasury

FISCAL PERFORMANCE IN RELATION TO FINANCIAL OBJECTIVES

24. The fiscal performance in the FY 2023/2024 is broadly in line with the financial objectives outlined in the CSFP2023.

i. To Enhance Own Source Revenues:

The government was focused on growing the local revenues by undertaking reforms in revenue administration and management. The strategies aimed at improving efficiency in revenue management and reducing the cost of doing business in the city by abolishing multiple licenses. In the FY 2023/2024 the own source revenues registered significant growth from an earlier figure of Kshs 10,4 billion in FY 2022/23 to Kshs 12.8 Billion in FY 2023/2024.

ii. To maintain a balanced Budget:

The objective was to ensure a healthy balance between actual revenues and expenditures as way of checking the growth of pending bills. The objective was achieved by ensuring strict control over commitments that ensured that commitments are aligned to actual revenues.

iii. To enhance efficient and effective use of public resources

The objective was to ensure that the scarce resources are aligned to core service delivery areas and reduce wastage. This was achieved through tight controls over expenditures that ensured that available resources are made available to critical areas of service delivery.

Adherence to Fiscal Responsibility Principles

25. In line with the constitution the Public Financial Management Act 2012 the government has endeavoured to adhere to the fiscal responsibility principles to ensure prudence and transparency in the management of public resources as follows:

- a) The County government recurrent expenditure shall not exceed the county government total revenue.

Total recurrent expenditures amount to Kshs 28.52 billion against total revenues of Kshs 33.3billion therefore not exceeding the revenues.

- b) Over the medium term a minimum of 30% of the county government budget shall be allocated to development expenditure.

Total development allocation for the FY 2023/2024 and the medium term was set at above 30% of total expenditure. In FY 2023/2024 revised development allocation was 20% while actual development spending was 9% of total spending.

- c) The county government's expenditure on wages and benefits to employees shall not exceed a percentage of the county government total revenue by regulations.

Regulation 25(b) of the PFM Regulations 2015 sets the limit for wages and salaries at 35% of the total revenues. In the FY 2023/2024 the total wage bill excluding the County Assembly was Kshs 17.31 billion against total revenues and cash balances of Kshs 34.5billion which translates to about 50% of total available resources.

- d) Over the medium term, the government's borrowings shall only be used only for the purpose of financing development expenditure only; and short-term borrowings shall only be restricted to management of cash flows and shall not exceed five (5%) of most recent audited county government revenue,

The county government did not engage in borrowing during the FY 2023/2024 as stipulated in the Public Finance Management Act 2012 save for short-term cashflow management solutions to manage pressures on salaries.

- e) The County debt shall be maintained at a sustainable level as approved by the County assembly.

The pending bills increased marginally by about Kshs 11.9billion largely occasioned by the continued growth of interest and penalties on the statutory payments.

F) Fiscal Risks shall be managed prudently

The County regularly reviews the macro economic forecasts at the national level and the impact on the county projections. Additionally, the County is also developing a county specific statistics database in addition to the national statistics to help in regular macroeconomic reviews.

PART III: ACHIEVEMENTS IN PROGRAMMES/PROJECTS IMPLEMENTATION.

MOBILITY AND WORKS SECTOR

26. In order to increase transportation of people, goods and services, the sector under the year of review, upgraded 4.5 Kms of road network from gravel/ earth to pavement standards and maintained 70.33kms of road network, in addition to maintenance 97.7Kms of storm water drainage was done. In order to increase travel mobility and accessibility to safe transportation system ,contracts were awarded to develop public transport facilities at Kahawa West Shopping Centre, Maji Mazuri in Kasarani, Satellite Terminus in Riruta and Mutuini, developed road network by expanding NMT by 14,000m at Uyoma Street, Moi Avenue, Lagos Road, Tom Mboya Street, Kenneth Matiba Road, Latema Road and Ronald Ngala Street, Installed 1,150m guard rails/ safety fences along Kenyatta Avenue, Kimathi Street, Muindi Mbingu Street, Wabera Street, Harambee Avenue, City Hall Way, Koinange Street, Market Street, Banda Street and Loita Street in the CBD.

Maintained and fuelled 1 no. asphalt plant at Kangundo Road as well as 400 no. of county fleet and machines ,Established Road Safety Committee, trained/sensitized Road Safety Committee members and stakeholders, developed Road Safety Policy, developed Annual Road Safety Implementation Plan and trained 400 drivers .At the end of the financial year 2023/2024 period, the programme managed to achieve the following; in order to increase public safety and security, the sector installed 1,236 No. new street and public lights within Ruai Ward under, California Ward, Nyayo High Rise Ward, Riruta Satellite, Kilimani and Kileleshwa Wards. Maintained 68,290 No of street and public lights in the 17 sub counties as well as started Completion of 6 No Motor able bridges at Utalii, Njiru, Eastleigh South, Nyayo highrise, Dandora IV. They also maintained 1,000 No. of county facilities in the 17 sub counties.

HEALTH WELLNESS AND NUTRITION

27. Improved access to quality gender based violence services with 8,357 GBV survivors accessing support. 46 tumaini clinics were functional during the period. Mental wellbeing services were provided, with approximately 10,000 screened and

treated for mental, neurological and substance use disorders; 13,541 patients accessing psychotropic services and 40 community mental health awareness sessions were held.

Community health was improved, with 7,500 of community health volunteers being enrolled for this service, while receiving performance-based stipends including NHIF cover. 77 Community health assistants were enrolled. 7 outreaches were held from facilities to communities. They managed to establish one crèches to care for traders' children in Gikomba modern market. Renovation works to theatre, paint works and extension for dental unit and associated electrical works at Mutuini Hospital was completed during the review period.

The dishi na county programme gained momentum, with construction of 10 centralized kitchens and 10 serving sheds. The school feeding programme was boosted by other activities including deworming of 573,435 students, and 1,123 schools having established school health clubs. 450,000 students were reached with health messages.

TALENT SKILL AND DEVELOPMENT SECTOR

28. In the period under review, the ECDE programme targeted to build 13 additional schools in informal settlements, expanded 10 No the crowded schools to accommodate more learners, increased access and retention of 35,000 learners by providing Capitation grants. At the end of the plan period, the programme managed to complete 2 ECDE centers (Highway Manyatta and Imara). This has benefited 600 learners.

The VTC programme targeted to construct additional of 1 No VTCs infrastructure, rehabilitate (6 No) existing VTC infrastructure, and improving the quality of Vocational training by 11 No. At the end of the plan period, the programme managed to rehabilitate 3 No of existing VTCs. This benefited (2,344 No of youth with technical skills). The Bursaries and Scholarships programme targeted to increase access to secondary and Tertiary Education by providing 124,256 learners with Scholarship & Bursary. At the end of the plan period, the programme managed to provide 81,500 learners with

Scholarship & Bursary.

The Children and Rehabilitation Services programme targeted to provide care and protection to 250No of Rescued and Rehabilitated street and other vulnerable children, provide psycho-social care and support to 300 no. of children, and Reintegrate, Re-socialize and Place of 100 No. rehabilitated children/youth. At the end of the planned period, the programme managed to care and protect 250no of children, provided psychosocial support to 300 number of children, and re- integrated 50 number of children.

The Family and Social Welfare programme targeted to promote Family and social Welfare by organizing 12No.family welfare clinics, provide psychosocial support to 2,800No. Clients, provide care and protection to 325No.older persons, empower 250N0 vulnerable households/families, and undertake 4No. Social work exchange programs, developed 1No.Nairobi City County Older Persons Welfare Policy. At the end of the period, the programme managed to enhance family stability and enhanced support systems for 5400No. Families directly and over 10,000 indirectly.

The Community Development programme targeted to capacity build 100 community group participants in group development and dynamic, conduct 6 peer-learning sessions for community groups, monitor the progress of 400 community groups and create market connectivity for the community groups through organizing 5 community exhibitions. At the end of the plan period, the programme managed to train 196 community participants, conduct 7 exchange programs, conduct 489 group-monitoring sessions and organize 7 community exhibitions.

The Control of Drugs and Pornography programme managed to establish the drugs and pornography control unit and capacity built 23 staff members.

The Youth Affairs programme targeted to establish a Youth Innovation Hub at the Youth Centre, establish a database of Youth groups and Youth Serving organization, Capacity Building of 300 youth, Conduct sensitization forums on topical issues affecting youth, develop a refugee integration and community building strategy and Complete the county youth policy. At the end of the plan period, the programme managed to establish a Youth Innovation Hub at the Youth Centre, Capacity Building

of over 650 youth, Conduct sensitization forums on topical issues affecting youth, develop a Draft Refugee Integration and Community Building Strategy and developed a road map to complete the County Youth Policy.

In the period under review, the department of sports targeted 4No. Sports facilities and achieved the 3 namely Dandora stadium, Uhuru Sports Complex, and Mwiki Phase I. targeted 1No. Sports academies and achieved 2 namely football and table tennis at Joe Kadenge stadium, targeted 5No. Basketball courts achieved 2 i.e. Jericho and Umama, targeted Rehabilitation of 3No. Play grounds and achieved 2 namely Umoja I Tena, and Jericho, targeted to identify and nurture 100No. youth with sports talents and achieved 4,474No. i.e. 360 in basketball talents, 4,114 in football both men and women.

The Talent and Recreational Services programme targeted to create a conducive environment for leisure, talent development and Sporting activities, the programme managed to organize 4No. Recreational festivals, held 4No. Capacity building forum 6no, organized 4 No mixed martial arts events and held 2 No. exchange programmes for artists. This has benefited (2,810 no. of youths by identifying and Nurturing (1,288 no of talents), (322No.) groups in the exchange program, (800No) youth on mind change and life skills and (400 No) graded by African Kenpo Karate Federation (AKF).

The Library and Information Services programme targeted to work with National government to transfer Kibra library from KNLS to Nairobi County, rehabilitate MacMillan Library and promote the reading culture of our children. At the end of the plan period, the programme managed to complete the acquisition of Kibra Community Library, the rehabilitation plans have already been acquired and all statutory approvals have been complied with. The rehabilitation work will commence on FY 2024/2025.

GREEN NAIROBI SECTOR

Agriculture sub- sector

29. In the period under review, the Food, Agriculture and Natural Resources carried out extension services to 12,228 farmers/clients, against annual target of 10,500 for agricultural information and innovations (crops: 4,956, livestock: 3,083, fisheries: 840, and veterinary: 2,178) an increase of 16.5%. These services were provided through individual farm visits, group trainings, and demonstrations and facilitated by ASDSP II project. Because of these training efforts, the county produced the 2,023 best small-scale farmer, who has fully commercialized operations.

The sector participated in the Nairobi International Trade Fair (NITF), showcasing 238 crops, livestock, and fisheries technology innovations. This year, the sector reached out to 4,280 clients, representing a 26.6% increase from the 3,380 clients reached last year, providing them with information on better agricultural technologies and innovations. The sector also won the award for Best Government Department Stand.

During the period under review, the sector conducted animal and meat inspections in the 26 abattoirs, ensuring safety both before and after slaughter.

The sector managed to increase the number of fish traders sensitized on food safety to 1,718, up from the targeted 1,088 traders, representing a 57.9% increase, carried out 100% of its animal health surveillance missions. The sector also achieved a reduction in the prevalence of priority diseases (foot and mouth, lumpy skin disease, anthrax, Rift Valley Fever, Newcastle Disease, Epidemic tremor, Peste des Petits Ruminants (PPR), African swine fever, Fowl typhoid, Gumboro Disease, Notifiable Avian Influenza, Infectious Bronchitis), though this was 10% less than the planned target. Additionally, the sector completed 100% of surveillance missions for zoonotic and foodborne hazards. In addition, the sector vaccinated 2,360 animals, which is 57% increase from the target of 1,500 number of animals. The achievement was as a result of involvement of other stakeholders.

To enhance the care and control of animals, the sector aimed to license 10% of dogs, successfully vaccinating 8% of them and issuing movement documents for 100% of

the animals.

During the period under review, the sector, through the Agriculture Sector Development Support Programme (ASDSP II), successfully promoted sustainable priority value chains for increased incomes and food security, achieving 100% of its goals through capacity building and issuing agricultural equipment to 54 planned groups for value addition.

During the period under review, the sector, in collaboration with Oxfam, built the capacity of 100 youths on food waste management in the City Park and Kawangware food retail markets.

Environment sub sector

30. In the financial year, 2023/24, the sector managed a waste collection and transportation of 1,225 tonnes/ day which was transported to the final disposal site, conducted 15No. Environmental education and awareness campaigns/clean-ups; county wide, undertook 17No. Sensitization programs on waste management, conducted 6No. Stakeholder's engagement Forums, PSPs, CBOs, within the waste management value chain on NISWMAP as well as final disposal of waste collected. In addition, the sector completed construction of ramp and platform for Dandora weigh bridge, maintained 5No. (4 km) Access roads leading to disposal cells at Dandora dumpsite. This was achieved through procurement, supply, delivery, spreading and compacting of hard-core along the access roads to improve mobility within the dumpsite as well as servicing and maintaining the weighing bridge. To improve waste management at Dandora dumpsite, the sector created additional 6No. Dumping cells and Conducted 4No. Sensitization for waste pickers within Dumpsite on waste separation.

Parks and open spaces

31. In the financial year 2023/24, the sector rehabilitated City Park by growing 2,000No. Trees and pruning of overgrown trees and bushes, conducted 3No. Clean-up activities in conjunction with various stakeholders such as British High Commission, Friends of City Park and Girl Guide Scout Association, established a recreational park

in Embakasi West at the Komarock Canal; and planted 500No. trees along the canal, Maintained traffic island recreational park at ILRI, Dagoretti North that was in collaboration with ILRI. Completion of rehabilitation & commissioning of Uhuru Park as a recreational facility the works included fencing, gatehouses, improvement of the lawns, tree planting, and flower planting. Rehabilitation of Processional Way Parking, establishment of a flower nursery and removal of weeds from the boating pond, completed pending beautification projects along Muindi Mbingu street, Muratina road round about, and Roysambu traffic islands and enhanced aesthetic value by landscaping gardens, medians, streets, frontages, roundabouts and County Institutions (Health Centers) across all sub-counties , Mbagathi Hospital, Casino Clinic, Staff clinic, Jeevanjee Gardens, Main city hall entrance, Governor's entrance, City hall way raised gardens, Parliament/city hall roundabout, Haille Sellasie roundabout, Fire station garden, Bunge towers garden.

Environmental, monitoring, compliance and enforcement (EMCE)

32. The sector in the financial year 2023/24 Established measures to mitigate against water, air, noise and other forms of pollution by issuing 10No. Noise improvement notices to establishments, 1No. intent of closure issued to a club, 7No. statutory notices issued on related forms of pollution including water and air, created awareness on all environmental legislations through 3 fora, conducted inspection on 63 No public toilets to enhance hygienic condition, trained 25No. staff on basic enforcement as well as 100% inspection of waste private service providers(PSPs) done to ensure compliance. In addition, the sector engaged in community led environmental initiatives in 17 sub counties, coordinated the celebrations of environmental conservation days: World Water Day at Kirichwa River and World Environment Day at City Park, completed zero draft of Noise prevention Bill and submitted to the County Attorney for legal drafting and enhanced environmental compliance by implementing the public nuisance act 2015 and noise and excessive vibration act 2009 by 100% and arrested offenders on noise-related and illegal dumping related issues.

Climate change and air quality

33. In the financial year 2023/24 the sector completed formulation of 1No. climate change Act and submitted to the County Assembly for final amendments and approval, completed formulation of 1No. climate change policy and submitted to County Executive Cabinet for approval, Formulated 1No. Air quality regulation and awaiting stakeholders' engagement, acquired 2No. reference monitors and awaiting installation, Installed 56No. air quality monitors across the County as well as Coordinated implementation of 2 action areas in the climate change action plan (CCAP) as follows: -On transport – Public awareness campaign done on emission reduction strategies; youth committees formed to champion the campaigns at Ward levels.

Water Subsector

34. Finalized development of 1No. Policy (sewer revolving fund); Zero draft policy completed awaiting tabling at the County Executive Cabinet. Illegal structures were removed, a stretch of 1Km Ngong River from Kibera, Kianda to Nairobi dam through enforcement by EMCE, the Water department, clean up by Sector support staff and discharge control by NCWSC. In conjunction with Nairobi Rivers Commission, National Government (NGAO), removed all illegal structures that were the source of illegal discharge along the riparian areas 2.5 Km done- Nairobi River from Lenana to Chiromo through enforcement, clean up by the Sect-Enhanced water safety by mapping of water quality status daily to test the key parameters in compliance with WASREB Guidelines. They also enhanced household water availability to county residents by procuring and distributing 200 water storage tanks.

They also minimized water losses by issuing 3000No. Meters to all new applications. Initiated review of water tariffs 2024/2025 and draft submitted to WASREB for review and Input There was improvement of water supply to informal settlements by supplying 1,000M3 per day free water, using 22No. Water bowsers. The department conducted 3No. Public sensitizations on Nairobi River regeneration (Korogocho, Kahawa West and Gatharaini). They improved supply of quality potable water by procuring emergency water treatment chemicals such as Chlorine tablets and other

accessories. The water department enhanced household water availability to county residents by procuring and distributing 200 water storage tanks and drilling of 2 bore holes at Umoja & Kitsuru. Enhanced water use cost saving by recycling 60M³/day waste water for irrigation at Uhuru Park

BUSINESS AND HUSTLERS SECTOR

35. In the period under review, the Business and Hustler opportunities sector initiated the construction of the first 3 No. of the 20 NO. new markets which are fully funded by the County Government, these are; Mutuini, Kahawa West & Jujo. One additional market was procured and is at contracting stage. The Sector also initiated rehabilitation of 3 No. markets i.e. Mwariro market, Kangundo road perimeter wall & electrical. Rehabilitation of 4 other markets was successfully procured pending the commencement of market i.e. Kayole 1, Jogoo road, New Pumwani & Njiru perimeter wall. Contracts were signed for construction of modern kiosks in 22 wards across the County to improve working conditions for the informal traders.

The sector also had 20,901 weighing, measuring instruments verified, and stamped, 362 compliance inspections carried out at business premises, 52 prepacked goods conformity assessments done, 6 traders' education programs conducted to equip them with skills to get full benefit in the use of their measurement equipment; the ultimate goal being consumer protection and fair trading practices.

The Gaming & Betting programme targeted to increase compliance of all Casinos in the County from no. 20 to no. 22 through licensing, daily supervision and monitoring to ensure adherence to norms and standards. This was achieved 100% leading to a controlled and regulated Gaming industry.

In the period under review, the directorate of Trade and Industry initiated establishment of the Nairobi City County aggregation and Industrial park, a joint venture between the State Department for Industries, Ministry of Investments, Trade and Industry. However, there were preliminary processes that were mandatory as a precursor for disbursement of the project matching fund. At least 90% of these requisite preliminaries were achieved i.e. Site identified and approved by the County cabinet

in Mathare Sub County, Hospital ward and Survey map of the land provided. The project was conceptualized and the project paper documented.

Construction of the envisaged digital business innovation and incubation hub was started at the Jamhuri and completion is expected by December 2024 having been fully equipped. This project stalled for the better part of the year due to non-payment of certificates issued for payment.

The Directorate of Micro, Small and medium enterprise was established to support the growth and development of Micro and Small enterprises to Medium enterprises. In order to address the challenge of inadequate access to affordable capital by the Micro and Small enterprises, H.E. The Governor committed to avail a Biashara fund of 50 Million per ward within the 5 years. In the year under review, the Directorate initiated the process of operationalization of the fund by developing a Concept note that has being approved at cabinet; it has then been subjected to public participation that had a 90% acceptance rate.

The Liquor Licensing targeted to regulate and control the manufacture, sale and consumption of alcohol in the County. At the end of the plan period, the directorate managed to sensitize youth on alcoholism and various stakeholders on compliance to the liquor laws through 80No. sensitizations. In collaboration with internal and external stakeholders, zoning policy was developed to guide the regulation of nightclubs. 4,889 liquor licenses were issued to the compliant liquor outlets and 4No. trainings were conducted to the staff in order to enhance the service delivery.

BUILT ENVIRONMENT AND URBAN PLANNING SECTOR

Housing and Urban Renewal

36. In the period under review the subsector Repainted, re-roofed and carried out general works at Huruma, Uhuru and Harambee estates up to 82% completion level. More than 1,300 housing units were repaired thereby improving habitability of the estates. Non-payment of the contractors has led to delayed completion of the projects.

Completion of the Construction of 0.9 km perimeter wall (including razor wire and guardhouses) at Kariokor estate. Improvement of Security and encroachment controlled for the benefit of 240 No. tenants.

One (1 No.) playground at Huruma estate was rehabilitated through landscaping, installation of benches and planting of grass on the field. Trees and flowers were also planted thereby beautifying the estate and contributing to environmental conservation. This initiative made it possible for tenants to have a place to socialize and play. The subsector was able to accomplish this in partnership with an NGO called Slum Dwellers International (SDI)/Muungano wa Wana vijiji.

One (1 No.) children's play area was reclaimed and a swing and slide installed at Kariobangi South estate. This was done in partnership with Akiba Mashinani Trust (AMT), a local NGO. The parents and their children appreciated this initiative since it was the first of its kind in the estate.

NB: Contract for renovation of Outering Road estate was awarded but the contractor failed to take site possession.

Work environment improved after renovation of Kariokor and Makadara (Huduma) estate offices.

Renovation of Housing Department offices at Service floor (City Hall Annex) ongoing.
Slum upgrading

Infrastructure improvement works ongoing in the following four (4No.) settlements: Embakasi Village (Sokoni), Kahawa Soweto, Kayole Soweto and Kambi Moto. The works include rehabilitation of roads, drainage, foot paths, sewer lines and street lighting.

Lands subsector

37. In the period under review, the Valuation Roll management programme targeted to expand the rateable properties base. At the end of the plan period the programme managed to expand the rateable properties base by 14,548 properties. In the period under review, the Valuation Roll Management programme targeted to prepare the 2023 Supplementary Valuation Roll. At the end of the plan period the programme managed to prepare the 2023 Supplementary Valuation Roll.

INNOVATION AND DIGITAL ECONOMY SECTOR

38. As an enabler and working together with other Sectors, Innovation and Digital Economy Sector successfully developed the Fleet Management system which is awaiting implementation, implemented a fully functional Bulk SMS Communication Service, developed an Email Messaging service with 300 county users, developed an Open Data for Agriculture Sector which is awaiting deployment, acquired an E-Cabinet Solution pending implementation, Smart Device Management Solution was developed and currently in use and successfully implemented the roll out of Unified Business Permit and Certificate on the Nairobi Pay System. The Sector also sensitized over 1500 Youth on Digital Economy and start-ups opportunities, fully sponsored ICT Professional courses in partnership with sponsors like IBM, Moringa School, Google Hustle Academy where over 4,000 youths have benefitted from it, conducted 4No. successful themed Hackthons where over 50 solutions were developed under the themes; Smart City Security Reporting & Response Solutions, Transport & Logistics, Tourism & Culture. In the same financial year, Nairobi City County was accredited as a Training and Testing Center for ICDL with 16No. staff members trained as Trainer of Trainers (TOT). In addition, 6No. start-ups were supported with seed grant funding during Mozilla Africa Mradi Innovation week which was organized through the Sector by the County in collaboration with Mozilla.

In the effort to improve on service delivery, 15 county outpost offices have been connected to internet and wireless LAN Infrastructure. The sector has also deployed 228 IP based Telephone hard-sets for use at city hall annexe. The technology is supporting Call Centre at customer call service center at city hall annexe mezzanine floor. In order to support users with devices not compatible with wireless Access points the sector deployed wireless network adapters to allow users to access internet at customer service center, urban planning and Innovation and digital economy sectors.

FINANCE AND ECONOMIC PLANNING SECTOR

39. In the period under review, the county collected Kshs12.8 B against a target of Kshs19.9 B. This represented an increase of 21.9 percent from previous year actual collection of Kshs 10.5 B. For the first time the county collected the highest OSR figure of Kshs 12.8B that is the highest ever collected in the County. In addition, the county introduced a one-stop customer service point, which has improved on service focus and reducing the customer journey. Further, the county managed to introduce Unified Business Permit (UBP) by merging six legal certificates to one, which has brought ease of doing business to the business community in Nairobi.

For the Accounting services, the Public Accounts Committees of the Senate and County Assembly considered four previous years audit reports. This was as a result of timely compilation of responses to audit queries, provision of support documents and honoring committees summons.

INCLUSIVITY PUBLIC PARTICIPATION AND CUSTOMER CARE SECTOR

40. In the last financial year, the Sector accelerated its efforts towards achieving adequate meaningful public participation by conducting a survey on the status of public participation, citizen engagement and civic education with an aim of identifying gaps in the legal framework, planning, execution and in coordination. This was in collaboration with about 10 Non State Actors. The partnership with Civic Voices broadened while digital public participation space expanded. 93 public participation forums were conducted on various subjects within the 17 sub counties.

The Sector also undertook a customer feedback forum at Charter Hall where different segmentations of Customers were invited, which led to the developed feedback forms.

To ensure Inclusivity, the sector developed Braille Feedback forms. With an aim of improving Customer Satisfaction, enhance staff communication and problem-solving skills, the Sector conducted regular staff reorientation, trained 5111 public service staff. The sector has a dedicated customer service PABX system for quick resolution of inquiries and complaints, a bulk sms system to provide proactive updates on offers/waivers to customers, established a Constituent Management System (CMS)

and digitized the whole of Customer Service Center at City Hall Annex that was launched in 23rd December 2023. The sector is now working on a Customer Service policy that will guide the Customer Service Sub-sector.

The Sector also managed to provide visibility of all Sectors by providing 80% visibility media coverage including County social media platforms and website, successfully de-branding and re-branding most of NCCG facilities. It also launched a 100% land rates waiver media campaign to rally Nairobi residents/defaulters to pay up, media profiling of Public Participation activities-key to driving messages on the importance of Nairobians to take part and Successful implementation of NCCG brand manual.

In recognition of its role of empowering the community through promotion of creatives and arts, the sector purchased a Mobile recording studio. The studio is to offer free recording services to talented youths in Nairobi; unfortunately, it was torched during political unrest popularly referred to as GenZ protests at Uhuru Park. It is noteworthy that the sector successfully held the Battle of the Choirs event and the Nairobi Annual festival that promotes unity among the people of Nairobi and offers a platform to artists and choirs in Nairobi to showcase their skills

The sector developed a validated tourism policy through a series of stakeholder engagement forums to fully capture the aspirations on the people of Nairobi City County. It developed 1No. Tourism database and 1No. Tourism documentary to market the city as a premier tourist destination. Additionally, it successfully held a World Tourism Week celebration by having nature walk event at Ololua Nature Trail, Tree planting session at John Michuki Park, an exhibition and modelling event at Agha Khan Walk and a Heritage Walking Tour in the Nairobi CBD.

In a landmark year, the sector embarked on developing a comprehensive ten-year strategic plan to guide future sector plans, programs, and policies. Significant strides were made in community advocacy and sensitization on gender and disability issues. The county safe house played a pivotal role in rehabilitating 30 female survivors of gender-based violence, with 24 successfully reintegrated into their communities and 2 continuing their education in secondary school.

Lastly, the county also initiated the construction of a larger safe house to support both male and female GBV survivors. Additionally, over 3,000 girls received sanitary towels,

and 1,300 assistive devices were distributed to persons with disabilities (PWDs). The sectors engagement with the community was further strengthened through 8 sensitization and advocacy forums.

BOROUGHES AND SUBCOUNTY ADMINISTRATION SECTOR

PSM

41. In the period under review, the General Administration, Planning and Support Services programme targeted to increase efficiency and effectiveness in work place by improving work environment by 100%. At the end of plan period, the subsector managed to customize 4 offices by removing non active files, improving lighting and cleaning, issuing 9000 staff with IDs and sensitizing Sub County staff on compliance with National values and principles of article 10 of the constitution, implementing the sector service delivery charter.

The programme also managed to implement the uniform policy and sectors procured uniform and PPEs, sorted 4,414 non active files, captured 13,113 staff biometric and issue them with IDs, developed 1 car loan and mortgage regulation, processed staff payment every end of the month, on boarded 3,308 new staff, provided 13,330 staff with medical cover, processed terminal benefit for 465 retirees and implemented CPSB resolutions by 100%.

The Public Service Management, transformation programme also targeted to Improve Human capital and was able to improve skills and abilities by Updating skills inventory by 100%, Implemented a TNA Report by 1, increased the no. of Youth internship/Industrial Attachments/Apprenticeship by 2,500, Construction of County Training School is ongoing, Capacity building. Carried out Training Programmes and Sensitization of 2,500 newly employed staff and Preparing 2 reports of County Performance appraisal.

Office of the Governor

42. In the period under review, the sub-sector continued to offer leadership and coordination to all County Government sectors, entities and semi-autonomous agencies through targeted reforms, restructuring and policy initiatives aimed at fast-tracking the realization of development objectives contained in the County Integrated

Development Fund (CIDP 2023-2027). These initiatives continue to record commendable impact in service delivery in the various sectors. Notable reforms were undertaken in the Health Sector through administrative reforms in the running of Level 5 Hospitals initiated through appointment of Hospital Boards and Chief Executive Officers for the Level 5 facilities. Restructuring and digitization of revenue administration and management has achieved tremendous growth in Own Source Revenue resulting in the highest collection by a County Government since the advent of devolution. Through the County Executive Committee, the Sector Continues to coordinate innovative initiatives in the Infrastructure, Mobility sectors resulting in achievement of significant milestones across the City. The County's Dish na County Programme continues to be a pace setter nationally and in the region with tremendous impact on nutrition and enrolment in the County's ECDE centers as well as public primary schools.

The sub-sector continued to wage a spirited diplomatic drive aimed at expanding both local and bilateral economic partnerships geared at accelerating the pace of growth and development. During the period under review the sector engaged over 150 organizational partners and stakeholders many of whom are currently supporting diverse sectors in pursuit of priority programmes. The County recorded a major milestone as a potential issuer of a bond at the Nairobi Securities Exchange recording a commendable rating through a rigorous independent assessment process.

Strategic communication remains a key tool in informing, consulting and engaging citizens, partners and stakeholders as a hallmark of good governance in a democratic society. The Governor's Executive Communication continued to hold targeted engagement of diverse stakeholders through media alerts, strategic communication and direct engagements ensuring constant forward and feedback between the Governor's office and the people.

Inter-Governmental engagements continued to expand the City's strategic advantage as the foremost and most consequential County Government among its peers nationally and among the most advanced sister Cities globally. These efforts saw the City Host major international conferences bringing the whole world together in discussing important global development issues such as climate change, innovation

and sustainable development among others.

The Governor's Delivery Unit continued to coordinate implementation of 7 out of 10 flagship projects resulting in phenomenal results recorded in programs such as the Dishina County, Stadia, Green and Clean Nairobi, Markets and Biashara Stimulus Programme. The sub-sector is committed to sustain the effort in the year 2024/25 to ensure that the targeted beneficiaries of these projects begin to enjoy the dividends in the shortest time possible.

The Governor's protocol Services team has continued to deploy the best global standards in hosting of executive functions including receiving and hosting dignitaries and running public events in line with established protocol standards

Security and compliance

43. In the period under review, the Sub-Sector was able to increase compliance to law and order by 80% through controlling hawking activities within the county and removed illegal structures. Increased public involvement and accountability by 40% through Engaging both internal and external stakeholders. The Sub-sector reduced congestion and restored order by 80% through Controlling traffic Impounding Motor vehicles causing obstruction Marshal Services in public transport /termini. In addition, enhanced safety and security by 80% through guarding county institutions and installations providing enforcement services. Reduced crime by 80% through carrying out investigations of cases and apprehended offenders in collaboration with National Police Service. Lastly, managed to prevent crime by 80% through carrying out public awareness to stakeholders, intelligence gathering and dissemination, information analysis and carrying out Investigative operations

Disaster Management and Coordination

44. In the year under review, the subsector with an aim to reduce loss of lives and property, increase the communities' capacity and manage disasters. County ambulances was able to improve response time from a baseline of 25 minutes to 20 minutes, whereas, the fire engine improved their response rate from 10 minutes to 8 minutes at a radius of 15km. Number of community disaster management awareness outreach was 100. The subsector Trained 176 firefighters, 70 fire prevention officers in Kangundo road fire station center of excellence.

Lastly, managed to Construct 70% of Gikomba fire station, which is ongoing.

Office of the County Attorney

45. In the year under review, the subsector was able to effectively achieve its core mandate in providing legal services to all County Sectors, by defending 306 Civil matters instituted against the County, proffering 310 No. of briefs to the Sectors, assessing 218 No. of fee notes, sensitizing 91 No. of County Officers on legal compliance, preparing 284 No. of Contract agreements, preparing 65 No. of MoUs, verifying 8 No. of consents, verifying 348 No. of leases, preparing 10 No. of bonds, preparing over 50 No. of advisories, reviewing 11 No. of policies, drafting 8 No. of regulations and drafting 8 No. of bills.

WARD DEVELOPMENT PROGRAMMES

46. In the year under review the programme completed the development of a footbridge in kabete /mwimuto (kitusuru ward), Double culverts in dandora area 4 was and 80% completion of the one in Lindi. In order to enhance security, increase of business time and reduction of crime the program installed 120 high masts. 120 No. high masts with 120 No Lights have been installed in 2no. wards namely; Riruta and California. In addition, the program is undertaking an ongoing street lighting project in Ruai and Sarang'ombe.

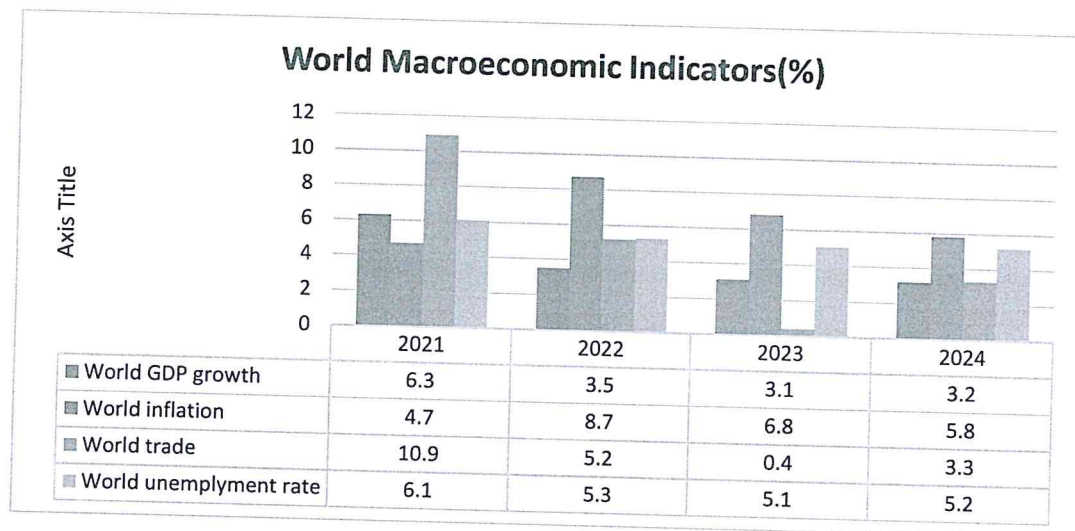
Completion of Construction of 25 kilometres of roads within various wards in the county. With an aim of increasing access to pre-primary education, 3 No ECDE centers were constructed to completion in Nairobi west, Karen and Korogocho. To enhance access to health care services, there is an ongoing construction of a health facility in mlango kubwa. To improve the sporting facilities and enhance talent development, Construction of 2 No. sport Facilities was ongoing in two wards namely in Korogocho, and Makongeni.

PART IV: MACROECONOMIC DEVELOPMENTS AND OUTLOOK

Global Economic Prospects

47. The global economy remained resilient in 2023 despite the disruptions emanating from the residue effects of COVID-19, the Russia-Ukraine conflict and tightened monetary policies in a number of economies. Growth in the world real Gross Domestic Product (GDP) **slowed to 3.1 per cent in 2023 compared to 3.5 per cent in 2022**. The slowdown was more pronounced across advanced economies than in Emerging Markets and Developing Economies (Economic survey,2024). Global GDP is **projected to grow by 3.2 percent in 2024**, a growth below the 2000-2019 historical average of 3.8 per cent. The growth reflects restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. The **main risks to the global growth outlook** relate to further escalation of geopolitical tensions, interest rates remaining higher-for-even-longer in advanced economies, and policy uncertainty attributed to changes of Government in some major economies. **Advanced economies expanded by 1.6 per cent in 2023** compared to the 2.6 per cent growth in 2022. The slowdown was mainly driven by slowed growth in the Euro Area and the tighter monetary conditions in most of the economies. **Growth in Emerging Markets and Developing Economies (EMDEs) remained at 4.1 percent in 2023**. This growth was mainly supported by the easing of financial conditions, strong domestic demand and increased investments in most of the economies in the EMDEs.

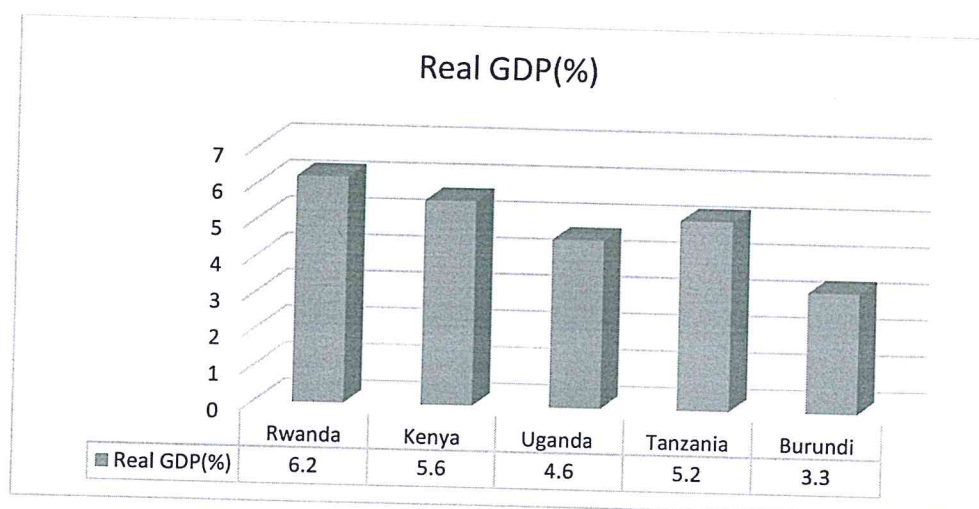
Figure 2.1: key world macroeconomic indicators



Source: Economic survey 2024

48. Sub-Saharan African (SSA) economies grew by 3.3 per cent in 2023 compared to 4.0 per cent growth in 2022. The growth was mostly supported by strong performance in non-resource-intensive countries and improvement in macroeconomic conditions. Further growth was curtailed by the global slowdown, unfavorable weather conditions and domestic supply chain disruptions across the bloc. **East African Community (EAC) recorded a growth of 5.0 per cent in 2023** compared to 5.2 per cent recorded in 2022, a growth that was higher than the SSA.

Figure 2.2: Real GDP of EAC Countries (2023)



World inflation rate eased from 8.7 per cent in 2022 to 6.8 per cent in 2023. This was primarily due to the partial reversal of the significant rise in energy prices, coupled with the easing of supply chain disruptions that characterized the period leading to 2023. On the other hand, in Sub-Saharan Africa, inflation rate went up from 14.5 per cent in 2022 to 15.8 per cent in 2023. Although inflation rate increased in the SSA region, over 40 per cent of the countries in the region witnessed a decline in inflation. Some large economies in the region such as Ghana, Ethiopia and Nigeria had high inflation rate which led to an increase in the overall inflation rate in the region. **In 2023, global trade volume** decelerated to 0.4 per cent compared to the 5.2 per cent growth recorded in 2022. This deceleration was mainly due to base effects as the economy recovered from the COVID-19 pandemic coupled with appreciation of the US dollar and escalation of trade barriers, which further impeded the overall growth. **Global unemployment rate in 2023 declined to 5.1 percent** from 5.3 per cent in 2022. The decline in the unemployment rate was a result of the expansion of employment opportunities, especially in the advanced economies.

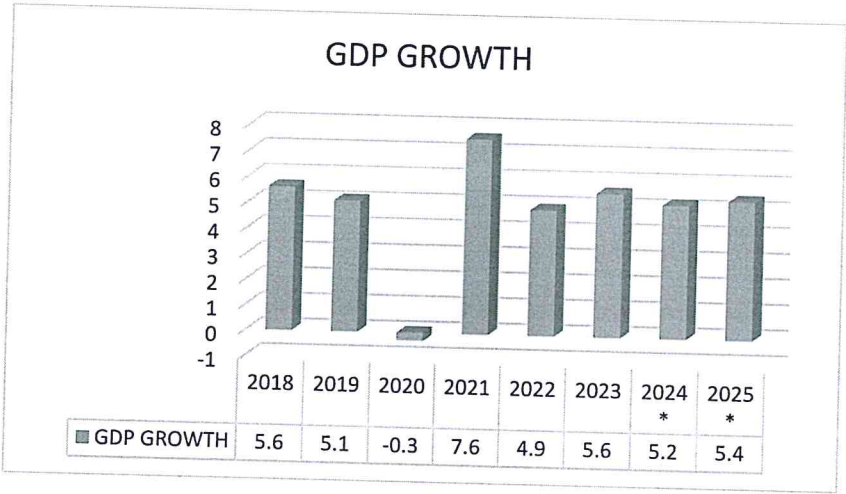
Domestic Economy

49. The Kenyan economy is currently recovering from the effects of negative and persistent global and domestic shocks that had pushed the economy to its lowest activity level. These shocks included COVID-19 pandemic and its subsequent effects, conflict in Eastern Europe and Middle East that led to global supply chain disruptions and the adverse effects of climate change from the prolonged drought in 2021 to the floods in the first half of 2024. These shocks increased the cost of essential household commodities including fuel prices, and led to a rapid depreciation of the Kenya Shilling exchange rate, piling pressure on public debt. In the year 2023, most of the macroeconomic indicators displayed an upward trend.

50. The real Gross Domestic Product (GDP) grew **by 5.6 per cent in 2023** compared to a revised growth of 4.9 per cent in 2022, mainly driven by rebound in agricultural activities, which benefited from favorable weather conditions after two years of severe droughts and the robust performance of the services sector. The performance of the industrial sector, particularly manufacturing which has remained subdued. This growth

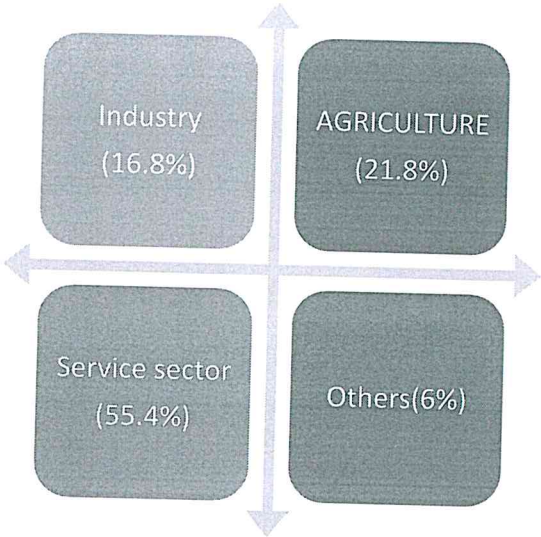
momentum has continued in 2024 with the economy **expanding by 5.0 percent in the first quarter** compared to a growth of 5.5 percent in the corresponding quarter in 2023.

Figure 2.3: Trends in Kenya GDP growth rate in percentage



Source: Economic survey 2024

Figure 2.4. share of GDP by economic sector (2023)



Survey 2024

Source: Economic

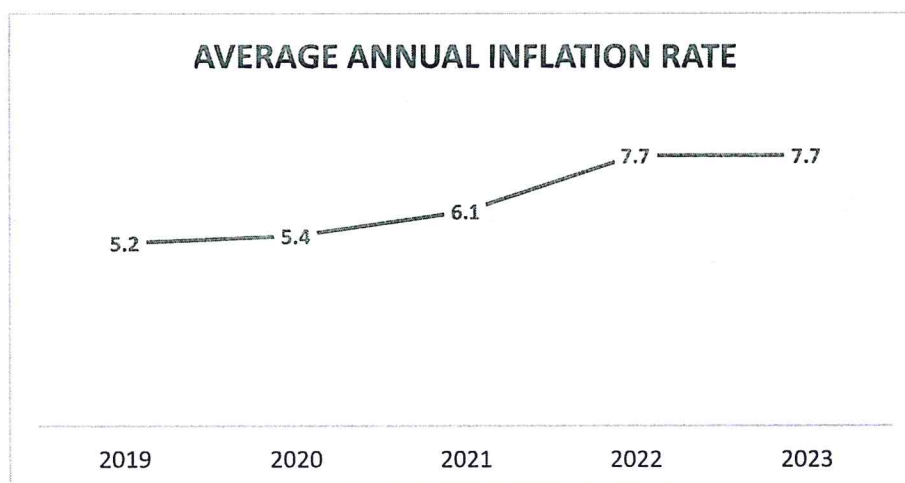
Inflation

51. The overall year-on year inflation is within the Government target range of 5 ± 2.5 percent largely driven by easing food and fuel prices. **Overall inflation remained stable at 4.4 percent and 4.3 percent in August and July 2024.** Favorable weather conditions coupled with targeted government interventions have partly led to the reduction in the cost of food production thereby lowering food inflation. Other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance.

52. Food inflation remained a key driver of overall year-on-year inflation though it declined to 5.3 percent in August 2024 from 7.5 percent in August 2023. The easing of food prices was supported by increased food supply arising from favorable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices.

53. Fuel inflation declined to 4.7 percent in August 2024 from 14.2 percent in August 2023. The decline largely reflecting the easing global oil prices and appreciation of the Kenya Shilling's which resulted in a downward adjustment of pump prices; and lower electricity prices.

Figure 2.5: Trend in inflation rate over the years



Source: *Economic survey 2024*

Foreign exchange

54. The foreign exchange market remained stable in the first half of 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 through August 2024. It strengthened by 10.15 per cent, 8.55 per cent and 9.55 per cent against the US Dollar, Sterling Pound, and the Euro, respectively in August 2024 compared to a similar period in 2023. It exchanged at an average of Kshs. 129.32 per US dollar in August 2024 compared with Kshs. 143.93 per US dollar in August 2023 (CBK, 2024).

Interest rates

55. Interest rates in the year to August 2024 increased reflecting the tight monetary policy stance. The interbank rate increased to 12.97 percent in August 2024 compared to 10.48 percent in August 2023.

Commercial banks average lending and deposit rates increased in the year to July 2024 in tandem with the tightening of the monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 16.8 percent in July 2024 from 13.8 percent in July 2023 while the average deposit rate increased to 11.3 percent from 8.4 percent over the same period. Consequently, the average interest rate spread decreased to 5.6 percent in July 2024 from 5.4 percent in July 2023.

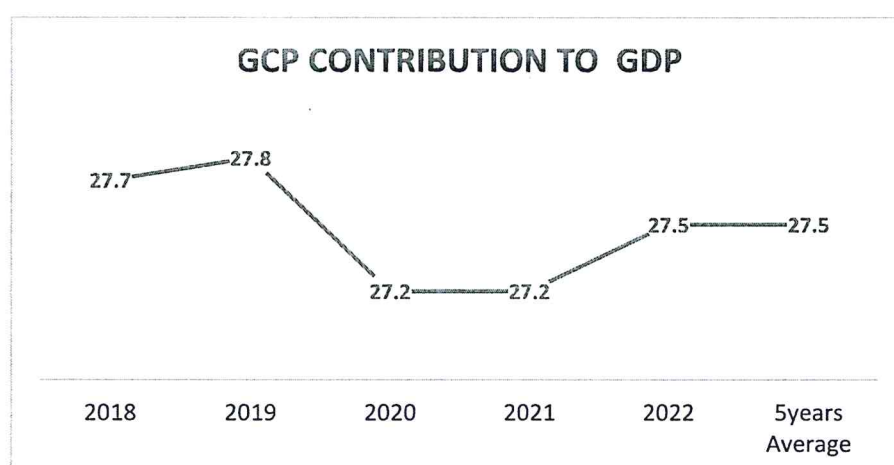
Kenya's Macroeconomic Outlook

56. Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth in 2024 and 2025 will benefit from the enhanced agricultural productivity and a resilient services sector. The rebound in Kenya's agricultural sector is expected to be largely driven by favorable weather conditions and productivity-enhancing government interventions. However, the outlook is subject to considerable risks, including tight global financing, drought, political instability in neighboring countries, and slow recovery of global growth.

NAIROBI COUNTY ECONOMIC PERFORMANCE AND OUTLOOK

57. The Gross County Product (GCP) is a disaggregation of the Gross Domestic Product (GDP) by county that shows how much each county contributes to the national economy. Nairobi city county is the largest contributor to national GDP at 27.5 percent. This is attributed to the fact that Nairobi has large commercial centers, vibrant construction activities, high electricity consumption, densely populated and a diversity of economic activities like manufacturing, transportation, real estate among others. Notably, Nairobi is low in agricultural production. In the year 2023, the county GCP was 27.5 with county per capita GCP of Kshs 723,335. The highest GCP was recorded in 2019 while the lowest was recorded in 2020.

Fig 2.6: Nairobi County GCP % contribution to national GDP, 2018- 2022.



Source: KNBS-GCP 2023

CONTRIBUTION OF MAIN ECONOMIC ACTIVITIES TO NAIROBI COUNTY GCP

58. Nairobi county is backed by thriving economic activities such as manufacturing, financial & insurance activities, real estate sector, wholesale and retail trade, transport sector, manufacturing and construction activities respectively. This calls for substantial investment in these areas by the county. The poorest contributor to national economy in the county is agriculture sector despite the fact that it is the main backbone for national economic development. There however still exists a great untapped potential in urban agriculture, fishing, forestry and adoption of modern farming techniques.

IMPLICATION OF MACRO- ECONOMIC FACTORS TO THE NAIROBI ECONOMY PERFORMANCE

Nairobi City County operates within the global and national macro-economic environment thus directly and indirectly influencing the county's fiscal space. The county fiscal performance will be subjected to both external and internal shocks. The external shocks are likely to be unpredictable financial markets, spikes in oil prices, global supply chain destruction and climate change. While as internal shocks are inflation, fluctuation in exchange rate, harsh weather condition, debt distress among others. All these shocks will have an impact to the fiscal decisions and operations of the county.

59. The Global dynamics impact on the grants and loans that are targeted at supporting counties. The projected global growth is likely to remain stable at 3.2 in 2023 and 3.3 in 2025(World Economic Outlook, July 2024) thus having a positive effect on the amount available for counties inform of grants and loans. The real interest rates reflect the real cost of borrowing, savings and return on investment for both the County Government and Nairobi business communities. With the now expected rise in interest rates, the domestic demand is going to decline thus suppressing the private investment. Global and domestic inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, curtailing the supply of credit. The National GDP growth is expected to increase the allocation from the National Government to county governments.

60. To achieve macroeconomic stability and in the effort of cushioning the residents of Nairobi from the adverse effects of macroeconomic shocks like inflation, the county will embark on supporting socioeconomic policies geared towards spurring economic growth. The county will also pursue prudent financial management in order to increase revenue and reduce unnecessary spending for effective and efficient service delivery.

PART V-RESOURCE ALLOCATION FRAMEWORK

IMPLEMENTATION OF THE FY 2024/2025 BUDGET ESTIMATES

61. The commencement of implementation of the FY 2024/2025 budget estimates is progressing well. However, the implementation has been affected by the withdrawal of the Finance Bill 2024 that has necessitated the delayed approval of the Division of Revenue Bill and consequently the County Allocation of Revenue Act 2024. This delay in disbursements has created uncertainties over implementation of planned programmes.

62. Expenditures will be rationalized in the next Supplementary budget estimates to accommodate any changes in the division of revenue bill. Additionally, the government is reviewing the status of stalled and incomplete projects and when this exercise is completed, expenditures will be rationalized to address the growing problem of ongoing and stalled projects.

63. Total Projected revenues are estimated at Kshs 43.56 billion and is largely projected except for adjustments to include any carry overs from the previous FY 2023/2024. Additionally, the revenue administration reforms are expected to produce tangible results towards growing own source revenues even further. Expenditure controls will be enhanced to ensure actual revenues are aligned to expenditure commitments.

FISCAL POLICY FOR FY 2025/2026 & MEDIUM-TERM BUDGET

64. The fiscal policy for the FY 2025/2026 and the medium aims at supporting programmes that will accelerate the transformation agenda of the current administration in making **NAIROBI** a city to live to its motto of; **City of Order, Dignity, Hope and Opportunities** through a fiscal consolidation plan aimed at slowing down the growth in pending bills and without affecting service delivery.

65. To this end a lot of efforts will go to robust revenue mobilisation while also looking for opportunities for alternative source of finance. The County will continue to undertake revenue administration reforms including full implementation of the

Revenue administration Act 2019 and the new valuation roll. Plans are also underway to ensure legislation of all revenue streams during the period 2023-2027.

66. On the expenditure side the government will sustain the efforts to improve efficiency in public spending and ensure that the taxpayers get value for money. These measures will include phasing out of all non-priority expenditures, use of alternative public private partnerships as alternatives for bankable projects and rolling out e-procurement.

67. The reforms on both the revenue and expenditure side are expected to stimulate and sustain economic activity and reposition Nairobi on a sustainable and growth pattern.

FY 2025/2026 FISCAL & THE MEDIUM-TERM PROJECTIONS

68. Total revenue projections in the FY 2025/2026 are projected at Kshs 44.1 billion and expected to grow to Kshs 44.4 billion in FY 2026/2027 (**Table 7**). The drop from Kshs 43.56 in FY 2024/2025 is largely to the proportion of unspent balances from the FY 2023/2024. In line with our fiscal consolidation plan the budget estimates for the FY 2025/2026, 2026/2027 & 2027/2028 shall be balanced with development expenditure allocation remaining at 30% of total revenues in the FY 2025/2026 and in the medium term. Additionally, all the facility improvement funds collected by all health facilities and the Nairobi Funeral Home will be included in the budget estimates.

TABLE 7: County Government Fiscal Projections in Kshs

	FY 2023/2024 Actuals	FY 2024/2025		Projections		
		Approved	Revised	FY 2025/26	FY 2026/27	FY 2027/28
REVENUES						
Equitable Share	20,072,059,113	20,855,390,632	20,855,390,632	21,481,052,351	22,122,091,592	22,122,091,592
Sweden-Agricultural Sector Dev't Support Programme II	6,507,770					
Community Health Promoters		224,010,000	224,010,000	224,010,000	224,010,000	224,010,000
CAIP-County Aggregated Industrial Projects		250,000,000	250,000,000	250,000,000		
IDA Credit-Second Kenya Devolution Support Programme KDSP II		37,500,000	37,500,000			
SWEDEN-Kenya Agricultural Business Dev't Project		10,918,919	10,918,919			
DANIDA Grant-Primary Health Care in Devolved Context	29,048,250	24,521,250	24,521,250	6,790,500		
World Bank -Kenya Informal Settlement Improvement Project II	398,671,470	750,000,000	750,000,000	300,000,000		
External Transfers	20,506,286,603	22,152,340,801	22,152,340,801	22,261,852,851	22,346,101,592	22,346,101,592
Own Source Revenues	12,812,842,166	20,411,926,033	21,511,926,033	21,828,800,000	22,047,341,000	22,047,341,000
Unutilized Balances from FY 2023/24						
COUNTY REVENUE FUND	395,404,941	1,000,000,000	1,478,245,239			
ROAD MAINTENANCE LEVY FUND	818,197,395					
KENYA DEVOLUTION SUPPORT PROGRAMME 1	31,442,137		31,442,137			
Sub-total (CASH BALANCES)	1,245,044,473	1,000,000,000	1,509,687,376	-	-	-
Total	34,564,173,242	43,564,266,834	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592
EXPENDITURES						
COUNTY ASSEMBLY						
RECURRENT	1,859,024,843	1,925,111,836	1,925,111,836	1,973,239,632	2,012,704,425	2,042,894,991
DEVELOPMENT	86,171,005	1,635,000,000	1,635,000,000	1,160,000,000	1,165,500,000	1,165,500,000
	1,945,195,847	3,560,111,836	3,560,111,836	3,133,239,632	3,178,204,425	3,208,394,991
COUNTY EXECUTIVE						
PE	17,319,812,635	17,086,188,290	18,898,718,842	18,582,164,590	18,217,130,537	17,822,787,326
Other Recurrent Expenses**	9,114,052,939	9,999,425,460	10,513,369,910	9,999,352,773	10,501,439,853	10,865,592,498
NMS						
Development	2,628,817,630	12,567,541,249	11,850,753,622	12,007,695,855	12,112,532,778	12,112,532,778
Road Maintenance Levy Fund	513,176,901					
SUB-TOTAL (COUNTY EXECUTIVE)	29,575,860,105	39,653,154,999	41,262,842,374	40,589,213,219	40,831,103,167	40,800,912,601
LIQUOR BOARD						
RECURRENT	229,264,298	294,000,000	294,000,000	308,700,000	324,135,000	324,135,000
DEVELOPMENT	40,213,048	57,000,000	57,000,000	59,500,000	60,000,000	60,000,000
SUB-TOTAL (LIQUOR BOARD)	269,477,346	351,000,000	351,000,000	368,200,000	384,135,000	384,135,000
Total Expenditure	31,790,533,298	43,564,266,835	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592
Net Financing	2,773,639,943	-	-	-	-	-
ANALYSIS						
RECURRENT	28,522,154,715	29,304,725,586	31,631,200,588	30,863,456,996	31,055,409,814	31,055,409,814
DEVELOPMENT	3,268,378,584	14,259,541,249	13,542,753,622	13,227,195,855	13,338,032,778	13,338,032,778
	31,790,533,298	43,564,266,835	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592

ALTERNATIVE SOURCES OF FINANCING:

69. The County Government will take a lead in seeking beneficial partnerships with each of the 17 Constituency Fund Committees in delivery of mutually eligible projects.

70. The County's alternative financing landscape for 2023/24 was largely dominated by a dichotomy of market-based financing instruments and non-market financing mechanisms. The market instruments included Public Private Partnerships and Joint Venture Initiatives while the non-market instruments were largely conditional and non-conditional grants.

71. Among the most advanced initiatives under Public Private Partnership during the period under review include the proposed Waste to Energy plant at Dandora at an estimated cost of Ksh 50 billion and the proposed Smart Street Lighting Project that is at the stage of Market sounding.

72. Projects that are scheduled under alternative financing include the proposed 400 capacity Hospital at Mutuini at an estimated cost of Ksh 8 billion through hybrid financing consisting of grants and private investment. The upgrading, development, furnishing and equipping of a maternity wing and new born care centre at Kaloleni Health Centre is scheduled to be implemented at a cost of Ksh 38 Million is scheduled through a grant.

73. County sectors, departments and entities continue to receive non-trivial support from implementing partners towards supplementing appropriated resources for various service delivery programs.

Some of the donor funded programmes during the period under review are presented in the table below.

No.	Account Name	Account Number	Bank	Amount deposited 2023/24(Ksh)	Projects under implementation	Project Status	sector
1.	NAIROBI COUNTY PRIMARY HEALTHCARE	1000624019	CBK	22,635,000	HEALTH FACILITIES OPERATIONS	AWAITING DISBURSEMENT OF DANIDA CONTRIBUTION FROM CRF FOR DISBURSEMENT TO LEVEL 2 AND 3 FACILITIES	HEALTH WELLNESS AND NUTRITION
2.	NAIROBI CITY COUNTY-KISIP 2	01141232396622	COOP	65,000,000	INFORMAL SECTOR IMPROVEMENT AND LAND TENURE REGULARIZATION	LOT 1: ON-GOING LOT 2: TO START	BUILT ENVIRONMENT
3.	NAIROBI CITY COUNTY ASDSP 2	01141232396614	COOP	6,507,770	AGRICULTURAL SECTOR DEVELOPMENT	COMPLETE	GREEN NAIROBI
4.	HSSF COUNTY HEALTH OFFICE	01141452433500	COOP	12,405,828	SALARIES FOR NURSES	ONGOING	HEALTH

PART VI: RESOURCE ALLOCATION CRITERIA

74. Therefore, in preparing the budget proposals for the FY 2025/2026 and the Medium Term, Sector Working Groups will be guided by the following broad criteria;

- i. Linkage of programmes that Economic Recovery
- ii. Linkage of programmes that support completion of ongoing projects
- iii. Linkage of the programme with the priorities of County Integrated Development Plan 2023-2027 and the Vision 2030 blue print;
- iv. Degree to which a programme addresses job creation and poverty reduction;
- i. Degree to which a programme addresses the core mandate of the department
- ii. Expected outputs and outcomes from a programme;
- iii. Cost effectiveness and sustainability of the programme;
- iv. Extent to which the Programme seeks to address viable stalled projects and verified pending bills;
- ix. Requirements for furtherance and implementation of the Constitution and other legislations.

75. The 2025/2026 and the medium-term projections shall be guided by the ceilings provided in Annexe I and Annexe II. In addition, Sector working Groups are required to ensure compliance with timelines provided in Circular No..../2024 and any other advisories that may issue from time to time

CONCLUSION

76. Due to the limited resources Sector Working Groups while working on the budget proposals for the FY 2025/2026 & the medium term are required to review critically evaluate and prioritize all budget allocations in line with the CIDP 2023-2027 as per the ceilings provided in Annexe I & II. The sector ceilings will be firmed up in the County Fiscal Strategy Paper 2025.

ANNEXE 1: FISCAL PROJECTIONS FOR THE FY 2025/2026 & THE MEDIUM TERM

	FY 2023/2024 Actuals	FY 2024/2025		Projections		
		Approved	Revised	FY 2025/26	FY 2026/27	FY 2027/28
REVENUES						
Equitable Share	20,072,059,113	20,855,390,632	20,855,390,632	21,481,052,351	22,122,091,592	22,122,091,592
Sweden-Agricultural Sector Dev't Support Programme II	6,507,770					
World Bank-to Finance Locally Led Climate Action Plans (FFLoCA)						
Community Health Promoters		224,010,000	224,010,000	224,010,000	224,010,000	224,010,000
CAIP-County Aggregated Industrial Projects		250,000,000	250,000,000	250,000,000		
IDA Credit--Second Kenya Devolution Support Programme KDSP II		37,500,000	37,500,000			
SWEDEN-Kenya Agricultural Business Devt Project		10,918,919	10,918,919			
Road Maintenance Levy						
DANIDAGrant-Primary Health Care in Devolved Context	29,048,250	24,521,250	24,521,250	6,790,500		
World Bank -Kenya Informal Settlement Improvement Project II	398,671,470	750,000,000	750,000,000	300,000,000		
Provision of fertilizer subsidy programme						
Allocations for court fines						
Allocation for mineral royalties						
Sub-total (External Transfers)	20,506,286,603	22,152,340,801	22,152,340,801	22,261,852,851	22,346,101,592	22,346,101,592
Land Rates	3,483,511,667	6,750,000,000	6,750,000,000	7,100,300,000	7,171,303,000	7,171,303,000
Parking fees (total)	1,971,655,353	3,000,000,000	3,000,000,000	3,030,000,000	3,060,300,000	3,060,300,000
Unified/Single Business Permits	2,394,575,767	3,200,000,000	3,200,000,000	3,487,530,000	3,522,405,300	3,522,405,300
Plans and Inspections (Building Permits)	1,234,773,822	2,000,000,000	2,000,000,000	2,070,500,000	2,091,205,000	2,091,205,000
Billboards and advertisements	661,616,854	1,250,000,000	1,250,000,000	1,212,000,000	1,224,120,000	1,224,120,000
House Rents	503,392,053	600,000,000	600,000,000	606,000,000	612,060,000	612,060,000
Fire Inspection Certificates	58,338,357	450,000,000	450,000,000	36,360,000	36,723,600	36,723,600
Food Handlers Certificates	106,789,406	300,000,000	300,000,000	303,000,000	306,030,000	306,030,000
Markets	214,271,356	560,000,000	560,000,000	565,600,000	571,256,000	571,256,000
Other Incomes	840,935,715	1,950,926,033	1,950,926,033	1,849,310,000	1,867,803,100	1,867,803,100
Liquor Fees	270,747,747	351,000,000	351,000,000	368,200,000	384,135,000	384,135,000
Hospitals/ NFH	1,072,234,069		1,100,000,000	1,200,000,000	1,200,000,000	1,200,000,000
SUB TOTAL	12,812,842,166	20,411,926,033	21,511,926,033	21,828,800,000	22,047,341,000	22,047,341,000
Unutilized Balances from FY 2023/24						
COUNTY REVENUE FUND	395,404,941	1,000,000,000	1,478,245,239			
ROAD MAINTENNACE LEVY FUND	818,197,395					
KENYA DEVOLUTION SUPPORT PROGRAMME 1	31,442,137		31,442,137			
Sub-total (CASH BALANCES	1,245,044,473	1,000,000,000	1,509,687,376	-	-	-
Total	34,564,173,242	43,564,266,834	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592
EXPENDITURES						

	FY 2023/2024 Actuals	FY 2024/2025		Projections		
		Approved	Revised	FY 2025/26	FY 2026/27	FY 2027/28
COUNTY ASSEMBLY						
RECURRENT						
DEVELOPMENT						
	1,859,024,843	1,925,111,836	1,925,111,836	1,973,239,632	2,012,704,425	2,042,894,991
	86,171,005	1,635,000,000	1,635,000,000	1,160,000,000	1,165,500,000	1,165,500,000
COUNTY EXECUTIVE						
	1,945,195,847	3,560,111,836	3,560,111,836	3,133,239,632	3,178,204,425	3,208,394,991
PE						
Other Recurrent Expenses**	17,319,812,635	17,086,188,290	18,898,718,842	18,582,164,590	18,217,130,537	17,822,787,326
NMS	9,114,052,939	9,999,425,460	10,513,369,910	9,999,352,773	10,501,439,853	10,865,592,498
Development						
Road Maintenance Levy Fund	2,628,817,630	12,567,541,249	11,850,753,622	12,007,695,855	12,112,532,778	12,112,532,778
SUB-TOTAL (COUNTY EXECUTIVE	513,176,901					
	29,575,860,105	39,653,154,999	41,262,842,374	40,589,213,219	40,831,103,167	40,800,912,601
LIQUOR BOARD						
RECURRENT						
DEVELOPMENT						
	229,264,298	294,000,000	294,000,000	308,700,000	324,135,000	324,135,000
	40,213,048	57,000,000	57,000,000	59,500,000	60,000,000	60,000,000
SUB-TOTAL (LIQUOR BOARD)	269,477,346	351,000,000	351,000,000	368,200,000	384,135,000	384,135,000
Total Expenditure	31,790,533,298	43,564,266,835	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592
Net Financing	2,773,639,943	-	-	-	-	-
ANALYSIS						
RECURRENT						
DEVELOPMENT						
	28,522,154,715	29,304,725,586	31,631,200,588	30,863,456,996	31,055,409,814	31,055,409,814
	3,268,378,584	14,259,541,249	13,542,753,622	13,227,195,855	13,338,032,778	13,338,032,778
	31,790,533,298	43,564,266,835	45,173,954,210	44,090,652,851	44,393,442,592	44,393,442,592
% devet	9	33	30	30	30	30

ANNEXE II-FY 2025/2026 INDICATIVE BUDGET CEILINGS

HEAD	PE	Hospitals /NFH	Non - Discretionary	Other O &M	Total Recurrent	Development	TOTAL
5311000000 COUNTY PUBLIC SERVICE BOARD	50,270,185	-	-	43,744,740	94,014,926	27,000,000	121,014,926
5314000000 FINANCE & ECONOMIC PLANNING	1,377,082,335	-	148,000,000	1,025,476,472	2,550,558,807	120,000,000	2,670,558,807
5320000000 PUBLIC SERVICE MANAGEMENT	268,675,994	-	1,686,818,463	165,303,515	2,120,797,972	100,000,000	2,220,797,972
5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	110,713,567	-	-	126,425,301	237,138,867	71,909,103	309,047,970
5323000000 ENVIROMENT, WATER, ENERGY & NATURAL RESOURCES	2,080,091,833	-	-	1,112,124,617	3,192,216,450	541,460,000	3,733,676,450
5325000000 WARD DEVELOPMENT PROGRAMMES	-	-	-	61,936,000	61,936,000	1,955,000,000	2,016,936,000
5326000000 EMERGENCY FUND	-	-	-	100,000,000	100,000,000	-	100,000,000
5327000000 LIQUOR LICENSING BOARD	-	-	-	216,090,000	216,090,000	59,500,000	275,590,000
5329000100 Office Of County Secretary	284,325,548	-	-	109,311,429	393,636,976	205,000,000	598,636,976
5329000700 Office of Governor & Deputy Governor	220,986,816	-	-	158,059,079	379,045,895	-	379,045,895
5329001100 Boroughs, Sub County Administration	454,048,773	-	-	67,303,517	521,352,290	387,000,000	908,352,290
5329001300 Security and Compliance	2,365,299,712	-	-	92,277,193	2,457,576,906	35,000,000	2,492,576,906
5329001600 Investigation Department	39,956,863	-	-	17,980,329	57,937,192	-	57,937,192
5329001700 Disaster Mgt & Coordination	283,249,003	-	-	125,601,952	408,850,955	135,000,000	543,850,955
5329002100 Audit	45,596,852	-	-	26,509,604	72,106,456	10,000,000	82,106,456
5330000000 COUNTY ATTORNEY	147,779,706	-	-	75,600,000	223,379,706	15,000,000	238,379,706
5331000000 INNOVATION AND DIGITAL ECONOMY	124,860,950	-	-	71,817,654	196,678,605	263,974,624	460,653,229
5332000000 HEALTH WELLNESS & NUTRITION	8,039,448,869	1,200,000,000	964,873,002	197,279,134	10,401,601,005	2,037,887,337	12,439,488,342
5333000000 BUILT ENVIROMENT & URBAN PLANNING	419,074,652	-	-	113,176,117	532,250,769	632,000,000	1,164,250,769
5334000000 MOBILITY AND WORKS	573,128,497	-	836,900,000	123,450,121	1,533,478,617	2,181,031,768	3,714,510,385
5335000100 Education Headquarters	842,240,130	-	957,900,000	66,392,039	1,866,532,169	623,933,023	2,490,465,192
5335000500 Social Services Headquarters	169,902,600	-	-	31,392,036	201,294,636	120,000,000	321,294,636
5335001000 Youth, Talent & Sport	13,869,975	-	60,000,000	17,392,039	91,262,014	830,500,000	921,762,014
5336000000 BUSINESS & HUSTLER OPPORTUNITIES	536,061,704	-	-	98,087,594	634,149,298	1,560,000,000	2,194,149,298
5337000000 INCLUSIVITY PUBLIC PARTICIPATION, & CITIZEN ENGAGEMENT	135,500,026	-	-	102,195,147	237,695,173	120,000,000	357,695,173
5338000000 NAIROBI REVENUE AUTHORITY	-	-	-	108,635,680	108,635,680	36,000,000	144,635,680
TOTAL FOR VOTE 5310000000 NAIROBI CITY COUNTY	18,582,164,590	1,200,000,000	4,654,491,465	4,453,561,308	28,890,217,364	12,067,195,855	40,957,413,219
COUNTY ASSEMBLY	992,189,321	-	-	981,050,311	1,973,239,632	1,160,000,000	3,133,239,632
TOTAL FOR VOTE 5310000000 NAIROBI CITY COUNTY	19,574,353,911	1,200,000,000	4,654,491,465	5,434,611,619	30,863,456,996	13,227,195,855	44,090,652,851

County Budget Review and Outlook Paper 2024

