

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY  
(FOURTH SESSION)

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30/09/2025.

NCCA/TJ/PL/2025(71)

30<sup>TH</sup> SEPTEMBER 2025

PAPER LAID

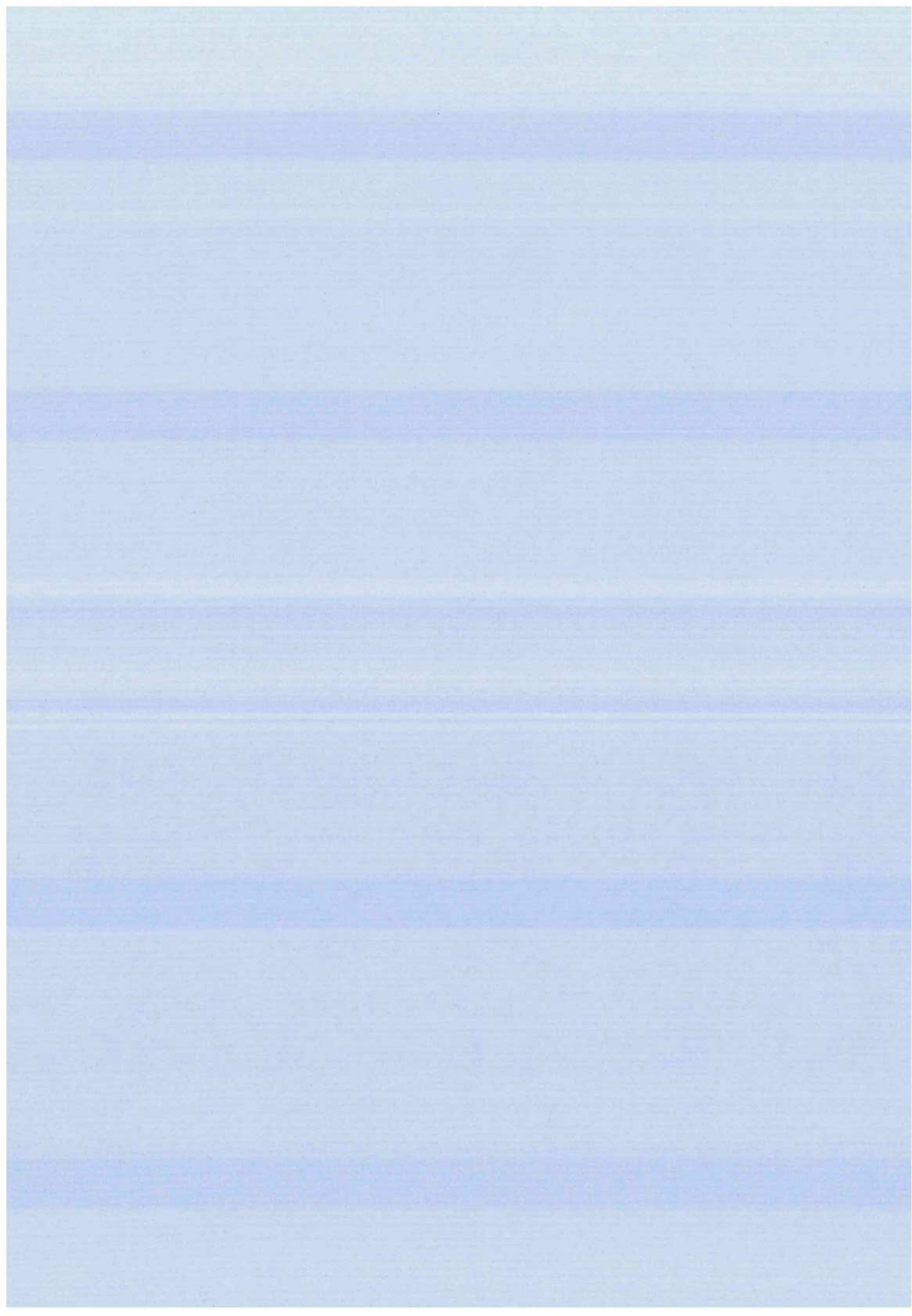
SUBJECT: TARIFFS AND PRICING POLICY

Pursuant to Article 185 (4) of the Constitution of Kenya, 2010 and Standing Order 151A, I beg to lay the following Paper on the Table of this Assembly, today Tuesday 30<sup>th</sup> September 2025:

— SESSIONAL PAPER NO. 2 OF 2025 ON NAIROBI CITY  
COUNTY TARIFFS AND PRICING POLICY.

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

*Paper laid on  
the Table of the  
Assembly by the  
Majority Leader  
on Tuesday,  
30<sup>th</sup> Sept. 2025*  
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S. C. A.  
30/9/2025





NAIROBI CITY COUNTY  
www.nairobi.go.ke

## FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

REF: NCC/FEP/CCO-REV/TN/203/2025

22<sup>ND</sup> SEPTEMBER 2025

The Clerk  
Nairobi City County Assembly  
NAIROBI



*Decl  
Kindly dev  
for CCA  
24/9/25*

### REF: FORWARDING OF FINANCE BILL 2025 AND TARIFFS AND PRICING POLICY 2025-2030

Attached herewith please find drafts of Finance Bill 2025 and Nairobi City County Tariffs and Pricing Policy for your necessary action.

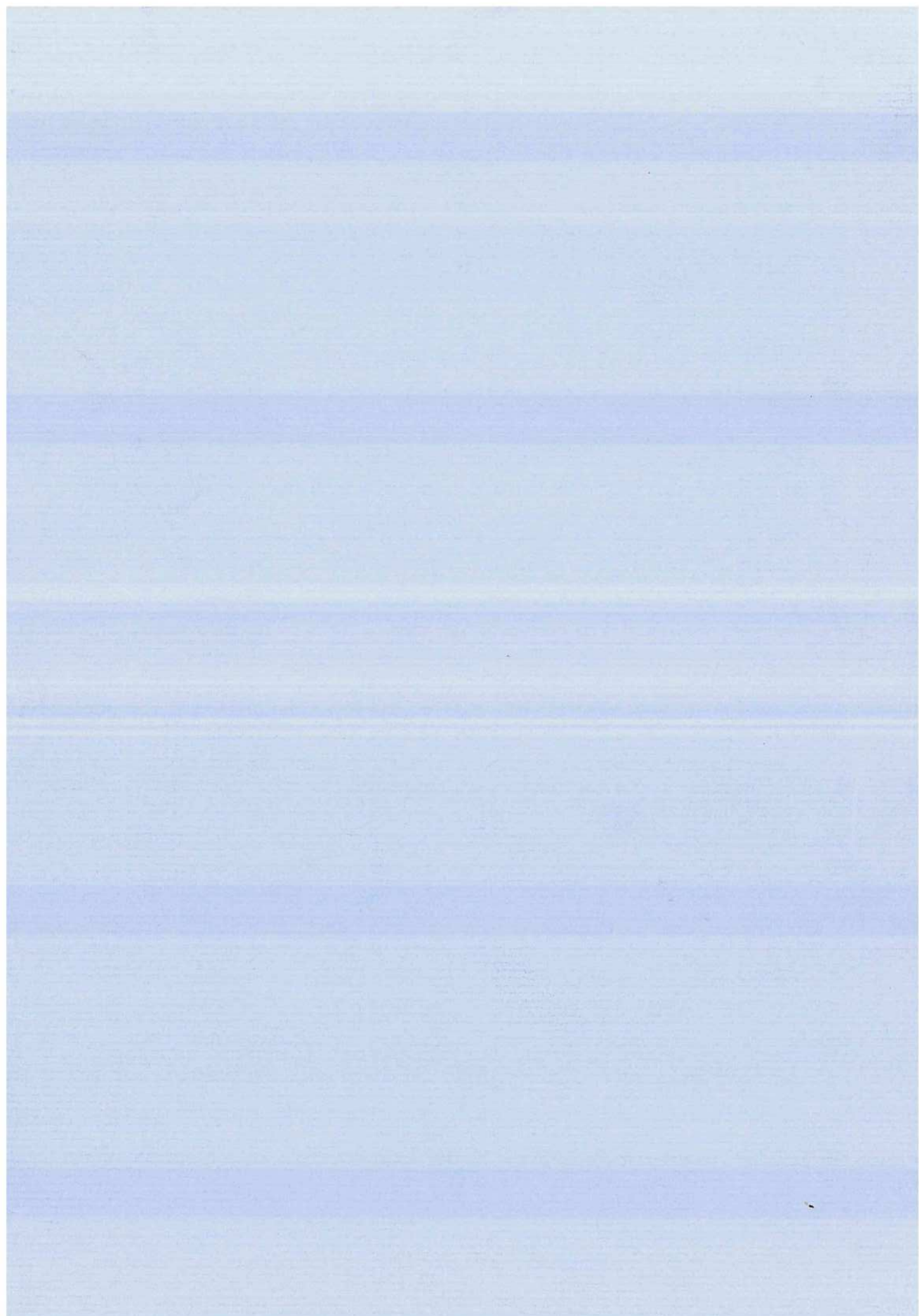
*For [Signature]*

CHARLES KERICH  
COUNTY EXECUTIVE COMMITTEE MEMBER –  
FINANCE AND ECONOMIC PLANNING

*(11) PCA LSP  
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and commit to  
FBAC  
[Signature]  
D25  
24/9/2025*

*(11) SCA - Austin  
Kindly prepare papers  
for tabling  
After  
PCA chg P  
24/9/2025*

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NAIROBI CITY  
COUNTY



# Nairobi City County Tariffs and Pricing Policy

2025 – 2030



# Nairobi City County Tariffs and Pricing Policy 2025 – 2030

Nairobi, July 2024

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Nairobi City County Tariffs and Pricing Policy 2025-2030

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## A Message from the Governor



H.E Sakaja A. Johnson, EGH  
Governor,  
Nairobi City County Government.

As the Governor of Nairobi City County, Kenya's vibrant capital and sole urban county, I am immensely proud to present the Nairobi City County Tariffs and Pricing Policy, 2025-2030. This policy represents a crucial and bold step towards enhancing revenue collection and promoting efficiency in public service delivery.

The policy outlines a structured and transparent approach to pricing services, designed to mobilize resources, recover service costs, and reduce our dependence on allocation from the National Government.

We are committed to ensuring that all businesses and residents of Nairobi City County contribute fairly to the cost of services they receive, thereby supporting the sustainable development of our great city.

This initiative is fundamental to restoring 'Order' to our service delivery, giving back their 'Dignity', creating 'Opportunities' for shared prosperity, as we commit to make Nairobi work for everyone

# LET'S MAKE **NAIROBI** WORK

## A Message from the Deputy Governor



**H.E Njoroge Muchiri**  
Deputy Governor,  
Nairobi City County Government.

This Nairobi City County Tariffs and Pricing Policy marks a critical step towards strengthening fiscal discipline and service delivery accountability in Nairobi City County. Our aim is to establish and implement a harmonized, cost-reflective, and equitable tariff framework that not only enhances revenue generation but also promotes accountability and ensures affordable access to County services.

We recognize that historical practices have led to inconsistencies and a misalignment between service provision and revenue collection. This policy directly responds to these challenges by setting out a clear approach to determine the cost of providing public services and aligning fees with actual service provision.

By promoting economic efficiency and quality service delivery through cost-reflective charges, and establishing a structured and transparent system; we hope this document will illustrate our commitment to the financial prudence of the County, encouraging responsible consumption and minimizing wastage.

I am convinced that this policy will mobilize resources for the operations and maintenance of critical infrastructure and contribute to a city of 'Order', 'Dignity', 'Hope' and 'Opportunity' for all.

# LET'S MAKE **NAIROBI** WORK

## FOREWORD



**Charles Kerich**  
*County Executive Committee Member  
Finance and Economic Planning*

The Nairobi City County as a devolved unit of governance has an obligation to deliver efficient services to the people of Nairobi. Therefore, there is need for the County to have reliable sources of revenue to comply with this key obligation. Even as the County seeks to justify the tariffs and pricing for purposes of revenue collection to enable it deliver services, it remains committed to the effective use of funds and resources.

Section 120 of the County Governments Act (CAP 265) mandates the counties and any county agency delivering services within the counties to develop, adopt, publish, and implement a tariffs and pricing policy before enacting a Finance Bill. This policy is a key point of engagement between the County and the people of Nairobi, as a public information tool that enhances a system of governance that is inclusive, responsive and transparent.

Proper determination of tariffs will result in maximization of the revenue collected vis à vis the services delivered by the County; which is vital in ensuring financial sustainability. This Policy serves to map services to costs, justify fees and align revenue streams with service delivery. Therefore, the Policy provides the Nairobi community with information to understand and interpret the fees and charges paid to the County. This Policy sets tariffs at levels that facilitate the financial sustainability of services and ensures affordability, equity, environmental considerations and promotion of the local economic development.

Through this policy direction, the County is geared towards living up to its vision of building and maintaining a city of Order, Dignity, Hope and Opportunity for all by providing affordable, accessible and sustainable quality services.

Let's make Nairobi Work for all.

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## PREFACE



**Tiras Njoroge**  
County Chief Officer  
Revenue administration

**Chairperson**

This Nairobi City County Tariffs and Pricing Policy for 2025–2030 represents a pivotal advancement in our fiscal and governance framework. The policy responds directly to the constitutional mandate under Article 209(4) of the Constitution of Kenya 2010 and legal requirements under section 120 of the County Governments Act to establish a clear basis for user fees and charges.

This Policy aims to ensure Constitutionality and legality by ensuring the rectification of prior inconsistencies resulting in a harmonized, transparent, and cost-reflective framework user tariffs and charges. Its overarching goal is to enhance own-source revenue, ensure financial sustainability, and improve quality service delivery. Guided by principles of affordability, equity, financial and environmental sustainability, destitution safeguards, and transparency, it aims to accurately determine service costs and align revenue streams with expected services.

The policy's development involved a situational analysis, input from county departments and stakeholders, and extensive public participation, and drafting by the Technical Working Group, culminating in approval by the County Executive Committee. Key sources included national laws and guidelines, notably the CRA Model Tariffs and Pricing Policy. I hope that this policy, the first of its kind in the nation, marks a new day for the County in transparency in tariffs, fees, revenue collection and expenditure.

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## ACKNOWLEDGEMENT



Dr. John Ntoiti

*Director Revenue Administration*

The successful formulation of the Nairobi City County Tariffs and Pricing Policy is the result of collective contributions from numerous dedicated stakeholders and institutions. I extend my deepest gratitude to His Excellency the Governor and the County Executive Committee, and the Nairobi City County Assembly, whose unwavering support and commitment have been instrumental in enhancing our county's financial sustainability.

Special thanks are due to the Office of the County Secretary and Head of County Public Service for their overarching leadership. I particularly acknowledge the Research and Policy Development Department for their invaluable insights and foundational work in driving evidence-based policy formulation, and the Legislative Affairs Department of the Office of the County Attorney for their assistance during and after the drafting. Similarly, the ongoing efforts towards establishing the Nairobi Revenue Authority are a pivotal step, and I commend all involved in realizing this crucial institution for streamlined revenue administration.

Furthermore, I sincerely appreciate the valuable contributions from various County departments, sub-counties, academic and research institutions, development partners, civil society organizations, and the general public. Their active participation through extensive consultations, forums, and reviews significantly enriched this process. Your expertise, feedback, and unwavering dedication are vital as we strive to build a transparent, efficient, and equitable revenue system for the prosperity and sustainable development of Nairobi City County.

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A stylized handwritten signature in blue ink, appearing to read 'James Mwangi', written over a series of horizontal wavy lines.

## THE WORKING GROUP

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2.	H.E. Njoroge Muchiri	Deputy Governor	
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4.	Tiras Njoroge	Chief Officer	Revenue
5.	Dr. John Ntoiti	Director	Revenue
6.	Dr. Benjamin Kimolo	Director	Research and Policy Development
7.	Eng. Kinyua Wamugunda	Director	Public Works
8.	Eng. Thomas Karatai	Director	Parking
9.	Nyokie A. I	Director	Rates
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28.	Ndavi A. Mutuku	Deputy Director	Customer Service
29.	Samson Wambugu	Principal Engineer	Lighting
30.	David Githaiga		
31.	QS Joseph Ireri		Housing

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## ABBREVIATIONS AND ACRONYMS

Abbreviation	Meaning
CADP	County Annual Development Plan
CBD	Central Business District
CEC	County Executive Committee
CIDP	County Integrated Development Plan
CO	Chief Officer
CRA	Commission on Revenue Allocation
ERP	Enterprise Resource Planning
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
GIS	Geographic Information System
GOK	Government of Kenya
ICT	Information and Communication Technology
KPIs	Key Performance Indicators
KRA	Kenya Revenue Authority
LAIFOMS	Local Authorities Integrated Financial Operations Management System
LAN	Local Area Network
M&E	Monitoring and Evaluation
NCC	Nairobi City County
NCCG	Nairobi City County Government
NIUPLAN	Nairobi Integrated Urban Development Master Plan
NMT	Non- Motorized Transport
NRA	Nairobi City County Revenue Authority
NRS	Nairobi Revenue System
OEM	Original Equipment Manufacturer
OSR	Own Source Revenue
PABX	Private Automatic Branch Exchange
POA	Performance Outcome Area
PPP	Public-Private Partnership
SAAS	Software as a Service
SBP	Single Business Permit
TADAT	Tax Administration Diagnostic Assessment Tool
TSP	Tariff Setting Process
UBP	Unified Business Permit
USSD	Unstructured Supplementary Service Data
WAN	Wide Area Network
WASH	Water, Sanitation, and Hygiene
Wi-Fi	Wireless Fidelity

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## DEFINITION OF TERMS

**Affordability:** The principle that tariffs, fees, and charges should be reasonably priced and reflect the costs associated with the services rendered.

**Budget:** An annual financial plan that sets out broad strategic priorities and policy goals by estimating revenues and expenditures, which serves as the basis for all spending and resource allocation for public services and development objectives.

**Charges:** A general term for any payment, levy, or imposition required by a county government for services rendered or as authorized by the Constitution or other legislation. The Constitution empowers both national and county governments to impose charges for the services they provide.

**County Annual Development Plan (CADP):** A one-year plan with clear goals and objectives, an implementation plan, monitoring and evaluation provisions, and reporting mechanisms, serving as the basis for all budgeting and spending in a county.

**County Assembly:** The county legislative body established under Article 176 of the Constitution.

**County Executive Committee Member (CECM):** The CECM for the time being in charge of finance.

**County Executive Committee:** The executive arm of a county government as defined in the County Governments Act.

**County Government Entity:** Any department, agency, authority, or body declared as part of a county government for financial management purposes.

**County Government Revenue:** All money derived by or on behalf of a county government from levies, rates, fees, charges, or any other source authorised by the Constitution or an Act of Parliament.

**County Integrated Development Plan (CIDP):** A five-year plan with clear goals and objectives, an implementation plan, monitoring and evaluation provisions, and reporting mechanisms, serving as the basis for all budgeting and spending in a county.

**County Treasury:** An entity established for each county government, comprising the County Executive Committee Member for Finance, the Chief Officer, and the departments responsible for financial and fiscal matters.

**Effectiveness:** The extent to which a program or intervention has achieved or is expected to achieve its objectives efficiently and sustainably.

**Efficiency:** A measure of how economic resources or inputs (including funds, expertise, and time) are converted into results.

**Equity:** The principle that tariffs, fees, and charges must be fair and impartially applied to all users, promoting equal opportunity and non-discrimination.

**Fees:** Payment imposed by a county government for a license, permit, or specific administrative action. The setting of fees is guided by principles such as efficiency, accountability, public participation, and avoiding multiplicity.

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**Financial Year:** The twelve-month period ending on June 30th of each year.**Internal Auditing:** An independent, objective assurance and consulting activity designed to add value and improve an organization's operations by evaluating risk management, control, and governance processes.

**Licensing Authority:** A County Licensing Board established by a county government to manage the processes of granting, amending, renewing, restoring, and replacing licenses.

**Monitoring and Evaluation (M&E):** Monitoring and Evaluation is the systematic assessment of government policies, programs, and projects to track performance, measure outcomes, and provide feedback for improvement and accountability. It involves assessing financial indicators, outputs, and the expected effects on intended beneficiaries, with a focus on collecting and exchanging data for efficient reporting

**Pricing:** The structured process for determining user fees and charges for public services provided by the county, aiming to align costs with service delivery and ensure financial sustainability. This is typically guided by a Tariffs and Pricing Policy, as required by Section 120 of the County Governments Act

**Public Participation:** The mandatory involvement of citizens in county planning processes, facilitated through various mechanisms, including providing clear information and allowing public input.

**Publicize:** To make known to the public, through national or local media, the general nature of a document and how and where it may be accessed and read.

**Publish:** To make a document available in a newspaper, Government Gazette, or other general circulation publications, including abridged or summary versions.

**Recurrent Expenditure:** Expenditure incurred in operating the services provided by a government, excluding costs for creating or renewing assets.

**Regulations:** Rules made under an Act of Parliament or an Act of a County Assembly to provide for its better carrying out and giving effect.

**Revenue:** Money derived by or on behalf of a county government from various sources as authorized by law.

**Sustainability (Financial):** The principle that tariffs, fees, and charges should be set to generate sufficient resources for the county to deliver services in the long run.

**Tariffs and Pricing Policy:** A policy that aligns all tariffs and charges with the cost of services rendered, ensuring fairness, transparency, cost recovery, and accountability in administration.

**Tariffs:** A rate or price levied by a county government for the provision of specific public services, often determined by a tariffs and pricing policy to reflect costs and other guiding principles. Examples from the sources include parking tariffs, market access tariffs, solid waste management tariffs, and health tariffs

**Tax Administration Diagnostic Assessment Tools:** Tax Administration Diagnostic Assessment Tools, or TADAT, refers to a structured framework that assesses the performance of tax administration based on nine Performance Outcome Areas (POAs) and 32 high-level indicators considered crucial for its effectiveness.

**Transparency:** The principle of full disclosure when setting tariffs, fees, and charges, ensuring information is accessible to the public in a timely manner.

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## TABLE OF CONTENTS

FOREWORD	v
PREFACE	vi
ACKNOWLEDGEMENT	vii
THE WORKING GROUP	viii
ABBREVIATIONS AND ACRONYMS	ix
TABLE OF CONTENTS	xii
LIST OF TABLES	xv
LIST OF FIGURES	xv
EXECUTIVE SUMMARY	xvi
CHAPTER ONE	2
1.0 INTRODUCTION	2
1.1. Background	2
1.2. Economic Situation	2
1.3. Tariffs and Pricing in the County	3
1.4. Policy Development Process	4
1.5. Policy and Legal Framework	4
1.5.1 Constitutional Foundations	4
1.5.1.1 The Constitution of Kenya 2010	4
1.5.1.2 National Legislation	6
1.5.1.3 . County Legislation	9
1.5.1.4 . Policy Frameworks	10
CHAPTER TWO	12
2. SITUATION ANALYSIS	12
2.1. Policy Gaps in Setting User Tariffs	12
2.2. Computing Cost of Services Per Service Level Providers	12
2.3. Enabling Services	13
2.4. Nairobi City County Tariffs and Fees	16
2.5. SWOT Analysis	23
2.5.1. Strengths	23
2.5.2. Weaknesses	24
2.5.3. Opportunities	25
2.5.4. Threats	25
CHAPTER THREE	26

LET'S MAKE **NAIROBI** WORK

3. POLICY GOALS AND OBJECTIVES	26
3.1. Policy Issues	26
3.2. Rationale of the Policy	26
3.3. Key Reasons for the Policy	27
3.4. Policy Goal	27
3.5. Policy Objectives	27
3.6. Policy Vision and Mission	28
3.6.1. Vision	28
3.6.2. Mission Statement	28
3.6.3. Scope of Application	28
3.7. General Principles Guiding the Determination of Tariffs	28
3.7.1. Affordability	28
3.7.2. Equity	28
3.7.3. Sustainability	28
3.7.4. Destitution	29
3.7.5. Transparency	29
CHAPTER FOUR	30
4. POLICY ISSUES AND TARIFFS DETERMINATION	30
4.1. Policy Issues	30
4.1.1. Policy Issue 1: Leadership and governance	30
4.1.1.1. Governance, leadership, and institutional capacity development	30
4.1.1.2. Capacity Building, Education, Training, and Skills Development for Tariffs and Pricing Setting	31
4.1.2. Policy Issue 2: Service delivery	32
4.1.3. Policy Issue 3: Human Resources	33
4.1.4. Policy Issue 4: Infrastructure and Development	34
4.1.5. Policy Issue 5: Information management and learning	35
4.1.6. Policy Issue 6: Stakeholder engagement	36
4.1.7. Policy Issue 7: Resource mobilization and financing	36
4.2. The process of Tariff Determination in Nairobi City County	37
4.2.1. Developing a tariff and pricing setting formula	38
4.2.2. Determination of Trade Licensing Tariff	38
4.2.3. Determination of the Building Plan Approval Tariff	41
4.2.4. Determination of Parking Tariff	43
4.2.5. Market Access Tariff	46

**LET'S MAKE NAIROBI WORK**



4.2.6	Housing Rent	48
4.2.7	Health Tariffs and Charges	49
4.2.8	Wayleave tariffs	53
4.2.9	Outdoor Advertisements	55
CHAPTER FIVE		57
5	IMPLEMENTATION AND INSTITUTIONAL FRAMEWORK	57
5.1	Policy Implementers	57
5.1.1	County Treasury	58
5.1.2	Technical Committees	58
5.1.3	County Executive Committee	58
5.1.4	Tariffs and Pricing Structures	58
5.1.5	County Assembly	58
5.1.6	Compliance and Enforcement	59
5.2	Policy Financing	59
5.2.1	Financial Mobilization Strategies	59
5.2.2	Financial Mobilization Process	59
5.3	Partnership Engagement Framework	59
5.4	Advocacy, Communication, and Social Mobilization	60
5.5	Revenue Management Information System (RMIS)	60
CHAPTER SIX		61
6	MONITORING AND EVALUATION	61
6.1	Monitoring	61
6.2	Evaluation	62
6.3	Learning	63
6.4	Policy Review Interval and Process	63
REFERENCES		65
ANNEXES		66

## LIST OF TABLES

Table 1: Distribution of Fixed Costs per revenue stream .....	12
Table 2: Distribution of Variable Costs Per Revenue Stream .....	13
Table 3: Streetlights (Fixed Costs).....	13
Table 4: Electricity Costs and Maintenance Of Streetlights (Based On Maintenance Budgetary Allocation (Variable Cost) .....	14
Table 5: Electricity Installation and Maintenance Logistics Costs .....	14
Table 6: Preliminary Data Collection Template for Tariffs and Pricing - ICT.....	14
Table 7: Roads Summary of Fixed Costs .....	16
Table 8: Preliminary Data Collection Template for Tariffs and Pricing - Markets Fees .....	18
Table 9: Preliminary Data Collection Template for Tariffs and Pricing - Markets Fees .....	19
Table 10: Health tariffs and Charges .....	21
Table 11: Preliminary Wayleaves Cost .....	23
Table 12: Services and Costs for Trade Licensing .....	39
Table 13: Costing of Trade Licensing Tariffs .....	40
Table 14: Services and Costs for Building Approval .....	42
Table 15: Costing of Building Plan Approval Fee.....	42
Table 16: Services and Costs for Parking Tariffs.....	43
Table 17: Costing of Parking tariffs.....	44
Table 18: Services and Costs for Market Access tariffs.....	46
Table 19: Costing for Market Access tariffs .....	47
Table 20: Services and Costs for Housing Rent .....	48
Table 21: Costing for House Rent tariffs .....	49
Table 22: Costing for Public Health Tariff .....	50
Table 23: Food Handlers Certification .....	50
Table 24: Costing for Health Facilities .....	52
Table 25: Services and Costs for Wayleave Tariff.....	54
Table 26: Costing for Public Wayleave Tariff.....	54
Table 27: Services and Costs for Outdoor Advertisement .....	55
Table 28: Costing for Outdoor Advertisement Tariff.....	56

## LIST OF FIGURES

Figure 1: Institutional Arrangement.....	57
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## EXECUTIVE SUMMARY

Article 209(4) of the Constitution of Kenya empowers both national and county governments to impose charges for services they provide. In line with this constitutional provision, Section 120 of the County Governments Act, 2012 requires each county government to develop a Tariffs and Pricing Policy to serve as the legal and administrative foundation for imposing such user fees and charges. This requirement is also supported by the National Policy to Support Enhancement of County Governments' Own Source Revenue.

Nairobi City County Government recognizes the need to establish a comprehensive Tariffs and Pricing Policy to ensure compliance with legal provisions and to improve transparency, accountability, and efficiency in the charging of fees for county services. Historically, the County has relied primarily on the Finance Act and other legislative instruments in determining service charges, without a unified policy framework that links fees directly to the services rendered. This has led to inconsistencies and a misalignment between service provision and revenue collection.

This policy responds to these inconsistencies by articulating seven policy objectives: -

1. To determine the cost of providing public services;
2. To determine the tariffs, fees, and charges payable for each category of citizens;
3. To Align fees and charges with the actual service provision;
4. To provide for the economic, efficient, and sustainable setting of tariffs, fees, and charges;
5. To map and match the revenue streams with expected services;
6. To Promote efficient, sustainable, and equitable revenue generation; and
7. To Provide clarity to residents on what services they receive in return for payments made.

To actualize these objectives, the Nairobi City County Tariffs and Pricing Policy outlines the county's major revenue streams and establishes a structured and transparent approach to pricing services offered under each stream. The policy is grounded in a cost-effective framework, where the fees and charges are determined based on the actual cost of delivering each service, while also ensuring alignment with key principles such as equity, fairness, and accountability.

This policy is a bold step towards enhancing revenue collection, promoting efficiency in public service delivery, and ensuring that all residents and businesses contribute fairly to the cost of services they receive, without creating barriers to access or economic participation.

The guiding principle of this Policy is that fees and charges must be fair, transparent, and generally proportional to the cost of services provided. Additional principles include affordability, equity, financial sustainability, transparency, environmental responsibility, promotion of local economic development, and protection of vulnerable populations.

The Policy will be developed and implemented through a structured six-step process: initiate, review, determine, engage, approve, and implement—each aligned with the county's budget cycle and involving key stakeholders at every stage.

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## POLICY STATEMENT

The Nairobi City County Government, together with any entity or agency delivering services on its behalf, hereby adopts and commits to the implementation of the Nairobi City County Tariffs and Pricing Policy to guide the provision and costing of public services. All fees and charges levied for County services shall be determined in accordance with this Policy.

This commitment reflects the County's dedication to lawful, fair, and transparent revenue practices that enhance service delivery, promote accountability, and support the sustainable development of Nairobi City. Through this Policy, the County aims to ensure that residents receive value for money and are fully informed of the services provided in exchange for fees and charges paid.

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## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1. Background

Nairobi is the capital and largest city of Kenya. The city and its surrounding area constitute the Nairobi City County, earmarked as the 47th County in Kenya. Nairobi was founded in 1899 by colonial authorities in British East Africa, as a rail depot on the Uganda - Kenya Railway. The town quickly grew to replace Mombasa as the capital of Kenya in 1907. After independence in 1963, Nairobi became the capital of the Republic of Kenya.

In its young age, the growth of Nairobi was propelled by its central position between Mombasa and Kampala, and being preferred as an ideal residential zone due to its network of rivers and favorable weather. The strategic location still plays a significant role currently, rendering Nairobi City County an attractive destination for trade, tourism, education, residence and other social activities. Its attractive physical, social and economic features provide promising opportunities for socioeconomic development for all.

As the capital city, Nairobi is the main administrative center for Kenya, hosting; both the National government executive and the national assembly and the senate, The County Government including the County Assembly, Diplomatic missions; International and multinational institutions; and other local, regional and intercontinental dignitaries in different areas of operation.

#### 1.2. Economic Situation

Nairobi City County leads all 47 counties in Kenya and contributed 21.7 per cent of the national GDP from 2013 to 2017. However, its share of Gross County Product (GCP) declined consistently from a high of 23.5 per cent in 2013 to 19.8 per cent in 2017. This decline was mainly due to growth in agriculture's contribution to GDP, which is not a key driver of NCC's economic activities. Unlike other counties with a vibrant agriculture sector, Nairobi's economy has little or no agriculture activities.

Being the capital city of the country and the most significant urban county, residents from counties neighbouring the NCC regularly purchase from Nairobi, therefore, boosting the county's economic activities. The average real GCP growth from 2013 to 2017 was stable at about 5.6 per cent, or equivalent to the overall average GCP growth for the counties of 5.6 per cent. The county's nominal GCP was Ksh.1,492,323 million in 2017. This performance is attributed to the county's status as the country's capital city with vibrant activities in manufacturing, services, transport, retail, construction, and the real estate sectors. The NCC accounted for about 57.9 per cent of all manufacturing activities in the Country in 2017 and had a real GCP per capita of Ksh.212,498.

NCC had a poverty headcount rate of 16.7 per cent in 2015/16 and the lowest among all Counties where the national poverty rate was 36.1 per cent. Poverty is more pronounced in semi-arid and rural counties than in urban or peri-urban counties, with small households compared to rural ones. Overall, Kenya's poverty levels declined from 46.8 per cent in 2005/6 to 36.1 per cent in 2015/16, with a poverty reduction rate averaging 0.9 percentage points per year. The decline was primarily due to pro-poor initiatives rolled out by the county governments and other development actors such as the national government and nonstate actors.

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The Constitution of Kenya (2010) established a two-tier system of government comprising the national and county governments, which are distinct and interdependent. The functions of each level of government are clearly outlined in the Fourth Schedule of the Constitution. In particular, Part II assigns county governments a wide range of functions—such as health services, county roads, trade regulation, markets, land survey and planning, and solid waste management—many of which generate public services that attract tariffs and charges.

### 1.3. Tariffs and Pricing in the County

The Fourth Schedule of the Constitution outlines the functions assigned to each level of government, with Part II specifically detailing the responsibilities of county governments. These devolved functions give rise to various public services that are funded, in part, through the imposition of user fees and charges.

Article 209(4) of the Constitution empowers both levels of government to impose fees and charges for services they provide. However, Article 209(5) cautions that counties must exercise this power in a manner that does not undermine national economic policies, impede economic activities across county boundaries, or hinder the national mobility of goods, services, capital, or labour.

In furtherance of this constitutional provision, Section 120 of the County Governments Act (CAP 265) requires each county to formulate a Tariffs and Pricing Policy to guide the determination, adjustment, and administration of fees and charges for public services. These fees should be directly linked to the services provided and should reflect the actual cost of service delivery to ensure fairness, transparency, and sustainability.

Despite this legal requirement, Nairobi City County has continued to rely on county laws and other legal frameworks inherited from defunct local authorities to set its fees and charges. This practice has led to inconsistencies, inefficiencies, and gaps in revenue collection.

In recognition of the need to modernize its revenue framework and enhance service delivery, Nairobi City County has developed this Tariffs and Pricing Policy. The policy seeks to rationalize and standardize the fees and charges applied across various county services, including:

- i. Trade licensing tariff,
- ii. Building plans approval tariff,
- iii. Parking tariff,
- iv. Market access tariff,
- v. County housing tariff,
- vi. Health-related fees and charges,
- vii. Wayleave tariff, and
- viii. Outdoor advertisement tariff.

This policy provides a structured approach to pricing public services based on actual service costs, policy objectives, and principles of equity, accountability and sustainability. It is also intended to enhance revenue predictability, promote compliance, and support economic activity in the city.

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## 1.4. Policy Development Process

The policy development process commenced with the County Executive Committee Member of Finance designating the Chief Officer in charge of revenue to spearhead the process, supported by a Technical Committee.

This Policy was developed through the following stages:

- a. Situational Analysis - This stage entailed a county assessment of the existing tariffs and charges. This was aimed at establishing the cost-of-service delivery, the current economic situation, the rationale and basis of existing tariffs and charges, and the priorities of the county government.
- b. Request for Submissions - The County Treasury requested input from county departments on the existing tariffs and charges through the budget circular. Additionally, the County Treasury requested input from stakeholders on the same matter. The Technical Committee compiled the input received.
- c. Formulation of a Draft Tariffs and Pricing Policy - The Technical Committee formulated the draft Tariffs and Pricing Policy, taking into consideration the submissions received and aligning it with county priorities. The tariffs and charges by the county government were mapped to the public services that the county offers.
- d. Public Participation on the Draft Tariffs and Pricing Policy- The County conducted public participation to inform and consult stakeholders on the draft Policy. The views were subsequently considered, validated, and incorporated into the draft Policy by the Technical Committee.
- e. Adoption and Approval of the Tariffs and Pricing Policy by the County Executive Committee – The County Executive Committee considered and approved the draft Tariffs and Pricing Policy.
- f. Submission of the Tariffs and Pricing Policy by the County Executive Committee Member for Finance – The Policy was submitted to the County Assembly for information.

## 1.5. Policy and Legal Framework

The framework for county governments' planning obligations is deeply rooted in a comprehensive set of legal and policy instruments, all of which ultimately influence the development and implementation of a county's tariffs and pricing policy. This policy, crucial for the county's financial sustainability and service delivery, is intrinsically linked to how a county plans its development, manages its finances, and interacts with its citizens and other government levels.

### 1.5.1 Constitutional Foundations

#### 1.5.1.1 The Constitution of Kenya 2010

The Constitution of Kenya 2010 establishes the foundational principles that guide county governments' planning and financial obligations, including those related to tariffs and pricing.

##### i. Article 10

Article 10, on National Values and Principles of Governance, mandates that all state organs, officers, and persons must apply these values when interpreting the Constitution, enacting laws, and making or implementing public policy decisions, thereby requiring transparency, accountability, and public participation in tariff setting. Article 201 further details the principles of public finance, emphasizing

openness, accountability, and public participation, which are critical for the transparent formulation of tariff policies.

ii. **Article 209**

Specifically addressing revenue, Article 209(4) empowers both national and county governments to impose fees and charges for the services they provide, directly legitimizing the collection of tariffs. However, Article 209(5) sets crucial limits, stipulating that such revenue-raising powers by a county shall not prejudice national economic policies, economic activities across county boundaries, or the national mobility of goods, services, capital, or labour. This ensures that county tariff policies do not create barriers to inter-county commerce or conflict with broader economic goals.

iii. **Article 43**

Article 43(1)(b) secures the right to accessible and adequate housing and to reasonable standards of sanitation for every person, with Article 21(2) requiring the state to take legislative and policy measures to progressively realize these rights. This constitutional provision underpins the need for tariff policies that consider affordability and ensure basic services are accessible, potentially through subsidies or lifeline tariffs for vulnerable groups. Article 69 additionally mandates measures for environmental protection, including a minimum tree cover of ten percent of Kenya's land area, which can inform spatial planning and charges related to environmental management.

iv. **Articles 174, 176, 183, 185, and 189.**

The devolution framework is established by Article 174, outlining the objects of devolution, and Article 176, establishing county governments. Article 183 specifies the executive functions of county governments, while Article 185 grants them legislative power, enabling the enactment of laws that support the imposition of tariffs. Article 189(2) further allows county governments to enter into agreements with other county governments, facilitating coordinated planning and potentially harmonized tariff structures across borders.

v. **Articles 196, 197, 212, 216, 220, 224 and 235**

Other constitutional articles also shape the planning and tariff landscape. Article 196 requires public participation in the conduct of county assembly activities, directly impacting the approval of plans and tariff policies. Article 197 promotes community and cultural diversity within county assemblies and executive committees, influencing equitable service provision and pricing. Article 212 stipulates that county government borrowing requires approval by the county assembly, linking long-term financial planning to tariff strategies needed to service debt. Article 216 grants the Commission on Revenue Allocation the mandate to make recommendations on financing and financial management of county governments, providing essential input for tariff policies. Article 220(2) mandates county governments to prepare development plans, which serve as the foundation for budgeting and resource mobilization that tariffs contribute to. Article 224 governs the spending of grants and donations, impacting how external funds might offset or complement tariff revenues. Finally, Article 235 provides for the establishment and

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staffing of a county's public service, the remuneration of which is supported by general county revenue, including that derived from tariffs.

**vi. Schedule 4, Part 2**

The Fourth Schedule of the Constitution is particularly significant as it outlines the distribution of functions between the national and county governments. This schedule defines the specific service areas, such as health services, trade regulation, and land planning, for which counties can levy tariffs and charges. Schedule 4, Part 2 defines the specific roles and responsibilities of county governments, thereby determining the scope of services for which they can impose tariffs and charges.

**1.5.1.2 National Legislation**

National legislation provides the detailed frameworks for county operations, including planning and the administration of tariffs.

**i. County Governments Act 2012**

The County Governments Act 2012 is paramount, as it mandates comprehensive planning. A county government must plan for the county, and no public funds can be appropriated without a planning framework developed by the county executive committee and approved by the county assembly. This framework must integrate economic, physical, social, environmental, and spatial planning, and county plans are binding on all sub-county units for developmental activities. The Act designates county departments, cities, urban areas, sub-counties, and Wards as planning authorities. The county planning unit is responsible for coordinating integrated development planning, ensuring linkages with the national planning framework, facilitating citizen engagement, and managing planning data, including a database system. Most importantly, Section 107 outlines the required types of county plans: the County Integrated Development Plan (CIDP), County Sectoral Plans, County Spatial Plans, and City or Municipal Plans. These plans form the basis for all budgeting and spending in a county, meaning that the financial strategies within them, including revenue generation from tariffs, are directly informed by these planning documents. Section 120 of this Act explicitly compels county governments to formulate a Tariffs and Pricing Policy for the provision of public services, ensuring that tariffs are justifiable and aligned with the cost of services. Furthermore, Section 115 makes public participation mandatory in county planning processes, requiring clear information on matters like expected development outcomes and cost implications, which directly includes the setting and adjustment of tariffs.

**ii. Public Finance Management Act 2012, and its County Regulations 2025**

The Public Finance Management Act, 2012 (PFM Act), along with its regulations, is critical for financial planning and tariff administration. Section 104(1) outlines the general responsibilities of a County Treasury, including developing and implementing financial and economic policies, preparing the annual budget, coordinating budget implementation, and mobilizing resources. These responsibilities directly encompass the collection of tariffs and the management of their revenue. The County Fiscal Strategy Paper, prepared annually by the County Treasury under Section 117, specifies broad strategic priorities and policy goals for the county budget, aligned with national objectives. This paper details revenue projections and financial strategies, which are fundamentally tied to anticipated tariff collections. Section

LET'S MAKE **NAIROBI** WORK

126 mandates that every county government shall prepare a development plan that includes strategic priorities, programs, measurable indicators, and budget summaries. This development plan feeds directly into the budgeting process, showing how tariffs support development objectives. Section 132(1) explicitly requires the pronouncement of revenue raising measures for the county government, which includes tariffs, to be submitted to the county assembly. Section 187 establishes the Intergovernmental Budget and Economic Council (IBEC), a forum for consultation and cooperation between national and county governments on budgeting, economic, and financial management matters, including any proposed legislation or policy with financial implications for counties. This means that tariff policies are subject to intergovernmental consultation to ensure alignment.

The Public Finance Management (County Governments) Regulations, 2015, further specify that the County Executive Committee Member must publish processes and procedures for public participation in the planning and budgeting process, including open forums and online platforms. Regulation 65 allows the Accounting Officer of a county government entity to review fees, charges, or tariffs when finalizing budgets, but requires approval from the County Treasury for the proposed tariff structure and disclosure of this information in annual reports, including exemptions and discounts.

### iii. Urban Areas and Cities Act

This Act states that Nairobi, as the capital city, shall be governed and managed in the same manner as a county government. This means the requirements for county tariffs and pricing policies apply to Nairobi City County. While not directly on tariffs, the Act mandates the capital city to provide necessary infrastructure. One of the ways of funding such tariffs, levies and licenses.

### iv. Environment Management and Co-ordination Act 1999

This Act provides the framework for environmental management. However, environmental services often involve fees, which fall under a county's tariffs and pricing policy.

### v. Physical and Land Use Planning Act 2019

The Physical and Land Use Planning Act, 2019, provides for proper zoning for industrial, commercial, residential, and social developments, which is a key parameter for setting certain tariffs and charges, such as building plan approval fees. Sections 58 and 65 specifically require individuals to obtain development permission from the relevant County Executive Committee Member for Physical and Land Use Planning by applying and paying the prescribed fees, and allow for the levying of a development fee, directly linking planning permits to associated tariffs.

### vi. County Licensing (Uniform Procedures) Act 2024

The County Licensing (Uniform Procedures) Act, 2024, establishes standard uniform procedures for licensing by county governments. This Act imposes a general duty on licensing authorities to ensure efficient and effective application processes, directly impacting the administration of trade licensing tariffs. Section 6 details the obligations of county governments in establishing and administering a licensing regime, including protecting rights, regulating markets, and ensuring that licensing fees are not prohibitive and do not hinder the conduct of business. The Act also outlines principles for setting licensing fees, such

## LET'S MAKE **NAIROBI** WORK



as efficiency, accountability, and public participation, and advocates for the harmonization of licensing regulations and fee structures across counties to facilitate trade, directly guiding how various tariffs are determined.

**vii. Intergovernmental Relations Act 2012**

The Intergovernmental Relations Act (Cap. 265F) establishes a framework for inclusive consideration of matters affecting relations between the national and county governments and amongst county governments, facilitating coordination of policies, legislation, and functions. This framework supports the overarching goal of strengthening coordination and collaboration in research efforts and ensuring harmonized approaches to revenue generation, including tariffs.

**viii. Health Act 2017**

The Health Act (Cap. 241) requires counties to establish executive departments responsible for health in line with health policy guidelines. Section 20 outlines the duties of county governments, including service delivery, maintenance, financing, and development of health services and institutions, as well as the registration, licensing, and accreditation of providers and facilities. These functions necessitate the imposition of health tariffs to finance these services. Additionally, the Facilities Improvement Financing Act (Cap. 277) provides for public health facilities improvement financing, with Section 7 outlining how retained finances are used for optimal operations, purchase of goods/services, and ambulance services. This Act provides a legal basis for the collection and utilization of revenues from health services.

**ix. County Outdoor Advertising Control Act 2022.**

this Act provides a legal framework for the regulation of outdoor advertisement in the counties. PART II of the Act outlines provisions for an outdoor advertising licence, including its application, consideration, issuance, and renewal. The associated licensing fees are a direct source of revenue managed under the county's pricing policy.

**x. Public Health Act 2012**

This Act makes provisions for securing and maintaining public health. However, health authorities (now counties) have duties to safeguard public health. The services associated with public health services often involve user fees, which would be part of a tariffs and pricing policy.

**xi. Social Health Insurance Act 2023**

This Act establishes the framework for social health insurance. Section 27 states that county governments are contributors to the fund. One of the sources for the contributions tendered by the county government is the tariffs the county government charges. Crucially, the Act and its subsidiary legislation, the Social Health Insurance Act Tariffs for Healthcare Services 2025, specifically prescribe the tariffs for healthcare services. This directly dictates the pricing structure for health services provided by county public health facilities.

**xii. Facilities Improvement Financing Act 2023**

LET'S MAKE **NAIROBI** WORK

This Act provides for public health facilities improvement financing and the management and administration of revenue derived from health services. It is directly aimed at the collection and retention of revenue from health services, which are derived from tariffs. Its objects include providing an efficient, secure, and accountable mechanism for the collection, retention, and management of revenue derived from health services rendered at public health facilities.

Section 9 outlines the County Governments' role in facilitating effective collection and retention of facility improvement financing revenue and ensuring its reflection as "Appropriation in Aid" in County Budget Implementation Review Reports. It also mandates planning and budgeting support to health facilities to integrate this financing into county processes. This Act directly supports the implementation and financial management of revenue generated through health service tariffs.

#### **xiii. Food, Drugs and Chemical Substances Act 1965**

This Act provides for the prevention of adulteration of food, drugs, and chemical substances. Services like food safety inspections or related permits often involve fees, which have to be justified under a tariffs and pricing policy.

#### **1.5.1.3. County Legislation**

County-specific legislation further operationalizes planning and tariff obligations within the county's unique context.

##### **i. Nairobi City County Public Participation Act 2016**

The Nairobi City County Public Participation Act, 2016, is crucial as it provides a framework for public participation in the governance of the County, including actively informing the form and content of legislation, policy, and development plans, as well as budgeting and service delivery. This means that the formulation and review of tariffs and pricing policies must involve robust citizen engagement to ensure fairness and transparency. Section 4 outlines key principles such as timely access to appropriate information for public participation and communication to the public on how their input affected decisions.

##### **ii. Nairobi City County Transport Act 2020**

The Nairobi City County Transport Act, 2020, specifically for Nairobi, designates areas for parking and sets associated parking fees, directly establishing the basis for parking tariffs. The attendant Nairobi City County (Car Parking Standards) Regulations, 2023 and Nairobi City County (Designated Areas Parking Fees) Regulations, 2023 directly regulate parking fees, which are a key component of the county's pricing policy for transport services.

##### **iii. Nairobi City County Trade Licensing Act 2013**

The Nairobi City County Trade Licensing Act, 2013, sets out the functions of business license management, provides a legal basis for business planning, and controls and regulates business practices. This Act directly supports the imposition and administration of trade licensing tariffs.

##### **iv. Nairobi City County Tax Waivers Administration Act 2013**

## **LET'S MAKE NAIROBI WORK**



The Nairobi City County Tax Waivers Administration Act 2013, defines the objects of tax waivers, ensuring transparency and outlining procedures, which impacts how exemptions or reductions in tariffs may be granted.

**v. Nairobi City County Solid Waste Management Act 2015**

The Nairobi City County Solid Waste Management Act, 2015, empowers the County Executive Committee Member responsible for Finance to impose an environmental levy and requires a license to transport waste. These provisions form the legal basis for solid waste management tariffs.

**vi. Nairobi City County Finance Acts (various years)**

The Nairobi City County Finance Acts (various years) is instrument through which various tariffs and charges are annually revised and updated. This implies its central role in setting and modifying the county's tariffs.

**vii. Nairobi City County Food Safety and Fortification Act 2025**

This Act provides for the organization and enforcement of food safety. It explicitly provides for the issuance of licenses or permits for food safety and fortification. These licenses/permits would involve associated fees, directly contributing to county revenue through its pricing policy.

**viii. Nairobi City County Solid Waste Management Act 2015**

Section 8 grants authority to the County Executive Committee Member responsible for Finance to impose an environmental levy (up to two percent of property rates payable) with County Assembly approval. This is a direct charge that contributes to the county's tariffs.

Section 28 requires a license to transport waste for persons collecting and transporting solid waste, implying associated fees.

Section 29 requires an application for a treatment license for facilities like incinerators or recycling plants, also implying associated fees. These licenses and levies are direct components of the county's tariffs and pricing policy for waste management.

**ix. The Nairobi City County Revenue Administration Act 2021**

The objectives of this Act include establishing a framework for revenue administration to ensure effectiveness, efficiency, and transparency. It aims to ensure revenue is raised and administered effectively and efficiently, all revenue is accounted for, and to improve revenue collection. This Act provides the crucial administrative backbone for how all revenues, including those generated from tariffs and pricing policies, are managed and optimized for service delivery.

**1.5.1.4. Policy Frameworks**

Beyond legislation, various policy documents guide county governments' planning and tariff obligations, reflecting strategic priorities and best practices.

LET'S MAKE **NAIROBI** WORK

i. **Sessional Paper No. 3, National Housing Policy 2016**

The Sessional Paper No. 3, National Housing Policy (April 2016), acknowledges the constitutional right to housing and outlines the role of County Governments in housing policy implementation, including infrastructure provision, low-cost and social housing development, slum upgrading, and management of public housing. These responsibilities inherently require the collection of housing rents and other associated charges to fund and maintain these services. The policy also encourages inter-county planning and the enforcement of integrated spatial plans, and calls for dedicated funds for housing research and development, potentially including a research levy on the building construction industry, further linking planning to revenue generation.

ii. **National Policy to Support Enhancement of County Governments' Own-Source Revenue 2019**

The National Policy to Support Enhancement of County Governments' Own-Source Revenue illustrates the importance of counties developing a Tariffs and Pricing Policy to establish a framework for determining charges for public services. This policy aims to ensure that citizens understand the fees they pay and the services they can expect in return, providing a clear directive for transparency in tariff formulation. The National Trade Policy, 2017, gives direction on domestic trade development, which is a key function of county governments and a significant revenue stream, thereby supporting the rationale for trade licensing tariffs.

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## CHAPTER TWO

### 2. SITUATION ANALYSIS

#### 2.1. Policy Gaps in Setting User Tariffs

Despite being Kenya's capital and a leading county in revenue generation, Nairobi City County lacks a unified Tariffs and Pricing Policy to guide the determination, adjustment, and justification of user charges and fees across its various revenue streams. The County continues to rely on legacy legislation, outdated by-laws from defunct local authorities, and periodic updates through the Finance Act. This has resulted in fragmented pricing structures, weak cost recovery, and poor alignment between service levels and charges imposed.

#### 2.2. Computing Cost of Services Per Service Level Providers

The County provides 12 key services to the people of Nairobi and its staff, namely: ICT, roads, drainage and public transport facilities, wage bill, medical insurance, vehicle maintenance, fuel, vehicle and equipment insurance, streetlighting, environment and health services. The cost of these services is estimated at KShs. 46.9 billion annually.

The county costing has two components:

- Fixed costing** is composed of investments of intensive capital and development in nature. Such costs have a cost recovery period. This means the cost is spread across definite years in the tariff revenues, which are set to be determined by the County.
- Variable costing:** These are generally operational and maintenance costs, composed of recurrent expenditures.
- Inflation Rate, Depreciation, and Amortization:** The County shall consider the inflation rate on costs, depreciation, and amortization on goods and services.

#### Fixed Costs

Table 1: Distribution of Fixed Costs per revenue stream

Revenue Streams	Fixed Costs			
	ICT	Roads drainage & public transport facilities	Vehicles & equipment	Streetlighting
Land Rates	870,380,141.38	796,164,013.88	52,761,849	392,606,102
Parking fees (total)	492,536,384.02	450,538,478.35	29,857,219	222,170,498
Unified Business Permit	598,185,211.69	547,178,774.59	36,261,579	269,825,968
Plans and Inspections (Building Permits)	308,457,232.52	282,155,505.03	18,698,467	139,137,126
Billboards and advertisements	165,277,468.63	151,184,484.31	10,019,007	74,552,416
House Rent	125,751,848.89	115,029,160.26	7,622,991	56,723,426
Fire Inspection Certificates	14,573,489.87	13,330,828.27	883,435	6,573,727
Food Handlers Certificates	26,677,037.33	24,402,322.74	1,617,144	12,033,326
Markets	55,852,255.02	51,089,809.41	3,385,726	25,193,516
Other Incomes	207,297,280.31	189,621,323.96	12,566,219	93,506,473
Pumwani	40,488,102.79	37,035,737.49	2,454,361	18,263,142
Mbagathi	100,259,688.35	91,710,681.47	6,077,674	45,224,567
Mama Lucy	114,488,739.15	104,726,440.52	6,940,229	51,642,926
Mutuni	6,075,145.81	5,557,126.41	368,271	2,740,342
Nairobi Funeral Home	6,365,023.43	5,822,286.57	385,843	2,871,098
Liquor Board Revenue	67,634,974.79	61,867,832.74	4,099,986	30,508,398

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Revenue Streams	Fixed Costs			
	ICT	Roads drainage & public transport facilities	Vehicles & equipment	Streetlighting
Total	3,200,300,024	2,927,414,806	194,000,000	1,443,573,053

The above table shows how the fixed cost (ICT, Roads, drainage & public transport facilities, Vehicles & equipment, and Streetlighting) incurred by the county is distributed across each revenue stream.

### Variable Costs

Table 2: Distribution of Variable Costs Per Revenue Stream

Revenue Streams	Salaries	MEDICAL INSURANCE	VEHICLE MAINTENANCE	FUEL	INSURANCE OF VEHICLES	FIRE FIGHTING COST	ENVIRONME NT	HEALTH SERVICES
Land Rates	4,895,429,312	636,405,811	76,952,392	79,837,328	36,987,688	293,266,676	1,224,099,550	3,400,609,328
Parking fees (total)	2,770,257,428	360,133,466	43,546,321	45,178,867	20,930,834	165,955,657	692,701,427	1,924,358,958
Unified Business Permit	3,364,476,371	437,381,928	52,886,986	54,869,714	25,420,488	201,553,069	841,285,565	2,337,133,069
Plans and Inspections (Building Permits)	1,734,909,272	225,538,205	27,271,442	28,293,846	13,108,203	103,931,860	433,813,160	1,205,154,498
Billboards and advertisements	929,598,604	120,847,819	14,612,577	15,160,400	7,023,634	55,688,741	232,445,647	645,745,548
House Rent	707,287,836	91,947,419	11,118,022	11,534,835	5,343,953	42,370,942	176,856,955	491,317,403
Fire Inspection Certificates	81,968,195	10,655,865	1,288,477	1,336,782	619,315	4,910,405	20,496,105	56,939,196
Food Handlers Certificates	150,044,267	19,505,755	2,358,581	2,447,004	1,133,668	8,988,585	37,518,491	104,228,230
Markets	314,139,482	40,838,133	4,938,032	5,123,158	2,373,498	18,818,910	78,550,414	218,216,950
Other Incomes	1,165,937,886	151,571,925	18,327,649	19,014,750	8,809,308	69,846,934	291,542,161	809,918,599
Pumwani	227,724,227	29,604,150	3,579,650	3,713,851	1,720,583	13,642,098	56,942,324	158,188,605
Mbagathi	563,907,876	73,308,024	8,864,199	9,196,517	4,260,637	33,781,591	141,004,871	391,718,532
Mama Lucy	643,938,784	83,712,042	10,122,223	10,501,704	4,865,315	38,575,940	161,016,558	447,311,991
Mutuni	34,169,492	4,442,034	537,118	557,255	258,169	2,046,965	8,544,064	23,735,833
Nairobi Funeral Home	35,799,900	4,653,987	562,747	583,844	270,488	2,144,637	8,951,746	24,868,396
Liquor Board Revenue	380,411,067	49,453,439	5,979,770	6,203,951	2,874,217	22,788,990	95,121,589	264,252,498
Total	18,000,000,000	2,340,000,000	282,946,185	293,553,806	136,000,000	1,078,312,000	4,500,890,627	12,503,697,634

The above table shows how the variable cost (salaries, medical insurance, vehicle maintenance, fuel, insurance of vehicles, firefighting cost, environment and health services) incurred by the county is distributed across each revenue stream

## 2.3. Enabling Services

### 2.3.1 Energy and Lighting Department Costs

Table 3: Streetlights (Fixed Costs)

DESCRIPTION	QUANTITY	UNIT	RATE	TOTAL
STREETLIGHTS	204	KM	3,884,300.00	792,397,200.00
FLOODLIGHTS (10M)	4000	NO	450000	1,800,000,000.00
FLOODLIGHTS (20M)	444	NO	1500000	666,000,000.00
FLOODLIGHTS (30M)	396	NO	4000000	1,584,000,000.00
TOTAL				4,842,397,200.00
SPREAD OVER 10YRS				484,239,720.00

The County spent on average Ksh. 484,239,720 over ten (10) years to provide energy and lighting services in Nairobi City. This is composed of streetlights that cost the highest at Kenya shillings 3.88 million per kilometer.

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The County provided 204 kilometers of streetlights in the city at a total cost of Kenya shillings 792.39 million. Besides, the County also offered floodlights across the city, as shown in the table above.

**Table 4: Electricity Costs and Maintenance Of Streetlights (Based On Maintenance Budgetary Allocation (Variable Cost)**

		FY 22/23	FY23/24	FY24/25	Total cost for 3 years	Average total cost for 3 years
1	Streetlights O&M Cost	378,000,000	400,000,000	300,000,000	1,078,000,000	359,333,333
2	Streetlighting electricity bills cost	600,000,000	600,000,000	600,000,000	1,800,000,000	600,000,000
	<b>TOTAL</b>	<b>978,000,000</b>	<b>1,000,000,000</b>	<b>900,000,000</b>	<b>2,878,000,000</b>	<b>959,333,333</b>

Additionally, the County consumed a total of 1.078 billion Kenya shillings on the maintenance of streetlights between the financial years 2022/2023 to 2024/ 2025.

**Table 5: Electricity Installation and Maintenance Logistics Costs**

	DESCRIPTION	QUANTITY	UNIT	RATE	TOTAL
1	D Max Double Cabin	5	NO.	6,000,000	30,000,000.00
2	D Max Single Cabin Pickup	4	NO.	4,500,000	18,000,000.00
3	Mitsubishi Platform	8	NO.	20,000,000	160,000,000.00
4	Isuzu Platform	2	NO.	20,000,000	40,000,000.00
5	Mazda T-4000 Platform	4	NO.	20,000,000	80,000,000.00
6	Highup craned lorry	4	NO.	15,000,000	60,000,000.00
7	20 tonne crane	1	NO.	18,000,000	18,000,000.00
	<b>TOTAL</b>				<b>406,000,000</b>
	<b>SPREAD OVER 10 YRS</b>				<b>40,600,000</b>

### 2.3.2 ICT Costs

ICT services are important in the digitization of service provision and collection of parking management as well as management of parkings. The total cost for ICT was estimated as 17% of the total cost incurred in installation of ICT systems in the County for revenue collection (Kshs. 3.2billion). The total cost is estimated to be Kshs. 544,243,519.28, Kshs. 544,243,519.28 and Kshs. 544,243,519.28 for FY2022/2023, FY2023/2024 and 2024/2025 respectively.

**Table 6: Preliminary Data Collection Template for Tariffs and Pricing - ICT**

Service Name	Description of Service	Target Users	Cost						Total cost for 3 years	Average total cost for 3 years
			2022/23		2023/24		2024/25			
			Fixed	Variable	Fixed	Variable	Fixed	Variable		
Installation LAN in City Hall & City Hall Annex	Data cabling	All sectors	173,408,417.40		161,847,856		150,287,295		231,211,223	77,070,408
Data centre build environment	Systems Host	All sectors	111,207,012.56		103,793,212		96,379,411		148,276,017	49,425,339
Network Active elements (switches, routers etc)	Data cabling	All sectors	149,169,359.25		139,224,735		129,280,111		207,885,192	69,295,064
Physical and network security (CCTV,	Security surveillance	All sectors	241,287,216.75		225,201,402		209,115,588		321,716,289	107,238,763
Collaboration solutions ( UCS & Voip/PABX/ IP Phones)	Communication service	Internal/ External	125,610,159.75		117,236,149		108,862,138		167,480,213	55,826,736
Data centre and campus Network (core routers, switches, Storage etc)	Data cabling	All sectors	77,233,932.23		72,085,003		66,936,075		102,978,576	34,326,192

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Service Name	Description of Service	Target Users	Cost							
			2022/23		2023/24		2024/25		Total cost for 3 years	Average total cost for 3 years
			Fixed	Variable	Fixed	Variable	Fixed	Variable		
Branch Wireless LAN (Wi-Fi installation)	Data cabling	All sectors	19,943,814.00		18,614,226		26591752		26,591,752	8,863,917
Active directory services	Network Security	All sectors							1,334,000	444,667
Datacenter & Campus Network (Activation and operationalisation)	Data communication	All sectors							4,402,200	1,467,400
Datacenter Security (Activation and operationalisation)	Data communication	All sectors		2,001,000					2,001,000	667,000
Local Area Network (LAN) (Activation and operationalisation)	Data communication	All sectors		1,334,000					2,001,000	667,000
Sub-county WAN (Activation and operationalisation)	Data communication	All sectors		1,334,000					1,334,000	444,667
Unified Communication (Activation and operationalisation)	Communication	All sectors		2,668,000					2,668,000	889,333
Active Directory Domain (Activation and operationalisation)	Network Security	All sectors		1,334,000					1,334,000	444,667
Datacenter & Campus Network (Annual Maintenance contract)	Maintenance	All sectors		4,002,000					4,002,000	1,334,000
Datacenter Security (Annual Maintenance contract)	Maintenance	All sectors		4,002,000					4,002,000	1,334,000
End User/ Local Area Network (LAN) (Annual Maintenance contract)	Maintenance	All sectors		4,002,000					4,002,000	1,334,000
LAN expansion HQ	Data cabling	All sectors	35455468		33,682,695		31909921.2		35,455,468	11,818,489
LAN expansion HQ CH rates	Data cabling	All sectors	27,370,246		26,001,734		24633221.4		27,370,246	9,123,415
LAN expansion HQ	Data cabling	All sectors	13,790,910		13,101,365		12411819		13,790,910	4,596,970
LAN Devices HQ	Data cabling	All sectors			34,968,805.0		33,220,364.75		34,968,805	11,656,268
Networking tools and accessories	Data cabling	All sectors	5,902,488		5,607,364		5312239.2		5,902,488	1,967,496
Sub-county WAN (Annual Maintenance contract)	Maintenance	All sectors		4,002,000		4002000		4,002,000	4,002,000	1,334,000
Active Directory Domain (Annual Maintenance contract)	Maintenance	All sectors		4,002,000		4002000		4,002,000	4,002,000	1,334,000
Unified Communication (Annual Maintenance contract)	Maintenance	All sectors		4,002,000		4002000		4002000	4,002,000	1,334,000
Smartrol/Software OEM licenses and platforms (critical devices)	Maintenance	All sectors	24,000,000						24,000,000	8,000,000
ITSM Network, Sever and Helpdesk software and licenses	Network monitoring	All sectors		5,575,798					5,575,798	1,858,599
Data Centre environment maintenance services	Maintenance	All sectors						14,848,874	14,848,874	4,949,625
Deployment of Internet and MPLS/WAN	Internet connectivity	All sectors						42,254,856	42,254,856	14,084,952
LTE/Bulk Bundle	Mobile internet	All sectors				1,887,432			1,981,932	660,644
LANSUPPORT	IT ticketing system	All sectors							4,048,110	1,349,370
Enterprise Resource planner	Integrated Management service	All sectors	150,000,000							-
NCCG Webportal (Internally developed)	Info. Dissemination	Internal/External								-
EMAIL EXCHANGE	Electronic collaboration tool				4495712.6				4,495,713	1,498,571
Nairobi Revenue Services (NRS)	Software As a Service (SAAS)	Internal/External						75,000,000	75,000,000	25,000,000
Geographical Information System	Resource Mapping service	All sectors			14788550				14,788,550	4,929,517

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Service Name	Description of Service	Target Users	Cost						Total cost for 3 years	Average total cost for 3 years
			2022/23		2023/24		2024/25			
			Fixed	Variable	Fixed	Variable	Fixed	Variable		
Cloud hosting of NRS	Data management	Internal/External								
BULK SMS	Short messaging Communication	Internal/External			5558596				5,558,596	1,852,865
USSD HOSTING	Text based mobile interactive service enabling customers to collaborate with the county	Internal/External			4,234,000				2,880,000	960,000
Customer Service System	Customer collaboration	Internal/External			4,234,000				4,234,000	1,411,333
Technical support services	IDE staff salaries	All sectors		80,612,984		79,955,024		86,274,850	246,842,858	82,280,953
Revenue mobilisation hardware	Revenue system access End user devices-Tablets	All sectors						75,000,000	75,000,000	25,000,000
Technical support services	Network Support Hardware (internet)	IDE Technical					5,976,716		5,976,716	1,992,239
Cyber security training	Capacity development	IDE Technical						2,227,200	2,227,200	742,400
			1,154,379,024	118,871,782	984,675,404	93,848,456	900,916,652	307,611,780	2,739,656,478	913,218,826

Table 7: Roads Summary of Fixed Costs

SUMMARY OF FIXED COSTS				
DESCRIPTION	FY 2022/2023	FY 2023/2024	FY 2024/2025	TOTAL
WDP PROGRAM BUDGET	1,090,050,200.12	1,422,461,993.00	1,816,432,958.94	4,328,945,152.06
DEVELOPMENT BUDGET	1,680,554,259.63	803,693,104.00	1,940,255,633.91	4,424,502,997.54
RMLF BUDGET PERIODIC MAINTENANCE	964,576,896.00			964,576,896.00
IN-HOUSE MAINTENANCE WORKS	604,594,183.36	1,702,429,863.86	2,408,984,990.53	4,716,009,037.75
GRAND TOTAL	4,339,775,539.11	3,928,584,960.86	6,165,673,583.38	14,434,034,083.35
			AVERAGE	4,811,344,694.45

## 2.4. Nairobi City County Tariffs and Fees

### 2.4.1 Trade Licensing tariffs

Nairobi City County currently utilizes the Single Business Permit Framework, which is anchored in the Trade Licensing Act and revised annually through the County's Finance Act. However, a significant portion of the permit tariffs still reflects historical rates established by the defunct Nairobi City Council. These rates do not adequately consider present-day economic zones, business categories, or the cost of service provision.

Moreover, while the tariffs collected are expected to support inspection, public health compliance, waste management, security, and sanitation, there is no clear linkage between the charges levied and the services delivered. Additionally, the County lacks tiered pricing models that reflect business size, location, or capacity to pay, leading to inequities and reduced compliance among MSMEs and informal sector traders.

### 2.4.2 Building Plan Approval tariffs

The County has a Nairobi Integrated Urban Development Master Plan (NIUPLAN) and an evolving digitized system (e-construction portal) that supports development control. However, the building plan approval tariffs are not underpinned by a formal pricing policy.

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Currently, there is no standardized costing model based on area (m<sup>2</sup>), complexity, or service intensity, nor is there a mechanism for subsidies or waivers for low-cost housing, community institutions, or pro-poor developers. The absence of a formal pricing policy limits transparency and opens the process to discretionary decisions and delays.

### 2.4.3 Parking tariffs

Parking tariffs in Nairobi are largely set using legacy provisions from the Nairobi City Council by-laws, updated annually through the County Finance Act. The zonal pricing approach, proposed in recent years to reflect congestion levels and land value (e.g., CBD vs estate zones), has yet to be fully operationalized.

Moreover, while digital payment platforms such as e-Parking exist, there is limited clarity to users on how the tariffs contribute to road maintenance, traffic management, street lighting, or security. The lack of a policy framework also prevents regular, data-driven fee adjustments aligned to usage patterns and peak/off-peak demand.

#### **Development & Maintenance of Public Transport Facilities (termini & walkways) (cost recovery spread within 10 years)**

Public Transport Facilities (termini and bus stops) are important facilities used by matatus for picking and dropping passengers. The cost for providing the facilities is derived from the annual County expenditures as Kshs. 177,048,057.00, Kshs. 118,453,715.83 and Kshs. 98,711,429.86 for FY2022/2023, FY2023/2024 and 2024/2025 respectively

#### **Development & Maintenance of Non-motorised Transport Facilities (walkways) (cost recovery spread within 10 years)**

Non-motorised Transport Facilities (walkways) are important facilities for delivering road users to final destination upon parking. The cost for providing the facilities is derived from the annual County expenditures as Kshs. 162,161,417, Kshs. 501,235,448.16 and Kshs. 417,696,206.80 for FY2022/2023, FY2023/2024 and 2024/2025 respectively

#### **Signalised Intersections (cost recovery spread within 10 years)**

Traffic signals are important facilities for traffic management through the streets and directly linked to parking. Maintenance of the facilities is done using in-house capacity and the cost for providing the facilities is derived from the annual County expenditures as Kshs. 88,706,940, Kshs. 36,293,800 and Kshs. 49,974,980 for FY2022/2023, FY2023/2024 and 2024/2025 respectively

#### **Development, Automation & Maintenance of Parking (2.5m by 5m)**

The cost of development and expansion of parking is derived from the cost for construction of standard roads, and the rates used for the computation were delivered from the Cost Estimation Manual issued by the Kenya Roads Board. Using the rates, the estimated cost of constructing and maintaining one parking was found to be Kshs. 209,464.29. Considering the County has 16900 parking slots, the total cost for constructing and maintaining parking is Kshs. 3,539,946,428.5, which translates to Kshs. 176,997,321.43 when spread over recovery within 20 years.

#### **Development and Maintenance of Roads**

The cost of development and maintenance of roads was derived from annual County expenditures for the last 3 years. Nairobi City County has a program for the construction of new roads as well as

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maintaining the existing ones. Construction and maintenance of roads is undertaken through the Ward Development Fund as well as the County's Development expenditures. The total fixed cost is derived from the annual County expenditures as Kshs. 276,934,728.80, Kshs. 288,756,806.03 and Kshs. 417,698,077.47 for FY2022/2023, FY2023/2024 and 2024/2025 respectively. The total variable cost is derived from the annual County expenditures as Kshs. 16,320,538.50, Kshs. 30,366,709.80 and Kshs. 28,921,360.50 for FY2022/2023, FY2023/2024 and 2024/2025 respectively

#### 2.4.4 Market Access tariffs

Market access tariffs in Nairobi are set through the Finance Act but are not linked to a cost-of-service framework or specific service delivery indicators. Traders across major county markets report persistent gaps in sanitation, lighting, water access, loading bays, and security, despite being charged daily or monthly tariffs.

The absence of a structured tariff policy makes it difficult to justify the tariffs levied, particularly for small-scale traders and women-led businesses in informal market zones. This has resulted in low willingness to pay, under-collection, and disputes over service accountability.

**Table 8: Preliminary Data Collection Template for Tariffs and Pricing - Markets Fees**

Service Name	Description	Target Users	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
Construction of New Markets	Quarry Road Block A	General Public/ Users	493,878,515					
	Quarry Road Block E						729,581,351	
	Karandini							
	Mwariri electricity tokens installation				9,458,358			
	City Park		108,000,000					
	Maji Mazuri						415,086,803	
	South B						332,933,678	
	kariokor		10,511,560					
	Mathare North				177,544,941			
	Westlands							
	Mutuni				242,592,913			
	Juja				93,964,315			
	Kahawa West				156,899,199			
	Karen						235,369,272	
	Njiru						12,755,957	
	Hamsa Makadara							
	Kangundo Road perimeter wall						9,340,654	
	Toi Perimeter Wall						39,474,945	
	Kamulu Perimeter Wall and modern kiosk		14,957,205					
	Ruai Wholesale		1,700,000,000					
Modern Kiosks	California						2,88,223	
	Mlango kubwa				3,900,000			
	kawangware				3,959,776			
	makongeni/kaloleni						6,728,072	
Back Lanes (Hawkers)	Construction of 10 No. Back lanes		33,163,448					
Rehabilitation of Markets	Shauri Moyo		21,964,762					
	Jogoo Road		17,334,054					
	City Market							
	Dandora							
	Githurai							
	Umoja 1							
	Quarry Road Blocks BCD							
	Landhies Road							
	Muthurwa							
	Kibera		42,000,000					
	kayole 1				19,504,774			
	New Pumwani						7,286,540	

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Service Name	Description	Target Users	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
	Ngara							
	Kangundo Road electricity connection				13,243,279			
Cleaning and Maintenance of Markets	Tools, Equipments & Disinfectants							
Sanitation and water services	Provision of water & Sewerage services							
Electricity	Lightings, Cabling and Metering							
Inventories	Purchase of office furniture and equipments							
Staff	Salaries, PPEs Training, Capacity Building & Bench Marking.							

### 2.4.5 County Housing Rents

The rental charges for Nairobi City County's housing units are currently set through the annual Finance Act, mainly guided by historical valuations from defunct local authorities. Determining factors include location, size, type of house, and sometimes revenue targets. However, this approach lacks consistency with the requirements under Section 120 of the County Governments Act, which stipulates that a formal tariff and pricing policy must guide such pricing.

There is no transparent formula incorporating fixed and variable costs, maintenance needs, or depreciation. Moreover, tenants receive little to no information on whether the rent they collect is reinvested in estate maintenance, upgrades, or service improvements. The absence of rental bands, income-linked subsidies, and occupancy audits limits the County's ability to achieve financial sustainability or equity in public housing.

**Table 9: Preliminary Data Collection Template for Tariffs and Pricing - Markets Fees**

Service name	Description	No. Units	Rooms	No. Units per category	Area sqm	Rent charged
Rental houses in eastlands (a)	Harambee	96	Two bedroom	96	42m	6,240
	Outering road	360	One bedroom	103	37	4,400
			Two bedroom	179	42m	4,950
			Three bedroom	79	80m	7,700
			Total	360		
	New pumwani	224	One bedroom	31	39m	4,950
			One bedroom (corner)	193	445m	5,000
			Total	224		
	Bahati	1,966	Small single room	2	3.3m	990
			Single room	1958	4.0m	1,100
			Single room and kitchen	2	4.6m	1,210
			Single room and store	3	4.8m	1,430
			Two rooms	1	5.5m	1,850
			Total	1,966		
	Landhies road	56	Single rooms		3.2m	880
	Shauri moyo	178	Single rooms	175	3.3m	990
			Single and store	1	4.0m	1,320
			One bedroom and kitchen	2	4.3m	3,630
			Total	178		
	Shauri moy ex-kbs	49	Single rooms	49	3.3m	1,100
	Bondeni	110	Small bed space	40	2.6m	1,110
			One bedroom	34	4.7m	1,430
			One big bedroom	32	6.1m	1,650
			Two bedroom	4	8.8m	2,200

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Service name	Description	No. Units	Rooms	No. Units per category	Area sqm	Rent charged
			<b>Total</b>	110		
	Gorofani	942	Single rooms		4,3m	1,320
	Embakasi	237	Two rooms	41	4,3m	1,650
			Single rooms	12	3,3m	1,100
			Single and kitchen	180	4,0m	1,210
			Single room and store	2	3,9m	1,210
			Two rooms and kitchen	2	4,8m	1,760
			<b>Total</b>	237		
	Kariobangi north	370	Single rooms	184	3,3m	1,100
			<b>Total</b>	370		
			Bed space	112	3,7m	1,430
			Double rooms	56	6,4m	1,650
			Two rooms and store	18	6,4m	2,420
			<b>Total</b>	370		
	Kaloleni	603	Single rooms	278	3,7m	1,210
			Two rooms	290	5,0m	1,980
			Two rooms and kitchen	34	6,8m	2,200
			One bedroom	1	3,9m	4,950
			<b>Total</b>	603		
	Ngong road	96	Big bed room	12	4,4m	2,750
			Single room	68	3,3m	1,100
			Bed space	16	3,7m	1,320
			<b>Total</b>	96		
	Mbotela	28	One bedroom	1	6,2m	4,950
			One small room	3	3,1m	770
			Single rooms	900	3,2m	1,100
			<b>Total</b>	904		
	Mbotela rh	28	Single and kitchen		3,3m	1,100
	Makadara rh	18	Single rooms		3,3m	1,100
	Uhuru	884	Single room and kitchen	328	3,7m	1,210
			Bed room	428	4,2m	2,860
			Big bed room	128	4,5m	2,970
			<b>Total</b>	884		
	Jerusalem	500	Bed room	500	4,2m	2,420
	Maringo	1,400	Bed room	1,378	4,2m	2,420
			Two bedroom	22	4,6m	2,970
			<b>Total</b>	1,400		
	Ofafa Jericho	1617	One bed room	1617	4,2m	2,420
	Lumumba	1388	Two bedroom	312	4,7m	2,970
			One bed room	1076	4,6m	2,200
			<b>Total</b>	1,388		
	Ofafa 1	1324	Single room		3,3m	1,100
	Ziwani	555	One bedroom	134	4,6m	2,200
			One room	278	2,6m	880
			Single room	139	3,3m	1,100
			Two rooms	4	3,8m	1,320
			<b>Total</b>	555		
	Ziwani ex-kbs	47	Single rooms	32	3,3m	1,100
			Two rooms	15	3,6m	1,320
			<b>Total</b>	47		
	<b>Total</b>					
(b) estates other than eastlands	Juja roads	1	Two bedroom	1	70m	11,000
	Jevanjee/quarry road	26	3 bedroom	26	120m	13,200
	Bachelor quarters	34	Three(3) persons	42	60m	6,600
			Four (4) persons	24	75m	8,800
	Pangani	48	Two (2) bedroom	48	70m	11,000
	New ngara	136	One bedroom flat	32		7
			Two bedroom flat	64	68m	9,350
			Three bedroom flat	40	70m	11,000
			<b>Total</b>	136		
	Old ngara	78	One bedroom flat	26	66m	7,700
			Two bedroom	36	69m	9,350
			Three bedroom	16	70m	11,000
			<b>Total</b>	78		

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Service name	Description	No. Units	Rooms	No. Units per category	Area sqm	Rent charged
Joseph kangehe		286	One bedroom flat	56	70m	11,000
			Two bedroom house	126	148m	15,400
			Three bedroom house	64	174m	17,600
			Flat let	40	70m	11,000
			Total	78		
	Kariokor	240	3 bedroom flat	240	70m	11,000
	Kariobangi south	720	2 bedroom mansionette	320	63m	8,250
			Flats	400	66m	7,700
			Total	720		
	Huruma	586	2 bedroom mansionette	250	68m	8,250
Buruburu			Flat 2 bedroom	400	66m	7,700
			Total	720		
		382	Mansionette 3bedroom with corner	1	148m	22,000
			Mansionette 4 bedroom	90	89m	12,100
			House 2 bedroom	112	68m	8,250
			Flat 3 bedroom	115	70m	11,000
			Flat 1 bedroom	64	50m	4,950
			Total	382		
	Jamhuri	72	Two bedroom flat	72	86m	12,100
	Gigiri	2	Three bedroom	2	150m	22,000

#### 2.4.6 Health tariffs and Charges

Nairobi city county has the constitutional mandate to provide quality healthcare services to all in cure. This is achieved through the implementation of universal health coverage. The County is mandated to mobilize adequate resources towards providing quality healthcare services in the City. Health revenues originates from services offered to the public in public health facilities and in public health services. The revenues from public health facilities are collected under the facility improvement financing Act of 2023 and Social Health Insurance Act of 2023. FIF Act allows the health facilities to be revenue collectors at the facility levels. The national government has developed benefit packages for SHA and tariffs guidelines that provide a framework setting tariffs and charges in the health facilities. Those revenues generated from public health services are channeled into the county revenue fund.

The table below shows the distribution of services and the cost of providing those services, which are further determined per unit client as follows:

Table 10: Health tariffs and Charges

Service Name	Description of Service	Target Users (e.g., public, business, Institutions)	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
Food Handlers Certification	Laboratory maintenance cost (cost recovery spread within 20 years)	Food Handlers	-	75,000	-	100,000	-	150,000
	Laboratory equipment purchase cost (cost recovery spread within 10 years)		-	1,250,000	-	1,500,000	-	2,550,000
	Water cost		1,250,000	-	1,250,000	-	1,250,000	-
	Staff salaries		10,800,000	-	10,800,000	-	10,800,000	-
	Electricity cost		150,000	-	150,000	-	150,000	-
	Administrative costs		2,500,000	-	2,500,000	-	2,500,000	-
	Lab reagents		65,000,000	-	81,000,000	-	105,000,000	-
	ICT Cost		5,500,000	-	5,500,000	-	5,500,000	-
	Logistics		15,000,000	-	15,000,000	-	15,000,000	-
Sub Total			100,200,000	1,325,000	116,200,000	1,600,000	140,200,000	2,700,000
Food Safety Services	Inspections of food premises	General public/Businesses	12,000,000	-	13,380,000	-	13,580,700	-

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Service Name	Description of Service	Target Users (e.g., public, business, institutions)	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
	Transport and logistics		10,200,000	-	11,373,000	-	11,543,595	-
	Salaries		225,000,000	-	250,875,000	-	254,638,125	-
	ICT costs and maintenance		5,500,000	-	6,132,500	-	6,224,488	-
	Food and water sampling		10,200,000	-	11,373,000	-	11,543,595	-
	Public Health itinerary and equipment cost		5,500,000	-	6,132,500	-	6,224,488	-
	Administrative costs		2,500,000	-	2,787,500	-	2,829,313	-
	<b>Sub Total</b>		<b>270,900,000</b>	<b>-</b>	<b>302,053,500</b>	<b>-</b>	<b>306,584,303</b>	<b>-</b>
Integrated Pest Management	Integrated Pest Management risk Assessment of premises	General public/Businesses	300,000,000		400,000,000		640,000,000	
	Transport and logistics		10,200,000					
	Human resource salaries		9,000,000		7,200,000		15,300,000	
	ICT costs and maintenance		5,500,000	-	6,132,500	-	6,224,488	
	Provision of integrated pest management service		16,200,000		109,200,000		136,200,000	
	Public Health itinerary and equipment cost		15,000,000		15,000,000		15,000,000	
	Administrative costs		2,500,000	-	2,787,500	-	2,829,313	-
	<b>Sub Total</b>		<b>358,400,000</b>	<b>-</b>	<b>540,320,000</b>	<b>-</b>	<b>815,553,800</b>	<b>-</b>
International Health Regulations on Public Health Diseases	Purchase of vaccines and sera	General public/Businesses	56,000,000		65,000,000		75,000,000	
	Maintenance of buildings and furniture		-	75,000	-	100,000	-	150,000
	Nonpharmaceutical commodities purchase		5,500,000		6,325,000		7,273,750	
	Human resource salaries		4,500,000		4,500,000		4,500,000	
	Administrative costs		2,500,000	-	2,787,500	-	2,829,313	-
	Purchase of beddings and linen		1,250,000		1,437,500		1,437,500	
	<b>Sub Total</b>		<b>69,750,000</b>	<b>75,000</b>	<b>80,050,000</b>	<b>100,000</b>	<b>91,040,563</b>	<b>150,000</b>
Environmental Health and Sanitation Services	Purchase of environmental Health Commodities	General public/Businesses	201,000,000		35,000,000		101,000,000	
	Maintenance of buildings and furniture			1,275,000		4,016,250		12,651,188
	Nonpharmaceutical commodities purchase		15,500,000		17,825,000		20,498,750	
	Human resource salaries		202,500,000		202,500,000		202,500,000	
	Administrative costs		12,500,000	-	13,937,500	-	14,146,563	-
	Purchase of WASH equipment		101,250,000		116,437,500		318,937,500	

#### 2.4.7 Wayleave tariffs

Wayleave tariffs are charged to entities that lay infrastructure, such as power lines, water pipes, or fiber cables, on public land. Nairobi City County currently lacks a uniform, cost-based wayleave fee structure, resulting in arbitrary rates, inconsistent enforcement, and revenue losses. There is no differentiation of tariffs based on corridor size, infrastructure type, or land value. The absence of a GIS-based registry or monitoring system further complicates planning, cost recovery, and accountability for road reinstatement or service disruption caused by wayleave works.

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Table 11: Preliminary Wayleaves Cost

Service Name	Description of Service	Target Users (e.g., public, business, institutions)	AVERAGE COSTS 2022/23 - 2024/25		Average total cost for 3 years
			Fixed	Variable	
Wayleaves fees and Charges.	Information Communication Technology (ICT) Costs	General public/Businesses	12,437,836.82		12,437,836.82
	Roads Drainage & Public Transport Facilities		11,377,279.44		11,377,279.44
	Wage Bill			69,956,273.18	69,956,273.18
	Medical Insurance Cover			9,094,315.51	9,094,315.51
	Vehicle Maintenance Cost			1,099,658.92	1,099,658.92
	Fuel Cost			1,099,658.92	1,099,658.92
	Vehicles & Equipment Purchasing Cost		753,973.17		753,973.17
	Insurance Cover for Vehicles			528,558.51	528,558.51
	Streetlighting Installation Cost		5,610,388.38		5,610,388.38
	Fire Fighting Cost		4,190,816.05		4,190,816.05
	Environment & Waste Management Costs			17,492,529.68	17,492,529.68
	Health Services Provision Costs			48,595,115.97	48,595,115.97
	<b>Total Cost</b>		<b>34,370,293.85</b>	<b>147,866,110.70</b>	<b>182,236,404.55</b>

#### 2.4.8 Outdoor Advertisement tariffs

Outdoor advertising in Nairobi, including billboards, digital screens, banners, and branded infrastructure, is governed by fragmented fee structures. Rates are often flat, outdated, and not tied to factors such as visibility, location, size, or type of advertisement. Without a structured tariff framework, enforcement is inconsistent, and the potential for revenue optimization and urban design integration remains untapped.

### 2.5. SWOT Analysis

#### 2.5.1. Strengths

- Extensive processes are in place to gather feedback from taxpayers and residents on policies, laws, budgets, and services.
- Electronic payment platforms such as the Nairobi Revenue System (NRS) enhance revenue collection and reporting efficiency.
- Source-based collection mechanisms like parking fee remittances through SACCOs streamline enforcement and improve compliance.

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- iv. Existence of strategic and annual plans provides structured guidance for planning and implementation.
- v. Dedicated directorates manage each revenue stream, creating a foundation for reforms and operational accountability.
- vi. Internal and external audits provide oversight of financial and operational performance, improving transparency.
- vii. Centralized revenue administration under the finance sector, overseen by the legally appointed Receiver of Revenue, promotes efficiency and control.
- viii. A functional revenue management system is in place, facilitating automation and integration of collections.
- ix. New departments such as Customer Service and Public Participation enhance feedback collection, policy awareness, and stakeholder engagement.
- x. The Nairobi City County Revenue Administration Act, 2021 provides a comprehensive legal and institutional framework for revenue mobilization and enforcement.

#### 2.5.2. Weaknesses

- i. Manual and fragmented systems lead to unreliable, inaccurate, and incomplete taxpayer data, limiting compliance management.
- ii. Absence of a unique identification system hampers tracking of taxpayers across revenue streams.
- iii. Lack of a business continuity plan and weak business impact assessments expose operations to disruption risks.
- iv. Compliance, institutional, and governance risks are not adequately assessed or mitigated.
- v. Incomplete or undocumented standard operating procedures undermine process consistency and institutional memory.
- vi. Outdated taxpayer registration databases make it difficult to identify active versus inactive payers and track arrears or filing patterns.
- vii. Incomplete rollout and monitoring of electronic payment platforms reduce adoption and usage insights.
- viii. Lack of real-time taxpayer ledgers in LAIFOMS and NRS delays reconciliation and accurate reporting of arrears.
- ix. No formal audit of revenue compliance is conducted, reducing detection of underpayments or evasion.
- x. Appeals and objection functions are either non-functional or poorly implemented.
- xi. Public trust in County revenue services is not routinely measured or managed.
- xii. Political influence and lack of structured transition procedures result in administrative disruptions after elections.

- xiii. Poor documentation and inconsistent practices compromise integrity and efficiency in revenue administration.
- xiv. Weak capacity-building initiatives and inadequate staff training affect service quality.
- xv. Limited access and ownership of key systems hinder data-driven decision-making.
- xvi. Dispute resolution mechanisms, particularly for land rates, are underdeveloped.
- xvii. The absence of performance monitoring and evaluation frameworks in revenue functions limits learning and accountability.

#### 2.5.3. Opportunities

- i. Expansion of withholding-at-source models to other services can improve revenue assurance and stakeholder cooperation.
- ii. Partnerships with development actors such as the World Bank, UN agencies, NGOs, and CBOs can strengthen capacity, innovation, and funding support.
- iii. Operationalization of the Nairobi City County Revenue Authority (NCCRA) would enhance autonomy, reduce bureaucracy, and streamline revenue collection.
- iv. Adoption of modern technologies such as GIS mapping, data analytics, and mobile platforms can optimize service targeting and billing efficiency.
- v. A large and diverse professional population supports the County's revenue mobilization potential.

#### 2.5.4. Threats

- i. Political instability, protests, and unrest disrupt business operations and reduce revenue inflows.
- ii. Political interference and bureaucratic delays undermine operational efficiency and strategic implementation.
- iii. Climate-related risks, including floods, affect service delivery and infrastructure.
- iv. Macroeconomic shocks such as inflation, high interest rates, and unemployment lower citizens' ability to pay for services.
- v. Disasters such as fires, pandemics, and infrastructure collapse threaten continuity in revenue-generating services.

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## CHAPTER THREE

### 3. POLICY GOALS AND OBJECTIVES

Despite being a legal requirement, Nairobi City County has not yet developed a Tariffs and Pricing Policy. Instead, the County continues to rely on outdated by-laws, legacy frameworks from defunct local authorities, and ad hoc departmental practices when determining tariffs and charges. This has resulted in:

- a. Inability to link service delivery to cost recovery, affecting operational sustainability;
- b. Public dissatisfaction, owing to non-transparent and unpredictable charges;
- c. Fragmented tariff structures, with inconsistencies across departments and sectors; and
- d. Revenue leakages, due to weak pricing and collection mechanisms;

Against this backdrop, Nairobi City County Government has initiated the development of this Tariffs and Pricing Policy. The policy is designed to:

- a. Provide a harmonized framework for setting, reviewing, and enforcing all user tariffs and charges;
- b. Align pricing with the actual cost of service provision, while accommodating equity and affordability;
- c. Standardise tariffs models across main revenue streams such as land rates, solid waste management, markets, trade licensing, parking, and housing;
- d. Ensure compliance with national guidelines, including those provided by the Commission on Revenue Allocation (CRA) and the National Treasury;
- e. Promote efficiency, predictability, and sustainability in the County's own-source revenue.

This policy marks a critical step toward strengthening fiscal discipline, service delivery accountability, and economic development in Nairobi City County.

#### 3.1. Policy Issues

The policy identifies the following policy issues:

- i. Leadership and governance
- ii. Service delivery
- iii. Determination of tariffs and pricing
- iv. Human resources
- v. Infrastructure and development
- vi. Information management and learning
- vii. Stakeholder engagement
- viii. Resource mobilization and financing

#### 3.2. Rationale of the Policy

Nairobi City County is the economic, political, and social capital of Kenya—home to over 4.3 million people at night (KNBS 2019 Kenya Population and Housing Census) and around 5.67 million during the day, accounting for nearly one million daily commuters into the city and host to thousands of businesses, institutions, and diplomatic missions. As the epicenter of the country's urban transformation, the County Government is mandated to deliver a wide range of essential services, including water and sanitation,

solid waste management, planning and development control, road maintenance, markets, trade licensing, and housing, among others.

To sustainably finance these services, the County is legally empowered to impose user tariffs and charges. However, in the absence of a coherent policy framework, Nairobi's current tariff system is fragmented, outdated, and poorly aligned with actual service costs, resulting in inefficiencies and low revenue performance.

### 3.3. Key Reasons for the Policy

- a. **Legal Compliance:** Section 120 of the County Governments Act (2012) requires each county to develop a Tariffs and Pricing Policy that justifies the setting of any user tariffs or charges. Nairobi City County currently lacks a unified policy instrument to guide the formulation, adjustment, and application of service charges across sectors.
- b. **Revenue Mobilization and Cost Recovery:** As demand for public services continues to rise, the County must enhance its capacity to generate sustainable own-source revenue. A well-structured tariffs and pricing policy will enable the County to recover service costs, reduce dependence on national transfers, and fund operations and maintenance of critical infrastructure.
- c. **Transparency, Equity, and Fairness:** The absence of standardized pricing models has created unjustified disparities in charges for similar services across zones and customer categories. The policy will provide a clear, consistent, and transparent framework for setting and reviewing tariffs—ensuring fairness, predictability, and accountability.
- d. **Economic Efficiency and Service Quality:** When users are charged based on the true cost and value of services, it promotes responsible consumption, minimizes wastage, and improves service efficiency. This is especially important for services like waste collection, land use planning, housing, and licensing.
- e. **Equitable Access and Pro-Poor Safeguards:** A structured policy allows for the application of lifeline tariffs, rebates, and subsidies for vulnerable groups such as low-income households, persons with disabilities, and public institutions. This enhances social inclusion while ensuring that the County still recovers a reasonable portion of its service delivery costs.
- f. **Alignment with National Guidelines and International Best Practice:** The policy is designed in line with the CRA Model Tariffs and Pricing Policy (2024), the Public Finance Management Act (2012), and best practices from successful municipal systems globally. This will allow Nairobi to benchmark competitively while adhering to Kenya's devolution framework.

### 3.4. Policy Goal

To establish a fair, transparent, and cost-reflective tariffs and pricing framework that enhances own-source revenue, supports quality service delivery, promotes equity, and ensures financial sustainability for Nairobi City County.

### 3.5. Policy Objectives

The general objective of this policy is to provide a basis for levying tariffs, tariffs, and charges in the county. The specific objectives of the policy include: -

- a. To determine the cost of providing public services.
- b. To map and match the revenue streams with expected services
- c. To promote local economic development
- d. To provide for the economic, efficient, and sustainable setting of tariffs, tariffs, and charges

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### 3.6. Policy Vision and Mission

#### 3.6.1. Vision

A transparent, fair, and sustainable pricing system that enables quality service delivery and inclusive development for all residents of Nairobi City County.

#### 3.6.2. Mission Statement

To establish and implement a harmonized, cost-reflective, and equitable tariff framework that enhances revenue generation, promotes accountability, and ensures affordable access to county services.

#### 3.6.3. Scope of Application

This Tariffs and Pricing Policy applies to all user tariffs, charges, levies, and rates imposed by Nairobi City County Government for the delivery of devolved public services as assigned under the Fourth Schedule of the Constitution of Kenya, 2010 and as required by section 120 of the County Governments Act

Specifically, the policy covers:

- a. Trade licensing tariffs (Single Business Permits)
- b. Building plan approval tariffs
- c. Parking tariffs
- d. Market access tariffs
- e. Housing tariffs (residential and commercial units owned by the County)
- f. Health tariffs and Charges
- g. Wayleave tariffs
- h. Outdoor Advertisements

The policy applies to all County departments, sub-counties, semi-autonomous entities, and private service providers operating under contract or license from the County Government. It also provides a basis for stakeholder engagement and public participation in the formulation and review of tariffs.

### 3.7. General Principles Guiding the Determination of Tariffs

This policy was formulated in line with the following principles as espoused in section 120 of the County Governments Act, including:

#### 3.7.1. Affordability

Tariffs, tariffs, and charges should be reasonably priced and reflect the costs associated with the services rendered.

#### 3.7.2. Equity

Tariffs, tariffs, and charges must be fair and impartial and should be applied to all users equitably.

#### 3.7.3. Sustainability

##### 3.7.3.1 Financial sustainability

The tariffs, tariffs, and charges should be set to generate sufficient resources for the county to render the services in the long run.

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### 3.7.3.2 Promote Local Economic Development

Provision may be made for promoting local economic development through special tariffs for specific categories of commercial and industrial users. The tariffs, tariffs, and charges should generate revenue and promote economic efficiency and growth within the county's business environment.

### 3.7.3.3 Environmental Sustainability

Tariffs, tariffs, and charges must promote the economic, efficient, effective, and sustainable utilization of resources, recycling of waste, and other environmentally responsible objectives.

### 3.7.4. Destitution

The county may impose tariffs, tariffs, and charges at cost or subsidize. Poor households shall have access to at least basic services through; (a) tariffs that cover only operating and maintenance costs; (b) special tariffs or lifeline tariffs for low levels of use or consumption of services or basic levels of service; or (c) any other direct or indirect method of subsidies of tariffs for poor households.

### 3.7.5. Transparency

Full disclosure shall be observed when setting tariffs, tariffs, and charges.

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## CHAPTER FOUR

### 4. POLICY ISSUES AND TARIFFS DETERMINATION

#### Overview

This chapter describes the policy directions and determination of tariffs for the revenue streams charged by the Nairobi City County Government. The policy covers major revenue streams that contribute to 80% of the County's OSR namely trade licensing fees, building plan approval fees, parking fees, market access fees, housing rent, public health services, and way-leave.

The key consideration in determining tariffs is the cost-of-service provision. However, the county may vary the tariffs depending on various factors such as categories of users and businesses, geographical areas, type and nature of services, and county economic and development priorities.

#### 4.1. Policy Issues

##### 4.1.1. Policy Issue 1: Leadership and governance

The governance and leadership capacity development theme covers all issues of governance, leadership, institutional and human resource development. The policy objective is to strengthen the governance, leadership, institutional and human resource capacity of the environmental sanitation sector for efficient and effective provision of sanitation and hygiene services at all levels.

##### 4.1.1.1. Governance, leadership, and institutional capacity development

The policy recognizes institutional strengthening as one of the top priorities for achieving sustainable services. As a devolved function, the need to build, strengthen, and maintain the required institutional capacities for effective development and implementation of tariffs and pricing settings at all levels, including county, sub-counties, wards, and other county entities and institutions.

The county government shall take the following measures and actions in governance, leadership, and institutional development for environmental sanitation:

- A. Strengthen the capacity of the revenue Department of the Finance and Economic Planning Sector to effectively play its policy, oversight, coordination, capacity building, technical support, research and development, resource mobilization, M&E functions, and mandates.
- B. Strengthen the county revenue information management centre to facilitate informed computing of cost of services and the adjustments of tariffs. This function will entail information management, peer learning, and lesson sharing through various mechanisms, such as Internet-based knowledge hubs, email-based newsgroups, newsletters, forums, conferences, workshops, mass media, and social media programmes. The ultimate goal shall be to ensure that all sector players are enabled to contribute to and access appropriate knowledge from local and international information networks.
- C. Establish the County Tariffs and Pricings Coordinating Committee to coordinate and regulate the adjustments and implementations of County Tariffs and Pricings. The membership of the committee shall include all key stakeholders from various sectors.
- D. Review, strengthen and establish effective and well-functioning stakeholder co-ordination mechanisms that draw on inter-governmental mechanisms.

- E. Build and sustain high level political and technical commitment for strengthened county led tariffs and pricings determinations to inform adjustments of fees and charges in the County.
- F. Entrench good governance and ethical practices by identifying, developing and nurturing effective and committed leaders in line with Article 10 and Chapter Six of the Constitution and Ethics and Anti-corruption Act.

#### 4.1.1.2. Capacity Building, Education, Training, and Skills Development for Tariffs and Pricing Setting

Capacity building education, training, and skills (CETS) development will form a major component of the support offered in the determination of tariffs and pricing in the County. The CETS development strategy will take into account the need to accelerate and expand formal and structured training and education programmes in all the revenue streams and sectors in the light of the following critical challenges:

- i. Gaps between the existing and required levels of competence in determination of tariffs and pricings across all the revenue streams.
- ii. The shortage of skilled personnel in ensuring regular costing of services offered per sector and linking this to the County MTEF cycle and own source revenue. The financial gap provides a basis for innovative financing to bridge the budget gaps
- iii. Inadequate management capacity.
- iv. The shortage of accredited training service providers.

The county shall specifically take the following measures and actions in capacity building through training and education:

- a) Work with relevant institutions to provide training and CETS to all staff regularly.
- b) Mainstream the use of ICT through training by establishing online and virtual modules to increase access and efficiency in training and capacity building of staff in the County.

### Interventions

1. The County shall establish Nairobi Revenue Authority to coordinate and spearhead the revenue administration and regularly determine tariffs and pricings in accordance with this policy or any other legislation or framework developed by the County
2. The County shall develop a structured system of revenue administration and tariffs and pricing mechanism. This shall be achieved by establishing the following committees:
  - a) County revenue administration and tariffs setting committee
  - b) Sub-County revenue administration and tariffs setting committee
  - c) Ward revenue administration and tariffs setting committee
3. The County shall consider formulating legislation to further enhance the implementation of this policy, specifically in setting and implementing tariffs and pricing.

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#### 4.1.2. Policy Issue 2: Service delivery

Nairobi City County shall deliver a wide range of public services such as ICT, Roads drainage & public transport facilities, Vehicles & equipment, streetlighting solid, and which are directly linked to revenue streams covered by this policy.

Improved service delivery, supported by clear service standards and performance monitoring, is a prerequisite for implementing cost-reflective tariffs. It also fosters trust and accountability between the County Government and its residents.

##### Challenges

The County faces the following service delivery challenges:

- a. While the public has been remitting their tariffs to the county, some sections of the public made inconsistent service levels across sub-counties and zones, leading to perceptions of inequity in fees charged versus services received.
- b. Gaps in infrastructure and equipment, including aged or poorly maintained assets, hinder timely and quality service delivery.
- c. Limited definition of service standards for tariff-linked services (e.g., how often waste is collected, how fast building approvals should be processed).
- d. Inadequate monitoring and reporting mechanisms to track service delivery performance across departments.
- e. Fragmented coordination among service departments and revenue teams, leading to disconnects between service delivery and revenue expectations.
- f. Customer complaints and feedback mechanisms are weak or poorly enforced, limiting opportunities for service improvement.

##### Interventions

The County shall:

- a. Develop and adopt Service Delivery Charters and Standards for all tariff-linked services (e.g., minimum frequency of waste collection, turnaround times for permits).
- b. Be responsible for providing services to the customers and to all residents of Nairobi County
- c. Provide adequate resources to enable provision of services in line the county plans and approved budgets. These shall include both recurrent and capital expenditures
- d. Consider efficient, equitable, and consistent service delivery to justify and sustain its tariffs and user charges.
- e. 4. Deliver a wide range of public services, including solid waste management, parking, licensing, housing, market access, development control, health, streetlighting, and road access, which are directly linked to revenue streams covered by this policy.
- f. Institutionalize a service performance monitoring System with KPIs aligned to each revenue stream and linked to budgeting and tariff reviews.
- g. Strengthen interdepartmental coordination between revenue, operations, planning, and enforcement units to ensure services are delivered as priced.
- h. Establish or enhance citizen feedback and redress platforms, including digital channels and ward-level forums, to promote accountability and responsiveness.

#### 4.1.3. Policy Issue 3: Human Resources

The county shall maintain a highly skilled, adequately staffed, and ethically driven human resource base for the successful implementation of the Tariffs and Pricing Policy. Revenue administration in the County shall depend on frontline staff, including licensing officers, revenue collectors, enforcement teams, valuation experts, compliance officers, and tariff analysts, for efficient, fair, and compliant levels, as well as public trust in county revenue systems.

There shall also be interdepartmental coordination, strong leadership, digital literacy, and a culture of accountability.

#### Challenges

The county faces the following human resource challenges:

- a. Inadequate staffing levels in key revenue-generating departments, particularly at sub-county and ward levels.
- b. Skills mismatch, with insufficient personnel trained in service costing, GIS, data analytics, and tariff modeling.
- c. Weak performance management systems and limited incentives for innovation or exceeding revenue targets.
- d. Poor interdepartmental collaboration, leading to siloed operations, duplication of efforts, and inefficiencies.
- e. Limited capacity-building programs tailored to evolving revenue policy and public finance requirements.
- f. High staff turnover and exposure to integrity risks due to weak enforcement of professional standards and codes of conduct.

#### Interventions

The county shall:

- a. Conduct a comprehensive human resource capacity and skills gap assessment across all tariff-linked service areas.
- b. Institutionalize performance-based incentives, integrity compliance benchmarks, and recognition systems for revenue officers.
- c. Deploy a centralized human resource deployment and rotation plan to ensure equitable staffing across zones and services.
- d. Integrate ethics and accountability frameworks into departmental charters, codes of conduct, and appraisal systems.
- e. Promote interdisciplinary teams for service costing, policy review, and innovation pilots to drive internal learning and problem-solving.

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#### 4.1.4. Policy Issue 4: Infrastructure and Development

Infrastructure forms the backbone of effective service delivery and is a major cost driver in the determination of fair and sustainable tariffs. The absence of adequate and well-maintained infrastructure leads to service inefficiencies, inequitable access, and public dissatisfaction, which in turn undermines willingness to pay.

The county shall provide the following infrastructure and developments, which are foundational to the services that Nairobi City County provides and charges for:

- a. **Physical Infrastructure:** Market stalls, roads, street lighting, firefighting stations, sanitation facilities, drainage systems, urban planning systems, road networks, road inspection equipment, spatial plans, development control infrastructure, parking bays, street signage, ablution blocks, CCTV, road surfacing, Market buildings, water supply, perimeter fencing, waste bins, electricity, waste collection trucks, dumpsite or engineered landfills, segregation centres, residential flats, perimeter fences, sewer lines, garbage collection points, poles, pedestrian bridges, street furniture, traffic islands, building façades, bus parks (for branding), open spaces, utility corridors (underground/overhead), public health facilities (dispensaries, clinics, hospitals), equipment, water and electricity systems
- b. **ICT and Digital Infrastructure:** Nairobi Revenue System (NRS), Enterprise Resource Planning (ERP) systems, Unified Communications Systems (LAN/WAN, VoIP, PABX), e-Construction portal – for building plan submissions and approvals, GIS-based systems – for spatial planning and wayleave mapping, Digital parking and USSD systems – for payment of parking fees, licensing, etc.
- c. **Urban Development Infrastructure:** Stormwater drainage and flood control systems, public transport infrastructure – terminals, stages, signage, Fire and emergency response infrastructure, street lighting and electrical installations, non-motorized transport lanes and pedestrian walkways, green spaces and public amenities (parks, gardens), wastewater and sanitation networks

The county shall also factor investment in infrastructure into the pricing models to ensure tariffs are both cost-reflective and service-oriented. Moreover, it shall harmonize between tariff policy and infrastructure development planning for long-term sustainability.

#### Challenges

The county faces the following challenges

- a. Inadequate and aging infrastructure that results in high maintenance costs and limited-service coverage, especially in informal settlements and underserved areas.
- b. Fragmented capital development planning across departments which leads to duplication, inefficiency, and underutilization of resources.
- c. Lack of lifecycle costing and poor integration of capital replacement costs in tariff structures contribute to infrastructure deterioration.
- d. Insufficient asset data hampers informed decision-making on infrastructure planning and cost recovery.
- e. Weak linkages between infrastructure financing and revenue performance.

#### Interventions

The county shall:

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- a. Conduct a comprehensive infrastructure audit and valuation to inform tariff and investment decisions across all service areas.
- b. Develop and maintain a centralized digital asset management system that integrates physical, financial, and service-level data for infrastructure.
- c. Institutionalize lifecycle costing (capital, operations, and depreciation) within all tariff-setting frameworks.
- d. Align infrastructure investment plans with pricing and service delivery goals.
- e. Introduce ring-fenced infrastructure reinvestment mechanisms whereby a portion of user fees is allocated directly to maintenance and upgrades.
- f. Promote Public-Private Partnerships (PPPs) and innovative financing mechanisms for the development and management of critical county infrastructure.

#### 4.1.5. Policy Issue 5: Information management and learning

The county shall develop a robust information management system for evidence-based tariff setting, performance monitoring, transparency, and continuous improvement. This will ensure accurate data on service costs, utilization patterns, infrastructure status, and citizen feedback, which is critical for ensuring that tariffs are both responsive and equitable.

The county shall also foster a culture of learning that enables the County to adapt to emerging challenges, replicate best practices, and enhance accountability across departments involved in service delivery and revenue collection.

#### Challenges

The county faces the following challenges:

- a. Fragmented information systems limit the County's ability to track, analyze, and report on tariff-related performance across services.
- b. Data silos persist across revenue, service delivery, and planning departments, leading to inefficiencies and missed insights.
- c. Manual processes and limited automation hinder real-time data capture and hinder forecasting or dynamic tariff adjustments.
- d. Capacity gaps in data analytics, costing, and financial modelling restrict the County's ability to develop cost-reflective tariffs.
- e. Absence of a structured knowledge management system for capturing and sharing lessons from tariff implementation and review processes.

#### Interventions

The county shall:

- a. Develop a system that integrates data on costs, usage, revenue collection, and feedback across all revenue streams.
- b. Build internal capacity in data science, GIS, M&E, and cost modelling, including regular staff training and strategic partnerships with local institutions.
- c. Digitize all tariff-related workflows and link them to platforms such as Nairobi Revenue Services (NRS) and ERP systems.
- d. Institutionalize a tariff monitoring, evaluation, research, and learning framework with clear KPIs, feedback loops, and adaptive planning protocols.

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- e. Develop a centralized knowledge repository for storing tariff studies, review reports, costing templates, and innovation pilots.
- f. Promote interdepartmental data-sharing protocols and establish a unit for data governance to ensure consistency, quality, and confidentiality of information.

#### 4.1.6. Policy Issue 6: Stakeholder engagement

The county shall conduct meaningful stakeholder engagement to enhance transparency, responsiveness, and success of the Tariffs and Pricing Policy, while considering the county's diverse nature, comprising formal businesses, informal traders, property owners, civil society, development partners, and vulnerable groups, all of whom interact with county services and fees.

All these groups shall be involved throughout the policy cycle, from design to review, to ensure that the tariffs are not only cost-reflective but also socially legitimate and inclusive, thereby helping to build public trust, improve compliance, and deepen accountability in the use of public funds.

#### Challenges

The county is facing the following stakeholder engagement challenges:

- a. Lack of institutionalized platforms for consistent and inclusive engagement across all revenue streams.
- b. Low awareness and transparency regarding how user fees and charges are set, adjusted, or applied.
- c. Distrust among citizens and businesses, stemming from poor service delivery or historical misuse of public funds.
- d. Limited feedback loops that allow users to raise service concerns, propose reforms, or access performance information.

### Interventions

The county shall:

- a. Institutionalize a county revenue stakeholder engagement framework with precise mechanisms for consultation, co-creation, and feedback.
- b. Establish a multi-stakeholder tariff advisory forum comprising representatives from the business community, informal sector, academia, CSOs, and resident associations.
- c. Develop and publish annual tariff Implementation and impact reports to promote transparency and accountability.
- d. Leverage digital platforms, SMS, and USSD tools to increase citizen participation and feedback, particularly among informal traders and low-literacy populations.
- e. Integrate stakeholder perspectives into costing models and social impact assessments to ensure fair and progressive pricing.
- f. Promote joint policy dialogues with utility companies, regulators, and sector associations to harmonize approaches and minimize regulatory overlap.

#### 4.1.7. Policy Issue 7: Resource mobilization and financing

Nairobi City County shall strengthen its capacity to mobilize adequate, predictable, and sustainable resources to finance its ambitious service delivery agenda. While tariffs and user charges represent a major component of own-source revenue (OSR), the County shall complement these with strategic partnerships, efficient collection systems, and innovative financing instruments.

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There shall be a well-designed Tariffs and Pricing Policy supported by a broader revenue enhancement framework that integrates cost recovery principles, value-for-money strategies, and a clear link between revenue collection and reinvestment in infrastructure and services.

### Challenges

The county faces the following resource mobilization and financing challenges:

- a. Dependence on outdated and non-cost-reflective tariffs, leading to under-collection and misaligned revenue expectations.
- b. Limited investment in digital revenue infrastructure, resulting in revenue leakages, inefficiencies, and weak data for forecasting.
- c. Fragmented OSR performance monitoring, with poor integration between budgeting, treasury, and service delivery departments.
- d. Low uptake of external financing mechanisms, such as grants, climate funds, and concessional credit.
- e. Lack of predictable reinvestment, which undermines long-term planning and public confidence in revenue systems.

## Interventions

The county shall:

- a. Develop and implement a comprehensive county resource mobilization and financing strategy aligned with this Policy.
- b. Expand and upgrade digital revenue systems, including real-time dashboards, audit trails, and interoperable payment platforms.
- c. Introduce cost-reflective and progressive tariff structures, gradually adjusted to match actual service delivery costs and user capacity to pay.
- d. Forge strategic partnerships with the private sector, donor agencies, and PPP units to unlock funding for infrastructure supporting revenue services.
- e. Strengthen the County's own-source revenue forecasting model using data science tools and predictive analytics.

### 4.2 The process of Tariff Determination in Nairobi City County

Nairobi City County provides a wide range of services, including waste management, road construction, market infrastructure, housing, licensing, and parking, among others. However, the current system for setting fees and charges is based mainly on historical practices inherited from the defunct local authorities, with updates made through annual Finance Acts without a consistent cost-reflective basis.

This section describes the determination of tariffs for the revenue streams charged by the County. The policy covers its major revenue streams namely trade licensing fees, building plan approval fees, parking fees, market access fees, housing rent, health services among others. The county may vary the tariffs depending on various factors such as categories of users and businesses, geographical areas, type and nature of services, and county economic and development priorities.

The county shall set a formal, structured, and evidence-based tariff determination framework to ensure that fees are aligned with the actual cost of service delivery, regional economic dynamics, user ability to

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pay, and service-level standards. The framework shall also support financial sustainability, equity, and transparency in service provision.

### Challenges

- a. Most revenue streams lack a clear costing methodology that maps fixed and variable costs to specific services.
- b. Outdated tariffs from former local authorities continue to be used without regular reviews to reflect inflation, changes in input costs, or new service demands.
- c. Tariff structures often vary across similar services or geographic zones without justification, leading to inequities.
- d. Inadequate service-level data and absence of unit cost benchmarks constrain evidence-based decision-making.

#### 4.2.1 Developing a tariff and pricing setting formula

- A. While taking into consideration the fixed and variable costs in determining the tariff, the county tariffs and pricing technical committee shall adopt a standard formula to be applicable in the setting of tariff revenues in the county as follows:
  - i. The tariff and pricing settings shall be based on the known revenue targets. The County shall set revenue targets based on the percentage of actual revenue collected for a given financial period.
  - ii. The county shall compute weights based on (i) above for every service delivery point, which will be used to calculate the proportion equivalent to the revenue target per service delivery point.
- B. The county shall compute the cost of services for the past three years and calculate an average of the three years. The cost of service shall not exceed the annual development plans (ADP) average for the past three years.

#### 4.2.2 Determination of Trade Licensing Tariff

The County shall: -

- A. Establish a unified business permit, which shall:
  - i) Collapse annual tariff revenues by providing a common application, billing, invoicing, and payment point.
  - ii) The county shall develop legislation and guidelines to provide a framework for a unified business permit
- B. Determine the **Trade Licensing Tariffs**, which shall be implemented through unified, fair, and cost-based Tariffs and Pricing Policy to ensure transparent, equitable, and sustainable tariffs and charges for all public services.
- C. A trade licensing tariff shall be a levy charged to traders by the county government as a prerequisite to conducting business within the County's jurisdiction. On payment of the tariffs, a trader shall be issued a trade license.

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- D. The trade licensing tariffs shall:
- i) Control and regulate business practices
  - ii) Generate consistent business-related data for county planning
  - iii) Mobilize resources for providing services that ensure a safe and clean environment for traders
- E. Establish costings and pricing to inform the development of trade licensing tariffs in Nairobi City County.
- F. Develop interventions in setting the county trade licensing tariff, which shall consider the following:
- a) **Types of Business:** The county shall develop trade licensing tariffs based on the following business classifications: -
- i. General traders and retail services;
  - ii. Informal sector;
  - iii. Transport, storage, and communications;
  - iv. Agriculture, forestry, and natural resources;
  - v. Accommodation and catering;
  - vi. Professional, technical, and financial services;
  - vii. Private education, health, and entertainment, and
  - viii. Industrial plants, factories, workshops, and contractors.

Based on each classification, the County shall develop a framework of subcategories for each business category and set parameters that meet global standards and best practices.

- b) **Size of Business:** The County shall develop parameters per business activity. The county shall develop a framework to guide parameters for the business activities.
- c) **Cost of Providing the Services:** The County shall develop trade licensing tariffs according to the categorization of business activities in the types of business above, and;
- i. The county shall develop a framework to define which business activities fall under the zones.
  - ii. The cost of providing county services varies between different zones.
  - iii. Services concerning trade licensing shall include firefighting, street lighting, road access, stormwater management, and waste collection. Such costs for service provision may be fixed or variable as tabulated below:

**Table 12: Services and Costs for Trade Licensing**

Services	Fixed Cost	Variable Cost
Firefighting services	Fire station construction cost (cost recovery spread within 20 years)	Water cost
	Fire truck purchase cost (cost recovery spread within 10 years)	Administrative costs
	Firefighters salaries	Fuel cost
	Fire truck drivers' salaries	Fire truck maintenance cost
	Ambulance purchase cost (cost recovery spread within 10 years)	Ambulance fuel and maintenance cost
	Ambulance staff salaries	Electricity costs
	Fire inspector salaries	
	Firefighting uniform and equipment	
	Street Lighting Installation cost (cost recovery spread within 10 years)	
	County Electrician salaries	
Street Lighting	Street lighting equipment cost	Electricity cost
		Repairs and maintenance of the street lighting
		Administrative costs

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Services	Fixed Cost	Variable Cost
Road access	Road construction cost (cost recovery spread within 20 years)	
	Road maintenance staff salaries	Road maintenance cost Administrative costs
	Cost of land for road construction (cost recovery spread within 10 years)	
Stormwater management	Drainage system construction cost (cost recovery spread within 10 years)	Drainage system maintenance cost Administrative costs
	Stormwater management staff salaries	
Waste collection	Garbage trucks purchase cost (cost recovery spread within 10 years)	Garbage truck fuel and maintenance cost Disposal tariffs Administrative costs
	Garbage collection staff salaries	
	Garbage equipment cost	

- G. In setting a trade licensing fee, the average annual cost of service provision over the past three years shall be considered as the baseline based on the zones identified under the trade licensing tariffs as shown in Table 13 below.

Table 13: Costing of Trade Licensing Tariffs

SNo.	Service Name	Target Users	Average Costs of Fys 2022/23-2024/25		Average total cost for 3 years
			Fixed	Variable	
			A	B	A+B
1	Fire fighting Services	General public/ Businesses	0	201,553,069	201,553,069
2	Street Lighting	General public/ Businesses	0	269,825,968	269,825,968
3	Roads drainage & Public transport facilities	General public/Businesses	547,178,774	0	547,178,774
4	Environment	General public/Businesses	0	841,285,565	841,285,565
5	Advertisements for urb awareness campaigns	Businesses	0	30,000,000	30,000,000
7	Salaries for Staff	NCCG staff	0	3,364,476,371	3,364,476,371
8	Licensing Staff per diems	NCCG staff	0	64,805,888	64,805,888
9	Staff capacity Building	NCCG staff	0	280,000,000	280,000,000
10	Staff medical insurance	NCCG staff	0	437,381,928	437,381,928
11	Vehicle Fuel	NCCG vehicles	0	54,869,714	54,869,714
12	Vehicle Insurance	NCCG vehicles	0	25,420,488	25,420,488
13	Vehicle & Equipment	NCCG vehicles	36,261,579	0	36,261,579

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SNo.	Service Name	Target Users	Average Costs of Fys 2022/23-2024/25		Average total cost for 3 years
			Fixed	Variable	
			A	B	A+B
14	ICT support Services	Businesses/Institutions	598,185,212	0	598,185,212
15	Vehicle Maintenance	Institutions	0	52,886,986	52,886,986
16	Sanitation & ablution	General public	450,538,478	0	450,538,478
17	Health Services	General public	0	2,337,333,069	2,337,333,069
	Total Cost of services annually		1,632,164,043	7,959,839,046	9,592,003,089
Total Premises/Clients					128,333
Average Cost of service per premise/Client					74,743
Total amount of all 282 permit fees & Charges in NAICS.					18,278,000
Total No. of the fees & Charges in the County					282
Average cost of the UBP fees and charges in Finance Act 2023					64,816.00

Source: Nairobi City County Government

H. Based on the set tariffs on trade license above, the cost of trade license shall be as follows:

- The unit cost of a trade license shall be KSh . 74,743.
- The County shall consider the geographical categorization of users to compute the tariffs; however, other categorizations shall be regarded as, such as the size of the business, as provided for in the Nairobi City County Trade Licensing Act, 2019

#### 4.2.3 Determination of the Building Plan Approval Tariff

- The County shall charge a fee to approve building plans for the construction of permanent structures within the County.
- The charging of a fee for approval of building plans shall be to:
  - Uphold building codes and physical planning requirements as well as conditions imposed by any approving authority
  - Ensure safety and compliance for occupants of the building
  - Enforce the spatial plan.
  - Assist in planning for the provision of services such as drainage, sewerage, and power.
  - Mobilizing resources for service delivery
- The County shall apply a standardized, area-based fee structure for building plan approvals, reflecting development size and complexity, with provisions for waivers or discounts for low-income, public interest, and pro-poor projects.
- The county shall consider the following factors in setting up a building plan approval tariff:

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- a) **Cost of Construction:** The costing of construction shall include the cost as stipulated in the bill of quantities as approved by the county
- b) **Type of Building:** Buildings in the county shall be categorized as either commercial, residential, or industrial.
- c) **Cost of Provision of Service:** The county government services shall be provided by the building plan approval tariffs, including the development of a spatial plan, road access maintenance, and inspection. Such costs for service provision may be fixed or variable as tabulated below: -

Table 14: Services and Costs for Building Approval

Service	Fixed Cost	Variable Cost
Development of a Spatial Plan	Cost of implementing Spatial Plan (cost recovery spread within 10 years)	Cost of building plan approvals
Road maintenance costs		Road maintenance cost Administrative costs
Inspection	Inspectorate staff salaries Inspectorate equipment	Administrative costs

NB: Parameters used in determining cost of services in the above stream may not be the only factors

- a. **Setting a Building Plan Approval Fee:** In setting a building plan approval fee, the average annual cost of service provision in the past three years shall be considered as a base. Table 15 shows how the county determined the cost of providing services relating to building plan approval tariffs.

Table 15: Costing of Building Plan Approval Fee

Services	Description	Fixed Costs	Variable Costs	Totals
		A	B	A+B
Plans and Inspections (Building Permits)	ICT	308,457,232.52	-	308,457,233
	Sanitation and ablution	282,155,505.03	-	282,155,505
	Vehicles & equipment	18,698,467	-	18,698,467
	Streetlighting	139,137,126	-	139,137,126
	Salaries	1,734,909,272.18	-	1,734,909,272
	Medical insurance	225,538,205.38	-	225,538,205
	Vehicle maintenance	27,271,442.22	-	27,271,442
	Fuel	-	28,293,845.55	28,293,846
	Insurance of vehicles	-	13,108,203.39	13,108,203
	Fire fighting cost	-	103,931,860	103,931,860
	Environment	-	433,813,160	433,813,160
	Health services	-	1,205,154,498	1,205,154,498
		2,736,167,250	1,784,301,567	4,520,468,818
Total Cost of Service annually				
Total Premises/ Clients				56708
Average Cost per Premise/ Client				79,715

Source: Nairobi County Government (Built Environment Sector)

- E. The cost of a building approval permit is KSh. 79,715. In costing the above tariffs, the County only considered the uniform cost of providing the service to compute the tariffs; however, other categorizations will be considered as provided for in the. Physical and Land Use Planning Act (Cap 303).

#### 4.2.4 Determination of Parking Tariff

- A. There shall be a fee charged for the use of designated parking spaces in public parking facilities provided by the County government. For this policy, this fee will apply to motorcycles, tuk tuk, taxis, trucks, private vehicles, public service vehicles, and lorries.
- B. The charging of parking tariffs shall be used to:
- Manage traffic and decongest the city
  - Control and regulate the conduct of motorists
  - Mobilize resources for providing county services
- C. Nairobi City County shall implement a zonal and time-based parking fee system that promotes congestion management, fairness, and transparency, supported by digital platforms and real-time data monitoring.
- D. The county shall consider the following factors in setting up a parking fee tariff:
- Parking Zones and Location:** The county shall designate parking places within its area of jurisdiction, and shall:
    - Allocate such parking to be determined by the parking fee cost
    - Categorize the parking spaces into two zones namely:
 

Zone I: CBD, Westlands, Upperhill, Community, Hurlingham, Eastleigh, Kijabe street, Ngara, Highridge, Industrial area, Gigiri, Kilimani, Yaya Centre, Milimani, Lavington, Karen, Muthaiga, South C, South B, Gikomba, Parklands, and Nairobi West.

Zone II: Other areas outside Zone A above.

The county shall develop a framework to determine designated parking areas in the city, including designated loading and offloading zones, reserved parking, and market areas.
  - Cost of Providing the Service:** The county government shall provide the following services for the parking tariff, including street lighting, cleaning services, security, paving, NMT public transport services, traffic management, and demarcation of parking areas.

**Table 16: Services and Costs for Parking Tariffs**

Service	Fixed Cost	Variable Costs
Land Purchase Cost	Land Purchase cost (cost recovery spread within 10 years)	
Infrastructure	Paving and tarmacking cost (cost recovery spread within 20 years)	Demarcation of parking areas
	Salaries for parking attendants	Maintenance of paved roads
Cleaning services	Cleaning equipment	Administrative costs
	Cleaning staff salaries	Water cost
Sanitation and ablution		Administrative costs
	Ablution block infrastructure cost (cost recovery spread within 20 years)	Water Services
	Staff maintaining ablution block	Supplies cost
	Electricity cost	Administrative costs

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Service	Fixed Cost	Variable Costs
Firefighting	Fire truck purchase cost (cost recovery spread within 10 years) Firefighters salaries Fire truck drivers' salaries Ambulance Purchase cost (cost recovery spread within 10 years) Ambulance staff salaries Fire inspector salaries Firefighting uniform and equipment	Water cost Fuel cost Truck maintenance cost Ambulance fuel and maintenance cost Administrative costs
Street Lighting	Street lighting installation cost (cost recovery spread within 10 years) County Electrician salaries	Electricity cost Repairs and maintenance of the street lighting Staff administration costs
Security	Perimeter fence construction cost (cost recovery spread within 20 years) Security staff salaries Bus Park office construction cost (cost recovery spread within 20 years)	Maintenance costs Staff administration costs
Stormwater management	Drainage system construction cost (cost recovery spread within 20 years) Stormwater management staff Stormwater management equipment	Drainage system maintenance costs Staff administration costs
Road access	Road construction cost (cost recovery spread within 20 years) Road maintenance staff salaries	Cost of maintenance cost Staff administration costs

NB: Parameters used in determining the cost of services in the above stream may not be the only factors

- E. In setting parking tariffs, the average annual cost of service provision in the past three years shall be considered as a base. Table 17 below show how the county shall determine the cost of providing services relating to parking tariffs.

Table 17: Costing of Parking tariffs

Service Name	Description of Service	Target Users (e.g., public, business, institutions)	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
Public Transport and Traffic & Parking	Development & Maintenance of Public Transport Facilities (termini & walkways) (cost recovery spread within 10 years)	General public/Businesses	177,048,057.00		118,453,716		98,711,430	
	Development & Maintenance of Non-motorised Facilities (walkways) (cost		162,161,417.00		501,235,448		417,696,207	

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Service Name	Description of Service	Target Users (e.g., public, business, institutions)	Cost					
			2022/23		2023/24		2024/25	
			Fixed	Variable	Fixed	Variable	Fixed	Variable
	recovery spread within 10 years)							
	Signalised Intersections (cost recovery spread within 10 years)		88,706,940.00		36,293,800		49,974,980	
	Development, Automation & Maintenance of Parkings (2.5m by 5m) (cost recovery spread within 20 years)		293,905,593.27		293,905,593		293,905,593	
	Development and Maintenance of Roads		276,934,728.80	16,320,539	288,756,806	30,366,710	417,698,077	28,921,361
	Storm Management (10% of parking development cost)		29,390,559.33		29,390,559		29,390,559	
	Add ICT Costs		81,000,000.00		81,000,000		81,000,000	
	Staff salaries		1,205,293,020.00		1,219,242,900		1,219,242,900	
	Administrative costs		4,494,000.00		5,168,100		5,943,315	
Total Cost				2,318,934,315	2,573,446,923		2,613,563,062	
Total cost for 3 years								7,505,944,300
Average total cost for 3 years								2,501,981,433
Recovery of Cost through Parking Fee Per Year								2,501,981,433
Cost of service per parking slots								569

Source: Nairobi City County Government

\*The cost estimates for simulations capture all parking areas in Nairobi City County

The cost of providing a parking service is KSh. 569 in Nairobi. In costing the above tariffs, the County only considered the uniform cost of providing the service to compute the tariffs. However, other

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categorizations will be considered as provided for in the Nairobi City County Transport Act, 2019, and the attendant Regulations.

#### 4.2.5 Market Access Tariff

- A. There shall be a fee charged to traders, goods, services, animals, animal products, or any other products to enable the transaction of business within County markets.
- B. The levying market access tariffs are to:
  - a) Mobilize resources for providing county services;
  - b) Develop and maintain market infrastructure;
  - c) To regulate, ensure fairness, and promote the growth of businesses; and
  - d) Provide a conducive environment for the market traders, including security, utilities, and amenities.
- C. The County shall establish a stall-based and product-specific market fee structure that aligns with service quality and infrastructure levels, with clear reinvestment strategies to improve market environments.
- D. The county shall charge market access tariff which shall consist of market stalls and the product specific fee. In setting the market access fee the following shall be considered: -
  - a) **Space Occupied in the Market:** This is the area occupied by a trader within a market that varies in size.
  - b) **Types of Markets and Products:** Different types of products are traded in different types of county markets. The county shall develop a framework to categorize types of markets.
  - c) **The weight of the products:** The weight of the product shall be considered through packaging, capacity, number of animals, and number of carcasses
  - d) **Location and zoning:** The County shall develop market access tariffs according to zones. There shall be two zones, namely:
    - Zone (I) shall include: CBD, Westlands, Upperhill, Community, Hurlingham, Eastleigh, Kijabe street, Ngara, Highridge, Industrial area, Gigiri, Kilimani, Yaya Centre, Milimani, Lavington, Karen, Muthaiga, South C, South B, Gikomba, Parklands, and Nairobi West.
    - Zone (II) shall include: Other areas outside Zone I above.
- E. The county shall develop a framework to define which markets fall under the zones in line with the county's spatial plan.
- F. The County shall develop legislation to regulate market activities and trading services in the markets.
- G. The county government shall provide the following services for the market access tariff, including sanitation and ablution, market maintenance and rehabilitation, provision of parking, firefighting, market lighting, security, stormwater management, road access, and waste collection. Some services provided for market access are similar to those provided for trade licensing tariffs. Therefore, the county has apportioned the cost of similar services between these two tariffs

**Table 18: Services and Costs for Market Access tariffs**

Services	Fixed Costs	Variable Costs
Sanitation and ablution	Ablution block infrastructure cost (cost recovery spread within 20 years)	Water Services
	Staff maintaining ablution block	Consumables cost
	Electricity cost	Fumigation cost
Firefighting	Fire truck purchase cost (cost recovery spread within 10 years)	Staff administration costs
	Firefighters salaries	Water costs
	Fire truck drivers' salaries	Powder costs
	Ambulance purchase cost (cost recovery spread within 10 years)	Fuel cost
	Ambulance staff salaries	Truck maintenance cost
	Fire inspector salaries	Ambulance fuel and maintenance cost
	Firefighting uniform and equipment	Staff administration costs
Market lighting	Market lighting installation costs (cost recovery spread within 20 years)	Electricity cost
	Salaries of County staff in charge of market lighting	Repairs and maintenance of the market lighting
		Staff administration costs
Security	Perimeter fence construction cost (cost recovery spread within 20 years)	Staff administration costs
	Security staff salaries	
	Market office construction cost (cost recovery spread within 20 years)	
Stormwater management	Drainage system construction cost (cost recovery spread within 20 years)	Drainage system maintenance cost
	Stormwater management staff	Administration costs
	Stormwater management equipment	
Road access	Road construction cost (cost recovery spread within 20 years)	Road maintenance cost
	Road maintenance staff salaries	Staff administration costs
Waste collection	Garbage collection equipment	Garbage truck fuel and maintenance cost
	Garbage trucks purchase cost (cost recovery spread within 10 years)	Staff administration costs
	Garbage collection staff salaries	
Infrastructure	Land purchase cost (cost recovery spread within 10 years)	
	Market infrastructure cost (cost recovery spread within 20 years)	

NB: Parameters used in determining cost of services in the above stream may not be the only factors

- H. In setting market access tariffs, the average annual cost of service provision in the past three years was considered as a base. The cost of providing the services varies between zone I and Zone II areas. Table 19 shows how the county determined the cost of providing services relating to market access tariffs. For this policy, traders will be levied a minimum charge for a defined number of stalls for accessing the market.

Table 19: Costing for Market Access tariffs

Services	Zone (I)	Zone (II)	Zone (I)	Zone (II)	Zone (I)	Zone (II)
	Fixed	Fixed	Variable	Variable	Total	Total
	Costs	Costs	Costs	Costs	A+C	B+D
	A	B	C	D		
ICT	27,926,128	27,926,128	-	-	55,852,255	-
Sanitation and ablution	27,144,000	3,016,000	-	-	30,160,000	-
Vehicles & equipment	1,692,863	846,431	-	-	2,539,294	-
Streetlighting	12,596,758	6,298,379	-	-	18,895,137	-
Salaries	157,069,741	78,534,870	-	-	235,604,611	-
Medical insurance	20,419,066	10,209,533	-	-	30,628,599	-
Vehicle maintenance	2,469,016	1,234,508	-	-	3,703,524	-
Fuel	-	-	2,561,579	2,561,579	-	5,123,158

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Insurance of vehicles	-	-	1,186,749	1,186,749	-	2,373,498
Fire fighting cost	-	-	9,409,455	9,409,455	-	18,818,910
Environment	-	-	39,275,207	39,275,207	-	78,550,414
Health services	-	-	109,108,475	109,108,475	-	218,216,950
<b>Total Cost</b>	<b>249,317,571</b>	<b>128,065,849</b>	<b>161,541,465</b>	<b>161,541,465</b>	<b>377,383,421</b>	<b>323,082,929</b>
<b>Cost of service for Markets in Month</b>					<b>31,448,618</b>	<b>26,923,577</b>
<b>No. of Stalls</b>					<b>7574</b>	<b>11,462</b>
<b>Cost per Stall per month</b>					<b>4,152</b>	<b>2,349</b>

Source: Nairobi City County Government

\*The cost estimates for simulations capture all markets across Nairobi City County

- I. The cost of accessing markets is KSh. 4,152 in zone I and KSh. 2,349 in zone III areas per day. In costing the above tariffs, the County only considered geographical categorization and the service area occupied by users to compute the tariffs, however, other categorizations will be considered and provided for in the Trade License Act.

#### 4.2.6 Housing Rent

- A. There shall be a housing rent charged for occupancy of county government-owned facilities both residential and commercial.
- B. The housing rent tariffs shall be used to:
  - a) Maintain building facilities and the grounds of the area of occupancy.
  - b) Provide services to the occupants
  - c) Provide revenue for the county
- C. Nairobi City County shall institute a rental banding policy that reflects housing type, location, and maintenance costs, while ensuring affordability through a structured subsidy framework for vulnerable households.
- D. The following factors were considered in setting the housing rent tariff-
  - a) **Location of the Building:** The cost of housing rent varies between urban and rural areas
  - b) **Type of the House:** The county has categorized its houses into residential, commercial, or industrial.
  - c) **Size of the House:** For residential county houses, they vary in size by the number of rooms or by plinth area.
- E. The county government provides the following services for the housing rent including lighting, cleaning services, security, and garbage collection.

Table 20: Services and Costs for Housing Rent

Service	Fixed Costs	Variable Costs
Cleaning services	Cleaning equipment	Water costs
	Cleaning staff salaries	Staff administration costs
Lighting	Street lighting Installation cost (cost recovery spread within 10 years)	Electricity cost
	County Electrician salaries	Repairs and maintenance of the streetlighting
		Staff administration costs
Security	Perimeter fence construction cost (cost recovery spread within 20 years)	

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Garbage collection	Garbage trucks purchase cost (cost recovery spread within 10 years)	Garbage truck fuel and maintenance cost
	Garbage collection staff salaries	Disposal tariffs
	Garbage bins	Staff administration costs
	Land purchase cost (cost recovery spread within 10 years)	
Infrastructure	House construction cost	

**NB: Parameters used in determining cost of services in the above stream may not be the only factors**

- F. The average annual cost of service provision in the preceding three years formed the base. Table 21 shows how the county determined the cost of providing services relating to housing rent. For this policy, the county assumed that the houses were of the same size and type.

**Table 21: Costing for House Rent tariffs**

Services	Description	Fixed Costs	Variable Costs	Totals
		A	B	A+B
House Rent	ICT	125,751,848.89	-	125,751,849
	Sanitation and ablution	115,029,160.26	-	115,029,160
	Vehicles & equipment	7,622,991	-	7,622,991
	Streetlighting	56,723,426	-	56,723,426
	Salaries	707,287,836.49	-	707,287,836
	Medical insurance	91,947,418.74	-	91,947,419
	Vehicle maintenance	11,118,021.95	-	11,118,022
	Fuel	-	11,534,835.35	11,534,835
	Insurance of vehicles	-	5,343,952.54	5,343,953
	Fire fighting cost	-	42,370,942	42,370,942
	Environment	-	176,856,955	176,856,955
	Health services	-	491,317,403	491,317,403
		1,115,480,703	727,424,088	1,842,904,791
Total Cost of Service annually				
Total House Units				16660
Average Cost per Housing Unit Per Month				9,218

- G. The cost of providing rental services is KSh. 9,218 per room. In costing the above tariffs, the County only considered the uniform cost of providing the service to compute the tariffs.

#### 4.2.7 Health Tariffs and Charges

- A. Public Health under the public health Cap 242, Food, Drugs and Chemical Substances Act Cap 254 and Nairobi County Food Safety and Fortification Act of 2023 to regulate the trade and human activity and their impact on the environment and health of the public.
- B. The public health charges shall be used to:
- To regulate food handling, storage, and preparation to prevent food-borne illnesses.
  - To regulate related to the keeping of animals to minimize public health risks.
  - To protect public water supplies from contamination and ensure access to safe drinking water.
  - To prevent and control of infectious diseases, including mosquito control and abatement of nuisances.
  - To address nuisances that may negatively impact public health, such as those arising from sewerage.

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- C. Nairobi City County shall develop public health tariffs that reflect housing type, location, and maintenance costs, while ensuring affordability through a structured subsidy framework.
- D. The following factors were considered in setting the public health tariff-
- Location of the premises:** The cost of public health services shall be uniform for all the premises in the county
  - Type of the House:** The county has categorized its houses into residential, commercial, or industrial.
  - Size of the House:** For residential county houses, they vary in size by the number of rooms or by plinth area.
- E. The county government provides the following services for the public health services shall be as.

Table 22: Costing for Public Health Tariff

Service	Fixed Costs	Variable Costs
Food Handlers	Staff salaries	Laboratory maintenance cost (cost recovery spread within 20 years) Laboratory equipment purchase cost (cost recovery spread within 10 years) Water cost Electricity cost Administrative costs Lab reagents ICT Cost Logistics
Food Safety Services	Salaries	Inspections of food premises Transport and logistics ICT costs and maintenance Food and water sampling Public Health itinerary and equipment cost Administrative costs
Integrated Pest Management	Human resource salaries	Integrated Pest Management risk Assessment of premises Transport and logistics ICT costs and maintenance Provision of integrated pest management service Public Health itinerary and equipment cost Administrative costs
International Health Regulations on Public Health Diseases	Human resource salaries	Purchase of vaccines and sera Maintenance of buildings and furniture Nonpharmaceutical commodities purchase Administrative costs Purchase of beddings and linen Purchase of environmental Health Commodities
Environmental Health and Sanitation Services	Human resource salaries	Maintenance of buildings and furniture Nonpharmaceutical commodities purchase Administrative costs Purchase of WASH equipment

**NB: Parameters used in determining cost of services in the above stream may not be the only factors**

- F. The average annual cost of service provision in the preceding three years formed the base. Table 23 shows how the county determined the cost of providing services relating to public health tariffs. For this policy, the county assumed that the houses were of the same size and type.

Table 23: Food Handlers Certification

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Services	Description	Fixed Costs	Variable Costs	Totals
		A	B	A+B
Food Handlers	ICT	26,677,037.33	-	26,677,037
	Sanitation and ablution	24,402,322.74	-	24,402,323
	Vehicles & equipment	1,617,144	-	1,617,144
	Streetlighting	12,033,326	-	12,033,326
	Salaries	150,044,267.20	-	150,044,267
	Medical insurance	19,505,754.74	-	19,505,755
	Vehicle maintenance	2,358,580.72	-	2,358,581
	Fuel	-	2,447,003.65	2,447,004
	Insurance of vehicles	-	1,133,667.80	1,133,668
	Fire fighting cost	-	8,988,585	8,988,585
	Environment	-	37,518,491	37,518,491
	Health services	-	104,228,230	104,228,230
		236,638,432	154,315,978	390,954,410
	Av. Total Cost of Service annually (for the past 3 Years)			0
Av. Total No. of Food Handlers (for the past 4 Years)				139,452
Average Cost of Service per Food Handler				2,804
Public Health Programs	Food Safety Services	243,504,375	49,674,893	293,179,268
	Integrated Pest Management	10,500,000	568,942,565	579,442,565
	International Health Regulations on Public Health Diseases	4,500,000	75,888,521	80,388,521
	Environmental Health and Sanitation Services	202,500,000	328,658,417	525,285,938
	Other Public Health Programs	607,500,000	985,975,251	1,593,475,251
		1,068,504,375	2,009,139,647	3,071,771,543
Total Cost of Public Health Services				3,071,771,543
Average Cost of Food Safety Services Per Household/ premise Per Annum				3,737
Average Cost of Integrated Pest Management Per Household/ premises Per Annum				3,979
Average Cost of International Health Regulations Per Capita Per Annum				7,174
Average Cost of Environmental Health & Sanitation Services Per Household/ premises Per Annum				1,449
Average Cost of Public Health Programs Per Household/ premises Per Annum				1,449

G. Based on the set tariffs on public health services above, the cost of trade license shall be as follows:

- The cost of food safety services per household/ premise per annum shall be KSh.3,737. while that of integrated pest management shall be Kshs. 3,979, international health regulations implementation at Kshs. 7,174, Environmental Health and Sanitation Service at Kaha. 1,449 and public health programs at Kshs. 1,449.
- The County shall consider the geographical categorization of users to compute the tariffs, however, other categorizations shall be considered such as the size of the business.

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## Health Facilities

Table 24: Costing for Health Facilities

Services	Description	Fixed Costs	Variable Costs	Totals
		A	B	A+B
Pumwani Maternity Hospital	ICT	40,488,102.79	-	40,488,103
	Sanitation and ablution	37,035,737.49	-	37,035,737
	Vehicles & equipment	2,454,361	-	2,454,361
	Streetlighting	18,263,142	-	18,263,142
	Salaries	227,724,227.32	-	227,724,227
	Medical insurance	29,604,149.55	-	29,604,150
	Vehicle maintenance	3,579,650.08	-	3,579,650
	Fuel	-	3,713,850.76	3,713,851
	Insurance of vehicles	-	1,720,583.05	1,720,583
	Fire fighting cost	-	13,642,098	13,642,098
	Environment	-	56,942,324	56,942,324
	Health services	-	158,188,605	158,188,605
		359,149,370	234,207,461	593,356,831
Total Cost of Service annually				
Average Cost of Service per Month				49,446,403
Mbagathi Hospital	ICT	100,259,688	-	100,259,688
	Sanitation and ablution	91,710,681	-	91,710,681
	Vehicles & equipment	6,077,674	-	6,077,674
	Streetlighting	45,224,567	-	45,224,567
	Salaries	563,907,876	-	563,907,876
	Medical insurance	73,308,024	-	73,308,024
	Vehicle maintenance	8,864,199	-	8,864,199
	Fuel	-	9,196,517	9,196,517
	Insurance of vehicles	-	4,260,637	4,260,637
	Fire fighting cost	-	33,781,591	33,781,591
	Environment	-	141,004,871	141,004,871
	Health services	-	391,718,532	391,718,532
		889,352,710	579,962,148	1,469,314,858
Total Cost of Service annually				
Average Cost of Service per Month				122,442,905
Mama Lucy Hospital	ICT	114,488,739.15	-	114,488,739
	Sanitation and ablution	104,726,440.52	-	104,726,441
	Vehicles & equipment	6,940,229	-	6,940,229
	Streetlighting	51,642,926	-	51,642,926
	Salaries	643,938,783.65	-	643,938,784
	Medical insurance	83,712,041.87	-	83,712,042
	Vehicle maintenance	10,122,223.46	-	10,122,223
	Fuel	-	10,501,704.49	10,501,704
	Insurance of vehicles	-	4,865,315.25	4,865,315
	Fire fighting cost	-	38,575,940	38,575,940
	Environment	-	161,016,558	161,016,558
	Health services	-	447,311,991	447,311,991
		1,015,571,384	662,271,509	1,677,842,893
Total Cost of Service annually				
Average Cost of Service per Month				139,820,241
Mutuini Lucy Hospital	ICT	6,075,145.81	-	6,075,146

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	Sanitation and ablution	5,557,126.41	-	5,557,126
	Vehicles & equipment	368,271	-	368,271
	Streetlighting	2,740,342	-	2,740,342
	Salaries	34,169,491.53	-	34,169,492
	Medical insurance	4,442,033.90	-	4,442,034
	Vehicle maintenance	537,118.18	-	537,118
	Fuel	-	557,254.68	557,255
	Insurance of vehicles	-	258,169.49	258,169
	Fire fighting cost	-	2,046,965	2,046,965
	Environment	-	8,544,064	8,544,064
	Health services	-	23,735,833	23,735,833
		53,889,529	35,142,285.69	89,031,815
Total Cost of Service annually				
Average Cost of Service per Month				7,419,318
Nairobi Funeral Home	ICT	6,365,023.43	-	6,365,023
	Sanitation and ablution	5,822,286.57	-	5,822,287
	Vehicles & equipment	385,843	-	385,843
	Streetlighting	2,871,098	-	2,871,098
	Salaries	35,799,900.30	-	35,799,900
	Medical insurance	4,653,987.04	-	4,653,987
	Vehicle maintenance	562,746.96	-	562,747
	Fuel	-	583,844.28	583,844
	Insurance of vehicles	-	270,488.14	270,488
	Fire fighting cost	-	2,144,637	2,144,637
	Environment	-	8,951,746	8,951,746
	Health services	-	24,868,396	24,868,396
		56,460,886	36,819,111.66	93,279,998
Total Cost of Service annually				
Average Cost of Service per Month				7,773,333

H. Based on the set tariffs on curative and rehabilitative services above, the cost of trade license shall be as follows:

- The cost of healthcare services at Pumwani maternity Hospital per annum shall be KSh. 593,356,831. while that of Mbagathi Hospital shall be Kshs. 1,469,314,858, Mama Lucy Kibaki Hospital at Kshs. 1,677,842,893, Mutuini Hospital at Kshs. 89,031,815 and Nairobi Funeral Home at Kshs. 93,279,998.
- The County shall consider the geographical categorization of users to compute the tariffs, however, other categorizations shall be considered such as the size of the business.

#### 4.2.8 Wayleave tariffs

- A. There shall be a Wayleave Tariff levies imposed on public and private entities that install or operate infrastructure such as power lines, water mains, gas pipelines, and fiber optic cables on, over, or under County-managed public spaces or rights-of-way.
- B. The Charging of Wayleave Tariff shall be used:
- To safeguard public infrastructure and ensure orderly use of public land.
  - To recover costs for road reinstatement, inspections, and coordination.
  - To generate predictable revenue from utility access and land use.
  - To enhance transparency and control over public space allocation.

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- v. To promote equitable access and compliance among all service providers.
- C. Nairobi City County shall operationalize a GIS-based, cost-reflective wayleave Tariff system that factors in infrastructure type, land value, route length, and potential disruption, with clearly defined procedures for application, approval, and renewal.
- D. The County shall categorize wayleave corridors by use (underground, overhead), zone (CBD, residential, industrial), and infrastructure type.
- E. Tariffs shall be benchmarked against market rates and include inspection, administrative, and reinstatement components. A digital wayleave management platform will be established for end-to-end processing and tracking. Annual audits will ensure compliance, and defaulters will face penalties and possible revocation of permits.
- F. The county government shall provide the following services for the wayleaves Tariff, including road and drainage system maintenance and ICT services

Table 25: Services and Costs for Wayleave Tariff

Service	Fixed Costs	Variable Costs
Wayleaves	Road and Drainage system maintenance cost 5% of total costs	Road and Drainage system maintenance staff salaries 5% of total costs
		Administrative costs 5%
	Add ICT Costs	

- G. In setting the wayleave Tariff, the average annual cost of service provision in the past three years was considered as a base. Table 25 shows how the county determined the cost of providing services relating to the wayleaves Tariff.

Table 26: Costing for Public Wayleave Tariff

Service Name	Description of Service	Target Users	Cost						Total cost for 3 years	Average total cost for 3 years	Recovery of Cost through Wayleave Fee Per Year	Recovery of Cost through Wayleave Fee Per Km
			2022/23		2023/24		2024/25					
			Fixed	Variable	Fixed	Variable	Fixed	Variable				
Wayleaves fees and Charges.	Road and Drainage system maintenance cost 5% of total costs	General public/Bus inesses	157,085,689.19		170,242,986.39		240,898,499.05		568,227,174.63	189,409,058.21		
	Road and Drainage system maintenance staff salaries 5% of total costs			9,664,359.00		18,724,473.20		18,724,473.20	47,113,305.40	15,704,435.13		

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Service Name	Description of Service	Target Users	Cost						Total cost for 3 years	Average total cost for 3 years	Recovery of Cost through wayleave Fee Per Year	Recovery of Cost through wayleave Fee Per M
			2022/23		2023/24		2024/25					
			Fixed	Variable	Fixed	Variable	Fixed	Variable				
	Administrative costs 5%			1,216,000.00		1,520,000.00		556,433.80	3,292,433.80	1,097,477.93		
	Add ICT Costs		160,015,001.18		160,015,001.18		160,015,001.18		480,045,003.55	160,015,001.18		
Total Cost			317,100,690.37	10,880,359.00	330,257,987.57	20,244,473.20	400,913,500.24	19,280,907.00	1,098,677,917.37	366,225,972.46	366,225,972.46	113.19
The average length in metres of wayleaves Issued with permit in the preceding 3 years												3,235,520
Cost of service per M												113.19

Source: Nairobi County Government

- H. The cost of accessing wayleave is KSh. 113 per metre per day. In costing the above tariffs, the County only considered the uniform cost of providing the service to compute the tariffs

#### 4.2.9 Outdoor Advertisements

- A. There shall be an outdoor advertisement Tariff levied on visual marketing media such as billboards, banners, branded street furniture, digital screens, and transit ads placed in public spaces or on infrastructure managed by Nairobi City County.
- B. The Charging of Outdoor Advertisement Tariff shall be used:
  - a) To regulate and control outdoor advertising for public safety, aesthetic order, and compliance with planning regulations.
  - b) To generate revenue from commercial use of public space.
  - c) To support urban beautification, signage enforcement, and maintenance of shared infrastructure.
  - d) To enhance accountability, competition, and fairness in outdoor media allocation.
- C. Nairobi City County shall implement a digital, tiered advertisement Tariff system that reflects visibility, location, size, duration, and media type, with full inventory tracking, monitoring, and enforcement capabilities.
- D. The County will establish a zoning system categorizing high-exposure areas (CBD, highways, commercial centers) and regulate size and format standards. Tariff will vary based on exposure metrics, content category (commercial vs public), and type (static vs digital).
- E. All advertising assets shall be mapped and licensed via a centralized digital portal, and enforcement teams will conduct regular audits to remove illegal or expired ads. Revenue collected shall partly support public realm enhancement and signage clean-up operations.
- F. The county government shall provide the following services for the Outdoor Advertisement Tariff, including ICT, sanitation and ablution, street lighting, waste management, among others.

**Table 27: Services and Costs for Outdoor Advertisement**

Services	Fixed	Variable
ICT		Fuel

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Outdoor Adversiment Services	Sanitation And Ablution	Insurance Of Vehicles
	Vehicles & Equipment	Fire Fighting Cost
	Streetlighting	Environment
	Salaries	Health Services
	Medical Insurance	
	Vehicle Maintenance	

G. In setting the Outdoor Advertisement Tariff, the average annual cost of service provision in the past three years was considered as a base. Table 27 below shows how the county determined the cost of providing services relating to the Outdoor Advertisement Tariff.

**Table 28: Costing for Outdoor Advertisement Tariff**

Services	Description	Fixed Costs	Variable Costs	Totals
		A	B	A+B
Billboards and advertisements	ICT	165,277,469	-	165,277,469
	Sanitation and ablution	151,184,484	-	151,184,484
	Vehicles & equipment	10,019,007	-	10,019,007
	Streetlighting	74,552,416	-	74,552,416
	Salaries	929,598,604	-	929,598,604
	Medical insurance	120,847,819	-	120,847,819
	Vehicle maintenance	14,612,577	-	14,612,577
	Fuel	-	15,160,400	15,160,400
	Insurance of vehicles	-	7,023,634	7,023,634
	Fire fighting cost	-	55,688,741	55,688,741
	Environment	-	232,445,647	232,445,647
	Health services	-	645,745,548	645,745,548
		1,466,092,376	956,063,970	2,422,156,346
Total Cost of Service annually				
Total Premises/ Clients				98706
Average Cost per Premise/ Client				24,539

Source: Nairobi County Government

H. The cost of accessing outdoor advertisements is KSh. 24,539 annually. In costing the above tariffs, the County only considered the uniform cost of providing the service to compute the tariffs.

## CHAPTER FIVE

### 5 IMPLEMENTATION AND INSTITUTIONAL FRAMEWORK

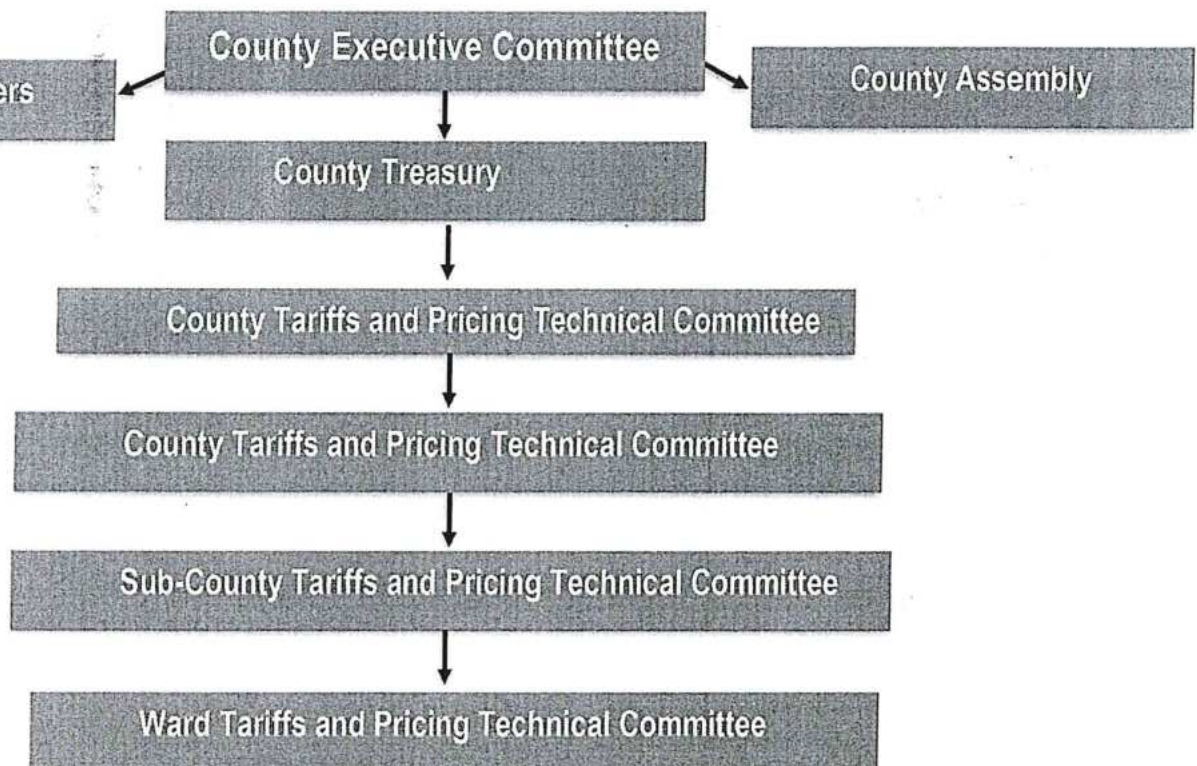
The successful implementation of the Tariffs and Pricing Policy for Nairobi City County requires a coherent institutional framework, effective coordination mechanisms, and robust governance structures. This chapter outlines the multi-level organizational arrangements and stakeholder roles that will ensure the operationalization of the policy. It also provides a roadmap for how tariff-setting processes will be institutionalized within existing county systems, ensuring consistency, transparency, equity, and efficiency in revenue administration and service delivery.

The implementation framework emphasizes inclusivity, alignment with county planning and budgeting cycles, legal compliance, and responsiveness to the evolving socio-economic dynamics of the city. Institutional roles are designed to facilitate performance monitoring, continuous improvement, and public accountability.

This Policy will be implemented through an inter-departmental approach spearheaded by the County Treasury. The County Treasury will also commission a midterm evaluation of the implementation progress.

#### 5.1 Policy Implementers

Figure 1: Institutional Arrangement



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#### 5.1.1 County Treasury

The County Treasury shall be in charge of coordinating the implementation and review of the Policy. Specifically, they shall be responsible for:

- a) Requesting and compiling submissions in the review;
- b) Ensuring adequate public participation in the proposed changes to the policy; and
- c) Preparing a monitoring and evaluation report on the implementation.

#### 5.1.2 Technical Committees

The Technical Committee will be chaired by the Chief Officer in charge of revenue. It will comprise technical officers from departments where revenue streams are domiciled to a maximum of eleven (11) members. The technical committee shall –

- a) Conduct stakeholder engagement on the Policy; and
- b) Review and incorporate submissions from the County Treasury and issues raised by stakeholders on the Policy.

#### 5.1.3 County Executive Committee

This Committee shall:-

- a) Discuss and approve the Policy;
- b) Lead and oversee the implementation of the Policy and any incidental legislation
- c) Developing legislative proposals to implement the policy
- d) Make policy decisions on emerging issues concerning the Policy

#### 5.1.4 Tariffs and Pricing Structures

##### Devolution Structure

- a) County
- b) Sub County
- c) Ward

The team shall consist of membership from the revenue streams in the County. Every Sector is led by the CEC Member who coordinates the sector in setting of tariffs and prices in the every Sector.

There shall be three levels of coordination and their roles as follows, namely:

- a) County Tariffs and Pricing Committee
- b) Sub County Tariffs and Pricing Committee
- c) Ward Tariffs and Pricing Committee

#### 5.1.5 County Assembly

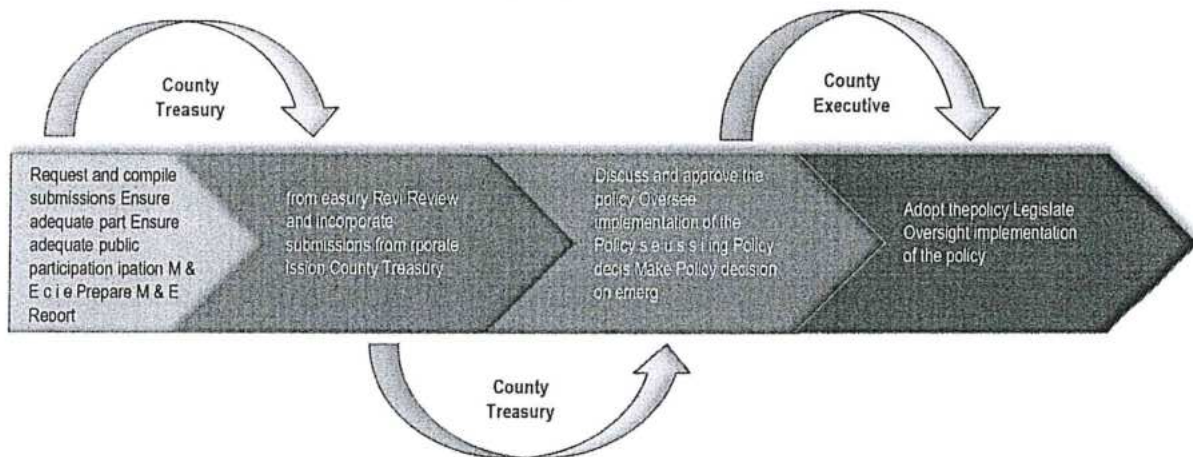
The Assembly shall:

- i. Note the Policy submitted by the County Executive Committee Enact any relevant laws to give effect to the Tariffs and Pricing Policy;
- ii. Play the oversight role to the county executive committee in the implementation of the Tariffs and Pricing Policy.

### 5.1.6 Compliance and Enforcement

To ensure compliance, the county shall develop and conspicuously display a schedule of tariffs. The tariff schedules shall outline the services provided, the cost for the provision of such services, the duration of the service, and user requirements. The schedules shall inform the public of the payable county fees and charges for services offered.

Compliance with the policy shall be enforced by the County Treasury. The county government shall develop legislation on sanctions for non-compliance where necessary.



## 5.2 Policy Financing

### 5.2.1 Financial Mobilization Strategies

- Mainstream tariff revenues into the Medium-Term Expenditure Framework;
- Explore conditional grants and PPP financing to complement public revenues;
- Integrate pricing reforms into County Fiscal Strategy Papers (CFSP) and Annual Budgets;
- Promote domestic resource mobilization through cost-reflective and equitable tariffs.

### 5.2.2 Financial Mobilization Process

- Undertake full cost analysis of county services, including fixed and variable costs;
- Develop targeted subsidies and exemptions for vulnerable groups and priority sectors;
- Automate billing, invoicing, and reconciliation processes for efficiency and transparency;
- Promote voluntary compliance through fairness, clarity, and service assurance.

## 5.3 Partnership Engagement Framework

- Engage civil society, development partners, and the private sector in technical advisory, infrastructure support, and innovation in revenue collection.

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- b) Establish Memoranda of Understanding (MOUs) for collaboration on public awareness, ICT support, and capacity building.
- c) Encourage academic and research institutions to support tariff analysis and impact assessments.

#### **5.4 Advocacy, Communication, and Social Mobilization**

- a) Develop a comprehensive advocacy strategy to communicate policy objectives, user obligations, and benefits.
- b) Utilize multimedia campaigns, public barazas, stakeholder forums, and customer care centers to enhance outreach and feedback.
- c) Build trust and ownership through citizen education and regular reporting.

#### **5.5 Revenue Management Information System (RMIS)**

- a) Strengthen integration of the Nairobi Revenue System (NRS), LAIFOMS, and other platforms for end-to-end revenue management.
- b) Implement real-time monitoring dashboards for performance tracking.
- c) Digitize all tariff processes, including service cost tracking, receipting, compliance reporting, and public access to information.

## CHAPTER SIX

### 6 MONITORING AND EVALUATION

Monitoring, Evaluation, and Learning (MEL) are integral to the implementation and continuous improvement of the Nairobi City County Tariffs and Pricing Policy. They ensure that the policy achieves its objectives of equity, efficiency, transparency, and cost-reflectiveness in the administration of user fees and charges. A sound MEL framework also reinforces accountability to the public by linking tariffs to measurable service delivery improvements.

This chapter provides the structure for tracking policy implementation, evaluating progress, documenting lessons learned, and guiding periodic reviews and policy updates. The framework will be embedded within county revenue, finance, service delivery, and planning functions and will contribute to improved public financial management and citizen trust in county services.

#### 6.1 Monitoring

Monitoring refers to the continuous and systematic collection, analysis, and reporting of information related to the implementation of the Tariffs and Pricing Policy. The goal is to ensure that policy objectives are being achieved in real-time and that timely corrective actions can be taken where performance gaps emerge.

Monitoring is a critical component of the Nairobi City County Tariffs and Pricing Policy, aimed at tracking implementation progress, ensuring compliance with policy provisions, and assessing the effectiveness of tariff structures in achieving service delivery and revenue objectives.

The objectives of monitoring shall include:

- a. Tracking performance of service delivery against planned outputs and cost recovery expectations;
- b. Ensuring that tariffs and fees are implemented as approved and reviewed regularly;
- c. Generating timely and accurate data to inform evidence-based decision-making and adjustments;
- d. Identifying deviations, bottlenecks, and emerging challenges in policy application.

The County shall focus on the following key areas while monitoring:

- a. Track implementation of tariff adjustments across all revenue streams.
- b. Monitor the quality, accessibility, and reliability of services linked to tariffs.
- c. Assess the performance of departments and sub-counties in tariff enforcement, billing, and collection.
- d. Monitor stakeholder engagement, complaints resolution, and communication strategies.

The county shall use the following monitoring tools and activities

- a. Development of a tariff monitoring dashboard, linked to Nairobi Revenue System (NRS), ERP platforms, and sub-county revenue reports.
- b. Regular service delivery audits to assess compliance with service charters and citizen expectations.
- c. Daily, Monthly and quarterly and yearly reporting on revenue performance, service outputs, and user complaints.

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- d. Routine inspections and spot-checks in revenue streams areas including markets, parking areas, construction zones, and public facilities.
- e. Use of geo-spatial monitoring (GIS) to track infrastructure and service coverage.

The key components of monitoring shall be:

A. Key Performance Indicators (KPIs)

KPIs shall be developed for each revenue stream and service area to monitor effectiveness and efficiency.

B. Establishing Baselines

Baselines will be established at the onset of policy implementation to provide a reference point for measuring progress.

C. Data Collection Methods

Monitoring will rely on both quantitative and qualitative data gathered through:

- i. Administrative data systems (e.g., billing systems, digital payment records, permitting databases);
- ii. Field verification visits to assess actual service delivery versus planned coverage;
- iii. Customer feedback tools, such as surveys, suggestion boxes, and call centre logs;
- iv. Service delivery reports from departments and contracted service providers;
- v. Geospatial and mapping tools to assess spatial distribution of revenue streams and services.

Responsibility

There shall be a Monitoring and Evaluation (M&E) Unit to coordinate the monitoring function in collaboration with line departments (e.g. Urban Planning, Environment, Trade, Health, and Housing).

## 6.2 Evaluation

Evaluation involves the periodic and independent assessment of the relevance, efficiency, effectiveness, impact, and sustainability of this policy's implementation. Evaluation will determine whether the policy delivers value for money and meets its intended objectives.

Evaluation Types shall include:

- a. Process Evaluations to assess how the policy is being implemented and where bottlenecks exist.
- b. Outcome Evaluations to assess the effects of tariffs on revenue generation, service quality, equity, and user satisfaction.
- c. Impact Evaluations to determine long-term socio-economic changes resulting from improved tariff structures and services.

Evaluation Criteria shall be OECD-DAC aligned as follows:

- a. Relevance – Are tariffs aligned to user needs, costs, and legal frameworks?
- b. Effectiveness – Are set objectives being achieved (e.g. increased compliance, improved services)?
- c. Efficiency – Are resources used optimally?
- d. Equity – Do tariffs reflect ability to pay, and protect vulnerable groups?

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- e. Sustainability – Will the reforms continue to deliver benefits over time?

#### Evaluation Methods:

- a. Revenue and service trend analysis (pre- and post-policy implementation).
- b. Public perception and satisfaction surveys.
- c. Cost-benefit and affordability studies.
- d. Comparative analysis with benchmarks and peer counties.

#### Responsibility

There shall be an M&E Unit to lead in evaluations with support from independent evaluators and external stakeholders such as the Controller of Budget, Auditor-General, Commission on Revenue Allocation (CRA), and civil society representatives.

### 6.3 Learning

Learning ensures that the experiences, successes, challenges, and innovations encountered during implementation inform ongoing policy adjustments and public service improvement.

#### Learning Approaches shall be:

- a. Systematic documentation of lessons learned across revenue streams, departments and sub-counties.
- b. Hosting of annual tariff learning and reflection forums (peer-to-peer review mechanism) involving internal and external stakeholders.
- c. Creation of a knowledge repository with case studies, tools, FAQs, and citizen feedback to inform future policy cycles.
- d. South-South learning exchanges with other counties and international partners on tariff design and cost allocation best practices.
- e. Embedding feedback loops into digital platforms to allow real-time citizen input on service delivery and pricing.

#### There shall be Institutionalization of Learning as follows:

- a. Integration of learning outcomes into departmental work plans, MTEF budgeting, and Annual Progress Reports (APRs).
- b. Realignment of tariff models based on emerging data, user behavior, and economic shifts.

### 6.4 Policy Review Interval and Process

To remain relevant and responsive, the Tariffs and Pricing Policy shall undergo a comprehensive review every five (5) years, or earlier if triggered by:

- a. Major changes in national or county laws and regulations.
- b. Significant shifts in service delivery models or operating costs.
- c. New socio-economic data, revenue performance outcomes, or audit recommendations.
- d. Stakeholder feedback or court rulings requiring adjustments to fees and charges.

#### The policy review process shall entail:

- a. Mid-Term Review Report: Prepared by the lead implementing department, based on M&E data and stakeholder input.

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- b. Stakeholder Consultations: Conducted with the public, private sector, CBOs, and civil society through barazas, focus groups, and online platforms.
- c. Technical Review: Led by a multi-sectoral taskforce to assess data, performance, legal frameworks, and benchmarking results.
- d. Draft Revision: Drafting of amendments or a new policy document for public scrutiny.
- e. Approval: Submission to the County Executive Committee and County Assembly.
- f. Dissemination: Publishing in the County Gazette and official website, with simplified versions shared through county offices and social media.

The policy amendment principles shall be:

- a. Transparency and evidence-based decision-making.
- b. Responsiveness to changing service needs.
- c. Inclusivity and public participation.
- d. Alignment with national and county development priorities.

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## ANNEXES

## Annex 1: Policy Implementation Matrix.

Strategies/KPIs	Measure of Success	Timeframe	Estimated Cost	Expected Output	Time frame	Estimated Cost (Kes Millions)	Source (s) of Funds	Responsibility	
								Lead	Support

## Annex 2: Policy M&amp;E Matrix

Thematic Area	Objective/ Goal	Indicator	Measure of Success	Baseline	Targets						Source of Data
					Y1	Y2	Mid-Term	Y4	Y5	End Term	

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