

GOVERNMENT OF NAIROBI CITY COUNTY

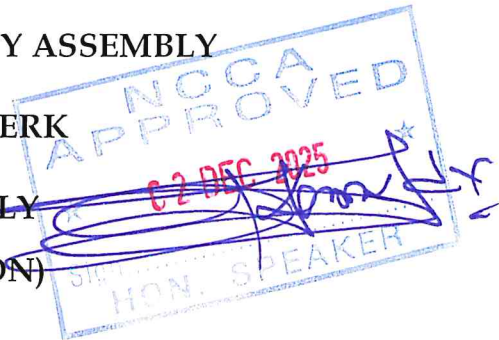


THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(FOURTH SESSION)



NCCA/TJ/PL/2025(85)

2ND DECEMBER 2025

PAPER LAID

SUBJECT: REPORT OF A COMMITTEE

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 2nd December 2025:

- THE REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE SESSIONAL PAPER NO. 2 ON THE NAIROBI CITY COUNTY TARIFFS AND PRICING POLICY 2025-2030.

Copies to:

The Speaker

The Clerk

Hansard Editor

Hansard Reporters

The Press

NCCA/TJ/NTC/2025

GOVERNMENT OF NAIROBI CITY COUNTY



Notice of Motion
given by Chairperson FBAC
on Tuesday 2/12/2025
PCA

THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY

(FOURTH SESSION)

2nd December 2025

NOTICE OF MOTION

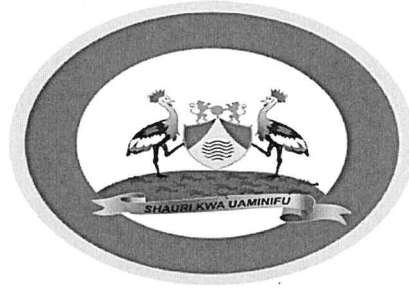
Subject: Adoption of report of a Committee

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

- THAT, this Assembly adopts THE REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE SESSIONAL PAPER NO. 2 OF 2025 ON THE NAIROBI CITY COUNTY TARIFFS AND PRICING POLICY laid on the Table of the Assembly on Tuesday 2nd December 2025.

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

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – FOURTH SESSION

33RD REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND
APPROPRIATIONS

ON THE

NAIROBI CITY COUNTY TARIFFS AND PRICING POLICY (2025-2030)
(SESSIONAL PAPER NO. 2 OF 2025)

DECEMBER 2025

1.0. INTRODUCTION

1.1. Preamble

Mr. Speaker Sir, the 18th June 2024 marked a historical event not only for devolution and the public finance arena as the Commission on Revenue Allocation (CRA), County Governments and other key stakeholders witnessed the groundbreaking launch of the Model Tariffs and Pricing Policy for County Governments. The launch of the Model Policy provided guidance for Kenya's 47 county governments to develop tariffs and pricing structures as required by Section 120 of the County Governments Act. This event marked progress in financial management and revenue enhancement, building on the 2019 National Policy to support county governments' own-source revenue.

The provisions of Article 209(4) of the Constitution, **Mr. Speaker Sir**, grants the counties the power to collect revenues from property taxes, entertainment taxes, user charges rendered for services, business regulatory and outdoor activities as key sources of internal revenue generation. Since the advent of devolution there have been inconsistencies and unfairness in charges that has prompted widespread complaints by the residents of the 47 county governments. The Government in response to the complaints and to mitigate the already highlighted challenges through the Intergovernmental Budget and Economic Council (IBEC), chaired by His Excellency President Dr. William Ruto (who was the Deputy President then), resolved in 2015 to develop a national policy to streamline the collection and administration of decentralized taxes, fees and charges with the final product being the Model Tariffs and Pricing Policy for County Governments.

Mr. Speaker Sir, despite the express provisions of Section 120 of the County Governments Act, 2012 requiring counties to establish a Tariffs and Pricing Policy for public services, there has been lethargy to ensure the critical document is in place. Nairobi City County has therefore embarked on a journey to come up with the policy that is desired to cure the inherent challenges that come with levying of charges. The Nairobi City County Tariffs and Pricing Policy for 2025– 2030 therefore presents a pivotal advancement on the County's fiscal and governance framework. The policy responds directly to the constitutional mandate under Article 209(4) of the Constitution of Kenya 2010 that empowers County Government to impose charges for the service they provide and Section 120 of the County Governments

Act, 2012 that requires the County Government to adopt and implement a tariffs and pricing policy for the provision of such public services.

Mr. Speaker Sir, 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 Acts 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. The Nairobi County Tariffs and Pricing Policy was submitted to the County Assembly on 24th September 2025 and having been laid, the policy was committed to the Finance, Budget & Appropriations Committee for consideration and subsequent reporting to the County Assembly before approval.

1.2. Membership and Mandate of the Finance, Budget and Appropriations Committee

The Committee is established pursuant to the provisions of Standing Order 205 and mandated to: -

- a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget.
- b) Discuss and review the estimates and make recommendations to the County Assembly.
- c) Examine the County Fiscal Strategy Paper Presented to the County Assembly.
- d) Examine Bills related to the county budget, including Appropriations Bills; and
- e) Evaluate tax estimates, economic and budgetary Policies and Programmes with direct budget outlay.

Mr. Speaker Sir, the County Assembly Finance, Budget & Appropriations Committee that guided the consideration of these supplementary estimates consist of the following 22 Members:

- | | |
|-----------------------------------|--------------------|
| 1. Hon. Wilfred Oluoch Odalo, MCA | — Chairperson |
| 2. Hon. Emily Oduor, MCA | — Vice Chairperson |

3. Hon Anthony Kiragu, MCA
4. Hon. Moses Ogeto, MCA
5. Hon Mark Mugambi, MCA
6. Hon. Jeckoniah Onyango, MCA
7. Hon. Catherine Apiyo Okoth, MCA
8. Hon. Jane Muasya, MCA
9. Hon. Asli Muhamed, MCA
10. Hon. Jane Wanjiru, MCA
11. Hon. Rosemary Masitsa, MCA
12. Hon. Perpetua Mponjiwa, MCA
13. Hon. Collins Ogenga, MCA
14. Hon. Fathiya Abdillahi Mohamed, MCA
15. Hon. Sam Kago, MCA
16. Hon. Anthony Ngaruiya Jasho, MCA
17. Hon. Paul Ndungu, MCA
18. Hon. Ciciliah Wairimu Njathi, MCA
19. Hon. Waruguru Kanyi, MCA
20. Hon. Joyce Kamau Muthoni, MCA
21. Hon. Waithera Chege, MCA
22. Hon. Peter Oweru

I.3. Examination of the Nairobi City County Tariffs and Pricing Policy

Mr. Speaker Sir, the Committee in coming up with this report had consultative meetings during which it received comprehensive submissions from the County Executive, led by the County Executive Committee Member for Finance accompanied by the Chief Officer for Finance and Chief Officer for Revenue. The purpose of the engagement was to deliberate on the proposed Tariffs and Pricing Policy with specific focus on how the policy has complied with the various laws and the basis of the coming up with the service costs across the sectors. The Committee also sought the views of the public and visited the 17 Sub Counties on 4th

and 5th of November 2025 where the members of the public aired their views. The views of the public have been incorporated in this report.

I.4. Acknowledgement

Mr. Speaker Sir, the Committee expresses its utmost gratitude to: -

- a) Office of the Speaker for granting permission for the Committee to meet to consider the policy.
- b) The Office of the Clerk for the financial support accorded during the process of consideration of the policy.
- c) The County Treasury led by the County Executive Committee Member for Finance and the Chief Officer for Finance and Revenue for appearing before the Committee to deliberate on the proposed Tariffs and Pricing Policy.
- d) Members of the Finance, Budget and Appropriations Committee who dedicated their time to ensure that the consideration of the policy is achieved within stringent timelines.
- e) The County Assembly Budget Office for technical support to the Committee on consideration of the policy.

Mr. Speaker Sir, on behalf of the Committee it is therefore my utmost privilege to table this report on the Nairobi City County Tariffs and Pricing Policy (2025-2030) and recommend it to the Assembly for adoption.

Signed.....

Date.....01/12/2025.

Hon. Wilfred Oluoch Odalo, MCA

Chairman: Finance, Budget and Appropriations Committee

2.0. SCRUTINY OF THE POLICY

2.1. Overview and review of the Nairobi City County Tariffs and Pricing Policy

1. **Mr. Speaker Sir**, the Policy aims to ensure Constitutionality and legality through 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 is expected to have the long-term effects of making service linked taxation predictable, transparent, equitable, affordable and sustainable.
2. **Mr. Speaker Sir**, the Finance, Budget and Appropriations Committee has conducted a comprehensive review of the Nairobi City County Tariffs and Pricing Policy to evaluate its relevance, effectiveness and alignment with the county's current economic environment and revenue management objectives. The review seeks to ensure that the policy provides a clear and coherent framework for guiding the imposition of tariffs, fees, and other revenue instruments while promoting transparency, consistency and efficiency in revenue collection. It also aims to support sustainable fiscal planning and enhance the county's capacity to mobilize resources for service delivery and development priorities.
3. **Mr. Speaker Sir**, during the scrutiny, the Committee was able to highlight the following shortcomings in regards to the policy:-
 - i The policy required a thorough revision to reflect the current economic landscape, incorporating the latest data on Nairobi City County's growth, poverty levels, and per capita income to ensure that pricing and revenue strategies are evidence-based and responsive to contemporary realities. In addition, it needed to provide a comprehensive and exhaustive listing of all county fees, charges, and applicable tariffs, including major revenue sources such as rates and environmental levies while clearly aligning them with relevant legislations.
 - ii The policy had gaps and inconsistencies in service costing and tariff application, failing to clearly separate public services from internal expenditures. The cost structure and revenue allocation across streams were unclear raising doubts about the accuracy of figures. Historical data and variable costs were inconsistently

applied, market classifications were incomplete and proper strategies not put in place to address the key challenges fronted. The policy required refinement for clearer methodology, accurate costing and effective implementation.

- iii The policy exhibited significant gaps and inconsistencies in tariff determination with unclear methodology, incomplete cost allocation and partial consideration of relevant factors key to costing of services. Major and minor revenue streams, legal references and costing approaches were inadequately addressed. Moreover, Tariffs for trade licensing, building approvals, parking, market access, housing rent, health services and outdoor advertising show mismatched parameters and questionable applicability. Multiple governance layers proposed were seen as recipe for inefficiencies while timelines and responsibilities were unclear, undermining transparency predictability and effective revenue collection.
 - iv The policy's implementation and institutional framework lacked clarity as it does not fully recognize the County Assembly's formal approval role in policy formulation, presents duplicated committee structures without explanation in the organogram and sets a capped membership for the technical committee that may exclude key department heads potentially compromising effective coordination, decision-making and oversight its implementation.
 - v The Policy has left a number of factors relevant for determining the tariffs to be charged to some future determination with no timeframe making their conclusion an issue of chance. Such factors include geographical categorization under trade licensing, factors in the Transport Act relevant to parking, framework for zoning of markets, legislation to regulate market activities, categorization of high exposure areas under outdoor advertisements among others.
4. **Mr. Speaker Sir**, the Committee reviewed the Policy with an aim of ensuring that it met the intentions required by the various provisions of the law and the best budgeting practices. In this regard, the Committee agreed with the County Treasury on how to cure the shortcomings above, some of which have been restated in subsequent parts of this report.

2.2. Compliance of the Draft Policy to the Legal Requirements

5. **Mr. Speaker Sir**, the framers of the Constitution recognized that the Government must generate revenue in order to remain afloat in the provision of services. In recognizing

unique needs of each level of Government in Kenya, Article 209(1) of the Constitution grants power to the National Government to impose taxes and charges i.e. income tax, VAT, custom duties and excise tax, and other taxes as may be authorized by Parliament. The Counties are not left behind and are given the legroom to impose property rates, entertainment taxes and other taxes as authorized by law. In as much as the law permits both levels of government to levy charges for services, the county taxation and other revenue rising measures must not undermine national economic policies, cross-county economic activities or the free movement of goods, services, capital, or labor. To uphold the principles of taxation of ensuring equity, fairness and certainty, Section 120 of the County Government Act, 2012 requires that a County Government or any agency delivering services in the County shall adopt and implement a Tariffs and Pricing Policy for the provisions of public service. Section 120 (1) (a) further requires that County Government or any of its agencies deliver the service in the County to adopt Tariffs and Pricing Policy subjected to the existing National Government Laws and policies.

6. **Mr. Speaker Sir**, the provisions of Section 120 (3) provides that the policy adopted shall reflect the following guidelines.
- a) Users of county services should be treated equitably in the application of tariffs, fees, levies or charges.
 - b) The amount individual users pay for services should generally be in proportion to their use of that service.
 - c) Poor households shall have access to at least basic services through — (i) (ii) (iii) tariffs that cover only operating and maintenance costs; special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or any other direct or indirect method of subsidies of tariffs for poor households.
 - d) Tariffs shall reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges.
 - e) Tariffs shall be set at levels that facilitate the financial sustainability of the service, taking into account subsidy from sources other than the service concerned.
 - f) Provision may be made in appropriate circumstances for a surcharge on the tariff for a service.

- g) Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users.
 - h) Promotion of the economic, efficient, effective and sustainable use of resources, the recycling of waste and other appropriate environmental objectives; and
 - i) Full disclosure of the subsidies on tariffs for poor households and other categories of users.
7. **Mr. Speaker Sir**, the law is cognizant of its subjects, and the provisions of Section 120 (4) has lived to this expectation by clearly reflecting that a tariff policy may differentiate between different categories of users, debtors, service providers, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination. The County is permitted by the provisions of Section 120(5) to come up with laws and regulations to give effect to the implementation and enforcement of tariff policies.
8. **Mr. Speaker Sir**, the Committee compared the draft Policy to the relevant legal provisions and found it generally met legal requirements. However, the Committee will propose amendments in areas where deficiencies have been identified.

2.3. Summary of issues and concerns raised during the Public Participation

9. **Mr. Speaker Sir**, in line with Articles 196 of the Constitution of Kenya which obligate County Assemblies to facilitate public participation in legislative and policy processes, the Nairobi City County Assembly undertook public participation on the Tariffs and Pricing Policy across all 17 Sub-Counties on 4th and 5th November 2025. Through these engagements the members of the public gave their reviews including concerns, grievances and observations on the proposed policy. In addition, some participants prepared and submitted written memoranda to the Assembly on the policy.
10. During the public engagement **Mr. Speaker Sir**, several pertinent issues were raised by them regarding the Policy. A detailed report on the same has been provided and tabled but in summary the following cross cutting issues were observed in most of the sub counties: -

- 1) Concerns on affordability, lack of clarity in billing methods, and inadequate stakeholder engagement during tariff reviews.
 - 2) Widespread dissatisfaction with the fairness, transparency and consistency of the current pricing structures applied by service providers.
 - 3) Difficulty in identifying genuine tax collectors.
 - 4) Need for the document to be translated to Kiswahili for better understanding.
 - 5) Need to create a formal, public mechanism with defined deadlines for providing official, timely feedback following all public forums.
 - 6) Need for proper awareness of the content of the documents intended to be presented to the public.
 - 7) Need for extensive advertisement period to enable the public to have ample time with the document before giving their views.
 - 8) General feeling that the policy proposals are likely to lead to hike in county charges.
11. **Mr. Speaker Sir**, the Committee observed that the document was technical in nature and as a result majority of the public needed more civic education on the content but appreciated that significant members of the public had great understanding of the scope of the policy given their output regarding the policy. Going forward the Committee urges the County Treasury to ensure that such policies are simplified and translated into Kiswahili language to reach a large spectrum of the County citizens.

2.4. Summary of adjustments on the Policy by the County Executive

12. **Mr. Speaker Sir**, the Committee convened meetings with County Executive during which it proposed amendments to the Tariffs and Pricing Policy arising from the in-depth scrutiny of the policy. During the sessions, the County Executive appreciated the Committee's observations, including corrections to inconsistencies, alignment of tariff rates with legal and policy frameworks and clarification of sections requiring greater accuracy and coherence. The engagement served to ensure that the policy reflected both technical and legislative expectations, thereby supporting a more transparent and implementable framework before further consideration by the Assembly.
13. **Mr. Speaker Sir**, out of the deliberations the teams jointly came up with proposed amendments to the Tariffs and Pricing Policy if made will have addressed the key issues identified during the Committee's scrutiny. The revisions considered the misalignments,

gaps and public concerns previously raised including economic updates, comprehensive coverage of fees and charges and clarity on cost allocation and revenue distribution. These adjustments, as contained hereunder, will ensure that the Policy is better aligned with legislative requirements, reflects current economic realities and provides a clearer framework for the pricing and delivery of public services.

2.5. Amendments and Improvements to the draft Policy

14. Mr. Speaker Sir, after review of the submitted Policy, deliberations with the County Treasury and consideration of the views submitted by the members of the public the Committee recommends that the following amendments be affected in various Sections of the draft Tariff and Pricing Policy 2025-30: -

- 1) That the Economic Information be updated to reflect the latest data on Gross County Product as contained in the release by the Kenya National Bureau of Statistics 2024.
- 2) That the Policy be amended to include list of all applicable tariffs, their enabling legal framework (including the Regularization Act) and attendant tariff determination criteria.
- 3) That the double reference to the Nairobi City County Solid Waste Management Act, 2015 be corrected.
- 4) That the Situation Analysis be amended to provide the actual services being rendered by the County and the ones indicated be deleted.
- 5) That the Policy differentiates between key expenditure items and services being offered against which it is applicable.
- 6) That the policy be adjusted to clearly indicate how the variable costs of inflation, depreciation and amortization shall be applied in tariff determination.
- 7) That for clarity and ease of understanding, further information be provided and included on how the revenues per stream have been distributed across the various costs.
- 8) That the policy be adjusted to ensure that the costs of service delivery are not replicas of approved budgets.
- 9) That the policy provides comprehensive narrative on how the unique cost identifiers for various tariffs shall be considered on determination of cost-of-service provision.



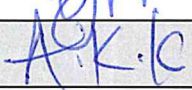

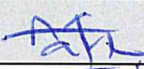
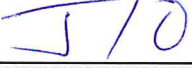
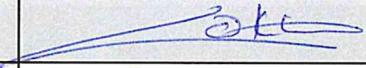
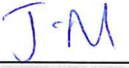


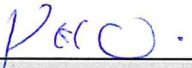
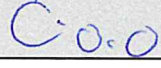
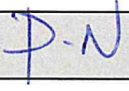
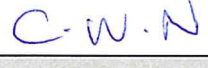
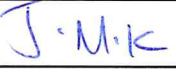
- 10) That the fixed cost of salaries across the various tariffs be reviewed and amended to ensure that the salary costs across various tariffs reflect the cost of officers directly involved in delivering the service under consideration.
- 11) That the policy provides definite timeline of finalizing factors left for future determination like geographical categorization under trade licensing, factors in Transport Act related to parking, framework for zoning of markets, legislation to regulate market activities and categorization of high exposure areas under outdoor advertising, categorization in Physical and Land Use for building plan approval among others;
- 12) That all the tariffs be reviewed to ensure that the fixed and variable costs used in determination of cost-of-service provision are relevant to respective tariffs.
- 13) That the calculations be reviewed to ensure that baseline data used in cost determination is accurate and current.
- 14) That the Policy be amended to properly indicate the role of the County Assembly in consideration of the Policy and any other subsequent review.
- 15) That the policy be amended to delete the Tariff and Pricing Technical Committees at the Sub County and Ward levels:
- 16) That the County Treasury in consultation with the Commission on Revenue Allocation adopts the use of fee units as opposed to fixed monetary value thereby making the policy responsive to dynamic economic environment;
- 17) That the County Treasury through the County Executive Committee Member for Finance and the County Secretary empowers and facilitates the Nairobi City County Revenue Authority to implement and be accountable for implementation of this policy:
- 18) That the County Treasury through the County Chief Officer responsible for Revenue Administration ensures that the above adjustments are made to the tabled Tariffs and Pricing Policy and the same is published, publicized and shared with the County Assembly not later than seven (7) days after the adoption of this report.

2.6. Recommendation

Mr. Speaker Sir, pursuant to the provisions of Article 209 (4) of the Constitution and Section 120 of the County Governments Act, 2012 the Select Committee on County Finance and Appropriations recommends that:

"This County Assembly adopts the Report of the Select Committee on County Finance, Budget and Appropriations on the Tariffs and Pricing Policy (2025-2030)"

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Consideration of the Nairobi City County Tariff and Pricing Policy for the period 2025-30 as adopted by the Committee on 1st day of December 2025

NAME	SIGNATURE
1) Hon. Wilfred Oluoch Odalo, MCA	
2) Hon. Emily Oduor, MCA	
3) Hon. Anthony Kiragu, MCA	
4) Hon. Moses Ogeto, MCA	
5) Hon. Mark Mugambi, MCA	
6) Hon. Jeckoniah Onyango, MCA	
7) Hon. Catherine Apiyo Okoth, MCA	
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20) Hon. Joyce Kamau Muthoni, MCA	
21) Hon. Waithera Chege, MCA	
22) Hon. Jane Wanjiru, MCA	