NAIROBI CITY COUNTY
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NAIROBI CITY
COUNTY ASSEMBLY
P. O. Box 45844-00100,
NAIROBI

FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

BUDGET STATEMENT FOR THE FISCAL YEAR 2026/2027

STATEMENT DELIVERED TO THE NAIROBI CITY COUNTY ASSEMBLY ON 28TH JULY 2026 BY MR. IBRAHIM NYANGOYA AUMA, COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE & ECONOMIC PLANNING, NAIROBI CITY COUNTY, ON BUDGET HIGHLIGHTS AND REVENUE RAISING MEASURES FOR FISCAL YEAR 2026/2027

CLERK
NAIROBI CITY
COUNTY ASSEMBLY
P. O. Box 45844-00100,
NAIROBI

1ST JULY, 2026 TO 30TH JUNE, 2027

Theme: Consolidating the Gains, Securing the Future

LET'S MAKE **NAIROBI** WORK

BUDGET STATEMENT FOR THE FINANCIAL YEAR 2026/2027

THEME: CONSOLIDATING THE GAINS, SECURING THE FUTURE

INTRODUCTION

Mr. Speaker,

Pursuant to Article 220 of the Constitution and Section 129 of the Public Finance Management Act, 2012, I rise to present the Nairobi City County Budget Estimates for the Financial Year 2026/2027.

The Budget is guided by the theme **"Consolidating the Gains, Securing the Future."** It is anchored on fiscal responsibility, prioritisation, transparency, accountability, public participation and equitable allocation of resources, with a clear focus on improving services across all wards.

This is the fourth financial plan under the leadership of His Excellency Governor Johnson Arthur Sakaja and advances our commitment to **Order, Dignity, Hope and Opportunity**, the implementation of the CIDP 2023–2027 and our vision of making Nairobi a globally competitive, prosperous and livable city.

I thank His Excellency the Governor, the County Executive and this Honorable Assembly for their support and contribution to the preparation of this Budget.

POLICY PRIORITIES AND ECONOMIC OUTLOOK

Mr. Speaker,

The Budget has been prepared against a backdrop of global and domestic economic pressures, including geopolitical tensions, climate-related shocks and commodity price fluctuations. These challenges have affected economic activity, own-source revenue and service delivery. Nevertheless, the economy remains resilient, and the County has recorded improved revenue performance compared to previous years.

As Kenya's economic hub, Nairobi must continue creating an enabling environment for residents, businesses and investors.

The FY 2026/2027 Budget Estimates, submitted to the County Assembly on 30th April 2026, seek to strengthen institutional transformation, improve service delivery and sustain implementation of the CIDP 2023–2027 under our rallying call:

"LET'S MAKE NAIROBI WORK."

Our medium-term priorities are to:

a) Enhance own-source revenue collection;
b) Strengthen fiscal discipline and expenditure efficiency;
c) Accelerate infrastructure development;
d) Improve healthcare;
e) Expand access to quality education;
f) Support youth empowerment and job creation;
g) Enhance environmental sustainability; and
h) Deepen digital transformation and service delivery reforms.

Mr. Speaker,

These priorities have also been informed by public participation. Nairobians highlighted key challenges including inadequate infrastructure, water and sewerage deficits, traffic congestion, growth of informal settlements, inequality and flooding.

The County will continue investing in roads, non-motorised transport, public transport, solid waste management, public parks, affordable housing, fire services, markets, healthcare, education, school feeding and vocational training.

SUPPORT FOR AFFORDABLE HOUSING

Mr. Speaker,

The County aims to develop **10,000 housing units**, renovate existing County estates and improve living conditions in **nine informal settlements** through slum-upgrading initiatives.

These interventions will support safer and more dignified housing while advancing urban renewal across Nairobi.

INSTITUTIONAL REFORMS

Mr. Speaker,

The County will continue implementing institutional and structural reforms outlined in the County Fiscal Strategy Paper 2026 to strengthen efficiency, accountability and service delivery.

IFMIS remains central to expenditure management, while the County will further leverage ICT through implementation of an **Enterprise Resource Planning system** to integrate County systems, strengthen financial controls, improve revenue administration and procurement, maximise revenue collection and reduce the cost of outsourced services.

PENDING BILLS

Mr. Speaker,

Pending bills accumulated over the years continue to constrain the County's fiscal space, affect service delivery and place financial pressure on suppliers, contractors and retirees.

The County therefore intends to clear the majority of outstanding pending bills.

To prevent further accumulation, the County Treasury will strengthen expenditure controls and require sectors to settle their obligations and clear pending bills before the close of each Financial Year.

FISCAL FRAMEWORK FOR FY 2026/2027

Mr. Speaker,

Over the years, the County has experienced fiscal pressures largely arising from underperformance in own-source revenue.

The fiscal policy underpinning the FY 2026/2027 Budget seeks to reverse this trend through stronger revenue mobilization and improved management of own-source revenue.

To this end, the County will continue with the operationalization of the **Nairobi City County Revenue Authority** to address the structural, governance and administrative reforms necessary to achieve our revenue targets.

The County has also established a Customer Care Centre where Nairobians can conveniently make enquiries and pay for County services.

On expenditure, the County will pursue reforms aimed at strengthening prudent management of available resources, reducing expenditure on non-core activities and creating additional fiscal space for development.

REVENUE AND EXPENDITURE PROJECTIONS FOR FY 2026/2027

Mr. Speaker,

The total projected revenue for the Financial Year 2026/2027 amounts to **Kshs. 49.27 billion**, comprising:

- Kshs. 23.47 billion from equitable share and grants;
- Kshs. 20.86 billion from own-source revenue;
- Kshs. 3.2 billion from the Health Facilities Improvement Fund and liquor licensing revenue; and
- Kshs. 1.7 billion in projected cash balances.

The proposed expenditure for the Financial Year 2026/2027 also amounts to **Kshs. 49.27 billion**, comprising:

- Kshs. 34.36 billion in recurrent expenditure; and
- Kshs. 14.91 billion in development expenditure.

This allocation ensures that development expenditure accounts for approximately **30 per cent of the total Budget**, in compliance with Section 107 of the Public Finance Management Act, 2012.

BUDGET HIGHLIGHTS FOR FY 2026/2027

Mr. Speaker,

Allow me now to highlight some of the key allocations and interventions contained in the Budget for the Financial Year 2026/2027.

As indicated, the total County Budget stands at **Kshs.49.27 billion** and is guided by our theme, **"Consolidating the Gains, Securing the Future."**

DECENTRALISATION OF SERVICES TO BOROUGHS

Mr. Speaker,

To bring services closer to the people, I have allocated **Kshs. 421 million** towards completion of Borough, Sub-County and Ward offices.

The Boroughs will serve as focal points for planning and as one-stop centres through which residents can conveniently access County Government services.

This will reduce the time and cost incurred by Nairobians in accessing services while strengthening responsive and decentralised service delivery.

WARD DEVELOPMENT PROGRAMME

Mr. Speaker,

The Ward Development Programme is intended to reduce disparities in resource allocation and development across all wards.

The impact of this programme continues to be felt across the County. However, implementation of ward projects has faced several challenges that have resulted in delays and, consequently, delayed delivery of much-needed services to residents.

The County Treasury has embarked on the payment of completed certificates to pave the way for seamless implementation of ward projects in the coming Financial Year.

The projects to be implemented under this programme will be ward-based and informed by the priorities identified in each ward, with a strong focus on infrastructure development.

I have therefore proposed an allocation of **Kshs. 2.255 billion** for the Ward Development Programme in FY 2026/2027.

IMPROVING EFFICIENCY IN PROCUREMENT

Mr. Speaker,

Implementation of the programmes and projects contained in this Budget will require an efficient, competitive and transparent procurement system.

In line with Government policy on e-procurement, the County has embraced electronic procurement processes.

This has enhanced efficiency, strengthened transparency and increased competition, enabling the County to obtain goods, works and services at competitive prices while improving accountability in procurement.

ENHANCING QUALITY AND AFFORDABLE HEALTHCARE

Mr. Speaker,

Healthcare remains a key priority of this Administration.

Infrastructure development will continue through upgrades and expansion of key hospitals, including **Pumwani Maternity Hospital, Mutuini Hospital and Mama Lucy Kibaki Hospital**.

The County will prioritise equipping health facilities with modern diagnostic and treatment equipment, modernising health data systems to support better decision-making, and investing in medical engineering and other capital projects required to meet growing demand.

To strengthen affordable healthcare, I have allocated **Kshs. 600 million** for stocking of sufficient pharmaceuticals and non-pharmaceutical supplies in County health facilities.

I have further allocated **Kshs. 1.06 billion** for the construction, equipping and rehabilitation of health facilities.

Ensuring that affordable, quality healthcare remains accessible to all Nairobians continues to be one of our key priorities.

SCHOOL FEEDING PROGRAMME

Mr. Speaker,

To support school-going children across Nairobi, I have allocated **Kshs. 900 million** towards the Public Primary Schools and ECDE Centres Feeding Programme.

The programme will contribute towards improving the nutritional status of learners while encouraging regular school attendance and supporting increased enrolment, improved learning outcomes and transition to higher levels of education.

INVESTING IN INFRASTRUCTURE DEVELOPMENT

Mr. Speaker,

The priority for the infrastructure sector will be to enhance mobility, pedestrian safety and connectivity through the construction and rehabilitation of roads, street lighting, storm-water drainage systems and bridges.

Completion of ongoing road works will remain a key priority, together with rehabilitation and maintenance of existing infrastructure.

I have therefore allocated **Kshs. 2.4 billion** to facilitate implementation of development projects within the sector.

ENHANCING ACCESS TO EDUCATION AND TALENT DEVELOPMENT

Mr. Speaker,

To enhance access to education and support the National Government's efforts towards achieving 100 per cent transition to secondary education, the County Government will continue providing bursaries to needy students.

I have allocated **Kshs. 793 million** towards bursaries for deserving students.

Out of this allocation, **Kshs. 7 million will be allocated to every ward**, with the balance supporting continuing students under the Executive Scholarship Programme.

Mr. Speaker,

In our efforts to nurture and develop talent, I have further allocated **Kshs. 1.4 billion** towards the completion and rehabilitation of sports complexes, stadiums, ECDE centres and other social facilities.

These investments will create opportunities for our young people, support talent development and improve access to community facilities across Nairobi.

CREATING A CONDUCIVE BUSINESS ENVIRONMENT

Mr. Speaker,

To create an enabling environment for traders, entrepreneurs and investors, I have allocated **Kshs. 491 million** towards the construction and rehabilitation of various markets across the County.

In addition, **Kshs. 190 million** has been allocated towards financial support for Small and Medium Enterprises through the **Biashara Stimulus Programme**.

These interventions will strengthen entrepreneurship, improve trading infrastructure and support the growth of small businesses, which remain a critical source of employment and livelihoods for thousands of Nairobi residents.

SUSTAINABLE ENVIRONMENTAL MANAGEMENT

Mr. Speaker,

The Green Nairobi Environment Strategy for FY 2026/2027 focuses on environmental conservation, improved sanitation, strengthened solid waste management and increased access to safe and clean water.

To support these priorities, I have allocated **Kshs. 5.3 billion** to Environment, Water and Natural Resources, comprising **Kshs. 3.88 billion for recurrent expenditure** and **Kshs. 1.47 billion for development expenditure**.

Through these investments, we will continue working towards a cleaner, greener, healthier and more resilient Nairobi.

COUNTY ASSEMBLY

Mr. Speaker,

The County Assembly plays a critical role in the governance of Nairobi City County through legislation, approval of policies and budgets, consideration of development plans, tariffs, rates and service charges, and oversight of the County Executive.

To support the Assembly in discharging its constitutional and statutory mandate, I have proposed an allocation of **Kshs. 4.5 billion** for its recurrent and development expenditure.

REVENUE-RAISING MEASURES AND SUSTAINABILITY

Mr. Speaker,

I now turn to the fiscal projections and revenue-raising measures for the Financial Year 2026/2027.

The Budget will be financed through transfers from the National Government and County own-source revenues.

As highlighted earlier, the total resource projection for FY 2026/2027 stands at **Kshs. 49.27 billion**, up from **Kshs. 44.6 billion** in FY 2025/2026.

To finance the Budget, the County Treasury projects:

- Kshs. 20.86 billion from own-source revenue;
- Kshs. 2.7 billion from the Health Facilities Improvement Fund;
- Kshs. 400 million from liquor revenue;
- Kshs 135 million from gaming and
- Kshs. 23.47 billion from external sources.

We remain optimistic that the revenue pressures experienced during the challenging economic period will ease in the coming Financial Year.

To realise the projected own-source revenue, the County Government will strengthen the governance and administration of revenue through the full operationalisation of the Nairobi City County Revenue Authority, alongside other revenue mobilisation strategies.

STRUCTURAL AND ADMINISTRATIVE REFORMS

Mr. Speaker,

The County will continue strengthening the legal and administrative framework for revenue mobilisation through the Nairobi City County Revenue Authority to ensure that key revenue streams are supported by appropriate legislation and efficient systems.

We will expand the use of digital platforms to improve convenience, transparency and compliance, while broadening the revenue base.

Key measures will include formalising land rates for sectional properties, fully rolling out the Unified Business Permit, introducing flexible payment arrangements for informal traders, strengthening small-format and billboard advertising revenue, and regularising unauthorised developments in accordance with applicable laws.

The County will also map revenue streams, cascade clear targets across Sub-Counties and Wards, strengthen inspection and enforcement, improve stakeholder engagement and civic education, and clean revenue data to establish accurate outstanding receivables and strengthen recovery.

Mr. Speaker,

Importantly, the County does not intend to increase fees and charges in the coming Financial Year. Our focus will instead be on widening the revenue base, improving compliance, optimising underperforming revenue streams and strengthening billing, collection and enforcement.

CONCLUSION

Mr. Speaker,

As I conclude, the County Government remains committed to delivering its development priorities and transforming Nairobi into a globally competitive and liveable **City in the Sun**, founded on **Order, Dignity, Hope and Opportunity**.

This Budget has been developed through a consultative process and within a constrained fiscal environment. Difficult choices have therefore been necessary to ensure that available resources are directed to areas that deliver the greatest benefit to Nairobians.

I wish to thank His Excellency the Governor, your Office, the Clerk of the County Assembly, the Finance, Budget and Appropriations Committee led by Hon. Wilfred Odalo, all Sectoral Committees, the Majority Leader Hon. Peter Imwatok, the Minority Leader Hon. Antony Kiragu, my fellow County Executive Committee Members, County Chief Officers and the County Treasury team for their contribution to this process.

I also thank the people of Nairobi for their continued participation in County affairs and for fulfilling their civic obligations that sustain service delivery.

Mr. Speaker, we remain committed to the priorities identified by Nairobians and to our shared resolve:

"LET'S MAKE NAIROBI WORK."

Thank you, and may God bless Nairobi City County.

Mr. Speaker, allow me to submit the Budget Statement for the Financial Year 2026/2027 to this Honourable House for consideration.

THANK YOU, HONOURABLE SPEAKER.

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