NAIROBI CITY COUNTY

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2020

FOREWORD

The Financial Year 2019/2020 was a unique year, characterized by tough health challenges due to the Covid-19 pandemic, which in turn led to diminishing fortunes economically. The content of this BROP is evident enough that the consequence of the pandemic had far reaching impacts, not only to the household level where individuals suffered economically for basic needs, but also to the county government which could not meet its revenue targets and also implementation of the budget. Nairobi County Economy operates within the global and domestic economy, thus the effect of the pandemic is foreseen to hinder us in the medium term.

The second phase of the implementation of the FY 2019/2020 budget was not successful as envisaged, and achievement of county development targets was largely hampered. Revenue targets fell short in the financial year with only Ksh. 20.69 of the Ksh. 34.24 being actualized. Own source revenue remained the key contributor to this shortfall, achieving only 49.7% of the target.

Budget absorption was also low, largely due to the reduced government activities, with budget commitment being at Ksh 23.35Billion out of the targeted Ksh.36.98B. Absorption of development expenditure remained low despite over 30% of the approved 2019/2020 budget being assigned for development. Only Ksh. 1.98B, which translates to 8% of actual expenditure, was utilized for development. The County Government, however, remain resolute to increase spending towards development, in order to achieve the development targets as espoused in the CIDP 2018-2022. Further, the county remains committed to ensuring prudent management of public resources and operating within the fiscal responsibility principles stated in the Public Finance Management regulations.

This CBROP remains significant in reviewing our previous performance, as well as shape our fiscal outlook in the medium term by providing provisional sector ceilings. It is my hope and plea that all actors in the NCC join together, to ensure the grim picture portrayed here in is halted and reversed

ALLAN ESABWA IGAMBI

CECM-FINANCE AND ECONOMIC PLANNING

NAIROBI CITY COUNTY

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LIST OF ABBREVIATIONS

ADP	ANNUAL DEVELOPMENT PLAN
CB**ROP**	COUNTY BUDGET REVIEW OUTLOOK PAPER
CBK	CENTRAL BANK OF KENYA
CIDP	COUNTY INTEGRATED DEVELOPMENT PLAN
CFSP	COUNTY FISCAL STRATEGY PAPER
DANIDA	DANISH INTERNATIONAL DEVELOPMENT AGENCY
EPZ	EXPORT PROCESSING ZONE
FY	FINANCIAL YEAR
GDP	GROSS DOMESTIC PRODUCT
GOK	GOVERNMENT OF KENYA
ICT	INFORMATION COMMUNICATION TECHNOLOGY
JKIA	JOMO KENYATTA INTERNATIONAL AIRPORT
KENHA	KENYA NATIONAL HIGHWAY AUTHORITY
KURA	KENYA URBAN ROADS AUTHORITY
NCCG	NAIROBI CITY COUNTY GOVERNMENT
NHC	NATIONAL HOUSING CORPORATION
NSSF	NATIONAL SOCIAL SECURITY FUND
PFMA	PUBLIC FINANCE MANAGEMENT ACT
SBP	SINGLE BUSINESS PERMIT
SSA	SUB SAHARAN AFRICA
OSR	OWN SOURCE REVENUES

SECTION I: INTRODUCTION

1.1 Legal Basis for the Publication of the Budget Review and Outlook Paper

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

(1) The County Treasury shall prepare a County Budget Review and Outlook Paper in respect of the County for each of the financial year and submit the paper to the County Executive Committee by the 30th September of that year.

(2) The Budget Review and Outlook Paper shall include:

a) Actual fiscal performance in the previous year compared to the budget appropriation for that year;

b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;

c) Information on any changes in the forecasts compared with the County Fiscal Strategy Paper; and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year;

d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

(3.) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

(4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

a) Arrange for the Paper to be laid before the County Assembly; and

1.2 Fiscal responsibility principles in the Public Financial Management Law

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

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

1.3 Objectives of County Budget Review and Outlook Paper

1. The objective of the 2020 County Budget Review and Outlook Paper is to provide a review of the fiscal performance in the financial year 2019/2020 and how this impacts the financial objectives and fiscal responsibility principles. This together with updated macroeconomic outlook provides a basis for the revision of the budget in the context of Supplementary Estimates for FY 2020/2021 and the broad fiscal parameters underpinning the FY 2021/2022 budget and the medium term. Details of the fiscal framework and priorities will be firmed up in the County Fiscal Strategy Paper 2021.

2. The document further provides indicative sector ceilings for the FY 2021/2022 and the Medium Term and this sets in motion the budget preparation for the same period. Sector ceilings are based on the projected resource envelope and will be firmed up in the CFSP 2021.

3. The FY 2020/2021 estimates will be anchored on the CIDP 2018-2022 while taking into account the Nairobi regeneration initiative and in support of the Big Four Agenda, and also focused in contributing the achievement of the vision 2030. Therefore expenditure priorities shall be aligned to programmes that support Big Four Plan and the Nairobi Regeneration agenda within the confines of the constitutional mandate of the Nairobi City County Government (NCCG).

4. The revenue performance the FY 2019/2020 has important implications on the 2020/2021 budget estimates in respect to revenue shortfall. To remedy this 2020 County Budget Review Outlook Paper will focus on methodologies of boosting revenue, and minimizing expenditure mostly non-essential ones.

1.4 Organization of the Document

5. The rest of the document is organized as follows; **Section II** provides a review of the fiscal performance in financial year 2019/2020 and its implication on the financial objectives set out in the last CFSP 2020. **Section III,** provides highlights of the recent economic developments and the outlook. **Section IV** provides the resource allocation framework and conclusion is provided in **Section V**.

SECTION II: REVIEW OF FISCAL PERFORMANCE IN 2019/2020

2.1 DEVELOPMENT PRIORITIES FOR THE FY 2019/2020

6. Prioritization of resource allocation was based on the County Integrated Development Plan, broad development policies of the County Government in term as well as the medium term priorities identified during the County-wide public consultative forums. The development objectives stipulated in the CFSP for FY 2019/20 were underpinned by the CIDPs eight point development agenda, and was geared towards achieving the following:

Area (I): Governance and Stakeholder Participation

7. Sustainable economic development and growth is largely influenced by good governance that seeks to best deliver to the expectations of the people in a timely, efficient and predictable manner. Furthermore, good governance is a major ingredient for attracting quality investment that is expected to trigger economic development in the County. The Government sought to further entrench gains made in inculcating principles and values of good governance. These include; Accountability, Transparency, Excellence, Accessibility, Integrity, Responsiveness, Teamwork and Equity.

8. To bolster the above the government targeted improvement of stakeholder participation in policy development, enacting of appropriate legislation for good governance, and corruption eradication in all its forms

Area (II): Financial Sustainability

9. The county targeted to ensure long term financial principles In line with Article 226 of the Constitution of Kenya and the Public Finance Management Act 2012. To achieve this, the county focused in improving revenue management through embracing both automation and innovation in revenue collection, development of legislation related to revenue collection, and integrated of revenue collection systems through an ERP.

10. On the other side, the government targeted prudent application of public resources for maximum returns to the public. In this regard, ongoing reforms in public procurement was accelerated in 2019/20 to guarantee value for money in each expenditure. New approaches to reduce non-essential expenditure was to be embraced in this FY

11. To achieve this financial sustainability, the County treasury is endeavored to enhancing budgetary resources towards Economic Planning in order to facilitate timely production and dissemination of development plans, research, production and dissemination of County statistics as well as regular monitoring and Evaluation. Additionally, sector-wide capacity development on project design, Planning and Management was enhanced to ensure that only projects with the highest propensity to address priority socio-economic concerns facing Nairobians receive funding.

Area (III): Institutional Transformation

12. The county intends to accumulate the gains of the ongoing culture change programme in order to ensure that the County Government has put in place systems to ensure that the entire organization shifts gear from the grim image that has persisted for long.

13. Embracing the results based Approach in all county operations was a priority in the FY 2019/20. In furtherance of this practice sector performance targets were agreed upon, RRI teams constituted and the practice of Monitoring & Evaluation across all departments.

Area (IV): Physical infrastructure and services

14. In order to ensure sustained economic transformation, and a competitive City economy, the government prioritized to accelerate the pace for investment in Road network expansion and maintenance, street lighting, energy, expansion of non-motorized transport facilities and traffic decongestion. The target for the medium term is to maintain 550Kms of Roads across the county on required basis. This involved patching, sealing, filing ruts, cracks and depressions and rectifying defects arising from use

15. The medium term target in traffic management was to roll out a traffic simulation system, implement and expand signalized junctions, develop an Intelligent Transport System for the City, construct and commission commuter rail and operationalize a Rapid Public mass Transport System for the City. This was to be accompanied by development of a functional NMT in the entire county.

16. Street lighting programme was also prioritized in 2019/20 to build on the gains achieved in 2017/18 where 39,000 number of lights and 20,800 street lights maintained. In this regard, the Government was keen on developing and rolling out a green building promotion programme in order to diversify into other eco-friendly energy sources, promote the adoption of more efficient energy infrastructure such as LED lights and implementation of a maintenance programme for energy infrastructure.

17. A well-functioning drainage system is a major safeguard for road infrastructure, property and lives of people during flash floods which have become more regular and heavier in impact over the last few years. Improvement of the drainage system was also prioritized to accompany road maintenance and construction

18. The County prioritized upscaling the capacity for provision of clean and safe water, improve sanitation conditions in order to meet rising demand for these services as a result of rapid population growth. Further investment in expansion of the sewer line and management of solid waste still remained a priority in 2019/20 and in the medium term.

Area (V): Social and Community Development

19. The government recognizes the important role played by the social sectors of Education and health in making sustainable socioeconomic transformation a reality. A well-coordinated and fully functional social package will reduce the burden of economic shocks on households and enhance access to services by most Nairobians. In this regard, the Government will continue investing in quality and accessible healthcare services and free quality early childhood education as well as strengthening the social protection programmes. This investment will target the Youth, Women, Children and People living with disabilities for social inclusion.

20. Nairobi County government is leading the way to making universal health coverage a reality in line with the Kenya Health Policy (2014-2030) and the Kenya Health Sector Strategic and Investment Plan, through rapid health infrastructure expansion, acquisition of specialized equipment and capacity building, we continue to register impressive gains in this sector. improved access to high quality free maternity services in all our facilities remains a key priority in this sector.

21. With over 80% of the operational ECDE centers in the county being non-formal, the government is committed to ensure access to quality education is guaranteed. The county therefore prioritized provision of free ECDE to all, which will be coupled with construction of ECD classes and provision of didactic materials. To boost transition in from both primary and secondary schools, bursaries will be offered to clever but needy students to keep them in school.

22. Housing needs for the City stand at 100,000 units annually. In order to mitigate this demand, the County government seeks to redevelop7 no of old estates through urban renewal program. The targeted estates are: Old Ngara, Jevanjee, New Ngara, Suna Road, Uhuru, Pangani and Ngong Road. This programme is expected to deliver additional 10,000 housing units within the medium term. The bulk of resources for this program will be harnessed through EPC.

23. Other investments towards improvement of social sectors include development of sports and recreation through construction of stadia and social halls, artistic and cultural development through festivals and art exhibitions, library development and equipping, and expansion of crematoria services.

Area (VI): Safety and Environment

24. The Government is committed to guaranteeing a safe and secure environment for residents, investors and workers to operate in. In this regard, resources will be invested in security surveillance, intelligence gathering, personnel training and equipment. The city inspectorate department will be modernized to achieve a trustworthy and recognized law enforcement status that strictly observes human rights in the discharge of their mandate. This sector will require a lot of collaboration with members of the public, National security agencies and other development partners to actualize. Management of disasters and provision of emergency services remain a key priority for the county

2.2 OVERVIEW OF FISCAL PERFORMANCE

16. Total revenue collections in the financial year 2019/2020 amounted to Ksh. 20.7 billion against a target of Ksh. 34.2 billion which is an achievement of 60.5% of the total. The underperformance of revenues was largely contributed by the underperformance of Own Source Revenues (OSR) which only managed 49.7% of the target of Ksh. 17.2 billion. This situation was largely due to the Covid-19 pandemic

17. Total expenditures on a commitment basis amounted to Ksh. 23.35 billion against the revised target of Ksh. 36.98 billion. This low absorption of both the recurrent and development expenditures was occasioned by the reduced activities due to the Covid-19 pandemic. In addition, the underreporting of expenditures by especially health facilities also contributed to the lower absorption rates and the gaps maybe narrowed when the financial statements are finalised.

2.2.1 REVENUE PERFORMANCE

18. By the end of the financial year 2019/2020, the total revenue including equitable share, conditional grants and own source revenues amounted to Ksh. 20.69 billion against revised target of Ksh. 34.24 billion. This represents an overall shortfall of Ksh. 13.55 billion: An achievement of 60.4% of the target revenue (**Table1**).

19. Receipts from the National GOK includes the revenues from the equitable share and conditional grants as outlined in the County Government Revenue Allocation Act 2018. The total amount targeted in the financial year 2019/2020 from the National Government was Ksh 16.64 billion. Actual receipts were Ksh 11.4B as equitable share and Ksh 723Million as conditional grants.

Table 1: Nairobi County Government FY 2019/2020 Revenues (Ksh. M's)

Revenue Type	Approved Target	Revised Targets	Actual	Deviation From Revised Target	% Deviation On Revised Target
Equitable Share	15,920	15,920	11,446	(4474)	(28.1)
Conditional Grants	1,165	1,165	723	(442)	(38.0)
Own Source Revenues	17,316	17,156	8,523	(8,632)	(50.3)
Total	**34,401**	**34,240**	**20,693**	**(13,548)**	**(39.6)**

Source: County Treasury, 2020

OWN SOURCE REVENUES

20. By the end of June 2020 total cumulative internal revenues amounted to Ksh. 8.52 billion Against a target of Ksh. 17.16 billion. This represented a revenue achievement of 49.68% of the revised target **(Table 3)**. The underperformance mainly affected the key revenue streams of rates, single business permits, parking fees and billboards that make up the major internal sources contributing over 75% of the internal revenue targets.

Table 3: Own Source Revenues Performance for FY 2019/2020 (Ksh. M's)

REVENUE STREAM	Target	Actual	Deviation from Target	% Deviation from Target
RATES	3,925	1,873	(2,052)	(52.27)
SINGLE BUSINESS PERMITS	2,892	1,587	(1,305)	(45.13)
PARKING FEES	2,763	1,545	(1,218)	(44.07)
BLDNG PERMITS	2,101	457	(1,644)	(78.26)
BILLBOADS & ADVERTS	1,425	754	(671)	(47.09)
FIRE SERVICES	458	218	(241)	(52.47)
HOUSE RENTS	615	495	(120)	(19.47)
FOOD HANDLERS CERT	300	128	(172)	(57.43)
OTHER MARKETS	232	56	(177)	(75.99)
WAKULIMA MARKET	192	109	(83)	(43.10)
REGUL. OF BLDNG/ CHANGE/AMALG/SUB	166	88	(78)	(46.84)
WAYLEAVE	150	110	(40)	(26.62)

REVENUE STREAM	Target	Actual	Deviation from Target	% Deviation from Target
BETTING CONTROL & LOTTERIES	120	1	(119)	(98.89)
GARBAGE/TIP CHARGES	120	24	(96)	(79.86)
MARKET STALLS RENTS	102	87	(15)	(14.93)
MUTHURWA MARKET	72	43	(29)	(40.35)
LIQUOR LICENSES	289	179	(110)	(38.16)
OTHER INCOMES	1,232	769	(463)	(37.58)
TOTAL OSR REVENUES	**17,156**	**8,523**	**(8,632)**	**(50.32)**

Source; County Treasury 2020

Rates

21. Total accumulated collections from rates was Ksh. 1.873billion against a target of Ksh. 3.93 billion (or **52.3 % deviation from the target**.).The reasons for the deviation includes but not limited to: poor rates records, poor collection mechanisms and enforcement challenges. As part of the revenue enhancement strategy the county should leverage on digitization of rates to make it easier for customers to obtain bills and pay online. In addition data cleansing of rates records is critical to ensure only accounts that are ratable are found in the records. This is a continuous process that should ensure that all sub counties are regularly updated in the rates records.

Parking Fees

22.. The total cumulative receipts from parking fees amounted to Ksh. 1.55 billion against a target of 2.9 billion therefore recording a deviation from target of Ksh. 1.35 billion or **44.07 % deviation from target).** In order to optimize revenues from parking fees, there is need to enhance supervision as well as increase enforcement. The demand for parking in the county has outpaced supply and therefore parking demand is relatively price inelastic. Rise in parking fee should therefore attract a commensurate rise in parking revenue.

Single Business Permits

23. Total collections from single business permits in FY 2019/2020 amounted to Ksh. 1.59 billion against a target of Ksh. 2.9 billion, **a deviation of 45.13 % from the target.** The underperformance was due to: poor enforcement; invasion by unscrupulous business people; inaccuracy of records on business establishments, undercharging based on e-payment system, and slow pace of devolution of this stream to the sub-counties. However, enhanced enforcement and sealing off the leakages will help improve revenue collection. There is also need to carry out a baseline census on business establishment in the County to establish accurate records for proper projections to enable optimize revenue from this stream,

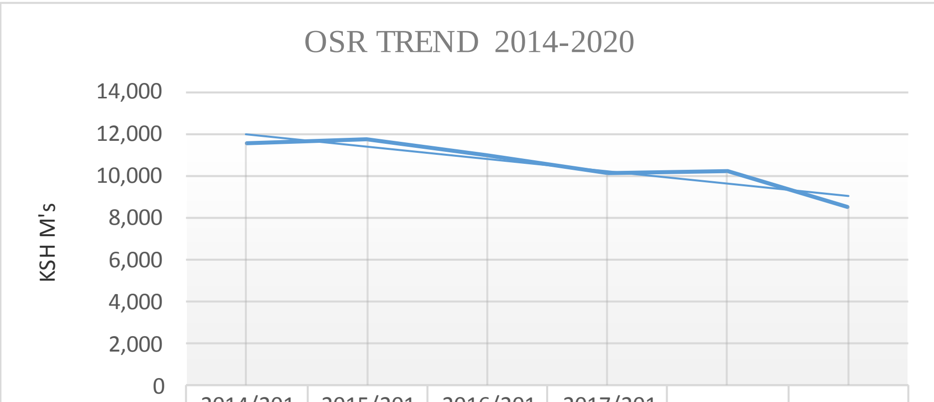
Building Permit

24. Total collections in the FY 2019/2020 amounted to Ksh. 457 Million against a target of Ksh.2.1 billion (**or 78.3 % deviation from the target**). The decline and continued low outturns in this stream can still be attributed to non-disclosure and adherence of county building regulations; weak enforcement of building standards and regulations; undervaluation as it's based on user own assessment; collusion & evasion and lack of awareness on requirements for building approval. In order to enhance revenue from this stream, there is need for use technology and increase in enforcement of building regulations.

Advertisements & Bill Boards

25. The total accumulated revenues for billboards and advertisements as at June 2020 was Ksh. 754 million against a target of Ksh. 1.43 billion (**or 47.1 % deviation from target).** This revenue stream can be improved by enhancing monitoring all billboards by leveraging on private sector expertise in monitoring billboards. Overall the entire revenue administration systems requires a major overhaul to enhance improve efficiency and effectiveness in revenue management.

Figure 1 Actual Revenues from 2013/2014-2019/2020



	2014/2015	2015/2016	2016/2017	2017/2018	2018/19	2019/20
Series1	11,582	11,708	10,929	10,109	10,172	8,523

Reasons for Failure to Achieve Target in 2019/2020

The underperformance in Revenue collection in FY 2019/2020 was largely attributed to the Covid 19 pandemic, which resulted to reduced activities both by the government and the public. The second half of the FY was largely characterized by reduced movement due to cessation, and staff working from home as due to the advisory to combat Covid 19. It necessary to note that revenue peaks in the second and third quarters. Other factors that contributed to low revenue are as follows;

I. Default by Government institutions in Rates due to non-remittance of CILOR and Parking in respect to reserved parking bays.

II. Court injunctions by professional bodies, Kenya Airport Authority, Millers and Petroleum transporters in respect to Single Business Permits, Outdoor Advertisements, Cess for dry cereals.

III. Frequent system downtimes and lack of integrations making it difficult for customers to make payments and delay in updating payers account hence a big challenge in enforcement

IV. Lack of Revenue Management Structure as each sector is responsible for revenues domicile under them independently

V. Effect of Covid-19 that resulted in closure of many businesses and lower business activities with effect from March 2020

VI. Lack of inspections and enforcements to ensure compliance as a result of (iii) above.

Revenue Raising Measures to Achieve Targets for FY 2020/2021 to 2023/2024

The County Treasury has put in place the following revenue raising measures in addition to the above proposed charges:

a) Public awareness on all the County levies for citizen to know how much, how to pay, deadlines and consequences of being in default.

b) Acquired new system for Automation and making it easy and convenient to make payments online and at the sub county through the integrated system with real time updating of accounts and monitoring for evaluations and remedial actions whenever negative variance is noted.

c) Fast track clearance and issuance of land ownership documents and incorporates all properties in the Rates struck

d) Prompt billing and serving of demand notices combined with continuous inspections and enforcement to ensure compliance

e) Commenced the mapping of Revenues to establish potential for each revenue stream and set realistic targets for revenue streams and collectors based on actual numbers of businesses and activities.

f) Appointed KRA as agent for overall revenue collections to enhance proper revenue management under one command for efficient collection, enhanced supervision and daily monitoring of collections.

g) Provision of the necessary tools to facilitate collections, inspections and enforcements i.e. transport, stationeries, POS, inspection gadgets, Clamps etc.

h) Follow up and finalize on all court cases challenging the County's charges as contained in the Finance Acts

i) Create an avenue for continuous seamless interaction between NCCG, NMS and KRA on effective revenue collection operations in line with a revenue management structure that has a proper working relationship between NCCG, NMS and KRA to eliminate conflict of staff, functions and reporting

2.3 EXPENDITURE PERFORMANCE

26. Total expenditures by commitments in financial year 2019/2020 amounted to Ksh. 23.35 billion against a target of Ksh. 36.98 billion. The under absorption was recorded in both recurrent and development expenditures but was more prevalent in development. Out of the total expenditure, only Ksh. 1.98 B was utilized for recurrent expenditure, only 8.5% of total expenditure. This means **91.5% of actual expenditure** went to recurrent.

TABLE 4: Total Expenditure for FY 2019/2020

ITEM	Approved Target	Revised Target	Actuals	Deviation	% Deviation from target
TRANSFERS TO COUNT ASSEMBLY					
Recurrent	1,410	1,410	1,304	(106.20)	(7.53)
Development	1,530	45	-	(44.70)	(100.00)
Sub-total (County Assembly)	2,940	1,455	1,304	(150.90)	(10.37)
COUNTY EXECUTIVE					
Employee Costs	13,562	13,617	12,537	(1,079.75)	(7.93)
Use of goods and services	10,739	13,870	7,533	(6,337.11)	(45.69)
Development	9,741	8,040	1,980	(6,060.18)	(75.37)
Sub-total (County Executive)	34,041	35,527	22,050	(13,477.05)	(37.93)
TOTAL EXPENDITURES	36,981	36,981	23,353	(13,627.96)	(36.85)

Source: County Treasury, 2020

27. Wages and salaries to staff including the County Assembly constitutes a bigger percentage of the total recurrent expenditure. This implies that a huge portion of the recurrent expenditure goes to salaries and wages and therefore less resources are available for service delivery. Urgent measures therefore needs to be taken to reduce the wage bill in order to free resources for service delivery

Expenditure by Sectors

28. Total expenditures by sectors amounted to Ksh. 22.05 billion against a target of Ksh. 35.5 Billion (Or 38 % deviation from the target. Development expenditure was the most affected across all sectors as reflected in the (**Table 5).**

TABLE 5: Expenditure by Sectors FY 2019/2020 (Ksh. M's)

SECTOR	Revised			Actual			Absorption		
	Recurrent	Capital	total	Recurrent	Capital	total	Recurrent	Capital	Total
5311;COUNTY PUBLIC SERVICE BOARD	52	-	52	30	-	30	58	-	58
5312; OFFICE OF GOVERNOR & DEPUTY GOVERNOR	5,556	272	5,828	4,749	21	4,770	85	8	82
5313; ICT, E-GOVT & PUBLIC COMMUNICATIONS	193	373	566	108	-	108	56	-	19
5314; FINANCE & ECONOMIC PLANNING	5,645	1,063	6,708	4,470	674	5,144	79	63	77
5315; HEALTH	6,215	323	6,538	5,259	35	5,294	85	11	81
5316; URBAN PLANNING AND LANDS	442	101	543	350	5	355	79	5	65
5317; PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	1,109	2,535	3,645	830	863	1,694	75	34	46
5318;EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	1,636	248	1,884	872	61	933	53	25	49
5319; TRADE,COMMERCE,TOURISM & COOPERATIVES	576	128	704	387	16	403	67	12	57
5320;PUBLIC SERVICE MANAGEMENT	1,171	20	1,191	1,045	-	1,045	89	-	88
5321;AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	346	79	425	204	35	239	59	45	56
5322; COUNTY ASSEMBLY	1,410	45	1,455	1,304	-	1,304	92	-	90
5323; ENVIROMENT,WATER,ENERGY & NATURAL RESOURCES	1,650	231	1,881	1,416	54	1,470	86	23	78
5324;URBAN RENEWAL AND HOUSING	108	60	168	85	-	85	78	-	50

SECTOR	Revised			Actual			Absorption		
	Recurrent	Capital	total	Recurrent	Capital	total	Recurrent	Capital	Total
5325; WARD DEVELOPMENT PROGRAMME	34	1,305	1,340	12	203	214	34	16	16
5326; EMERGENCY FUND	250	-	250	43	-	43	17		17
5327; LIQOUR LICENSING BOARD	251	52	303	210	12	222	84	24	73
5328;NAIROBI METROPOLITAN SERVICES	2,252	1,249	3,501	-	-	-	-	-	-
TOTAL	**28,897**	**8,085**	**36,981**	**21,373**	**1,980**	**23,353**	**74**	**24**	**63**

Source: County Treasury 2020.

FISCAL DEFICIT

29. The Revised Budgets for FY 2019/20 was Ksh. 36.9 Billion respectively financed from both external and internal revenues. Total cumulative revenue collection was Ksh. 23.4 billion including cash balances therefore recording a fiscal deficit of Ksh. 13.5 billion due to shortfalls in both external and local revenues. The County is paying attention to the factors that affected revenue collection with a view to reverse this trend in the FY 2020/2021 while pursuing additional strategies to grow revenues in the medium term.

PAYABLES

30. The provisional debts owed to third parties as at 30th June 2020 stood at Ksh. **78.7** billion. This include debts owed to statutory bodies, merchants and litigation, loan from KCB bank, contingent liabilities and loan guaranteed by the government. See Annex III for detailed list of creditors. The debt trend has been increasing from the year 2014 largely due to interests and penalties charged to statutory creditors.

31. The county government should therefore ensure that both the level and rate of growth in debt is fundamentally sustainable since high debt portfolio will continue to impact negatively on the county operations. This can be done by reducing county expenditure at the same time coming up with mechanisms to increase revenue. In addition, more funds should be allocated in the budget for debt serving.

32. Further, the county government should initiate a renegotiation plan with the statutory bodies especially LAPTRUST on interests and penalties for quick servicing of the debt.

Outstanding creditors as at 3oth June 2020

Creditors	Amount Ksh
Construction Of Buildings	348,960,340
Construction Of Civil Works	984,835,700
Supply Of Goods	49,098,408
Supply Of Services	6,419,576,095
Retirees	171,662,290
Amounts Due To National Government Entities	1,032,551,993
Amounts Due To County Government Entities	381,536,111
Amounts Due To Third Parties	19,143,925,000
LapTrust Principal	6,573,836,864
LapTrust Penalties	8,418,543,863
LapFund Principal	2,110,706,421
LapFund Penalties	26,130,755,848
LapTrust (Acturial Deficit)	2,624,372,573
KCB Loan	4,310,087,246
TOTAL	**78,700,448,753**

FISCAL PERFORMANCE FOR THE FY 2019/2020 IN RELATION TO FINANCIAL OBJECTIVES

33. The under absorption of both recurrent and development expenditure in FY 2019/2020 has implications on the achievement of the development objectives. To remedy this situation, the County Treasury will be undertaking monitoring and evaluation of the implementation of the 2020/2021 projects/programmes. This will entail evaluation of projects viability in order to ensure that funds are utilized as planned.

Adherence to Fiscal Responsibility Principles

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

a) The County government recurrent expenditure shall not exceed the county government‘s total revenue**.**

Total recurrent expenditure amounted to Ksh. 22.6 billion against total revenues of Ksh. 23.4 billion.

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

Although the amount allocated for development was more than 30% of the budget, the budget was revised to accommodate the payment of pending bills. The development programmes were largely most affected. Total actual expenditure on development expenditure amounted to Kshs 1.979 million or 8.4%. of total revenues.

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

Regulation 25(b) of the PFM Regulations 2015 sets the limit for wages and salaries at 35% of the total revenues. However the total expenditure on wages and salaries excluding Assembly amounted to Ksh. 12.5 billion Against total revenues of Ksh. 23.4 billion Which is about 53% of total revenues. The county government has frozen employment of new staff save for key specialized areas like health and engineering where shortages are rampant. In addition the county is exploring ways of containing the growing wage bill like early voluntary retirement schemes.

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

During the year 2019/2020 the Government did not engage in any borrowings. However going forward this is an option that needs to be explored further in order to finance development.

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

The County is pursuing debt management strategies in line with the Debt management strategies as outlined in the DMSP 2019.

d) Fiscal Risks shall be managed prudently

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

35. The County Government Fiscal Projections for the Financial Year 2020/2021 to 2022/2024 **(ANNEXE 1**) provide comparisons with the updated projections and the projections for the 2020/2021 and the medium term. The projections will provide a basis for the revision of the 2019/20 and the projections for the FY 2021/2022 and the medium term.

2.2 SECTION III: RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

2.3 Global Economic Prospects

36. The global economy is estimated to have declined to 3.0 percent in 2019 compared to a revised growth of 3.7 percent in 2018. The sluggish global growth reflects the weak global trade and subdued investment and demand for capital goods. Growth in the Sub-Saharan African region is projected to rise to 3.6 percent in 2020 from 3.2 percent in 2019 largely on account of improved commodity prices and access to capital markets (Global Economic Prospects-World Bank, 2020).

29. Global economy is projected to grow marginally at 3.4 percent in 2020 from the estimated 3.0 percent in 2019. The projected pick up is on account of recoveries in stressed emerging markets and macroeconomic policy support in major economies (Global Economic Prospects-World Bank, 2020).

30. In advanced economies, growth is expected to slow down to 1.7 percent in 2020 from an estimated 2.3 percent in 2018 mainly due to trade tensions between the United States of America (U.S.A) and China, uncertainties surrounding the Brexit outcome, rising global oil prices due to tensions between U.S.A and Iran, and the pace of normalization of monetary policy in the advanced economies.

31. Among emerging markets and developing economies, growth is expected to pick up to 4.6 percent in 2020 from an estimated 3.9 percent in 2019 reflecting recoveries in stressed economies such as Turkey, Argentina and Iran as well pickup in growth for Brazil, Mexico, India, Russia and Saudi Arabia which recorded significant slowdowns in 2019 relative to 2018.

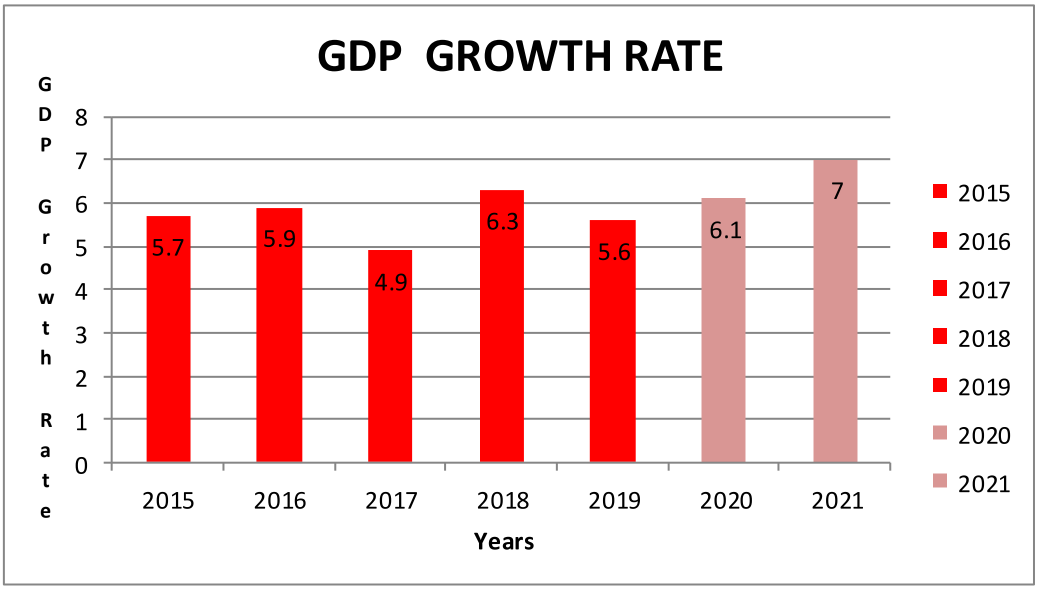
32. Growth in the East African Community (EAC) region is estimated to improve to 6.0 percent in 2020 from 5.6 percent in 2019 mostly supported by the stable macroeconomic environment, rebound in agricultural activities on the backdrop of favorable weather conditions, ongoing infrastructure investments, and strong private consumption.

Domestic Economy

33. On the domestic scene, Kenya's economic growth has remained strong and resilient. The economy grew by 6.3 percent in 2018 up from a growth of 4.9 percent in 2017. In the year 2019, the economy is estimated to have expanded by 5.6 percent in part reflecting the impact of delayed rainfall in the first half of 2019 that affected agricultural production (Economic Survey, 2018).

34. It is project the economy to further expand by above 6.1 percent in 2020 and 7.0 percent over the medium term. This growth will be supported by the strong services sector, stable macroeconomic environment and ongoing investments strategic priorities of the Government under the "Big Four" Agenda.

Figure 2.1: Trends in GDP growth rate in percent

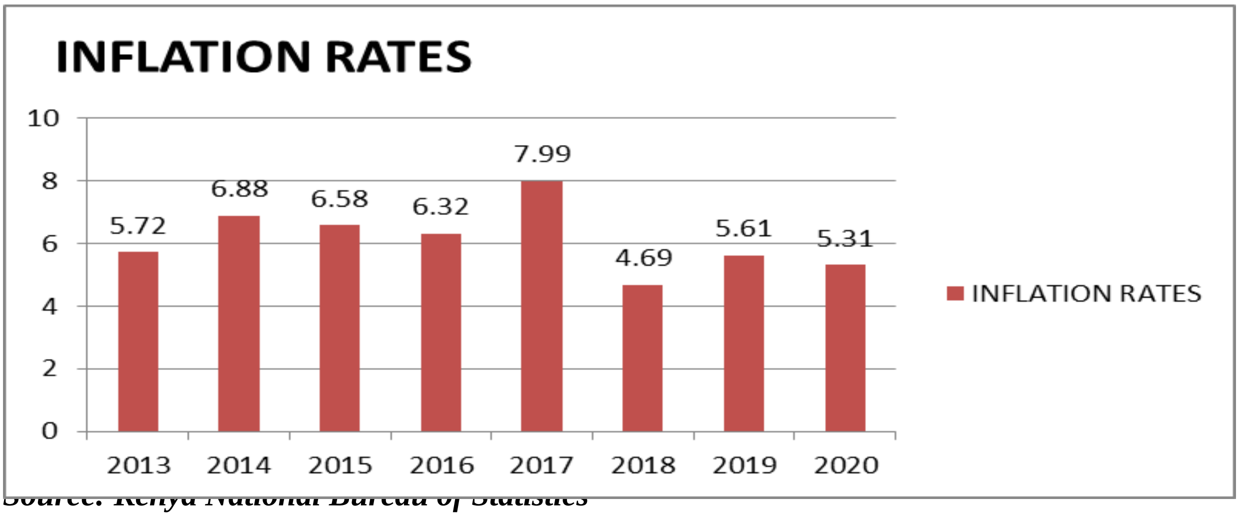


Source: Economic Survey, 2018

Inflation

35. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. At 5.8 percent in December 2019, year-on-year overall inflation remained stable and within the 5 (+/-2.5) percent target largely due to lower food prices following favorable weather conditions. Inflation is expected to remain within target in 2020, largely due to lower energy prices and expected stability in food prices (Kenya national bureau of statistics).

Figure 2.2: Trend in inflation rate over the five years



Source: Kenya National Bureau of Statistics

Foreign exchange

36. The foreign exchange market remains stable supported by the narrowing of the current account deficit. The current account deficit is estimated at 4.3 percent of GDP in 2019 down from 5.0 percent in 2018. The narrowing deficit reflects strong growth in diaspora remittances and tourism receipts, higher tea and horticultural exports, slower growth in imports due to lower food imports and the decline in international oil prices.

Interest rates

37. Interest rates remained stable and low in the period 2013 to October 2019, except from June to December 2015 when world currencies were under pressure. During the period, the Central Bank Rate (CBR) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on 25th November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity. The interbank rate declined to 5.9 percent in

December 2019 from 8.2 percent in December 2018 due to enhanced liquidity in the money market. The interest rates for government securities have been declining indicating that the implementation of government domestic borrowing program supported market stability.

Nairobi County Economy

38. Nairobi City County operates within the global and national economic framework. The global and national economic dynamics impacts both directly and indirectly on county fiscal decisions and operations. Economic growth is a parameter that influences national government transfer to the counties. Therefore, the higher the GDP growth, the more allocation is expected to go the counties.

39. Exchange rate fluctuations also affect the county processes with currency devaluation making our imports more expensive. Inflation changes the costs of goods and services which in turn affect peoples' purchasing power. Since the inflation is expected to remain within the target in the medium term, the welfare of the people in county will improved and cost of doing business in Nairobi will ease. This will attract foreign and private investment leading to growth of Nairobi county economy.

40. Interest rates affect the cost of local borrowing to SMEs. So far interest rate capping has negatively affected access of credit by SMEs as banks have resorted to lending large corporate borrowers and investing in government securities. Considering that SMEs account for a large share of enterprises in Nairobi City County, rationing out the SMEs by banks will adversely impact their contribution to county economic growth.

County Specific Outlook

54. The County is organized in ten sectors with specific mandates to deliver services to the people. There was an institutional change in February 2020, where the Nairobi Metropolitan Services (NMS) inherited the four functions that were transferred from Nairobi City County to the national government.

Budget Deficit

55. The fiscal deficit for the FY 2019/20 was at Ksh 13.55 Billion. Low internal revenues and insufficient equitable share from National government have contributed to increased budget deficits in the county. Fiscal deficit have had and will continue to have an impact on county capital investment and savings. With fiscal deficit the county capital investments and savings will be reduced and this will lead to low provisions of quality service delivery.

56. In the medium term period, the government will seek to reduce its budget deficit by undertaking revenue administration reforms, seeking alternative capital financing models, and seeking development partners' assistance in financing key infrastructure development. Borrowing in the medium term is not envisaged. Further, the government will seek to reduce recurrent expenditure (O&M) by scaling non-core expenditures.

a) Debt

57. High government debt has had a negative effect both on short and long-term economic growth and development in the national and county governments. Current county debt was borrowed on a commercial basis by the defunct NCC from commercial bank. The debt has effect on current and future capital investment and service delivery in the county. Substantial resources meant for efficient and productive purposes has been committed on debt repayment over the years but due to increased growth in penalties and interests and litigations, the debts position has not eased significantly. The County will focus on implementation of debt management strategies as espoused in the DMSP 2019.

b) Wage Bill

58. In 2019/20, the ratio of the wage bill for the County executive alone to total revenues of Ksh 20.69 Billion is about 60.6 %. The effect of this overall is that the fiscal space for development expenditure is crowded out by recurrent expenses. The policy suggestions that can be implemented in the short to medium term, in order to tame the rising wage bill include: review of recruitment practices, freeze on employment and salary increments and streamlining payroll and control systems (cleaning of payroll) in the county.

c) Population Growth

59. High population growth rate due to rural-urban migration has and will continue to put a great deal of pressure on county government to increase current expenditures rapidly to create jobs for the unemployed. At the same time county government is faced with demands on its capital budgets to spend more for development purposes. In addition, increasing urban population creates demands for social services: water, housing, education, sewerage, public lighting, roads, health, and fire protection among others. A large mass of unemployed or under-employed who live in informal settlement areas in the county do not generate the output or tax revenues which are needed to provide these services. In the medium and long term, the county government will endeavor to create a balance in recurrent and development expenditure to address the issues of population pressure. In addressing labour demands, the government will make investment in labour intensive activities rather than those which are capital intensive, encourage small scale production in informal sector through provision of loan and training schemes and reduce the cost of doing business in terms of government regulation, licensing and control.

60. Further, increase in population growth experienced in the county has put pressure on food security more so in informal settlement areas. The county government will invest some of its resources in food and nutrition programmes in informal settlement to address issues of malnutrition and food safety.

Risks to the Outlook.

The following fiscal risks were observed in the FY 2010/20, and needs to be overcome in the medium term;

61. Fiscal outturns often differ substantially from budget or other fiscal projections, owing to shocks such as deviations of economic growth from expectations, terms of trade shocks, natural disasters, calls on government guarantees, or unexpected legal claims on the county. In many instances, failure to disclose and prepare for such risks has caused additional Nairobi county government obligations, larger public debts and occasionally refinancing difficulties and crises.

62. Moreover, unexpected spending pressures or revenue losses often require disruptive adhoc adjustments during the fiscal year. Indeed, even in counties where debts and deficits have been reduced, policymakers 'attention is turning toward risks—especially from contingent liabilities and off-balance-sheet items—that may not be fully apparent in "headline" fiscal indicators. To address the challenges posed by fiscal risks, several counties have recently increased their disclosure of such risks, so as to foster fiscal sustainability and to reduce borrowing costs and the likelihood of crises.

63. The government's approach to managing fiscal risks follows a five-stage process. This is to: (i) identify the source, scale and likelihood of the risk; (ii) disclose the risk to raise awareness and ensure accountability; (iii) mitigate the risk where cost-effective and consistent with broader policy objectives; (iv) provision for risks that cannot be mitigated but whose size and timing are relatively certain; and (v) accommodate residual risks when setting the overall fiscal policy stance.

Risks experienced in Nairobi County government

1. **Low absorption capacity**

64. Absorption capacity for development budget across sectors remained largely low over the period 2013-2018. This is largely attributable to poor conceptualization of programmes, inadequate capacity for technical designs, low liquidity and inefficient costing of projects.

Mitigation measure: The County departments will uphold principles of proper project conceptualization in good time. Secondly, there is need to upgrade technical capacities for design through further training and outsourcing, in order to improve flow and control of resources required for implementation of development programs. The County treasury will need to decentralize fiscal responsibility to delegate to accounting officers at the sector level through issuance of quarterly A.I.Es based on cash flow projections. The costing regime for development programmes requires total overhaul to ensure realistic cost estimates and ultimately value for money.

2. Shortfall in internal revenue

65. The main fiscal risk that is likely to be faced by the county government is the shortfall in local revenue flows. Revenue generation from internal sources has continued to face challenges that must be progressively mitigated in order to achieve county development goals. For instance rates revenues have continued to be below expectation due to high default rates among statutory bodies and land buying companies. The existing valuation roll is not as per market rate therefore the revenue realized from rates is far below expectation. Since the Unified business permit came into being in the calendar 2017 less revenue has been realized compared to the former single business permit.

Mitigation measure: In the medium term, the County will undertake measures aimed at expanding the revenue base and increasing tax compliance through integration of technology in revenue collection. Receivables will be targeted as an avenue for raising capital by giving incentives with an aim of getting payments. Issuance of waivers on penalties will also be implemented. The valuation roll is at verge of completion and once the rates are aligned to current market rates the revenue will increase. For the unified business permit it is advisable to separate each revenue charge to lessen the burden of the clients so that the default rate should be low.

66. Identified legal gaps will be addressed through proposed legislation particularly for the key revenue streams. The County treasury has initiated consultations on the 2018 Finance bill to address existing flaws in the 2014 Act.

67. Finally the County will publicize and streamline the use of electronic payment system to ensure effectiveness in revenue collection. Also spending money at source will be discouraged.

68. The following line graphs show the proportion of actual and projected external and internal of total revenues for the years 2016/2017 up to 2020/2021. For the external revenue, there is a declining trend whereas for the external revenue there is a rising trend.

3. Fiduciary Risk

69. Risks such as fiduciary risk, development risk and reputation risks are also risk in Nairobi County. This is because risks such as fiduciary risk can lead to corruption and fraud which consequently become a major drain on the effective use of resources in the County.

. Mitigation measure: The first step is to upscale risk management through investing in appropriate technology and internal controls. The county should improve service delivery efficiently so as to face lift its image, enhance monitoring/evaluation on development projects and also training employees on ethics. Costing should be carried out to identify beforehand development project budget estimates for easy accountability.

4. **Pending debts/bills**

70. The issue of Pending debts/bills continues to be a major economic policy challenge facing the Nairobi County government having inherited a huge debt from the defunct City Council. This has subjected the County to the risk of higher interest rate and other unpredictable cost elements. The debt trend has been increasing from one year to another.

Mitigation measure: Establishment of digitized debt servicing management systems to improve accountability and prevent fraudulent loan amounts; Creation of new channels of revenues to ease on the loan amounts required to finance development projects; Utilizing cheap loan opportunities available in the money and or capital markets; Raising money by offering its shares to the public as a financing option.

5. Wage bill

71. Salaries and wages has surpassing the stipulated 35% of the total budget this has led to budget cuts on development programmes.

72. Adoption of technology. The county should embrace technology to replace some aspects of human labor e.g. using tools and machinery to carry out environmental duties like slashing and maintaining lawn in the county. This will save the county a lot of money which could have been paid to casual workers. Automation of employees reporting time register is essential for it will curb ghost workers menace hence reducing the wage bill. The paymaster should ensure that all the employees who are deceased and dismissed are struck out of the payroll to avoid unnecessary expenses

SECTION IV-RESOURCE ALLOCATION FRAMEWORK

2.4 ADJUSTMENTS OF THE 2020/2021 FY BUDGET

73. The implementation of the FY 2020/2021 commenced and already experiencing various challenges due delays in approval of the County Allocation Of Revenue Act 2020, coupled with delays by the county to pass the appropriation bill 2020. The Medium Term Fiscal Framework for FY 2020/2021 will largely focus on the enhancing efficiency and effectiveness in public spending.

74.The underperformance of revenues in the Financial Year 2019/2020 has implications on the financial objectives set out in the CFSP 2020 .In order to mitigate implications of the revenue shortfall the County will work round revenue administrative reforms to improve revenue collection. The nomination of KRA as the key revenue mobilization agent provide much optimism that the trend of diminishing revenue will ultimately be reversed.

75. Expenditure projections for the FY 2020/2021 will be rationalized to accommodate some of the emerging realities such as the pending bills that have accumulated over time, the incoming of the NMS, and the Covid 19 pandemic. The FY 2020/2021 budget will be rationalized to accommodate these challenges through tradeoffs and reallocations of the existing budgetary allocations supported by austerity measures on less productive expenditures across the County Government.

2.5 MEDIUM TERM FISCAL PROJECTIONS

76. In the medium term the total revenues are expected to increase from Ksh. 35.2billion in 2019/2020 to Ksh. 37 billion in 2022/2023 fueled by expected growth in the own source revenues. The growth in the Own Source Revenues (OSR) will be fueled by the restructuring of revenue administration systems in regard to local revenues .

77. Further in order to reorient more expenditures to development ,the government will pursue policies to address the high recurrent expenditures through early retirement programmes, private partnerships and mutual cooperation with National Government and other development partners.

78. In the medium term the government expects to maintain a balanced budget. This is because public borrowing is still not an option for counties until when the national government establishes guidelines for public borrowings for public borrowing.

2.6 2021/2022 FY BUDGET FRAMEWORK

Revenue Projections

79. The FY 2021/2022 targets revenue collection including equitable share, conditional grants and others at Ksh. 32.6 billion made up of external revenues of Ksh. 17.3 billion and own sources of revenue of Ksh. 15.3 billion. This revenue projection will be underpinned by the ongoing revenue reforms that will include the following:

- Leveraging on ICT to automate all revenue streams
- Public Private Partnerships
- Business Process Re-engineering
- Segmentation of our customers
- Taxpayers awareness and engagement
- Corporatization
- Tax reforms i.e. legislating all revenue streams.
- Improving human resource management issues with collectors to ensure a motivated work force is maintained at all times.

Expenditure Projections

80. The total expenditure projections for the FY 2021/2022 including the County Assembly is projected at Ksh. 32.6 billion comprised of transfers to County Assembly at Ksh. 1.8 billion, Staff Costs Ksh. 14.1 billion, Use of goods and services at Ksh. 7.1 billion, and Development at Ksh. 9.9 billion.

81. Wages and salaries for all county staff including the County assembly continues to be a major cost to the County. The salaries are projected at Ksh. 14.9billion which is about **45%** of the total projected revenues. The county will however continue to pursue policies aimed at bringing the wage bill down to desired levels.

Financing of the budget

82. Reflecting on the projected revenues and expenditures the budget is balanced. The government will be investing heavily in revenue generation in order to achieve a balanced budget. As has been stated above improvements in revenue administration through digitization and private sector expertise in enforcement will remain key to achieving the this agenda.

2.7 MEDIUM TERM EXPENDITURE FRAME WORK

83. Resource allocation will continue to be aligned to the transformation of the government as highlighted in the Budget Policy Statement and County Fiscal Strategy Paper. The FY 2021/2022 medium term expenditure framework will focus on the following key priority areas.

2.8 4.4.1 Governance, Public Safety and Security;

84. The Government has embarked on a reform agenda to restore good governance, enforce fiscal discipline, seal loopholes for inefficient use of public resources, eliminate corruption and redirect at least 30% of the County's annual budget towards capital expenditure. The outcome of a city administration anchored in the practice of values of transparency, accountability and responsiveness to the people will require a series of legal reforms to put in place sunshine laws and an efficient, well trained and motivated workforce.

85. The government will focus on service delivery re-engineering by leveraging on ICT to decentralize county services closer to the people. Security challenges that undermine the living and business environment will be confronted through decentralization of fire, increased public lighting security and emergency services and establishment of a rapid response team.

2.9 Housing and Settlement

86. In the medium term, priority will be given in developing an affordable housing plan, public land recovery actualized and a review of County spatial planning framework. Specifically, targeting private partnerships for the redevelopment of 14 of the City's old estates expected to yield a mass of decent, low cost housing for Nairobians and provision of basic sanitation amenities and other economic facilities to make informal settlements livable.

2.10 Education

87. Accelerated investment in expansion of access to Early Childhood Development Education for the 0.3 million eligible children, collaboration with the National Government and other partners to modernize and expand access to high quality primary and secondary education will be an area of key focus in the medium term. In order to respond to industry deficit in essential technical skills, the Government will design, develop and implement a T-VET master plan for competitive skills development.

2.11 Health

88. The government is committed to stem the rising infant mortality rates, halt and reverse declining child nutrition indicators, enhance immunization coverage and eradicate preventable causes of morbidity in the City. This will be achieved through improved access to quality healthcare services, narrowing health personnel: patient ratios and improvement of working conditions and ensure reliable availability of medical and pharmaceutical commodities for both communicable and non-communicable diseases in public health facilities.

2.12 Environment, Water, Sanitation and Garbage

89. The aspiration in this pillar is to deliver a clean healthy city in which water is safe, accessible and affordable for all and its supply is regular and reliable; a city in which garbage is collected and safely disposed of and in which the sewage is treated and the environment is green and alive and free of man-made waste.

2.13 Traffic and City Transport

90. The target is to achieve a congestion-free City in which pedestrians have safe walkways; children do not suffer injuries from road accidents and public transport is so seamlessly connected that private cars are unnecessary in most parts of the City. Investment in expansion and improvement of road infrastructure, commuter rail and non-motorized transport (NMT) facilities, enacting structural changes to accommodate the deployment of a rapid bus transit system are important components of a sustainable city decongestion strategy.

91. In the medium term, a pricing strategy that will suppress demand for on street parking will be evaluated coupled with investment in multi-deck parking infrastructure with a view to improve supply of secure parking spaces for consumers. Specifically the government seeks to revolutionize the public transport scenario through targeted investments in, enforcement of traffic and public order rules, Road improvement, marking and signage, Expansion of Non- Motorized Transport Infrastructure, expansion of Cross City Routes, automation of bus Termini.

2.14 Jobs, Business Environment and Wealth Creation

92. The medium term target is to deliver a city where every Nairobi resident has an equal opportunity to find work, earn a decent wage and prosper; a city providing essential needs for its people, their rights protected and in which no one is excluded from a rewarding social and economic participation. The focus will be in business environment re-engineering to accelerate investment, skill development among the youth, entrepreneurship support, trade and tourism promotion, agribusiness investment and incubating cooperatives for capital formation. The formation of the Nairobi Socio-Economic Council, creation of business information centers, review and upgrading service delivery standards, expansion and development of new markets and leveraging of creative designs to provide inclusive trading spaces for small scale traders. A framework for monitoring job creation across public and private sector entities will be fast tracked. Specifically we target to Expand the formal market space by targeting expansion and rehabilitation of existing markets, Social economic empowerment of Youth and Women through entrepreneurship support, Leveraging on existing Huduma centers to expand and improve on our sphere of service decentralization, provide an enabling environment and regulations for small scale traders to prosper.

2.15 Youth, Women, People Living With Disabilities and Social Protection.

93. The Government recognizes that the people of Nairobi are its partners and that their skills, talents and knowledge are the county's most valuable asset. Progressive policies for talent identification, nurturing, development and deployment of such talents, skills and knowledge for maximum returns will be developed and implemented. In particular, creating opportunities for the Youth, Women and people living with disabilities shall be given primacy. In Particular the focus shall be on the following key areas;

1. Investment in Arts and talent to promote innovation, creativity as a source of livelihood.
2. Investment in expansion of existing sports grounds including City Stadium and others at the ward level.
3. Developing and support sporting activities in the County.

4. Expanding the scope of training offered at the County's Vocational and Technical Institutes.
5. Develop and equip community social halls to facilitate online employment for qualified youths.
6. Partner with NITA to fast track training of technical skills for the Youth and Women
7. Ensuring there is a framework for supporting PLWDs, the elderly and homeless

94. reflecting the above medium term expenditure framework for the FY 2020/2021 is the tentative budget ceilings for classified by every sector. The ceilings have not been classified into programmes and sub programmes giving the sectors an opportunity to review the current programmes in light of the new priorities of the current administration.

Table 7: Tentative Sector Ceilings FY 2021/2022

HEAD	Recurrent	Development	Total
5311: COUNTY PUBLIC SERVICE BOARD	102,353,309	20,000,000	122,353,309
5312: OFFICE OF GOVERNOR & DEPUTY GOVERNOR			
5312000100 Headquarters	398,769,310	75,000,000	473,769,310
5312000700 Decentralization	1,839,795,627	100,000,000	1,939,795,627
5312000200 County Executive	331,434,173		331,434,173
5312001100 Audit	84,738,956	10,000,000	94,738,956
5312000400 Inspectorate	1,785,013,923	75,000,000	1,860,013,923
5312000800 Investigation Department	87,724,555	10,000,000	97,724,555
5312000500 Fire Department	233,244,777	150,000,000	383,244,777
5312000300 Legal Department	443,880,320	50,000,000	493,880,320
5313: ICT, E-GOVT & PUBLIC COMMUNICATIONS	192,801,417	300,000,000	492,801,417
5314:FINANCE & ECONOMIC PLANNING	2,491,908,485	100,000,000	2,591,908,485
5318:EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	1,463,459,583	600,000,000	2,063,459,583
5319: TRADE,COMMERCE,TOURISM & COOPERATIVES	450,474,795	500,000,000	950,474,795
5320: PUBLIC SERVICE MANAGEMENT	1,141,910,750	50,000,000	1,191,910,750
5321: AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	341,879,628	12,000,000	353,879,628
5325: WARD DEVELOPMENT FUND	35,000,000	1,304,000,000	1,339,000,000
5326: EMERGENCY FUND	150,000,000		150,000,000
5327: LIQOUR LICENSING BOARD	200,000,000	50,000,000	250,000,000
Retained Functions	11,774,389,606	3,406,000,000	15,180,389,606
5315: HEALTH	6,013,786,556	800,000,000	6,813,786,556
5316:URBAN PLANNING AND LANDS	395,576,115	300,000,000	695,576,115
5317: PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	1,165,911,458	4,079,252,616	5,245,164,074
5323: ENVIROMENT,WATER,ENERGY & NATURAL RESOURCES	1,629,567,455	500,000,000	2,129,567,455
5324:URBAN RENEWAL AND HOUSING	136,571,814	600,000,000	736,571,814
Transferred Functions Total	9,341,413,398	6,279,252,616	15,620,666,014
5322:COUNTY ASSEMBLY	1,438,177,437	400,000,000	1,838,177,437
TOTAL	22,553,980,440	10,085,252,616	32,639,233,056
Percentage Share OF TRANSFERRED FUNCTIONS	41		48

Source: County Treasury, 2020

SECTION V: CONCLUSION

95. The 2021/2022 and the medium term projections takes into account the revenue reform measures being undertaken by the Government in reforming the revenue administration systems.

96. Further the County Government will be partnering with the National Government with a view to consider our status as a city when sharing revenue. The county anticipates a significant growth of external resources due to higher allocation from FY 2021/22 as per the CARA 2020. In order to reduce the wage bill the government is keen on pursuing an early retirement programme on a voluntary basis with possible funding from the National Government. Adjustments to personnel costs will be made once the programme is fully confirmed.

97. Going forward, the tentative ceilings for FY 2021/2022 has been presented in sector format to give room for sectors to review the current programs and sub-programmes. Sector working Groups will be expected to critically review all programmes in line with the various policies outlined in this paper and the Governors manifesto. The final ceilings and budget priorities will be firmed up in the County Fiscal Strategy Paper 2021 after a thorough review of all sector priorities.

ANNEXE I:MEDIUM TERM PROJECTIONS FOR 2019/2020-2023/2024

	2019/2020			2020/2021		Projections		
ITEM	Approved Target	Target	Actuals	Approved Target	Revised Target	2021/2022	2022/2023	2023/2024
REVENUES								
RATES	3,925,000,000	3,925,000,000	1,873,419,827	3,250,000,000	3,250,000,000	3,500,000,000	3,750,000,000	4,000,000,000
SINGLE BUSINESS PERMITS	2,892,000,000	2,892,000,000	1,586,716,661	2,562,102,000	2,562,102,000	2,600,000,000	2,850,000,000	3,000,000,000
PARKING FEES	2,763,000,000	2,763,000,000	1,545,226,999	2,800,000,000	2,800,000,000	2,847,000,000	3,096,000,000	3,349,000,000
BLDNG PERMITS	2,101,000,000	2,101,000,000	456,718,816	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
BILLBOADS & ADVERTS	1,425,000,000	1,425,000,000	753,996,503	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
FIRE SERVICES	458,400,000	458,400,000	217,864,111	452,580,000	452,580,000	483,000,000	503,200,000	537,000,000
HOUSE RENTS	615,000,000	615,000,000	495,274,463	600,000,000	600,000,000	630,000,000	630,000,000	630,000,000
FOOD HANDLERS CERT	300,000,000	300,000,000	127,706,557	210,000,000	210,000,000	225,000,000	250,000,000	275,000,000
OTHER MARKETS	232,400,000	232,400,000	55,808,435	144,972,000	144,972,000	168,714,000	170,814,000	171,714,000
WAKULIMA MARKET	192,000,000	192,000,000	109,254,585	216,000,000	216,000,000	216,000,000	216,000,000	216,000,000
REGUL. OF BLDNG/ CHANGE/AMALG/SUB	166,000,000	166,000,000	88,237,362	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
WAYLEAVE	150,000,000	150,000,000	110,074,106	150,000,000	150,000,000	156,000,000	162,000,000	168,000,000
BETTING CONTROL & LOTTERIES	120,295,889	120,295,889	1,331,442	3,000,000	3,000,000	3,600,000	3,600,000	3,600,000
GARBAGE/TIP CHARGES	120,000,000	120,000,000	24,171,677	60,000,000	60,000,000	65,000,000	67,500,000	70,000,000
MARKET STALLS RENTS	102,000,000	102,000,000	86,768,100	120,000,000	120,000,000	126,000,000	126,000,000	126,000,000
MUTHURWA MARKET	72,000,000	72,000,000	42,944,692	120,000,000	120,000,000	96,000,000	96,000,000	96,000,000
LIQUOR LICENSES	450,000,000	289,229,744	178,851,129	250,000,000	250,000,000	300,000,000	300,000,000	300,000,000
OTHER INCOMES	1,232,200,000	1,232,200,000	769,083,557	863,346,000	863,346,000	1,045,665,000	1,031,488,001	1,079,615,254
SUB TOTAL OSR REVENUES	17,316,295,889	17,155,525,633	8,523,449,021	14,652,000,000	14,652,000,000	15,311,979,000	16,102,602,001	16,871,929,254
EXTERNAL SOURCES								
Equitable Share	15,919,950,000	15,919,950,000	11,446,444,050	15,951,600,000	15,951,600,000	16,589,664,000	17,253,250,560	17,943,380,582
Compensation For User Fees Foregone	79,423,251	79,423,251	79,423,251	79,423,251	79,423,251	79,423,251	79,423,251	79,423,251
Road Maintenance Levy 2018/2019	415,845,530	415,845,530	415,847,530					
Road Maintenance Levy	451,898,344	451,898,344	-	475,436,588	475,436,588	475,436,588	475,436,588	475,436,588
KDSP (Level 1 grant allocation)	30,000,000	30,000,000	30,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Danida -Universal Healthcare in Devolved Governments	47,156,250	47,156,250	64,761,250	45,270,000	45,270,000	45,270,000	45,270,000	45,270,000

	2019/2020			2020/2021		Projections		
ITEM	Approved Target	Target	Actuals	Approved Target	Revised Target	2021/2022	2022/2023	2023/2024
World Bank Loan for Transforming Health systems for universal healthcare	96,359,510	96,359,510	96,359,510	60,494,430	60,494,430	60,494,430	60,494,430	60,494,430
Conditional grant for Development of Youth Poly technics	22,998,298	22,998,298	22,998,292	16,009,894	16,009,894	16,009,894	16,009,894	16,009,894
Agriculture Development Support Project	21,183,840	21,183,840	13,341,920	15,955,893	15,955,893	15,955,893	15,955,893	15,955,893
Sub Total (External Sources)	**17,084,815,023**	17,084,815,023	12,169,175,803	16,689,190,056	16,689,190,056	17,327,254,056	17,990,840,616	18,680,970,638
TOTAL REVENUES	34,401,110,912	34,240,340,656	20,692,624,824	31,341,190,056	31,341,190,056	32,639,233,056	34,093,442,617	35,552,899,892
Adjustment to Cash	**2,580,279,974**	**2,741,050,231**	**2,741,050,231**	**290,442,563**	**290,442,563**	**-**	**-**	**-**
TOTAL REVENUES	**36,981,390,886**	**36,981,390,887**	**23,433,675,055**	**31,631,632,619**	**31,631,632,619**	**32,639,233,056**	**34,093,442,617**	**35,552,899,892**
EXPENDITURES								
TRANSFERS TO COUNT ASSEMBLY								
Recurrent	1,409,977,879	1,409,977,879	1,303,773,508	1,409,977,879	1,409,977,879	1,438,177,437	1,466,940,985	1,496,279,805
Development	1,530,000,000	44,700,000		600,000,000	600,000,000	400,000,000	300,000,000	250,000,000
Sub-total (County Assembly)	**2,939,977,879**	**1,454,677,879**	**1,303,773,508**	**2,009,977,879**	**2,009,977,879**	**1,838,177,437**	**1,766,940,985**	**1,746,279,805**
COUNTY EXECUTIVE								
Employee Costs	13,561,626,846	13,616,859,686	12,537,106,932	13,922,152,419	13,922,152,419	14,061,373,943	14,061,373,943	14,201,987,683
Use of goods and services	10,738,525,214	13,869,721,344	7,532,606,489	8,818,036,325	8,818,036,325	7,054,429,060	7,072,999,992	7,143,729,992
Development	9,741,260,947	8,040,131,978	1,979,948,407	6,881,465,995	6,881,465,995	9,685,252,616	11,192,127,697	12,460,902,413
Sub-total (County Executive)	34,041,413,007	35,526,713,008	22,049,661,829	29,621,654,740	29,621,654,740	30,801,055,619	32,326,501,632	33,806,620,087
TOTAL EXPENDITURES	**36,981,390,886**	**36,981,390,887**	**23,353,435,337**	**31,631,632,619**	**31,631,632,619**	**32,639,233,056**	**34,093,442,617**	**35,552,899,892**
Net Financing	-	-	80,239,718	-	-	-	-	-
Analysis of Development								
Total Development Kshs	**11,271,260,947**	**8,084,831,978**	**1,979,948,407**	**7,481,465,995**	**7,481,465,995**	**10,085,252,616**	**11,492,127,697**	**12,710,902,413**
% Development to total Expenditure	**30**	**22**	**8**	**24**	**24**	**31**	**34**	**36**
					24,150,166,624	22,553,980,440		

ANNEXE II-INDICATIVE BUDGET CEILINGS FY 2021/2022

		2019/20 Approved Budget			CFSP 2020			Approved Approved Budget			Indicative Ceilings 2021/2022		
S/NO	HEAD	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total
		A	B	C=A+B	D	E	F=D+E	J	K	L=J+K	M	N	O=(M+N)
1	5311: COUNTY PUBLIC SERVICE BOARD	52,214,502	0	**52,214,502**	68,487,609	5,000,000	73,487,609	91,503,677	35,000,000	126,503,677	102,353,309	20,000,000	122,353,309
2	5312: OFFICE OF GOVERNOR & DEPUTY GOVERNOR										-		-
	5312000100 Headquarters	466,292,312	25,000,000	**491,292,312**	433,497,498	2,700,000	436,197,498	465,299,233	10,000,000	475,299,233	398,769,310	75,000,000	473,769,310
	5312000700 Decentralization	1,925,002,186	148,000,000	**2,073,002,186**	1,842,220,708	24,100,000	1,866,320,708	1,821,995,141	75,750,000	1,897,745,141	1,839,795,627	100,000,000	1,939,795,627
	5312000200 County Executive	355,423,965	0	**355,423,965**	194,849,468		194,849,468	359,371,304	-	359,371,304	331,434,173		331,434,173
	5312001100 Audit	89,100,941	10,000,000	**99,100,941**	88,233,731	3,400,000	91,633,731	94,154,396	6,000,000	100,154,396	84,738,956	10,000,000	94,738,956
	5312000400 Inspectorate	2,020,682,478	20,000,000	**2,040,682,478**	1,848,328,213	-	1,848,328,213	1,949,123,631	20,000,000	1,969,123,631	1,785,013,923	75,000,000	1,860,013,923
	5312000800 Investigation Department	67,897,401	23,000,000	**90,897,401**	68,403,974		68,403,974	75,249,505	-	75,249,505	87,724,555	10,000,000	97,724,555
	5312000500 Fire Department	279,744,784	371,000,000	**650,744,784**	184,617,406	114,800,000	299,417,406	259,160,863	131,800,000	390,960,863	233,244,777	150,000,000	383,244,777
	5312000300 Legal Department	275,305,142	31,000,000	**306,305,142**	314,317,289		314,317,289	515,422,578	-	515,422,578	443,880,320	50,000,000	493,880,320
											-		-
3	5313: ICT, E-GOVT & PUBLIC COMMUNICATIONS	203,511,356	349,000,000	**552,511,356**	208,344,153	270,000,000	478,344,153	214,223,797	279,000,000	493,223,797	192,801,417	300,000,000	492,801,417
4	5314:FINANCE & ECONOMIC PLANNING	4,660,771,540	862,106,000	**5,522,877,540**	4,945,323,576	0	4,945,323,576	3,213,231,649	-	3,213,231,649	2,491,908,485	100,000,000	2,591,908,485
5	5318:EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	1,534,805,021	441,654,947	**1,976,459,968**	1,389,641,972	100,000,000	1,489,641,972	1,626,066,203	572,515,995	2,198,582,198	1,463,459,583	600,000,000	2,063,459,583
6	5319: TRADE,COMMERCE,TOURISM & COOPERATIVES	611,904,578	473,500,000	**1,085,404,578**	501,580,368	178,000,000	679,580,368	500,527,549	392,000,000	892,527,549	450,474,795	500,000,000	950,474,795
7	5320: PUBLIC SERVICE MANAGEMENT	1,026,447,638	91,000,000	**1,117,447,638**	999,093,860	0	999,093,860	1,268,789,722	36,400,000	1,305,189,722	1,141,910,750	50,000,000	1,191,910,750
8	5321: AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	360,561,169	126,000,000	**486,561,169**	297,962,854	20,000,000	317,962,854	379,866,254	111,000,000	490,866,254	341,879,628	12,000,000	353,879,628
10	5325: WARD DEVELOPMENT FUND	39,000,000	1,304,000,000	**1,343,000,000**	30,000,000	1,304,000,000	1,334,000,000	30,000,000	1,304,000,000	1,334,000,000	35,000,000	1,304,000,000	1,339,000,000
11	5326: EMERGENCY FUND	100,000,000	-	**100,000,000**	100,000,000	0	100,000,000	130,000,000	-	130,000,000	150,000,000		150,000,000

		2019/20 Approved Budget			CFSP 2020			Approved Approved Budget			Indicative Ceilings 2021/2022		
S/NO	HEAD	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total
12	5327: LIQOUR LICENSING BOARD	211,000,000	39,000,000	**250,000,000**	200,000,000	50,000,000	250,000,000	200,000,000	50,000,000	250,000,000	200,000,000	50,000,000	250,000,000
13	**Retained Functions**	**14,279,665,012**	**4,314,260,947**	**18,593,925,959**	**13,714,902,679**	**2,072,000,000**	**15,786,902,679**	**13,193,985,501**	**3,023,465,995**	**16,217,451,496**	**11,774,389,606**	**3,406,000,000**	**15,180,389,606**
14	Transferred Functions												
15	5315: HEALTH	6,719,215,048	658,000,000	**7,377,215,048**	6,468,479,092	748,000,000	7,216,479,092	6,218,940,646	748,000,000	6,966,940,646	6,013,786,556	800,000,000	6,813,786,556
16	5316:URBAN PLANNING AND LANDS	488,475,285	168,000,000	**656,475,285**	419,841,057	20,000,000	439,841,057	420,825,655	20,000,000	440,825,655	395,576,115	300,000,000	695,576,115
17	5317: PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	1,141,277,939	3,638,000,000	**4,779,277,939**	1,146,883,628	2,890,000,000	4,036,883,628	1,133,948,359	2,890,000,000	4,023,948,359	1,165,911,458	4,079,252,616	5,245,164,074
18	5323: ENVIROMENT,WATER,ENERGY & NATURAL RESOURCES	1,519,801,814	463,000,000	**1,982,801,814**	1,633,771,322	150,000,000	1,783,771,322	1,627,199,420	150,000,000	1,777,199,420	1,629,567,455	500,000,000	2,129,567,455
19	5324:URBAN RENEWAL AND HOUSING	151,716,963	500,000,000	**651,716,963**	139,767,418	50,000,000	189,767,418	145,289,163	50,000,000	195,289,163	136,571,814	600,000,000	736,571,814
20	**Transferred Functions**	**10,020,487,050**	**5,427,000,000**	**15,447,487,050**	**9,808,742,517**	**3,858,000,000**	**13,666,742,517**	**9,546,203,243**	**3,858,000,000**	**13,404,203,243**	**9,341,413,398**	**6,279,252,616**	**15,620,666,014**
9	5322:COUNTY ASSEMBLY	1,409,977,879	1,530,000,000	**2,939,977,879**	1,480,000,000	500,000,000	1,980,000,000	1,409,977,879	600,000,000	2,009,977,879	1,438,177,437	400,000,000	1,838,177,437
21	**TOTAL**	**25,710,129,941**	**11,271,260,947**	**36,981,390,888**	**25,003,645,196**	**6,430,000,000**	**31,433,645,196**	**24,150,166,623**	**7,481,465,995**	**31,631,632,618**	**22,553,980,440**	**10,085,252,616**	**32,639,233,056**

ANNEXE III: BUDGET CALENDER FOR THE FY 2021/2022

	ACTIVITY	TIMELINESS	RESPONSIBILITY
1	**Issuance of 2021/22 Budget Preparation Guidelines**	**By 30th August 2020**	**County Treasury**
2	**Submission of ADP 2021/22 to the County Assembly**	**By 1st September, 2020**	**County Treasury**
3	**Launch of Sector Working Groups**	**By 13th September 2020**	**County Treasury**
4	**Capacity Building**	**September/October 2020**	**County Treasury**
5	**Development of Medium Term Budget Framework**		
	Preparation of County Budget and review Outlook Paper (CBROP)2020	By 10th September 2020	County Treasury
	Submission of County Budget and review Outlook Paper (CBROP)2020 to County Executive Committee/CBEF	By 15th September 2020	County Treasury
	Submission of County Budget and review Outlook Paper (CBROP)2020 to County Assembly	By 21st October 2020	County Treasury
6	**Preparation of Medium Term Budget Proposals**		
	Preparation of draft Sector Reports by all Sectors in accordance with ANNEXE 2	15th October-15th Nov 2020	Sector Working Groups
	Submission of Sector Reports (Draft Budget proposals for 2021/22) to County Treasury for review	16th NoV-20Th Nov 2020	Sector Working Groups
	Public Hearings on Sector Reports	21st Nov -23rd Nov 2020	Sector Working Groups, County Treasury
	Review and incorporation of public views in the sector reports	25th -30th Nov 2019	Sector Working Groups
	Submission of Final Sectoral Budget Proposals for FY 2021/22 to County Treasury	1st December-10th December 2020	Sector Working Groups
7	**Draft County Fiscal Strategy Paper (CFSP)**		
	Conduct MTEF public consultations for consideration in CFSP 2021/2022	By 15th January 2021	County Treasury, Sector Working Groups
	Finalize Draft County Fiscal Strategy Paper 2022	By 1st February 2021	County Treasury
	Submission of draft County Fiscal Strategy Paper to CBEF	By 8th February 2021	County Treasury
	Submission of CFSP to County Executive Committee	By 15th February 2021	County Treasury
	Submission of final CFSP to County Assembly for approval	28th February 2021	County Treasury
8	**Preparation and approval of Final Budgets FY 2021/22**		
	Issue guidelines on finalization of the FY 2020/21 Budget Estimates	By 5th March 2021	County Treasury
	Submission of Final 2021/2022-2023/24 Budget proposals to County Treasury in accordance with ANNEXE 3 & 4	By 15th March 2021	Sector Working Groups
	Consolidation of Draft Sector Budget Estimates	By 22ndMarch 2021	County Treasury
	Submission of draft budget estimates to CBEF for consideration	By 5thApril 2021	County Treasury
	Submission of draft budget estimates to County Executive Committee	By 12th April 2021	County Treasury
	Submission of Draft Budget Estimates & budget documents for FY 2021/22 to County Assembly	By 30th April 2021	County Treasury
9	**Submission of Appropriation Bill 2021 to County Assembly**	**By 14th June 2021**	**County Treasury**
10	**Appropriation Bill 2021 passed by County Assembly**	**25th June 2021**	**County Assembly**
11	Issuance of General Warrant FY 2021/2022	30Th June 2021	**County Treasury**