# CITIZEN PERCEPTION

## on Nairobi City County Finance Act, 2023

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# List of acronyms and abbreviations

| | |
|---|---|
| CBOs | Community Based Organizations |
| CoK | Constitution of Kenya |
| CRA | Commission on Revenue Allocation |
| GDP | Gross Domestic Product |
| GRB | Gender Responsive Budgeting |
| MSMEs | Micro, Small and Medium Enterprises |
| NCC | Nairobi City County |
| NMS | Nairobi Metropolitan Services |
| NGEC | National Gender and Equality Commission |
| OSR | Own Source Revenue |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Finance Management |
| PWD | Persons with Disability |
| **SDG** | Sustainable Development Goal |

# Executive summary

The survey aimed to gather opinions from residents of Nairobi City County (NCC) on the Finance Act 2023. The Finance Bill 2023, introduced in parliament on the 12th of September, sparked public discourse, prompting the need for the survey. It aimed to comprehend residents' attitudes, understanding, and opinions on the key legislation, with a backdrop of assessing whether the revenue-raising measures were gender-sensitive. Given that the new tax proposals were anticipated to affect all Nairobi residents, particularly those in informal settlements, the responses were considered representative of the entire demographic.

It became evident that a majority of respondents strongly disagreed with some proposals in the Nairobi Finance Bill 2023. Some argued that increased levies and charges would contribute to the already high cost of living in the country. Respondents also expressed concerns about their limited involvement in the legislative process, highlighting inadequate public participation and the insufficient incorporation of their proposals/memos into the county assembly's decision-making.

Overall, there is diminished confidence in the Nairobi City County government's ability to fulfill its promise to "**Make Nairobi Great Again**". According to the survey, 41.2% of respondents distrusted the County government's capacity to achieve this goal. Only 8.6% of responses indicated trust in the County government's commitment to 'Make Nairobi Great Again'.

# 1.0 Introduction

## 1.1 Background of the Study

The Constitution of Kenya 2010 established county governments, each with the mandate to provide services and foster development at the local level. Effective revenue generation is crucial for each county government to fulfill its responsibilities and ensure sustainable development. The County governments have a range of revenue-raising measures at their disposal to support service delivery and development. However, the success of these measures' hinges on factors such as prudent utilization of resources, proper administration, public engagement, and a balanced approach that considers both economic realities and the needs of the citizenry. A well-structured revenue strategy can contribute significantly to the financial sustainability and growth of county governments in Kenya.

The sources of county government revenue include Equitable share from the national government, own source revenue and conditional grants. Equitable share is the money that is shared between the national and county government. This money is allocated per county and each decides how to spend it. Additionally, the national government may allocate more funds from the equitable share to the counties known as conditional allocations or grants. These allocations are conditional as the national government imposes restrictions on how county governments will spend them.[1] Article 209 (3) of the Kenyan Constitution[2] empowers the county governments to impose two types of taxes and charges, namely, property rates and entertainment taxes. Cumulatively, these taxes are called Own Source Revenue. This activity will explore various revenue-raising measures for Nairobi City County enshrined in its Finance Bill 2023 highlighting if the proposed revenue raising measures are gender sensitive.

Decisions made by the government directly affect members of the public and as such the people affected have a right to be involved in the decision-making process. The County Finance Bill is a crucial piece of legislation as it outlines the County's proposed revenue-raising measures for a given financial year. From the analysis of the finance bill, members can determine gaps and identify priority areas that will address their needs as well as make recommendations on the same

1 *https://afrocave.com/county-government-revenue/#sources-of-revenue-for-county-governments*

2 *https://www.treasury.go.ke/wp-content/uploads/2022/07/DRAFT-NATIONAL-TAX-POLICY-16.06.-2022-.pdf*

issues. For effective public participation of CBOs, the public and other interested parties need to be informed so that they can pose the right questions followed by written proposals to the relevant parties. Nairobi City County's plans to raise and spend its revenue to boost economic growth and promote equality in terms of gender and income disparities. The plans have to accommodate the informal sector and assist it to thrive while improving its service delivery. More so, given the county's population size, it is best placed to drive the achievement of SDG 5 and the government's commitment to promote gender equality.

# 2.0 Literature Review

Men and women frequently possess distinct practical and strategic necessities and have different priorities. These dissimilarities can lead to adoption of seemingly gender-neutral policies that yield unintended outcomes, which could escalate gender disparities[3]. Women continue to be inadequately represented in public spheres, resulting in the possibility that governmental strategies, including fiscal policies, might overlook their requirements and preferences. For instance, eligibility for state benefits and pensions is often associated with consistent full-time employment throughout one's life. Women engaged in the informal job market or those who don't work full-time due to caregiving responsibilities for children, parents, or relatives might be ineligible for these benefits. Similarly, many governments develop their budgets based on the segments of the economy for which data is accessible – primarily the formal, remunerated labour market and the sectors contributing to GDP. When policymakers devise strategies, they tend to rely on these statistics and might disregard other pertinent factors due to data gaps. Estimations of the unpaid sector of the economy reveal it holds a value equivalent to, if not surpassing, the paid economy. Yet, activities like unpaid caregiving, household chores, child rearing, and domestic food production remain unquantified and, consequently, might not be factored in during policy formulation.[4]

The Public Financial Management (PFM) systems have the potential to have different effects on men and women. PFM system design and implementation can either exacerbate or reduce gender disparities. For instance, if gender disparities in resource distribution are not addressed, it may result in fewer opportunities and access to necessary services for women. Conversely, gender-responsive PFM

3 *Oxfam International (2018). A Guide to gender responsive budgeting. Link.*

4 *Oxfam International (2018). Link.*

frameworks can enhance women's economic empowerment, social inclusion, and overall well-being. Recognizing and comprehensively analysing these differential impacts is crucial for crafting policies and interventions that harness the full potential of PFM systems to foster equitable development and improve the lives of both men and women[5].

The recognition that PFM systems can affect the economic and social outcomes of men and women differently has led to emergence of gender-responsive public financial management, often referred to as gender responsive budgeting (GRB). GRB is an innovative and transformative approach to budgeting that explicitly takes into account the gendered impacts of fiscal policy, public financial management (PFM) practices, and public administration. GRB recognizes the distinct experiences and needs of various gender groups within a given society, acknowledging that women, men, and marginalized individuals may encounter different economic and social challenges. This approach emphasizes the identification and allocation of resources to address gender disparities, promoting equitable access to opportunities and services. By integrating gender considerations into budgetary processes, GRB seeks to enhance gender equality, empower marginalized groups, and foster inclusive development. [6]

The Sustainable Development Goals (SDGs) underscore the importance of integrating gender equality with financing for development. Gender equality is not only a standalone goal (SDG 5) but also a cross-cutting theme that is intricately woven into the fabric of the entire 2030 Agenda for Sustainable Development. The SDGs recognize that achieving sustainable development necessitates addressing gender disparities across various dimensions, such as education, health, economic participation, and political representation. This emphasis on gender equality aligns with the recognition that equitable and inclusive development requires adequate and targeted financing. By linking gender equality with financing for development, the SDGs emphasize the need for gender-responsive budgeting, public financial management, and policies that allocate resources to mitigate gender-based disparities and promote women's empowerment[7].

SDG indicator 5.c.1 is an important tool for assessing and advancing gender-responsive budgeting within the context of the SDGs. This indicator assesses

5 *OECD (2010). Integrating gender equality dimensions into public financial management reforms, Gender Equality, Women's Empowerment and the Paris Declaration on Aid Effectiveness Issues Brief 6. OECD DAC Network on Gender Equality, Paris. Link.*

6 *Rubin, M. M., & Bartle, J. R. (2022). Gender-responsive budgeting: a global perspective. In Handbook on Gender and Public Administration (pp. 133-148). Edward Elgar Publishing Ltd. Link.*

7 *UN Women. Women and the Sustainable Development Goals (SDGs). Link.*

the government's commitment to transparency and accountability in promoting gender equality by tracking the publication and monitoring of budget allocations over the course of the fiscal year. This indicator highlights the critical role of budgetary processes in driving tangible progress toward gender equality by capturing the extent to which financial resources are directed toward addressing gender disparities. The emphasis on tracking allocations throughout the budget cycle highlights the importance of ongoing and comprehensive attention to gender-responsive budgeting, from formulation to implementation and evaluation[8]. SDG indicator 5.c.1 not only compels governments to prioritize gender-responsive budgeting but also fosters an environment of openness and informed decision-making, fostering a pathway towards more inclusive and equitable societies.

The Public Expenditure and Financial Accountability (PEFA) Secretariat has taken a significant step towards enhancing gender equality and inclusivity in public financial management (PFM) by introducing a supplementary framework specifically designed to assess gender responsiveness. This innovative approach recognizes the need to go beyond conventional PFM assessments and systematically evaluate the integration of gender considerations throughout fiscal processes. The supplementary framework serves as a valuable tool for governments and stakeholders to gauge the extent to which budgeting, revenue generation, and expenditure allocation align with gender equality objectives. The 2020 PEFA report indicates that most countries are yet to mainstream gender in the design, implementation and evaluation of budget policies.[9]

Locally, the Kenyan government has taken some steps to institutionalize GRB through the National Gender and Equality Commission (NGEC) Gender Responsive Budgeting Implementation Framework, offering a structured approach to incorporating gender considerations across the budget cycle. Additionally, the Ministry of Public Service, Youth, and Gender Affairs has issued guidelines on GBB, emphasizing the importance of gender analysis, gender-disaggregated data collection, and stakeholder engagement in budget formulation and implementation. These guidelines underscore Kenya's commitment to achieving gender-responsive fiscal policies that contribute to inclusive development and the realization of gender equality goals within the country. Despite the availability of guidelines, full integration of GBB into budgetary practices remains inconsistent across different sectors and counties. Implementation has been uneven, with some areas showing more progress than others.

*8 United Nationa (UN) (2023). SDG indicator metadata. Link.*

*9 PEFA (2020). Gender Responsiveness of Public Financial Management. Link*

In a 2018 study on Turkana and Nairobi City Counties, Oxfam and National Taxpayers Association found that exclusion of the State Department for Gender and the National Gender and Equality Commission from formulation of the National Policy to Support Enhancement of County Governments' Own-Source Revenue (OSR) and the County Government's (Revenue Raising Process) Bill, 2018 risked omitting the needs of women in these policies. The study further revealed that regulations on waivers and variations are neutral on gender equity while counties did not consider the economic impact and tax burden on women and marginalized groups of new taxes, fees and charges by counties. Study results also revealed that women were under-represented in key leadership roles including in the County Assemblies and County Executive Committees which could lead to passing of regulations on taxes, fees and charges that are not gender-sensitive.[10] The study recommended incorporation of gender equity principles in Own Source Revenue (OSR) policy and inclusion of the State department for Gender and National Gender and Equality Commission in formulation of this policy and law, review and during introduction of new revenue streams or waivers. Based on these previous recommendations, our research is a perception survey of the Nairobi City County's Finance Bill, 2023 on the different revenue streams proposed and how they implicate gender mainstreaming in the county budgets and service delivery.

## 2.1 Background of the Nairobi City County Finance Act 2023

The Nairobi City County's (NCC) Finance Bill 2023 was introduced on 8th September 2023 and assented to by the governor on the 13th of October 2023, officially becoming the Finance Act. The Nairobi City County Finance Act 2023 incorporates new taxation measures intended to fund the county's Own Source Revenue (OSR), amounting to 19.9 billion out of the total 42.3 billion budget. According to Article 209 of the Constitution of Kenya 2010 (CoK)[11]counties are mandated to collect revenue in the form of property and entertainment taxes, as well as any other tax authorized through an act of parliament. Counties can also generate revenue through service charges across various sectors at the county level.

10 *Oxfam-Kenya and National Taxpayers Association (2018). Gender equity analysis of the proposed Own Source Rvenue policy and legislation in Kenya: Case of Turkan and Nairobi City Counties. Link.*

11 *Constitution of Kenya 209. Power to impose taxes and charges Kenya Law Reform Commission (KLRC). Available at: https://bit.ly/3GKPIyI <Accessed: 15 December 2023>*

In principle, county fiscal policies should not contradict national government policies. Both levels of government are expected to collaborate towards achieving common goals, whether related to the Sustainable Development Goals (SDGs) or Vision 2030. Therefore, if the country aims to mobilize domestic resources, it should inform county fiscal plans. As evident in the national Finance Act 2023, there is a push to raise more revenue locally and reduce borrowing, particularly noticeable in the fiscal plans of Nairobi, a major hub for business activities. The Finance Bill 2023 underwent deliberation in the Nairobi County assembly and was passed with a few adjustments. The initial proposal introduced new taxes in key sectors, including some that were previously not subject to charges. For example, under the Finance Act 2023, family planning services now incur charges. For instance, the cost of implant insertion or removal at a level 4 hospital is set at Kes 300. These are among the new charges that have come into effect with the Finance Act 2023.

One notable change is seen in the Transport Act, where parking fees for motorists have increased. Furthermore, Boda Boda operators will now have to pay Kes 1000 as a one-off registration fee to the county. Public service vehicles, on the other hand, have received some relief, with the organization and termination fee halved, likely to encourage growth in the sector. In contrast to last year's Finance Act, the Finance Act 2023 brings about significant changes across most, if not all, sectors. Unlike 2022, where the monthly rental costs of operating in certain county markets were nil, the new law mandates service providers and retailers to incur rental costs based on their business activities. In the health sector, charges for cholera and influenza vaccines have been introduced at Kes 2000 and Kes 2500, respectively. Additionally, the typhoid vaccine, previously charged at Kes 1000, will now cost Kes 2000, marking a 100% increase from the previous financial year. Similar considerable increments apply to various sectors, with charges rising by as much as 200% of the former rates as shown in the figure below.

| Item Description | Unite of Measure | Old Charges | Approved Charges |
|---|---|---|---|
| **PRIVATE SEASONAL ON STREET PARKING** | | | |
| Lorry up to 5 tons (canter) | 1 month | New | 12,500 |
| | 3 months | New | 32,500 |
| | 6 months | New | 60,000 |
| | 12 months | New | 112,500 |
| Lorry above 5 tons | 1 moths | New | 25,000 |
| | 3 months | New | 65,000 |
| | 6 months | New | 120,000 |
| | 12 months | New | 225,000 |
| Trailers | 1 month | New | 75,000 |
| | 3 months | New | 195,000 |
| | 6 months | New | 360,000 |
| | 12 months | New | 675,000 |
| Buses (Non PSV) | 1 month | New | 25,000 |
| | 3 months | New | 65,000 |

As of 31st March 2023, Nairobi County managed to collect Kes. 7.5 billion in Own Source Revenue[12], falling 60% short of the Kes. 18.1 billion total annual target. The county's primary income sources as of 31st March 2023 were land rates, parking fees, and single business permits. This underperformance was largely attributed to COVID-19 and administrative changes linked to the National Metropolitan Services (NMS).

12 ***Nairobi City County 2022/23FY 3rd quarter budget implementation report***. *Available at: https://bit.ly/3RuKZWG <Accessed: 18 December 2023>*

It is evident that the Finance Act 2023 aims to increase revenue collection for the city by broadening its tax base across all sectors within the county's mandate. However, there are concerns that these measures may reduce tax morale, given the challenging economic times the country is facing. The increased operating costs for MSMEs may disadvantage them and hinder entrepreneurial activities in the county, potentially widening the gap between the rich and the poor.

Moreover, there appears to be limited consideration for gender sensitivity in the county's revenue-raising measures. The introduction of new charges on healthcare may negatively impact women and Persons with Disabilities (PWDs), who often require these services for their overall well-being. It remains uncertain whether the county will be able to meet its revenue projections and surpass last year's achievements.

# 3.0 Methodology

## 3.1 Introduction

County governments have the mandate to prepare their respective Finance Bills pursuant to Section 132 of the Public Finance Management Act 2012 to further set out revenue raising measures for the County Governments in line with the proposed fiscal forecast. The Finance Bill incorporates the following: Total annual revenues to be raised consistent with the approved fiscal framework; Principles of equity, certainty, and ease of collection; Prevailing National and regional tax policies; Dynamics of the local economic performance and any other recommendations of the County Executive Committee Member for Finance to the County Assembly. Hence, it is against this backdrop that NTA sought to review the Nairobi City County Finance Bill 2023 and undertake a perception survey to influence county conversations on revenue mobilization and its implication on gender.

There is a need for enhanced understanding by residents of Nairobi City County of the extent of tax burden that they carry, which has the potential to improve the demand for quality service delivery especially for women, youth and PWDs working in the informal sector in the county. Active participation of residents in the PFM cycle both at the national and subnational level is integral in influencing OSR raising strategies, budget allocation and expenditure. Hence, it is in this regard that NTA undertook a perception survey with support from TWAWEZA-Kenya to attain the following objectives;

To analyze the perception of Nairobi City County residents on the county's Finance Bill 2023 through a perception survey.

To collect data and generate a report from the survey.

To develop and implement an advocacy strategy to disseminate the findings and recommendations of the perception survey.

To jointly develop online and offline communication materials from the survey.

To host policymaker dialogues drawing from the perception survey data.

## 3.2 Research Design

The study adopted a qualitative research design due to its strength in capturing the depth and complexity of human experiences. This research design was used to analyze the opinions, perceptions, and attributes of Nairobi City County residents towards the Nairobi City County Finance Bill 2023.

## 3.3 Sampling

NTA and TWAWEZA Kenya developed an online questionnaire to collect views, opinions and attributes of residents on the Nairobi City County Finance Bill, 2023 through mobile-phone survey. The panel was created through convenience sampling resident residents of 1236 respondents. This sample consists of respondents from informal settlements across Nairobi City County: Mathare, Kayole, Kwangare, Mukuru, Landi Mawe, Laki Sama, Korogocho, Kariobangi, Roysambu, Dandora, Matopeni, Embakasi, Baba Ndogo, Bahati.

## 3.4 Convenience sampling

The sampling technique employed in this survey was convenience sampling. The technique is characterized by selecting participants based on their accessibility and willingness to participate in the survey. The selected participants had to consent to participate in the survey and be residents of Nairobi City County. Those that declined or were not residents were excluded from the survey.

## 3.5 Data Collection

### 3.5.1 Training of Enumerators.

The initial phase of data collection involved training enumerators in survey administration by NTA and TWAWEZA Kenya. The training included a pre-test of the data collection tool. The questionnaire was administered through the SurveyMonkey[13] platform. Prior to the survey, all enumerators

13 https://www.surveymonkey.com/

were trained on the use of the platform and conducting online-assisted surveys. This comprehensive approach ensured proficiency in both survey tool operation and online survey facilitation.

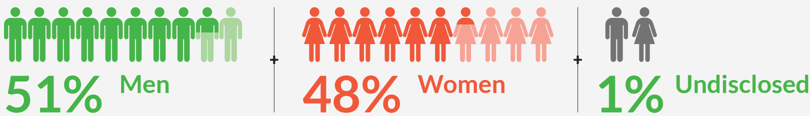
The survey observed all data quality procedures to ensure the data was accurate and reliable. These procedures included: training of enumerators on proper administration of the questionnaire in different scenarios, and all enumerators were well informed on the objectives of the survey as well as the sampling technique. The survey was done anonymously ensuring the confidentiality of the respondents.

# 4.0 Study Findings

## 4.1 Demographic Characteristics of the Respondents

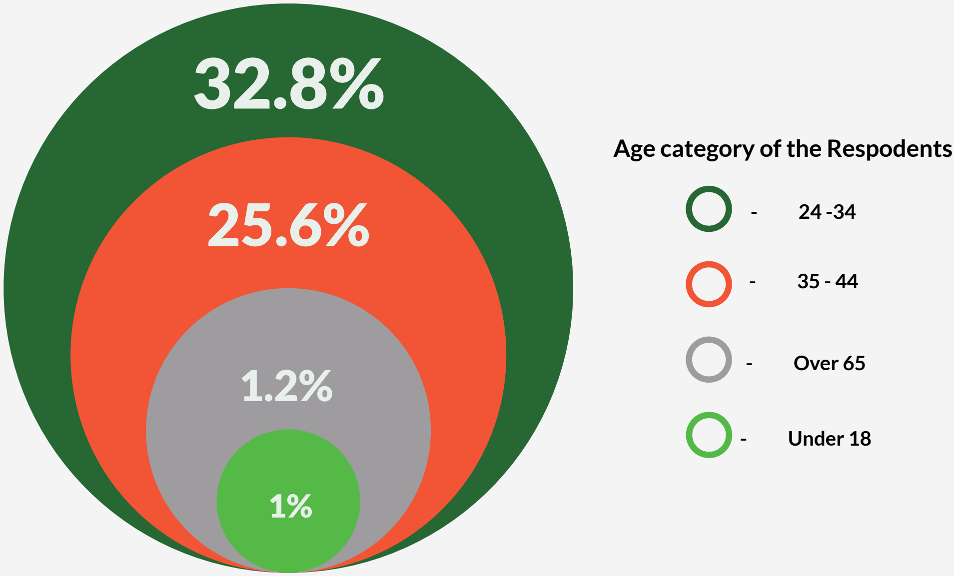
### 4.1.1 Gender of the Respondents

The survey participants were diverse in terms of gender, with 51% identifying as male, 48% as female, and 1% choosing not to disclose their gender. This distribution reflects a balanced representation across genders in the sample.



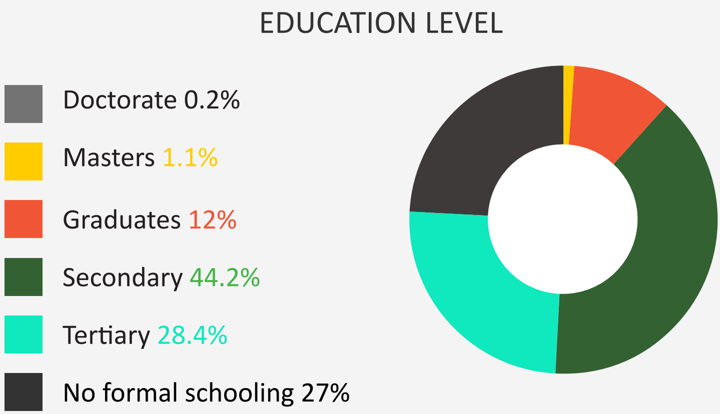

### 4.1.2. Age Category of Respondents

The assessment established that the majority of respondents fell within the 25-34 age range, constituting 32.8% of the sample. Additionally, there was a notable representation in the 35-44 age group at 25.6%, while respondents under 18 and above 65 each comprised 1.0% and 1.2%, respectively.




### 4.1.3 Education Level of the Respondents.

A significant portion of respondents had completed secondary education (44.2%), while 28.4% held tertiary-level qualifications, including certificates and diplomas. Additionally, 12.0% were graduates, 1.1% had a master's degree, and 0.2% held a doctorate. A small percentage (2.7%) indicated no formal schooling, and 0.1% specified 'Other.



## 4.1.4 Main Source of Income for the Respondents

The study established that the respondents' sources of income varied, with the following distribution: Getting a grant, pension, or subsidy 0.8%, Earning wages or salary from a regular job 19.6%, Running own business by providing services non-agriculture related 21.3%, Getting money/ remittance from family or friends 1.9%, Earning wages from occasional/casual job(s) 17.8%, Rearing livestock, poultry, pig, fish, or bees and selling it or its by-products 1.5%, Growing something and selling it, such as crops, fruits, or vegetables or its by-products 3.4%, Do not have a source of income 11.0%, Still in school 5.7%, HELB/CDF/School bursary 1.4%, Cook and sell food/run grocer 7.7%, Other (please specify) 7.9%

**Main Source of Income for the Respondents**

| | |
|---|---|
| 21.3% | Running own business by providing services (non-agriculture related) |
| 19.6% | Earning wages or salary from a regular job |
| 17.8% | Earning wages from occasional/casual job(s) |
| 11% | Do not have a source of income |
| 7.9% | Other Source |
| 7.7% | Cook and sell food/run grocer |
| 5.7% | Still in school |
| 3.4% | Growing something and selling it, such as crops, fruits, or vegetables or its by-products |
| 1.9% | Getting money/remittance from family or friends |
| 1.5% | Rearing livestock, poultry, pig, fish, or bees and selling it or its by-products |
| 1.4% | HELB/CDF/School bursary |
| 0.8% | Grant, pension, or subsidy |

## 4.2 The Nairobi City County Finance Bill, 2023.

### 4.2.1 Respondents Awareness of the Nairobi City County Finance Bill 2023

The majority of respondents, comprising 93.5%, demonstrated awareness of the Nairobi City County Finance Bill 2023. This high level of awareness suggests a noteworthy engagement and interest among the surveyed population regarding the financial legislation. However, it's essential to note that 6.5% of respondents indicated being unaware of the bill, highlighting a segment that may require targeted information dissemination.

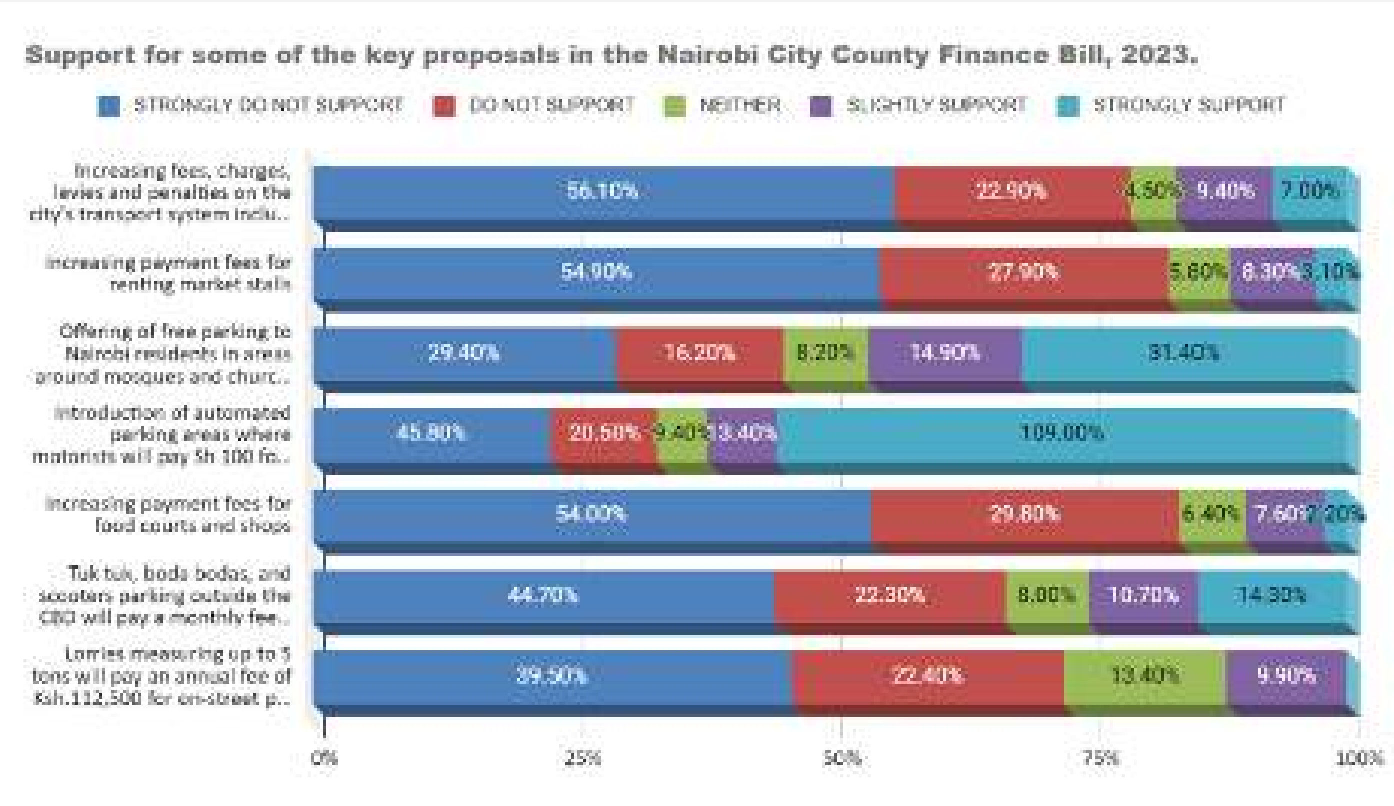
**Awareness of the Nairobi City County Finance Bill 2023**

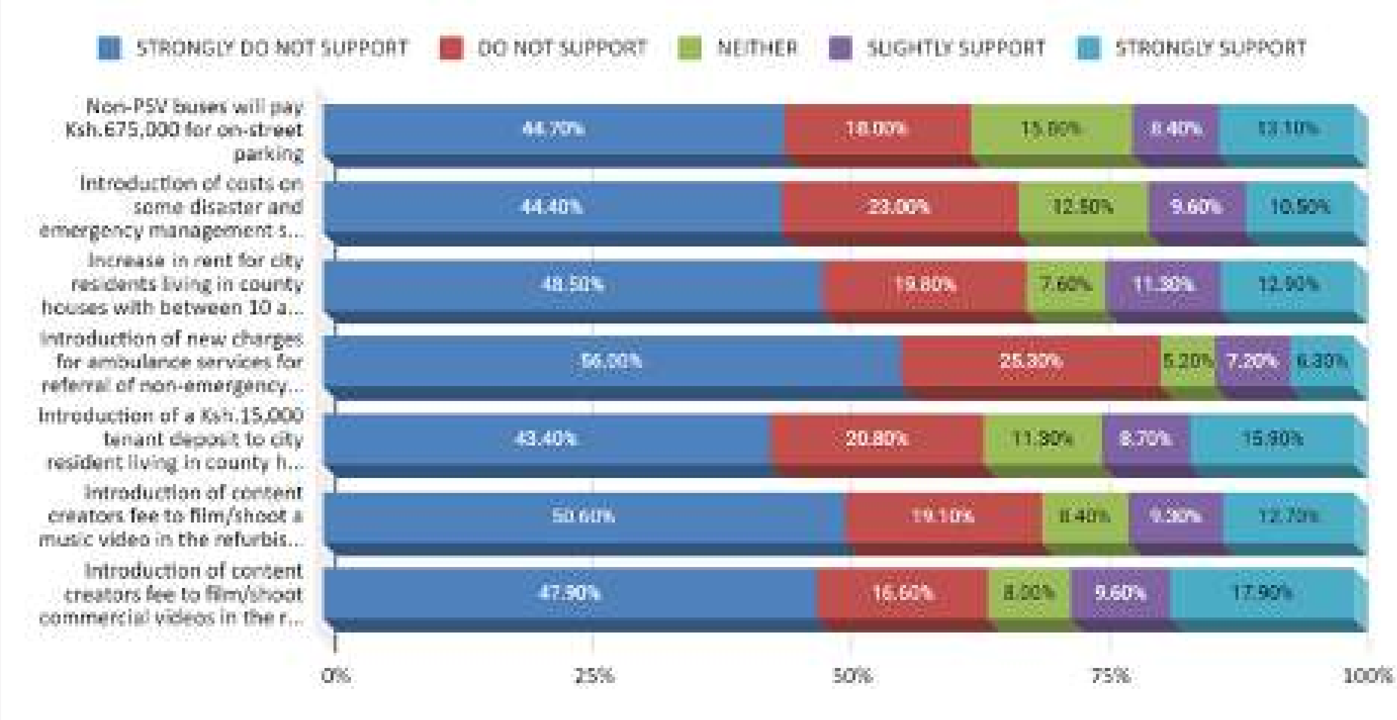
**93.5 precent** Demonstrated awareness of the Nairobi City County Finance Bill 2023

**6.5 precent** Of respondents indicated being unaware of the bill

### 4.2.2 Support for some of the Key Proposals in the Nairobi City County Finance Bill, 2023

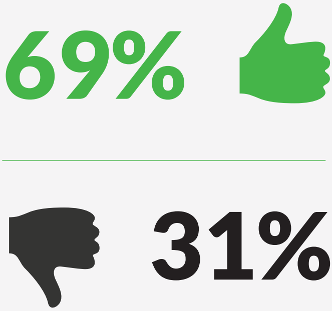
Most of the respondents strongly disagreed with some of the proposals in the Nairobi Finance bill 2023. Especially those that involve increases in charges, levies and taxes. This will continually add on to the  high cost of living being experienced by residents. One of the key proposals that saw great support was the Introduction of automated parking areas where motorists will pay Ksh.100 for the first hour and Ksh. 50 for every hour after that. Overall most of the reposendes were not in agreement with some of the Key proposals in the Finance Bill.


Support for some of the key proposals in the Nairobi City County Finance Bill, 2023.
STRONGLY DO NOT SUPPORT
DO NOT SUPPORT
NEITHER
SLIGHTLY SUPPORT
STRONGLY SUPPORT
Increasing fees, charges, levies and penalties on the city's transport system inclu...
56.10%
22.90%
4.50%
9.40%
7.00%
Increasing payment fees for renting market stalls
54.90%
27.90%
5.80%
8.30%
3.10%
Offering of free parking to Nairobi residents in areas around mosques and churc...
29.40%
16.20%
8.20%
14.90%
31.40%
Introduction of automated parking areas where motorists will pay Sh 100 fe...
45.80%
20.50%
9.40%
13.40%
109.00%
Increasing payment fees for food courts and shops
54.00%
29.80%
6.40%
7.60%
2.20%
Tuk tuk, boda bodas, and scooters parking outside the CBD will pay a monthly fee...
44.70%
22.30%
8.00%
10.70%
14.30%
Lorries measuring up to 5 tons will pay an annual fee of Ksh.112,500 for on-street p...
39.50%
22.40%
13.40%
9.90%
0%
25%
50%
75%
100%


STRONGLY DO NOT SUPPORT
DO NOT SUPPORT
NEITHER
SLIGHTLY SUPPORT
STRONGLY SUPPORT
Non-PSV buses will pay Ksh.675,000 for on-street parking
44.70%
18.00%
15.00%
8.40%
13.10%
Introduction of costs on some disaster and emergency management s...
44.40%
23.00%
12.50%
9.60%
10.50%
Increase in rent for city residents living in county houses with between 10 a...
48.50%
19.80%
7.60%
11.30%
12.90%
Introduction of new charges for ambulance services for referral of non-emergency...
56.00%
25.30%
5.20%
7.20%
6.30%
Introduction of a Ksh.15,000 tenant deposit to city resident living in county h...
43.40%
20.80%
11.30%
8.70%
15.90%
Introduction of content creators fee to film/shoot a music video in the refurbis...
50.60%
19.10%
8.40%
9.30%
12.70%
Introduction of content creators fee to film/shoot commercial videos in the r...
47.90%
16.60%
8.00%
9.60%
17.90%
0%
25%
50%
75%
100%

### 4.2.3 Awareness on the call for public participation on the Nairobi City County Finance Bill, 2023

In response to inquiries about Public Participation, only 69% of the participants indicated awareness, while the remaining 31% reported having no prior knowledge of public participation. This depicts a greater awareness of the public in Nairobi County, however there is need for creation of awareness on Public participation to ensure every citizen's voice is heard.




**Awareness on the call for public participation**

69% of the participants indicated awareness, while the remaining 31% reported having no prior knowledge of public participation.

### 4.2.4 Call for a Public Participation Meeting on the Nairobi City County Finance Bill, 2023 in Respondents' Ward.

Public participation 59% of the respondents mentioned that there was a call for public participation meeting in their respective wards with 13% having not heard of any calls while 29%  were not aware of any public participation .

**59%** there was a call for public participation meeting in their respective wards

**29%** not heard of any calls

**13%** were not aware of any public participation

**Call for a Public Participation Meeting on the Nairobi City County Finance Bill**

### 4.2.5 Public Participation Venues.

A total of 217 out of the responses confirmed to have had public participation venues within their wards. The locations were at Eastleigh North Social Hall, Joseph Kangethe Social Hall, Undugu Social Hall, Embakasi Social Hall, Mathare North Social Hall, Sub County Administrators Office, Kayole II Social Hall, Karen Social Hall, Kariokor Social Hall, Kahawa West Market, Dagoretti Muslim Primary School, Maji Mazuri Grounds, Mukuru Health Center (Imara Daima), Waithaka Social Hall, Jericho Social Hall, City Park and Dandora Phase I Social Hall

### 4.2.6 Attendance to the Public Participation for the Nairobi City County Finance Bill, 2023.

Assessing the responses on the attendance for public participation, 64% of the respondents attended the public participation for the Nairobi City County Finance Bill while 36% responded to having not attended the forum.

**Attendance of the Public Participation**

**64% precent** of the respondents attended the public participation

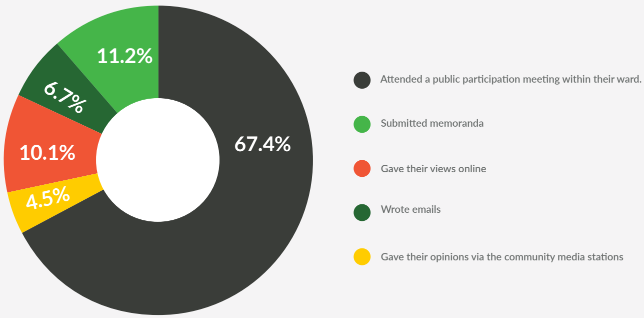
**36% precent** having not attended the forum.

Among those that attended the public participation meetings within their localities 66% actively participated in the meeting by giving their views while 34% of those in attendance did not give their views. This is cause for re-evaluating how residents engage at public participation forums to ensure they participate meaningfully and provide their views and opinions.

**64% precent** Actively participated in the meeting by giving their views

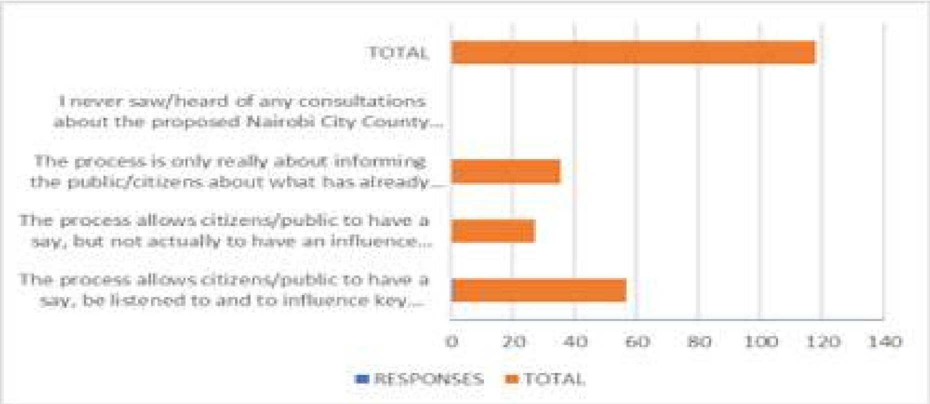
**36% precent** of those in attendance did not give their views

In a bid to understand how the residents provided their views on the Nairobi City County Finance Bill 2023, the questionnaire probed on which forms they used to give their opinions. 11.2% of the respondents submitted memoranda while 6.7% wrote emails. 10.1% gave their views online while another 4.5% gave their opinions via the community media stations and 67.4% attended a public participation meeting within their ward.



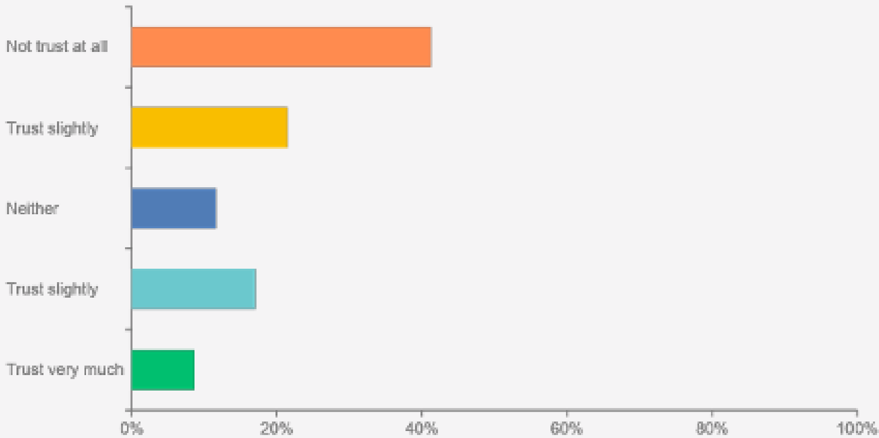

#### 4.2.7 Public/Citizen Inputs on the Development of the Bill in the Proposed Nairobi City County Finance Bill, 2023 Development Process.

From the survey, 62.9% of the public agreed that the process of development of the bill allows residents to have a say, be listened to and to influence key decisions on the bill. However, 30.3% felt that although the process allows for residents to have a say but do not actually have an influence on the final decision made by the duty bearers. A further 39.3% believe that the process is only meant to inform the residents on what has already been decided by the duty bearers. These views reveal a sense of distrust from the residents with the Nairobi City County Government in the process of developing the Bill.



### 4.3 Confidence Level of Residents in the Nairobi City County Government.

The level of trust among the residents in regards to the Nairobi City County Government ability to 'Make Nairobi Great Again' in the public service delivery sector is quite low. From the survey, 41.2% of the respondents were distrusting of the County government to achieve this. Only 8.6% of the responses showed trust in the County government's commitment to "Make Nairobi Great Again".




### 4.4 The Finance Bill, 2023 and its Gender Implications

A county's revenue raising measures affect men and women differently. When sectors dominated by women or men are taxed heavily, it creates gender inequality. Some of the new provisions in the Nairobi County Finance Bill, 2023 might widen the gender inequality gap. The survey asked the respondents to rate some of the provisions of the Nairobi County Finance Bill 2023 and whether they could potentially widen the gender inequality gap.

A significant majority of respondents, 59.5% expressed agreement with the notion that raising rental fees for market stalls would contribute to the inequality gap. Additionally, 58.1% concurred that the proposal to increase payment fees for both food courts and shops would contribute to the gender equality gap. Furthermore, a substantial 68% of respondents agreed that the introduction of new charges related to County public health services at Level 4 and 5 hospitals, such as delivery costs and obtaining general medical reports would affect gender equality. It is notable that these sectors disproportionately impact women more than men. The implementation of these provisions has the potential to exacerbate the existing gender inequality gap.

| | YES | NO | TOTAL |
|---|---|---|---|
| Increasing payment fees for renting market stalls | 59.5% | 40.5% | 1034 |
| Increasing payment fees for food courts and shops | 58.1% | 41.9% | 1029 |
| Increase in the county mortuary's services fees from storage of bodies, to interment with an adult's permanent grave now going for Ksh.30,500 and an infant costing Ksh.15,500 | 45.6% | 54.4% | 1031 |
| Introduction of new charges on County public health service at Level 4 and 5 hospitals (eg. Delivery, obtaining general medical report) | 68.2% | 31.8% | 1031 |
| Increase in rent for city residents living in county houses with between 10 and 25 per cent of the current rates depending on the location of the houses | 52.5% | 47.5% | 1028 |
| Introduction of a monthly Ksh.15,000 tenant deposit to city resident living in county houses | 49.3% | 50.7% | 1022 |
| Increasing fees, charges, levies and penalties on the city's transport system including parking zones, drop-off and pick-up points | 55.7% | 44.3% | 1029 |
| Introduction of monthly Sh 1,000 'boda boda registration fee' for motorcylists plying boda boda business. | 58.3% | 41.7% | 1020 |
| Introduction of application or renewal fee for betting shops at Kes | 50.2% | 49.6% | 1019 |

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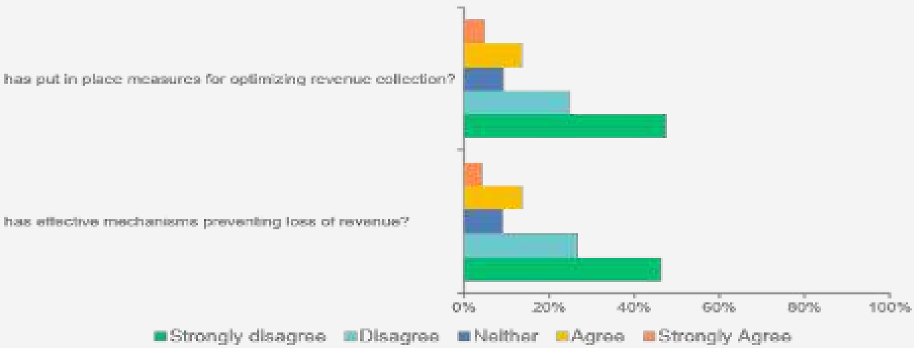
The survey also set out to determine residents' views on whether the Nairobi City County has put in place measures for optimizing revenue collection and effectively reducing revenue leakages. A total of 47.5% of the respondents strongly disagreed that the county has measures in place to optimize revenue collection with just 4.9% strongly agreeing that the county has measures in place.

On reduction of revenue leakages, 46. 3% of the respondents strongly disagree on the County having measures in place to reduce revenue leakages while 4.2% strongly agree to the measures.




# 5.0 Conclusion and Recommendations

## 5.1. Conclusion

The survey aimed to gather opinions from residents of Nairobi City County (NCC) on the Finance Act 2023. The Finance Bill 2023, introduced in parliament on the 12th of September, sparked public discourse, prompting the need for the survey. It aimed to comprehend residents' attitudes, understanding, and opinions on the key legislation, with a backdrop of assessing whether the revenue-raising measures were gender-sensitive. Given that the new tax proposals were anticipated to affect all Nairobi residents, particularly those in informal settlements, the responses were considered representative of the entire demographic.

It became evident that a majority of respondents strongly disagreed with some proposals in the Nairobi Finance Bill 2023. Some argued that increased levies and charges would contribute to the already high cost of living in the country. Respondents also expressed concerns about their limited involvement in the legislative process, highlighting inadequate public participation and the insufficient incorporation of their proposals/memos into the county assembly's decision-making.

Overall, there is diminished confidence in the Nairobi City County government's ability to fulfill its promise to 'Make Nairobi Great Again'. According to the survey, 41.2% of respondents distrusted the County government's capacity to achieve this goal. Only 8.6% of responses indicated trust in the County government's commitment to 'Make Nairobi Great Again'.

## 5.2 Recommendations

Some of the notable recommendations from this perception survey include the following;

1. The residents proposed the need for the county to embrace policies and frameworks that would reduce corruption/ financial leakages, minimize overrepresentation, and manage public wages, especially recurrent expenditure.

2. The county government should conduct a gender-responsive evaluation of its revenue -raising measures to identify potential biases and promote equal fiscal impact.

3. Digitizing revenue collection which increases efficiency , enhances transparency like online platforms which give taxpayers access to their accounts and payment history, fostering trust and understanding.

4. Empower each ward with regular, open forums for residents to actively contribute to shaping local priorities and decentralizing decision-making by establishing accessible ward level citizen councils to collaborate on improving service delivery.

5. Strengthen public participation for each department to actively engage residents in setting policy development. There is a need for public participation to be done per sector working group to improve on its efficiency and effectiveness.

6. Public participation should be undertaken in each ward to ensure the voices of the majority of Nairobi City County residents are considered. At the moment, public participation is done per sub-county posing significant challenges for the public such as transport costs, non inclusion of PWDs and time limits.

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