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MINISTRY OF NAIROBI METROPOLITAN DEVELOPMENT

MOVING OF THE 2008/2009 BUDGET-VOTE 57 TO THE
COMMITTEE OF SUPPLY

THE MINISTRY NAIROBI METROPOLITAN DEVELOPMENT

BY
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JUSTIFICATION OF THE 2008/2009 BUDGET OF THE MINISTRY OF THE NAIROBI METROPOLITAN DEVELOPMENT- VOTE 57

Introduction

Mr. Speaker sir, I beg to move that you do now leave the chair to enable me initiate debate on Vote 57, Ministry of Nairobi Metropolitan Development.

Mr. speaker sir, I am honored to stand in this august house to move the vote for the Ministry of Nairobi Metropolitan Development for the first time.

Mr. speaker sir, before I present financial details of my ministry's budget for 2008/09, allow me to mention policies and programmes that will be implemented during 2008/09 fiscal year and its forward years.

Mr. Speaker sir, as honorable members may be aware, my ministry's vision envisions Nairobi and the metropolitan region as a world class metropolis, the first and the foremost in Africa and the world.

Mr. Speaker sir, as per the Presidential Circular No. 1/2008, my Ministry is mandated to carry out Development of integrated Nairobi

Metropolitan Areas Growth and Development Strategy covering among other things:

- Integrated roads, bus and rail infrastructure for Metropolitan Area.
- Efficient Mass Transport System for Nairobi Metropolitan Area
- Replacement of Slums with affordable low cost/rental Housing
Provision of adequate Housing
- Development and enforcement of Planning and Zoning Regulations
- Preparation of Spatial Planning for Metropolitan area
- Efficient Water Supply and Waste management infrastructure
- Promotion, Development and Investment in sufficient Public Utilities, Public services and World Class infrastructure for Transforming Nairobi into a Global competitive City for Investment and Tourism.
- Identification and implementation of strategic projects and programmes requiring support from the government
- Promotion of Nairobi Metropolitan Area as a regional and global services Centre for Financial, Information and Communication Technology, Health, Education, Business, Tourism and other services.
- The development of a sustainable funding framework for the Development of identified Urban and Metropolitan areas.

I beg to add, **Mr. Speaker sir**, that my Ministry is executing this mandate with due diligence, and have consulted widely with various stakeholders on the strategy of realizing the world class metropolis.

Mr. Speaker sir, in order to realize this mandate, it is necessary to undertake serious re-engineering of spatial planning and governance at a metropolitan level. This requires substantial amounts of financial resources which the 2008/09 printed estimates did not provide adequately. At the outset we requested for a total of 8.2 Billion (7.9 Billion for Development and 389 million for Recurrent expenditures). We were allocated 2.3Billion (just over 2.0 Billion for Development and 260 million for Recurrent).

Mr. Speaker sir, the benefits that will accrue from the execution of this mandate as per this budget includes:

- a. Increased new investments
- b. Increased employment
- c. 24 hour economy
- d. Increased tax revenue
- e. Creation of new industries
- f. Expanded tourism
- g. Increased safety and security
- h. Modern infrastructure facilities
- i. Enhanced quality of life

Mr. speaker sir, The Ministry's geographical mandate currently covers Nairobi city and 14 local authorities adjoining the city. The consensus from Stakeholders in the metropolitan region is unanimous that the metro-region be delineated using the

outermost boundaries of the cluster of the following fifteen (15)

Local Authorities namely:

- i. City council of Nairobi
- ii. Municipal Council of Thika
- iii. County council of Thika
- iv. Municipal council of Machakos
- v. County Council of Masaku
- vi. Municipal council of Mavoko
- vii. Town council of Kangundo
- viii. Municipal council of Kiambu
- ix. County council of Kiambu
- x. Municipal council of Karuri
- xi. Town council of Kikuyu
- xii. Olkejuado county council
- xiii. Kajiado Town Council
- xiv. Ruiru municipal council and
- xv. Limuru municipal council

Mr. Speaker sir the entire Metropolitan area currently covers an area of 60km radius and it is projected to extend upto approximately 100km radius, given the functional interconnectedness of this region. This area is projected to continue yielding more than 60% of the national GDP, which is the current estimated output.

Mr. Speaker sir, in recent years, the metropolitan population has grown significantly from 3.3 million in 1999 to 4.7million, 1999 and

2007 respectively. The core Nairobi city's resident population is growing at a rate higher than even the national growth (4.8 per cent as compared to 3.4 per cent. **Mr. Speaker sir** this population is expected to reach the 12 million mark by the year 2030. This gives us the magnitude of demand for services and development that we shall require.

Mr. Speaker sir, the metropolitan area lacks strategic development plans and current spatial plans, to comprehensively guide investment and growth. The existing Nairobi metropolitan strategic plan was prepared in 1973 to the 2002 horizon, but was never implemented. There has been a process of decay of the industrial and other built up areas due to collapsing infrastructure, traffic congestion, high cost of utilities (water, electricity, telephones), and the inaccessibility of markets. We must also re-brand the metropolis to de-link it from negative pet names and address safety and security issues.

Mr. Speaker sir, this situation demands urgent attention focused on the utilization of physical space for production, re-creation and quality of life, as well as the cost of doing business within the city and its environs.

Mr. Speaker sir, globalization, which has placed cities at the arena of territorial competition for economic dominance is upon us. While Kenya through the Vision 2030, is positioning itself to be globally competitive in pursuit of improved welfare for its populace, the

Nairobi metropolitan region is being strategically positioned to play a pivotal role in the realisation of the targets set out in Vision 2030.

Mr. Speaker sir, my Ministry since its creation 2 months ago has formulated a strategy for the transformation of Nairobi Metropolitan Region into a regional and global services hub. This will benefit the people of Kenya, and visitors, with enhanced economic opportunities for the country in line with the vision 2030 targets.

The interventions are organized around the following building blocks Mr. Speaker sir:-

- i. Building an internationally competitive and inclusive economy for the metropolitan region
- ii. Deploying world class infrastructure and utilities for the region
- iii. Enhancing mobility and connectivity through effective transportation
- iv. Enhancing the quality of life in the region
- v. Making the metropolitan region the place of choice
- vi. Ensuring a safe and secure region
- vii. The implementation framework: from strategic vision to reality.
- viii. Solid waste management
- ix. Reclamation of Nairobi River basin

Mr. speaker sir, as the Honorable Members may have noted from the printed estimates, my Ministry's Net Recurrent Expenditure Estimate for the 2008/2009 financial year amounts to Kenya shillings 260,026,000. The recurrent expenditure is to be utilized as follows: - personnel costs: ksh.25, 000,000, Operation & maintenance ksh.185, 026,000 And Ksh.50, 000,000 Nairobi Metropolitan Board.

Mr. Speaker Sir, the Ministry's Gross Development Expenditure Estimate for the 2008/2009 financial year is Kenya shillings 2,050,384,000 of which Kenya shillings 40,384,000 will be realized as donor Appropriation-In-Aid. The Net Development Expenditure Estimate is Kenya shillings 2,010,000,000. The total Net allocation for my Ministry for both Recurrent and Development for the 2008/2009 financial year is therefore Kenya shillings 2,270,026,000.

Mr. Speaker sir, the breakdown of my Ministry's total Net Estimates and its main activity is as follows:

Recurrent vote

Mr. speaker sir, I intend to apply the Recurrent provisions to finance major activities as follows:

Recurrent Estimates

Sub-head code	Programme/ Projects	Main activity	Allocation in the Recurrent
0000	Headquarters	Administration and support services in the Ministry. eg. paying rent, fuel , salaries, etc	173,801,940

0001	Aids Control Unit	Mainstreaming HIV/ Aids in the Ministry eg. HIV awareness materials,	5,000,000
0002	Information Communication Technology	Establishing ICT infrastructure in the Ministry eg. , purchase of computers, internet connections computer networking etc	7,300,000
0005	Planning & Research	Planning and research activities for Nairobi, including 13 local satellite towns.	14,350,000
0008	Personnel administrative services	Personnel administrative services for Human Resource Capacity building activities	5,250,000
0013	Finance management services	Finance management services in the ministry such as training AIE holders on public financial management	1,874,060
0060	Gender & Education	Gender mainstreaming in the Ministry eg. gender training, awareness etc	2,450,000
0168	Metropolitan Development board	Establishment and institutionalization of Nairobi Metropolitan Board	50,000,000
	Totals		260,026,000

Development vote

Mr. Speaker sir, Mr. speaker sir, I intend to apply the Development provisions to finance major activities as follows:

Item.	Programme	Main activity	Allocation in the Development
3110400	Metropolitan Roads Rehabilitations	Expanding Narrow roads, missing links, maintenance,	750,000,000
3111000 & 3111100	Safety & traffic management	Signalize junctions and street lighting	550,000,000
3110300	Housing & slums elimination	Preparing advisory plans for 13 slums not captured by Kensup in the Metro area and pilot on slum elimination	250,000,000
3111500	Water & sewerage	Relocating water and sewerage line along Thika road to enable construction, and widening of the Road	100,384,000
3111400	Land use Planning	Development of spatial plan	400,000,000

& 2211300		strategy, infrastructure master plan and transport operational plan development	
	Totals.		2,050,384,000

Mr. speaker sir, My Ministry recognizes that provision of better infrastructure is the key to the success of the national development efforts. This includes well linked and integrated modern infrastructure in terms of (roads, rail, metros, by-passes, airports, affordable access to basic services such as (education, health, water & sanitation, emergency services), traffic de-congestion within CBD and well served economic zones. This should therefore be adequately mainstreamed in the country's development strategies. During this financial year, my Ministry will continue to play its primary role of providing leadership and co-ordination of the infrastructure sector to enhance effective and efficient delivery of services in the metropolitan region.

Conclusion

Mr. Speaker sir, Kenya has waited for 60 years to have its capital city better organized and integrated with its metropolitan region and we are here to fill this gap. I wish to assure honorable members that the funds provided will be utilized fully and prudently for the purposes for which they have been voted. In addition, Mr. Speaker sir, let me assure this august house that the members' contributions during the debate of this vote will be taken into consideration at the time of implementation of various programmes and projects.

Finally Mr. Speaker sir, to enable my Ministry meet its strategic objectives, I beg to move the House to approve a Total Expenditure of Kenya shillings 2,310,410,000 for financial year 2008/09.

A. Vote Recurrent 57, Kenya shillings 260,026,000

B. Vote Development 57; Kenya shillings 2,050,384,000

Mr. Speaker sir, I beg to move.

