



**REPORT OF THE WOMEN IN INFORMAL TRADE TRAINING OF TRAINERS  
(TOTs) "CAPACITY BUILDING ON COUNTY PLANNING AND BUDGET PROCESS  
MEETING"**

**YMCA-KENYA, NAIROBI**

**THURSDAY 31<sup>ST</sup> MAY 2018**



**A GREAT EXPERIENCE AND OPPORTUNITY FOR LEARNING, SHARING AND  
ENGAGEMENT**

## **Background**

### **Situational Analysis**

Due to the nature of the informal sector, perceived first as a failure of government in other sectors and secondly as phenomenon that would correct itself during economic growth and expansion, the informal sector has been considerably neglected and overshadowed by policies for the creation of a conducive business environment for the formal economy.<sup>1</sup>

Based on the absence and /or limited legal framework to govern informal trade sub-sector for Nairobi City County, informal trade is hence affected in the following ways:

- The policy regime targeting the informal sector is uncoordinated between the national and county government and unresponsive to the challenges and needs of the informal sector particularly women and youth.
- Secondly, social protection mechanisms targeting the informal sector are inadequate and are overshadowed with provisions for the formal at the expense of the informal.
- The urban land use framework and spatial plan do not adequately incorporate informal trade activities. Therefore, informal traders invade unplanned open-spaces particularly road reserves. They operate from poorly constructed makeshift structures that are not environment friendly, making it hard for them to reap maximum economic benefits from their trade, but are still required to pay relevant taxes to the county government who do not deliver efficient services.<sup>2</sup>
- The county government considers the informal sector as illegal. This is evidenced in the licensing department that is not in a position to provide authentic license for hawking and micro enterprises operating in the informal settlements. As well, county officers view informal traders as a nuisance and frequently forcibly remove and arrest them for encroachment on streets sidewalks and public places.

Further, a review of the national and county governments budget policy documents indicates that there are no significant efforts to factor in informal traders and sexual gender based violence in policies, institutions and budgets(resources). This has left especially women and youths who are the most vulnerable groups in the informal trade sub-sector with no/ or proper assistance from relevant institutions when faced trade related challenges in their areas of operations.

## **Introduction**

On Thursday 31<sup>st</sup> May 2018, TISA with support from Trocaire conducted a ToTs training targeting women in micro enterprises (informal trade) from target areas of Kibra, Westlands and Embakasi South sub-counties on County Planning and Budgeting process with a focus on trade sub-sector (small scale-informal trade). Forty-three (43) (*See Appendix 1*) women were capacity built on available legal

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<sup>1</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_policy/documents/publication/wcms\\_210442.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_210442.pdf)

<sup>2</sup> [http://www.isocarp.net/Data/case\\_studies/1773.pdf](http://www.isocarp.net/Data/case_studies/1773.pdf)

and planning framework for the county, actors and avenues/opportunities for public participation at the county level, and on the linkage between county planning and public finance management and the Budget process as well as providing an analysis on CIDP and Budget estimates planned outputs and activities under trade sub-sector. The forum also provided an opening to understand various challenges facing women in informal trade and generated proposals and recommendations for consideration by relevant stakeholders in the sector.

Further, the forum also provided an opportunity for TISA to mobilise the participants to prepare adequately for the upcoming public participation forum on the Budget estimates for financial year 2018/2019 and generate way forward by the ToTs on appropriate advocacy measures/ roadmap to engagement with relevant county stakeholders in trade for inclusion in county plans and programmes.

### **Meeting objectives**

The objectives of the meeting were to capacity built women in micro enterprises ToTs on county planning and budget process with a view to:

- Increase capacity/empower ToTs to take action and increase their effectiveness to engage in county governance decision making in planning and policy processes towards promotion of responsive informal trade, spatial planning, social protection
- Share research findings on unified trade license on microenterprises conducted in Mukuru and Kibra and to practically understand challenges faced by women in informal trade
- Generate roadmap for advocacy by ToTs for responsive informal trade, spatial planning, social protection
- Understand challenges faced by women in microenterprise trade as a result of their gender

### **Program**

The meeting commenced with an opening session, introducing the day's activities, participants, and assessing participants' expectations and level of interest and interaction with the days' subject.

A presentation on county planning and budget process providing the basics on county planning and budget process and opportunities for public participation/engagement in county planning was done, followed by a plenary session. Sharing of TISA research findings on licensing (unified trade licensing), analyses of County Integrated Development Plan (CIDP) and budget estimates and lastly a session on women traders' challenges and discussion on way forward.

### **The presentation**

Ms. Annet Majoni from TISA, took participants through an interactive presentation on county planning and budget process. The presentation highlighted on a Legal framework on county planning and budgeting; key actors in county planning and budgeting and the budget cycle. (*See Appendix 2 below*)

## **Understanding Challenges facing Women in Informal Trade and Recommendations**

The training provided an opportunity for the participants (women in informal trade) to deliberate on challenges affecting their operation in the informal settlement.

### **Dialogue points**

- ✓ Challenge of trading space for women micro enterprises
- ✓ Understanding why access to trading space is/remain a challenge for women micro enterprises
- ✓ The advantages/benefits of owning trading spaces as opposed to hawking
- ✓ Understanding gender-related challenges faced by women in micro enterprises
- ✓ Factors impeding women in micro enterprises from accessing credit for business growth
- ✓ Licensing related challenges faced by women in micro enterprises
- ✓ Status of service delivery by Nairobi City County in trade sub-sector

### **Action points**

- ✓ Guidance/sensitisation on alternative avenues for access to tenders
- ✓ Formation of associations by women in micro enterprises

### **Challenges and recommendations were discussed as follows**

The following were challenges highlighted by the participants and proposed recommendations:

#### **1. Access to Loans**

Inability to access bank credits and loans affect micro enterprises and especially the hawkers. According to the participants, the largest percentage of women enterprises fails during the first two years of their existence due to lack of funds thus impeding the growth of their businesses. This is as a result of an inability to obtain credit from existing financial institutions due to the high collateral value attached to the same thus excluding the micro-enterprises.

**Recommendation:** *The county government should scrap off the collateral attached to credit finance to allow for women in micro enterprises to compete effectively for the same. More so, the county should design loans with favorable terms to allow access by women in micro-enterprises.*

#### **2. The high cost of doing business (Unified Trade License)**

It was pointed out that some of the micro enterprises are not licensed due to the high cost of county business licenses that majority of the micro enterprises cannot afford as the returns from their businesses are rather inconsistent and limited to sustain all their needs hence do not allow for remitting/obtaining business licenses. The other challenge is on trading spaces which were noted to impact negatively on licensing. One of the main licensing requirement is a business location in which most of the women in microenterprise lack as they engage in hawking businesses.

**Recommendation:**

- I. *The tedious and costly method of licensing should be revised by the City-County so that most of the traders in the market can register their businesses and formalize them. Also, the County Government should create/zone trading sites in all the 17 sub-counties and formalize the area as a market so that most traders can have the security of trade rather than staying with the fear of being evicted.*
- II. *The County Government should revise/develop and /or put in place a law responsive and inclusive of the micro enterprises as currently legal operational framework on licensing highly favors the small and medium enterprises at the expense of the micro enterprises*
- III. *The county should create awareness programs that seek to sensitize the informal traders on ejijipay and advantages of the unified trade license. This will help increase revenue collection*

**3. Poor service delivery by the County**

Despite paying taxes, the participants still feel the county has failed to reciprocate through effective service delivery in trade sub-sector. Among the challenges that the county has failed to address is limited infrastructure including a storage facility, inadequate water supply, poor sewerage and drainage services, poor solid waste management, and inadequate power supply in their areas of work.

**Recommendation:** *As a responsibility and function, the county should endeavour to render effective service delivery which will, in turn, motivate the traders to pay dues/levies.*

**4. Gender discrimination**

It was pointed out that women are discriminated by county officers and male authorities in trading areas who are tasked with issuing out trading stalls thus majority end up getting stalls that are not easily accessible or strategically located for effective business, this has also lead to majority of women exchanging sexual favors in a bid to secure trading spaces. Further, the existing public toilets are gender insensitive and do not, therefore, favor women since they are used by both genders.

**Recommendation:** *Appropriate measures that discourage Gender discrimination should be adopted. Further, the county should establish and improve the existing Infrastructure*

*and Services taking in to account gender related factors. For example, construction of public toilets should consider the special interest individuals.*

## 5. Harassment

The traders also face the challenge of county governments officers who constantly harass and extort traders. Cases of harassment during arrests by county askaris were highlighted. There is also increased cases of verbal and physical abuse of women by their male counterparts who view them as a threat and therefore take advantage of their vulnerability due to their gender.

**Recommendation:** *The county government should capacity build their askaris as well as introduce a code of conduct. This will go a long way in informing the manner in which the county trade responsible officials will handle issues and carry themselves as well as take stringent /legal action/s to anyone found culpable of harassment on women in micro enterprises*

## 6. Lack of trading spaces

Lack of markets also poses a great danger to women in micro enterprises, especially women who are often compelled to sell their wares by the roadside. This has also been one of the reasons for overcrowding of existing markets and increased number of hawkers within the CBD. Further, this has led to increased number of illegal structures along highway and feeder roads within estates.

**Recommendation:**

- I. *Need for a framework to regulate hawking- The county should come up with a guide that shall regulate the operations of hawkers within CBD, CBD outskirts and other county environs. This framework should provide for designated places for hawking. Further, every hawker should be given a tag of a specifically designated area as a way of restraining them from moving from one place to another causing congestion.*
- II. *Designate market areas - The county should identify and reposess grabbed public land and set it aside for construction of markets. Further, storey building markets should also be embraced as this will help ease congestion in the market.*

## Conclusion

Participants undertook to develop a petition on issues raised in the meeting for submission to the Budget, Finance and Appropriation Committee through the office of the clerk of the county assembly as well as raise collectively their sentiments during the public participation meeting on budget estimates 2018/19.

## Appendices

### *Appendix 1: Presentation on county planning and budget process*



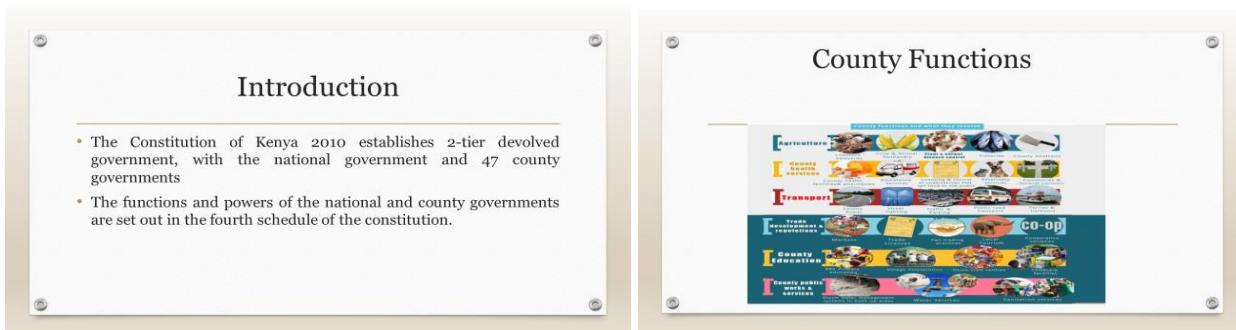
The slide features a title 'COUNTY PLANNING AND BUDGET PROCESS' in bold capital letters, centered above a horizontal line. Below the title is a small line of text: 'Presented by : Annet Nerima Majoni-TISA'. The background is a light beige color.

**COUNTY  
PLANNING AND  
BUDGET PROCESS**

Presented by : Annet Nerima Majoni-TISA

#### Outline

- ❑ Legal framework on county planning and budgeting
- ❑ Key actors in county planning and budgeting
- ❑ Budget Cycle



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**Introduction**

- The Constitution of Kenya 2010 establishes 2-tier devolved government, with the national government and 47 county governments
- The functions and powers of the national and county governments are set out in the fourth schedule of the constitution.

#### County Functions



The slide has a title 'Legal Framework governing county planning' in bold capital letters, centered above a horizontal line. Below the title is a bulleted list of four items. The background is a light beige color.

**Legal Framework governing  
county planning**

- ❑ Constitution of Kenya 2010
- ❑ Public Finance Management Act, 2012
- ❑ County Government Act, 2012
- ❑ Urban Areas and Cities Act, 2012

**Principles of county planning**

- CGA: Section 102:
- Provide a platform for unifying county planning, budgeting, financing, programme implementation and performance review
- Serve as basis for engagement between county government and citizenry, other stakeholders and interest groups
- Align county financial and institutional resources to agreed policy and programme
- Integrate national values in all processes and concepts

## Planning Framework at County Level

1. **Integrated County Development Plan:** 5 years and provides the overall direction
2. **County Sectoral Plans:** Focused on specific sectors i.e. agriculture, health, Trade, Education etc. This are ten year in focus
3. **County Spatial Plan:** Ten year GIS Based for social and economic development
4. **Cities and Urban Areas Plans:** Provide for facilitation of development including land use, building and zoning and recreational facilities

## Linking Planning to Public Finance Management

- ❑ Planning in the County is mandatory and the CA is to approve. **No money can be appropriated outside a planning framework**
- ❑ With plans done then comes the budgeting process and they go follow each other not parallel
- ❑ The plans and the budget lay the basis for effective public finance management. Specifically the budget:-
  - a) Is where the **county actualizes its plans**. If it is not in the budget it does not exist.
  - b) Forms the basis for **assessing county government** performance

## Key actors in county planning

- ❑ County Treasury under County Secretary
- ❑ Commission on Revenue Allocation
- ❑ County Assembly – **allocates and approves all expenditure and offers oversight**
- ❑ Senate – **protect the interest of counties**
- ❑ Intergovernmental Budget and Economic Council
- ❑ County Budget and Economic Forum
- ❑ Controller of Budget
- ❑ Auditor General

## COUNTY BUDGET PROCES

### What is a budget?

Financial plan of expenditures and revenues expressed in quantitative/monetary terms, covering a specific period of time, usually one year.

- ❑ It is a *systematic plan for utilization of manpower and material resources.*

### Important aspects to understand about the budget

Multifaceted document

**Economic:** due to its allocation of scarce resources

**Planning:** due to its act of drawing future activities in advance of time (forecasting).

**Political:** due to its determination of who gets how much of the available resources and when.

**Social:** due to its ability to distribute benefits and costs according to community preferences

## Why Budgeting is important

### Minimizing uncertainty

→ Attempting to make the future more predictable by identifying and determining what is required, how much of it is available when it is available.

### Policy Direction

→ As a plan the budget indicates a specific policy direction for a specific period of time which requires approval by say the Treasury or Parliament or the top management in case of private organizations

### Resource allocation

→ The budget determines how limited resources are to be divided among the competing alternatives within an organization.

### Accountability instrument

→ provides a basis for budgetary control

## The Budget Cycle



## Budget Formulation stage

**Budget Circular** - County budget process commences with the issuance by the CECM-F of initial instructions (**Budget Circular**) to guide the budget process by 30<sup>th</sup> August every year

**Development Plans** - No public funds can be appropriated without a development plan (Section 104 – County Government Act 2012). Article 220 of the Constitution also requires a development plan. **County Executive Committee Member** for planning to prepare and submit a development plan to County Assembly for approval before 1<sup>st</sup> September every year.

**County Budget Review and Outlook Paper (C-BROP)** - The County Treasury shall prepare and submit to the county executive committee for approval a C-BROP by 30<sup>th</sup> September each year.

## Budget Formulation Cont..

**County Fiscal Framework** - County Treasury determines the County Fiscal Framework which sets out **estimates of available financial resources**

**County Fiscal Strategy Paper(C-FSP)** - The C-FSP shall contain:

- broad strategic priorities and policy goals- medium term and long term.
- Outlook on expenditures, revenues and borrowing for the medium term
- In preparing the C-FSP, the county treasury shall seek the views of the public and any other interested persons and groups

**County Budget Estimates** - County Treasury shall consolidate the budgets for ratification by the County Executive Committee before submission to the county assembly no later than **end-April** for approval.

## County Budget Approval

### County Appropriations Bill

County Assembly reviews the budget estimates and may make amendments but in line with the C-FSP;

Any increase in expenditure to be balanced by a reduction elsewhere; and

Reduction used to reduce deficit.

Approved estimates are included in the County Appropriation Bill to be approved by CA by **end-June**.

Appropriation bill is assented by the governor

## County Budget Approval

### County Finance Bill

CECM-F to make a **public pronouncement** of revenue raising measures— i.e. County Finance Bill in **June**

Within **90 days** after approval of the Appropriations Bill, the CA is required to consider the County Finance Bill and approve with or without amendments

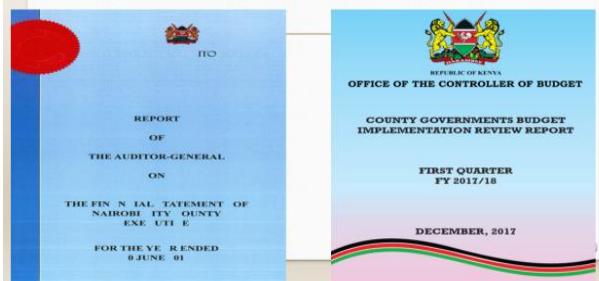
## Control of Budget Execution

Documents on implementation include:

Quarterly implementation reports by county treasury and the office of controller of budget

## Audit & Evaluation

Auditor general & Controller of budget reports



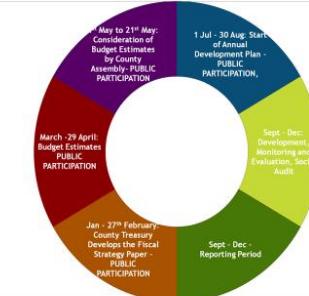
## Budget Timelines

Government financial year begins on 1 July and ends June 30

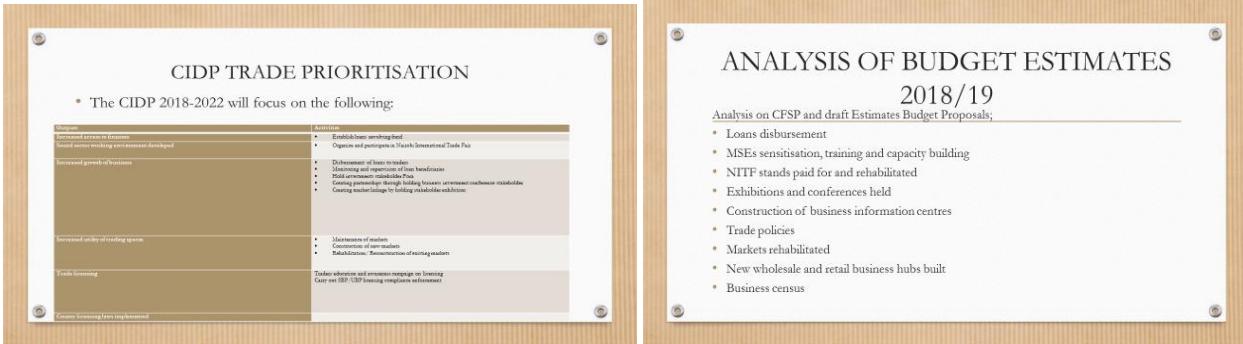
The approved budget of both recurrent and development expenditures and also revenue sources should be ready by then

Key dates:

- i. **30<sup>th</sup> August** submits circular on budget process
- ii. **1<sup>st</sup> September** approval of County Plan
- iii. **30<sup>th</sup> September** tabling of the **County Budget Review and Outlook Paper** (Treasury communicates the government priorities and resource allocation)
- iv. **28<sup>th</sup> February** – Tabling of the **County Fiscal Strategy Paper** (Broad programmes and sector ceilings)
- v. **30<sup>th</sup> April** – Tabling of estimates of expenditure (R & D) & Revenue(CE & CA) for approval by **30<sup>th</sup> June 2012**
- vi. **Not later than 90 days** of passing the Appropriation Bill...tabling of **Finance Bill** to provide for ways of financing the county government



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## Dialogue Points

Dialogue points for successful implementation of MSMEs programmes

- Considering the characteristics of micro enterprises, will the above planned projects and programmes benefit this section of traders?
- To what extent does the planned activities address gender related challenges in trade?
- How many micro enterprises are set to benefit from the projects and programmes in 2018/19 budget estimates?

### Appendix 2: Meeting participant list

No.	Name	Sub-county
1	Annastacia Mbula Muli	Embakasi South
2	Mildred Malua	Kibra
3	Elizabeth Wanjiru	Kibra
4	Salome Njeri	Kibra
5	Florence Ogore	Kibra
6	Serah N Tole	Kibra
7	Serah Maganga	Kibra
8	Saumu Musa	Kibra
9	Sophia W Mbugua	Embakasi South
10	Esther M Onderi	Embakasi South

11	Annie Njoki	Embakasi South
12	Aysha Masoud	Kibra
13	Faith Wanjiru	Kibra
14	Susan Wanjiku	Kibra
15	Evelyne Okello	Kibra
16	Coleta Ntairabu	Kibra
17	Zainab Abdi	Embakasi South
18	Anne Mukami Waweru	Westlands
19	Rebecca Ogweno	Westlands
20	Mary Nyambura	Embakasi South
21	Rose Anyango	Embakasi South
22	Irene Munee	Embakasi South
23	Fredinah Sikuku	Embakasi South
24	Dorothy Achieng	Embakasi South
25	Peres Achieng Odero	Kibra
26	Rukia Muhammad	Embakasi South
27	Mourine Adisa	Kibra
28	Monicah Masaki	Westlands
29	Eunice Nduku	Embakasi South
30	Catherine Wangui	Kibra
31	Wanja John	Westlands
32	Anne W Waweru	Westlands
33	Florence Mbeke Pius	Kibra
34	Rosemary Katile Mutua	Embakasi South
35	Veronicah Mumbua Nzioka	Embakasi South
36	Lydia Shiraya Khadievi	Westlands
37	Lucy Wanjiku Waweru	Westlands
38	Virginia Nduta	Kibra
39	Beatrice N Mutunga	Kibra
40	Veronicah Mijoki	Kibra
41	Florence Nduku	Kibra
42	Rose Ouma	Kibra
43	Nicera Wanjiru	Kibra