ASSESSMENT OF GENDER-RESPONSIVENESS OF THE NAIROBI CITY COUNTY REVENUE LAWS

A REVIEW OF THE FINANCE ACT, 2023

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Executive Summary

Gender-responsive public financial management, often referred to as gender-responsive budgeting (GRB), is an innovative approach to budgeting that acknowledges the distinct experiences and needs of different gender groups within a society. It recognizes that women and men often face varying economic and social challenges. The Sustainable Development Goals (SDGs) underscore the importance of integrating gender equality with financing for development. This commitment to gender equality is woven into the fabric of the entire 2030 Agenda for Sustainable Development, emphasizing the need for gender-responsive budgeting, public financial management, and resource allocation to address gender-based disparities and empower women.

An essential tool for assessing and advancing gender-responsive budgeting within the SDGs is Indicator 5.c.1. This indicator measures the government's transparency and accountability in promoting gender equality through the tracking of budget allocations throughout the fiscal year. However, the 2020 PEFA report reveals that most countries have yet to fully integrate gender considerations into budget policies.

At the local level, the Kenyan government has taken steps to institutionalize GRB through the National Gender and Equality Commission (NGEC) Gender Responsive Budgeting Implementation Framework. Additionally, the Ministry of Public Service, Gender, and Affirmative Action has issued guidelines on GRB. The Commission on Revenue Allocation (CRA) has also developed a Gender Responsive Revenue Assessment Tool to evaluate the impact of tax policies and revenue administration on economic opportunities for men and women. This study reviewed the Nairobi City County's Finance Act, 2023 through CRA's Gender-Responsiveness Assessment tool to assess progress made in implementing GRB in Nairobi City County. Our review augments CRA's efforts in advocating for gender-responsive revenue raising measures among counties in Kenya.

The research undertaken in this study aimed to particularly assess the progress made in implementing GRB in the County, thereby contributing to the advocacy for gender-responsive revenue raising measures in Nairobi City County. The study employed a mixed methods approach, combining secondary data analysis and primary qualitative data gathered through Key Informant Interviews (KIIs).

The study uncovered several critical findings, including:

i. There was observed gender insensitivity in the Nairobi City County Finance Act, 2023 and all the revenue acts, which risks perpetuating bias and discrimination due to the absence of specific considerations for women needs.
ii. The Nairobi City County Revenue Administration Act, 2021 fails to include and define key terms like gender equity hindering efforts to address gender-related economic and social challenges.
iii. Thirdly, Nairobi City County lacks gender disaggregated data to permit assessment of gender-responsiveness of its own source revenue policies and measures.

Recommendations:

To address the identified gender disparities and promote gender mainstreaming in revenue administration, the following crucial recommendations are put forth:

i. The County should commit to incorporate specific considerations for women in all revenue-related policies to ensure a balance in addressing women needs and foster gender equity.
ii. Define and interpret key gender-related terms such as "gender equity" in revenue legislations for purposes of building awareness and entrenching gender equity. This should be included in future amendments of the Nairobi City County Revenue Administration Act, 2021 and other revenue acts.

iii. Consider involving and incorporating the views of gender-focused agencies in policy formulation related to Own Source Revenue collection to ensure gender-responsive budgeting and administration of the County Government programs.
iv. To support gendered analysis of the county's revenue, it would be crucial for Nairobi City County to produce gender-disaggregated revenue data.
v. The Commission on Revenue Allocation (CRA) to develop a model gender responsive revenue law to guide counties in formulating gender responsive revenue laws.
vi. The Commission on Revenue Allocation (CRA) to extend its capacity strengthening programmes to cover gender responsiveness assessment to build the capacity of counties.

Implementation of these recommendations will facilitate gender equity and inclusivity in Nairobi City County's fiscal policies and revenue administration, contributing to a more equitable and just governance system.

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1. Introduction

Men and women frequently possess distinct , practical and strategic necessities and have different priorities; therefore, the adoption of seemingly gender-neutral policies could escalate gender disparities. Women remain inadequately represented in public spheres, creating 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 cannot 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 labor market and the sectors contributing to Gross Domestic Product (GDP). When policymakers devise strategies, they tend to rely on these statistics and might disregard other pertinent factors due to data gaps, such as the informal economy. Estimates of the unpaid sector of the economy reveal that it holds a value equivalent to, if not surpassing, the paid economy. Yet, activities like unpaid caregiving, household chores, childcare, and domestic food production remain unquantified and, consequently, might not be factored in during policy formulation..[2]

Similarly, Public Financial Management (PFM) systems have different effects on men and women. The PFM system design and implementation can either exacerbate or reduce gender disparities. For instance, if gender disparities in resource distribution are not addressed, this may result in fewer opportunities and access to necessary services for women. Conversely, gender-responsive PFM frameworks can enhance women's economic empowerment, social inclusion, and overall well-being. Recognizing and comprehensively analyzing 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.[3].

The recognition that PFM systems can affect the economic and social outcomes of men and women differently has led to the 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.[4]

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 requires 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 empowerment[5].

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 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 a 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[6]. 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.[7]

Locally, the Kenyan government has taken some steps to institutionalize GBB 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.

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 the process of formulating 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.[8] 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.

The Commission on Revenue Allocation (CRA) in line with its mandate of ensuring that counties adhere to the principles of equity and efficiency developed a Gender Responsive Revenue Assessment Tool with support from United Nations (UN) Women, United Nations Children's Fund (UNICEF) and United Nations Development Programme (UNDP). The development of tool was motivated by the recognition that tax policies have differentiated impacts on women and men. The tool would then be used to evaluate the impact of tax policy and revenue administration on economic opportunities for men and women. As follow-up activity, CRA would work with counties to formulate revenue administration frameworks that are gender responsive with the overall goal of promoting equity and efficiency. CRA in its publication indicates that it had undertaken revenue assessments for four counties namely Lamu, Isiolo, Turkana and Samburu with the intention to scale up the assessments to three more counties.

Based on these previous recommendations, our research reviewed the Nairobi City County's Finance Act, 2023 using CRA's Gender-Responsiveness Assessment tool to assess progress made in implementing GRB in Nairobi City County. Our review will augment CRA's efforts in advocating for gender-responsive revenue raising measures among counties in Kenya.

1.1 Problem Statement

Budgets are universally recognized as a powerful tool for achieving development goals and serve as an indicator of commitment to government policies. National budgets reflect how governments mobilize and allocate public resources to meet their people's social and economic needs. As a result, government's fiscal policy plays a significant role in achieving the goal of gender equity. Research provides evidence that budgetary policies are likely to affect men and women differently because they play different roles in society and exhibit different consumption behaviour. However, there are concerns around the world that tax policy is biased against women because it tends to increase the incidence of taxation on the poorest women while failing to generate enough revenue to fund government programs.[9]

Kenya in a bid to anchor gender equality has signed and ratified a number of legal instruments, including the 1979 Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform of Action in 1995, the International Conference on Population and Development (ICPD) in 1994, the Maputo Protocol in 2003, and the most recent 2030 Agenda for Sustainable Development (SDGs), particularly Goal 5 on Gender Equality and Women Empowerment, which was adopted in 2015. Furthermore, various laws and policies have been enacted to advance Gender Responsive Budgeting (GRB), including the Constitution of Kenya, 2010, the Public Finance Management Act (2012), the County Government Act, 2012, and the National Gender and Development Policy (2019). In addition, the government of Kenya through the National Gender and Equality Commission (NGEC) developed the *Gender Responsive Budgeting Implementation Framework,* offering a structured approach to incorporating gender considerations across the budget cycle.

Despite having an elaborate policy, legal and institutional framework gender mainstreaming in the county and national governments budgets remains elusive. The Commission on Revenue Allocation's gender-responsiveness assessments of Lamu, Isiolo, Turkana and Samburu counties revealed that these counties' revenue policies are not gender responsive. These findings are far from being the ideal of gender responsive budgeting where public finance management systems integrate gender considerations.[10] This deficiency raises concerns regarding the equitable distribution of resources, particularly in the context of local governance.

1.2 Objectives of the study

Our research extends CRA's assessment on gender responsiveness of county revenue laws to Nairobi City County through a review of the county's 2023 Finance Act to determine if it adequately addresses the distinct needs and challenges faced by men and women. The absence of a thorough analysis of the gender dimensions of this Finance Act may perpetuate existing gender disparities and hinder the realization of broader socio-economic development objectives. Our research would be a significant contribution towards enhancement of gender-responsive fiscal policies and reinforcing the global commitment to inclusive and sustainable development.

2. Methodology

A gender-responsive approach to revenue-raising measures is essential for promoting social inclusion, addressing gender inequalities, and advancing sustainable development at the local level. An assessment of these measures would provide valuable insights into the extent to which counties are effectively integrating gender considerations into their fiscal strategies and policies. The study critically assessed the gender-responsiveness of county revenue raising measures through a review of Nairobi City County 2023 Finance Act and the attendant revenue acts[1] using CRA's Gender Responsive Revenue Assessment Tool.

The research took a more comprehensive approach, leveraging data from diverse sources, engaging with stakeholders (including Nairobi City County officials). The study employed a mixed methods approach, combining secondary data, and primary qualitative data. The study reviewed Nairobi City County's specific documents including County Fiscal Strategy Paper (CFSP), County Budget Review and Outlook Paper (CBROP), Finances Acts, various Revenue Laws and the 2023 Finance Act. The study also reviewed Commission on Revenue Allocation (CRA) reports on county revenue potential. These documents provided key data on actual and potential revenue collections. The study complemented information from secondary sources with Key Informant Interviews (KIIs). The target respondents for the KIIs interviews were county officials such as the revenue officers, chief officers.

[1] Nairobi City County Revenue Act, 2015; Nairobi County Revenue Administration Act, 2021; Nairobi City County Trade Licensing Act, 2019;The Nairobi City County Inspectorate Service Act, 2017; Nairobi City County Solid Waste Management Act, 2015; Nairobi City County Betting Lotteries And Gaming Act, 2014; Nairobi City County Alcoholic Drinks Control And Licensing Act, 2014

3. Nairobi City County Revenue Laws And Revenue Performance

The Constitution of Kenya, 2010 in Article 209 (3) empowers county governments to impose taxes and charges including property rates, entertainment taxes and any other tax as authorized by an Act of Parliament. Article 209 (4) also permits county governments to impose charges for services. In doing so, counties must ensure that imposition of taxes does not prejudice national economic policies, economic activities across county boundaries or the national mobility of goods, services, capital, or labour. Further, Article 201 of the Constitution provides that the burden of taxation shall be shared fairly.

The Public Finance Management Act, 2012 operationalizes all the constitutional provisions on revenue administration; more specifically Section 157 of the act requires the County Executive Committee (CEC) Member of Finance to designate collectors and receivers of revenue for their respective county governments. Part of the requirements is for county to enact a County Revenue Administration Act to guide administration of revenue raising laws and other revenue laws.

In this respect, Nairobi City County (NCC) enacted Nairobi City County Revenue Act, 2015 and the Nairobi City County Revenue Administration Act, 2021 to provide a legislative framework for the general administration of revenue raising laws, effective administration of revenue collected and assessment, collection, receipt, and management of revenue. The Acts also paved way for the establishment of the County Revenue Board and the County Revenue Authority. In addition, the county has enacted various revenue acts to guide imposition and administration of various taxes, fees, levies, and charges. The Acts were also enacted to ensure effective administration of revenue raised, accountability of all revenue raised, improve revenue collection; provide mechanisms in which revenue collected maybe retained by the county government entity which received it and to provide mechanisms for waiver or variation of taxes, rates, fees, charges and other revenue collected by the county government (Table 1).

3.1 Nairobi County Revenue Performance

Like other counties, NCC relies heavily on equitable share from the national government with Own Source Revenue, Appropriation in Aid, Conditional grants from the national government, and loan and grants from the development partners being less important sources of revenue (Table 1). This reflects an enduring reality in counties where they have over relied on transfers from the national government.

3.2 OSR Performance

NCC reports mixed performance in its own source revenue over the years. For the FY 2019/20, the OSR recorded a negative growth of 27 percent compared to FY 2018/19 and this is attributed to the COVID –19 containment measures that adversely affected OSR.

Table 1: Nairobi County Revenue Laws and respective applicable rates/fees/charges

Act	Fees/charges/levies
Trade Licensing Act, 2019	Various trading licenses
Inspectorate Service Act, 2017	City inspectorate services
Nairobi Transport Act ,2020	Various parking fees
Betting Lotteries and Gaming Act, 2021	Gaming and lottery charges for betting shops, penalties for non-payment of the betting and gaming activities, public lottery permit, prize competition permit, and such other charges as defined by the Act.
Disaster and Emergency Management Act, 2015	Fire inspection compliance certificate
Outdoor Advertising and Signage control and Regulations Act, 2017	Outdoor advertising license and the general penalties on contravention of the Act.
Solid Waste Management Act, 2015	Environment levy, charges on license to transport waste, and charges on treatment licenses.
Alcoholic Drinks Control and Licensing Act ,2014	Alcoholic Drinks License and all other fees, charges, and penalties/interest under the Act
Revenue Act, 2015	Rental markets, market services, land rates, public health services, transport of quarry materials, library services, city inspectorate services, road engineering services, hire of heavy commercial vehicles, plant and machinery, fisheries licences, permits, fees and certificates, development applications, among others

In FY 2020/21 OSR grew by 34 percent, and this could be due to the ease of COVID-19 containment measures. In FY 2021/2022 the OSR recorded a negative growth of 7 percent mainly due to transfer of some key county departments to the national government.

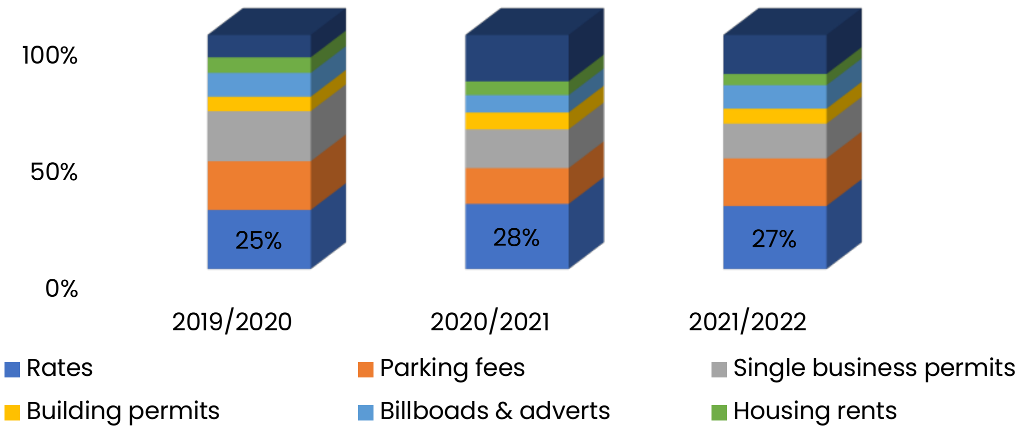
In terms of composition, the main sources of OSR in the Nairobi City County are the property rates, parking fees, single business permit, building permits and Billboards and advertisement. Other sources are housing rents and other incomes. Property rates are particularly a significant source of revenue accounting for more than 25 percent of the county's total OSR. Other sources of revenue include parking fees (19 per cent), single business permits (18 per cent), building permits (6.3 per cent), billboards & adverts (9 per cent) and housing rents (6 per cent).

In terms of growth, property rates, single business permits, housing rents and building permits grew steadily from FY2019/20, dropped drastically from FY2020/2021 and recorded negative growth in FY

Table 3: GECA Sector Budget Performance FY 2022/23 (Ksh Millions) and Absorption Rate (%)

Revenue source	Actual Receipts			Shares		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Equitable share of revenue raised nationally	19,420.7	17,709.7	19,249.7	65%	66%	63%
Conditional Grants from the national Government revenue	195.6	-	1,060.0	1%	-	3%
Loans and grants from development partners	58.5	-	-	0%	-	-
Conditional grants and loans	254.1	-	1,060.0	1%	-	3%
Own Source Revenue	9,958.0	8,972.9	10,237.3	33%	33%	33%
Appropriation in Aid	279.4	265.9	241.6	1%	1%	1%
Total	**29,912.27**	**26,948.51**	**30,788.49**	**100%**	**100%**	**100%**

Figure 1: OSR Sources, percent

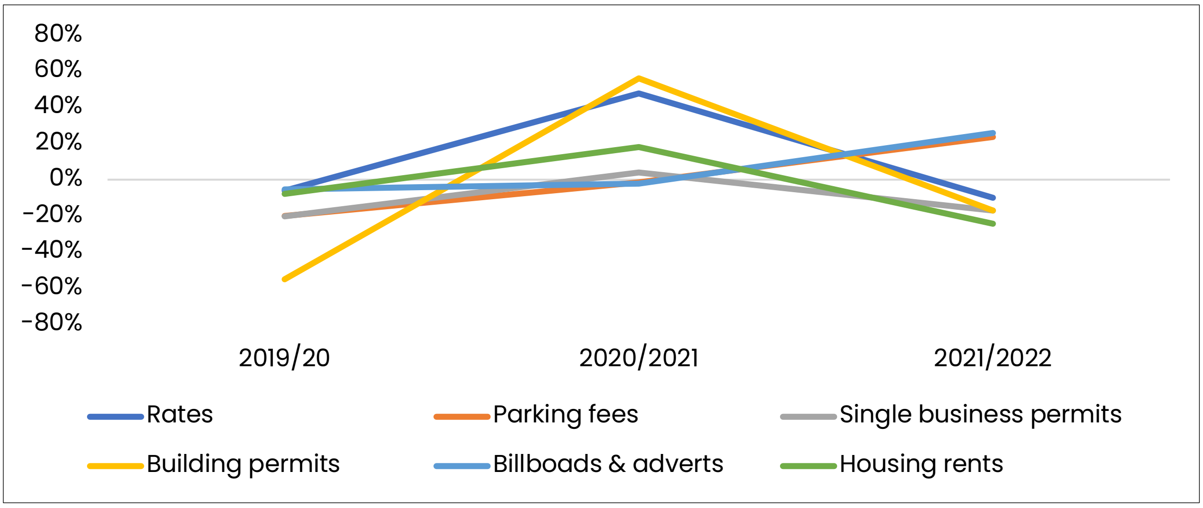


Data source: Several NCC CBROPs

2021/22. On the other hand, the billboards & adverts and parking fees gradually grew from FY 2019/20 and maintained the growth up to FY 2021/22. The negative growth rates can be attributed to the revenue administration challenges the county was facing from the year 2021/22.

While the county reports on its revenue performance, it does not disaggregate it data by gender. As the International Monetary Fund (IMF) notes, availability of timely and accurate gender disaggregated data is very important in establishing baselines and guiding design of appropriate interventions for measuring gender impacts of tax reforms.[11]

Figure 2: Growth in OSR by source



Data Source: Several NCC CBROPs

4. Review Of Gender Responsiveness Of Nairobi City County's Revenue Laws And The 2023 Finance Act

Gender responsiveness of revenue-raising measures at the county level can vary widely based on factors such as local policies and priorities. While there may be attempts by counties to incorporate gender considerations into their revenue generation strategies, this has not be documented. CRA for example, had completed only 4 assessments (out of the possible 47) in Lamu, Isiolo, Turkana and Samburu that revealed that counties in their revenue administration are not gender responsive. Being gender-responsive in revenue administration and more broadly in budgeting requires a comprehensive consideration of several factors among them:

i. **Taxation:** Do taxation policies consider potential gender impacts, ensuring that they do not disproportionately affect certain gender groups or exacerbate existing inequalities?
ii. **Informal Sector:** Since women may be more engaged in the informal sector, do revenue measures account for their contributions and potential vulnerabilities in this sector?
iii. **Resource Allocation:** Are revenue-generated resources allocated in a way that addresses gender disparities and promotes equality in access to services and opportunities for all genders?
iv. **Public Services:** Are the revenues raised invested in gender-responsive public services, such as healthcare, education, and social support, that benefit women, men, and marginalized groups equally?
v. **Participation and Decision-Making:** Are women and other marginalized groups represented in decision-making processes related to revenue allocation and utilization?
vi. **Gender-Disaggregated Data:** Is gender-disaggregated data collected and utilized to inform revenue generation and allocation decisions, enabling a more nuanced understanding of gender dynamics?
vii. **Impact Assessment:** Is there a mechanism in place to regularly assess the gender impact of revenue measures and adjust as needed?
viii. **Stakeholder Engagement:** Are gender-focused civil society organizations and women's groups involved in the design and review of revenue-raising policies?

The World Bank identifies three interconnected dimensions that can be used to advance gender equality; human endowments, economic opportunities, and voice and agency. These dimensions overlap and interact with one another, with consequences for gender equality outcomes. Human endowments, according to the World Bank, are health, education and physical assets and have intrinsic value that enables persons to use those endowments to generate income from economic opportunities. Economic opportunities in this context include labour market participation, entrepreneurship, and access to and control over both financial and non-financial assets. Voice and agency on its part refers to the ability to make decisions about one's own life and then translate those decisions into actions that allow for the desired outcomes. These three aspects interact and result into differentiated gender equality outcomes.[12] This true even in the context of revenue generation.

A gender-responsive approach to revenue-raising measures is essential for promoting social inclusion, addressing gender inequalities, and advancing sustainable development at the local level. As CRA notes a county's revenue administration and enforcement framework has varied impacts on economic opportunities for men and women. For example, women make up most of market traders therefore changes market fees will affect their income whereas agricultural cess will affect men's income disproportionately if they make up most subsistence farmers. This then illustrates the importance of gender assessment of county revenue raising measure.

CRA's proposes four critical steps in conducting the gender responsive assessment as present in Box 1.

The next sections follow CRA's approach to review Nairobi City County's revenues laws and the 2023 Finance Act to gauge their gender responsiveness.

4.1 Situational Analysis

Nairobi City County has twelve (12) main revenue streams as reported in its 2023 County Fiscal Strategy. Key regulations that govern administration and collection of revenue from these streams include rates, parking fees, single business permits, building permits, billboards and adverts, housing rents, fire inspection certificate, food handlers certificate, regulation of building, wakulima market, other markets, liquor fees and other incomes. Various legislations (as discussed in the previous chapter) govern administration and collections of these revenues.

The county enacted the Nairobi City County Revenue Administration Act, 2021 which paved way for the establishment of the County Revenue Authority and the County Revenue Board. The county has already gazetted the board members, which has attained a 50 -50 balance in terms of gender composition. The County is in the process of operationalizing the board with an inception meeting already held to orient the appointed board members. The authority will be autonomous, and the county hopes it will improve efficiency and governance in the revenue function.

Currently, revenue administration is a function of the Revenue Department and a subsector under the Finance and Economic Planning Affairs Sector. The department is responsible for revenue administration and enforcement of revenue laws in line with the provisions of Section 157 of the Public Finance Management Act, 2012. A Chief Officer heads the department and reporting him is a director, deputy directors, and assistant directors. The county also has a finance officer in every sub-county and ward as well as ward revenue officers. The department has an estimated 1300 staff, with slightly higher number of men than women. Our discussion with the revenue department revealed that there are both staffing and capacity gaps. In terms of enforcement, the county has taken a collaborative approach with other departments guide by the recognition that county revenues mainly result

Box 1: Steps in conducting the gender responsive assessment.

Step 1: Situation analysis to establish all own sources revenue streams in a county.

Step 2: Situational analysis of the policy, legal and institutional framework governing own sources revenue streams in a county

Step 3: Review the gender dimensions of the revenue laws using three gender dimensions.

a. Voice and agency- ability to make decisions or take in the decision-making process.
b. Economic/employment entrepreneurial opportunities- for example gender balance in recruitment
c. Effect on human capital for example increase in health care charges.

Step 4: Develop a gender responsive own source revenue (OSR) action plan.

from a service rendered. For more efficiency there are revenue officers attached to various departments with the revenue department taking up the coordination and reporting role.

Our discussions with the revenue department also revealed that public participation is a key aspect in the review of county fees, levies and charges. On the Finance Bill, 2023 the county executive and the county assembly collaborated in conducting the public participation forms. From the side of the county executive, public participation is coordinated by Chief Officer, Public Participation, Citizen Engagement and Customer Service. During the public participation process, the office handled the logistics side of the process while the revenue department collaborated with representatives from the county assembly to handle the technical aspects of the process for instance presentations and answering questions from the members of the public. In addition to holding physical public participation forums, the county received written memoranda on the Finance Bill, 2023. The public participation and the County Assembly's deliberations resulted into some changes in the bill before its enactment. Box 2 presents our observations of one of the public participation processes in one of forums in Kasarani Ward.

Box 2: The Nairobi City County Public Participation on Finance Bill 2023

The Nairobi City County planned for various public participation forums across the county to get citizens' views on the proposed changes to taxes, fees, levies, rates, and charges as contained in the county's Finance Bill, 2023. One such forum was held on 27th September 2023, at Maji Mazuri grounds, Kasarani Sub County. We attended this forum to observe how the county conducts its public participation process.

The shared attendance form had a provision for gender, where participants were required to sign as either male or female. Representatives from both the executive and county assembly read the Finance Bill 2023 to the participants who were invited to make their submissions. Men and women spoke alternatively; that is once a man spoke the next opportunity was given to a woman. The public participation form ended prematurely, after only two women and five men had spoken.

Nonetheless, submissions made reflected differentiated interest on revenue measures between men and women. Men's views touched on Boda-boda registration fees, online tax drivers' registration and dropping fees, garbage collection fees, registration of water vendors using handcarts, new traders' fees in parks and increased mortuary fees. Men felt that the new tax regime was going to hurt them since they do not get much profit from their small-scale businesses. They were of the view that implementing the Finance Bill, 2023 as was would also lower their labour market participation and as result become unemployed. These views are representative of the key sectors where the sector players are predominantly men.

Women's views centred on pregnancy test charges, family planning services, market fees and charges on music concerts in parks. They were of the view that if the pregnancy tests were introduced in the Level 4 and 5 hospitals, most low- income women were going to revert to delivering children from home. On Family planning services, women felt that if the Bill was implemented, they were to revert to natural methods of family planning that would result in a higher birth rate, and this would reverse the progress that has been made so far by the government in promoting adoption of modern family planning methods. Women were also of the view that the current market services charges need not to be revised because the new charges, in their opinion, were disproportionate to the profits they make and risked pushing them out of their businesses.

On new charges imposed on music concerts at the parks, the women felt that it will adversely affect the youths who are upcoming arts and discourage nurturing of talents in the county.

Both men and women rejected most of the provisions in the Finance Bill and requested the county government to revise it since they were already hit by the high cost of living occasioned by the national government Finance Act 2023.

4.2 Nairobi City County Government Gender Responsiveness Assessment

A review of the NCC revenue laws revealed that most of them are gender neutral, a situation made worse by lack of

Table 3: Gender Responsive Revenue Administration Assessment- Nairobi City County

Criteria for Assessment	Description	General	Male	Female
Institutions	**Laws and regulations governing revenue administration and enforcement**			
	• Trade Licensing Act, 2019	✔	✕	✕
	• Revenue Administration Act, 2021	✔	✕	✕
	• Inspectorate Service Act, 2017	✔	✕	✕
	• County Revenue Act, 2015	✔	✕	✕
	• Finance Act, 2023	✔	✕	✕
Voice and Agency	**Public participation in setting up fees and charges**			
	• County Public Participation Act, 2015	✔	✕	✕
Economic Opportunities	**How does user fee/charges differentiate and/or promote entrepreneurship and labour market participation?**			
	• Finance Act, 2023- various fees for businesses	✔	✕	✕
	• Trade Licensing Act, 2019 regulations for businesses, compliance, and enforcement	✔	✕	✕
	• Inspectorate Service Act, 2017	✔	✕	✕
	• Nairobi Transport Act, 2020	✔	✕	✕
	• County Revenue Act, 2015	✔	✕	✕
	• Betting Lotteries and Gaming Act, 2021	✔	✕	✕
	• Disaster and Emergency Management Act, 2015	✔	✕	✕
	• Outdoor Advertising and Signage control and Regulations Act	✔	✕	✕
	• Solid Waste Management Act, 2015	✔	✕	✕
	• Alcoholic Drinks Control and Licensing Act, 2014	✔	✕	✕
Human Endowments	**How does user fee differentiate and promote access to education and health service?**			
	• Finance Act 2023- various fees for education and health	✔	✕	✕
	• County Revenue Act 2015- various fees for education and health	✔	✕	✕
	• Trade Licensing Act, 2019-regulations, compliance and enforcement	✔	✕	✕

gender-disaggregated data on revenue collection (Table 3).

The various revenue laws in the county are gender-neutral since they have no specific consideration for either men or women (Table 3). The County Public Participation Act, 2015 does not mention the quorum ratio of men and women in public participation forums related to revenue. This means that charges targeting, for instance, women can be passed without women having a say on the same. Moreso, the Inspectorate Service Act, 2017 does not mention how men and women should be arrested in case they do not have the permit or license to conduct their business. Therefore, the main problem with the county's legislative laws is generalization in taxes, fees, and charges on both men and women, yet needs of men and women are different. In addition, the various county revenue Acts do not consider the different effects of the various fees, taxes, and charges on gender, although they tend to affect both men and women differently. Therefore, the county should make laws (Legislative laws) that address the gendered nature of economic behaviours and social arrangements such as women raising children on their own, earning lower wages, shouldering more family responsibilities, and more women in the informal sector.

4.3 The Nairobi City County Finance Act, 2023

Section 132 (1) of the Public Finance Management (PFM) Act provides that each financial year, the County Executive (CEC) Member for Finance shall, with the approval of the County Executive Committee, make a pronouncement of the revenue raising measures for the county government. While preparing the Finance Bill which sets out the revenue raising measures for the County, the CEC Finance shall ensure that principles of equity, certainty and ease of collection are taken into consideration. The CEC shall also consider the impact on development, investment, employment, and economic growth. Further, section 133 of the PFM Act provides that not later than ninety days after passing the Appropriation Bill, the county assembly shall consider and approve the Finance Bill with or without amendments.

The Nairobi City County Finance Act 2023 revised various fees, rates, levies, and charges for services offered by the county and penalties relating to various offences to enhance revenue collection and increase the county's Own Source Revenue. The county anticipated to raise Ksh 20 billion in own source revenue in FY 2023/24 but failed to provide breakdown of additional revenues by revenue stream. The Act amended various revenue streams including parking fees, rent on county rental houses, market charges, land rates, and fees and charges in county hospitals. New revenue sources were introduced through the Finance Act included betting and gaming, disposal of medical waste, use of public spaces, and charges in public libraries. These amendments affected various revenue Acts including Transport Act, 2020; County Revenue Act, 2015; Betting, Lotteries and Gaming Act, 2021; Disaster and Emergency Management Act, 2015; Trade Licensing Act, 2019; Alcoholic Drinks Control Licensing Act, 2014; Solid Waste Management Act, 2015; Revenue Administration Act, 2021.

The Nairobi City County Finance Act amended the Transport Act, 2020 and proposed new charges on street parking for Tuktuk and motorbikes/scooters outside the CBD. The new charges affected transport business especially men who dominate the industry. The new charges also affected their profits and to some extent discourage self-employment in the transport sector. Similarly, introduction of betting and gaming license application and renewal fees affected more men because they engage more in gambling activities as compared to women.

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The Act also introduced new charges and revised upwards the existing charges on the rental charges for market stalls/food court/court yards. Further, it also introduced new charges and revised the existing charges on market services in the various markets in the county. These amendments affected women more than men since they dominate market related economic activities. The proposal may lower their earnings, labour participation decisions and their entrepreneurial spirit.

More notably, the Act introduced new charges in the Level 4 and Level 5 hospitals touching on vaccination, consultation, imaging, dental charges, laboratory charges, family planning services, pregnancy tests and circumcision of men, among other new charges. After the public participation and committee's deliberations on the Finance Act, the County Assembly amended some charges. As seen in the Finance Act, 2023 the County Assembly reduced the proposed new charges on implant insertion, removal of implant and removal of IUCD by 40 percent and reduced insertion of

IUCD by 14 percent at Level 3 and 4 hospitals. However, the same charges were increased for Level 5 hospitals. The Finance Act, 2023 scrapped charges for the pregnancy tests and circumcision in both Level 4 and Level 5 hospitals. These changes are reflective of voice and agency of county's residents during public participation of Finance Bill 2023.

The Act proposed charges in the Trade Development and Enterprise Development Sector by introducing new charges on fresh and dry fish hawkers trade license (mama Karanga), this proposal was adopted and passed in the NCC's Finance Act, 2023. The new charge (a Ksh 1000 license fee) was likely to affect more women than men as they dominant the sector. The charges may exacerbate inequalities especially because it is a poverty driven activity without significant income potential. In addition, the Act revised the charges on use of public parks from (Uhuru Park and City Park) by vendors. With the enactment of the Finance Act, 2023, vendors in Uhuru and City Parks are required to part Ksh 10000 per annum and Ksh 5000 respectively to acquire a trade license. The new charges affect both men and women and lower their profits margins and labour participation in the business carried out in the parks more because business is these parks is seasonal and most of vendors are low-income earners.

The Act also proposed to revise the Trade Licensing Act, 2019 by proposing new charges targeting water kiosks and water supply by handcart operators; these charges were retained without any amendments in the finance act. This proposal affected men more than women and it lowers men's economic opportunities.

On administrative changes, the Act had proposed reintroduction of the Unified Single Business Permit as trade licence combining single business permit, fire and health certificates, advertising fees and all other licenses /permits. This is likely to lower administrative and compliance costs compared to having standalone permits and may lead to higher compliance rates.

While the new charges are meant to help the county, government improve on its Own Source Revenue, it would be important for it to consider their implications on gender equality in their drafting for a better understanding of their impact both men and women. In the review of the public participation on the NCC's Finance Bill, 2023 and its subsequent enactment into an act, we see some level of voice and agency given that some proposed charges were reduced. Notably, the County Assembly review downwards hospital fees on reproductive health thereby avoiding negative consequences on access to health services by women. Nonetheless, we do not observe a deliberate gendered review of the county's revenue raising measures.

5. Conclusion And Recommendation

5.1 Conclusion

Revenue administration systems are important levers for contributing to gender equality. Inclusivity in revenue administration system that is cognisant of the unique needs across different genders. Thus, administering gender-sensitive revenue laws effectively and applying a gender lens when administering tax and trade laws, with a view to reducing barriers to men and women's employment, entrepreneurship, and trade are critical steps that should be made and championed in the County. The following specific conclusions are made in relation to the performance of the county revenues and the impact of various revenue laws and policies on empowerment of men and women:

Over time, the Nairobi City County has implemented a series of revenue laws aimed at regulating its operations and facilitating the achievement of its Own Source Revenue (OSR) targets. However, despite the Commission on Revenue Allocation (CRA) estimating an annual potential of approximately Ksh 65 billion, an analysis of recent data reveals a concerning trend of declining OSR. The County consistently falls short of realizing this substantial potential. During the review period, the county's OSR exhibited a mix of negative and positive growth rates, none of which managed to reach the projected potential. Nairobi County most significant sources of OSR, including property rates, parking fees, single business permits, building permits, and revenue generated from billboards and advertisements. This then affects the county's ability to delivery basic services.

Looking ahead, the county is actively pursuing a series of initiatives, including proposed amendments to various revenue acts via the Finance Act 2023. This Act introduced numerous new charges and increases existing fees within the health sector, rental markets, food courts, as well as market services across various locations within the county. Notably, these amendments are poised to have a more pronounced impact on women, given their substantial presence on market-related economic activities and their higher use of health services. Such changes have the potential to reduce their income, influence their decisions regarding labour participation, and dampen their entrepreneurial drive.

The assessment of specific revenue laws reveals a notable oversight in addressing gender considerations to mitigate potential disparities between men and women in their implementation. The Finance Act, 2023 and the attendant revenue laws omits inclusion and definition of critical terms gender equity which sets the stage for gender insensitive revenue collection measures. The omission of gender-centric approach to revenue mobilization, pose a risk of exacerbating gender inequality within the county as it endeavours to bolster revenue collection.

5.2 Recommendation

Considering the proposed amendments to the County Revenue Act in the Finance Act 2023, it is imperative that the county takes a proactive and inclusive approach to ensure the specific needs of particularly women who are disproportionately affected during implementation of revenue laws. To mitigate the potential adverse effects on women's income, labour decisions, and entrepreneurial spirit, the county should consider implementing targeted support programs. These programs could encompass modification of working conditions in places like markets which are predominantly occupied by women traders to facilitate their trade and attract more OSR. Furthermore, continuous engagement with stakeholders, including market associations and women entrepreneurs, is crucial to gather insights and feedback that can inform the refinement of these proposals. By adopting a comprehensive and inclusive strategy, the county can not only safeguard the economic interests of its residents but also promote a more equitable and thriving local economy.

To support gendered analysis of the county's revenue, it would be crucial for the county to produce gender-disaggregated revenue data. Such data is crucial in shaping policy design towards eliminating gender inequality.

In addition, we recommend County Governments to work with gender rights organisations including NGEC and other gender focused institutions in developing gender-responsive polices and revenue laws.

On the policy side, we recommend that the Commission on Revenue Allocation (CRA) develops a model gender responsive law to guide counties in formulating gender responsive revenue laws. In addition, the commission should extend its capacity strengthening programmes to cover gender responsiveness assessment to build the capacity of counties to be more gender responsive in both revenue and expenditures.

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