

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF TANA RIVER

COUNTY FISCAL STRATEGY PAPER

FY 2019/2020

FEBRUARY 2019

*Embracing Urbanization for Accelerated Socio-Economic
Development*

© County Fiscal Strategy Paper (CFSP) 2019

To obtain copies of the document, please contact:

Tana River County Treasury

P.O. Box 29 – 70101

HOLA, KENYA

The document is also available on the County website: www.tanariver.go.ke

2019 CFSP DRAFT

FOREWORD

The 2019 CFSP is the sixth to be prepared in the Tana River County Government. The purpose of this document is to provide direct linkages between policies, plans and budgets, and provides the resource envelope and presents the fiscal framework for the 2019/2020 budget estimates over the medium term.

This 2019 Tana River County County Fiscal Strategy Paper (CFSP) is prepared in accordance with the provisions of Section 117 of the Public Finance Management Act (PFMA), 2012. The strategy paper specifies the Tana River County broad strategic priorities and policy goals which will inform the financial year (FY) 2019/2020 budget and the medium term. It further gives the forecast on revenues and expenditures and the sector spending limits as a basis for the **FY 2019/2020 and the medium term**. In the preparation of this FY 2019/2020 CFSP the technical team took into account views of the public, the Commission of Revenue Allocation (CRA), The National Treasury, Office of the Controller of Budget, the Civil Society Organizations (CSOs) and other interested persons and groups.

In the previous year our County has experienced flooding in most parts leading to loss of crops, livestock, property and human lives amongst other related devastating effects. In the strategies proposed for the FY 2019/2020 budget and the medium term, effects of climate change shall be considered, and the County will put up effective measures to mitigate such changes. The strategic priorities will endeavor to include all demographics, and will ensure that programs and projects actively involve the youth, women, and persons with disabilities. We further propose far reaching priority projects and investment that will bring about rapid urbanization and growth of the county economy in line with the Second County Integrated Development Plan (CIDP II).

The proposed envelope for the FY 2019/2020 is estimated at Kshs 6,378,639,172 with proposed recurrent expenditure of Kshs 4,146,115,462 and a development expenditure of Kshs 2,232,523,710. The expenditure ceilings observe all the provisions in the PFMA 2012, the requisite regulations as well as the CRA guidelines.

MATHEW BABWOYA,

CECM, FINANCE AND ECONOMIC PLANNING.

2019 CFSP DRAFT

ACKNOWLEDGEMENT

The 2019 CFSP provides a framework for the FY 2019/2020 budgeting aimed at achieving the medium term theme “Consolidating Devolution Gains for Better Lives” which will be realized through the implementation of policies, projects and programs aligned to the (CIDP II).

This CFSP is divided into four sections; section I gives the County’s strategic blueprint which sets the pace and direction of the document; section II provides the recent economic developments and the policy outlook providing an overview of the recent economic developments and fiscal outlook at the global, regional, national and county level, information on macro-economic variables, update of fiscal performance and emerging challenges and risks to the outlook; section III explains the fiscal policy and budget framework; section IV covers the medium term expenditure framework.

I wish to acknowledge the Governor of Tana River County H.E Dr. Major (Rtd.) Dhadho Gaddae Godhana and his deputy H.E Salim Batuyu for their unwavering support and leadership throughout the preparation of this paper. Special thanks go to the County Executive Committee members in charge of various County Government entities for their input and support to the process. I also appreciate the CECM in charge of Finance and Economic Planning, Mr. Mathew Babwoya for his guidance in the development of the paper. I recognize the efforts and the advice of the County Assembly through the leadership of the Hon. speaker, Mr. Michael Nkaduda and the House Committee in charge of Budget and Appropriation.

A core team in the county treasury spent a significant amount of time putting together this paper. We are grateful to the County Director Economic Planning and Budgeting Mr. Lennox Mbwana, and the team members; Mr. Arnold Odipo, Mr. Dahir Yakub Barisa, Ms. Fauzia N. Hiribae, and Ms. Amanda Korusu for their unending effort. I take this opportunity to thank the entire staff of the County Government of Tana River for their dedication, sacrifice and commitment to public service.

Finally, we appreciate the input and advice of the public in the preparation of this document.

Hero S. Bwanamaka

CCO, Finance & Economic Planning.

Legal Basis for the Publication of the County Fiscal Strategy Paper

Section 117 of the Public Finance Management Act, 2012 states; “The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year.”

The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term

The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term

In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account, the views of:-

- i. The Commission on Revenue Allocation
 - ii. The public
 - iii. Any interested persons or groups
 - iv. Any other forum that is established by the PFM Act 2012
- 6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments

Section 107 of the Public Finance Management Act, 2012 sets the principles of fiscal responsibility.

Subsection (2) states that: “In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles: -

The county government's recurrent expenditure shall not exceed the county government's total revenue

Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure

The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenues as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.

Over the medium term, the county government's borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

The County debt shall be maintained at a suitable level as approved by County Assembly

The financial risks shall be managed prudently, and a reasonable degree of predictability with respect to the level of tax bases shall be maintained, taking into account any tax reforms that may be made in the future

Short term borrowing as mentioned in (d) above shall be restricted to management of cash flows and shall not exceed five percent

ACRONYMS AND ABBREVIATIONS

BMI	Business Media Inc.
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CBK	Central Bank of Kenya
CBOs	Community Based Organizations
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CCG	Council of County Governors
CCO	County Chief Officer
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CHVs	Community Health Volunteers
CIDP	County Integrated Development Plan
COFOG	Classification of Functions of Government
CPI	Consumer Price Index
DRR	Disaster Risk Reduction
ECDE	Early Childhood Development Education
EDE	Ending Drought Emergencies
EU	European Union

EYE	Early Years Education
FY	Financial Year
IBEC	Intergovernmental Budget and Economic Council
IFMIS	Integrated Financial Management Information System
KBRR	Kenya Banks Reference Rate
KNBS	Kenya National Bureau of Statistics
MDGs	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NDMA	National Drought Management Authority
NGOs	Non-Governmental Organizations
PER	Public Expenditure Review
PFMA	Public Finance Management Act
PWDs	Persons with Disabilities
SDGs	Sustainable Development Goals
SGR	Standard Gauge Railway
SMEs	Small and Medium Enterprises
SSA	Sub -Saharan Africa
SWGs	Sector Working Groups
TVET	Technical Vocational Education Training

US	United States
VTCs	Vocational Training Centers
WEO	World Economic Outlook
WSTF	Water Services Trust Fund

2019 CFSP DRAFT

TABLE OF CONTENTS

Table of Contents

FOREWORD	iii
ACKNOWLEDGEMENT	v
Legal Basis for the Publication of the County Fiscal Strategy Paper	vi
ACRONYMS AND ABBREVIATIONS	viii
SECTION I: Embracing Urbanization for Accelerated Socio-Economic Development.....	13
Overview	13
County Strategic Objectives	14
Programmes for Achieving the County Strategic Blueprint’s Objective	15
Agriculture, Livestock, Fisheries and Veterinary Services.....	16
Lands and Physical Planning	16
Education Sector	16
Youth, Sport, Gender, culture, Social Services and Special Program Sector	16
Health Sector	17
The General Economic and Commercial Affairs Sector	17
The Public Administration and Inter Governmental Relations	18
The Water and Infrastructure Sector.....	19
Outline of County Fiscal Strategy Paper	19
SECTION II: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK	20
OVERVIEW.....	20
Update on Fiscal performance and Emerging Challenges	20
Revised Estimates	25
Economic Policy Outlook	25
Risks to the Outlook.....	26
<i>Table 2: Risks and mitigation measures</i>	26
SECTION III: FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2019/20	27
Budget Framework.....	27
Table 3: County Government of Tana River FY 2019/20 and the Medium Term Budget Framework	27
Revenue Projections	28
Expenditure Projections.....	28

Recurrent Expenditure.....	28
Development Expenditure.....	29
Fiscal balance.....	29
Fiscal Structural Reforms.....	29
SECTION IV: MEDIUM TERM EXPENDITURE FRAMEWORK.....	31
Resource Envelope.....	31
Spending Priorities.....	31
Medium Term Expenditure Estimates.....	31
Finalization of Spending Plans.....	38
Details of Sector Priorities.....	38
Conclusion.....	49

2019 CFSP DRAFT

SECTION I: Embracing Urbanization for Accelerated Socio-Economic Development

Overview

1. The 2019 CFSP is the sixth to be prepared in the Tana River Government. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2019/2020 budget estimates and over the medium term.
2. Economic activities picked up in 2018, after the slowdown in 2017, reflecting improved rains, better business sentiment and easing of political uncertainty. The economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.
3. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, largely on account of low food prices following favourable weather conditions and a decline in energy prices due to lower prices of electricity and diesel. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.
4. Over the medium term, economic growth is expected to rise gradually to 7.0 percent per annum due to investments in strategic areas under the “Big Four” Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.
5. Kenya continues to be ranked favorably in the ease of doing business and as a top investment destination. In the 2019 World Bank’s Doing Business Report, Kenya was ranked position 61 in 2018 moving 19 places from position 80 in 2017.

6. The county economy is vulnerable to both exogenous and endogenous shocks that threaten macro-economic stability. The weak fiscal policies have resulted to accumulation of pending bills, especially in FY 2016/2017 which adversely affected businesses, especially Small and Medium Enterprises (SMEs).

County Strategic Objectives

10. The County Government will over the medium term focus on the following major thematic areas, namely: Urban Planning and Development; Investing in modern and commercially oriented Agriculture and Livestock; Promotion of Trade, Tourism and Cooperative Development; Investing in Environment, Water and Sanitation; Promoting quality education and Best Employable Skills Training; Investing in Youth, Sports, Culture and Social Services; Investing in quality healthcare; Investing in infrastructure; and good governance. In the 2019/2020 financial year, the county will continue to emphasize on investing in four main sectors to accelerate economic growth.
11. This CFSP therefore outlines four key strategic objectives that forms the 2019/2020 priority interventions that the county government intends to achieve within the five-year term. It reaffirms policies and strategies indicated in the Second Generation County Integrated Development Plan (CIDP 2018-2022): The strategic interventions include:
 12. **Investing in Urban Planning and Development:** The County will focus on infrastructural development such as grading and murraming of existing roads; opening of new roads; construction of drifts, bridges and culverts; Installation of street and high mast lights; Construction of parking bays and bus parks. **The County will also invest in land use management through formulation of a County Spatial Plan and Town Planning through establishment such as the Hola Municipality.**
 13. **Investing in accessible and quality education:** Through this outcome the county intends to enhance investment in establishing Model Early Years Education (EYE) Centers formally Early Childhood Education Centers (ECDE); Provision of bursaries to enhance access, retention and transition among the learners and also partner with other institutions to enhance tertiary education, **and the adoption of Best Employable Skills in Vocational Training Center Curricula.**

14. **Investing in quality and accessible healthcare:** Through this outcome, the county intends to enhance access to health care by equipping of the existing facilities, completion of stalled projects and construction of 1 level V hospital. The county department of Health Services intends to fill the gaps in service delivery within all the facilities by construction of requisite facilities such as incinerators, soak pit, staff houses and placenta pits and hiring of staffs. **In the FY 2019/20 the County also intend to fully operationalize the CT Scan Center, new maternity wing and Intensive Care Unit at the Maternity Wing.**
15. **Investing in modern and commercially oriented agriculture:** This strategic outcome is geared towards enhancing agricultural productivity hence improving food security and the household incomes among the county residents. The county government intends to invest in: value addition of both livestock and agricultural produce; marketing of livestock and agricultural produce; investing in hay barns; livestock disease control, investment in alternative sources of livelihoods through fish farming, poultry and apiculture; investing in measures that ensure food security through greenhouse farming and promotion of traditional high value crops (THVC).
16. However, the county government will continue to invest resources in all the sectors so as to build on progress made since the inception of devolution. The 2019 CFSP will also focus on offsetting all the pending bills related to FY 2017/2018 and the previous years. **This follows a directive from the National Treasury that was followed by a special verification audit in all counties to ascertain the legibility of such bills, and explore the possibility of having them settled directly from the National Treasury.** This is to mitigate the adverse effects currently facing businesses especially Small Medium Enterprises (SMEs)

Programmes for Achieving the County Strategic Blueprint's Objective

17. This County Fiscal Strategy Paper (CFSP, 2019/20) articulates priority economic policies and structural reforms as well as sector-specific expenditure programs to be implemented under the Medium Term Expenditure Framework for 2019/20, 2020/21 and 2021/22 in order to achieve the County Government's development goal of '*Consolidating Devolution Gains for Better Lives*'. The county government will pursue to achieve the outlined strategic outcomes within the identified 8 sectors:

Agriculture, Livestock, Fisheries and Veterinary Services

18. The County Government has put in place the department of Agriculture, veterinary services, livestock and fisheries. The implementation of programmes in this sector has focused on attainment of food security, promote market accessibility, empower farmers through capacity building to improve their farming skills and equipment. The sector experienced various challenges over the past three years including: inadequate funding, delays in disbursements of exchequer and donor funds, high incidence of animal and crop diseases, insecurity and the impact of climate change.
19. The prioritized programmes for the FY 2019/20 include enhancement of the supply of inputs particularly fertilizer and planting materials, upgrade the existing irrigation schemes, establishment of new small scale irrigation schemes, vaccination and disease control, operationalization of fish landing sites and a fish cooling/ice plant in Kipini. The County wishes to establish an Agricultural extension projects; Agricultural Resource Centre; Agri-Processing and establishment of a Modern Slaughter house and a leather park.

Lands and Physical Planning

20. The County has faced various challenges in the sector including lack of title deeds and slow court processes in land matters. As such, the county intends to invest in improving rural infrastructure and sustainable land management, development and dissemination of the County Spatial Plan, land banking and physical planning of towns and trading centres in Garsen, Hola, Bura, Madogo and Bangale.

Education Sector

21. The Educational sector comprises of the department of Early Years Education and Vocational Training. The sector continues to work towards achieving its overall goal on increasing and expanding the access to early childhood development education and application of relevant Best Employable Skills Training and innovation for the youth.

Youth, Sport, Gender, culture, Social Services and Special Program Sector

22. The main goals of this sector are: To provide social welfare services; Disability Mainstreaming; Youth development; Gender and community services. This sector also seeks to promote, develop and preserve culture; Provide library and information services; Rescue and rehabilitate

Orphans and Vulnerable Children; Care for the Abandoned and the aged. In addition, it endeavors to enhance sustainable social development through: identification, nurturing, developing and managing sports, arts and talents; and intervention to disaster and emergencies.

Health Sector

23. The Health sector is represented by the department of medical services, public health and sanitation. The main goal of the sector is to provide essential health services that are accessible, responsive and affordable to the county population. The programmes include Equipping and operationalization of the existing health facilities such as Waldena Health Centre; Construction of a Diagnostic centre at Hola; Operationalization of CT Scan Center, new maternity wing and Intensive Care Unit at Hola Hospital; Construction of Hurara Dispensary and Construction of a new referral hospital at Wayu.
24. Nevertheless, the county shall endeavor to focus on promotive and preventive healthcare by introduction of mobile health clinics, training of community health workers, formation and implementation of environment and hygiene policy, waste water and sewerage management, and promoting essential and primary care e.g. sanitation and best health practices.
25. To achieve this, the sector plans to hire more medical practitioners and also organize medical camps where medical specialists can be visiting to attend to special cases beyond the capacity of the existing health system.

The General Economic and Commercial Affairs Sector

26. The General Economic and Commercial Affairs sector is composed of Trade and Cooperative Development and the department of Tourism, Investment and Information Communication Technology (ICT). The main goal of the sector is to promote and develop weight and measures, fair trade, tourism, industrialization and entrepreneurship, innovation, savings mobilization and investment. Among the programmes which this sector will implement are Completion of the Garsen market; Construction of the Madogo market; Improvement of Hola market; installation of weigh bridges, establishment of community resorts and Tana Tourism and Conservation Trust. This sector also plans to operationalize the INUKA fund, pending approval of legislation by the County Assembly, to enhance access to credit and promote growth of small and medium enterprises especially amongst the youth, women and people with disabilities. The county treasury shall also endeavor to set apart at least 30 percent of all county

government procurement opportunities to the same target group to accelerate growth and employment creation.

The Public Administration and Inter Governmental Relations

27. The Public Administration and Inter Governmental Relations comprise of the department of Public Service and Administration, the County Treasury, the County Public Service Board, the County Executive Services and the County Assembly. The overall goal of this sector is to provide policy and leadership direction, oversight and management of the county fiscal, human and economic resources.
28. Over the past three years, the sector has implemented a number of programmes including: preparation and approval of County policies and bills, ensuring good governance by strengthening governing structures through the engagement of the public in policy formulation, infrastructural development programmes among others.
29. The programmes which have been earmarked for budgeting in the FY 2019/20 include: effective public participation through effective engagement of citizens in development planning and participatory budgeting, institutionalization of monitoring and evaluation framework and systems, digitizing the selection and recruitment of county employees, enhancing compliance to statutory regulations through capacity building of policy makers and the completion of infrastructural projects.
30. The Public Service Administration department will seek to improve service delivery through the following interventions: construction and equipping of ward administrators' offices in every ward and equipping of sub county administrators' offices; performance appraisals for public servants; ICT policy formulation, digitization of public information and e-government; provision of scholarship grants for public officers. The department intended to rollout civic education in preparation for the hiring of village administrators in the previous FY, but didn't manage to do so in the face of resource constraints. The department will therefore endeavor to roll out this exercise in FY 2019/20 Meanwhile it will seek to strengthen the existing village structures under the village headmen.
31. In a bid to enhance efficiency and effectiveness of the public sector to attain the development agenda the department of public service intends to implement programs such as: **capacity**

assessment and recruitment; training and development of county personnel; performance contracting and staff appraisals, welfare programs such as medical cover and staff motivation.

32. The county will also continue to pursue Economic integration by actively participating in activities of *Jumuia ya Kaunti za Pwani* (JKP) and the Frontier Counties Development Council (FCDC) to promote economic growth and integrated regional development.

The Water and Infrastructure Sector

33. The Water and Infrastructure sector is represented by the department of water services and the department of infrastructure which are under one management in the county. The sector is home to one semi-autonomous government agency- the Tana Water and Sewerage Company (TAWASCO). The main objective of this sector is to improve household access to safe portable water. In the financial year 2019/20, the sector plans to expand the Hola, Garsen and Handampia Water projects; Establish a Wayu Water Supply through boreholes.
34. In the infrastructural development and roads, street lighting programmes and the upgrading of rural access roads will continue to be given priority to enhance security, improve transport system and open up areas for development. The sector shall also aim to establish bus parks, business centres as well as beginning construction of the new County Headquarters.

Outline of County Fiscal Strategy Paper

35. Section I: This sub-section provides an outline of the sections that make up the rest of the paper with brief descriptions of each. This will be the introductory paragraphs to each section.
36. Section II: This section provides an overview of the recent economic development and fiscal outlook at the Global, National and County Levels. It also reviews the latest information on the macroeconomic variables, gives update on Fiscal Performance and Emerging Challenges offers Revised Estimates, Economic Policy and Outlook as well as Risks to the Outlook.
37. Section III: In this section the fiscal policy and budget framework is explained. It is further highlights the fiscal policy status, Fiscal Strategy Paper's obligation to observe Fiscal Responsibility Principles as set out in the PFMA 2012, Fiscal Structural Reforms, Budget Framework for proposed budget year 2019/20 (Revenue projections, recurrent expenditure forecast, development expenditure projections, and fiscal balance). The section generally

outlines the county fiscal strategic objectives that the County is implementing to achieve her fiscal responsibility principles.

38. Section IV: This section covers the medium term expenditure framework. It highlights the total resource envelope, Spending Priorities, Medium Term Expenditure Estimates, Baseline ceilings, Finalization of spending plans, Details of Sector Priorities.

SECTION II: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

OVERVIEW

39. Economic activities picked up in 2018, after the slowdown in 2017, reflecting improved rains, better business sentiment and easing of political uncertainty. The economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.
40. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. Month-on month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, largely on account of low food prices following favorable weather conditions and a decline in energy prices due to lower prices of electricity and diesel. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.

Update on Fiscal performance and Emerging Challenges

41. In FY 2017/18 excluding the county assembly, the recurrent budget absorption was at 99.94 percent meanwhile the development budget had absorption of 86.82 percent.

42. The FY 2017/18 approved budget is Ksh. **7,310,210,902** which comprises of Ksh. 5,557,800,000 equitable share of the revenue raised nationally, Ksh. 739,429,663 worth of conditional grants, Ksh. 60,000,000 of Own Source Revenue, and Kshs. 952,981,239 as balance brought forward from the previous FY. The Recurrent expenditure is Ksh. 4,573,559,132 which is 63 percent of the Total Expenditure, meanwhile the development budget is Ksh. 2,736,651,770 which stands at 37 percent of the total budget.
43. As at 31st December 2018, only Kshs 680,382,097 was absorbed from the recurrent budget, while Ksh 490,865,672 was absorbed out of the Development budget. This was due to the delayed approval of the budget estimates which was done in October of 2018.

Table 1: County Government of Tana River-Executive Expenditure Report for FY 2017/18

Department		Final Approved Estimates (a)	Actual Expenditure 2017/2018 (b)	Variance (b-c)	Absorption rate (b/a*100)
Office of the governor and the deputy governor	Sub-Total	563,220,935	511,763,124	-51,457,811	90.86
	Rec	489,687,521	418,377,747	-71,309,774	85.44
	Dev	73,533,414	93,385,377	19,851,963	127.00
Special programs	Sub-Total	325,903,320	279,103,275	-46,800,045	85.64
	Rec	285,532,963	215,972,565	-69,560,398	75.64
	Dev	40,370,357	63,130,710	22,760,353	156.38
County public service board	Sub-Total	65,195,069	50,830,415	-14,364,654	77.97
	Rec	65,195,069	50,830,415	-14,364,654	77.97
	Dev	0	0	0	0.00
Education and vocational training	Sub-Total	610,645,507	451,801,452	-158,844,055	73.99
	Rec	363,394,594	232,231,356	-131,163,238	63.91
	Dev	247,250,913	219,570,096	-27,680,817	88.80

youth, sports, gender, culture and social services	Sub-Total	58,360,230	16,467,157	-41,893,073	28.22
	Rec	24,767,755	16,467,157	-8,300,598	66.49
	Dev	33,592,475	0	-33,592,475	0.00
Medical services, public health and sanitation	Sub-Total	1,230,055,175	1,099,299,999	-130,755,176	89.37
	Rec	905,100,563	864,393,494	-40,707,069	95.50
	Dev	324,954,612	234,906,505	-90,048,107	72.29
Agriculture, livestock, fisheries, veterinary	Sub-Total	636,760,375	406,507,132	-230,253,243	63.84
	Rec	294,262,276	211,703,583	-82,558,693	71.94
	Dev	342,498,099	194,803,549	-147,694,550	56.88
Water, irrigation environment and Natural resources	Sub-Total	640,264,849	101,796,821	-538,468,028	15.90
	Rec	178,588,130	101,796,821	-76,791,309	57.00
	Dev	461,676,719	0	-461,676,719	0.00
Roads, transport, public works, housing and urban development	Sub-Total	758,641,629	513,911,398	-244,730,231	67.74
	Rec	115,741,986	55,257,406	-60,484,580	47.74
	Dev	642,899,643	458,653,992	-184,245,651	71.34
Public service, administration and citizen participation	Sub-Total				0.00
	Rec				
	Dev				
Trade, tourism & wildlife and	Sub-Total	207,523,640	13,293,089	-194,230,551	6.41

cooperative development	Rec	51,523,640	12,043,089	-39,480,551	23.37
	Dev	156,000,000	1,250,000	-154,750,000	0.80
Finance and economic planning	Sub-Total	286,239,460	352,466,894	66,227,434	123.14
	Rec	266,239,460	284,915,165	18,675,705	107.01
	Dev	20,000,000	67,551,729	47,551,729	337.76
Lands and physical planning	Sub-Total	59,260,839	0	-59,260,839	0.00
	Rec	41,712,839		-41,712,839	0.00
	Dev	17,548,000		-17,548,000	0.00
County assembly	Sub-Total	645,224,386	471,585,978	-173,638,408	73.09
	Rec	454,495,177	454,195,177	-300,000	99.93
	Dev	190,729,209	17,390,801	-173,338,408	9.12
	Total Rec	3,536,241,973	2,918,183,975	-618,057,998	82.52
	Total Dev	2,551,053,441	1,350,642,759	-1,200,410,682	52.94
	GRAND TOTAL	6,087,295,414	4,268,826,734	-1,818,468,680	70.13

Table 2: County Government of Tana River Expenditure Report for FY 2018/19

TANA RIVER COUNTY GOVERNMENT-EXECUTIVE EXPENDITURE REPORT 2018-19 AS AT 31 ST DECEMBER 2018						
	RECURRENT			DEVELOPMENT		
DEPARTMENT	BUDGET ESTIMATES	ACTUAL EXPENDITURE	VARIANCE	BUDGET ESTIMATES	ACTUAL EXPENDITURE	VARIANCE
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Office of the Governor	507,355,659	131,239,446	-376,116,213	0	0	0
Special programme	260,633,114	48,445,630	-212,187,484	10,000,000	0	-10,000,000
Education and Vocational training	408,714,000	35685942	-373,028,058	219,990,000	12,817,033	-207,172,967
Culture, gender, sports and social service	83,802,700	11,999,333	-71,803,367	92,500,000	3,713,802	-88,786,198
Health services public health and sanitation.	1,181,307,060	106,413,461	-1,074,893,599	200,800,000	121,689,236	-79,110,764
Agriculture, livestock, fisheries and veterinary	392,814,957	23,237,110	-369,577,847	324,741,845	18,778,335	-305,963,510
Water irrigation, Environment & natural resources	109,262,036	14,093,626	-95,168,410	262,400,000	0	-262,400,000
Roads, transport, Public works, housing and urbanization	113,547,700	16,058,112	-97,489,588	969,719,925	266,356,931	-703,362,994
Public service, administration and citizen participation.	343,638,468	25,072,757	-318,565,711	66,500,000	0	-66,500,000
Finance and planning	415,677,846	29,366,600	-386,311,246	150,000,000	2,045,839	-147,954,161
Trade, Tourism and wildlife and cooperative development.	228,839,319	11,482,868	-217,356,451	160,000,000	25,000,000	-135,000,000
land and physical planning	18,147,115	2,938,700	-15,208,415	80,000,000	31,769,793	-48,230,207
County assembly	509,819,158	249,431,268	-260,387,890	200,000,000	8,694,703	-191,305,297
TOTAL	4,573,559,132	937,130,733	-3,636,428,399	2,736,651,770	490,865,672	-2,245,786,098

44. The county government departments reported some challenges during the previous MTEF period due to resource constraints caused by delayed approval of the FY 2018/19 budget. The budget estimates were approved in the second quarter of the financial year (October 2018). This caused subsequent delays in budget implementation in all the departments. Meanwhile, some of the county departments are understaffed and lack technical officers to perform some practical duties. **Delays in the exchequer disbursement of funds resulted to delayed procurement processes and subsequently causing delays in the implementation of projects.**

Revised Estimates

45. The FY 2018/19 Approved Budget will need to be revised for the following reasons:
- a. Inclusion of additional conditional grants from donor partners (FAO).
 - b. National Government reduction of revenues shared to counties by Kshs. 9.3 billion
 - c. The process of hiring enforcement officers that will require Kshs. 70 million to actualize. This will require realignment of Personal Emolument (P.E) budget.
 - d. Other emerging needs.

Economic Policy Outlook

46. Kenya's economic growth prospects for the FY 2019/20 and over the medium term take into account the global and sub-Saharan Africa growth prospects, the emerging global challenges and the domestic risks. The projections accommodate the strategic objectives of the County Government as outlined in the Second Generation County Integrated Development Plan (CIDP II).
47. The outlook, therefore points to a continued macroeconomic stability which will support robust growth, lower fiscal deficits and contain inflation. In addition, measures being undertaken by the County to align its strategic priorities with the "The Big Four" Plan to boost the manufacturing sector; enhance food security and nutrition; build affordable housing; and achieve Universal Health Coverage are expected to enhance growth, create jobs and promote inclusive growth.
48. Inflation is currently within the Government's target range largely due to lower food prices and muted demand-driven inflationary pressures. It is expected to remain within target in the medium term mainly due to expected lower food prices reflecting favorable weather

conditions, the decline in international oil prices, and the recent downward revision in electricity tariffs.

Risks to the Outlook

49. The County experienced a significant increase in the County Own Source Revenue Collection. However, without comprehensive revenue mapping and enforcement there may be budget deficit which will affect the adequate financing of the outlined projects and programs.
50. The County Government shall put in measures to mitigate against the adverse effects of the outlined risks.

Table 2: Risks and mitigation measures

S/No	Risk	Mitigation Measure
1.	Underperformance in county own revenue collection	The county shall undertake legal and administrative reforms in the management and administration of county own revenue
2.	Floods and other natural disasters	The County in partnership with National Drought Management Authority (NDMA) shall prepare and implement a contingency plan to mitigate against the attendant risks that accompany drought and other disasters.

SECTION III: FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2019/20

51. This section provides the fiscal policy, principles, reforms and budgetary framework to be implemented in the next financial year to enhance the fiscal position of the county. Tana River County is committed to implement an effective fiscal policy while realizing the strategic blueprint and ensuring overall economic growth. Therefore, this section provides reforms in the administration of revenue, expenditure management, and the overall budget framework for FY 2019/20. It showcases measures to reduce wastage in expenditure, improve efficiency in budgetary allocations, and to increase revenue collection.

Budget Framework.

52. Allocation and prioritization of resources shall be on the basis of the key development strategic blueprints in the Second Generation County Integrated Development Plan (CIDP II), Annual Development Plan (ADP) 2019/20, and departmental strategic plans. The CFSP outlines the medium term fiscal framework, policies and strategic objectives for the county, which is the basis for the FY 2019/20 budget.

53. The FY 2019/20 budget will focus on measures to sustain development initiatives and enhance the quality of life and standard of living of the citizens of Tana River County.

Therefore, this budget will seek to clear the pending bills that will be outstanding at the end of the FY 2017/18 so as to consolidate the gains made in the past five years but it will also seek to achieve the outlined four objectives to better the living standards of the citizens.

Table 3: County Government of Tana River FY 2019/20 and the Medium Term Budget Framework

Revenue Summary	Approved Estimates	Budget Estimates	Projections	
	2018/2019	2019/2020	2020/2021	2021/2022
FUNDING	Kshs.	Kshs.	Kshs.	Kshs.
Equitable Share of Revenue Raised Nationally	5,557,800,000	5,487,000,000	5,816,220,000	6,165,193,200

Conditional Allocations From National Government Revenue	739,429,663	831,639,172	881,537,522	934,429,774
Revenue from Own County Sources	60,000,000	60,000,000	78,000,000	80,000,000
Balance B/F	952,981,239	-	-	-
Grand Total	7,310,210,902	6,378,639,172	6,775,757,522	7,179,622,974
Expenditure Summary				
Personnel Emoluments	1,720,208,400	1,930,357,951	2,046,179,428	2,168,950,194
Operations and Maintenance	2,853,350,732	2,215,575,511	2,357,944,662	2,497,804,740
Development	2,736,651,770	2,232,523,710	2,371,451,432	2,512,868,040
Grand Total	7,310,210,902	6,378,639,172	6,775,757,522	7,179,622,974

Revenue Projections

54. The projected FY 2019/20 resource envelop is Kshs. 6.4billion. This is constituted by Ksh5.49Billion equitable share of revenue raised nationally, Kshs 831.6 million conditional grants and Ksh 60 Million of county own revenue.

Expenditure Projections

55. The ADP outlines the development priorities for FY 2019/20 as per the sector programmes to be implemented. The principles of fiscal responsibility have been adhered to in allocation of the overall county expenditure budget.
56. The FY 2019/20 total expenditure is projected to be Kshs6.3 billion in pursuit of a balanced budget.

Recurrent Expenditure

57. The projections of FY 2019/20 indicate a recurrent expenditure of 67.7 percent of the total estimated budget which is Kshs3.77 billion. The recurrent budget will enhance county service

delivery and support development projects and programmes through the effective implementation of Programme Based Budgeting (PBB).

58. The total recurrent expenditure constitutes of Kshs1.93 billion Personnel Emoluments (P/E) which is 34.7 percent of the entire county budget. The Operations and Maintenance (O/M) expenditure is estimated to amount to Kshs.1.83 billion reflecting 33.0 percent of the total county government budget.

Development Expenditure

59. The development expenditure for 2019/20 financial year is estimated at Kshs1.8 billion, which is 32.3 percent of the total expenditure. This is in line with the PFM Act, 2012 requirement which requires that a minimum of 30 percent of the total county government budget be allocated to development.

Fiscal balance

60. In the FY 2019/20 the county government will operate on a balanced budget as guided by the Public Finance Management Act 2012 fiscal responsibility principles. However, the county leadership is pursuing strategic partnership with both domestic and foreign donors to complement the county efforts to fast track economic development. The county governor has recently signed an agreement with European Union to implement a project which seeks to enhance the local economic development by investing in the milk and fish value chains.

Fiscal Structural Reforms

61. The county government seeks to implement several reforms in the management of its fiscal position. The fiscal policy will continue being tightened in the next financial year in order to enhance efficiency in revenue collection, strengthening revenue mobilization, and eliminate unproductive expenditures. The county has an immense potential to increase revenue collection, administration and usage; therefore, such austerity measures have to be implemented.
62. The County shall review revenue collection and management procedures and also anchor them in the County Revenue Administration Act.

63. Develop revenue legislation and policies that anchors the levies such as Single Business Permits, Cess, Rates and Liquor Licensing.
64. The County Government shall prepare a valuation roll so as to effectively collect land rates; fast track the payments of CILOR; Endeavour to become a rating authority and all land to be ratable and land rates to be revised upwards.
65. Sensitization on the Gazette notice that unbundled entertainment industry functions to clarify roles and assist the County to effectively collect entertainment taxes.
66. Incentivize ratepayers by providing information on ‘easy-to-pay-options’
67. Implementation of revenue automation targeting key revenue streams will enhance efficiency in revenue collection.
68. In regards to administration, the county will enhance enforcement rules for revenue collection and administration. Enforcement will include strict measures such as penalties and fines to defaulters and those who do not comply with revenue legislation.
69. The County Government will implement expenditure control measures by cutting unproductive expenses and spending only on specific items as indicated in the approved budget.
70. In ensuring accountability in budget implementation, processing of procurement and payments for all good, works and services have been centralized at the head of treasury.
71. The County shall institutionalize project management by setting up committees which will track the implementation of development projects and programs from the county level to the ward and the lowest devolved unit.
72. There shall be an asset management and disposal policy which will ensure that all assets acquired are recorded in an asset register and disposed appropriately upon expiry. Meanwhile the County Transport and administration policy shall ensure seamless management of the existing vehicles and minimize attendant wastage.

73. The County shall institutionalize performance management system to ensure effective and efficient service delivery to the County residents and beyond

SECTION IV: MEDIUM TERM EXPENDITURE FRAMEWORK

Resource Envelope

74. The total budget for 2019/20 is estimated at **Kshs. 6,378,639,172** This is a provisional figure arrived at from projections of the National Budget Policy Statement (BPS). The actual estimates will be informed by the County Allocation of Revenue Act (CARA) 2019. The resource envelope may include a balance brought forward from the 2018/19 budget **considering the amount absorbed is below average with 5 months left to the end of the financial year, albeit with a spending balance of over Kshs. 6 billion.**

Spending Priorities

75. The County Government endeavor to invest more resources in five strategic areas during the FY 2019/2020:

- a Investing in quality and accessible healthcare.
- b Investing in quality education and training.
- c Investing in modern and commercially oriented Agriculture and Livestock.
- d Investing in urban planning and development.
- e Investing in good governance.

76. The social sectors such as health and education have an allocation of **.....** percent and **.....** percent respectively of the entire county government budget. Agriculture has been allocated **.....** percent while roads and infrastructure has an allocation of **.....** percent. Meanwhile, all other sectors shall be allocated resources to enhance the provision of services.

Medium Term Expenditure Estimates

77. The ceilings for every County Government department/entity have been tabulated to include the personnel emoluments, operations and maintenance and development budget. The

recurrent expenditure ceilings are based on the wage bill and requisite operations and maintenance budgets from the previous years. The development expenditure ceilings on the other side are informed by the priorities identified for the FY 2018/19 and the medium term. These also considered ongoing projects that must be completed to achieve their desired outcomes.

78. The 2018/19 conditional grants have been excluded from the respective departmental ceilings for clarity in budgeting. The table below provides the projected baseline ceilings for the 2018 MTEF, classified by County Department.

Table 3: Medium Term Expenditure Ceilings 2018/19 to 2020/21

						% Share of Total Expenditure			
DEPART MEN T/ SECTOR		Final Approve d Estimate s	Ceilings	Projections		Final Approv ed Estima tes	Ceilin gs	Projections	
				2017/18	2018/19			2019/20	2020/21
Office of the governor and the deputy governor	SUB- TOTAL	563,220, 935	527,705, 436	580,475, 980	638,523, 578	9.40	9.48	9.26	9.72
	Rec	489,687, 521	507,705, 436	558,475, 980	614,323, 578	8.17	9.12	8.94	9.40
	PE. Gross	258,404, 900	230,490, 548	253,539, 603	278,893, 563	4.31	4.14	4.56	5.01
	OM. Gross	231,282, 621	277,214, 888	304,936, 377	335,430, 014	3.86	4.98	4.39	4.39
	Dev.Gr oss	73,533,4 14	20,000,0 00	22,000,0 00	24,200,0 00	1.23	0.36	0.32	0.32
Special programs	SUB- TOTAL	325,903, 320	92,319,7 66	101,551, 743	111,706, 917	5.44	1.66	1.46	1.46
	Rec	285,532, 963	82,319,7 66	90,551,7 43	99,606,9 17	4.76	1.48	1.30	1.30

	PE. Gross	9,681,720	9,875,354	10,862,889	11,949,178	0.16	0.18	0.16	0.16
	OM. Gross	275,851,243	72,444,412	79,688,853	87,657,739	4.60	1.30	1.15	1.15
	Dev.Gr oss	40,370,357	10,000,000	11,000,000	12,100,000	0.67	0.18	0.16	0.16
County public service board	SUB-TOTAL	65,195,069	64,861,601	71,347,761	78,482,537	1.09	1.17	1.03	1.03
	Rec	65,195,069	64,861,601	71,347,761	78,482,537	1.09	1.17	1.03	1.03
	PE. Gross	35,712,936	36,557,856	40,213,642	44,235,006	0.60	0.66	0.58	0.58
	OM. Gross	29,482,133	28,303,745	31,134,120	34,247,531	0.49	0.51	0.45	0.45

	Dev.Gr oss	-	-	-	-	-	-	-	-
Education and vocational training	SUB-TOTAL	610,645,507	626,293,500	688,922,850	757,815,135	10.19	11.25	9.91	9.91
	Rec	363,394,594	410,993,500	452,092,850	497,302,135	6.06	7.39	6.51	6.51
	PE. Gross	76,744,192	132,544,000	145,798,400	160,378,240	1.28	2.38	2.10	2.10
	OM. Gross	286,650,402	278,449,500	306,294,450	336,923,895	4.78	5.00	4.41	4.41
	Dev.Gr oss	247,250,913	215,300,000	236,830,000	260,513,000	4.12	3.87	3.41	3.41
youth, sports, gender, culture and	SUB-TOTAL	58,360,230	291,649,500	320,814,450	352,895,895	0.97	5.24	4.62	4.62
	Rec	24,767,755	70,649,500	77,714,450	85,485,895	0.41	1.27	1.12	1.12

social services	PE. Gross	5,305,640	21,000,000	23,100,000	25,410,000	0.09	0.38	0.33	0.33
	OM. Gross	19,462,115	49,649,500	54,614,450	60,075,895	0.32	0.89	0.79	0.79
	Dev.Gross	33,592,475	221,000,000	243,100,000	267,410,000	0.56	3.97	3.50	3.50
Medical services, public health and sanitation	SUB-TOTAL	1,030,523,359	1,276,382,684	1,404,020,952	1,544,423,048	20.52	22.94	20.20	20.20
	Rec	905,100,563	976,382,684	1,074,020,952	1,181,423,048	15.10	17.55	15.45	15.45
	PE. Gross	746,730,304	852,349,864	937,584,850	1,031,343,335	12.46	15.32	13.49	13.49
	OM. Gross	158,370,259	124,032,820	136,436,102	150,079,712	2.64	2.23	1.96	1.96
	Dev.Gross	324,954,612	300,000,000	330,000,000	363,000,000	5.42	5.39	4.75	4.75
Agriculture, livestock, fisheries, veterinary	SUB-TOTAL	636,760,375	465,111,776	511,622,954	562,785,249	10.62	8.36	7.36	7.36
	Rec	294,262,276	316,611,776	348,272,954	383,100,249	4.91	5.69	5.01	5.01

	PE. Gross	85,033,880	85,033,880	93,537,268	102,890,995	1.42	1.53	1.35	1.35
	OM. Gross	209,228,396	231,577,896	254,735,686	280,209,254	3.49	4.16	3.67	3.67
	Dev.Gross	342,498,099	148,500,000	163,350,000	179,685,000	5.71	2.67	2.35	2.35

Water, irrigation environment and natural resources	SUB-TOTAL	640,264,849	422,103,746	464,314,121	510,745,533	10.68	7.59	6.68	6.68
	Rec	178,588,130	172,103,746	189,314,121	208,245,533	2.98	3.09	2.72	2.72
	PE. Gross	25,641,120	43,475,880	47,823,468	52,605,815	0.43	0.78	0.69	0.69
	OM. Gross	152,947,010	128,627,866	141,490,653	155,639,718	2.55	2.31	2.04	2.04
	Dev.Gross	461,676,719	250,000,000	275,000,000	302,500,000	7.70	4.49	3.96	3.96
Roads, transport, public works, housing and urban development	SUB-TOTAL	758,641,629	441,609,568	485,770,525	534,347,577	12.66	7.94	6.99	6.99
	Rec	115,741,986	81,763,825	89,940,208	98,934,228	1.93	1.47	1.29	1.29
	PE. Gross	18,966,360	19,345,687	21,280,256	23,408,281	0.32	0.35	0.31	0.31
	OM. Gross	96,775,626	62,418,138	68,659,952	75,525,947	1.61	1.12	0.99	0.99
	Dev.Gross	642,899,643	359,845,743	395,830,317	435,413,349	10.72	6.47	5.70	5.70
Public service, administration and citizen participation	SUB-TOTAL		156,116,988	171,728,687	188,901,555	-	2.81	2.47	2.47
	Rec	-	106,116,988	116,728,687	128,401,555	-	1.91	1.68	1.68
	PE. Gross	-	62,167,488	68,384,237	75,222,660	-	1.12	0.98	0.98
	OM. Gross	-	43,949,500	48,344,450	53,178,895	-	0.79	0.70	0.70
	Dev.Gross	-	50,000,000	55,000,000	60,500,000	-	0.90	0.79	0.79

Finance and economic planning	SUB-TOTAL	286,239,460	395,649,449	435,214,394	478,735,833	4.77	7.11	6.26	6.26
	Rec	266,239,460	365,649,449	402,214,394	442,435,833	4.44	6.57	5.79	5.79
	PE. Gross	69,710,931	85,442,211	93,986,432	103,385,075	1.16	1.54	1.35	1.35
	OM. Gross	196,528,529	280,207,238	308,227,962	339,050,758	3.28	5.04	4.44	4.44
	Dev.Gross	20,000,000	30,000,000	33,000,000	36,300,000	0.33	0.54	0.47	0.47
Trade, tourism & wildlife and cooperative development	SUB-TOTAL	207,523,640	214,066,345	235,472,980	259,020,277	3.46	3.85	3.39	3.39
	Rec	51,523,640	139,466,345	153,412,980	168,754,277	0.86	2.51	2.21	2.21
	PE. Gross	13,902,560	21,102,560	23,212,816	25,534,098	0.23	0.38	0.33	0.33
	OM. Gross	37,621,080	118,363,785	130,200,164	143,220,180	0.63	2.13	1.87	1.87
	Dev.Gross	156,000,000	74,600,000	82,060,000	90,266,000	2.60	1.34	1.18	1.18
Lands and physical planning	SUB-TOTAL	59,260,839	34,790,709	38,269,780	42,096,758	0.99	0.63	0.55	0.55
	rec	41,712,839	15,487,115	17,035,827	18,739,409	0.70	0.28	0.25	0.25
	PE. Gross	1,222,020	5,749,860	6,324,846	6,957,331	0.02	0.10	0.09	0.09
	OM. Gross	40,490,819	9,737,255	10,710,981	11,782,079	0.68	0.17	0.15	0.15
	Dev. Gross	17,548,000	19,303,594	21,233,953	23,357,349	0.29	0.35	0.31	0.31

County assembly	SUB-TOTAL	552,495,177	556,000,000	611,600,000	672,760,000	9.22	9.99	8.80	8.80
	Rec	454,495,177	456,000,000	501,600,000	551,760,000	7.58	8.19	7.22	7.22
	PE. Gross	286,742,271	325,222,763	357,745,039	393,519,543	4.78	5.84	5.15	5.15

	OM. Gross	167,752,906	130,777,237	143,854,961	158,240,457	2.80	2.35	2.07	2.07
	Dev. Gross	98,000,000	100,000,000	110,000,000	121,000,000	1.63	1.80	1.58	1.58
Conditional grant	SUB-TOTAL	389,634,389	868,365,832						
County assembly	Rec		3,766,111,731						
TOTAL	OM. Gross	1,902,443,139	1,835,753,780	2,443,388,281	2,687,727,109	31.74	32.99	35.16	35.16
	Dev. Gross	2,458,324,232	1,798,549,337	2,393,869,168	2,633,256,084	41.01	32.32	34.45	34.45
	PE. Gross	1,633,798,834	1,930,357,951	2,112,530,857	2,323,783,942	27.25	34.69	30.40	30.40
Grand total		5,994,566,205	5,564,661,068	6,949,788,305	7,644,767,136	58.99	67.68	65.55	65.55
Total Resource Envelop		6,384,200,594	6,433,026,900			100.00	100.00	100.00	100.00

Finalization of Spending Plans

79. The revenue estimates shall be firmed up by among other things the approval of the County Allocation of Revenue Act (CARA), National Budget Policy Statement (BPS) and other county policy statements. However, in case of any additional resources the county shall invest in programs and projects that are geared towards urbanization, quality and affordable health care, quality and accessible education, food security, poverty reduction and employment creation which are in line with the FY 2019/20 budget theme.

Details of Sector Priorities

80. Sector priorities have taken into account priorities of the Second Generation County Integrated Development Plan (CIDP II) and broad strategic priorities of Kenya vision 2030. All sectors have considered the successes made so far and consolidated the gains while at the same time addressed the challenges which continue to derail the county transformation agenda. Sectors through the Sector Working groups reviewed their performances and put forward their financial plans taking into consideration the reality of scarce and the need to ensure optimal allocation of resources with efficiency, economy and effectiveness. The details of the sector

OFFICE OF THE GOVERNOR		
	Department's mandate	To Ensure citizen centric service delivery through public participation for social transformation, enhance departmental capacity and conducive work environment for quality service delivery as well as leverage ICT infrastructure and services for quality service delivery and special programs.
	Key departmental achievements	

priorities are explained as follows:

	Department's resource usage	
COHESION AND SPECIAL PROGRAMS		
	Department's mandate	Provides technical and social services in risks and disaster management in the county
	Key departmental achievements	
	Department's medium term plans	
	Department's resource usage	
Finance and Economic Planning		

	Department's mandate	<p>This sector is mandated to provide overall policy, leadership, and oversight in economic and devolution management to the county, public service delivery and resource mobilization. It further coordinates county policy formulation, implementation as well as facilitating the tracking of the implementation of county programmes and prepare annual estimates of revenues and expenditures laid before the County Assembly for approval including the preparation of supplementary estimates as the need arises. It is also responsible for policy analysis on a wide range of issues including: fiscal issues, trade issues and private sector development issues. In addition the department ensures that external</p>
--	----------------------	--

		<p>resources (grants, loans, donations) are effectively mobilized, disbursed and efficiently utilized and that there is prudent public debt management. Other responsibilities include administration and enforcement of revenue laws, County budget implementation, monitoring and evaluation. The main objectives of the sector include (i) provide overall policy and leadership direction for county prosperity; (ii) promote good governance and accountability in the management of public affairs at the county level; (iii) promote prudent economic, financial and fiscal management for growth and economic stability; (v) promote and strengthen county legislation, oversight over public agencies and good governance</p>
--	--	--

	Key departmental achievements	
	Department's medium term plans	

	Department's resource usage	
Education and vocational training		
	Department's mandate	To provide quality and basic education, develop vocational skills and talents to enhance socio economic prosperity, cohesion and self-reliance. The department aim to provide, promote and coordinate education and training programs, research and innovations, and talents development.

	Key departmental achievements	Purchase of workshop benches and tables, purchase of hairdressing training equipment, purchase of building construction and motor vehicle tools and equipment, capacity building of VTC instructors, purchase of ICT and tailoring tools, release of Subsidized Vocational Training Centre Support Grant (SVTCSG) to VTCs registered with TIVETA.
--	-------------------------------	---

	Department's medium term plans	
--	--------------------------------	--

	Department's resource usage	
--	-----------------------------	--

Health		
---------------	--	--

	Department's mandate	To build a progressive, responsive and sustainable technologically driven, evidence-based and client-cantered health system for accelerated attainment of the highest standard of health to all residents
--	----------------------	---

	Key departmental achievements	<p>The department maintained services in all health facilities. Multiple (257) outreaches were conducted by staff from rural health facilities to underserved areas within their coverage, The County Health Management team managed to conduct countywide support supervision to health facilities and Sub County Health management teams, CHMT conducted two County health data review meetings using the score card, CHMT conducted four programmatic support supervisions, The Sub County Health management teams conducted two support supervision and two data reviews meetings, Sub Counties held six monthly facilities in charges meetings. Sic monthly blood donation campaigns were held, The department under guidance of the CPSB has been able to identify service gaps and made an advertisement for staff to be recruited.</p>
--	-------------------------------	--

	Department's medium term plan.	
	Department's resource usage.	

Water, irrigation, environment and natural resources		
	Department's mandate	<p>Improve access to adequate and safe water.</p> <p>Provision of healthy and clean environment, sustainable natural resource utilization and Conservation, enhancing and supporting protection, development and management of Natural resources and its allied developments for environmental stability and socioeconomic advancement of the County.</p>

Key departmental achievements	18000 trees planted (public park & community forest), Hired contractors for garbage collections, Reduce charcoal production in the county (Illegal charcoal production & logging), Awareness creation on the important of forest through international and National events (International Wetland day, international forest day, National tree planting day etc.
Department's medium term plans	Forest Extension officers recruited and deployed in each of the 3 sub counties, Mangrove nurseries established through organized community groups (CFA members) in Kipini and Ozi for rehabilitation, charcoal production bills.
Department's resource usage	

Lands and Physical planning	
Department's mandate	To ensure sustainable management of land in the county. Improvement of livelihood to the people through efficient administration equitable access and sustainable management of land
Key departmental achievements	The department has successfully surveyed and planned the Boji area and is in the process of allocation and titling, Has formed an arbitration unit composed of land technical officers from County and National Lands Commission and county administration officers that has been hearing and settling land disputes throughout the county, Has formed a taskforce and gazette to look into land matters including illegal allocations, land grabbing and land injustices. Report to be launched in April 2019, Has been carrying out an adjudication process throughout the County to safe guard security of tenure, with support from National Government, Has managed to stop illegal land sales and allocation that have been going on in Minjilla and Madogo Township, Has identified the 14 urbanization

		clusters in line with the Governor’s urbanization Agenda and Big 4 Agenda.
	Department’s medium term plans	
	Department’s resource usage	
Agriculture, Livestock, Fisheries and Veterinary services		
	Department’s mandate	<p>To attain food security, and sustainable agricultural infrastructure development, improve agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential and sustainable management of resources in the sector.</p> <p>To promote, regulate and facilitate livestock production for socioeconomic development and industrialization.</p> <p>To provide and facilitate efficient veterinary services for production of safe and high quality animals, animal products and by-products and promote trade and industrial growth in a sustainable environment.</p> <p>Promotion of competitive innovative, sustainable fisheries development, and equitable distribution of resources to improve livelihood.</p>

Key departmental achievements	Supply of seed maize, fertilizer, cowpeas and rice seed to farmers within the three sub counties, Supply of pesticides to the farmers, Conduct field days to the farmers aimed at demonstrating new technology to them, Ploughing of 700 acres at the NIB schemes for farmers aimed at capacity build the cooperative, NIB farmers additionally supply with seed maize, fertilizer, herbicides and pesticides, Staff in the conducted field assessment on crop situation after the rains, Repair of departmental vehicles at Toyota Kenya Nissan. Rehabilitation and restocking with fingerlings of two ox-bow lakes at Tarasaa and Garsen (Mwanapokomo and Tamaso ox-bow lakes), 1 staff workshop on performance Appraisal System (PAS) at Ocean Beach Hotel, 1 staff workshop on Integrity and leadership Act at Milele Guest house.
Department's medium term plans	
Department's resource usage	
Youth, Sports, Gender, Culture and Social Services	
Department's mandate	To promote Social Development and Social Protection support for elderly persons, promote Culture, Arts and Children services, To establish and strengthen community cohesion that promotes peace and justice, competent and committed communities' development
Key departmental achievements	
Department's medium term plans	
Department's resource usage	

Trade, Weight & Measures, Tourism, wildlife and Co-operative Development

	Department's mandate	Promotion and development of trade, markets; Trade Licensing and Business Regulation; Formation and Profiling of Producer Business Groups (PBGs); Financial support to the Micro, Small and Medium Enterprises (MSMEs); Promotion, Registration, supervision, inspection and auditing of cooperative societies; Capacity building, value addition and entrepreneurship; Promotion of fair trade practices and consumer protection; Advising on taxation, Fraud Risk management and governance in the co-operative sector; Promotion of Micro, Small (Jua Kali) and cottage industries; Promotion of investments and industrial development; Promotion of Industrial
--	----------------------	---

		parks; Promotion of technological transfer; Resource mapping, profiling and data collection in all the sectors; Profiling and development of tourism products (tourist, cultural and heritage) and services in the county; Marketing and product development in the County within the entire sector; Verification and stamping of weighing and measuring instruments for use for trade in the county
--	--	--

	Key departmental achievements	
--	-------------------------------	--

	Department's medium term plans	
--	--------------------------------	--

	Department's resource usage	
--	-----------------------------	--

Roads, transport, Public Works, housing and urban development		
--	--	--

	Department's mandate	To provide the necessary infrastructure and related services for economic growth.
--	----------------------	---

	Key departmental achievements	
--	-------------------------------	--

	Department's medium term plans	
--	--------------------------------	--

	Department's resource usage	
--	-----------------------------	--

County Public Service Board		
------------------------------------	--	--

	Department's mandate	To provide leadership in public service management, to ensure efficiency and effectiveness in service delivery, management and development of human resources in the public service, comprehensive restructuring to ensure the county public service function effectively and optimally utilizes available human resources.
--	----------------------	---

	Key departmental achievements	
--	-------------------------------	--

	Department's medium term plans	
	Department's resource usage	

Conclusion

80. T-he county government of Tana River intends to consolidate the fiscal gains made in the last five years in pursuit of accelerated economic development for better lives the County shall in FY 2019/20 invest in; quality and accessible healthcare, quality education and training, modern and commercially oriented Agriculture and Livestock, urban planning and development and good governance.

81. However, to achieve these strategic objectives there is need for rigorous mobilization of county own source revenue (OSR), avoiding wasteful expenditure and living within our means. The county will also mitigate against cyclic disasters such as drought, floods and famines to safeguard the development gains and livelihoods.