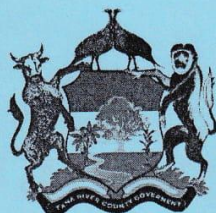


REPUBLIC OF KENYA



COUNTY GOVERNMENT OF TANA RIVER  
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

Email address: [tanarivercg@gmail.com](mailto:tanarivercg@gmail.com)  
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P.O BOX 29-70101  
HOLA

Ref. No. TRCG/FIN/2/1(30)

19<sup>th</sup> October, 2020

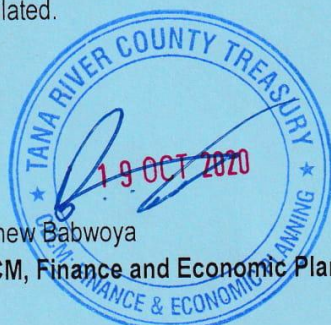
The Clerk  
County Assembly of Tana River

**RE: FORWARDING THE FY 2020/21 CBROP**

The Tana River County Treasury has prepared the County Budget Review and Outlook Paper (CBROP) for Tana River for the FY 2019 in accordance with the provisions of Section 118 of the Public Finance Management (PFM) Act, 2012.

The PFM Act requires that the County Treasury submits the CBROP to the County Executive Committee by 30<sup>th</sup> September. Further, the Act stipulates that the CEC shall consider the CBROP with a view of approving it, with or without amendments within fourteen days after its submission. Finally, the Act requires the County Treasury to arrange for the approved CBROP to be laid before the County Assembly not later than seven days after the CEC approval.

Enclosed, find the FY 2020/21 CBROP as a formal submission to the County Assembly of Tana River as stipulated.



Mathew Babwoya  
CECM, Finance and Economic Planning

cc: Hon. Speaker, County Assembly of Tana River

# COUNTY GOVERNMENT OF TANA RIVER



THE COUNTY TREASURY

## COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

September 2020

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©2019 Tana River County Budget Review and Outlook Paper (CBROP) .

To obtain copies of the document, please contact:

Tana River County Treasury

Trade House, County Council Rd.

P. O. Box 29 -70101

**HOLA, KENYA**

The document is also available on the County website: [www.tanariver.go.ke](http://www.tanariver.go.ke)

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## FOREWORD

The 2020 County Budget Review and Outlook Paper (CBROP) was prepared by the County Treasury. It provides a review of the fiscal performance implemented by the County government of Tana River during the financial year 2019/2020. We have carried out comparisons of the budget appropriations in the same year and provide insight on recent economic developments and the updated economic and financial forecast along with information to show changes from the forecast in the County Fiscal Strategy Paper (CFSP) of 2019.

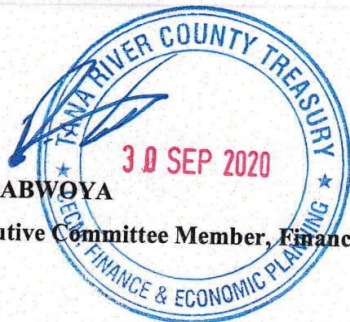
The 2020 CBROP is set against the backdrop of a contracting global economy occasioned by the outbreak and the rapid spread of the Covid-19 Pandemic. The Pandemic and the attendant containment measures has led to contraction of the global economy disrupting businesses leading to loss of livelihoods for millions of people globally. On the county scene, the Pandemic and the containment measures have not only disrupted our ways of lives and livelihoods, but to a greater extent business.

The Pending bill directive also affected the implementation of the development projects for the financial year in review. Most projects were collapsed and funds mobilized to clear pending bills as per the presidential directive on 01/06/2019.

However, the County Treasury continues to enforce the fiscal responsibility principles in accordance with the Constitution, and the Public Finance Management (PFM) Act, 2012, (Section 107). The county government's recurrent and development expenditures remained within the legal thresholds as per the PFMA, 2012. However, recurrent related expenses like the rising wage bill without commensurate service delivery poses a major challenge to the County's development agenda. In addition, the county's growth and development agenda will largely depend on how well the programme based budget is implemented as well as how fast people and business get to full capacity and produce and sell at optimum levels.

**MATHEW BABWOYA**

**County Executive Committee Member, Finance and Economic Planning.**



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## ACKNOWLEDGEMENT

The 2020 edition of County Budget Review Outlook Paper (CBROP) was prepared in accordance with section 118 of the Public Finance Management Act, 2012 and is the seventh version since the inception of the County Government of Tana River.

I would like to acknowledge all the various departments for their individual contribution without which this document would not be a success. All the county departments were invited to submit their performance on expenditures for the period under review. This information was analyzed by the team lead by our CEC Finance and Economic Planning Mathew Babwoya, Chief Officer Finance and Planning Ahmed Barako, Director Finance Francis Ngigi, Deputy Director Finance Mariam Bunu, Assistant Director M&E Amani Bawata, Senior Economist Pascal Buya, Economic Planning Officer Arnold Odipo and the Directorate of Economic Planning & Budgeting. These officers spent a significant amount of time putting together this CBROP.

Finally, I am indebted to express my sincere gratitude to the entire staff of the County Treasury for their dedication and commitment during the entire exercise.



**AHMED MAALIM BARAKO**

**County Chief Officer – Finance and Economic Planning**

30 SEP 2020

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## **ABBREVIATIONS AND ACRONYMS**

|       |  |
|-------|--|
| CARA  | County Allocation of Revenue Act                   |
| CBK   | Central Bank of Kenya                              |
| CRA   | Commission of Revenue Allocation                   |
| CBROP | County Budget Review and Outlook Paper             |
| CFSP  | County Fiscal Strategy Paper                       |
| GDP   | Gross Domestic Product                             |
| IBEC  | Inter-Governmental Budget and Economic Council     |
| ICT   | Information and Communication Technology           |
| IFMIS | Integrated Financial Management Information System |
| KNBS  | Kenya National Bureau of Statistics                |
| MTEF  | Medium Term Expenditure Framework                  |
| MTP   | Medium-Term Plan                                   |
| PE    | Personnel Emoluments                               |
| PFM   | Public Finance Management                          |
| PWD   | People with Disabilities                           |
| SRC   | Salaries and Remuneration Commission               |
| SWG   | Sector Working Group                               |

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## Preamble

### **Legal Basis for Preparation of the County Budget Review and Outlook Paper**

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

- 1) A county Treasury shall;
  - a. Prepare a CBROP in respect of the County for each year; and
  - b. Submit the paper to the County Executive Committee (CEC) by 30th September of that year.
  
- 2) In preparing its CBROP, the County Treasury shall specify;
  - a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year
  - b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)
  - c. Information on:
    - (i) Any changes in the forecasts compared with the CFSP; or
    - (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and
  - d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.
  
- 3) The CEC shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.
  
- 4) Not later than seven days after the CBROP is approved by the CEC, the County Treasury shall:
  - a. Arrange for the paper to be laid before the County Assembly; and
  - b. As soon as practicable after having done so, publish and publicize the paper.

---

## **Fiscal Responsibility Principles in the Public Financial Management Law**

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

- 1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;
- 2) The county Government's expenditure on wages shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly;
- 3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
- 4) The County debt shall be maintained at a sustainable level as approved by County Assembly;
- 5) The fiscal risks shall be managed prudently; and
- 6) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

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## **1.0 INTRODUCTION**

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1. The Public Finance Management (PFM) Act, 2012 section 118 requires that among other responsibilities, the “County Treasury to prepare a County Budget Review Outlook Paper”. As such, this paper is prepared in accordance with this section of the PFM Act 2012. The Act requires that every county prepare a CBROP and submit it to the County Executive Committee (CEC) by 30<sup>th</sup> September of that financial year.
2. The County Executive Committee shall in turn:
  - i) within fourteen days after submission, consider the CBROP with a view to approving it, with or without amendments.
  - ii) Within seven days after the CEC approval of the paper, the county treasury shall arrange for the paper to be laid before the County Assembly and after doing so, publish and publicize the paper.

### **1.1 Objective of CBROP**

3. The objective of CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in the CFSP. This together with macroeconomic outlook provides a basis for revision of the current budget in the context of the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the CFSP.

Specifically, the CBROP provides:

- Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
- Details of the actual fiscal performance in the previous year compared to the budget appropriation for that particular year;
- Any changes in the forecasts compared with the CFSP;
- Indication on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

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## **1.2 Significance of CBROP**

4. The paper is a policy document and links planning with budgeting. It is significant in the budget making process within the Medium-Term Expenditure Framework (MTEF) as it reviews previous fiscal performance for the year and identifies any deviations from the budget with the aim of providing realistic forecasts for the coming year. It also assesses how fiscal responsibility principles were adhered as provided in section 107 of the PFM Act 2012. In addition, the updated macroeconomic and financial outlook provides a basis for any budget revision and sets out broad fiscal parameters for the next budget. Further, the paper is expected to provide indicative sector ceilings for the FY 2021/2022 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2021.

## **1.3 Structure**

5. This paper has four sections. Section Two reviews the county's fiscal performance for the previous year. It is divided into three sub-sections, namely, The Overview, Fiscal Performance and Implications of Fiscal Performance. Section three reviews recent economic developments and has four subsections of Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook. Section four sets out how the county government intends to operate within its means. It establishes the resources envelope (total revenues) it expects then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium-term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing. And lastly, section five gives a conclusion of the entire paper.

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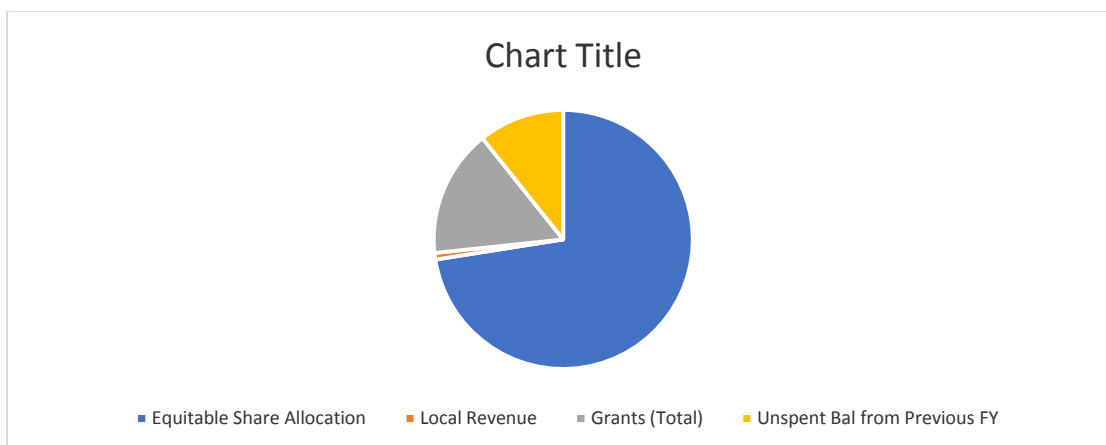
## 2.0 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2019/20 FY

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### 2.1 Overview

6. This section provides an overview of the performance and implementation of the budget for the financial year 2019/2020 and how it affected compliance with the fiscal responsibility during implementation of the CFSP. This makes it useful in providing a basis for setting out broad fiscal parameters for subsequent budgets as well as mapping out a way forward for Tana River County.
7. The County's FY 2019/2020 Approved Supplementary Budget was Kshs. 8.075 Billion, comprising of KShs. 5.373 Billion (67.0 per cent) and KShs.2.702 billion (33.0 per cent) allocation for recurrent and development expenditure respectively.
8. In order to finance the budget, the county was to receive Kshs. **5.855 Billion** (73.0 per cent) as equitable share, Kshs. **747.2 Million** (9.0 per cent) as conditional allocations, targeted to raise Kshs. **66 Million** as own local revenues which translates to 1.0 per cent of the total budget and had a balance from the other financial year (2018/2019) of Kshs. **1.406 Billion** which translated to 17.0 per cent of the total budget. The expected sources of budget financing are shown in Figure 1.

Figure 1: Expected Sources to budget Financing in FY 2019/2020



### 2.2 Fiscal Performance

9. During the financial year under review the county had three sources of funding namely: conditional allocations; revenue raised nationally and county own source revenue. There was also a balance from last financial year. There is no growth in the overall revenues as per table 1 below.

Table 1: Summary of County Fiscal Performance

Source: Tana River County Treasury

|                                   | 2018/19 FY           | 2019/20 FY           |                      |             | Growth %    |
|-----------------------------------|----------------------|----------------------|----------------------|-------------|-------------|
|                                   | Actual               | Approved             | Actual               | % Deviation |             |
| <b>TOTAL REVENUE &amp; GRANTS</b> | <b>5,898,578,613</b> | <b>6,668,468,526</b> | <b>5,843,229,556</b> | <b>12%</b>  | <b>-1%</b>  |
| Unspent Bal from Previous FY      | 1,150,408,032        | 1,406,678,998        | 1,171,397,492        | <b>17%</b>  | <b>0%</b>   |
| <b>REVENUE (Total)</b>            | <b>7,048,986,645</b> | <b>8,075,147,524</b> | <b>7,014,627,049</b> | <b>13%</b>  | <b>0%</b>   |
| Equitable Share Allocation        | 5,557,800,000        | 5,855,250,000        | 5,351,698,500        | <b>9%</b>   | <b>-4%</b>  |
| Local Revenue                     | 63,454,693           | 66,000,000           | 66,582,433           | <b>-1%</b>  | <b>5%</b>   |
| Grants (Total)                    | 277,323,920          | 747,218,526          | 424,948,623          | <b>43%</b>  | <b>53%</b>  |
| <b>TOTAL EXPENDITURE</b>          | <b>6,079,982,800</b> | <b>8,075,147,524</b> | <b>6,563,802,968</b> | <b>19%</b>  | <b>8%</b>   |
| Recurrent                         | 3,955,494,631        | 5,373,094,723        | 4,809,616,245        | <b>10%</b>  | <b>22%</b>  |
| Development                       | 2,124,488,169        | 2,702,052,801        | 1,754,186,723        | <b>35%</b>  | <b>-17%</b> |
| Unspent Bal Current FY            | <b>969,003,845</b>   | <b>0</b>             | <b>450,824,081</b>   |             |             |

10. The fiscal performance of the FY 2019/2020 was below expectation mainly due to a number of challenges which included;

- (i) Application of E-procurement
- (ii) Delays in disbursement of funds from the National Treasury;

### Equitable Share of Revenue Raised Nationally

11. During the FY 2019/2020 the exchequer release of the equitable share revenue to the county government of Tana River amounted to Kshs. **5.351 Billion**. This translated to 91 percent of the allocation. The 9 percent deviation (balance of the allocation) was received in the month of August, 2020 (after the closure of the financial year). Additionally, Kshs. **1.406 Billion** (Kshs.865.6 million being equitable share) was appropriated in the FY 2019/2020 budget estimates as balance carried forward.

### Conditional Grants

12. Analysis of the conditional grants released during the period under review indicates that the County received full allocation for grants from Compensation for user fees foregone, Vocational Training Centre Support Grant (VTCSP), the Covid-19 Emergency Response Fund, Transforming Health Care System for Universal Health Care Project (THSUCP), DANIDA and Agriculture Sector Development Support Program (ASDSP). In total, the County received 57 percent of the conditional grant allocation. For the conditional grants carry-overs, 57 percent of the allocation was received. The Table below shows an analysis of conditional grants received in the FY 2019/2020

**Table 2: Analysis of conditional grants received in the FY 2019/20**

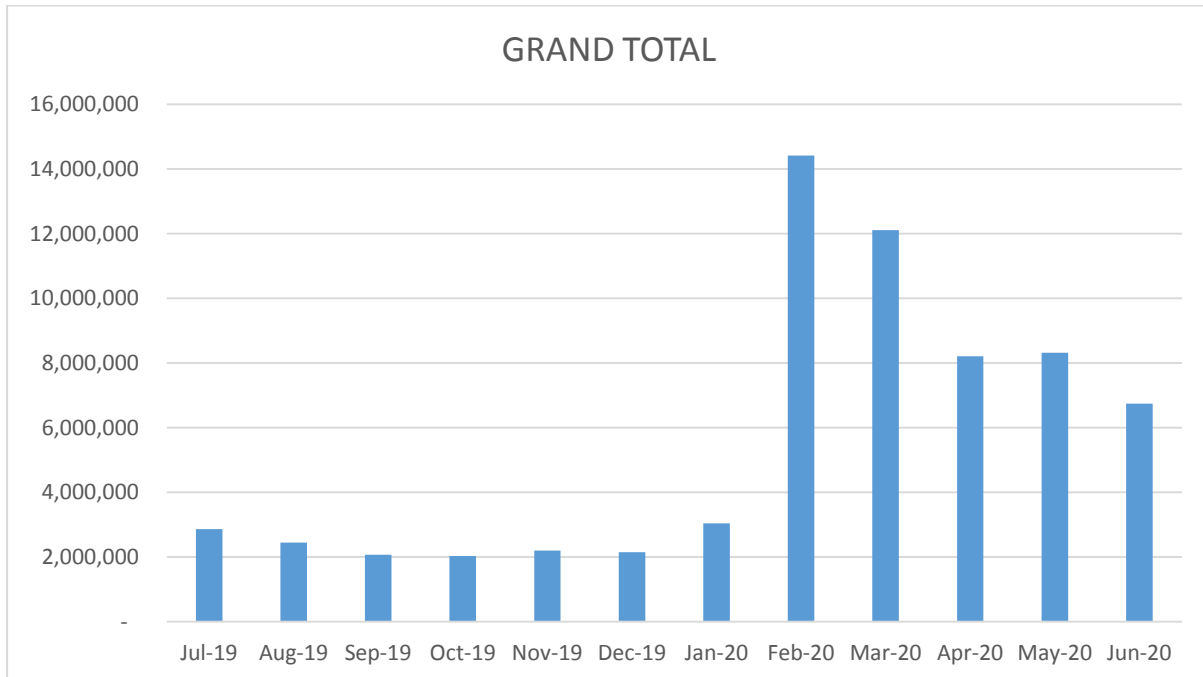
|          | Grants  | BALANCE B/F                        |   | CARA 2019                             |                                    |   |  |                            |                              |
|----------|---|------------------------------------|---|---------------------------------------|------------------------------------|---|--|----------------------------|------------------------------|
|          |   | Annual Budget Allocation (in KShs) | Actual Receipts in FY 2019/20 (in KShs) | Annual CARA 2019 Allocation (in KShs) | Annual Budget Allocation (in KShs) | Actual Receipts in FY 2019/20 (in KShs) | Actual Receipts as %of Annual Allocation | CARA Annual Allocation (%) | Annual Budget Allocation (%) |
| <b>A</b> | <b>Conditional Allocations from National Government Revenue</b> |                                    |   |                                       |                                    |   |  |                            |                              |
| 1        | Construction of County HQts                                     | 121,000,000                        | -                                       | 121,000,000                           | 121,000,000                        |   | 0%                                       | 16.22%                     | 16.19%                       |
| 2        | Foregone user fee   | -                                  | -                                       | 5,682,537                             | 5,682,537                          | 5,682,537                               | 100%                                     | 0.76%                      | 0.76%                        |
| 3        | VTCSP   | 24,419,386                         | -                                       | 21,228,298                            | 21,228,298                         | 21,228,298                              | 100%                                     | 2.85%                      | 2.84%                        |
| 4        | RMFLF   | 177,695,116                        | 176,529,851                             | 166,205,156                           | 166,205,156                        | 124,653,867                             | 75%                                      | 22.28%                     | 22.24%                       |
| 5        | Covid-19 Emergency Response Fund                                | -                                  | -                                       | 33,628,000                            | 33,628,000                         | 33,628,000                              | 100%                                     | 4.51%                      | 4.50%                        |
| <b>B</b> | <b>Conditional Allocations from Development partners</b>        |                                    |   |                                       |                                    |   |  |                            |                              |
| 5        | THSUCP  | 47,815,554                         | 28,894,418                              | 50,849,353                            | 50,849,353                         | 50,849,353                              | 100%                                     | 6.82%                      | 6.81%                        |
| 6        | KCSAP   | 8,196,940                          | 8,196,940                               | 200,000,000                           | 200,000,000                        | 145,758,951                             | 73%                                      | 26.81%                     | 26.77%                       |
| 7        | KDSP Level 1  | 44,003,842                         | -                                       | 30,000,000                            | 30,000,000                         |   | 0%                                       | 4.02%                      | 4.01%                        |
| 8        | DANIDA  | -                                  | -                                       | 22,788,750                            | 22,788,750                         | 22,788,750                              | 100%                                     | 3.05%                      | 3.05%                        |
| 9        | IDEAS   | 998,240                            | 998,240                                 | 15,431,865                            | 15,431,865                         |   | 0%                                       | 2.07%                      | 2.07%                        |
| 10       | FAO   | 1,245,700                          | -                                       |                                       | 1,245,700                          |   | 0%                                       | 0.00%                      | 0.17%                        |
| 11       | ASDSP   | 24,526,177                         | -                                       | 20,358,867                            | 20,358,867                         | 20,358,867                              | 100%                                     | 2.73%                      | 2.72%                        |
| 12       | KUSP-UDG  | 50,000,000                         | 50,000,000                              | 50000000                              | 50,000,000                         |   | 0%                                       | 6.70%                      | 6.69%                        |
| 13       | KUSP-UIG Bal b/f (2017/18)                                      | 41,200,000                         | 41,200,000                              | 8800000                               | 8,800,000                          |   | 0%                                       | 1.18%                      | 1.18%                        |
|          | <b>Grand Total</b>  | <b>541,100,954</b>                 | <b>305,819,449</b>                      | <b>745,972,826</b>                    | <b>747,218,526</b>                 | <b>424,948,623</b>                      | <b>57%</b>                               | <b>100%</b>                | <b>100%</b>                  |



### 2.2.1 Revenue Performance

13. The graph below shows an analysis of revenue collection for the period under review:

**Fig 2: 2019/2020 revenue analysis**



*Source: County Directorate of Revenue*

14. As indicated in the above diagram, in the FY 2019/2020, the highest monthly revenue collection occurred in second half. Which occurred in February to June probably due to high sand harvest, high livestock products outside the county and issuing of single business permits that prompted high revenue collection. The department is keen on automating collection of own revenue sources, awaiting the implementation of the National Policy to Support Enhancement of County Own Source Revenues. Meanwhile, collection of OSR in areas such as cess collection has been moved to mobile money transfer platform by way of *m-pesa* till numbers.

15. As shown in Table 3, the total own source revenue collected in the FY 2019/2020 amounted to KShs. 66.58 million. This represented 1 per cent increase on the annual own source revenue target of KShs 66 million. As compared to the FY 2018/19, the collected amount represents an overall increase in revenue collection of about 5 per cent. There were also some significant variations in collection among the various revenue streams. The main conspicuous figure being the County Natural Resources Exploitation fees where there is a drop compared to last FY while it recorded an increase against the

targeted amount. The county also made significant improvement in the collection of water charges/house rent from FY 2018/2019 where no collections were made, compared to FY 2019/2020 where collections made amounted to Kshs. 10,140,334 against a target of Kshs. 275,000.

Table 3: Revenue Performance per Stream

| REVENUE PERFORMANCE                                | 2018/2019         | 2019/2020         |                   | Variance of 2019/2020 from 2018/2019 | Variance of 2019/2020 from Estimates |
|--|-------------------|-------------------|-------------------|--------------------------------------|--------------------------------------|
|  |                   | ESTIMATES         | ACTUAL            |                                      |                                      |
| <b>FUNDING</b>                                     | <b>ACTUAL</b>     |                   |                   |                                      |                                      |
| <b>REVENUE FROM OWN COUNTY SOURCES</b>             |                   |                   |                   |                                      |                                      |
| <b>Receipts from sale of incidental goods</b>      | <b>238,500</b>    | <b>1,320,000</b>  | <b>8,000</b>      | <b>(230,500)</b>                     | <b>(1,312,000)</b>                   |
| Sale of tender documents                           | 238,500           | 1,320,000         | 8,000             | (230,500)                            | (1,312,000)                          |
| <b>Receipts not classified elsewhere</b>           | <b>6,524,456</b>  | <b>11,000,000</b> | <b>2,638,309</b>  | <b>(3,886,147)</b>                   | <b>(8,361,691)</b>                   |
| A.I.A (Health facilities) transferred to exchequer | 6,524,456         | 11,000,000        | 2,638,309         | (3,886,147)                          | (8,361,691)                          |
| <b>Land rates</b>                                  | <b>1,220,404</b>  | <b>3,520,000</b>  | <b>6,189,909</b>  | <b>4,969,505</b>                     | <b>2,669,909</b>                     |
| Land rates / leases                                | 1,220,404         | 3,520,000         | 6,189,909         | 4,969,505                            | 2,669,909                            |
| <b>Business permits</b>                            | <b>15,535,281</b> | <b>7,150,000</b>  | <b>8,479,200</b>  | <b>(7,056,081)</b>                   | <b>1,329,200</b>                     |
| permit fees  | 15,535,281        | 7,150,000         | 8,479,200         | (7,056,081)                          | 1,329,200                            |
| <b>Cesses</b>                                      | <b>10,326,738</b> | <b>19,393,000</b> | <b>20,294,126</b> | <b>9,967,388</b>                     | <b>901,126</b>                       |
| Rice & paddy                                       | -                 | 660,000           | -                 | -                                    | (660,000)                            |
| Maize  | -                 | 2,750,000         | -                 | -                                    | (2,750,000)                          |
| fruits & vegetables/Produce cess                   | 7,206,888         | 3,300,000         | 11,211,658        | 4,004,770                            | 7,911,658                            |
| Charcoal   | -                 | 1,353,000         | 1,400             | 1,400                                | (1,351,600)                          |
| Livestock & fish                                   | 910,170           | 7,370,000         | 501,100           | (409,070)                            | (6,868,900)                          |
| Others   | 2,209,680         | 3,960,000         | 8,579,968         | 6,370,288                            | 4,619,968                            |
| <b>Plot rents</b>                                  | <b>869,800</b>    | <b>1,650,000</b>  | <b>1,131,762</b>  | <b>261,962</b>                       | <b>(518,238)</b>                     |
| Plot rent  | 869,800           | 1,650,000         | 1,131,762         | 261,962                              | (518,238)                            |
| <b>Administrative services fees</b>                | <b>1,371,800</b>  | <b>1,980,000</b>  | <b>422,909</b>    | <b>(948,891)</b>                     | <b>(1,557,091)</b>                   |
| plot application fees                              | 1,077,800         | 1,100,000         | 422,909           | (654,891)                            | (677,091)                            |
| plot transfer fees                                 | 30,000            | 550,000           | -                 | (30,000)                             | (550,000)                            |

|   |                   |                   |                   |                    |                    |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| Plot Sub-letting/Plot Sub-division                  | 264,000           | 330,000           | -                 | (264,000)          | (330,000)          |
| <b>County's natural resources exploitation</b>      | <b>22,267,575</b> | <b>9,999,000</b>  | <b>15,021,855</b> | <b>(7,245,720)</b> | <b>5,022,855</b>   |
| Sand,gravel & ballast extraction fees               | 2,732,700         | 990,000           | 8,661,631         | 5,928,931          | 7,671,631          |
| Quarry extraction fees (Consent to mining)          | 7,016,290         | 3,179,000         | -                 | (7,016,290)        | (3,179,000)        |
| Gypsum extraction fees                              | 12,518,585        | 5,830,000         | 6,360,224         | (6,158,361)        | 530,224            |
| <b>Market / Trade centre fees</b>                   | <b>7,830</b>      | <b>1,650,000</b>  | <b>353,700</b>    | <b>345,870</b>     | <b>(1,296,300)</b> |
| Market entrance Fees                                | 7,830             | 1,650,000         | 353,700           | 345,870            | (1,296,300)        |
| <b>Vehicle parking fees</b>                         | <b>3,134,353</b>  | <b>770,000</b>    | <b>1,480,320</b>  | <b>(1,654,033)</b> | <b>710,320</b>     |
| Bus park fees                                       | 193,850           | 550,000           | 600               | (193,250)          | (549,400)          |
| Toll fees   | 2,940,503         | 220,000           | 1,479,720         | (1,460,783)        | 1,259,720          |
| <b>Housing</b>                                      | <b>-</b>          | <b>275,000</b>    | <b>10,140,334</b> | <b>10,140,334</b>  | <b>9,865,334</b>   |
| water charges/House Rent                            | -                 | 275,000           | 10,140,334        | 10,140,334         | 9,865,334          |
| <b>Environment &amp; conservancy administration</b> | <b>1,657,026</b>  | <b>638,000</b>    | <b>-</b>          | <b>(1,657,026)</b> | <b>(638,000)</b>   |
| Conservancy fees                                    | 1,657,026         | 638,000           | -                 | (1,657,026)        | (638,000)          |
| <b>Slaughter houses administration</b>              | <b>83,000</b>     | <b>1,870,000</b>  | <b>-</b>          | <b>(83,000)</b>    | <b>(1,870,000)</b> |
| Slaughter Fees                                      | 83,000            | 1,320,000         | -                 | (83,000)           | (1,320,000)        |
| Hides &skins  | -                 | 550,000           | -                 | -                  | (550,000)          |
| <b>Technical services</b>                           | <b>217,930</b>    | <b>4,785,000</b>  | <b>422,009</b>    | <b>204,079</b>     | <b>(4,362,991)</b> |
| beacon search pointing fees                         | 4,300             | 440,000           | -                 | (4,300)            | (440,000)          |
| Survey Fees   | 44,630            | 55,000            | -                 | (44,630)           | (55,000)           |
| building plan preparation fee (PPI Forms)           | -                 | 440,000           | -                 | -                  | (440,000)          |
| Building Plan appv. Fees                            | 46,000            | 330,000           | -                 | (46,000)           | (330,000)          |
| building plan approval fee                          | 68,000            | 418,000           | 167,660           | 99,660             | (250,340)          |
| Building Inspection Fee                             | -                 | 2,420,000         | -                 | -                  | (2,420,000)        |
| wayleave fees                                       | -                 | 550,000           | 174,350           | 174,350            | (375,650)          |
| sign boards & advertisements fee                    | 55,000            | 132,000           | 79,999            | 24,999             | (52,001)           |
| <b>GRAND TOTAL</b>                                  | <b>63,454,693</b> | <b>66,000,000</b> | <b>66,582,433</b> | <b>3,127,740</b>   | <b>582,433</b>     |
| <b>PERCENTAGE</b>                                   |                   |                   |                   | <b>105%</b>        | <b>101%</b>        |

Source: County Directorate of Revenue

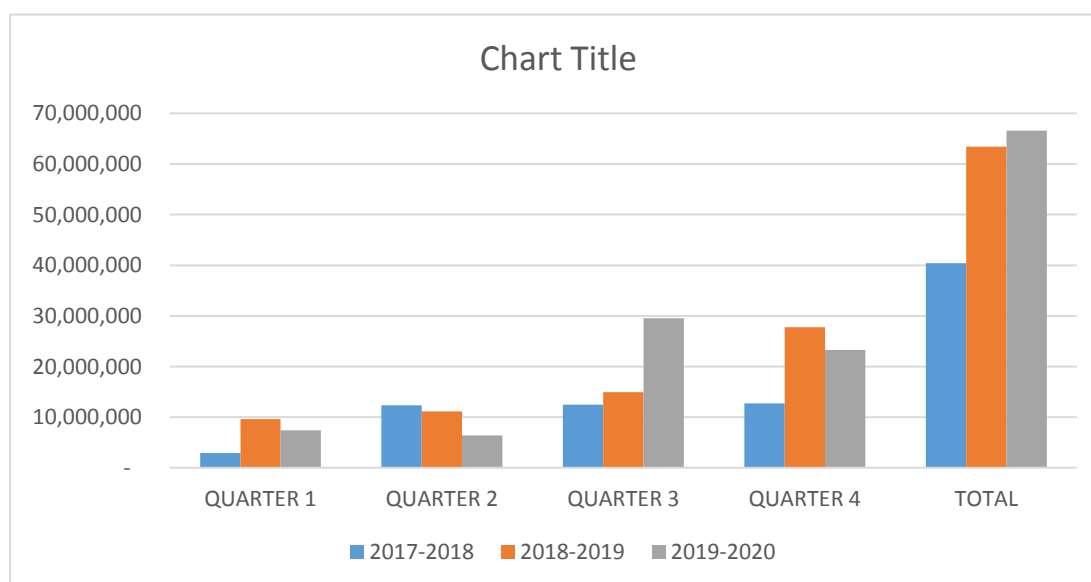
16. The total revenue for the years 2017/2018, 2018/2019 and 2019/2020 was approximately KShs.170.5 million. The respective revenue for each year is provided in Table 4. While the total revenue has been steadily increasing, the data shows that more revenue was collected during the 3<sup>rd</sup> and 4<sup>th</sup> quarters. The 1<sup>st</sup> and 2<sup>nd</sup> had comparatively lower collections

Table 4: Quarterly Revenue Performance Over a period of Three Fiscal Years

| YEAR                    | QUARTER 1         | QUARTER 2         | QUARTER 3         | QUARTER 4         | TOTAL              |
|-------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>2017-2018</b>        | 2,934,825         | 12,340,687        | 12,431,085        | 12,733,001        | 40,439,598         |
| <b>2018-2019</b>        | 9,632,013         | 11,138,513        | 14,928,545        | 27,755,622        | 63,454,693         |
| <b>2019-2020</b>        | 7,378,392         | 6,371,459         | 29,559,883        | 23,272,699        | 66,582,433         |
| <b>TOTAL COLLECTION</b> | <b>19,945,230</b> | <b>29,850,659</b> | <b>56,919,513</b> | <b>63,761,322</b> | <b>170,476,724</b> |

Source: County Directorate of Revenue

Figure 3: Revenue Performance Over a period of three Fiscal Years



Source: County Directorate of Revenue

### 2.2.2 Expenditure Performance

17. The total approved expenditure for the financial year was Kshs. **8.075 Billion**, comprising of Kshs. **5.373 Billion** (67%) recurrent expenditure and Kshs. **2.702 Billion** (33%)

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development expenditure. During the FY 2019/20, the County received Kshs. 5.351 billion as equitable share of revenue raised nationally, Ksh.730.7 million as total conditional grants; comprising Kshs. 305.8 million from FY 2018/19 and Kshs. 424.9 Million from FY 2019/20 and raised Kshs. 66.5 million from own source revenue. The total available funds amounted to KShs. 6.9 billion (inclusive of equitable share balance from previous FY).

Table 5: Budget Absorption and Comparison between CFSP 2019 Ceilings and FY 2019/20 Budget

| Department   | CFSP 2019 |        |          | Budget Allocation (Kshs. Million) |          |          | Exchequer Issues in the FY 2019/20 (Kshs. Million) |          | Expenditure in The FY 2019/20 (Kshs. Million) |          | FY 2019/20 Expenditure to Exchequer Issues (%) |      | FY 2019/20 Absorption rate (%) |     |       | Deviation (%) |
|--|-----------|--------|----------|-----------------------------------|----------|----------|--|----------|---|----------|--|------|--------------------------------|-----|-------|---------------|
|  | Rec       | Dev    | Total    | Rec                               | Dev      | Total    | Rec  | Dev      | Rec   | Dev      | Rec  | Dev  | Rec                            | Dev | Total |               |
| County Assembly                                      | 509.14    | -      | 509.14   | 486.50                            | 160.00   | 646.50   | 478.12   | 139.90   | 478.12  | 139.51   | 100%   | 100% | 98%                            | 87% | 96%   | 27%           |
| Office of The Governor and Deputy Governor           | 442.49    | -      | 442.49   | 608.80                            | -        | 608.80   | 564.74   | -        | 564.74  | -        | 100%   | 0%   | 93%                            | 0%  | 93%   | 38%           |
| Finance and Planning                                 | 395.65    | -      | 395.65   | 850.20                            | 1,420.68 | 2,270.88 | 684.97   | 1,374.81 | 684.96  | 1,374.80 | 100%   | 100% | 81%                            | 97% | 91%   | 474%          |
| Public Service Board                                 | 64.86     | -      | 64.86    | 50.22                             | -        | 50.22    | 47.50  | -        | 47.50   | -        | 100%   | 0%   | 95%                            | 0%  | 95%   | -23%          |
| Trade, Tourism, Wildlife and Cooperative Development | 139.47    | 120.00 | 259.47   | 110.90                            | 8.10     | 119.00   | 110.62   | -        | 110.62  | -        | 100%   | 0%   | 100%                           | 0%  | 93%   | -54%          |
| Agriculture, Livestock, Fisheries and Veterinary     | 537.12    | 329.13 | 866.25   | 566.70                            | 75.73    | 642.43   | 475.24   | 50.88    | 474.25  | 49.88    | 100%   | 0%   | 84%                            | 66% | 82%   | -26%          |
| Culture, gender, Youth, Sports and Social Services   | 70.65     | 119.00 | 189.65   | 66.48                             | 8.00     | 74.48    | 55.74  | -        | 55.74   | -        | 100%   | 0%   | 84%                            | 0%  | 75%   | -61%          |
| Education and Vocational Training                    | 410.99    | 218.23 | 629.22   | 397.13                            | 121.95   | 519.08   | 378.64   | 21.23    | 378.64  | 21.23    | 100%   | 100% | 95%                            | 17% | 77%   | -18%          |
| Medical Services, public Health and sanitation       | 1,049.51  | 155.00 | 1,204.51 | 1,273.07                          | 32.20    | 1,305.27 | 1,218.52   | -        | 1,161.44                                      | -        | 95%  | 0%   | 91%                            | 0%  | 89%   | 8%            |
| Special program                                      |           |        |          |                                   |          |          |  |          |   |          | 100%   | 0%   | 78%                            | 0%  | 78%   | -35%          |

|   |              |              |              |              |              |              |              |              |              |              |            |            |            |            |            |            |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|
|   | 82.32        | 135.00       | 217.32       | 141.44       | -            | 141.44       | 110.04       | -            | 110.04       | -            |            |            |            |            |            |            |
| <b>Roads, Transport, Public works, Housing and Urbanisation</b> | 81.76        | 526.71       | 608.47       | 119.98       | 747.00       | 866.98       | 108.22       | 352.22       | 108.22       | 157.38       | 100%       | 45%        | 90%        | 21%        | 31%        | 42%        |
| <b>Water, Irrigation, Environment and Natural Resources</b>     | 172.10       | 280.00       | 452.10       | 168.15       | 16.00        | 184.15       | 160.49       | -            | 160.49       | -            | 100%       | 0%         | 95%        | 0%         | 87%        | -59%       |
| <b>Public Service, Administration and Citizen participation</b> | 106.12       | 50.00        | 156.12       | 402.47       | 8.41         | 410.89       | 395.28       | 7.41         | 395.28       | 7.41         | 100%       | 0%         | 98%        | 88%        | 98%        | 163%       |
| <b>Lands and Physical Planning</b>                              | 15.49        | 120.00       | 135.49       | 78.56        | 3.98         | 82.54        | 74.85        | 3.98         | 74.85        | 3.98         | 100%       | 0%         | 95%        | 100%       | 96%        | -39%       |
| <b>Hola Municipality</b>  | 8.80         | 50.00        | 58.80        | 52.50        | 100.00       | 152.50       | 41.20        | 50.00        | 4.73         | -            | 11%        | 0%         | 9%         | 0%         | 3%         | 0%         |
| <b>TOTAL</b>  | <b>4,086</b> | <b>2,103</b> | <b>6,190</b> | <b>5,373</b> | <b>2,702</b> | <b>8,075</b> | <b>4,904</b> | <b>2,000</b> | <b>4,810</b> | <b>1,754</b> | <b>98%</b> | <b>88%</b> | <b>90%</b> | <b>65%</b> | <b>81%</b> | <b>30%</b> |

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### **2.2.2.1 Budget absorption and comparison between CFSP 2019 Ceilings and FY 2019/20 Budget**

#### **Budget Allocation:**

18. From the above tabulation, it is observed that the highest allocation of development funds during the financial year under review were the departments of Finance and Economic Planning amounting to Kshs. 1.42 billion (whereby 99% of the allocation is for Pending Bills), Roads & Public Works amounting to Kshs. 747 million while Health & Sanitation department had the highest allocation on recurrent funds amounting to Kshs. 1.273 Billion followed by Finance and Economic Planning with allocation of Kshs. 850 million (Inclusive of Pending bills)

#### **Budget Absorption:**

19. For the financial year 2019/2020, The County achieved an overall absorption on the Budget allocation of 81 percent with an average of 90 percent for recurrent and 65 percent for development. Overall, the departments have been efficient in the absorption of their budget especially Recurrent. Department of Roads, Transport, Public Works, Housing and Urbanization and Hola Municipality have the least absorption rate with 31 percent and 3 percent respectively. This was contributed to by low absorption in Development expenditure.

20. The overall under absorption was as a result of non-remittance of June equitable share disbursement which was released in August, 2020 (FY 2020/2021). However, for the Department of Roads, Transport, Public Works, Housing and Urbanization, this was a result of delay and non-remittance of the Conditional Grants (especially the Supplement to Construction of County Headquarters). Whereas, for the Hola Municipality, the absorption was largely hampered by the fact that the associated conditional grants from development partners were not transferred from the Special Purpose Account to the operational accounts.

#### **Expenditure to Exchequer Issues:**

21. The overall expenditure to exchequer issues was 95percent; 98 percent being for recurrent and 88 percent for development. The under absorption of the funds available was contributed by non-absorption of conditional grants; which includes the Kenya Urban Support



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Program-KUSP (Urban Institutional Grant-UIG and Urban Development Grant-UDG) and Covid-19 Emergency Response Fund.

**Deviation from CFSP:**

22. The budget deviated from the CFSP by an average factor of 30 percent. This deviation was caused by the balance brought forward (1.406 billion) from the previous financial year and conditional grant allocations (747 Million) which were not allocated to specific departments in the ceiling; reason being ceilings were prepared based on Total Revenue (Equitable Share and Own Source Revenue).

**2.2.2.2 Recurrent and development Expenditure**

23. The bulk of the expenditure for the financial year 2019/2020 was recurrent in nature. This resulted in recurrent to development expenditure ratio of 7:3. The allocation for development amounted to Ksh 2.702 billion. The allocation was distributed amongst various departments to implement programmes aimed at sprouting economic activities within the county. Majority of the funds were allocated for settlement of pending bills.

24. The largest amount of the development budget in the FY 2019/2020 was spent in the Department of Finance and Economic Planning. The department played a key role in the payment of pending bills: Eligible Pending Bills and FY 2018/2019 Pending Bills as per the Presidential directive on Madaraka day (2019), the Intergovernmental Budget and Economic Council (IBEC) resolutions of the same year, and the PFM regulations, 2015, Section 41 (2) on debt service payment.

**2.2.2.3 Expenditure per Economic Classification**

25. During the FY 2019/2020, the County spent KShs 6.56 billion, which was 95 per cent of the total funds released. This was an increase from KShs 6.08 billion spent in FY 2018/19. Of the KShs 6.56 billion, a total of KShs. 4.81 billion was spent on recurrent expenditures while KShs 1.75 billion was spent on development activities. The recurrent expenditure comprised of 1.86 billion for Personnel Emoluments and 2.95 billion for Operation and Maintenance. Figure 4 presents a comparison between the total expenditure in the FY 2018/2019 and the FY 2019/2020.

Figure 4: Expenditure by Economic Classification in the FY 2018/19 and the FY 2019/20

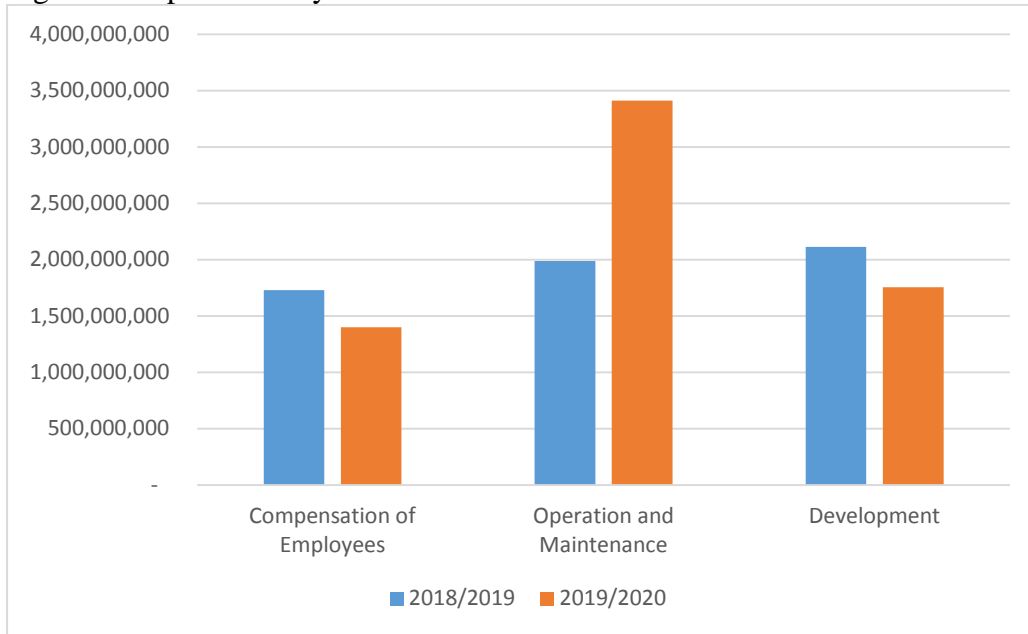
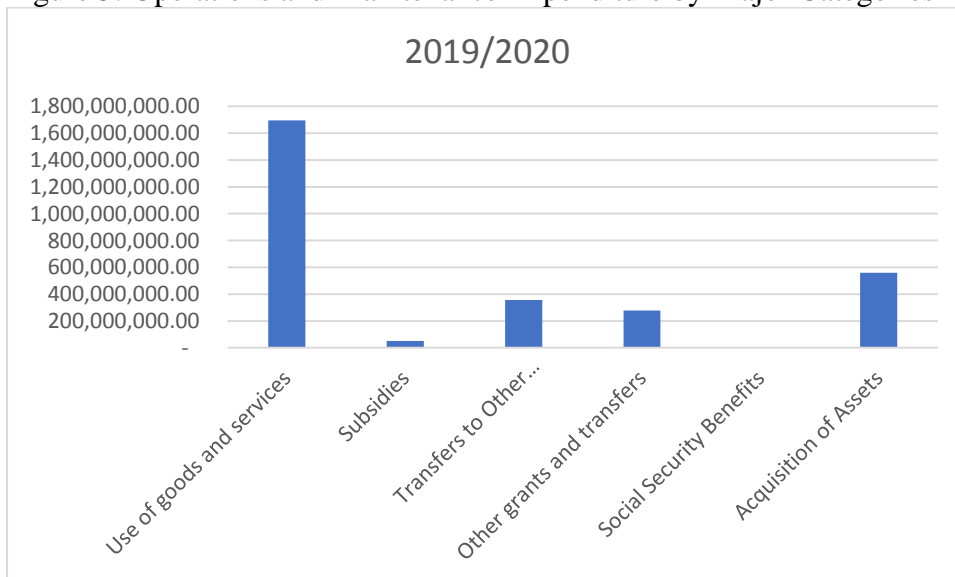


Figure 5: Operations and Maintenance Expenditure by Major Categories for FY 2019/20



### 2.2.3 Implications for the FY 2019/20 performance

26. The performance of the county is dependent on the country's economic performance as well as formulation and implementation of prudent policies by the county government. The over performance in Own Source Revenue (OSR) has an upward effect adjustment in ordinary revenues for FY 2020/21 and the medium term.

**Table 6 County Government Fiscal Projections in the Medium Term**

|   | 2018/19 FY   | 2019/20 FY   |              | 2020/21 FY   |              | 2021/22 FY   |              | 2022/23 FY   |              | 2023/24 FY   |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Actual       | Budget       | Actual       | Budget       | CB ROP 2020  | CB ROP 2020  | CFSP 2021    | CB ROP 2020  | CFSP 2021    | CB ROP 2020  | CFSP 2021    |
| TOTAL REVENUE & GRANTS                        | <b>5,899</b> | <b>6,668</b> | <b>5,843</b> | <b>6,464</b> | <b>6,464</b> | <b>7,433</b> | <b>7,433</b> | <b>7,805</b> | <b>7,805</b> | <b>8,195</b> | <b>8,195</b> |
| Unspent Bal b/f                               | <b>1,150</b> | <b>1,407</b> | <b>1,171</b> | <b>1,376</b> | <b>1,376</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| Revenue (Total)                               | <b>7,049</b> | <b>8,075</b> | <b>7,015</b> | <b>7,840</b> | <b>7,840</b> | <b>7,433</b> | <b>7,433</b> | <b>7,805</b> | <b>7,805</b> | <b>8,195</b> | <b>8,195</b> |
| Equitable Share Allocation                    | 5,558        | 5,855        | 5,352        | 5,602        | 5,602        | 6,528        | 6,528        | 6,855        | 6,855        | 7,198        | 7,198        |
| Local Revenue                                 | 63           | 66           | 67           | 73           | 73           | 76           | 76           | 80           | 80           | 84           | 84           |
| Grant (Total)                                 | 277          | 747          | 425          | 789          | 789          | 828          | 828          | 870          | 870          | 913          | 913          |
| Total Expenditure                             | <b>6,080</b> | <b>8,075</b> | <b>6,564</b> | <b>7,840</b> | <b>7,840</b> | <b>7,433</b> | <b>7,433</b> | <b>7,805</b> | <b>7,805</b> | <b>8,195</b> | <b>8,195</b> |
| Recurrent                                     | 3,955        | 5,373        | 4,810        | 5,002        | 5,002        | 4,853        | <b>4,853</b> | 5,096        | 5,096        | 5,350        | 5,350        |
| <i>Recurrent as % of CG Total Budget</i>      | <b>67%</b>   | 81%          | 82%          | 77%          | 77%          | 81%          | <b>81%</b>   | 85%          | <b>85%</b>   | 90%          | <b>90%</b>   |
| Personnel Emolument                           | 1729         | 1,863        | 1,863        | 2,004        | 2,004        | 2,104        | <b>2,104</b> | 2,209        | <b>2,209</b> | 2,319        | <b>2,319</b> |
| Operations & Maintenance                      | 2,226        | 3,510        | 2,947        | 2,998        | 2,998        | 2,749        | <b>2,749</b> | 2,887        | 2,887        | 3,031        | 3,031        |
| <i>Personnel Emoluments as % of CG Budget</i> | <b>29%</b>   | 28%          | 32%          | 31%          | 31%          | 33%          | <b>33%</b>   | 34%          | 34%          | 36%          | 36%          |
| Development                                   | 2,124        | 2,702        | 1,754        | 2,838        | 2,838        | 2,580        | <b>2,580</b> | 2,709        | 2,709        | 2,845        | 2,845        |
| <i>Development as % of CG Total Budget</i>    | 36%          | 41%          | 30%          | 44%          | 44%          | 46%          | <b>46%</b>   | 48%          | <b>48%</b>   | 51%          | <b>51%</b>   |
| Unspent Bal Current FY                        | <b>969</b>   | <b>0</b>     | <b>451</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |

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### **3.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK**

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#### **3.1 Overview**

27. The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.9 percent in 2020 from a growth of 2.9 percent in 2019 with prospects across countries and regions remaining highly uncertain. Tana River County has not been spared.
28. The Pandemic and the containment measures slowed down economic activities in key sectors of the economy in the first quarter of 2020, resulting to a lower growth of 4.9 percent compared to a growth of 5.5 percent in a similar period in 2019. Overall, taking into account the available indicators for second quarter for 2020, the economy is projected to grow by 2.6 percent in the calendar year 2020 compared to the initial projection of 6.1 percent in the 2020 Budget Policy Statement. The economy is projected to rebound to 5.3 percent in 2021 and 5.9 percent over the medium term. In terms of fiscal years, the economy is projected to grow by 4.0 percent in the FY 2020/21 and 5.9 percent over the medium term.
29. The slowdown in the first quarter of 2020 was mainly due to the uncertainty surrounding the Covid-19 pandemic that was already slowing economic activity in most of the country's major trading partners. The contraction by 9.3 percent in the accommodation and food services sector exacerbated the decelerated growth in the first quarter of 2020. on the positive side, the economy was supported by strong agricultural activities that strengthened to 4.9 percent in the first quarter of 2020 from 4.7 percent over the same period in 2019. A resilient non-agriculture sector also supported growth, despite a slowdown to 5.2 percent from 5.9 percent over the period under review.
30. Year-on-year overall inflation has remained within the government target range since end 2017 demonstrating prudent monetary policies. The inflation rate was at 4.4 percent in August 2020, declining from 5.0 percent in August 2019. This decline reflected favorable weather conditions which resulted to declines in the prices of key food items. Paraffin,

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petrol, diesel and electricity prices also declined during the same period due to lower international oil prices.

31. The contribution of core inflation to overall inflation has been low and stable reflecting the impact of the reduction of VAT and muted demand pressures in the economy on account of prudent monetary policies. The contribution of fuel inflation has also been low, a reflection stable energy prices despite the increase in the Petroleum development levy in July 2020. The major driver of overall inflation in the period under review has been food inflation
32. The foreign exchange market has experienced some volatility in 2020, largely due to uncertainties with regard to the impact of Covid-19 Pandemic and a significant strengthening of the US Dollar in the global markets. However, the Kenya Shilling remained competitive supported by a stable current account deficit. The Shilling depreciated against the US Dollar, Sterling pound and the Euro exchanging at an average of Ksh 107.3, Ksh 135.3 and Ksh 122.5 in July 2020 from Ksh 103.2, Ksh 128.7 and Ksh 115.8 in July 2019, respectively.
33. Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent on July 29, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by Covid-19 pandemic. The interbank rate remained low and fairly stable at 2.5 percent in August 2020 from 3.6 percent in August 2019 in line with the easing of the monetary policy and adequate liquidity in the money market.
34. The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate declined from 12.5 percent in June 2019 to 11.9 percent in June 2020 while the average deposit rates declined from 7.2 percent to 6.9 percent. This led to a decrease in the average interest rates spread by 0.3 percentage points over the review period

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### 3.2 Recent Economic Developments

35. The county has witnessed tremendous decline in the economic development as a result of the Covid-19 Pandemic. However, sectors like health, water, infrastructure, agriculture and energy transformed the lives of residents of Tana River County during the financial year under review. There were various other challenges apart from the Covid-19 Pandemic; key among them being delayed disbursement of funds from National Treasury and inadequate trained personnel in key departments.
36. Measures imposed by the government of Kenya to mitigate the spread of the virus resulted in job losses, both for casual workers in informal sector and daily-wage earners in the formal sector. Due to curfews and limited movement of people, many roles have become redundant, resulting in job losses or unpaid leave. Workers who already live in poverty and cannot afford to have precautionary savings consequently face a high risk of falling into poverty and might experience even greater challenges in regaining their livelihoods after the pandemic. The supply and demand of services in the sector have been significantly hampered.
37. The department of Health and Sanitation committed most of its resources to containing and controlling the spread of the virus. The sector ensured all aspects of control from coordination mechanisms, community awareness and communication, infection prevention control, community surveillance, case management and logistics were adequately addressed. Other measures included the setting up of a county isolation ward at the county referral hospital, facility-based screening, screening at border points, package testing, training the county health workers on incident command system, rapid response activities, contacts tracing, data management and procurement of personal protective equipment for all health facilities. The National Government hired additional health workers to offer support and also offered additional funds to help in fighting the pandemic.
38. The COVID-19 crisis has drawn attention to the already overburdened health sector, and to the challenges faced in recruiting, deploying, retaining and protecting sufficient well-trained, supported and motivated health workers. It highlights the strong need for sustainable investment in health systems, including in the health workforce, and for decent working conditions, training and equipment, especially in relation to personal protective equipment and occupational safety. Social dialogue is essential to building

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resilient health systems, and therefore has a critical role both in crisis response and in building a future that is prepared for health emergencies.

39. One of the main development challenges in the county is accessibility to clean water. Towards provision of clean and safe water for socio economic growth, the department of water and energy has continued investing in the construction water infrastructure, operationalization and maintenance of Water Supplies, provision of water harvesting storage, floods control and water pan construction. The department successfully implemented several projects which were geared towards increasing tree cover and rehabilitating mining sites in the county. The department also held consultative public engagement meetings with the mining investors and addressed conflicts emanating from the investors and the communities.
40. Agriculture is a major contributor to the county economy, significant efforts were made to boost the sector through purchase and distribution of high valued certified seeds, pesticides, fertilizers and tractors. In addition, the department also engaged in empowering farming communities through capacity building to improve their farming skills to enhance productivity.
41. The department of Lands and Physical Planning is developing the County Spatial Plan, identifying and mapping of key urban towns and development of Eco-villages/clusters which is a flood mitigation measure. Planning of towns provides a spatial framework for sustainable utilization of resources and efficient use of the available land mass. It also enables formal settlement for the people of Tana River and the growth of urban towns that will in turn bring about economic growth in the County. The current pandemic Covid-19 has slowed down the progress of the above projects but the department is in the process of ensuring that the above projects are brought to completion to achieve the required results.
42. The Hola Municipality has made significant efforts to ensure that the municipality is planned for and its boundaries set by the department of Lands and Physical Planning. A Municipality Board is in place and a Municipality Manager has been officially appointed. The Municipality, through the Kenya Urban Support Programme (KUSP), is undertaking the

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construction of a storm water drainage using the Urban Development Grant (UDG) that will solve water drainage problems and also help flood control and the channeling of surface run off in urban areas. The board in place will ensure that there is efficient service delivery in the municipality that will in turn bring about economic growth.

43. To improve the retention rate in EYE the department of Education and Vocational Training continued with the established school feeding programs. In addition, the department continued to put in place measures to address the rate of unemployment among the youths through provision of best employable skill training and equipping of vocational training centers with modern tools and equipment. The department also released a total of Kshs. 154 million to Ward Bursary Fund to benefit needy students.

44. The department of trade, tourism and industry completed the installation of Hurara weighbridge. This weighbridge, once operational, is expected to generate revenue to the county government. The department has also ring fenced a total of Kshs. 51 million towards the INUKA FUND to help micro small and medium enterprises (MSMEs) across the county to access low interest credit to boost their businesses. However, the Fund is yet to be operationalized; awaiting the Inuka fund regulations and formation of the Inuka Board.

45. The department of Roads, Transport, Public Works, Housing and Urbanization achieved a number of milestones. The Roads and Transport sub sector, through the Executive Committee prepared a workplan that was approved by the Kenya Roads Board for the utilization of the Roads Maintenance and Fuel Levy fund for rehabilitation of roads including; Garsen Town - Police Station (gravel), B89 – Jamuhuri (gravel), Odoganda drift road, Oda – Semikaro (mixed) and B89 – Garsen Town road (paved). The Public Works sub sector oversaw the beginning of the construction of the County Headquarters in Dayate. At the close of FY 2019/20 the project was at the scheduled 20%, with construction of the superstructure on going. The department also achieved renovation of the County Public Works offices and is in the process of formulation and adoption of building regulations policies and acts that are in line with the goal of providing cost effective, climate proof and sustainable infrastructure within the county. The sub sector also purchased four fire engines against a target of three as envisioned in the county CIDP



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indicator handbook. This initiative, coupled with construction of a fire station slated for FY 2020/21 and recruitment, will ensure preparedness and response to fire emergencies and a reduction in loss of life and property.

46. The department of Public Service, Administration and Citizen Participation oversaw recruitment in both the executive and the County Public Service Board (CPSB), and civic education of the citizenry through public *barazas*. Construction of Ward Administrators' Offices is also on going in various wards.
47. In ensuring the safety of government employees and the public, the county government enforced the policy of working from home thereby reducing congestion in offices and the public had limited access to the county offices. The sector has ensured provision of hand washing soap with running water and sanitizers to all offices. The sector, in fulfilling its mandate, commits to having all government services decentralized to the grassroots level, enhancing internet connectivity to enhance service delivery and ensuring mobilization and prudent use of resources for the development of the county.
48. The department of Finance and Economic Planning, embraced e-procurement in the FY 2019/20 ensured timely financial reporting, formulation of the County Budget and other policies. The department also has an approved M&E Policy. Additionally, the department has cleared all Historical Eligible Pending Bills. Notably, collection in local revenue remained resilient with a 1% increase collected compared to the previous financial year. The collection was realized in the last two quarters with the highest collection being in January, February and March.
49. Notably, local revenue remained resilient with a of 1% increase in collection compared to the previous financial year. The collection was realized in the last two quarters with the highest collection being in February, March, April and May. Over performance on collection of county own source revenue for the financial year 2019/20 had a positive effect on the resource envelope. The current revenue trend has been taken into consideration and strategies are being formulated to continue the improvement of the own revenue sources.

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50. During the FY 2019/20 there were several non-core expenditures which were necessary to ensure effective and efficient execution of administrative services. They included construction and refurbishment of offices, purchase of furniture, computers and other office equipment.

### **3.3 County Economic Outlook and Policies**

51. For the financial year 2020-2021, the county has emphasized programs and projects across the four strategic objectives: urban planning and climate proof infrastructure development; accessible and quality education; quality and affordable healthcare; and modern and commercially-oriented agriculture.

52. Projects to support the strategic objectives include institutional strengthening of the Hola Municipality, survey and titling of settlements, improving health physical infrastructure and supply of pharmaceutical and non-pharmaceutical supplies, and expansion of the county medical workforce. In agriculture, the county is implementing the Kenya Climate Smart Agriculture Program. This is expected to improve food production and resilience against drought. In education, the County continues to establish and improve EYE centre facilities and subsidizing vocational training.

53. The County has instituted various mechanisms to ensure efficient utilization of resources. These include rolling out the County M&E policy alongside the adoption of e-CIMES (County Integrated Monitoring and Evaluation System) to track results of policies, programmes and projects. Other initiatives on this include adoption of the CIDP II Indicator handbook and improving the human resource capacity for M&E in the Directorate of Economic Planning and Budgeting. The County has also operationalized Sector Working Groups and Budget Implementation Committees to assist the County Treasury in planning, budgeting and budget execution.

54. The County will continue to establish and strengthen partnerships with national government MDAs and development partners. Through these partnerships, the County

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anticipates to receive technical assistance, and access financial resources to complement the county's allocation to projects and programs.

55. The County will continue to engage with County citizens and other stakeholders in the County with an aim of soliciting feedback on the County plans, projects and programs. This is especially in the planning and budgeting cycle.

56. On revenue administration, the County is optimistic that the National Policy to Support Enhancement of County Own Source of Revenues shall be fully implemented. One of the elements of the Policy is automation of revenue collection from which the County will optimize revenue collection and administration.

### **3.4 Risks to the Outlook**

57. Despite slow economic growth in Tana River County, the economy of Tana River is prone to both macro-economic and micro-economic risks.

#### **a Macro-economic risks include;**

- i. Contracting global economy occasioned by the outbreak and rapid spread of the COVID-19 pandemic that weigh on Kenya's export activities and the tourism sector. Nationally, the pandemic has increased unemployment, disrupted business and consumption of goods and services, thereby affecting national government revenues and public expenditure. Such an impact will have a ripple effect on the County's economy seeing as 99% of the County's revenue comes from the National Government.
- ii. Depreciation of the Kenya shilling against the US dollar had a negative effect on the Consumer price index inflation leading to increased inflation.
- iii. The effects of the public debt and of pending bills are likely to contribute to the sluggish growth of the economy and have a negative trend on revenue collections to fund government expenditures.

#### **b. Micro-economic risks include;**

58. Agriculture is the main economic activity in the County and one that provides employment and contributes to food security. Tana River is prone to natural disasters such as drought, floods, locust invasion and outbreaks of human and livestock diseases.

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The incidence of these disasters affects food security, disrupts socio-economic activities and, in the case of floods, causes destruction to transport, irrigation, water storage and distribution infrastructure.

59. Accessibility to some key areas of the county has been a challenge due dilapidated road network. The poor roads cause delays in deliveries and increase in transport costs that are in turn transferred to the consumer, with prices varying upward on some products as compared to recommended retail prices in other areas.
60. The County administration is continually monitoring these risks and undertaking appropriate measures to make the county economy resilient against these risks. To steer an appropriate post-COVID-19 recovery, the County is investing in the productive and social sectors such as food production, enterprise development, water and health. The *Inuka Fund* is in the final stages of being rolled out to avail affordable credit to SMEs in the County.
61. The County will endeavour to step up efforts in building resilience against the climate shocks. This includes building climate-proof infrastructure, enacting legislation to support disaster risk management, reducing over-reliance on rain-fed agriculture, specific actions to promote drought resilience among pastoralists, and improving water security in the hinterlands.

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## **4.0 RESOURCE ALLOCATION FRAMEWORK**

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### **4.1 Overview**

62. This section sets out how the County Government of Tana River intends to live within its means. It establishes the resource envelope or total revenue it expects, it also allocates this budget resources across government departments and agencies by setting expenditure limits of ceilings for each county department/agency.
63. In order to ensure effective utilization of public finances, resource allocation will be guided by the following;
- i) PFMA, 2012
  - ii) Ongoing projects
  - iii) Pending Bills Reports
  - iv) Emerging priorities
  - v) County Integrated Development Plan (CIDP II)
  - vi) Medium term plan III (2019 - 2023)

### **4.2 Adjustment to the FY 2020/2021 budget**

64. Adjustments expected in the 2020/2021 budget estimates will be based on the actual performance of the expenditure thus far and the absorption capacity in the remainder of the financial year. Due to resource constraints, the county will rationalize expenditures by considering emerging needs such as:
- i) Recruitment based on the departmental staff establishment reports
  - ii) The occurrence of natural disasters such as severe drought and floods
  - iii) The report of the Tana River County Ineligible Pending Bills Resolution Committee
65. The Tana River county treasury have prepared the 2020/2021 FY Budget taking into consideration all the recommendations announced by his Excellency the Governor and the will of the people of Tana River county as expressed during the public participations held. The County treasury has continued to realign the Development Budget into cost centers.
66. There was a significant increase in own source revenue in the FY 2019/2020. The county treasury managed to collect 66.5 Million representing 101 percent collection of the

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targeted amount and 105 percent of the 63 million realized in the FY 2018/2019. The county treasury has overperformed in collection of own source revenue (OSR) against a target of 66 million in the previous financial year. The county treasury intends to roll out reforms in the revenue collections and administration that may aim at expanding its revenue base and complemented with improvement in revenue collections through automation prompting the county treasury to increase OSR target to 72.6 million.

67. The county treasury appropriated some monies to offset 2018/19, 2019/20 and the approved ineligible pending bills depending on the Ineligible Pending bills Committee' report. The county managed to offset all the approved historical pending bills in the F/Y 2019/20. These historical pending bills will eat into the County Resource envelope. This has mostly affected the current development projects and Operation and Maintenance expenses as well as future allocations. Based on the rising wage bill, the county treasury has maintained the decision to allow departments to employ only with the approval of the County Executive Committee and confirmation by the County Treasury on the availability of Funds.

#### **4.3 The Medium-Term Expenditure Framework**

68. This subsection explains adjustment that will be made to the budget over the immediate and the following two years. The county will continue to implement the medium-term expenditure framework (MTEF) through policies, projects, and programs set out in the annual development plans, county fiscal strategy papers anchored in the respective county integrated development plans.

69. During FY 2020/2021 the County will focus on building foundations for increasing the Own Source Revenue collections through resource mapping, civic education of the general public on the importance of OSR, and automation of revenue collection. With increased sources and capacity, the County will look to increase OSR targets in subsequent financial years. Focus will also be geared toward departments with high revenue potential such as Trade, Tourism & Wildlife as well as the Agriculture and Livestock departments through industrialization by setting up processing plants and value addition for commodities such as milk, honey and mangoes.

70. The County will continue to invest in infrastructure, quality and affordable universal care, education, urban planning and development, good governance among others so as to

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consolidate the gains made for the last seven years. The County expects an increase in the resource envelope subject to implementation of the third basis for revenue sharing amongst County Governments. The table below provides projected baseline ceilings and the 2021/2022 to 2023/2024 MTEF by department.

Table 7: Summary of Indicative Ceiling for FY 2021/2022 MTEF

| Departments   | Total Expenditure in KShs |               |               |               |               | % Share of Total Expenditure |          |             |       |       |
|---|---------------------------|---------------|---------------|---------------|---------------|------------------------------|----------|-------------|-------|-------|
|   | Revised Estimates         | Estimates     | Projections   |               |               | Estimates                    | Ceilings | Projections |       |       |
|   | 2019/20                   | 2020/21       | 2021/22       | 2022/23       | 2023/24       | 18/19                        | 19/20    | 20/21       | 21/22 | 22/23 |
| <b>County Assembly</b>                                      | 646,497,243               | 621,497,243   | 630,219,510   | 661,730,485   | 694,817,009   | 8%                           | 8%       | 8%          | 8%    | 8%    |
| <b>Office of The Governor and Deputy Governor</b>           | 608,796,871               | 367,529,026   | 594,370,906   | 624,089,452   | 655,293,924   | 8%                           | 5%       | 8%          | 8%    | 8%    |
| <b>Finance and Planning</b>                                 | 2,270,882,030             | 1,504,824,965 | 740,113,257   | 777,118,920   | 815,974,866   | 28%                          | 19%      | 10%         | 10%   | 10%   |
| <b>County Public Service Board</b>                          | 50,224,640                | 61,311,548    | 84,095,993    | 88,300,792    | 92,715,832    | 1%                           | 1%       | 1%          | 1%    | 1%    |
| <b>Trade, Tourism, Wildlife and Cooperative Development</b> | 119,003,013               | 111,913,107   | 131,833,315   | 138,424,981   | 145,346,230   | 1%                           | 1%       | 2%          | 2%    | 2%    |
| <b>Agriculture, Livestock, Fisheries and Veterinary</b>     | 642,431,008               | 874,321,550   | 870,197,573   | 913,707,451   | 959,392,824   | 8%                           | 11%      | 12%         | 12%   | 12%   |
| <b>Culture, gender, Youth, Sports and Social Services</b>   | 74,475,048                | 119,777,316   | 119,453,405   | 125,426,075   | 131,697,379   | 1%                           | 2%       | 2%          | 2%    | 2%    |
| <b>Education and Vocational Training</b>                    | 519,078,030               | 554,057,987   | 547,411,070   | 574,781,623   | 603,520,705   | 6%                           | 7%       | 7%          | 7%    | 7%    |
| <b>Medical Services, public Health and sanitation</b>       | 1,305,265,604             | 1,413,976,255 | 1,583,530,547 | 1,662,707,074 | 1,745,842,428 | 16%                          | 18%      | 21%         | 21%   | 21%   |
| <b>Special program</b>                                      | 141,436,717               | 83,146,937    | 275,638,037   | 289,419,939   | 303,890,936   | 2%                           | 1%       | 4%          | 4%    | 4%    |
| <b>Roads, Transport, Public works, Housing</b>              | 866,980,746               | 1,223,218,214 | 818,167,538   | 859,075,914   | 902,029,710   | 11%                          | 16%      | 11%         | 11%   | 11%   |



|   |                      |                      |                      |                      |                      |             |             |             |             |             |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|-------------|-------------|-------------|
| <b>and Urbanisation</b>   |                      |                      |                      |                      |                      |             |             |             |             |             |
| <b>Water, Irrigation, Environment and Natural Resources</b>     | 184,149,396          | 276,376,878          | 302,028,887          | 317,130,331          | 332,986,848          | 2%          | 4%          | 4%          | 4%          | 4%          |
| <b>Public Service, Administration and Citizen participation</b> | 410,885,219          | 425,035,155          | 460,801,916          | 483,842,011          | 508,034,112          | 5%          | 5%          | 6%          | 6%          | 6%          |
| <b>Lands and Physical Planning</b>                              | 82,541,959           | 89,159,193           | 156,234,901          | 164,046,646          | 172,248,978          | 1%          | 1%          | 2%          | 2%          | 2%          |
| <b>Hola Municipality</b>  | 152,500,000          | 113,800,000          | 118,990,708          | 124,940,244          | 131,187,256          | 2%          | 1%          | 2%          | 2%          | 2%          |
| <b>Total</b>  | <b>8,075,147,524</b> | <b>7,839,945,374</b> | <b>7,433,087,561</b> | <b>7,804,741,939</b> | <b>8,194,979,036</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

#### 4.4 Proposed 2021/2022 Budget Framework

Table 8: Revenue Projection

| PROPOSED REVENUE   | 2019/20              | 2020/21              | Projection<br>2021/22 | Projection<br>2022/23 | Projection<br>2023/24 |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Balance B/F</b>   | 1,406,678,998        | 1,376,297,697        |                       |                       |                       |
| <b>Equitable share</b>   | 5,855,250,000        | 5,602,050,000        | 6,528,410,000         | 6,854,830,500         | 7,197,572,025         |
| <b>Local revenue</b>   | 66,000,000           | 72,600,000           | 76,230,000            | 80,041,500            | 84,043,575            |
| <b>Conditional Allocations from National Government Revenue</b>                  | <b>347,743,991</b>   | <b>237,326,233</b>   | <b>249,192,545</b>    | <b>261,652,172</b>    | <b>274,734,780</b>    |
| Construction of County HQts  | 121,000,000          | 50,000,000           | 52,500,000            | 55,125,000            | 57,881,250            |
| Foregone user fee  | 5,682,537            | 5,682,537            | 5,966,664             | 6,264,997             | 6,578,247             |
| VTCSF  | 21,228,298           | 14,674,894           | 15,408,639            | 16,179,071            | 16,988,024            |
| RMFLF  | 166,205,156          | 166,968,802          | 175,317,242           | 184,083,104           | 193,287,259           |
| Covid-19 Emergency Response Fund   | 33,628,000           |                      |                       |                       |                       |
| <b>Conditional Allocations from loans &amp; grants from Development partners</b> | <b>399,474,535</b>   | <b>551,671,444</b>   | <b>579,255,016</b>    | <b>608,217,767</b>    | <b>638,628,655</b>    |
| THSUCP   | 50,849,353           | 138,012,263          | 144,912,876           | 152,158,520           | 159,766,446           |
| KCSAP  | 200,000,000          | 320,630,200          | 336,661,710           | 353,494,796           | 371,169,535           |
| KDSP Level 1   | 30,000,000           | 45,000,000           | 47,250,000            | 49,612,500            | 52,093,125            |
| DANIDA   | 22,788,750           | 16,650,000           | 17,482,500            | 18,356,625            | 19,274,456            |
| IDEAS  | 15,431,865           | 14,727,370           | 15,463,739            | 16,236,925            | 17,048,772            |
| FAO  | 1,245,700            | 1,245,700            | 1,307,985             | 1,373,384             | 1,442,053             |
| ASDSP  | 20,358,867           | 15,405,911           | 16,176,207            | 16,985,017            | 17,834,268            |
| KUSP-Urban Development Grant   | 50,000,000           | -                    | 0                     | 0                     | 0                     |
| KUSP-Urban Institutional Grant   | 8,800,000            |                      | 0                     | 0                     | 0                     |
|  | <b>8,075,147,524</b> | <b>7,839,945,374</b> | <b>7,433,087,561</b>  | <b>7,804,741,939</b>  | <b>8,194,979,036</b>  |

71. The 2021/2022 budget framework is guided by the updated medium term macro-fiscal framework outlined in the table above.

## Revenue Outlook

72. The resource envelope is projected at a total of Ksh 7.4 Billion which comprises of Equitable share of revenue raised nationally of Ksh 6.5 Billion (projected to grow by 16.5 percent from the current 5.6 billion) and conditional grants projected to amount to Ksh 828 Million. Meanwhile the county treasury is projecting to collect Ksh 76.2 Million as OSR. However, these estimates shall be firmed up by the Budget Policy Statement (BPS), County Allocation of Revenue Act 2021 and approved policies by the County Executive Committee.

## Expenditure Outlook

73. The total expenditure is estimated at Ksh 7.4 Billion comprising of recurrent expenditure which is estimated at 65 percent and development estimated at 35 percent. Currently, the county wage bill has exceeded the 35 percent ceiling as stipulated in the fiscal responsibility principles of the Public Finance Management Act, 2012. In 2020/2021, it is at 37 percent on total revenue but is 27 percent on the total budget estimates. However, the projected wage bill for 2021/2022 is expected be within the stipulated ceiling if the third basis of revenue sharing amongst counties is implemented, and new recruitments are done with the consideration of the fiscal responsibility principles.

74. Over the medium term the county intends to live within its means and therefore shall endeavor to operate a balanced budget.

75. Table below indicates projections for expenditure in the Medium-Term 2020/21 – 2023/24

**Table 9: Summary of Expenditure Projections for FY 2020/21 and MTEF**

|                          | Actual               | Approved Budget Estimates | Projected Estimates  |                      |                      |
|--------------------------|----------------------|---------------------------|----------------------|----------------------|----------------------|
|                          | 2019/20              | 2020/21                   | 2021/22              | 2022/23              | 2023/24              |
| Personnel Emoluments     | 1,862,832,430        | 2,003,633,156             | 2,103,814,813        | 2,209,005,554        | 2,319,455,832        |
| Operations & Maintenance | 2,946,783,814        | 2,998,116,939             | 2,749,167,704        | 2,886,626,090        | 3,030,957,394        |
| Development              | 1,754,186,723        | 2,838,195,279             | 2,580,105,043        | 2,709,110,295        | 2,844,565,810        |
| Un spent Bal FY          | 450,824,081          | -                         | -                    | -                    | -                    |
| <b>Total</b>             | <b>7,014,627,049</b> | <b>7,839,945,374</b>      | <b>7,433,087,561</b> | <b>7,804,741,939</b> | <b>8,194,979,036</b> |

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## 5.0 CONCLUSION

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76. The County is making progress in addressing some of the challenges previously identified as affecting budget implementation.
77. Despite the progress made, the following challenges continue to hamper effective budget implementation;
- i) Delay in submission of budget implementation/performance and expenditure reports by departments to the County Treasury.
  - ii) In most cases, submitted reports are not in the desired prescribed formats.
  - iii) Off-budget, off-plan expenditures.
  - iv) Pending bills which affect the resource allocation
78. The County should implement the following recommendations in order to improve budget execution;
- i. The county Government (departments) should adhere to Section 166 of the PFMA. 2012 in submission of quarterly reports in the desired format.
  - ii. The County Government should devise strategies to enhance local revenue collection, mainly through automation of revenue collection and civic education on the importance of OSR to the public through the proposed 2020 Finance Bill.
  - iii. The county should spend within its means and avoid any leakages.

## ANNEX

**Table 10: Budget Calender for the 2020/21 Budget**

| No. | Activity  | Responsibility       | Deadline   |
|-----|---|----------------------|------------|
| 1.  | Develop and issue MTEF Guidelines   | County Treasury      | 28-Aug-20  |
| 2.  | Submission of the ADP   | County Treasury      | 31-Aug-20  |
| 3.  | Launch of sector working group  | County Treasury      | 03-Sept-20 |
| 4.  | Programme Performance Reviews (PPRs)  | CDAs                 | 11-Sept-20 |
|     | 4.1 Review of programmes outputs and outcomes                                     | “                    |            |
|     | 4.2 Expenditure review  | “                    |            |
|     | 4.3 Progress report on CIDP/ADP implementation                                    | “                    |            |
| 5.  | Preparation of sectoral plans   | CDAs                 | 30-Sept-20 |
| 6.  | Development of Medium-Term Budget Framework                                       | Macro Working Group  | 30-Sept-20 |
|     | 6.1 Develop the Medium-Term Fiscal Framework and Resource Envelope                | “                    |            |
|     | 6.2 Review and Determination of policy priorities                                 | “                    |            |
|     | 6.3 Develop Preliminaries resource allocation to sector                           | “                    |            |
|     | 6.4 Draft Budget Review and Outlook Paper (BROP)                                  | “                    |            |
|     | 6.5 Submission of BROP to Executive Committee                                     | “                    | 30-Sep-20  |
|     | 6.6 Approval of BROP by Executive Committee                                       | “                    | 14-Oct-20  |
|     | 6.7 Submit Approved BROP to County Assembly                                       | “                    | 21-Oct-20  |
| 7.  | Preparation Of MTEF budget proposals  | Line Departments     | 01-Oct-20  |
|     | 7.1 Retreats to Draft sector report   | Sector Working Group |            |
|     | 7.2 Briefing Sector Chairpersons and Accounting Officers on Sector Draft Reports. |                      |            |
|     | 7.3 Convene public sector hearing   | County Treasury      | 13-Nov-20  |
|     | 7.4 Review and Incorporation of Stakeholder Inputs in the Sector Proposals        |                      |            |
|     | 7.5 Submission of sector Report to treasury                                       | Sector Working Group | 30-Nov-20  |
|     | 7.6 consultative meeting with CECMs/CCOs  | County Treasury      | 02-Nov-20  |
| 8.  | Draft County Fiscal Strategy Paper (CFSP)   |                      |            |
|     | 8.1 Draft CFSP  | Macro Working Group  | 10-Dec-20  |
|     | 8.2 Public/Stakeholders Participation   | County Treasury      | 15-Jan-21  |
|     | 8.3 Review and Incorporation of Stakeholder Inputs in the Sector Proposals        | “                    | 15-Feb-21  |
|     | 8.4 Submission of CFSP to County Executive for approval                           | “                    | 22-Feb-21  |
|     | 8.5 Submission of CFSP to County Assembly for approval.                           | “                    | 25-Feb-21  |

|     |   |                            |           |
|-----|---|----------------------------|-----------|
| 9.  | Preparation And Approval Of Final CDAs Programme Budgets  |                            |           |
|     | 9.1 Develop and issue final guidelines on preparation of 2021/22 MTEF budget                      | County Treasury            | 26-Feb-21 |
|     | 9.2 Submission of the budget proposals to the County Treasury                                     | CDAs                       | 15-Mar-21 |
|     | 9.3 Consolidation of the Draft Budget estimates   | County Treasury            | 01-Apr-21 |
|     | 9.4 Submission of Draft Budget Estimates and Accompanying Documents to County Executive Committee | “                          |           |
|     | 9.5 Submission of Draft Budget Estimates and Accompanying Documents to County Assembly            | “                          | 30-Apr-21 |
|     | 9.6 Review of Draft budget Estimates By County Assembly   | County Assembly Committees | 14-May-21 |
|     | 9.7 Report on Draft Budget Estimates from County Assembly   | “                          | 29-May-21 |
|     | 9.8 Consolidation of the Final Budget Estimates   | County Treasury            | 15-Jun-21 |
|     | 9.9 Submission of Appropriation Bill to County Assembly   | “                          | 15-Jun-21 |
|     | 9.10 Submission of Vote on Account to County Assembly (If Applicable)                             |                            | 30-Jun-21 |
| 10. | Budget statement  |                            | 15-Jun-21 |
|     | Appropriation Bill Passed   |                            | 30-Jun-21 |