

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF TANA RIVER

COUNTY FISCAL STRATEGY PAPER

FY 2023/2024

FEBRUARY 2023

*Consolidating Devolution Gains for Continued Socio-Economic
Development*

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To obtain copies of the document, please contact:

Tana River County Treasury

P.O. Box 29 – 70101

HOLA, KENYA

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

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FOREWORD



The 2023 CFSP is the eleventh to be prepared by the County Government of Tana River. The purpose of this document is to provide direct linkages between policies, plans and budgets. It also provides the resource envelope and presents the fiscal framework for the 2023/2024 budget estimates over the medium term.

This 2023/24 Tana River County Fiscal Strategy Paper (CFSP) is prepared in accordance with the provisions of Section 117 of the Public Finance Management Act (PFMA), 2012 requiring the County Treasury to submit the County Fiscal Strategy Paper by 28th February. The strategy paper specifies the Tana River County broad strategic priorities and policy goals which will inform the FY 2023/2024 budget and the medium term. It further gives the forecast on revenues and expenditures and the sector spending limits as a basis for the FY 2023/2024 and the medium term. In the preparation of this FY 2023/2024 CFSP the technical team took into account views of the public, the Commission on Revenue Allocation (CRA), The National Treasury, the Civil Society Organizations (CSOs) and other stakeholders and groups.

The Policy objectives in this CFSP will focus on continued consolidation of gains made in previous Financial Years for accelerated socio-economic development, with special focus on the Post COVID-19 Economic Recovery Strategy. The strategic priorities will endeavor to include all demographics and will ensure that programs and projects actively involve the youth, women, and persons with disabilities. We further propose prioritization of project and investment completion that will bring about urbanization and growth of the county economy in line with year 1 of the Third County Integrated Development Plan (CIDP III).

The proposed envelope for the FY 2023/2024 is estimated at **Kshs. 8,869,497,864.86** with proposed recurrent expenditure of **Kshs. 5,215,039,606** and a development expenditure of **Kshs. 3,654,458,259**. However, these are provisional figures based on the 2023 Budget Policy Statement (BPS) and will be firmed up in the FY 2023/24 Budget Estimates with reference to the 2023 County Allocation of Revenue Act (CARA) and the 2023 County Governments Additional Allocations Act. The expenditure ceilings observe all the provisions in the PFMA 2012, the requisite regulations as well as the CRA guidelines.



CPA BRENDA MOKAYA,
CECM, FINANCE AND ECONOMIC PLANNING

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ACKNOWLEDGEMENT



The 2023 CFSP provides a framework for the FY 2023/2024 budgeting aimed at achieving the medium-term theme “*Consolidating Devolution gains for Continued Socio-Economic Development*” which will be realized through the implementation of policies, and completion of ongoing projects and programs aligned to the Third-Generation County Integrated Development Plan.

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

I wish to acknowledge the Governor of Tana River County, H.E Dr. Major (Rtd.) Dhadho Gaddae Godhana for his support and leadership throughout the preparation of this paper. Special thanks goes to the County Executive Committee members in charge of various County Government Departments and Agencies for their input in this process. I also appreciate the CECM for Finance and Economic Planning, CPA Brenda Mokaya and her predecessor, Mr. Mathew Babwoya, for her guidance in the development of the paper.

A core team in the County Treasury spent a significant amount of time putting together this paper. We are particularly grateful to the Directorate of Economic Planning and Budgeting and the Financial Reporting Unit for their unending effort. I take this opportunity to thank the entire staff of the County Government of Tana River for their dedication, sacrifice and commitment to public service.

Finally, we appreciate the input and advice of the Commission on Revenue Allocation and the wider public in the preparation of this document.


TANA RIVER COUNTY TREASURY
27 JUL 2023
ECONOMIC PLANNING

MARIAM ABDALLAH BUNU
Ag. COUNTY CHIEF OFFICER,
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

Legal Basis for the Publication of the County Fiscal Strategy Paper

Section 117 of the Public Finance Management Act, 2012 states;

1. “The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year.”
2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account, the views of:
 - a. The Commission on Revenue Allocation
 - b. The public
 - c. Any interested persons or groups
 - d. Any other forum that is established by the PFM Act 2012.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

Fiscal Responsibility Principles for the County Governments

Section 107 of the Public Finance Management Act, 2012 sets the principles of fiscal responsibility. Subsection (2) states that: “In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:

- a. The county government's recurrent expenditure shall not exceed the county government's total revenue
- b. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure.
- c. The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenues as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
- d. Over the medium term, the county government's borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- e. The County debt shall be maintained at a suitable level as approved by County Assembly
- f. The financial risks shall be managed prudently,
- g. a reasonable degree of predictability with respect to the level of tax bases shall be maintained, taking into account any tax reforms that may be made in the future
- h. Short-term borrowing as mentioned in (d) above shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

Acronyms and Abbreviations

| | |
|--------|---|
| ADP | Annual Development Plan |
| BPS | Budget Policy Statement |
| CARA | County Allocation of Revenue Act |
| CARB | County Allocation of Revenue Bill |
| CBEF | County Budget and Economic Forum |
| CBK | Central Bank of Kenya |
| CBR | Central Bank Rate |
| CBROP | County Budget Review and Outlook Paper |
| CCO | County Chief Officer |
| CECM | County Executive Committee Member |
| CFSP | County Fiscal Strategy Paper |
| CIDP | County Integrated Development Plan |
| CILOR | Contribution In Lieu of Rates |
| CPI | Consumer Price Index |
| ECDE | Early Childhood Development Education |
| EDE | Ending Drought Emergencies |
| EU | European Union |
| EYE | Early Years Education |
| FLLOCA | Financing Locally-Led Climate Action |
| FY | Financial Year |
| IFMIS | Integrated Financial Management Information System |
| KCSAP | Kenya Climate Smart Agriculture Project |
| KISIP | Kenya Informal Settlements Improvement Project |
| KUSP | Kenya Urban Support Project |
| OAG | Office of the Auditor General |
| PFMA | Public Finance Management Act, 2012 |
| TVETA | Technical and Vocational Education and Training Authority |
| VTCs | Vocational Training Centers |

Outline of County Fiscal Strategy Paper

This fiscal strategy paper is presented in four sections:

The introduction presented in Section I, presents an overview of the recent economic development and fiscal outlook at the Global, National and County Levels. It also reviews the latest information on the macroeconomic variables, gives update on Fiscal Performance and Emerging Challenges, offers Revised Estimates, Economic Policy and Outlook as well as Risks to the Outlook.

Section II outlines the Programmes for achieving the Tana River County Strategic Blueprint's Objective.

In Section III, the paper describes the fiscal policy and budget framework. The section further highlights the fiscal policy status, Fiscal Strategy Paper's obligation to observe Fiscal Responsibility Principles as set out in the PFMA 2012, Fiscal Structural Reforms, Budget Framework for proposed budget year 2023/24 (Revenue projections, recurrent expenditure forecast, development expenditure projections, and fiscal balance). The section generally outlines the county fiscal strategic objectives that the County is implementing to achieve her fiscal responsibility principles.

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

SECTION I: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

Overview

- 1) The Kenyan economy continued to expand in 2022, albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP is expected to grow by 5.5 percent in 2023 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to rebound to 6.1 percent in 2023, reinforced by the Government's development agenda geared towards economic turnaround and inclusive growth.
- 2) Global economic outlook has become more uncertain - reflecting the impact of the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of COVID-19 pandemic, and persistent supply chain disruptions. Global growth is expected to slow down to 3.2 percent in 2022 and is projected to slow down to 2.7 percent in 2023 from the earlier forecast of 2.9 percent. The USA economy is projected to slow down to 1.0 percent in 2023 from 1.6 percent in 2022, Euro Area economies will slow down to 0.5 percent from 3.1 percent in 2022. China economy is projected to improve to 4.4 percent from 3.2 percent in 2022.
- 3) The fiscal policy continues to pursue growth friendly fiscal consolidation to preserve debt sustainability. This will be achieved through enhancing revenue collection and curtailing non-core expenditures while prioritizing high impact social and investment expenditure. As such fiscal deficit is projected to decline from 5.8 percent of GDP in FY 2022/23 to 4.3 percent of GDP in FY 2023/24.
- 4) The external sector has remained stable despite the tight global financial conditions attributed to strengthening US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling like all world currencies has weakened but strengthened against other major international

currencies. The current account deficit was generally stable at 5.2 percent of GDP in the 12 months to November 2022 compared to 5.4 percent of GDP in November 2021 on account of improved receipts from service exports and resilient remittances. The official foreign exchange reserves at 4.2 months of import cover in November 2022 continues to provide adequate buffer against short term shocks in the foreign exchange market.

- 5) The year-on-year inflation rate eased for the second consecutive month in December 2022 but was still above the 7.5 percent upper bound target. Inflation rate eased to 9.1 percent in December 2022 from 9.5 percent in November 2022 due to a decline in food prices as a result of favorable rains and declining international prices of edible oils. However, this inflation rate was higher than the 5.7 percent recorded in December 2021. Overall annual average inflation increased to 7.6 percent in December 2022 compared to the 6.1 percent recorded in December 2021.

- 6) The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to strengthening US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling like all world currencies has weakened to exchange at Ksh 122.9 in December 2022 compared to Ksh 112.9 in December 2021. Against the Euro, the Kenya shilling also weakened to Ksh 130.0 from Ksh 127.6 over the same period. The Kenyan Shilling strengthened against the Sterling Pound to Ksh 149.8 in December 2022 from Ksh 150.2 in December 2021.

- 7) Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 8.25 percent to 8.75 percent in November 2022.

8) The interbank rate remained stable at 5.4 percent in December 2022 compared to 5.0 percent in December 2021 while the Treasury bills rates increased in December 2022 due to tight liquidity conditions. The 91-day Treasury Bills rate was at 9.4 percent in December 2022 compared to 7.3 percent in December 2021.

Update on Fiscal performance and Emerging Challenges

1. The total approved budget (supplementary estimates) in FY 2021/22 was Kshs. **8,484,714,371** comprising of Kshs. **5,510,898,452** (65%) recurrent expenditure and Kshs. **2,973,815,919** (35%) development expenditure. The recurrent budget absorption was at 70.66% while the development budget had an absorption of 80.77%. The composite budget absorption rate for FY 2021/22 is 74.20%.
2. The FY 2022/23 approved budget is **Kshs. 7,941,203,918** which comprises of **Kshs. 6,528,408,765** equitable share of the revenue raised nationally, **Kshs. 244,714,896** worth of conditional grants, **Kshs. 87,846,000** of Own Source Revenue (OSR), and **Kshs 1,080,234,257** as balance brought forward from the FY 2021/22. The Recurrent expenditure is **Kshs. 5,448,899,768** which is 68.6% of the Total Expenditure, while the development budget is **Kshs. 2,492,304,150** which accounts for 31.4% of the total budget.
3. Absorption of both the recurrent and development allocations for the County in the first half of FY 2022/23 was below the projection. As at 31st December, 2022, **Kshs. 1,567,725,028** had been absorbed from the recurrent budget while **Kshs. 505,334,199** had been absorbed out of the development budget. This was due to the delayed operationalization of the budget (the Budget Estimates were approved on 18th October, 2022) and delays in operationalization of the Budget thereafter.

Table 1: County Government of Tana River - Executive Expenditure Report for FY 2021/22

| Department | | Final Approved Estimates | Actual Expenditure 2021/2022 | Variance | Absorption rate |
|-----------------|------------------|--------------------------|------------------------------|----------|-----------------|
| | | (a) | (b) | (a-b) | (b/a) |
| County Assembly | <i>Sub-Total</i> | 908,39 6,752 | - | - | - |
| | Rec | 588,39 6,752 | - | - | - |
| | Dev | 320,00 0,000 | - | - | - |

| Department | | Final Approved Estimates | Actual Expenditure 2021/2022 | Variance | Absorption rate |
|---|------------------|--------------------------|------------------------------|--------------|-----------------|
| | | (a) | (b) | (a-b) | (b/a) |
| Office of the Governor and the Deputy governor | <i>Sub-Total</i> | 583,322,556 | 590,699,884 | -7,377,328 | 101.26% |
| | Rec | 583,322,556 | 574,167,249 | 9,165,007 | 98.42% |
| | Dev | - | 16,532,635 | -16,532,635 | - |
| Finance and Economic Planning | <i>Sub-Total</i> | 1,451,263,940 | 1,320,667,457 | 130,596,483 | 91.00% |
| | Rec | 806,993,212 | 625,766,689 | 181,226,523 | 77.54% |
| | Dev | 644,270,728 | 694,900,768 | 50,630,060 | 107.85% |
| County Public Service Board | <i>Sub-Total</i> | 74,312,420 | 50,446,113 | 23,866,307 | 67.88% |
| | Rec | 74,312,420 | 50,446,113 | 23,866,307 | 67.88% |
| | Dev | - | - | - | - |
| Trade, Tourism, Wildlife and Cooperative Development | <i>Sub-Total</i> | 66,090,342 | 31,883,317 | 34,207,025 | 48.24% |
| | Rec | 38,590,342 | 22,265,476 | 16,324,866 | 57.70% |
| | Dev | 27,500,000 | 9,617,841 | 17,882,159 | 34.97% |
| Agriculture, Livestock, Fisheries, Veterinary | <i>Sub-Total</i> | 716,262,142 | 439,454,548 | 262,903,528 | 63.30% |
| | Rec | 190,127,943 | 126,539,593 | 63,588,350 | 66.55% |
| | Dev | 526,134,199 | 326,819,021 | 199,315,178 | 62.12% |
| Youth, Sports, Gender, Culture and Social Services | <i>Sub-Total</i> | 107,290,560 | 50,299,560 | 56,991,000 | 46.88% |
| | Rec | 59,804,560 | 24,275,512 | 35,529,048 | 40.59% |
| | Dev | 47,486,000 | 26,024,048 | 21,461,952 | 54.80% |
| Education and Vocational Training | <i>Sub-Total</i> | 266,634,706 | 254,177,899 | 12,456,807 | 95.33% |
| | Rec | 226,959,812 | 192,471,786 | 34,488,026 | 84.80% |
| | Dev | 39,674,894 | 61,706,113 | -22,031,219 | 155.53% |
| Medical Services, Public Health and Sanitation | <i>Sub-Total</i> | 1,431,899,960 | 1,216,961,532 | 214,938,428 | 84.99% |
| | Rec | 1,221,899,960 | 1,112,137,251 | 109,762,709 | 91.02% |
| | Dev | 210,000,000 | 104,824,281 | 105,175,719 | 49.92% |
| Special Programs | <i>Sub-Total</i> | 184,774,495 | 162,341,752 | 22,432,743 | 87.86% |
| | Rec | 184,774,495 | 28,676,377 | 156,098,118 | 15.52% |
| | Dev | - | 133,665,375 | -133,665,375 | - |
| Roads, Transport, Public Works, Housing and Urban Development | <i>Sub-Total</i> | 666,244,466 | 730,030,408 | -63,785,942 | 109.57% |
| | Rec | 80,147,976 | 51,273,825 | 28,874,151 | 63.97% |
| | Dev | 586,096,490 | 678,756,583 | -92,660,093 | 115.81% |
| Water, Irrigation Environment and Natural Resources | <i>Sub-Total</i> | 351,123,241 | 261,311,007 | 89,812,234 | 74.42% |
| | Rec | 134,391,995 | 136,355,765 | -1,963,770 | 101.46% |
| | Dev | 216,731,246 | 124,955,242 | 91,776,004 | 57.65% |
| Public Service, Administration and Citizen Participation | <i>Sub-Total</i> | 1,291,083,309 | 892,129,103 | 398,954,206 | 69.10% |
| | Rec | 1,238,083,309 | 882,774,629 | 355,308,680 | 71.30% |
| | Dev | 53,000,000 | 9,354,474 | 43,645,526 | 17.65% |

| Department | | Final Approved Estimates | Actual Expenditure 2021/2022 | Variance | Absorption rate |
|--------------------------------------|------------------|--------------------------|------------------------------|----------------------|-----------------|
| | | (a) | (b) | (a-b) | (b/a) |
| Lands and Physical Planning | <i>Sub-Total</i> | 151,093,120 | 120,995,941 | 30,097,179 | 80.08% |
| | Rec | 39,593,120 | 32,117,512 | 7,475,608 | 81.12% |
| | Dev | 111,500,000 | 88,878,429 | 22,621,571 | 79.71% |
| Hola Municipality | <i>Sub-Total</i> | 234,922,362 | 160,571,456 | 74,350,906 | 68.35% |
| | Rec | 43,500,000 | 34,569,223 | 8,930,777 | 79.47% |
| | Dev | 191,422,362 | 126,002,233 | 65,420,129 | 65.82% |
| Total Recurrent Expenditure | | 5,510,898,452 | 3,893,837,000 | 814,072,097 | 70.66% |
| Total Development Expenditure | | 2,973,815,919 | 2,402,037,044 | 1,414,028,880 | 80.77% |
| GRAND TOTAL EXPENDITURE | | 8,484,714,371 | 6,295,874,044 | 2,188,840,327 | 74.20% |

TANA RIVER COUNTY GOVERNMENT - EXECUTIVE EXPENDITURE REPORT FY 2022/23 AS AT 31 DECEMBER 2022

Table 2: County Government of Tana River Expenditure Report for FY 2022/23

| DEPARTMENT | RECURRENT | | | DEVELOPMENT | | |
|--|-------------------------|----------------------|-------------------------|-------------------------|--------------------|-------------------------|
| | Budget Estimates | Actual Expenditure | Variance | Budget Estimates | Actual Expenditure | Variance |
| County Assembly | 788,396,751.54 | 24,213,602 | 764,183,149.54 | 325,000,000.00 | 0 | 325,000,000.00 |
| Office of The Governor and Deputy Governor | 451,768,101.33 | 186,485,327 | 265,282,774.33 | - | 0 | - |
| Finance and Planning | 644,583,051.00 | 363,048,026 | 281,535,025.00 | 466,446,398.00 | 163,245,279 | 303,201,119.00 |
| County Public Service Board | 73,355,104.00 | 20,385,228 | 52,969,876.00 | - | 0 | - |
| Trade, Tourism, Wildlife and Cooperative Development | 33,599,698.00 | 10,021,609 | 23,578,089.00 | 72,000,000.00 | 0 | 72,000,000.00 |
| Agriculture, Livestock, Fisheries and Veterinary | 155,152,784.20 | 74,554,604 | 80,598,180.20 | 304,875,396.00 | 118,127,000 | 186,748,396.00 |
| Culture, gender, Youth, Sports and Social Services | 47,683,447.00 | 11,216,780 | 36,466,667.00 | 37,000,000.00 | 18,500,000 | 18,500,000.00 |
| Education and Vocational Training | 194,650,656.00 | 88,900,748 | 105,749,908.00 | 103,000,000.00 | 27,961,920 | 75,038,080.00 |
| Medical Services, public Health and sanitation | 1,181,679,109.89 | 128,807,042 | 1,052,872,067.89 | 170,000,000.00 | 0 | 170,000,000.00 |
| Special program | 144,797,767.00 | 68,,553,040 | 76,244,727.00 | - | | - |
| Roads, Transport, Public works, Housing and Urbanization | 67,988,739.33 | 8,040,159 | 59,948,580.33 | 537,482,356.10 | 174,000,000 | 363,482,356.10 |
| Water, Irrigation, Environment and Natural Resources | 119,421,036.55 | 16,436,151 | 102,984,885.55 | 401,500,000.00 | 3,500,000 | 398,000,000.00 |
| Public Service, Administration and Citizen participation | 1,474,926,960.00 | 547,099,282 | 927,827,678.00 | 45,000,000.00 | 0 | 45,000,000.00 |
| Lands and Physical Planning | 34,446,562.15 | 3,205,450 | 31,241,112.15 | 30,000,000.00 | 0 | 30,000,000.00 |
| Hola Municipality | 36,450,000.00 | 16,757,980 | 19,692,020.00 | - | 0 | - |
| TOTAL | 5,448,899,767.99 | 1,567,725,028 | 3,881,174,739.99 | 2,492,304,150.10 | 505,334,199 | 1,986,969,951.10 |

4. The County Government departments reported some challenges during the previous MTEF period: Delays in approval of Budget Estimates, delays in operationalization of the Budgets and delays in procurements for goods and services. There were also delays in the exchequer disbursement of funds resulted to delayed procurement processes and subsequently causing delays in the implementation of projects.
5. Additionally, the fiscal performance of the FY 2021/22 was below expectation mainly due to the delays in the operationalization of the FY 2021/22 budget and delays in the initiation and completion of procurement processes.

Revised Estimates

6. The FY 2021/22 Approved Budget needed revision to provide for other emerging needs including supporting drought response and provide for settlement of pending bills.

Economic Policy Outlook

7. The County Government of Tana River will continue to pursue prudent fiscal policy to ensure stability while cultivating an environment for sustainable management of public finances. The County Government is also committed to clear pending bills as first charge as prescribed by law and various advisories from the National Treasury and the Controller of Budget.
8. Fiscal policy will continue to support County development economic activities within a context of sustainable public financing. This process will be strengthened in the FY 2023/24 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities as is detailed in the Post COVID-19 Economic Recovery & Reengineering Strategy.
9. The County Government will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments, including full operationalization of e-procurement and requisite capacity building for its use in budget implementation.

- 10. The county will continue redirecting expenditure towards those priority Programmes as identified in public consultative forums. The critical Programmes to be implemented are expected to accelerate economic activities and socio-economic welfare.
- 11. The outlook points to a continued macroeconomic stability, which will support robust growth, lower fiscal deficits and contain inflation. In addition, measures being undertaken by the County to align its strategic priorities with the National agenda, to impact households through incentives to boost the manufacturing sector; enhance food security and nutrition; build affordable housing through the eco-villages cluster programme; and achieve Universal Health Coverage are expected to enhance growth, create jobs and promote inclusive growth.
- 12. The County will also pursue the priorities of the National post-COVID-19 Economic Recovery Strategy by implementing the Tana River County Socio-Economic Reengineering and Recovery Strategy. The priorities of the County are spread across the following key sectors: Manufacturing, Agriculture, Water and Sanitation, Urban Development and Housing, Transport, Tourism, Health, Education and Training, Social Protection, Gender and Youth, and Environment and Natural Resources Management.

Risks to the Outlook

- 13. The County experienced a significant increase in the County Own Source Revenue Collection. However, without comprehensive revenue mapping and enforcement there may be leakages which could threaten the realization of the set target and hence a budget deficit which will affect the adequate financing of the outlined projects and programs.
- 14. The County Government shall put in measures to mitigate against the adverse effects of the outlined risks.

Table 3: Risks and Mitigation Measures

| S/No | Risk | Mitigation Measure |
|------|----------------------------------|--|
| 1. | Emergencies and disasters | Strengthening the capacity of the Department of Cohesion and Special Programmes to coordinate emergency response, relief and recovery initiatives. This includes implementation of the |

| | | |
|------------------|--|---|
| | <p>More frequent and more severe natural disasters: drought, floods, locust invasion, and human and livestock disease outbreaks.</p> | <p>Disaster Risk Management Act and operationalization of the Disaster Risk Management Fund.</p> <p>The County continues to invest in adaptation measures against drought. These include establishment of small-scale irrigation schemes to reduce reliance on rain-fed agriculture, and establishment of water harvesting structures in the hinterland to promote water security for pastoralists.</p> <p>In recognition of the impact of climate change on the emergencies/disaster landscape, the County will implement climate change mitigation and adaptation projects including the KCSAP, FLLoCA.</p> |
| <p>2.</p> | <p>Pending bills</p> <p>Pending bills expose the County to litigation, erodes the confidence of contractors and suppliers to the County Government, and constrains resources available for new Programmes and projects.</p> | <p>The county is keen to clear pending bills; all ineligible pending bills approved for payment by the ineligible pending bills resolution committee and pending bills in FY 2018/19 - 2019/20 approved for payment by the Auditor General. The County intends to set up the County Ineligible Pending Bills Resolution Committee to resolve ineligible pending bills.</p> <p>The County will strengthen the regular reporting of pending bills in the financial statements as well as preparation of monthly payment plans for pending bills.</p> <p>Efforts have been put in place to reduce over-commitment in the implementation of projects and Programmes in development and recurrent expenditure.</p> |
| <p>3.</p> | <p>Over-reliance on transfers from National Government.</p> <p>Equitable share of revenue raised nationally constitute a significant proportion of the county's revenue</p> | <p>The County will endeavor to reduce the over-reliance on transfers from National Government by stepping up efforts to unlock revenue streams and improve revenue administration.</p> <p>Further, the County will strengthen efforts to attract and retain partnerships with Development Partners.</p> |

| | | |
|----|--|---|
| | sources. The marginal growth of these transfers and the delays in disbursements affects the implementation of Programmes and projects. | |
| 4. | Weak financial reporting | The County Treasury shall conduct skills training for accountants and other technical staff responsible for both financial and non-financial reporting. Interviews have also been conducted in the ongoing recruitment strategy for the department to address skill gaps in reporting. Moreover, the County Treasury shall continually sensitize County Departments and Agencies on their responsibility to report. |

SECTION II: CONSOLIDATING DEVOLUTION GAINS FOR CONTINUED SOCIO-ECONOMIC DEVELOPMENT

Overview

15. The 2023 CFSP is the eleventh to be prepared in Tana River County. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2023/2024 budget estimates and over the medium term.
16. According to the 2023 Budget Policy Statement, the Kenyan economy continued to expand, albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP grew by 5.5 percent in the first three quarters of 2022 (6.7 percent in quarter one, 5.2 percent in quarter two and 4.7 percent in quarter three) supported by the ongoing recovery in the services sector, driven by accommodation and food services, wholesale and retail trade, finance and insurance, education and transport and storage.
17. The economy is expected to grow by 5.5 percent in 2022 and recover in 2023 to 6.1 percent and maintain that momentum over the medium-term (in terms of fiscal years the economic growth is projected at 5.8 percent in the FY 2022/23 and 6.1 percent in the FY 2023/24). This growth will be supported by a broad-based private sector growth, including recoveries in agriculture while the public sector consolidates. From an expenditure perspective, private consumption is expected to support aggregate demand, supported by the ongoing labour market recovery, improved consumer confidence, and resilient remittances.
18. The Economic Recovery Strategy (ERS) aims at restoring the economy to a strong growth path, creating jobs and economic opportunities across all regions of the country with a view to tackling social and income inequalities. It is expected that the successful implementation of the Economic Recovery Strategy which is also aligned to the “Big Four” Agenda will promote inclusive growth and transform the lives of Kenyans.
19. The county economy is vulnerable to both exogenous and endogenous shocks that threaten macro-economic stability. Poor implementation of fiscal policies has resulted in accumulation of pending bills over previous FYs, which has in turn affected businesses, especially Small and

Medium Enterprises (SMEs). Although the County has not registered high numbers of COVID-19 cases in comparison with other counties, the pandemic and subsequent containment measures have affected production, demand and supply of goods and services thereby slowing down the growth of the County economy.

County Strategic Objectives

20. The County Government will over the medium-term focus on the decisive investment in the in the social sectors to reduce the cost of living at household level, decisive investment in sectors that will unlock economic and financial opportunities, completion of ongoing projects by settling pending bills, and Monitoring and Evaluation of projects and Programmes to track progress and achievement of their prescribed goals and impacts.
21. In FY 2023/24, the County Government will continue to focus on the following areas: Urban Planning and Climate Proof Infrastructure Development; Investing in Modern and Commercially-oriented Agriculture and Livestock; Investing in Quality and Affordable healthcare; Investing in Quality and Accessible Education; Investing in Environment, Water and Sanitation; Investing in Youth, Sports and Culture Promotion; and creating an enabling environment for socio-economic development through good governance.
22. This CFSP therefore outlines key strategic objectives that forms the 2023/2024 priority interventions that the county government intends to achieve. It reaffirms polices and strategies indicated in the tail end of the implementation matrix of the Third-Generation County Integrated Development Plan (CIDP III) as well as subsequent ADPs derived from it. The strategic interventions include:
 - a. **Investing in Urban Planning and Climate-Proof Infrastructure Development:** The County will focus on infrastructural development such as rehabilitation of County roads; upgrading of existing roads to bitumen standards; refurbishment and maintenance of Government houses; continued physical planning and climate proof development of the ecovillage cluster program areas and the completion of the County Headquarters as well as a fire station in Tana Delta.

The following will be pursued under the Hola Municipality: Storm water drainage Phase IV, fencing of disposal sites, establishment of recreational parks and establishment of sewage treatment plant.

To deepen ICT services, the County intends to extend fiber connectivity to the new County Headquarters, to sub-county offices and at key health centres.

The County will also invest in land use management through continued investment in the completion of the County Spatial Plan and the Hola Municipality Spatial Plan, surveying and titling of urban centres, preparation of local physical development plans for urban areas and cluster villages, community land registration and formalization of existing settlements.

In light of the tight fiscal space within which the administration will be operating, capital investment to fund these interventions will be expected to originate mainly from the existing conditional grants such as the Kenya Informal Settlements Improvement Project (KISIP), Kenya Urban Support Program (KUSP), and the Supplement for Construction of County Headquarters.

- b. **Investing in accessible and quality education:** Through this outcome, the county intends to enhance enrolment, retention and transition of learners across all education levels but especially in Early Childhood Education and in Vocational Training. Priority programs under Vocational Training include completion of ongoing construction projects, rehabilitation of VTCs, purchase of training tools and equipment, capacity building of VTC instructors, conducting graduations, exhibition and sporting activities, and placement of trainees on industrial attachment. Priority Programmes under Early Years Education include capacity building of ECDE caretakers, supply of ECD furniture, supply of ECDE learning and play materials, provision of food rations for ECDE learners, provision of bursaries for learners and refurbishment and improvement of ECDE centres. In pursuing this objective, the County will partner with institutions such as TVETA and Ministry of Education and increase collaboration across County departments such that of Trade, Tourism and Industry that is responsible for the development of the *Jua Kali* industry for the absorption of VTC graduates. The county also

prospects to benefit from the construction of a Youth Empowerment and Innovation Center in partnership with UNDP, further which the County will invest in the equipping of the YEI Centre. Further, regulations will be firmed up for the continued support to needy families through the Ward Bursary Fund.

c. Investing in quality and accessible healthcare:

Key interventions to enhance access to health care include improvement of health infrastructure, strengthening of referral system, universal health coverage, adoption of ICTs in Health, leadership, governance and management, improvement of Human Resources for Health, and promotion of Health technologies and products (HPTs).

d. Investing in modern and commercially-oriented agriculture: This strategic outcome is geared towards enhancing agricultural productivity hence improving food security and the household incomes among the county residents through the continued investment in small scale minor irrigation schemes. Under the crop production, the county government also intends to invest in: improvement of agricultural mechanization services, renovation and improvement of agricultural offices, value addition, productivity improvement and trainings, and development of smallholder irrigation infrastructure. Under livestock production, the County will prioritize pasture production and preservation, value addition in apiculture, improvement of livestock breeds, and improvement of the management of grazing lands.

23. Moreover, the 2023/2024 CFSP will also focus on offsetting all the pending bills related to previous FYs. The County shall set up the Ineligible Pending Bills Resolution Committee to review the ineligible pending bills for the FY 2018/19 and FY 2019/20. The County endeavors to settle all the resolved ineligible pending bills. This is to mitigate the adverse effects currently facing businesses especially Micro, Small and Medium Enterprises (MSMEs) and securing the planned outcomes for the projects and Programmes.

Programmes for Achieving the County Strategic Blueprint's Objective

24. This County Fiscal Strategy Paper (2023 CFSP) articulates priority economic policies and structural reforms as well as sector-specific expenditure programs to be implemented under

the Medium-Term Expenditure Framework for 2023/24 and 2024/25 in order to achieve the County Government's development goal of '*Consolidating Devolution Gains for Continued Socio-Economic Development*'. The county government will pursue to achieve the outlined strategic outcomes within the identified 8 sectors:

a. Agriculture and Rural Development Sector

25. This sector comprises the County Department of Agriculture, Veterinary Services, Livestock and Fisheries and is charged with the mandate of attainment of food security, promotion of market accessibility, empowerment of farmers through capacity building on modern and commercially oriented agriculture and livestock keeping as well as alternative agricultural practices such as fish farming and bee keeping.
26. In the FY 2023/24, the sector will focus on the following priorities: improvement of agricultural mechanization services, renovation and improvement of agricultural offices, value addition, productivity improvement and trainings, development of smallholder irrigation infrastructure, pasture production and preservation, value addition in apiculture, improvement of livestock breeds, and improvement of the management of grazing lands.

b. Education Sector

27. The Educational sector comprises of the department of Early Years Education and Vocational Training. The Department will focus on ensuring increased transition from primary to secondary and from secondary to tertiary levels of education by providing scholarship through the Ward Bursary Fund and subsidized tuition for VTC learners.
28. In the FY 2023/24, the Department will ensure that the learning continues in the 319 EYE centres, provide meals and learning materials for learners and conduct in-service training for EYE teachers. On vocational training, the Department will complete and operationalize VTCs currently under construction; enhance the supply of learning materials and subsidize tuition for VTC learners, as well as equipping the Youth Empowerment and Innovation Centre.
29. The County will continue supporting access, retention and transition in education by continuing with the Ward Bursary Fund and the Governor's Scholarship Fund.

c. Culture, Recreation and Social Protection

30. County departments in the sector is the Department of Gender, Culture, Youth, Sports and Social Services. The main goals of this sector are: To provide social welfare services, coordinate disability mainstreaming, spearhead youth development, and provide gender and community services. This sector also seeks to promote, develop and preserve culture; provide library and information services, and rescue and rehabilitate Orphans and Vulnerable Children (OVCs). Additionally, it endeavors to enhance sustainable social development through the identification, nurturing, developing and managing sports, arts and talents.
31. In the FY 2022/23, the Sector will focus on operationalizing the Hola stadium and other sports infrastructure, implementation of the Tana River PWDs Act, documentation of heritage sites, registration of vulnerable population in need of social protection (OVCs, elderly persons, PWDs), provision of social protection covers for vulnerable populations (older persons), and procurement and distribution of sports kits to sports teams.

d. Health Sector

32. The Health sector is represented by the Department of Medical Services, Public Health and Sanitation. The main goal of the sector is to provide essential health services that are accessible, responsive and affordable to the county population.
33. In the FY 2023/24, the Sector will focus on the following priorities: improvement of health infrastructure, strengthening of referral system, universal health coverage, adoption of ICTs in Health, leadership, governance and management, improvement of Human Resources for Health, and promotion of Health technologies and products (HPTs).

e. The General Economic and Commercial Affairs Sector

34. The General Economic and Commercial Affairs sector is composed of the Department of Trade, Tourism and Industrial Development and the Cooperative Development unit within the Department of Agriculture, Livestock, Fisheries and Veterinary Services. The main goal of the sector is to promote and develop weight and measures, fair trade, tourism, industrialization, entrepreneurship and investment.

35. In the FY 2023/24, the sector will prioritize the following Programmes: Trade development through the operationalization of the INUKA Fund and further to increase the allocations for the fund to enhance access to credit and promote growth of SMEs, strengthening consumer protection and fair trade practices, improvement of market infrastructure, tourism product diversification and competitiveness, improving tourism infrastructure, branding and visibility, improving cooperative leadership and governance, enhancing cooperative education and training, increasing prudence in financial management in cooperatives, and promotion of marketing and value addition of cooperative products.

f. The Public Administration and Inter Governmental Relations Sector

36. The Public Administration and Inter Governmental Relations comprise of the Department of Public Service Management, Administration and Citizen Participation, the County Treasury (Department of Finance and Economic Planning), the County Public Service Board, Office of the Governor and the Deputy Governor, Cohesion and Special Programs and the County Assembly. The overall goal of this sector is to provide policy and leadership direction, oversight and management of the county fiscal, human and economic resources.

37. The Department of Finance and Economic Planning will prioritize the following in the FY 2023/24: formulation of economic plans and policies including CIDP III, Sectoral Plans, ADPs, CBROPs, CFSPs and Budget Estimates, monitoring, evaluation and reporting on projects and Programmes, supply chain management services (procurement planning, implementation and reporting), internal audit services special audits, facilitate operations of the County Audit Committee), revenue (enabling legislation and revenue administration), financial reporting and facilitating county departments in requisition of funds. The department will further endeavor to digitize records for ease of access and improved record keeping which has been identified as a weakness during various audit processes.

38. The Department of Public Service Management, Administration and Citizen Participation will seek to improve service delivery through the following interventions: automation of county filing system, Performance Management System (Performance Contracting and Performance

Appraisal System), Induction of new recruits and enhancement of the IPPD system. The department will further construct 1 ward administrator's offices as well as an ICT Resource Centre.

39. The County Public Service Board will prioritize the following: Develop and cascade the HR discipline manual, review of the HR manual, implementation of the internship policy, construction of an office block, purchase of 2 motor vehicles and 1 motor cycle, establishment of a HRMIS, facilitating induction of new staff and training of staff on change management, management of personal finances, drug and substance abuse and HIV/AIDS.
40. Cohesion and Special Programmes will focus on the implementation of the county DRM Act, coordination of emergency response and recovery Programmes including water trucking, and distribution of relief supplies. Mitigation of forecasted extreme drought situation will also be planned for and prioritized.
41. The county will also continue to pursue Economic integration by actively participating in activities of *Jumuia ya Kaunti za Pwani* (JKP) and the Frontier Counties Development Council (FCDC) to promote economic growth and integrated regional development.

g. The Water, Environment and Natural Resources Sector

42. This sector comprises the Department of Water, Environment and Natural Resources and the Department of Environment and Climate Change. The sector is home to one semi-autonomous government agency, the Tana Water and Sewerage Company (TAWASCO). The main objective of this sector is to improve household access to safe potable water and ensure sustainable utilization of natural resources.
43. In the financial year 2023/24, the Water and Sanitation sub-sector will prioritize the following Programmes: water services management, water supply resources management, and water harvesting and storage. Some of the planned projects include feasibility studies on water infrastructure improvement in urban centres, finalization of policy documents in the water

sector, maintenance works on urban water supplies, and pipeline extension to underserved areas.

44. The Environment and Natural sub-sector will focus on the following Programmes: climate change mitigation and adaptation, solid waste management, biodiversity conservation and forestry extension.

h. The Energy, Infrastructure and ICT Sector

45. This sector consists of the following County departments and agencies: Department of Roads, Transport, Public Works, Housing and Urbanization, the Department of Lands and Physical Planning, ICT Directorate, and Hola Municipality and Directorate of Water and Energy.
46. In the FY 2023/24, the sector shall focus on the following: grading, Murraming and tarmacking of roads across the county, construction of bridges in flood-prone areas, continuous maintenance of road networks to motorable standards, maintenance and rehabilitation of government structures, and supervision and enforcement of building regulations in construction works.
47. Other Programmes that the sector will prioritize include developing and implementing ICT policies, maintaining county information services through the county website and mass messaging, maintaining the government fleet of vehicles and transport equipment, community land registration and formalization of existing settlements.
48. The County will also focus on the promoting the use of clean energy in government projects and in the population. Initiatives include solar street lighting, solarization of boreholes and water pumps in irrigation schemes, establishment of solar mini-grids, and supply of solar lanterns.

SECTION III: FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2023/24

49. This section provides the fiscal policy, principles, reforms and budgetary framework to be implemented in the next financial year to enhance the fiscal position of the county. Tana River County is committed to implement an effective fiscal policy while realizing the strategic blueprint and ensuring overall economic growth. Therefore, this section provides reforms in the administration of revenue, expenditure management, and the overall budget framework for FY 2023/24. It showcases measures to improve efficiency in budgetary allocations, increase revenue collection and operationalize tracking of programmes and projects through monitoring and evaluation.

Budget Framework

50. Allocation and prioritization of resources shall be on the basis of the key development strategic blueprints in the Third-Generation County Integrated Development Plan (CIDP III), Annual Development Plan (ADP) 2023/24, and departmental strategic plans. The CFSP outlines the medium-term fiscal framework, policies and strategic objectives for the county, which is the basis for the FY 2023/24 budget.

51. The FY 2023/24 budget will focus on decisive investment in the in the social sectors to reduce the cost of living at household level, decisive investment in sectors that will unlock economic and financial opportunities, completion of ongoing projects by settling pending bills, and Monitoring and Evaluation of projects and programmes to track progress and achievement of their prescribed goals and impacts. Therefore, this paper will seek to prioritize the settlement of the pending bills from previous FYs recommended for settlement in the report of the Tana River County Ineligible Pending Bills Resolution Committee and at the end of the FY 2022/23. This is so as to consolidate the gains made in previous years but it will also seek to achieve the outlined four objectives to better the living standards of the citizens.

Table 4: County Government of Tana River Budget Framework for FY 2023/24 and the Medium-Term

| Revenue Summary/ Funding | Approved Estimates Kshs. | Approved Estimates Kshs. | Proposed Ceilings | Projections Kshs. |
|--|---|---|------------------------------|------------------------------|
| | 2021/2022 | 2022/2023 | 2023/24 | 2024/25 |
| Equitable Share of Revenue Raised Nationally | 6,528,408,765 | 6,528,408,765 | 6,790,702,542 | 7,130,237,669 |
| Conditional Allocations from National Government Revenue | 75,000,000 | 104,000,000 | 510,006,031 | 535,506,333 |
| Conditional Allocations from Development Partners | 468,563,507 | 140,714,896 | 362,980,289 | 381,129,303 |
| Revenue from Own County Sources | 79,860,000 | 87,846,000 | 96,630,600 | 101,462,130 |
| Balance B/F | 966,116,250 | 1,080,234,257 | 1,109,178,403 | 1,164,637,323 |
| Grand Total | 8,117,948,522 | 7,941,203,918 | 8,869,497,865 | 9,312,972,758 |
| Personnel Emoluments | 2,222,977,030 | 2,323,900,732 | 2,408,039,249 | 2,528,441,212 |
| Operations and Maintenance | 3,044,080,667 | 2,911,605,731 | 2,807,000,357 | 2,947,350,375 |
| Development | 2,850,890,825 | 2,705,697,455 | 3,654,458,259 | 3,837,181,172 |
| Grand Total | 8,117,948,522 | 7,941,203,718 | 8,869,497,865 | 9,312,972,758 |

Revenue Projections

52. The projected FY 2023/24 resource envelop is KES. 8.87 billion. This is constituted by KES. 6.79 billion Equitable share of revenue raised nationally, Kshs. 96.63 million of county own source revenue and Kshs. 510.006 million as conditional grants from national government and Kes. 362.98 Million Conditional allocations from the development partners. The projected Balance carried forward will be Kes. 1.109 billion. These figures are as provided for in the County Allocation of Revenue of Revenue Act 2023 as well as the County Governments Additional Allocations Act 2023.

Expenditure Projections

53. The ADP outlines the development priorities for FY 2023/24 as per the sector Programmes to be implemented. The principles of fiscal responsibility have been adhered to in allocation of the overall county expenditure budget.
54. The FY 2023/24 total expenditure is projected to be **KES. 8.87 billion** in pursuit of a balanced budget.

Recurrent Expenditure

55. The projections of FY 2023/24 indicate a recurrent expenditure of **59 percent** of the total net estimated budget which is **Kshs. 5.215 billion**. The recurrent budget will enhance county service delivery and support development projects and Programmes through the effective implementation of Programme-Based Budgeting (PBB).
56. The total recurrent expenditure constitutes of **Kshs. 2.408 billion** Personnel Emoluments (P/E) which is 27 percent of the net county budget. The Operations and Maintenance (O/M) expenditure is estimated to amount to **Kshs. 2.80 billion** reflecting 32 percent of the total net County Government budget.

Development Expenditure

57. The development expenditure for 2023/24 financial year is estimated at **Kshs. 3.654 billion**, which is **41 percent** of the total expenditure. This meets the fiscal responsibility principle on development expenditure (PFM Act 2012 Section 107) which requires that a minimum of 30 percent of the total county government budget be allocated to development in the medium-term.

Fiscal balance

58. In the FY 2023/24 the county government will operate on a balanced budget as guided by the Public Finance Management Act 2012 fiscal responsibility principles. However, the county

leadership is pursuing strategic partnership with both domestic and foreign donors to complement the county efforts to fast-track economic development.

Fiscal Structural Reforms

59. The county government seeks to implement several reforms in the management of its fiscal position. Specifically, the County government will pursue the fiscal consolidation policy to provide and maintain a balance between revenues and expenditures. This policy will result in enhanced efficiency in revenue collection, strengthened revenue mobilization, and elimination of unproductive expenditures. The county will build on the improved revenue collection recorded in the previous FY by applying measures to increase revenue collection, administration and usage. Coupled with austerity measures and the passage of the Finance Bill into an Act, the County will have a better fiscal position.
60. The County shall review revenue collection and management procedures and also anchor them in the Finance bill(s). It will continue in the implementation revenue legislation and policies that supports levies such as County Revenue Administration Act, Single Business Permits, Cess, Rates and Liquor Licensing. The County will continue to explore the automation of revenue administration targeting key revenue streams that will enhance efficiency in revenue collection. In regards to administration, the county will enhance enforcement rules for revenue collection and administration. Enforcement will include strict measures such as penalties and fines to defaulters and those who do not comply with revenue legislation and consider waivers for parties that show prudence in settling unpaid rates and taxes.
61. The County Government shall finalize the preparation of the valuation roll so as to effectively collect land rates; fast track the payments of CILOR; Endeavour to become a rating authority and all land to be ratable and land rates to be revised upwards.
62. The County Government will implement expenditure control measures by cutting unproductive expenses and spending only on specific items as indicated in the approved budget.

63. In ensuring accountability in budget implementation, processing of procurement and payments for all goods, works and services have been decentralized from the County Treasury to County departments, and all procurement is done through e-sourcing.
64. The County has institutionalized project management by setting up monitoring and evaluation (M&E) committees which are tracking the implementation of development projects and programs from the county level to the ward and the lowest devolved unit. It will further continue to support the activities of the Sub-County M&E Committees, operationalize the County M&E Committee (COMEC) and implement the County M&E bill to promote efficient and effective investment and monitoring and evaluation of programmes and projects.
65. There shall be an asset management and disposal policy which will ensure that all assets acquired are recorded in an asset register and disposed appropriately upon expiry. Meanwhile the County Transport and Administration policy shall ensure seamless management of the existing vehicles and minimize attendant wastage.
66. The County shall institutionalize performance management system to ensure effective and efficient service delivery to the county residents and beyond through the Performance Contracting and performance appraisal system that will further be linked to the Electronic Monitoring and Evaluation System (e-CIMES).
67. Several members of the County Audit Committee have their terms ended. The County will prioritize reconstituting the County Audit Committee. The committee shall support the County in ensuring that external and internal audit recommendations are fully addressed.

SECTION IV: MEDIUM TERM EXPENDITURE FRAMEWORK

Resource Envelope

69. The total budget for the 2023/24 is estimated at Kes. 8,869,497,864.86 comprised of Kes. 6,790,702,542.00 equitable shares of revenue raised nationally, Kes 872,986,320 conditional allocations and projected local revenue collection of kes. 96,630,600.00. These figures are as provided for in the 2023 National Budget Policy Statement (BPS), the Division of Revenue Act 2023, County Allocations of Revenue Act 2023, and County Governments Additional Allocations Act 2023. The resource envelope include a balance brought forward from the 2022/23 budget considering the challenges in delays in exchequer releases and delays in procuring projects, Conditional grants and County own source revenue.

Spending Priorities

70. The County Government endeavors to invest more resources in five strategic areas during the FY 2023/2024:

- a. Investing in Urban Planning and Climate-Proof Infrastructure Development
- b. Investing in accessible and quality education.
- c. Investing in quality and accessible healthcare.
- d. Investing in modern and commercially-oriented Agriculture.
- e. Investing in good governance.

71. While all sectors will be allocated adequate resources to enable them enhance the provision of services, the County shall allocate more resources to the social sectors and in sectors that will unlock economic and financial opportunities. Water and health sectors. The county will also invest more on education, agriculture and infrastructure (Roads, Transport, Public Works, Housing and Urbanization, Lands and Physical Planning, and Hola Municipality).

Medium Term Expenditure Estimates

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

recurrent expenditure ceilings are based on the wage bill and requisite operations and maintenance budgets from the previous years. The development expenditure ceilings on the other hand are informed by the priorities identified for the FY 2023/24 and the medium term. These also considered ongoing projects that must be completed to achieve their desired outcomes.

73. The table below provides the projected baseline ceilings for the 2023/24 MTEF, classified by County Department.

Table 5: Medium Term Expenditure Ceilings 2023/24 to 2025/26

| Department/ Sector | Classification | Final Approved Estimates | Ceilings Proposed Estimates | Projections Proposed Estimates | Projections Proposed Estimates |
|--|-------------------|--------------------------|-----------------------------|--------------------------------|--------------------------------|
| | | 2022/2023 | 2023/24 | 2024/25 | 2025/26 |
| County Assembly | Sub-Total | 1,113,396,751 | 1,008,437,752 | 1,058,859,640 | 1,111,802,622 |
| | <i>Rec</i> | <i>788,396,751</i> | <i>677,653,972</i> | <i>711,536,671</i> | <i>747,113,504</i> |
| | PE Gross | 281,497,887 | 281,497,887 | 295,572,781 | 310,351,420 |
| | OM Gross | 506,898,864 | 396,156,085 | 415,963,889 | 436,762,084 |
| | <i>Dev. Gross</i> | <i>325,000,000</i> | <i>330,783,780</i> | 347,322,969 | 364,689,117 |
| Office of the Governor and the Deputy Governor | Sub-Total | 451,768,101 | 436,641,663 | 458,473,746 | 481,397,433 |
| | <i>Rec</i> | <i>451,768,101</i> | <i>436,641,663</i> | <i>458,473,746</i> | <i>481,397,433</i> |
| | PE Gross | 113,270,911 | 113,270,911 | 118,934,457 | 124,881,179 |
| | OM Gross | 338,497,190 | 323,370,752 | 339,539,290 | 356,516,254 |
| | Dev. Gross | 0 | 0 | 0 | 0 |
| Finance and Economic Planning | Sub-Total | 1,111,029,449 | 1,108,674,422 | 1,164,108,143 | 1,222,313,550 |
| | <i>Rec</i> | <i>644,583,051</i> | <i>462,720,203</i> | <i>485,856,213</i> | <i>510,149,024</i> |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 644,583,051 | 462,720,203 | 485,856,213 | 510,149,024 |
| | Dev. Gross | <i>466,446,398</i> | <i>645,954,219</i> | 678,251,930 | <i>712,164,526</i> |
| County Public Service Board | Sub-Total | 73,355,104 | 73,355,104 | 77,022,859 | 80,874,002 |
| | <i>Rec</i> | <i>73,355,104</i> | <i>73,355,104</i> | <i>77,022,859</i> | <i>80,874,002</i> |
| | PE Gross | 41,819,570 | 41,819,570 | 43,910,549 | 46,106,076 |
| | OM Gross | 31,535,534 | 31,535,534 | 33,112,311 | 34,767,926 |
| | Dev. Gross | 0 | 0 | 0 | 0 |
| Trade, Tourism & Wildlife, and Cooperative Development | Sub-Total | 105,599,698 | 215,599,698 | 226,379,683 | 237,698,667 |
| | <i>Rec</i> | <i>33,599,698</i> | <i>83,599,698</i> | <i>87,779,683</i> | <i>92,168,667</i> |

| Department/ Sector | Classification | Final Approved Estimates | Ceilings Proposed Estimates | Projections Proposed Estimates | Projections Proposed Estimates |
|---|------------------|--------------------------|-----------------------------|--------------------------------|--------------------------------|
| | | 2022/2023 | 2023/24 | 2024/25 | 2025/26 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 33,599,698 | 83,599,698 | 87,779,683 | 92,168,667 |
| | Dev. Gross | 72,000,000 | 132,000,000 | 138,600,000 | 145,530,000 |
| Agriculture, Livestock, Fisheries and Veterinary Services | Sub-Total | 460,028,180 | 1,114,127,611 | 1,169,833,992 | 1,228,325,691 |
| | Rec | 155,152,784 | 178,425,154 | 187,346,412 | 196,713,732 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 155,152,784 | 178,425,154 | 187,346,412 | 196,713,732 |
| | Dev. Gross | 304,875,396 | 935,702,457 | 982,487,580 | 1,031,611,959 |
| Youth, Sports, Gender, Culture and Social Services | Sub-Total | 84,683,447 | 102,683,447 | 107,817,619 | 113,208,500 |
| | Rec | 47,683,447 | 52,683,447 | 55,317,619 | 58,083,500 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 47,683,447 | 52,683,447 | 55,317,619 | 58,083,500 |
| | Dev. Gross | 37,000,000 | 50,000,000 | 52,500,000 | 55,125,000 |
| Education and Vocational Training | Sub-Total | 297,650,656 | 439,302,116 | 461,267,222 | 484,330,583 |
| | Rec | 194,650,656 | 240,766,669 | 252,805,002 | 265,445,253 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 194,650,656 | 240,766,669 | 252,805,002 | 265,445,253 |
| | Dev. Gross | 103,000,000 | 198,535,447 | 208,462,219 | 218,885,330 |
| Medical Services, Public Health and Sanitation | Sub-Total | 1,351,679,110 | 1,439,761,277 | 1,511,749,341 | 1,587,336,808 |
| | Rec | 1,181,679,110 | 1,197,561,277 | 1,257,439,341 | 1,320,311,308 |
| | PE Gross | 877,829,437 | 877,829,437 | 921,720,909 | 967,806,954 |
| | OM Gross | 303,849,673 | 319,731,840 | 335,718,432 | 352,504,354 |
| | Dev. Gross | 170,000,000 | 242,200,000 | 254,310,000 | 267,025,500 |

| Department/ Sector | Classification | Final Approved Estimates | Ceilings Proposed Estimates | Projections Proposed Estimates | Projections Proposed Estimates |
|---|------------------|--------------------------|-----------------------------|--------------------------------|--------------------------------|
| | | 2022/2023 | 2023/24 | 2024/25 | 2025/26 |
| Special Programmes | Sub-Total | 144,797,767 | 150,234,635 | 157,746,367 | 165,633,685 |
| | Rec | 144,797,767 | 150,234,635 | 157,746,367 | 165,633,685 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 144,797,767 | 150,234,635 | 157,746,367 | 165,633,685 |
| | Dev. Gross | 0 | 0 | 0 | 0 |
| Roads, Transport, Public Works, Housing and Urban Development | Sub-Total | 605,471,095 | 693,771,095 | 728,459,650 | 764,882,632 |
| | Rec | 67,988,739 | 67,988,739 | 71,388,176 | 74,957,585 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 67,988,739 | 67,988,739 | 71,388,176 | 74,957,585 |
| | Dev. Gross | 537,482,356 | 625,782,356 | 657,071,474 | 689,925,047 |
| Water, Irrigation, Environment and Natural Resources | Sub-Total | 520,921,037 | 414,547,278 | 435,274,642 | 457,038,374 |
| | Rec | 119,421,037 | 115,047,278 | 120,799,642 | 126,839,624 |
| | PE Gross | 0 | 0 | 0 | 0 |
| | OM Gross | 119,421,037 | 115,047,278 | 120,799,642 | 126,839,624 |
| | Dev. Gross | 401,500,000 | 299,500,000 | 314,475,000 | 330,198,750 |
| Public Service, Administration, and Citizen Participation | Sub-Total | 1,519,926,960 | 1,452,318,017 | 1,524,933,918 | 1,601,180,614 |
| | Rec | 1,474,926,960 | 1,402,318,017 | 1,472,433,918 | 1,546,055,614 |
| | PE Gross | 1,050,570,387 | 1,071,961,444 | 1,125,559,516 | 1,181,837,492 |
| | OM Gross | 424,356,573 | 330,356,573 | 346,874,402 | 364,218,122 |
| | Dev. Gross | 45,000,000 | 50,000,000 | 52,500,000 | 55,125,000 |
| Lands and Physical Planning | Sub-Total | 64,446,562 | 133,593,750 | 140,273,438 | 147,287,109 |
| | Rec | 34,446,562 | 39,593,750 | 41,573,438 | 43,652,109 |
| | PE Gross | 0 | 0 | 0 | 0 |

| Department/ Sector | Classification | Final Approved Estimates | Ceilings Proposed Estimates | Projections Proposed Estimates | Projections Proposed Estimates |
|-------------------------|------------------|--------------------------|-----------------------------|--------------------------------|--------------------------------|
| | | 2022/2023 | 2023/24 | 2024/25 | 2025/26 |
| | OM Gross | 34,446,562 | 39,593,750 | 41,573,438 | 43,652,109 |
| | Dev. Gross | 30,000,000 | 94,000,000 | 98,700,000 | 103,635,000 |
| | Sub-Total | 36,450,000 | 86,450,000 | 90,772,500 | 95,311,125 |
| Hola Municipality | Rec. | 36,450,000 | 36,450,000 | 38,272,500 | 40,186,125 |
| | PE Gross | 21,660,000 | 21,660,000 | 22,743,000 | 23,880,150 |
| | OM Gross | 14,790,000 | 14,790,000 | 15,529,500 | 16,305,975 |
| | Dev. Gross | 0 | 50,000,000 | 52,500,000 | 55,125,000 |
| | | | | 0 | 0 |
| TOTAL | Rec | 5,448,899,767 | 5,215,039,606 | 5,475,791,586 | 5,749,581,166 |
| | PE Gross | 2,386,648,192 | 2,408,039,249 | 2,528,441,211 | 2,654,863,272 |
| | OM Gross | 3,062,251,575 | 2,807,000,357 | 2,947,350,375 | 3,094,717,894 |
| | Dev. Gross | 2,492,304,150 | 3,654,458,259 | 3,837,181,172 | 4,029,040,231 |
| Total Resource Envelope | Total | 7,941,203,917 | 8,869,497,865 | 9,312,972,758 | 9,778,621,396 |

NB: All the personnel emoluments (PE) for all County Departments have been consolidated to the Department of Public Service Management, Administration and ICT. This is except for the County Assembly, Office of the Governor, County Public Service Board, Department of Health and Hola Municipality.

Finalization of Spending Plans

74. These estimates take into consideration the estimates contained in the draft 2023 National Budget Policy Statement (BPS). However, these revenue estimates shall be firmed up when the County Allocation of Revenue Act (CARA) and other county policy statements are approved. However, in case of any additional resources the county shall invest in programs and projects that are geared towards urbanization, quality and affordable health care, quality and accessible education, food security, poverty reduction and employment creation which are in line with the FY 2023/24 budget theme.

Details of Sector Priorities

75. Sector priorities have taken into account priorities of the Third-Generation County Integrated Development Plan (CIDP III) and broad strategic priorities of Kenya vision 2030. Sectors, through the Sector Working groups reviewed their performances and put forward their financial plans taking into consideration the reality of scarce and the need to ensure optimal allocation of resources with efficiency, economy and effectiveness. The details of the sector priorities are explained as follows:

Table 6: Sector Mandates, Key Achievements, Medium Term Plans and Resource Usage

| OFFICE OF THE GOVERNOR | |
|------------------------------------|--|
| Department's Mandate | To Ensure citizen centric service delivery through public participation for social transformation, enhance departmental capacity and conducive work environment for quality service delivery as well as leverage ICT infrastructure and services for quality service delivery and special programs. |
| Key Achievements of the Department | Established and/or strengthened strategic partnerships; peace structures within the county and with other counties operational; |
| Department's Medium-Term Plans | Documentation and publication of county government achievements; identification and mapping of county strengths and resources; maintenance of law and order and reduce conflicts within the county; foster partnerships with the national government ministries, departments and agencies, and development partners for improved governance and resource mobilization; provide policy and legal support; coordination of intra-county and inter-county peace structures; spearheading improvements in public service delivery; conduct campaigns against female genital mutilation; operationalization of county |

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| | | coordination unit; develop policy guidelines on partnerships and linkages negotiations. |
| Department's Resource Usage | | Recurrent – Kshs. 436,641,663; Development – Nil; 0 Total – Kshs. 436,641,663 |
| FINANCE AND ECONOMIC PLANNING | | |
| Department's Mandate | | This sub-sector is mandated to provide overall policy, leadership, and oversight in economic and devolution management to the county, public service delivery and resource mobilization. It further coordinates county policy formulation, implementation as well as facilitating the tracking of the implementation of county programmes. The sub-sector prepares annual estimates of revenues and expenditures laid before the County Assembly for approval including the preparation of supplementary estimates as and when the need arises. Further, the sub-sector ensures proper monitoring of all programmes and projects to ensure goals and objectives are achieved as initially planned. It is also responsible for policy analysis on a wide range of issues including: fiscal issues, trade issues and private sector development issues. In addition, the department ensures that external resources (grants, loans, donations) are effectively mobilized, disbursed and efficiently utilized and that there is prudent public debt management. |
| Key Achievements of the Department | | The key achievements of the department include Formulation of economic plans and policies: In the process of preparing the 3rd generation CIDP (2023 – 2027), prepared FY 22/23 ADP; Preparation of budget policies and management of the budget cycle: Facilitated the issuance of budget circular for the preparation of FY 22/23 and FY 23/24 Budget and implementation of FY 21/22 and FY 22/23 Budgets. Prepared the 2022 CBROP, 2022 CFSP and draft and final Budget Estimates for the FY 22/23 Budget Estimates, Strengthening of the County Integrated Monitoring and Evaluation System (CIMES): Participated in the 10th National M&E Week where the County made a presentation and received several awards: Involvement of the Tana River CBEF to facilitate consultation with the public. |
| Department's Medium-Term Plans | | Formulation of economic plans and policies: FY 24/25 ADP. Preparation of budget policies and management of the budget cycle: Issuance of budget circulars, preparation of 2023 CBROP and 2024 CFSP, preparation of FY 24/25 draft and final Budget Estimates. Strengthening of the County Integrated Monitoring and Evaluation System (CIMES): Facilitation of activities of Ward and Sector M&E Committees; Operationalization of County-level M&E committees; and Training and capacity building for M&E. Reporting: Preparation of quarterly and annual reports on budget implementation and project/workplan progress: Statistics |

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| | management: Preparation of County Statistical Abstract 2024: Induction of the new CBEF |
| Department's Resource Usage | Recurrent – Kshs. 462,720,203; Development – Kshs. 645,954,219; Total – Kshs. 1,108,674,422. |
| COUNTY PUBLIC SERVICE BOARD | |
| Department's mandate | The functions of the Board are enshrined in section 59 of the County Government Act, 2012 and are: Establish and abolish offices in the county public service; Appoint persons to hold or act in offices of the county public service including in the Boards of cities and urban areas within the county and to confirm appointments; exercise disciplinary control over, and remove, persons holding or acting in those offices ; prepare regular reports for submission to the county assembly on the execution of the functions of the Board; Promote in the county public service the values and principles; Evaluate and report to the county assembly on the extent to which the values and principles are complied with in the county public service; Facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties; Advise the county government on human resource management and development; advise county government on implementation and monitoring of the national performance management system in counties; and make recommendations to the Salaries and Remuneration Commission, on behalf of the county government, on the remuneration, pensions and gratuities for county public service employees. |
| Key departmental achievements | The Board developed an E-recruitment portal to facilitate recruitment process and minimize paperwork. Developed the rewards and sanctions policy which is awaiting approval before implementation. Engaged stakeholders in the development of staff establishment and organization structure which is at an advanced stage. Finally in the year under review, the Board did timely submission of reports to Constitutional bodies i.e. County Assembly, EACC, NCIC. |
| Department's medium-term plans | Finalization and launching of staff establishment and organization structure for the County Government of Tana River. Conduct Human Resource audits for the county. Training of disciplinary committee and sensitization of staff on discipline and disciplinary procedures. Construction of County Public Service Board offices with a view of shifting from rented premises to government owned. Procurement of a standby generator for County Public Service Board offices to minimize power interruptions. |
| Department's resource usage | Recurrent –Kshs. 73,355,104; Development – Kshs.Nil ; Total – Kshs. 73,355,104 |

| TRADE, TOURISM AND INDUSTRY | |
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| Department's mandate | Promotion and development of trade, markets; Trade Licensing and Business Regulation; Formation and Profiling of Producer Business Groups (PBGs); Financial support to the Micro, Small and Medium Enterprises (MSMEs); Promotion, Registration, supervision, inspection and auditing of cooperative societies; Capacity building, value addition and entrepreneurship; Promotion of fair trade practices and consumer protection; Advising on taxation, Fraud Risk management and governance in the co-operative sector; Promotion of Micro, Small (Jua Kali) and cottage industries; Promotion of investments and industrial development; Promotion of Industrial parks; Promotion of technological transfer; Resource mapping, profiling and data collection in all the sectors; Profiling and development of tourism products (tourist, cultural and heritage) and services in the county; Marketing and product development in the County within the entire sector; Verification and stamping of weighing and measuring instruments for use for trade in the county |
| Key departmental achievements | Operationalization of Inuka Fund and subsequent disbursement of a total of about Ksh 37M to SMEs; Development of the Draft policy on Trade and Investment; Development of the Tourism Policy; Conducted cultural festival; Tourism extravaganza during the JABEIC Conference; Conducted a stakeholder Forum; Assessment and classification on hospitality facilities; Capacity building of hospitality players; Exposure tours of community conservancies to Samburu and Isiolo; Registered 4 new cooperative societies; Revived 5 cooperative societies; Conducted 4 Audit and Inspection of Cooperative Societies |
| Department's medium-term plans | Strengthening consumer protection and fair trade; Product diversification and competitiveness; Enhance market infrastructure; Enhance visibility; Enhance cooperative education and training among members; Sensitize existing coops to borrow and embrace the bottom up economic model |
| Department's resource usage | Recurrent – Kshs. 83,599,698; Development –132,000,000; Total – Kshs. 215,599,698. |
| AGRICULTURE, LIVESTOCK, FISHERIES AND VETERINARY SERVICES | |
| Department's Mandate | To attain food security, and sustainable agricultural infrastructure development, improve agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential and sustainable management of resources in the sector. To promote, regulate and facilitate livestock production for socioeconomic development and industrialization. To provide and facilitate efficient veterinary services for production of safe and high-quality animals, animal products and |

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| | | by-products and promote trade and industrial growth in a sustainable environment. Promotion of competitive innovative, sustainable fisheries development, and equitable distribution of resources to improve livelihood. |
| Key Achievements of the Department | | The county government through the department of livestock has constructed 3 modern livestock markets at Titila, Asako; Two strategic livestock feed reserve have been established at Madogo livestock office and Hola County Livestock Office constructed by ADS Pwani a major development partner in the Livestock Sector; constructed 5 crushes across the county; Capacity building Hygiene. Fish handling, Value addition, financial management; Developed data collection tools- BMUs chairs and county extension officers; Deterrence patrols-impound illegal gears-Kipin and Ozi BMUs; Review of by-laws (Ozi and Chara BMUs); Land preparation through ploughing, harrowing and ridging across the county-5,100 acres; Training of lead farmers on Good Agricultural Practices (GAPS) in Tana North-40 groups; Training of farmer Trainers of Trainers on Participatory Rangeland Management (PRM) in Tana North-36; Training of 30 farmer ToTs on (CSA) Climate Smart Agriculture, post-harvest handling; Baseline survey on floods impact on community in 5 villages; Construction of a store at Minjila agriculture office premises for storing seeds and other inputs. |
| Department's Term Plans | Medium- | Promotion of livestock sales; Develop Livestock Markets (market at Mandingo); Livestock Production Extension Services; Beekeeping Apiary Establishment; Poultry improvement; Veterinary infrastructure; Veterinary services; Fingerlings provision/production; Capacity building staff; Increase fish productivity; Promote socio-economic development through fisheries development; Increasing resilience of the community to cope with frequent and prolonged drought |
| Department's Usage | Resource | Recurrent –Kshs. 178,425,154; Development – Kshs. 935,702,457; Total – Kshs. 1,114,127,611. |
| YOUTH, SPORTS, GENDER, CULTURE AND SOCIAL SERVICES | | |
| Department's mandate | | To provide social welfare services and disability Mainstreaming, youth development, gender and community services, promote, develop and preserve culture, provide library and information services, rescue and rehabilitate, Orphans and Vulnerable Children and Care for the Abandoned aged. |
| Key departmental achievements | | Conducted 2 culture, arts and heritage exchange visits; Participated PWDs sports competition; Youth empowerment centre operationalized; Constructed 3 sports playgrounds; Youth Policy developed and launched; 6 International days observed; 10 stakeholders training were conducted for women, PWDs, children, elderly and widows. |

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| Department's medium-term plans | Sports promotion and improvement; Operationalization of the Garsen Cultural Centre; County social protection safety net programmes; Sensitization youth on AGPO and drug substance abuse, sexual reproductive health, harmful cultural practices (FGM) |
| Department's resource usage | Recurrent –Kshs. 52,683,447; Development – Kshs. 50,000,000; Total – Kshs. 102,683,447. |
| EDUCATION AND VOCATIONAL TRAINING | |
| Department's Mandate | To provide quality and basic education foundation for the young children; develop technical skills and know-how in youth for self-reliance; identify, develop and nurture sports talents in youth and children to enhance socio economic prosperity and cohesion. |
| Key Achievements of the Department | Construction of twin workshops at Kipini and Garsen VTC for PWD, construction of computer lab at Madogo VTC, connection and supply of electricity at Madogo, upgrading of Hola VTC through construction of multipurpose hall and renovation of dilapidated buildings. In addition the county was able to purchase tools and equipment for 4 VTCs, release capitation grants to all registered centers, capacity build instructors and finally employment of 11 instructors for various courses. Disbursement of county bursary fund of ksh154,500,000/= to cater for needy students. Completion of construction projects across the county. Capacity building of 504 ECDE teachers, employment and Absorption of 132 ECDE teachers to permanent and pensionable terms. |
| Department's Medium-Term Plans | Completion of ongoing projects, payment of existing pending bills, Release of trainees' capitation grant to VTC centers. Rehabilitation of vocational training centers through capitation grant. Refurbishment and improvement of dilapidated institutions. Purchase of tools and equipment. Capacity building of VTC instructors. Conduct graduation, exhibition, VTC sports, industrial attachment, publicity and enrollment. Monitoring and evaluation. Completion of ongoing projects, payment of existing pending bills, continuous provision of education bursary. Refurbishment and improvement of dilapidated centers. Supply of computer and accessories. Capacity building of ECDE caretakers. Supply of ECD furniture, supply of ECDE food, learning and play materials. Monitoring and evaluation. |
| Department's Resource Usage | Recurrent –Kshs. 240,766,669; Development – Kshs. 198,535,447; Total – Kshs. 439,302,116. |
| HEALTH | |
| Department's Mandate | To support the attainment of the highest attainable medical care and sanitation services that will improve lives of the Tana River County population at all levels of health care delivery This will be |

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| | | achieved through efforts to eliminate communicable diseases, lessen the burden of communicable diseases, reducing the burden of violence and injuries, and minimize exposure to health risk factors while strengthening collaboration with public and private sectors. |
| Key Achievements of the Department | | There was increased access to quality health care through recruitment of health workers such as nurses and doctors thereby improving the nurse to patient and doctor to patient ratio to 1:1609 and 1: 13944 respectively. Further, the county renovated some health infrastructure and acquired additional ambulances to ensure quality healthcare is easily accessed by all. One more surgical theatre was operationalized. Thus there was significant change in key health indicators for example infant mortality rate reduced to 48/1000; maternal mortality rate to 536/100000; and child mortality rate to 77/1000. The life expectancy increased to 56.2 for male and 58.6 for females. |
| Department's Term Plans | Medium | Health Infrastructure Improvement; Universal Health Coverage; Establish a fully-fledged emergency referral and operation system; Health ICT; Health technologies and products (HPTs); Human Resource for Health (HRH); Health budget performance; |
| Department's Usage | Resource | Recurrent –Kshs. 1,197,561,277; Development – Kshs. 242,200,000; Total – Kshs. 1,439,761,277. |
| COHESION AND SPECIAL PROGRAMS | | |
| Department's Mandate | | Establish sustainable disaster risk management systems and processes aimed at building institutional and community resilience for a safer, secure and cohesive County. |
| Key Achievements of the Department | | Fully operationalization of the DRM fund; Ward DRM forums training on PICD (Participatory Disaster Risk Assessment) where each ward developed a disaster Action plan; Integration of ward action plans into the 3rd Generation CIDP; Trained stakeholders on development of a disaster management information system by developing DRM database that will be hosted at the county website in partnership with WFP; Supported the drilling and equipping of Lakole borehole in Wayu Ward; Supported solarization of a borehole in Madogo slaughter house; Supported repairs and maintenance of Mororo water pipeline system |
| Department's Term Plans | Medium | Enhancing Understanding of Disaster Risks in the County; Strengthening Disaster Risk Governance; Investing in Disaster Risk Reduction for Resilience; Enhance Disaster Preparedness for Effective Response, Recovery, Rehabilitation and Reconstruction |
| Department's Usage | Resource | Recurrent –Kshs. 150,234,635; Development - Nil; Total – Kshs. 150,234,635. |
| ROADS, TRANSPORT, PUBLIC WORKS, HOUSING AND URBANIZATION | | |
| Department's mandate | | To provide, supervise and oversee the infrastructural development in the county, transport and related services for sustainable economic growth. |

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| Key departmental achievements | Construction of Fire station in Dayate; Upgrading of Bura township road network to bitumen standard; Deployment of fire engines to urban areas across the county; Progress of construction of County Headquarters in Dayate moved from 60% to 85% completion; Completion of Handampia cluster cabro road (9km); Establishment of Hola Municipality Board; Completion of Hola Storm Water Drainage (phase 1); Conducted Roadwork Surveys and completed preparation of BoQs for FY 2022/23 capital projects from across departments; Development of an e-recruitment portal for County Public Service Board. |
| Department's medium-term plans | Grading, murraming and tarmacking of roads across the county; Construction of bridges in flood prone areas; Continuous maintenance of road networks to motorable standards; Purchase of hardware and software infrastructure Establishment of ICT resource centres; Maintenance and rehabilitation of government structures (residential and non residential buildings); Ensuring continued uptake of climate proof infrastructure development through supervision and enforcement of building regulations in construction works across the county in both the private and public sector. |
| Department's resource usage | Recurrent –Kshs. 67,988,739; Development – Kshs. 625,782,356; Total – Kshs. 693,771,095. |
| WATER, ENERGY AND NATURAL RESOURCES; AND ENVIRONMENT AND CLIMATE CHANGE | |
| Department's Mandate | To proactively provide efficient clean and safe water supply services, environmental protection and natural resources management services sustainably for the people of Tana River. |
| Key Achievements of the Department | Support community forest association in the development of their plan; Education and Awareness on the importance of environmental conservation; County Waste management act 2021; conducted Clean up Campaigns; planted trees in 30 institutions. |
| Department's Medium-Term Plans | Climate Change Mitigation and Adaptation; Solid Waste Management; Biodiversity Conservation; Forestry Extension |
| Department's Resource Usage | Recurrent –Kshs. 115,047,278; Development – Kshs. 299,500,000; Total – Kshs. 414,547,278. |
| PUBLIC SERVICE MANAGEMENT, ADMINISTRATION AND ICT | |
| Department's mandate | The main mandate of the department is coordination of county public services up to the grass root levels as per the county government act. It is also responsible for efficient and effective management of county public service as well as ensuring compliance and enforcement of the county laws, policies and regulations. It coordinates the human resource management and development, civic education, public participation and implementation of performance management in the county public service. |

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| Key departmental achievements | <p>The Human Resources directorate: Signing of 3rd cycle of PC (for FY 22/23); Confirmation of 278 staff and Promotion of 362 staff across all county departments; Recruitment of new staff for about 100 posts; Sensitization on NCDs for all the staff.</p> <p>The Administration directorate; Confirmation of enforcement officers and admission into permanent and pensionable; Promotion on common cadre; Purchase of uniforms and other fittings; Security of buildings and other government assets; Enforcement of county by-laws; Promotion & coordination of government activities; Conducting of public participation & Baraza's; Construction of 8 ward offices; Development of departmental strategic plan & service charter</p> |
| Department's medium-term plans | <p>Protection of County premises, assets and critical Installations; Enhancement of Inspectorate and Enforcement services; Promoting peaceful coexistence and building capacity to Counter Violent Extremism; County public participation Act, 2017 to be reviewed & implemented; County Service Delivery Co-ordination Act, 2016 to be reviewed & implemented; Solicit for funding from government or donor partner.</p> |
| Department's resource usage | <p>Recurrent –Kshs. 1,402,318,017; Development – Kshs. 50,000,000; Total – Kshs. 1,452,318,017</p> |
| LANDS AND PHYSICAL PLANNING | |
| Department's Mandate | <p>To ensure sustainable management of land in the county; Improvement of livelihood to the people through efficient administration equitable access and sustainable management of land</p> |
| Key Achievements of the Department | <p>The sub sector has made strides in the development of the County Spatial Plan, Town Planning and formation of clusters to spur development and resettlement in line with the overall theme of the 2020, 2021 and 2022 CFSP of Embracing Urbanization for Accelerated socioeconomic development. In the financial year 2021/2022 the department achieved the following: Preparation of the framework for delivering the County Spatial Plan, Acquisition of Survey and Planning equipment, Planning of Clusters as a Floods mitigation measure, Organize Land Clinics, Enhanced Sensitization of Land Matters through electronic and print media, Identifying and mapping of key urban areas and settlements, Training of technical staff of utilization of G.I.S, Proper record keeping.</p> |
| Department's Medium-Term Plans | <p>Community land registration; Formalization of existing settlements; Survey and titling of 6 urban centres; Completion Hola Municipal Spatial Plan; Completion of county spatial plan; Preparation of local physical development plans for kipini, Garsen, Bura, Madogo, Hurara; Preparation of Take, Titila,</p> |

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| | | Charidende, Tarassa, Oda and Golbant clusters local physical Development plans. |
| Department's Usage | Resource | Recurrent –Kshs. 39,593,750; Development – Kshs. 94,000,000; Total – Kshs. 133,593,750. |
| HOLA MUNICIPALITY | | |
| Department's Mandate | | Promotion, regulation and provision of refuse collection and solid waste management services. Provision of water and sanitation services and infrastructure in areas within the municipality and construction and maintenance of roads and associated infrastructure within the municipality. |
| Key Achievements of the Department | | Establishment of Hola Municipality Board; Completion of Hola Storm Water Drainage (phase 1); |
| Department's Term Plans | Medium- | Storm water drainage phase IV; Fencing of disposal sites; Establishment of recreational parks; Establishment of sewage treatment plant |
| Department's Usage | Resource | Recurrent – Kshs. 36,450,000; Development – Kshs. 50,000,000; Total – Kshs. 86,450,000. |

Conclusion

76. The County Government of Tana River intends to continue in the consolidation of devolution gains to sustain socio-economic development. In order to achieve this, in FY 2023/24, the County shall invest across the following strategic priorities: decisive investment in the in the social sectors to reduce the cost of living at household level, decisive investment in sectors that will unlock economic and financial opportunities, completion of ongoing projects by settling pending bills, and Monitoring and Evaluation.

77. However, to achieve these strategic objectives there is need for rigorous mobilization of county own source revenue (OSR), avoidance wasteful expenditure and living within our means through implementation of austerity measures as well as adhering to National Treasury directives on distribution and disbursement of conditional grants.