COUNTY GOVERNMENT OF TANA RIVER

COUNTY FISCAL STRATEGY PAPER

AUGUST 2017

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This is the Fourth Tana River County Fiscal Strategy Paper (CFSP) under the devolved governance structure. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2016/2017 budget estimates and over the medium term.

This paper is prepared in accordance with the provisions set out in section 117 of PFM Act, 2012. It provides expenditure ceilings for county departments, units and agencies and detailed guidelines that aim at structuring the pattern of County Government expenditure towards priority areas. These priorities are set on the basis of review of expenditures in FY 2016/2017, sector proposals, the 2017/2018 annual development plan as well as County Integrated Development Plan 2013-2017.

The paper is aligned with the national objectives in the Budget Policy Statement BPS 2016 in pursuit of the aspirations anchored in the Kenya Vision 2030 roadmap to economic development. The BPS is the national policy document that sets out the broad strategic priorities and policy goals that guides the national government and county governments in preparing their budgets.

This CFSP comes at the close of completion of the first generation of the First County Integrated Development Plan (2013-2017). The preparation of the Second County Integrated Development Plan that will be aligned to fourth Medium Term Plan (MTP IV) of the Kenya Vision 2030 for the period 2018-2022 has commenced with a mid-term review of First County Integrated Development Plan (CIDP) by taking stock of the milestones achieved by the County Government so far and transiting to Second generation CIDP. As such, the policy goals, priority programs and fiscal framework in this CFSP are revised to reflect emerging realities and priorities in the CIDP.

The fiscal framework will ensure sustainable budget deficits and improvement in expenditure management. In particular, we plan to gradually lower our fiscal deficit arising from unmet local revenue targets (by closing the gap by closing loopholes and broaden the tax base), over the medium term. Effort will be made to create partnerships with development partners to provide sufficient room to finance productive expenditure so as to sustain equitable growth.

Further, expenditures will be scrutinized carefully to ensure quality and alignment to the government economic transformation agenda as outlined in the CIDP and strategic interventions of county interests. The Second generation CIDP will mainstream the Sustainable Development Goals (SDGs) based on key thematic areas that include advocacy and awareness creation including gender sensitive planning and budgeting; domesticating and localizing SDGs; capacity building; mainstream Ending Drought Emergencies (EDE) Common Program Framework (CPF); stakeholder mapping and engagement; monitoring and reporting, and resource mobilization.

This being the fourth CFSP since the onset of devolved structure of governance in Kenya, tremendous achievements have been realized by the County Government from the past investments. These include among others: improved infrastructure particularly construction of 15km Hola town roads to bitumen standard which is 98 percent complete, construction of the Governor’s residence, opening up of over 1,000km of new roads.

The proposals contained in this paper have been subjected to public participation and the views arising thereof incorporated in consistence with the County Government’s policy of improving transparency and accountability. The fiscal data included is indicative and subject to adjustments during the budget preparation if circumstances change.

The policy aims at allocating sufficient recurrent expenditure to support implementation of capital investments to promote sustainable and inclusive growth. Recurrent expenditure has been structured to decrease over time as capital expenditure increase in relative terms over the medium term period. To finance expenditures set out in this paper, the county will continue to maximize revenue collection by strengthening and reforming the revenue collection system already in place and through structural reforms.

I am grateful to the division of Economic Planning and Budgeting, led by Mr. Lennox Chilumo Mbwana, whose self-sacrifice, hard work and invaluable skill in ensuring teamwork led to the timely delivery of the policy paper. I would like also to thank the following for their unwavering support in formulation process of this policy document; Mr. Cornelius Wamukoya, Mr. Arnold Odipo, Mr. Patrick Kyongo, Mr. Charles Njuguna, and Mr. Bonaya Muatwa.

I am also grateful to all County Chief Officers, and County Directors for the valuable information they provided in their respective capacities and for their cooperation. Lastly, I take this opportunity to express my profound gratitude and deep regards to the County Executive Committee led by His Excellency the Governor for exemplary guidance, support and constant encouragement throughout the course of our work.

Said Bakero Hantiro
County Executive Committee Member,
Finance & Economic Planning

ABBREVIATIONS

ADP	Annual Development Plan
BPS	Budget Policy Statement
CARA	County Allocation of Revenue Act
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
GoK	Government of Kenya
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
LED	Local Economic Development
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
SACCOs	Saving and Credit Cooperative Societies

FISCAL RESPONSIBILITY PRINCIPLES FOR THE NATIONAL AND COUNTY GOVERNMENTS

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

(2) 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 revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(d) Over the medium term, the government's borrowings 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 sustainable level as approved by county assembly;

(f) The fiscal risks shall be managed prudently; and

(g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

LEGAL BASIS FOR THE PUBLICATION OF THE COUNTY FISCAL STRATEGY PAPER

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

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.

However, This County Fiscal Strategy Paper was prepared against a revised/restructured calendar by the National Treasury. This is due to the fact that the General Election was scheduled for August 2017. In view of this, the CFSP was prepared based on the aligned County Treasury's calendar for preparation of the FY 2017/2018 and the Medium Term to avoid delays that could arise from election related activities.

The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.

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

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

a) The Commission on Revenue Allocation;
b) The public;
c) Any interested persons or groups; and

d) Any other forum that is established by legislation.

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.

The County Treasury shall consider any recommendations made by the County Assembly when finalising the budget proposal for the financial year concerned.

The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.0 INTRODUCTION

1.1 Overview

1. This County Fiscal Strategy Paper (CFSP), the fourth since devolution, continues to implement programmes set out in our County Integrated Development Plan. It has outlined the broad strategic developmental issues and the fiscal framework, as well as a summary of county government spending plans that forms the basis of 2017/2018 FY budget and over the medium-term. This policy paper is informed by the Tana River County Integrated Development Plan (CIDP), the annual development plan, the Kenya Vision 2030, the governor's manifesto, feedback from members of the public and National Government policies as outlined in the November 2016 Budget Policy Statement (BPS).

2. It captures some of the challenges and milestones that the County has gone through so far as we spell out the policies/programmes to be implemented in the FY 2017/2018 and the medium term. These include;

    - Internal revenue collection has continued to plummet in the absence of automation of the revenue collection system and other austerity measures.

    - The implementation of programs under this CFSP will promote sound public financial and economic management for socio-economic development, industrial and entrepreneurship development in order to attract more investors and create employment opportunities for the residents of Tana River County. This CFSP, therefore, highlights the government's priority programs and structural reform measures to be implemented in the Medium Term 2017/2018-2018/19 with an aim of moving the County to the next level of development.

3. The County has continued to face both internal and external challenges as it implements its set policies and programmes. As a way forward the County government has come up with some measures to address these challenges, strengthen resistance to shocks and nurture growth that opens economic opportunities and provides a better future for all the residents of Tana River. The County government, therefore, is focusing on programs to improve public finance management and governance; entrepreneurship development, promoting/facilitating trade and employment creation; improving agricultural performance; County infrastructure development; and improving social services especially, health, water and education.

1.2 Improving Public Finance Management and Governance

4. For socio-economic development to be realized institutional renewal and strengthening is critical since it promotes efficiency and productivity gains. Additional measures are required to avoid eroding these gains and to further entrench good governance and good public finance management at all levels within the County.

5. In this regard, there are programmes outlined in this CFSP for FY 2017/2018 and the medium term to advance this agenda.

6. Capacity building initiatives have continued to receive much attention in the County in order to support departments in efficient and effective implementation of projects. This will be done through the Finance and Economic Planning Department in collaboration with the National Government through the Kenya Devolution Support Programme (KDSP), where Kshs. 41,095,762 is set for this initiative. The training will include areas of programme based budgeting, MTEF, monitoring and evaluation among others.

7. Timely financial reporting and publication of relevant documents as required by PFM laws will be prepared by the department to enhance transparency and accountability.

Revenue Reforms

8. The County has continued to enhance revenue collection capacity with an aim of tapping and generate more revenues. The County intends to continue with reforms that will ensure that all loopholes that may leak revenues are sealed and that all fees/charges/tax payers are brought on board as required by the County Finance Act, 2016.

9. Mobilization of additional revenue by strengthening enforcement and completion of administrative reforms including the automation of systems and expansion of the revenue base to net in property rates and consolidation of revenues for ease of administration and collection has continued to be key focus in the fourth CFSP. In line with existing best practices, the County will focus on land rates, gypsum cess fees, single business permits, cess fees and tender fees and other potential revenue streams to finance its activities and provide services. It is envisaged that the local resource base will be very wide with relatively low rates creating a large potential for revenue across functional sectors and sub-counties. A Revenue enhancement plan will also be developed among other programs in the FY 2017/2018.

Expenditure Management

10. Prudent management of scarce resources for maximum benefit promotes socio-economic development. It entails effective management of expenditure so that programs funded are well implemented and have bigger impact on the intended beneficiaries. This calls for efficiency and effectiveness in public resource utilization and budget execution. In the 2017/2018 FY, the county will entrench program based budget and enforce execution of the development budget as planned; ensure expenditures are as planned ; ensure participatory monitoring and evaluation; preparation of annual procurement plans and adherence to the plans; carry out risk based audit; and rolling out of Institutional risk management framework.

1.3 Entrepreneurship Development, Trade Promotion and Employment Creation

11. The young people define what our world look like in today. The County embarks on implementing programs that will in particular benefit the youth, women, and persons with disability as well as promoting growth of Small and Medium Enterprises (SMEs) which are all priority areas of focus for the government.

12. The rapid growth of the Kenyan population has resulted in fewer opportunities for formal employment in the traditional areas such as the civil service and the formal private sector. The Counties are also required to create employment opportunities for their residents/people. Therefore, emphatic efforts have now been placed on achieving broadbased growth embedded in enhanced agricultural production, encouraging small-scale businesses, relevant and high quality early childhood education, vocational skills development, a flourishing private sector, conducive investment environment and dealing with gender imbalances.

13. The county government initiated and continues to implement measures to achieve entrepreneurship development and employment creation in the FY 2017/2018 and over the medium term. The policy initiatives include; continuing and strengthening the Youth, Women and Persons with disability Fund to gainfully engage the youth; Mapping of empowerment strategies; developing, upgrading and managing of sports facilities; identifying and nurturing talent.

14. As a way of promoting entrepreneurship and trade in the County, the government will be implementing programs to facilitate and improve the operating environment for traders and

entrepreneurs to thrive. Some of the specific programmes to be undertaken in the FY 2017/2018 include: Construction and renovation of markets to improve business environment; Construction of more boda boda sheds; offer Advisory services to entrepreneurs or MSMEs; develop Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres in the County; and Improve operations of the Jua Kali operators among others.

1.4 Improving Agricultural Performance

15. Agriculture plays an important role in the County. However, it is faced with challenges including; inadequate water harvesting and storage; poor infrastructure; high costs and low quality agricultural inputs; inadequate organized marketing structures for agricultural produce; low value addition resulting in low producer prices; erratic and inadequate rainfall; limited use of modern technology; over reliance on rain fed agriculture; vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; among others.

16. The County government has outlined policies to be implemented in the sector in the FY 2017/2018 and the medium term in order to overcome these challenges.

17. County Infrastructure Development/Improvement. Development of Infrastructural facilities is key to development of the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce among others. A number of the strategies and measures to be put in place during the Medium term include maintenance and tarmacking of feeder/access roads, Installation of flood lights, and completion of bus parks and construction of bridges. The specific programmes to be undertaken in the FY 2017/2018 include: rehabilitating/constructing bridges; rehabilitating access roads and completing the construction/conversion of the Bura town roads to bitumen standards.

1.6 Improving Social Services

18. Human capital plays a critical role in ensuring sustainable economic growth and enhanced development. The County is therefore required to impart appropriate skills to its residents to enable them participate fully in development of the County and the Country at large

Education Sector

19. Education is one of the key priorities of the County. Under this sector, the county has managed to construct/ refurbish and equipped ECDE centres; County Bursary fund increased in the same period and were dispersed to needy secondary school and college students. 3 youth polytechnics will be equipped with training tools and equipment.

Health Sector

20. In FY 2016/17, health sector embarked on construction/rehabilitation/ renovation and equipping of new health centres, existing health centres among many other achievements.

21. The strategies and measures to be pursued in the medium term include: renovation and equipping of Hola level 4 hospital (upgrading to level 5), new health centres, upgrading, equipping and staffing of some existing health centres; purchase of medical and dental equipment; purchase of laboratory equipment; and purchase of generators.

ICT & Energy

22. The County intends to put strategies and measures in the Medium term in order to achieve the sector targets. These include: increase the usage of ICT by county departments, integration of ICT in all county operations.

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENT

23. This section provides an update of the economic performance and emerging issues likely to affect the outcome of national and county development goal.

24. The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. Its performance will also depend highly on the country's economic performance as the County large share of revenue is obtained through transfers from the National Government.

2.1 Performance of the National Economy

25. The Kenyan economy has sustained its robust growth in the past decade supported by significant structural and economic reforms. The economy grew by 5.6 percent in 2015 compared to 5.3 percent growth in 2014. The economy further improved and grew at 6.2

percent in quarter two of 2016 up from 5.9 percent growth registered in quarter one of 2016. This strong growth was supported by improved performance in agriculture, forestry and fishing (5.5 percent), mining and quarrying (11.5 percent), transport and storage (8.8 percent), electricity and water supply (10.8 percent), wholesale and retail trade (6.1 percent), accommodation and restaurant (15.3 percent) and information and communication (8.6 percent). Growth in other sectors, particularly manufacturing, construction, financial and insurance and real estate, though slightly lower compared to quarter two of 2015, remained robust.

26. The manufacturing sector benefited from an improved economic environment during the review period. Some of the factors that positively influenced the industry include: slightly cheaper and stable electricity supply; restrained inflation; and, resilient domestic demand.

27. The favourable weather conditions experienced during the second quarter enhanced agriculture production, as such the sector expanded by 5.5 percent compared to 4.0 percent growth in quarter two of 2015. Similarly, electricity and water sector remained strong recording a growth of 10.8 percent compared to 9.2 percent in same quarter in 2015 owing to continued substitution of thermal electricity generation with relatively cheaper sources. The advantageous oil prices and continued improvement in the road network buoyed the transport and storage sector to a growth of 8.8 percent in the second quarter of 2016 compared to 6.8 percent during the same quarter of 2015.

28. The accommodation and restaurants sector recorded an impressive growth of 15.3 percent in quarter two of 2016 from a contraction of 5 percent in the same quarter of 2015. The growth was on account of improved security and rigorous marketing initiatives that boosted conference tourism as well as the general tourism. On average, GDP per capita per for Kenya at US$ 1,105.8 is the highest in the East African Community sub region. The high and resilient GDP per capita is due to the diversified nature of the Kenyan economy.

Interest Rates

29. The moderate demand pressures on the overall inflation in the recent months, have led to the easing of the monetary policy stance in the East African countries, conversely, tight monetary policy has been adopted in commodity-exporting countries due to the substantial depreciation of the currency experienced that has translated into high inflation.

30. In Kenya, short term interest rates remained low due to the improvement of liquidity conditions in the money market. The interbank rate declined to 4.1 percent in October 2016 from 4.9 percent in September 2016 and 21.3 percent in September 2015, while the 91-day Treasury bill rate declined to 7.8 percent from 8.1 percent and 14.0 percent over the same period.

31. The implementation of the Banking (Amendment) Act, 2015 effective September 14, 2016, that cap interest rates on banks' loans at 4.0 percent above the base rate (currently at 10.0 percent) and sets the minimum interest paid for a saving product at 70.0 percent of the same base rate has led to the narrowing of the interest rate spread from 11.3 percent in August 2016 to 7.0 percent by September 14, 2016. As a result of the new Act, Kenya has the lowest lending rate among the East African Countries.

32. The average lending rates which had increased to 17.7 percent in August 2016 from 15.7 percent in August 2015 have declined to 14.0 percent. Similarly, the deposit rate which had decreased to 6.4 percent in August 2016 from 6.9 percent in August 2015 have risen to 7.0 percent from September 14, 2016 as provided in the Banking (Amendment) Act, 2015.

Exchange Rate

33. The Kenya Shilling exchange rate has continued to display relatively less volatility compared with the major regional currencies and strengthened by 1.4 percent for the period October 2015 to October 2016. The stability of the Kenya shilling exchange rate reflects improved export earnings from tea and horticulture, a reduction in the imports of petroleum products due to lower oil prices, resilient Diaspora remittances and improved tourism performance.

34. Within the East Africa Community, the Kenya Shilling depreciated against the Tanzanian Shilling and Ugandan Shilling by 1.5 percent and 2.1percent respectively between December 2015 and 8th February, 2016.

Money and Public Debt

35. Growth of broad money supply, M3, slowed to 8.1 percent in the year to September 2016 compared to a growth of 13.5 percent in the year to September 2015 (Table 2.2). The slowdown in the growth was largely on account of a decline in the uptake of domestic credit both by the Government and the private sector.

36. Net Foreign Assets (NFA) of the banking system grew by 52.0 percent in the year to September 2016 from a contraction of 12.8 percent over a similar period in 2015 following increased accumulation of foreign assets of the Central bank. Meanwhile, the Net Domestic Assets (NDA) of the banking system increased by 0.1 percent in the year to September 2016 from the growth of 20.0 percent over a similar period in 2015. The slowdown of NDA was occasioned by decline in domestic credit and other assets net of the banking system.

37. Domestic credit slowed to an annual growth of Kshs. 66.4 billion (2.4 percent) in the year to September 2016 compared with a growth of Kshs. 526.0 billion (23.3 percent) in September 2015. The slowdown was mainly attributed to a decline in lending to the Government of Kshs. 36.0 billion, the private sector of Ksh 103.6 billion and the other public sectors by Kshs. 1.2 billion.

38. Bank credit to the private sector slowed to a growth of 4.8 percent in the year to September 2016 from a 20.6 percent growth in the same period in 2015. Except for the finance & insurance, real estate and transport & communication, all the other sectors experienced a slowdown in credit uptake compared to the same period in 2015 due to tight credit conditions. A contraction in credit flows was experienced in the trade, mining and business services sectors.

Inflation

39. Overall month on month inflation rose slightly to 6.47 percent in October 2016 from 6.34 percent in September 2016 due to increase in food prices. The annual average inflation rate at 6.5 percent in the year to October 2016 was within the target range of 2.5 percent on either side of the 5.0 percent target.

Stock Market

40. The stock Exchange activity remained fairly stable in the year to December 2015. The NSE 20 share index rose to 4,041 points in December 2015, up from 4,016 points in November 2015. However, compared to 2014, the NSE share index dropped by 21 percent from 5,113 points in December 2014 to 4,041 points in December 2015. Market capitalization, a measure shareholders' wealth, closed at Kshs. 2,031 billion in December 2015 from Kshs. 2,300 billion in December 2014. The drop in market capitalization in the year to December 2015 is as a result of an increase in volume of shares traded, which depressed the overall share prices.

Summary

41. The activity recorded at the county level will have a great impact on country's economic performance going forward. This will also depend on the implementation of devolution at the two tiers of government. Recurrent vis-a-vis development expenditure calls for a delicate balance to ensure that national and county goals are achieved as reflected in the Country's and County's Development Plan.
42. Finally, the macroeconomic outlook remains favourable although risks remain. Some of the challenges existing within the economy include: security, weather, export market weakness, capital flow reversal and statistical inconsistency especially the Balance of Payment. Deliberate interventions are being put into place to counteract these challenges. Key among them includes automation of processes, integration and digitization of data, collection of high quality data and resource mapping.

2.2 Update on Fiscal Performance and Emerging Challenges

The implementation of the budget for FY 2015/16 has progressed well despite challenges in the first quarter. Revenues collection has lagged behind significantly. These effects disrupted smooth flow of funds for development and general government operations during the financial year and slowed down expenditures. Budget implementation is bounced back on course after appropriate and well-timed mitigating measures by the Government.

43. By the end of June 2016, total local revenue including A-I-A amounted to Kshs. 22 million against a revised target of Kshs 35 million implying a shortfall of Kshs. 13 million.

STATEMENT OF REVENUE ESTIMATES AND ACTUALS FOR 2015/2016				
REVENUE SOURCE	**REVENUE ESTIMATES 2014/2015**	**REVENUE ESTIMATES 2015/2016**	**REVENUE ESTIMATES 2016/2017**	**ACTUAL REVENUE 2016/2017**
SHAREABLE REVENUE	3,466,517,358	4,173,655,601	4,299,401,838	-
CONDITIONAL GRANTS			225,810,016	-
LOCAL REVENUE	120,000,000	120,000,000	60,000,000	-
TOTAL BUDGET	3,586,517,358	4,293,655,601	4,585,211,854	-
EQUALISATION FUND	-	-	-	-
TOTAL ALLOCATION	3,586,517,358	4,293,655,601	4,585,211,854	-
LOCAL REVENUE COLLECTION				-
CESS REVENUE				
Hides &skins	2,400,000	2,400,000	500,000	15,000
Charcoal	1,060,000	1,060,000	1,230,000	6,668,340

Fish	798,523	798,523	200,000	147,010
fruits/Mango	2,850,000	2,850,000	2,800,000	1,671,156
Rice & paddy	2,600,000	2,600,000	600,000	-
Ghee & milk	500,000	500,000	200,000	-
Crocodile eggs	2,550,000	2,550,000	1,800,000	47,400
Maize	2,400,000	2,400,000	2,500,000	3,343,656
Export	2,824,930	2,824,930	3,800,000	1,109,500
Miraa	2,220,000	2,220,000	800,000	204,500
Sand				516,200
Gypsum	5,810,000	5,810,000	6,200,000	2,086,000
Others	-		1,000,000	2,865,600
SUB TOTAL	**26,813,453**	**26,013,453**	**21,630,000**	**18,674,382**
LAND REVENUE		-		
Plot rent	2,970,000	2,970,000	1,500,000	2,729,000
plot registration fees	2,400,000	2,400,000	300,000	126,000
plot transfer fees	2,536,500	2,536,500	500,000	445,400
land application fees	2,321,220	2,321,220	700,000	483,200
land lease fees	2,800,000	2,800,000	3,200,000	28,000
Area rates	20,376,430	20,376,430		330,652
SUB TOTAL	**33,404,150**	**33,404,150**	**6,200,000**	**4,151,600**
SINGLE BUSINESS PERMITS		-		
Application fees	2,820,000	2,820,000	500,000	2,000
permit fees	5,455,000	5,455,000	6,000,000	4,266,150
Liqur Licences				228,500
Motor Bike				12,000
SUB TOTAL	**8,275,000**	**8,275,000**	**6,500,000**	**4,491,450**
A.I.A (Health facilicies)	20,000,000	20,000,000	10,000,000	203,840

OTHER FEES AND CHARGES		-		
Bus park fees	2,815,000	2,815,000	700,000	338,800
Toll fees				379,350
Grazing fees	3,355,016	3,355,016	450,000	202,740
Market Fees	300,000	300,000	1,500,000	30,700
Slaughter Fees	2,600,000	2,600,000	1,200,000	40,700
Auction fees	2,550,000	2,550,000	2,500,000	869,630
water charges/House Rent	1,400,000	1,400,000	-	44,300
Daily Advertising Fees	300,000	300,000	20,000	44,000

Conservancy fees	920,000	920,000	80,000	4,200
Dev appl fee	1,100,000	1,100,000	800,000	183,700
Plan appv. Fees	1,200,000	1,200,000	300,000	26,000
Penalty on Building Plans	1,500,000	1,500,000	400,000	42,500
Renewal / Extension of Lease	200,000	200,000	180,000	10,000
Survey Fees	2,367,381	2,367,381	50,000	-
Plot Sub-letting/Plot Sub-division	2,600,000	2,600,000	1,500,000	-
PPI Forms	600,000	600,000	400,000	2,000
Interest from bank(savings)	500,000	500,000	500,000	7,000
Inspection Fee	3,200,000	3,200,000	2,200,000	313,160
Consent to mining	4,000,000	4,000,000	2,890,000	-
Tender				13,000
TOTAL	**120,000,000**	**120,000,000**	**60,000,000**	**35,869,100**

The dismal performance in local revenue collections is a very major concern and pragmatic measures need to be put in place to address this challenge. The supplementary budget for 2015/2016 revised local revenue targets from the Kshs. 120,000,000 to Kshs. 35,000,000. This revised target was never met by close of the financial year. The county treasury revenue division was able to generate Kshs. 22,089,630 reflecting a sorry state of affairs.

The local revenue target for 2016/2017 is Kshs. 60,000,000 and the collections for the first half stand at Kshs. 13,485,571 which indicates a below average achievement only 22 percent.

3.0 FISCAL FRAMEWORK FOR THE FY 2017/2018

44. The County government is committed to fiscal consolidation while ensuring that resources are availed for development in order to positively impact on productive sector growth and overall economic growth. Having prioritized and implemented development projects in previous years however, it is equally important to be able to provide adequate funds for operation and maintenance of projects, as well as reverting vote items such as purchase of motor vehicles and furniture to the recurrent expenditure as directed by the Office of the

Controller of budget. In this regard, the county government has allocated more funds to the recurrent expenditure in the 2017/2018 ceilings. Reforms in the expenditure management and revenue administration will continue to be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space for spending on development programmes within the budget.

3.1 2017/2018 Budget Framework

45. In the FY 2017/2018 prioritization of resource allocation will be based on the County Integrated Development Plan (CIDP) and departmental strategies, programmes and broad development policies of the County Government. The FY 2017/2018 budget will institute reforms targeted at achieving efficiency and productivity of government spending. The CIDP takes into account the development Agenda of the country by customizing programmes for the County residents with general impact on their welfare and those around them or doing business in the County.

3.1.1 Revenue Projections

46. Going by the allocations in the County Allocation of Revenue Act 2017, the county is projected to get an equitable share of Kshs. 5,345,400,000 in the FY 2017/2018. In addition, the County government is expected to get an additional conditional allocation of Kshs. 65,820,762 being 24,725,000 for funding the health services and 41,095,762 as Kenya Devolution Support Program (KDSP) capacity building grant. The county will also get a conditional grant from the Road Maintenance Levy Fund of Kshs. 169,770,271 for road maintenance purposes only. During the FY 2017/2018, the county will receive a total of Kshs. 121,000,000 for the construction of county headquarters.

47. Consequently, the County government estimates to receive a transfer of about Kshs. 5,735,034,389 from the National Government for the FY 2017/2018 constituting the equitable share and conditional grants as per the 2017 County Allocation of Revenue Act.

48. In addition to the transfer from the National Government, the County generates its own revenues. The revenues are raised through single business permits, land and plot rates, cess fees and other levies that the county is authorized to levy by an Act of County Assembly as well as user fees and charges authorized by county laws. From the less impressive growth of the revenues recorded so far at about Kshs. 16m this financial year and with the completion of valuation rolls and enactment of relevant laws, we expect revenues to

improve further in the FY 2017/2018. Therefore, the County Treasury has projected Kshs. 60million revenue generation from its own sources.

49. The total revenue allocation for the FY 2017/2018 is therefore projected at Kshs. 5,795,034,389 comprising of Kshs. 60million county's own revenues, Kshs. 5,345,400,000 equitable share, and Kshs. 389,634,389 conditional grants transfers from the National Government.

50. The PFM Act, 2012 section 132 (1&2) requires that the County Executive member for finance make pronouncement of the revenue raising measures for the county government with the approval of the County Executive Committee. In this regard, the budget will contain the structural measures to be implemented by the county treasury to boost revenue generation and shall be tabled in the County Assembly through the Finance Bill, 2017 and Revenue Administration Bill, 2017 for consideration and enactment.

3.1.2 Expenditure Projections

51. Considering the limited resources in the County and competing programmes for funding, priority for funding in the FY 2017/2018 has been given to efficient and productive projects/programmes that seek to improve the general welfare of the Tana River residents as well as favourable environment for doing business. This is in line with the County's objective as outlined in the CIDP.

52. In this regard, budget submissions by the County departments will be reviewed critically with a view of removing any non-priority expenditures and shift the savings to the priority programmes. The performance of earlier funded projects/programmes will also be reviewed with a view of improving the implementation and absorption capacity of projects. This will also ensure that projects are well planned and their execution scheduled out to avoid allocation of resources to projects that are far from implementation stage yet there are other equally competing projects that would have been considered.

3.2 Recurrent Expenditure Projections

53. The total recurrent expenditures in FY 2017/2018 is estimated at Kshs. 3,336,710,157 as compared to Kshs.2,227,555,694 in FY 2016/2017 printed Budget estimates, representing about 49 percent increase. The increase in recurrent expenditure is a result of availing more resources to finance personnel emoluments arising from harmonised salary structures in the

public service and also to release more resources to operationalize the implementation development projects.

54. Salaries and wages for FY 2017/2018 are estimated at Kshs. 1,222,176,082. This is equivalent to about 21 percent of the county's equitable revenue share.

55. The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at no more than 35 percent of their equitable revenue share. This appears to be attainable in the short-run, however this is likely to change in the long-run due to the unique demands and circumstances to deliver tangible results. In the medium term, the county government is committed to ensuring compliance with this fiscal responsibility principle. The recommendations made by the Ministry of Devolution and Planning under the CARPs and the Salaries and

    Remuneration Commission's job evaluation, are likely amplify this situation. This notwithstanding, the County's zeal to manage the wage bill is on course.

The Operations and Maintenance expenditures during the 2017/2018 is estimated to be higher than those of 2016/2017. This is as a result of deliberate effort to avail more resources to operationalize the development expenditure. The estimated Operations and Maintenance expenditure amount for the FY 2017/2018 is Kshs. 2,114,534,075 up from the printed estimate for the FY 2016/2017.

3.3 Development Expenditure Projections

56. The revised overall development expenditure for FY 2017/2018 will be Kshs. 2,458,324,232 up from the FY 2016/2017 printed estimates of Kshs. 2,357,656,160. This reflects a 4 percent increase from the previous Financial Year allocation and accounts for 42 percent of the overall budget in line with the fiscal responsibility requirement of allocating at least 30 percent of the overall budget to development expenditure.

3.4 Overall Deficit and Financing

57. To ensure fiscal discipline, the 2017 CARA encourages the County governments not to have deficits in their budgets for the FY 2017/2018 without a clear and realistic plan of how the deficit will be funded. It is in this regard that the County Government has attempted to allocate resources for spending that are commensurate to the revenues expected in the FY 2017/2018.

58. During the FY 2017/2018 the county budget shall be financed through transfer from the National Government and own revenue collected from local sources such as fees and charges, rates, among others as allowed by the legislations.

59. The GoK/European Union through a Local Economic Development (LED) framework will be funding some projects to the tune of Kshs. 110,000,000 in the fisheries and livestock subsectors through counterpart funding. This shall be effected once the necessary documentation and paperwork/ contract agreements are done and signed by both the National Government and the County Government.

60. The FY 2017/2018 fiscal framework is therefore fully financed.

3.5 Risk to the 2017/2018 Budget Framework

61. Under performance in revenue collection still remains a major challenge in financing the FY 2017/2018 budget. However, the county will continue with structural reforms, seal loopholes and expand the revenue base for enhance revenues and efficient and cost effective methods of collecting the revenues.

62. The increasing wage bill possesses a major challenge in the implementation of the budget as less money is committed to finance Operations and Maintenance. The county is still waiting for implementation of the proposed recommendations from the Ministry of Devolution and Planning on the CARPs programme and the SRC's job evaluation. The lack of clear guidelines for clarity, harmony of operations is a drawback. It is expected that the National Treasury will allocate enough funds for implementation of the recommendations which may include staff compensation in the event of rationalization.

63. Other risks include all the internal risks that the Country is experiencing which may slow down the economic growth and consequently impact on the revenues from the national Government to the County.

64. The County Government is working on modalities to improve coordination amongst County Departments, leadership in the County and National Government to help bolster development initiatives.

3.6 Fiscal Structure Reforms

Revenue Mobilization

65. The county intends to have an efficient and effective revenue administration system which will ensure that the County meets its revenue target and will be able to implement its development programmes.

66. Other key strategies to be adopted by the County Government includes; integration and digitization of data, collection of high quality data and mapping of the various revenue sources.

Expenditure Management

67. The County continues the use of Integrated Financial Management System (IFMIS) in all its Departments including at the County Assembly and intends to roll out the same to the Hospitals and at the Sub-County level to have a tight grip in expenditure controls and ensure timely reporting.

68. On implementation of projects the County shall undertake capacity building initiatives to properly support other departments. The County Budget and Economic Forum (CBEF) was established and consultations are in progress on all matters of planning, budgeting, the economy and financial management. Such consultations also ensure that there is participation by stakeholders, transparency and accountability, and adherence to the PFM Act on budget making process.

69. On project identification, the County Government will adopt bottom up approach where projects will be identified by ward level committees in each ward and implemented by the County Executive in compliance with the law. The purpose of this is to better target priority areas for each ward and to promote equitable development in the county. The type of projects will vary from one ward to another depending on the community needs. This will go a long way in complementing the efforts of the Departments in getting the services closer to County residents and in responding to varied priorities across the wards and further deepening devolution.

70. The County Government intends to continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased collaboration between the County Government and the County Assembly will expedite enactment of necessary

legislation to ensure there is efficient running of County government thereby improving service delivery.

71. To complement the staff rationalization exercise, the County has adopted an ambitious policy of expenditure rationalization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. The Government will also ensure continuous sector performance reviews as a strategy to encourage accountability within departments.

72. In order to contain recurrent and non-essential spending, Tana River County Government will focus on the following areas of intervention.

- Foreign travel to be limited to essential travels
- Consultancy services will be better managed and controlled as in and when required basis. Further, efforts will be made to use existing capacity within the county government
- Circulars for reducing event's costs will be issued and enforced by the county treasury
- The stock of pending bills will be reduced by implementing a strict commitment control system, paying up and closing the identified genuine stocks, terminating or completing stalled projects that are likely to lead to pending bills

4.0 MEDIUM TERM EXPENDITURE FRAMEWORK

4.1 Resource Envelope

73. The principle guidelines on fiscal responsibility used to inform the allocation of available resources amongst the departments is derived from:

i. Internal revenue generation which finances 1.0 percent of the County total budget.
ii. National Government financing -Funds transferred from the National Government finances 99 percent of the county budget. In the FY 2017/2018, the county anticipates to receive Kshs.5.73 billion from the National Government.

Item	Amount
Equitable Share	5,345,400,000
Compensation for user fees	5,682,537
Free Maternal Health Care	19,120,248
Road Maintenance levy	169,770,271
County HQs	121,000,000
Loans and Grants	65,820,762
Total conditional loans and grants	389,634,389
Total transfers from NT	**5,735,034,389**
Local revenues	60,000,000
Total resource envelope	**5,795,034,389**

Summary on Resource Allocation;

Budget Details	Printed Estimates 2016/17 *(in KShs)*	Proposed Estimates 2017/18 (in Kshs.)	% to Total Budget
Personnell Emoluments	-	1,222,176,082	21
Operations & Maintenece	-	2,114,534,075	37
Recurrent Estimates	2,227,555,694	3,336,710,157	58
Development Estimates	2,357,656,160	2,458,324232	42
Total Budget Estimates (R+D)	**4,585,211,854**	**5,795,034,389**	**100**

74. The proposed budget adheres to the fiscal responsibility principle by allocating 42 percent of the county budget to development against an obligatory minimum of 30 percent. Fiscal risks have been managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.

75. The county does not intend to borrow to finance any of its activities in the Fiscal year 2017/2018.

4.2 Resource Sharing Guidelines

76. The following guidelines informed allocation of departmental ceilings over the medium term.:

   a) Non-discretionary expenditures: This takes first charge and includes payment of Salaries and wages which are projected to use about 21 percent of the expected total revenue receipts.

   b) Operations and maintenance: This is allocation of funds to departments for basic operations and maintenance which will account for 37 percent of the projected total revenue.

   c) Development expenditure: 42 percent of the total revenue available (including conditional grants) will be used to finance development expenditure. These development expenditures have been shared out on the basis of County's priorities.

77. In addition to the above mentioned guidelines, attention has been directed to completion of on-going projects particularly on investment projects in priority areas that support social development, economic growth and transformation of the County.

78. The departmental resources ceilings are summarized in the table below;

Resource Ceilings

COUNTY DEPARTMENTAL ALLOCATIONS FOR FY 2017-2018						
Printed Budget Estimates (Kshs.) 2016/2017				2017/2018 Departmental Ceilings (Kshs.)		
Vote Title	**Current estimates**	**Capital Estimates**	**Total Estimates**	**Recurrent Estimates**	**Development Estimates**	**Total Estimates**
County Assembly	442,442,874	98,086,800	540,529,674	454,495,177	98,000,000	552,495,177
Office of the Governor/County Executive	369,283,988	96,205,642	465,489,630	489,687,521	73,533,414	563,220,935
County Public Service Board	61,094,281	-	61,094,281	65,195,069	-	65,195,069
Finance and Economic Plannning	118,000,822	59,552,674	177,553,496	266,239,460	20,000,000	286,239,460
Education, Vocational Training and Sports	183,951,642	238,454,009	422,405,651	363,394,594	247,250,913	610,645,507
Health	536,738,893	383,740,137	920,479,030	705,568,747	324,954,612	1,030,523,359
Roads and Public Works	48,992,733	403,197,202	452,189,935	87,914,325	631,527,567	682,760,068
Water	49,343,252	213,798,390	263,141,642	112,649,891	454,067,994	566,717,885
Fisheries	13,363,122	16,959,450	30,322,572	16,995,827	14,500,000	31,495,827
Environment & Natural Resources	31,130,075	27,350,002	58,480,077	65,938,239	7,608,725	73,546,964
Cohesion & Special Programs	49,343,252	102,219,773	151,563,025	285,532,963	40,370,357	325,903,320
Gender, Culture and Social Services	45,544,139	116,882,117	162,426,256	24,767,755	33,592,475	58,360,230
Urban Development	22,011,237	46,611,986	68,623,223	27,827,661	48,053,900	75,881,561
Trade, Tourism, Weight & Measures	71,299,025	229,998,108	301,297,133	51,523,640	156,000,000	207,523,640
Agriculture	78,019,432	178,079,532	256,098,964	188,188,648	256,699,334	444,887,982
Livestock & Veterinary services	79,101,388	112,087,125	191,188,513	89,077,801	71,298,765	160,376,566
Lands	27,895,539	34,433,213	62,328,752	41,712,839	17,548,000	59,260,839
TOTAL	**2,227,555,694**	**2,357,656,160**	**4,585,211,854**	**3,336,710,157**	**2,458,324,232**	**5,795,034,389**
ITEM	**Amount**	**%-age**				-
Development	2,458,324,232	42				
Recurrent	3,336,710,157	58				
Total	**5,795,034,389**	**100**				

Note: These ceilings include conditional grants from National Government.

5.0 DEPARTMENTAL/SECTOR REPORTS

5.1 Finance and Economic Planning

79. The objectives of the department are; mobilization of revenue, effective and efficient management of public resources, improved allocation of county allocation of funds and creating conducive environment for the private sector investment. The sector is also the link of all other sectors with the National government in matters of finance and resource mobilization.

80. The Department is mandated with the preparation of annual estimates of revenues and expenditures that are laid before the County Assembly every year for approval including the preparation of supplementary estimates as the need arises. It is the County's think tank responsible for policy analysis on a wide range of issues including: fiscal issues, trade issues and private sector development issues. It's also mandated to ensure that external resources (grants, loans, donations) are effectively mobilized, disbursed and efficiently utilized and that there is prudent public debt management. It is responsible for the administration and enforcement of revenue laws and for that purpose collecting and accounting for all rates, taxes, fees and charges payable by or under any laws in the County; collection of statistical data needed for planning purposes; County budget implementation, monitoring and evaluation.

81. Some of the key achievements of the Department include elimination of manual payments and full adoption of IFMIS systems and e-procurement system, substantial progress in alignment of prioritized expenditure to available resources; institution of strategies that have increased resource absorption among departments, institution of sound financial reforms and expenditure management strategies, mobilization of substantial amounts of revenue for funding of programmes, implementation of county revenue laws including the finance act, drafting annual budget estimates, successful formulation of annual development plans (ADPs), County Budget Review and Outlook Paper (CBROP) and other budgeting documents in a timely manner.

82. The key challenges facing the Department include; poor flow of information from the national to the County government; lack of reliable baseline information especially statistics at County level, inadequate levels of local revenue to fund county functions, human resource constraints especially for the economic planning division; poor coordination within and amongst departments; inadequate office space for staffs both at the

county and sub county level. Presence of self-interested lobby groups has posed a challenge in the implementation of financial and economic planning policies.

83. Funding for the 2017/2018 -2019/20 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at creating an efficient and a motivated human resource and a sound financial and economic management for socio-economic development. The Department's priorities also entail ensuring increased capacity in revenue mobilization, strengthening of planning and budget execution, implementation of projects, monitoring and evaluation.

84. Some of the specific programmes to be undertaken in the FY 2017/2018 include; the department will continue mobilizing additional revenue by strengthening enforcement and completion of revenue administrative reforms; Automation of processes to increase revenue compliance; Expansion of the revenue base to net in property rates and Land rates which is the greatest revenue earner. The Department will also enhance its capacity to support to departments in implementation of projects through trainings tailored towards accountability, transparency and enforcement of the financial management regulations; ensure improved management of public resources; and ensure reorientation of budgetary resources towards development projects.

85. The Department will also be keen in ensuring development of proper legal and regulatory framework for revenue collection; Participatory monitoring and evaluation; development and execution of a Revenue Enhancement plan; carrying out risk based audit; Rolling out of Institutional risk management framework; Development and implementation of economic policies; Rolling out IFMIS and its related systems to all accounting units and sectors; Roll out of E-procurement system; Research into proper management of County Government properties especially land and building to increase revenue from this assets; Training of accounting officers and departmental accounting and finance officers to update them on the current regulatory requirements and proper accounting procedures to seal bureaucracies that may hinder service delivery; Buildings capacity in the internal audit and procurement departments; Updating the register of assets and liabilities.

86. For the **FY 2017/2018, Kshs. 286,239,460** has been set aside to fund the programmes of the department which include **Kshs. 266,239,460** as recurrent expenditure and **Kshs. 20,000,000** as development expenditure reflecting an increase of **Kshs. 88,679,964** from

the FY 2016/2017 printed budget estimate of **Kshs. 177,553,496.** This is projected to increase tremendously over the medium term.

5.2 Trade, Tourism and Industry

87. Trade, Tourism, Industry and Cooperative Development Sector comprises of three sub-sectors namely: Trade; Industry; and Tourism; and cooperative development. It integrates both product and service industries.

88. The Department envisions a competitive County for sustainable and equitable social economic development with a mission of promoting, coordinating and implementing integrated social economic policies and programmes for a rapidly industrializing economy. The Department works to advance and support Tana River County's economic vitality through comprehensive business attraction, retention and support efforts coordinated by the proposed Business Support Centres (BSC). The Department also preserves Tana River County's heritage and historic record as an attraction to tourists.

89. The strategic goals and objectives for the sector are: 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; Construction of wholesale and retail markets, construction of modern model kiosks; Awareness creation and enforcement of trade laws; 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; Promotion of value addition through the One Ward One Product initiative; Promotion and facilitation of production of exportable products; Empowering women and youth in entrepreneurship; Encouraging investments in tourism sector in the County; Verification and stamping of weighing and measuring instruments for use for trade in the county; Cooperatives Development.

90. Key challenges of the Department include: Security; Climate change; inefficient infrastructure; unreliable and high cost of energy; Inadequate funding for programmes; Weak implementation of Policies and Regulations; inadequate legal, regulatory and institutional frameworks; limited access to credit for businesses; high cost of production especially energy; influx of sub-standard and contraband goods hence reduced market for good produced within the county; and low technology and innovation in ICT Infrastructure;

91. Funding for the 2017/2018 -2019/20 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; tourism promotion and development; savings and investments mobilization; industrial and entrepreneurship development and employment creation.

92. Some of the specific programmes to be undertaken in the FY 2017/2018 include: completion of construction/rehabilitation of Fresh produce markets, shades for small businesses among others as spelt out by stakeholders during the public hearings.

93. For the FY 2017/2018, a total budget estimate of **Kshs. 207,5023,640** has been set aside to fund the programmes of the department which include **Kshs. 51,523,640** and **Kshs. 15,000,000** for recurrent and development expenditure respectively.

5.3 Lands, Agriculture, Veterinary and Livestock

94. The Lands, Agriculture, Livestock and Fisheries department comprises of five subdivisions namely: Lands, Agriculture and irrigation; Livestock and Fisheries and veterinary services;

95. The goal of the sector is to attain food security, and sustainable agricultural infrastructure development. The key policy goals of the sector include: raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential and sustainable management of resources in the sector. The prioritized sector programmes include: Fisheries development, Irrigation Drainage and Mechanization Infrastructure, Livestock Resources Management and Development, General Administration, Planning and Support Services for Agriculture and Crop Development.

96. Key restrictions in the Department include: Inadequate water harvesting and storage; Poor infrastructure; High costs and low quality agricultural inputs; Low quality seeds/breeds; Inadequate organized marketing structures for agricultural produce; Low

value addition resulting in low producer prices; Erratic and inadequate rainfall; Limited use of modern irrigation technology; Over reliance on rain fed agriculture; Low adoption of modern technology in agricultural sector; Vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; Pollution of water resources; and Low utilization of dam fishery resource.

97. Major services/outputs to be provided during the MTEF period 2017/2018 – 2019/20 will include; purchase and distribution of high valued certified seeds, pesticides, fertilizers, tractors, new apiary site locations, construction of a livestock market, construction and installation of an ice plant in Kipini and milk value chain pants in Bangale and Garsen with about 78 percent financial support from European Union. Revival and rehabilitation of at least three minor irrigation schemes is one of the priorities.

98. The department has allocated a **recurrent estimate of Kshs. 127,557,982** and a **development estimate of Kshs. 317,330,000** amounting to **a total budget estimate of Kshs. 444,887,982** for agriculture and irrigation services.

99. In addition the department has allocated another **recurrent estimate of Kshs. 41,712,839** and **development of Kshs. 17,548,000** amounting to a **total budget estimate** of **Kshs. 59,260,839** for land development services.

100. The objective of the Livestock division of the department is to facilitate efficient and effective livestock production services for economic growth, poverty reduction and employment creation. It aims to enhance and promote sustainable livestock production, marketing of livestock and livestock products and by-products and value addition through appropriate policy and legal framework while conserving the natural resource base. In this regard the mandate is to promote, regulate and facilitate livestock production for socio-economic development and industrialization.

101. This division has outlined the following programs to be implemented during MTEF period 2017/2018FY; promotion of livestock sales, capacity building, market linkages through stakeholder forums. The division also plan to improve livestock production extension services, enhance poultry improvement and Bee keeping Apiary establishment. In addition the division will establish a livestock fattening camp, develop

livestock markets at Chardende and establish a strategic feed reserve for farmers. To coordinate these activities the division will purchase a motor Vehicle and motor bikes to be used for field services.

102. The department has allocated a **recurrent estimate** of **Kshs. 36,035,011** for administrative services and a **development estimate** of **Kshs.36, 134,445** amounting to **total budget estimate** of **Kshs. 72,169,456** for livestock development services.

103. The objective of veterinary division is protection of animal and human health, to safeguard environmentally sustainable livestock based livelihoods for food security and wealth creation. The aim of the division is to provide and facilitate efficient veterinary services for production of safe and high quality animals, animal products and by-products and promote trade and industrial growth in a sustainable environment.

104. The major programs of the division during the MTEF period 2017/2018FY includes; development of veterinary infrastructure such as veterinary drugs, construction of cattle crushes to facilitate spraying and treatment, provision of Artificial insemination, equip Garsen slaughter house for operationalization, tannery development, completion and equipping of factory for Horn house at Garsen West, and construction of cattle dips and connect cattle dips with water source in sub-counties.

105. The division will also provide veterinary services such as control tsetse fly in the delta, conduct disease surveillance, carry out timely vaccinations and meat inspection, baiting of stray dogs, hide and skins inspection, laboratory services, training and extension services.

106. In this regard the department has further set aside a **recurrent estimate** of **Kshs. 53,042,790** and a **development estimate** of **Kshs. 35,164,320** amounting to a **total budget estimate of Kshs. 88,207,110** for veterinary services.

107. The major objective of fisheries division is to provide high quality life for the people of Tana River through promotion of competitive innovative, sustainable fisheries development, and equitable distribution of resources.

108. The main output during MTEF period 2017/2018 will be majorly on: development of fisheries infrastructure to promote responsible fish handling, marketing, quality

assurance and safety; promote human capacity to increase production for income generation, employment and wealth creation; and improve fish production through fish farming and productivity in the county.

109. The department has therefore set a recurrent estimate of **Kshs. 16,995,827** and development estimate of **Kshs. 14,500,000** leading to a total budget estimate of **Kshs. 31,495,827** for fisheries development services.

110. The total vote for the department during 2017/2018 FY allocated a **total recurrent estimates of Kshs. 294,303,988** and a **total development estimate** of **Kshs. 360,046,099** amounting to a **total budget estimate of Kshs. 654,350,087** for the entire department.

Urban Planning and Co-operative Development

111. The vision of the department is to be a globally competitive economy with sustainable and equitable social economic development bearing a mission to promote, coordinate and implement integrated- social-economic viable cooperative sector, effective and efficient urban development services for an equitable and sustainable economy.

112. The objective of the department are; to help Co-operatives in improving services delivery, control development activities in the proposed urban centres and Strengthen capacity for service delivery.

113. Some key Challenges facing the Department include: inadequate staff force, poor transportation infrastructure, inadequate funding, inadequate Legal and policy framework; High Poverty Level; Effects of climate.

114. During MTEF period the Urban Planning and Co-operative Development Department will; institute legal framework that will help it function and also ensure that they bring on board qualified staff to help them achieve their objectives. The department will also collaborate with the county co-operative officer to support local co-operatives in all Sub-counties

115. For the **FY 2017/2018, Kshs. 75,881,561** has been set aside to fund the programmes of the department up from the FY 2016/17 printed budget of **Kshs. 68,623,223.** This is projected to increase over the medium term.

5.4 Health, Water and Sanitation

116. The overall goal of the sector is to build a progressive, responsive and sustainable technologically-driven, evidence-based and client-cantered health system for accelerated attainment of the highest standard of health to all residents and improve access to adequate and safe water.

117. Some key Challenges facing the Department include: Inadequate Legal and policy framework; High Poverty Level; Effects of climate change and associated extreme weather events threaten sustainable development and impacts negatively on the sector; Inadequate health personnel; Erratic supply of health products; Poor health infrastructure; Inadequate public health facilities; Inadequate resources; constructions delay due to the long process of acquiring Bills of Quantities; slow procurement process; Delayed maternity fee reimbursements therefore leading to hospital debts.

118. During MTEF period in discussion the Water and Sanitation subsector will engage in rehabilitation of water and supply infrastructure, excavation and pipe laying, rehabilitation of water pans and boreholes.

119. The MTEF period in discussion the Water and Sanitation subsector will engage in rehabilitation of water and supply infrastructure, excavation and pipe laying, rehabilitation of water pans and boreholes. Amongst the specific programmes in the sub sector are: Construction of Hola to NYS and Mango plant pipeline; Repair and rehabilitation of various water supplies (Madogo, Ngao, Bura, Hola and Garsen); Increase of rain water storage capacity in areas such as Wayu, Bangale, Kokani, Mnazini, Waldena etc; Rehabilitation of existing water pans; Increasing ground water resources and new boreholes.

120. The sub-sector has therefore been allocated **Kshs.566,717,885** to run its programmes for the financial year 2017/2018. This is a significant increase from the **Kshs. 263,141,642** in the previous year (2016/2017) by 115%.

121. The Health sector has prioritized to prevent and promote health by ensuring; Immunization; Mother and Child Health; Screening for communicable conditions;

Antenatal Care; Prevention of Mother to Child HIV Transmission; Integrated Vector Management; Good hygiene practices; HIV and STI prevention Control and prevention neglected tropical diseases Health Promotion & Education for NCD;

Institutional Screening for NCD's Rehabilitation, Workplace Health & Safety, Maternity New-born services, Nutrition services. Upgrading of health centres to hospitals; Construction of Laboratory; Improve Outpatient services; installation of Stand by generators; sinking of Boreholes in health facilities; facelift of health facilities; Purchase assorted furniture for health facilities. Improve access to medical services; improve supply of medicines and vaccines; improve maternal health; improve reproductive health care services; Reduce new HIV infections; Improve access to emergency services; and improve public health and sanitation within the county. To fund the programmes outlined for the Health sector, **Kshs.1,030,523,359** has been set aside. Out of this figure, **Kshs. 705,568,747** is for the recurrent expenditure, and **Kshs. 324,954,612** is development expenditure. This represents an increase of 17.21% from FY 2016/2017.

5.5 Cohesion and Special Programs

122. Cohesion and special programmes is a department that envisions a citizen centered county that is resilient and vibrant to disaster and bears a mission to establish and strengthen community cohesion that promotes peace and justice, competent and committed communities' development.

123. In the FY 2017/2018 the department plans to reduce vulnerability and enhance community resilience to climate change, purchase of relief food and distribution, Construction and rehabilitation of food stores, Mapping of security risks areas and purchase of one motor vehicle and motorcycles.

124. The department has been allocated a budget of **Kshs. 285,532,963 recurrent,** and **Kshs. 40,370,357 development** to fund its programmes for the FY 2017/2018. This totals to **Kshs. 325,903,320** this represents a 41% increase from FY 2016/2017.

5.6 Culture, Gender and Social Services

125. The vision of the department is for Sustainable and equitable socio-cultural and economic empowerment of all Tana River people. The department also bear a mission to formulate and implement responsive policies through coordinated strategies for sustained socio cultural development and empowerment of all community groups in the County.

126. During the MTEF of the FY 2016/2017 the department plans to undertake construction of multi-purpose halls, drug abuse rehabilitation, Campaign against harmful cultural practices i.e. early marriages & pregnancies, FGM, culture and arts promotion and enhance County women, Youth and PWDs empowerment and development fund. It will also prioritise support to Orphans and Vulnerable Children and establishment of children homes in the sub counties.

127. During the FY2017/2018 focus will be made towards promoting Social Development and Social Protection support for elderly persons, promote Culture, Arts and Children services, construction of infrastructure which includes; Social Halls, Cultural Centres and Libraries. Also the department will engage on refurbishment of Non Residential Buildings and Youth and Women Empowerment through INUKA fund initiative.

128. During the FY2017/2018 the department has been allocated a **recurrent estimate of Kshs. 24,767,755** and a **development expenditure** of **Kshs. 33,592,475** for FY2017/2018 amounting to a **total estimate** of **Kshs. 58,360,230**.

5.7 Environment and Natural Resources

129. The vision of the department is being a sector of excellence in provision of healthy and clean environment, sustainable natural resource utilization and Conservation and bearing a mission of enhancing and supporting protection, development and management of Natural resources and its allied developments for environmental stability and socio-economic advancement of the County.

130. Some key Challenges facing the Department include: Inadequate Legal and policy framework; High Poverty Level; Effects of climate change and associated extreme weather events threaten sustainable development and impacts negatively on the sector;

population pressure leading to ecosystem degradation; Limited Value addition and product diversification; inadequate funding to the sector; High incidence of HIV/AIDS, malaria and other infectious diseases; Low Youth participation; Challenges of Constitutional implementation and interpretation; Scarcity of Information on the status of Natural Resources; knowledge on optimal harnessing of ICT in the sector for effective and efficient service delivery.

131. During MTEF period the Environment and Natural Resources subsector will; finalization of the County Environment Policy, Climate Change Policy, Wetlands Management Policy. The subsector will also finalize the County Natural Resources Bill; ensuring a clean and healthy environment for the people of Tana River County by enforcement of environmental laws and regulations; develop, monitor and enforce implementation of the waste management strategy; map and monitor waste generation and management in towns in all Sub-counties and map and monitor pollution in regulated facilities; create awareness on community agro forestry.

132. For the FY 2017/2018, **Kshs. 73,546,964** has been set aside to fund the programmes of the department up from the FY 2016/2017 printed budget of **Kshs. 58,480,077.**This is projected to increase over the medium term.

5.8 Roads and Public Works

133. The Roads, Transport & Public Works Department key role is to provide the necessary infrastructure and related services for economic growth. The Department provides infrastructure (roads) to facilitate movements of persons and goods, fire and rescue services and renewable energy for power generation .The Department aspires to be a regional leader in infrastructural development, maintenance and provision of technical services

134. The key challenges facing the Department include: poor terrain that poses a great challenge for road maintenance, Poor storm water drainages, neglected roads, encroachment of roads reserves, and lack of connecting bridges, financial resources constraints and trained human resources constraints; frequent breakdown of heavy equipment particularly graders and fire engines and related high cost of repair and

maintenance, need for improved connectivity through foot bridges and motorable bridges in the rural areas.

135. Some of the specific programmes to be undertaken in the FY 2017/2018 will include: construction of the Hola township drainage, construction of Dibe steel bridge; construction of foot bridges at Onkolde, Ngao, Shirikisho and Ndera; general road maintenance throughout the county; upgrading of Bura township roads to tarmac; phase one of construction of county headquarters in Hola (70:30 arrangement between National government and the County Government respectively); construction of the KMTC hall and administration block amongst others.

136. For these purposes the department has been allocated **Recurrent estimate of Kshs. 87,914,325 and a development estimate of kshs. 594,845,743** amounting to a total estimate of **Kshs. 682,760,068** in FY 2017/2018. This represents an increase of 50.98% from the previous allocation of **Kshs. 452,189,935** in the FY 2016/2017.

5.9 Education Vocational Training and Sports

137. Department mandate is to provide, promote and coordinate training and research for sustainable development

138. The department is charged with the responsibility of supervising the provision of Early Childhood Education, vocational training, youth development, and promotion of sports and children services. It is well established that investment in ECDE and vocational training is a cost effective strategy to promote long term growth and reduction of inequalities in the county. Similarly, the youth who form majority of the county population is an asset that should be natured for the benefit of the county. It is well established that investment in ECDE and vocational training is a cost effective strategy to promote long term growth and reduction of inequalities in the county. On its own, sports industry should be considered as an important source of employment and creation of wealth as it provides wide range of opportunities for investment and income generation

139. The challenges facing the department as it discharges its mandate include: insufficient policy guidelines and standards, and quality assurance for delivery of education programmes; inadequate recreational and educational facilities. Sporting talent in the

county has not been fully exploited due to poor and unregulated management, inadequate training Programmes and few sporting facilities. It is also important to note that the tertiary education sector is grossly underdeveloped in the county this therefore calls for concerted efforts from all the stakeholders in the sector including the county government. Priority activities targeted to address these problems relate largely to improving ECDE and vocational training.

140. Priority for the 2017/2018 financial year will largely focus on promotion of ECD which will include; construction of ECDE classrooms, provision of furniture and equipment, school feeding program and learning/teaching materials. On vocational training development the department aim at initiating Income generating activities (IGAs) to supplement their income, construction of Madogo vocational training center, provide modern tools and equipment for training, supply office furniture to all vocational training centers, renovation of tuition block at Tarasaa YP, conduct annual graduation for successful trainees and purchase a vehicle to facilitate coordination of vocational training programs. To support sports development the department target to provide sports equipment, construct basketball pitch, upgrade sub-county stadiums and facilitate county sports leagues. To enhance access to education and training the department will provide education bursaries and vocational training subsidized tuition.

141. To facilitate the implementation of the programs the department has set aside **Kshs. 363,394,594** for **recurrent** and **Kshs. 247,250,913** for **development** expenditure amounting to a **total budget estimate of Kshs. 610,645,507.**

5.10 County Public Service Board

142. The County Public Service Board provides overall policy and leadership direction to Tana River County human resource function in the county public service. The core mandate of the County Public Service Board (CPSB) is to provide leadership in public service management, to ensure efficiency and effectiveness in service delivery, management and development of human resources in the public service, comprehensive restructuring to ensure the county public service function effectively and optimally utilises available human resources.

143. The strategic objectives of the Administration and Public Service Sector are; To provide policy strategic leadership and direction to the county government structures and

institutional frameworks for optimal public service delivery and response to the Tana River county needs; To ensure continuous development, retention of productive human resources and application of best practices in the management of public service for improved performance; To promote good governance, transparency and accountability in the public service.

144. Key challenges in the Department include: Lack of adequate office space ;Inadequate resources; Staff rationalization; anxiety among the members of staff from defunct Local Authorities and devolved functions; Lack of reliable and sustainable transport (vehicles) for field services; No scheme of service for County employees; Enormous expectation from the members of the public; General teething problems of new dispensation.

145. Some specific programmes to be undertaken include; filling of vacant positions; ensuring the county has a highly motivated and skilled workforce; Staff Rationalization; Improved safe & healthy working environment; developing Efficient HRM Policies, Practices, Norms and Standards; formulation of Performance management system; Development of efficient employee relations / compensation policies and practices.

146. For the FY 2017/18, a **total budget estimate of Kshs.65,195,069** has been set aside as recurrent expenditure to fund the programmes of the board.

5.12 Office of the Governor/The Executive

147. The mission of this department is mainly to ensure a citizen centered approach to service delivery through public participation and social transformation. This will be done in collaboration with the other sub sectors that fall under this department, all having their respective Chief Officers (Public Service, ICT & Energy, and Urban Planning). The Office of the Governor seeks to enhance the departmental capacity and work environment for quality service delivery, and as such has been allocated **Kshs. 489,687,521** as **recurrent expenditure**. This is an increase of 32.6% from **369,283,988.** Capital expenditure estimates will be derived from the aforementioned sub sectors under the department.

ANNEXURE

Annexure 1: Total Recurrent Expenditure Ceilings for the MTEF Period 2017/2018 – 2019/2020

RECURRENT EXPENDITURE CEILINGS MTEF 2017/2018 - 2019/2020				
Vote Title	**Printed estimates 2016/2017**	**CFSP Ceilings 2017/2018**	**Projected Estimates 2018/2019**	**Projected Estimates 2019/2020**
County Assembly	442,442,874	454,495,177	499,944,695	549,939,164
Office of the Governor/County Executive	369,283,988	489,687,521	538,656,273	592,521,900
County Public Service Board	61,094,281	65,195,069	71,714,576	78,886,033
Finance and Economic Plannning	118,000,822	266,239,460	292,863,406	322,149,746
Education, Vocational Training and Sports	183,951,642	363,394,594	399,734,053	439,707,458
Health	536,738,893	705,568,747	776,125,622	853,738,183
ICT & Energy	-	-	-	-
Roads and Public Works	48,992,733	87,914,325	96,705,758	106,376,333
Water	49,343,252	112,649,891	123,914,880	136,306,368
Fisheries	13,363,122	16,995,827	18,695,410	20,564,951
Environment & Natural Resources	31,130,075	65,938,239	72,532,062	79,785,269
Cohesion & Special Programs	49,343,252	285,532,963	314,086,259	345,494,885
Gender, Culture and Social Services	45,544,139	24,767,755	27,244,531	29,968,984
Urban Development	22,011,237	27,827,661	30,610,427	33,671,470
Trade, Tourism, Weight & Measures	71,299,025	51,523,640	56,676,004	62,343,604
Agriculture	78,019,432	188,188,648	207,007,512	227,708,264
Livestock & Veterinary services	79,101,388	89,077,801	97,985,581	107,784,139

Lands	27,895,539	41,712,839	45,884,123	50,472,535
TOTAL RECURRENT	**2,227,555,694**	**3,336,710,157**	**3,670,381,173**	**4,037,419,290**

Annexure 2: Total Capial Expenditure Ceilings for the MTEF Period 2017/2018 – 2019/2020

CAPITAL EXPENDITURE CEILINGS FOR MTEF 2017/2018 - 2019/2020				
Vote Title	**Printed estimates 2016/2017**	**CFSP Ceilings 2017/2018**	**Projected Estimates 2018/2019**	**Projected Estimates 2019/2020**
County Assembly	98,086,800	98,000,000	107,800,000	118,580,000
Office of the Governor/County Executive	96,205,642	73,533,414	80,886,755	88,975,431
County Public Service Board	-	-	-	-
Finance and Economic Plannning	59,552,674	20,000,000	22,000,000	24,200,000
Education, Vocational Training and Sports	238,454,009	247,250,913	271,976,004	299,173,605
Health	383,740,137	324,954,612	357,450,073	393,195,195
ICT & Energy	-	-	-	-
Roads and Public Works	403,197,202	594,845,743	654,330,317	719,763,349
Water	213,798,390	454,067,994	499,474,793	549,422,273
Fisheries	16,959,450	14,500,000	15,950,000	17,545,000
Environment & Natural Resources	27,350,002	7,608,725	8,369,598	9,206,557
Cohesion & Special Programs	102,219,773	40,370,357	44,407,393	48,848,132
Gender, Culture and Social Services	116,882,117	33,592,475	36,951,723	40,646,895
Urban Development	46,611,986	48,053,900	52,859,290	58,145,219
Trade, Tourism, Weight & Measures	229,998,108	156,000,000	171,600,000	188,760,000
Agriculture	178,079,532	256,699,334	282,369,276	310,606,194
Livestock & Veterinary services	112,087,125	71,298,765	78,428,642	86,271,506
Lands	34,433,213	17,548,000	19,302,800	21,233,080
TOTAL CAPITAL EXPENDITURE	**2,357,656,160**	**2,458,324,232**	**2,596,356,655**	**2,855,992,321**

Annexure 3: Views/Priorities of the Public on the County Fiscal Strategy Paper - Report

The County Government of Tana River is in the process of preparing the Medium Term Expenditure Framework Budget for the 2017/2018-2019/2020 period in order to accelerate development programmes for the county.

The Constitution of Kenya 2010 and the Public Finance Management Act 2012 section 117(5) provides for public participation in policy formulation. The County Government of Tana River, therefore invited all residents, organized groups, professionals, donors and investors to attend **a** public participation forums and make proposals on priority projects and programmes. The proposals gathered from these forums will guide the preparation of the County Fiscal Strategy Paper (CFSP).

It is envisaged that this MTEF process will accelerate the County Government's effort towards poverty reduction, wealth creation, infrastructure development and food security. These efforts are also aimed at sustaining economic prosperity for all *Tanararians.*

The County Government of Tana River therefore invited the people of Tana River to take part in drawing their budget as follows:

Give proposals on priority projects and programmes to be implemented by the county government of Tana River.

Encourage the general public to take active role in drafting the MTEF budget.

Help in identification of possible sources of funding for projects, strategies and cost saving measures and investment.

The county government requested all residents, organized groups, professionals, donors and investors to attend and make contributions during the stakeholders' consultative meetings.

The public participation consultative meetings were held as scheduled below:

SUB-COUNTY	PROPOSED FORUM DATE	VENUE	TI ME
Tana River	28th November 2016	Laza Leisure Hotel	9.00am – 12.00 noon

Tana North	29th November 2016	NIB Hall - Bura	9.00am – 12.00 noon
Tana Delta	30th November 2016	Ajab Delta Hotel - Garsen	9.00am – 12.00 noon

In this process members of the public were also invited to submit their views and memoranda on what projects should be included in this framework. They were also invited to give views on how resources should be used to improve the quality of life for all *Tanararians.*

The following presents a summary of the priorities identified by members of the public for 2017/2018FY as generated from the public forums:

Tana River Sub-County Report

The meeting was called to order by Hon. Salim Mohamed, the CEC Finance and Economic planning, and the chair of the meeting. It was then opened by a word of prayer from one of the members of the public, by way of the National Anthem of the Republic of Kenya. This was followed by introductions from Mr. Mbwana (Director Economic Planning), the secretariat and all members present. Mr. Mbwana stated that the budget for 2017/2018 needs to be in place by 31st March 2017 because of the oncoming elections. He also stated that in previous meetings, public participation was done at the ward level, but due to timeline constraints, it is being done at sub-county level this time.

M. Ibrahim Wayu voiced a shared opinion that they would like to view a progress report of the current financial year to have a better point of reference when holding consultations on the day's document. Mr Mbwana explained that the department was in the process of preparing a supplementary budget to reflect changes that had been made to the expenditure plans such as mitigation of the drought situation that was rife in many parts of the County.

Another member queried the use and/or method of disbursement of the bursary fund. He noted that only Kshs. 75,000,000 had been released against the Kshs. 150,000,000 as reflected in the budget. The Chair provided clarity on the issue, stating that the disbursement had to follow the

Controller of Budget's recommendations on the bursary fund. Following consultations with the County Assembly and the Office of the Controller of Budget, the remainder of the funds would be made available in due time.

Mr. Toash Maro observed that an ongoing project (bridge at Chewani Ward) had stalled, and the work seemed not to have continued for a while. The Chair responded that the contractor had been engaged and plans to have a different contractor take over the work were at an advanced stage. Mr. Salim Mohamed then took members through the motions of the planned process for the day, after which Mr. Odipo projected the proposed priority project as espoused in the ADP and took members through them, after which members gave recommendations on projects they would like to be implemented in the coming financial year 2017/2018.

One of the members (Mr. Sudi) expressed concern over the lack of a County Budget and Economic Forum (CBEF). He reiterated that there needed to be such a forum and to have the public participate fully in the process of budget making (ADP, CFSP, and Budget). He also said that departmental heads should be present during such meetings because they're the ones who drive policy and spending in their departments.

A youth representative said that the department of Civic Education needed to work harder in fulfilling their mandate to the public. The youth are of the opinion that they could be better informed than they are as far as such document preparations are concerned, and it was up to the Civic Educators in the Executive to provide them with such information. He also recommended that a County Development Committee be constituted as soon as possible.

At this point members then took turns to recommend projects in areas where they thought had gaps as far as the plans for FY 2017/2018. The recommendations were as follows;

1. Building of a mortuary at Hola Hospital and at least one in each sub county.
2. Fencing of dispensaries around the county
3. Distribution of 10 tractors for farming (apart from the 10 earlier planned for the Delta region)

4. Salim Mugao stated that the provision for the Agriculture sector seemed insufficient to fund irrigation schemes, operation and maintenance etc. He said that increasing the iverall budget allocation would allow for better agricultural development.
5. Mr. Sudi insisted that there is need for an emergency fund to deal with victims of the numerous cholera outbreaks and other contagious diseases.
6. He also recommended a water purification plant, and rehabilitation of sports grounds around the county
7. Ali Dhadho recommended additional ambulances, observing that the 10 that were purchased the previous year were not enough to serve all the 15 wards sufficiently.
8. Khalif Bahola recommended the establishment of a milk processing plant, and the revival of the Mango factory in Hola
9. Amina Mahamud recommended that the fuel charges that they pay in order to use the ambulances be waived. Seeing as they served poor communities that may not always be able to afford the cost on demand and hence their health and livelihood suffers.
10. Another member also suggested the establishment of a youth fund to provide loans for youth groups that may have business plans they need funded.
11. Adhan Mane recommended that a livestock market be put up in Hola, and the piping of water from Hara to Gafuru.
12. A representative of the Bodaboda group stated that they felt the revenue department was charging them too much money for licenses. They asked that the rates be reviewed soon.
13. Mr. James Onchaga suggested funding for small and medium enterprises such as the Jua Kali sector and the woodwork industry by way of Joint Loans Board as reflected in the CIDP.
14. Lastly, Zilpa Komora suggested that the bursary fund should be distributed as per the number of children in every ward, as opposed to the current arrangement.

The meeting was then called to a close by a word of prayer from one of the members, and adjourned at 4:30pm.

Bura Sub-County Report

As per the announcements made on local media and on the newspaper on the 24th of November 2016, the department of economic planning scheduled a public participation forum meeting in Bura on 29/11/2016. The secretariat arrived at the venue on the said date at around 9:30am. However, there was poor attendance, as only 3individuals came to the exercise, despite the announcement reminding the public of the exercise being put up on the megaphone.

The Sub-County administrator, who was present with the team, explained that there had been some negativity from the public regarding the forum, and it was unlikely that they would attend as hoped. At about 11:45 am it was decided that we give the members of the public till afternoon to allow time for prayers and lunch then convene at the venue at 2.00pm. Unfortunately, there was no significant attendance even after the recess. It was decided that the forum be rescheduled to a later date that would be communicated to the public through the local media. The team then adjourned at 3.00pm.

Tana Delta Sub-County Report

The meeting was called to order by Mr. Jara, and opened by a word of prayer from one of the members of the public. This was followed by introductions from Mr. Lennox Mbwana (Director Economic Planning and budgeting), the secretariat and all members present. Mr. Mbwana stated that the budget for 2017/2018 needs to be in place by 31st March 2017 because of the oncoming elections. He also stated that in previous meetings, public participation was done at the ward level, but due to timeline constraints, it is being done at sub-county level this time. He also encouraged members of the public to actively participate in giving their priority areas in different sectors that they would like to see development projects come up.

Mr. Jara reminded those present that this was not a political meeting, and urged members to focus their efforts on the development agenda that was before them. This was after members had declined to fill in the attendance sheet siting they were not satisfied with the process. He explained to them that the budget calendar was shorter than normal and asked for their cooperation in the exercise, encouraging members of all sectors such as youth, women, faith based organizations and persons with disabilities to actively participate.

A question arose from Mr. Galgalo Golo, asking if the plan had already been made and they were being used as a rubber stamp, or whether the process sought to involve them fully, because he was of the opinion the time given to them was short. Again, Mr. Jara explained that the budget calendar was shortened to 9 months instead of 12, hence the haste. He also urged them not to have negative predispositions regarding the exercise before they hear what the team had to say.

Mr Abdi Malik, an activist, said that this was the first time they had been called to a public participation forum regarding the budgetary process, so his query was how the process had been undertaken in previous financial years. He suggested to fellow members of the public that the meeting be adjourned until a later date when all reports are available in hard copy for them to read and internalize.

The members were informed of the urgency of concluding the exercise to provide time for the county assembly to do their part of the process. They were informed that the budget calendar was abridged due to the impending electioneering process and the estimate appropriation bill must be passed by 31st March 2017.. It was therefore paramount that this exercise be done so that the report could be submitted the county assembly for further deliberation and or adoption of the document with or without amendments.

Madam Kahelu Kapazi, a resident of Garsen West, expressed that citizens have a right to civic education and public participation, but she felt like the efforts to educate them on such matters was not satisfactory. Another member, Mohamed Omar, said that they had seen no progress in terms of development and development projects but Ms. Fatuma Jibreel said that there is evidence of progress such as the upcoming Garsen modern market and Bus Park. She also said that they felt the elected MCAs of their respective wards had a role to play in the process. To help educate members of the public in their wards and make sure they participate in such fora in a constructive manner.

Mr Ayub Israel and Mr Hassan Farah had similar sentiments, stating that their local leaders had not provided them enough audience, so they were not in complete understanding of what was required of them as far as the exercise was concerned.

There were those amongst the attendants (majority) who did not want the exercise to continue, for the reason stated in the previous minute and others. The meeting had to end abruptly, and prematurely because of the lack of order that arose, and the risk of damage to property etc.

The secretariat team, along with members from the sub county offices convened at the subcounty premises to deliberate. Mr. Jara recommended that the next time such an event is scheduled; it should happen on the premises of the sub-county office, and to consider having security in the event of charged exchanges. He observed that those elements that were against the meeting may have had political motivations and interests. He also stated that subject to availability of resources, it may be advisable to cater for allowances for participants (lunch and transport).

It was then decided that the team would review the sentiments and recommendations, and include them as part of the subsequent document.