



COUNTY GOVERNMENT OF MANDERA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER FOR FY 2025/2026



FEBRUARY 2025

DEPARTMENT OF ECONOMIC PLANNING AND STATISTICS
Mandera County Government
County Treasury
P.O Box 13 - 70300
MANDERA, KENYA



COUNTY ASSEMBLIES FORUM (CAF)
P. O. Box 73552 - 00200,
NAIROBI, KENYA



COUNTY GOVERNMENT OF MANDERA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER FOR FY 2025/2026

FEBRUARY 2025

DEPARTMENT OF ECONOMIC PLANNING AND STATISTICS
Mandera County Government
County Treasury
P.O Box 13 - 70300
MANDERA, KENYA

COUNTY VISION AND MISSION

VISION

Regionally competitive and self- reliant county.

MISSION

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure.

CORE VALUES

- Integrity
- Professionalism
- Accountability
- Hard work
- Innovation
- Responsiveness

Contents

LIST OF TABLES	7
LIST OF FIGURES	7
FOREWORD.....	10
ACKNOWLEDGMENT	11
CHAPTER ONE.....	12
1.0: INTRODUCTION.....	12
1.1: LEGAL BASIS.....	12
1.2 Background.....	13
1.3 FISCAL RESPONSIBILITY PRINCIPLE	13
1.4 OBJECTIVE OF THE PREPARATION OF COUNTY CFSP.....	14
1.5 LINKAGE WITH VISION 2030, MTPs, BETA AND SDGs	15
1.6 OUTLINE OF THE CFSP 2025.....	15
CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK	16
2.0 OVERVIEW	16
2.1 Global Economic performance	16
2.2 Domestic Economic Performance	17
2.3 Monetary and Credit Developments	20
2.4 Interest Rates Developments	21
2.5 External Sector Developments	22
2.6 Foreign Exchange Reserves.....	22
2.7 Exchange Rate Developments	23
2.8 Mandera Gross County Product (GCP)	24
2.8.1 Contribution to National GDP	24
CHAPTER THREE: FISCAL PERFORMANCE IN FY 2024/2025	26
3.1.1 Introduction	26
3.1.2 Financial analysis of county budget implementation	26
3.1.3 Budget Component	26
3.2 Own Source Revenue (OSR).....	27
3.2.1 OSR Performance	27
3.2.2 Total OSR for the First Half of FY 2024/2025.....	27
3.2.3 Monthly OSR Performance per stream.....	29
3.2.4 OSR Performance by Sectors	32

3.3 Exchequer issues.....	35
3.4 Conditional grants.....	36
3.5 Overall Expenditure Analysis.....	37
3.5.1 Expenditure by Economic classification	37
3.6.2 Sector Expenditure Analysis	37
3.6.2.1 Development Expenditure performance by Sectors	39
3.6.2.2 Recurrent Expenditure performance by departments	40
3.7 SECTOR ACHIEVEMENTS.....	41
3.7.1 HEALTH SERVICES	41
3.7.1.1 Public Health Services.....	41
3.7.1.2 Medical Services.....	41
3.7.2 EDUCATION AND HUMAN CAPITAL DEVELOPMENT	42
3.7.2.1 Early Childhood Development Education	42
3.7.2.2 Vocational and Technical Training	42
3.7.2.3 Human Capital Development	43
3.7.3 AGRICULTURE, LIVESTOCK AND FISHERIES	43
3.7.3.1 Crop Production, Harvesting and Value addition.....	43
3.7.3.2 Irrigation and soil conservation	44
3.7.3.3 Livestock Development	44
3.7.4 FINANCE AND ECONOMIC PLANNING.....	44
3.7.4.1 Financial and Accounting services	44
3.7.4.2 Revenue services	44
3.7.4.3 Economic Planning and Statistics.....	45
3.7.4.4 ICT, E-Government and Public Communication	45
3.7.5 LANDS AND URBAN DEVELOPMENT.....	45
3.7.5.1 Lands, Physical Planning and Survey.....	45
3.7.5.2 Circular Economy, Solid Waste management and sanitation.....	45
3.7.6 TRADE AND COOPERATIVE DEVELOPMENT	45
3.7.6.1 Trade, Industry and Investment	45
3.7.6.2 Cooperative Development and Marketing.....	46
3.7.7 SOCIAL DEVELOPMENT	46
3.7.7.1 Social Services, special programs, disaster preparedness and management	46
3.7.7.2 Youth, Sports and Talent Development.....	46
3.7.7.3 Culture, Tourism and Library Services	47

3.7.7.4 Women Empowerment and Affirmative Action.....	47
3.7.8 ROADS, TRANSPORT AND PUBLIC WORKS	47
3.7.8.1 Roads and Transport.....	47
3.7.8.2 Public Works	48
3.7.9 PUBLIC SERVICE MANAGEMENT, DEVOLVED UNITS AND COMMUNITY COHESION	48
3.7.9.1 Public Service Management	48
3.7.9.2 Community cohesion, Conflict management and prevention of radicalization and extremism	48
3.7.10 WATER, ENERGY, ENVIRONMENT AND CLIMATE CHANGE.....	48
3.7.10.1 Water Services.....	48
3.7.10.2 Energy and Natural resources.....	49
3.7.10.3 Environmental protection, Biodiversity conservation and Climate Change.....	49
3.7.11 OFFICE OF THE GOVERNOR	49
3.7.12 COUNTY PUBLIC SERVICE BOARD.....	49
3.7.13 COUNTY ASSEMBLY	49
3.8.1 Budget Execution by programmes and sub-programmes	50
3.8.2 Expenditure on Employees' Compensation.....	58
3.8.3 Settlement of Pending Bills	58
3.9 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD	58
3.9.1 RECOMMENDATIONS.....	60
CHAPTER FOUR: THE MEDIUM-TERM STRATEGY 2025/2026.....	61
4.1 Overview	61
4.2 Fiscal Policy	61
4.3 Revenue Projections	62
4.3.1 Expenditure Projections.....	62
4.3.2 Additional Allocations to County Governments in FY 2025/2026	62
4.4 County Allocations for FY 2025/2026	65
4.5 Resource Allocation Criteria and Proposed Ceilings for FY 2024/25.....	65
4.5.1: Criteria for Resource Allocation	65
5.2 Proposed Ceilings for FY 2025/26	67
4.6 Fiscal Strategy FY 2025/2026	69
CHAPTER FIVE: SECTOR PRIORITIES FOR FY 2025/2026	70
5.1 HEALTH SERVICES	70
5.1.1 Public Health Services.....	70
5.1.2 Medical Services.....	70

5.2 EDUCATION AND HUMAN CAPITAL DEVELOPMENT	70
5.2.1 Early Childhood Development Education	70
5.2.2 Vocational and Technical Training	70
5.2.3 Human Capital Development	70
5.3 AGRICULTURE, LIVESTOCK AND FISHERIES	70
5.3.1 Crop Production, Harvesting and Value addition	71
5.3.2 Irrigation and soil conservation	71
5.3.3 Livestock Development	71
5.4 FINANCE AND ECONOMIC PLANNING	71
5.4.1 Financial and Accounting services	71
5.4.2 Revenue services	71
5.4.3 Economic Planning and Statistics	71
5.4.4 ICT, E-Government and Public Communication	71
5.5 LANDS AND URBAN DEVELOPMENT	72
5.5.1 Housing and Urban Development	72
5.5.2 Lands, Physical Planning and Survey	72
5.5.3 Circular Economy, Solid Waste management and sanitation	72
5.6 TRADE AND COOPERATIVE DEVELOPMENT	72
5.6.1 Trade, Industry and Investment	72
5.6.2 Cooperative Development and Marketing	72
5.7 SOCIAL DEVELOPMENT	72
5.7.1 Social Services, special programs, disaster preparedness and management	73
5.7.2 Youth, Sports and Talent Development	73
5.7.3 Culture, Tourism and Library Services	73
5.7.4 Women Empowerment and Affirmative Action	73
5.8 ROADS, TRANSPORT AND PUBLIC WORKS	73
5.8.1 Roads and Transport	73
5.8.2 Public Works	73
5.9 PUBLIC SERVICE MANAGEMENT, DEVOLVED UNITS AND COMMUNITY COHESION	73
5.9.1 Public Service Management	73
5.9.3 Community cohesion, Conflict management and prevention of radicalization and extremism	73
5.10 WATER, ENERGY, ENVIRONMENT AND CLIMATE CHANGE	74
5.10.1 Water Services	74
5.10.2 Energy and Natural resources	74

5.10.3 Environmental protection, Biodiversity conservation and Climate Change.....	74
5.11 OFFICE OF THE GOVERNOR	74
5.12 COUNTY PUBLIC SERVICE BOARD	74
5.13 COUNTY ASSEMBLY	74
5.14 Risk Mitigation Framework.....	74

LIST OF TABLES

Table 1: Global Economic performance.....	16
Table 2: Sectoral GDP Performance	17
Table 3: Money and Credit Developments (12 Months to November 2024, Ksh billion)	20
Table 4 : Balance of Payments (USD Million).....	22
Table 5: County's GCP estimates over the five-year period.	24
Table 6: Budget Components	27
Table 7: Total Local Revenue Collections for the First Half of FY 2024/2025.....	27
Table 8: Monthly OSR Performance per Stream.....	29
Table 9: OSR Performance by Department	32
Table 10: Revenue Performance by Source (July 2024- December 2024)	36
Table 11: Total Expenditure Analysis	38
Table 12: Development Expenditure Analysis	39
Table 13: Recurrent Expenditure Analysis.....	40
Table 14: Budget Execution by programmes and sub-programmes.....	50
Table 15: List of pending bills.....	58
Table 16: Additional Allocations to County Governments for FY 2025/2026	63
Table 17: County Revenue source Envelope.....	63
Table 18: Allocation to the ministries for FY 2025/2026-ceilling	67

LIST OF FIGURES

Figure 1: Annual Real GDP Growth Rates, percent.....	18
Figure 2 : Inflation rates, percent.....	19
Figure 3: Private Sector Credit	21
Figure 4 : Short Term Interest Rates, Percent	21
Figure 5: Foreign Exchange Reserves (USD Million)	23
Figure 6: Kenya Shillings Exchange Rate	23
Figure 7 : Performance of the Nairobi Securities Exchange	24
Figure 8 :Expected Sources of Budget Financing in FY 2024/2025.....	26
Figure 9 :Revenue performance for major sources of revenue	31
Figure 10: Expenditure by Economic Classification.....	37
Figure 11: Expenditure by Economic Classification.....	Error! Bookmark not defined.
Figure 12 : Expenditure Performance Proportion.....	38

ABBREVIATIONS

ADP-Annual Development Plan
ATI -Agricultural Training Institute
BOP -Balance of Payments
CBROP- County Budget Review and Outlook Paper
CCO -County Chief Officer
CBK -Central Bank of Kenya
CBR –Central Bank Rate
CECM -County Executive Committee Member
CFSP- County Fiscal Strategy Paper
CIDP -County Integrated Development plan
CORE- County Own Revenue
COG- Council of Governors
CPI -Consumer Price Index
CRA- Commission of Revenue Allocation
ECDE -Early Childhood Development & Education

FY- Financial Year
GCP- Gross County Product
GDP -Gross Domestic Product
GIS- Geographic Information System
IBEC-Inter-Governmental Budget and Economic Council
ICT- Information and Communication Technology
IFMIS- Integrated Financial Management Information System
KNBS- Kenya National Bureau of Statistics
Kshs- Kenya Shillings
MTDS-Medium-term Debt Management Strategy
LAN- Local Area Network
MTEF- Medium Term Expenditure Framework
MTP -Medium-Term Plan
NFA -Net Foreign Assets
NSE -Nairobi Securities Exchange
OSR- Own Source Revenue
PFM- Public Finance Management

SRC -Salaries and Remuneration Commission

SDG-Sustainable Development Goals

VTCs- Vocational Training Centres

FOREWORD

The Mandera County Fiscal Strategy Paper (CFSP 2025) is prepared as provided under section 117 of PFM Act of 2012. It sets out the county priority programs to be implemented during the financial year 2025/2026 and over the Medium-Term Expenditure Framework (MTEF) period. Preparation of this document has been done through collaborative effort and therefore reflects the needs of people of Mandera County. The document has been aligned to key National and County policy documents which include and not limited to; the Kenya Vision 2030, MTP IV 2023-2027, Mandera County Integrated Development Plan (CIDP 2023-2027), County Annual Development Plan (CADP 2025/2026), The Governor's manifesto and the Kenya Kwanza Government manifesto of Bottom-up Economic Transformation Agenda (BETA) model.

The paper is also aligned with the national objectives contained in the Budget Policy Statement (Draft BPS 2025) and Commission on revenue allocation (CRA), in this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of the Third CIDP and ultimately the Kenya Vision 2030. The expenditure priorities in this CFSP have been critically reviewed to ensure that they are in accordance to the County Government strategic priorities. In addition, the County has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating additional revenue streams. These reforms are expected to make revenue payment more convenient and increase Own Source of Revenue which will help in financing future County Budgets. As we finalize preparation of the budget for the FY 2025/26, we are clearly conscious of our limited fiscal space occasioned by revenue shortfalls and rising expenditure pressures.

Mr. Ibrahim Mohamed Adan

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGMENT

The 2025 County Fiscal Strategy Paper is prepared in accordance with the provisions of the Public Finance Management Act; 2012. It outlines the current state of the County and outlook over the medium term, it also gives broad macroeconomic issues and medium-term fiscal framework of the National Economy as contained in the 2025 Budget Policy Statement (BPS). The 2025 CFSP specifies the set strategic priorities and policy goals and a summary of Government spending plans, as a basis of the FY 2025/26 budget.

We are indebted to the number of government departments, agencies, and development stakeholders who dedicatedly worked to prepare the 2025 CFSP. Their firsthand experiences and perspectives were invaluable in shaping our understanding of local fiscal challenges and opportunities. Furthermore, we are deeply grateful for the exceptional support and guidance provided by the leadership of **H.E. the Governor, H.E. the Deputy Governor**, the County Secretary, the Members of the County Executive Committee, the Chief Officers, the County Directors, and other county technical staff. In addition to the public comments, special thanks are extended to the whole County Budget and Economic Forum (CBEF) and the County Treasury technical staff.

Special appreciation goes to **UNICEF-Kenya** for their technical support during the preparation of the document. The Executive Committee Member of Finance and Economic Planning led a team from the Department of Economic Planning and invested a lot of time to ensure the successful completion of this document, as it is the responsibility of the County Treasury to oversee and ensure the timely preparation and submission of the CFSP.

Special appreciation goes to the Directors of Budget, Statistics and Economic planning supported by a team of Economists/Statisticians. Their immeasurable effort and commitment contributed to the fruitful preparation and submission of the 2025 CFSP. Finally, I express my sincere gratitude to Sector Working Groups (SWGs) and technical officers for their invaluable contribution and input to the document. I thank you and assure you that the time spent was not in vain as the 2025 CFSP will be of significant importance to the future planning and budgeting process.

Fartun Bulle Ibrahim
COUNTY CHIEF OFFICER
ECONOMIC PLANNING AND STATISTICS

CHAPTER ONE

1.0: INTRODUCTION

The County Fiscal Strategy paper (CFSP) is the fourth stage activity in the budget preparation process and the paper has been formulated in line with Section 117 of PFM Act 2012. This policy document heralds the preparation of two other important documents, that is, the County Annual Development Plan (CADP) and the County Budget Review and Outlook Paper (CBROP).

The County Fiscal Strategy Paper (CFSP) is a primary financial policy statement that provides an economic forecast for the county government and, sets out priority programmes, revenue projections and expenditure framework. The County Fiscal Strategy Paper 2025 identifies the broad strategic priorities and policy goals highlighted in the budget circular 2025/26 under the theme of “***Consolidating gains under Bottom-Up Economic Transformation Agenda (BETA) for inclusive green growth***” that will guide the County Government in preparing its budget for Financial Year (FY) 2025/2026 and the Medium Term.

1.1: LEGAL BASIS

The County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012, it states that;

- i. 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
- ii. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- iii. 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.
- iv. 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
- v. v. 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.
- vi. vi. The County Treasury shall consider any recommendations made by the County assembly when finalizing the budget proposal for the financial year concerned
- vii. vii. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

1.2 Background

The County Fiscal Strategy Paper (CFSP) 2025 is the Third to be prepared under the current County administration. It seeks to actualize the priorities laid down under the **key Pillars** of the County Administration as well as the Socio-Economic Transformative Agenda spelt out in the Third County Integrated Development Plan (CIDP III 2023-2027). These include:

- Creating an enabling environment for business in order to encourage investment growth and expansion of economic opportunities as well as enhancing resource mobilization
- Development of key infrastructure facilities including roads, water and ICT in order to stimulate growth, create employment and reduce poverty;
- Transforming Health Care provision
- Expanding and improving education access & quality
- Promotion of value addition for agricultural produce, environment management and food security;
- Promotion of equitable economic and social development;
- Enhancing governance, transparency and accountability in the delivery of public goods and services.

1.3 FISCAL RESPONSIBILITY PRINCIPLE

The Public Finance Management (PFM) Act, 2012 outlines the fiscal responsibility principles to ensure Prudence and transparency in the management of public resources. The PFM Act (Section 107) states that:

A County Treasury shall manage its public County Treasury to enforce fiscal responsibility principles finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations. In managing the County

Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-The County Government's recurrent expenditure shall not exceed the County Government's total revenue; Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure; The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly

Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; The County debt shall be maintained at a sustainable level as approved by County assembly; The fiscal risks shall be managed prudently; and 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. The regulations in section 25 (1) States that in addition to the fiscal responsibility principles set out in section 107 of the Act, the following fiscal responsibility principles shall apply in the management of public finances—

- (a) The County Executive Committee Member with the approval of the County Assembly shall set a limit on the County government's expenditure on wages and benefits for its public officers pursuant to section 107(2) of the Act;

- (b) The limit set under paragraph (a) above, shall not exceed thirty-five (35) percent of the County government's total revenue;
- (c) For the avoidance of doubt, the revenue referred to in paragraph (b) shall not include revenues that accrue from extractive natural resources including as oil and coal;
- (d) The County public debt shall never exceed twenty (20%) percent of the County governments total revenue at any one time;
- (e) The County annual fiscal primary balance shall be consistent with the debt target in paragraph
- (f) The approved expenditures of a County assembly shall not exceed seven per cent of the total revenues of the County government or twice the personnel emoluments of that County assembly, whichever is lower;
- (g) Pursuant to section 107(5) of the Act, if the County government actual expenditure on development shall be at least thirty percent in conformity with the requirement under section 107(2)(a) of the Act;
- (h) If the County government does not achieve the requirement of regulation 25(1)(f) above at the end of the financial year, the County executive committee member for finance shall submit a responsibility statement to County assembly explaining the reasons for the deviation and provide a plan on how to ensure annual actual expenditure outturns as well as medium term allocation comply with the provisions of Section 107 (2) (a) of the Act and these regulations in the subsequent years; and the compliance plan above shall be binding and the County executive committee member for finance shall ensure implementation

1.4 OBJECTIVE OF THE PREPARATION OF COUNTY CFSP

The objective of the County Fiscal Strategy Paper 2025 is to lay down the framework for the preparation of the County Budget for FY 2025/2026. It is a requirement under Section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February each year.

Pursuant to the provisions of the PFM Act 2012, this County Fiscal Strategy Paper addresses the following:

- i. The Medium-Term macroeconomic framework and its outlook as contained in the Budget Policy Statement 2025 and how it impacts on the County economic environment;
- ii. A statement of fiscal responsibility principles, as specified in the PFM Act, 2012 and regulations indicating how the Fiscal Strategy Paper adheres to these principles;
- iii. The economic assumptions underlying the County budgetary and fiscal policy over the Medium Term;

- iv. Indicative allocation of available resources among County Government sectors and agencies;
- v. A medium-term fiscal framework defining a bottom-up aggregate resource envelope and broad expenditure levels.

In preparing the CFSP 2025, the County Government has taken into account the views of the public, BPS 2025, the sectors, the Commission on Revenue Allocation and other key stakeholders.

1.5 LINKAGE WITH VISION 2030, MTPs, BETA AND SDGs

The County Fiscal Strategy Paper 2025 is closely linked to the CIDP 2023-2027, Vision 2030, MTP IV, Bottom-Up Economic Transformation Agenda (BETA) of The National Government, Sustainable Development Goals (SDGs), and the African Agenda 2063.

Vision 2030 is Kenya's long-term development blueprint that outlines the Country's development aspirations that is implemented in Medium Term phases. The County Fiscal Strategy Paper aligns with Vision 2030 by providing the necessary resources to support the three pillars outlined in the Vision; Social, Economic and Political pillars.

The County Fiscal Strategy Paper allocates resources in line with the 17 goals under SDGs and Africa Agenda 2063 like reducing poverty, improving access to education and healthcare and protecting the environment thus, providing the necessary resources to support the implementation of initiatives and projects aimed at promoting sustainable economic development, improving governance and strengthening regional integration.

1.6 OUTLINE OF THE CFSP 2025

The Fiscal Strategy Paper is presented in Five chapters. The Introduction presented in Chapter One, Chapter two presents the recent economic development and medium-term outlook which gives an overview of the global, national, regional and county economic development outlook.

Chapter three outlines the fiscal performance for FY 2024/2025 and budget framework with Chapter four presenting the medium-term expenditure framework, revenue and expenditure projections. Chapter five presents the sector priorities.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

2.0 OVERVIEW

Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 2025 from 3.3 percent in 2023 supported by easing of global inflation and supply chain constraints. The outlook reflects stronger-than-expected growth in the USA, some large emerging market economies such as India, and improved growth prospects in the UK. The main risks to the global growth outlook relate to disruptions to the disinflation process, potentially triggered by new spikes in commodity prices amid persistent geopolitical tensions, a possible resurgence of financial market volatility with adverse effects on sovereign debt markets, a deeper growth slowdown in China and an intensification of protectionist policies which would exacerbate trade tensions, reduce market efficiency, and further disrupt supply chains.

2.1 Global Economic performance

Table 1: Global Economic performance

Economy	Growth (%)			
	Actual	Estimate	Projections	
	2022	2023	2024	2025
World	3.5	3.3	3.2	3.2
Advanced Economies	2.6	1.7	1.8	1.8
<i>Of which: USA</i>	1.9	2.9	2.8	2.2
<i>Euro Area</i>	3.4	0.4	0.8	1.2
<i>Japan</i>	1.0	1.7	0.3	1.1
Emerging and Developing Economies	4.1	4.4	4.2	4.2
<i>Of which: China</i>	3.0	5.2	4.8	4.5
<i>India</i>	7.0	8.2	7.0	6.5
Sub-Saharan Africa	4.0	3.6	3.6	4.2
<i>Of which: South Africa</i>	1.9	0.7	1.1	1.5
Nigeria	3.3	2.9	2.9	3.2
Kenya*	4.9	5.6	5.2	5.4

*Source: IMF World Economic Outlook, October 2024. *National Treasury Projection*

A review of global economic performance shows that growth in the advanced economies is projected to remain stable at 1.8 percent in 2024 and 2025 from 1.7 percent in 2023(**Table 1 above**). In the United States, growth is projected at 2.8 percent in 2024 on account of stronger outturns in consumption and non-residential investment and demand factors in the labour market. Growth is anticipated to slow to 2.2 percent in 2025 as fiscal policy is gradually tightened and a cooling labor market slows consumption. Growth in the euro area is expected to recover as a result of better export performance, in particular of goods, stronger domestic demand, rising real wages which are expected to boost consumption, and a gradual loosening of monetary policy which is expected to support investment. However, growth in Japan is expected to slow down reflecting temporary supply disruptions and fading of one-off factors that boosted activity in 2023, such as the surge in tourism. Growth in emerging markets and developing economies is projected to remain stable at 4.2 percent in 2024 and 2025, with divergence across major economies. At the regional level, growth in Sub-Saharan

Africa is expected to rebound to 4.2 percent in 2025 from 3.6 percent in 2024 and 2023. This growth is driven by improved economic activities as the adverse impacts of prior weather shocks subside and supply constraints gradually ease.

2.2 Domestic Economic Performance

The Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being relatively slower than the corresponding period in 2023. In the first three quarters of 2024, the economic growth averaged 4.5 percent (5.0 percent Q1, 4.6 percent Q2 and 4.0 percent in Q3) compared to an average growth of 5.6 percent (5.5 percent Q1, 5.6 percent Q2 and 6.0 percent in Q3) in 2023. The growth in the first three quarters of 2024 was primarily underpinned by strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first the quarters of 2024, though the magnitudes varied across the economic activities (Table 2). The diversified structure of the Kenyan economy remains a key source of resilience to domestic and external shocks.

Table 2: Sectoral GDP Performance

Sectors	Annual Growth Rates		Quarterly Growth Rates					
	2022	2023	2023 Q1	2023 Q2	2023 Q4	2024 Q1	2024 Q2	2024 Q3
1. Primary Industry	(0.8)	5.6	5.3	6.9	5.3	5.0	4.4	3.2
1.1. Agriculture, Forestry and Fishing	(1.5)	6.5	6.4	7.8	6.2	6.1	4.8	4.2
1.2 Mining and Quarrying	9.3	(6.5)	(11.0)	(8.3)	(6.9)	(14.8)	(2.7)	(11.1)
2. Secondary Sector (Industry)	3.5	2.5	2.5	2.1	2.0	1.0	0.8	0.6
2.1. Manufacturing	2.6	2.0	1.7	1.5	2.0	1.2	3.3	2.3
2.2. Electricity and Water supply	5.5	2.8	3.7	2.8	1.3	2.4	1.0	0.9
2.3. Construction	4.1	3.0	3.0	2.7	2.2	0.1	(2.9)	(2.0)
3. Tertiary sector (Services)	6.6	6.8	6.5	6.7	6.3	6.2	5.3	5.3
3.1. Wholesale and Retail trade	3.5	2.7	2.9	2.1	2.8	4.9	4.4	4.8
3.2. Accommodation and Restaurant	26.8	33.6	47.1	42.7	18.1	28.0	26.6	13.7
3.3. Transport and Storage	5.8	6.2	6.6	4.6	8.5	3.9	3.6	5.2
3.4. Information and Communication	9.0	9.3	9.5	7.6	11.0	7.8	7.2	6.1
3.5. Financial and Insurance	12.0	10.1	5.9	13.2	6.3	7.0	5.1	4.7
3.6. Public Administration	5.1	4.6	7.6	3.2	3.4	5.8	5.1	5.4
3.7. Others	5.3	6.1	5.7	5.9	6.1	5.9	5.1	5.1
of which: Professional, Admin & Support Services	9.4	9.4	8.6	6.6	12.8	9.9	6.8	7.8
Real Estate	4.5	7.3	7.3	8.1	6.2	6.6	6.0	5.5
Education	5.2	3.1	2.0	3.1	3.9	4.0	3.1	3.8
Health	3.4	4.9	5.1	4.7	4.8	5.5	5.5	4.4
Taxes less subsidies	6.7	2.2	3.0	1.8	2.0	4.5	5.8	3.4
Real GDP	4.9	5.6	5.5	5.6	5.1	5.0	4.6	4.0

Source of Data: Kenya National Bureau of Statistics

The primary sector grew by an average of 4.2 percent in the first three quarters of 2024 (5.0 percent in the first quarter, 4.4 percent in the second quarter and 3.2 percent in the third quarter) mainly supported by strong agricultural activities despite a contraction in mining and quarrying. In the first three quarters of 2024, the agriculture sector remained robust growing by 6.1 percent in the first quarter, 4.8 percent in the second quarter and 4.2 percent in the third quarter. This growth was supported by favorable weather

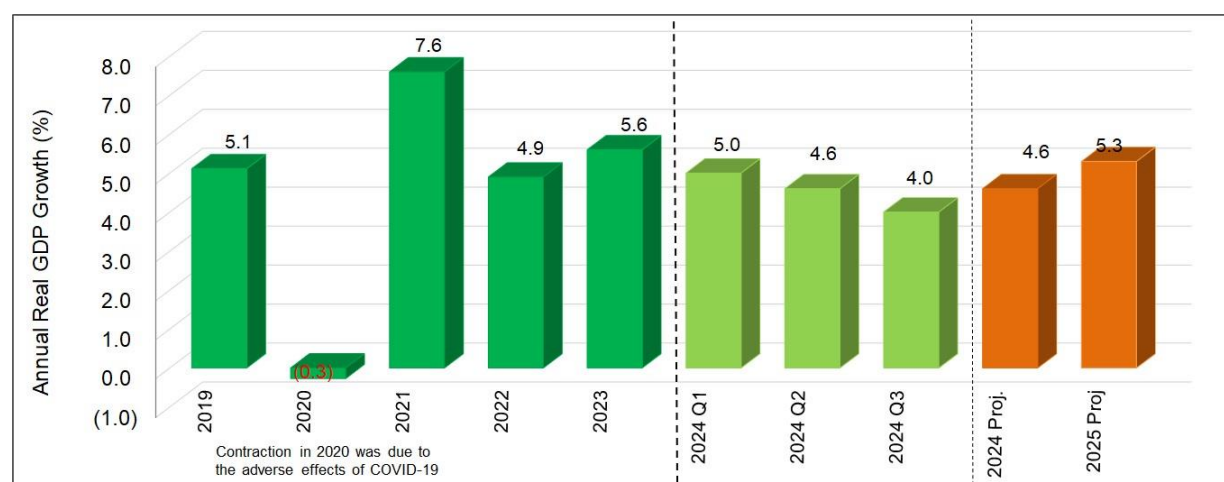
conditions and the impact of Government interventions to lower the cost of production. However, the sectors' performance 35 Draft 2025 Budget Policy Statement was somewhat curtailed by heavy rains and floods, between March and June 2024, that led to loss of livestock and damage to croplands. 146. Activities in Mining and Quarrying contracted in the first three quarters of 2024 mainly due to a decline in production of most minerals such as titanium, soda ash and gemstone. This was as a result of the closure of Kwale miner Base Titanium which formally shut down its mining activity in Kenya in December 2024 due to depletion of commercially viable ore.

Industrial sector performance remained subdued, with growth of the sector slowing down to an average of 0.8 percent in the first three quarters of 2024 (1.0 percent Q1, 0.8 percent Q2 and 0.6 percent Q3). This was mainly on account of a slowdown in activities from electricity& water supply and contraction of the construction sub-sectors. The slowed growth in electricity& water supply was due to a decline in generation of electricity from geothermal, wind and solar while the contraction in construction sector is due to a slowdown in public sector infrastructure projects. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, was supported by significant growths in the manufacture of food while the non-food manufacturing activities recorded varied performance.

The activities in the services sector continued to sustain strong growth momentum in the first three quarters of 2024 averaging 5.6 percent (6.2 percent Q1, 5.3 percent Q2 and 5.3 percent Q3). The performance was largely characterized by significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Accommodation and restaurant service sub-sector benefited from several high-profile international conferences held in Nairobi between April and June 2024 that attracted significant international participation. Growth in the information and communication sub-sector was supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs).

Taking into account the performance of the economy in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy growth is estimated to expand overall by 4.6 percent in 2024 and 5.3 percent in 2025. These projections are mainly supported by: a robust services sector and recovery of manufacturing sector; robust agricultural productivity and improvement in exports. The outlook will be reinforced by implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. Additionally, implementation of prudent fiscal and monetary policies will continue to support economic activity (**Figure 1**)

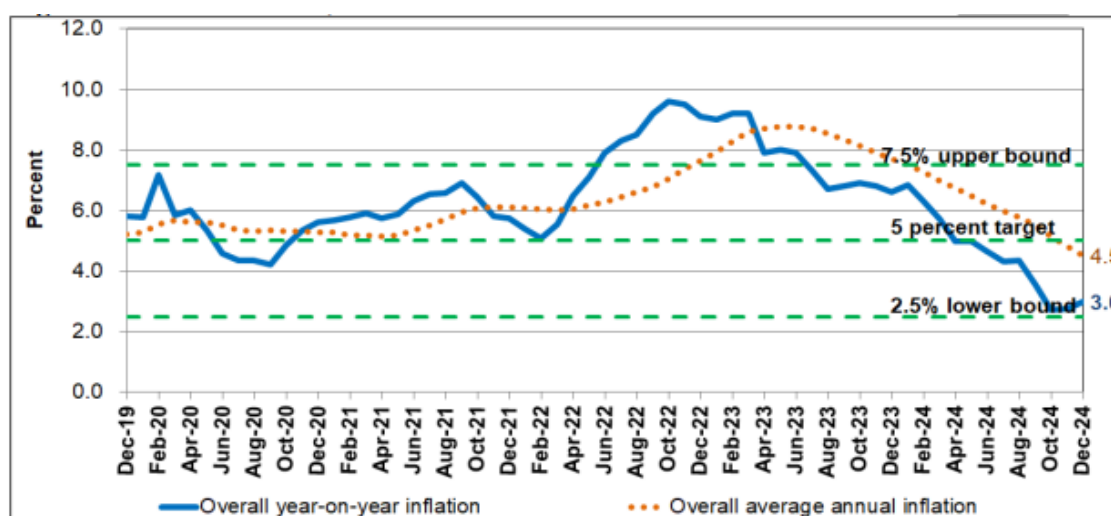
Figure 1: Annual Real GDP Growth Rates, percent



Source of Data: Kenya National Bureau of Statistics

Overall inflation declined and has remained below the mid-point of the target band of 5.0 percent since June 2024, mainly reflecting significant declines in energy prices and continued easing of food prices. Inflation declined to 3.0 percent in December 2024 from 6.6 percent in December 2024 and a peak of 9.6 percent in October 2022 (Figure 2). Easing inflation has been supported by abundant supply of food arising from favourable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFFN) inflation reflecting impact of previous monetary policy tightening.

Figure 2 : Inflation rates, percent



Source of Data: Kenya National Bureau of Statistics

Food inflation remained a key driver of overall year-on-year inflation though it declined to 4.8 percent in December 2024 from 7.7 percent in December 2023. The easing of food prices was supported by increased food supply arising from favorable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices. Prices of most vegetable food items increased in the month of December 2024 compared to the same period in 2023 while those of non-vegetable food items declined significantly during the same period.

Fuel inflation declined to -1.0 percent in December 2024 from 13.7 percent in December 2023. The decline largely reflected the easing global oil prices and appreciation of the Kenya Shilling's which resulted in a downward adjustment of pump prices; and lower electricity prices. Core (non-food non-fuel) inflation has remained low and stable reflecting the impact of tight monetary policy and muted demand pressures.

Given that inflation is below the mid-point of the target range and the exchange rate has stabilized, the Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR), initially to 12.75 percent from 13 percent in August 2024 to 12.0 percent in October 2024 and further to 11.25 percent in December 2024. The easing of the monetary policy stance is aimed at improving credit to the private sector thereby supporting economic activities.

2.3 Monetary and Credit Developments

Broad money supply, M3, grew by 1.6 percent in the year to November 2024 compared to a growth of 21.1 percent in the year to November 2023 (Table 3). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was the resilience in the Net Foreign Assets (NFA) of the banking system, mainly reflected in the stability of commercial banks' Foreign Assets.

Net Domestic Assets (NDA) contracted by 2.2 percent in the year to September 2024, compared to a growth of 10.9 percent over a similar period in 2023. The slowdown in growth of the NDA was due to a decline in growth of the domestic credit to the private sector. The domestic credit extended by the banking system to the Government increased to grow by 16.6 percent in the year to November 2024 compared to a growth of 14.4 percent in the year to November 2023.

Table 3: Money and Credit Developments (12 Months to November 2024, Ksh billion)

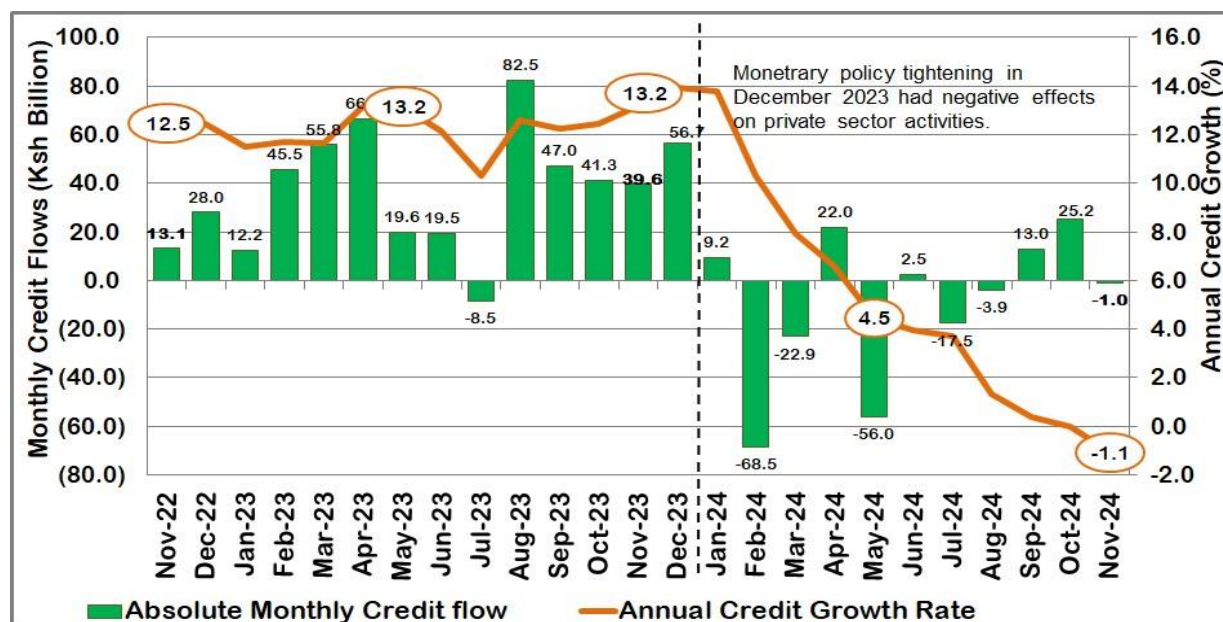
				Change		Percent Change	
	2022 November	2023 November	2024 November	2022-2023 November	2023-2024 November	2022-2023 November	2023-2024 November
COMPONENTS OF M3							
1. Money supply, M1 (1.1+1.2+1.3)	1,902.0	2,012.5	2,057.9	110.5	45.4	5.8	2.3
1.1 currency outside banks (M0)	252.2	272.7	291.1	20.5	18.4	8.1	6.7
1.2 Demand deposits	1,560.6	1,656.0	1,608.8	95.4	(47.2)	6.1	(2.9)
1.3 Other deposits at CBK	89.2	83.8	158.0	(5.4)	74.2	(6.0)	88.6
2. Money supply, M2 (1+2.1)	3,537.3	3,906.3	4,179.9	369.0	273.6	10.4	7.0
2.1 Time and savings deposits	1,635.3	1,893.8	2,121.9	258.5	228.2	15.8	12.0
Money supply, M3 (2+3.1)	4,460.2	5,402.6	5,490.3	942.4	87.7	21.1	1.6
3.1 Foreign currency deposits	922.9	1,496.3	1,310.5	573.4	(185.9)	62.1	(12.4)
SOURCES OF M3							
1. Net foreign assets (1.1+1.2)	276.0	771.8	854.1	495.8	82.4	179.6	10.7
1.1 Central Bank	531.7	497.1	557.9	(34.5)	60.8	(6.5)	12.2
1.2 Banking Institutions	(255.7)	274.6	296.2	530.3	21.6	207.4	7.9
2. Net domestic assets (2.1+2.2)	4,184.2	4,630.8	4,636.2	446.6	5.4	10.7	0.1
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,425.2	6,186.8	6,472.1	761.6	285.3	14.0	4.6
2.1.1 Government (net)	1,940.4	2,220.7	2,589.7	280.4	369.0	14.4	16.6
2.1.2 Other public sector	79.3	111.6	69.1	32.3	(42.6)	40.7	(38.1)
2.1.3 Private sector	3,405.5	3,854.5	3,813.3	448.9	(41.1)	13.2	(1.1)
2.2 Other assets net	(1,241.1)	(1,556.0)	(1,836.0)	(315.0)	(279.9)	(25.4)	(18.0)

Source of Data: Central Bank of Kenya

Growth in private sector credit from the banking system declined by 1.1 percent in the year to November 2024 compared to a growth of 13.2 percent in the year to November 2023, due to the impact of exchange rate appreciation on foreign currency denominated loans and the lagged effects of monetary policy tightening. Reduced credit growth was observed in manufacturing, finance and insurance, trade (exports) and building and construction sub-sector. These are some of the sub-sectors with significant foreign currency denominated loans. The Monthly (month on month) credit flows to the private sector have slowed down since December 2023 following the monetary policy action of increasing the central bank rate to manage inflation expectation which resulted in the increased cost of credit (**Figure 3**). With the strong easing of monetary policy stance, credit to the private sector is expected to recover as lending rates decline. Sustained demand particularly for working capital due to resilient economic activity and

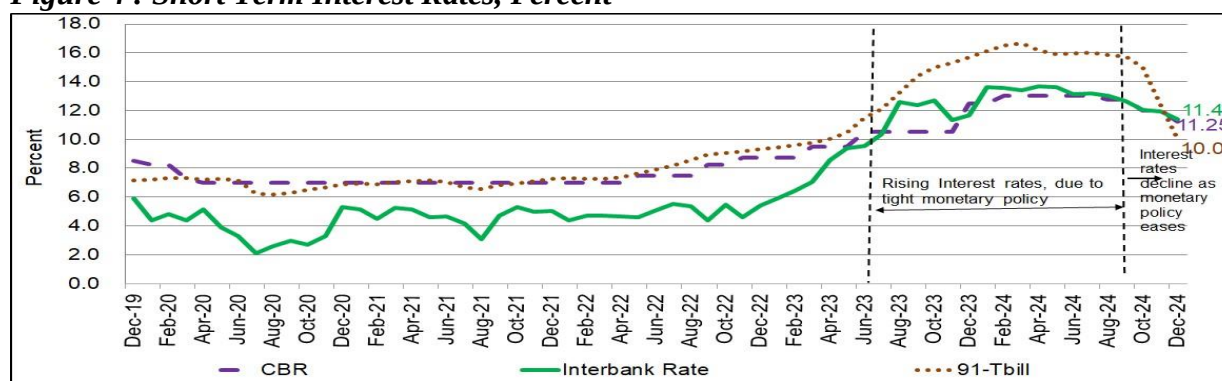
the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs will continue to support private sector credit uptake.

Figure 3: Private Sector Credit



declined to 11.4 percent in December 2024 compared to 11.7 percent in December 2023 and has remained within the prescribed corridor around the CBR (set at CBR± 150 basis points). The 91-day Treasury Bills rate also declined to 10.0 percent in December 2024 from 15.7 percent in December 2023 (**Figure 4**)

Figure 4 : Short Term Interest Rates, Percent



Source of Data: Central Bank of Kenya

Commercial banks average lending and deposit rates increased in the year to November 2024 in tandem with prevailing tight monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 17.2 percent in November 2024 from 14.6 percent in November 2023 while the average deposit rate increased to 10.4 percent from 10.1 percent over the same period. Consequently, the average interest rate spread increased to 6.8 percent in November 2024 from 4.5 percent in November 2023.

2.5 External Sector Developments

The current account deficit was at US\$. 4,537.9 million (3.6 percent of GDP) in November 2024 compared to US\$ 4,354.5 million (4.4 percent of GDP) in November 2023, reflecting strong performance of export of goods as well as increased remittances (**Table 4**).

Table 4 : Balance of Payments (USD Million)

	Year to November 2024					Actuals as a Percent of GDP	
	Nov-22	Nov-23	Nov-24	Change	Percent Change	Nov-23	Nov-24
Overall Balance	2,149.9	979.9	(1,500.7)	(2,480.6)	(253.2)	1.0	(1.2)
A) Current Account	(6,134.4)	(4,354.5)	(4,537.9)	(183.4)	(4.2)	(4.4)	(3.6)
<i>Merchandise Account (a-b)</i>	<i>(12,231.8)</i>	<i>(10,167.5)</i>	<i>(10,539.7)</i>	<i>(372.3)</i>	<i>(3.7)</i>	<i>(10.3)</i>	<i>(8.3)</i>
a) Goods: exports	7,472.9	7,234.9	8,171.6	936.7	12.9	7.3	6.4
b) Goods: imports	19,704.7	17,402.4	18,711.4	1,309.0	7.5	17.6	14.7
<i>Net Services (c-d)</i>	<i>1,381.9</i>	<i>688.9</i>	<i>675.7</i>	<i>(13.1)</i>	<i>(1.9)</i>	<i>0.7</i>	<i>0.5</i>
c) Services: credit	6,539.7	5,685.8	5,513.7	(172.1)	(3.0)	5.8	4.3
d) Services: debit	5,157.9	4,996.9	4,838.0	(159.0)	(3.2)	5.1	3.8
<i>Net Primary Income (e-f)</i>	<i>(1,741.5)</i>	<i>(1,923.3)</i>	<i>(2,190.2)</i>	<i>(266.9)</i>	<i>(13.9)</i>	<i>(1.9)</i>	<i>(1.7)</i>
e) Primary income: credit	143.3	196.9	292.4	95.5	48.5	0.2	0.2
f) Primary income: debit	1,884.8	2,120.1	2,482.6	362.4	17.1	2.1	1.9
<i>Net Secondary Income</i>	<i>6,457.0</i>	<i>7,047.4</i>	<i>7,516.3</i>	<i>469.0</i>	<i>6.7</i>	<i>7.1</i>	<i>5.9</i>
g) Secondary income: credit	6,519.5	7,135.4	7,623.8	488.3	6.8	7.2	6.0
h) Secondary income: debit	62.5	88.1	107.4	19.3	22.0	0.1	0.1
B) Capital Account	165.0	131.1	152.5	21.4	16.3	0.1	0.1
C) Financial Account	(4,089.0)	(2,539.6)	(5,420.6)	(2,881.0)	(113.4)	(2.6)	(4.2)

Source of Data: Central Bank of Kenya

Net receipts on the services account declined by US\$. 13.1 million to US\$. 675.7 million in November 2024 compared to similar period in 2023. This was mainly on account of a decline in receipts due to transport in spite of an increase in receipts from tourism as international travel continued to improve. Remittances increased by 15.3 percent to USD 4,804 million in the 12 months to October 2024 compared to USD 4,165 million in a similar period in 2023.

The capital account balance increased by US\$. 21.4 million to register a surplus of US\$ 152.5 million in November 2024 compared to a surplus of US\$. 131.1 million in the same period in 2023. Net financial inflows improved to US\$. 5,420.6 million in November 2024 compared to US\$. 2,539.6 million in November 2023 reflecting a slowdown in inflows to the government and other sectors. The net financial inflows were mainly in the form of other investments and direct investments. However, portfolio investments and financial derivatives registered a net outflow during the period partly due to Kenya's limited access to international financial markets owing to elevated borrowing costs. The overall balance of payments position slowed down to a deficit of US\$. 1,500.7 million (1.2 percent of GDP) in November 2024 from a surplus of US\$. 979.9 million (1.0 percent of GDP) in November 2023.

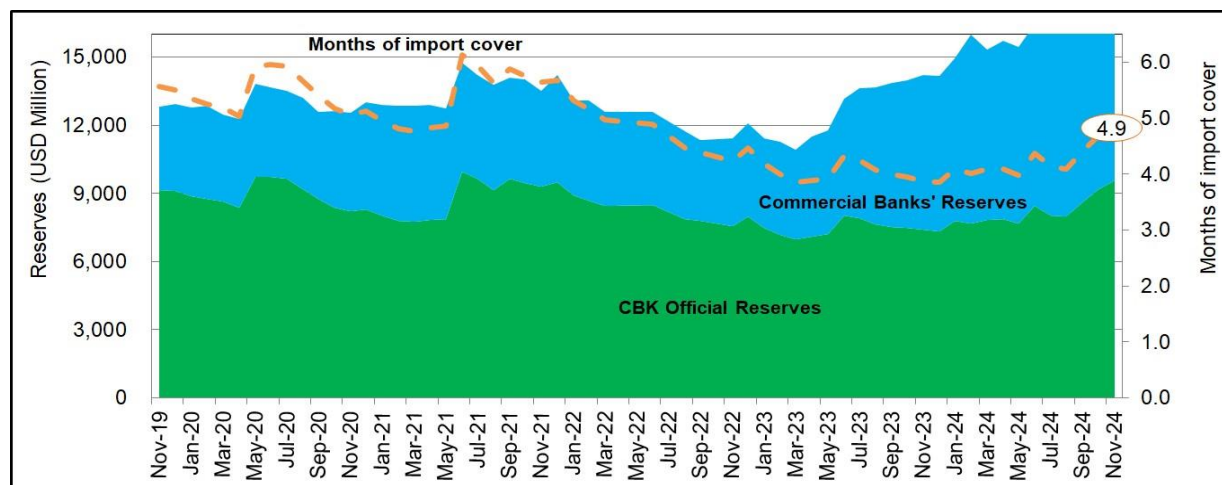
2.6 Foreign Exchange Reserves.

The banking system's foreign exchange holdings remained strong at US\$. 16,312.1 million in November 2024, an improvement from US\$. 14,211.1 million in November 2023. The official foreign exchange reserves held by the Central Bank stood at US\$. 9,578.0 million compared to US\$ 7,397.6 million over

the same period in 2023 (**Figure 5**). Commercial banks foreign exchange holdings decreased to US\$. 6,734.1 million in November 2024 from US\$. 6,813.5 million in November 2023.

The official reserves held by the Central Bank in November 2024 represented 4.9 months of import cover as compared to the 3.9 months of import cover in November 2023. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market.

Figure 5: Foreign Exchange Reserves (USD Million)



2.7 Exchange Rate Developments

The foreign exchange market remained stable in 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 and has now stabilized against major international currencies. In December 2024, the exchange rate against the US dollar averaged at Ksh 129.4 compared to an average of Ksh 159.7 in January 2024, an appreciation of 19.0 percent. Against the Euro, the Kenya shilling strengthened by 22.2 percent to exchange at an average of Ksh 135.6 in December 2024 compared to an average of Ksh 174.3 in January 2024 while against the Sterling Pound the Kenyan Shilling strengthened by 19.3 percent to exchange at an average of Ksh 163.6 compared to an average Ksh 202.9, over the same period (**Figure 6**).

The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sub-sectors. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.

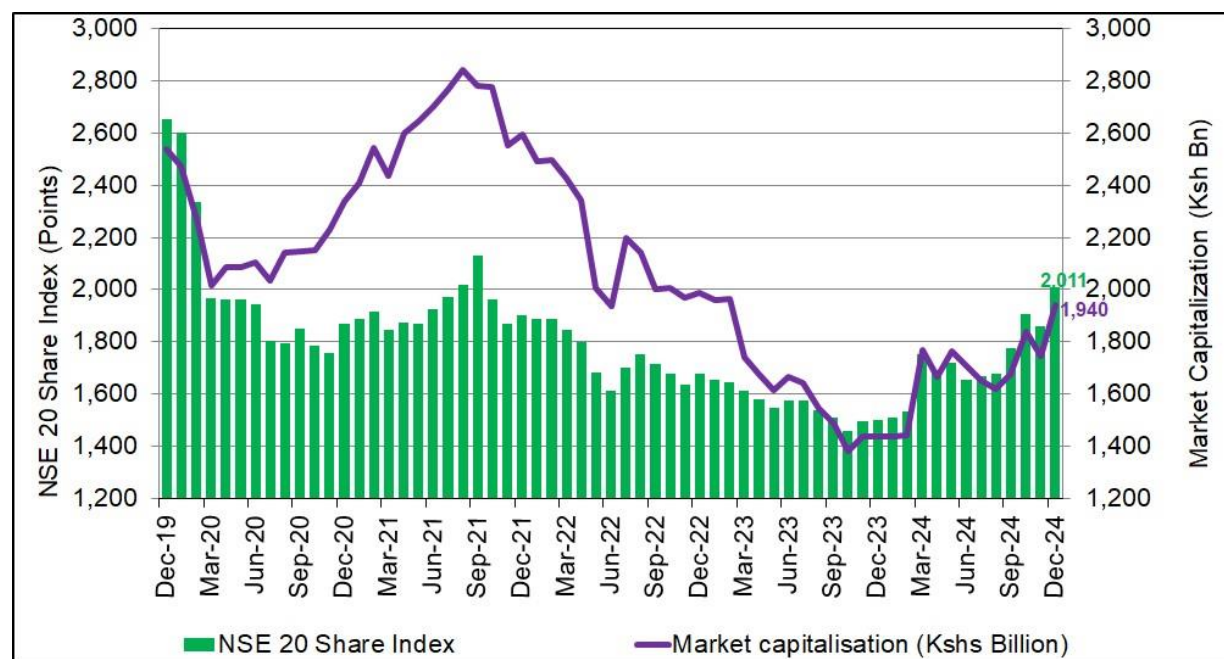
Figure 6: Kenya Shillings Exchange Rate



Source: Nairobi Securities Exchange

Economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 2,011 points in December 2024 compared to 1,501 points in December 2023 while market capitalization also improved to Ksh 1,940 billion from Ksh 1,439 billion over the same period (Figure 7).

Figure 7 : Performance of the Nairobi Securities Exchange



Source of Data: Nairobi Securities Exchange

Source: Nairobi Securities Exchange

2.8 Mandera Gross County Product (GCP)

2.8.1 Contribution to National GDP

According to KNBS, Gross County Product Report 2024, the County's GDP was estimated at KES 69,798 million which is 0.5% of the national GDP in 2023. The average GCP contribution of the County to the national GDP in current prices is estimated at 0.5% in the Five-year period.

Table 5 below shows the County's GCP estimates over the five-year period.

Table 5: County's GCP estimates over the five-year period.

Year	Current Prices (Ksh Million)	County Share of GCP
2019	49,834	0.5
2020	56,964	0.6
2021	63,070	0.6
2022	63,667	0.5
2023	69,798	0.5

Source: Kenya Bureau of Statistics, GCP 2024

CHAPTER THREE: FISCAL PERFORMANCE IN FY 2024/2025

3.1.1 Introduction

This section highlights the FY 2024/2025 half year revenue and expenditure performance, summary of sectors achievements and implementation challenges.

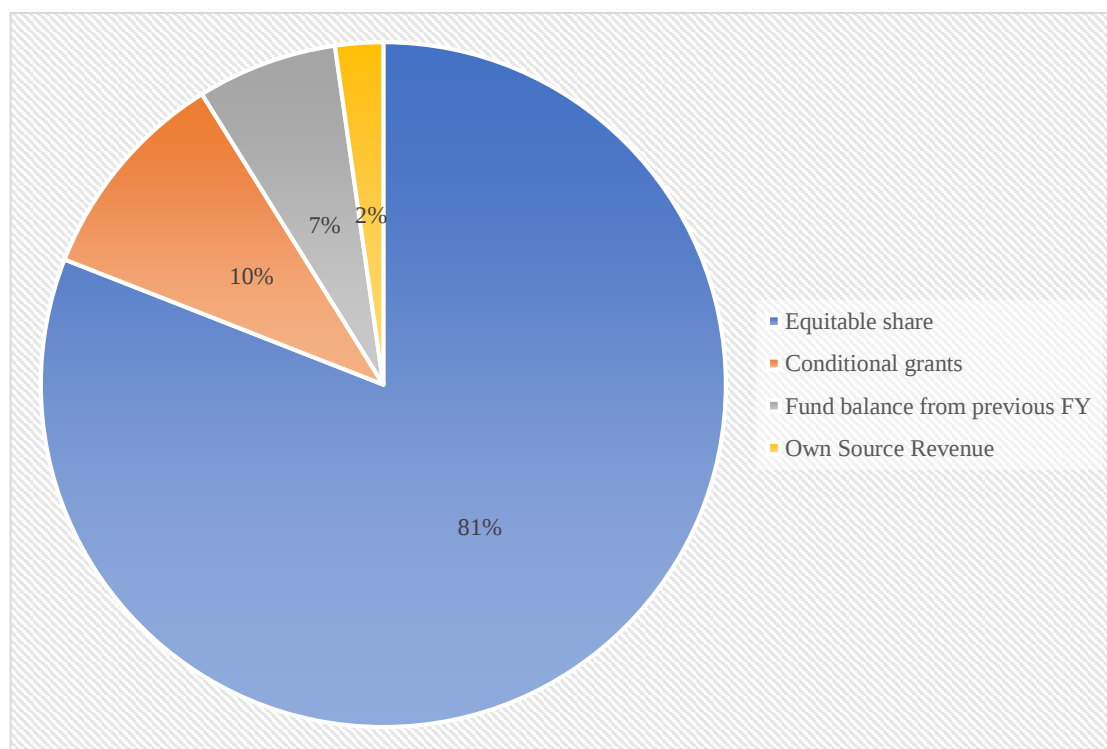
3.1.2 Financial analysis of county budget implementation

The County had an approved budget of Kshs. 14,890,964,243 which comprised of Kshs. 8,948,800,284 (60%) for recurrent expenditure and Kshs. 5,942,163,959 (40%) allocation for development expenditure.

3.1.3 Budget Component

In order to finance the budget, the County expected to receive Kshs. 12,054,974,660 (81 percent) as the equitable share of revenue raised nationally, generate Kshs. 336,533,846 (2 percent) from own sources of revenue, receive Kshs. 1,513,386,974 (10 percent) from various conditional grants, and other revenue (ongoing projects/fund balances carried forward) of Kshs. 986,068,763 (7 percent) from FY 2023/2024.

Figure 8 :Expected Sources of Budget Financing in FY 2024/2025



Source: County Treasury, County Government of Mandera

The major source of revenue for the County was national sharable revenue making up 81%. Fund balances from the Financial Year 2023/2024 and Conditional grants made up 7% and 10% of the budget respectively while the County's annual local revenue was expected to finance only 2% of the budget.

Table 6: Budget Components

The table summarizes county revenues for FY 2024/2025 budget

Revenue summary By Sources	Amount (Kshs)
Equitable share	12,054,974,660
Own Source Revenue Projections	336,533,846
On-Going Projects funds b/f from previous year	55,413,432
Equitable share (June 2024 Allocations not received)	930,655,331
DANIDA Grant - Primary Health Care	15,746,250
DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250
DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001
Community Health Promoters Program	18,540,000
Kenya Agricultural Business Development Project	10,918,919
Kenya Urban Support Project (KUSP) – UDG	142,013,441
World Bank Emergency locust response Project (ELRP)	142,500,000
Food Systems Resilience Project -(FSRP)	173,076,923
FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000
FLOCCA County Climate Institutional Support Grant	11,000,000
FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747
FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	163,686,676
Conditional Grant for Aggregated Industrial Parks Programme	250,000,000
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000
Roads Maintenance Fuel Levy	192,647,255
RMLF b/f	2,271,953
Kenya Urban Support Project (Urban Development Grant)	1,194,559
Kenya Urban Support Project (KUSP) – UIG	35,000,000
TOTAL	14,890,964,243

Source: County Treasury, County Government of Mandera

3.2 Own Source Revenue (OSR)

3.2.1 OSR Performance

The County Government targeted to collect Kshs. 336,533,846 from local sources during the FY 2024/2025. The actual achievement in the first six months of the FY 2024/2025 was Kshs. 91,033,348 which translates to 28% of the targeted collection.

3.2.2 Total OSR for the First Half of FY 2024/2025

Table 7: Total Local Revenue Collections for the First Half of FY 2024/2025

The table below summarizes comparisons between targeted local revenue collections in the FY 2024/2025 and what was realized for the period under review.

Revenue Sources	Target FY 2024/2025	Total collections –
-----------------	---------------------	---------------------

		Quarter Two
Land rents	71,055,477	11,815,267
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	6,702,740
Building plan	4,507,780	204,700
Miraa Movements	25,746,994	4,286,500
Single Business Permit	35,232,729	2,725,240
Markets stalls/Shades	17,948,637	4,442,600
Market Gates/Cess	2,314,519	413,100
Buspark/Taxis/Parking	3,069,313	383,330
Income from Quarries	2,184,181	467,700
Barriers	10,601,096	8,391,490
Livestock Markets Auction	6,984,555	3,514,790
Livestock Movement	12,416,647	6,442,350
Slaughter fees and Charges	13,924,152	2,763,490
Produce Cess	3,872,038	1,206,830
Agriculture Mechanization/Hire of Equipment	1,850,193	118,000
Rental income	1,421,293	409,400
Tender Fees	4,503,226	6,458,726
Fire Services	-	3,000
Public Health	6,138,958	343,000
Hospital collection	51,785,008	7,756,440
Income from Water Management	8,386,281	11,981,502
Total	336,533,848	80,830,194
FIF (Mandera Health Services Improvement Financing)	-	10,203,154
AIA	-	-
Total	-	10,203,154
Grand Total	336,533,848	91,033,348

Source: Department of revenue services, County Government of Mandera

3.2.3 Monthly OSR Performance per stream

Table 8: Monthly OSR Performance per Stream

The table below shows the monthly revenue collection for the first half of the FY 2024/2025 against the actual total revenue raised during the same period the financial year 2023/2024. The monthly collection breakdown is shown in table that follows.

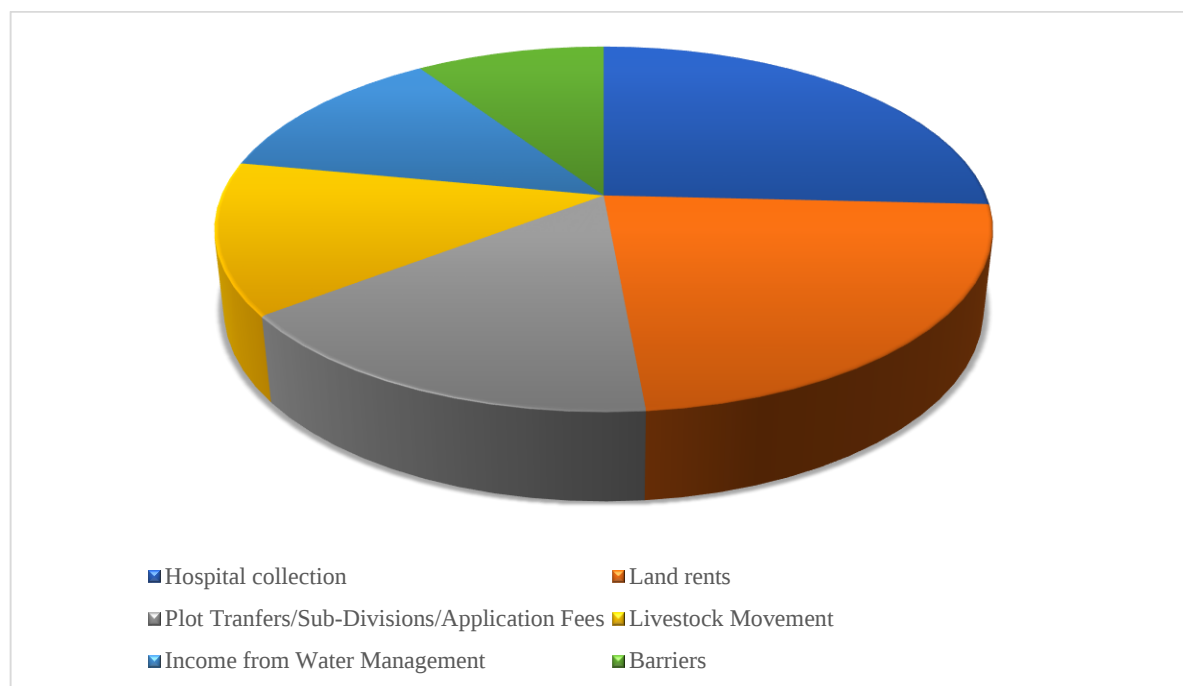
Revenue Sources	Actual Collections - Q2 2023/2024	Approved Target 2024/2025	July	August	September	October	November	December	Total Half Year Collection
Land rents	13,118,595	71,055,477	2,680,889	2,329,708	1,387,736	1,245,000	1,039,770	3,132,164	11,815,267
Plot Tranfers/Sub-Divisions/Applicat ion Fees	8,201,086	52,590,771	1,875,300	1,600,940	1,320,000	126,000	337,000	1,443,500	6,702,740
Building plan	12,000	4,507,780	-	59,500	-	96,200	45,500	3,500	204,700
Miraa Movements	2,402,700	25,746,994	481,200	526,600	490,300	843,900	979,300	965,200	4,286,500
Single Business Permit	549,900	35,232,729	719,240	629,800	774,500	113,700	121,000	367,000	2,725,240
Market Stalls/Shades	2,140,810	17,948,637	548,000	720,440	805,440	773,200	895,120	700,400	4,442,600
Market Gates/Cess	198,010	2,314,519	28,500	38,900	49,000	129,000	125,900	41,800	413,100
Buspark/Taxis/Par king	575,200	3,069,313	45,200	67,210	123,440	70,950	60,000	16,530	383,330
Income from Quaries	467,500	2,184,181	84,600	112,500	123,200	29,300	96,400	21,700	467,700
Barriers	4,464,443	10,601,096	1,254,371	1,008,840	1,012,640	2,037,253	1,298,050	1,780,336	8,391,490
Livestock Markets Auction	2,060,700	6,984,555	347,000	354,100	608,840	841,000	735,100	628,750	3,514,790
Livestock Movement	1,792,200	12,416,647	1,293,400	1,169,400	973,600	427,900	562,500	2,015,550	6,442,350

Slaughter fees and Charges	1,895,300	13,924,152	347,400	311,500	492,940	456,900	549,600	605,150	2,763,490
Produce Cess	1,037,210	3,872,038	200,100	236,350	308,600	132,800	184,380	144,600	1,206,830
Agriculture Mechanization/Hire of Equipments	96,000	1,850,193	35,000	29,000	30,000	-	9,000	15,000	118,000
Rental income	324,150	1,421,293	84,600	44,600	53,400	76,600	76,600	73,600	409,400
Tender Fees	-	4,503,226	516,920	-	-	-	2,445,430	3,496,376	6,458,726
Fire Service Fees			-	-	-	-	-	3,000	3,000
Public Health	73,200	6,138,958	36,100	27,100	35,100	111,000	67,600	66,100	343,000
Hospital collection	11,543,721	51,785,008	2,629,430	2,481,980	2,645,030	-	-	-	7,756,440
Income from Water Management	524,186	8,386,281	200,230	122,000	3,477,070	2,950,500	2,019,781	3,211,921	11,981,502
Sub Total	51,476,911	336,533,848	13,407,480	11,870,468	14,710,836	10,461,203	11,648,031	18,732,177	80,830,194
FIF (Mandera Health Services Improvement Financing)			-	-	-	3,799,836	3,110,312	3,293,006	10,203,154
AIA			-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	3,799,836	3,110,312	3,293,006	10,203,154
Grand Total	51,476,911	336,533,848	13,407,480	11,870,468	14,710,836	14,261,039	14,758,343	22,025,183	91,033,348

Source: Department of Revenue Services, County Government of Mandera

During the first quarter, the highest County Own Source Revenue collection was realized in the month of December 2024 amounting to Kshs. 22,025,183 while the least collection was in the month of August 2024 amounting to Kshs. 11,870,468.

Figure 9 :Revenue performance for major sources of revenue



Source: Revenue Services, County Government of Mandera

In the period under review, the County's top performing streams included Hospital collection, Land rents, Plot Transfers, Livestock movement, Income from water management, and Barriers. Notable nosedive in revenue collection was on Public Health, Agriculture Mechanization, Market Gates/Cess, Rental income, Income from Quarries, and Taxis/Parking fees.

3.2.4 OSR Performance by Sectors

Table 9: OSR Performance by Sectors

Sector	Revenue Source/Stream	Target FY 2024.2025	Target July-December 2024	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL COLLECTIO N	Deviation	% Realize d
Agricultur e, Livestock & Fisheries	Livestock Markets Auction	6,984,555	3,492,278	347,000	354,100	608,840	841,000	735,100	628,750	3,514,790	- 22,512	101%
	Livestock Movement	12,416,647	6,208,323	1,293,400	1,169,400	973,600	427,900	562,500	2,015,550	6,442,350	- 234,027	104%
	Slaughter fees and Charges	13,924,152	6,962,076	347,400	311,500	492,940	456,900	549,600	605,150	2,763,490	4,198,586	40%
	Produce Cess	3,872,038	1,936,019	200,100	236,350	308,600	132,800	184,380	144,600	1,206,830	729,189	62%
	Agriculture Mechanization/Hire of Equipments	1,850,193	925,096	35,000	29,000	30,000	-	9,000	15,000	118,000	807,096	13%
	Sub-Total	39,047,584	19,523,792	2,222,900	2,100,350	2,413,980	1,858,600	2,040,580	3,409,050	14,045,460	5,478,332	72%
Finance and Economic Planning	Miraa Movements	25,746,994	12,873,497	481,200	526,600	490,300	843,900	979,300	965,200	4,286,500	8,586,997	33%
	Parking fees	569,313	284,656	19,928	59,990	86,300	70,650	-	-	236,868	47,788	83%
	Barriers	4,101,096	2,050,548	-	-	15,040	216,251	452,400	495,760	1,179,451	871,097	58%
	Tender Fees	4,503,226	2,251,613	516,920	-	-	-	2,445,430	3,496,376	6,458,726	- 4,207,113	287%
	Sub-Total	34,920,628	17,460,314	1,018,048	586,590	591,640	1,130,801	3,877,130	4,957,336	12,161,545	5,298,769	70%
Health Services	Public Health	138,958	69,479	-	-	-		84,755	220,340	305,095	- 235,616	439%
	Hospital collection	51,785,008	25,892,504	2,629,430	2,481,980	2,645,030	3,799,836	3,025,557	3,072,666	17,654,499	8,238,005	68%
	Sub-Total	51,923,965	25,961,983	2,629,430	2,481,980	2,645,030	3,799,836	3,110,312	3,293,006	17,959,594	8,002,389	69%
Lands and Urban Developm ent	Land rents	71,055,477	35,527,738	2,680,889	2,329,708	1,387,736	1,245,000	1,039,770	3,132,164	11,815,267	23,712,471	33%
	Plot Tranfers/Sub-Divisions/Application Fees	52,590,771	26,295,385	1,875,300	1,600,940	1,320,000	126,000	337,000	1,443,500	6,702,740	19,592,645	25%
	Building plan	507,780	253,890	-	-	-	-	-	-	-	253,890	0%
	Sub-Total	124,154,028	62,077,014	4,556,189	3,930,648	2,707,736	1,371,000	1,376,770	4,575,664	18,518,007	43,559,007	30%
Public Service Managem ent, Devolved Units & Communit	Rental income	1,421,293	710,647	84,600	44,600	53,400	76,600	76,600	73,600	409,400	301,247	58%

y Cohesion												
	Sub-Total	1,421,293	710,647	84,600	44,600	53,400	76,600	76,600	73,600	409,400	301,247	58%
Trade and Cooperati ve Developm ent	Single Business Permit	4,452,729	2,226,364	-	-	-	55,090	47,300	281,750	384,140	1,842,224	17%
	Markets stalls/Shades	3,848,637	1,924,319	-	29,777	-	-	34,400	-	64,177	1,860,142	3%
	Market Gates/Cess	1,114,519	557,260	-	-	-	-	-	-	-	557,260	0%
	Sub-Total	9,415,885	4,707,943	-	29,777	-	55,090	81,700	281,750	448,317	4,259,626	10%
Water, Energy, Environe mnt and Climate Change	Income from Quarries	2,184,181	1,092,090	84,600	112,500	123,200	29,300	96,400	21,700	467,700	624,390	43%
	Income from Water Management	8,386,281	4,193,141	200,230	122,000	3,477,070	2,950,500	2,019,781	3,211,921	11,981,502	- 7,788,361	286%
	Sub-Total	10,570,462	5,285,231	284,830	234,500	3,600,270	2,979,800	2,116,181	3,233,621	12,449,202	- 7,163,971	236%
Total for Sectors	Sub-Total	271,453,846	135,726,923	10,795,997	9,408,445	12,012,056	11,271,727	12,679,273	19,824,027	75,991,524	59,735,399	56%
Mandera Municipal ity	Barriers	5,500,000	2,750,000	1,054,121	778,351	900,900	1,814,850	700,000	1,109,326	6,357,548	- 3,607,548	231%
	Parking fees	2,500,000	1,250,000	20,700	6,020	13,240	300	31,400	16,530	88,190	1,161,810	7%
	Market Stalls/Shades	13,000,000	6,500,000	533,150	636,930	780,540	729,200	805,733	700,400	4,185,953	2,314,047	64%
	Market Gates/Cess	1,200,000	600,000	28,500	38,900	49,000	129,000	125,900	41,800	413,100	186,900	69%
	Single Business Permit	25,000,000	12,500,000	676,609	595,170	754,020	27,000	71,700	75,000	2,199,499	10,300,501	18%
	Public Health	5,000,000	2,500,000	29,520	18,540	25,500	92,600	55,600	66,100	287,860	2,212,140	12%
	Fire Service Fees	2,280,000	1,140,000	-	-	-	-	-	3,000	3,000	1,137,000	0%
	Development Control	3,500,000	1,750,000	-	59,500	-	96,200	45,500	3,500	204,700	1,545,300	12%
	Sub-Total	57,980,000	28,990,000	2,342,600	2,133,411	2,523,200	2,889,150	1,835,833	2,015,656	13,739,850	15,250,150	47%
Elwak Municipal ity	Barriers	1,000,000	500,000	200,250	230,489	96,700	6,152	145,650	175,250	679,241	- 179,241	136%
	Market Rentals	1,100,000	550,000	14,850	53,733	24,900	44,000	54,987	-	192,470	357,530	35%
	Single Business Permit	2,000,000	1,000,000	42,631	34,630	20,480	31,610	2,000	10,250	131,351	868,649	13%
	Development Control	500,000	250,000	-	-	-	-	-	-	-	250,000	0%
	Parking fees	500,000	250,000	4,572	1,200	23,900	-	28,600	-	58,272	191,728	23%

	Flre Service Fees	1,000,000	500,000	-	-	-	-	-	-	-	500,000	0%
	Public Health	1,000,000	500,000	6,580	8,560	9,600	18,400	12,000	-	55,140	444,860	11%
	Sub-Total	7,100,000	3,550,000	268,883	328,612	175,580	100,162	243,237	185,500	1,301,974	2,248,026	37%
	Grand Total	336,533,846	168,266,923	13,407,480	11,870,468	14,710,836	14,261,039	14,758,343	22,025,183	91,033,348	77,233,575	54%

Source: Department of Revenue Services, County Government of Mandera

Some revenue sources recorded a positive variance from target, while others performed below expectations. For instance, the impressive growth in income from water management is attributed to the recent designation of the Ministry of Water Services as a revenue receiver, with both municipalities assuming this responsibility last year.

Other streams, such as hospital collections and public health, were impacted by the enactment and implementation of the Mandera County Facility Improvement Financing Act, 2023. The collections were reported as FIF from October 2024 following the operationalization of the FIF.

Additional revenue enhancement efforts are also underway to reduce the negative variance.

The biggest concern is the underperformance in land rates, plot transfers, and building plans despite the county putting in place intense enforcement mechanisms including automation.

Overall, the county's half year collection is impressive when compared with the previous fiscal years. For instance, the collections for the first six months of the FY 2024/2025 surpassed the collections for a similar period in the financial year 2023/2024 by Kshs. 39 million.

Recommended Revenue Enhancement Strategies

- **Targeted Public Awareness and Engagement:** Educating stakeholders on their obligations and the benefits of timely payments, such as improved local services. Clear, accessible information can encourage voluntary compliance and build community support.
- **Revenue Collection Targets and Incentives:** Setting specific, achievable targets for collection agents and introducing incentives for meeting or exceeding goals, will improve motivation and accountability.
- **Policy and Regulatory Improvements:** Reviewing and streamlining regulations governing these revenue streams to eliminate complex, outdated procedures that hinder collection. Additionally, setting up penalties for non-compliance will encourage prompt payment.
- **Data-Driven Decision Making:** Collecting and analyzing data on peak times, locations, and patterns to optimize staffing, adjust rates, and ensure that collection mechanisms are tailored to specific revenue streams.
- Improving human resource for maximum collection
- Enforce more compliance efforts
- Improve or advance the automation system/measures
- Boosting security in collaboration with the national government
- Implement full automation of revenue collection
- Establish regular market hours for livestock to regulate the movement of animals and facilitate market oversight
- Improving capacity building for revenue officers

3.3 Exchequer issues

The Controller of Budget approved withdrawals of Kshs. 5,484,547,882 from the County Revenue Fund (CRF) account during the reporting period. This comprised Kshs. 1,860,213,520 for development programmes and Kshs. 3,624,334,361 for recurrent programmes. The recurrent exchequers released in the

first six months of FY 2024/25 comprised Kshs. 2,140,009,077 released towards employee compensation and Kshs. 1,484,325,284 for operations and maintenance expenditure.

3.4 Conditional grants

The County did not receive any Conditional Grants during the reporting period.

Table 10: Revenue Performance by Source (July 2024- December 2024)

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
	B	C	D=B-C	
Equitable share	12,054,974,660	4,851,607,041	7,203,367,619	40%
Own Source Revenue Projections	336,533,846	91,033,348	245,500,498	27%
On-Going Projects funds b/f from previous year	55,413,432	55,413,432	-	100%
Equitable share (June 2024 Allocations not received)	930,655,331	930,655,331	-	100%
DANIDA Grant - Primary Health Care	15,746,250	-	15,746,250	0%
DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	18,653,250	0%
DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	1,190,001	0%
Community Health Promoters Program	18,540,000	-	18,540,000	0%
Kenya Agricultural Business Development Project	10,918,919	-	10,918,919	0%
Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	142,013,441	0%
World Bank Emergency locust response Project (ELRP)	142,500,000	-	142,500,000	0%
Food Systems Resilience Project -(FSRP)	173,076,923	-	173,076,923	0%
FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	-	11,000,000	0%
FLOCCA County Climate Institutional Support Grant	11,000,000	-	11,000,000	0%
FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	286,447,747	0%
FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	163,686,676	-	163,686,676	0%
Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	250,000,000	0%
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	37,500,000	0%
Roads Maintenance Fuel Levy	192,647,255	-	192,647,255	0%
RMLF b/f	2,271,953	-	2,271,953	0%
Kenya Urban Support Project (Urban Development Grant)	1,194,559	-	1,194,559	0%
Kenya Urban Support Project (KUSP) – UIG	35,000,000	-	35,000,000	0%

Total	14,890,964,243	5,928,709,152	8,962,255,091	40%
-------	----------------	---------------	---------------	-----

Source: County Treasury, County Government of Mandera

An analysis of the table indicates that the County generated a total of Kshs. 91,033,348 from own revenue sources in the first six months of the FY 2024/2025. This amount represented an increase of Kshs. 39,556,437 compared to Kshs. 51,476,911 realized in the first six months of the FY 2023/2024.

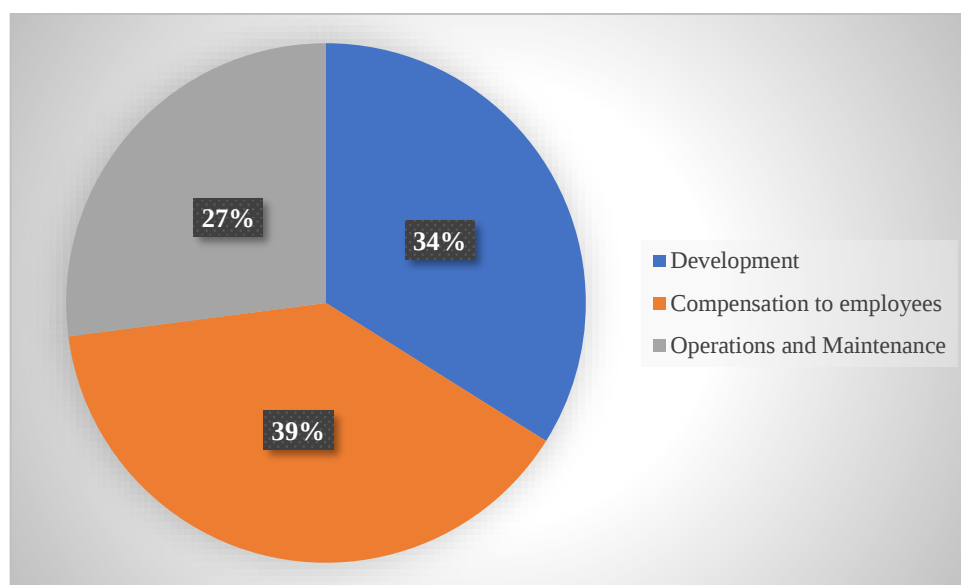
3.5 Overall Expenditure Analysis

The County spent Kshs. 5,455,159,677 on development and recurrent programmes in the reporting period. The expenditure comprised of Kshs. 1,830,825,315 and Kshs. 3,624,334,361 on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 31 per cent, while recurrent expenditure represented 41 per cent of the annual recurrent expenditure budget.

3.5.1 Expenditure by Economic classification

Out of the total expenditures, the expenditures on compensation to employees amounted to 69%, whereas the use of goods expenditures amounted to 16%. A total of Kshs. 1,830,825,315 was incurred on development expenditures during the period.

Figure 10: Expenditure by Economic Classification



From the analysis of the above figure, expenditures on Personnel emoluments had the highest utilization at 39% of the total expenditure incurred in the first six months of the FY 2024/2025 while expenditure on Operations and Maintenance accounted for 27 % of the total expenditure and expenditure on the development vote had an absorption of 34%.

3.6.2 Sector Expenditure Analysis

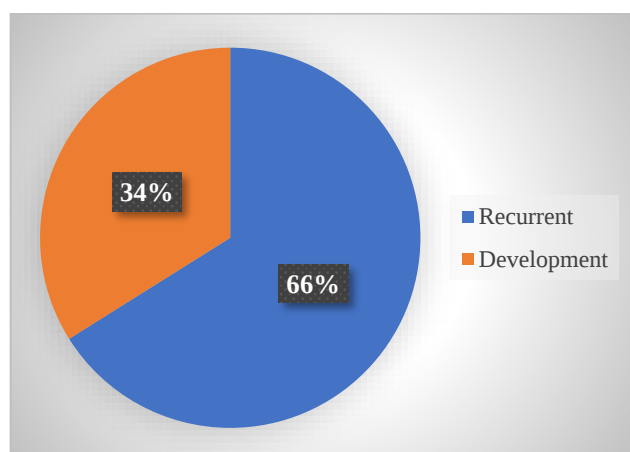
During the period under review, the County Government incurred an expenditure of Kshs. 3,624,334,361 on recurrent expenditure and Kshs. 1,860,213,520 on the development vote as tabulated below.

Table 11: Total Expenditure Analysis

Sectors	Budgeted Amount	Development Expenditure	Recurrent Expenditure	Total Expenditure
Agriculture, Livestock and Fisheries	993,897,350	169,849,324	123,973,156	293,822,479
Education and Human Capital Development	1,403,611,692	99,495,678	638,359,975	737,855,654
Social Development	680,492,651	207,787,828	49,512,071	257,299,899
Finance and Economic Planning	486,808,006	11,999,408	201,546,494	213,545,902
Health Services	2,657,530,035	131,720,886	980,895,960	1,112,616,845
Trade and Cooperative Development	472,999,537	12,601,963	25,096,158	37,698,121
County Assembly	986,332,517	-	-	-
Lands and Urban Development	820,722,859	222,041,600	98,986,056	321,027,656
Office of the Governor	501,872,333	-	236,073,037	236,073,037
Office of the County Secretary	246,286,068	-	69,750,000	69,750,000
County Attorney	84,957,458		38,100,000	38,100,000
County Public Service Board	90,182,541	6,482,750	36,644,020	43,126,770
Public Service Management, Devolved Units and Community Cohesion	2,007,405,734		840,391,468	840,391,468
Roads, Transport and Public Works	1,209,944,848	248,530,387	146,109,355	394,639,742
Water, Energy, Environment and Climate Change	2,247,920,614	720,315,492	138,896,611	859,212,103
GRAND TOTAL	14,890,964,243	1,830,825,315	3,624,334,361	5,455,159,677

Source: County Treasury, County Government of Mandera

Figure 11 : Expenditure Performance Proportion



Source: Mandera County Treasury

3.6.2.1 Development Expenditure performance by Sectors

An expenditure amounting to Kshs. 1,830,825,315 representing 31% of the development budget was incurred on the development vote during the quarter under review. Finance and Economic Planning recorded the highest overall absorption rate at 71% followed by the County Public Service Board at 50%. Lands and Urban Development; Water, Energy, Environment and Climate Change were third and fourth highest absorbers at 38% each.

The following factors were responsible for low absorption rate in the quarter;

- Late fund releases
- Slow fund request approvals
- Late budget approval
- Technical challenges in application of IFMIS
- Poor network connectivity

The table below analyses recurrent expenditure performance by sectors.

Table 12: Sector Expenditure Analysis

Sectors	Budgeted Amount	Development Expenditure	Percentage of performance
Agriculture, Livestock and Fisheries	644,548,752	169,849,324	26%
Education and Human Capital Development	271,335,104	99,495,678	37%
Social Development	566,687,691	207,787,828	37%
Finance and Economic Planning	16,999,408	11,999,408	71%
Health Services	492,081,703	131,720,886	27%
Trade and Cooperative Development	412,449,789	12,601,963	3%

County Assembly	102,421,313	-	0%
Lands and Urban Development	577,134,640	222,041,600	38%
Office of the County Secretary	50,000,000	-	0%
County Public Service Board	12,965,500	6,482,750	50%
Roads, Transport and Public Works	915,327,815	248,530,387	27%
Water, Energy, Environment and Climate Change	1,880,212,244	720,315,492	38%
GRAND TOTAL	5,942,163,959	1,830,825,315	31%

Source: County Treasury, County Government of Mandera

3.6.2.2 Recurrent Expenditure performance by departments

The County performed well in the execution of the recurrent budget in the first half of the FY 2024/2025. The County had a total recurrent budget of Kshs. 8,948,800,284. An expenditure of Kshs. 3,624,334,361 representing 41% of the recurrent vote was utilized during first six months of the financial year.

The Ministry of Education and Human Capital Development recorded the highest overall absorption rate at 56% followed by the Ministry of Roads, Transport and Public Works at 50%. These were followed by the County Executive Services and the County Public Service Board at 47% each.

Other Ministries recorded an absorption of less than 45% with the Office of the County Secretary and Ministry of Agriculture, Livestock and Fisheries the lowest spenders of recurrent budget in the first half at an absorption rate of 36% and 35% respectively. Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

- Late budget approval
- Delay in fund disbursements from the National Government
- Delays in approval of fund requests
- Technical challenges in application of IFMIS
- Poor network connectivity

The table 13 analyses recurrent expenditure performance by sectors.

Table 13: Recurrent Expenditure Analysis

Sectors	Budgeted Amount	Recurrent Expenditure	Percentage of absorption
Agriculture, Livestock and Fisheries	349,348,598	123,973,156	35%
Education and Human Capital Development	1,132,276,588	638,359,975	56%

Social Development	113,804,960	49,512,071	44%
Finance and Economic Planning	469,808,598	201,546,494	43%
Health Services	2,165,448,332	980,895,960	45%
Trade and Cooperative Development	60,549,748	25,096,158	41%
County Assembly	883,911,204	0	0%
Lands and Urban Development	243,588,219	98,986,056	41%
Office of the Governor and Deputy Governor	501,872,333	236,073,037	47%
Office of the County Secretary	196,286,068	69,750,000	36%
Office of the County Attorney	84,957,458	38,100,000	45%
County Public Service Board	77,217,041	36,644,020	47%
Public Service Management, Devolved Units and Community Cohesion	2,007,405,734	840,391,468	42%
Roads, Transport and Public Works	294,617,033	146,109,355	50%
Water, Energy, Environment and Climate Change	367,708,370	138,896,611	38%
GRAND TOTAL	8,948,800,284	3,624,334,361	41%

Source: County Treasury, County Government of Mandera

3.7 SECTOR ACHIEVEMENTS

3.7.1 HEALTH SERVICES

The Sector comprises of public health services and medical services.

3.7.1.1 Public Health Services

The sub-sector has managed to operationalize 7 new health facilities maternity wings, increased the proportion of women attending 4th ANC clinics by 6% from 15,717 visits in 2023 to 16,568 in 2024. Skilled deliveries increasing from 24,800 in 2023 to 26,794 in 2024, representing an 8% increase.

Global acute malnutrition(GAM) rate in the county reduced from 28.8% in 2022 to 20.6% in 2024 while severe acute malnutrition reduced from 5.1% to 3.2% in 2024. Immunization services have improved significantly during the period under review with BCG vaccine doses increasing by 7%, Diptheria, Pertussis and Child Tetanus rising by 3% while measles and polio vaccines increased by 42% and 3% respectively.

3.7.1.2 Medical Services

Recognizing health as a critical service area, there has been substantial investment in order to improve access to quality healthcare services and enhance the overall health and wellbeing of the population in the following critical areas:

- a) **Expanded Healthcare Infrastructure:** To ensure access to healthcare services across the county, 27 health facilities were upgraded, 8 new facilities were operationalized, and level 4 hospitals were expanded and equipped to offer specialized care. These improvements enhance access to quality healthcare services.

- b) **Improved Maternal and Child Health:** During this period, skilled deliveries increased by 13%, and immunization coverage improved, with a 42% increase in measles vaccinations. These advancements contributed to a notable reduction in maternal and child mortality rates.
- c) **Established Essential Healthcare Facilities:** Essential healthcare facilities, such as oxygen plants, blood banks, and a modern dental unit, were established. These additions have improved the quality and range of healthcare services available to residents.
- d) **Training and Capacity Building:** Allocated funds to training facilities like KMTC-Mandera to produce healthcare professionals, addressing the shortage of skilled personnel in the county.
- e) Established and operationalized a mental health unit at the Mandera County Referral Hospital to provide mental health services.

3.7.2 EDUCATION AND HUMAN CAPITAL DEVELOPMENT

The Sector is composed of the following:

- Early Childhood Development Education
- Vocational and Technical Training
- Human Capital Development

3.7.2.1 Early Childhood Development Education

Enrolment in Early Childhood Development (ECD) witnessed a substantial progress with enrolment increasing from 23,499 learners in 2022 to 32,409 in 2024, representing 38% increase attributed to:

- i. Improved infrastructure: The construction of 66 new ECDE classrooms has improved learning environments and addressed overcrowding issues.
- ii. Enhanced teacher-pupil ratio: The recruitment of 438 new teachers significantly improved teacher-student ratios, ensuring access to quality instruction for young learners.
- iii. The provision of learning materials and the implementation of school feeding programs enhanced learning outcomes and improved learners' wellbeing.
- iv. Improved Transition Rates with 92% transition from ECDE to primary school in 2024 compared to 80% in 2023.

3.7.2.2 Vocational and Technical Training

A Significant growth in enrollment in Vocational and Technical Training has been realized from 2022. The VTC student population increased from 465 trainees in 2022 to 616 in 2024, representing a 32% growth. This increase is attributed to several key factors:

- i. **Enhanced Provision of Training Resources:** The provision of essential tools and instructional materials to vocational training centers significantly improved the quality of training and enhanced the learning experience for trainees.
- ii. **Entrepreneurship Support:** 342 graduates who successfully completed National Industrial Training Authority (NITA) exams received start-up kits, empowering them to establish their own businesses and contribute to the local economy.
- iii. **Instructors Training:** 14 instructors were trained at Meru Technical Institutes, enhancing their skills and knowledge to deliver high-quality instruction and better equip trainees for the job market.

3.7.2.3 Human Capital Development

The Elimu Kwa Wote Initiative, with an allocation exceeding Kshs 1.27 billion, provided crucial support to:

- i. 25,612 secondary school students, ensuring access to secondary education for vulnerable and deserving students.
- ii. 696 students pursuing teachers training at Mandera Teachers College, investing in the future of the county education workforce.
- iii. 376 students enrolled in technical and vocational training institutions to promote skills development and enhance employability prospects.

3.7.3 AGRICULTURE, LIVESTOCK AND FISHERIES

The Sector is composed of Three sub-sectors:

- Crop production, Harvesting and Value addition
- Irrigation and Soil conservation
- Livestock Development

3.7.3.1 Crop Production, Harvesting and Value addition

A notable increase of 5.8% was observed in the land area under cultivation in 2023.

Crop yields demonstrated significant growth, increasing from 23,202 metric tons (MT) in 2022 to 24,060 MT in 2023, an increase of 858 MT. These positive outcomes were attributed to strategic interventions such as:

- ✓ Provided quality agricultural Inputs such as fertilizers, seeds, and farm inputs to farmers to boost crop production and increase crop yields.
- ✓ Mechanization of agricultural practices.
- ✓ Effective implementation of pest and disease control measures.

3.7.3.2 Irrigation and soil conservation

Irrigated land area expanded by 4.3% from the baseline irrigated land area. Substantial infrastructure improvements were undertaken, including the construction of canals and pipelines, as well as the installation of solar-powered irrigation systems. These interventions enhanced agricultural productivity and resilience to drought conditions.

The department plans to continue the development of irrigation infrastructure through the Construction of additional 4km of Irrigation canals, provision of 4 water pumps and 8 Irrigation pipes to the targeted farmers and development of soil and water conservation structures. Plans also include the construction of flood control structures, Capacity building on irrigation and water harvesting technologies, the strengthening of Agricultural mechanization through the maintenance of the existing Tractors and the procurement of additional Tractors and implements.

3.7.3.3 Livestock Development

- ✓ Constructed modern slaughterhouses in Elwak and Mandera East to improve meat hygiene standards.
- ✓ Completed Takaba livestock market to provide a dedicated space for livestock trade and improve market access for pastoralists.
- ✓ Provided livestock feeds, supplements, veterinary drugs, and vaccines to ensure healthy herds, increased productivity, and preventing disease outbreaks.

3.7.4 FINANCE AND ECONOMIC PLANNING

The Sector is composed of the following sub-sectors:

- Financial and Accounting services
- Revenue services
- Economic Planning and statistics
- ICT, E-government and public communication

3.7.4.1 Financial and Accounting services

The sub-sector has enhanced internal controls to minimize revenue leakages and promote accountability as well as updating the asset register to track assets and preparing timely financial reports.

3.7.4.2 Revenue services

In the FY 2023/2024, Own Source Revenue increased to 168,047,287, representing a 27% increase due to automation of revenue collection system across the county, decentralized revenue services, the recruitment of revenue receivers and identification of revenue streams.

3.7.4.3 Economic Planning and Statistics

The sub-sector is mandated with the timely preparation and submission of statutory documents in compliance with the PFM Act 2012. Key documents already prepared include CIDP 2023-2027, ADP 2023/2024, 2024/2025, 2025/2026, CBROP, CFSP, Programme Based Budget.

3.7.4.4 ICT, E-Government and Public Communication

ICT is an enabler in socio-economic development and has so far done installations in the following centres.

- Banisa-Mandera redundancy link approval
- Connection of internet at the sub-county hospitals and county offices

3.7.5 LANDS AND URBAN DEVELOPMENT

The sector is divided into 3 sub-sectors namely:

- Lands, physical Planning and Survey
- Housing and urban Development
- Circular Economy, Solid waste management and sanitation

3.7.5.1 Lands, Physical Planning and Survey

During the period under review, the following key achievements were noted:

- ❖ 12,728 land records were digitized, and 8,630 title deeds were processed, increasing transparency, efficiency, and security of land ownership.
- ❖ Established County GIS Lab and equipped with modern survey equipment to improve mapping, visualization, and data management for physical planning and survey operations.
- ❖ Physical land use plans were developed for Khalalio, Sala, Rhamu Dimtu, and Kiliwehiri wards in partnership with IGAD (Intergovernmental Authority on Development) to enhance land use planning and management.

3.7.5.2 Circular Economy, Solid Waste management and sanitation

- ❖ Procured sanitation trucks and established dumpsites in various locations to improve sanitation and waste management.

3.7.6 TRADE AND COOPERATIVE DEVELOPMENT

The Sector is composed of Two sub-sectors: Trade, Industry and Investment and Cooperative Development and marketing.

3.7.6.1 Trade, Industry and Investment

Key achievements of the sub-sector include:

- ❖ **Enhanced Market Access:** The construction and operationalization of Eldanaba Market and the operationalization of Jamhuri ESP Market have improved market access for MSMEs. Improved

market infrastructure has resulted in a notable increase in the number of MSMEs, from 7,200 to 8,500.

- ❖ **Fostered Economic Growth:** A substantial investment of Kshs 450 million were allocated for the development of industrial parks to promote manufacturing and value addition, driving economic growth and job creation.
- ❖ Established Trade Infrastructure by constructing and rehabilitating shades, and stalls, to create better trading conditions for local businesses.
- ❖ Provided MSME with business startup kits and Jua Kali artisan machinery to empower entrepreneurs, and support the growth of small-scale businesses.

3.7.6.2 Cooperative Development and Marketing

The sub-sector's achievements include the registration of 12 cooperative societies and initiation process of making Dawa Sacco-A county housing Sacco is ongoing.

3.7.7 SOCIAL DEVELOPMENT

The sector is composed of four sub-sectors namely:

- Social Services, Special programs, disaster preparedness and management
- Youth, Sports and Talent Development
- Culture, Tourism and Library Services
- Women Empowerment and Affirmative Action

3.7.7.1 Social Services, special programs, disaster preparedness and management

The social development sector implements programmes designed to cushion the county residents from adverse effects of disasters, promote support for vulnerable populations, and empower marginalized groups. Quality investments were made to support these special groups such as:

- a) **Improved Social Protection:** 59,342 households in need were provided with food and non-food items to ensure the wellbeing of vulnerable populations.
- b) **Support for Vulnerable Groups:** 45 housing units and toilets were constructed, and 231 persons with disabilities were provided with assistive devices, improving their quality of life.
- c) **Disaster Risk Management:** Developed disaster risk management policy and bill to enhance disaster preparedness, response and recovery efforts.

3.7.7.2 Youth, Sports and Talent Development

Achievements of the sub-sector include: the renovation of Mandera Stadium and Geneva stadium, construction of basketball court at Mandera Stadium to foster talent development, Governor's tournament held in 2024, Renovation of Geneva Youth Hall and perimeter wall, construction of youth innovation center in Mandera East to empower youth economically through digital and online training,

construction of Boda Boda shade at El-wak regional market and training of youth through Ajira Digital Program.

3.7.7.3 Culture, Tourism and Library Services

The sub-sector plans to conduct cultural events as well as mapping cultural sites and operationalization of libraries in the county.

3.7.7.4 Women Empowerment and Affirmative Action

The sub-sector undertook interventions including the establishment of GBV Center at Mandera Referral Hospital and training of women groups on land and property rights.

Key interventions planned are: GBV/FGM awareness and sensitization forums and establishment of rescue centers for victims of FGM and GBV.

3.7.8 ROADS, TRANSPORT AND PUBLIC WORKS

The sector is composed of the following sub-sectors:

- Roads and Transport
- Public works

3.7.8.1 Roads and Transport

The following key investment were made for these enablers to spur an economic growth in the county:

- i. **Improved Road Infrastructure:** 142 km of all-weather roads were constructed, and 348 km of road networks were rehabilitated, improving access to markets, social services, and healthcare facilities.
- ii. **Upgraded and developed Airstrip:** Funds invested in constructing and maintaining Mandera, Lafey, Banisa, Rhamu, and Elwak airstrips to improve air connectivity and facilitate travel.
- iii. **Established strategic Partnerships:** Strategic partnerships with KURA (Kenya Urban Roads Authority), KeNHA (Kenya National Highways Authority), and the African Development Bank resulted in the following road construction projects:
 - ❖ 6 km of tarmac road in Banisa Town (KURA)
 - ❖ 6 km of tarmac road from Corner B to MTTI in Mandera Town (KURA)
 - ❖ Oversight of the ongoing tarmacking of the Isiolo-Mandera Road, a crucial link for regional trade and economic development.
- iv. **Enhanced service delivery:** 4 new ambulances, 14 vehicles and 40 motorcycles were procured to improve mobility and promote efficient service delivery.
- v. **Flood Management and control:** Constructed culverts, storm water protection works, and drifts to mitigate the impact of floods on roads.

3.7.8.2 Public Works

The sub-sector is mandated to work as a service one and project manager to ensure the provision of design works, preparation of bill of quantities and supervision of all county government structural projects.

3.7.9 PUBLIC SERVICE MANAGEMENT, DEVOLVED UNITS AND COMMUNITY COHESION

The Sector is composed of the following sub-sectors:

- Public service management
- Community cohesion, conflict management and prevention of radicalization and extremism
- Community engagement, Civic education and public participation

3.7.9.1 Public Service Management

The sub-sector achieved key components in improving service delivery and providing conducive environment to employees such as:

- ❖ Employee Well-being: Medical insurance was provided to over 1,122 employees, prioritizing workforce health and motivation.
- ❖ Support for Social Cohesion: The sector supports a peaceful and stable environment, conducive to development, by collaborating on conflict management, community cohesion, and de-radicalization programs

3.7.9.2 Community cohesion, Conflict management and prevention of radicalization and extremism

- ❖ Sensitization and public awareness on Countering Violent Extremism and radicalization.
- ❖ Carried out rehabilitation of youth and drug addicts ensuring that the affected youth are not easily preyed on by extremist groups
- ❖ Undertook cross border peace engagements with Somalia and Ethiopia stakeholders to enhance peace.
- ❖ Reduced inter clan conflicts through establishment and strengthening of conflict monitoring committees.

3.7.10 WATER, ENERGY, ENVIRONMENT AND CLIMATE CHANGE

3.7.10.1 Water Services

Access to safe, clean, and sustainable water improved, with coverage increasing from 54% to 56%. This progress resulted from the following interventions:

- ❖ Rehabilitation of 30 earth pans, increasing water storage capacity.
- ❖ Construction of 41 underground tanks, providing reliable water sources for communities.
- ❖ Equipping 13 water supply plants with solar systems, promoting a sustainable and cost-effective water supply.

- ❖ Provision of water trucking services to 342 centers and 60 schools during the 2022/2023 drought to mitigate the effects of the severe drought.
- ❖ Development of the Takaba Water Master Plan, a long-term solution for sustainable water supply targeting 42,000 beneficiaries.

3.7.10.2 Energy and Natural resources

The sub-sector has undertaken some programmes including: development of solar systems, maintenance of solar powered streetlights and floodlights maintenance.

3.7.10.3 Environmental protection, Biodiversity conservation and Climate Change

- ❖ Under the Greening Program, an additional 30,420 trees were planted in 2023, contributing to environmental conservation.
- ❖ Implementation of 14 climate-resilient projects to build community resilience to the impacts of climate change

3.7.11 OFFICE OF THE GOVERNOR

The sector is composed of the following: Office of The Governor, Office of The Deputy Governor, Office of The County Secretary, Office of The County Attorney and Devolved units and Inspectorate Services.

3.7.12 COUNTY PUBLIC SERVICE BOARD

The County Public Service board is mandated to provide optimal staffing levels in all county departments, enhancing skills upgrading and career progression of county staff, improving working conditions and efficiency and effectiveness in service delivery, strengthening the policy and regulatory framework that governs the board and County Public Service among other priorities.

3.7.13 COUNTY ASSEMBLY

The objective of the sector is to “Offer quality services to the society through oversight, representation and legislation by ensuring autonomy and impartiality of the County Assembly.”

3.8.1 Budget Execution by programmes and sub-programmes

Table below shows a summary of the budget execution by programmes and sub-programmes between July 2024 to December 2024 of FY 2024/2025.

Table 14: Budget Execution by programmes and sub-programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	183,998,598	-	68,948,156	-	37%	0%
Livestock Resources Management and Development	Livestock Resources Management and Development	78,250,000	105,823,301	8,800,000	47,823,301	11%	45%
Food Security and Sustainable Agriculture	Crop Management and Development	62,900,000	427,399,967	41,625,000	80,916,025	66%	19%
Irrigation Development and Management	Irrigation Development and Management	24,200,000	111,325,484	4,600,000	41,109,998	19%	37%
	Sub Total	349,348,598	644,548,752	123,973,156	169,849,324	35%	26%
Land and Urban Development							

General Administration & Support Services	General Administration & Support Services	69,153,340	-	30,005,256	-	43%	0%
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	48,926,640	17,800,000	20,002,600	43%	41%
Physical Planning housing and urban development	Physical Planning housing and urban development	4,200,000	528,208,000	1,105,800	202,039,000	26%	38%
Solid Waste Management	Solid Waste Management	128,684,879	-	50,075,000	-	39%	0%
	Sub-Total	243,588,219	577,134,640	98,986,056	222,041,600	41%	38%
Roads, Public Works and Transport							
General Administration & Support Services	General Administration & Support Services	156,225,616	-	72,477,906	-	46%	0%
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	127,491,417	876,327,815	70,331,449	244,530,387	55%	28%
Public Works Management	Public Works Management	10,900,000	39,000,000	3,300,000	4,000,000	30%	10%
	Sub-Total	294,617,033	915,327,815	146,109,355	248,530,387	50%	27%
Trade and Cooperative Development							
General Administration and Planning	General Administration and Planning	42,749,748	-	20,446,158	-	48%	0%

Cooperative Development and Promotion	Cooperative Development and Promotion	7,400,000	15,449,789	2,250,000	7,449,789	30%	48%
Trade Development and Promotion	Trade Development and Promotion	10,400,000	397,000,000	2,400,000	5,152,174	23%	1%
	Sub-Total	60,549,748	412,449,789	25,096,158	12,601,963	41%	3%
Health Services							
General Administration and Planning	General Administration and Planning	1,525,499,284	-	702,899,165	-	46%	0%
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	129,523,501	209,373,070	19,754,600	26,164,859	15%	12%
Curative Rehabilitative and Refferal Services	Curative Rehabilitative and Refferal Services	510,425,547	282,708,633	258,242,195	105,556,027	51%	37%
	Sub-Total	2,165,448,332	492,081,703	980,895,960	131,720,886	45%	27%
Education and Human Capital Development							
General Administration and Planning	General Administration and Planning	1,009,626,588	-	592,084,975	-	59%	0%
Early Childhood Education	Early Childhood Education	102,650,000	248,285,210	43,625,000	91,995,678	42%	37%

Vocational and Technical Training Services	Vocational and Technical Training Services	15,500,000	23,049,894	1,450,000	7,500,000	9%	33%
Education Support Services	Education Support Services	4,500,000	-	1,200,000	-	27%	0%
	Sub-Total	1,132,276,588	271,335,104	638,359,975	99,495,678	56%	37%
County Executive Services							
Management of County Affairs	General Administration and Planning	501,872,333	-	236,073,037	-	47%	0%
	Sub-Total	501,872,333	-	236,073,037	-	47%	0%
Office of the County Secretary							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	196,286,068	50,000,000	69,750,000	-	36%	0%
	Sub-Total	196,286,068	50,000,000	69,750,000	-	36%	0%
Office of the County Attorney							
Legal and Public Sector Advisory Services	Legal and advisory services	84,957,458	-	38,100,000	-	45%	0%
	Sub-Total	84,957,458	-	38,100,000	-	45%	0%
County Public Service Board							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	77,217,041	12,965,500	36,644,020	6,482,750	47%	50%

	Sub-Total	77,217,041	12,965,500	36,644,020	6,482,750	47%	50%
County Assembly							
Legislation and Representation	Legislation and Representation	883,911,204	102,421,313	-	-	0%	0%
	Sub-Total	883,911,204	102,421,313	-	-	0%	0%
Finance and Economic Planning							
General Administration and Planning	Administration Planning	339,915,598	-	150,120,719	-	44%	0%
Public Finance Management	Accounting Services	4,300,000	-	2,050,000	-	48%	0%
	Financial Services and Report	6,000,000	-	2,950,000	-	49%	0%
	Internal Audit Services	2,800,000	-	600,000	-	21%	0%
	Supply Chain Management Affairs	11,500,000	-	2,900,000	-	25%	0%
	County Asset Management system	9,700,000	-	700,000	-	7%	0%
Economic Planning and Statistics	County Economic Planning and Statistics	33,958,000	-	14,315,775	-	42%	0%
Revenue Collection and Enhancement	Revenue Collection and Enhancement	43,415,000	10,000,000	20,800,000	5,000,000	48%	50%

ICT and E-Government Services	ICT and E-Government Services	18,220,000	6,999,408	7,110,000	6,999,408	39%	100%
	Sub-Total	469,808,598	16,999,408	201,546,494	11,999,408	43%	71%
County Public Service Management							
General Administration and Planning	Administration Planning	1,967,005,734	-	824,241,468	-	42%	0%
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	0%	0%
Civic Education and Public Participation	Civic Education and Public Participation	4,500,000	-	1,050,000	-	23%	0%
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	0%	0%
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	35,900,000	-	15,100,000	-	42%	0%
	Sub-Total	2,007,405,734	-	840,391,468	-	42%	0%
Social Development							
General Administration and Planning	Administration Planning	47,454,960	-	23,812,071	-	50%	0%

Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	6,200,000	8,000,000	950,000	-	15%	0%
Youth Empowerment and Sports	Youth Empowerment and Sports	27,000,000	39,199,813	13,350,000	6,299,950	49%	16%
Culture and Gender Development promotion	Culture and Gender Development promotion	6,450,000	10,000,000	1,600,000	10,000,000	25%	100%
Disaster Preparedness and Management	Disaster Preparedness and Management	26,700,000	509,487,878	9,800,000	191,487,878	37%	38%
	Sub-Total	113,804,960	566,687,691	49,512,071	207,787,828	44%	37%
Water , Energy, Environment and Climate Change							
General Administration and Planning	Administration Planning	172,488,370	-	81,637,095	-	47%	0%
Water and Sewerage Management	Water and Sewerage Management	150,220,000	1,275,182,562	55,009,516	704,023,732	37%	55%
Energy and Natural Resources	Energy and Natural Resources	4,700,000	30,000,000	850,000	16,291,760	18%	54%
Environment and Climate Change	Environment and Climate Change	40,300,000	575,029,682	1,400,000	-	3%	0%
	Sub-Total	367,708,370	1,880,212,244	138,896,611	720,315,492	106%	110%

Grand Total	8,948,800,284	5,942,163,959	3,624,334,361	1,830,825,315	41%	31%
-------------	---------------	---------------	---------------	---------------	-----	-----

Source: County Treasury, Mandera County Government

The Sub-programmes with the highest levels of implementation based on absorption rates included Food Security and Sustainable Agriculture at 66%, General Administration in the Department of Education at 59 per cent and Road & Air Transport Infrastructure Development at 255 per cent per cent of recurrent budget allocation.

3.8.2 Expenditure on Employees' Compensation

The expenditure on employee compensation was Kshs. 2,140,009,077. This expenditure included payment of salaries for the months of May and June of the Financial Year 2023/2024 which was made in the current reporting period due to delays in disbursement of June 2024 tranche by the National Treasury.

3.8.3 Settlement of Pending Bills

The County had pending bills amounting to **Kshs 1,385,728,264.38** billion at the end of the reporting period.

Table 15: List of pending bills

Sectors	Total Outstanding Bill as at 31 st December 2024
Agriculture, livestock and Fisheries	102,590,885
Education and Human Capital Development	180,620,350.75
Social Development	92,566,828
Finance and Economic Planning	2,000,000
Health Services	292,507,284
Trade and Cooperative Development	12,929,185
County Assembly	0
Lands and Urban Development	9,978,273
Office of the Governor and Deputy Governor	0
Office of the County Secretary	0
Office of the County Attorney	64,868,279
County Public Service Board	0
Public Service Management, Devolved Units and Community Cohesion	132,772,722
Roads, Transport and Public Works	257,618,321.41
Water, Energy, Environment and Climate Change	237,276,136.22
TOTAL	1,385,728,264.38

Source: County treasury

3.9 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

The County Government of Mandera experienced several challenges that affected budget implementation during the first half of the financial year 2024/2025. These are:

- **Delay in fund disbursements by the National Treasury**

The June 2024 allocation was received in the first quarter of the financial year leading to expenditure pressure such as salary arrears from the previous year.

- **Delay in approval of Fund Requests**

The Office of the Controller of Budget's fund requests approval processes is long and bureaucratic, thus affecting the county's absorption needs.

- **IFMIS connectivity challenges**

Recurring IFMIS breakdowns decelerate the approval of procurement requests and lead to delays in payments to suppliers thus slowing down the County's ability to absorb funds in a timely manner.

- **High public expectation**

Increased awareness of members of the public on their rights through numerous public participation and community engagement programmes has seen an increase in agitation for better service delivery hence creating expectation pressure. This was further intensified by the political activities and change in leadership both at the National and County levels.

- **Under-performance of own revenue collection**

This was due to, amongst other reasons the poor economic status of the residents in this county as well as the increase in prices of commodities. Insecurity in the region that led to border closures with Somalia and Ethiopia also affected collections of revenues greatly.

- **High Pending Bills** was also another huge challenge for the county.

3.9.1 RECOMMENDATIONS

The County has made progress in addressing some of the challenges previously identified as affecting budget implementation. The following lessons learnt in the prior financial periods shall be replicated in the budget implementations:

- The County Government should continue liaising and cooperating with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and successful project implementations.
- The County Government should also keep liaising with the Controller of Budget to avoid limitations in expenditure to ensure proper implementation of planned projects.
- The County should come up with measures to address underperformance in own source revenue collection so as to ensure the approved budget is fully financed.
- Departments tasked with revenue collection should capacity build their human capital so as to increase their efficiency and productivity.
- Civic education- building the capacities for communities to understand the roles played by both the National and County Government to avoid scenarios where the residents demand the County Government starts planning and financing of functions under the National Government or vice versa.
- Engage the National Government to invest in the security sector to curb attacks from militia groups.

CHAPTER FOUR: THE MEDIUM-TERM STRATEGY 2025/2026

4.1 Overview

The FY 2025/2026 and the medium-term budget is based on the Government policy priorities and macroeconomic policy framework, the Government will continue with the growth friendly fiscal consolidation plan by containing expenditures and enhancing mobilization of revenues in order to slow down growth in public debt without compromising service delivery.

The Medium-Term Fiscal Policy aims at supporting a sustainably wealthy and vibrant county providing high quality services to improve the livelihoods of its citizens. The county will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of the projects and programs. Adhering to these policies will also enhance local revenue collection which will ensure there are adequate resources for capital investments.

In respect to local revenue generation, the county is striving to institute corrective measures to reduce revenue leakages from local sources. This includes; efficient and effective revenue collections, enforcement of local revenue laws and regulations, automation of revenue collection systems and identification of other new revenue streams. It also has responsibility to undertake sensitization and create awareness of the public on revenue matters. For efficient and effective service delivery, there is need to increase the County human resource capacity especially the technical staff.

The County total resource envelope for FY 2025/2026 is expected to be Kshs. **14,039,671,985** based on the commission on revenue allocation and the trend of growth of the County revenues. The County Government will strive to ensure that the budget is balanced in the medium term and that expenditure for development shall constitute at least 34% in the FY 2025/2026. Expenditure ceilings are based on county priorities extracted from the CIDP 2023-2027, ADP 2025/2026 and the sector working group reports for each of the sectors. Moreover, the ceilings were also adjusted based on reduction on total revenue, expenditure trends and the changes in priority based on sector working group discussions. Expenditure related to conditional funding and grants has been ring fenced based on the purpose for the funding and estimates developed and included in the sector working group reports.

4.2 Fiscal Policy

The government's fiscal policy objective in the medium term will be to focus resources to priority and growth potential areas. Allocation and utilization of resources in the medium term will be guided by the priorities outlined in CIDP 2023-2027 and other county plans; and in accordance with fiscal responsibility principles as set out in section 107 of the PFM Act 2012. In this regard, the county government is committed to keeping recurrent spending at sustainable levels and devotion of more funds to development. Reforms in the budget expenditure management and revenue administration will be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space that frees more funds for productive areas. The county government is truly committed to implementing a program-based budget system in the following

financial year. This is expected to create budget clarity that emphasis on results as opposed to mere absorption of funds.

4.3 Revenue Projections

In the FY 2025/2026, revenue receipts for equitable share, conditional grants and own source revenue collection are projected at Kshs. 13.5 billion. This will comprise of equitable share of **11.866** billion, conditional grants of 1.368 billion and OSR 350 million. Revenue performance will be underpinned by the ongoing revenue mobilization strategies and revenue measures like automation of revenue streams geared towards expanding the revenue base and identifying new revenue streams.

4.3.1 Expenditure Projections

In the FY 2025/2026, the projected expenditure is Kshs 13.5 billion out of which the projected recurrent expenditure is Ksh 9.45 billion and development expenditure target of Ksh 4.05billion.

4.3.2 Additional Allocations to County Governments in FY 2025/2026

Article 202 (2) of the Constitution provides that County Governments may be given additional allocations from the National Governments Share of revenue either conditionally or unconditionally; while Article 190 of the Constitution also provides that Parliament shall by legislation ensure that County Governments have adequate support to enable them to perform their functions.

Further, Section 4 of the County Governments Additional Allocations Act (CGAAA), 2022 requires that additional allocations shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of County Governments' additional allocations financed from either the National Government's Share of Revenue or proceeds of loans or grants from Development Partners. Pursuant to Section 5 of the CGAAA 2022, funds for additional allocations to County Governments shall be included in the budget estimates of the National Government and shall be submitted to Parliament for approval.

In the 2025 Budget Policy Statement, the National Treasury proposes to allocate Ksh 67.97 billion as additional allocations (conditional and unconditional) to County Governments. Out of this, Ksh 12.89 billion will be financed from the National Government's share of revenue, and Ksh 55.07 billion from proceeds of loans and grants from Development Partners.

Table 16: Additional Allocations to County Governments for FY 2025/2026

S/NO	Project Description	Amount in Ksh
I. Additional Allocations Financed from National Governemnts Share of Revenue		
1	Unconditional Additional Allocations from Court fines	11,519,280
2	Unconditional Additional Allocations from 20% Share of Mineral Royalties to County	2,934,923,148
	TOTAL	2,946,442,428
II. Additional Allocations Financed from National Governemnts Share of Revenue		
1	Conditional Grant for Payment of Outstanding Basic Salary Arrears for County Government Health Workers	1,759,101,729
2	Conditional Grant for Community Health Promoters	3,234,930,000
3	Conditional Grant to Supplement Construction of County Headquarters	454,000,000
4	Conditional Grant for County Aggregation and Industrial Parks (CAIPs) Programme	4,500,000,000
	TOTAL	9,948,031,729
III. Additional Conditional Allocations Financed from proceeds of loans and grants from Development Partners		
1	IFAD - Aquaculture Business Development Programme (ABDP)	200,000,000
2	IDA (World Bank) - Financing Locally- Led Climate Action Program-County Climate Institutional Support (FLLOCA-CCIS)	121,000,000
3	IDA (World Bank) - Financing Locally- Led Climate Action Program-County Climate Resilience Investment (FLLOCA-CCRI)	6,187,500,000
4	IDA (World Bank) - Financing Locally- Led Climate Action Program-County Climate Resilience Investment (FLLOCA- CCRI)	1,200,000,000
5	IDA (World Bank) - Food Systems Resilience Project (FSRP)	3,200,000,000
6	KfW - Drought Resilience Programme in Northern Kenya (DRPNK)	1,276,654,208
7	IDA (World Bank) - Second Kenya Devolution Support Program - Institutional Grant (Level 1 Grant) (KDSP)	1,762,500,000
8	IDA (World Bank) - Second Kenya Devolution Support Program - Service Delivery and Investment Grant (Level 2 Grant) (KDSP)	13,042,500,000
9	IFAD - Kenya Livestock Commercialization Project (KeLCoP)	634,500,000
10	IDA (World Bank) - Second Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG)	10,325,754,660
11	IDA (World Bank) - Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	1,300,000,000
12	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	4,607,526,599
13	IDA (World Bank) - National Agricultural Value Chain Development Project (NAVCDP)	7,700,000,000
14	DANIDA - Primary Health Care in Devolved Context (PHDC)	510,000,000
15	IDA (World Bank) - Water and Sanitation Development Project (WSDP)	3,000,000,000
	TOTAL	55,067,935,467
	GRAND TOTAL	67,962,409,623

Source: National Treasury

Table 17: County Revenue source Envelope

Funding Types	Revenue summary By Sources	2024/25	2025/26
		Kshs	Kshs

Taxes	Equitable share of Revenue	12,054,974,660	11,866,500,000
	Equitable share of Revenue B/F(June Allocation)	930,655,331	0
	Local Revenue Collections	336,533,846	350,000,000
Conditional Grants	DANIDA Grant - Primary Health Care	15,746,250	16,473,000
	DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	0
	DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	0
	Community Health Promoters Program	18,540,000	38,040,000
	Road Maintenance Fuel Levy (Conditional Grant)	192,647,255	192,647,255
	Road Maintenance Fuel Levy b/f	2,271,953	0
	Kenya Devolution Support Programme 2 (KDSP II) Level 2 Grant		352,500,000
	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	37,500,000
	Kenya Urban Support Project (Urban Development Grant)	1,194,559	0
	Kenya Urban Support Project (KUSP) - UIG	35,000,000	35,000,000
	Kenya Urban Support Project (KUSP) – UDG	142,013,441	400,000,000
	Kenya Agricultural Business Development Project	10,918,919	10,918,919
	On-Going Development Projects funds b/f from previous financial year	55,413,432	0
	Industrial parks Grant	250,000,000	250,000,000
	FLOCCA CISG	11,000,000	11,000,000
	FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	0
	FLOCCA (CCCIRG)	286,447,747	227,938,965
	FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	163,686,676	0
	Agricultural Sector Development Support Program (ASDSP)	0	0
	World Bank Emergency locust response Project (ENRP)	142,500,000	0
	Food Systems Resilience Project -(FSRP)	173,076,923	251,153,846
	TOTAL	14,890,964,243	14,039,671,985

Source: County Treasury, Mandera

The county relies heavily on the equitable share followed by grants. Own source revenue is quite low due to the fiscal structure and revenue raising capabilities available to the County.

Traditionally, some amount of funds will remain unspent at end of the financial year. This amount cannot be reliably established at this stage. However, going by the trends of previous years, some of this year's budget will be carried forward to the following year budget as unspent but committed funds. This amount of funds will become clearer as we approach the final phase of budget preparation at the closure of the financial year.

4.4 County Allocations for FY 2025/2026

The Division of Revenue Bill (DoRB), 2025 proposes to allocate to the county governments allocation of Ksh 405.07 billion. As earlier indicated, the BPS 2025 proposes equitable share of revenue to Mandera County of Kshs 11,866,500,000

Proposed allocation therefore meets the requirement of Article 203(2) of the Constitution; High level of financing, and noting that the overdraft at the Central Bank is exhausted.

4.5 Resource Allocation Criteria and Proposed Ceilings for FY 2024/25

4.5.1: Criteria for Resource Allocation

Resources are to be allocated based on the following criteria;

- Extent to which the Programme is linked to the Governor's Manifesto, BETA, MTP IV, CIDP, SDGs and other international commitments
- Cost effectiveness, efficiency and sustainability of the Programme/projects within the MTEF period.
- Extent to which the Programme and sub-Programme output and outcome is aligned to the sector goals and departmental core mandate.
- Programmes that are co-funded
- Compensation to employees
- Consideration for ongoing projects

The County Government will continue with its policy of expenditure prioritization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies.

The following measures will be adopted as a guideline for resource allocation:

- **Linkage of projects and programmes with the objectives of the County Integrated Development Plans:** The County, in its resource allocation will ensure there is a linkage between plans and budget. Information derived planning documents and CIDP (2023-2027) will guide resource allocation in the FY 2025/26
- **Adherence to Annual Development Plan:** Another criterion that will be used in prioritization and allocation of resources is that programmes that have been identified in the 2025/26 Annual Development Plan.
- **Degree to which the Programme is addressing the core mandate of the county entity:** Projects and Programmes that address the core mandate of the county government will be given priority. The critical sector includes Health, Water, Road and other infrastructure, Agriculture and Livestock as well as Education and sports.
- **Expected outputs and outcomes from a Programme:** Projects and Programmes that have high output and impact will be selected for implementation over those that have a low output and low impact.

- **Cost effectiveness and sustainability of a projects/ programmes:** Projects and programmes that are cost effective and sustainable will be given a higher priority over those that are unsustainable and have a high cost.
- **Public participation inputs:** Consideration of projects and programmes identified through public participation.

Resource allocation for the FY 2025/26 will be geared towards financing priority programmes and projects that will culminate in the realization of county strategic objectives such as investments in the agricultural sector; food security, provision of adequate and clean water, boosting road infrastructure, Well Functioning Universal Health Care, improve retention and dropout rates among students in secondary schools, support to ECDE and vocational training as well as addressing the plight of the most vulnerable in our society.

In this regard special focus will be directed areas such as:

- Sound governance, transparency, and accountability and Human Resource productivity in the delivery of services to the county residents. To achieve this, adequate resources will be committed to staff salaries, allowances and capacity buildings.
- Promotion of accessible and affordable health care for all County resident by providing skilled health staff and drugs.
- Improving food security by encouraging Agricultural production through increased extension services to reduce cost to farmers and support to small scale farmers.
- Expansion and maintenance of road infrastructure and network to enhance productivity and reduce cost of doing business in the county
- Promotion of ECDE and adult education to uplift county literacy levels
- Improving in retention and reducing dropout rates among students in secondary schools through the 'Elimu Kwa Wote Programmme'
- Investing in youth and women by ways of loans and Scholarships
- Under take programs that will address the plight of the most vulnerable in the Society

5.2 Proposed Ceilings for FY 2025/26

As earlier indicated, the Budget Policy Statement 2025 proposes equitable share of revenue to Mandera County of Kshs **11,866,500,000**, and the County Government projects to collect OSR set at **350 million**.

Table 18: Sector ceilings for FY 2025/2026

Sector	Approved Recurrent Vote Fy 2024/2025	Approved Development Vote Fy 2024/2025	Total Approved Departmental Vote Fy 2024/2025	Recurrent Ceiling Fy 2025/2026	Development Ceiling Fy 2025/2026	Total Ceiling Fy 2025/2026	Percentage
County Executive Services	501,872,333	-	501,872,333	509,663,722	-	509,663,722	4%
Office of the County Secretary	196,286,068	50,000,000	246,286,068	192,686,068	382,500,000	575,186,068	4%
Office of the County Attorney	84,957,458	-	84,957,458	84,957,458	-	84,957,458	1%
County Public Service Board	77,217,041	12,965,500	90,182,541	78,262,837	5,000,000	83,262,837	1%
Finance & Economic Planning	469,808,598	16,999,408	486,808,006	499,054,053	-	499,054,053	4%
Education and Human Capital Development	1,132,276,588	271,335,104	1,403,611,692	1,099,757,917	120,049,894	1,219,807,811	9%
Trade and Cooperative Development	60,549,748	412,449,789	472,999,537	60,549,748	350,000,000	410,549,748	3%
Water, Energy, Environment & Climate	367,708,370	1,880,212,244	2,247,920,614	363,832,789	1,411,938,965	1,775,771,754	13%
Health Services	2,165,448,332	492,081,703	2,657,530,035	2,385,488,468	480,145,443	2,865,633,911	20%
Social Development	113,804,960	566,687,691	680,492,651	394,598,400	125,000,000	519,598,400	4%
Agriculture, Livestock and Fisheries	349,348,598	644,548,752	993,897,350	356,548,528	427,072,765	783,621,293	6%
Roads, Transport & Public Works	294,617,033	915,327,815	1,209,944,848	237,636,897	762,647,255	1,000,284,152	7%

Lands, Housing & Physical Planning	243,588,219	577,134,640	820,722,859	243,098,698	845,000,000	1,088,098,698	8%
Public Service Management	2,007,405,734	-	2,007,405,734	1,734,182,081	-	1,734,182,081	12%
County Assembly	883,911,204	102,421,313	986,332,517	840,000,000	50,000,000	890,000,000	6%
Grand Total	8,948,800,284	5,942,163,959	14,890,964,243	9,080,317,664	4,959,354,322	14,039,671,986	100%

Source: County Treasury, Mandera

In establishing budget ceilings for the financial year and subsequent financial allocations, nondiscretionary expenditures take first charge. Examples of these include statutory obligations such as salaries and other related staff expenses. In development expenditure, first consideration will be given to the completion of ongoing projects while availing adequate resources to the new projects which are key to growth of the County. Priority will be given to projects identified in the CIDP, ADP and the public participation reports.

Projects proposals will be subjected to rigorous scrutiny to ensure they are in line with the county vision and development plans. Costing of programs will also be closely monitored to ensure there are no future variations and adjustments

4.6 Fiscal Strategy FY 2025/2026

The FY 2025/2026 fiscal strategy has been designed to address the following objectives:

- Fast tracking of implementation of development programs to encourage faster absorption of funds
- Completion of all ongoing/stalled projects
- Streamlining and improving Own source revenue performance to realize more resources
- Collaborating with key donors to finance flagship projects in health, water and infrastructure.
- Increasing budget transparency and accountability as required by law.
- Devolving services closer to the people and ensuring count services are visible in all parts of the county.
- Under take social programs that will address the plight of the most vulnerable in the Society.

CHAPTER FIVE: SECTOR PRIORITIES FOR FY 2025/2026

5.1 HEALTH SERVICES

The Sector comprises of public health services and medical services.

5.1.1 Public Health Services

The sub-sector plans to prioritize programmes targeting maternal and child health interventions to reduce maternal mortality ratio, improve uptake of antenatal care services, improve uptake of skilled delivery services, improve uptake of family planning services and primary health care services. Disease response and surveillance to reduce incidences of neglected tropical diseases, HIV testing services, care and treatment to reduce mother and child transmission, Malaria control, TB programmes to reduce the burden of TB, Nutrition and Dietetics to reduce malnutrition among children under 5 years and Monitoring and Evaluation for health care services.

5.1.2 Medical Services

Some of the key programmes prioritized under medical services include: Facility improvement for County and sub-county hospitals, improvement of laboratory services across the county, Improvement of referral services across the county, health preparedness and response, establishment of Electronic Medical Record System (EMR) at Mandera County Referral Hospital and sub-county hospitals and improvement of human resource for health.

5.2 EDUCATION AND HUMAN CAPITAL DEVELOPMENT

The Sector is composed of the following:

- Early Childhood Development Education
- Vocational and Technical Training
- Human Capital Development

5.2.1 Early Childhood Development Education

The sub-sector intends to prioritize infrastructural development in ECDE with construction of new ECDE classrooms, 6 model centers, Provision of school feeding to ECDE learners and provision of learning materials to all learners.

5.2.2 Vocational and Technical Training

In the FY 2025/2026, the sub-sector plans to provide Tools, equipment and Instructional materials to all Vocational Training Centers, issuance of start-up kits to graduates and internet connection to all Vocational Centers.

5.2.3 Human Capital Development

In the FY 2025/2026, the sub-sector plans to continue with the distribution of bursaries through “Elimu kwa Wote programme.” The Mandera County Bursary Fund supports free secondary education, scholarships to students in Turkish universities and tertiary institutions in the country.

5.3 AGRICULTURE, LIVESTOCK AND FISHERIES

The Sector is composed of Three sub-sectors:

- Crop production, Harvesting and Value addition

- Irrigation and Soil conservation
- Livestock Development

5.3.1 Crop Production, Harvesting and Value addition

The sector plans to procure and distribute subsidized Farm inputs to farmers, conduct trainings for farmers on better farming techniques, Promotion of value addition and marketing and adopt climate smart agriculture.

5.3.2 Irrigation and soil conservation

The department plans to continue the development of irrigation infrastructure through the Construction of additional 4km of Irrigation canals, provision of 4 water pumps and 8 Irrigation pipes to the targeted farmers and development of soil and water conservation structures. Plans also include the construction of flood control structures, Capacity building on irrigation and water harvesting technologies, the strengthening of Agricultural mechanization through the maintenance of the existing Tractors and the procurement of additional Tractors and implements.

5.3.3 Livestock Development

The sub-sector has the plans to Promote livelihood diversification and value chain addition through the training of farmers, supporting farmer Groups and distribution of Bee hives. Furthermore, it is envisaging to control livestock diseases, promote rangeland management and to improve animal husbandry and nutrition.

5.4 FINANCE AND ECONOMIC PLANNING

The Sector is composed of the following sub-sectors:

- Financial and Accounting services
- Revenue services
- Economic Planning and statistics
- ICT, E-government and public communication

5.4.1 Financial and Accounting services

The sub-sector will prioritize programmes on prudent financial management, Preparation of timely financial reporting, installation of IFMIS infrastructure, strengthening internal controls and updating the assets register.

5.4.2 Revenue services

The sub-sector plans to mobilize revenue collection through recruitment of revenue clerks, automation of revenue collection, mapping of revenue streams and identification of new revenue streams.

5.4.3 Economic Planning and Statistics.

The sub-sector plans to prepare the County Annual Development Plan (CADP), CFSP, County Statistical Abstract in 2025/2026, the Mid-term review of the CIDP 2023-2027 and other planning documents.

5.4.4 ICT, E-Government and Public Communication

- ❖ Installation of LANs and wireless networks
- ❖ Construction of digital hubs in sub-counties

5.5 LANDS AND URBAN DEVELOPMENT

The sector is divided into 3 sub-sectors namely:

- Lands, physical Planning and Survey
- Housing and urban Development
- Circular Economy, Solid waste management and sanitation

5.5.1 Housing and Urban Development

The sub-sector will prioritize the following:

- ❖ Grant to municipalities (El-wak and Mandera)
- ❖ Renovation of housing department block and GOK houses.
- ❖ Preparation of housing policy and slum upgrading and prevention policy.

5.5.2 Lands, Physical Planning and Survey

The subsector plans to establish an integrated Local Physical & Land Use development Plan for Takaba and Rhamu, Establishment of valuation roll for Mandera and El-wak prepare 3D information Technology enabled County Spatial Plan for all the 30 wards, conduct Cadastral Survey for 5000 plots and to construct a land registry for the county.

5.5.3 Circular Economy, Solid Waste management and sanitation

- ❖ Construction of garbage collection points and dumpsites.
- ❖ Development of solid waste management policy.
- ❖ Purchase of sanitation working tools for workers.

5.6 TRADE AND COOPERATIVE DEVELOPMENT

The Sector is composed of Two sub-sectors: Trade, Industry and Investment and Cooperative Development and marketing.

5.6.1 Trade, Industry and Investment

During the MTEF period, the sub-sector will implement the priority areas including provision and operationalization of trade fund, construction of market structures, renovation of market structures, training on business skills, inspecting and licensing of 4000 business entities and conducting County investment forums.

5.6.2 Cooperative Development and Marketing

Priorities to be implemented include, provision and operationalization of cooperative fund, capacity building of cooperative societies, promotion and issuance of startup kits to cooperative societies and establishment of additional cooperative societies.

5.7 SOCIAL DEVELOPMENT

The sector is composed of four sub-sectors namely:

- Social Services, Special programs, disaster preparedness and management
- Youth, Sports and Talent Development
- Culture, Tourism and Library Services
- Women Empowerment and Affirmative Action

5.7.1 Social Services, special programs, disaster preparedness and management

The sub-sector will prioritize the following programmes: Housing and toilet units for the vulnerable households, cash transfer, social infrastructure, PWDs empowerment and child care services.

5.7.2 Youth, Sports and Talent Development

The sub-sector is planning to construct youth centers, provision of youth with income generating activities, construction of stadiums and talent centres and conduct Governor's football tournament.

5.7.3 Culture, Tourism and Library Services

The sub-sector plans to conduct cultural events as well as mapping cultural sites and operationalization of libraries in the county.

5.7.4 Women Empowerment and Affirmative Action

Key interventions planned are: Women empowerment through the employment of vulnerable women to undertake Mandera County greening programme, GBV/FGM awareness and sensitization forums and establishment of rescue centers for victims of FGM and GBV.

5.8 ROADS, TRANSPORT AND PUBLIC WORKS

The sector is composed of the following sub-sectors:

- Roads and Transport
- Public works

5.8.1 Roads and Transport

In FY 2025/2026, key priorities planned are: Tarmacking of 3.6Kms, gravelling of 140Kms and Construction of 4 cell culverts.

5.8.2 Public Works

The sub-sector is mandated to work as a service one and project manager to ensure the provision of design works, preparation of bill of quantities and supervision of all county government structural projects.

5.9 PUBLIC SERVICE MANAGEMENT, DEVOLVED UNITS AND COMMUNITY COHESION

The Sector is composed of the following sub-sectors:

- Public service management
- Community cohesion, conflict management and prevention of radicalization and extremism
- Community engagement, Civic education and public participation

5.9.1 Public Service Management

The sub-sector plans to prioritize modernization of HR records, Performance management system and staff welfare programmes.

5.9.3 Community cohesion, Conflict management and prevention of radicalization and extremism

The sub-sector will prioritize programmes targeting peace initiatives and peace dividend programmes and de-radicalization and CVE programmes.

5.10 WATER, ENERGY, ENVIRONMENT AND CLIMATE CHANGE

5.10.1 Water Services

The County in its quest to provide safe and clean water will prioritize the following programmes: water resources development, upgrading of rural water supply infrastructure, establishment of master plan, water management and harvesting structures, Urban water supply and sewerage maintenance, rural water supply maintenance, Development of urban sewerage infrastructure and rural sanitation development, groundwater mapping increasing access to safe and clean water and reducing distance to water point and water trucking sites, Strengthening of Water Sanitation and Hygiene sector coordination Forum, Last mile connectivity for access to clean and safe water, Development of CFU for water supply for both rural and urban.

5.10.2 Energy and Natural resources

The sub-sector plans to prioritize: development of solar systems, maintenance of solar powered streetlights and floodlights maintenance.

5.10.3 Environmental protection, Biodiversity conservation and Climate Change

The sub-sector will prioritize the following programmes: Climate change mainstreaming, climate change resilience investment, Mandera County greening and ecosystem restoration.

5.11 OFFICE OF THE GOVERNOR

The sector will prioritize programmes including: Administration and coordination, Improve donor relations and resource mobilization, sub-county administration infrastructural development and enforcement and compliance services.

5.12 COUNTY PUBLIC SERVICE BOARD

The County Public Service board plans to provide optimal staffing levels in all county departments, enhancing skills upgrading and career progression of county staff, improving working conditions and efficiency and effectiveness in service delivery, strengthening the policy and regulatory framework that governs the board and County Public Service among other priorities.

5.13 COUNTY ASSEMBLY

The objective of the sector is to “Offer quality services to the society through oversight, representation and legislation by ensuring autonomy and impartiality of the County Assembly.”

5.14 Risk Mitigation Framework

These includes the potential risks and the mitigation measures the County will put in place to ensure the risks are cushioned.

Risk Category	Risk	Mitigation Measure
Fiscal/Economic Risk	Inadequate resources	Enhance resource mobilization
	Inefficiencies in government expenditure	Strengthen outcome-oriented expenditure
	Economic slump	Investment in the productive sector of the economy

	Rising wage bill	Enhance resource mobilization
	High cost of projects	Conducting feasibility studies for all projects
Environmental Risks	Climate change (Drought and floods)	Develop and implement strategies for risk mitigation and preparedness
Legal Risks	Inadequate legal and regulatory frameworks Litigations and court cases	Develop and implement policies and regulations
Capacity Risks	Inadequate capacity	Capacity build staff

ANNEXES

Annex I: Trend in Growth of Equitable share of revenue

FY	Equitable Share (Kshs million)
2013/2014	6,550
2014/2015	7,814
2015/2016	8,956
2016/2017	9,663
2017/2018	9,740
2018/2019	10,142
2019/2020	10,223
2020/2021	10,223
2021/2022	11,190
2022/2023	11,190
2023/2024	11,633
2024/2025	12,055

Source: CRA

Annex III: OSR trends

FY	Actual Revenue (KES)
2013/2014	90,068,630
2014/2015	87,100,000
2015/2016	88,260,000
2017/2018	61,561,395
2018/2019	95,486,913
2019/2020	124,961,836
2020/2021	143,313,896
2021/2022	132,899,851
2022/2023	123,260,280
2023/2024	168,047,287
2024/2025	

Source: County Revenue Services

Annex III: Public Sector Inputs

MANDERA EAST

SECTOR	ISSUE RAISED	FEEDBACK
AGRICULTURE	Inadequate generators for irrigating the farming	More generators are needed by farmers for food production
WATER	Lack of piped water in Mandera town.	People are currently purchasing water from water vendors which is costly for them.
ENVIRONMENT	The mushrooming of Mathenge trees in the sub-county obstructing feeder roads and also contributes to insecurity problem by creating conducive hideouts for gangs.	Bush clearing of Mathenge trees needed
ROADS	Malka Punda road and Corner B- Neboi Road are impassable during rainy seasons Lack of access roads in Kamor aera.	- Tarmacking of Malka Punda and Corner B-Neboi roads required - Opening up of roads in Kamor area
SPECIAL PROGRAM	High number of vulnerable households that lack access to basic needs.	Increase the number of relief food beneficiaries to cater for more vulnerable
LIVESTOCK	Restocking of livestock for people who have no livelihoods and are willing rear livestock for family sustenance.	
SOCIAL SERVICE	Youth and women empowerment through job creations and support for youth groups	Provide startup capital for SMMEs in the county.
VETERINARY	Wild stray dogs are creating social hazards by trespassing into people's homes and killing domesticated animals.	Wild dogs movement control measures should be in place
EDUCATION	Low pre-primary school population due to children in Duksi.	Integration of Duksi into ECDE program so that the children will benefit from integrated values

PUBLIC HEALTH	The rising concern of drug abuse in the Mandera East	Creation of an operational rehabilitation centre for the drug addicts in the society.
GENDER, YOUTH & WOMEN EMPOWERMENT	Issues of GBV	Creation of a centre for housing gender based sexual violence victims.
ENVIRONMENT	Greening and Beautification of the town, and addressing effects of climate change.	Tree planting project needs to be expanded to all settlements in Mandera town to mitigate effects of climate

MANDERA WEST

SECTOR	ISSUE RAISED	FEEDBACK
Health	Access to healthcare services	- Construction of dispensary at Qobo Saglan in Lagsure - Provision of essential drugs and personnel to all existing facilities in the Mandera East Subcounty
WATER	Access to clean and reliable water service	Emergency drilling of boreholes for drought intervention
	Water tracking services	Increase the number of water tracking water boozers from 3 to 5
	Water storage	- Provision of plastic water tanks to villages - Construction of water tank and animal trough at Wangaidahan borehole - Repair of Qobo Saglan underground water tank
SPECIAL PROGRAM	High number of vulnerable households that lack access to basic needs.	Distribution of relief food to caution the vulnerable population
	Youth and sports	Construction and upgrading of Takaba Hambala stadium to national standard
Trade & Cooperative Development	Youth and women empowerment through trade fund and grants	Provide startup capital for SMMEs in Takaba Town.

Agriculture & Livestock	Food production	- Provision of farming equipment such as tractors for clearing - Provision of quality seeds & seedlings to farmers
-------------------------	-----------------	---

MANDERA NORTH

SECTOR	ISSUE RAISED	FEEDBACK
AGRICULTURE	Lack of essential tools and equipment for farmers	- Provision of pump set to the farmers during rainy season - Bush clearing of feeder roads to the farms
WATER	Inadequate water supply especially for pastoralists	- Water tracking for Guticha and Ashabito wards. - Construction of 2 more boreholes in Girisa location
Health	Lack of drugs and medicine across health facilities in Mandera North	- Supply of essential drugs and medicine. - Construction of new dispensary at Jabi-bar
SPECIAL PROGRAM	High number of vulnerable households that lack access to basic needs.	Distribution of relief food to caution the vulnerable population
SOCIAL SERVICE	Youth and women empowerment through job creations and support for youth groups	Provide startup capital for SMMEs in the county.
EDUCATION	Low pre-primary school population due to children in Duksi.	Integration of Duksi into ECDE program so that the children will benefit from integrated values

MANDERA SOUTH

SECTOR	ISSUE RAISED	FEEDBACK
WATER	Inadequate water supply especially for pastoralists. Inadequate supply of Falama water	- Water tracking for Makutano village. - Increase household connection to falama water in the town. - Extension of piping system of falama water to Elgolicha and Wante

		Emergency mechanical rehabilitation of Uli village borehole to address breakdown
Health	Access to healthcare services	Construction of new dispensary at Bula Dana and Elsafara Area
SPECIAL PROGRAM	High number of vulnerable households that lack access to basic needs.	Distribution of relief food to caution the vulnerable population
SOCIAL SERVICE	Youth and women empowerment through job creations and support for youth groups	Provide startup capital for SMMEs in Elwak Town.
Agriculture & Livestock	Animal diseases control	Vaccination of livestock especially goats across all wards in Mandera South subcounty

BANISA

SECTOR	ISSUE RAISED	FEEDBACK
Education	Access to ECDE	- Construction of additional - ECDE classrooms
Agriculture and Livestock	Destocking of livestock	Destocking of livestock to prevent loss due to drought
Health	Access to healthcare services	Construction of dispensary in shoroba, murudo,shobtoy, farajan & arda garabicha
Water	Water storage infrastructure	Construction of underground water tank at Malkamari
Trade & Cooperative development	Livestock market	Establishment of animal market in Banisa Town
Roads	Road accessibility	Construction of permanent bridge along lagsure
Health	Access to healthcare services	Construction of dispensary in funateso,urile, umaru, birkan, amay, khokhoto, qabgudo arda, garese & achini

LAFEY

SECTOR	ISSUE RAISED	FEEDBACK
Health	Equipping and staffing of all hospitals	Provision of essential drugs

Roads and Transport	Access to roads	Construction of waranqara-Lafey road
Water, Energy & Environment	Streetlights	Installation of street lights
Lands and Urban Development	Urban development control	Survey and planning of Lafey town

Source: Economic Planning-Mandera