

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

FOURTH QUARTER REPORT

FY 2024/2025

JULY, 2025

County mission and vision

Vision

To be a 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 county.

Table of contents

Contents

Table of contents.....	3
Foreword.....	4
1.0 Introduction.....	5
1.1 Fiscal Outlook.....	5
2.0 Financial Analysis of County Budget Implementation.....	5
2.1 Budget Components.....	6
Table 1: Budget Components.....	6
2.2 Revenue Performance Analysis	7
2.3 Own Source Revenue Performance	7
Table 2: Total Local Revenue Collections for the Fourth Quarter of FY 2023/2024.....	7
Table 3: Monthly OSR Performance per Stream	9
2.4 Exchequer Issues.....	12
2.4 Conditional Grants	12
Table 4: Revenue Performance by Source (July 2023- June 2024)	123.1 Expenditure by Economic Classification.....
3.2 Budget and Budget Performance by County Departments	16
3.2.1 Budget estimates	16
3.2.2 Departmental Expenditure Analysis	17
3.2.2.1 Development expenditure performance by departments.....	18
3.2.2.2 Recurrent expenditure performance by departments	19
3.3 Budget Execution by Programmes and Sub-Programmes	21
4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD.....	27
5.0 RECOMMENDATIONS	29

Foreword

I am pleased to present the Budget Implementation Report for the fourth quarter of the Financial Year (FY) 2024/2025. The report fulfils the County's obligation under Section 166 of the Public Finance Management Act 2012 to prepare and publish quarterly budget implementation reports. The law specifies that these reports shall contain both financial and non-financial information.

This is the fourth report in FY 2024/2025 and presents information on budget performance by the departments in the period July 2024 to June 2025. Information on budget performance is presented on aggregate and on individual department performance. The report also includes performance trends, which present a useful trajectory of revenue and expenditure performance.

The report provides details about revenue, expenditure, and capital projects. Reporting is also done on key targets and indicators from the approved supplementary budget.

The budget implementation was slow but recorded an improved performance from the second quarter and by the end of June 2025, expenditure on both the development and recurrent programmes represented 87% of the County's approved budget. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of late budget approval, delay in approval of Fund Requests by Office of the Controller of Budget and IFMIS connectivity challenges. With the above challenges having been addressed, the budget implementation is expected to be smooth in the first quarter of the FY 2025/2026. I urge the departments to move with speed in putting up measures to hasten the implementation of programmes especially for the development projects.

I also urge all our stakeholders to actively scrutinize this report in order to take necessary action towards enhancement of transparency and accountability in the management of public resources as enshrined in the constitution and PFM Act, 2012. This will go a long way in providing feedback towards efficient and effective service delivery and attainment of the County Government's objectives.

CPA. Ibrahim Mohamed Adan, OGW.

County Executive Member for Finance and Economic Planning

1.0 Introduction

This Budget Implementation Report is prepared in conformity with Article 228(6) of the Constitution of Kenya, 2010 and Section 39(8) of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period July 2024 to June 2025.

The report presents revenue and expenditure performance by the Mandera County Government. Revenue is disintegrated by source while expenditure is analyzed by economic classification. It also highlights the County government's activities for the period under review and seeks to objectively review budget implementation in the county by highlighting performance of revenues, transfers received from the National Government and actual expenditure. Key issues that affect budget implementation during the financial year are identified and appropriate recommendations made on how the issues can be addressed to enhance efficiency and effectiveness in budget execution.

Compiled by the Mandera County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 30th June 2025 for internal consumption and performance appraisal purposes. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed, with the oversight mandate on utilization of public funds.

1.1 Fiscal Outlook

The fiscal assumption underlying the FY 2024/2025 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

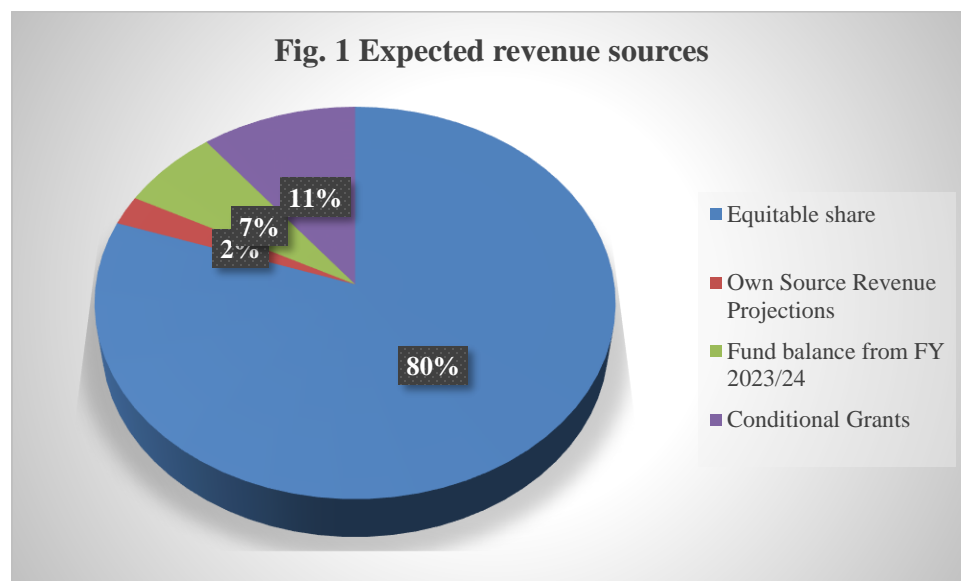
2.0 Financial Analysis of County Budget Implementation

The County had an approved Supplementary budget of Kshs. 14,567,547,952 which comprised of Kshs. 8,912,272,071 (61%) for recurrent expenditure and Kshs. 5,655,275,880 (39%) allocation for development expenditure.

2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 11,690,618,560 (80 percent) as the equitable share of revenue raised nationally, generate Kshs. 350,000,000 (2 percent) from own sources of revenue, receive Kshs. 1,540,860,629 (11 percent) from various conditional grants, and other revenue (ongoing projects) of Kshs. 986,068,763 (7 percent) from FY 2023/2024.

Figure 1: Expected Sources of Budget Financing in FY 2024/2025



Source: County Treasury, Mandera County Government

The major source of revenue for the County was the nationally shared revenue, which accounted for 80% of the budget. Fund balances from the Financial Year 2023/2024 contributed 7%, while conditional grants made up 11%. The County's annual local revenue made up only 2% of the budget.

Table 1: Budget Components

The table summarizes county revenues for FY 2024/2025 budget

Revenue summary By Sources	Amount (Kshs)
Equitable share	11,690,618,560
Own Source Revenue Projections	350,000,000
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 (B/f)	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	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	182,351,172
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
Basic Salary Arrears for County Governments Health Workers	19,809,159
TOTAL	14,567,547,952

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

In the FY 2024/2025, the County received Kshs. 11,690,619,376 as equitable share of revenue raised nationally and raised Kshs. 431,172,282 from own source revenue including the FIF collections.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 350,000,000 from local sources during the FY 2024/2025. The actual achievement in the FY 2024/2025 was Kshs. 431,172,282 which included FIF collections.

Table 2: Total Local Revenue Collections for the Fourth Quarter of FY 2023/2024

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

FY 2024/2025 Actual Monthly OSR Collections versus Approved Targets		
Revenue Sources	Approved Targets	Total
Land rents	71,055,477	35,985,537

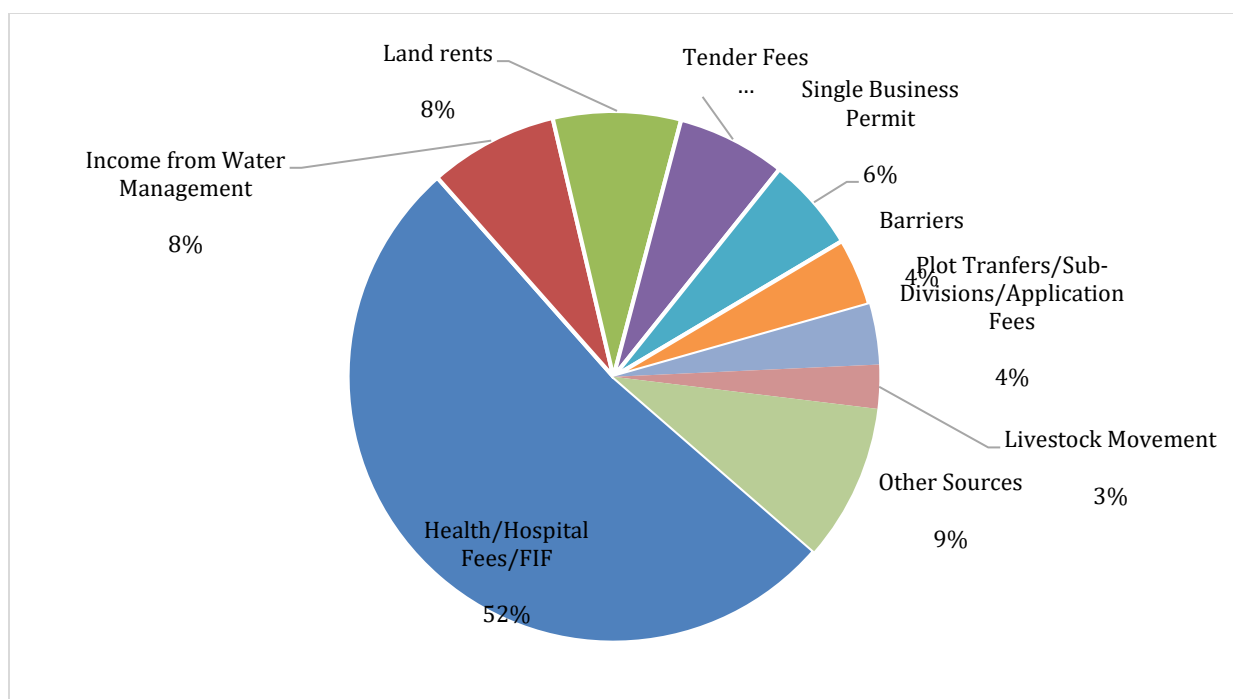
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	14,409,240
Building plan	4,507,780	702,300
Miraa Movements	25,746,994	8,204,500
Single Business Permit	31,452,729	19,709,420
Market Stalls/ Shades	17,948,637	9,164,735
Market Gates/Cess	2,314,519	552,000
Buspark/Taxis/Parking	3,569,313	475,430
Income from Quarries	2,184,181	812,562
Barriers	10,601,096	20,681,061
Livestock Markets Auction	6,984,555	6,556,890
Livestock Movement	12,416,647	12,470,617
Slaughter fees and Charges	13,924,152	5,842,520
Produce Cess	3,872,038	1,725,980
Agriculture Mechanization/Hire of Equipment	1,850,193	288,000
Rental income	1,421,293	1,085,600
Tender Fees	8,503,226	30,608,100
Public Health	11,605,112	2,029,100
Fire Service Fees	3,280,000	1,439,002
Hospital collection	51,785,008	7,756,440
Income from Water Management	12,386,281	33,842,589
Grand Total	350,000,000	214,341,623
HOSPITAL COLLECTIONS AFTER FIF ACT		
Hospital Collections		31,545,554
Insurance Claims-Referrals		76,725,210

Insurance Claims-Level 2 & 3		107,461,900
Public Health		1,097,995
Sub-Total		216,830,659
Grand Total		431,172,282

Source: Department of Revenue Services, Mandera County Government

Table 3: Monthly OSR Performance per Stream

In the period under review, the County's top performing streams included Hospital/Health collections (FIF), Income from water management, Land rents, and tender fees as shown in the figure that follows:



The monthly collection breakdown is shown in tables that follows.

FY 2024/2025 Total monthly local revenue collection		
Month	Amount Collected	Cumulative collection
July	13,407,480	13,407,480
August	11,870,468	25,277,948
September	14,710,836	39,988,784
October	14,261,039	54,249,823
November	14,758,343	69,008,166
December	30,343,828	99,351,993
January	47,167,506	146,519,499
February	53,387,856	199,907,355
March	50,516,779	250,424,135
April	76,360,389	326,784,523
May	47,682,694	374,467,217
June	56,705,065	431,172,282
Total Collections	-	431,172,282

DEPARTMENT OF REVENUE														
OWN SOURCE REVENUE COLLECTION FY 2024/2025														
Revenue Sources	Approved Targets	July	August	September	October	November	December	January	February	March	April	May	June	Total
Land rents	71,055,477	2,680,889	2,329,708	1,387,736	1,245,000	1,039,770	3,132,164	2,810,350	3,608,710	1,916,700	3,557,586	5,117,624	7,159,300	35,985,537
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	1,875,300	1,600,940	1,320,000	126,000	337,000	1,443,500	1,500,500	1,348,000	808,000	1,248,500	1,490,000	1,311,500	14,409,240
Building plan	4,507,780	-	59,500	-	96,200	45,500	3,500	101,000	98,200	36,000	120,000	65,000	77,400	702,300
Miraa Movements	25,746,994	481,200	526,600	490,300	843,900	979,300	965,200	1,110,000	664,000	664,000	450,000	300,000	730,000	8,204,500
Single Business Permit	31,452,729	719,240	629,800	774,500	113,700	121,000	367,000	1,591,600	3,841,950	2,360,728	5,394,222	2,444,680	1,351,000	19,709,420
Market Stalls/Shades	17,948,637	548,000	720,440	805,440	773,200	895,120	700,400	950,000	754,430	23,000	1,241,310	821,410	931,985	9,164,735
Market Gates/Cess	2,314,519	28,500	38,900	49,000	129,000	125,900	41,800	31,900	-	107,000	-	-	-	552,000
Buspark/Taxis/Parking	3,569,313	45,200	67,210	123,440	70,950	60,000	16,530	49,000	20,800	22,300	-	-	-	475,430
Income from Quarries	2,184,181	84,600	112,500	123,200	29,300	96,400	21,700	69,000	98,900	83,362	93,600	-	-	812,562
Barriers	10,601,096	1,254,371	1,008,840	1,012,640	2,037,253	1,298,050	1,780,336	3,192,320	2,292,082	676,128	2,561,870	1,596,260	1,970,911	20,681,061
Livestock Markets Auction	6,984,555	347,000	354,100	608,840	841,000	735,100	628,750	919,600	470,100	673,600	389,500	356,500	232,800	6,556,890
Livestock Movement	12,416,647	1,293,400	1,169,400	973,600	427,900	562,500	2,015,550	1,915,000	1,290,530	350,900	785,000	575,000	1,111,837	12,470,617
Slaughter fees and Charges	13,924,152	347,400	311,500	492,940	456,900	549,600	605,150	757,880	621,400	580,000	406,300	365,150	348,300	5,842,520
Produce Cess	3,872,038	200,100	236,350	308,600	132,800	184,380	144,600	114,600	231,160	20,000	153,390	-	-	1,725,980
Agriculture Mechanization/Hire of Equipments	1,850,193	35,000	29,000	30,000	-	9,000	15,000	6,000	23,000	32,000	59,000	50,000	-	288,000
Rental income	1,421,293	84,600	44,600	53,400	76,600	76,600	73,600	73,600	78,400	73,600	86,000	-	364,600	1,085,600
Tender Fees	8,503,226	516,920	-	-	-	2,445,430	3,496,376	7,896,669	3,162,490	126,570	1,765,000	8,435,625	2,763,020	30,608,100
Public Health	11,605,112	36,100	27,100	35,100	111,000	67,600	66,100	234,700	560,300	4,400	377,500	298,500	210,700	2,029,100
Fire Service Fees	3,280,000	-	-	-	-	-	3,000	124,200	301,100	8,000	562,402	367,700	72,600	1,439,002
Hospital collection	51,785,008	2,629,430	2,481,980	2,645,030	-	-	-	-	-	-	-	-	-	7,756,440
Income from Water Management	12,386,281	200,230	122,000	3,477,070	2,950,500	2,019,781	3,211,921	5,752,000	7,385,290	4,436,800	1,773,901	1,675,753	837,343	33,842,589
Grand Total	350,000,000	13,407,480	11,870,468	14,710,836	10,461,203	11,648,031	18,732,177	29,199,919	26,850,842	13,003,088	21,025,081	23,959,202	19,473,296	214,341,623
HOSPITAL COLLECTIONS AFTER FIF ACT.														
Hospital Collections	-	-	-	-	3,799,836	3,025,557	3,072,666	4,272,819	3,726,833	2,356,660	3,034,888	4,479,079	3,777,216	31,545,554
Insurance Claims-Referrals	-	-	-	-	-	-	8,318,645	2,044,568	9,672,581	18,543,031	24,940,420	4,305,913	8,900,053	76,725,210
Insurance Claims-Level 2 & 3	-	-	-	-	-	-	-	11,519,000	13,067,200	16,590,000	27,230,000	14,785,500	24,270,200	107,461,900
Public Health	-	-	-	-	-	84,755	220,340	131,200	70,400	24,000	130,000	153,000	284,300	1,097,995
Sub-Total	-	-	-	-	3,799,836	3,110,312	11,611,651	17,967,587	26,537,014	37,513,691	55,335,308	23,723,492	37,231,769	216,830,659
Grand Total	-	13,407,480	11,870,468	14,710,836	14,261,039	14,758,343	30,343,828	47,167,506	53,387,856	50,516,779	76,360,389	47,682,694	56,705,065	431,172,282

Source: Department of Revenue Serices, Mandera County Government

From the above analysis, the highest County Own Source Revenue collection was realized in the month of April 2025 amounting to Kshs. 76,360,389 followed by the month of June 2025 in which Kshs. 56,705,065 was collected while the least collection was in the month of August 2024 amounting to Kshs. 11,870,468.

The following challenges were encountered in the local revenue collections:

- Insecurity due to terror attacks affected revenue collection activities as it led to closure of quarries and border closures with Somalia and Ethiopia.
- General tough economic conditions.
- Understaffing and insufficient legislation to reinforce establishment and enforcement of new revenue streams.

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 12,714,169,650 from the County Revenue Fund (CRF) account, which comprised Kshs. 4,067,140,741 (32 per cent) for development programmes and Kshs. 8,647,028,909 (68 per cent) for recurrent programmes.

2.4 Conditional Grants

The County received Kshs. 134,690,108 as Conditional Grants in the reporting period.

Table 4: Revenue Performance by Source (July 2024- June 2025)

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
		B	C	D=B-C	
1	Equitable share	11,690,618,560	11,690,619,376	(816)	100%
2	Own Source Revenue Projections	350,000,000	431,172,282	(81,172,282)	123%
3	On-Going Projects funds b/f from previous year	55,413,432	55,413,432	-	100%
4	Equitable share (June 2024 Allocations not received)	930,655,331	930,655,331	-	100%
5	DANIDA Grant - Primary Health Care	15,746,250	15,746,250.00	-	100%
6	DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	18,653,250	0%

7	DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	1,190,001	0%
8	Community Health Promoters Program	18,540,000	-	18,540,000	0%
9	Kenya Agricultural Business Development Project	10,918,919	-	10,918,919	0%
10	Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	142,013,441	0%
11	World Bank Emergency locust response Project (ELRP)	142,500,000	-	142,500,000	0%
12	Food Systems Resilience Project - (FSRP)	173,076,923	70,127,131.77	102,949,791	41%
13	FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	-	-	-	
14	FLOCCA County Climate Institutional Support Grant	11,000,000	-	11,000,000	0%
15	FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	286,447,747	0%
16	FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	182,351,172	16,507,427.00	165,843,745	9%
17	Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	250,000,000	0%
18	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	37,500,000	0%
19	Roads Maintenance Fuel Levy	192,647,255	-	192,647,255	0%
20	RMLF b/f	2,271,953	-	2,271,953	0%
21	Kenya Urban Support Project (Urban Development Grant)	1,194,559	-	1,194,559	0%
22	Basic Salary Arrears for County Governments Health Workers	19,809,159			
23	Kenya Urban Support Project (KUSP) – UIG	35,000,000	32,309,300.00	2,690,700	92%
Total		14,567,547,952	13,242,550,530	1,305,188,263	91%

Source: County Treasury, Mandera County Government

In the year under review, the county generated Kshs.431.17 million from its revenue sources, including FIF. This amount was an increase of 156 per cent compared to Kshs. 168,047,287 realised in a similar period in FY 2023/24, and was 123 per cent of the annual target and 4 per cent of the equitable revenue share disbursed. The increase in OSR was attributed to improved enforcement, automation as well as significant increase in hospital collections attributed to the implementation of FIF Act.

3.0 Overall Expenditure Analysis

The county spent Kshs.12.71 billion on development and recurrent programmes in the reporting period. The expenditure comprised Kshs. 4,067,140,741 for development programmes and Kshs. 8,647,028,909 for recurrent programmes. Expenditure on development programmes represented an absorption rate of 72 per cent, while recurrent expenditure represented 97 per cent of the annual recurrent expenditure budget.

3.1 Expenditure by Economic Classification

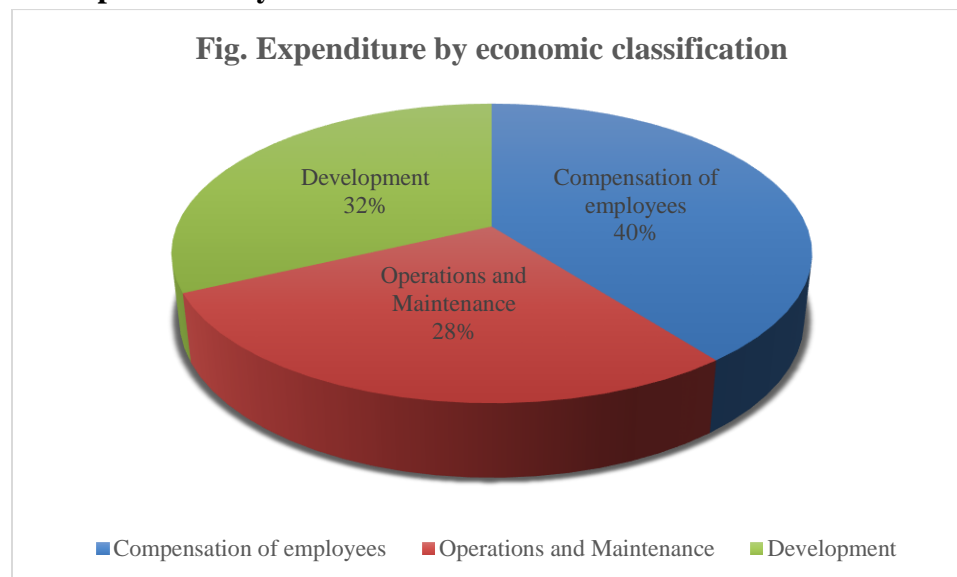


Figure 2: Expenditure by Economic Classification

The county incurred Kshs. 5,027,938,154 Personnel Emoluments and Kshs 3,619,090,755 on Operations & Maintenance. Expenditures amounting to Kshs. 4,067,140,741 were utilized on development programmes.

3.2 Budget and Budget Performance by County Departments

3.2.1 Budget estimates

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process. In the FY 2024/2025 the County Departments were funded in line with the ceilings captured in the 2023 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the third Mandera County Integrated Development Plan (2023-2027).

Table 5 shows the breakdown of county's budget per Department in FY 2024/2025.

Table 5: Resource allocation among the ministries

FY 2024/2025 DEPARTMENTAL ALLOCATION			
Department	Recurrent (Kshs)	Development (Kshs)	Total Allocation (Kshs)
Agriculture, Livestock and Fisheries	309,552,041	642,672,552	952,224,593
Education and Human Capital Development	1,084,270,715	266,437,504	1,350,708,219
Social Development	207,984,776	461,189,191	669,173,967
Finance and Economic Planning	446,146,092	16,999,408	463,145,500
Health Services	2,196,170,559	452,081,703	2,648,252,262
Trade and Cooperative Development	59,834,137	308,601,963	368,436,100
County Assembly	825,043,653	131,288,864	956,332,517
Lands and Urban Development	235,270,587	602,134,640	837,405,227
County Executive Services	480,376,341	-	480,376,341
Office of the County Secretary	193,436,068	26,700,000	220,136,068
Office of the County Attorney	81,907,458	-	81,907,458
County Public Service Board	74,249,015	12,965,500	87,214,515
Public Service Management, Conflict Management and Community Cohesion	2,010,593,238	-	2,010,593,238
Roads, Transport and Public Works	361,217,580	915,327,815	1,276,545,395
Water, Energy, Environment and Climate Change	346,219,811	1,818,876,740	2,165,096,551
TOTAL	8,912,272,071	5,655,275,880	14,567,547,951

Source: County Treasury, Mandera County Government

The highest beneficiary of the FY 2023/2024 budget allocation was the Department of Health Services getting Kshs 2,648,252,262 (18 percent), Department of Water, Environment and Natural Resources getting Kshs 2,165,096,551 (15 percent), Department of Education and Human Development got Kshs. 1,350,708,219 (13 percent), the Department of Roads and Public Works got Kshs. 1,276,545,395 (9 percent), while the County Assembly and the Department of Agriculture and Livestock got Kshs. 956,332,517 (7 percent) and Kshs. 952,224,593(7%) respectively. Other departments were allocated below 6 percent.

3.2.2 Departmental Expenditure Analysis

During the period under review, the county executive incurred expenditures totaling to Kshs. 12,714,169,650 on both development and recurrent activities. This absorption accounted for 87% of the total approved budget.

Department	Budgeted Amount (Kshs)	Recurrent Expenditure	Development Expenditure	Total (Kshs)
Agriculture, Livestock and Fisheries	952,224,593	297,042,614	374,974,959	672,017,573
Education and Human Capital Development	1,350,708,219	1,059,854,593	266,437,504	1,326,292,097
Social Development	669,173,967	206,484,776	394,289,191	600,773,967
Finance and Economic Planning	463,145,500	445,909,893	11,999,408	457,909,301
Health Services	2,648,252,262	2,133,663,112	442,081,703	2,575,744,815
Trade and Cooperative Development	368,436,100	59,834,137	58,601,963	118,436,100
County Assembly	956,332,517	811,762,295	120,901,863	932,664,158
Lands and Urban Development	837,405,227	234,470,590	433,267,145	667,737,735
County Executive Services	480,376,341	471,877,526	-	471,877,526
Office of the County Secretary	220,136,068	142,236,028	7,200,000	149,436,028
Office of the County Attorney	81,907,458	81,907,458	-	81,907,458
County Public Service Board	87,214,515	74,249,015	12,965,500	87,214,515
Public Service Management, Conflict Management and Community Cohesion	2,010,593,238	1,940,615,179		1,940,615,179
Roads, Transport and Public Works	1,276,545,395	354,955,737	720,408,607	1,075,364,343
Water, Energy, Environment and Climate Change	2,165,096,551	332,165,957	1,224,012,898	1,556,178,855
TOTAL	14,567,547,951	8,647,028,909	4,067,140,741	12,714,169,650

Source: County Treasury, Mandera County Government

3.2.2.1 Development expenditure performance by departments

In the FY 2024/2025, the County's gross development budget was Kshs. 5,655,275,880. An expenditure of Kshs. 4,067,140,741 representing 72% of the development vote was utilized during the financial year. Two Departments were able to incur expenditure of 100%. These were the Department of Education and Human Capital and the County Public Service Board. The Department of Health Services was the utilized the third the highest expenditure with an absorption rate of 98% followed by the County Assembly and the Department of Social Development at an absorption rate of 92% and 85% respectively. The worst performers were the Office of the County Secretary, and the Department of Trade and Cooperative Development, which had an expenditure of 27%, and 19% respectively under the development vote.

The following factors were responsible for low absorption rate;

- Late budget approval
- Delays in approval of request for funds by office of controller of budget
- Late releases of the exchequer by the National Treasury
- IFMIS related challenges
- Late initiation of procurement process and hence late initiation of development projects

The table 7 analyses development expenditure performance by ministries

Department	Development (Kshs)	Development Expenditure	%
Agriculture, Livestock and Fisheries	642,672,552	374,974,959	58%
Education and Human Capital Development	266,437,504	266,437,504	100%
Social Development	461,189,191	394,289,191	85%
Finance and Economic Planning	16,999,408	11,999,408	71%
Health Services	452,081,703	442,081,703	98%
Trade and Cooperative Development	308,601,963	58,601,963	19%
County Assembly	131,288,864	120,901,863	92%
Lands and Urban Development	602,134,640	433,267,145	72%
County Executive Services	-	-	0%
Office of the County Secretary	26,700,000	7,200,000	27%
Office of the County Attorney	-	-	0%

County Public Service Board	12,965,500	12,965,500	100%
Public Service Management, Conflict Management and Community Cohesion	-		0%
Roads, Transport and Public Works	915,327,815	720,408,607	79%
Water, Energy, Environment and Climate Change	1,818,876,740	1,224,012,898	67%
GRAND TOTAL	5,655,275,880	4,067,140,741	72%

Source: County Treasury, Mandera County Government

3.2.2.2 Recurrent expenditure performance by departments

In comparison to the development vote, the County performed well in the execution of the recurrent budget in the FY 2024/2025. The County had a total recurrent budget of Kshs. 8,912,272,071. An expenditure of Kshs. 8,647,028,909 representing 97% of the recurrent vote was utilized during the period under review. Twelve Departments recorded an absorption above 95%. The Ministry of Finance and Economic Planning, Lands and Urban Development, Office of the County Attorney, and the Department of Trade and Cooperative Development recorded the highest overall absorption rate at 100% each followed by the Department of Social Development at 99%. The rest of the Departments recorded between 98% and 96% except the Office of the County Secretary which was the lowest spender at an absorption rate of 74%.

Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for the low absorption rate during the period;

- Delay in budget approval processes
- Slow release of funds from National Treasury
- Delays in approval of request for funds
- Technical and capacity challenges in application of IFMIS
- Network connectivity challenges
- Other expenditure pressures

The table 8 analyses recurrent expenditure performance by ministries.

Department	Recurrent (Kshs)	Recurrent Expenditure	%
Agriculture, Livestock and Fisheries	309,552,041	297,042,614	96%
Education and Human Capital Development	1,084,270,715	1,059,854,593	98%

Social Development	207,984,776	206,484,776	99%
Finance and Economic Planning	446,146,092	445,909,893	100%
Health Services	2,196,170,559	2,133,663,112	97%
Trade and Cooperative Development	59,834,137	59,834,137	100%
County Assembly	825,043,653	811,762,295	98%
Lands and Urban Development	235,270,587	234,470,590	100%
County Executive Services	480,376,341	471,877,526	98%
Office of the County Secretary	193,436,068	142,236,028	74%
Office of the County Attorney	81,907,458	81,907,458	100%
County Public Service Board	74,249,015	74,249,015	
Public Service Management, Conflict Management and Community Cohesion	2,010,593,238	1,940,615,179	
Roads, Transport and Public Works	361,217,580	354,955,737	98%
Water, Energy, Environment and Climate Change	346,219,811	332,165,957	96%
GRAND TOTAL	8,912,272,071	8,647,028,909	97%

Source: County Treasury, Mandera County Government

3.3 Budget Execution by Programmes and Sub-Programmes

Table 9 shows a summary of the budget execution by programmes and sub-programmes between July 2024 to June 2025 of the FY 2024/2025.

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 30th June 2025		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	171,699,261	-	171,191,354	-	100%	0%
Livestock Resources Management and Development	Livestock Resources Management and Development	57,450,000	97,823,301	57,449,800	96,896,417	100%	99%
Food Security and Sustainable Agriculture	Crop Management and Development	58,202,780	438,523,767	58,201,460	171,753,157	100%	39%
Irrigation Development and Management	Irrigation Development and Management	22,200,000	106,325,484	10,200,000	106,325,385	46%	100%
	Sub Total	309,552,041	642,672,552	297,042,614	374,974,959	96%	58%
Land and Urban Development							
General Administration & Support Services	General Administration & Support Services	64,335,708	-	64,335,708	-	100%	0%
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	43,926,640	41,550,000	21,126,640	100%	48%
Physical Planning housing and urban development	Physical Planning housing and urban development	4,200,000	558,208,000	4,200,000	412,140,505	100%	74%
Solid Waste Management	Solid Waste Management	125,184,879	-	124,384,882	-	99%	0%
	Sub-Total	235,270,587	602,134,640	234,470,590	433,267,145	100%	72%

Roads, Public Works and Transport							
General Administration & Support Services	General Administration & Support Services	149,783,484	-	143,651,060	-	96%	0%
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	200,290,096	876,327,815	200,165,677	681,408,607	100%	78%
Public Works Management	Public Works Management	11,144,000	39,000,000	11,139,000	39,000,000	100%	100%
	Sub-Total	361,217,580	915,327,815	354,955,737	720,408,607	98%	79%
Trade and Cooperative Development							
General Administration and Planning	General Administration and Planning	41,034,137	-	41,034,137	-	100%	0%
Cooperative Development and Promotion	Cooperative Development and Promotion	8,900,000	15,449,789	8,900,000	15,449,789	100%	100%
Trade Development and Promotion	Trade Development and Promotion	9,900,000	293,152,174	9,900,000	43,152,174	100%	15%
	Sub-Total	59,834,137	308,601,963	59,834,137	58,601,963	100%	19%
Health Services							
General Administration and Planning	General Administration and Planning	1,482,031,511	-	1,475,719,896	-	100%	0%
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	124,883,501	183,373,070	69,058,250	183,373,070	55%	100%

Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	589,255,547	268,708,633	588,884,966	258,708,633	100%	96%
	Sub-Total	2,196,170,559	452,081,703	2,133,663,112	442,081,703	97%	98%
Education and Human Capital Development							
General Administration and Planning	General Administration and Planning	984,120,715	-	982,139,743	-	100%	0%
Early Childhood Education	Early Childhood Education	90,650,000	246,387,610	68,214,850	246,387,610	75%	100%
Vocational and Technical Training Services	Vocational and Technical Training Services	5,000,000	20,049,894	5,000,000	20,049,894	100%	100%
Education Support Services	Education Support Services	4,500,000	-	4,500,000	-	100%	0%
	Sub-Total	1,084,270,715	266,437,504	1,059,854,593	266,437,504	98%	100%
County Executive Services							
Management of County Affairs	General Administration and Planning	480,376,342	-	471,877,526	-	98%	0%
	Sub-Total	480,376,342	-	471,877,526	-	98%	0%
Office of the County Secretary							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	193,436,068	26,700,000	142,236,028	7,200,000	74%	27%
	Sub-Total	193,436,068	26,700,000	142,236,028	7,200,000	74%	27%
Office of the County Attorney							

Legal and Public Sector Advisory Services	Legal and advisory services	81,907,458	-	81,907,458	-	100%	0%
	Sub-Total	81,907,458	-	81,907,458	-	100%	0%
County Public Service Board							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	74,249,015	12,965,500	74,249,015	12,965,500	100%	100%
	Sub-Total	74,249,015	12,965,500	74,249,015	12,965,500	100%	100%
County Assembly							
Legislation and Representation	Legislation and Representation	825,043,653	131,288,864	811,762,295	120,901,863	98%	92%
	Sub-Total	825,043,653	131,288,864	811,762,295	120,901,863	98%	92%
Finance and Economic Planning							
General Administration and Planning	Administration Planning	324,791,290	-	324,555,091	-	100%	0%
Public Finance Management	Accounting Services	4,300,000	-	4,300,000	-	100%	0%
	Financial Services and Report	8,500,000	-	8,500,000	-	100%	0%
	Internal Audit Services	2,800,000	-	2,800,000	-	100%	0%
	Supply Chain Management Affairs	8,500,000	-	8,500,000	-	100%	0%
	County Asset Management system	6,700,000	-	6,700,000	-	100%	0%
Economic Planning and Statistics	County Economic Planning and Statistics	33,659,802	-	33,659,802	-	100%	0%

Revenue Collection and Enhancement	Revenue Collection and Enhancement	42,415,000	10,000,000	42,415,000	5,000,000	100%	50%
ICT and E-Government Services	ICT and E-Government Services	14,480,000	6,999,408	14,480,000	6,999,408	100%	100%
	Sub-Total	446,146,092	16,999,408	445,909,893	11,999,408	100%	71%
County Public Service Management							
General Administration and Planning	Administration Planning	1,971,443,238	-	1,901,545,179	-	96%	0%
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	0%	0%
Civic Education and Public Participation	Civic Education and Public Participation	2,300,000	-	2,300,000	-	100%	0%
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	0%	0%
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	36,850,000	-	36,770,000	-	100%	0%
	Sub-Total	2,010,593,238	-	1,940,615,179	-	97%	0%
Social Development							
General Administration and Planning	Administration Planning	45,636,276	-	45,636,276	-	100%	0%

Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	5,200,000	1,000,000	5,200,000	1,000,000	100%	100%
Youth Empowerment and Sports	Youth Empowerment and Sports	23,000,000	39,199,813	23,000,000	10,299,813	100%	26%
Culture and Gender Development promotion	Culture and Gender Development promotion	6,950,000	10,000,000	5,450,000	10,000,000	78%	100%
Disaster Preparedness and Management	Disaster Preparedness and Management	127,198,500	410,989,378	127,198,500	372,989,378	100%	91%
	Sub-Total	207,984,776	461,189,191	206,484,776	394,289,191	99%	85%
Water , Energy, Environment and Climate Change							
General Administration and Planning	Administration Planning	165,499,811	-	162,445,957	-	98%	0%
Water and Sewerage Management	Water and Sewerage Management	150,220,000	1,175,182,562	150,220,000	1,174,012,898	100%	100%
Energy and Natural Resources	Energy and Natural Resources	4,700,000	50,000,000	4,700,000	50,000,000	100%	100%
Environment and Climate Change	Environment and Climate Change	25,800,000	593,694,178	14,800,000	-	57%	0%
	Sub-Total	346,219,811	1,818,876,740	332,165,957	1,224,012,898	96%	67%
Grand Total		8,912,272,072	5,655,275,880	8,647,028,909	4,067,140,741	97%	72%

Source: County Treasury, Mandera County Government

The development sub-programmes with the highest levels of budget implementation, based on absorption rates, were: Water and Sewerage Management in the Department of Water at 100 per cent, Culture and Gender Management in the Department of Gender at 100 per cent, Preventive, Promotive and Reproductive Health Services in the Department of Health at 100 per cent, and Women Empowerment and Affirmative Action at 100 per cent of the budget allocation. Conversely, the recurrent sub-programmes with the highest levels of budget implementation, based on absorption rates, were: General Administration & Support Services in the Department of Agriculture at 100 per cent, Public Finance Management in the Department of Finance at 100 per cent and Education Support Services in the Department of Education at 100 per cent of the budget allocation.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

Mandera County Government experienced several challenges that affected budget implementation during 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.

5.0 RECOMMENDATIONS

Mandera County Government has made some significant improvements in addressing some of the majorly 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 liaise and cooperate 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 liaise 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. OSR collections efforts can be heightened by putting in place mechanisms like proper enforcements, restructuring of revenue controls, mapping the revenue sources and enactment of relevant legislations.
- 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.
- Departments should capacity build their human capital so as to increase their efficiency and productivity.
- The County should leverage on technology to enhance efficiency. Provision of enough ICT infrastructures is required to enhance the IFMIS network to avoid financial delays.