



COUNTY GOVERNMENT OF MANDERA

OWN SOURCE REVENUE (OSR)

MAPPING REPORT

JANUARY 2026

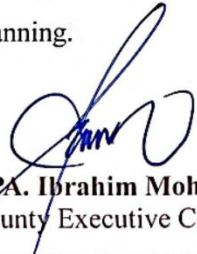
EXECUTIVE SUMMARY

Mandera County's Own Source Revenue (OSR) system is a vital source of funding for local development and fiscal sustainability. This report presents the findings of a comprehensive OSR mapping exercise, covering revenue streams, legal and policy frameworks, collection systems, internal controls, and revenue gaps. The County collects revenue from multiple streams, including property rates, market fees, public health service fees, single business permits, natural resource transportation fees, and physical planning charges.

Actual OSR collections fall short of potential, with high-yield streams such as property rates, market fees, and public health service fees showing the largest gaps. These shortfalls are driven by incomplete registers, manual collection processes, weak enforcement, and compliance challenges. Overall, revenue management system is fragmented, with partial digitisation, limited integration, and weak monitoring across streams. Improving register accuracy and expanding digitised collection systems are critical to closing these gaps.

Cross-cutting challenges include incomplete legal frameworks, inconsistent tariffs, limited operational guidelines, fragmented registers, and weak integration of County Revenue Management System (CRMS) with the Integrated Financial Management Information System (IFMIS) and Geographical Information System (GIS). Compliance is further constrained by high informality, weak enforcement capacity, incomplete coverage, and limited stakeholder engagement.

Priority reforms are recommended in three stages. Short-term actions include updating and standardising registers, improving receipting and reconciliation, and enhancing monitoring dashboards. Medium-term reforms focus on full digitisation, integration with IFMIS and GIS, tariff harmonisation, and legal enhancement. Long-term structural reforms involve comprehensive OSR policies, strengthened institutional capacity, automated enforcement, and data-driven planning.



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Special recognition is accorded to the Technical Committee established for the development of the Mandera County OSR Mapping, whose coordination, technical reviews, and sectoral inputs were critical in shaping the analysis and recommendations contained in this report.

My special gratitude goes to the Chief Officer for Revenue Services, the Head of Economic Planning, the Director of Revenue, the Department of Budget and Economic Planning, as well as the County Economists and Statisticians, for their technical input, data validation, and sustained engagement throughout the process.



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ACRONYMS AND ABBREVIATIONS

CECM	County Executive Committee Member
CRA	Commission on Revenue Allocation
CRMS	County Revenue Management System
FCDC	Frontier Counties Development Council
FIF	Facility Improvement Financing
GIS	Geographical Information System
IFMIS	Integrated Financial Management Information System
LIMS	Land Information Management System
MTEF	Medium-Term Expenditure Framework
OSR	Own Source Revenue
PFMA	Public Financial Management Act

DEFINITION OF TERMS

Own Source Revenue – refers to the Income generated by a government entity from its own internal sources, excluding external transfers.

Own Source Revenue Mapping – it is the process of identifying, evaluating, classifying, categorizing and defining the existing and potential revenue streams.

Fees and user charges – refer to non-tax revenues collected by the government or public entities in exchange for specific services provided directly to individuals, businesses, or organizations.

1.0 INTRODUCTION

This chapter provides an overview of Mandera County, highlighting its geographic, demographic, ecological, and economic characteristics, with emphasis on key sectors that drive local livelihoods and revenue generation. It also introduces the concept of Own Source Revenue (OSR), outlining its legal mandate, role in county financing, and the rationale for undertaking a structured OSR mapping exercise to strengthen revenue mobilisation and fiscal sustainability.

1.1 County Overview

1.1.1 Background Information

Mandera County is one of the 47 counties in Kenya. It has its headquarters in Mandera town. The main economic activity in Mandera County is pastoralism, contributing approximately to 72% of the total household income. Cross-border trade, artisanal mining, beekeeping and irrigation-aided agriculture are the other viable ventures. Beekeeping is also done in most parts of the county, while irrigated subsistence agriculture is practiced along the Daua River. There is also an emerging practice of irrigation-rain-fed farming. The common livestock breeds reared in the county are goats, cattle, camels, sheep, donkeys and chickens.

Mandera County is a member of the Frontier Counties Development Council (FCDC) Regional Bloc, a collaborative framework that brings together Kenya's frontier counties to jointly address shared development challenges. Through FCDC, Mandera County benefits from coordinated advocacy, pooled technical support, and joint programmes aimed at improving service delivery, enhancing own-source revenue mobilisation, strengthening resilience in arid and semi-arid areas, and promoting regional integration and cross-border trade.

1.1.2 Position and Size

Mandera County has a land area of 25,939.8 km² (2019 Kenya Population and Housing Census). It is located in the far North Eastern part of Kenya. It borders Ethiopia to the North, Somalia to the East and Wajir County to the South-west. The county lies between latitudes 03°55'N North, and longitudes 41°53'E.

1.1.3 Physical and Topographic Features

Mandera County is characterized by low-lying rocky hills resting on the plain that rise gradually from 400m above sea level in the south at Elwak, to 970m above sea level on the border with Ethiopia. The rest of the topography is low-lying, characterized by dense vegetation with thorny shrubs of savannah type. This is especially found along the foots of isolated hills, covered by bushes, shrubs, boulders and the invasive *prosopis juliflora* (*mathenge*) shrubs. The flat plain make drainage very poor, causing flash floods during heavy rains. There are no lakes, swamps or dams, but earth pans are a common feature in the county.

Daua River, whose source is the Ethiopian highlands, flows eastwards along the county's border with Ethiopia, covering a distance of 150km along the border, and passes through Malkamari, Rhamu Dimtu, Rhamu, Libehia, Khalalio and Township wards into Somalia at Border Point One (BP1). The Daua River basin spans an area of about 60,106 km² and bestrides on the three countries of Kenya, Ethiopia and Somalia. About 9,119 km² of the basin area lies in Mandera County. Geographically, the catchment extends between 41.8840 – 38.4650 East and 3.9970 – 6.4560 North from the border to the origin of the catchment in South Eastern Ethiopian highlands.

1.1.4 Climatic Conditions

Temperatures are relatively high with a minimum of 24⁰ Celsius in July and a maximum of 42⁰ Celsius in February. Variation in altitude is the cause of differences in temperatures across the county. Places near Banisa Constituency experience low temperatures due to neighbouring highlands in Ethiopia. Rainfall is scanty and unpredictable. Annual average rainfall is 255mm, with the eastern and southern part of the county receiving an annual average of below 240mm. The long rains fall in April and May averaging 69.1mm, while the short rains fall in October and November averaging 122mm. The county is highly vulnerable to droughts, heat stress and moisture stress, hazards that affect the production, storage and sales of agricultural produce and livestock products. Flash floods also occur periodically, affecting both crop and livestock production including limiting access to inputs and markets for the sale of products.

Mandera county climate risk profile survey indicates that analysis of historical trends over a 30-35 years period shows that temperatures have been increasing and rainfall decreasing, while

climate projections for the period 2021 to 2065 indicate that these trends are expected to continue and the County will remain highly susceptible to droughts and flash floods. Most parts of the county experience long hours (approximately 11 hours) of sunshine in a day. This causes high evaporation rates, leading to withering of most of the vegetation before they mature. The continuous sunshine in the county has great potential for harnessing solar energy.

1.1.5 Ecological Conditions

There are two main ecological zones in the county namely; arid and semi-arid and usually prone to frequent droughts. Up to 95% of the county is semi-arid with dense vegetation consisting mainly of thorny shrubs and *mathenge* bushes along foots of isolated hills and fallow land. Mandera East, Mandera North, Mandera West, Mandera South and Banisa constituencies are classified under ecological zones LM (IV-VI), while Lafey constituency is classified under zone LM (V-VI). These ecological zones are suitable for livestock keeping, irrigated agriculture along river Daua, growing of drought tolerant crops and bee keeping.

1.1.6 Administrative Units

The county has Twelve sub-counties, six parliamentary constituencies and 30 electoral wards. The county also has two hundred (200) sub-locations and over four hundred and sixty-four (464) villages, this requires allocation of more resources to provide development and improve service delivery at the sub-locations and village level.

Table 1.1: County’s Electoral Wards by Constituency

		County Assembly Wards	Constituency		County Assembly Wards
1.	Banisa	Banisa	4.	Lafey	Sala
		Derkhale			Fino
		Guba			Lafey

		Malkamari			Warankara
		Kiliwehiri			AlangoGof
	Total	5		Total	5
2.	Mandera west	Takaba south	5.	Mandera north	Ashabito
		Takaba			Guticha
		Lagsure			Morothile
		Dandu			Rhamu
		Gather			Rhamu dimtu
	Total	5		Total	5
3.	Mandera east	Township	6.	Mandera South	Wargadud
		Neboi			Elwak south
		Khalalio			Elwak north
		Arabia			Shimbir fatuma
		Libehia			Kutulo
	Total	5		Total	5

Source: IEBC, December 2012

1.1.7 Demographic Features

The 2019 Kenya Population and Housing Survey report (KPHC) showed that Mandera County had a population of 867,457 persons. This comprised 434,976 male (50.14%), and 432, 444 female (49.85%), and 37 intersexes. The county's population is projected to be 935,251 persons comprising of 458,271 male, 476,980 female, 1,007,207 persons, comprising of 493, 531 male,

513,676 female and 1,060,236 persons comprising of 519,513 male, 540,723 male in 2022, 2025 and 2027 respectively.

1.1.8 Economic Profile

Mandera County is located in Kenya's north-eastern region and is characterised by an arid and semi-arid climate that strongly influences its economic structure. The county's economy is predominantly rural and pastoral, with livelihoods largely dependent on livestock rearing and related activities. Nomadic and semi-nomadic pastoralism remains the backbone of household income, with camels, goats, sheep and cattle forming the main livestock species kept by residents.

Agricultural activities are limited by low and erratic rainfall and are largely concentrated in areas with access to irrigation, particularly along the Daua River. In these zones, small-scale irrigation supports the production of food crops, horticultural produce and fodder, contributing modestly to food security and incomes. Trade and commerce also play an important role in the local economy, especially cross-border trade with Ethiopia and Somalia, facilitated by Mandera's strategic border location.

The growth of Mandera Town has led to a gradual expansion of service-based activities, including retail trade, transport, hospitality, financial services and small-scale manufacturing. However, the county's economic base remains narrow, with limited formal sector activity and low levels of industrialisation. Structural challenges such as insecurity concerns, inadequate infrastructure, high poverty levels, and vulnerability to climate shocks continue to constrain economic diversification and growth.

1.1.9 Key Growth Sectors

Despite structural constraints, Mandera County has several sectors with significant growth potential. The livestock sector remains the most strategic driver of economic development. Opportunities exist to shift from subsistence pastoralism to a more commercialised livestock value chain through investments in livestock markets, slaughter facilities, meat processing, hides and skins, and camel dairy products. Value addition in this sector has the potential to enhance incomes, employment and local revenue generation.

Irrigated agriculture represents another key growth sector, particularly along riverine areas. Expansion and modernisation of irrigation infrastructure could support increased production of horticultural crops and fodder, enabling market-oriented agriculture and improved resilience to climate variability. Trade and commerce, especially cross-border trade, also present strong growth opportunities given Mandera's location as a regional transit and trading hub. Improved market infrastructure, trade facilitation and formalisation of cross-border trade can significantly stimulate local economic activity.

Small and medium enterprises continue to grow alongside urbanisation, with potential in retail, transport, construction, hospitality and service provision. Strengthening access to finance, skills development and business infrastructure would further unlock this sector. In addition, the county has prospects in mining and natural resource exploitation, including minerals such as limestone and gypsum, which could support future industrial and construction-related activities if sustainably developed.

1.2 Own Source Revenue (OSR)

1.2.1 County Own Source Revenue (OSR): Definition and Legal Mandate

County Own Source Revenue (OSR) refers to revenue that a county government is legally authorised to raise and retain to finance its functions and service delivery responsibilities. The mandate for counties to levy and collect OSR is derived primarily from the Constitution of Kenya, 2010, supported by enabling national legislation and county-specific laws.

Article 209 of the Constitution provides the legal basis for county revenue-raising powers. Specifically, Article 209(3) authorises county governments to impose:

- Property rates;
- Entertainment taxes; and
- Any other tax, fee or charge authorised by an Act of Parliament.

Further, Article 209(4) stipulates that counties may impose charges for services they provide, provided such charges do not prejudice national economic policies, economic activities across county boundaries, or the mobility of goods, services, capital or labour.

In addition to Article 209, the Fourth Schedule to the Constitution assigns counties functional responsibilities such as county transport, trade development and regulation, markets, health services, and public amenities. These devolved functions form the economic and administrative basis upon which counties levy fees, charges, and licences associated with service provision and regulation.

Within this constitutional framework, OSR comprises both tax and non-tax revenues, including but not limited to property rates, entertainment taxes, single business permits, market and livestock-related fees, parking fees, user charges for county services, health facility revenues, and other fees and charges established through county finance legislation. These revenue sources are operationalised through the Public Finance Management Act, the County Governments Act, and annual County Finance Acts enacted by county assemblies.

1.2.2 Role of OSR in County Financing

Own Source Revenue (OSR) plays a critical role in Mandera County's fiscal framework by providing locally generated resources that complement national government transfers. OSR enhances fiscal autonomy by enabling the county to finance priority services and operational needs without complete reliance on equitable share allocations and conditional grants. However, Mandera's OSR contribution remains relatively small compared to total county expenditure, reflecting a limited revenue base, a predominantly informal economy and low levels of economic diversification.

The county's OSR is mainly derived from sources such as single business permits, land rates, market fees, health facility revenues and other user charges. Improvements in OSR performance in recent years indicate growing efforts by the county government to strengthen revenue administration, expand compliance and enhance collection efficiency. OSR is particularly important in supporting recurrent expenditures, maintenance of county infrastructure, and co-financing of development projects.

Strengthening OSR mobilisation is therefore essential for improving budget predictability, enhancing service delivery and promoting fiscal sustainability. Key opportunities lie in broadening the revenue base, modernising revenue collection systems, improving valuation and enforcement mechanisms, and aligning revenue measures with economic growth sectors. A stronger OSR

framework will not only improve Mandera County’s financial resilience but also support long-term development and accountability to local residents.

1.3 Own Source Revenue (OSR) Mapping

1.3.1 Own Source Revenue (OSR) Mapping Exercise

Own Source Revenue (OSR) mapping is a structured and analytical process undertaken to identify, document, assess, and evaluate all existing and potential revenue sources available to a county government within its legal and institutional framework. The process involves systematically examining the county’s revenue base, revenue instruments, administrative systems, and economic activities to determine how revenue is generated, managed, and optimised.

OSR mapping goes beyond a simple inventory of revenue streams. It assesses the entire revenue value chain, including revenue identification, assessment and valuation, billing, collection, accounting, reporting, enforcement, and dispute resolution. It also examines institutional arrangements, staffing, systems, and the legal and policy environment governing revenue mobilisation.

In the context of Mandera County, OSR mapping provides a diagnostic tool for understanding the structure and performance of county revenues in relation to the local economic environment. It enables the county to distinguish between actual collections and potential revenue, identify leakages and inefficiencies, and assess the extent to which economic activities, particularly in livestock, trade, markets, and urban services; are effectively integrated into the county’s revenue system.

Overall, OSR mapping serves as an evidence-based foundation for strengthening revenue administration, improving compliance, enhancing efficiency, and aligning county revenue measures with constitutional principles, national legislation, and local economic realities.

1.3.2 Purpose of the OSR Mapping Exercise

The purpose of the Own Source Revenue (OSR) Mapping Exercise for Mandera County is to provide a comprehensive and systematic assessment of the county’s revenue potential, performance, and administrative framework. The exercise is designed to establish a clear

understanding of existing and potential OSR sources, their legal and institutional foundations, and the extent to which they are effectively harnessed to support county service delivery and development objectives.

The rationale for undertaking the OSR mapping exercise arises from Mandera County's high dependence on national government transfers, coupled with a relatively narrow and underperforming local revenue base. While the county has significant economic activity in livestock, trade, markets, and urban services, much of this activity remains informal or weakly integrated into the county's revenue system. As a result, there is a persistent gap between actual OSR collections and the county's revenue potential, limiting fiscal autonomy and constraining budget flexibility.

The OSR mapping exercise therefore seeks to identify and document all current revenue streams, assess their contribution to total county revenue, and analyse gaps in coverage, valuation, compliance, and enforcement. It also aims to evaluate the adequacy of the legal, policy, and institutional frameworks governing revenue mobilisation, including the alignment of county finance laws, administrative systems, and operational practices with national legal requirements and recognised best practice.

In addition, the exercise is intended to support evidence-based decision-making by providing data and analysis to inform revenue enhancement strategies, automation initiatives, and policy reforms. By linking revenue instruments to Mandera County's economic structure and growth sectors, the OSR mapping exercise will enable the county to strengthen its own source revenue performance in a manner that is equitable, efficient, and supportive of local economic development.

Ultimately, the OSR mapping exercise seeks to enhance fiscal sustainability, improve the predictability of funding for county services, and strengthen accountability between the county government and its residents through a more transparent, efficient, and robust revenue system.

2.0 COUNTY OWN SOURCE REVENUE (OSR) OVERVIEW

Mandera County, like all County Governments, relies on Own Source Revenue (OSR) as a key component of its financial sustainability. OSR provides resources to complement National Government allocations and supports budget execution, service delivery, and development priorities. This section presents an overview of the County’s OSR streams, their status, as well as contribution to overall County financing.

2.1 Inventory of OSR Streams

The County collects revenue from a variety of streams, ranging from taxes and fees to service charges. Table 2.1 summarises the assessed OSR streams, indicating their operational status and potential for optimisation.

Table 2.1: Mandera County OSR Streams – Status Overview

OSR Stream	Description	Status	Remarks / Potential
Property Rates	Levies on residential, commercial, and public land	Active	Moderate compliance; enforcement gaps in peri-urban areas
Single Business Permit (SBP)	Annual licenses for businesses	Active	High collection potential if digitised and monitored
Land Rents & Transfers	Charges for land use, subdivisions, plot allocations	Active	Underutilised due to delays in valuation and record management
Livestock Movement / Produce Cess	Fees from pastoralist activities and agricultural produce	Underperforming	Seasonal variability; affected by drought
Quarry & Mining Royalties	Charges from extractive activities	Untapped	Potentially significant if registration and compliance improved; affected by insecurity
Parking & Bus Park Fees	Revenue from urban transport hubs	Active	Limited automation; cash leakage risks
Service Fees – Health, Ambulance	Fees for County health and emergency services	Underperforming	Collection gaps; integration with billing systems weak

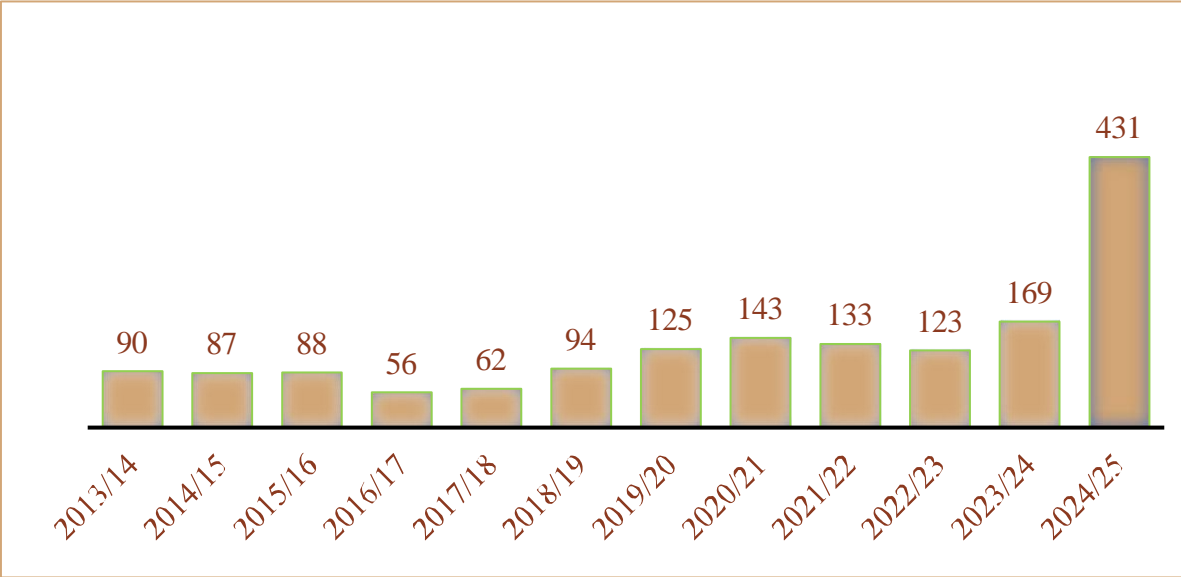
Market Fees / Hawking Charges	Charges for market stalls and informal trade	Active	Informal trade often bypasses formal collection channels
Entertainment / Event Taxes	Levies on cinemas, shows, and events	Untapped	Low enforcement; potential for digital collection
Other Fees & Fines	Miscellaneous administrative fees and penalties	Active	Small but consistent contributions

Note: The status “Active” indicates streams generating revenue consistently; “Underperforming” indicates streams with revenue below potential; “Untapped” indicates streams with minimal or no collection despite legal authority.

2.2 Overall OSR Performance

Since the onset of devolution in FY2013/2014, the combined OSR collections of the County government of Mandera has consistently declined over the first five years. In FY 2018/19, the OSR gradually increased, with slight declines in FY 2021/22 and 2022/23. The decrease in OSR was driven by persistent dry conditions affecting livestock, the terrorist insurgency, and the COVID-19 pandemic. This is illustrated in Figure 2.1:

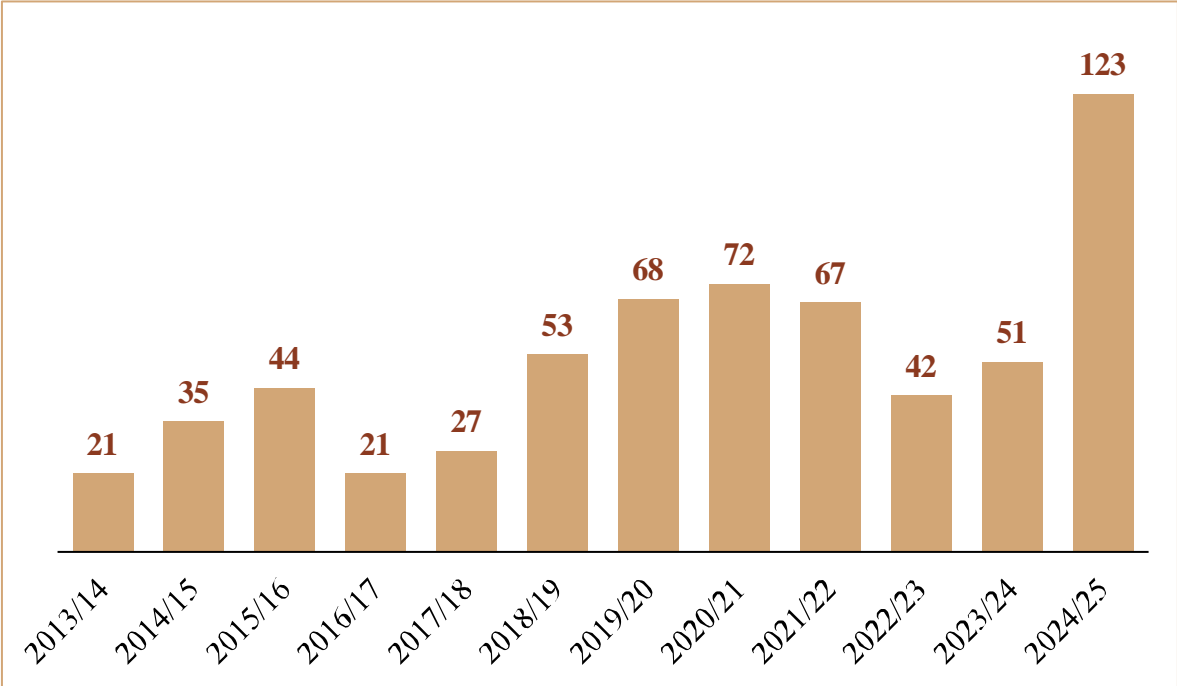
Figure 2.1: OSR Collections Over the Years (FY2013/14 – FY2024/25)



The persistent failure to meet Own Source Revenue (OSR) targets has hindered effective budget execution, resulting in underfunded budgets and the accumulation of outstanding bills. The county

has undertaken various revenue-enhancement initiatives to increase OSR, as seen in the FY 2024/25, such as the monthly governor’s roundtable meeting on OSR and the enactment and implementation of the County Health Facilities Improvement Financing Act 2023. These initiatives are envisaged to ensure fiscal self-reliance, reduced outstanding bills, and minimised dependence on National Government transfers and grants. The improvement in the OSR growth is shown in Figure 2.2 below:

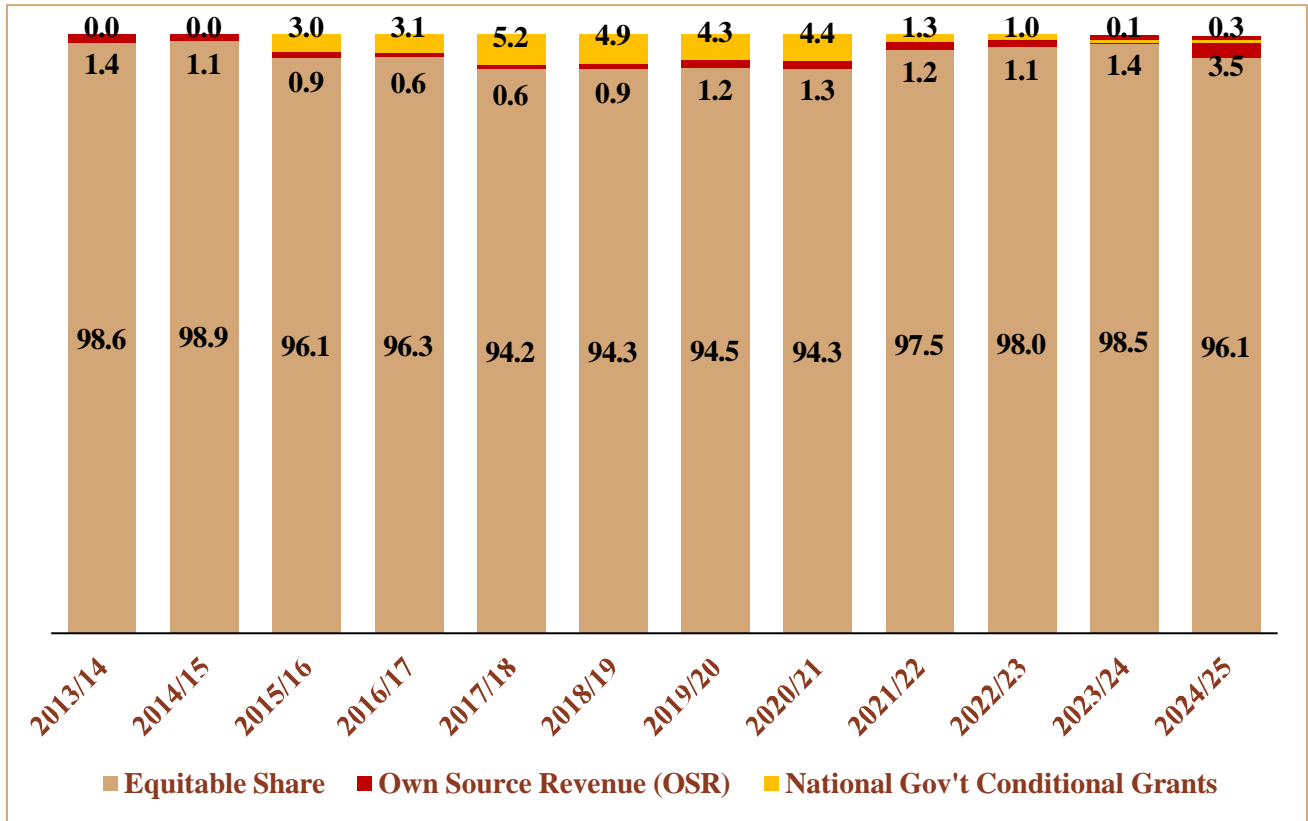
Figure 2.2: Annual OSR Collection as a Percentage of OSR Targets



2.3 OSR as a Percentage of Total County Revenue

The figure 2.3 below illustrates the combined revenue composition of the County for the period FY 2013/14 to FY 2023/24. Cumulatively, Own Source Revenue (OSR) accounts for approximately 1.1 per cent of total county revenues, while national transfers contribute about 98.9 per cent, highlighting a persistent dependence on intergovernmental fiscal transfers.

Figure 2.3: OSR as a Percentage of Total County Revenue



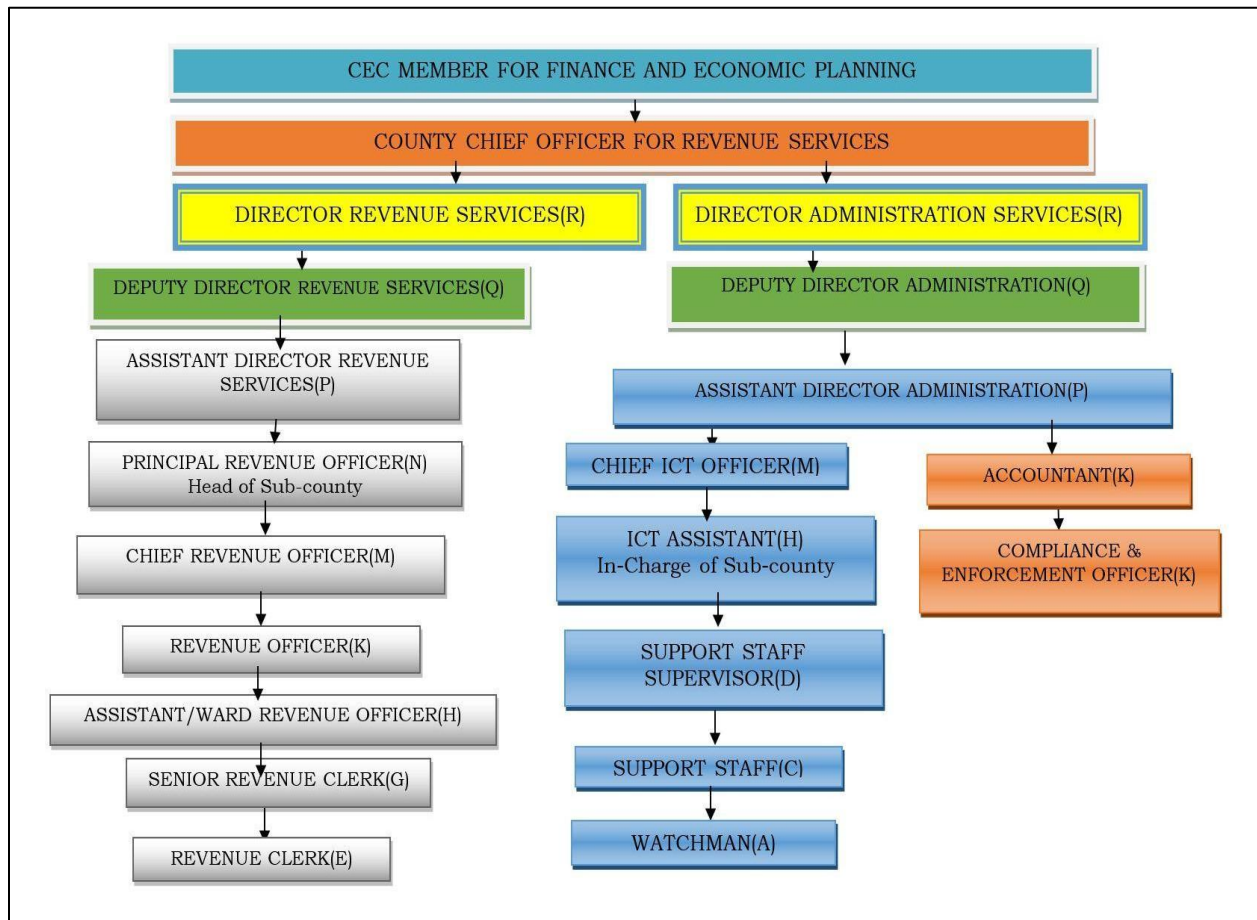
3.0 INSTITUTIONAL AND ADMINISTRATIVE ARRANGEMENTS

Effective revenue mobilisation in Mandera County relies on a clear institutional structure, defined roles, and adequate staffing with the necessary skills. This chapter outlines the County’s revenue administration framework and assesses staffing and capacity across revenue streams.

3.1 Revenue Administration Structure

Revenue collection and administration in Mandera County is overseen by the County Treasury, under the strategic guidance of the County Executive Committee Member for Finance and Economic Planning, the Chief Officer and the Director Revenue. The Chief Officer Revenue services manage operational activities, coordinating the day-to-day functions of revenue officers and clerks across multiple revenue streams to ensure efficient and compliant collection.

Figure 3.1: Revenue Collection and Administration Structure



i. Departments/Units Responsible per Stream:

- Land Rents, Plot Transfers, Sub-Divisions, Application Fees & Building Plans: These are managed by the Land Revenue Unit, which supervises property-related fees, enforces compliance with planning regulations, and ensures proper property valuation.
- Single Business Permits: The Business Permits Unit handles registration, classification, and collection of fees from formal and registered businesses, ensuring businesses operate within legal and financial frameworks.
- Barriers (Livestock Movement, Produce Cess, Income from Quarries, Busparks/Taxis/Parking): Managed by the Barriers Unit, this unit coordinates collection at strategic entry and exit points, covering multiple revenue streams.
- Miraa Movements: The Miraa Revenue Unit focuses on monitoring and collecting revenue from miraa traders and transporters, supporting compliance with agricultural trade regulations.
- Market Stalls/Shades, Market Gates, and Market Cess: The Market Revenue Unit is responsible for fee collection at markets and stalls, ensuring orderly trading and revenue accountability.
- Slaughter Fees and Charges, Livestock Markets Auction: Managed by the Livestock and Slaughter Unit, overseeing fees from livestock-related activities.
- Fire Services: The Fire Services Revenue Unit collects fees associated with fire safety services and permits.
- Public Health Fees: The Public Health Revenue Unit coordinates collection from health-related businesses and services, including inspections and licenses.
- Water Management Fees: The Water Services Unit manages collection of fees related to water usage and supply, supporting sustainable water management.

ii. Role Clarity and Coordination:

Revenue officers and clerks operate under well-defined roles, with oversight from the Chief Revenue Officer. Coordination is particularly critical where staff serve multiple streams, such as barrier collections or market revenue. While overlapping responsibilities can

sometimes challenge accountability and reporting, ongoing initiatives aim to strengthen inter-unit coordination, clarify roles, and enhance operational efficiency and compliance.

3.2 Staffing and Capacity

i. Adequacy of Staffing:

The County deploys staff across revenue streams according to operational needs. Table 3.1 shows the staffing distribution.

Table 3.1 Staffing Distribution

Revenue Stream	Number of Staff
Income from Water Management	12
Land Rents, Plot Transfers, Sub-Divisions, Application Fees & Building Plans	13
Single Business Permits	18
Barriers (shared streams)	20
Miraa Movements	6
Market Stalls/Shades & Market Gates/Cess	12
Slaughter Fees and Charges	12
Livestock Markets Auction	12
Fire Services	2
Public Health	12

High-yield streams, such as single business permits, barriers, and land revenue are relatively well-staffed, ensuring operational coverage. Conversely, streams such as water management, miraa movements, and fire services have minimal staffing, which may limit operational efficiency and oversight.

ii. Skills and Training Gaps:

Capacity is constrained by limited formal training in modern revenue management systems, electronic collection methods, data management, and enforcement techniques. Many staff rely on manual processes, which increases risks of revenue leakage, errors, and reconciliation challenges. Targeted training in digital collection systems, data analytics, enforcement, and customer service is essential to enhance overall performance.

3.3 Chapter Summary:

Mandera County has a functional revenue administration framework, with structured hierarchy and clear departmental roles. However, staffing shortages in certain streams, limited technical skills, and coordination challenges constrain efficiency. Strengthening human resources, expanding training, and clarifying responsibilities are critical for improving compliance, collection efficiency, and revenue performance.

4.0 SCOPE AND METHODOLOGY

This chapter outlines the scope, approach, and methods employed in the Mandera County Own Source Revenue (OSR) mapping exercise, covering different revenue streams. It also details the mixed-methods data collection process, including questionnaires, key informant interviews, and administrative record reviews, as well as the assumptions and limitations underpinning the analysis.

4.1 Scope of the OSR Mapping Exercise

The scope of the Own Source Revenue (OSR) mapping exercise for Mandera County covered all county-level revenue streams authorised under the Constitution of Kenya, national legislation, and county finance laws, as captured in the OSR Mapping Questionnaire. The exercise focused on both tax and non-tax revenues administered by the county government and examines their performance, administration, and revenue potential.

Specifically, the mapping covered revenue streams including, but not limited to, property rates, single business permits, market fees, livestock-related fees and charges, cess and produce-related charges, parking fees, health facility revenues, user charges for county services, licences, permits, and other fees and charges imposed through the County Finance Acts. Attention was given to revenue streams linked to Mandera County's dominant economic activities, particularly livestock production, trade and cross-border commerce, markets, and urban services.

In addition to identifying revenue sources, the scope extended to reviewing the entire revenue management cycle, including revenue assessment and valuation, billing and invoicing, collection methods, recording and reporting, enforcement mechanisms, and dispute resolution processes. The exercise also assessed institutional arrangements, staffing, use of automation and information systems, and coordination among county departments involved in revenue mobilisation.

4.2 Methodology

The OSR mapping exercise adopted a mixed-methods approach combining qualitative and quantitative data collection techniques to ensure a comprehensive and evidence-based assessment of Mandera County's revenue system.

Primary data was collected using structured OSR mapping questionnaires administered to key county officers involved in revenue administration, including revenue officers, departmental heads, enforcement officers, market masters, and facility managers. The questionnaires were designed to capture detailed information on revenue sources, legal basis, collection processes, challenges, and perceived revenue potential.

In-depth key informant interviews were conducted with selected county officials and managers to supplement questionnaire responses, clarify institutional and operational issues, and obtain contextual insights into revenue performance, compliance challenges, and administrative constraints. These interviews provided qualitative depth and helped validate information obtained through questionnaires.

Secondary data was obtained through a review of county records and administrative registers, including revenue registers, billing schedules, collection reports, departmental records, and financial statements. Relevant county legislation such as County Finance Acts, revenue laws, and regulations were also reviewed to assess the legal and policy framework governing OSR mobilisation.

Data analysis involved triangulating information from questionnaires, interviews, and administrative records to assess revenue performance, identify gaps and inefficiencies, and compare actual collections against estimated potential where data was available.

4.3 Limitations and Assumptions

The OSR mapping exercise was undertaken with certain limitations. In some instances, incomplete or inconsistent revenue records constrained detailed trend analysis and estimation of revenue potential. The largely informal nature of economic activities in Mandera County, particularly in

livestock trade and small-scale commerce, also limited the availability of reliable data on the full revenue base.

Additionally, variations in record-keeping practices across departments and facilities affected data comparability. Time and logistical constraints limited the extent of field verification in remote areas of the county.

To address these limitations, the exercise made several assumptions. It assumed that information provided by respondents and contained in official county records is reasonably accurate and representative of prevailing practices. Where data gaps existed, qualitative assessments and stakeholder inputs were used to complement available quantitative data. The findings and recommendations should therefore be interpreted within the context of these assumptions and data constraints.

Despite these limitations, the methodology applied provides a credible and sufficiently robust basis for identifying revenue gaps, assessing administrative performance, and formulating practical recommendations for strengthening Mandera County's own source revenue mobilisation.

5.0 SYSTEMATIC MAPPING OF REVENUE STREAMS

This chapter presents a comprehensive analysis of Mandera County’s key Own Source Revenue streams, examining their legal frameworks, administrative systems, revenue performance, and operational gaps. It provides a systematic assessment across property rates, market fees, parking fees, trade licences, natural resource transportation fees, and public health service fees, highlighting challenges and actionable recommendations to optimise revenue mobilisation.

5.1 Property Rates

Property rate means the actual amount of money payable by a rateable owner as a tax on their property based on the valuation roll and any other forms of rating as specified in the National Rating Act 2024. In accordance with the Act, a county government may adopt any of the following forms of rating for purposes of levying property rates;

- Annual rental value rating;
- Unimproved site value rating;
- Area rating; and
- A site value rating in combination with an improvement rating.

5.1.1 Legal and Policy Framework

Mandera County has not yet enacted a County Rating Act, and the administration of property rates is currently anchored on provisions within the County Finance Act. The County has not fully aligned its property rates framework with the National Rating Act, 2024, although a Draft Valuation Roll has been prepared in line with the new national legislative requirements. The absence of enabling regulations and bylaws to operationalise property rating constrains enforcement, billing, and compliance, and limits the County’s ability to fully operationalise property rates as a sustainable Own Source Revenue stream.

5.1.2 Valuation and Rating Methods

The County applies a hybrid valuation approach, utilising both Annual Rental Value Rating and Unimproved Site Value Rating methodologies. The most recent valuation roll was prepared in

2024–2025 by a private consultant, marking a significant step towards modernising the property rating base. However, no supplementary valuation roll has been prepared, limiting the County’s ability to capture new developments, subdivisions, and changes in land use since the completion of the main valuation roll.

5.1.3 Property Identification, Mapping, and Zoning

Mandera County has undertaken a comprehensive property identification and mapping exercise, with approximately 28,500 rateable properties mapped across the County. Property identification is supported through a combination of GIS mapping, manual registers, Land Information Management Systems (LIMS), and approved physical development plans. Properties are classified into commercial, residential, agricultural, and institutional zones, providing a basis for differentiated rating and equitable assessment.

5.1.4 Systems, Registers, and Integration

Despite the extensive mapping exercise, the County does not yet have a fully established Property Rates Register, and existing records are not integrated with either the County Revenue Management System or the Land Information Management System. Payable rates are determined and communicated based on provisions of the County Finance Act, rather than a standalone rating law. The lack of system integration limits automation of billing, tracking of arrears, reconciliation, and enforcement, resulting in weak administration and revenue leakages.

5.1.5 Revenue Performance and Gaps

The County has not yet established a quantified estimate of annual revenue potential from property rates, and actual collections remain minimal. Consequently, the property rates tax gap has not been formally computed, though it is assessed to be significant. Key challenges affecting performance include a high rate of defaulters, weak enforcement mechanisms, limited public awareness, and incomplete registration of properties, particularly in sub-counties and peri-urban areas.

5.1.6 Key Challenges

Property rate administration in Mandera County is constrained by the absence of a County Rating Act, incomplete system integration, lack of supplementary valuation rolls, weak enforcement capacity, and low compliance levels. Institutional capacity gaps and limited public sensitisation further undermine effective implementation.

5.1.7 Recommendations

To strengthen property rate administration and unlock its revenue potential, Mandera County should:

- i. Enact a County Rating Act aligned with the National Rating Act, 2024;
- ii. Operationalise and integrate a Property Rates Register with the County Revenue Management System and LIMS;
- iii. Prepare and regularly update supplementary valuation rolls to capture new and emerging properties;
- iv. Expand GIS-based property mapping to all sub-counties to broaden the revenue base;
- v. Strengthen enforcement mechanisms to address high default rates;
- vi. Undertake sustained public sensitisation and stakeholder engagement to improve compliance and acceptance of property rates;
- vii. Build institutional capacity through targeted training and technical assistance in valuation, GIS, and revenue systems.

5.2 Market Fees

Market fee means the amount of money payable by a trader, vendor, or business for the use of a designated and undesignated markets within the county.

5.2.1 Market Identification and Trader Registers

Mandera County has identified and documented market spaces within its municipalities, including Mandera Municipality and Elwak Municipality. Mandera Municipality has four (4) operational

and designated markets, while Elwak Municipality has also identified its operational markets, though some operate within partially formalized or informal setups.

Both municipalities have established trader/vendor registers. Mandera Municipality maintains a fully digitized register integrated into the County Revenue Management System, whereas Elwak Municipality's trader register is partially digitized, limiting its effectiveness for enforcement, compliance monitoring, and revenue forecasting.

Stakeholder engagement has been undertaken in both municipalities through market traders' committees and consultations, particularly during trader registration and discussions on fee structures. However, engagement remains largely ad hoc and not anchored in a structured stakeholder engagement framework.

5.2.2 Legal and Tariff Framework

Mandera County operates under a County Trade and Market Act, enacted in 2014/2015, which provides the legal basis for the collection of market fees across the county. In addition, a County Revenue Administration and Management Act is in place to guide revenue administration.

Market fees are provided for in the County Finance Act, with Elwak Municipality specifically indicating applicability in FY 2015/2016 and subsequent Finance Acts. However, the County does not have a Tariffs and Pricing Policy, nor a legal framework giving effect to such a policy. This gap affects consistency in fee setting, weakens transparency, and contributes to resistance from traders, particularly in Elwak Municipality.

The County has previously sought input from the Commission on Revenue Allocation (CRA) on revenue-raising measures related to market fees, demonstrating openness to reform and alignment with national guidance.

5.2.3 Fee Application and Systems

Market fees across Mandera County are primarily applied based on the County Finance Act, rather than directly operationalizing the Trade and Market Act. Trader registers in both municipalities are linked to the County Revenue Management System, though system maturity varies.

Mandera Municipality exhibits stronger system integration, while Elwak Municipality faces challenges due to partial digitization and manual processes. In both municipalities, electronic receipts or proof of payment are not consistently issued, resulting in weak real-time verification, enforcement challenges, and potential revenue leakages.

5.2.4 Revenue potential vs actual

Revenue performance analysis indicates significant under-collection relative to potential across the county:

- i. Mandera Municipality
 - Estimated annual revenue potential: KES 45 million
 - Actual collection: KES 38.6 million
 - Estimated revenue gap: KES 6.34 million
- ii. Elwak Municipality
 - Estimated annual revenue potential: KES 23 million
 - Actual collection: KES 9.4 million
 - Estimated revenue gap: KES 13.6 million

The persistent gaps reflect systemic weaknesses in fee enforcement, trader compliance, market formalization, and end-to-end digitization of revenue collection.

5.2.5 Compliance and stakeholder Issues

Key compliance challenges affecting market fee collection across Mandera County include:

- Resistance from traders, particularly where fee structures are perceived as non-transparent or unaffordable;
- Informal market setups, more pronounced in Elwak Municipality, which complicate registration and enforcement;
- Inefficient and partially digitized systems, limiting monitoring and accountability;
- Inadequate staffing and enforcement capacity at the municipal level.

These challenges collectively undermine compliance and constrain Own Source Revenue performance despite the existence of basic legal and institutional frameworks.

5.2.6 Recommendations

To enhance market fee administration and optimize OSR performance across Mandera County, the following actions are recommended:

- i. Develop and operationalize a County Tariffs and Pricing Policy, supported by an enabling legal framework.
- ii. Harmonize and fully digitize trader registers across all municipalities and link them to electronic payment and receipting systems.
- iii. Formalize informal market operations, particularly in Elwak Municipality, through zoning, licensing, and structured market management.
- iv. Strengthen stakeholder engagement frameworks, institutionalizing regular consultations with traders' committees.
- v. Build capacity and strengthen enforcement, including staffing, supervision, and compliance monitoring at the municipal level.
- vi. Undertake periodic revenue audits and OSR mapping updates to track improvements and refine revenue potential estimates.

5.3 Parking Fees

This is a fee charged for parking for motorized (Motor Vehicles / Motorbikes / TukTuks) and non-motorized (trolleys, handcarts, animal pulled carts) modes of transport in designated areas within a county in a specified time and period depending on the size and type.

5.3.1 Parking Zones and Inventory

Both Elwak Municipality and Mandera Municipality have identified parking areas within their respective town centres and along key access roads. However, the parking zones are largely informal, not gazetted, and poorly demarcated, with limited signage to guide users. Inventories of parking spaces and transport operators exist but are manual, incomplete, and fragmented. Registers

of vehicles and SACCOs are not integrated into the County Revenue Management System, limiting accurate tracking, planning, and enforcement. Potential parking areas remain unassessed and undocumented, constraining revenue optimisation.

5.3.2 Legal and Pricing Framework

Parking fees in both municipalities are provided for under the County Finance Act, in the absence of a dedicated County Transport or Parking Act. The County also lacks a Tariffs and Pricing Policy to guide parking fee determination by vehicle type, duration, or location. As a result, parking charges are generally applied as flat rates, with limited transparency and predictability. The weak legal and policy framework has contributed to disputes, low compliance, and resistance from parking users.

5.3.3 Automation and Monitoring

Parking fee collection in both Elwak and Mandera Municipalities is predominantly manual and cash-based. There is no automated parking management system, and payment records are not linked to the County Revenue Management System. Consequently, real-time monitoring, reconciliation, and performance reporting are limited. The absence of automation heightens the risk of revenue leakages and undermines accountability and auditability.

5.3.4 Revenue Gap Analysis

The combined parking fee revenue performance for Elwak and Mandera Municipalities indicates a significant gap between potential and actual collections. The estimated combined annual revenue potential is approximately KES 59,000, while actual collections in the last financial year amounted to about KES 30,000, resulting in an estimated revenue gap of KES 29,000. This underperformance reflects systemic weaknesses in parking zone management, pricing, automation, and enforcement.

5.3.5 Enforcement Challenges

Enforcement of parking fees is constrained by several factors, including poorly defined parking zones, inadequate staffing, lack of enforcement equipment, and weak coordination with traffic and

road agencies. Compliance is further undermined by resistance from transport operators and motorists, inconsistent application of charges, and the prevalence of informal parking arrangements. Manual systems also limit the ability to detect non-compliance and enforce penalties effectively.

5.3.6 Recommendations

To strengthen parking fee administration and enhance Own Source Revenue performance across Elwak and Mandera Municipalities, the County should:

- i. Gazette, demarcate, and signpost all designated parking zones;
- ii. Develop and enact a County Transport and Parking legal framework, supported by a clear Tariffs and Pricing Policy;
- iii. Integrate parking inventories and operator registers into the County Revenue Management System;
- iv. Automate parking fee collection and introduce real-time monitoring tools;
- v. Strengthen enforcement capacity through staffing, training, and equipment;
- vi. Conduct structured stakeholder engagement and public sensitisation to improve compliance and acceptance.

5.4 Single Business Permits / Trade Licenses

A Single Business Permit (SBP) is an authorisation issued by the County Government to enable an individual or entity to conduct business, trade, or occupation within the county. This excludes the regulation of professions, which entails the establishment of standards of competence and ethical conduct and is the mandate of respective professional bodies.

5.4.1 Business Identification and Classification

The business mapping exercise identified a total of 7,653 businesses operating across Mandera County. These enterprises span multiple sectors, including retail trade, accommodation and catering, health services, transport-related activities, informal trading, and other service-based enterprises.

The spatial distribution of businesses across the county is uneven. Mandera East Sub-County recorded the highest concentration with 3,546 businesses, followed by Mandera South (1,152), Mandera North (820), Mandera West (756), and Banissa (711). Kutulo Sub-County registered the lowest number of businesses (292).

Businesses were classified by sector, size, and operational characteristics, providing a basis for differentiated permit fees, risk-based compliance monitoring, and targeted enforcement. The predominance of micro and small enterprises, particularly in Mandera East and Mandera South, underscores the importance of comprehensive coverage and effective compliance mechanisms in optimising single business permit administration. Table 5.1 summarises the distribution of mapped businesses by sub-county. Detailed business-level information is provided in Appendix 3.

Table 5.1: Summary of Mapped Businesses

Sub- Counties	Business
Mandera East	3,546
Mandera North	820
Mandera South	1,152
Mandera West	756
Kutulo	292
Lafey	376
Banissa	711
Total	7,653

5.4.2 Tariff Setting and Legal Anchoring

Single business permit fees are legally anchored in the County Finance Act, which prescribes charges for various business categories. Tariffs vary depending on business type, scale, and sector, ranging from KES 400 for informal traders to KES 20,000 for nursing homes and KES 15,000 for large accommodation facilities.

While the legal framework for tariff application exists, the absence of a harmonised countywide Tariffs and Pricing Policy undermines predictability, consistency, and equity in fee determination

and application across sub-counties. This gap also constrains the county's ability to systematically align business size, risk profiles, and sectoral characteristics with appropriate permit charges.

5.4.3 Systems and Compliance

Revenue collection for single business permits is undertaken through a mix of electronic and manual systems. Although electronic payment platforms are operational, full integration with the County Revenue Management System (CRMS) remains incomplete.

Business registers are partially digitised and are not consistently linked to licensing, payment, and compliance monitoring modules. This limit real-time verification of permit status, particularly in high-density commercial areas such as Mandera East and Mandera South. Consequently, enforcement relies heavily on physical inspections and manual verification, increasing administrative costs and compliance risks.

5.4.4 Revenue Performance

The distribution of mapped businesses indicates a high concentration of economic activity in Mandera East and Mandera South, which together account for more than half of all businesses in the county. This concentration suggests significant potential for single business permit revenue mobilisation, but also exposes the county to fiscal risk if compliance levels in these sub-counties remain low.

Despite the broad business base, actual collections from single business permits remain below expected levels, pointing to revenue leakages associated with incomplete business coverage, informality, weak enforcement, and system inefficiencies.

5.4.5 Informality Risks

Informality poses a significant challenge to effective single business permit administration. The dominance of micro and small enterprises, particularly in Mandera East and Mandera South, increases exposure to non-compliance, under-licensing, and fee avoidance.

Weak enforcement capacity, resistance to licensing, and the mobility of traders further undermine compliance efforts. These challenges are compounded by limited taxpayer sensitisation and the perception of inadequate service delivery relative to permit fees, especially among informal and low-margin traders.

5.4.6 Recommendations

To strengthen single business permit administration and optimise Own Source Revenue from trade licensing, the County Government should:

- i. Fully digitise and integrate business registers with the County Revenue Management System;
- ii. Develop and implement a harmonised Tariffs and Pricing Policy aligned with the County Finance Act;
- iii. Prioritise enforcement and compliance monitoring in high-density and high-risk sub-counties, particularly Mandera East and Mandera South;
- iv. Conduct regular business mapping and validation exercises to capture new, mobile, and informal enterprises;
- v. Intensify stakeholder engagement and taxpayer sensitisation to enhance voluntary compliance; and
- vi. Link permit compliance to service access, inspections, and enforcement actions to minimise informality and revenue.

5.5 Natural Resource Transportation Fees

These are fees levied for the transportation of extracted natural resources such as sand, soap stones, kaolin, ballast, pumice, hardcore, and quarrying on county roads.

5.5.1 Quarry/Extraction Mapping

Across Mandera County, the mapping of quarry and natural resource extraction points remains incomplete and inconsistent. While some extraction sites and transport corridors have been informally identified in both Mandera and Elwak municipalities, the county lacks a comprehensive, geo-referenced, and gazetted inventory of all quarrying, sand harvesting, ballast, hardcore, and related extraction points. The absence of an official countywide mapping framework limits effective monitoring of extraction volumes, transport routes, and fee liability, thereby constraining revenue planning and enforcement efforts.

5.5.2 Business Registration

Business registration for entities involved in natural resource transportation is partial and fragmented across municipalities. Mandera Municipality shows some level of registration of transporters, although the registry is not regularly updated, while Elwak Municipality exhibits significant gaps, with most transporters operating informally. There is no unified countywide registry linking transporter licensing, vehicle identification, and fee compliance. This weak registration environment contributes to informality, underreporting of activities, and challenges in tracking compliant versus non-compliant operators.

5.5.3 Fee Assessment and Systems

Fee assessment for natural resource transportation is largely not informed by regular output or volume assessments. Tariffs are applied without systematic measurement of extracted or transported quantities, and there is no dedicated tariffs and pricing policy guiding fee determination. Revenue collection systems are predominantly manual, with limited or no automation and weak integration into the County Revenue Management System. Although electronic receipts are issued in some instances, system fragmentation undermines real-time monitoring, reconciliation, and accountability.

5.5.4 Revenue Gaps

A significant gap exists between estimated potential revenue and actual collections from natural resource transportation fees across the county. In Mandera Municipality, potential revenue estimates substantially exceed actual collections, while in Elwak Municipality the gap is even more pronounced due to informality, weak systems, and limited enforcement coverage. These revenue gaps point to systemic inefficiencies rather than low economic potential, indicating substantial unrealised Own Source Revenue (OSR) for the county.

5.5.5 Enforcement Challenges

The implementation and administration of Natural Resource Transportation Fees in Mandera County are constrained by several structural and operational challenges. These include incomplete mapping of quarry and extraction sites, weak registration of transporters, and the absence of a dedicated legal and policy framework to anchor fee assessment and enforcement. Revenue collection is largely manual, increasing the risk of leakages and limiting real-time monitoring. Inadequate staffing, limited inspection capacity, and weak inter-agency coordination further undermine enforcement effectiveness. Non-compliance by transporters, driven by informality and low awareness of fee obligations, continues to widen the gap between potential and actual revenue collections.

5.5.6 Recommendations

To strengthen natural resource transportation fee administration and optimise Own Source Revenue performance, Mandera County should:

- i. Undertake comprehensive countywide mapping and gazettement of all quarry, extraction, and natural resource transport corridors;
- ii. Establish and maintain a unified and regularly updated registry of natural resource transporters, linked to vehicle identification and permit issuance;
- iii. Develop and enact a dedicated Natural Resource Transportation Fees legal and policy framework, supported by a clear Tariffs and Pricing Policy aligned with the County Finance Act;
- iv. Automate fee assessment and collection processes and fully integrate them with the County Revenue Management System to enhance monitoring, reconciliation, and accountability;
- v. Strengthen enforcement capacity through dedicated staffing, regular inspections, inter-agency collaboration, and provision of appropriate enforcement equipment;
- vi. Enhance stakeholder engagement and public sensitisation among transporters and extractive operators to improve voluntary compliance and reduce informality.

5.6 Public Health Service Fees

These are licenses/fees charged on business premises and individuals; commercial buildings, hoteliers, and public institutions to safeguard and promote public health in the county.

5.6.1 Business/Institution Registers

Mandera County has identified and registered approximately 2,263 businesses, institutions, and individuals subject to public health service fees. A digital register exists; however, it is only partially digitised and not fully integrated with the County Revenue Management System. While stakeholder consultations involving business owners, hospitality operators, public institutions, and public health officers were undertaken during registration and fee-setting, gaps remain in capturing informal and mobile establishments, limiting comprehensive coverage and compliance monitoring.

5.6.2 Fee Structuring and Exemptions

Public health service fees are tiered based on business type, size, risk profile, and location, reflecting differentiated inspection and certification requirements. The County applies limited exemptions and waivers, largely guided by social considerations and business scale, though exemption criteria and approval processes are not consistently standardised or automated, creating risks of discretion and uneven application.

5.6.3 Legal and Policy Adequacy

The imposition and collection of public health service fees are anchored in the County Finance Act, supported by an existing Tariffs and Pricing Policy. While the legal framework is generally adequate, emerging gaps have been identified in aligning sector-specific public health regulations with revenue instruments, prompting the development of legislative proposals to address enforcement and compliance challenges. The County has sought CRA guidance when reviewing or revising public health-related revenue measures.

5.6.4 Collection systems

Revenue collection is predominantly electronic, with digital platforms used for payment and issuance of electronic receipts. However, the public health service fee register is not fully integrated with the County Revenue Management System, constraining real-time reconciliation,

inspection follow-up, and enforcement. Partial automation continues to necessitate manual verification by public health officers, increasing administrative inefficiencies and the risk of revenue leakages.

5.6.5 Revenue Gaps

The estimated annual revenue potential is approximately KES 41 million, while actual collections fall significantly below this level, resulting in a substantial revenue gap. Key contributors to underperformance include incomplete business registration, informality, weak enforcement capacity, resistance from regulated entities, and inadequate staffing within the public health function.

5.6.6 Recommendations

To enhance public health service fee administration and optimise Own Source Revenue, the County should:

- i. Fully digitise and integrate public health service fee registers with the County Revenue Management System;
- ii. Standardise fee structuring and exemption criteria within the Tariffs and Pricing Policy and County Finance Act;
- iii. Strengthen legal and regulatory alignment between public health laws and revenue instruments;
- iv. Expand inspection coverage through improved staffing, training, and logistical support for public health officers;
- iv. Undertake regular business mapping to capture informal, mobile, and emerging establishments;
- v. Link public health certification and renewals to system-based compliance controls to reduce leakages and improve collection efficiency.

5.7 Physical Planning & Development Fees

These are payments for technical services offered by the county government such as authorized construction, renovation, or modification of structures, construction sign boards, survey fees, subdivision fees, development control fees, extension of leases, renewal fees, approval of scheme plans, allocation charges, and beacon fees, among others.

5.7.1 Fee Classification and Coverage

Mandera County has identified and classified physical planning and development fees, covering a broad range of charges including building plan approval fees, construction signboard fees, survey fees, subdivision fees, development control charges, lease extension and renewal fees, plot allocation charges, and beacon fees. These fees apply across developments undertaken by individuals, institutions, and developers within the County's jurisdiction. However, some charges such as renovation approvals and scheme plan approvals are not fully operationalised, and coverage is constrained by the absence of approved land use development plans in some areas and limited public awareness of planning requirements.

5.7.2 Legal and Tariff Framework

The collection of physical planning and development fees is anchored in the Mandera County Finance Act (FY 2024), supported by an existing Tariffs and Pricing Policy. While the fees are codified in the County's schedule of charges, gaps remain due to the lack of county-specific physical planning policies and regulations to comprehensively guide development control and enforcement. In addition, the County has not consulted the Commission on Revenue Allocation (CRA) on recent fee proposals under Section 161 of the PFM Act, which limits alignment with national revenue-raising principles.

5.7.3 Application and Payment Systems

The County has a defined application process for physical planning and development approvals. However, applications and payments are not captured in an integrated County Revenue Management System. Fee payments are largely processed manually, electronic receipts are not consistently generated, and there is no integration with GIS or planning databases for spatial

tracking and compliance monitoring. These system limitations reduce efficiency, weaken audit trails, and constrain real-time monitoring of approved developments and associated revenues.

5.7.4 Revenue performance

Although physical planning and development fees represent a significant potential revenue stream, the County has not established reliable estimates of annual revenue potential, actual collections, or the resulting revenue gap. Revenue performance is adversely affected by non-compliance, construction without approval, manual systems, outdated or under-priced tariffs, and limited technical personnel. Despite monthly assessments of development control revenues, the lack of automation and accurate data undermines effective revenue forecasting and performance management.

5.7.5 Compliance and Enforcement

Mandera County has designated enforcement officers for development control, and penalties for unauthorized construction and non-compliance are provided for in law. However, enforcement is inconsistent, and penalties are not regularly enforced or collected. While there is collaboration between the Physical Planning, Urban Development, and Lands departments, weak systems, staff shortages, resistance from developers, and poor inter-departmental coordination limit effective compliance monitoring and enforcement.

5.7.6 Recommendations

To strengthen the administration of physical planning and development fees and enhance Own Source Revenue performance, the County should:

- i. Develop and operationalise county-specific physical planning policies, regulations, and development control guidelines to address existing legal and policy gaps;
- ii. Digitise and integrate planning application, approval, and payment processes with the County Revenue Management System and GIS platforms;
- iii. Review and update tariffs regularly to address underpricing and align fees with the cost-of-service delivery and development intensity;

- iv. Strengthen compliance and enforcement by operationalising penalties, enhancing inter-departmental coordination, and increasing field inspections;
- v. Build institutional capacity through recruitment of additional physical planners, staff training, and continuous stakeholder sensitisation;
- vi. Prepare and approve land use development plans for all sub-county headquarters to improve development control, compliance, and revenue predictability.

5.8 Agricultural Produce Cess

These are fees imposed by county governments on the transportation of all tradeable agricultural produce/crops within and across the counties.

5.8.1 Produce Categorization and Cess points

Mandera County has identified and categorised agricultural produce subject to cess, covering cereals, legumes, fruits, vegetables, livestock, and fodder/feeds. Cess assessment is commodity-specific, with bulk produce largely assessed on a weight basis, while livestock is charged on a unit basis at market points (cattle: KES 300, camels: KES 700, shoats: KES 100). The County has identified 18 key cess collection points, which are reported to be operational and manned by authorised officers. However, bush sales and the absence of fully operational livestock markets limit comprehensive capture of cessable produce.

5.8.2 Collection Infrastructure

Agricultural produce cess collection is supported by the County Revenue Management System (CRMS), with electronic receipting in place. All designated cess points are operational, indicating relatively good physical coverage. Nonetheless, limited mobility for enforcement officers and gaps in weighing, holding, and inspection infrastructure reduce effectiveness, particularly in remote and dispersed production areas.

5.8.3 Legal and Inter-County Issues

The imposition and collection of agricultural produce cess in Mandera County are provided for under the Mandera County Finance Act, which is reviewed and enacted annually, most recently

through the 2025 Finance Act. Applicable cess rates are stipulated within the Finance Act. However, the County lacks a standalone Tariffs and Pricing Policy to provide structured guidance on rate-setting, harmonisation across revenue streams, and periodic review of cess charges.

Further, there are no formal joint enforcement mechanisms or harmonised cess arrangements with neighbouring counties. This limits effective oversight of inter-county agricultural produce movements and increases exposure to revenue leakage, non-compliance, and inter-county disputes.

5.8.4 Revenue Potential vs Actual

In FY 2024/2025, agricultural produce cess recorded actual collections of KES 26,884,007 against a target of KES 34 million, resulting in an estimated revenue gap of approximately KES 7.1 million. This underperformance persists despite periodic review of cess rates and regular assessments of agricultural output, indicating that systemic and enforcement challenges, rather than lack of economic activity, are the primary drivers of the gap.

5.8.5 Enforcement and Political Economy Risks

Cess administration is affected by weak enforcement capacity, limited officer mobility, resistance and intimidation by brokers, and non-compliance by farmers and traders. Record discrepancies and integrity gaps further undermine performance. The absence of coordinated inter-county enforcement exacerbates leakages, particularly for produce in transit. Political sensitivity around livestock and agricultural trade also constrains consistent application of enforcement measures.

5.8.6 Recommendations

To strengthen the administration of agricultural produce cess and livestock-related revenues and enhance Own Source Revenue performance, the County should:

- i. Operationalise designated livestock markets, produce markets, and holding grounds to formalise trade activities and improve revenue capture;
- ii. Provide adequate mobility, including motorbikes and vehicles, to revenue enforcement officers to enhance field coverage, monitoring, and compliance;

- iii. Strengthen inter-departmental coordination among the Departments of Livestock, Finance, Administration, and Security to improve planning, enforcement, and information sharing;
- iv. Enhance enforcement and compliance monitoring mechanisms through regular inspections, improved supervision, and consistent application of penalties;
- v. Introduce integrity assurance measures and incentive frameworks for revenue collectors to promote accountability, motivation, and performance;
- vi. Invest in infrastructure improvements at revenue collection points, including holding grounds, weighing facilities, and inspection areas, to support accurate assessment and efficient collection;
- vii. Formally engage the neighbouring counties to strengthen legal alignment, harmonise cess arrangements, and establish joint inter-county enforcement mechanisms.

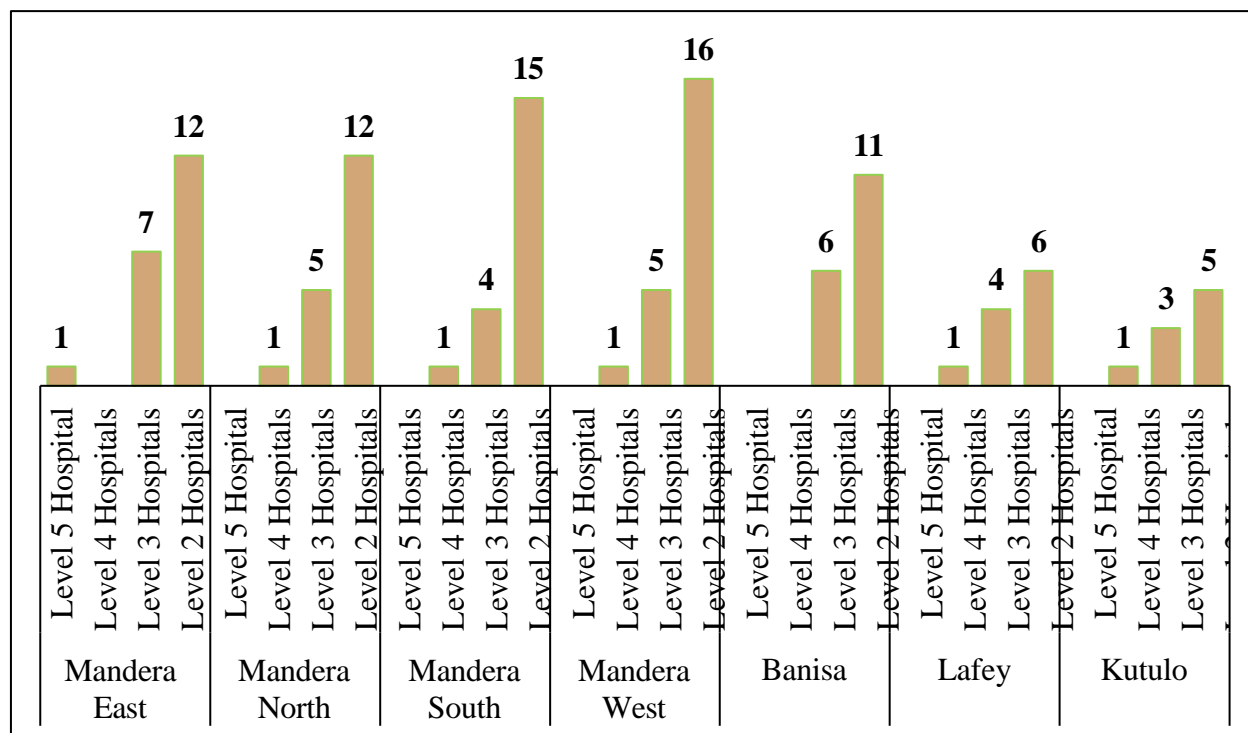
5.9 Hospital Service Fees

These are service fees charged or paid by individuals including reimbursement from insurance companies for the use of healthcare facilities offered by public hospitals in a county.

5.9.1 Health Facility Coverage and Categorization

Mandera County has an extensive public health infrastructure comprising a County Teaching and Referral Hospital, multiple Sub-County Referral Hospitals, and numerous Level 2 and Level 3 facilities distributed across all sub-counties. Health facilities are categorised by service capacity, with higher-level facilities (Levels 4 and 5) offering a broader range of revenue-generating services, including inpatient care, diagnostics, pharmacy, theatres, and specialised clinics. Lower-level facilities primarily generate revenue from outpatient, laboratory, and pharmacy services. Despite wide geographic coverage, significant disparities exist in service availability and revenue capture across facility levels and sub-counties.

Figure 5.1: Mapped Health Facilities



5.9.2 Services Offered and Fee Structure

Health-related OSR is generated from outpatient and inpatient services, laboratory and radiology diagnostics, pharmacy sales, specialised clinics (ENT, Dental, Eye, Orthopaedics), theatre and minor surgical procedures, ambulance and referral services, public health permits, and insurance/SHA claims. Fee structures are guided by the County Finance Act and facility-level schedules; however, some services are inconsistently priced. Emerging services such as amenity wards, private wings, forensic services, and PPP-based offerings lack standardised fees, leading to under-collection and informal practices in some facilities.

5.9.3 Legal and Policy Anchoring

Health facility revenue mobilisation is anchored in the Constitution of Kenya (2010), the Public Finance Management Act and Regulations, the Health Act (2017), Facility Improvement Fund (FIF) legislation, the County Finance Act, and the County Revenue Administration framework. Nevertheless, gaps persist in operational guidance for facility-level revenue retention, automation, cost recovery for specialised services, and small-scale PPP arrangements. The ongoing transition

to the Social Health Insurance framework has introduced uncertainties related to claims processing timelines and alignment with county financial systems, affecting revenue predictability.

5.9.4 Administration, Systems, and Institutional Coordination

Revenue administration is shared between health facility management, the County Department of Health, and county treasury and revenue units. While basic billing and receipting systems exist, automation levels are uneven and integration between billing platforms, insurance claims systems, and CRMS remains limited. Weak coordination results in delayed claims submissions, incomplete documentation, and poor real-time visibility of collections. Lower-level facilities are particularly constrained by staffing gaps, limited ICT capacity, and inadequate revenue management skills.

5.9.5 Revenue Performance and Gap Analysis

Actual revenue collections across facilities consistently fall short of annual targets, with the largest gaps observed in Level 2 and Level 3 hospitals. High-volume facilities perform relatively better but still experience revenue leakage due to underutilised diagnostics, pharmacy stock-outs, limited theatre use, and delayed insurance reimbursements. Analysis of unexploited and emerging revenue streams indicates substantial unrealised potential from SHA claims optimisation, specialised clinics, private wings, ambulance cost recovery, PPP-based services, and training activities. These gaps highlight structural and administrative constraints rather than limited-service demand.

5.9.6 Public Awareness, Equity, and Compliance

Public awareness of payable health service fees and insurance entitlements remains uneven, contributing to resistance to fee payment and low voluntary compliance. Equity considerations and poverty levels influence enforcement, particularly in rural and peri-urban areas. Low enrollment in social health insurance schemes further constrains revenue realisation, especially for maternity, inpatient, and specialised services. Weak communication between facilities and communities undermines trust and reduces willingness to pay for approved services.

5.9.7 Governance, Risk, and Political Economy Issues

Health sector OSR is highly sensitive to political, social, and ethical considerations. Resistance to charging for health services, inconsistent enforcement of approved fees, and delays in insurance reimbursements pose significant governance risks. Facility managers often lack autonomy or incentives to enforce collections, while oversight mechanisms at facility level remain weak. Procurement delays for reagents, equipment maintenance, and ICT systems further undermine revenue generation and accountability.

5.9.8 Recommendations

To strengthen health facility revenue management and enhance Own Source Revenue performance, the County should:

- i. Strengthen facility-level revenue management capacity through targeted staffing, training, and clear role delineation for billing, receipting, and claims management functions;
- ii. Fully automate billing, receipting, and claims processing systems and integrate them with the County Revenue Management System (CRMS) to improve efficiency, accuracy, and reporting;
- iii. Standardise, document, and regularly review fee schedules for all health services to ensure consistency, transparency, and alignment with approved legal instruments;
- iv. Optimise Social Health Authority (SHA) claims management by training staff, designating dedicated claims officers, and strengthening claims verification and follow-up processes;
- v. Operationalise underutilised service lines, including diagnostics, theatres, and specialised clinics, to expand service delivery and increase facility-generated revenues;
- vi. Formalise and strengthen revenue administration for ambulance, forensic, and Public–Private Partnership (PPP)-based services through clear pricing, billing, and accountability frameworks;
- vii. Enhance public awareness, patient sensitisation, and insurance enrolment to improve service uptake and revenue predictability;
- viii. Strengthen governance, oversight, and accountability mechanisms at both facility and county levels through improved supervision, reporting, and performance monitoring.

6.0 SYSTEMS, AUTOMATION AND DATA MANAGEMENT

This chapter presents an overview of Mandera County’s revenue systems, digital platforms, and data management practices, highlighting their current status, coverage, and gaps. Effective systems and data management are critical for accurate revenue registration, collection, monitoring, and reporting.

6.1 Revenue Registers and Databases

i. Existence and Coverage:

The County maintains revenue registers for some streams including market fees, public health service fees, and single business permits. These registers serve as the primary record for revenue tracking and enforcement. However, coverage remains incomplete, particularly for traders operating in informal markets, mobile businesses, and other unlicensed operators. This gap limits the County’s ability to fully capture potential revenue from all sources.

ii. Completeness:

The quality of existing registers is mixed. Many records contain duplicates, entries for inactive businesses, or outdated information. Such inconsistencies undermine the reliability of the data for financial planning, revenue forecasting, and enforcement actions, potentially leading to missed revenue opportunities and inefficiencies in collection.

iii. Digitisation Status:

While some progress has been made towards digitising revenue records, this remains partial and fragmented. Certain streams have digital records, but a fully integrated, county-wide digital register encompassing all Own Source Revenue streams is not yet operational. The absence of a unified system limits real-time tracking, data analysis, and automated reporting, constraining decision-making and enforcement effectiveness.

6.2 Revenue Collection Systems

i. Manual vs Electronic Collection:

Revenue collection within the County is carried out through a combination of manual (cash-based) methods and electronic systems. While electronic collection points exist for certain streams such as single business permits and property rates, a significant proportion of transactions, especially in informal markets and small-scale operations, remain cash-based. This dual approach exposes the County to risks such as revenue leakage, delays in remittance, and difficulties in reconciliation.

ii. Integration with CRMS, IFMIS, and GIS:

The County Revenue Management System (CRMS) has been partially linked with sector-specific databases, including property and business registers, enabling some degree of tracking and reporting. However, full integration with the Integrated Financial Management System (IFMIS) and the Geographic Information System (GIS) has not yet been realized. This limits the County's capacity for real-time monitoring, automated billing, and spatial analysis of revenue sources. As a result, planning, enforcement, and decision-making are constrained, and opportunities for leveraging data-driven insights to optimize collections remain underutilized.

6.3 Internal Controls and Data Integrity

i. Receipting:

The issuance of receipts across revenue streams is inconsistent. While some collections use electronic or standardized receipt systems, many streams still rely on manual, paper-based receipting. This practice reduces accountability, increases the risk of revenue leakage, and limits auditability, making it difficult to verify collections and track transactions accurately.

ii. Data Integrity:

Challenges in data verification, reconciliation, and standardisation affect the reliability of the County's revenue information. Incomplete records undermine enforcement, planning, and

forecasting, potentially resulting in missed revenue opportunities and inefficient allocation of resources.

7.0 CROSS-CUTTING FINDINGS

7.1 Common Legal and Policy Gaps

A review of Mandera County’s revenue streams has revealed several recurrent legal and policy deficiencies that cut across multiple sources of revenue. These gaps hinder the County’s ability to effectively mobilize revenue, ensure compliance, and maintain transparency and fairness in collection processes. The key issues are summarized below:

7.1.1 Absence of Dedicated Legislation

A major constraint is the lack of standalone legal instruments governing several critical revenue streams. For instance, property rates are not governed by a dedicated County Rating Act, leaving the County reliant on the general provisions of the Finance Act. This dependency limits the County’s ability to enforce compliance, introduce innovations in revenue collection, or adapt rates to local economic realities. Similarly, other sources of revenue, including parking fees, natural resource transport fees, and certain physical planning and development charges, operate without dedicated legislation, relying instead on broad finance or regulatory provisions. This lack of specific legal backing undermines enforcement and creates uncertainties for both revenue administrators and payers.

7.1.2 Incomplete Alignment with National Frameworks

Several revenue streams are not fully harmonized with national legislative or regulatory frameworks. Property rates administration, for example, has not yet fully aligned with the National Rating Act, 2024. Likewise, public health service fees, natural resource transport fees, and other sector-specific revenues lack conformity with national sector regulations and revenue guidelines. This misalignment complicates standardization, benchmarking, and integration with national fiscal frameworks, potentially limiting access to technical support and oversight from national agencies.

7.1.3 Lack of Comprehensive Tariffs and Pricing Policies

Most revenue streams in the County, including market fees, parking fees, and business permits, operate without harmonized or countywide tariff structures. The absence of standardized pricing

policies results in inconsistent application of charges, perceptions of unfairness among payers, and frequent disputes or appeals. In addition, ad hoc adjustments to fees and charges reduce predictability and make planning and revenue forecasting challenging.

7.1.4 Limited Operational Guidelines and Regulations

Operational frameworks guiding enforcement, exemptions, compliance monitoring, and dispute resolution are either poorly codified or inconsistently applied across revenue streams. For instance, county-specific physical planning policies and regulations are either absent or insufficiently developed, limiting the effective collection of development control fees and impeding adherence to planning requirements. Similarly, mechanisms for monitoring compliance with fees such as natural resource levies and parking charges are underdeveloped, contributing to revenue leakage and administrative inefficiencies.

7.2 Common Systems and Automation Weaknesses

Mandera County's revenue management is significantly constrained by weaknesses in systems, automation, and digital integration. These deficiencies affect the efficiency, accuracy, and transparency of revenue collection, monitoring, and enforcement. The key issues are summarized below:

7.2.1 Fragmented and Partially Digitized Registers

Revenue registers for traders, businesses, property, and public health services are largely fragmented, with some maintained manually and others only partially digitized. This fragmentation reduces the reliability and completeness of records, making it difficult to accurately track taxpayers and enforce compliance. Integration of these registers into the County Revenue Management System (CRMS) is inconsistent, undermining real-time monitoring and enforcement capabilities. As a result, administrators face delays in data retrieval, duplicate entries, and increased administrative overhead.

7.2.2 Limited Integration with Sectoral Systems

Critical sectoral systems, such as Geographic Information Systems (GIS) and Land Information Management Systems (LIMS), are not fully linked to revenue registers. This limits the County's ability to efficiently administer property rates, planning fees, and development control charges, as accurate land and property information cannot be seamlessly utilized for revenue assessment. Similarly, vehicle and transporter registration systems for parking fees and natural resource transport levies are not integrated with revenue management platforms, reducing accuracy in fee computation and compliance monitoring.

7.2.3 Manual, Cash-Based Collection Processes

Some revenue streams, including market levies, and natural resource transport charges, relies on manual cash collection without full automated receipting or reconciliation. Where electronic platforms exist, they are either partially operational or not fully linked to CRMS, creating gaps in data capture and increasing opportunities for human error, misreporting, and revenue leakages. The absence of automated transaction tracking also complicates audit trails and reduces accountability.

7.2.4 Lack of Revenue Performance Tracking

Most revenue streams have not implemented systematic mechanisms for revenue potential assessment, gap analysis, or performance monitoring. The County lacks automated dashboards or analytic tools that could provide insights into trends, compliance levels, and forecasted revenue. This gap hinders strategic planning, resource allocation, and timely corrective interventions, leaving revenue administrators reactive rather than proactive in managing collection performance.

7.3 Compliance and Enforcement Challenges

Mandera County faces significant constraints in revenue compliance and enforcement, which undermine the effectiveness of collection across all streams. These challenges are multi-faceted, affecting both the breadth of coverage and the depth of enforcement. The key issues are summarized below:

7.3.1 High Informality and Non-Compliance

A substantial proportion of the County’s potential tax base remains informal or unregistered. Informal traders, unlicensed businesses, and unauthorized natural resource transporters operate outside the formal revenue framework. Resistance to compliance is common, particularly where fees are perceived as unaffordable, opaque, or inconsistently enforced. This high level of informality limits the County’s ability to broaden its revenue base and reduces the predictability of collections.

7.3.2 Weak Enforcement Capacity

Revenue enforcement is constrained by limited staffing, inadequate training, and a lack of necessary enforcement tools and equipment. This affects key revenue streams, including property rates, parking fees, market levies, and development approvals. Enforcement measures, such as penalties for unauthorized construction, non-payment of fees, or violations of licensing requirements, are applied inconsistently. This uneven application undermines compliance and creates opportunities for revenue leakage.

7.3.3 Incomplete Coverage

Certain areas within the County, particularly sub-counties, peri-urban locations, and mobile or seasonal market operations are under-covered. Unregistered properties, businesses, and transport operators remain outside the revenue system, leading to significant gaps between potential and actual collections. Similarly, public health service fees and market levies often fail to capture mobile traders and seasonal enterprises due to incomplete registration and weak monitoring mechanisms.

7.3.4 Limited Stakeholder Engagement

Engagement with revenue payers is generally ad hoc and lacks structured frameworks. The absence of systematic consultation reduces transparency, public awareness, and voluntary compliance. Traders and other revenue payers are less likely to perceive revenue obligations as legitimate, further exacerbating non-compliance.

7.4 Political Economy and Governance Risks

Mandera County's revenue administration is significantly influenced by political, institutional, and governance dynamics, which affect the predictability, fairness, and efficiency of revenue collection. These factors interact with legal, systems, and compliance gaps to constrain overall revenue performance. Key issues are summarized below:

7.4.1 Political Interference

Revenue enforcement, particularly in areas such as property rates, parking fees, and market levies, is occasionally influenced by local political considerations. Political pressures may lead to selective or inconsistent enforcement, undermining fairness and compliance. Certain politically sensitive sectors, including informal trade, quarrying, and natural resource transport, often experience uneven enforcement, widening the gap between potential and actual revenue. Such interference reduces staff autonomy and limits the County's ability to enforce revenue obligations impartially.

7.4.2 Inter-Departmental Coordination Gaps

Departments responsible for physical planning, revenue, land management, and public health frequently operate in silos, limiting information sharing and coordinated enforcement. Weak inter-departmental collaboration results in overlaps, duplication of efforts, and inconsistent application of fees and charges. For example, property valuations may not be shared timely with revenue departments, or planning approvals may bypass integrated revenue checks, leading to lost collections.

7.4.3 Institutional Capacity Limitations

The County faces technical and resource constraints that limit effective revenue administration. Insufficient expertise in GIS, valuation, planning, and revenue management reduces the ability to implement modern collection practices, monitor compliance, and accurately assess revenue potential. Training gaps and limited access to specialized tools and technologies further constrain

operational efficiency, particularly for complex revenue streams such as property rates, development fees, and natural resource levies.

7.4.4 Transparency and Accountability Issues

Fragmented systems, manual and cash-based collections, and weak audit trails create opportunities for revenue leakages. The absence of standardized procedures, monitoring frameworks, and accountability mechanisms undermines public trust and confidence in the County's revenue administration. Limited transparency also hampers corrective action, as discrepancies and inefficiencies remain undetected or unaddressed.

8.0 REVENUE POTENTIAL AND GAP SUMMARY

8.1 Consolidated Revenue Potential vs Average Actual Collection

The Own Source Revenue (OSR) mapping exercise reveals a pronounced and persistent disparity between estimated revenue potential and actual collections across most revenue streams in Mandera County. While the County exhibits considerable economic activity capable of supporting stronger OSR performance, this potential remains largely unrealized due to systemic weaknesses in legal frameworks, automation, compliance, enforcement, and data management.

Several revenue streams demonstrate clear capacity to generate substantial revenues, particularly market fees, public health service fees, property rates, and natural resource-related charges. However, weak institutional arrangements, fragmented systems, informality, and limited performance monitoring have constrained the County’s ability to fully harness these opportunities. In many cases, the absence of reliable data further obscures the true scale of revenue potential, masking structural inefficiencies rather than indicating limited economic activity.

Table 8.1 presents a consolidated summary of estimated annual revenue potential, actual collections (where data is available), and the resulting revenue gaps across key OSR streams.

Table 8.1: Consolidated OSR Revenue Potential vs. Average Actual Collections

Revenue Stream	Estimated Annual Revenue Potential (KES)	Average Actual Annual Collection (KES)	Estimated Revenue Gap (KES)
Property Rates	Not quantified (High potential)	Minimal	Significant (Unquantified)
Market Fees – Mandera Municipality	45,000,000	38,660,445	6,339,555
Market Fees – Elwak Municipality	23,000,000	9,400,000	13,600,000
Parking Fees (Combined)	59,000	30,000	29,000

Single Business Permits	8,490,800 (exclusive of Mandera & Elwak municipalities).	Below projection	Revenue gap present
Natural Resource Transportation Fees	Not quantified (High potential)	Low	Significant (Unquantified)
Public Health Service Fees	41,000,000	Below potential	Significant
Physical Planning & Development Fees	Not quantified	Not quantified	Data gap
Hospital Service Fees	Not quantified	Not quantified	Data gap
Agricultural Produce Cess	34,000,000	26,884,007	7,115,993

Market fees (Mandera and Elwak Municipalities) and Agricultural Produce Cess exhibit the largest quantified revenue gaps, jointly accounting for approximately KES 27.1 million annually in unrealised revenue. These shortfalls are largely attributable to informality, weak taxpayer registration systems, manual collection processes, and inconsistent enforcement.

Public Health Service Fees indicate significant underperformance relative to potential; however, the absence of quantified actual collection data limits precise gap measurement.

Property rates and natural resource transportation fees represent high-potential revenue streams that remain substantially under-developed, largely due to valuation gaps, weak mapping systems, and limited automation.

The absence of quantified data for hospital service fees reflects systemic weaknesses in revenue reporting, monitoring, and forecasting, rather than a lack of revenue opportunity.

8.2 High-Yield, High-Risk Revenue Streams

The Own Source Revenue (OSR) mapping exercise identifies a number of revenue streams that exhibit high revenue potential but are associated with elevated legal, institutional, political economy, and operational risks. These streams warrant prioritisation because of their potential to

significantly strengthen the County’s fiscal position if reforms are carefully designed, sequenced, and supported by strong governance arrangements.

8.2.1 Property Rates

i. Revenue Potential:

Property rates present very high long-term revenue potential, given the existence of a sizeable and largely identifiable countywide land and property asset base. Once fully operationalised, property rates could provide a stable and predictable source of Own Source Revenue.

ii. Key Risk Factors:

Implementation is constrained by the absence of a County Rating Act, incomplete alignment with the National Rating Act, 2024, weak integration between valuation data, GIS, land records, and revenue systems, and low compliance levels. Property rates are also politically sensitive, particularly in urban and peri-urban areas, increasing the risk of selective enforcement.

iii. Overall Assessment:

Property rates constitute a high-yield, high-risk, long-term reform stream, requiring strong political leadership, robust legal anchoring, and sustained institutional capacity building.

8.2.2 Market Fees

i. Revenue Potential:

Market fees demonstrate high revenue potential, particularly in Elwak Municipality and other major trading centres where commercial activity is concentrated.

ii. Key Risk Factors:

Key constraints include high levels of informality, trader resistance, partial digitisation of trader registers, weak tariff transparency, and inconsistent enforcement. Limited stakeholder engagement has further undermined compliance and trust.

iii. Overall Assessment:

Market fees represent a high-yield, medium-to-high risk revenue stream, with short- to medium-term revenue gains achievable through targeted reforms in registration, digitisation, tariff harmonisation, and enforcement.

8.2.3 Public Health Service Fees

i. Revenue Potential:

Public health service fees have high revenue potential, with estimated annual collections of up to KES 41 million if fully realised, reflecting the scale of regulated public health activities across the County.

ii. Key Risk Factors:

Revenue performance is affected by incomplete registration of regulated entities, staffing and capacity constraints, resistance from operators, and partial integration of public health systems with the County Revenue Management System.

iii. Overall Assessment:

This stream is assessed as high-yield with medium implementation risk, and is well suited for rapid revenue enhancement through administrative and system-based reforms.

8.2.4 Natural Resource Transportation Fees

i. Revenue Potential:

Natural resource transportation fees exhibit high revenue potential, driven by quarrying, extractive activities, and the use of key transport corridors within the County.

ii. Key Risk Factors:

Constraints include high informality, incomplete mapping of extraction sites and transporters, weak enforcement capacity, and the absence of a dedicated legal and regulatory framework. Political sensitivity and inter-jurisdictional considerations further elevate risk.

iii. Overall Assessment:

This stream is categorised as high-yield, high-risk, requiring strong legal foundations, inter-departmental coordination, and political commitment to enforcement.

8.2.5 Single Business Permits

i. Revenue Potential:

Single Business Permits present moderate to high revenue potential, with projected annual revenues of approximately KES 8.49 million (exclusive of Mandera and Elwak municipalities).

ii. Key Risk Factors:

Performance is constrained by informality, mobile and seasonal businesses, partial digitisation of business registers, and relatively high enforcement costs, particularly in dispersed settlements.

iii. Overall Assessment:

Single Business Permits are assessed as medium-to-high yield with medium risk, suitable for incremental improvements in systems, registration, and enforcement rather than large-scale structural reforms.

9.0 OWN SOURCE REVENUE (OSR) ENHANCEMENT STRATEGY

This section outlines a phased Own Source Revenue (OSR) enhancement strategy for Mandera County, structured around short-term, medium-term, and long-term interventions. The strategy focuses on unlocking existing revenue potential by addressing legal, institutional, system, compliance, and governance constraints, rather than introducing new taxes or fees. Reform sequencing is designed to deliver early gains while laying the foundation for sustainable and predictable revenue mobilisation.

9.1 Short-Term Actions (0–12 months)

Short-term interventions prioritise quick-win reforms that can generate immediate revenue gains, improve compliance levels, and strengthen confidence in the County’s revenue administration framework. These actions focus on administrative efficiency, enforcement visibility, and improved revenue capture within existing legal and institutional arrangements.

i. Strengthen Legal and Policy Instruments

The County should enact a County Rating Act aligned with the National Rating Act, 2024 to provide a clear legal basis for property rates administration. In addition, the County should also develop and adopt a Tariff and Pricing Policy to guide the rational setting, review, and adjustment of fees and charges across all revenue streams. This should be complemented by a review of fees and charges in the County Finance Act to eliminate inconsistencies and ambiguities.

ii. Improve Revenue Registers and Coverage

Rapid registration and enumeration exercises should be undertaken for traders, businesses, public health establishments, and transport operators to expand the revenue base and improve coverage. Existing revenue registers should be cleaned and updated to remove duplications, inactive records, and outdated payer information. Pending full system integration, temporary unique identifiers can be introduced to improve traceability of revenue payers and enhance monitoring of compliance.

iii. Enhance Digitisation and Payment Controls

The County should expand the use of electronic payment platforms for market fees, parking fees, and public health service fees to minimise leakages and improve accountability. Strengthening linkages between existing electronic platforms and the County Revenue Management System (CRMS) will enable real-time reporting and reconciliation. Cash-based collections should be progressively reduced by enforcing mandatory electronic receipting, particularly in high-risk and high-volume revenue streams.

iv. Targeted Enforcement and Compliance Drives

Focused enforcement campaigns should be conducted in priority markets and major urban centres to address non-compliance and signal commitment to revenue administration reforms. Penalties and compliance measures should be applied consistently and transparently, supported by clear communication to revenue payers. Collaboration between revenue units, enforcement teams, and sector departments should be strengthened to ensure coordinated and effective compliance operations.

v. Stakeholder Engagement and Communication

The County should engage traders, professional associations, and regulated entities through structured sensitisation forums to build awareness and support for compliance measures. Simplified tariff schedules, compliance guidelines, and payment procedures should be published and widely disseminated to enhance transparency, reduce disputes, and encourage voluntary compliance.

9.2 Medium-Term Reforms (1–3 years)

Medium-term reforms focus on institutional strengthening, system integration, and regulatory consolidation to enable a more efficient, predictable, and transparent county revenue administration framework.

i. Systems Integration and Automation

The County should fully integrate the County Revenue Management System (CRMS) with GIS, LIMS, public health registers, and business licensing systems to improve data consistency and revenue tracking. Automated billing, invoicing, and compliance monitoring should be introduced for priority revenue streams to reduce leakages and administrative costs. Real-time dashboards should be developed to support revenue performance monitoring and evidence-based management decision-making.

ii. Institutional Capacity Building

Technical capacity in valuation, GIS, physical planning, and revenue analytics should be strengthened through targeted training and skills development programmes. Enforcement units should be equipped with appropriate tools and technology to improve operational coverage and efficiency. Clear definition of roles and responsibilities across departments will be critical to improving coordination, accountability, and service delivery outcomes.

iii. Expanded Coverage and Compliance

Revenue registration and enforcement should be extended to peri-urban areas and sub-counties to broaden the revenue base. Mobile and seasonal traders should be formalised through simplified licensing and flexible payment arrangements. Regular compliance audits and structured follow-up mechanisms should be institutionalised to sustain compliance gains over time.

9.3 Long-Term Structural Reforms (Beyond 3 Years)

Long-term reforms aim to establish a robust, sustainable, and predictable Own Source Revenue (OSR) framework that supports Mandera County's long-term development objectives, fiscal autonomy, and service delivery sustainability.

i. Property Rates System Reform

The County should complete countywide valuation and revaluation exercises to establish an accurate and up-to-date property rates base. GIS-based property mapping should be fully

operationalised and linked to billing, collection, and enforcement systems to enhance coverage and compliance. Regular valuation cycles and automated compliance monitoring mechanisms should be institutionalised to ensure the property rates system remains current and responsive to economic changes.

ii. Advanced Revenue Analytics and Forecasting

Revenue potential assessments, tax gap analysis, and forecasting models should be institutionalised to support evidence-based revenue planning. Data analytics should be systematically applied to inform tariff reviews, enforcement targeting, and broader policy decisions. OSR forecasting should be fully integrated into the County's Medium-Term Fiscal Framework to strengthen fiscal planning and budget credibility.

iii. Governance and Accountability Strengthening

Transparent revenue reporting and public disclosure mechanisms should be institutionalised to enhance accountability and public trust. Internal audit, risk management, and anti-leakage controls should be strengthened to safeguard revenue integrity. Performance-based accountability frameworks should be introduced to link revenue administration outcomes with institutional and individual performance.

iv. Intergovernmental and Cross-Sector Collaboration

The County should strengthen collaboration with national agencies responsible for land administration, valuation, and natural resource management to improve data sharing and regulatory alignment. Inter-county coordination mechanisms should be explored for shared revenue streams and joint enforcement initiatives, particularly where economic activities and value chains cut across county boundaries.

10.0 IMPLEMENTATION ROADMAP

The success of Mandera County's Own Source Revenue (OSR) enhancement strategy depends on a well-coordinated and phased implementation approach. This roadmap provides a clear framework for translating the short-term, medium-term, and long-term reforms into concrete actions, assigning responsibility, and establishing timelines and expected outcomes. Table 10.1 shows the implementation Roadmap.

Table 10.1: Implementation Roadmap

Action	OSR Stream	Responsible Entity	Timeline	Expected Outcome
Develop and adopt a Tariff and Pricing Policy	All revenue streams	Finance Department / County Treasury	0–12 months	Coherent framework for setting, reviewing, and adjusting fees; improved compliance and predictability
Review and rationalise fees in County Finance Act	All revenue streams	Finance Department / Legal Unit	0–12 months	Elimination of inconsistencies and ambiguities; strengthened legal enforceability
Rapid registration and enumeration of traders, businesses, health establishments, transport operators	Market fees, public health fees, Transport fees	Revenue Department / Sub-County Revenue Offices	0–12 months	Expanded revenue base; accurate and up-to-date revenue registers
Clean and update existing revenue registers; introduce temporary identifiers	Market fees, public health fees, Transport fees	Revenue Department / IT Unit	0–12 months	Reduced duplication; improved payer traceability and compliance monitoring
Expand electronic payment platforms and enforce mandatory e-receipting	Market fees, Parking fees, public health fees	Revenue Department / IT Unit	0–12 months	Minimise leakages; increased accountability and transparency

Action	OSR Stream	Responsible Entity	Timeline	Expected Outcome
Conduct targeted enforcement campaigns in priority markets and urban centres	Market fees, Parking fees, public health fees	Revenue Enforcement Unit / Sector Departments	0–12 months	Improved compliance; signaling of revenue administration commitment
Stakeholder engagement and sensitisation forums	All revenue streams	Revenue Department / Public Relations	0–12 months	Increased awareness; enhanced voluntary compliance; reduced disputes
Enact County Rating Act aligned to National Rating Act, 2024	Property rates	County Assembly / Legal Unit	1–3 years	Clear legal basis for property rates; improved enforcement and predictability
Develop standalone regulations for specific high-yield streams	Natural resource transport fees, Physical planning fees, public health charges	Finance Department / Legal Unit	1–3 years	Regulatory clarity; improved enforcement and compliance
Integrate CRMS with GIS, LIMS, health and licensing systems	All revenue streams	IT Unit / Revenue Department	1–3 years	Real-time revenue tracking; reduced administrative errors; better decision-making
Automated billing, invoicing, and compliance tracking	Market fees, Property rates, Health fees	IT Unit / Revenue Department	1–3 years	Reduced leakages; improved efficiency and monitoring
Develop real-time dashboards for revenue performance	All revenue streams	IT Unit / Revenue Department	1–3 years	Evidence-based management decisions; timely interventions
Capacity building in valuation, GIS,	Property rates, Planning	HR / Training Department	1–3 years	Skilled personnel; enhanced technical

Action	OSR Stream	Responsible Entity	Timeline	Expected Outcome
planning, and revenue analytics	fees, Other key streams			capacity; improved revenue management
Equip enforcement units with tools and technology	All high-risk streams	Enforcement Unit / Revenue Department	1–3 years	Increased operational coverage and efficiency
Extend registration and enforcement to peri-urban areas	Market fees, Transport fees	Revenue Department / Sub-County Offices	1–3 years	Broadened revenue base; increased compliance
Formalise mobile and seasonal traders	Market fees	Revenue Department / Sub-County Offices	1–3 years	Increased registration; higher compliance and predictability
Complete countywide property valuation and revaluation	Property rates	Valuation Department / Revenue Department	Beyond 3 years	Accurate property database; improved revenue potential
Operationalise GIS-based property mapping linked to billing and enforcement	Property rates	IT Unit / Revenue Department	Beyond 3 years	Enhanced coverage; automated compliance monitoring
Institutionalise revenue analytics, gap analysis, and forecasting	All revenue streams	Revenue Department / Finance Department	Beyond 3 years	Evidence-based planning; informed tariff and enforcement decisions
Integrate OSR forecasting into MTEF	All revenue streams	Finance Department / County Treasury	Beyond 3 years	Improved fiscal planning; predictable revenue projections

Action	OSR Stream	Responsible Entity	Timeline	Expected Outcome
Strengthen governance, internal audit, and anti-leakage controls	All revenue streams	Internal Audit / Revenue Department	Beyond 3 years	Enhanced accountability; reduced revenue leakages
Establish performance-based accountability frameworks	All revenue streams	Revenue Department / HR	Beyond 3 years	Clear performance targets; improved institutional efficiency
Strengthen intergovernmental and cross-sector collaboration	Land, Natural resources, Shared revenue streams	Revenue Department / Sector Departments	Beyond 3 years	Improved data sharing, coordination, and joint enforcement initiatives

11.0 CONCLUSION

The OSR mapping exercise and analysis reveal that Mandera County possesses significant untapped revenue potential across multiple streams, including property rates, market fees, public health service fees, natural resource transport fees, and single business permits. However, the County currently lacks some critical legal and policy instruments, including a Tariff and Pricing Policy and several primary laws, which constrains the full realisation of revenue potential.

11.1 Overall OSR Readiness

While administrative structures, operational revenue registers, and some digital systems exist, the absence of comprehensive legal frameworks and operational guidelines limits enforceability, standardisation, and predictability of revenue collection. Mandera County is therefore partially OSR-ready, with foundational systems in place but requiring urgent legal, regulatory, and policy reforms to fully unlock revenue mobilisation.

11.2 Priority Reform Sequencing

The OSR mapping highlights the need for carefully sequenced reforms that balance immediate gains with long-term structural improvements:

- Short-term priorities (0–12 months) include developing a Tariff and Pricing Policy, County Rating Act, reviewing and rationalising fees, updating revenue registers, digitising payment and receipting processes, and conducting targeted compliance campaigns. These interventions aim to improve revenue collection, enhance compliance, and build public confidence.
- Medium-term priorities (1–3 years) focus on strengthening institutional capacity, improving system interoperability, and consolidating the regulatory framework, including the development and adoption of operational guidelines for high-yield revenue streams and the integration of the County Revenue Management System (CRMS) with relevant sectoral databases.
- Long-term priorities (beyond 3 years) address structural reforms to establish a sustainable, data-driven, and fully automated OSR framework. These include GIS-based property rates

systems, advanced revenue analytics and forecasting, governance enhancements, and intergovernmental coordination.

This sequencing ensures that early interventions generate visible revenue improvements, while medium- and long-term reforms build the legal, institutional, and technological foundation for predictable and sustainable revenue mobilisation.

11.3 Fiscal Sustainability Outlook

The implementation of the OSR enhancement strategy will enable Mandera County to increase revenue predictability, reduce leakages, and strengthen fiscal autonomy. Legal and policy reforms, integrated systems, accurate valuation, and structured compliance mechanisms will allow the County to sustainably fund development priorities and reduce reliance on national transfers.

Expected benefits include:

- Improved fiscal resilience through a more diversified and reliable revenue base.
- Enhanced accountability and transparency, supported by clear legal, policy, and operational frameworks.
- Increased capacity to fund service delivery, contributing directly to socio-economic development and public trust.

In conclusion, Mandera County currently faces gaps in legal, policy, and administrative frameworks that limit full revenue mobilisation. By implementing targeted reforms, strengthening systems, and building compliance capacity, the County can unlock its OSR potential, improve fiscal sustainability, and support long-term socio-economic development.

APPENDICES

Appendix 1: Stream-Level Mapped Data

Department / Municipality	Revenue Source/Stream	Mandera East	Mandera North	Mandera South	Kotulo	Mandera West	Banisa	Lafey	Total Per Stream
		No. of Units Per Stream Per Sub-County							
Agriculture, Livestock & Fisheries	Livestock Markets Auction		2	1		1	2	1	7
	Livestock Movement		1	2	1	2	2	1	9
	Slaughter fees and Charges		2	2		1	1	1	7
	Produce Cess		2	4			1	0	7
	Agriculture Mechanization/Hire of Equipment	1						1	2
	Sub-Total	1	7	6	1	4	6	4	32
Finance and Economic Planning	Miraa Movements				1				1
	Barriers		4	2	3	3	3	3	18
	Tender Fees	1							1
	Sub-Total	1	4	2	4	3	3	3	20

Department / Municipality	Revenue Source/Stream	Mandera East	Mandera North	Mandera South	Kotulo	Mandera West	Banisa	Lafey	Total Per Stream
		No. of Units Per Stream Per Sub-County							
Water, Energy, Environment and Climate Change	Income from Quarries	1		3			1		5
	Income from Water Management		34	30	12	4	7	16	103
	Sub-Total	1	34	33	12	4	8	16	108
Health Services	FIF/SHA								
	Level 5	1	0	0	0	0	0	0	1
	Level 4	0	1	1	1	1	1	1	6
	Level 2/3	19	17	18	8	21	17	10	110
	Sub-Total	20	18	19	9	22	18	11	117
Land and Urban Development	Land rent	1	1	1	1	1	2	1	8
	Plot Transfers/Sub-Divisions/Application Fees	1	1	1	1	1	2	1	8
	Building plan	1	1	1	1	1	2	1	8
	Rental income	17	9	6	2	5	5		44
	Sub-Total	20	12	9	5	8	11	3	68

Department / Municipality	Revenue Source/Stream	Mandera East	Mandera North	Mandera South	Kotulo	Mandera West	Banisa	Lafey	Total Per Stream
		No. of Units Per Stream Per Sub-County							
Mandera Municipality	Barriers/Parking fee	7							7
	Market Stalls/Shades	947							947
	Market Gates/Cess	4							4
	Single Business Permit	3200							3200
	Public Health	2342							2342
	Fire Service Fees	2242							2242
	Livestock Markets Auction	1							1
	Livestock Movement	1							1
	Slaughter fees and Charges	1							1
	Sub-Total	8745	0	0	0	0	0	0	8745
Elwak Municipality	Barriers/parking fees			4					4
	Market Rentals			316					316
	Single Business Permit			786					786

Department / Municipality	Revenue Source/Stream	Mandera East	Mandera North	Mandera South	Kotulo	Mandera West	Banisa	Lafey	Total Per Steam
		No. of Units Per Stream Per Sub-County							
	Development Control			1					1
	Fire Service Fees			0					0
	Slaughter fees and Charges			1					1
	Livestock Movement			2					2
	Livestock Markets Auction			1					1
	Public Health			104					104
	Sub-Total	0	0	1215	0	0	0	0	1215
Trade and Cooperative Development	Single Business Permit	7	106	65	39	371	285	183	1056
	Markets stalls/Shades	0	203	32	50	32	95	61	473
	Market Gates/Cess	0	1	0	1	1	1	1	5
	Sub-Total	7	310	97	90	404	381	245	1534
	Grand Total	8797	355	1356	113	444	424	269	11761

Appendix 2: Mapped Health Facilities and Revenue Sources

Sub-County	Health Facility	No. of Facilities / Units	Revenue Source
Mandera East / Arabia	Level 5 Hospital	1	Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals		
	Level 3 Hospitals	7	
	Level 2 Hospitals	12	
Mandera North	Level 5 Hospital		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals	1	
	Level 3 Hospitals	5	
	Level 2 Hospitals	12	
Mandera South	Level 5 Hospitals		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals	1	
	Level 3 Hospitals	4	
	Level 2 Hospitals	15	
Mandera West	Level 5 Hospital		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals	1	
	Level 3 Hospitals	5	

Sub-County	Health Facility	No. of Facilities / Units	Revenue Source
	Level 2 Hospitals	16	
Banisa/Kiliweheri	Level 5 Hospital		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals		
	Level 3 Hospitals	6	
	Level 2 Hospitals	11	
Lafey	Level 5 Hospital		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals	1	
	Level 3 Hospitals	4	
	Level 2 Hospitals	6	
Kutulo	Level 5 Hospital		Public Health Fees / Permits, Laboratory Services, Diagnostic services, Insurance Claims and Ambulance / Referral Fees
	Level 4 Hospitals	1	
	Level 3 Hospitals	3	
	Level 2 Hospitals	5	

Appendix 3: Businesses Mapping and Projected Revenue in Mandera County

SECTOR		SUB-COUNTIES								
		ARABIA, LIBEHIA, ARESA & QUMBISO			MANDERA NORTH			MANDERA SOUTH		
No.	Mapping	No.	Charges	Revenue Projection	No.	Charges	Revenue Projection	No.	Charges	Revenue Projection
1	Health clinics/pharmacies /laboratories	3	5000	15000	12	5000	60,000	5	5000	25000
2	nursing homes	4	20000	80000	13	20000	260,000	7	20000	140000
3	Fuel Stations	0	9,000	0	2	9,000	18,000	0	9,000	0
4	Wholesalers	1	5,000	5000	15	5,000	75,000	11	5,000	55000
5	Medium shops with Mpesa	6	3500	21000	12	4000	48,000	7	3500	24500
6	Medium shops with no Mpesa	20	2500	50000	60	2500	150,000	24	2500	60000
7	Small retailer traders	85	2000	170000	245	2000	490,000	95	2000	190000
11	Accommodation and catering (big lodges and hotels)	0	15,000	0	12	15,000	180,000	3	15,000	45000
12	Accommodation and catering (OTHERS)	1	3000	3000	16	3000	48,000	8	3000	24000
13	Cereal store	0	2000	0	5	2000	10,000	4	2000	8000
8	Water boozers	5	3000	15000	7	3000	21,000	2	3000	6000
9	Tippers	2	3000	6000	8	3000	24,000	2	3000	6000
10	Private wells/private water points	0	3000	0	2	3000	6,000	3	3000	9000
11	Miraa shades	12	1,000	12000	34	1,000	34,000	7	1,000	7000
12	Butcheries	4	2000	8000	23	2000	46,000	5	2000	10000
13	Large Clothing traders	0	6000	0	2	6000	12,000	0	6000	0

14	Medium clothing traders	0	4000	0	8	4000	32,000	1	4000	4000
15	Small clothing traders	25	1500	37500	46	1500	69,000	32	1500	48000
16	Mali mali	0	2000	0	10	2000	20,000	1	2000	2000
17	Medium electronics	0	4,000	8000	6	4,000	24,000	1	4,000	4000
18	Small electronic shops	2	3000		6	3000	18,000	6	3000	18000
19	Car garages	1	3000	3000	5	3000	15,000	3	3000	9000
20	motorbike spare parts shops	0	3,000	0	7	3,000	21,000	2	3,000	6000
21	Rehabilitation centres	0	10000	0	0	10000	0	0	10000	0
22	Informal traders	160	400	64000	215	400	86,000	109	400	43600
23	Car wash (indicate how many uses pressure and how many are manual)	1	2,500	2500	8	2,500	20,000	1	2,500	2500
24	Safaricom dealers	0	0	0	0	0	0	0	0	0
25	Mpesa agents	7	5000	35000	9	5000	45,000	6	5000	30000
26	Poultry farmers	0	0	0	0	0	0	0	0	0
27	Quarry sites	4	8,000	32000	2	10,000	20,000	4	8,000	32000
28	Sand harvesting entities	0	8,000	0	7	10,000	70,000	0	8,000	0
29	Dhobis	0	1000	0	8	1000	8,000	5	1000	5000
30	Private school (primary)	0	5,000	0	4	5,000	20,000	0	5,000	0
31	Cyber cafes	1	3000	3000	4	3000	12,000	6	3000	18000
32	Hardware with welding	2	6000	12000	7	6000	42,000	6	6000	36000
	TOTAL	346		582000	820		2,004,000	366		867,600

SECTOR		SUB-COUNTIES											
No.	Mapping	MANDERA WEST			KUTULO			LAFEY			BANISSA		
		No.	Charges	Revenue Projection	No.	Charges	Revenue Projection	No.	Charges	Revenue Projection	No.	Charges	Revenue Projection
1	Health clinics/pharmacies /laboratories	13	5000	65000	6	5000	30000	8	5000	40000	16	5000	80000
2	nursing homes	4	20000	80000	2	20000	40000	8	20000	160000	12	20000	240000
3	Fuel Stations	2	9,000	18000	0	9,000	0	2	9,000	18000	1	9,000	9000
4	Wholesalers	15	5,000	75000	6	5,000	30000	4	5,000	20000	18	5,000	90000
5	Medium shops with Mpesa	11	4000	44000	10	3500	35000	3	4000	12000	10	4000	40000
6	Medium shops with no Mpesa	42	2500	105000	19	2500	47500	44	2500	110000	36	2500	90000
7	Small retailer traders	275	2000	550000	67	2000	134000	125	2000	250000	267	2000	534000
11	Accommodation and catering (big lodges and hotels)	2	15,000	30000	2	15,000	30000	3	15,000	45000	7	15,000	105000
12	Accommodation and catering (OTHERS)	11	3000	33000	8	3000	24000	5	3000	15000	2	3000	6000
13	Cereal store	1	2000	2000	0	2000	0	5	2000	10000	3	2000	6000
8	Water boozers	18	3000	54000	4	3000	12000	4	3000	12000	7	3000	21000
9	Tippers	8	3000	24000	3	3000	9000	3	3000	9000	5	3000	15000
10	Private wells/private water points	10	3000	30000	0	3000	0	0	3000	0	0	3000	0
11	Miraa shades	14	1,000	14000	23	1,000	23000	10	1,000	10000	18	1,000	18000

12	Butcheries	9	2000	18000	6	2000	12000	7	2000	14000	16	2000	32000
13	Large Clothing traders	2	6000	12000	0	6000	0	0	6000	0	3	6000	18000
14	Medium clothing traders	6	4000	24000	8	4000	32000	4	4000	16000	9	4000	36000
15	Small clothing traders	48	1500	72000	24	1500	36000	27	1500	40500	37	1500	55500
16	Mali mali	4	2000	8000	0	2000	0	0	2000	0	4	2000	8000
17	Medium electronics	3	4,000	12000	0	4,000	0	2	4,000	8000	5	4,000	20000
18	Small electronic shops	8	3000	24000	4	3000	12000	6	3000	18000	9	3000	27000
19	Car garages	4	3000	12000	3	3000	9000	2	3000	6000	4	3000	12000
20	motorbike spare parts shops	12	3,000	36000	4	3,000	12000	2	3,000	6000	7	3,000	21000
21	Rehabilitation centres	0	10000	0	0	10000	0	0	10000	0	0	10000	0
22	Informal traders	190	400	76000	74	400	29600	86	400	34400	168	400	67200
23	Car wash (indicate how many uses pressure and how many are manual)	2	2,500	5000	2	2,500	5000	3	2,500	7500	4	2,500	10000
24	Safaricom dealers	2	10000	20000	0	0	0	0	0	0	0	0	0
25	Mpesa agents	13	5000	65000	4	5000	20000	4	5000	20000	15	5000	75000
26	Poultry farmers	2	10000	20000	0	0	0	0	0	0	1	10000	10000
27	Quarry sites	3	10,000	30000	0	8,000	0	2	10,000	20000	5	10,000	50000
28	Sand harvesting entities	5	10,000	50000	0	8,000	0	2	10,000	20000	0	10,000	0
29	Dhobis	3	1000	3000	3	1000	3000	2	1000	2000	3	1000	3000

30	Private school (primary)	3	5,000	15000	0	5,000	0	0	5,000	0	3	5,000	15000
31	Cyber cafes	5	3000	15000	5	3000	15000	1	3000	3000	6	3000	18000
32	Hardware with welding	6	6000	36000	5	6000	30000	2	6000	12000	10	6000	60000
TOTAL		756		1,677,000	292		630100	376		938400	711		1791700

Appendix 4: Technical Committee for Development of the Mandera County OSR Mapping Report

No.	Name	Designation
1.	CPA Ibrahim M. Adan, OGW	CECM Finance and Economic Planning
2.	Mr. Kassim Yussuf Hassan	CCO Revenue Services
3.	Mr. Muad Mohamud Khalif	CCO Trade and Cooperative Development
4.	Mr. Ahmed Abdullahi Adan	CCO Water Services
5.	Mr. Ibrahim Mohamed Ali	CCO Medical Services
6.	Mr. Abdifatah Ibrahim Ogle	CCO Land and Urban Development
7.	Mr. Mohamed Adan Issack	CCO Livestock
8.	Mr. Abdi Ibrahim Abdulla	Director of Economic Planning
9.	Mr. Abdirizack Hassan Ibrahim	Director of Revenue Services
10.	Mr. Hassan Ali Ibrahim	Director, CHS/Public Health
11.	Mr. Shueb Suleiman Issak	Director of Budget
12.	Mr. Hussein Edin Issack	Deputy Director Accounting Services
13.	Mr. Bishar Mohamed Adan	Director Trade
14.	Mr. Maurice Omimo	Deputy Director Physical Planning
15.	Mr. Matker Noor	Municipal Manager Mandera Municipality
16.	Mr. Abdi Hussein Kahiye	Municipal Manager, Elwak Municipality



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