

**REPUBLIC OF KENYA**



**MANDERA COUNTY GOVERNMENT**

**COUNTY TREASURY**

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**BUDGET IMPLEMENTATION STATUS REPORT**

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**FIRST QUARTER REPORT  
FY 2024/2025**

**OCTOBER, 2024**

## **County mission and vision**

### **Vision**

To be a regionally competitive and self- reliant county

### **Mission**

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

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## **Foreword**

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

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

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

The budget implementation was slow and recorded a similar performance in comparison with the first quarter of FY 2023/2024 though a slight improved performance was recorded on development programmes in this quarter. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of delay in budget approval and delayed disbursement of the equitable share by the National Treasury. We expect the above challenges to be addressed and the budget implementation to be smooth in the second quarter of the FY 2024/2025.

I urge the departments to move with speed in putting up mechanisms to accelerate the implementation of programmes especially for development projects.

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



**Ibrahim M. Adan**

**CECM - Finance and Economic Planning**

## **1.0 Introduction**

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

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

Compiled by the Mandera County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 30<sup>th</sup> September 2024 for internal consumption and performance appraisal purposes. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed, with the oversight mandate on utilization of public funds.

### **1.1 Fiscal Outlook**

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

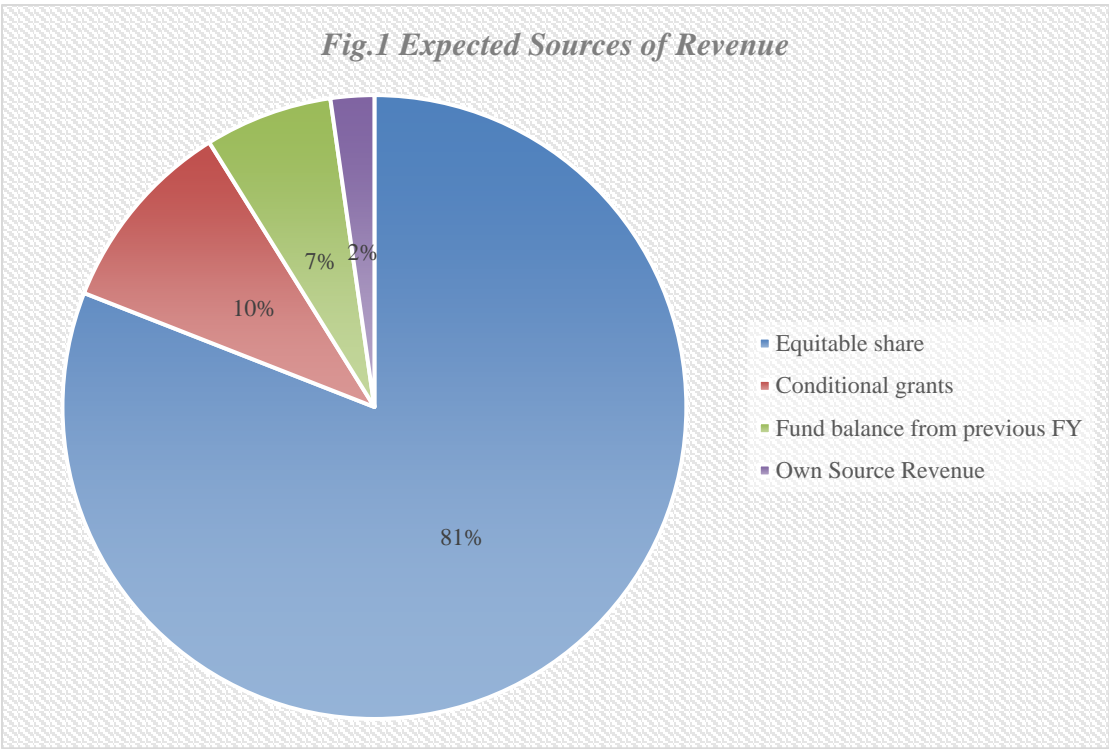
## **2.0 Financial Analysis of County Budget Implementation**

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

2.1 Budget Components

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

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



Source: County Treasury, Mandera County Government

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

Table 1: Budget Components

The table summarizes county revenues for FY 2024/2025 budget

Revenue summary By Sources	Amount (Kshs)
----------------------------	---------------

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

*Source: County Treasury, Mandera County Government*

## 2.2 Revenue Performance Analysis

During the first three months of the FY 2024/2025, the County received Kshs. 988,821,290 as equitable share of revenue raised nationally and raised Kshs. 42,681,784 from own source revenue.

## 2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 336,533,846 from local sources during the FY 2024/2025. The actual achievement in the first three months of the FY 2024/2025 was Kshs. 42,681,784 which translates to 13% of the targeted collection.



**Table 2: Total Local Revenue Collections for the First Quarter of FY 2024/2025**

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

Revenue Sources	Annual Target FY 2024/2025	Total collections – Quarter one
Land rents	71,055,477	6,857,804
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	4,829,240
Building plan	4,507,780	59,500
Miraa Movements	25,746,994	1,498,100
Single Business Permit	35,232,729	2,123,540
Markets stalls/Shades	17,948,637	2,073,880
Market Gates/Cess	2,314,519	226,400
Buspark/Taxis/Parking	3,069,313	1,035,850
Income from Quarries	2,184,181	320,300
Barriers	10,601,096	2,816,380
Livestock Markets Auction	6,984,555	1,559,940
Livestock Movement	12,416,647	4,036,400
Slaughter fees and Charges	13,924,152	1,151,840
Produce Cess	3,872,038	1,645,050
Agriculture Mechanization/Hire of Equipment	1,850,193	94,000
Rental income	1,421,293	182,600
Tender Fees	4,503,226	516,920
Public Health	6,138,958	98,300
Hospital collection	51,785,008	7,756,440
Income from Water Management	8,386,281	3,799,300
<b>Grand Total</b>	<b>336,533,846</b>	<b>42,681,784</b>

Source: Department of revenue services, Mandera County Government

**Table 3: Monthly OSR Performance per Stream**

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

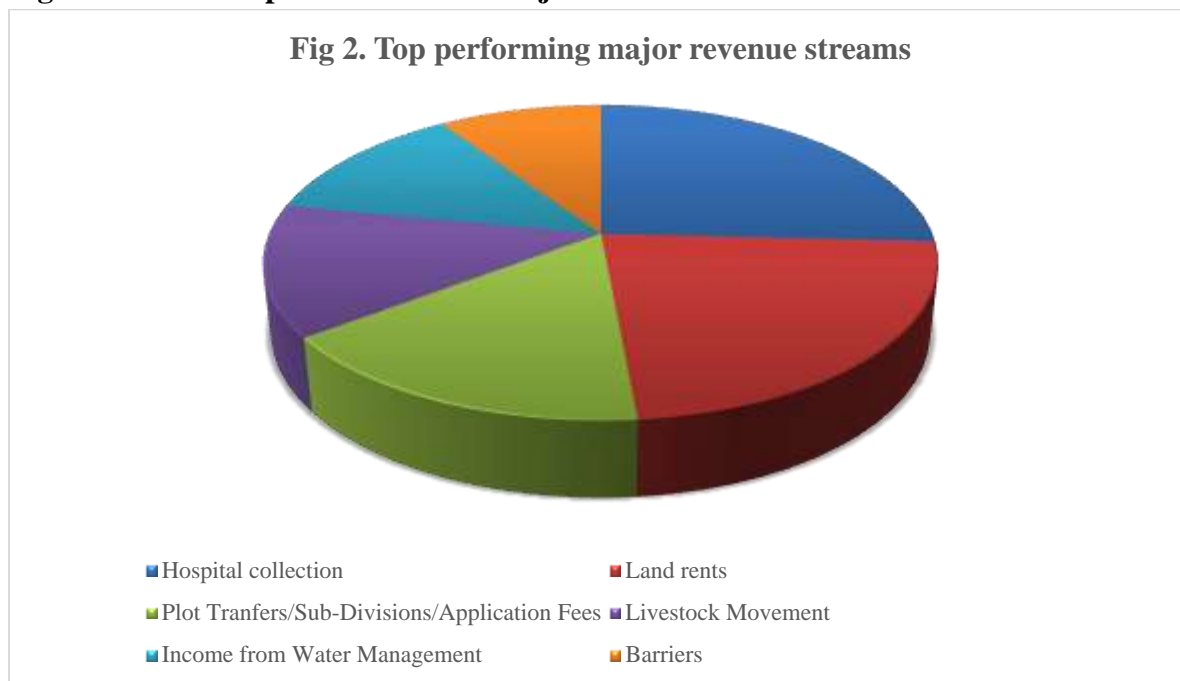
FIRST QUARTER OWN SOURCE REVENUE COLLECTION FY 2024/2025						
Revenue Sources	Actual Total Q1 2023/24	Approved Target (Kshs.)	July	August	September	Total
Land rents	7,933,050	71,055,477	3,140,360	2,299,100	1,418,344	6,857,804

Plot Tranfers/Sub-Divisions/Applica tion Fees	4,791,086	52,590,771	1,888,300	1,610,940	1,330,000	<b>4,829,240</b>
Building plan	-	4,507,780	-	59,500	-	<b>59,500</b>
Miraa Movements	1,747,100	25,746,994	481,200	526,600	490,300	<b>1,498,100</b>
Single Business Permit	434,500	35,232,729	719,240	629,800	774,500	<b>2,123,540</b>
Market Stalls/ Shades	1,595,310	17,948,637	548,000	720,440	805,440	<b>2,073,880</b>
Market Gates/Cess	112,600	2,314,519	58,500	78,900	89,000	<b>226,400</b>
Buspark/Taxis/Pa rking	417,450	3,069,313	245,200	267,210	523,440	<b>1,035,850</b>
Income from Quarries	322,900	2,184,181	84,600	112,500	123,200	<b>320,300</b>
Barriers	3,486,848	10,601,096	794,900	1,008,840	1,012,640	<b>2,816,380</b>
Livestock Markets Auction	1,403,950	6,984,555	397,000	454,100	708,840	<b>1,559,940</b>
Livestock Movement	1,414,800	12,416,647	1,493,400	1,369,400	1,173,600	<b>4,036,400</b>
Slaughter fees and Charges	1,186,700	13,924,152	347,400	311,500	492,940	<b>1,151,840</b>
Produce Cess	835,110	3,872,038	584,100	452,350	608,600	<b>1,645,050</b>
Agriculture Mechanization/Hi re of Equipment	60,000	1,850,193	35,000	29,000	30,000	<b>94,000</b>
Rental income	195,700	1,421,293	84,600	44,600	53,400	<b>182,600</b>
Tender Fees	-	4,503,226	516,920	-	-	<b>516,920</b>
Public Health	48,000	6,138,958	36,100	27,100	35,100	<b>98,300</b>
Hospital collection	7,827,790	51,785,008	2,629,430	2,481,980	2,645,030	<b>7,756,440</b>
Income from Water Management	395,768	8,386,281	200,230	122,000	3,477,070	<b>3,799,300</b>
<b>Grand Total</b>	<b>34,208,662</b>	<b>336,533,848</b>	<b>14,284,480</b>	<b>12,605,860</b>	<b>15,791,444</b>	<b>42,681,784</b>

*Source: Department of Revenue Serices, Mandera County Government*

During the first quarter, the highest County Own Source Revenue collection was realized in the month of September 2024 amounting to Kshs. 15,791,444 while the least collection was in the month of August 2024 amounting to Kshs. 12,605,860.

**Figure. 2 Revenue performance for major sources of revenue**



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

**Table 4: Revenue for the quarter against target for the quarter**

Revenue Sources	Target FY 2024/2025	First Quarter Target	Total collections –	Q1 Variance from Q1 Target
			Quarter one	
Land rents	71,055,477	17,763,869	6,857,804	10,906,066
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	13,147,693	4,829,240	8,318,453
Building plan	4,507,780	1,126,945	59500	1,067,445
Miraa Movements	25,746,994	6,436,749	1,498,100	4,938,649
Single Business Permit	35,232,729	8,808,182	2,123,540	6,684,642
Markets stalls/Shades	17,948,637	4,487,159	2,073,880	2,413,279
Market Gates/Cess	2,314,519	578,630	226,400	352,230
Buspark/Taxis/Parking	3,069,313	767,328	1,035,850	(268,522)
Income from Quarries	2,184,181	546,045	320,300	225,745

Barriers	10,601,096	2,650,274	2,816,380	(166,106)
Livestock Markets Auction	6,984,555	1,746,139	1,559,940	186,199
Livestock Movement	12,416,647	3,104,162	4,036,400	(932,238)
Slaughter fees and Charges	13,924,152	3,481,038	1,151,840	2,329,198
Produce Cess	3,872,038	968,010	1,645,050	(677,041)
Agriculture Mechanization/Hire of Equipment	1,850,193	462,548	94,000	368,548
Rental income	1,421,293	355,323	182,600	172,723
Tender Fees	4,503,226	1,125,807	516,920	608,887
Public Health	6,138,958	1,534,740	98,300	1,436,440
Hospital collection	51,785,008	12,946,252	7,756,440	5,189,812
Income from Water Management	8,386,281	2,096,570	3,799,300	(1,702,730)
<b>Grand Total</b>	<b>336,533,848</b>	<b>84,133,462</b>	<b>42,681,784</b>	<b>41,451,678</b>

*Source: Directorate of Revenue Services, Mandera County*

## 2.4 Explanations for the revenue performance

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

Other streams, such as hospital collections, are expected to surpass targets in the next quarter following the enactment and implementation of the Mandera County Facility Improvement Financing Act, 2023. Additional revenue enhancement efforts are also underway to reduce the negative variance.

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

## 2.5 Recommended Revenue Enhancement Strategies

- **Targeted Public Awareness and Engagement:** Educating stakeholders on their obligations and the benefits of timely payments, such as improved local services. Clear, accessible information can encourage voluntary compliance and build community support.
- **Revenue Collection Targets and Incentives:** Setting specific, achievable targets for collection agents and introducing incentives for meeting or exceeding goals, will improve motivation and accountability.

- **Policy and Regulatory Improvements:** Reviewing and streamlining regulations governing these revenue streams to eliminate complex, outdated procedures that hinder collection. Additionally, setting up penalties for non-compliance will encourage prompt payment.
- **Data-Driven Decision Making:** Collecting and analyzing data on peak times, locations, and patterns to optimize staffing, adjust rates, and ensure that collection mechanisms are tailored to specific revenue streams.
- Enforce more compliance efforts
- Improve or advance the automation system/measures
- Boosting security in collaboration with the national government

## 2.6 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs. 1,506,925,313 from the County Revenue Fund (CRF) account during the reporting period. This comprised Kshs. 229,159,652 for development programmes and Kshs. 1,277,765,661 for recurrent programmes. The recurrent exchequers released in the first three months of FY 2024/25 comprised Kshs. 1,037,589,516 released towards employee compensation and Kshs. 240,176,145 for operations and maintenance expenditure.

## 2.7 Conditional Grants

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

**Table 5: Revenue Performance by Source (July 2024- September 2024)**

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
		A	B	C=A-B	
1	Equitable share	12,054,974,660	988,821,290	11,066,153,370	8%
2	Own Source Revenue Projections	336,533,846	42,681,784	293,852,062	13%
3	On-Going Projects funds b/f from previous year	55,413,432	55,413,432	-	100%
4	Equitable share (June 2024 Allocations not received)	930,655,331	930,655,331	-	100%
5	DANIDA Grant - Primary Health Care	15,746,250	-	15,746,250	0%
6	DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	18,653,250	0%

7	DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	1,190,001	0%
8	Community Health Promoters Program	18,540,000	-	18,540,000	0%
9	Kenya Agricultural Business Development Project	10,918,919	-	10,918,919	0%
10	Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	142,013,441	0%
11	World Bank Emergency locust response Project (ELRP)	142,500,000	-	142,500,000	0%
12	Food Systems Resilience Project -(FSRP)	173,076,923	-	173,076,923	0%
13	FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	-	11,000,000	0%
14	FLOCCA County Climate Institutional Support Grant	11,000,000	-	11,000,000	0%
15	FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	286,447,747	0%
16	FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	163,686,676	-	163,686,676	0%
17	Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	250,000,000	0%
18	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	37,500,000	0%
19	Roads Maintenance Fuel Levy	192,647,255	-	192,647,255	0%
20	RMLF b/f	2,271,953	-	2,271,953	0%
21	Kenya Urban Support Project (Urban Development Grant)	1,194,559	-	1,194,559	0%
22	Kenya Urban Support Project (KUSP) – UIG	35,000,000	-	35,000,000	0%
<b>Total</b>		<b>14,890,964,243</b>	<b>2,017,571,837</b>	<b>12,873,392,406</b>	<b>14%</b>

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 42,681,784 from own revenue sources in the first three months of the FY 2024/2025. This amount represented an increase of Kshs. 8,473,121 compared to Kshs. 34,208,662 realized in the first three months of the FY 2023/2024.

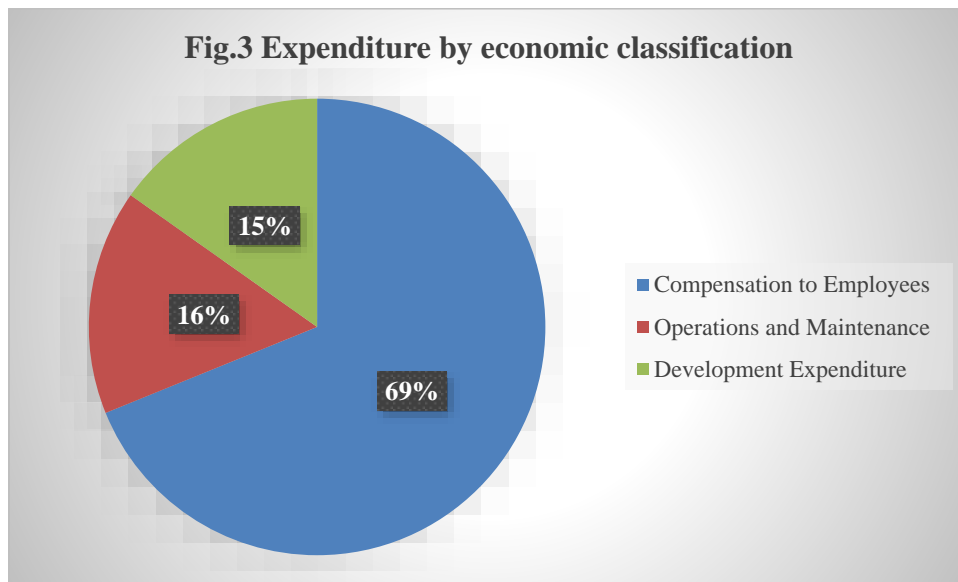
### 3.0 Overall Expenditure Analysis

The County spent Kshs. 1,506,925,313 on development and recurrent programmes in the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised of Kshs. 229,159,652 and Kshs. 1,277,765,661 on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 3.9 per cent, while recurrent expenditure represented 14.6 per cent of the annual recurrent expenditure budget.

### 3.1 Expenditure by Economic Classification

Out of the total expenditures, the expenditures on compensation to employees amounted to 69%, whereas the use of goods expenditures amounted to 16%. A total of Kshs. 229,159,652 was incurred on development expenditures during the period.

**Figure 3: Expenditure by Economic Classification**



From the analysis of the above figure, expenditures on Personnel emoluments had the highest utilization at 69% of the total expenditure incurred in the first three months of the FY 2024/2025 while expenditure on Operations and Maintenance accounted for 16% of the total expenditure and expenditure on the development vote had an absorption of 15%.

### 3.2 Budget and Budget Performance by County Departments

#### 3.2.1 Budget estimates

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

Table 6 shows the breakdown of county's budget per ministry in FY 2024/2025.

**Table 6: Resource allocation among the ministries**

Departments	Budget Estimates FY 2024/2025		
	Recurrent Expenditure	Development Expenditure	Total Departmental Allocation
Ministry of Agriculture, Livestock and Fisheries	349,348,598	644,548,752	993,897,350
Ministry of Education and Human Capital Development	1,132,276,588	271,335,104	1,403,611,692
Ministry of Social Development	113,804,960	566,687,691	680,492,651
Ministry of Finance and Economic Planning	469,808,598	16,999,408	486,808,006
Ministry of Health Services	2,165,448,332	492,081,703	2,657,530,035
Ministry of Trade and Cooperative Development	60,549,748	412,449,789	472,999,537
County Assembly	883,911,204	102,421,313	986,332,517
Ministry of Lands and Urban Development	243,588,219	577,134,640	820,722,859
Office of the Governor and Deputy Governor	501,872,333	-	501,872,333
Office of the County Secretary	196,286,068	50,000,000	246,286,068
Office of the County Attorney	84,957,458	-	84,957,458
County Public Service Board	77,217,041	12,965,500	90,182,541
Ministry of Public Service Management, Devolved Units and Community Cohesion	2,007,405,734	-	2,007,405,734
Ministry of Roads, Transport and Public Works	294,617,033	915,327,815	1,209,944,848
Ministry of Water, Energy, Environment and Climate Change	367,708,370	1,880,212,244	2,247,920,614
<b>GRAND TOTAL</b>	<b>8,948,800,284</b>	<b>5,942,163,959</b>	<b>14,890,964,243</b>

*Source: County Treasury, Mandera County Government*

The highest beneficiary of the FY 2024/2025 budget allocation was the Ministry of Health Services getting Kshs 2,657,530,035 (18 percent), Ministry of Water, Environment and Natural Resources



getting Kshs 2,247,920,614 (15 percent), Ministry of Public Service Management got Kshs. 2,007,405,734 (13 percent), Ministry of Education and Human Capital Development were allocated Kshs 1,403,611,692 (9 percent), while the Ministry of Agriculture, Livestock and Fisheries, and County Assembly got Kshs. 993,897,350 (7 percent) and Kshs. 986,332,517 (7 percent) respectively. Other departments were allocated 6 percent and below.

### 3.2.2 Departmental Expenditure Analysis (Against Annual Target)

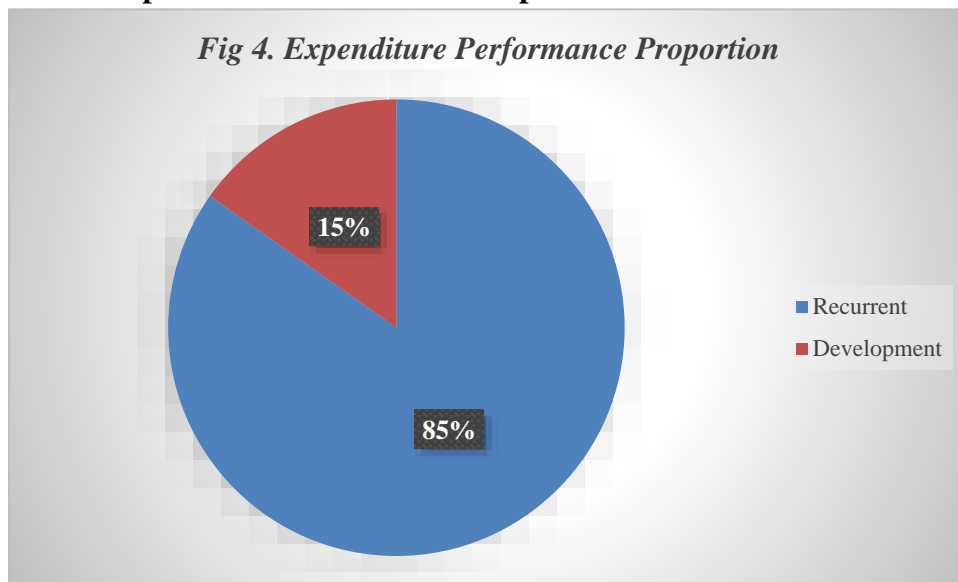
During the quarter under review, the County Government incurred an expenditure of Kshs. 1,277,765,661 on recurrent expenditure and Kshs. 229,159,652 on the development vote as tabulated below.

**Table 7: Total Expenditure Analysis**

Departments	Budgeted Amount	Recurrent Expenditure	Development Expenditure	Total Expenditure
Ministry of Agriculture, Livestock and Fisheries	993,897,350	37,344,465	50,289,652	87,634,117
Ministry of Education and Human Capital Development	1,403,611,692	263,862,951	-	263,862,951
Ministry of Social Development	680,492,651	13,152,538	-	13,152,538
Ministry of Finance and Economic Planning	486,808,006	82,410,007	-	82,410,007
Ministry of Health Services	2,657,530,035	379,773,335	-	379,773,335
Ministry of Trade and Cooperative Development	472,999,537	10,061,288	-	10,061,288
County Assembly	986,332,517	-	-	-
Ministry of Lands and Urban Development	820,722,859	31,336,786	95,000,000	126,336,786
Office of the Governor and Deputy Governor	501,872,333	79,819,376	-	79,819,376
Office of the County Secretary	246,286,068	9,000,000	-	9,000,000
Office of the County Attorney	84,957,458	500,000	-	500,000
County Public Service Board	90,182,541	14,307,134	-	14,307,134
Ministry of Public Service Management, Devolved Units and Community Cohesion	2,007,405,734	272,287,406	-	272,287,406
Ministry of Roads, Transport and Public Works	1,209,944,848	38,579,288	-	38,579,288
Ministry of Water, Energy, Environment and Climate Change	2,247,920,614	45,331,087	83,870,000	129,201,087
<b>GRAND TOTAL</b>	<b>14,890,964,243</b>	<b>1,277,765,661</b>	<b>229,159,652</b>	<b>1,506,925,313</b>

*Source: County Treasury, Mandera County Government*

### 3.2.2.1 Expenditure Performance Proportion



Source: Mandera County Treasury

### 3.2.2.2 Development expenditure performance by departments

An expenditure amounting to Kshs. 229,159,652 representing 4% of the development budget was incurred on the development vote during the quarter under review. The Ministry of Lands and Urban Development recorded the highest overall absorption rate at 16% followed by the Ministry of Agriculture, Livestock and Fisheries, and the Ministry of Water, Environment and Climate Change at 8% and 4% respectively.

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

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

The table 8 analyses recurrent expenditure performance by ministries.

**Table 8: Development Expenditure Analysis**

Departments	Budgeted Amount	Development Expenditure	Perntage of performance
Ministry of Agriculture, Livestock and Fisheries	644,548,752	50,289,652	8%
Ministry of Education and Human Capital Development	271,335,104	-	0%
Ministry of Social Development	566,687,691	-	0%

Ministry of Finance and Economic Planning	16,999,408	-	0%
Ministry of Health Services	492,081,703	-	0%
Ministry of Trade and Cooperative Development	412,449,789	-	0%
County Assembly	102,421,313	-	0%
Ministry of Lands and Urban Development	577,134,640	95,000,000	16%
Office of the County Secretary	50,000,000	-	0%
County Public Service Board	12,965,500	-	0%
Ministry of Roads, Transport and Public Works	915,327,815	-	0%
Ministry of Water, Energy, Environment and Climate Change	1,880,212,244	83,870,000	4%
<b>GRAND TOTAL</b>	<b>5,942,163,959</b>	<b>229,159,652</b>	<b>4%</b>

*Source: County Treasury, Mandera County Government*

### 3.2.2.3 Recurrent expenditure performance by departments

The County performed well in the execution of the recurrent budget in the first quarter of the FY 2024/2025. The County had a total recurrent budget of Kshs. 8,948,800,284. An expenditure of Kshs. 1,277,765,661 representing 14% of the recurrent vote was utilized during first three months of the financial year.

The Ministry of Education and Human Capital Development recorded the highest overall absorption rate at 23% followed by the County Public Service Board at 19%. These were followed by the Ministry of Health Services and the Ministry of Finance and Economic Planning at 18% each.

Other Ministries recorded an absorption of less than 17% with the Office of the County Secretary and Office of the County Attorney the lowest spenders of recurrent budget in the first quarter at an absorption rate of 5% and 1% respectively. Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

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

The table 9 analyses recurrent expenditure performance by ministries.

**Table 9: Recurrent Expenditure Analysis**

Departments	Budgeted Amount	Recurrent Expenditure	Percentage of absorption
Ministry of Agriculture, Livestock and Fisheries	349,348,598	37,344,465	11%
Ministry of Education and Human Capital Development	1,132,276,588	263,862,951	23%
Ministry of Social Development	113,804,960	13,152,538	12%
Ministry of Finance and Economic Planning	469,808,598	82,410,007	18%
Ministry of Health Services	2,165,448,332	379,773,335	18%
Ministry of Trade and Cooperative Development	60,549,748	10,061,288	17%
County Assembly	883,911,204	-	0%
Ministry of Lands and Urban Development	243,588,219	31,336,786	13%
Office of the Governor and Deputy Governor	501,872,333	79,819,376	16%
Office of the County Secretary	196,286,068	9,000,000	5%
Office of the County Attorney	84,957,458	500,000	1%
County Public Service Board	77,217,041	14,307,134	19%
Ministry of Public Service Management, Devolved Units and Community Cohesion	2,007,405,734	272,287,406	14%
Ministry of Roads, Transport and Public Works	294,617,033	38,579,288	13%
Ministry of Water, Energy, Environment and Climate Change	367,708,370	45,331,087	12%
<b>GRAND TOTAL</b>	<b>8,948,800,284</b>	<b>1,277,765,661</b>	<b>14%</b>

Source: County Treasury, Mandera County Government

### 3.3 Budget Execution by Programmes and Sub-Programmes

Table 10 shows a summary of the budget execution by programmes and sub-programmes between July 2024 to September 2024 of FY 2024/2025.

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	183,998,598	-	30,344,465	-	16%	0%
Livestock Resources Management	Livestock Resources Management	78,250,000	105,823,301	4,500,000	-	6%	0%

and Development	and Development						
Food Security and Sustainable Agriculture	Crop Management and Development	62,900,000	427,399,967	1,500,000	50,289,652	2%	12%
Irrigation Development and Management	Irrigation Development and Management	24,200,000	111,325,484	1,000,000	-	4%	0%
	<b>Sub Total</b>	<b>349,348,598</b>	<b>644,548,752</b>	<b>37,344,465</b>	<b>50,289,652</b>	<b>29%</b>	<b>12%</b>
<b>Land and Urban Development</b>							
General Administration & Support Services	General Administration & Support Services	69,153,340	-	14,596,786	-	21%	0%
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	48,926,640	-	-	0%	0%
Physical Planning housing and urban development	Physical Planning housing and urban development	4,200,000	528,208,000	-	95,000,000	0%	18%
Solid Waste Management	Solid Waste Management	128,684,879	-	16,740,000	-	13%	0%
	<b>Sub-Total</b>	<b>243,588,219</b>	<b>577,134,640</b>	<b>31,336,786</b>	<b>95,000,000</b>	<b>34%</b>	<b>18%</b>
<b>Roads, Public Works and Transport</b>							
General Administration & Support Services	General Administration & Support Services	156,225,616	-	36,347,877	-	23%	0%
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	127,491,417	876,327,815	2,231,411	-	2%	0%
Public Works Management	Public Works Management	10,900,000	39,000,000	-	-	0%	0%
	<b>Sub-Total</b>	<b>294,617,033</b>	<b>915,327,815</b>	<b>38,579,288</b>	<b>-</b>	<b>25%</b>	<b>0%</b>
<b>Trade and Cooperative Development</b>							
General Administration and Planning	General Administration and Planning	42,749,748	-	10,061,288	-	24%	0%
Cooperative Development and Promotion	Cooperative Development and Promotion	7,400,000	15,449,789	-	-	0%	0%
Trade Development and Promotion	Trade Development and Promotion	10,400,000	397,000,000	-	-	0%	0%
	<b>Sub-Total</b>	<b>60,549,748</b>	<b>412,449,789</b>	<b>10,061,288</b>	<b>-</b>	<b>24%</b>	<b>0%</b>
<b>Health Services</b>							
General Administration and Planning	General Administration and Planning	1,525,499,284	-	359,773,335	-	24%	0%

Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	129,523,501	209,373,070	-	-	0%	0%
Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	510,425,547	282,708,633	20,000,000	-	4%	0%
	<b>Sub-Total</b>	<b>2,165,448,332</b>	<b>492,081,703</b>	<b>379,773,335</b>	<b>-</b>	<b>28%</b>	<b>0%</b>
<b>Education and Human Capital Development</b>							
General Administration and Planning	General Administration and Planning	1,009,626,588	-	262,862,951	-	26%	0%
Early Childhood Education	Early Childhood Education	102,650,000	248,285,210	1,000,000	-	1%	0%
Vocational and Technical Training Services	Vocational and Technical Training Services	15,500,000	23,049,894	-	-	0%	0%
Education Support Services	Education Support Services	4,500,000	-	-	-	0%	0%
	<b>Sub-Total</b>	<b>1,132,276,588</b>	<b>271,335,104</b>	<b>263,862,951</b>	<b>-</b>	<b>27%</b>	<b>0%</b>
<b>County Executive Services</b>							
Management of County Affairs	General Administration and Planning	501,872,333	-	79,819,376	-	16%	0%
	<b>Sub-Total</b>	<b>501,872,333</b>	<b>-</b>	<b>79,819,376</b>	<b>-</b>	<b>16%</b>	<b>0%</b>
<b>Office of the County Secretary</b>							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	196,286,068	50,000,000	9,000,000	-	5%	0%
	<b>Sub-Total</b>	<b>196,286,068</b>	<b>50,000,000</b>	<b>9,000,000</b>	<b>-</b>	<b>5%</b>	<b>0%</b>
<b>Office of the County Attorney</b>							
Legal and Public Sector Advisory Services	Legal and advisory services	84,957,458	-	500,000	-	1%	0%
	<b>Sub-Total</b>	<b>84,957,458</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>1%</b>	<b>0%</b>
<b>County Public Service Board</b>							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	77,217,041	12,965,500	14,307,134	-	19%	0%
	<b>Sub-Total</b>	<b>77,217,041</b>	<b>12,965,500</b>	<b>14,307,134</b>	<b>-</b>	<b>19%</b>	<b>0%</b>
<b>County Assembly</b>							
Legislation and Representation	Legislation and Representation	883,911,204	102,421,313	-	-	0%	0%
	<b>Sub-Total</b>	<b>883,911,204</b>	<b>102,421,313</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Finance and Economic Planning</b>							

General Administration and Planning	Administration Planning	339,915,598	-	74,410,007	-	22%	0%
Public Finance Management	Accounting Services	4,300,000	-	-	-	0%	0%
	Financial Services and Report	6,000,000	-	-	-	0%	0%
	Internal Audit Services	2,800,000	-	-	-	0%	0%
	Supply Chain Management Affairs	11,500,000	-	-	-	0%	0%
	County Asset Management system	9,700,000	-	-	-	0%	0%
Economic Planning and Statistics	County Economic Planning and Statistics	33,958,000	-	2,000,000	-	6%	0%
Revenue Collection and Enhancement	Revenue Collection and Enhancement	43,415,000	10,000,000	6,000,000	-	14%	0%
ICT and E-Government Services	ICT and E-Government Services	18,220,000	6,999,408	-	-	0%	0%
	<b>Sub-Total</b>	<b>469,808,598</b>	<b>16,999,408</b>	<b>82,410,007</b>	<b>-</b>	<b>42%</b>	<b>0%</b>
<b>County Public Service Management</b>							
General Administration and Planning	Administration Planning	1,967,005,734	-	268,687,406	-	14%	0%
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	0%	0%
Civic Education and Public Participation	Civic Education and Public Participation	4,500,000	-	-	-	0%	0%
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	0%	0%
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	35,900,000	-	3,600,000	-	10%	0%
	<b>Sub-Total</b>	<b>2,007,405,734</b>	<b>-</b>	<b>272,287,406</b>	<b>-</b>	<b>24%</b>	<b>0%</b>
<b>Social Development</b>							
General Administration and Planning	Administration Planning	47,454,960	-	10,652,538	-	22%	0%
Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	6,200,000	8,000,000	-	-	0%	0%
Youth Empowerment and Sports	Youth Empowerment and Sports	27,000,000	39,199,813	-	-	0%	0%
Culture and Gender Development promotion	Culture and Gender Development promotion	6,450,000	10,000,000	-	-	0%	0%

Disaster Preparedness and Management	Disaster Preparedness and Management	26,700,000	509,487,878	2,500,000	-	9%	0%
	<b>Sub-Total</b>	<b>113,804,960</b>	<b>566,687,691</b>	<b>13,152,538</b>	<b>-</b>	<b>32%</b>	<b>0%</b>
<b>Water , Energy, Environment and Climate Change</b>							
General Administration and Planning	Administration Planning	172,488,370	-	39,411,087	-	23%	0%
Water and Sewerage Management	Water and Sewerage Management	150,220,000	1,275,182,562	5,920,000	83,870,000	4%	7%
Energy and Natural Resources	Energy and Natural Resources	4,700,000	30,000,000	-	-	0%	0%
Environment and Climate Change	Environment and Climate Change	40,300,000	575,029,682	-	-	0%	0%
	<b>Sub-Total</b>	<b>367,708,370</b>	<b>1,880,212,244</b>	<b>45,331,087</b>	<b>83,870,000</b>	<b>27%</b>	<b>7%</b>
<b>Grand Total</b>		<b>8,948,800,284</b>	<b>5,942,163,959</b>	<b>1,277,765,661</b>	<b>229,159,652</b>	<b>14%</b>	<b>4%</b>

Source: County Treasury, Mandera County Government

The Sub-programmes with the highest levels of implementation based on absorption rates included General Administration in the Department of Education at 24 per cent and the department of Trade 23.5 per cent and in the Department of Water Services at 23 per cent per cent of budget allocation.

### 3.4 Expenditure on Employees' Compensation

The expenditure on employee compensation was Kshs. 1,037,589,516.35. This expenditure included payment of salaries for the months of May and June of the Financial Year 2023/2024 which was made in the current reporting period due to delays in disbursement of June 2024 tranche by the National Treasury.

### 3.5 Settlement of Pending Bills

The County had pending bills amounting to Kshs.2.23 billion at the end of the reporting period.

### 3.6 Some of the major development Projects to be implemented in the year

S/No.	Project Name	Location	Department
1	Proposed Rehabilitation Of Farmland At Beni Farms In Rhamu Dimtu Ward, Mandera North Sub County	Mandera North	Agriculture
2	Proposed Installation Of Irrigation Infrastructure At Yabicho A Farms Irrigation Project In Rhamu Ward, Mandera North Sub County	Mandera North	Agriculture
3	Chainlink Fencing Senior Chief Abdullah girls secondary schools	Banisa	Education
4	Construction of child friendly ECDE classrooms across all sub-counties	Countywide	Education
5	ECDE furniture, desks, tables, chairs, etc.	Countywide	Education



6	Construction of Housing Units and Twin Toilets (Orphans, Vulnerable Persons and PWDS programme)	Countywide	Social Development
7	Procurement of Dental/ ENT and Eyes equipment	Mandera East	Health Services
8	Proposed Upgrading and Improvement of Level 4 Hospitals	Countywide	Health Services
9	Proposed Construction Of Gesrebki Dispensary In Banisa Sub County	Banisa	Health Services
10	Proposed Facility Improvement at Elwak Hospital In Mandera South Sub County	Mandera South	Health Services
11	Proposed Upgrading Rhamu Hospital In Mandera North Sub County	Mandera North	Health Services
12	Proposed Upgrading Of Lafey Hospital In Lafey Sub County	Lafey	Health Services
13	Proposed Upgrading Of Kutulo Hospital In Kutulo Sub County	Kutulo	Health Services
14	Proposed Renovation And Alteration Works To Specialist Clinics At MCRH In Mandera East	Mandera East	Health Services
15	Operationalization and Improvement of all level 4 subcounty hospitals	Countywide	Health Services
16	Proposed Construction Of Renal Units at Mandera County Referral Hospital In Mandera East	Mandera East	Health Services
17	Proposed Construction Of Renal Units at Elwak Sub County Hospital In Mandera South	Mandera East	Health Services
18	Construction of Market Shade at El-danaba in Mandera West	Mandera West	Trade
19	Business Startup kits Mandera East, Mandera north, Mandera west, Banisa, Lafey, Mandera south	Countywide	Trade
20	Proposed Civil Works At Mandera County Public Service Board Office In Mandera East	Mandera East	CPSB
21	Proposed Construction of Storm Water Protection Works and Drifts	Countywide	Roads
22	Proposed Construction and Grading of Roads	Countywide	Roads
23	Proposed maintenance of Roads	Countywide	Roads
24	Grading, gravelling, and murraming of roads	Countywide	Roads
25	Construction of Proposed Water Supply Projects	Countywide	Water Services
26	Construction of medium size earth pans (60,000-200,000m3)	Countywide	Water Services
27	Proposed Construction and Expansion of Earth Pans	Countywide	Water Services
28	Construction and improvement of underground water tanks across the county	Countywide	Water Services
29	Maintenance of water supply schemes/facilities across the county	Countywide	Water Services
30	Rehabilitation of Pans, Dams	Countywide	Water Services

#### **4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD**

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

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

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

##### **Delay in approval of budget**

The County's budget was approved late and this affected implementation of the recurrent expenditure since the late disbursed June 2024 allocation that was in the CRF could not be absorbed on time.

##### **IFMIS connectivity challenges**

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

##### **High public expectation**

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

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

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

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

## **5.0 RECOMMENDATIONS**

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

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