

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF MANDERA

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**HALF-YEAR REPORT
FY 2024/2025**

JANUARY, 2025

County mission and vision

Vision

To be a regionally competitive and self- reliant county

Mission

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

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Foreword

I am pleased to present the Budget Implementation Report for the half-year 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 second report in the FY 2024/2025 and presents information on budget performance by the County departments in the period July 2024 to December 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, especially in the first three months of the financial year but recorded an improved performance in comparison with the half year of FY 2023/2024. 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 third 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 December 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 31st December 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.

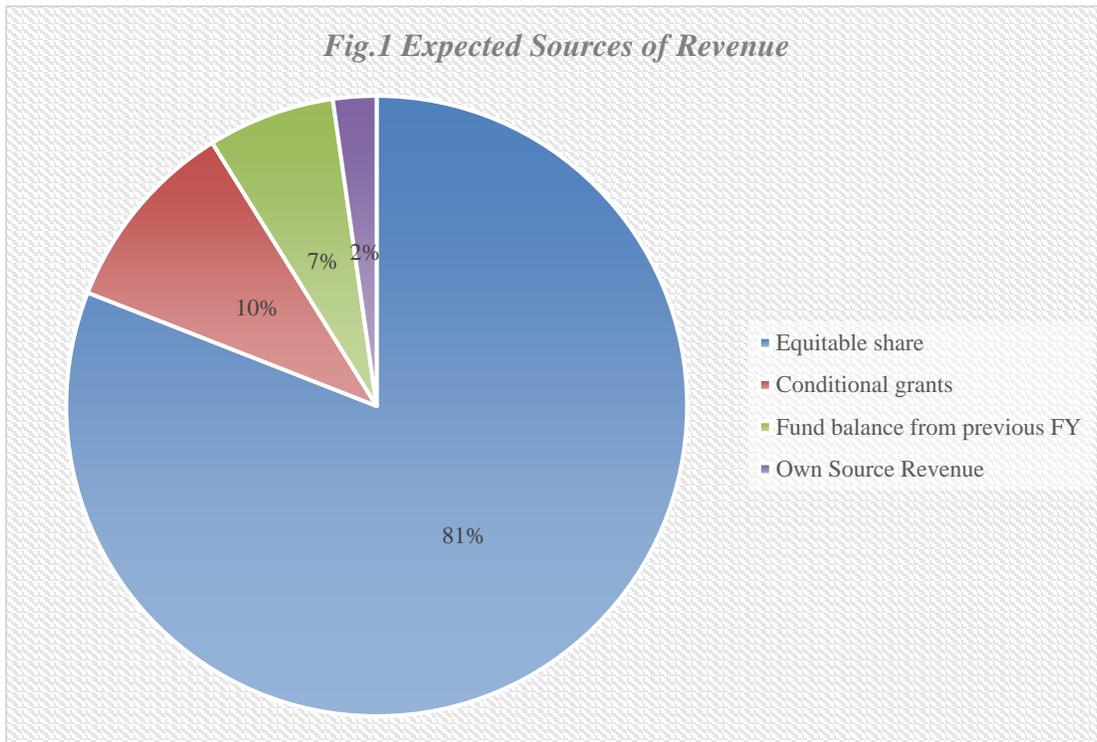
2.0 Financial Analysis of County Budget Implementation

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
TOTAL	14,890,964,243

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first six months of the FY 2024/2025, the County received Kshs. 4,851,607,041 as equitable share of revenue raised nationally and raised Kshs. 91,033,348 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 six months of the FY 2024/2025 was Kshs. 91,033,348 which translates to 27% of the targeted collection.

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

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

Revenue Sources	Target FY 2024/2025	Total collections – Quarter Two
Land rents	71,055,477	11,815,267
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	6,702,740
Building plan	4,507,780	204700
Miraa Movements	25,746,994	4,286,500
Single Business Permit	35,232,729	2,725,240
Markets stalls/Shades	17,948,637	4,442,600
Market Gates/Cess	2,314,519	413,100
Buspark/Taxis/Parking	3,069,313	383,330
Income from Quarries	2,184,181	467,700
Barriers	10,601,096	8,391,490
Livestock Markets Auction	6,984,555	3,514,790
Livestock Movement	12,416,647	6,442,350
Slaughter fees and Charges	13,924,152	2,763,490
Produce Cess	3,872,038	1,206,830
Agriculture Mechanization/Hire of Equipment	1,850,193	118,000
Rental income	1,421,293	409,400
Tender Fees	4,503,226	6458726
Fire Services	-	3000
Public Health	6,138,958	343,000
Hospital collection	51,785,008	7,756,440
Income from Water Management	8,386,281	11,981,502
Total	336,533,848	80,830,194
FIF (Mandera Health Services Improvement Financing)	-	10,203,154
AIA	-	-
Total	-	10,203,154
Grand Total	336,533,848	91,033,348

Source: Department of revenue services, Mandera County Government

Table 3: Monthly OSR Performance per Stream

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

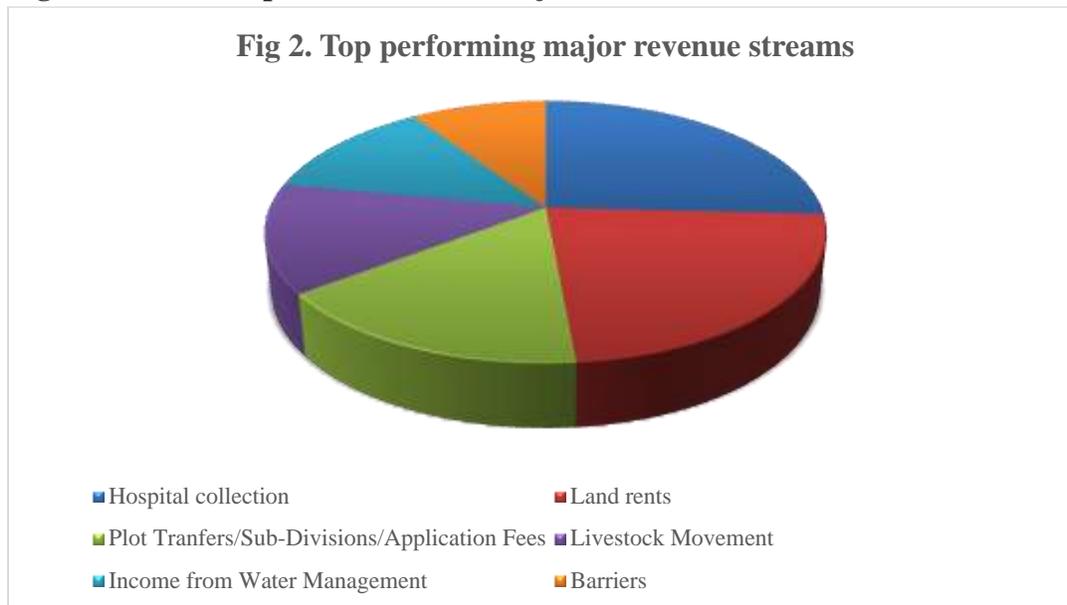
Revenue Sources	Actual Collections - Q2 2023/2024	Approved Target 2024/2025	July	August	September	October	November	December	Total
Land rents	13,118,595	71,055,477	2,680,889	2,329,708	1,387,736	1,245,000	1,039,770	3,132,164	11,815,267
Plot Transfers/Sub-Divisions/Application Fees	8,201,086	52,590,771	1,875,300	1,600,940	1,320,000	126,000	337,000	1,443,500	6,702,740
Building plan	12,000	4,507,780	-	59,500	-	96,200	45,500	3,500	204,700
Miraa Movements	2,402,700	25,746,994	481,200	526,600	490,300	843,900	979,300	965,200	4,286,500
Single Business Permit	549,900	35,232,729	719,240	629,800	774,500	113,700	121,000	367,000	2,725,240
Market Stalls/Shades	2,140,810	17,948,637	548,000	720,440	805,440	773,200	895,120	700,400	4,442,600
Market Gates/Cess	198,010	2,314,519	28,500	38,900	49,000	129,000	125,900	41,800	413,100
Buspark/Taxis/Parking	575,200	3,069,313	45,200	67,210	123,440	70,950	60,000	16,530	383,330
Income from Quarries	467,500	2,184,181	84,600	112,500	123,200	29,300	96,400	21,700	467,700
Barriers	4,464,443	10,601,096	1,254,371	1,008,840	1,012,640	2,037,253	1,298,050	1,780,336	8,391,490
Livestock Markets Auction	2,060,700	6,984,555	347,000	354,100	608,840	841,000	735,100	628,750	3,514,790
Livestock Movement	1,792,200	12,416,647	1,293,400	1,169,400	973,600	427,900	562,500	2,015,550	6,442,350
Slaughter fees and Charges	1,895,300	13,924,152	347,400	311,500	492,940	456,900	549,600	605,150	2,763,490
Produce Cess	1,037,210	3,872,038	200,100	236,350	308,600	132,800	184,380	144,600	1,206,830
Agriculture Mechanization/Hire of Equipments	96,000	1,850,193	35,000	29,000	30,000	-	9,000	15,000	118,000
Rental income	324,150	1,421,293	84,600	44,600	53,400	76,600	76,600	73,600	409,400
Tender Fees	-	4,503,226	516,920	-	-	-	2,445,430	3,496,376	6,458,726
Fire Service Fees	-	-	-	-	-	-	-	3,000	3,000
Public Health	73,200	6,138,958	36,100	27,100	35,100	111,000	67,600	66,100	343,000
Hospital collection	11,543,721	51,785,008	2,629,430	2,481,980	2,645,030	-	-	-	7,756,440
Income from Water Management	524,186	8,386,281	200,230	122,000	3,477,070	2,950,500	2,019,781	3,211,921	11,981,502
Sub Total	51,476,911	336,533,848	13,407,480	11,870,468	14,710,836	10,461,203	11,648,031	18,732,177	80,830,194

FIF (Mandera Health Services Improvement Financing)										
			-	-	-	3,799,836	3,110,312	3,293,006	10,203,154	
AIA			-	-	-	-	-	-	-	
Sub Total			-	-	-	3,799,836	3,110,312	3,293,006	10,203,154	
Grand Total	51,476,911	336,533,848	13,407,480	11,870,468	14,710,836	14,261,039	14,758,343	22,025,183	91,033,348	

Source: Department of Revenue Services, Mandera County Government

During the first quarter, the highest County Own Source Revenue collection was realized in the month of December 2024 amounting to Kshs. 20,146,433 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	Approved Target 2024/2025	Half Year Target	Half Year Actual Collected	Half Year OSR Variance
Land rents	71,055,477	35,527,738.50	11,815,266.90	23,712,471.60
Plot Tranfers/Sub-Divisions/Application Fees	52,590,771	26,295,385.50	6,702,740.00	19,592,645.50
Building plan	4,507,780	2,253,890.00	204,700.00	2,049,190.00
Miraa Movements	25,746,994	12,873,497.00	4,286,500.00	8,586,997.00
Single Business Permit	35,232,729	17,616,364.50	2,725,240.00	14,891,124.50
Market Stalls/ Shades	17,948,637	8,974,318.50	4,442,600.00	4,531,718.50
Market Gates/Cess	2,314,519	1,157,259.50	413,100.00	744,159.50
Buspark/Taxis/Parking	3,069,313	1,534,656.50	383,330.00	1,151,326.50
Income from Quarries	2,184,181	1,092,090.50	467,700.00	624,390.50
Barriers	10,601,096	5,300,548.00	8,391,490.00	(3,090,942.00)
Livestock Markets Auction	6,984,555	3,492,277.50	3,514,790.00	(22,512.50)
Livestock Movement	12,416,647	6,208,323.50	6,442,350.00	(234,026.50)
Slaughter fees and Charges	13,924,152	6,962,076.00	2,763,490.00	4,198,586.00
Produce Cess	3,872,038	1,936,019.00	1,206,830.00	729,189.00
Agriculture Mechanization/Hire of Equipments	1,850,193	925,096.50	118,000.00	807,096.50
Rental income	1,421,293	710,646.50	409,400.00	301,246.50
Tender Fees	4,503,226	2,251,613.00	6,458,726.00	(4,207,113.00)
Fire Service Fees		-	3,000.00	(3,000.00)
Public Health	6,138,958	3,069,479.00	343,000.00	2,726,479.00
Hospital collection	51,785,008	25,892,504.00	7,756,440.00	18,136,064.00
Income from Water Management	8,386,281	4,193,140.50	11,981,501.57	(7,788,361.07)
Sub Total	336,533,848	168,266,924	80,830,194	87,436,730
FIF (Mandera Health Services Improvement Financing)			10,203,154	(10,203,154)

AIA			-	-
Sub Total		-	10,203,154	(10,203,154)
Grand Total	336,533,848	168,266,924	91,033,348	77,233,576

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

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

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

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

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. 5,455,159,677 from the County Revenue Fund (CRF) account during the reporting period. This comprised Kshs. 1,860,213,520 for development programmes and Kshs. 3,624,334,361 for recurrent programmes. The recurrent exchequers released in the first six months of FY 2024/25 comprised Kshs. 2,140,009,077 released towards employee compensation and Kshs. 1,484,325,284 for operations and maintenance expenditure.

2.7 Conditional Grants

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

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

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
	B	C	D=B-C	
Equitable share	12,054,974,660	4,851,607,041	7,203,367,619	40%
Own Source Revenue Projections	336,533,846	91,033,348	245,500,498	27%
On-Going Projects funds b/f from previous year	55,413,432	55,413,432	-	100%
Equitable share (June 2024 Allocations not received)	930,655,331	930,655,331	-	100%
DANIDA Grant - Primary Health Care	15,746,250	-	15,746,250	0%
DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	18,653,250	0%
DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	1,190,001	0%
Community Health Promoters Program	18,540,000	-	18,540,000	0%
Kenya Agricultural Business Development Project	10,918,919	-	10,918,919	0%
Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	142,013,441	0%
World Bank Emergency locust response Project (ELRP)	142,500,000	-	142,500,000	0%
Food Systems Resilience Project -(FSRP)	173,076,923	-	173,076,923	0%

FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	-	11,000,000	0%
FLOCCA County Climate Institutional Support Grant	11,000,000	-	11,000,000	0%
FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	286,447,747	0%
FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	163,686,676	-	163,686,676	0%
Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	250,000,000	0%
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	37,500,000	0%
Roads Maintenance Fuel Levy	192,647,255	-	192,647,255	0%
RMLF b/f	2,271,953	-	2,271,953	0%
Kenya Urban Support Project (Urban Development Grant)	1,194,559	-	1,194,559	0%
Kenya Urban Support Project (KUSP) – UIG	35,000,000	-	35,000,000	0%
Total	14,890,964,243	5,928,709,152	8,962,255,091	40%

Source: County Treasury, Mandera County Government

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

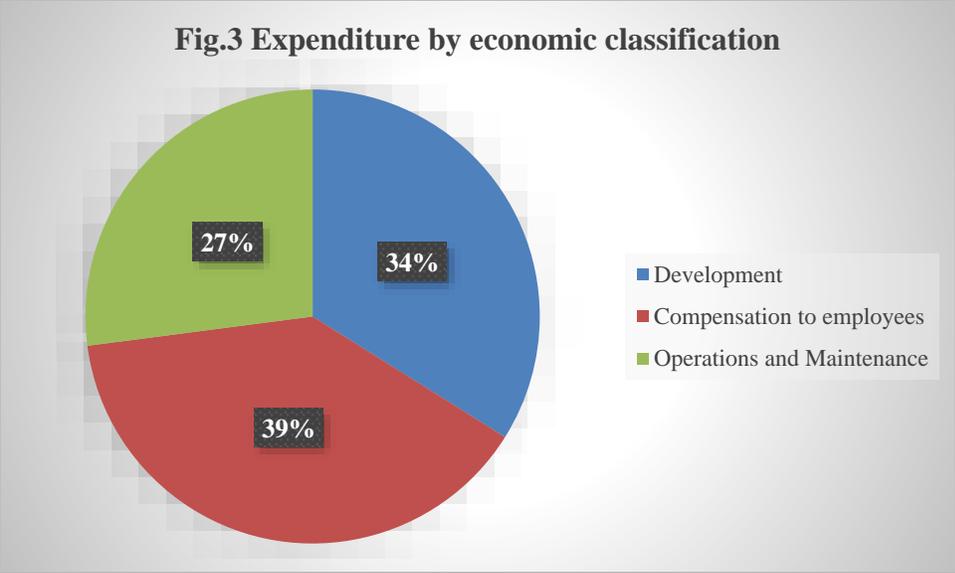
3.0 Overall Expenditure Analysis

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

3.1 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. 11,830,825,315 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 39% of the total expenditure incurred in the first six months of the FY 2024/2025 while expenditure on Operations and Maintenance accounted for 27 % of the total expenditure and expenditure on the development vote had an absorption of 34%.

3.2 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
GRAND TOTAL	8,948,800,284	5,942,163,959	14,890,964,243

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 Capacital 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)

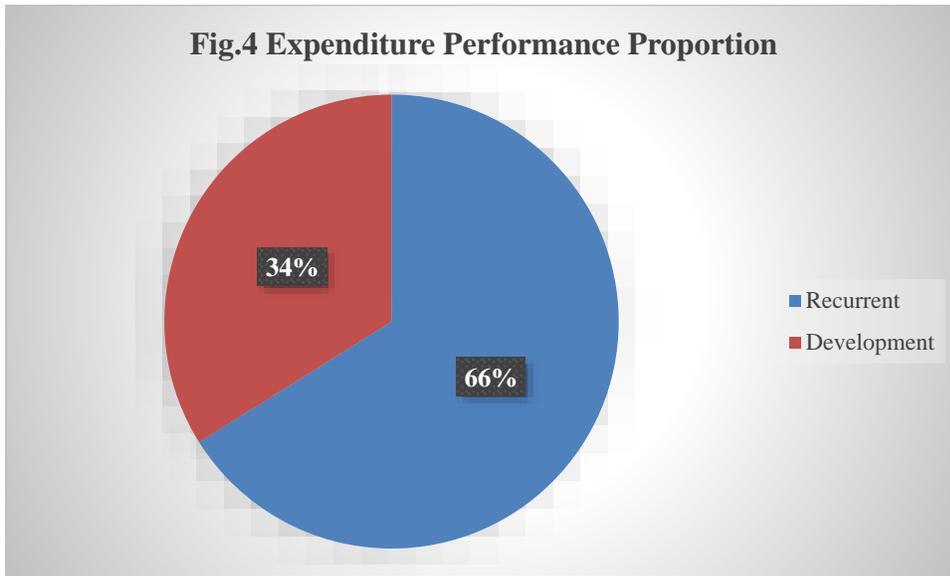
During the period under review, the County Government incurred an expenditure of Kshs. 3,624,334,361 on recurrent expenditure and Kshs. 1,860,213,520 on the development vote as tabulated below.

Table 7: Total Expenditure Analysis

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

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

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

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

The table 8 analyses recurrent expenditure performance by ministries.

Table 8: Development Expenditure Analysis

Departments	Budgeted Amount	Development Expenditure	Percentage of performance
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Ministry of Agriculture, Livestock and Fisheries	644,548,752	169,849,324	26%
Ministry of Education and Human Capital Development	271,335,104	99,495,678	37%
Ministry of Social Development	566,687,691	207,787,828	37%
Ministry of Finance and Economic Planning	16,999,408	11,999,408	71%
Ministry of Health Services	492,081,703	131,720,886	27%
Ministry of Trade and Cooperative Development	412,449,789	12,601,963	3%
County Assembly	102,421,313	-	0%
Ministry of Lands and Urban Development	577,134,640	222,041,600	38%
Office of the County Secretary	50,000,000	-	0%
County Public Service Board	12,965,500	6,482,750	50%
Ministry of Roads, Transport and Public Works	915,327,815	248,530,387	27%
Ministry of Water, Energy, Environment and Climate Change	1,880,212,244	720,315,492	38%
GRAND TOTAL	5,942,163,959	1,830,825,315	31%

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

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

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

The following factors were responsible for low absorption rate;

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

The table 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	123,973,156	35%
Ministry of Education and Human Capital Development	1,132,276,588	638,359,975	56%
Ministry of Social Development	113,804,960	49,512,071	44%
Ministry of Finance and Economic Planning	469,808,598	201,546,494	43%
Ministry of Health Services	2,165,448,332	980,895,960	45%
Ministry of Trade and Cooperative Development	60,549,748	25,096,158	41%
County Assembly	883,911,204	0	0%
Ministry of Lands and Urban Development	243,588,219	98,986,056	41%
Office of the Governor and Deputy Governor	501,872,333	236,073,037	47%
Office of the County Secretary	196,286,068	69,750,000	36%
Office of the County Attorney	84,957,458	38,100,000	45%
County Public Service Board	77,217,041	36,644,020	47%
Ministry of Public Service Management, Devolved Units and Community Cohesion	2,007,405,734	840,391,468	42%
Ministry of Roads, Transport and Public Works	294,617,033	146,109,355	50%
Ministry of Water, Energy, Environment and Climate Change	367,708,370	138,896,611	38%
GRAND TOTAL	8,948,800,284	3,624,334,361	41%

Source: County Treasury, 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 December 2024 of FY 2024/2025.

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	183,998,598	-	68,948,156	-	37%	0%
Livestock Resources Management and Development	Livestock Resources Management and Development	78,250,000	105,823,301	8,800,000	47,823,301	11%	45%
Food Security and Sustainable Agriculture	Crop Management and Development	62,900,000	427,399,967	41,625,000	80,916,025	66%	19%
Irrigation Development and Management	Irrigation Development and Management	24,200,000	111,325,484	4,600,000	41,109,998	19%	37%
	Sub Total	349,348,598	644,548,752	123,973,156	169,849,324	35%	26%
Land and Urban Development							
General Administration & Support Services	General Administration & Support Services	69,153,340	-	30,005,256	-	43%	0%
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	48,926,640	17,800,000	20,002,600	43%	41%
Physical Planning housing and urban development	Physical Planning housing and urban development	4,200,000	528,208,000	1,105,800	202,039,000	26%	38%
Solid Waste Management	Solid Waste Management	128,684,879	-	50,075,000	-	39%	0%
	Sub-Total	243,588,219	577,134,640	98,986,056	222,041,600	41%	38%
Roads, Public Works and Transport							
General Administration & Support Services	General Administration & Support Services	156,225,616	-	72,477,906	-	46%	0%
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	127,491,417	876,327,815	70,331,449	244,530,387	55%	28%
Public Works Management	Public Works Management	10,900,000	39,000,000	3,300,000	4,000,000	30%	10%
	Sub-Total	294,617,033	915,327,815	146,109,355	248,530,387	50%	27%
Trade and Cooperative Development							

General Administration and Planning	General Administration and Planning	42,749,748	-	20,446,158	-	48%	0%
Cooperative Development and Promotion	Cooperative Development and Promotion	7,400,000	15,449,789	2,250,000	7,449,789	30%	48%
Trade Development and Promotion	Trade Development and Promotion	10,400,000	397,000,000	2,400,000	5,152,174	23%	1%
	Sub-Total	60,549,748	412,449,789	25,096,158	12,601,963	41%	3%
Health Services		REC	DEV	REC	DEV		
General Administration and Planning	General Administration and Planning	1,525,499,284	-	702,899,165	-	46%	0%
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	129,523,501	209,373,070	19,754,600	26,164,859	15%	12%
Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	510,425,547	282,708,633	258,242,195	105,556,027	51%	37%
	Sub-Total	2,165,448,332	492,081,703	980,895,960	131,720,886	45%	27%
Education and Human Capital Development							
General Administration and Planning	General Administration and Planning	1,009,626,588	-	592,084,975	-	59%	0%
Early Childhood Education	Early Childhood Education	102,650,000	248,285,210	43,625,000	91,995,678	42%	37%
Vocational and Technical Training Services	Vocational and Technical Training Services	15,500,000	23,049,894	1,450,000	7,500,000	9%	33%
Education Support Services	Education Support Services	4,500,000	-	1,200,000	-	27%	0%
	Sub-Total	1,132,276,588	271,335,104	638,359,975	99,495,678	56%	37%
County Executive Services							
Management of County Affairs	General Administration and Planning	501,872,333	-	236,073,037	-	47%	0%
	Sub-Total	501,872,333	-	236,073,037	-	47%	0%
Office of the County Secretary							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	196,286,068	50,000,000	69,750,000	-	36%	0%

	Sub-Total	196,286,068	50,000,000	69,750,000	-	36%	0%
Office of the County Attorney							
Legal and Public Sector Advisory Services	Legal and advisory services	84,957,458	-	38,100,000	-	45%	0%
	Sub-Total	84,957,458	-	38,100,000	-	45%	0%
County Public Service Board							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	77,217,041	12,965,500	36,644,020	6,482,750	47%	50%
	Sub-Total	77,217,041	12,965,500	36,644,020	6,482,750	47%	50%
County Assembly							
Legislation and Representation	Legislation and Representation	883,911,204	102,421,313	-	-	0%	0%
	Sub-Total	883,911,204	102,421,313	-	-	0%	0%
Finance and Economic Planning							
General Administration and Planning	Administration Planning	339,915,598	-	150,120,719	-	44%	0%
Public Finance Management	Accounting Services	4,300,000	-	2,050,000	-	48%	0%
	Financial Services and Report	6,000,000	-	2,950,000	-	49%	0%
	Internal Audit Services	2,800,000	-	600,000	-	21%	0%
	Supply Chain Management Affairs	11,500,000	-	2,900,000	-	25%	0%
	County Asset Management system	9,700,000	-	700,000	-	7%	0%
Economic Planning and Statistics	County Economic Planning and Statistics	33,958,000	-	14,315,775	-	42%	0%
Revenue Collection and Enhancement	Revenue Collection and Enhancement	43,415,000	10,000,000	20,800,000	5,000,000	48%	50%
ICT and E-Government Services	ICT and E-Government Services	18,220,000	6,999,408	7,110,000	6,999,408	39%	100%
	Sub-Total	469,808,598	16,999,408	201,546,494	11,999,408	43%	71%
County Public Service Management							
General Administration and Planning	Administration Planning	1,967,005,734	-	824,241,468	-	42%	0%

Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	0%	0%
Civic Education and Public Participation	Civic Education and Public Participation	4,500,000	-	1,050,000	-	23%	0%
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	0%	0%
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	35,900,000	-	15,100,000	-	42%	0%
	Sub-Total	2,007,405,734	-	840,391,468	-	42%	0%
Social Development							
General Administration and Planning	Administration Planning	47,454,960	-	23,812,071	-	50%	0%
Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	6,200,000	8,000,000	950,000	-	15%	0%
Youth Empowerment and Sports	Youth Empowerment and Sports	27,000,000	39,199,813	13,350,000	6,299,950	49%	16%
Culture and Gender Development promotion	Culture and Gender Development promotion	6,450,000	10,000,000	1,600,000	10,000,000	25%	100%
Disaster Preparedness and Management	Disaster Preparedness and Management	26,700,000	509,487,878	9,800,000	191,487,878	37%	38%
	Sub-Total	113,804,960	566,687,691	49,512,071	207,787,828	44%	37%
Water , Energy, Environment and Climate Change							
General Administration and Planning	Administration Planning	172,488,370	-	81,637,095	-	47%	0%
Water and Sewerage Management	Water and Sewerage Management	150,220,000	1,275,182,562	55,009,516	704,023,732	37%	55%
Energy and Natural Resources	Energy and Natural Resources	4,700,000	30,000,000	850,000	16,291,760	18%	54%

Environment and Climate Change	Environment and Climate Change	40,300,000	575,029,682	1,400,000	-	3%	0%
	Sub-Total	367,708,370	1,880,212,244	138,896,611	720,315,492	106%	110%
Grand Total		8,948,800,284	5,942,163,959	3,624,334,361	1,830,825,315	41%	31%

Source: County Treasury, Mandera County Government

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

3.4 Expenditure on Employees' Compensation

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

3.5 Settlement of Pending Bills

The County had pending bills amounting to Kshs. 1.38 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 half of the financial year 2024/2025. These are:

Delay in fund disbursements by the National Treasury

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

Delay in approval of Fund Requests

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

IFMIS connectivity challenges

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

High public expectation

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

Under-performance of own revenue collection

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

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

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.