



**COUNTY GOVERNMENT OF MANDERA**  
**DEPARTMENT OF FINANCE AND ECONOMIC PLANNING**

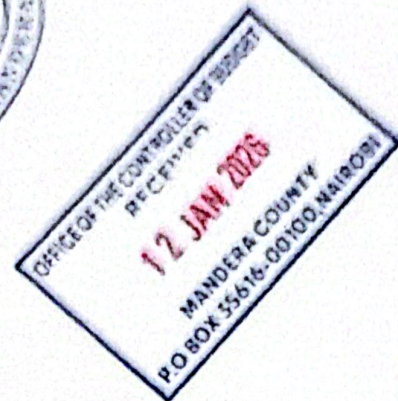
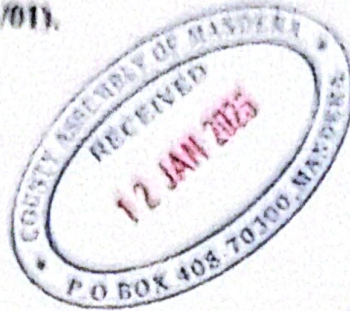
P.O. Box 13 70300, Mandera, Kenya  
Email: countytreasury@mandera.go.ke



MCG/CEC/FEP/OCB/2026/Vol.1 (12/01).

January 12<sup>th</sup>, 2026

FCCA (Dr.) Margaret Nyakango,  
Controller of Budget,  
Office of the Controller of Budget,  
P.O. Box 35616-00100,  
Nairobi.



**RE: MANDERA COUNTY GOVERNMENT HALF FINANCIAL YEAR 2025/2026 EXPENDITURE RETURNS.**

I am delighted to present the Mandera County Government Half Financial Year 2025/2026 Expenditure Returns from July 2025 to December 2025.

This report is crucial for enabling your office to fulfill its mandate as outlined in Sections 9 and 16 of the Controller of Budget Act 2016.

Your prompt acknowledgment of receipt would be highly appreciated.

Regards,



Ibrahim Mohamed Adan  
County Executive Committee Member for Finance and Economic Planning.  
Mandera County Government.

**Ibrahim M. Adan**  
**CECM - Finance and Economic Planning**

**REPUBLIC OF KENYA**



**COUNTY GOVERNMENT OF MANDERA**

**COUNTY TREASURY**

---

**BUDGET IMPLEMENTATION STATUS REPORT**

---

**HALF-YEAR REPORT  
FY 2025/2026**

**JANUARY, 2026**

## **County mission and vision**

### **Vision**

To be a regionally competitive and self- reliant county

### **Mission**

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

## Table of contents

### Contents

<b>REPUBLIC OF KENYA</b> .....	1
Table of contents.....	3
Foreword.....	5
1.0 Introduction.....	6
1.1 Fiscal Outlook.....	6
2.0 Financial Analysis of County Budget Implementation.....	6
2.1 Budget Components.....	7
2.2 Revenue Performance Analysis.....	7
2.3 Own Source Revenue Performance.....	8
Table 3: Monthly OSR Performance per Stream.....	9
Figure. 2 Revenue performance for major sources of revenue.....	10
Table 4: Revenue for the half year against target for the period.....	10
2.4 Explanations for the revenue performance.....	11
2.5 Recommended Revenue Enhancement Strategies.....	12
2.6 Exchequer Issues.....	12
2.7 Revenue Performance by Source.....	13
3.1 Expenditure by Economic Classification.....	14
3.2 Budget and Budget Performance by County Departments.....	15
3.2.1 Budget estimates.....	15
Table 6: Resource allocation among the ministries.....	15
3.2.2 Departmental Expenditure Analysis (Against Annual Target).....	16
3.2.2.1 Expenditure Performance Proportion.....	17
3.2.2.2 Development expenditure performance by departments.....	18
3.2.2.3 Recurrent expenditure performance by departments.....	19
3.3 Budget Execution by Programmes and Sub-Programmes.....	20
3.4 Expenditure on Employees' Compensation.....	22
3.5 Settlement of Pending Bills.....	22
3.6 Some of the major development Projects with highest expenditure in the year.....	23

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD..... 25  
5.0 RECOMMENDATIONS ..... 26

## **Foreword**

I am pleased to present the Budget Implementation Report for the half-year of the Financial Year (FY) 2025/2026. 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 2025/2026 and presents information on budget performance by the County departments in the period July 2025 to December 2025. Information on budget performance is presented on aggregate and on individual department performance. The report also includes performance trends, which present a useful trajectory of revenue and expenditure performance.

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

The budget implementation was slow, especially in the first three months of the financial year but recorded an improved performance the second 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 third quarter of the FY 2025/2026.

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.



**CPA Ibrahim M. Adan, OGW.**

**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 2025 to December 2025.

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 31<sup>st</sup> December 2025 for internal consumption and performance appraisal purposes. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed, with the oversight mandate on utilization of public funds.

### **1.1 Fiscal Outlook**

The fiscal assumption underlying the FY 2025/2026 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

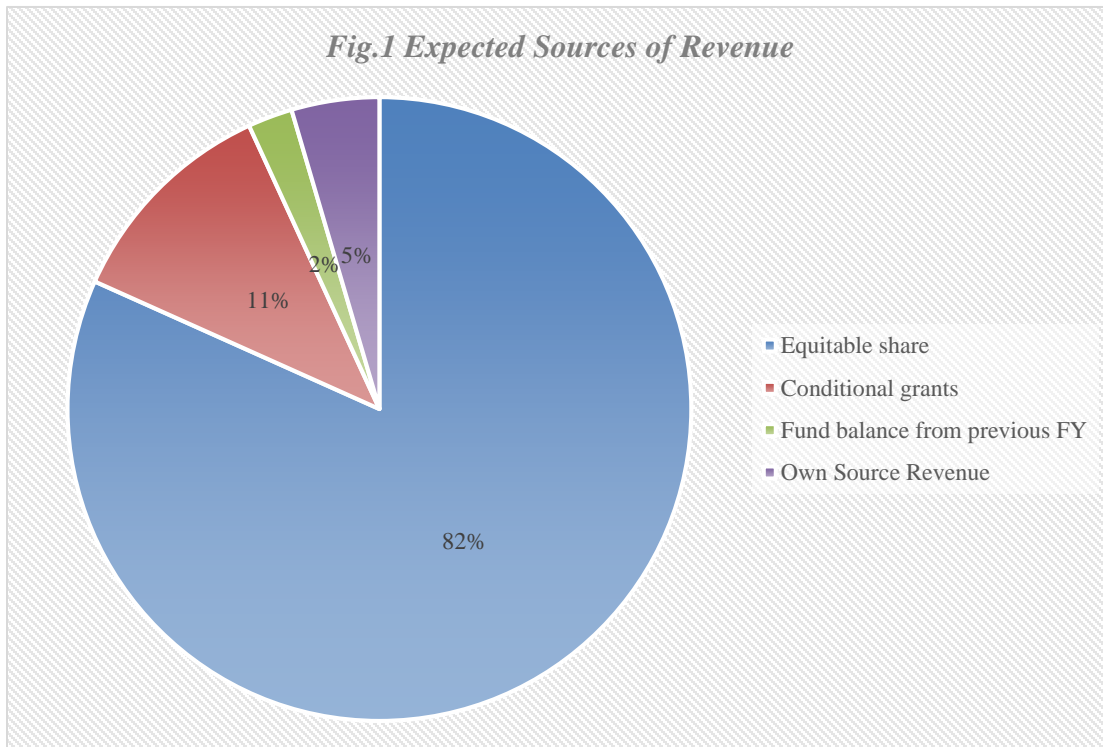
## **2.0 Financial Analysis of County Budget Implementation**

The County had an approved budget of Kshs. 15,011,672,920 which comprised of Kshs. 9,570,929,793 (64%) for recurrent expenditure and Kshs. 5,440,743,127 (36%) allocation for development expenditure.

## 2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 12,265,064,993 (82 percent) as the equitable share of revenue raised nationally, generate Kshs. 682,525,007 (5 percent) from own sources of revenue, receive Kshs. 1,716,529,671 (11 percent) from various conditional grants, and other revenue (ongoing projects/fund balances carried forward) of Kshs. 347,553,249 (2 percent) from FY 2024/2025.

**Figure 1: Expected Sources of Budget Financing in FY 2025/2026**



*Source: County Treasury, Mandera County Government*

The major source of revenue for the County was national sharable revenue making up 82%. Fund balances from the Financial Year 2024/2025 and Conditional grants made up 2% and 11% of the budget respectively while the County's annual local revenue was expected to finance only 5% of the budget.

## 2.2 Revenue Performance Analysis

During the first six months of the FY 2025/2026, the County received Kshs. 5,572,245,333 as equitable share of revenue raised nationally and raised Kshs. 177,696,817 from own source revenue.



## 2.3 Own Source Revenue Performance

The County targeted to collect Kshs. 682,525,007 from local sources during the FY 2025/2026. The actual achievement in the first six months of the FY 2025/2026 was Kshs. 177,696,817 which translates to 26% of the targeted collection.

**Table 2: Total Local Revenue Collections for the First Half of FY 2025/2026**

The table below summarizes comparisons between targeted local revenue collections in the FY 2025/2026 and what was realized for the period under review.

Revenue Sources	Annual Target FY 2024/2025	Total collections – Quarter Two
Land rents	76,640,271	12,769,060
Plot Tranfers/Sub-Divisions/Application Fees	27,590,500	9,642,000
Building plan	3,270,000	258,300
Miraa Movements	9,034,500	3,568,000
Single Business Permit	37,402,728	1,694,900
Market Stalls/ Shades	18,148,637	5,245,610
Market Gates/Cess	1,400,650	283,925
Buspark/Taxis/Parking	1,200,000	80,240
Income from Quarries	1,084,180	647,200
Barriers	25,735,950	10,193,766
Livestock Markets Auction	8,984,555	2,272,660
Livestock Movement	15,416,646	6,391,510
Slaughter fees and Charges	8,924,150	2,503,154
Produce Cess	3,872,037	668,970
Agriculture Mechanization/Hire of Equipments	1,850,196	213,000
Rental income	1,915,000	1,179,218
Tender Fees	45,500,000	13,688,504
Public Health	4,200,000	323,500
Fire Service Fees	2,580,000	21,000
Income from Water Management	65,250,000	18,405,486
<b>Sub-Total</b>	<b>360,000,000</b>	<b>90,050,003</b>
HOSPITAL COLLECTIONS-FIF		
Hospital Collections -FIF/SHA	322,525,007	30,978,833
Insurance Claims-Referrals		34,770,042
Insurance Claims-Level 2 & 3		21,669,590
Public Health	-	228,350
<b>Sub-Total</b>	<b>322,525,007</b>	<b>87,646,814</b>
<b>Grand Total</b>	<b>682,525,007</b>	<b>177,696,817</b>

Source: Department of revenue services, Mandera County Government

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

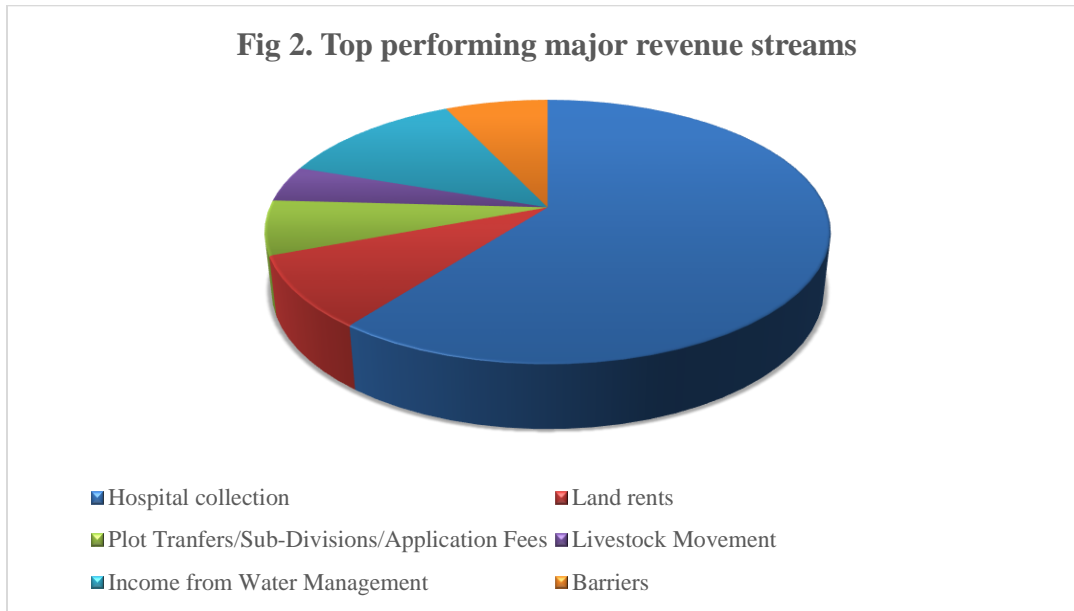
The table below shows the monthly revenue collection for the first half of the FY 2025/2026 against the actual total revenue raised during the same period the financial year 2024/2025. The monthly collection breakdown is shown in table that follows.

Revenue Sources	Actual Collections - Q2 2024/2025	Approved Target 2025/2026	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
Land rents	11,815,267	76,640,271	1,912,250	1,864,000	2,979,500	2,384,110	1,988,600	1,640,600	12,769,060
Plot Transfers/Sub-Divisions/Application Fees	6,702,740	27,590,500	1,291,000	1,240,500	1,492,000	1,328,000	1,201,500	3,089,000	9,642,000
Building plan	204,700	3,270,000	15,000	23,000	12,000	48,000	67,000	93,300	258,300
Miraa Movements	4,286,500	9,034,500	450,000	310,000	450,000	550,000	908,000	900,000	3,568,000
Single Business Permit	2,725,240	37,402,728	611,000	183,500	414,600	139,800	155,000	191,000	1,694,900
Market Stalls/ Shades	4,442,600	18,148,637	780,120	703,120	729,500	972,710	863,300	1,196,860	5,245,610
Market Gates/Cess	413,100	1,400,650	-	-	67,575	56,830	54,290	105,230	283,925
Buspark/Taxis/Parking	383,330	1,200,000	-	-	20,790	39,560	13,990	5,900	80,240
Income from Quarries	467,700	1,084,180	74,200	120,300	138,700	125,100	100,600	88,300	647,200
Barriers	8,391,490	25,735,950	1,761,200	1,461,731	1,867,396	1,907,270	1,460,306	1,735,863	10,193,766
Livestock Markets Auction	3,514,790	8,984,555	402,360	364,600	419,650	691,250	103,500	291,300	2,272,660
Livestock Movement	6,442,350	15,416,646	737,600	760,500	909,540	310,300	2,196,590	1,476,980	6,391,510
Slaughter fees and Charges	2,763,490	8,924,150	371,159	351,750	403,200	453,775	445,920	477,350	2,503,154
Produce Cess	1,206,830	3,872,037	174,910	73,460	112,100	116,700	166,500	25,300	668,970
Agriculture Mechanization/Hire of Equipment	118,000	1,850,196	150,000	22,000	23,000	6,000	12,000	-	213,000
Rental income	409,400	1,915,000	559,618	-	367,800	125,600	126,200	-	1,179,218
Tender Fees	6,458,726	45,500,000	738,692	-	-	6,156,287	6,793,525	-	13,688,504
Public Health	343,000	4,200,000	44,000	57,400	67,800	30,900	56,100	67,300	323,500
Fire Service Fees	3,000	2,580,000	7,000	5,000	9,000	-	-	-	21,000
Income from Water Management	11,981,502	65,250,000	2,685,942	3,293,922	3,807,950	3,680,383	2,227,289	2,710,000	18,405,486
<b>Grand Total</b>	<b>73,073,755</b>	<b>360,000,000</b>	<b>12,766,051</b>	<b>10,834,783</b>	<b>14,292,101</b>	<b>19,122,575</b>	<b>18,940,210</b>	<b>14,094,283</b>	<b>90,050,003</b>
<b>HOSPITAL COLLECTIONS AFTER FIF ACT.</b>									
Hospital Collections	7,756,440	322,525,007	4,306,503	3,935,203	5,122,016	5,960,787	5,797,568	5,856,756	30,978,833
Insurance Claims-Referrals			3,168,526	1,407,997	2,828,088	6,183,060	16,399,894	4,782,477	34,770,042
Insurance Claims-Level 2 & 3			-	16,731,228	-	1,917,574	1,247,809	1,772,979	21,669,590
Public Health			40,900	27,800	59,800	46,500	35,700	17,650	228,350
<b>Sub-Total</b>	<b>7,756,440</b>	<b>322,525,007</b>	<b>7,515,929</b>	<b>22,102,228</b>	<b>8,009,904</b>	<b>14,107,921</b>	<b>23,480,971</b>	<b>12,429,862</b>	<b>87,646,814</b>
<b>Grand Total</b>	<b>80,830,195</b>	<b>682,525,007</b>	<b>20,281,980</b>	<b>32,937,011</b>	<b>22,302,005</b>	<b>33,230,496</b>	<b>42,421,181</b>	<b>26,524,145</b>	<b>177,696,817</b>

Source: Department of Revenue Services, Mandera County Government

During the first half, the highest County Own Source Revenue collection was realized in the month of November 2025 amounting to Kshs. 42,421,181 while the least collection was in the month of July 2025 amounting to Kshs. 20,281,980.

**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, Tender Fees 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 half year against target for the period**

Revenue Sources	Approved Target 2024/2025	Half Year Target	Half Year Actual Collected	Half Year OSR Variance
Land rents	76,640,271	38,320,135.50	12,769,060	25,551,075.45
Plot Transfers/Sub-Divisions/Application Fees	27,590,500	13,795,250.00	9,642,000	4,153,250.00
Building plan	3,270,000	1,635,000.00	258,300	1,376,700.00
Miraa Movements	9,034,500	4,517,250.00	3,568,000	949,250.00
Single Business Permit	37,402,728	18,701,364.00	1,694,900	17,006,464.00
Market Stalls/ Shades	18,148,637	9,074,318.50	5,245,610	3,828,708.50
Market Gates/Cess	1,400,650	700,325.00	283,925	416,400.00
Buspark/Taxis/Parking	1,200,000	600,000.00	80,240	519,760.00
Income from Quarries	1,084,180	542,090.00	647,200	(105,110.00)

Barriers	25,735,950	12,867,975.00	10,193,766	2,674,209.00
Livestock Markets Auction	8,984,555	4,492,277.50	2,272,660	2,219,617.50
Livestock Movement	15,416,646	7,708,323.00	6,391,510	1,316,813.00
Slaughter fees and Charges	8,924,150	4,462,075.00	2,503,154	1,958,921.00
Produce Cess	3,872,037	1,936,018.50	668,970	1,267,048.50
Agriculture Mechanization/Hire of Equipment	1,850,196	925,098.00	213,000	712,098.00
Rental income	1,915,000	957,500.00	1,179,218	(221,718.00)
Tender Fees	45,500,000	22,750,000.00	13,688,504	9,061,496.00
Public Health	4,200,000	2,100,000.00	323,500	1,776,500.00
Fire Service Fees	2,580,000	1,290,000.00	21,000	1,269,000.00
Income from Water Management	65,250,000	32,625,000.00	18,405,486	14,219,514.00
<b>Grand Total</b>	<b>360,000,000</b>	<b>180,000,000</b>	<b>90,050,003</b>	<b>89,949,997</b>
<b>HOSPITAL COLLECTIONS AFTER FIF ACT.</b>				
Hospital Collections	322,525,007	161,262,503.50	30,978,833	130,283,670.50
Insurance Claims-Referrals		-	34,770,042	(34,770,041.75)
Insurance Claims-Level 2 & 3		-	21,669,590	(21,669,589.55)
Public Health		-	228,350	(228,350.00)
<b>Sub-Total</b>	<b>322,525,007</b>	<b>161,262,504</b>	<b>87,646,814</b>	<b>73,615,689</b>
<b>Grand Total</b>	<b>682,525,007</b>	<b>341,262,504</b>	<b>177,696,817</b>	<b>163,565,686</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 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 2025/2026 surpassed the collections for a similar period in the financial year 2024/2025 by a whopping Kshs. 96.8 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. 5,488,560,905 from the County Revenue Fund (CRF) account during the reporting period. This comprised Kshs. 1,655,323,385 for development programmes and Kshs. 3,564,027,365 for recurrent programmes. The recurrent exchequers released in the first six months of FY 2025/26 comprised Kshs. 2,023,017,739 released towards employee compensation and Kshs. 1,541,009,626 for operations and maintenance expenditure.

## 2.7 Revenue Performance by Source

During the first half of FY 2025/26, total revenues amounting to Kshs. 5,749,942,150 was available to the County. The total revenue consisted of Kshs. 5,090,001,974 from the equitable share of revenue raised nationally, additional allocations from the national government and development partners of Kshs. 134,690,110, as well as own-source revenue (OSR) collection of Kshs. 177,696,817. Additionally, the County had a cash balance of Kshs. 347,553,249 from FY 2024/25.

The total OSR collection of Kshs.177.7 million included Facilities Improvement Financing (FIF) of Kshs. 87,646,814, and Kshs. 90,050,003 from other OSR sources.

**Table 5: Revenue Performance by Source (July 2025- December 2025)**

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)
	B	C	D=B-C
Equitable share	12,265,064,993	5,090,001,974	7,175,063,019
Own Source Revenue Projections	360,000,000	90,050,003	269,949,997
Facility Improvement Financing (FIF)	322,525,007	87,646,814	234,878,193
On-Going Projects funds b/f from previous year	347,553,249	347,553,249	-
Allocation for Mineral royalties	1,028	-	1,028
DANIDA Grant - Primary Health Care	16,473,000	-	16,473,000
DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	18,653,250
DANIDA Grant - Primary Health Care (B/f)	15,746,250	15,746,250	-
Community Health Promoters Program	18,540,000	-	18,540,000
Kenya Agricultural Business Development Project	10,918,919	-	10,918,919
Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	142,013,441
Food Systems Resilience Project - (FSRP)	246,153,846	-	246,153,846
FSRP b/f	70,127,131	-	70,127,131
FLOCCA County Climate Institutional Support Grant	11,000,000	-	11,000,000
FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	16,507,427	16,507,428	(1)
FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	227,938,965	-	227,938,965

Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	250,000,000
Kenya Devolution Support Programme 2 (KDSP II) Level 2 grant	352,500,000	-	352,500,000
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	37,500,000
Roads Maintenance Fuel Levy	192,647,255	70,127,132	122,520,123
Kenya Urban Support Project (KUSP) – UIG	35,000,000		35,000,000
Kenya Urban Support Project (KUSP) - UIG b/f	35,000,000	32,309,300	2,690,700
Basic Salary Arrears for County Governments Health Workers	19,809,159	-	19,809,159
<b>TOTAL</b>	<b>15,011,672,920</b>	<b>5,749,942,150</b>	<b>9,261,730,770</b>

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 177,696,817 from own revenue sources in the first six months of the FY 2025/2026. This amount represented an increase of Kshs. 96,866,622 compared to Kshs. 80,830,195 realized in the first six months of the FY 2024/2025.

### 3.0 Overall Expenditure Analysis

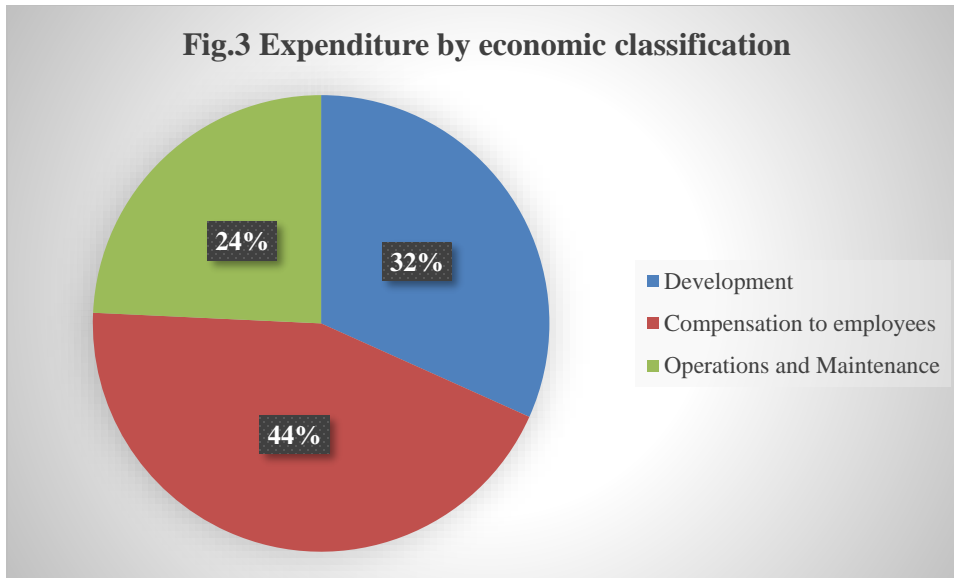
The County spent Kshs. 5,219,350,750 on development and recurrent programmes in the reporting period. The expenditure comprised of Kshs. 1,655,323,385 and Kshs. 3,564,027,365 on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30 per cent, while recurrent expenditure represented 37 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 44%, whereas the use of goods expenditures amounted to 24%. A total of Kshs. 1,655,323,385 was incurred on development expenditures during the period representing 32% of the total expenditure.

*Figure 3: Expenditure by Economic Classification*

**Fig.3 Expenditure by economic classification**



### 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 2025/2026 the County Departments were funded in line with the ceilings captured in the 2025 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 2025/2026.

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

Departments	Approved Estimates FY 2025/26		Total Departmental Allocation
	Recurrent Expenditure	Development Expenditure	
Agriculture, Livestock and Fisheries	286,099,217	572,290,531	858,389,748
Land and Urban Development	213,693,940	729,814,961	943,508,901
Roads, Public Works and Transport	237,107,953	558,435,355	795,543,308



Trade and Cooperative Development	80,832,237	323,539,780	404,372,017
Health Services	2,736,848,001	362,317,243	3,099,165,244
Education and Human Capital Development	1,124,704,757	248,299,808	1,373,004,565
County Executive Services	521,004,376	-	521,004,376
Office of the County Secretary	134,034,068	427,728,165	561,762,233
Office of the County Attorney	91,500,000	-	91,500,000
County Public Service Board	57,510,911	5,000,000	62,510,911
County Assembly	917,936,058	50,000,000	967,936,058
Finance and Economic Planning	439,597,429	22,800,000	462,397,429
County Public Service Management	1,996,690,090	6,000,000	2,002,690,090
Social Development	388,346,459	166,961,849	555,308,308
Water , Energy, Environment and Climate Change	345,024,297	1,967,555,435	2,312,579,732
<b>GRAND TOTAL</b>	<b>9,570,929,793</b>	<b>5,440,743,127</b>	<b>15,011,672,920</b>

Source: County Treasury, Mandera County Government

The highest beneficiary of the FY 2025/2026 budget allocation was the Ministry of Health Services getting Kshs 3,099,165,244 (21 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,312,579,732 (15 percent), Ministry of Public Service Management got Kshs. 2,002,690,090 (13 percent), Ministry of Education and Human Capital Development were allocated Kshs 1,373,004,565 (9 percent), while the Ministry of Agriculture, Livestock and Fisheries, and County Assembly got Kshs. 943,508,901 (6 percent) and Kshs. 967,936,058 (6 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. 3,564,027,365 on recurrent expenditure and Kshs. 1,655,323,385 on the development vote as tabulated below.

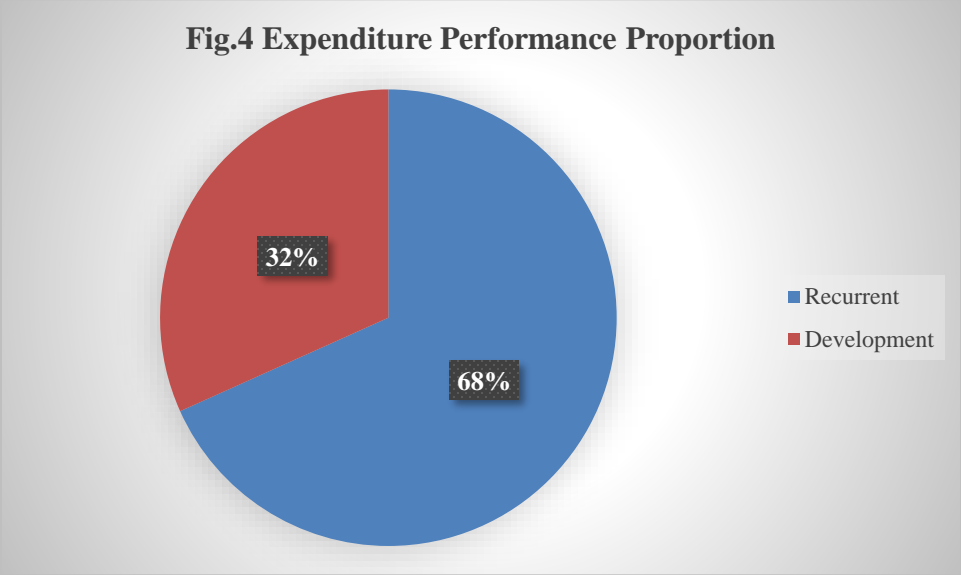
**Table 7: Total Expenditure Analysis**

Departments	Approved Estimates FY 2025/26	Recurrent Expenditure	Development Expenditure	Total Expenditure
Agriculture, Livestock and Fisheries	858,389,748	113,865,824.85	46,162,787.00	160,028,611.85
Land and Urban Development	943,508,901	417,961,383.15	65,400,285.00	483,361,668.15
Roads, Public Works and Transport	795,543,308	158,683,930.00	69,777,418.00	228,461,348.00

Trade and Cooperative Development	404,372,017	154,224,183.20	799,408.00	155,023,591.20
Health Services	3,099,165,244	1,208,358,296.95	109,682,411.00	1,318,040,707.95
Education and Human Capital Development	1,373,004,565	20,671,748.00	14,963,816.00	35,635,564.00
County Executive Services	521,004,376	-	-	-
Office of the County Secretary	561,762,233	29,559,858.80	257,514,593.00	287,074,451.80
Office of the County Attorney	91,500,000	210,554,902.45	-	210,554,902.45
County Public Service Board	62,510,911	25,267,018.00	14,000,000.00	39,267,018.00
County Assembly	967,936,058	24,486,632.00	-	24,486,632.00
Finance and Economic Planning	462,397,429	23,912,998.00	-	23,912,998.00
County Public Service Management	2,002,690,090	902,721,913.00	-	902,721,913.00
Social Development	555,308,308	135,858,839.15	174,770,181.00	310,629,020.15
Water , Energy, Environment and Climate Change	2,312,579,732	137,899,837.45	902,252,486.00	1,040,152,323.45
<b>GRAND TOTAL</b>	<b>15,011,672,920</b>	<b>3,564,027,365.00</b>	<b>1,655,323,385.00</b>	<b>5,219,350,750.00</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. 1,655,323,385.00 representing 30% of the development budget was incurred on the development vote during the period under review. The Ministry of Water, Energy, Environment and Climate Change recorded the highest overall absorption rate at 46% followed by the Ministry of Social Development at 42%. The Ministry of Lands and Urban Development at and the Ministry of Roads, Transport and Public Works were third and fourth highest absorbers at 35% and 31% respectively.

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

- 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**

Department	Development Expenditure	Development Expenditure	Percentage of performance
Ministry of Agriculture, Livestock and Fisheries	572,290,531.00	46,162,787.00	8%
Ministry of Education and Human Capital Development	248,299,808.00	65,400,285.00	26%
Ministry of Social Development	166,961,849.00	69,777,418.00	42%
Ministry of Finance and Economic Planning	22,800,000.00	799,408.00	4%
Ministry of Health Services	362,317,243.00	109,682,411.00	30%
Ministry of Trade and Cooperative Development	323,539,780.00	14,963,816.00	5%
County Assembly	50,000,000.00	-	0%
Ministry of Lands and Urban Development	729,814,961.00	257,514,593.00	35%
County Executive Services	-	-	0%
Office of the County Secretary	427,728,165.00	14,000,000.00	3%
Office of the County Attorney	-	-	0%

County Public Service Board	5,000,000.00	-	0%
Ministry of Public Service Management, Devolved Units and Community Cohesion	6,000,000.00	-	0%
Ministry of Roads, Transport and Public Works	558,435,355.00	174,770,181.00	31%
Ministry of Water, Energy, Environment and Climate Change	1,967,555,435.00	902,252,486.00	46%
<b>GRAND TOTAL</b>	<b>5,440,743,127.00</b>	<b>1,655,323,385.00</b>	<b>30%</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 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**

Department	Recurrent Expenditure	Recurrent Expenditure	Percentage of absorption
Ministry of Agriculture, Livestock and Fisheries	286,099,217.00	113,865,824.85	40%
Ministry of Education and Human Capital Development	1,124,704,757.00	417,961,383.15	37%
Ministry of Social Development	388,346,459.00	158,683,930.00	41%
Ministry of Finance and Economic Planning	439,597,429.00	154,224,183.20	35%
Ministry of Health Services	2,736,848,001.00	1,208,358,296.95	44%
Ministry of Trade and Cooperative Development	80,832,237.00	20,671,748.00	26%
County Assembly	917,936,058.00	0	0%
Ministry of Lands and Urban Development	213,693,940.00	29,559,858.80	14%
County Executive Services	521,004,376.00	210,554,902.45	40%
Office of the County Secretary	134,034,068.00	25,267,018.00	19%
Office of the County Attorney	91,500,000.00	24,486,632.00	27%
County Public Service Board	57,510,911.00	23,912,998.00	42%
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,996,690,090.00	902,721,913.00	45%
Ministry of Roads, Transport and Public Works	237,107,953.00	135,858,839.15	57%
Ministry of Water, Energy, Environment and Climate Change	345,024,297.00	137,899,837.45	40%
<b>GRAND TOTAL</b>	<b>9,570,929,793</b>	<b>3,564,027,365</b>	<b>37%</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 2025 to December 2025 of FY 2025/2026.

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)		Expenditure (including accrued expenditure) as of 31st December 2025 (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	158,423,134	-	57,576,393	-	36%	0%
Livestock Resources Management and Development	Livestock Resources Management and Development	51,000,000	103,923,885	33,426,161	29,152,787	66%	28%

Food Security and Sustainable Agriculture	Crop Management and Development	36,300,000	408,366,646	18,105,990	4,460,000	50%	1%
Irrigation Development and Management	Irrigation Development and Management	40,376,083	60,000,000	4,757,281	12,550,000	12%	21%
	<b>Sub Total</b>	<b>286,099,217</b>	<b>572,290,531</b>	<b>113,865,825</b>	<b>46,162,787</b>	<b>40%</b>	<b>8%</b>
Land and Urban Development							
General Administration & Support Services	General Administration & Support Services	65,159,061	-	26,262,459	-	40%	0%
Land Use Planning and Survey	Land Use Planning and Survey	14,550,000	27,301,520	1,500,000	13,570,279	10%	50%
Physical Planning housing and urban development	Physical Planning housing and urban development	2,700,000	702,513,441	1,150,000	243,944,314	43%	35%
Solid Waste Management	Solid Waste Management	131,284,879	-	647,400	-	0%	0%
	<b>Sub-Total</b>	<b>213,693,940</b>	<b>729,814,961</b>	<b>29,559,859</b>	<b>257,514,593</b>	<b>14%</b>	<b>35%</b>
Roads, Public Works and Transport							
General Administration & Support Services	General Administration & Support Services	150,923,002	-	58,910,839	-	39%	0%
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	78,684,951	479,744,964	74,718,000	155,232,260	95%	32%
Public Works Management	Public Works Management	7,500,000	78,690,391	2,230,000	19,537,921	30%	25%
	<b>Sub-Total</b>	<b>237,107,953</b>	<b>558,435,355</b>	<b>135,858,839</b>	<b>174,770,181</b>	<b>57%</b>	<b>31%</b>
Trade and Cooperative Development							
General Administration and Planning	General Administration and Planning	47,132,237	-	17,921,748	-	38%	0%
Cooperative Development and Promotion	Cooperative Development and Promotion	25,200,000	25,000,000	1,332,288	-	5%	0%
Trade Development and Promotion	Trade Development and Promotion	8,500,000	298,539,780	1,417,712	14,963,816	17%	5%
	<b>Sub-Total</b>	<b>80,832,237</b>	<b>323,539,780</b>	<b>20,671,748</b>	<b>14,963,816</b>	<b>26%</b>	<b>5%</b>
Health Services							
General Administration and Planning	General Administration and Planning	1,855,418,494	-	713,888,002	-	38%	0%
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	193,404,500	147,059,949	20,620,000	96,144,485	11%	65%
Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	688,025,007	215,257,294	473,850,295	13,537,926	69%	6%
	<b>Sub-Total</b>	<b>2,736,848,001</b>	<b>362,317,243</b>	<b>1,208,358,297</b>	<b>109,682,411</b>	<b>44%</b>	<b>30%</b>
Education and Human Capital Development							
General Administration and Planning	General Administration and Planning	1,035,954,757	-	376,819,462	-	36%	0%
Early Childhood Education	Early Childhood Education	66,750,000	178,249,914	24,658,818	60,400,285	37%	34%
Vocational and Technical Training Services	Vocational and Technical Training Services	18,500,000	70,049,894	15,783,104	5,000,000	85%	7%
Education Support Services	Education Support Services	3,500,000	-	700,000	-	20%	0%
	<b>Sub-Total</b>	<b>1,124,704,757</b>	<b>248,299,808</b>	<b>417,961,383</b>	<b>65,400,285</b>	<b>37%</b>	<b>26%</b>
County Executive Services							
Management of County Affairs	General Administration and Planning	521,004,376	-	210,554,902	-	40%	0%
	<b>Sub-Total</b>	<b>521,004,376</b>	<b>-</b>	<b>210,554,902</b>	<b>-</b>	<b>40%</b>	<b>0%</b>
Office of the County Secretary							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	134,034,068	427,728,165	25,267,018	14,000,000	19%	3%
	<b>Sub-Total</b>	<b>134,034,068</b>	<b>427,728,165</b>	<b>25,267,018</b>	<b>14,000,000</b>	<b>19%</b>	<b>3%</b>
Office of the County Attorney							
Legal and Public Sector Advisory Services	Legal and advisory services	91,500,000	-	24,486,632	-	27%	0%
	<b>Sub-Total</b>	<b>91,500,000</b>	<b>-</b>	<b>24,486,632</b>	<b>-</b>	<b>27%</b>	<b>0%</b>
County Public Service Board							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	57,510,911	5,000,000	23,912,998	-	19%	0%
	<b>Sub-Total</b>	<b>57,510,911</b>	<b>5,000,000</b>	<b>23,912,998</b>	<b>-</b>	<b>19%</b>	<b>0%</b>
County Assembly							
Legislation and Representation	Legislation and Representation	917,936,058	50,000,000	-	-	0%	0%
	<b>Sub-Total</b>	<b>917,936,058</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance and Economic Planning							

General Administration and Planning	Administration Planning	310,949,429	-	125,129,641	-	40%	0%
Public Finance Management	Accounting Services	6,500,000	8,000,000	2,300,000	-	35%	0%
	Financial Services and Report	2,500,000	-	500,000	-	20%	0%
	Internal Audit Services	2,300,000	-	299,200	-	13%	0%
	Supply Chain Management Affairs	6,500,000	-	3,600,982	-	55%	0%
	County Asset Management system	2,500,000	-	500,000	-	20%	0%
Economic Planning and Statistics	County Economic Planning and Statistics	30,500,000	-	4,717,160	-	15%	0%
Revenue Collection and Enhancement	Revenue Collection and Enhancement	64,748,000	10,000,000	16,327,200	799,408	25%	8%
ICT and E-Government Services	ICT and E-Government Services	13,100,000	4,800,000	850,000	-	6%	0%
	<b>Sub-Total</b>	<b>439,597,429</b>	<b>22,800,000</b>	<b>154,224,183</b>	<b>799,408</b>	<b>35%</b>	<b>4%</b>
County Public Service Management							
General Administration and Planning	Administration Planning	1,975,390,090	-	891,118,713	-	45%	0%
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	6,000,000	-	-	0%	0%
Civic Education and Public Participation	Civic Education and Public Participation	-	-	-	-	0%	0%
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	0%	0%
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	21,300,000	-	11,603,200	-	54%	0%
	<b>Sub-Total</b>	<b>1,996,690,090</b>	<b>6,000,000</b>	<b>902,721,913</b>	<b>-</b>	<b>14%</b>	<b>0%</b>
Social Development							
General Administration and Planning	Administration Planning	54,517,376	-	23,383,930	-	43%	0%
Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	4,200,000	8,000,000	1,250,000	-	30%	0%
Youth Empowerment and Sports	Youth Empowerment and Sports	7,500,000	60,961,970	6,150,000	24,827,418	82%	41%
Culture and Gender Development promotion	Culture and Gender Development promotion	4,350,000	5,000,000	1,100,000	-	25%	0%
Disaster Preparedness and Management	Disaster Preparedness and Management	317,779,083	92,999,879	126,800,000	44,950,000	40%	48%
	<b>Sub-Total</b>	<b>388,346,459</b>	<b>166,961,849</b>	<b>158,683,930</b>	<b>69,777,418</b>	<b>41%</b>	<b>42%</b>
Water , Energy, Environment and Climate Change							
General Administration and Planning	Administration Planning	192,724,297	-	74,566,194	-	39%	0%
Water and Sewerage Management	Water and Sewerage Management	99,500,000	1,535,269,043	60,833,643	875,015,059	61%	57%
Energy and Natural Resources	Energy and Natural Resources	28,000,000	58,840,000	1,000,000	10,730,000	4%	18%
Environment and Climate Change	Environment and Climate Change	24,800,000	373,446,392	1,500,000	16,507,427	6%	4%
	<b>Sub-Total</b>	<b>345,024,297</b>	<b>1,967,555,435</b>	<b>137,899,837</b>	<b>902,252,486</b>	<b>40%</b>	<b>46%</b>
<b>Grand Total</b>		<b>9,570,929,793</b>	<b>5,440,743,127</b>	<b>3,564,027,365</b>	<b>1,655,323,385</b>	<b>37%</b>	<b>30%</b>

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. 2,023,017,739.

### 3.5 Settlement of Pending Bills

As of 1st July 2025, the County had pending bills totalling Kshs.2.45 billion, comprising Kshs.1.02 billion for recurrent expenditure and Kshs.1.47 billion for development expenditure. During the

reporting period, the County settled pending bills amounting to Kshs.730.82 million, comprising Kshs.382.01 million (53 per cent) for recurrent programmes and Kshs.342.73 million (47 per cent) for development programmes. The outstanding pending bills as of 31st December 2025 was, therefore, Kshs.1.77 billion.

		County Entity	Development (Kshs.)	Recurrent (Kshs.)	Total (Kshs.)
As at 1 July 2025 (End of FY 2024/25)	a	County Executive	1,309,515,262	1,184,279,219	2,493,794,481
		<b>Total</b>	<b>1,309,515,262</b>	<b>1,184,279,219</b>	<b>2,493,794,481</b>
Trade payables settled in First Half of FY 2025/26	b	County Executive	342,732,310	382,011,405	724,743,715
Outstanding trade payables as of 31st December 2025	<b>e=a-c*b</b>	<b>County Executive</b>	<b>966,782,952</b>	<b>802,267,814</b>	<b>1,769,050,766</b>

### 3.6 Some of the major development Projects with highest expenditure in the year

No	Sector	Project Name	Project Location	Project Commencement Date	Contract sum (Kshs)	Total Funding in FY 2025/26 (Kshs.)	Expenditure (in accrual basis) in the First Half of FY 2025/26 (Kshs.)	Cumulative project expenditure (in accrual basis) as of 31st December 2025 (Kshs.)	Percentage (%) of Completion
1	WATER	Augmentation And Upgrading Of Banisa Water Supply At Banisa Town In Banisa Sub County	BANISA	FY 2023/24	220,434,636	100,000,000	50,000,000	110,000,000	50
2	WATER	Augmentation And Upgrading Of Rhamu Water Supply Project (Phase 1) In Mandera North Sub County	RHAMU	FY 2023/24	208,818,953	90,000,000	50,000,000	110,000,000	53
3	LANDS	Construction Of Housing Units And Twin Toilets For The Vulnerable In The Society	COUNTY WIDE	FY 2023/24	199,999,879	84,999,879	44,950,000	149,950,000	75
4	WATER	Proposed Construction Of Didkuro Water Supply In Mandera	DID KURO	FY 2023/24	184,682,867	90,175,348	50,000,000	110,000,000	60



No	Sector	Project Name	Project Location	Project Commencement Date	Contract sum (Kshs)	Total Funding in FY 2025/26 (Kshs.)	Expenditure (in accrual basis) in the First Half of FY 2025/26 (Kshs.)	Cumulative project expenditure (in accrual basis) as of 31st December 2025 (Kshs.)	Percentage (%) of Completion
		West Sub-County							
5	WATER	Augmentation And Upgrading Of Lafey Water Supply Project At Lafey Town In Lafey Sub County.	LAFEY	FY 2023/24	128,388,015	46,000,000	17,000,000	52,000,000	41
6	WATER	Construction Of Dandu Water Supply Project At Dandu Town In Dandu Sub County	DANDU	FY 2023/24	117,910,821	60,000,000	20,000,000	60,000,000	51
7	WATER	Construction Of 100,000M3 Dadach Gabab Earth Pan In Banisa Sub-County, Mandera County	BANISA	FY 2023/24	74,946,231	74,946,231	74,946,231	74,946,231	100
8	EXECUTIVE SERVICES	Proposed Upgrading Of Kutulo Hospital In Kutulo Sub County	KUTULO	FY 2023/24	73,810,730	27,608,048		37,000,000	
9	WATER	Proposed Augmentation And Upgrading Of Khalalio Water Supply Project At Khalalio Town In Mandera East Sub County	KHALALIO	FY 2023/24	66,227,207	30,000,000	30,000,000	39,000,000	59
10	LANDS	Consultancy Services For Provision Of Geodatic Controls In 60 Market Centres In Mandera County	COUNTY WIDE	FY 2023/24	49,550,560	7,162,920	7,162,190	47,162,190	95

#### **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 2025/2026. These are:

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

Late releases of funds from the national government contrary to exchequer distribution plans continues to be the major challenge for all counties every 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.