

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**FIRST NINE MONTHS REPORT
FY 2022/2023**

APRIL, 2023

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

REPUBLIC OF KENYA	1
Table of contents	3
Foreword	4
1.0 Introduction	5
1.1 Fiscal Outlook	5
2.0 Financial Analysis of County Budget Implementation	5
2.1 Budget Components	6
Table 1: Budget Components	6
2.2 Revenue Performance Analysis	7
2.3 Own Source Revenue Performance	7
Table 2: Total Local Revenue Collections for the Third Quarter of FY 2022/2023	7
Table 3: Monthly OSR Performance per Stream	8
2.4 Exchequer Issues	10
2.4 Conditional Grants	10
Table 4: Revenue Performance by Source (July 2022- March 2023)	10
3.1 Expenditure by Economic Classification	12
3.2 Budget and Budget Performance by County Departments	12
3.2.1 Budget estimates	12
Table 5: Resource allocation among the ministries	13
3.2.2 Departmental Expenditure Analysis	14
3.2.2.1 Development expenditure performance by departments	14
3.2.2.2 Recurrent expenditure performance by departments	15
3.3 Budget Execution by Programmes and Sub-Programmes	17
4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD	19
5.0 RECOMMENDATIONS	20

Foreword

I am pleased to present the Budget Implementation Report for the third quarter of the Financial Year (FY) 2022/2023. 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 third report in FY 2022/2023 and presents information on budget performance by the departments in the period July 2022 to March 2023. Information on budget performance is presented on aggregate and on individual department performance. The report also includes performance trends, which present a useful trajectory of revenue and expenditure performance.

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

The budget implementation was slow but recorded an improved performance in the second quarter and by the end of March 2023, expenditure on both the development and recurrent programmes represented 49% of the County's approved budget. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of delay in the release of funds from the National Treasury and approval of Fund Requests by Office of the Controller of Budget. With the above challenge having been addressed, the budget implementation is expected to be smooth in the fourth quarter of the FY 2022/2023. I urge the departments to move with speed in putting up measures to hasten the implementation of programmes especially for the development projects.

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

Ibrahim Mohamed Adan

County Executive Member for Finance and Economic Planning

1.0 Introduction

This Budget Implementation Report is prepared in conformity with Article 228(6) of the Constitution of Kenya, 2010 and Section 39(8) of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period July 2022 to March 2023.

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

Compiled by the Mandera County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 31st March 2023 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 2022/2023 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

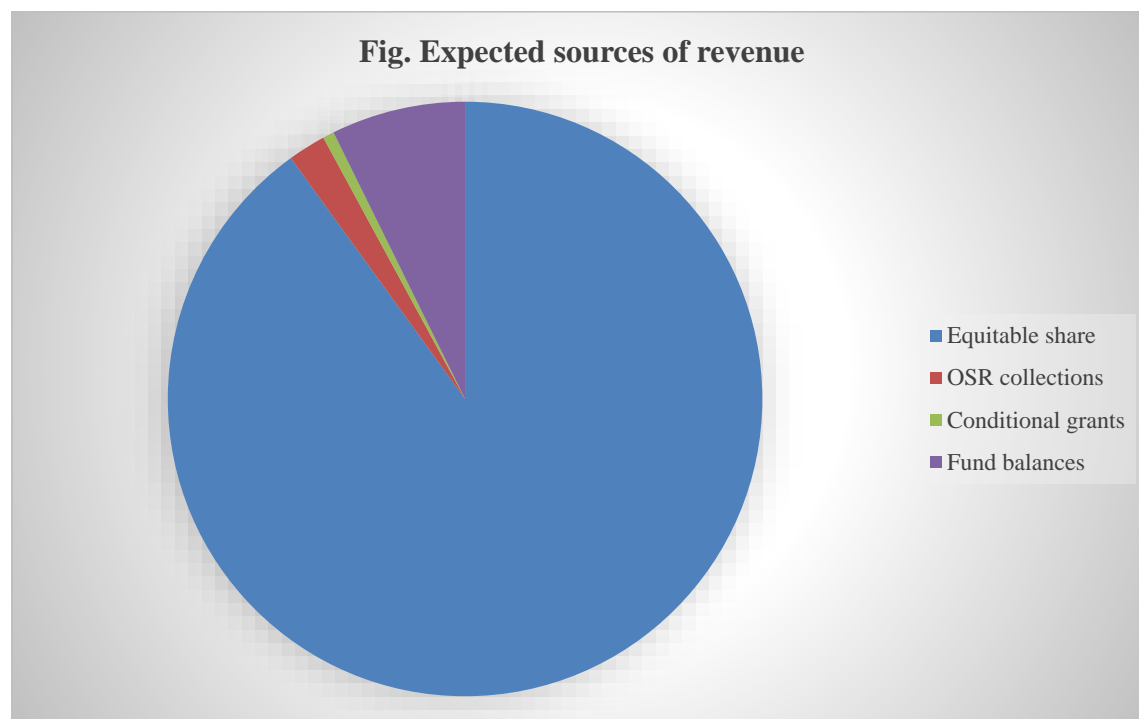
2.0 Financial Analysis of County Budget Implementation

The County had an approved budget of Kshs. 12,428,837,570 which comprised of Kshs. 8,167,343,761 (66%) for recurrent expenditure and Kshs. 4,261,493,808 (34%) allocation for development expenditure.

2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 11,190,382,598 (96 percent) as the equitable share of revenue raised nationally, generate Kshs. 255,436,786 (2 percent) from own sources of revenue, receive Kshs. 76,172,553 from various conditional grants, and had a balance (ongoing projects) of Kshs. 906,845,632 (2 percent) from FY 2021/2022.

Figure 1: Expected Sources of Budget Financing in FY 2022/2023



Source: County Treasury, Mandera County Government

The major source of revenue for the County was national sharable revenue making up 90%. Total conditional CARA allocations was 1% and unspent balances made up 7% of the budget 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 2022/2023 budget

REVENUE SUMMARY 2023/2024 FY		SUPPLEMENTARY 2022/2023	Percentage
Funding Types	Revenue summary By Sources	Kshs	%
Equitable Sharable Revenue	Equitable share of Revenue	11,190,382,598.00	90%

Own Source Revenue	Local Revenue Collections	255,436,786.00	2%
	On-Going Projects funds b/f from 2021/2022	906,845,632.35	7%
Conditional Grants - Development Partners	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	54,721,395.00	0%
	Kenya Urban and Institutional Grant b/f	21,451,158.00	0%
	TOTAL	12,428,837,569.35	100%

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first nine months of the FY 2022/2023, the County received Kshs. 5,539,239,385 as equitable share of revenue raised nationally and raised Kshs. 89,102,787 from own source revenue. The County also had a cash balance of Kshs. 906,845,632 from FY 2021/2022 and received various conditional grants amounting to Kshs. 200,627,706.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 255,436,786 from local sources during the FY 2022/2023. The actual achievement in the first nine months of the FY 2022/2023 was Kshs. 89,102,787 which translates to 35% of the targeted collection.

Table 2: Total Local Revenue Collections for the Third Quarter of FY 2022/2023

The table below summarizes comparisons between targeted actual local revenue collections in the FY 2022/2023 and what was realized for the period under review.

FY 2022/2023 TOTAL THIRD QUARTER COUNTY OWN SOURCE REVENUE COLLECTION

Revenue Sources	Target 2022/2023	Total Collection (July 2022-March 2023)
Land rents	55,000,000	17,664,320.65
Plot Transfers/Sub-Divisions/Application Fees	35,000,000	12,121,103.00
Building plan	3,000,000	2,578,138.35
Miraa Movements	19,000,000	5,264,800.00

Single Business Permit	26,000,000	9,034,102.00
Markets stalls	9,757,201	4,188,250.00
Market Shades	3,488,000	1,159,600.00
Market Gates/Cess	1,708,000	65,400.00
Buspark/Taxis/Parking	2,265,000	1,020,510.00
Income from Quarries	1,885,001	457,900.00
Barriers	9,149,000	2,736,707.00
Livestock Markets Auction	4,598,001	1,904,551.00
Livestock Movement	8,174,000	3,958,490.00
Slaughter fees and Charges	9,187,001	4,421,160.00
Produce Cess	2,549,000	636,229.00
Agriculture Mechanization/Hire of Equipment	1,218,000	-
Income from Sale of Tenders documents	1,921,001	482,400.00
Rental income	2,500,000	1,128,300.00
Tender	6,000,000	263,800.00
Public Health	4,057,716	328,722.00
Hospital collection	35,000,000	18,981,604.00
Income from Water Management	13,979,865	706,700.00
Grand Total	255,436,786	89,102,787

Source: Department of Revenue Services, Mandera County Government

Table 3: Monthly OSR Performance per Stream

In the period under review, the County's top performing streams included Hospital collection Land rents, Plot Transfers/Sub-Divisions/Application Fees, Single Business Permit, Miraa Movements, Slaughter fees and Charges, Markets stalls, Livestock Movement, Barriers, and Building plan. The worst performing streams were Agriculture Mechanization/Hire of Equipment, Public Health, Market Gates/Cess, Tender, and Income from Quarries. The monthly collection breakdown is shown in table that follows.

MANDERA COUNTY GOVERNMENT											
OWN SOURCE REVENUE 9 MONTHS COLLECTION FY 2022/2023											
Revenue Sources	Target 2022/2023	July	August	September	October	November	December	January	February	March	Total
Land rents	55,000,000	2,275,556	1,806,951	1,799,500	2,073,300	850,000	517,500	2,475,620	3,166,600	2,699,294	17,664,321
Plot Transfers/Sub-Divisions/Application Fees	35,000,000	1,114,000	1,105,000	2,134,503	1,920,000	695,000	270,000	1,956,600	1,536,000	1,390,000	12,121,103
Building plan	3,000,000	24,000	31,000	36,000	48,000	60,000	60,000	505,749	114,000	1,699,389	2,578,138
Miraa Movements	19,000,000	571,000	676,000	776,800	450,000	495,000	700,000	664,000	540,000	392,000	5,264,800
Single Business Permit	26,000,000	420,500	84,000	269,700	60,900	113,800	8,000	2,196,301	4,786,600	1,094,301	9,034,102
Markets stalls	9,757,201	857,950	400,800	521,400	433,200	411,000	224,600	524,800	351,400	463,100	4,188,250
Market Shades	3,488,000			135,000	215,400	185,800	173,200	162,500	185,500	102,200	1,159,600
Market Gates/Cess	1,708,000	8,360	710	12,490	12,940		1,000	5,700	19,700	4,500	65,400
Buspark/Taxis/Parking	2,265,000	69,750	60,950	122,100	123,700	144,050	123,700	152,660	115,650	107,950	1,020,510
Income from Quarries	1,885,001	20,000	31,000	42,050	66,100	64,200	92,250	36,100	84,200	22,000	457,900
Barriers	9,149,000	343,862	281,300	237,480	259,400	282,790	301,980	486,802	340,493	202,600	2,736,707
Livestock Markets Auction	4,598,001	190,750	73,050	85,110	93,480	169,110	493,050	271,101	288,700	240,200	1,904,551
Livestock Movement	8,174,000	300,850	243,700	179,400	197,680	340,108	1,009,750	637,952	550,800	498,250	3,958,490
Slaughter fees and Charges	9,187,001	415,380	473,300	467,540	521,900	505,980	556,050	507,760	475,150	498,100	4,421,160
Produce Cess	2,549,000	53,199	44,520	101,150	81,790	53,000	46,800	91,050	113,470	51,250	636,229
Agriculture Mechanization/Hire of Equipments	1,218,000	-	-	-	-	-	-	-	-	-	-
Income from Sale of Tenders documents	1,921,001	-	-	-	-	261,900	136,700	-	83,800	-	482,400
Rental income	2,500,000	129,100	-	-	-	366,900	155,000	-	135,200	342,100	1,128,300
Tender	6,000,000	-	-	-	182,200	81,600	-	-	-	-	263,800
Public Health	4,057,716	17,400	1,200	1,900	-	10,000	-	125,112	143,210	29,900	328,722
Hospital collection	35,000,000	2,453,553	2,445,147	1,458,100	1,999,768	1,998,840	2,012,410	2,488,056	2,100,400	2,025,330	18,981,604
Income from Water Management	13,979,865	76,900	118,500	106,000	38,000	88,000	60,500	97,800	101,000	20,000	706,700
Grand Total	255,436,786	9,342,110	7,877,128	8,486,223	8,777,758	7,177,078	6,942,490	13,385,663	15,231,873	11,882,464	89,102,787

Source: Department of Revenue Services, Mandera County Government

From the above analysis, the highest County Own Source Revenue collection was realized in the month of February 2023 amounting to Kshs. 15,231,873 followed by the month of January 2023

in which Kshs. 13,385,663 was collected while the least collection was in the month of March 2023 amounting to Kshs. 6,942,490.

The following challenges were encountered in the local revenue collections:

- Insecurity due to terror attacks affected revenue collection activities
- Drought affected collection of livestock and agricultural related revenues
- Border closures due to the general insecurity in the region
- General tough economic conditions
- Border closures

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 5,539,239,385 from the County Revenue Fund (CRF) account, which was 49% of the approved allocations. This amount represented a decrease from Kshs. 5,611,503,076 received in the FY 2021/2022 and was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

The County received Kshs. 200,627,706 as Conditional Grants in the reporting period.

Table 4: Revenue Performance by Source (July 2022- March 2023)

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)
		A	B	C=A-B
1	Equitable share of Revenue	11,190,382,598	5,539,239,385	5,651,143,213
2	Local Revenue Collections	255,436,786	89,102,787	166,333,999
3	On-Going Projects funds b/f from 2021/2022	906,845,632	895,230,608	11,615,024
4	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	54,721,395	54,721,395	-

5	Kenya Climate smart Agriculture Project (NEDI)	-	81,191,951	(81,191,951)
6	Sweden -Agricultural Sector Development Support Program (ASDSP) II	-	8,024,024	(8,024,024)
7	World Bank Emergency locust response Project(ENRP)	-	35,854,202	(35,854,202)
8	FLLoCA	-	11,000,000	(11,000,000)
9	Kenya Urban and Institutional Grant b/f	21,451,158	21,451,158	-
	TOTAL	12,428,837,569	6,735,815,510	5,693,022,059

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 89,102,787 from own revenue sources in the first nine months of the FY 2022/2023. This amount represented a decrease of Kshs. 18,450,978 compared to Kshs. 107,553,765 realized in the first nine months of the FY 2021/2022.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 31st March, 2023 amounted to Kshs. 6,069,455,769.39 out of which Kshs. 2,676,133,311 was for Operations & Maintenance and Kshs. 3,393,322,458 was for Personnel Emoluments. Transfers amounting to Kshs. 744,476,690 were made to the County entities. Expenditures amounting to Kshs. 1,069,168,993 were utilized on development programmes.

3.1 Expenditure by Economic Classification

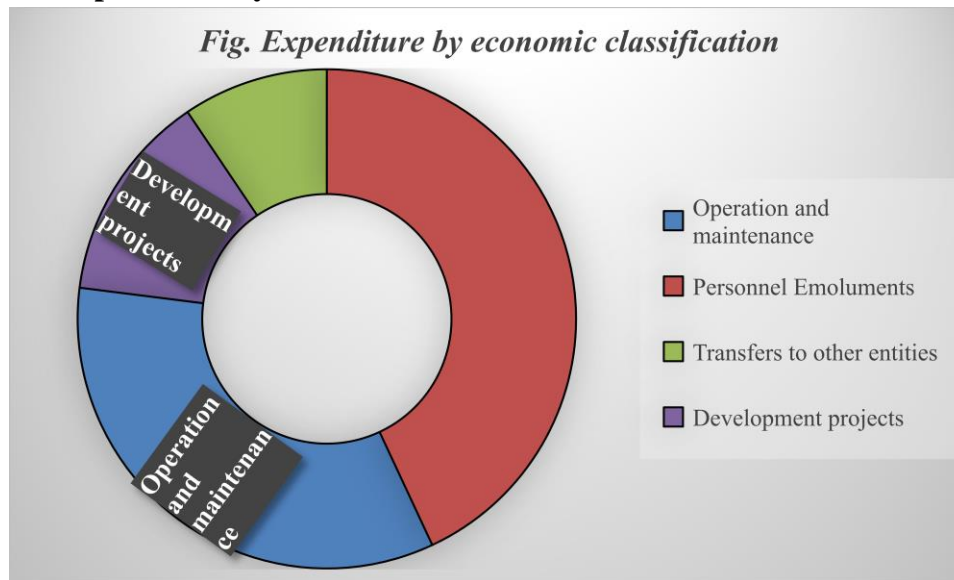


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 43% of the total expenditure incurred in the first nine months of the FY 2022/2023 while expenditures on operations and maintenance accounted for 34% of the total expenditure. Expenditure of 14% was incurred on development programmes while Transfers to County Entities accounted for 9% of the total overall expenditure.

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 2022/2023 the County Departments were funded in line with the ceilings captured in the 2022 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mandera County Integrated Development Plan (2018-2022).

Table 5 shows the breakdown of county's budget per ministry in FY 2022/2023.

Table 5: Resource allocation among the ministries

SUMMARY OF BUDGET FOR FY 2022/2023			
Departments	Recurrent (Kshs)	Development (Kshs)	Total Budget (Kshs)
County Assembly	990,090,152.00	322,253,555.35	1,312,343,707.35
Agriculture Livestock and Fisheries	163,063,721.48	236,023,366.85	399,087,088.33
Education, Culture and Sports	788,224,397.76	212,417,921.00	1,000,642,318.76
Gender, Youth and Social Service	591,935,261.00	35,244,700.00	627,179,961.00
Finance	376,504,748.00	67,880,000.00	444,384,748.00
Health Services	2,303,006,359.15	468,874,654.00	2,771,881,013.15
Trade, Investments Industrializations and Cooperative Development	53,488,085.00	28,092,667.40	81,580,752.40
Lands, Housing and Physical Planning	81,783,882.00	482,300,000.00	564,083,882.00
Office of the Governor	459,069,122.58		459,069,122.58
County Public Service Board	69,534,469.80	45,793,535.00	115,328,004.80
Public Service, Management and Devolved Unit	1,763,242,099.37	20,900,000.00	1,784,142,099.37
Public Works Roads and Transport	168,220,414.00	852,948,370.57	1,021,168,784.57
Water, Environment and Natural Resources	359,181,049.24	1,488,765,038.30	1,847,946,087.54
TOTAL	8,167,343,761.38	4,261,493,808.47	12,428,837,569.85

The highest beneficiary of the FY 2022/2023 budget allocation was the Ministry of Health Services getting Kshs 2,771,881,013.15 (22 percent), Ministry of Water, Environment and Natural Resources getting Kshs 1,847,946,087.54 (15 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,784,142,099.37 (14 percent), County Assembly got Kshs. 1,312,343,707.35 (11 percent), Ministry of Public Works Roads and Transport were allocated Kshs 1,021,168,784.57 (8 percent), while the Ministry of Education got Kshs. 1,000,642,318.76 (8 percent). Other departments were allocated below 5 percent.

3.2.2 Departmental Expenditure Analysis

During the period under review, the county Government incurred expenditures totaling to Kshs. 6,069,455,769.39 on both development and recurrent activities. This absorption accounted for 49% of the total approved budget.

Departments	Budgeted Amount	Recurrent Expenditure	Development Expenditure	Total Expenditure
County Assembly	1,312,343,707.35	-	-	-
Agriculture Livestock and Fisheries	399,087,088.33	113,573,522.43	55,216,500.00	168,790,022.43
Education, Culture and Sports	1,000,642,318.76	396,939,166.35	20,351,996.00	417,291,162.35
Gender, Youth and Social Service	627,179,961.00	49,668,067.10	25,744,700.00	75,412,767.10
Finance	444,384,748.00	273,632,722.20	9,300,000.00	282,932,722.20
Health Services	2,771,881,013.15	1,455,887,258.08	150,002,616.00	1,605,889,874.08
Trade, Investments Industrializations and Cooperative Development	81,580,752.40	35,956,416.95	-	35,956,416.95
Lands, Housing and Physical Planning	564,083,882.00	54,538,340.15	399,476,690.00	454,015,030.15
Office of the Governor	459,069,122.58	312,994,539.55	-	312,994,539.55
County Public Service Board	115,328,004.80	51,104,331.00	10,000,000.00	61,104,331.00
Public Service, Management and Devolved Unit	1,784,142,099.37	1,279,036,052.05	5,000,000.00	1,284,036,052.05
Public Works Roads and Transport	1,021,168,784.57	109,809,309.75	379,272,468.00	489,081,777.75
Water, Environment and Natural Resources	1,847,946,087.54	272,670,360.80	609,280,713.00	881,951,073.80
TOTAL	12,428,837,569.85	4,405,810,086.39	1,663,645,683.00	6,069,455,769.39

Source: County Treasury, Mandera County Government

3.2.2.1 Development expenditure performance by departments

In the FY 2022/2023, the County's gross development budget was Kshs. 4,261,493,808.47. An expenditure of Kshs. 1,663,645,683.00 representing 39% of the development vote was utilized during first nine months of the financial year. Only two Ministries were able to incur expenditure above 50%. These were the Ministry of Lands, Housing and Physical Planning, and the Ministry of Gender, Youth and Social Service which incurred an expenditure of 83% and 73% respectively.

The worst performers were the Ministry of Trade, Investments Industrializations and Cooperative Development, Ministry of Education, Culture and Sports, and Ministry of Finance and Economic Planning which had an absorption rate of 0%, 10%, and 14% respectively.

The following factors were responsible for low absorption rate;

- Delays in approval of request for funds by office of controller of budget
- Late releases of the exchequer by the National Treasury
- Natural calamities e.g. persistent drought in the County
- General insecurity problems from Al-Shabaab terrorists

The table 7 analyses development expenditure performance by ministries

Departments	Budgeted Amount	Development Expenditure	Utilization (%)
County Assembly	322,253,555.35		0%
Agriculture Livestock and Fisheries	236,023,366.85	55,216,500.00	23%
Education, Culture and Sports	212,417,921.00	20,351,996.00	10%
Gender, Youth and Social Service	35,244,700.00	25,744,700.00	73%
Finance	67,880,000.00	9,300,000.00	14%
Health Services	468,874,654.00	150,002,616.00	32%
Trade, Investments Industrializations and Cooperative Development	28,092,667.40	-	0%
Lands, Housing and Physical Planning	482,300,000.00	399,476,690.00	83%
County Public Service Board	45,793,535.00	10,000,000.00	22%
Public Service, Management and Devolved Unit	20,900,000.00	5,000,000.00	24%
Public Works Roads and Transport	852,948,370.57	379,272,468.00	44%
Water, Environment and Natural Resources	1,488,765,038.30	609,280,713.00	41%
TOTAL	4,261,493,808.47	1,663,645,683.00	39%

Source: County Treasury, Mandera County Government

3.2.2.2 Recurrent expenditure performance by departments

In comparison to the development vote, the County performed well in the execution of the recurrent budget in the first nine months of the FY 2022/2023. The County had a total recurrent budget of Kshs. 8,167,343,761. An expenditure of Kshs. 4,405,810,086 representing 54% of the recurrent vote was utilized during the period under review. The Water, Environment and Natural Resources recorded the highest overall absorption rate at 76% followed by the Ministry of Public

Service, Management and Devolved Unit, Ministry of Finance and Economic Planning, and County Public Service Board at 73% each. The Ministry of Agriculture Livestock and Fisheries recorded an absorption of 70% while Office of the Governor recorded 68%. All other Ministries recorded above 50% except the Ministry of Gender, Youth and Social Service which was the lowest spender of the recurrent budget during the period at an absorption rate of 8%.

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

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

- Slow release of funds from national treasury
- Delays in approval of request for funds
- Technical and capacity challenges in application of IFMIS
- Other expenditure pressures

The table 8 analyses recurrent expenditure performance by ministries.

Departments	Budgeted Amount	Recurrent Expenditure	Utilization (%)
County Assembly	990,090,152.00		0%
Agriculture Livestock and Fisheries	163,063,721.48	113,573,522.43	70%
Education, Culture and Sports	788,224,397.76	396,939,166.35	50%
Gender, Youth and Social Service	591,935,261.00	49,668,067.10	8%
Finance	376,504,748.00	273,632,722.20	73%
Health Services	2,303,006,359.15	1,455,887,258.08	63%
Trade, Investments Industrializations and Cooperative Development	53,488,085.00	35,956,416.95	67%
Lands, Housing and Physical Planning	81,783,882.00	54,538,340.15	67%
Office of the Governor	459,069,122.58	312,994,539.55	68%
County Public Service Board	69,534,469.80	51,104,331.00	73%
Public Service, Management and Devolved Unit	1,763,242,099.37	1,279,036,052.05	73%
Public Works Roads and Transport	168,220,414.00	109,809,309.75	65%
Water, Environment and Natural Resources	359,181,049.24	272,670,360.80	76%
TOTAL	8,167,343,761.38	4,405,810,086.39	54%

Source: County Treasury, Mandera County Government

3.3 Budget Execution by Programmes and Sub-Programmes

Table 9 shows a summary of the budget execution by programmes and sub-programmes between July 2022 to March 2023 of the FY 2022/2023.

Programme	Sub-Programme	Description	Approved Estimates FY 2022/23 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
			A	B	C=A-B	D=B/A*100
Agricultural and Livestock Sector Support	Food security Initiatives	Agricultural Infrastructure, Conservation and Research	209,488,884.00	34,300,240.00	175,188,644.00	16%
	Livestock Production	Livestock Agricultural Sector Support	26,534,483.00	20,916,260.00	5,618,223.00	79%
	Sub Total		236,023,367.00	55,216,500.00	180,806,867.00	23%
Administration Services	Administration and Compensation	Administration Services	4,378,437,639.38	2,373,241,381.50	2,005,196,257.88	54%
	Sub Total		4,378,437,639.38	2,373,241,381.50	2,005,196,257.88	54%
Trade, Cooperatives and Investment Sector Support	Trade Development and Promotion	Trade Development	28,092,667.40	23,396,996.95	4,695,670.45	83%
	Sub Total		28,092,667.40	23,396,996.95	4,695,670.45	83%
Youth Rehabilitation and Development	Youth Affairs	Youth Development Programmes and Policy	35,244,700.00	25,744,700.00	9,500,000.00	73%
	Sub Total		35,244,700.00	25,744,700.00	9,500,000.00	73%
ECDE and Sports Development Services	Early Childhood Development Education (ECDE)	ECDE Infrastructure.	212,417,921.00	20,351,996.00	192,065,925.00	10%
	Sub Total		212,417,921.00	20,351,996.00	192,065,925.00	10%
Physical Infrastructure Development	Health Infrastructure	Infrastructure Construction, Expansion and Maintenance	468,874,654.00	150,002,616.00	318,872,038.00	32%

	Land Survey	Infrastructure & Equipment	482,300,000.00	399,476,690	82,823,310.00	83%
	Physical Infrastructure	Infrastructure Construction, Expansion and Maintenance	1,241,895,461.35	394,272,468.00	847,622,993.35	32%
	Sub Total		2,193,070,115.35	943,751,774.00	1,249,318,341.35	43%
General Administration & Support Services	Administration, planning and support services	General Administration & Support Services	3,788,906,122.00	1,999,171,707.94	1,789,734,414.06	53%
	Sub Total		3,788,906,122.00	1,999,171,707.94	1,789,734,414.06	53%
Public Financial Management	Financial Management Services	Financial Services	67,880,000.00	9,300,000.00	58,580,000.00	14%
	Sub Total		67,880,000.00	9,300,000.00	58,580,000.00	14%
Water Provision Services	Water Supply	Water Storage Structures	1,475,155,038.30	609,280,713.00	865,874,325.30	41%
	Sub Total		1,475,155,038.30	609,280,713.00	865,874,325.30	41%
Solar Energy and Environmental Services	Environmental Management Services	Environment and Natural Resources	13,610,000.00	10,000,000.00	3,610,000.00	73%
	Sub Total		13,610,000.00	10,000,000.00	3,610,000.00	73%
	Total		12,428,837,570.43	6,069,455,769.39	6,359,381,801.04	49%

Source: County Treasury, Mandera County Government

The programmes that performed well based on expenditure absorption were Trade Development and Promotion as well as Land Survey at 83% each, Livestock Production at 79%, Environmental Management Services at 73%, Administration and Compensation at 54%, and Administration, Planning and Support Services at 53% of budget allocation while ECDE and Sports Development Services, Financial Management Services, Food security Initiatives and Physical Infrastructure performed poorly.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

Mandera County Government experienced several challenges that affected budget implementation during the first nine months of the financial year 2022/2023. These are:

Slow release of funds from National Treasury

The delay in disbursement of funds from the National Treasury was a major hindrance to the implementation of County Programmes. This mainly affected implementation of development activities in the reporting period.

IFMIS connectivity challenges

Frequent and recurrent IFMIS breakdowns decelerated 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 and effective manner.

Natural Calamities

The calamitous persistent drought and famine, and other natural calamities affected smooth execution of the planned programmes in the budget.

Under-performance of own revenue collection

This was due to, amongst other reasons shortage of staff. The department of revenue services which are tasked with local revenue collection and administration was critically understaffed. Insecurity in the region also affected collections of revenues greatly.

Litigations

During the reporting period, the vetting and swearing in of the newly selected county chief officers were halted by lawsuits filed against the County administration hence affecting service delivery.

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.

5.0 RECOMMENDATIONS

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

- The County Government should liaise and cooperate with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and successful project implementations.
- The County Government should also continue 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.
- Civic education- building the capacities for communities to understand the roles played by both the National and County Government to avoid scenarios where the residents demand the County Government starts planning and financing of functions under the National Government or vice versa.
- Engage the National Government to invest in the security sector to curb attacks from militia groups.
- Departments should capacity build their human capital so as to increase their efficiency and productivity.