DIRECTORATE OF ECONOMIC PLANNING & STATISTICS

COUNTY GOVERNMENT OF MANDERA

REPORT ON REVENUE MOBILIZATION CAMPAIGN IN MANDERA MUNICIPALITY

SEPTEMBER 2024

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INTRODUCTION

Mandera Municipality's low revenue generation prompted the formation of multi-sector Rapid Revenue mobilization team, comprising representatives from the Directorate of Revenue Services, Economic Planning and Statistics, Efficiency Monitoring and Delivery Units, and the Municipality itself. A two-week revenue mobilization campaign was launched to enhance revenue collection, gather accurate data on revenue streams, set achievable revenue targets and identify challenges hindering revenue growth in the Municipality. Key sectors targeted included businesses, markets, water vendors and the transport sector within Municipality.

CAMPAIGN STRUCTURE

The Rapid Revenue Transformation Team was strategically divided into seven groups, each with a representative from a different department, reflecting the diverse multisector approach. The Municipality coverage area was divided into zones, with each group assigned a specific zone to ensure comprehensive coverage and efficient data collection.

OBJECTIVES

- To provide accurate data on revenue streams within the Municipality.
- To enhance revenue collection in the Municipality
- To set achievable target for each revenue stream.
- To identify factors contributing to low revenue generation

EXPECTED OUTCOMES

- Increased Revenue Generation by implementing data driven strategies to boost revenue collection.
- Expanded Revenue Streams by identifying new sustainable revenue sources.
- Informed Decision-Making by utilizing data-driven insights to inform future revenue policies and strategies.

ACTIVITIES

- Directly engaging business owners to collect data, assess revenue potential and ensure compliance.
- Markets Monitor by observing market activities and transactions to identify revenue opportunities.
- Collection of accurate data on Transport Sector to streamline revenue collection processes

ANALYSIS OF REVENUE STREAMS

1) Transport Sector

At each barrier point within the Municipality, officers were stationed to collect vehicle number plates and types. This data was used to determine daily traffic movement and potential revenue sources. According to the analysis, taxis had the highest traffic volume with a daily average of 422, while tractors had the lowest with a daily average of one. Table 1 shows summary of daily traffic statistics

Table 1: summary of daily traffic statistics

Vehicle Type	16/09/2024	17/09/2024	18/09/2024	19/09/2024	20/09/2024	21/09/2024	22/09/2024	Average
Tax	602	525	373	431	393	334	297	**422**
Water boozer	36	26	17	22	16	13	12	**20**
Town Transport	30	23	25	9	5	8	5	**15**

Tuktuk	27	34	35	20	30	16	11	**25**
Matatu(Homey)	19	13	15	19	10	7	10	**13**
LandCruiser	18	18	15	16	14	14	18	**16**
Lorry	18	12	7	2	5	4	5	**8**
Tipper	13	27	11	11	4	11	2	**11**
Canter	8	7	2	0	0	0	0	**2**
Tractor	3	2	1	0	0	0	0	**1**
Bus	2	3	2	2	1	1	2	**2**
TOTAL	**776**	**690**	**503**	**532**	**477**	**407**	**362**	

NB: Daily traffic statistics was derived from the third week of September 2024

2) Revenue Projection from Transport Sector Services

Using the daily traffic statistics, the Revenue generated from Transport sector services within the Municipality was projected. Monthly revenue collection was estimated at Kshs **1,552,500** resulting in an annual projection of Kshs **18,705,000**. Table 2 provides a detailed breakdown of the revenue projection for transport sector services

Table 2: Revenue projection from Transport sector services

S/No.	Vehicle Type	Average	Rate/Charge	Daily Charge	Monthly Revenue	Annual Revenue	Frequency
1	Tax	422	50	21,100	633,000	7,596,000	Per day
2	Water boozer	20	300	6,000	180,000	2,160,000	Per trip
3	Town Transport	15	5000			75,000	Per Year
4	Tuktuk	25	50	1,250	37,500	450,000	Per day
5	Matatu(Homey	13	100	1,300	39,000	468,000	Per day
6	LandCruiser	16	100	1,600	48,000	576,000	Per day
7	Lorry	8	500	4,000	120,000	1,440,000	Per trip

8	Tipper	11	500	5,500	165,000	1,980,000	Per trip
9	Canter	2	500	1,000	30,000	360,000	Per trip
10	Tractor	1	8000	8,000	240,000	2,880,000	Per day
11	Bus	2	1000	2,000	60,000	720,000	per trip
TOTAL				**51,750**	**1,552,500**	**18,705,000**	

3) Business Mapping in Mandera Municipality Main Markets

Mandera Municipality has four major markets: Bus Park, ESP market, Jamhuria market, and Miraa market. A comprehensive business mapping exercise was conducted across these markets to identify the types of businesses operating within each and their respective numbers. Table 3 presents a summary of the markets types and the businesses operated within each.

Table 3: Markets and types of businesses within

Market Name	Market Type	No. of Market type	Monthly Rent	Revenue Per Month	Revenue Per Year
Bus Park	Kiosk	32	600	19,200	230,400
	Shades	50	600	30,000	360,000
	Stalls	57	1500	85,500	1,026,000
	Tables	1	1500	1,500	18,000
	Sub-total	**140**		**136,200**	**1,634,400**
ESP Market	Large Stall	6	3000	18,000	216,000
	Small Stalls	53	1000	53,000	636,000
	Kiosk	2	600	1,200	14,400
	Shades	11	600	6,600	79,200
	Tables	65	200	13,000	156,000
	Tea Vendor	3	1000	3,000	36,000
	Sub-total	**140**		**94,800**	**1,137,600**
Jamhuria Market	Small Stalls	1	1000	1,000	12,000
	Shades	137	600	82,200	986,400
	Stalls	185	1000	185,000	2,220,000
	Tables	57	200	11,400	136,800
	Tailors	29	200	5,800	69,600
	Sub-total	**409**		**285,400**	**3,424,800**
Miraa Dashes	Shades	43	600	25,800	309,600

	Tables	13	200	2,600	31,200
	Sub-total	**56**		**28,400**	**340,800**
GRAND TOTAL		**745**		**544,800**	**6,537,600**

4) **Business Permit Mapping**

Private businesses in Mandera Municipality were identified and categorized into relevant business sectors. A total of **1,703** businesses were surveyed and classified into **37** distinct categories. The table 4 below provides a summary of revenue targets for each business category.

Table 4: Summary of revenue targets for business categories

Category	Number	Total Amount(Ksh)
General Traders and Retail shop	904	4,068,900
Informal Sector	229	65,400
Accommodation and Catering	78	518,700
Health and Medical Services	77	1,036,500
Beauty and Grooming Services	58	219,800
Butchery	36	118,000
Hardware	33	324,000
Cosmetic	25	125,000
Cyber Cafe	25	129,500
Education and Training	24	447,000
M-PESA Shop	22	191,800
Electronic shop	21	175,000
Spare Parts	21	137,000
Wholesale	21	242,500
Garage	20	140,500
Tailoring	18	79,500
Welding	11	54,500
Air Traveling Agency	9	90,000
Bookshop	9	72,000
Petrol station	6	101,000
Financial Services	5	75,000
Furniture	5	40,000
Network Telecommunication	5	79,000
Mineral Water Company	4	80,000
Tyre Repair	4	20,000
Bus Companies	4	40,000

Category	Number	Total Amount(Ksh)
Bank	3	450,000
Bakery company	3	30,000
Carpentry	3	12,000
Car Wash	3	15,000
Construction Company	3	45,000
Parcel and Carriers	3	30,000
Sim sim Production	3	12,500
AGROVET	2	20,000
Supermarket	2	40,000
Security Company	2	120,000
Driving School	2	26,000
TOTAL	**1703**	**9,471,100**

5) Municipality Monthly and Annual Revenue Projections

Based on the analysis of all revenue streams, Mandera Municipality's annual revenue was projected. The Municipality is estimated to a potential of collecting over Kshs.**3.7** Million per months in revenue and Kshs **54** Million annually. The table 5 shows the summary of the projected monthly and annual revenue figures

Table 5: Summary of the Municipality monthly and annual revenue projections

Revenue Stream	Monthly Revenue	Annual Revenue
Mandera Municipality Markets	544,800	6,537,600
Business Permits	0	9,471,100
Barriers and Transport sector	1,526,142	18,363,714
Border Points	586,640	7,039,680
Parking Fee	11,840	142,080
Animal Market	507,500	6,090,000
Slaughter Houses	329,000	3,948,000
Stock Movement	112,100	1,345,200
Development Control	86,500	1,038,000
Market Gate (cess)	31,300	375,600
TOTAL	**3,737,522**	**54,350,974**

6) Analysis of Revenue Collection for September, 2024

To evaluate the effectiveness of revenue mobilization campaign, revenue data collection for September was analyzed. A comparison of the first 15 days before mobilization campaign and last 15 days after the campaign revealed a **123%** increase in revenue, from Kshs **1,501,060** to Kshs **3,353,450**. Additionally, total daily target is projected at Kshs. **148,765.** This translated to a monthly and annual estimated revenue projection of Kshs. **4,462,950** and Kshs**. 54,453,000** respectively. This annual revenue projection matches with Kshs. **54,350,974** revenue projected from the analysis of the data collected during mobilization campaign period for all the revenue streams. However, a total daily variance of Kshs **123,493** suggests a potential revenues loss due to under-collection or pilferages. The table 6 provides analysis of revenue collection for the Month of September 2024.

Table 6: Analysis of revenue collection for the Month of September 2024

S/No.	REVENUE STREAMS	Week 1 Collections	Week 2 Collections	Week 3 Collections	Week 4 Collections	Daily Average before Revenue mobilization	Daily Average after Revenue mobilization	Daily target per stream	Daily Variance
1	Moi Girls Barrier	28,270	20,960	82,000	85,300	3282	11153	11,153	7,871
2	Barwaqo Barrier	7,550	6,800	32,450	36,350	957	4587	4,587	3,630
3	MSS Barrier	17,800	16,600	50,050	40,400	2293	6030	6,030	3,737
4	Neboi Barrier	31,200	27,650	59,150	65,450	3923	8307	8,307	4,383
5	Malka Punda	52,950	47,700	98,450	119,900	6710	14557	14,557	7,847
6	Malka Suftu	29,400	39,500	66,970	67,170	4593	8943	8,943	4,349
7	Malka Osman Rino	6,750	4,850	500	-	773	33	33	(740)
8	Malka Odo	14,600	12,200	17,000	8,700	1787	1713	1,713	(73)

9	Parking	1,990	2,800	6,500	550	319	470	470	151
10	Stock Movement	22,000	25,500	30,500	34,100	3167	4307	4,307	1,140
11	Green County Barrier	33,900	-	7,650	9,300	2260	1130	1,130	(1,130)
12	Jamhuria Market	69,400	36,000	134,600	112,000	7027	16440	16,440	9,413
13	Buspark Market	108,400	89,700	87,100	98,900	13207	12400	12,400	(807)
14	ESP Market	57,200	79,600	155,200	73,800	9120	15267	15,267	6,147
15	Market Gate (cess)	6,180	4,210	7,500	13,410	693	1394	1,394	701
17	Single Business Permit	205,800	101,100	516,900	605,100	20460	74800	-	54,340
18	Development Control	-	9,000	26,500	51,000	600	5167	5,167	4,567
19	Livestock Market	49,700	98,000	157,700	202,100	9,847	23,987	23,987	14,140
20	Slaughter	60,600	75,200	100,800	92,400	9,053	12,880	12,880	3,827
	TOTAL	**803,690**	**697,370**	**1,637,520**	**1,715,930**	**100,071**	**223,563**	**148,765**	**123,493**

Figure 1: representation of changes in revenue collection before and after revenue mobilization campaign
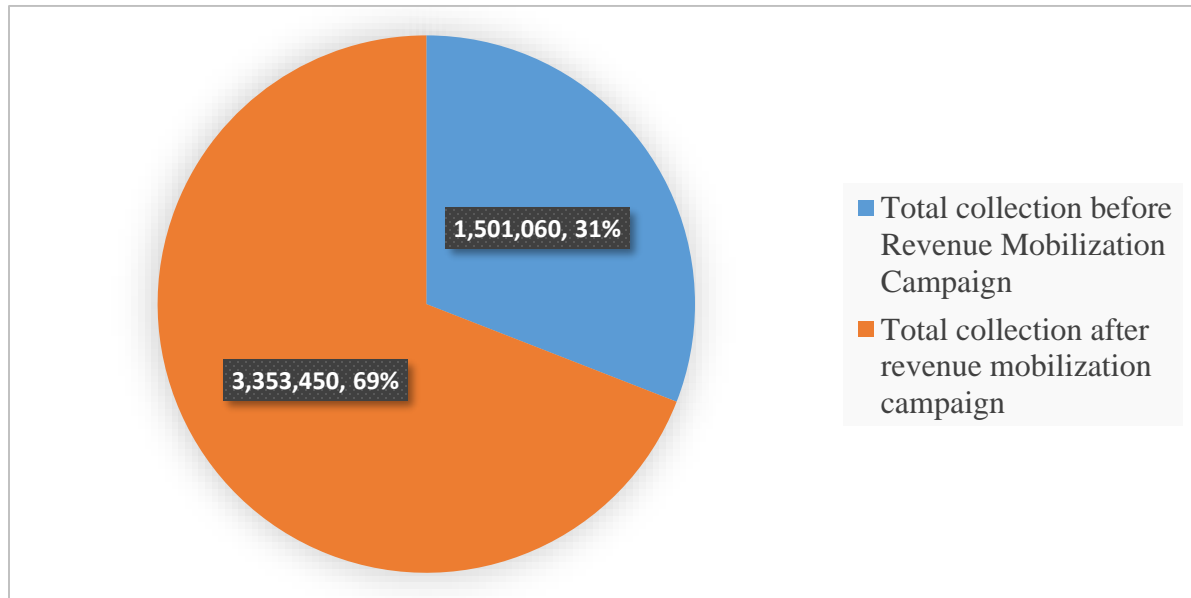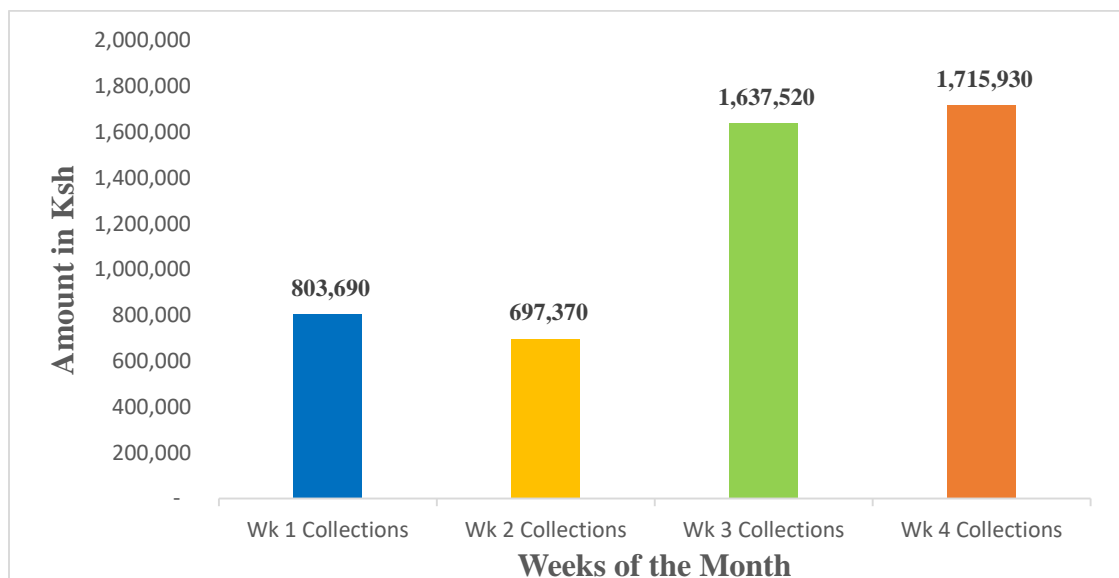

Figure 2: Weekly Collection in the month of September

7) Revenue Collected from Livestock Market

A comparison of the first 15 days before mobilization campaign and last 15 days after the campaign revealed **161%** increase in revenue, from Kshs **137,700** to Kshs **359,800** thus suggesting a potential revenues loss due to under collection. Also number of animals sold has increased from **651** in the first two weeks to **1,488** in the last two weeks of September translating to **129%** increase. The table 7 provides analysis of revenue collection for Livestock Market in the Month of September 2024.

Table 7: Livestock Market

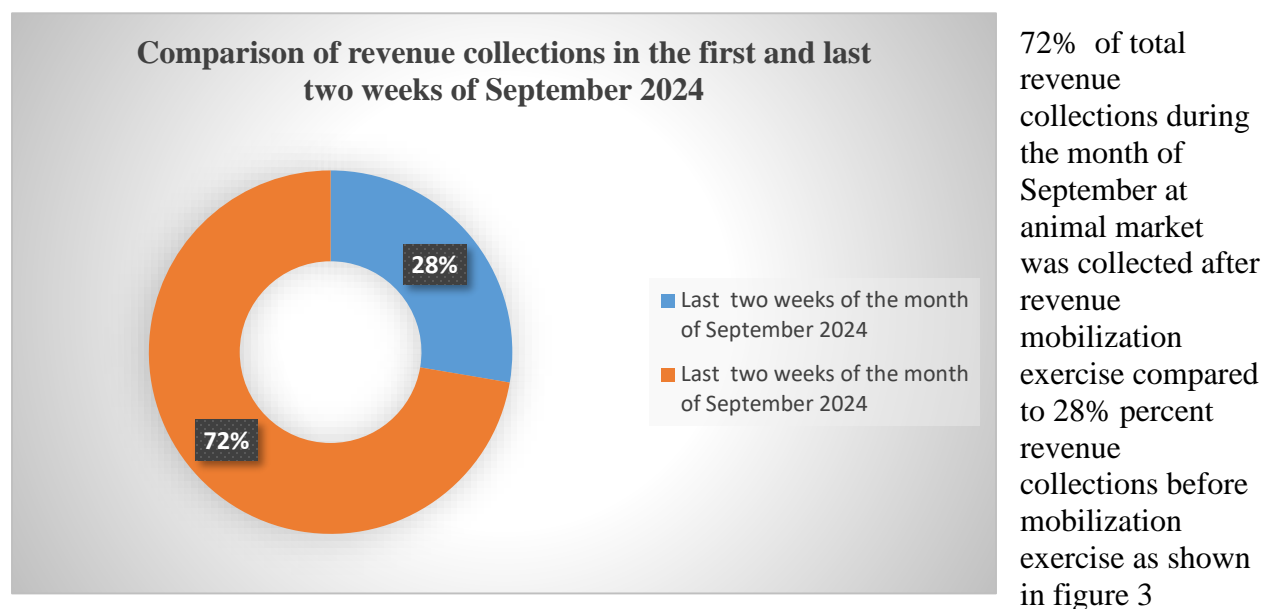| Animal	Week 1		Week 2		Week 3		Week 4		Total No.	Total
	No	Amount	No	Amount	No	Amount	No	Amount		
Camel	42	29,600	61	42,700	132	92,400	148	103,600	383	268,300
Shoats	59	5,900	436	43,600	399	39,900	592	59,200	1,486	148,600
cattle	14	4,200	38	11,400	72	21,700	142	42,100	266	79,400
Donkey	0	0	1	300	1	300	2	600	4	1,200
Total	**115**	**39,700**	**536**	**98,000**	**604**	**154,300**	**884**	**205,500**	**2,139**	**497,500**

8) Analysis of Livestock Market

A total daily target of animal sold at first two weeks and last two weeks of the month of September was compared, the total daily target increased from Kshs **9,180** to Kshs **23,987**. Taking the last two weeks' total daily target (Kshs **23,987**) as daily target projection, Animal market has the capacity of generating a monthly and annual estimated revenue projections of Kshs. **719,610** and Kshs **8,635,320** respectively as shown in table 8.

Table 8: Livestock Market Revenue Projections

Animal	Last two weeks	Target per day	Last two weeks	Target per day	Total
Camel	72,300	4,820	196,000	13,067	268,300
Shoats	49,500	3,300	99,100	6,607	148,600
cattle	15,600	1,040	63,800	4,253	79,400
Donkey	300	20	900	60	1,200
Total	**137,700**	**9,180**	**359,800**	**23,987**	**497,500**

Figure 3: Comparison of revenue collections in the first and last two weeks of September 2024

Comparison of revenue collections in the first and last two weeks of September 2024

- 28%
- 72%

■ Last two weeks of the month of September 2024
■ Last two weeks of the month of September 2024

72% of total revenue collections during the month of September at animal market was collected after revenue mobilization exercise compared to 28% percent revenue collections before mobilization exercise as shown in figure 3

9) Revenue Analysis for Animal's Slaughter

During the revenue mobilization, revenue collected increased from Kshs **193,200** to Kshs **135,800**. The number of animals slaughtered increased by **102** from **140** in the first two weeks to **242** in the last two weeks of September translating to **73%** increase. The table 9 provides analysis of revenue collection for Animal Slaughter in the Month of September 2024
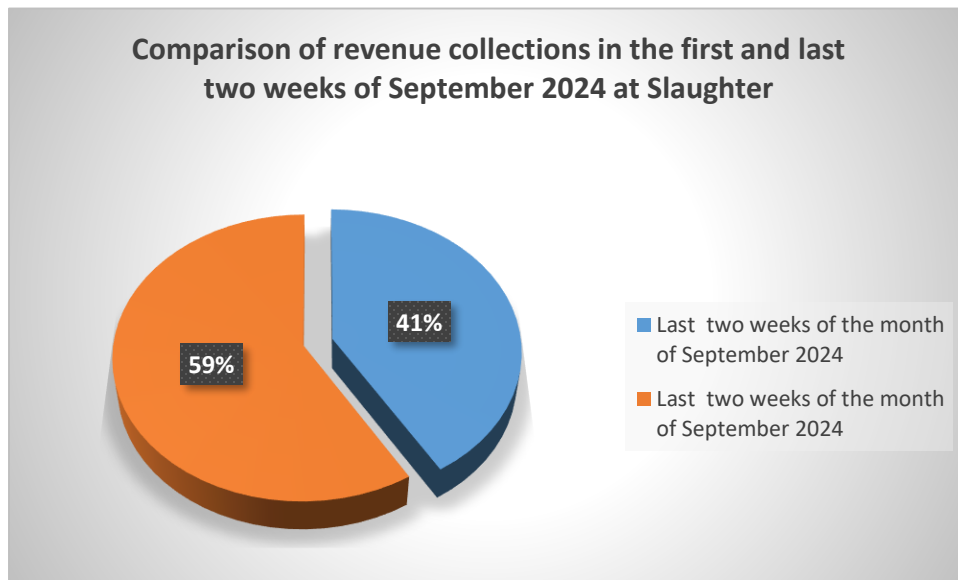
Table 9: Animal Slaughter

Animal	Week 1		Week 2		Week 3		Week 4		Total No. of Animal	Total
	No	Amount	No	Amount	No	Amount	No	Amount		
Camel	60	60,000	74	74,000	88	88,000	91	91,000	313	313,00
Shoats	3	600	1	200	51	10,200	7	1,400	62	12,400
Cattle	0	0	2	1,000	5	2,600	0	0	7	3,600
Total	**63**	**60,600**	**77**	**75,200**	**144**	**100,800**	**98**	**92,400**	**382**	**329,000**

A total daily target of animal slaughtered in last two weeks of September has increased to Kshs. **12,880** Compared to first two weeks of September (Kshs**. 9,053**). Taking the last two weeks daily target (Kshs. **12,880**) as total daily target projection, Animal market has the capacity of generating a monthly and annual estimated revenue projection of Kshs. **386,400 a**nd Kshs **4,636,800 r**espectively as shown in table 10.

Table 10: Animal Slaughter Revenue projections

Animal	Last two weeks	Target per day	Last two weeks	Target per day	Total
Camel	134,000	8,933.33	179,000	11,933.33	313,000
Shoats	800	53.33	11,600	773.33	12,400
Cattle	1,000	66.67	2,600	173.33	3,600
Total	**135,800**	**9,053**	**193,200**	**12,880**	**329,000**

Figure 4: Comparison of revenue collections in the first and last two weeks of September 2024

Comparison of revenue collections in the first and last two weeks of September 2024 at Slaughter

41%

59%

■ Last two weeks of the month of September 2024

■ Last two weeks of the month of September 2024

59 percent of total revenue collections during the month of September at animal slaughter was collected after revenue mobilization exercise compared to 41 percent revenue collections before mobilization exercise as shown in figure 4.

KEY FINDINGS

i. Stakeholders Resistance: Some business owners and vendors initially resisted the campaign, perceiving it as a regulatory burden.

ii. Revenue casuals were often underpaid and not paid on time.

iii. Multiple businesses operating within a single building are often treated as a single entity.

iv. Wholesale businesses are frequently categorized as retail.

v. The inconsistent timing of livestock markets makes it challenging to monitor animal movement.

vi. Personnel Shortage in the municipality hindered revenue target achievement. Given the Municipality's extensive coverage area and numerous barriers, it requires additional workforce to ensure adequate coverage and enable shift operations.

vii. Logistical Issues as movement by revenue officers across different zones required significant logistical planning and resources.

viii. Revenue official lacked adequate training in public relations and revenue mobilization.

ix. Automation of revenue collection was not fully implemented leading loss of revenue through leakages.

x. Inadequate stakeholder's awareness on their roles in revenue compliance

RECOMMENDATIONS

i. Implement full automation of revenue collection

ii. Stakeholders' sensitization on the importance of compliance

iii. Issue separate business permits for an individual operating multiple businesses within a single building. (Hardware, Welding and M-PESA Agent)

iv. Categorize businesses based on objective assessments of their size, rather than relying solely on the owner's classification.

v. Establish regular market hours for livestock to regulate the movement of animals and facilitate market oversight

vi. Regularization of casual revenue workers to permanent terms

vii. Recruitment of more revenue officers to address personnel shortage in the municipality

viii.   Provision of logistical means or daily allowances to revenue officials to facilitate their movement across revenue zones within the municipality

ix.   Capacity building for revenue officers

CONCLUSION

The revenue mobilization campaign in Mandera Municipality has proved effective. The exercise has yielded significant results revealing the Municipality's has a potential to generate over Kshs **54** million in revenue annually. While the campaign encountered challenges such as stakeholder resistance, personnel shortages and logistical issues, the recommendations outlined in this report offer potential solutions to address these obstacles. By implementing these recommendations, Mandera Municipality will further optimize its revenue collection efforts and achieve sustainable financial growth.