



REPUBLIC OF KENYA
MANDERA COUNTY GOVERNMENT
MINISTRY OF FINANCE AND ECONOMIC PLANNING
DEPARTMENT OF REVENUE SERVICES
P.O Box 13-70300, MANDERA



THE MANDERA COUNTY OWN SOURCE REVENUE ENHANCEMENT STRATEGY REPORT

2025

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FOREWORD

The County Government of Mandera continues to prioritize fiscal discipline and resource mobilization as central pillars of our development agenda. The Constitution of Kenya, 2010, and the Public Finance Management Act, 2012, entrust County Governments with the responsibility of raising their own revenues in order to deliver quality services to citizens while ensuring accountability and transparency.

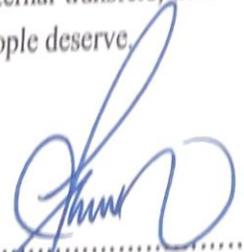
Over the past decade, Mandera County has made gradual progress in OSR mobilization, growing from just over KSh. 61 million in FY 2017/18 to KSh. 168 million in FY 2023/24. While this demonstrates improvement, the figures still fall short of both our set targets and the estimates of our true capacity, which the Commission on Revenue Allocation places at between KSh. 764 million and KSh. 1.185 billion annually.

This report provides a policy framework for strengthening revenue collection by enhancing compliance, deepening automation, and fostering accountability across all county departments. It further underscores the importance of citizen participation and transparency in ensuring that revenue mobilization translates into tangible services for the people of Mandera. It also identifies systemic weaknesses in enforcement, automation, and departmental ownership of revenue, while also offering practical solutions to close existing gaps. The strategy emphasizes digitization, accountability, strengthening legal and policy regulations and improved interdepartmental collaboration as the foundations of a sustainable revenue system.

As CECM Finance, I am committed to ensuring that the policy directions and institutional support necessary for the successful implementation of this strategy are fully in place. Our focus will be on aligning departmental targets to this roadmap, monitoring performance, and creating an enabling policy environment that encourages efficiency and innovation in revenue collection while integrating revenue reforms within broader county financial planning and ensure alignment with the County Integrated Development Plan (CIDP) and the Annual Development Plans (ADPs).

I call upon all county departments, agencies, and staff to internalize their respective roles in revenue mobilization. Revenue growth is not the sole duty of the Revenue Department but a collective responsibility that demands the active participation of every department. Equally, I encourage all citizens to support this strategy by honoring their obligations, as every shilling collected translates into better services and opportunities for our communities.

This strategy is a milestone in our journey towards fiscal sustainability and economic transformation. With dedication, transparency, and collective effort, Mandera County will progressively reduce its dependence on external transfers, achieve greater financial autonomy, and accelerate the delivery of development that our people deserve.


CPA Ibrahim Adan Mohammed, OGW
CECM FINANCE & ECONOMIC PLANNING

FOREWORD

Revenue mobilization is the lifeblood of county operations and service delivery. For Mandera County, the task of enhancing Own Source Revenue (OSR) is not just about meeting targets but about building a solid foundation for sustainable growth, self-reliance, and improved livelihoods for our people. As Chief Officer for Revenue, I take pride in presenting this Revenue Enhancement Strategy Report, which sets out our roadmap for transformative change.

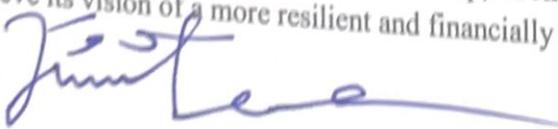
Our analysis of past performance reveals both progress and gaps. Collections have risen steadily, yet the county continues to fall short of its targets and lags far behind its true revenue potential. The continued reliance on cash-based systems, manual processes, and weak enforcement mechanisms has created leakages and inefficiencies that undermine our capacity to serve the people of Mandera effectively.

This report candidly outlines these challenges and provides actionable recommendations for reform. It calls for a complete shift towards cashless revenue collection, automation of key processes, regularization of revenue streams, and improved accountability across all levels of county administration. It further emphasizes the need for citizen engagement, as public trust and compliance are essential for sustainable revenue growth.

As the Chief Officer, I am particularly encouraged by the agreed actions emerging from this strategy. These include cascading revenue targets to all operational staff, monthly monitoring meeting on departmental performance, adoption of communication strategies to raise awareness, and structured collaboration with key stakeholders such as traders, associations, and the general public. These actions will not only increase collections but also improve efficiency and transparency.

However, success will depend on the commitment and discipline of our revenue teams. Staff welfare, motivation, and capacity building must be addressed alongside structural reforms. I assure our revenue officers of my unwavering support in providing the tools, training, and policy guidance needed to achieve these objectives. At the same time, I expect professionalism, integrity, and dedication to be upheld at all times.

In conclusion, this Revenue Enhancement Strategy Report represents both an opportunity and a challenge. It is an opportunity to unlock Mandera's full revenue potential and a challenge to all of us to move beyond business as usual. With collective ownership, strong leadership, and citizen support, Mandera County will achieve its vision of a more resilient and financially sustainable future.



Ibrahim Nurrow Issack
CCO Revenue Service

EXECUTIVE SUMMARY

This report presents a comprehensive strategy to improve Own Source Revenue (OSR) collection in Mandera County. Guided by the principles of devolution enshrined in the Constitution of Kenya 2010, the study highlights the county's untapped potential for revenue generation, identifies the critical challenges constraining performance, and proposes actionable interventions to enhance fiscal sustainability. With reliable revenue streams, Mandera County can reduce over-reliance on national transfers, strengthen service delivery, and foster inclusive socio-economic development.

Mandera County has significant fiscal potential. According to the Commission on Revenue Allocation (CRA, 2022), the county can generate between Ksh 764.1 million and Ksh 1.185 billion annually from its endowed resources and key revenue streams. However, actual collections fall far short of this potential. Structural inefficiencies, weak legal frameworks, inadequate systems, and limited institutional capacity continue to undermine revenue mobilization, resulting in underperformance and missed opportunities for development financing.

The assessment identifies several key challenges facing revenue collection in Mandera County. First, the county has a narrow and weakly enforced tax base, dominated by informal economic activity. Second, the revenue management system, though in place, is crippled by poor infrastructure, lack of real-time integration with collection points, and limited automation across departments. Third, the revenue department faces serious human resource gaps, with only a handful of clerks serving vast sub-counties and many overworked staff with limited training opportunities. Finally, the absence of critical legal instruments, including a trade licensing act, valuation roll, and tariff policies, restricts the county's ability to broaden its tax base or revise charges effectively.

Despite these challenges, Mandera County has also demonstrated progress and opportunities for reform. The county has rolled out a revenue tracking system, established municipalities with delegated functions, and initiated the Facility Improvement Fund in the health sector. Improvements in water management services, automation at collection points, and the potential for private sector partnerships further highlight avenues for strengthening OSR. If these efforts are supported by clear policy direction, enhanced institutional capacity, and citizen engagement, the county can substantially increase its revenue performance.

This report recommends a multi-pronged strategy to unlock Mandera's revenue potential. Key priorities include enacting and updating legal frameworks to provide a strong foundation for new and existing revenue streams; strengthening revenue systems through automation, integration, and real-time reporting; building staff capacity and addressing human resource gaps; and enhancing communication and taxpayer education to foster compliance and trust. Equally important is the need to expand revenue sources by tapping into property rates, trade licensing, parking, agricultural cess, and water and health service charges, among others.

To operationalize these strategies, an implementation action plan has been developed, outlining specific activities, responsible officers, timelines, and expected outcomes. This structured approach ensures that reforms are not only well-designed but also feasible, measurable, and accountable. Phased interventions—covering short-term, medium-term, and long-term actions—will enable Mandera County to progressively strengthen its revenue base while maintaining service delivery.

In conclusion, Mandera County’s path to fiscal self-reliance lies in a deliberate and coordinated effort to address the existing gaps and harness its vast revenue potential. By adopting the proposed strategies and adhering to the action plan, the county can build a transparent, efficient, and sustainable revenue system. This will not only improve service delivery but also enhance public trust in county governance, positioning Mandera as a model for effective revenue mobilization in Kenya’s devolved system of government.

INTRODUCTION AND BACKGROUND

Chapter Eleven of Kenya's Constitution 2010 outlines the objectives of devolution, including promoting social and economic development and ensuring a fair distribution of national resources. According to Articles 209 and 210 of the Constitution, County Governments have the authority to impose levies, property rates, entertainment charges, and other taxes or fees as authorized by an Act of Parliament. This is in addition to the funds received through the Equitable Share of Revenue raised nationally and donor/conditional grants. County governments should therefore explore ways to generate revenue to support their operations and fund local development initiatives through taxation, fees, and other charges for services provided to citizens.

Multiple studies conducted by the World Bank, the National Treasury, and the Commission on Revenue Allocation (CRA) have revealed untapped revenue sources in the counties. A 2018 National Treasury study showed that nearly 90% of counties had not fully utilized their potential for Own Source Revenue (OSR), collecting less than 40% of their estimated revenue potential.

A Commission on Revenue Allocation (CRA) study on county revenue potential and tax gaps released in 2022 estimated that Mandera County can collect upwards of KSh 764.1 million based on endowed resources, and slightly above KSh 1.185 billion (top-down approach) based on the 16 major revenue streams under study. This shows that while Mandera County has the capacity to significantly increase its own revenues, actual collections remain far below this potential. The gap highlights both the urgency and the opportunity to develop targeted strategies to strengthen fiscal capacity.

To fully exploit this potential, Mandera County must confront a number of systemic challenges. These include a narrow tax base dominated by informal economic activities, weak enforcement of existing tax laws, underutilization of modern revenue systems, limited institutional capacity, and inadequate legal frameworks. Furthermore, political and administrative challenges, including fragmented revenue responsibilities between departments and municipalities, reduce efficiency and accountability in collection. These challenges collectively constrain the County's ability to achieve fiscal sustainability and finance its development agenda.

At the same time, devolution has created new opportunities for innovation and reform in county revenue mobilization. The rollout of revenue management systems, the enactment of facility improvement funds in key sectors such as health, and the growing availability of geospatial technologies for property mapping offer fresh possibilities for improving efficiency and transparency. Strengthening partnerships with the private sector, incentivizing compliance among businesses, and expanding revenue streams beyond traditional markets and permits can further unlock the county's fiscal potential. These opportunities, if well harnessed, could transform Mandera County's revenue performance and reduce its over-reliance on national transfers.

This report therefore sets out a comprehensive strategy to improve Own Source Revenue collection in Mandera County. It begins by examining the current status of revenue generation, highlighting gaps in legal frameworks, systems, processes, and human capacity. It then outlines sector-specific challenges and opportunities across revenue streams such as health, water, agriculture, land, trade, and municipalities. Finally, the report proposes practical, actionable strategies to broaden the tax base, strengthen institutional capacity, improve automation and communication, and foster public trust in revenue systems. The aim is to build a stronger, more transparent, and sustainable revenue framework that will enable Mandera County to finance its development priorities and deliver quality services to its citizens.

The promulgation of the Constitution of Kenya 2010 established county governments as semi-autonomous units mandated to raise, collect, and account for their own revenues. To support this mandate, county revenue directorates were constituted to assess and administer specific revenue streams and enforce laws governing their collection. The Public Finance Management (PFM) Act 2012 further reinforced this framework by providing for effective management of public finances at both the national and county levels. Importantly, Article 175(b) of the Constitution emphasizes that county governments must have reliable sources of revenue to govern effectively and deliver services. Sustained growth in OSR is therefore central to achieving fiscal autonomy, improving service delivery, and advancing local development.

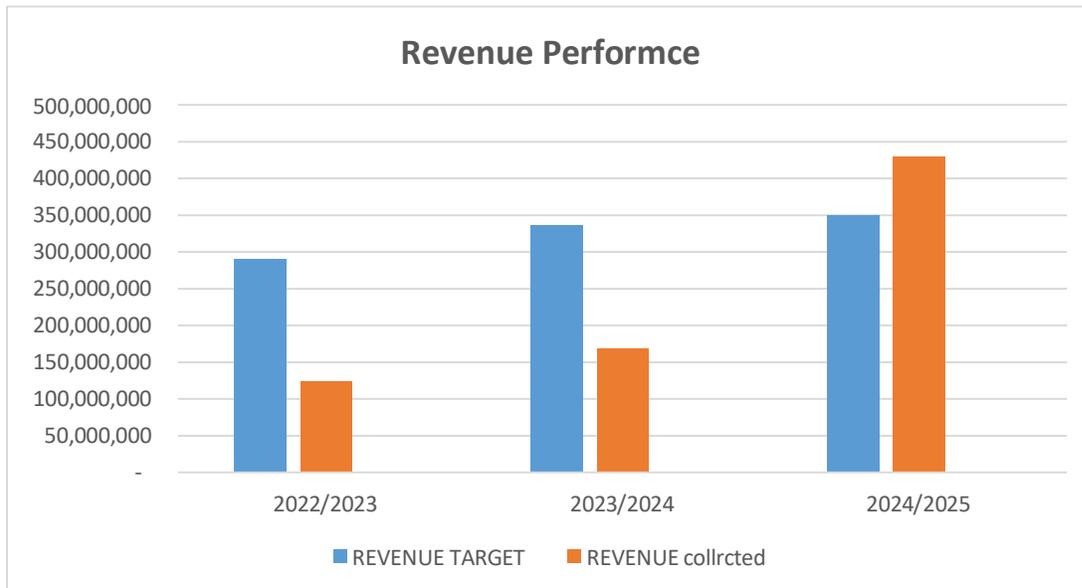
The Constitution empowers counties to impose property rates, entertainment taxes, charges for services they provide, and any other taxes or licensing fees authorized by an Act of Parliament. These legally recognized streams include property rates, building plan approval fees, trade licensing, advertising and signboard fees, parking fees, agricultural cess, hospital and public health service charges, market and trade centre fees, natural resource transportation fees, environmental conservation levies, and park or reserve fees. Collectively, these sources have been estimated by the Commission on Revenue Allocation (CRA) to generate approximately Ksh 260.6 billion nationally if optimized.

Despite this potential, Mandera County continues to face significant challenges in mobilizing revenue effectively. Key obstacles include weak enforcement of existing laws, fragmented revenue administration between departments and municipalities, inadequate staffing and capacity within the revenue directorate, and poor integration of revenue management systems. Moreover, the lack of updated legal instruments such as valuation rolls, trade licensing acts, and tariff regulations has constrained the ability of the county to expand its tax base and enhance compliance. These gaps not only limit revenue collection but also undermine citizen trust in the system, further exacerbating non-compliance.

It is therefore imperative for Mandera County to adopt a comprehensive and coherent strategy to strengthen OSR. Such a strategy must focus on legal and institutional reforms, system automation, improved communication with taxpayers, and capacity building for revenue staff. By aligning revenue practices with constitutional provisions and international best practices, Mandera County can move closer to achieving fiscal sustainability, improve service delivery, and create a strong foundation for long-term socio-economic development.

OVERVIEW OF REVENUE PERFORMANCE

FY	REVENUE TARGET	REVENUE COLLECTED	DIFFERENCE	PERCENTAGE PERFORMANCE
2022/2023	290,436,786	123,260,280	(167,176,506)	42.44%
2023/2024	336,533,846	169,072,559	(167,461,287)	50.24%
2024/2025	350,000,000	428,897,010	78,897,010	122.54%



FACTORS INFLUENCING COLLECTION OF OSR

While County Revenue has significant potential to increase its Own Source Revenue, several structural and operational challenges continue to undermine effective revenue mobilization. These challenges span across legal, institutional, technological, and human resource dimensions, collectively creating inefficiencies and limiting the county’s ability to reach its revenue potential. The following section highlights the key factors that affect revenue collection in Mandera County, providing a basis for developing targeted strategies to address them.

ENFORCEMENT OF LEGAL AND REGULATORY FRAMEWORKS

This poses challenges to the collection and management of own source revenue by counties in Kenya. According to the Constitution, the Public Finance Management (PFM) Act of 2012 and PFM 2015 Regulations, each County government is required to have a revenue administration bill that provides guidelines for revenue collection and general administration. Although Mandera has enacted this crucial bill the key gaps relate to lack of guidelines to enable the county to put more tax effort to tax streams with greatest revenue-raising potential; and the most cost-effective streams to administer such as property tax, building permits, single business permit, parking, advertising, and relevant user charges. Insufficient legal frameworks and guidelines can result in administrative and institutional inefficiencies, hindering the effective collection and management of own-source revenue. For Mandera County, the lack of Trade and licensing act, County Valuation act and Roll, County Pricing and Tariff act and County Waiver act cripples to a great extent the collection and improvement of OSR. This proves to be a huge legal challenge when trying to introduce new levies or adjust existing ones, limiting their ability to expand revenue source.

LOWER TAX BASE

A lower tax base significantly undermines the capacity of Mandera County to mobilize own-source revenues. The structure of the local economy is a key determinant in shaping the breadth of taxable activities and assets, and in Mandera this structure is heavily constrained. The county relies largely on pastoralist livelihoods, with limited industrialization, commercial agriculture, or formal business establishments. This situation leaves the county with few taxable enterprises, individuals, and properties, which directly restricts the potential for raising revenue from business permits, property rates, market fees, and other local sources.

The narrow scope of taxable assets and transactions compounds this challenge. Property taxation, which is intended to form a sustainable stream of county revenue, is weakened by low levels of urbanization, the absence of a comprehensive land valuation system, and inadequate land titling. With few rateable properties and limited formal sector activity, the county is left with a shallow pool from which to draw consistent revenues.

A further limitation arises from the highly informal nature of Mandera's economy. Most trade revolves around livestock, small-scale retail, and cross-border transactions with Somalia and Ethiopia. Such activities often escape formal registration, record-keeping, or structured taxation, making them difficult for county authorities to capture. Informality not only reduces the volume of potential revenues but also increases enforcement difficulties, as mobile traders and informal businesses are less compliant with county levies.

The volatility of Mandera's key revenue sources intensifies the problem. With livestock trade being a primary economic driver, external shocks such as droughts, disease outbreaks, or insecurity can severely curtail trade volumes. Because of the county's narrow tax base, a downturn in one sector quickly translates into a steep drop in overall revenues. A broader base would provide resilience, but the concentration of taxable activity in only a few sectors makes Mandera's revenues highly unstable

Compounding the problem is the high cost of administering revenue collection in such a context. The small, dispersed, and informal nature of the tax base means that revenue officers often spend disproportionate amounts of time and resources pursuing minimal collections. In some cases, the cost of revenue administration can exceed the returns, making collection efforts inefficient and unsustainable.

In essence, Mandera County's lower tax base not only diminishes the level of own-source revenues collected but also creates a cycle of vulnerability, inefficiency, and dependence. The limitations are structural, rooted in the economic profile of the county, and they manifest in narrow and volatile revenue streams, weak property tax systems, and limited investor confidence.

COLLECTION SYSTEM

Mandera County has established a revenue management system, but its effectiveness is severely constrained by infrastructural limitations and weak integration across collection points. While the county has moved beyond manual revenue collection, the benefits of digitization have not been fully realized because the system remains fragmented and inaccessible in large parts of the county.

The most pressing challenge is poor infrastructure in rural and remote areas, where much of Mandera's economic activity occurs. Livestock trade, small-scale cross-border commerce, and rural markets remain key sources of county revenue. However, these areas are characterized by unreliable electricity supply, weak mobile network coverage, and limited internet connectivity. As a result, revenue officers and traders frequently face difficulties in accessing the digital revenue platform, leading to delays, incomplete transactions, and occasional reversion to informal practices outside the system. Such infrastructural bottlenecks reduce both the volume and reliability of collections.

Equally critical is the lack of integration across different revenue collection points. The system operates in silos, with market fees, cess charges, property rates, and business permits often processed independently. This fragmentation creates inefficiencies, as data is not centrally consolidated, making it difficult to track payments in real time, reconcile accounts, or monitor compliance across sectors. Traders may pay at one point but avoid obligations at another, exploiting the absence of cross-checks between collection streams. For the county, this not only increases revenue leakages but also weakens accountability and transparency.

The lack of integration also hampers data-driven planning. Without a unified view of revenue flows, the county struggles to generate accurate reports on collections, forecast future revenues, or identify areas of growth potential. Disjointed data systems leave Mandera reliant on estimates rather than evidence, constraining both financial management and development planning.

Ultimately, while Mandera County has taken steps to modernize its revenue management, the absence of supportive infrastructure and system-wide integration has stifled the potential gains. The result is a revenue system that exists in form but underperforms in practice, leaving the county unable to maximize its own-source revenue base.

LIMITED CAPACITY AND PERSONNEL

The capacity of a county's revenue department is central to the efficiency, effectiveness, and sustainability of own-source revenue collection. In Mandera County, limited human resources within the revenue department have emerged as a significant constraint, undermining the county's ability to maximize its fiscal potential. The absence of revenue officers across sub-counties and the overburdening of existing clerks have created systemic weaknesses that ripple through the entire revenue collection framework.

Limited staffing also hampers accountability and internal control. Where clerks operate with minimal supervision and without sufficient support staff, the risks of malpractice, collusion, or misreporting increase. A properly staffed revenue department provides checks and balances, with roles distributed across officers to minimize concentration of responsibility. In Mandera's case, the absence of revenue officers across sub-counties leaves gaps that weaken oversight, enabling potential leakages that directly reduce the volume of revenue collected.

The lack of sufficient personnel within Mandera's revenue department has a direct and negative effect on the county's own-source revenue. The absence of officers across sub-counties weakens monitoring, compliance, and enforcement, while the overworking of clerks compromises efficiency, accuracy, and

taxpayer relations. The result is a cycle of underperformance, with the county collecting far less than its potential.

STRATEGIES OF IMPROVING OWN SOURCE REVENUE

Improving Mandera County's own-source revenue requires a multi-pronged strategy that directly addresses the structural, institutional, and human capacity challenges currently limiting performance. Each of the factor aforementioned can be transformed into an opportunity for reform, forming the pillars of a comprehensive revenue enhancement strategy.

BROADENING THE TAX BASE

At present, Mandera relies heavily on a narrow set of economic activities, primarily livestock trade and small-scale informal commerce. This concentration not only limits revenue potential but also makes the county highly vulnerable to shocks such as drought or market disruptions. Broadening the tax base requires targeted investments in sectors that can generate new revenue streams. Property taxation, for example, remains underutilized due to low levels of titling and valuation. Establishing a comprehensive property register and valuation roll would allow the county to tap into a sustainable and predictable source of income. Similarly, formalizing informal businesses through simplified licensing and registration processes would expand the taxable population. By creating an enabling environment for small-scale enterprises to grow into formal, tax-paying businesses, the county can both widen its revenue base and stimulate local economic development.

INTEGRATING REVENUE COLLECTION SYSTEMS

Currently, revenue streams such as market fees, cess charges, business permits, and property rates are collected in silos, leading to inefficiencies, duplication, and revenue leakages. Establishing a fully integrated revenue management platform would consolidate all collection streams into a single system with real-time reporting capabilities. Integration would not only improve accountability and transparency but also enhance monitoring and compliance by enabling cross-referencing of taxpayer obligations across multiple streams. Integration will also improves data-driven decision-making, allowing revenue department to generate accurate revenue forecasts and identify untapped areas for growth.

BUILDING HUMAN RESOURCE CAPACITY IN REVENUE ADMINISTRATION

The absence of revenue officers across sub-counties and the overworking of existing clerks has created gaps in monitoring, enforcement, and taxpayer engagement. Expanding the number of revenue officers and strategically deploying them across all sub-counties would ensure that every revenue point is adequately covered, reducing opportunities for evasion and under-collection. At the same time, investing in continuous training for clerks and officers would enhance their ability to use digital systems effectively, manage taxpayer relations, and enforce compliance fairly and transparently. Strengthening personnel capacity also allows the department to move beyond routine collection into higher-value activities such as revenue mapping, compliance audits, and taxpayer education campaigns.

STRENGTHENING OF LEGAL AND POLICY FRAMEWORK

By enacting and operationalizing the missing legal instruments, Mandera County would unlock significant opportunities to improve OSR. A robust legal framework would provide clarity, standardization, and enforcement power, ensuring that revenue mobilization efforts are both efficient

and equitable. It would also give the county greater flexibility to revise and expand revenue streams in line with evolving economic realities.

By adopting key legislative instruments such as the Trade and Licensing Act, the County Valuation Act and Roll, the County Pricing and Tariff Act, and the County Waiver Act, the county would establish a comprehensive legal foundation for revenue administration. Such reforms would not only improve compliance and enforcement but also enable the county to expand into high-yielding revenue streams, reduce inefficiencies, and achieve greater fiscal autonomy.

OWN SOURCE REVENUE ACTION PLAN

The plan translates the recommendations into practical steps by specifying the activities to be undertaken, the offices responsible for implementation, the timelines for delivery, and the outcomes expected. This structured approach not only provides clarity on roles and responsibilities but also creates a framework for accountability and monitoring.

OWN SOURCE REVENUE ACTION PLAN

Recommendation	Key Activities	Office Responsible	Timeframe	Expected Outcome
Enact pending legal instruments (Trade & Licensing Act, County Valuation Act, County Pricing & Tariff Act, Waiver Act)	Draft bills, stakeholder consultations, county assembly approval	CECM Finance & Economic Planning; County Assembly; County Attorney	Short-term (0–12 months)	Legal framework strengthened to expand and enforce revenue streams
Develop comprehensive property valuation roll and digitized land registry	Conduct property mapping, valuation surveys, create digital land registry, integrate with revenue system	CECM Lands; Director of Valuation; ICT Department; Revenue Department	Medium-term (1–2 years)	Reliable property tax base, increased collections from property rates
Recruit and deploy revenue officers in all sub-counties	Conduct HR needs assessment, hire revenue officers, provide training and induction	County Public Service Board; CCO Revenue Services; HR Department	Short-term (0–12 months)	Enhanced coverage, reduced leakage, improved enforcement
Establish interdepartmental coordination frameworks	Regular revenue roundtable meetings, shared revenue system dashboards, joint enforcement	Governor’s Office; CECMs; Chief Officers	Ongoing (Quarterly)	Streamlined coordination, reduced duplication, improved monitoring

Expand ICT infrastructure to rural collection points	Install internet boosters, set up solar-powered kiosks	CECM Finance; Chief Officer Revenue; Chief Officer ICT	Medium-term (1–2 years)	Improved system access and reliability in all sub-counties
Launch continuous taxpayer education and communication campaigns	Develop communication strategy, civic education forums, use of local media and community leaders	Director of Communication; CCO Revenue Services; Sub-county Administrators	Medium-term (1–2 years)	Improved taxpayer trust, compliance, and payment culture
Institutionalize citizen participation in revenue accountability	publish revenue performance reports, citizen feedback platforms	CECM Finance; Chief Officer Revenue; Chief Officer ICT	Annual (Every FY)	Greater transparency, increased citizen trust and compliance

REVENUE RECEIVER DEPARTMENTAL STRATEGIES AND RECOMMENDATIONS

1. REVENUE DEPARTMENT

The revenue function in Mandera County is domiciled in the Department of Finance and Economic Planning under the Directorate of Revenue Services. As of 2024, the Directorate has a total of 83 staff members, comprising both permanent and casual employees. In January 2024, the county government transferred revenue collection responsibilities to the Mandera Municipality and Elwak Municipality as part of an institutional reform aimed at enhancing revenue mobilization and improving service delivery.

Despite these measures, the revenue team faces significant challenges that undermine their effectiveness. The staffing levels are inadequate, resulting in employees frequently working long hours, including overnight shifts at revenue barriers. Many staff members, particularly sub-county supervisors who have served since 2014 without promotion, expressed frustration over stagnated career progression. In addition, there is a need for continuous training and capacity-building to keep pace with evolving revenue management practices. These factors collectively contribute to low staff motivation, which adversely affects performance.

The revenue system, while partially automated through the Mandera Revenue Collection System, is not fully integrated. Although the county has acquired paybills to support electronic payments through M-Pesa, hybrid systems—combining manual and electronic collection are still in use. Furthermore, the Finance Department lacks real-time access to municipal revenue data and instead relies on weekly or monthly manual reports from municipalities. This delay in reporting hinders effective monitoring and decision-making.

In terms of communication, the county does not have a comprehensive strategy to support revenue enhancement campaigns. Engagement with stakeholders is limited to annual public participation forums during the development of the Finance Bill. This narrow approach has restricted the county’s ability to build taxpayer awareness, trust, and compliance.

Departmental Strategies for OSR

To address these gaps, the department came up with these strategies

- **Human Resource Development:** Enhance staff motivation through promotions, clear career progression frameworks, and recruitment of additional revenue officers to address understaffing. Training and capacity-building programs should be institutionalized to equip staff with modern revenue management skills.
- **System Integration and Automation:** Fully implement cashless payment across all revenue streams by upgrading and integrating the Manderu Revenue Collection System with the municipal revenue platforms. Real-time access to daily transaction reports for the Finance Department is essential for effective oversight and data-driven decision-making.
- **Institutional Coordination:** Strengthen collaboration between the Finance Department and other county departments during revenue target-setting and the development of the Finance Bill. This participatory approach will foster ownership, improve compliance, and align revenue collection responsibilities with departmental mandates.
- **Communication and Public Engagement:** Develop and implement a robust communication strategy that goes beyond annual public participation. This should include continuous awareness campaigns, stakeholder forums, and the use of local media and community leaders to sensitize citizens on the importance of revenue payment.

Recommendations

1. The Department of Finance and Economic Planning should create sustained awareness among citizens on the importance of paying county revenue to support service delivery.
2. The county should enforce full implementation of cashless payments in all revenue streams to reduce leakage and enhance efficiency.
3. A comprehensive communication strategy should be developed and institutionalized to strengthen taxpayer education and engagement.
4. The Finance Department should be granted real-time access to municipal revenue collection systems for more effective monitoring and timely reporting.
5. The county should prioritize capacity-building and staff motivation measures, including promotions, additional staffing, and training programs to enhance productivity.

2. HEALTH DEPARTMENT

Mandera County operates a total of 113 medical facilities, including 7 referral hospitals. The Mandera County Referral Hospital (MCRH), located in Mandera town, is the largest facility and serves as the main referral hospital. Additional referral services are provided by El Wak, Takaba, and Rhamu Sub-County hospitals.

Health service provision is structured such that all services at Level 2 and 3 facilities are free of charge, while services for children under five years are free in all county health facilities. MCRH is particularly significant as it not only serves county residents but also patients from neighboring countries such as Somalia and Ethiopia, thereby placing additional demand on its resources.

In 2024, Mandera County enacted the Facility Improvement Fund (FIF), which is pending rollout. The FIF introduces fundamental reforms in health financing by introducing fees for services that were previously offered free of charge. While this has the potential to improve cost recovery and increase revenue, the county must first conduct extensive citizen sensitization to ensure public buy-in and avoid resistance.

The County Health Management Team (CHMT) has expressed strong commitment to improving service delivery and increasing revenue generation. Their focus is on shifting mindsets, strengthening customer care, improving communication, and institutionalizing regular meetings between sub-county teams and facility managers. The Chief Officer for Health has also emphasized the vision of delivering first-class healthcare services in county facilities that can compete with private sector providers in terms of quality and customer experience.

Strategies for improving OSR in Health Facilities

To address the observed gaps in processes, systems, and communication, the following strategies were agreed on

- **Process Reengineering:** Hospital processes need to be streamlined and synchronized. Currently, patients must move between multiple service points (e.g., laboratory, diagnostics, pharmacy, billing) in a tedious and inefficient process. Establishing a centralized and integrated billing system will enhance efficiency, reduce patient frustration, and minimize opportunities for abuse.
- **System Automation:** Most hospital workflows remain manual, making inventory management, billing, and data collection challenging. The adoption of an integrated hospital management information system (HMIS) will improve coordination, provide real-time data, reduce leakages, and enhance accountability.
- **Cluster-Based Service Delivery:** Developing business plans for each facility and synchronizing them into an overall health strategy will enable better coordination across facilities. A cluster approach for referrals, reverse referrals, sample management, and staff deployment will optimize resource use and reduce duplication.
- **Revenue Monitoring and Oversight:** A robust revenue monitoring system should be established, with key personnel including the CECM Finance and senior health administrators having real-time access to performance data. This will ensure transparency, accountability, and timely decision-making.
- **Citizen Engagement and Communication:** Many citizens are unaware of the full range of services offered in county health facilities. A communication strategy that promotes available services and explains the Facility Improvement Fund reforms is essential to increase service uptake and build public trust.

Recommendations

1. Synchronize business plans across all health facilities and adopt a cluster-based referral system to improve efficiency and optimize resource utilization.
2. Conduct comprehensive citizen engagement campaigns to sensitize the public on the Facility Improvement Fund before its rollout.
3. Develop and implement an integrated revenue monitoring system, accessible to key personnel, to enhance transparency and oversight.
4. Enforce automation of payment systems to minimize cash handling and reduce opportunities for leakage.
5. Establish a standardized waiver process aligned with the Public Finance Management (PFM) Act and regulations to ensure consistency and fairness.
6. Automate hospital processes and workflows through a comprehensive hospital management information system (HMIS) to strengthen efficiency, accountability, and service delivery.

3. WATER SERVICES DEPARTMENT

Water is a scarce commodity in Mandera County, with limited availability for both household and commercial use. The primary sources of water include boreholes, rivers, and seasonal streams. These same sources are also relied upon for farming, but the streams dry up during the dry season, creating challenges for sustained agricultural production.

The Department of Water is responsible for water management services across the county, subdivided into Mandera East, Mandera North, Mandera South, Kotulo, Mandera West, and Banisa sub-counties. Within the municipalities, water management is overseen by the Mandera Water and Sewerage Company Limited (MANDWASKO) in Mandera town and the Elwak Water and Sewerage Company (ELWASKO) in Elwak.

Access to water has improved significantly since the advent of devolution, with the average distance to water points reduced to 10 kilometers. Despite these gains, Mandera County does not yet have a functioning sewerage system. The county operates a total of 202 boreholes, with production capacities of 8–12 cubic meters per hour. Out of these, 88 are strategic boreholes with higher yields that support both domestic and commercial consumption. Water kiosks powered by both fuel and solar energy are metered, allowing for direct collection of user fees.

Revenue performance in the water sector has demonstrated significant potential. For example, the county's efficiency monitoring unit recently reported revenue of Ksh 3.3 million in a single month from water services. However, part of the revenue collected is spent directly at source to cover operational expenses, including payments to casual staff managing the kiosks and fuel costs for borehole operations. While this practice supports continuity of services, it undermines accountability and reduces the amount remitted to the County Revenue Fund.

Strategies for improving OSR in Water Department

Several measures are required to maximize the revenue potential of water services in Mandera County:

- **Institutional Reforms and Budgeting:** The County Government should ensure that the recurrent costs of operating water management services such as wages for casual staff and fuel for boreholes are met

through the county budget rather than from revenues collected at source. This will improve accountability and ensure all revenues are remitted.

- **Public–Private Partnerships (PPPs):** The Department should explore strategic partnerships with the private sector for the management and operation of water services. This could bring in technical expertise, improve efficiency, and reduce the burden on the county.
- **Revenue Diversification:** Beyond borehole and kiosk charges, the county should expand its revenue base in the water sector by introducing sewerage services in urban areas. This will both improve sanitation and provide an additional, sustainable revenue stream.
- **Automation and Systems Integration:** Currently, work processes are largely paper-based and revenue systems are not integrated. Automating water kiosks and establishing an integrated revenue collection and management system will minimize waste, reduce opportunities for mismanagement, and enhance transparency.
- **Communication and Public Engagement:** Despite water being a critical service, the department lacks a dedicated communication officer and strategy. Developing a communication framework will improve citizen awareness of services, encourage timely payments, and foster accountability.

Recommendations

1. The County Government should allocate and disburse adequate budgets to support the running and operationalization of water management services, thereby eliminating spending at source.
2. The Department of Water should explore partnerships with the private sector to strengthen the efficiency and sustainability of water service delivery.
3. New revenue streams, particularly sewerage services in urban centers, should be introduced to diversify and increase revenue collection.
4. The county should automate water kiosks and integrate internal systems with the OSR platform to reduce mismanagement and improve transparency.
5. A dedicated communication function should be established within the department to design and implement an external communication strategy focused on water services.

4. DEPARTMENT OF AGRICULTURE AND LIVESTOCK

The livestock sector is one of the strongest pillars of Mandera County’s economy, providing both subsistence and commercial value. Artificial insemination services are not currently offered in the county, as the indigenous breeds—such as Gala goats, Blackhead sheep, and camels—are considered superior and give the county a competitive advantage regionally. The county has a significant livestock population comprising approximately 966,000 camels, 3,101,000 Gala goats, 833,150 Blackhead sheep, 758,622 cattle, and 176,000 donkeys.

The livestock market is expansive, stretching beyond Mandera County to other counties such as Wajir and Nairobi, and even into international markets. Despite this potential, critical revenue streams remain underdeveloped. For example, the hides and skins market is currently non-existent and unregulated, denying the county an opportunity to expand its revenue base. In addition to livestock, there is production of agricultural commodities such as fruits, cereals (particularly pasture), and beans, which generate revenue through cess fees. However, there is limited ownership and accountability for departmental revenue targets, which undermines collection efficiency and performance.

While the department is relatively well resourced in terms of human capital, it lacks adequate physical resources such as functional machinery, equipment, and vehicles. For instance, only 2 of the 10 available tractors are operational, limiting the effectiveness of the Agricultural Mechanization Services (AMS). This

significantly constrains the department's ability to compete with the private sector and provide value-added services to farmers.

Strategies for improving OSR in Livestock and Agriculture Department

To unlock the full potential of the sector, several strategies are required:

- **Strengthening Revenue Collection Systems:** Currently, work processes are largely manual and paper-based, with slaughter slabs managed by external business associations. These associations retain 30% of proceeds, leaving the government with limited control over revenue, facility standards, and management. Introducing cashless payment systems, such as dedicated paybills for slaughterhouses, will improve accountability and minimize leakages.
- **Diversification of Revenue Streams:** The county should explore new revenue opportunities in hides and skins, which are currently unregulated. In addition, structured cess collection from agricultural produce such as fruits, cereals, and beans should be expanded. Incentivizing cooperatives to participate in milk cess collection will strengthen compliance and broaden the revenue base.
- **Resource Mobilization for Infrastructure:** Improving the availability and functionality of physical resources, including tractors and equipment, is critical to enhancing service delivery. This will not only improve departmental efficiency but also enable the Agricultural Mechanization Services to compete more effectively with the private sector.
- **Institutional Coordination and Accountability:** Stronger collaboration between the Department of Agriculture and Livestock and the Revenue Directorate is required to ensure shared responsibilities in revenue collection. Joint planning, monitoring, and target ownership will promote accountability and efficiency in revenue mobilization.
- **Communication and Public Awareness:** Currently, the department does not actively use communication channels to promote its services or sensitize stakeholders. Establishing a communication strategy will ensure that services, fees, and opportunities are well understood by livestock keepers and farmers, thereby enhancing compliance and uptake.

Recommendations

1. Introduce a dedicated paybill system for slaughterhouses to reduce cash handling and increase transparency.
2. Identify and develop new revenue streams, including hides and skins, and strengthen cess collection on fruits, cereals, beans, and other agricultural produce.
3. Incentivize cooperatives to enhance milk cess collection and improve compliance.
4. Mobilize resources to repair and procure physical assets such as tractors, vehicles, and equipment to strengthen service delivery and competitiveness of AMS.
5. Establish shared responsibility and coordination frameworks between the Department of Agriculture and Livestock and the Revenue Directorate to improve accountability in revenue mobilization.
6. Develop and implement a communication strategy to promote services, sensitize stakeholders, and improve revenue compliance.

5. DEPARTMENT OF LAND, HOUSING AND URBAN DEVELOPMENT

The main sources of revenue for the Department of Lands, Housing, and Urban Development include land rates, land transfer fees, subdivision fees, and development control charges. Development control responsibilities are currently undertaken by the Mandera Municipal Board, where a physical planner has been deployed. While the arrangement provides administrative convenience, there is a general feeling that development control, being a technical function, should be carried out directly by the Department to enhance efficiency and accountability.

The county is in the process of developing a new valuation roll, though progress has been slow. Currently, 80% of land within Mandera County remains unsurveyed, limiting the county's capacity to expand its revenue base. Subdivision of land is minimal and largely confined to Mandera Municipality. Similarly, the housing sector has underperformed as a revenue source. The county owns 76 houses, yet only 20 generate income through direct payroll deductions. The Housing Directorate is severely understaffed, with only three officers performing housing-related duties.

Despite these challenges, the department has introduced a Lands Management Information System (LMIS) integrated with Geographic Information Systems (GIS). Land rates payments are automated, and the system is also used for land registration, land transfers, invoicing, and receipting, with payments channeled through M-Pesa. While the system generates adequate reports, manual records are still maintained, creating inefficiencies and inconsistencies.

Strategies for Improving OSR in Land, Housing, and Urban Development Department

To optimize revenue potential from land and housing, several strategies are needed:

- **Strengthening Technical Functions:** The approval of building plans should be transferred from the Mandera Municipal Board to the Department of Lands, Housing, and Urban Development to align with related technical functions such as surveying, demarcation, and inspections. Establishing a formal Plan Development Committee will also ensure transparency and compliance in approvals.
- **Completion of the Valuation Roll and Cadastral Surveys:** Finalizing the updated valuation roll and accelerating surveying of the 80% unsurveyed land are critical to expanding the property tax base. Mapping county-owned houses and ensuring all are brought into revenue generation will also improve performance.
- **Leveraging Technology:** Full use of the GIS Lab should be prioritized to map businesses, markets, and properties for better revenue administration. The Lands Management Information System should be more effectively utilized by senior management (CECM, CO, directors, and section heads) for performance tracking and strategic decision-making.
- **Strengthening Institutional Capacity:** Recruitment of additional staff for the Housing Directorate is necessary to support operations and enhance service delivery. Training senior managers on system utilization will improve accountability and enable data-driven management.
- **Expanding Revenue Streams:** The county should actively invoice the national government for Contribution in Lieu of Rates (CILOR) and fast-track the transfer of national government-owned houses to county ownership to broaden its revenue base.
- **Improving Communication and Accountability:** The department lacks a communication strategy to promote awareness of its services and link communication efforts with OSR growth. Developing a structured communication plan will strengthen taxpayer engagement and compliance.

Recommendation

1. Transfer building plan approvals to the Department of Lands, Housing, and Urban Development to align technical functions.
2. Establish a Plan Development Committee to enhance transparency in approvals and development control.
3. Finalize the updated valuation roll and accelerate surveying of unsurveyed land to expand the property tax base.
4. Map and regularize all county houses to ensure they generate revenue.
5. Recruit additional staff for the Housing Directorate to address current understaffing.
6. Train senior managers to use LMIS and GIS reports for management and performance monitoring.
7. Utilize the GIS Lab to map businesses, markets, and properties for more effective billing.
8. Actively invoice the national government for CILOR and pursue the transfer of county houses under national ownership.
9. Develop a communication strategy to link public awareness efforts with revenue growth.

6. TRADE AND MARKETS DEPARTMENT

The Department of Trade is responsible for promoting business activities in Mandera County and serves as an important source of own-source revenue. Its key functions include the construction and management of markets, collection of open-air market fees, issuance and renewal of Single Business Permits (SBPs), and processing applications for business changes across Mandera East, Mandera West, Mandera North, Banisa, and Kotulo sub-counties.

In Mandera and Elwak municipalities, trade services, including administration of SBPs, have been delegated to the municipal governments. This decentralization has aimed to improve efficiency in service delivery and revenue collection. Nonetheless, revenue performance within the department remains constrained by operational and systemic challenges, including hybrid manual–automated processes and weak communication frameworks.

Strategies for Strengthening OSR in Trade Department

To address existing gaps and unlock the full potential of trade-related revenue streams, several strategies are needed:

- **Process Modernization:** The current revenue collection system is a hybrid of manual receipts and POS machines. Frequent malfunctions of POS machines often force officers to revert to cash payments, undermining accountability. The department should prioritize automation of billing and fee collection processes, and strengthen system maintenance to reduce reliance on manual receipts.
- **Diversification of Revenue Streams:** The department should expand beyond market fees and SBPs to include other trade-related services. For instance, introducing weights and measures services would not only generate additional revenue but also enhance citizen confidence in fair market practices.
- **Business Mapping and Data Management:** Comprehensive mapping of businesses across the county is essential for identifying untapped revenue sources, improving billing accuracy, and enhancing compliance. This process will also support better forecasting and planning of revenue targets.
- **Private Sector Partnerships:** By initiating private-sector-driven Small and Medium Enterprise (SME) support programs, the department can stimulate business growth while simultaneously strengthening enforcement and compliance with licensing and fee requirements.

- **Institutional Collaboration:** Close collaboration between the Department of Trade and the Revenue Unit is essential, particularly during the revenue forecasting stage. Such coordination will ensure realistic projections, shared accountability, and improved efficiency in collection.
- **Communication and Public Awareness:** The department currently lacks a structured communication strategy. By developing targeted communication campaigns, it can better promote its services, encourage compliance, and foster stronger relationships with the business community.

Recommendation

1. Fully automate fee collection and strengthen maintenance of POS systems to minimize disruptions and cash handling.
2. Introduce weights and measures services to expand revenue streams while enhancing fairness in commodity markets.
3. Conduct a comprehensive business mapping exercise across the county to improve billing accuracy and expand the tax base.
4. Initiate private-sector-driven SME support programs to foster business growth and improve compliance with licensing requirements.
5. Enhance collaboration between the Department of Trade and the Revenue Unit during revenue forecasting and monitoring processes.
6. Develop a communication strategy to promote departmental services and build taxpayer awareness and trust.

7. MANDERA MUNICIPALITY

The main revenue sources for the Municipality include open-air market fees, Single Business Permits (SBPs), cess points (barriers), and development control (partially). Prerequisite certifications for SBPs, such as fire and public health certificates, are currently issued manually, despite the fact that templates and system capabilities for automation already exist. This duplication of effort results in inefficiency and reduced accountability.

Although data mapping of local businesses has been undertaken to enhance revenue collection and efficiency, revenue targets set for streams lack a clear basis or reference to data, undermining their credibility. Additionally, some potential streams—such as weights and measures—are not utilized as sources of revenue, despite their potential to improve compliance and citizen trust. Development control, which has been devolved from the broader Urban Planning function, is now under the municipality but requires strong technical support to be effective.

There is cordial working relationship among officers, but there is also a need for additional technical expertise, especially in urban planning. Work processes remain a hybrid of manual and automated methods. For instance, invoicing and billing for SBPs require business owners to visit municipal offices, while revenue clerks, public health officers, fire officers, and enforcement officers often conduct joint business inspections for compliance.

At the systems level, while the municipality has a revenue management system, management staff do not use it consistently. Some staff lack clarity on the system’s purpose and potential, leading to reliance on manual, POS, and mobile pay methods. This is compounded by weak ownership of revenue targets and poor alignment between services and collections. There is also a lack of clarity in roles between the Lands Department and the municipality in relation to development control.

Communication is applied on an ad hoc basis, especially during deadlines for SBP renewals when billboards, radio, mobile announcements, and social media platforms are used. Internally, meetings occur at multiple levels, but there is no dedicated communication team and no structured communication strategy. Moreover, revenue targets have not been cascaded to section heads and collectors, resulting in poor tracking and performance management.

Strategies for Strengthening OSR in Mandera Municipality

To maximize Mandera Municipality revenue potential, the following strategies are required:

- **Automation and Integration of Services:** Fire and public health certificates should be issued directly from the system, with pay points for SBPs, fire, and public health centralized and harmonized. This will enhance efficiency, reduce duplication, and improve accountability.
- **Cashless Revenue Collection:** Full adoption of cashless payment methods (POS and mobile pay) should be enforced to minimize leakage, increase transparency, and improve efficiency.
- **Clarity of Roles and Coordination:** The municipality and the Department of Lands must harmonize their roles in development control to ensure clear lines of responsibility, reduce overlaps, and maximize revenue.
- **Data-Driven Decision-Making:** Establishing geo-location mapping for all businesses will consolidate data, strengthen planning, and provide a basis for setting realistic revenue targets.
- **Ownership of Revenue Targets:** Revenue targets should be cascaded from management to section heads and down to collectors, with clear performance tracking to promote accountability.
- **Communication Strategy:** A structured communication strategy should be developed, supported by a dedicated communication team. This will institutionalize both external communication with citizens and internal communication within the department.
- **Support to SMEs:** Providing support programs to SMEs will improve compliance, strengthen the business environment, and expand the revenue base.

Recommendation

1. Automate issuance of fire and public health certificates through the revenue management system.
2. Centralize and harmonize payment points for SBPs, fire, and public health to reduce duplication and inefficiency.
3. Fully adopt cashless revenue collection methods across all streams.
4. Strengthen coordination between the municipality and the Department of Lands to maximize development control revenues.
5. Introduce geo-location mapping for businesses to improve data consolidation and evidence-based decision-making.
6. Promote shared responsibility for revenue targets by cascading them across all staff levels with performance monitoring.
7. Develop a communication strategy and establish a dedicated communication team to drive it.
8. Provide support programs for SMEs to foster business growth and enhance compliance.

8. ELWAK MUNICIPALITY

El Wak Municipality contributes significantly to Mandera County's Own Source Revenue (OSR) through market fees, Single Business Permits (SBPs), cess points, rents from stalls, and related charges. However, a compliance checks in 10 sampled shops revealed that only 2 displayed valid SBPs, 3 had them stored away, and 5 could not produce licenses at all. This highlights a challenge in ensuring compliance and effective monitoring. Additionally, waiver requests are frequent—about 4 out of 10 cases—with social workers playing a central role in recommending approvals or rejections.

Despite being staffed with young, energetic, and motivated teams eager to learn, the municipality lacks technical staff such as physical planners who are crucial for enforcing development control and expanding revenue streams. Notably, no revenue has been collected from airlines using El Wak airstrip over the past three months, despite clear provisions in the Finance Act.

The municipality has modern infrastructure, including 128 slabs, a bus park, and a closed modern market, yet utilization remains below 15%. Of the 216 county-owned shops and stalls, only 128 are operational, with the rest non-compliant in paying rent. Parking fee collection is conducted at barriers rather than at the designated bus park due to resistance from matatu operators, leading to revenue leakage and increased compliance costs.

While El Wak has four barrier points manned by the revenue team, collection is complicated by the presence of Kenya Police barriers located nearby, creating conflicts and reducing efficiency. Although the municipality has automated its revenue system and integrated it with the county system, workflow processes remain largely manual and prone to interference.

Strategies for Improving OSR in Elwak Municipality

Several strategies can be applied to unlock the municipality's revenue potential:

- **Compliance Enforcement:** The county should institutionalize a policy or regulation requiring businesses to display SBPs visibly, simplifying compliance checks. Enforcement officers should be empowered to act decisively against non-compliance.
- **Human Resource Development:** The revenue team needs capacity-building through training on the Finance Act, revenue systems, and customer service. Additional staff should be recruited to strengthen night-shift collections and reduce fatigue from overwork. Performance management frameworks, including promotions and incentives, should be implemented to improve staff morale.
- **Automation of Systems:** Workflow systems, especially in hospitals and municipal services, should be automated to enhance efficiency, reduce errors, and minimize revenue leakages.
- **Infrastructure Utilization:** The county should engage citizens and business operators to address concerns around underutilized infrastructure. Ensuring full occupation of county stalls and enforcing use of designated bus parks by matatus will increase revenue and reduce leakage.
- **Strengthening Institutional Collaboration:** Team building and joint training between the revenue and municipal staff will improve coordination and reduce friction in operations.
- **Expanding Revenue Streams:** Airlines using the El Wak airstrip should be billed in accordance with the Finance Act, while new technical officers should be deployed to oversee planning, building approvals, and related technical assignments.
- **Communication and Citizen Engagement:** Continuous engagement with citizens is necessary to sensitize them on the importance of revenue payment, harmonize parking systems, and build acceptance

of OSR initiatives. A dedicated communication function should be established to drive awareness campaigns.

Recommendation

1. Train and expand the revenue team, including strengthening night-shift coverage, to minimize cash leakages and overworking of clerks.
2. Automate hospital and municipal workflows to improve efficiency and revenue tracking.
3. Introduce a policy requiring mandatory display of SBPs to ease compliance monitoring.
4. Engage citizens continuously to ensure full utilization of county stalls and harmonize the parking system for matatus.
5. Foster team cohesion between revenue and municipal staff through joint training and team-building activities.
6. Introduce performance management systems to support promotions and improve staff motivation.
7. Deploy technical officers to El Wak Municipality to support planning, building approvals, and technical revenue functions.
8. Bill El Wak travel agents and airlines as per the Finance Act to capture untapped revenue streams.
9. Establish structured citizen engagement and communication strategies to strengthen trust and improve compliance with OSR.

ROLE OF VARIOUS STAKEHOLDERS/ ACTORS

County Assembly

- a) Enacts laws and policies governing revenue mobilization in line with the Constitution and the PFM Act.
- b) Approves county finance bills, budgets, and revenue-raising measures.
- c) Provides oversight on revenue collection, expenditure, and utilization.

County Executive

- a) Provides leadership in planning and coordinating revenue mobilization strategies.
- b) Proposes finance bills and revenue policies for consideration by the County Assembly.
- c) Ensures effective implementation of revenue laws and regulations.

County Treasury

- a) Oversees financial management, revenue forecasting, and reporting.
- b) Develops revenue mobilization strategies and ensures compliance with the PFM Act.
- c) Provides technical support to revenue-collecting entities.
- d) Ensures accountability through regular financial reports and audits.

Directorate of Revenue

- a) Manages the day-to-day collection of revenue from various sources (property rates, licenses, fees, charges, cess, etc.).
- b) Maintains accurate records of assessed, collected, and pending revenues.
- c) Deploys modern technology (e-payment systems, automated registers, etc.) to enhance efficiency and reduce leakages.
- d) Conducts public awareness campaigns on revenue obligations.

Internal Audit and Compliance Unit

- a) Monitors and evaluates revenue collection systems and practices.
- b) Ensures adherence to policies, laws, and financial regulations.
- c) Identifies and mitigates risks of fraud, corruption, and revenue leakages.

County Budget and Economic Forum (CBEF)

- a) Provides a platform for structured public participation in revenue mobilization.
- b) Advises on the balance between revenue measures and socio-economic impact on residents.
- c) Enhances inclusivity and ownership of revenue measures by stakeholders.

Stakeholders (Citizens, Private Sector, Civil Society, Development Partners) a)

Citizens play a critical role as taxpayers and beneficiaries of county services.

- b) The private sector contributes through licenses, permits, and partnerships.
- c) Civil society organizations enhance transparency and accountability.
- d) Development partners provide technical assistance, capacity building, and infrastructure support.

National Government Linkages

- a) The National Treasury, Kenya Revenue Authority (KRA), and the Commission on Revenue Allocation (CRA) provide policy guidance and support.
- b) Facilitate intergovernmental coordination to avoid double taxation and enhance efficiency.
- c) Build capacity of counties on revenue administration and fiscal management.

MONITORING AND EVALUATION OF THE STRATEGY

Overview

Monitoring and evaluation framework will be critical in assisting the County Government to assess whether the aspirations of this strategy are implemented according to the planned timelines and targets. Through engagement of all relevant stakeholders, the county will ensure that the strategies will be effectively and timely executed in line with the implementation matrix. Therefore, an M&E Plan will form the basis for a systematic measurement of progress of achievement of the strategic objectives. The M&E Plan will provide an overview of the envisaged activities and facilitate collection of data that can assist in decision making through the following;

- Track progress of implementation of various activities of the Revenue Mobilization Strategy;
- Assess strategies, systems, and processes to identify and correct deficiencies/weaknesses in implementation of the strategy
- Promote collaboration among implementing agencies and stakeholders by sharing implementation reports.

There will be regular review to analyze the progress, challenges encountered and corrective action required during implementation of the strategy. The implementation of this strategy will require Monitoring and Evaluation spearheaded by a steering committee comprised of all Chief Officers and Director Resource Mobilization/Revenue being the secretary to the committee.

Data Collection

The M&E plans and tools will be used to generate information and data that will allow the measurement of changes that may occur during implementation of the Strategy. To guarantee efficiency and effectiveness, baselines will be drawn according to the data collected and evaluations conducted. Evaluation efforts will include commissioning and supervision of a number of evaluation efforts. There will be regular review of the data collected to ensure quality, accuracy, reliability, timeliness and objectivity.

Progress Reports

Annual Progress Reports will be produced to provide a systematic and structured review of implementation of the actions. Periodic reports will also be produced to address specific issues that may arise. The reports so generated will form part of reports on the state of Revenue Mobilization Strategy. Results obtained from monitoring and evaluation will be important when giving feedback to the citizens as well as improve the revenue mobilization process. The dissemination of the Revenue Mobilization Strategy will adopt a systematic approach to ensure that stakeholders participate in the M&E process and ensure relevant feedback is obtained and shared among stakeholders.

CONCLUSION

The successful implementation of this Revenue Mobilization Strategy is central to enhancing the County's financial independence, improving service delivery, and fostering sustainable development. By strengthening the legal and policy framework, modernizing revenue administration systems, broadening the revenue base, and promoting accountability and compliance, the County will significantly reduce leakages, expand fiscal space, and optimize resource utilization.

Equally important is the active participation of stakeholders, including citizens, businesses and development partners, whose trust and compliance are vital for the success of the strategy. Continuous capacity building, effective monitoring and evaluation, and adherence to principles of transparency will ensure that the gains made are sustainable over the long term.

Ultimately, this strategy provides a clear roadmap for mobilizing adequate, predictable, and equitable revenues to finance the County's development priorities and deliver on its mandate to the people.