



MANDERACOUNTY GOVERNMENT

THE COUNTY TREASURY

THE COUNTY FISCAL STRATEGY PAPER 2021/2022 AND MIDTERM

FEBRUARY 2021

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P. O. Box, 13-70300 Mandera

COUNTY VISION AND MISSION

VISION

Regionally competitive and self- reliant Mandera County

MISSION

To strategically position Mandera county to be innovative, competitive in achieving sustainable progressive, wealthy, healthy, cohesive and secure for all

Abbreviations

BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CEC	County Executive Committee

CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
ADP	Annual Development Plan
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NDA	Net Domestic Assets
NFA	Net Foreign Assets
PFMA	Public Finance Management Act
PPP	Public Private Partnership
TVET	Technical Vocational Education and Training

FOREWORD

The 2021 County fiscal strategy paper (CFSP) sets out the priority programs that need to be implemented by Mandera County Government over the next MTEF period 2021/22. The programs and policies will reflect the concerns of Mandera people and are in line with the second County Integrated Development Plan (CIDP), Governor's manifesto, the National Government's 'BIG FOUR' agenda and the Kenya Vision 2030. The paper is also aligned with the national objectives contained in the Budget Policy Statement (BPS 2021). The 2021 CFSP comes at the mid stage of the County Integrated Development Plan covering the period 2018-2022.

In this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of the Second CIDP and ultimately the Vision 2030. The expenditure priorities are set to ensure that they are in accordance with the County Government strategic priorities. In addition, the County has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating additional revenue streams. These reforms are expected to make revenue payment more convenient and increase Own Source of Revenue, which will help in financing County Budgets. As we finalize preparation of the budget for the FY 2021/22, we are clearly conscious of our limited fiscal space occasioned by revenue shortfalls and rising expenditure pressures.

Finally, we are grateful to H.E the Governor for guidance and counsel in the development of this document. My sincere gratitude goes to my cabinet colleagues and all Chief Officers as well as the economic planning staff led by the Chief Officer economic planning, and other County Government officials, for their valuable contributions. Equally, we received useful inputs from stakeholders and Mandera Residents during the public Participation, which were held between 22nd to 23rd February 2020 in line with the requirements of the Public Finance Management (PFM) Act, 2012, and the Constitution. We value these inputs and extend our appreciation to all.

Hon. Ibrahim Barrow Hassan

CEC- FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The 2021 County Fiscal Strategy Paper is prepared in accordance with the provisions of the Public Finance Management Act; 2012. It outlines the current state of the County and outlook over the medium term, it also gives broad macroeconomic issues and medium term fiscal framework of the National Economy as contained in the 2021 Budget Policy Statement (BPS). The 2021 CFSP specifies the set strategic priorities, policy goals, and a summary of Government spending plans, as a basis of the FY 2021/22 budget.

The document is expected to improve the public's understanding of public finances and guide public debate on economic and development matters. Much of the information in this document was obtained from the various County Government Departments. We also received valuable inputs from Sector Working Groups and the public during the public participation program.

It is with great humility that I take the opportunity to express my profound gratitude and deepest regards to especially His Excellency the Governor, **ALI IBRAHIM ROBA** and the County Executive Committee Members, led by **Hon Ibrahim Barrow Hassan**, CEC for Finance and Economic Planning.

Equally, I would like to appreciate the County chief officers and agency/departmental directors for their cooperation and efforts in the preparation of this document that meets the aspirations of the County residents. Special thanks go to Economic planning staff for their commitment and hard work. I am also grateful to the County Secretary and all Chief Officers for the valuable information they provided in their respective fields and for the cooperation shown during the period of the assignment.

Fartun Bulle Ibrahim

CHIEF OFFICER, ECONOMIC PLANNING AND STATISTICS

LEGAL BASIS FOR THE PREPARATION OF THE COUNTY FISCAL STRATEGY PAPER

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County fiscal strategy paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law states that:

(1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

(3) In preparing the County Fiscal Strategy Paper. The County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of

(a) The Commission on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

(d) Any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without

FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT LAW

In line with the Constitution, the Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of Public Resources. The PFMA (Section 107(b)) states that:

1. The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
2. Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure;
3. The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the regulations;
4. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
5. Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG);
6. Fiscal risks shall be managed prudently;
7. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

CHAPTER ONE

1.0: INTRODUCTION

This section gives the background information and the legal requirements for the publication of the County Fiscal Strategy Paper (CFSP).

This section also gives the county's broad strategic priorities and policy goals that will guide the county government in preparing its budget for the 2021/2022 financial year and over the medium term.

1.1: BACKGROUND INFORMATION

The is prepared pursuant to section 117 of PFM Act 2012. The Constitution of Kenya, 2010, provided for two levels of government, National and County levels with each having clear functions. To ensure financial discipline and accountability with the way public finances are handled, various legal frameworks have been laid down including the Public Finance Management (PFM) Act, 2012 which requires counties to prepare County Fiscal Strategy Paper (CFSP) each year.

Background

The County Fiscal Strategy Paper (CFSP), 2021 is the third to be prepared under the new County Administration and the seventh since the advent of devolution. It seeks to actualize the priorities laid down under the **Six Pillars** of the County Administration as well as the Socio-Economic Transformative Agenda spelt out in the Second County Integrated Development Plan (CIDP2). These include:

1. Creating an enabling environment for business in order to encourage investment growth and expansion of economic opportunities;
2. Development of key infrastructure facilities including roads, water and ICT in order to stimulate growth, create employment and reduce poverty;
3. Promotion of health and education service
4. Promotion of value addition for agricultural produce, environment management and food security;
5. Promotion of equitable economic and social development;
6. Enhancing governance, transparency and accountability in the delivery of public goods and services

1.2 OBJECTIVES OF THE CFSP

The objective of the 2021 County Fiscal Strategy Paper is to lay down the framework for the preparation of the County Budget. It is a requirement under Section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February each year.

Pursuant to the provisions of the PFM Act 2012, this County Fiscal Strategy Paper addresses the following:

- i. The Medium-Term macroeconomic framework and its outlook as contained in the Budget Policy Statement and how it impacts on the County economic environment;
- ii. A statement of fiscal responsibility principles, as specified in the PFM Act, 2012 and regulations indicating how the Fiscal Strategy Paper adheres to these principles;
- iii. The economic assumptions underlying the County budgetary and fiscal policy over the Medium Term;
- iv. Indicative allocation of available resources among County Government entities; and
- v. A medium-term fiscal framework defining a top-down aggregate resource envelope and broad expenditure levels

1.3: CFSP BROAD STRATEGIC PRIORITIES AND POLICY GOALS

The key broad strategic priorities and policy goals that has been the focus during the preparation of this paper and over the medium term include the following:

1.3.1: AGRICULTURE LIVESTOCK AND FISHERIES

The key policy goal of this sector is to achieve food security and sustainable land management as provided for in the Constitution, under Article 43 on the Bill of Rights that seeks to provide accessibility of adequate food of acceptable quality. The priorities of this sector include:

Expansion of irrigation schemes, value addition, increasing market access and adoption of technologies; exploiting irrigation potential; increased commercialization of the sector activities; creating an enabling policy and legal framework, improving efficiency and effectiveness of sector institutions; effective administration and management of land and land based resources; and sustainable management of resources in the sector.

livestock marketing infrastructure, increased livestock production, provision of high quality livestock feeds and water, improved livestock breeds, Improved management and dissemination of market information, Promotion of value addition in livestock, livestock products and by-products, creation of a Livestock Development Master Plan, improved Emergency preparedness on drought and livestock diseases; Establishment of a cross border trade; and improved veterinary services.

1.3.2: MINISTRY OF GENDERS, YOUTH AND SOCIAL SERVICES

The priorities for this sector include taking care of vulnerable members of the society by coming up with policies and programs specifically designed to suit their unique needs. It looks into priority issues and needs of youth, women and persons with disabilities.

1.3.3: EDUCATION, CULTURE AND SPORTS

The education sub-sector seeks to address the following: provision of early childhood education; quality assurance, teacher resource management at early childhood level, technical vocational education and training (TVET); and youth training.

The social services sub-sector, which comprises of youth training; sports; and gender aims to promote sport activities and promote youth and women empowerment.

1.3.4: HEALTH SERVICES SECTOR

The mandate of the sector is to build a progressive, responsive and sustainable technologically driven health system for accelerated attainment of the highest standard of health to the people of Mandera County.

The five most common diseases in order of prevalence are Disease of Malaria, Upper Respiratory Tract Infection (URTI), Pneumonia, Urinary Tract Infection (UTI) and skin disease.

1.3.5: WATER, SANITATION, ENERGY AND NATURAL RESOURCES

Mandera County is one of the most water insecure counties in the country. The Key objective of this ministry is thus to improve water supplies and infrastructure throughout the county. Major part of the allocation for this ministry is going towards improving existing water infrastructure as well as developing new ones.

1.3.6: PUBLIC WORKS, ROADS AND TRANSPORT SECTOR

Improved road network; Completion of ongoing road projects, keep the repair works going on roads that were already done; improved market access; and improved transport infrastructure are the major priorities under this sector.

1.3.7: MINISTRY OF PUBLIC SERVICE AND DEVOLVED UNITS

The strategic priorities and policy goals of this sector include: enhanced public service delivery; enhanced early warning and response mechanisms of public issues; and ensure citizens enjoy services at the lowest level.

1.3.8: LANDS, HOUSING AND PHYSICAL PLANNING SECTOR

This sector seeks to address land ownership and registration; resolution of land disputes; settlement of internally displaced persons; management of land resource; land policy development; and improved housing facilities.

1.3.9: FINANCE, ECONOMIC PLANNING AND ICT SECTOR

This sector's priorities and policy goals include: improved own sources revenue collection; enhanced resource mobilization and utilization; improved financial control; improved development planning, monitoring and evaluation and provision of ICT infrastructure and services.

1.3.10: TRADE, INDUSTRIALIZATION, INVESTMENT AND COOPERATIVE DEVELOPMENT

This sector comprises of Trade, Industrialization, investment and Co-operatives development. Its major priorities include: promotion of both cross-border and local trade; promotion of industrial development; and promotion of local and foreign investment and strengthening of cooperative development.

CHAPTER TWO

ECONOMIC FRAMEWORK AND OUTLOOK

2.0: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

2.1: OVERVIEW

In 2020, the outbreak of Covid-19 Pandemic and its swift containment measures has had great effects on the Kenya's economy, which have not only disrupted the normal lives and livelihoods, but to a greater extent businesses and economic activities. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP).

The economic growth projection of the country is to recover to 6.4 percent in 2021 due to in part; the lower base effect in 2020. In terms of fiscal years, an economic growth projection of 3.5 percent in FY 2021/22 and further to 6.2 percent over the medium term.

The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on- year overall inflation remained within the Government target range of 5 ± 2.5 percent where in December 2020 at 5.6 percent from 5.8 percent in December 2019. This lower inflation was mainly due to a reduction in food prices.

The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is likely to improve to 5.1 percent in 2021 from 5.8 percent in 2020 mainly supported by an improvement in the trade balance.

2.1.1: GROSS DOMESTIC PRODUCT GROWTH AND ITS MAIN DRIVERS BY SECTOR

Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012.

In 2020, the outbreak of Covid-19 Pandemic and its swift containment measures has had great effects on the Kenya's economy, which have not only disrupted the normal lives and livelihoods, but to a greater extent businesses and economic activities. As a result, our economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

Per capita income rose from Ksh 113,539 in 2013 to Ksh 204,783 in 2019, a compounded annual growth rate of 11.5 percent. This enabled generation of around 827,000 new jobs per annum in the period 2013 - 2019 up from 656,500 new jobs per year in the period 2008 -2012.

The economy grew by 4.9 percent in the first quarter of 2020 compared to a growth of 5.5 percent in the first quarter of 2019. The slowdown in quarter one was as a result of the decline in economic activities in most of the country's major trading partners due to the uncertainty associated with the Covid-19 pandemic.

The economy further contracted by 5.7 percent in quarter two of 2020 from a growth of 5.3 percent in the same quarter in 2019. The poor performance in the quarter was largely due to the effect of measures aimed at containing the Covid – 19 pandemic.

The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The sector's contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2019 (**Figure 3**).

The non-agriculture (service and industry) sectors were adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector's contribution to real GDP was percentage points in the second quarter of 2020 compared to a contribution of percentage points in the same quarter of 2019.

Services sector contracted by 11.0 percent in the second quarter of 2020 compared to a growth of 6.8 percent in the same quarter in 2019. The decline was largely by substantial contractions in Accommodation and Food Services (83.3 percent), Education (56.2 percent), and Transportation and Storage (11.6 percent). Financial and Insurance, Information and communication and Public Administration mainly supported growth in the service sub-sector. The Services sub-sector contributed -5.4 percentage points to real GDP growth in the second quarter of 2020 compared to the 3.3 percentage point contribution in the same quarter of 2019.

The industry sector contracted by 1.0 percent in the second quarter of 2020 compared to a growth of 5.4 percent in the same quarter of 2019. This was mainly due to a decline in activities in the electricity and water supply and manufacturing sub-sectors. The industry sector was however supported by the Construction sector that grew by 3.9 percent in the second quarter of 2020. The industry sector accounted for -0.2 percentage points of growth in the second quarter of 2020 compared to 0.7 percentage point contribution to GDP in 2019

the spread of the Covid-19. As a result, the performance of most sectors of the economy contracted in the second quarter of 2020. However, the economy was supported by improved performance of Agriculture, Forestry and Fishing activities), Health Services and Mining and Quarrying activities.

Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020 Per capita income rose from Ksh 113,539 in 2013 to an estimated Kshs 202,859 in 2019, a 79 percent increase. This enabled generation of around 831,000 new jobs per year in the period 2013 - 2018 up from 656,500 new jobs per year in the period 2008 -2012. we note the following main drivers of the growth by sector:

- In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector such as information and communication, transportation and storage, and accommodation and restaurant.
- The agriculture sector recorded a decreased growth of 3.2 percent in the third quarter of 2019 compared to a growth of 6.9 percent in a similar quarter of 2018, as a result of delayed long rains. Consequently, the sector's contribution to GDP growth declined to 0.6 percent in the third quarter of 2019 compared to 1.3 percent in the same period in 2018.
- The non-agricultural sector (service and industry) remained vibrant and grew by 5.7 percent in the third quarter of 2019 down from a growth of 6.5 percent in a similar quarter in 2018. It has the largest percentage points contribution to real GDP growth at 4.0 in the third quarter of 2019, mainly supported by the services sector.
- Services remained the main source of growth and expanded by 5.7 percent in the third quarter of 2019 compared to a growth of 6.5 percent in the same quarter of 2018. The service sector was supported by improved growth in accommodation and restaurant (9.0 percent), transport and storage (7.1 percent) and financial and insurance (5.6 percent). Growth of activities in information and communication (8.4 percent) and real estate (4.9 percent) also remained vibrant.
- The services sector contributed 3.0 percentage points to real GDP growth in the third quarter of 2019 largely supported by Transport and storage (0.5 percentage points), wholesale and retail trade (0.4 percentage points) and Real estate (0.4 percentage points).

2.1.2: THE INFLATION RATE TREND

Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since end 2017 demonstrating prudent monetary policies. The inflation rate was at 5.6 percent in December 2020 from 5.8 percent in December 2019. This lower inflation was supported by a reduction in food prices.

Core inflation (Non-Food-Non-Fuel) contribution to inflation remain low at 0.8 percent in December 2020 compared to 0.4 percent in December 2019 reflecting muted demand pressures in the economy on account of prudent monetary policies. However, the contribution of fuel inflation to overall year-on-year inflation rose to 1.7 percent in December 2020 from 0.6 percent in December 2019 on account of increasing international fuel prices. The major driver of the overall inflation has been food inflation, but its contribution to overall inflation has declined from 4.5 percent in December 2019 to 2.9 percent in December 2020 on account of a reduction in food prices.

Kenya's rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In December 2020, Kenya recorded a lower inflation rate than Burundi, Ghana, Nigeria, Zambia and Ethiopia

2.1.4: INTEREST RATE

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2020 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market.

The 91-day Treasury Bills rate was at 6.9 percent in December 2020 from percent in December 2019. Over the same period, the 182-day Treasury Bills rate declined to 7.4 percent from 8.2 percent while the 364-day decreased to 8.3 percent from 9.8 percent.

2.15: Balance of payment (BOP)

The overall balance of payments position improved to a surplus of US\$ 1,217.2 million (1.2 percent of GDP) in the year to September 2020 from a deficit of US\$ 1,058 million (1.1 percent of GDP) in the year to September 2019 This was mainly due to an improvement in the current account balance.

The current account deficit stood at \$ 4,921.0 million (5.0 percent of GDP) in September 2020 from US\$ 5,009.1 million (5.3 percent of GDP) in September 2019. The improvement in the current account balance was mainly due to the improvement in the merchandise account balance and the Net primary income balance.

The balance in the merchandise account improved by US\$ 1,340.1 million to a deficit of US\$ (8,947.5) million in the year to September 2020 because of a decline in imports and a marginal increase in exports. In the year to September 2020, exports grew by 2.8 percent primarily driven by tea exports, because of increased production and an increased demand for tea from the UK. On the other hand, imports declined by 7.3 percent in the year to September 2020, because of reduction in the volume of oil importation and decline in the value of imported manufactured goods, particularly iron, steel, machinery and transport equipment such as vehicles, and SGR related imports.

2.1.5 CAPITAL MARKET

Activity The capital account balance registered a surplus of US\$ 157.8 million in the year to September 2020. However, this was a US\$ 48.9 million decline compared to the balance witnessed in September 2019. Net Financial Inflows declined to US\$ 3,012.0 million from US\$ 6,714.3 million in the year to September 2019 (Table 4). The financial inflows were mainly in the form of direct investments and other investments, which stood at US\$ 482.4 million and US\$ 4420.4 million, respectively in September 2020. The Net Portfolio investments outflows stood at US\$ 1,189.5 million.

CHAPTER THREE

3.0: GLOBAL AND NATIONAL ECONOMIC OUTLOOK

3.1 NATIONAL ECONOMIC DEVELOPMENT OUTLOOK

In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP). Economic growth is projected to recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on- year overall inflation remained within the Government target range of 5 ± 2.5 percent in December 2020 at 5.6 percent from 5.8 percent in December 2019. This lower inflation was mainly supported by a reduction in food prices.

The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2019 mainly supported by an improvement in the trade balance.

3.2 IMPACT OF THE NATIONAL ECONOMIC OUTLOOK TO THE COUNTY ECONOMY

The positive economic performance has a corresponding positive impact on the county economy. The county on its own guided by its own plans is making strides in key sectors such as Health, Water, infrastructure and social development to meet the unique needs of its deserving population. Over the last 5 years, the county has invested massive resources into projects such as tarmacking and murraming of roads, constructing and upgrading of water infrastructure and construction of health facilities. The results of these investments is beginning to be felt across the county inform of adequate water, good road networks and functioning health services. The county will continue with its reform agenda to realize best results for its people by taking the following measures

- Improving local revenue collection to boost its resource base for budgetary support
 - Adoption of Program Based Budgeting to guarantee maximum value for money in its budgetary allocations
 - Liaise with security stakeholders to create secure environment that can enhance investments and service delivery
 - Initiate measures to boost vulnerable members of society such as cooperative loans and scholarships to need students.
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3.3 FISCAL PERFORMANCE OF THE 2020/2021 BUDGET

3.4 FISCAL OUTLOOK

The fiscal assumption underlying the FY 2020/2021 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

3.5 FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION

The County had an approved budget of Kshs 13,319,725,092, which consisted of Kshs. 7,169,045,514 (54%) for recurrent expenditure, and Kshs. 6,150,679,578 (46%) for Development.

3.6 BUDGET COMPONENTS

In order to finance the budget, the County expects to get Kshs. 10,222,950,000 equitable share of revenue allocated by Commission on Revenue Allocation, Local revenue of Kshs. 200,037,792 and various conditional grants in amount of Kshs 1.5 billion. Further Kshs. 1.39 billion relates to projects brought forwards from the financial year 2019/2020.

TABLE 1: BUDGET COMPONENTS

The table summarizes county revenues for FY 2019/2020 and 2020/2021 budget

MANDERA COUNTY GOVERNMENT BUDGET ESTIMATE FOR FY 2020/2021				
REVENUE SUMMARY 2020/2021 FY		2019/2020	2020/2021 Approved	Percentage
Funding Types	Revenue summary By Sources	Kshs.	Kshs.	%
Equitable Sharable Revenue	Equitable share of Revenue	10,222,950,000	10,222,950,000	77%
Own Source Revenue	Local Revenue Collections	183,559,629	200,037,792	2%
Unutilized Exchequer from 2018/2019 FY	On-Going Development Projects funds b/f from 2017/2018 - 2021/2020	1,210,949,522	883,762,901	7%
	2019/2020 FY Projects that could not be implemented	163,769,117	-	0%
Conditional Grant by National Government Institutions	Road Maintenance Fuel Levy (Conditional Grant)	290,185,219	304,694,480	2%
	Road Maintenance Fuel Levy (Conditional Grant) B/F from 19/20 - Fund Released		160,026,064	1%
	Development of youth Polytechnics	22,113,298	15,049,894	0%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	-	2,500,000	0%
	Grant of Kshs 5 billion for Covid-19 Responses among the 47 Counties – Manderla Share	-	91,323,000	1%
	Medical Staff Allowances	-	31,845,000	0%
	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920	25,474,920	0%

Conditional Grants - Development Partners	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	65,351,998	144,609,161	1%
	Danida Funding for Health sector - Transforming Health care - Universal Health	30,281,250	29,070,000	0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA	-	9,604,002	0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Unversal Health b/f 2018/2019. Amount not yet released	-	14,826,792	0%
	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA		4,295,329	0%
	Danida Funding for Health sector - Transforming Health care - Universal Health - Covid - 19 Support	-	11,305,000	0%
	Kenya Devolution Support Program - Level I	30,000,000	45,000,000	0%
	Kenya Devolution Support Program b/f	235,542,828		0%
	Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021	58,673,488	58,673,488	0%
	Kenya Urban Development Support Program	175,819,500	175,819,500	1%
	Kenya Urban Institutional grant	8,800,000		0%
	Kenya Climate smart Agriculture Project (NEDI)	200,000,000	324,000,000	2%
	Sweden -Agricultural Sector Development Support Progam (ASDSP) II	22,822,072	14,548,048	0%
	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released		49,173,647	0%
	Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA		6,387,012	0%
	Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital		84,075,528	1%
	Conditional Grant from KDSP(balance from 6,100,000) B//F		640,901	0%
	Kenya Urban Support Program (Conditional Grant) b/f - Not		98,923,344	1%

Released			
Kenya Urban Institutional grant b/f from 2019/2020		8,800,000	0%
Kenya Devolution Support Program		143,000,000	1%
Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released)		129,309,291	1%
Kenya Devolution Support Program - Level I b/f from 2019/2020		30,000,000	0%
Kenya Urban and Institutional Grant b/f	41,200,000		0%
GRAND TOTAL	13,118,313,035	13,319,725,092	100%

3.7 REVENUE PERFORMANCE ANALYSIS

During the first and second quarters of FY 2020/2021, the County received Kshs. 4,252,747,200 as equitable share of revenue raised nationally, raised Kshs. 70,154,020 from own source revenue, and had a cash balance of Kshs. 507,089,450 from FY 2019/2020. The County also received Kshs. 165,056,691 as conditional grant funds during the reporting period. The total funds available for budget implementation amounted to Kshs. 4,995,047,361.

3.7.1 OWN SOURCE REVENUE PERFORMANCE

The County Government targeted to collect Kshs. 200,037,791 from local sources during FY 2020/2021. The actual achievement during the first and second quarter was Kshs. 70,154,020 million which translates to 35% of the targeted collection. This represented an increase from Kshs. 50,271,685 million generated in the first half year of FY 2019/2020.

TABLE 2: OSR PERFORMANCE PER STREAM

In the period under review, the County's top performing streams included Land rates, Hospital collections, Land Transfers, Single Business Permits, Miraa movements, Market stalls and Slaughter charges. Notable nose-dive in revenue collection was on income from Income from Water Management, public health and tender documents. The monthly collection breakdown is shown in table below.

Mandera County Government FY 2020/2021 Half Year Own Source Revenue performance (Monthly Analysis)								
Revenue Sources	Target 2020/2021	July	August	September	October	November	December	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Land rents	47,399,995	3,369,000	3,486,650	3,657,600	3,235,820	1,708,410	2,625,900	18,083,380
Plot Transfers/Sub-Divisions/Application Fees	27,692,722	1,325,000	1,462,000	1,319,000	781,950	1,676,950	1,096,000	7,660,900
Miraa Movements	7,263,768	978,000	988,000	958,000	962,000	951,000	1,071,000	5,908,000
single Business Permit	23,084,457	1,258,700	1,413,200	683,900	232,000	57,000	148,500	3,793,300
Markets stalls	6,257,201	292,800	441,100	1,257,100	596,800	624,757	567,300	3,779,857
Market Gates	734,936	9,410	-	-	-	19,110	34,560	63,080
Market Shades	3,536,802	132,800	104,600	110,900	-	174,800	162,000	685,100
Buspark/Taxis/Parking	1,150,000	54,275	44,200	82,950	111,800	56,200	137,850	487,275
Income from Quarries/Natural Resources	805,000	63,200	48,700	52,200	63,280	38,100	141,569	407,049
Building plan	-	175,500	55,000	399,300	36,000	32,000	36,000	733,800
Barriers	8,317,387	431,660	429,280	362,000	330,950	497,582	478,383	2,529,855
Livestock Markets	4,180,908	386,400	317,200	325,400	362,510	428,650	424,550	2,244,710
Livestock Movement	7,885,796	681,050	503,500	276,550	235,600	302,280	406,000	2,404,980
Slaughter fees and Charges	9,716,214	575,500	524,600	523,480	575,300	558,250	603,900	3,361,030
Produce Cess	635,704	174,000	90,800	108,888	113,000	21,500	61,625	569,813
Agriculture Mechanization/Hire of Equipments	1,380,000	14,000	-	132,000	-	3,000	18,000	167,000
Income from Sale of Tenders documents	837,765							-
Rental income	-	-	-	-	-	169,150	190,000	359,150
Tender	5,448,082							-
Public Health	3,900,150	224,808	190,450	117,800	7,000	9,800	7,000	556,858
Hospital collection	30,892,981	1,943,566	2,011,340	2,550,768	2,805,270	2,653,450	2,822,939	14,787,333
Income from Water Management	8,917,923	277,250	282,800	401,000	222,000	208,500	180,000	1,571,550
Grand Total	200,037,792	12,366,919	12,393,420	13,318,836	10,671,280	10,190,489	11,213,076	70,154,020

3.8 EXCHEQUER ISSUES

The Controller of Budget approved withdrawal of Kshs. 4,252,747,200 from the CRF account, which was 32 per cent of the Approved Budget. This amount represented an increase of from Kshs. 3,618,924,300 (28 per cent) approved in the first half of FY 2019/2020 and was meant to fund both development and recurrent expenditures.

3.9 CONDITIONAL GRANTS

The County received Kshs. 165,056,691 as conditional grants. This comprised of Kshs. 14,535,000 from Danida Funding for Health sector, Kshs. 50,066,573 from Kenya Urban Support Programme and Kshs 100,455,119 from Kenya Climate Smart Agriculture Project (KCSAP).

TABLE 3: REVENUE PERFORMANCE BY SOURCE (JULY 2020- JANUARY 2021)

**MANDERA COUNTY GOVERNMENT
FY 2020/2021 REVENUE PERFORMANCE REPORT**

No.	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Percentage
1	Equitable share of Revenue	10,222,950,000	3,373,573,500	33%
2	Local Revenue Collections	200,037,792	70,154,020	35%
3	On-Going Development Projects funds b/f from 2017/2018 - 2021/2020	883,762,901	885,144,229	100%
4	Road Maintenance Fuel Levy (Conditional Grant)	304,694,480	-	0%
5	Road Maintenance Fuel Levy (Conditional Grant) B/F from 19/20 - Fund Released	160,026,064	160,026,064	100%
6	Development of youth Polytechnics	15,049,894	6,650	0%
7	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	2,500,000	-	0%
8	Grant of Kshs 5 billion for Covid- 19 Responses among the 47 Counties – Mandera Share	91,323,000	91,323,000	100%
9	Medical Staff Allowances	31,845,000	31,845,000	100%
10	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920	-	0%
11	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	144,609,161	-	0%
12	Danida Funding for Health sector - Transforming Health care - Universal Health	29,070,000	-	0%
13	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA	9,604,002	-	0%
14	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health b/f 2018/2019. Amount not yet released	14,826,792	14,535,000	98%
15	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329		0%
16	Danida Funding for Health sector - Transforming Health care - Universal Health - Covid - 19 Support	11,305,000	11,305,000	100%

17	Kenya Devolution Support Program - Level I	45,000,000	-	0%
18	Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021	58,673,488	-	0%
19	Kenya Urban Development Support Program	175,819,500	50,066,573	28%
20	Kenya Climate smart Agriculture Project (NEDI)	324,000,000	100,455,119	31%
21	Sweden -Agricultural Sector Development Support Program (ASDSP) II	14,548,048	-	0%
22	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released	49,173,647	-	0%
23	Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA	6,387,012	-	0%
24	Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital	84,075,528	-	0%
25	Conditional Grant from KDSP(balance from 6,100,000) B//F	640,901	-	0%
26	Kenya Urban Support Program (Conditional Grant) b/f - Not Released	98,923,344	-	0%
27	Kenya Urban Institutional grant b/f from 2019/2020	8,800,000	-	0%
28	Kenya Devolution Support Program	143,000,000	129,309,291	90%
29	Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released)	129,309,291	50,066,573	39%
30	Kenya Devolution Support Program - Level I b/f from 2019/2020	30,000,000	30,000,000	100%
TOTAL		13,319,725,092	4,997,810,017	38%

Source: Mandera County Treasury

3.10 EXPENDITURE ANALYSIS

The overall county expenditure for the period ending 31st January, 2021 amounted to Kshs 4,654,274,283 out of which Kshs. 1,845,060,814 was for Operation & Maintenance and Kshs. 1,655,739,443 for Personnel emoluments. Transfers amounting to Kshs. 278,067,221 and Kshs.

100,000,000 were made to the County Assembly and Mandera Water and Sewerage Company respectively for their operations while Mandera Municipality received Kshs. 90,000,000 for the same. Transfers of Kshs. 28,000,000 and Kshs. 21,000,000 were made to Elwak Municipality and Elwak Water and Sewerage Company respectively. A transfer of Kshs. 91,323,000 was also made to the Ministry of Health and Kshs. 25,690,000 were transferred to health facilities. Expenditures amounting to Kshs. 1,332,210,360 were utilized on development programmes. This represents an overall absorption rate of 35 percent against the FY 2020/2021 budget.

3.11 EXPENDITURE BY ECONOMIC CLASSIFICATION

Out of the total expenditures, the expenditures on salaries amounted to 35%, whereas use of goods expenditures amounted to 22% of the total expenditures. A total of Kshs. 1,332,210,360 billion was incurred on development expenditures during the period.

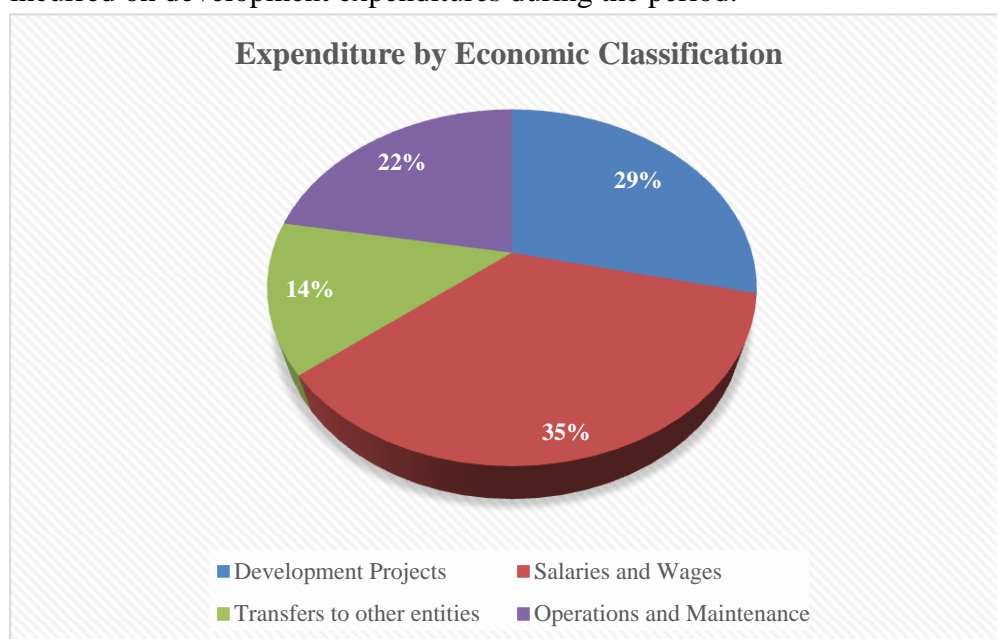


Figure 1: Expenditure by Economic Classification

From the analysis of the above figure, Salaries and wages had the highest absorption at 35% while development projects as well as expenditures on Operation & Maintenance had an absorption rate of 25% and 22% respectively. Transfers to other county entities made up 14% of the total absorption in the period under review.

3.12 BUDGET AND BUDGET PERFORMANCE BY COUNTY DEPARTMENTS

3.12.1 BUDGET ESTIMATES

The County Government’s mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process. In the FY 2020/2021, the County Departments were funded in line with the ceilings captured in the 2020 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mandera County Integrated Development Plan (2018-2022).

Table 4 shows the breakdown of county's budget per ministry in FY 2020/2021.

TABLE 4: RESOURCE ALLOCATION AMONG THE MINISTRIES

The highest beneficiary of the FY 2020/2021 budget allocation was the Ministry of Health Services getting Kshs 2,923,464,913.12 (22 percent), followed by the Ministry of Water, Environment and Natural Resources getting Kshs 2,442,469,665.70 (18 percent) while both the Ministry of Public Service Management and the Ministry of Public Works, Roads and Transport were allocated Kshs 1,481,257,767.78 (11 percent) and Kshs. 1,462,771,004.19 (11 percent) respectively. Other departments were allocated below 10 percent.

MANDERA COUNTY GOVERNMENT APPROVED BUDGET FOR FY 2020/2021				
	Departmental Allocations			
Departments	Recurrent Expenditure	Development Expenditure	Total Allocation	%
Ministry of Agriculture Livestock and Fisheries	238,840,955.91	897,587,062.78	1,136,428,018.69	9%
Ministry of Education, Culture and Sports	325,863,122.45	361,020,068.00	686,883,190.45	5%
Ministry of Gender, Youth and Social Service	73,515,054.65	123,890,988.00	197,406,042.65	1%
Ministry of Finance	586,750,086.31	51,825,600.00	638,575,686.31	5%
Ministry of Health Services	2,042,920,853.04	880,544,060.08	2,923,464,913.12	22%
Ministry of Trade, Investments Industrializations and Cooperative Development	49,492,635.86	135,957,580.50	185,450,216.36	1%
County Assembly	790,834,897.00	221,218,667.00	1,012,053,564.00	8%
Lands, Housing and Physical Planning	317,415,231.62	281,744,751.95	599,159,983.57	4%
Office of the Governor and Deputy Governor	472,202,366.80	-	472,202,366.80	4%
County Public Service Board	69,602,672.49	12,000,000.00	81,602,672.49	1%
Ministry of Public Service, Management and Devolved Unit	1,331,886,296.38	149,371,471.40	1,481,257,767.78	11%
Public Works Roads and Transport	154,109,033.33	1,308,661,970.86	1,462,771,004.19	11%
Ministry of Water, Environment and Natural Resources	715,612,308.49	1,726,857,357.21	2,442,469,665.70	18%
GRAND TOTAL	7,169,045,514.34	6,150,679,577.78	13,319,725,092.12	100%

3.13 DEPARTMENTAL EXPENDITURES

During the period under review, the County Government did not undertake any development or recurrent expenditures in quarter one. Expenditures totaling to Kshs 4,654,274,283 for both

development and recurrent programmes incurred in quarter two. This expenditure represented 35% of the county's approved budget.

3.13.1 DEVELOPMENT EXPENDITURE PERFORMANCE

The overall performance for the county's development budget stands at 22%. Funds totaling Kshs. 1,332,210,360 was spent across 11 spending units of the County Government. The Ministry of Water, Environment and Natural Resources recorded the highest overall absorption rate at 35% followed by the Ministry of Health Services and the Ministry of Agriculture, Livestock and Fisheries at 20%. The Ministry of Public Works Roads and Transport and the Ministry of Lands, Housing and Physical Planning recorded the fourth and fifth highest absorption rates at 19% each. Other Ministries recorded less than 10% absorption rate.

The following factors were responsible for low absorption rate;

- Revenue sharing formula stalemate in the Senate during the Division of Revenue Act 2020 which led to delays in the preparation and approval of the County's budget documents for FY 2020/2021.
- Slow and cumbersome tendering process
- Technical and capacity challenges in application of IFMIS
- Delays in approval of request for funds by office of controller of budget

THE TABLE 5 ANALYSES DEVELOPMENT EXPENDITURE PERFORMANCE BY MINISTRIES.

Departments	Development Estimates	Development Expenditure	Percentage
County Assembly	221,218,667.00	-	0%
Ministry of Agriculture, Livestock and Fisheries	897,587,062.78	176,579,847.75	20%
Ministry of Education, Culture and Sports	361,020,068.00	50,000,000.00	14%
Ministry of Gender, Youth and Social Services	123,890,988.00	-	0%
Ministry of Finance & Economic Planning and ICT	51,825,600.00	-	0%
Ministry of Health Services	880,544,060.08	178,579,009.20	20%
Ministry of Trade, Investments, Industrialization, and Cooperative Development	135,957,580.50	10,000,000.00	7%
Lands, Housing Developments and Physical Planning	281,744,751.95	53,066,572.70	19%
Office of the Governor and Deputy Governor	-	-	0%
County Public Service Board			0%

	12,000,000.00	-	
Ministry of Public Service Management and Devolved Units	149,371,471.40	10,450,483.40	7%
Public Works Roads and Transport	1,308,661,970.86	247,914,278.00	19%
Ministry of Water, Energy, Environment, Natural Resources Tourism and Wildlife	1,726,857,357.21	605,620,169.08	35%
GRAND TOTAL	6,150,679,577.78	1,332,210,360.13	22%

3.13.2 RECURRENT EXPENDITURE PERFORMANCE

Funds totaling to Kshs 3,322,063,923 was spent on the recurrent vote across all the 13 spending units of the County Government. The overall performance for the county's recurrent budget stands at 46%. The Ministry of Ministry of Roads, Public Works and Transport recorded the highest overall absorption rate at 56% followed by the Ministry of Education, Culture and Sports at 54%. The Ministry of Health Services and the Ministry of Water, Environment and Natural Resources recorded the third and fourth highest absorption rates at 53% and 52% respectively. The Ministry of Agriculture, Livestock and Fisheries and the Ministry of Finance & Economic Planning and ICT were the worst performers recording 31% and 29% respectively. Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

- Slow and cumbersome procurement process
- Technical and capacity challenges in application of IFMIS
- Delays in approval of request for funds by office of controller of budget
- Slow release of funds from national treasury

THE TABLE 6 ANALYSES RECURRENT EXPENDITURE PERFORMANCE BY MINISTRIES.

Departments	Recurrent Estimates	Recurrent Expenditure	Percentage
County Assembly	790,834,897.00	278,067,221.20	35%
Ministry of Agriculture, Livestock and Fisheries	238,840,955.91	73,485,856.07	31%
Ministry of Education, Culture and Sports	325,863,122.45	174,961,852.13	54%
Ministry of Gender, Youth and Social Services	73,515,054.65	26,281,149.10	36%
Ministry of Finance & Economic Planning and ICT	586,750,086.31	169,548,034.34	29%

Ministry of Health Services	2,042,920,853.04	1,045,870,212.71	51%
Ministry of Trade, Investments, Industrialization, and Cooperative Development	49,492,635.86	22,307,682.00	45%
Lands, Housing Developments and Physical Planning	317,415,231.62	167,659,301.00	53%
Office of the Governor and Deputy Governor	472,202,366.80	168,794,190.13	36%
County Public Service Board	69,602,672.49	26,807,705.55	39%
Ministry of Public Service Management and Devolved Units	1,331,886,296.38	696,963,579.22	52%
Public Works Roads and Transport	154,109,033.33	86,851,008.00	56%
Ministry of Water, Energy, Environment, Natural Resources Tourism and Wildlife	715,612,308.49	384,466,131.67	54%
GRAND TOTAL	7,169,045,514.34	3,322,063,923.12	46%

Implementation Challenges

The county experienced several issues that affected budget implementation during the half year of the financial year 2020/2021. These are:

- ✓ Revenue sharing formula stalemate in the Senate during the Division of Revenue Act 2020 which led to delays in the preparation and approval of the County's budget documents for FY 2020/2021.
- ✓ There was delay by the National Treasury to disburse the equitable share of revenue raised nationally. This affected implementation of development activities. This delay led to non-absorption of the development budget during the first quarter of FY 2020/2021.
- ✓ Increased public awareness about their rights has seen an increase in agitation for better service delivery.
- ✓ Underperformance in own source revenue collection This was due to, amongst other reasons, ineffective monitoring, insecurity, High rate of poverty, and shortage of staff.

CHAPTER FOUR

4.0: FISCAL FRAMEWORK AND STRUCTURAL MEASURES FOR FY 2021/2022 AND THE MEDIUM-TERM

4.1 OVERVIEW

The 2021/22 Medium-Term Fiscal Policy aims at supporting a sustainably wealthy and vibrant county providing high quality services to improve the livelihoods of its citizens. The county will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of the projects and programs. Adhering to these policies will also enhance Own Source Revenue collection that will ensure there are adequate resources for capital investments.

The total resource envelope for FY 2021/22 is expected to be Kshs **11,756,645,789**. Based on the budget policy statement for FY 2021/22 and the trend of growth of the County revenues. The County Government will strive to ensure that the budget is balanced in the medium term and that expenditure for development will meet the minimum threshold of 30%, across the FY 2021/2022 and FY 2022/23. Expenditure ceilings for financial year 2021/2022 will be based on county priorities extracted from the CIDP 2018-2022, ADP 2021/22 and the sector working group reports for each of the sectors. Moreover, the ceilings were also adjusted based on reduction on total revenue, expenditure trends and the changes in priority based on sector working group discussions. Expenditure related to conditional funding, grants has been ring fenced based on the purpose for the funding, and estimates developed and included in the sector working group reports.

4.2: FISCAL POLICY

The government's fiscal policy objective in the medium term will be to focus resources to priority and growth potential areas. Allocation and utilization of resources in the medium term will be guided by the priorities outlined in CIDP 2018-2022 and other county plans; and in accordance with fiscal responsibility principles as set out in section 107 of the PFM Act 2012. In this regard, the county government is committed to keeping recurrent spending at sustainable levels and devotion of more funds to development. Reforms in the budget expenditure management and revenue administration will be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space that frees more funds for productive areas. The county government is truly committed to implementing a program based budget system in the following financial year. This is expected to create budget clarity that emphasizes on results as opposed to mere absorption of funds.

4.3: SPENDING PRIORITIES

The FY 2021/22 budget framework is set out against background of the medium term fiscal policy of the county government and county government's broad policies as domesticated in the County through the CIDP, the ADP and departmental strategic plans.

Considering the limited resources facing the county Government, and competing needs for funding, priorities for funding in FY 2021/2022 will be given to projects/programmes that focus on strategic interventions. These programmes will be geared towards promotion of service delivery that supports social development, economic growth and transformation of the County. The projects to be funded must also be in line with the county goals and objectives as outlined in this CFSP, the CIDP and the ADP. In this regard, ministries are required to rationalize and prioritize their expenditure programmes in the FY 2021/22 to focus only on the strategic interventions and projects as captured in these documents.

4.3: FISCAL STRATEGY FOR FY 2021/2022

The FY 2021/2022 fiscal strategy has been designed to address Following objectives:

- Fast tracking of implementation of development programs to encourage faster absorption of funds
- Completion of all ongoing projects
- Streamlining and improving local revenue performance to realize more Resources
- Transparency and accountability on budget allocations and implementation as required by law.
- Devolving services closer to the people and ensuring count services are visible in all parts of the county.
- Under take programs that will address the plight of the most vulnerable in the Society. This will entails building some shelter for them as well as providing some sources livelihood inform of a given heads of livestock.

4.4: RISKS TO THE COUNT'S FISCAL PERFORMANCE

Despite its ambitious development agenda, the county faces a number of risks and uncertainties that curtail realization of its objectives.

Some specific risks to the county's fiscal performance are:

- Reduction in county population in 2019 census result that has since been disputed in court will significantly impact in reduction of resource allocation by CRA.
 - Low performance by local revenue collections results in budget deficits.
 - Delays of release of funds from national treasury
-

- Large portfolio of ongoing projects that will reduce resources available for new investments
 - Insecurity that poses the single biggest risk to the implementation of the County projects
 - New IFMIS requirements such as e-sourcing create slow and cumbersome procurement processes.
-

CHAPTER FIVE

5.0: DETAILS OF CEILINGS AND MINISTERIAL PRIORITIES

5.1: RESOURCE ALLOCATION GUIDELINES

Resource allocation for the FY 2021/22 will be geared towards financing priority programmes and projects that will culminate in the realization of county strategic objectives such as ;

Food security, provision of adequate and clean water, boosting road infrastructure, Well Functioning Universal Health Care, support to ECD and vocational training as well as addressing the plight of the most vulnerable in our society.

In this regard, special focus will be directed areas such as:

- Sound governance, transparency and accountability and Human Resource productivity in the delivery of services to the county residents. To achieve this, adequate resources will be committed to staff salaries, allowances and capacity buildings.
- Promotion of accessible and affordable health care for all County resident by providing skilled health staff and drugs
- Improving food security by encouraging Agricultural production through increased extension services to reduce cost to farmers and support to small scale farmers.
- Expansion and maintenance of road infrastructure and network to enhance productivity and reduce cost of doing business in the county
- Promotion of ECDs and adult education to uplift county literacy levels
- Investing in youth and women by ways of grants and Scholarships/Bursary
- Under take programs that will address the plight of the most vulnerable in the Society

In establishing budget ceilings for the financial year and subsequent financial allocations, nondiscretionary expenditures take first charge. Examples of these include statutory obligations such as salaries and other related staff expenses. In development expenditure, first consideration will be given to the completion of ongoing projects while availing adequate resources to the new projects that are key to growth of the County. Priority will be given to projects identified in the CIDP, ADP and the public participation reports.

Projects proposals will be subjected to rigorous scrutiny to ensure they are in line with the county vision and development plans. Costing of programs will also be closely monitored to ensure there are no future variations and adjustments.

5.2: REVENUE PROJECTION

Unfortunately, Budget Policy Statement for 2021/2022 did not provide adequate information to make full projection for the county allocation for the same year. This is particularly so in the area of conditional grant. While it proposes to consolidate four of the Conditional grants issued by the National Government (RMLF, development of youth Polytechnics, User fee for gone and level 5 hospital grants), it's quite other donor supported grants such as Danida, Smart Agriculture UHC, KDSP and KUSP etc. Accordingly, its only possible to estimate here for now equitable and shareable revenue and own source revenue. These are summarized below

TABLE 7 BELOW: SUMMARIZES THE REVENUES EXPECTED IN THE 2021/2022 FINANCIAL YEAR FOR MANDERA COUNTY GOVERNMENT. THE COMPARATIVE FOR 2020/2021

MANDERA COUNTY GOVERNMENT; REVENUE
ESITMATE FOR FY 2021/2022

REVENUE SUMMARY 2020/2021 FY		2020/2021 Approved		
Funding Types	Revenue summary By Sources	Kshs		
Equitable Sharable Revenue	Equitable share of Revenue	10,222,950,000	11,190,382,598	98%
Own Source Revenue	Local Revenue Collections	200,037,792	200,037,792	2%
Utilized Exchequer from 2019/2020 FY	On-Going Development Projects funds b/f from 2019/2021	883,762,901		0%
Conditional Grant by National Government Institutions	Road Maintenance Fuel Levy (Conditional Grant)	304,694,480		0%
	Road Maintenance Fuel Levy (Conditional Grant) B/F from 19/20 - Fund Released	160,026,064		0%
	Development of youth Polytechnics	15,049,894		0%
	Sweden -Agricultural Sector Development Support Progam (ASDSP) II - Co Funding	2,500,000		0%
	Grant of Kshs 5 billion for Covid- 19 Responses among the 47 Counties – Mander Share	91,323,000		0%
	Medical Staff Allowances	31,845,000		0%
	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920		0%
Conditional Grants - Development Partners	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	144,609,161		0%
	Danida Funding for Health sector - Transforming Health care - Universal Health	29,070,000		0%

World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA	9,604,002		0%
World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health b/f 2018/2019. Amount not yet released	14,826,792		0%
Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329		0%
Danida Funding for Health sector - Transforming Health care - Universal Health - Covid - 19 Support	11,305,000		0%
Kenya Devolution Support Program - Level I	45,000,000		0%
Kenya Devolution Support Program b/f			0%
Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021	58,673,488		0%
Kenya Urban Development Support Program	175,819,500		0%
Kenya Urban Institutional grant			0%
Kenya Climate smart Agriculture Project (NEDI)	324,000,000		0%
Sweden -Agricultural Sector Development Support Program (ASDSP) II	14,548,048		0%
Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released	49,173,647		0%
Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA	6,387,012		0%
Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital	84,075,528		0%
Conditional Grant from KDSP(balance from 6,100,000) B//F	640,901		0%
Kenya Urban Support Program (Conditional Grant) b/f - Not Released	98,923,344		0%
Kenya Urban Institutional grant b/f from 2019/2020	8,800,000		0%
Kenya Devolution Support Program	143,000,000		0%

Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released)	129,309,291		0%
Kenya Devolution Support Program - Level I b/f from 2019/2020	30,000,000		0%
Kenya Urban and Institutional Grant b/f			0%
TOTAL	13,319,725,092	11,390,420,390	100%

The county relies heavily on the equitable share followed by conditional grants. Own source revenue is quite low due to the fiscal structure and revenue raising capabilities available to the County.

Traditionally, some amount of funds will remain unspent at end of the financial year. This amount cannot be reliably established at this stage. However, going by the trends of previous years, some of this year's budget will be carried forward to the following year budget as unspent but committed funds. This amount of funds will become clearer as we approach the final phase of budget preparation at the closure of the financial year.

5.3: PRIORITIZATION AND ALLOCATION OF RESOURCES

The County Government will continue with its policy of expenditure prioritization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies.

The following measures will be adopted as a guideline for resource allocation:

1. **Linkage of projects and programmes with the objectives of the County Integrated Development Plans:** The County, in its resource allocation will ensure there is a linkage between plans and budget. Information derived planning documents and CIDP (2018-2022) will guide resource allocation in the FY 2020/21.
2. **Adherence to Annual Development Plan:**

Another criterion that will be used in prioritization and allocation of resources is that programmes that have been identified in the 2020/21 Annual Development Plan.

3. **Degree to which the programme is addressing the core mandate of the county entity:** Projects and Programmes that address the core mandate of the county government will be given priority. The critical sector include Health, Water, Road and other infrastructure, Agriculture and Livestock as well as Education and sports
4. **Expected outputs and outcomes from a programme:** Projects and Programmes that have high output and impact will be selected for implementation over those that have a low output and low impact.
5. **Cost effectiveness and sustainability of a projects/ programmes:** Projects and programmes that are cost effective and sustainable will be given a higher priority over those that are unsustainable and have a high cost.

5.4: MINISTERIAL CEILINGS

Having identified the key criteria for allocation of resources among the various competing interest, having also established the likely amount of resource available, here blow we allocate these resources as per the table below.

Table 8: showing the full allocation to the ministries for FY 2021/2022

SUMMARY OF PROPOSED DEPARTMENTAL CEILING FY 2021/2022					
Departments	Proposed Departmental Ceiling for 2021/2022 Financial Year				
	Approved Departmental Allocation for 2020/2021	Recurrent Expenditure	Development Expenditure	Total Departmental Ceiling	Percentage
Ministry of Agriculture Livestock and Fisheries	1,136,428,019	333,656,368	408,164,956	741,821,324	7%
Ministry of Education, Culture and Sports	686,883,190	411,173,787	246,704,272	657,878,059	6%
Ministry of Gender, Youth and Social Service	197,406,043	157,911,325	70,901,304	228,812,629	2%
Ministry of Finance	638,575,686	716,726,837	29,353,917	746,080,754	7%
Ministry of Health Services	2,923,464,913	2,160,010,909	329,515,792	2,489,526,701	22%
Ministry of Trade, Investments Industrializations and Cooperative Development	185,450,216	91,981,361	66,607,192	158,588,553	1%
County Assembly	1,012,053,564	831,967,944	103,494,028	935,461,972	8%
Lands, Housing and Physical Planning	599,159,984	477,177,062	35,197,183	512,374,245	4%
Office of the Governor and Deputy Governor	472,202,367	403,805,892	-	403,805,892	4%
County Public Service Board	81,602,672	50,474,069	40,000,000	90,474,069	1%
Ministry of Public Service, Management and Devolved Unit	1,481,257,768	1,063,357,582	122,655,199	1,186,012,781	10%
Public Works Roads and Transport	1,462,771,004	307,813,228	743,081,709	1,050,894,936	9%
Ministry of Water, Environment and Natural Resources	2,442,469,666	611,439,315	1,577,249,159	2,188,688,474	19%
GRAND TOTAL	13,319,725,092	7,617,495,678	3,772,924,712	11,390,420,390	100%
		67%	33%		

				11,390,420,390
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The setting of the above ceiling for all the spending units within the county government is the most difficult one due to the fact that there are a lot of on-going projects that needs to be completed in the coming financial year such as the County Headquarter, Governor’s residence, County Hotel, Kutulo Sub County Hospital, Borehole 11 Hospitals, Operationalization of the Koromey Irrigation schemes etc as well as anticipated recruitment of more than 1,200 staff to improve service delivery. This has been made worse by the anticipated reduction in the Equitable Shareable Revenue. For the first time, our recurrent expenditure is estimated to take up more than 60% of our total budget with personnel and other related cost like insurance and pensions taking up 53% of the recurrent expenditure and 32% of the total budget.

CONCLUSION

Budgetary resources are always limited against limitless priorities and needs. It is imperative therefore that ministries prioritize their programmes within the available resources to ensure that utilization of public funds are in line with the overall county government priorities. Ministries need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

The set of policies highlighted in this CFSP aims at striking a balance between the ever changing needs of the county government and the content of strategic documents like the CIDP and the fiscal responsibility principles outlined in the PFM law. The fiscal policies are also in line with the tone of the national strategic objectives such as the Big Four Agenda.

ANNEX

**CFSP PUBLIC PARTICIPATION INPUT
MANDERA SOUTH SUB – COUNTY**

NEW PROPOSED PROJECTS	LOCATION/WARD	ISSUE/CHALLENGES	SECTOR RESPONSIBLE
Murruming of weather roads	<ul style="list-style-type: none"> ➤ Chachabole-shimbirfatuma road ➤ Iresuki-elgolicha road ➤ Kutayu-shimbirfatuma road 	Poor roads networks	ROADS AND PUBLIC WORKS
Upgrading of roads	<ul style="list-style-type: none"> ➤ Elele-chachabole ➤ Elele-harsanga ➤ Wante –yedo ➤ Elwak –shimbir fatuma road 		
Bush clearing	<ul style="list-style-type: none"> ➤ Wachile-harsanga ➤ Ababosone-west 	Impassible roads	
Construction of drainage system	Elwak	No drainage system	
Construction of ECDE classroom	Dadach ulu, bulla wajir, ababosone	Lack of classrooms	EDUCATION
Piping of water within towns	Elwak	No piping system and water kiosk	WATER SERVICE
Drilling of boreholes	Ababosone, iressuki,,tuli,dadach ulu	Lack of water	
Construction of underground water tank	iressuki,ababosone,tuli, wachile, qalanqalesa,weledo	No storage tank	
Construction of dam	Yedo,Charifuda, weledo,	No harvesting of rain water	
Construction of elevated tank	shimbirfatuma, elwak ,	Lack of elevated tank	
Desalination of	Elwak, elqala , elgolicha	Hard water	

weels water			
Tree plantation	Elwak town	Lack of trees cover	
Fencing of boreholes	Elele,	Lack of fencing	
Recruiting of technical personnel for Agriculture, Livestock and veterinary	Wargadud,	Lack of technical personnels	AGRICULTURE AND LIVESTOCK
Provision of pests and pesticide and mass vaccination of livestock	Across the sub-county	Livestock and agricultural diseases	
Provision of medicine for livestock farmers	Across the sub-county	Lack of medicines	
Construction of livestock market	Elwak town,Wargadud,	Lack of livestock market	
Construction of dispensaries	Dadach ulu,elqala, wachile Charifuda, bulla wajir	Lack of dispensaries	HEALTH SERVICES
Construction of staff quarters	Elgolicha,	Lack of staff quarters	
Additinal staff	Qarsadamu, dawdeer,elgolicha, iresuki	Shortage of staff	
Construction of maternity wing	Fincharo	No maternity wing	
Contruccion of stalls for traders	Wargadud, shimbirfatuma, fincharo,	Lack of stalls	TRADE AND COOPERATIVES
Provisions of trade and cooperative grants	Mandera south sub-county	Youth and women empowerment	
Provisions of grants and aids	Mandera south sub-county	Youth and women empowerment	YOUTH, GENDER AND SOCIAL SERVICES
Construction of social halls	,shimbir fatuma and elgolicha	Lack of social halls	
Construction of stadium	Elwak town	Lack of stadium	
Budget for disability	Elwak town	lack of empowerments	
Surveying	Shimbirfatuma and	Lack of survey	LANDS

	wargadud		
Construction of dumping sites	Elwak ,	Lack of dumping sites	PUBLIC SERVICE
Dumping vehicles	Elwak town	Lack of vehicle	

KUTULO :SUB-SUBCOUNTY			
New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
Drilling of boreholes	kutulo	Lack of access of quality drinking water	WATER
Drilling of boreholes	elram	Lack of access of quality drinking water	WATER
Completion of borehole drilling and connecting piping system	Elkuro,	Incomplete boreholes	WATER
Drilling of boreholes	Boji	Lack of access of quality drinking water	WATER
Construction of underground water tank	kutulo	Distance in accessing water point	WATER
Desilting of earth pan	kutulo	Earth pan covered by mud	WATER
Water tanks piping system	majani	Lack of piping system	WATER
Construction underground water tank	Harwale	Distance in accessing water point	WATER
Desalination of hard water	kutulo	Hard water not fit for human consumption	WATER
Drilling of soft water boreholes	Kutulo	Hard water not fit for human consumption	WATER
Construction of ECDE classroom	Kutulo primary	Congestion of ECDE pupil in kutulo primary	EDUCATION
ECDE teachers	Kutulo subcounty	ECDE teachers not enough for the subcounty	EDUCATION
Polytechnic for the sub-county	kutulo	Lack of polytechnic in sub-county	EDUCATION
Laboratory and equipping hospital such as x-ray and	kutulo	Kutulo hospital not equipped with the measuring machines	HEALTH

c-scan		and laboratory tools	
Operationalization of dispensaries	Harwale	Harwale dispensary not operationalized	HEALTH
Treatment centre for outbreak human diseases KAL-AZAR	kutulo	Outbreak of human disease	HEALTH
Vaccination of livestock	kutulo	Outbreak of Animals diseases	LIVESTOCK
Fencing of cemetery	kutulo	Grabbing of cemetery land	LANDS
Additional truck for dumping	kutulo	Available truck not enough	PUBLIC SERVICE
Public toilet	kutulo	Lack of public toilet	PUBLIC SERVICE
Toilets for public schools	kutulo	Overpopulation of pupils	PUBLIC SERVICE

SUB-COUNTY:MANDERA WEST

New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
A dam should be constructed at Sukela Qudi.	Takaba south	Water scarcity.	Ministry of water, Environment
Desilting of Ayan dam.		Poor water quality because of silt.	
Desilting of kubi dam.		Poor water quality.	
Construction of a borehole at Didkuro.		Inadequate water storage because of limited number of boreholes.	
Desilting of Didkuro borehole.		Poor water quality.	

Desilting of kob adadi dam.		Poor water quality.	
Desilting of Qorile dam.		Poor water quality.	
Desilting and repairing of Dahan dam.		Poor water quality.	
Desilting of Gulana dam.		Poor water quality.	
Desilting of Bolowle dam.		Poor water quality.	
Water piping in Darwed town.		Inadequate water supply.	
Burduras water drilling.		Shortage of water.	
Awacho water drilling.		Water shortage.	
Construction of mega dam for Gither.		Water shortage.	
Construction of water tank for Darwed.		Water shortage.	

<p>Desilting of Eldanaba dam.</p> <p>Borehole drilling at Eldanaba.</p>		<p>Poor water quality.</p> <p>Water shortage.</p>	
<p>Employment of Takaba town cleaners.</p> <p>Beefing up security at the Wajir border.</p> <p>The subcounty administrator should be provided with vehicles.</p>	<p>Takaba town.</p>	<p>Inadequate cleaning staff in Takaba.</p> <p>Insecurity at the border with Wajir.</p> <p>Vehicles for the subcounty administrator for easy movement.</p>	<p>Ministry of public service, cohesion and integration</p>
<p>Construction of ECD classrooms in Dandu.</p> <p>Construction of vocational training center in Dandu.</p> <p>Increase the county bursary allocation to Takaba subcounty.</p> <p>Fencing of</p>	<p>Dandu town</p>	<p>No ECD classrooms in Dandu.</p> <p>There is no vocational training center in Dandu.</p> <p>Bursary allocation to Takaba is little.</p>	<p>Ministry of Education, sports, gender and social services.</p>

<p>Takaba girls secondary school.</p> <p>Fencing of Takaba boys secondary school.</p> <p>ECD center to be built in Takaba town.</p> <p>Construction of ECD classrooms in Darwed.</p>		<p>Insecurity because the school is not fenced.</p> <p>Insecurity because the school is not fenced.</p> <p>ECD centers in Takaba are few.</p>	
<p>Tarmacking of roads in Takaba.</p> <p>Roads linking the wards should be repaired.</p> <p>Construction of a bridge at Lagsure.</p> <p>Construction of a bridge on Dahan road.</p>	<p>Takaba</p>	<p>The road infrastructure in Takaba subcounty is not good.</p> <p>The road is impassable during rainy season.</p>	<p>Ministry of Roads and public works.</p>

Construction of all weather road for kotkoto.		During rainy season, the road is impassable.	
Vaccination of animals. Construction of a fully equipped veterinary hospital in Takaba town. Supply of animal drugs. Purchase of caterpillars for farmers.	Takaba	Poor animal health. There is no veterinary hospital in Takaba. Animals are dying because of disease and there are no medicine in the subcounty. Farmers do not have caterpillars for farming.	Ministry of Agriculture and Livestock.
Lighting of Dandu town. Solar street lights in Takaba.	Takaba subcounty	Lack of street lights may pose insecurity.	Ministry of Energy.
Surveying of Takaba town.	Takaba	Takaba town is not surveyed.	Ministry of Land and housing

<p>Takaba town physical planning.</p> <p>Fencing of the grave sight.</p>		<p>Takaba town has no physical plan.</p> <p>The graves are not fenced.</p>	
<p>Construction of office for the disabled in Takaba town.</p> <p>Funding for the disabled in Takaba.</p> <p>Qualified disabled people in Takaba should be considered in employment.</p>	<p>Takaba</p>	<p>The disabled people of Takaba are facing a lot of challenges.</p> <p>The disabled people do not get any support.</p> <p>Many qualified disabled people are not employed.</p>	<p>Ministry of gender, youth and social services.</p>
<p>Health facility is needed at bulla mpya.</p> <p>A dispensary should be constructed at Afalo.</p>	<p>Takaba</p>	<p>Health infrastructure in Takaba is overstretched.</p> <p>Lack of a health facility.</p> <p>No enough medicine in</p>	<p>Ministry of health</p>

<p>Takaba subcounty hospital should be supplied with adequate drugs.</p> <p>Eldanaba dispensary should be upgraded to a hospital.</p> <p>Health facilities in Takaba subcounty should be supplied with mosquito nets, bedshits, blankets etc</p>		<p>Takaba hospital.</p> <p>The dispensary needs expansion because of high number of patients seeking medical care here.</p> <p>The hospital does not have mosquito nets, bedshits and blankets.</p>	
<p>A new market should be constructed in Takaba town.</p> <p>Trade fund should be made available to the Takaba business people.</p>	Takaba	<p>Takaba market is small..a big market is needed.</p> <p>No trade fund to help traders boost their businesses.</p>	Ministry of Trade and Commerce
<p>Construction of culverts between Dandu and Eldanaba.</p> <p>Bush clearing should be done between Dandu</p>	Takaba	<p>Poor road infrastructure.</p> <p>The road between Dandu and Didkoba is closed because of bush</p>	Ministry of roads and public works

and Didkoba		growth.	
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SUB-COUNTY: BANISA

New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
Addition of water tank. Sinking of a borehole at Lulis location	Lulis location	Shortage of water	Ministry of water, Environment and irrigation
Drilling of a borehole at Arda Garbicha location. Disilting of Arda Garbicha dam. Water tracking to be increased at Arda Garbicha. Drilling of a borehole at Derkale location.	Arda Garbicha location. Derkale location	Shortage of water. Poor water quality. Shortage of water.	Ministry of water, Environment and irrigation
Water tank needed at Tawakal. Qondom dam to be done. Drilling of a borehole at Banisa. Increased water tracking to Banisa.	Banisa	Water shortage. No water tank. No dam. The boreholes are few. Shortage of water.	

<p>Solar panels are needed in Banisa.</p> <p>Power generator is needed at Banisa.</p>	Banisa	Poor electricity connection in Banisa	Ministry of Energy
<p>Fencing of Banisa girls secondary school.</p> <p>ECD teachers be increased in Banisa.</p> <p>County bursary be increased.</p> <p>Learning materials for ECD be provided in Banisa.</p> <p>Repair of Gira primary school in Banisa.</p> <p>ECD classrooms be increased in Banisa.</p> <p>Orphans and the poor members of the society in Banisa need urgent help.</p> <p>Youth empowerment</p>	Banisa.	<p>Insecurity at the girls school because it's not fenced.</p> <p>Shortage of ECD teachers.</p> <p>The allocated bursary figure in Banisa is not enough.</p> <p>Inadequate learning materials for the ECD.</p> <p>Gira primary needs repairs.</p> <p>Few ECD classrooms in Banisa.</p> <p>The orphans and the poor members of the society in Banisa need urgent help.</p>	Ministry of Education,youth affair, gender and social services

<p>through provision of motor bikes.</p> <p>Play ground for Banisa youth.</p> <p>Sponsoring sports tournaments</p>		<p>Youth lack empowerment to improve their lives.</p> <p>Inadequate playing ground for the youth.</p> <p>Lack finances to engage the youth through sports</p>	
<p>Construction of roads in Banisa town.</p> <p>Roads linking Banisa subcounty wards to be improved.</p> <p>Muraming of marile road.</p>	<p>Banisa town</p>	<p>Inaccessibility due to lack of road.</p> <p>The road is in poor condition.</p>	<p>Roads</p>
<p>Fully equipped animal health facility with a veterinary officer is needed in Banisa town.</p> <p>Small scale farmers in Banisa be given grants and incentives.</p>	<p>Banisa</p> <p>Banisa</p>	<p>Access to animal drugs is poor</p> <p>Farmers do not have capital to do farming</p>	<p>Ministry of Agriculture and Livestock</p>

<p>Farmers at Arda Garbicha need farming tools.</p> <p>Irrigation scheme for Arda Garbicha.</p> <p>Animal food be provided</p>	<p>Arda Garbicha</p> <p>Arda Garbicha</p> <p>Banisa</p>	<p>Farmers do not have enough tools for farming.</p> <p>Irrigation is needed</p> <p>Inadequate animal feeds because of prolonged drought</p>	
<p>Banisa town needs physical planning.</p> <p>Banisa needs fire fighter vehicles</p>	<p>Banisa town</p>	<p>The town lacks proper physical planning.</p> <p>Lack or inadequate number of fire fighter vehicles.</p>	<p>Ministry of Land and housing</p>
<p>More people should be employed as Banisa town cleaners.</p> <p>Vehicles for transporting trash needed.</p> <p>Ward office for Derkale needs renovation.</p> <p>Banisa subcounty headquarters</p>	<p>Banisa town.</p> <p>Banisa town.</p> <p>Derkale ward.</p> <p>Banisa town</p>	<p>Inadequate number of street cleaners in Banisa.</p> <p>Vehicles for transporting trash are not enough.</p> <p>Derkale ward office needs renovation.</p> <p>No.of security personnel</p>	<p>Ministry of public service, cohesion and integration</p>

needs security and surbordinate staff.		and surbordinate staff at Banisa subcounty is inadequate	
<p>Drugs supply of Banisa subcounty hospital.</p> <p>Maternity wing, theatre and x-ray services needed at Banisa subcounty hospital.</p> <p>A dispensary at Lulis is needed.</p> <p>A dispensary is needed at charicha.</p> <p>A dispensary is needed at marile.</p> <p>Relocation of Banisa slaughter house to the outskirts of town.</p> <p>Sewage exhauster vehicle is needed in Banisa town.</p>	<p>Banisa town.</p> <p>Lulis location.</p> <p>Chiricha.</p> <p>Marile.</p>	<p>Indequate drugs supply.</p> <p>Inadequate theatre and x-ray services.</p> <p>There is no health facility at Lulis location.</p> <p>There is no health facility at Chiricha.</p> <p>There is no health facility at marile.</p> <p>Public health concerns as a result of the slaughter house in Banisa town center.</p> <p>No emptying of toilets by exhausters.</p>	Ministry of health

Banisa hospital needs a medical officer.		There is no single medical doctor in Banisa subcounty.	
Grants for small scale businesses. Expansion of Banisa market.	Banisa town	Lack of capital for small scale businesses to grow their businesses. Banisa market is congested..it needs expansion.	Ministry of Trade and Commerce.

SUB-COUNTY:MANDERA EAST

New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
County to provide solution on education crisis due to lack of teachers	countywide	County to provide solution on education crisis due to lack of teachers	countywide
Water supply system;	Kamor Golja	Water supply system; Construction of earth	Kamor Golja

Construction of earth pan		pan	
Installation of streetlight Township	New Township Along the border(Bulla Shabar, Lighting District, South C border, custom area,	Installation of streetlight Township	New Township Along the border(Bulla Shabar, Lighting District, South C border, custom area,
Widening of road ; Construction of Khalalio-Mandera road	Khalalio	Narrow road	Roads
Construction of access road Malka Punda-Boys	Mandera town	Inaccessibility due to lack of road	Roads
Grading and gravelling of roads on both side Muzdalifa in Mandera town	Mandera town	Muddy and dusty roads	Roads
Water piping system	Mandera town	Lack of piping system in some areas of mandera town	Water
Food distribution	neboi	Lack of food for vulnerables	Special Programme
Construction of maternity wing	Bulla Barwaqo	Lack of maternity	Health
Upgrading of water supply system	Khalalio	Poor water supply system	Water
Construction of water tank	Bella	Rhamu town depend entirely on old water tank	Water

SUB-COUNTY:MANDERA NORTH

New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
Upgrading of Rhamu Refferal	Rhamu Town	Inaccessibility to required medical	Health services

Hospital to level 4		services such as specialized treatments	
Construction of Dispensary for Bula Dodai, Shangala, Hawara, Kubi And Isak-Kura	Rhamu	No provision of health services at these villages	Health
Renovation of old water piping system for Rhamu Town	Rhamu	Lack of enough water due to constant breakdown of old Piping system.	Water
Construction of more elevated Water Tanks for Rhamu Town	Rhamu	Lack of enough water tanks in the town to serve the larger population	Water
New water piping system for Bulla Dodai	Rhamu	No water piping system for bulla Dodai	Water
Drilling of Borehole for Bulla Darusalam	Rhamu	Lack of enough water at Darusalam	Water
Rehabilitation of feeder roads to other sub-counties	Countywide	Inaccessibility due to poor road networks	Roads
Bush clearing of 12 Roads/Pathways to shantoley farms	Rhamu	Inaccessibility due to lack of Road/Pathways	Roads
New water piping system for Garsey town	Rhamu-dimtu	No water piping system for Garsey town from the borehole to the town	Water
Drilling of Borehole for; a)Dagmarer b)Yabicho c) Kalicha d)Usubey	Rhamu-dimtu	Lack of enough and Clean water for these villages since they depend on river	Water
Construction of Dispensary for; a) Garsey b) Dagmarer c)Orahay	Rhamu-dimtu	No provision of health services	Health
Operationalization of Usubey	Rhamu-dimtu	No provision of health services	Health

Dispensary			
Murraming of Mado – Olla Road	Rhamu-dimtu	Inaccessibility due to poor road networks	Roads
Murraming of Rhamu Dimtu - Olla Road	Rhamu-dimtu	Inaccessibility due to poor road networks	Roads
Construction of ECDE classes for the following schools; a)Burjohn primary b)Usubey primary c)Khalicha primary d)Harari primary	Rhamu-dimtu	Lack enough ECDE Classes	Education
Construction of road from Garsey Town to the River Dawa.	Rhamu-dimtu	Inaccessibility due to poor road networks	Roads
Drilling of a Borehole for Bambo West	Ashabito	Lack of enough water supply at Bambo West	Water
Installing water piping system from Borehole to Ashabito Town	Ashabito	No water piping system for Ashabito.	Water
Construction of Dispensary for Bambo West	Ashabito	No provision of health services	Health
Operationalization of Ogarwein dispensary	Ashabito	No provision of health services	Health
Provision of an Ambulance for Ashabito Health Centre	Ashabito	Ashabito Health Centre serves larger population hence needs an Ambulance for faster and safer provision of Health services to the citizens.	Health
Murraming of Ashabito - Ogarwein Road	Ashabito	Inaccessibility due to poor road networks	Roads

Murraming of Ashabito - Bambo Road	Ashabito	Inaccessibility due to poor road networks	Roads
Drilling of Borehole for Mubarak Village	Marothile	Lack of provision of Water supply in Mubarak Village	Water
Drilling of fresh water Borehole for Marothile Town	Marothile	No provision of fresh Water supply in Marothile Town	Water
Water piping system from Borehole to Kubi Town	Marothile	Lack piping system in Kubi Town	Water
Construction of Dispensary for Mubarak village	Marothile	Lack of provision of medical services	Health
Operationalization of Kubi dispensary	Marothile	No provision of health services at Kubi Location	Health
Construction of Marothile-Ashabito Road	Marothile	Inaccessibility due to poor road networks	Roads
Bush clearing of Kubi-Mubarak Road	Marothile	Inaccessibility due to lack of road	Roads
Construction of ECDE classes for Mubarak Village	Marothile	Lack of ECDE classes	Education
Water piping system from Borehole to Olla Town	Guticha	No water piping system at Olla town right now since the previous one was vandalized by floods. The borehole is about 5Km from the Town.	Water
Drilling of a Borehole for; a)Saqira b) Jikow c)Kobandaqa	Guticha	Lack of provision of Water supply in Saqira, jikow and Kobandaqa Villages	Water
Construction of Dispensary for Sarman and	Guticha	No provision of health services in Sarman and Barwaqo Locations	Health

Barwaqo Locations			
Murraming of Olla-Guticha-Ashabito Road	Guticha	Inaccessibility due to poor road networks	Roads
Maintaining of Rhamu – Guba road	Guticha	Inaccessibility due to poor road networks	Roads
Construction of ECDE Classes for the following Villages; a) Korma Adow b) Dagahtur c) Daidai	Guticha	Lack of enough ECDE Classes	Education
Recruitment of ECDE Teachers	County Wide	Lack of enough teachers in our schools	Education
SUB-COUNTY:LAFEY			
New proposed project	Location/Ward	Issues / Challenges	Sector Responsible
Bush clearing from Sala Town to River Dawa	Sala	Inaccessibility due to lack of Roads or Pathways to the River	Roads
Construction of Cattle dip and crush for Sala Town	Sala	No cattle dip or Cattle Crush in Sala Town	Livestock
Installation of solar Panel system in Sala Borehole	Sala	The Generator of the Borehole consumes a lot of fuel thus highly in need of alternative power supply i.e solar panel system	Water
Restocking for Vulnerable households	County wide	Due to severe drought, vulnerable and Affected households should assisted	Livestock
Construction of Staff quarters for Sala Dispensary	Sala	No staff quarter in Sala Dispensary	Health
Desilting of Warangara Dam	Warangara	Due to silting during flood reasons, the Volume of the Dam really decreased.	Water

Constant Water trucking during drought season	County wide	Lack of enough water in many settlements in the County especially during drought season.	Water
Construction of Fino – Lafey Road	Lafey	Inaccessibility due to poor road networks	Roads
Drilling of a Borehole at Alungu	Alungu	Lack of enough water supply at Alungu	Water
Food distribution	County wide	Food should be distributed amongst Vulnerable members of the society during drought season.	Special programme
Construction of ECDE Classes for Libehia	Libehia	Lack of enough ECDE Classes at libehia	Education