

County watch:



FREEPIK

Can the livestock capital bridge Garissa's Ksh10b gap?

Unless the devolved unit capture the value of the animals and electricity passing through its gates, it will remain a county that watches wealth move, but never holds it



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As of today, the dust rising from the Garissa Livestock Market tells a story of immense wealth trapped in an analog cage. This is the largest hub of its kind in East and Central Africa. On any given Wednesday, an estimated Ksh50 million changes hands in cold cash as traders from Somalia, Ethiopia, and Tana River converge to trade over 5,000 heads of cattle.

Yet, the Garissa County 2025/2026 Programme Based Budget reveals a staggering fiscal disconnect. Despite sitting at the heart of a multi-billion shilling trade, the county's Own-Source Revenue target remains a mere Ksh300 million.

Garissa is a county defined by the Tana River Life-Support. In an economic lens, this is an Extractive-Logistics economy. It serves as the gateway to the North, but its wealth is transient; it passes through on the way to Nairobi or the Middle East without leaving a tax footprint. This creates a structural abyss: a Ksh10billion gap between what the county spends and what it actually generates.

This year's data shows that the county is almost entirely dependent on the National Equitable Share, which recently surged from Ksh8.2 billion to

Ksh10.2 billion. This is a deepened addiction to the exchequer. Think of it as a local bakery that has forgotten how to knead its own dough because it is too busy waiting for the national truck to drop off pre-made loaves.

When your total budget is over Ksh10 billion but your own collections are effectively a rounding error at Ksh300 million, you aren't running a sovereign economy; you are running a Ksh10 billion dependency. While the national cake gets bigger, Garissa's ability to bake its own remains non-existent.

The Lamu-Garissa corridor

The Lead Domino for Garissa's transformation is the 263km Lamu-Garissa Highway, a critical artery of the LAPSET corridor. Currently the engineering designs are complete and construction has entered a high-velocity phase to link the new Port of Lamu to the Garissa-Isiolo road.

In the world of fluid mechanics, this is a Flow-Rate Upgrade. Historically, Garissa was a closed loop, limited by the brutal topography of the North. By connecting Garissa directly to a deep-sea port, the National Government is effectively turning this desert town into an Inland Port.

However, there is a clear Value Leak. You can build a multi-billion shilling highway, but if Garissa doesn't have the industrial processing capacity at the terminus, the county will simply become a high-speed transit point for raw exports. The wealth will bypass Garissa at 100km/h on its way to ships in Lamu, leaving the locals with nothing but tire marks and diesel fumes.

Development saboteur

Let's look at the Friction Loss in the Garissa engine. In the 2025/2026 budget, the Department of Agriculture, Livestock, and Pastoral Development has been allocated Ksh711.03 million, a 13.8 per cent increase intended to spur the pastoral economy.

However, the previous year's audit reveals a structural nightmare because the development budget absorption rate stood at a pathetic 42.1 per cent. This means that for every Ksh100 the

county sets aside to build dams, tanneries, or markets, they only manage to spend 42.

The rest is choked by prolonged procurement processes and inadequate coordination between the Treasury and departments. In Garissa, the Lead Domino of infrastructure is being tipped by the National Government, but the Secondary Domino of county execution is still glued to the floor by bureaucratic inertia. If you try to run a high-pressure pump through a clogged pipe, you don't get a fountain, you get a burst.

Formalising the shadow

Construction plans are ongoing for a new Model Livestock Yard in Garissa town, designed by the State Department for Housing. The project will finally introduce perimeter fencing, roofing, and basic sanitation to a market that has lacked a single public toilet for decades despite its regional importance. Currently, the livestock trade is a gray economy. Because it is largely cash-based and unregulated, the county cannot capture the Cess required to maintain the very roads the cattle walk on. If the new market successfully integrates digital weighing and transaction tracking through products like the KDC Mifugo Cash, Garissa's revenue could feasibly jump by 200 per cent. If it remains a manual dust-bowl, the traders will continue to profit while the county treasury remains empty.

Solar energy

Garissa hosts the 50MW Solar Power Plant, contributing two per cent of Kenya's national energy mix. Here is the Infrastructure Paradox. Garissa produces enough clean energy to power a small city, yet its local industrial sector is almost non-existent. It is effectively exporting sunshine to the national grid while local youth remain unemployed because there isn't a single large-scale milk processing plant or leather tannery in Garissa Town. This is Value-Exporting at its most literal. The 2026 fiscal strategy must prioritise a Local Power Dividend by using the proximity to the solar plant to offer subsidized electricity to industrial

DIGITAL SHIFT

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parcs. You cannot have an Industrial Revolution if you are a battery for Nairobi but a candle for your own people.

Agricultural frontier

The Kibuka Falls Dam project on the Tana River is back on the table, with the National Treasury inviting transaction advisors. The project aims to generate 700MW of power and irrigate over 400,000 hectares of land in the Tana basin. This represents a Production Frontier Shift. For Garissa, this could turn the riverine strip into a permanent green belt, insulating the livestock industry from the recurring droughts that saw a 60 per cent rainfall deficit earlier this year.

However, a mega-dam is a high-inertia project. It is like trying to turn a supertanker; it will take years to see the results. In the interim, Garissa must solve its Last-Mile Water issue. While the dam is a 10-year solution, the current drought is a 10-day crisis. The county must prioritise smaller, localised irrigation schemes rather than waiting for a silver bullet dam that may not be operational until the next decade.

The verdict

Garissa is no longer a remote frontier. It is the LAPSET pivot point. The tragedy is that it is a Transit Economy masquerading as a trade hub. It has the livestock, it has the solar, and it has the highway coming its way. To bridge the Ksh10 billion shilling gap between its total expenditure and what it actually generates, Garissa must act with speed. The county needs to shatter that 42.1 per cent absorption ceiling. If they can't spend the money they already have on development, they shouldn't be asking for more.

They must also industrialise the sun by negotiating local power rates to turn the solar plant into a magnet for tanneries and cold-storage facilities. Finally, they must monetise the market by using the modernisation project to turn a cash-based shadow trade into a formal, digitised revenue stream. If Garissa doesn't capture the value of the animals and electricity passing through its gates, it will remain a county that watches wealth move, but never holds it.

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Next week, we dive deep on Wajir's race to tap the liquid horizon.