

County watch:

How Kilifi is sleeping through a Ksh2b alarm clock

While the county talks about modernising health, its revenue collectors are still using manual systems in Malindi that are as porous as a coral reef



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If you want to understand what economists call administrative vertigo, stand on the edge of the Mtwapa Creek this morning. To the south lies Mombasa, a logistical predator

looking for its next tax fix to plug its own leaky pipes. To the north lies Kilifi, a sleeping giant that hasn't updated its valuation rolls or revenue ledgers properly since the 1990s. In the middle, rising through specialised 24-hour concrete pours, is the new Mtwapa Bridge. This 340-meter concrete artery is the center of a Ksh41.7 billion logistical overhaul known as the Mombasa-Kilifi Dualling Project. Earlier this year, the National Government released Ksh2 billion in compensation payouts for the Project-Affected Persons along this corridor.

But as the bulldozers move in, a quieter, more bitter struggle is unfolding. While the National Government builds the future, the Kilifi County Government is still arguing over who owns the past. It is a border war where the only losers are the taxpayers.

Collection courage

There's a term for what's happening in Kilifi: Fiscal Shyness. According to the 2025-2028 Revenue Enhancement Plan, Kilifi is currently leaving Ksh1.2 billion on the table every single year. This is a systemic collapse of the revenue machinery.

The county's verified Own-Source Revenue potential is Ksh2.7 billion, yet they barely scrape together Ksh1.5 billion. Where is the rest? It's sitting in the gray zones of Mtwapa and Mariakani. Because the border between Mombasa and Kilifi is poorly defined it has become an administrative ghost line. Hundreds of businesses, from high-end beach resorts to industrial warehouses, effectively operate in a tax-free paradise. They claim they paid the other guy to avoid paying anyone. This is like a massive pressure drop in a hydraulic system. You cannot pump development into the hinterlands if you have a 45 per cent leak at the source. While the county talks about modernising health, its revenue collectors are still using manual systems in Malindi that are as porous as a coral reef. The opportunity cost of this Ksh1.2 billion is staggering: it is the equivalent of building ten state-of-the-art level-4 hospitals every single year, vanished into the ether of poor mapping.

Zombie industry

In January this year, the National Government launched a Ksh30 billion cashew revival strategy. On paper, it sounds magnificent: 350,000 jobs and a new dawn for the coast. The method? Distributing 20,000 disease-tolerant seedlings from KALRO Mtwapa.

But here is the reality check. Kenya's cashew industry is a classic case of Under-Utilized Capacity. We have the factories, enough to process over 45,000 tonnes, but we only produce around 13,000 tonnes. We are essentially a nation of empty industrial sheds.

The county thinks the problem is biological. But really the problem is structural. You cannot run a global agricultural value chain when your county's wage bill is at 38 per cent, well above the legal 35 per cent limit. When 38 cents of every shilling goes to paying a bureaucracy that is failing to collect the Ksh1.2 billion leak, you aren't running a government; you're running a very expensive, very inefficient employment agency.

The Maweni dead-zone

Nowhere is the disconnect more obvious than in the Mtwapa Maweni land dispute. For over twenty years, thousands of residents have battled influential grabbers over a 161-acre zone that should be the industrial heart of the county. In late 2025, the courts again halted title issuance due to controversy over the list of beneficiaries.

This is what economists call a Dead Asset. In a functioning economy, land is the primary collateral for credit. By keeping 161 acres of prime Mtwapa real estate in legal limbo, the county has effectively deleted billions of shillings in potential credit from the local economy. Investors will not build the cold-storage facilities or processing plants required for the cashew revolution on disputed soil.

The county cannot collect property rates on land it doesn't officially recognise. This land-tenure paralysis is the lead domino behind the actual lead domino. Until the county resolves the Maweni gridlock, Mtwapa will remain a collection of kiosks sitting on top of a gold mine.

The Blue economy blind spot

While the county fixates on cashews, it is ignoring the literal ocean at its doorstep. Later this year, Kilifi and Mombasa will co-host the global Our Ocean Conference. It is a moment of unprecedented global visibility. Yet, Kilifi's Blue Economy revenue remains negligible compared to its potential.

While the State Department for Blue Economy is grappling with a reduced 2026 budget ceiling, Kilifi has yet to establish a single industrial-scale processing hub to capture the value of its 125km coastline. The summit will feature high-flown rhetoric about sustainability, but for the fisherman in Malindi, the reality is a lack of cold chain infrastructure and a market dominated by middlemen. It is a textbook case of Resource Misallocation.

Kilifi is essentially a landlord who owns a beach-front palace but is content to live in the servant's quarters while foreign trawlers fish in his pool.

The Infrastructure paradox

Unsurprisingly, the most damning indictment of Kilifi's current trajectory is the Mtwapa Bridge itself. The National Government is pouring billions into a 4-lane concrete masterpiece to facilitate trade. But if you drive off that bridge into Mtwapa, you enter a town with crumbling feeder roads, non-existent drainage, and a sewage system that belongs in a different century. You can build the fastest highway in the world, but if the last mile is a muddy track, the economic velocity remains zero.

The county government seems to believe that the National Government's big-ticket projects will do the heavy lifting for them. They are wrong. A bridge can bring a customer to a shop, but it can't force the shopkeeper to have goods on the shelf, nor can it force the county to collect the permit fee required to fix the shopkeeper's road.

The Verdict

Kilifi doesn't need more value addition slogans, nor does it need more political benchmarking trips. It needs to win the tax war in Mtwapa, plug the Ksh1.2 billion hole in its pocket, and resolve the Maweni land gridlock.

The new Mtwapa Bridge will be a 4-lane marvel hopefully by the end of the year, but if the county doesn't fix its internal rot, that bridge will simply be a faster way for wealth to leave the county and head toward Mombasa. It is time for the sleeping giant to stop dreaming of the 1980s and start collecting the taxes of 2026. You cannot plant an industrial revolution in soil that is fiscally eroded.

The writer is a mechanical engineer and co-founder at Humanity Amplified AI Inc.

Next week we explore Tana River County's "The Manganese Mirage", and determine if its destined to become a raw, unprocessed replica of a resource curse.



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