



COUNTY GOVERNMENT OF NAKURU

AGRICULTURE, RURAL AND URBAN DEVELOPMENT SECTOR

NAIVASHA MUNICIPALITY

SUB SECTOR REPORT

MTEF 2026/2027 – 2028/2029

JANUARY 2026

TABLE OF CONTENTS

ABBREVIATIONS	4
EXECUTIVE SUMMARY.....	5
CHAPTER ONE	7
1.0 INTRODUCTION	7
1.1 Background.....	7
1.1.1 Legal and Regulatory Framework	7
1.1.2 Mandate and Delegated Functions	7
1.1.3 Composition of the Municipal Board	8
1.2 Sector Vision and Mission	8
1.3 Strategic Goals and Objectives	9
1.4 Sub Sector and their Mandates	9
1.5 Role of Sector Stakeholders.....	10
CHAPTER TWO.....	11
2.0 PROGRAMME PERFORMANCE REVIEW FOR THE MTEF PERIOD 2022/23-2024/25	11
2.1 Review of Sector Programmes/Sub-Programmes/Projects-Delivery of Outputs/KPI/ Targets	11
2.1.1 KUSP I Projects	11
2.1.2 Equitable Share/Direct Funding from County Government of Nakuru	13
2.2 Expenditure Analysis	18
2.2.1 Analysis of Programme expenditure	18
2.2.2 Analysis of Programme Expenditures by Economic Classification	20
2.2.3 Analysis of Performance of Capital Projects (2024/2025)	26
2.3 Review of Pending Bills.....	26
2.3.1 Recurrent Pending Bills	26
2.3.2 Development Pending Bills	26
CHAPTER THREE	27
3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2026/27 – 2028/29	27
3.1 Prioritization of Programmes and Sub-Programmes	27
3.1.1 Programmes and their Objectives	27

3.1.2 Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector	28
3.1.3 Programmes by Order of Ranking.....	34
3.2 Analysis of Resource Requirement versus Allocation by Sector/Sub Sector:.....	34
3.2.1 Sector/Sub Sector Recurrent.....	34
3.2.2 Sector/Sub Sector Development	36
3.2.3 Programmes and Sub-Programmes Resource Requirement (2026/27 – 2028/29)	36
3.2.4 Programmes and sub-programmes Resource Allocation (2026/27 – 2028/29)	38
3.2.5 Programmes and Sub-Programmes Economic Classification.....	40
3.3 Resource Allocation Criteria.	45
CHAPTER FOUR	46
4.0 CROSS-SECTOR LINKAGES	46
CHAPTER FIVE	48
5.0 EMERGING ISSUES AND CHALLENGES	48
5.1 Emerging Issues	48
5.2 Challenges	49
CHAPTER SIX	51
6.0 CONCLUSION	51
CHAPTER SEVEN	52
7.0 RECOMMENDATIONS	52
REFERENCES	54
APPENDICES	55
Appendix I: Analysis of Performance of Capital Projects (2024/2025).....	55
Appendix II: Summary of Human Resource Requirements	57
Appendix III: Proposed Projects FY2026/2027	58

ABBREVIATIONS

ADP	Annual Development Plan
BoQ	Bill of Quantities
CGN	County Government of Nakuru
CIDP	County Integrated Development Plan
FY	Financial Year
IDeP	Integrated Development Plan
ISUDP	Integrated Strategic Urban Development Plan
KUSP	Kenya Urban Support Programme
MTEF	Medium Term Expenditure Framework
MTEF	Medium Term Expenditure Framework
NEMA	National Environment Management Authority
NMB	Naivasha Municipal Board
UACA	Urban Areas and Cities Act
UDG	Urban Development Grant
UNESCO	United Nations Educational, Scientific and Cultural Organization

EXECUTIVE SUMMARY

The Municipality of Naivasha, guided by a vision to become a “prosperous and hospitable green Municipality,” serves as a critical sub-sector within the Agriculture, Rural, and Urban Development (ARUD) framework. **Chapter 1** establishes this institutional foundation, detailing the municipality's mandate under the Urban Areas and Cities Act to oversee urban planning, infrastructure, and service delivery. During the preceding MTEF period of 2022/23–2024/25, as analyzed in **Chapter 2**, the municipality successfully delivered several landmark urban development projects through a combination of County funding and the Kenya Urban Support Program (KUSP). Notable achievements include the completion of the Naivasha Modern Market—a flagship project commissioned by the President—and the development of the Naivasha Municipal Park. Infrastructure improvements were significant, featuring the upgrading of 5.7km of tarmacked roads, 2.5km of reinforced stormwater drainage, 105 cabro-paved parking slots, and a 620-meter sewer by-pass to the treatment plant. Despite these tangible successes, the financial absorption rate for the development budget saw a concerning decline, moving from 66% (Ksh 226.20M expenditure against Ksh 341.52M allocation) in FY 2022/23 to 65% in FY 2023/24, and further dropping to 50% (Ksh 54.32M expenditure against Ksh 108.23M allocation) in FY 2024/25.

This decline in absorption reflects the persistent constraints and emerging issues detailed in **Chapter 5**, which now hamper the Municipality's operationalization. Beyond the core challenges of financial sustainability risks following the KUSP I transition and a lack of ring-fenced Own Source Revenue (OSR), the municipality must navigate a volatile macroeconomic environment where inflation and currency fluctuations drive up the cost of construction materials like bitumen and steel. Institutional capacity remains a hurdle, characterized by a chronic shortage of specialized technical staff, a centralized procurement system, and a lack of disaggregated data for evidence-based planning. Additionally, rapid urbanization and climate change impacts, such as increased flooding in the CBD, necessitate more resilient and digitally-enabled "Smart City" solutions. **Chapter 4** emphasizes that addressing these issues requires strengthened cross-sector linkages with water, health, and transport agencies to ensure a cohesive approach to urban growth.

In response to these challenges, the strategy for the MTEF period 2026/27–2028/29, outlined in **Chapter 3**, is organized around four areas: Institutional Strengthening,

Infrastructure Development, Urban Planning, and Financial Sustainability. The priority interventions are quantified for FY 2026/27 to address the municipality's diverse needs, including:

- **Integrated Transport:** Ksh 200 Million for upgrading roads to bitumen standards and Ksh 20 Million for new paved parking lots.
- **Water & Sanitation:** Ksh 100 Million for sewer line extensions and Ksh 22.5 Million for drainage improvements.
- **Safety & Services:** KUSP II projects including a fire station, fire engine acquisition, and garbage collection trucks.
- **Urban Renewal:** Continued urban regeneration through NMT upgrading, greening spaces, and installing solar lighting and CCTV in critical areas.

Chapter 6 concludes that while the municipality is ready to implement its mandate, the total financial requirement is substantial, demanding Ksh 1.016 Billion for FY 2026/27, Ksh 1.117 Billion for 2027/28, and Ksh 1.229 Billion for 2028/29. This is in striking disparity from the projected allocations of Ksh 355.52 Million, Ksh 391.07 Million, and Ksh 430.18 Million, leaving a significant funding gap. Consequently, **Chapter 7** provides strategic recommendations to bridge this gap, including fast-tracking the construction of a Municipal Complex, automating OSR systems to unlock KUSP II/World Bank grants, and utilizing GIS labor to establish a Land Information Management Center for data-driven planning. Adopting these measures is essential to ensure the sustainable development and hospitality of Naivasha for all residents and stakeholders.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

The Municipality of Naivasha is a sub-sector within the **Agriculture, Rural and Urban Development (ARUD) Sector**. The establishment and operations of the Municipality are anchored in a robust legal framework designed to promote urban decentralization and efficient service delivery.

1.1.1 Legal and Regulatory Framework

The mandate of the Municipality is drawn from the following primary sources:

- **Urban Areas and Cities Act (UACA), 2011 (Amended 2019):** This provides the statutory basis for the establishment of the Municipality, granting it the power to manage urban affairs, provide essential services, and ensure integrated development.
- **Public Finance Management (PFM) Act, 2012:** This Act governs the financial management of the Municipality, ensuring that public resources are utilized in a transparent, accountable, and effective manner within the MTEF framework.
- **Executive Orders and Delegated Functions:** Through formal instruments of delegation from the County Executive, the Municipality exercises specific powers to manage local affairs, ensuring that governance is brought closer to the residents of Naivasha.

1.1.2 Mandate and Delegated Functions

As outlined in Section 20 of the Urban Areas and Cities Act, and further enhanced by specific County Executive Delegations, the Municipality is mandated to:

Statutory Functions (UACA Section 20):

- **Oversee the affairs of the Municipality and develop policies, plans, and strategies.**
- **Formulate and implement the Municipal Integrated Development Plan (IDeP).**
- **Control land use, subdivision, and zoning as per the spatial and master plans.**
- **Promote and undertake infrastructural development and service provision.**
- **Maintain a comprehensive database and information system for public administration.**
- **Enter into contracts, partnerships, or joint ventures to discharge its functions.**

Functions Delegated to Naivasha Municipal Board (NMB):

- Development & Regulation: Development control, surveillance, compliance, and outdoor advertisement control.
- Environment & Sanitation: Solid waste management, cleansing functions, and oversight of waste service providers.
- Public Spaces: Management of parks, gardens, and playgrounds.
- Traffic & Transport: On-street parking management and infrastructure improvement of parking spaces.

1.1.3 Composition of the Municipal Board

To ensure effective representation and oversight, the Municipality is governed by a Board appointed in line with the Urban Areas and Cities Act. The composition is designed to reflect stakeholder diversity and professional expertise:

- Board Membership: Consists of nine (9) board members.
- Executive Wing: Led by the Municipal Manager who serves as the secretary to the Naivasha Municipal Board and the Head of the Secretariat.
- Programs: The sub-sector operates under two primary programs:
 1. Administration, Planning, and Support Services.
 2. Naivasha Municipal Services.

1.2 Sector Vision and Mission

VISION

A prosperous and hospitable green Municipality.

MISSION

Provide affordable, high quality municipal services, as well as responsive, accessible, inclusive and participatory local governance.

CORE VALUES

- Service Excellence
- Integrity
- Accountability
- Customer Focused Service
- Innovation

- Stewardship

1.3 Strategic Goals and Objectives

The objective of the Municipality of Naivasha is to:

1. Accountability: Provide for efficient management of Municipal affairs.
2. Participation: Enable inhabitants to participate in determining social services and regulatory frameworks.
3. Development: Pursue developmental opportunities to enhance the quality of life and provide civic amenities.
4. Service Delivery: Provide high-standard social services in a cost-effective manner.
5. Cohesion: Promote social cohesiveness and civic responsibility among stakeholders.
6. Sustainability: Foster the economic, social, and environmental well-being of the community.

1.4 Sub Sector and their Mandates

As outlined in Section 20 of the Urban Areas and Cities Act, the Municipality of Naivasha is mandated and stipulated with the following functions: -

- To oversee the affairs of the Municipality.
- To develop and adopt policies, plans, strategies and Programs.
- To formulate and Implement an Integrated Development Plan.
- To control Land use, Land subdivision, Land development and zoning by public and private sector for any purpose within the framework of the spatial and master plans for the municipality and as may be delegated by the County Government.
- To promote and undertake infrastructural development and services within the Municipality
- To develop and manage schemes, including site development in collaboration with the relevant national and county agencies.
- To maintain a comprehensive data base and information system of the administration and provide public access there upon payment of a nominal fee to be determined by the board.
- To administer and regulate its internal affairs.

- Implement applicable national and county legislation;
- To enter into such contracts, partnership or joint ventures as it may be considered necessary for the discharge of its functions under this Act or other written laws.

1.5 Role of Sector Stakeholders

STAKEHOLDER	ROLE
Development Partners/Donors	<ul style="list-style-type: none"> - Providing funding. - Guidance on Expenditure. - Participate in Public/Private Partnership.
General Public	<ul style="list-style-type: none"> - Participate in the budget preparation process. - Highlight the projects to be undertaken. - Carry out a social intelligence audit.
State Agencies	<ul style="list-style-type: none"> - Policy guidelines. - Technical advice. - Partnership.
Private Sector/media /civil society	<ul style="list-style-type: none"> - Participate in public private partnership. - Increase public awareness. - Participate/guidance in drafting policies.
County Assembly	<ul style="list-style-type: none"> - Enactment of Bills. - Approval of Budget.
Community Based Organization	<ul style="list-style-type: none"> -Public Participation in the budget making process -Highlight the projects to be undertaken. - Carry out a social intelligence audit.
Government Agencies	<ul style="list-style-type: none"> - Policy guidelines. - Technical advice. - Partnership.

CHAPTER TWO

2.0 PROGRAMME PERFORMANCE REVIEW FOR THE MTEF PERIOD 2022/23-2024/25

2.1 Review of Sector Programmes/Sub-Programmes/Projects-Delivery of Outputs/KPI/Targets

The chapter shows the programmes performance review for MTEF PERIOD 2022/23-2024/25 both financial and non-financial. The Municipality has successfully implemented several Key projects through Donor support under KUSP program and also through direct funding of the County Government of Nakuru. The following were the projects implemented in the Municipality of Naivasha for the period under review.

2.1.1 KUSP I Projects

a) The Naivasha Modern Market

Phase II of the Naivasha Wholesale Market project, awarded to Kalalu Building Contractors and commenced in September 2021, focused on the completion of the superstructure and full internal services, incorporating all finishes on the ground, first and second floors, installation of windows, doors and glazing, floor works, roofing, internal and external painting, and all necessary wall and fixture fittings. The works further included comprehensive plumbing and mechanical installations such as water supply, wastewater systems, an underground storage tank and rooftop tank, electrical works, supply and installation of firefighting equipment, and civil works comprising paved parking, drainage works and boundary wall construction. The project was successfully completed at 100% and officially commissioned by H.E. Hon. William Samoei Ruto, PhD, C.G.H., President of the Republic of Kenya and Commander-in-Chief of the Defence Forces, on 14th June 2023.

b) Naivasha Municipal Park

The Naivasha Municipal Park and Associated Works project, implemented by Earth Construction Limited under Contract No. NCG/NVMB/001/2021-2022 at a cost of Ksh 68,514,980, commenced on 3rd March 2021 and was completed on 31st December 2022. The project delivered a modern, fully serviced urban park designed to enhance aesthetics, functionality and accessibility within Naivasha town. Key works undertaken

included construction of new park facilities, installation of upgraded drainage infrastructure along Biashara Street, road 1 & Road 2 to strengthen stormwater management, and development of Non-Motorized Transport (NMT) systems around the park to support safe pedestrian mobility. The project further incorporated construction of 105 cabro-paved parking slots along Biashara Street and cabro paving of Road 1 and Road 2 to improve circulation and ease traffic flow. The completed park features five centrally positioned octagonal planters, additional boundary planters to enhance landscaping, two formal pedestrian entry points, a modern public ablution block, and a site office to support administration and security. A multi-purpose podium was also developed to host public forums, cultural events and community gatherings, transforming the space into a vibrant hub for social and civic interaction.

c) 2.1 km of tarmacked roads

The Tarmacking of Lakeview Estate Access Roads in Naivasha Municipality was implemented in the 2021/2022 Financial Year under the third-year APA 3 funding cycle, with works beginning on 12th April 2022 and successfully concluding on 31st December 2023. The project aimed to enhance mobility, improve the estate's visual appeal, and introduce sustainable stormwater management solutions. Key activities included upgrading and tarmacking 2.1 km of estate access roads to provide smooth, dust-free, all-weather surfaces for motorists, cyclists, and pedestrians, alongside constructing 2.5 km of reinforced stormwater drainage to efficiently channel runoff, reduce flooding, and safeguard the integrity of the road network. The works were executed to modern engineering standards, incorporating proper surfacing layers, drainage channels, and road markings seamlessly integrated with existing infrastructure. The completed investment has delivered improved accessibility, reduced travel time, enhanced property values, and strengthened stormwater resilience, contributing to a safer, cleaner, and more organized urban environment while supporting Naivasha Municipality's goal of developing well-serviced and resilient neighborhoods.

2.1.2 Equitable Share/Direct Funding from County Government of Nakuru

a) Paved parking and NMT /walkways

The Construction of Non-Motorized Transport (NMT) Facilities, Parking, Drainage, and Beautification along Mama Ngina was undertaken in two phases to enhance accessibility, improve public spaces, and promote sustainable mobility within Naivasha Municipality. **Phase I**, covering a 350-meter stretch, commenced on 8th June 2023 and was completed on 8th March 2024, delivering pedestrian walkways, organized parking, upgraded stormwater drainage, and aesthetic landscaping features including street lighting, planters, and street furniture. **Phase II**, extending a further 150 meters, began on 5th May 2025 and remains ongoing, with the primary works focused on cabro paving to complete the pedestrian corridor and integrate the section with Phase I. Together, the phases aim to create a safe, functional, and visually appealing urban movement spine, reducing congestion, promoting walking and cycling, providing orderly parking, and transforming Mama Ngina into a vibrant, accessible, and environmentally friendly public space that supports community well-being and strengthens economic activity.

b) 620-Meter-long sewer by-pass connecting to the Naivasha Sewerage Treatment Plant

The CBD Sewer Improvement Project in Naivasha Municipality was initiated to address long-standing sanitation challenges within the Central Business District, particularly the persistent accumulation and overflow of sewage at the manhole near Total adjacent to Unaitas. Implemented between 27th May 2024 and 30th June 2025, the project represents a strategic municipal investment aimed at modernizing sewer infrastructure, improving public health, and restoring environmental integrity. The works include excavation and installation of a 300mm diameter Double Wall Corrugated (DWC) pipeline to expand conveyance capacity, construction of 20 reinforced manholes with step irons for maintenance access, development of a 17-metre by 2-metre intake channel to improve sewage inflow management, and renovation of the STP toilets with reconnection to the treatment pond for enhanced wastewater processing. The project also incorporates technically complex crossings of KENHA land and railway lines, requiring specialized engineering to safeguard critical infrastructure and minimize disruption. Designed to meet modern engineering and environmental standards, the upgraded system features durable materials, reinforced structures, and improved flow management to reduce

blockages. The project has eliminated the recurrent sewage overflows, improved sanitation and public health, enhanced the urban environment for residents, businesses, and visitors, and strengthened wastewater capacity to support future population and economic growth, aligning Naivasha Municipality with sustainable urban development goals.

c) Grading and Murraming of Roads with the Municipality.

During the 2023/2024 Financial Year, Naivasha Municipality continued to enhance road accessibility through routine maintenance, grading, and murraming across multiple estates and wards. Two major contracts were implemented: the grading and murraming of a 2 km road in Kayole Estate undertaken by Bitro Construction Ltd at a cost of Ksh 3,693,500, and the grading and murraming of a 2.5 km road in Kinungi Centre by Aim Growth Venture Kenya Ltd valued at Ksh 3,591,250, both commencing in June 2023 and completed by December 2023. In addition to contracted works, the Municipality undertook extensive in-house road maintenance, covering 22.4 km of access roads across Biashara, Hell's Gate, and Naivasha East Wards between July and November 2024. These works included grading, shaping, and gravelling along key community roads such as Kwa White Village access, White House Polytechnic–Kiabunda Road, Muteithia Highlands Road, Donkey Factory–Kinamba access, NYS Kwa Youth routes, and various roads serving Marryland, Kwa Ng'ang'a, and Teachers Borehole areas. In Hell's Gate Ward, significant rehabilitation was carried out to restore washed-away road sections in Sixteen Homes, including repeated backfilling using boulders, while additional works focused on improving access roads serving hospitality facilities such as the Grand Tiara–Lake Naivasha Resort corridor. Overall, the maintenance effort provided improved all-weather accessibility through grading, 2 km of gravelling, and targeted compaction, enhancing mobility, connectivity, and service delivery within rapidly growing residential and commercial zones.

d) Drainage improvement in Naivasha CBD

Drainage improvements have been a key focus across Naivasha Municipality to address flooding, erosion, and infrastructure damage caused by inadequate stormwater management. The works have included installation of reinforced drainage systems along

Biashara Street and NMT areas in the Naivasha Municipal Park, integrated stormwater channels in Mama Ngina Phase I & II alongside NMT and road works, and reinforced drainage along tarmacked access roads in Lakeview Estate. The CBD Sewer Improvement Project targeted overflows and blocked connections affecting stormwater flow, while the Kihoto earth drain, constructed in November 2023, safely channels runoff from CBD culverts to prevent flooding in low-lying settlements. These measures, combined with routine road grading and gravelling to address washed-away or eroded sections, have collectively improved flood management, safeguarded infrastructure, and enhanced mobility and resilience across the municipality.

The Board has also prioritized review of the 5yr Integrated Urban Development Plan (IDeP) among other policies. Equally, the sector has pursued and is working on the Naivasha Resort City Vision as a blueprint to near future elevated status of the vibrant Social Economy.

The municipality qualified for **KUSP II** by complying with the minimum conditions and performance standards **APA 1**, currently the municipality has finished with the screening stages of the proposed projects which once approved by the World Bank, funding will be released to the municipality for implementation.

The proposed projects for KUSP II are:

- Acquisition of a fire engine, Construction fire station and supporting facilities
- Urban regeneration by upgrading NMT, greening spaces
- Acquisition of garbage collection truck and skip loaders

Table1: Review of Sector Programmes/Sub-Programmes/projects-Delivery of Outputs/ KPI/ targets

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
Programme Name: Administration planning and support services									
Objective: To provide effective and efficient service delivery									
Outcome: Effective and efficient service delivery to clients and stakeholders									
S,P 1.1 Administration and Planning	Improved service delivery	No. of assorted office equipment purchased	-	1	30	-	12	-	Facilitated by the department of finance.
		No. of IDEP developed and adopted	-	-		-	1	1	Complete
		No. of Staff Uniforms purchased	-	50	-	-	141	-	Staff and casuals uniform
		No.of equipment purchased		30	30	-	-	165	Among the equipment were pangas,s lashers, gloves, rakes, wheelbarrows shovels, etc
		No. of draft By- laws developed	-	1		-	2	-	(PUBLIC SANITATION) BY LAWS - Complete (PUBLIC PARKS AND OPEN PLACES) BY-LAWS - Complete
		No. of Municipality policy documents reviewed and developed	-	4		-	3	3 Tourism Development policy City Vision Material recovery strategy	Achieved in FY 2023/24
		No. of Board and committee meetings held	20	20	20	16	16	16	Limited budget allocation
S.P 1.2: Personnel Services	Human Resource Productivity enhanced	No. of staff Recruited	-	0	35	-	5	-	Two technical officers recruited and 3 Casual recruited in the Park FY 2023/24
		No. of staff and board members trained	15	30		12	18	2	Limited budget allocation

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		No. of Performance contract and performance appraisal signed annually	-	4	1	-	1	1	2024/25 Pc prepared and signed
S.P 1.3: Financial services	Improved Financial Management and Services	No. of financial reports generated	4	4	4	4	4	4	Achieved
Programme Name: Naivasha Municipal Services									
Objective: To provide access to efficient and effective Municipal services									
S.P 2.1 Planning and Infrastructure	Improved service delivery	No of parking lots	80	40	150	100	60	-	Achieved
		Length in KM of drainage improved	-	0	-	1.0 km	2.5 km	150 m	Achieved
		Length in KM of roads improved to bitumen standards and NMT constructed	5	5	-	-	2.1	-	Improvement of Lakeview roads
		No. of Parks Rehabilitated	1	1	1	1	1	1	Naivasha Municipal Park
		No. of Markets constructed	1	1	1	1	1	1	Naivasha Modern Market Implemented in phases from 2020 to 2023
		Length in KM of sewerage rehabilitated	-	2	2	-	0.62	-	620 Meter long sewer by-pass connecting to the Naivasha Sewerage Treatment Plant
SP 2.3 Naivasha Social Services		No. of public participation held	-	4	4	-	4	5	Agendas Achieved: Proposal of ward projects, Assigning the budget for project identified, reviewing budget and identifying challenges in implementation of projects.

2.2 Expenditure Analysis

The below gives a summary of the subsector's approved budget versus the actual expenditure. In the **FY 2022/23**, the subsector was allocated a budget of **Ksh. 341,523,839.00** whereas they spent **Ksh. 226,197,159.89** representing an absorption rate of **66%**. In the **FY 2023/2024**, the municipality had an allocation of **Ksh. 175,637,869.00** and reported an expenditure of **Ksh.114, 837,903.00** representing an absorption rate of **65%**. For **FY 2024/25** the subsector had an approved budget of **Ksh. 108,227,313** and recorded an expenditure of **Ksh. 54,320,754**. This represents an absorption rate of **50%**. The detailed summary of allocations and expenditure are shown in Table 2 and 3.

2.2.1 Analysis of Programme expenditure

The analysis in table 2 below compares approved budgets with actual expenditures for Vote 4578 across three financial years (2022/23–2024/25) and highlights significant under-expenditure. In **2022/23**, the total approved budget was Ksh. 341.52 million, against an actual expenditure of Ksh. 226.20 million, representing an absorption rate of about **66%**. Programme 1 (Administration, Planning and Support Services) was allocated KSh 28.34 million and spent Ksh.18.27 million, while Programme 2 (Naivasha Municipal Services) received the largest share with KSh.313.19 million and spent KSh.207.93 million, mainly on Planning and Infrastructure (Ksh. 206.63 million).

In **2023/24**, the approved budget reduced sharply to Ksh.175.64 million, with actual expenditure of Ksh.114.84 million (about **65%** absorption). Programme 1 had an approved budget of Ksh.30.77 million but spent only Ksh.13.44 million. Programme 2 was allocated Ksh.144.87 million and spent Ksh.101.40 million, again largely concentrated in Planning and Infrastructure.

By **2024/25**, the approved budget further declined to Ksh.108.23 million, while actual expenditure stood at Ksh.54.36 million, reflecting an absorption rate of roughly **50%**. Programme 1 recorded Ksh.30.17 million in approved funds but utilized only Ksh.10.07 million. Programme 2 had Ksh.78.06 million approved and spent Ksh.44.28 million, with Planning and Infrastructure accounting for Ksh.35.56 million of the expenditure.

Overall, both the budget envelope and actual spending declined significantly over the three years, with Programme 2 consistently dominating allocations and expenditures, while Programme 1 experienced persistent under-utilization of approved funds

Table 2: Programme/Sub-Programme Expenditure Analysis

ANALYSIS OF PROGRAMME EXPENDITURE BY PROGRAMME AND SUB PROGRAMME						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
PROGRAMME 1: PROGRAMME 1: Administration, Planning and Support Services						
S.P 1.1 Administration and Planning	18,349,280.00	19,724,400.00	16,099,243.00	10,717,978.90	7,836,013.72	3,660,730.00
S.P 1.2 Personnel Services	9,388,787.00	11,042,628.00	14,072,662.00	7,202,203.00	5,601,847.23	6,413,300.00
S.P 1.3 Financial Services	600,000.00	-	-	350,000.00	-	-
TOTAL PROGRAMME 1	28,338,067.00	30,767,028.00	30,171,905.00	18,270,181.90	13,437,860.95	10,074,030.00
PROGRAMME 2: Naivasha Municipal Services						
SP 2.1: Planning and Infrastructure	310,585,772.00	142,870,841.00	36,000,000.00	206,626,977.99	101,400,042.05	35,556,316.00
SP 2.2: Environmental Management and Sanitation	900,000.00	-	27,000,000.00	600,000.00	-	6,500,000.00
SP 2.3 Naivasha Social Services	900,000.00	1,000,000.00	8,055,408.00	700,000.00	-	1,434,760.30
S.P 2.4 Tourism, Investment and Trade	800,000.00	1,000,000.00	7,000,000.00	-	-	790,712.05
TOTAL PROGRAMME 2	313,185,772.00	144,870,841.00	78,055,408.00	207,926,977.99	101,400,042.05	44,281,788.35
TOTAL VOTE 4578	341,523,839.00	175,637,869.00	108,227,313.00	226,197,159.89	114,837,903.00	54,355,818.35

2.2.2 Analysis of Programme Expenditures by Economic Classification

The analysis of programme expenditure by economic classification shows a consistent gap between approved budgets and actual expenditure over the three financial years (2022/23–2024/25) in Table 3 below. Overall, total approved budgets declined from **KSh 341.52 million** in 2022/23 to KSh 108.23 million in 2024/25, while actual expenditure fell more sharply from KSh 226.20 million to KSh 54.36 million, indicating persistent under-absorption of funds.

Programme 1 (Administration, Planning and Support Services) recorded approved budgets of Ksh 28.34 million, Ksh 30.77 million, and Ksh 30.17 million across the three years, against actual expenditures of Ksh.18.27 million, Ksh.13.44 million, and Ksh.10.07 million respectively. Spending was dominated by compensation to employees and use of goods and services, though actual personnel and operational costs remained significantly below approved levels, particularly in 2023/24 and 2024/25.

Programme 2 (Naivasha Municipal Services) accounted for the largest share of the budget, with approvals of Ksh.313.19 million in 2022/23, declining to Ksh 78.06 million in 2024/25. Actual expenditure reduced from Ksh.207.93 million to Ksh .44.28 million over the same period. Capital transfers to government agencies and capital expenditure on non-financial assets formed the bulk of allocations, but absorption was uneven, with substantial underspending in later years

In summary, while budget allocations were substantial, especially for municipal services and capital items, actual expenditure consistently lagged behind approvals across all programmes, suggesting challenges in implementation capacity, procurement, or cash flow that constrained effective budget execution

Table 3: Programme Expenditure Analysis by Economic Classification

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
PROGRAMME 1: Administration Planning and Support Services						
Current Expenditure:						
2100000 Compensation to Employees	8,944,169.00	10,522,365.00	13,421,090.00	6,927,829.00	5,534,887.23	5,801,688.00
2200000 Use of Goods and Services	16,749,280.00	19,199,400.00	14,999,243.00	10,837,978.90	7,615,613.72	3,347,519.90
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	444,618.00	520,264.00	651,572.00	274,374.00	66,960.00	611,612.00
3100000 Acquisition of Non-Financial Assets	2,200,000.00	525,000.00	1,100,000.00	230,000.00	220,400.00	313,210.10
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL PROGRAMME 1	28,338,067.00	30,767,028.00	30,171,905.00	18,270,181.90	13,437,860.95	10,074,030.00
SUB PROGRAMME 1.1: Administration and Planning						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	16,149,280.00	19,199,400.00	14,999,243.00	10,487,978.90	7,615,613.72	3,347,519.90
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	2,200,000.00	525,000.00	1,100,000.00	230,000.00	220,400.00	313,210.10
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Other Development	-	-	-	-	-	-
TOTAL SP 1.1	18,349,280.00	19,724,400.00	16,099,243.00	10,717,978.90	7,836,013.72	3,660,730.00
SUB PROGRAMME 1.2: Personnel Services						
Current Expenditure:						
2100000 Compensation to Employees	8,944,169.00	10,522,365.00	13,421,090.00	6,927,829.00	5,534,887.23	5,801,688.00
2200000 Use of Goods and Services	-	-	-	-	-	-
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	444,618.00	520,264.00	651,572.00	274,374.00	66,960.00	611,612.00
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 1.2	9,388,787.00	11,042,629.00	14,072,662.00	7,202,203.00	5,601,847.23	6,413,300.00
SUB PROGRAMME 1.3: Financial Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	600,000.00	-	-	350,000.00	-	-
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 1.3	600,000.00	-	-	350,000.00	-	-
PROGRAMME 2: Naivasha Municipal Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	5,877,500.00	6,300,000.00	7,055,408.00	1,300,000.00	887,300.00	2,225,472.35
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	7,000,000.00	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	775,000.00	1,000,000.00	1,000,000.00	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						-
Non-Financial Assets	23,000,000.00	36,757,450.00	63,000,000.00	-	18,765,750.05	21,452,436.41
Capital Transfers to Govt. Agencies	283,533,272.00	100,813,391.00	-	206,626,977.99	81,746,992.00	20,603,879.59
Other Development	-	-	-	-	-	-
TOTAL PROGRAMME 2	313,185,772.00	144,870,841.00	78,055,408.00	207,926,977.99	101,400,042.05	44,281,788.35
SUB PROGRAMME 2.1: Planning and Infrastructure						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	3,277,500.00	5,300,000.00	-	-	887,300.00	-
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	775,000.00	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Capital Expenditure						-
Non-Financial Assets	23,000,000.00	36,757,450.00	36,000,000.00	-	18,765,750.05	14,952,436.41
Capital Transfers to Govt. Agencies	283,533,272.00	100,813,391.00	-	206,626,977.99	81,746,992.00	20,603,879.59
Other Development	-	-	-	-	-	-
TOTAL SP 2.1	310,585,772.00	142,870,841.00	36,000,000.00	206,626,977.99	101,400,042.05	35,556,316.00
SUB PROGRAMME 2.2: Environmental Management and Sanitation						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	900,000.00	-	-	600,000.00	-	-
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	27,000,000.00	-	-	6,500,000.00
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.2	900,000.00	-	27,000,000.00	600,000.00	-	6,500,000.00
SUB PROGRAMME 2.3: Naivasha Social Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	900,000.00	1,000,000.00	7,055,408.00	700,000.00	-	1,434,760.30
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	1,000,000.00	-	-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.3	900,000.00	1,000,000.00	8,055,408.00	700,000.00	-	1,434,760.30
SUB PROGRAMME 2.4: Trade, tourism and investment						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	800,000.00	-	-	-	-	790,712.05
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	7,000,000.00	-	-	
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	1,000,000.00	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.4	800,000.00	1,000,000.00	7,000,000.00	-	-	790,712.05
TOTAL VOTE 4578	341,523,839.00	175,637,870.00	108,227,313.00	226,197,159.89	114,837,903.00	54,355,818.35

2.2.3 Analysis of Performance of Capital Projects (2024/2025)

Overall, the municipality implemented infrastructure projects worth over KSh 480 million, with the majority achieving 100% completion and demonstrating strong budget absorption.

Significant investment was made in road and mobility infrastructure, including the upgrading of 3 km of roads in Lakeview Ward at a cost of KSh 89.13 million, construction of municipal roads costing KSh 8.0 million, and development of non-motorized transport (NMT) facilities and paved parking along Kenyatta Avenue and Mama Ngina Street valued at KSh 20.0 million, all completed fully. A related beautification, drainage, and NMT project along Mama Ngina Road, with a budget of KSh 10.0 million, was 85% complete.

Major public and commercial facilities were also delivered, including the rehabilitation of Naivasha Municipal Park at KSh 22.06 million and the construction of Naivasha Market Phase 2 at KSh 260.0 million, supported by KSh 13.0 million in consultancy services. All these projects were completed and have improved public amenities and the trading environment.

In urban services, the rehabilitation of sewerage systems in Lakeview and Viwandani wards was completed at a cost of KSh 16.0 million, improving wastewater management.

(See Appendix 1 and Appendix 2 on presentation of the information)-

2.3 Review of Pending Bills

The total cumulative pending bill for Naivasha municipality Subsector for the period under review is Kshs. 6,153,678.85. FY 2022/23 the department had no pending bill. The department accumulated Kshs. 3,100,379 in FY 2023/2024 and Kshs. 4,030,299.65 in FY 2024/25.

2.3.1 Recurrent Pending Bills

The department has a recurrent pending bill of **Ksh.6,153,678.85**.

The various sections that had accumulated pending bills are from staff payables and board committees.

2.3.2 Development Pending Bills

The subsector did not incur any development pending bill during the period under review.

CHAPTER THREE

3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2026/27 – 2028/29

3.1 Prioritization of Programmes and Sub-Programmes

The sector focuses on two main programmes to achieve its objectives that are derived from the Municipal Charter's goals and objectives and the functions outlined in section 20 of the Urban Areas and Cities Act, 2011. The programmes are aligned to the organization structure of the Municipal board for ease of implementation. The programme on administration, planning and support services aims to provide effective and efficient service delivery. This programme is strategic in nature and is further categorized into three sub-programmes. The second programme is on Naivasha Municipal services that aims to provide access to efficient and effective municipal services, which is the operational services of the sector.

Programme	Sub Program
Programme 1: Administration, Planning and Support Services	SP 1.1 Administration and Planning
	SP 1.2 Personnel Services
	SP 1.3 Financial Services
Programme 2: Naivasha Municipal Services	SP 2.1 Planning and Infrastructure
	SP 2.2 Environmental Management & Sanitation
	SP 2.3 Naivasha Social Services
	SP 2.4 Tourism, Investment and Trade

3.1.1 Programmes and their Objectives

Projects/ Programs	Objectives
Administration, Planning and Support Services	To provide effective and efficient service delivery
Naivasha Municipal Services	To provide access to efficient and effective municipal services.

3.1.2 Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

For the next Medium-Term Expenditure Framework (MTEF) period, the Municipality of Naivasha has outlined a comprehensive development agenda focused on transforming the town into a resilient, sustainable, and digitally-enabled urban hub. Subject to full funding and in collaboration with KUSP II these priorities are designed to enhance the quality of life for residents while positioning Naivasha as a premier industrial and tourism destination.

The following is a summary narration of these priorities, categorized by their strategic impact:

1. Integrated Transport and Connectivity

To facilitate the movement of goods and people, the municipality is prioritizing a massive overhaul of its transport network. This includes the construction, rehabilitation, and grading of roads to ensure year-round accessibility.

- Construction of additional paved parking lots; rehabilitation of bus parks; development of a Transport Management Plan; and the expansion of Non-Motorized Transport (NMT) facilities to promote walking and cycling.
- A comprehensive Urban Regeneration of the Naivasha CBD, which integrates paved parking, drainage works, and aesthetic beautification.

2. Spatial Planning and Governance

Orderly growth is a cornerstone of this MTEF. The municipality aims to resolve land-use conflicts and modernize its administrative data through rigorous planning and technological integration.

Zoning of specific neighborhoods including Kabati, Site and Service, Industrial area, Manera, Mununga, Kinamba, Kayole, and Lakeview through the review of the Integrated Strategic Urban Development Plan (ISUDP), Strategic Plan, and IDeP to ensure they meet current economic realities.

3. Environmental Sustainability and Sanitation

Recognizing the ecological sensitivity of the Naivasha basin, initiatives will focus on “Green Urbanism,” including expansion and upgrading of sewerage and drainage systems, covering open drains in the CBD, and providing skip loaders, skip bins, and litter bins. Urban greening

will be enhanced through street benches, landscaped areas, and tree planting to improve micro-climate and public aesthetics, while waterfront areas will be developed to support tourism and leisure, creating public spaces that complement ecological protection.

4. Social Infrastructure and Essential Services

This category focuses on human capital development and public health, ensuring that the benefits of urban growth reach the most vulnerable populations.

- **Education & Health:** Construction and equipping of ECDE centers, Vocational Training Centers (VTCs), and new Health Centers.
- **Equipping boreholes and laying of water pipes to increase clean water access;** construction of modern markets, social halls, and public toilets.

5. Public Safety and Digital Transformation

To support a 24-hour economy and enhance business confidence, the municipality is investing in security and digital connectivity.

- **Key Projects:** Installation of CCTV in critical areas and the construction of a fully equipped Fire Station within the municipality.
- **Digital Inclusion:** Installation of free Wi-Fi in public spaces and markets, alongside the establishment of a Municipality Information Center to improve citizen engagement.
- **Lighting:** Widespread installation of solar street lights and floodlights to improve safety and reduce energy costs.

Table 4: Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Actual Achievement 2024/25	Baseline 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
Programme Name: Administration planning and support services									
Objective: To provide effective and efficient service delivery									
Outcome: Effective and efficient service delivery to clients and stakeholders									
SP 1.1 Administration, Planning and support services	Naivasha Municipality	Improved service delivery	Municipal board office block constructed and equipped	1	-	-	-	-	1
			Existing municipal board office block rehabilitated	1	-	-	-	-	1
			No.of vehicles purchased	1	-	-	-	1	1
			No.of assorted tools/equipment purchased	30	-	-	30	-	50
			Draft by-laws developed	21		-	3	3	3
			No.of municipality policy documents reviewed/developed	4	3	3	4	4	4
			No.of board and committee meetings held	20	4	4	20	20	20
			No. of Quarterly M&E reports developed	4	4	4	4	4	4
1.2 Personnel services	Naivasha Municipality	Improved human resource productivity	No.of staff trained	4	-	7	16	20	24
			No.of board members trained	7	1	2	7	7	7
			Implementation rate for performance contracts (PC) and Performance Appraisal System (PAS)	100	85	85	100	100	100

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Actual Achievement 2024/25	Baseline 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
			Number of staff promoted	35	-	8	1	0	15
			Number of staff recruited	35	-	9	15	16	19
			Compensation to employees (kshs in millions)		14.1	22.4	22.6	24.8	27.3
1.3 Financial services	Naivasha municipality	Improved financial management and services	Quarterly financial reports generated	4	4	4	4	4	4
Programme Name: Naivasha municipal services									
Objective: To provide access to efficient and effective municipal services									
Outcome: Safe, inclusive, resilient and sustainable Municipality									
2.1 Planning and infrastructure	Naivasha municipality	Improved infrastructural development	No. of parking lots constructed	150	60 Mama Ngina phase2	-	150	50	30
			No. of transport management plan developed	1	1	1	-	-	1
			No. of solar street lights purchased and installed.	5	-	-	300	300	300
			No. of Streetslights maintained	-	-	-	100	100	100
			Length of sewer reticulation developed (Km)	5	0.62	5.62	2	2	2
			Length of drainage improved (Km)	3	150 Meters	3.15	3		
			Grading and murraming of roads	2	-	-	4	3	3
			No. of boreholes equipped	-	-	4	2	4	3
			Fire station constructed and equipped	1	-	-	-	1	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Actual Achievement 2024/25	Baseline 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
			No.of fire engines purchased	-	-	-	-	-	1
			No. of Bus Park constructed	-	-	-	-	-	1
			No. of bus parks rehabilitated	1	-	-	-	1	-
			No of ECDE facilities constructed				5	5	5
			ECDE facilities equipped				4	4	4
			No.of VTCs Constructed				3	3	3
			No.of Health centres Constructed				4	4	4
			GIS/ data management system developed	-	-	-	-	-	1
2.2 Environmental Management and Sanitation	Naivasha Municipality	Enhanced waste collection and management	No. of skip loaders procured and maintained	-	-	-	-	-	1
			No.of skip bins procured	5	-	-	5	-	5
			No. of litter bins purchased and installed	30	-	-	30	-	30
			No. of parks/ green spaces rehabilitated	1	-	1	1	-	1
			No.of public toilets constructed	1	-	-	1	-	1
			No.of clean ups undertaken	2	2	-	2	2	2
2.3 Social Services	Naivasha Municipality	Improved social services	No. of social halls constructed and equipped	1	-	-	-	2	2

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Actual Achievement 2024/25	Baseline 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
2.4 Trade, tourism and Investment			No.of public events and celebrations marked	5	-	-	5	-	5
			Annual Municipality Cycling & Marathons held	1	-	-	1	5	1
			Number of urban forums held	4	-	-	4	1	1
	Naivasha Municipality	Improved platforms for private sector investment	Number of markets constructed	1	-	-	1		1
			No.of markets rehabilitated					1	1
			Number of trade exhibitions held	1	-	-	1	1	1
			Number of tourism conventions held	1	-	-	1	1	1

3.1.3 Programmes by Order of Ranking

Programme 1: Administration, Planning and Support

Programme 2: Naivasha Municipal Services

3.2 Analysis of Resource Requirement versus Allocation by Sector/Sub Sector:

3.2.1 Sector/Sub Sector Recurrent

The analysis shows a steady growth in approved recurrent resource requirements from KSh 59.19 million (2025/26) to KSh 111.99 million (2028/29), largely driven by rising compensation to employees and use of goods and services. Compensation to employees increases consistently across the period, reflecting staff cost pressures, while expenditure on goods and services records a sharp rise, indicating expanding operational needs.

However, actual allocations fall short of approved requirements in all years shown. For example, in 2026/27, the approved requirement is KSh 92.55 million, against an allocation of KSh 76.55 million, leaving a significant funding gap. Similar shortfalls persist in subsequent years. Capital-related items under acquisition of non-financial assets also show large variances, suggesting constrained funding for development and asset expansion.

Overall, the table highlights a persistent mismatch between planned recurrent needs and available allocations, which may affect service delivery unless revenue mobilization or budget prioritization improves.

Table 5a Sector/Sub Sector Recurrent

ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION								
		Approved	REQUIREMENT				ALLOCATION	
Sector Name		2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Vote and Vote Details 4578 - Municipality of Naivasha	Economic Classification							
	Current Expenditure							
	2100000 Compensation to Employees	22,427,277.00	24,670,004.70	27,137,005.17	29,850,705.69	22,565,372.00	24,821,909.20	27,304,100.12
	2200000 Use of Goods and Services	29,066,120.00	52,907,250.00	58,197,975.00	64,017,772.50	45,700,565.88	50,270,622.47	55,297,684.71
	2400000 Interest Payments		-	-	-	-	-	-
	2600000 Current Grants and Other Transfers	4,375,000.00	-	-	-	-	-	-
	2700000 Social Benefits	1,138,094.00	998,250.00	1,098,075.00	1,207,882.50	788,402.12	867,242.33	953,966.56
	3100000 Acquisition of Non-Financial Assets	2,188,456.00	13,975,500.00	15,373,050.00	16,910,355.00	7,497,151.00	8,246,866.00	9,071,552.60
	4100000 Acquisition of Financial Assets	-	-	-	-	-	-	-
	4500000 Disposal of Financial Assets	-	-	-	-	-	-	-
TOTAL		59,194,947.00	92,551,004.70	101,806,105.17	111,986,715.69	76,551,491.00	84,206,640.00	92,627,304.00

3.2.2 Sector/Sub Sector Development

The table below compares approved development resource requirements with actual allocations over the medium term. It shows that while total requirements rise significantly from KSh 473.8 million (2025/26) to KSh 1.13 billion (2028/29), the corresponding allocations for 2026/27–2028/29 are much lower, increasing only from KSh 279.0 million to KSh 337.6 million. This highlights a substantial and widening funding gap, particularly in non-financial assets and capital transfers to government agencies, indicating underfunding of planned development priorities.

Table 5b: Analysis of Resource Requirement versus Allocation – Development

ANALYSIS OF DEVELOPMENT RESOURCE REQUIREMENT VS ALLOCATION								
Sector Name		Approved	REQUIREMENT			ALLOCATION		
		2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Vote and Vote Details 4578	Description							
	Non-Financial Assets	217,959,916	266,200,000	292,820,000	322,102,000	60,000,000	66,000,000	72,600,000
	Capital Transfers Govt. Agencies	255,797,548	665,500,000	732,050,000	805,255,000	218,968,824	240,865,706	264,952,277
	Other development	-	-	-	-	-	-	-
TOTAL		473,757,464	931,700,000	1,024,870,000	1,127,357,000	278,968,824	306,865,706	337,552,277

3.2.3 Programmes and Sub-Programmes Resource Requirement (2026/27 – 2028/29)

The analysis shows a steady increase in total programme expenditure from KSh 1.02 billion in 2026/27 to KSh 1.24 billion in 2028/29, reflecting an overall expansion in resource requirements. The growth is largely driven by capital investment, particularly under Naivasha Municipal Services. Administrative, planning and support services are fully funded through recurrent expenditure, with allocations rising by 2028/29 mainly due to increased personnel and administrative costs. Naivasha Municipal Services account for the largest share of the budget, with planning and infrastructure dominating expenditure and receiving the bulk of capital funding across all three years. Environmental management, social services, and tourism, trade and investment receive

comparatively smaller allocations, growing gradually but remaining secondary priorities. Overall, the expenditure pattern indicates a strong focus on infrastructure-led development, supported by moderate growth in administrative and operational costs.

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Administration Planning And Support Services									
Sub-Programme 1.1: Administration And Planning	42,192,700	-	42,192,700	46,411,970	-	46,411,970	51,053,167	-	51,053,167
Sub-Programme 1.2: Personnel Services	24,670,005	-	24,670,005	27,137,005	-	17,935,225	29,850,706	-	29,850,706
Sub-Programme 1.3: Financial Services	865,150	-	865,150	951,665	-	951,665	1,046,832	-	1,046,832
Total Programme 1	59,362,600	-	67,727,855	65,298,860	-	65,298,860	81,950,704	-	81,950,704
Program 2: Naivasha Municipal Services									
Sub Programme 2.1: Planning And Infrastructure	9,982,500	931,700,000	941,682,500	10,980,750	1,024,870,000	1,035,850,750	12,078,825	1,127,357,000	1,139,435,825
Sub Programme 2.2: Environmental Management And Sanitation	6,655,000	-	6,655,000	7,320,500	-	7,320,500	8,052,550	-	8,052,550
Sub Programme 2.3: Naivasha Social Services	4,525,400	-	4,525,400	4,977,940	-	4,977,940	5,475,734	-	5,475,734
Sub Programme 2.4: Tourism Trade And Investment	3,660,250	-	3,660,250	4,026,275	-	4,026,275	4,428,903	-	4,428,903
Total Programme 2	24,823,150	931,700,000	956,523,150	27,305,465	1,024,870,000	1,052,175,465	30,036,012	1,127,357,000	1,157,393,012
Total Vote	84,185,750	931,700,000	1,024,251,005	92,604,325	1,024,870,000	1,117,474,325	111,986,716	1,127,357,000	1,239,343,716

3.2.4 Programmes and sub-programmes Resource Allocation (2026/27 – 2028/29)

Table 6b below presents an analysis of programme expenditure and resource allocation for three financial years (2026/27–2028/29), expressed in Kenya Shillings (KSh) millions. Programme 1 is entirely funded through recurrent expenditure and shows steady growth over the period. Its total allocation increases from KSh 63.35 million in 2026/27 to KSh 69.69 million in 2027/28, and further to KSh 76.66 million in 2028/29. The programme is composed of administration and planning, personnel services, and financial services, all of which record gradual annual increases, indicating rising operational and staffing costs

Programme 2 accounts for the largest share of the vote and includes both recurrent and capital expenditure. Total allocations rise from KSh 292.17 million in 2026/27 to KSh 321.39 million in 2027/28, and KSh 353.52 million in 2028/29. Capital expenditure dominates this programme, particularly under planning and infrastructure, which consistently receives over KSh 260 million annually and grows to over KSh 319.5 million by 2028/29. Environmental management and sanitation also show rising allocations, reflecting increased investment in service delivery, while social services and tourism, trade, and investment receive smaller but stable recurrent funding

Overall, the total vote increases significantly over the three years, from KSh 355.52 million in 2026/27 to KSh 391.07 million in 2027/28, and KSh 430.18 million in 2028/29, demonstrating a clear upward trend in both operational costs and capital investment, with a strong emphasis on municipal infrastructure development in Naivasha

Table 6b: Analysis of Resource Allocation by Programmes and Sub-Programmes

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE ALLOCATION (AMOUNT KSH MILLIONS)									
	2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
PROGRAMME 1: ADMINISTRATION PLANNING AND SUPPORT SERVICES									
Sub-Programme 1.1: Administration And Planning	40,186,119	-	40,186,119	44,204,731	-	44,204,731	48,625,204	-	48,625,204
Sub-Programme 1.2: Personnel services	22,565,372	-	22,565,372	24,821,909	-	24,821,909	27,304,100	-	27,304,100
Sub-Programme 1.3: Financial Services	600,000	-	600,000	660,000	-	660,000	726,000	-	726,000
TOTAL PROGRAMME 1	63,351,491	-	63,351,491	69,686,640	-	69,686,640	76,655,304	-	76,655,304
PROGRAMME 2: NAIVASHA MUNICIPAL SERVICES									
Sub Programme 2.1: Planning And Infrastructure	6,600,000	257,458,824	264,058,824	7,260,000	283,204,706	290,464,706	7,986,000	311,525,177	319,511,177
Sub Programme 2.2: Environmental Management And Sanitation	4,400,000	21,510,000	25,910,000	4,840,000	23,661,000	28,501,000	5,324,000	26,027,100	31,351,100
Sub Programme 2.3: Naivasha Social Services	1,100,000	-	1,100,000	1,210,000	-	1,210,000	1,331,000	-	1,331,000
Sub Programme 2.4: Tourism Trade And Investment	1,100,000	-	1,100,000	1,210,000	-	1,210,000	1,331,000	-	1,331,000
TOTAL PROGRAMME 2	13,200,000	278,968,824	292,168,824	14,520,000	306,865,706	321,385,706	15,972,000	337,552,277	353,524,277
TOTAL VOTE	76,551,491	278,968,824	355,520,315	84,206,640	306,865,706	391,072,347	92,627,304	337,552,277	430,179,581

3.2.5 Programmes and Sub-Programmes Economic Classification.

Table 7: Programme and Sub-Programmes Allocation by Economic Classification

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
PROGRAMME 1: Administration Planning and Support Services						
Current Expenditure:						
2100000 Compensation to Employees	24,670,005	27,137,005	29,850,706	21,776,970	23,954,667	26,350,134
2200000 Use of Goods and Services	38,965,913	42,862,505	47,148,755	37,786,119	41,564,731	45,721,204
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	591,787	650,965	716,062	788,402	867,242	953,967
3100000 Acquisition of Non-Financial Assets	3,500,000	3,850,000	4,235,000	3,000,000	3,300,000	3,630,000
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL PROGRAMME 1	59,362,600	74,500,475	81,950,523	63,351,491	69,686,640	76,655,304
SUB PROGRAMME 1.1: Administration and Planning						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	38,692,700	42,561,970	46,818,167	37,186,119	40,904,731	44,995,204
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	3,500,000	3,850,000	4,235,000	3,000,000	3,300,000	3,630,000
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 1.1	42,192,700	46,411,970	51,053,167	40,186,119	44,204,731	48,625,204

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	REQUIREMENT			ALLOCATION		
Economic Classification	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
SUB PROGRAMME 1.2: Personnel Services						
Current Expenditure:						
2100000 Compensation to Employees	24,132,017	26,545,218	29,199,740	21,776,970	23,954,667	26,350,134
2200000 Use of Goods and Services	-	-	-	-	-	-
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	537,988	591,787	650,965	788,402	867,242	953,967
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 1.2	24,670,005	27,137,005	29,850,706	22,565,372	24,821,909	27,304,100
SUB PROGRAMME 1.3: Financial Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	865,000	951,500	1,046,650	600,000	660,000	726,000
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 1.3	865,150	951,500	1,046,650	600,000	660,000	726,000
PROGRAMME 2: Naivasha Municipal Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	19,639,238	21,603,162	23,763,659	13,200,000	14,520,000	15,972,000

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	REQUIREMENT			ALLOCATION		
Economic Classification	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	1,149,500	1,264,450	1,390,895	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	78,650,000	86,515,000	95,166,500	60,000,000	66,000,000	72,600,000
Capital Transfers to Govt. Agencies	857,084,412	942,792,853	1,037,072,139	218,968,824	240,865,706	264,952,277
Other Development	-	-	-	-	-	-
TOTAL PROGRAMME 2	956,523,150	1,052,175,465	1,157,393,193	292,168,824	321,385,706	353,524,277
SUB PROGRAMME 2.1: Planning and Infrastructure						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	4,798,588	5,278,447	5,806,291	6,600,000	7,260,000	7,986,000
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	1,149,500	1,264,450	1,390,895	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure						
Non-Financial Assets	78,650,000	86,515,000	95,166,500	60,000,000	66,000,000	72,600,000
Capital Transfers to Govt. Agencies	857,084,412	942,792,853	1,037,072,139	197,458,824	217,204,706	238,925,177
Other Development	-	-	-	-	-	-
TOTAL SP 2.1	941,682,500	1,035,850,750	1,139,435,825	264,058,824	290,464,706	319,511,177
SUB PROGRAMME 2.2: Environmental Management and Sanitation						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	6,655,000	7,320,500	8,052,550	4,400,000	4,840,000	5,324,000
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	REQUIREMENT			ALLOCATION		
Economic Classification	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	21,510,000	23,661,000	26,027,100
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.2	6,655,000	7,320,500	8,052,550	25,910,000	28,501,000	31,351,100
SUB PROGRAMME 2.3: Naivasha Social Services						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	4,525,400	4,977,940	5,475,734	1,100,000	1,210,000	1,331,000
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure					-	-
Non-Financial Assets	-	-	-	-	-	-
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.3	4,525,400	4,977,940	5,475,734	1,100,000	1,210,000	1,331,000
SUB PROGRAMME 2.4: Trade, tourism and investment						
Current Expenditure:						
2100000 Compensation to Employees	-	-	-	-	-	-
2200000 Use of Goods and Services	3,660,250	4,026,275	4,429,084	1,100,000	1,210,000	1,331,000
2400000 Interest Payments	-	-	-	-	-	-
2600000 Current Grants and Other Transfers	-	-	-	-	-	-
2700000 Social Benefits	-	-	-	-	-	-
3100000 Acquisition of Non-Financial Assets	-	-	-	-	-	-
4100000 Acquisition of Financial Assets	-	-	-	-	-	-
4500000 Disposal of Financial Assets	-	-	-	-	-	-
Capital Expenditure		-			-	-
Non-Financial Assets	-	-	-	-	-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	REQUIREMENT			ALLOCATION		
Economic Classification	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Capital Transfers to Govt. Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
TOTAL SP 2.4	3,660,250	4,026,275	4,429,084	1,100,000	1,210,000	1,331,000
TOTAL VOTE 4578	1,024,251,005	1,126,675,940	1,239,343,716	355,520,315	391,072,347	430,179,581

3.3 Resource Allocation Criteria.

The sub sector endeavors to allocate resources to priority programs that have the potential to improve the lives of the municipal residents. To actualize this, the following general principles guide this process:

1. Conformity to Kenya Vision 2030.
2. Conformity to National Government development priorities.
3. PFM (County Government Regulations 2015).
4. Expected outcomes and outputs from the Programme.

CHAPTER FOUR

4.0 CROSS-SECTOR LINKAGES

Achievement of the goals and objectives of the Municipality of Naivasha as outlined in the municipal charter is dependent on collaboration and liaison between the municipality and other sectors of the county. The growing importance of Naivasha town and its environs demands suitable public governance in order to achieve a quality level of life for the inhabitants and a coherent engagement with other sectors will be crucial to this end. Some of the cross-sector linkages are outlined below:

Sector	Department	Linkages
PAIR	Office of the Governor and Deputy Governor	<ul style="list-style-type: none"> ● Coordination of sector engagements with linked departments. ● Engagement of external stakeholders on behalf of the municipality ● Preparation of bills to be enacted in the County Assembly ● Providing the framework on resource utilization.
	County Public Service Board	<ul style="list-style-type: none"> ● Recruitment and appraisal of municipal staff ● Approval of municipal organogram
	Finance and Economic Planning	<ul style="list-style-type: none"> ● Provide direction on budgetary provisions and ceilings. ● Disbursement of funds ● Guidance on Financial and budgetary policies
	Public Service, Training & Devolution	<ul style="list-style-type: none"> ● Provision of training opportunities for municipal staff ● Providing policy guidance on staff engagement.
	County Assembly	<ul style="list-style-type: none"> ● Enactment of municipal bills and by-laws. ● Approval of budgets ● Oversight of the municipal administration
Agriculture Rural and Urban Development	Agriculture, Livestock and Fisheries	<ul style="list-style-type: none"> ● Guidance on Proper usage of land for urban agricultural activities.
General Economic and Commercial Affairs	Trade, Industry, Marketing and Tourism	<ul style="list-style-type: none"> ● Propose areas of investment in economic and commercial activities within the municipality
Energy, Infrastructure and ICT	Roads, Public Works and Transport	<ul style="list-style-type: none"> ● Providing way leaves and road crossing for water and sanitation services to cater for the urbanization and increased housing. ● Consultancy service in documentation of projects
	ICT and E-Government	<ul style="list-style-type: none"> ● Provision of technical support for the municipality.
Environment Protection, Water and Natural Resources	Water, Environment, Energy and Natural Resources	<ul style="list-style-type: none"> ● Ensure clean environment that facilitates quality natural recreation areas/sites
Health	Health Services	<ul style="list-style-type: none"> ● Enforcing public health and safety regulations ● Advice on sanitation matters within the municipality

Sector	Department	Linkages
Education	Education	<ul style="list-style-type: none"> ● Providing bursaries for students in the Municipality jurisdiction ● Dissemination of information and sensitization of residents in the municipality ● Training and capacity development.
Social Protection, Culture and Recreation	Youth and Sports Culture Gender and Social Services	<ul style="list-style-type: none"> ● Provision of recreational and protection of cultural facilities ● Mainstreaming social impact assessment measures for vulnerable groups in municipal programs/projects.

CHAPTER FIVE

5.0 EMERGING ISSUES AND CHALLENGES

5.1 Emerging Issues

1. Volatile Macroeconomic Environment. The implementation of development projects is increasingly composed of unstable macroeconomic factors. Sustained inflation and the fluctuation of the Kenya Shilling against major currencies have led to unpredictable variations in the cost of imported construction inputs/materials like steel and bitumen. This volatility creates uncertainty in project costing, leading to potential stalling of ongoing works and suppressed economic activities within the municipality.

2. Transition in Donor Support (Post-KUSP I to KUSP II). With the closure of the Kenya Urban Support Program (KUSP I) in July 2023, the Municipality faces a transitional financing gap. While the successor program (KUSP II) is active, it introduces new, stringent eligibility criteria focused on climate resilience and performance-based grants. Adapting to these new donor requirements while maintaining service delivery levels previously supported by KUSP I presents a significant coordination and compliance test for the Municipal administration.

3. Impact of Climate Change and Lake Level Fluctuations. Naivasha is increasingly witnessing extreme weather events, that include the rising water levels of Lake Naivasha which poses a threat to riparian settlements (e.g., Kihoto) and critical infrastructure already established in the area. This emerging environmental reality necessitates an urgent shift in planning toward climate-resilient infrastructure and disaster risk reduction, which currently remains underfunded.

4. Rapid Urbanization and Industrial Pressure. The operationalization of the Naivasha Special Economic Zone (SEZ) and the Inland Container Depot (ICD) has accelerated urbanization, leading to an influx of population. This creates urban sprawl and places unprecedented pressure on existing municipal amenities, particularly solid waste management, sewerage systems, and housing which is outpacing the municipality's current expansion capacity.

5. Jurisdictional Ambiguity in Devolution. There is an emerging complexity regarding the delegation of functions. While the Municipal Charter gazettes specific roles—such as development control, solid waste management, and on-street parking—the practical transfer of these functions from the County Government to the Municipality remains incomplete. This **partial devolution** creates administrative grey areas that delay decision-making.

6. Revenue Automation and Own Source Revenue (OSR) Potential. The Controller of Budget and World Bank (under KUSP II) are pushing heavily for municipalities to demonstrate Own Source Revenue capacity. There is increasing pressure to automate and ring-fence Municipal Own Source Revenue (OSR). The current lack of an automated, municipality-specific revenue collection system limits the Municipality's ability to reinvest locally generated funds into service delivery.

7. Rironi Mau Summit Road

The municipality must navigate the transformative complex impact of the Rironi-Mau Summit Road project. While the dualling of this corridor will cement Naivasha's status as a logistics anchor by exponentially increasing the viability of the Special Economic Zone (SEZ). It also introduces emerging risks related to utility displacement, pedestrian safety at major trading centers, and the socioeconomic friction caused by the proposed tolling model. Proactive coordination with national agencies (KeNHA) is therefore a strategic priority to ensure that this national infrastructure translates into local prosperity rather than a barrier to municipal service delivery.

5.2 Challenges

1. Inadequate Fiscal Autonomy and Resource Allocation. Despite the provisions of the Municipal Charter and the *Urban Areas and Cities Act*, the financial resources remitted to the Municipality remain insufficient relative to its mandate. The lack of a distinct, predictable vote head leads to reliance on ad-hoc disbursements from the County Executive. This creates a disconnect between the gazetted functions such as waste management and the actual funds available to execute them effectively.

2. Operationalization Conflicts and Governance Frameworks. Full operationalization is hampered by a lack of a clear transitional framework for delegated functions. Existing County departmental structures often overlap and conflict with the Municipal administration's mandate. This structural friction delays critical approvals and service delivery, especially in development control and enforcement.

3. Critical Technical Staff Deficit. The Municipality suffers from a chronic shortage of specialized technical staff required for urban management. Key vacancies include; Municipal Engineer, Urban Development Officer, GIS Expert, Quantity Surveyor, Economist, Architect and Social Safeguard officer which remain unfilled. This severely limits the Municipality's capacity

to design, supervise, and audit development projects in-house, forcing reliance on overstretched County staff.

4. Centralized and Bureaucratic Procurement Systems. The centralization of procurement processes at the County headquarters (Nakuru) creates significant bottlenecks for Naivasha-specific projects. The lengthy liaison schedules and bureaucratic red tape associated with centralized tendering lead to delayed project commencement and absorption of development funds, negatively affecting completion rates.

5. Infrastructure and Asset Deficit. The Municipal administration operates with inadequate physical assets. This includes a severe shortage of office space, which degrades the working environment and staff productivity, as well as a lack of essential service delivery equipment including waste collection trucks and enforcement vehicles which are needed to serve the expanding populace.

6. Lack of Disaggregated Municipal Data. Effective planning is currently constrained by the absence of Naivasha-specific data. The Municipality lacks a comprehensive audit of resources, assets, and ratepayers within its specific jurisdiction distinct from the wider Sub-County. This data gap hinders evidence-based planning, revenue potential assessment, and the creation of accurate spatial plans.

7. Rapid Subdivision of Land. Unplanned and rapid subdivision of land, often into unviable plot sizes, bypasses development controls and leads to informal settlements. This strains existing infrastructure (water, sanitation, roads) and makes future provision of planned services extremely difficult and expensive. It also complicates enforcement and property rate collection.

8. The dualling of the **Rironi–Mau Summit Road** presents a complex set of challenges for the Naivasha Municipality over the next three years, primarily centered on balancing national infrastructure goals with local service delivery and social stability. Extensive construction threatens to destroy vital **water, sewerage, and fiber optic lines**. Damage to these services could trigger sanitation crises, balloon maintenance costs, and derail "Smart City" digital initiatives. The high-speed highway risks physically cutting off neighborhoods. The proposed **mandatory tolling** under the PPP model is viewed locally as double taxation. This creates a risk of public unrest and a higher cost of living, as local commuters may lack viable, non-tolled alternative routes for daily travel.

CHAPTER SIX

6.0 CONCLUSION

The Naivasha Municipality faces a precarious financial and institutional landscape, primarily driven by the transition from the KUSP I program and a lack of fiscal autonomy. The absence of a ring-fenced, automated revenue system, coupled with severe under-staffing and dwindling capital expenditure—which dropped from KES 207 million to KES 44 million over two years—has significantly hindered the municipality's developmental capacity. These internal constraints are further complicated by a lack of disaggregated data for evidence-based planning and an increasing vulnerability to climate-related events, such as rising lake levels and extreme weather, which threaten existing infrastructure and demand modernized waste management solutions.

At the same time, the upcoming dualling of the Rironi-Mau Summit Road presents a complex dual reality: while it acts as a vital economic engine for the Special Economic Zone, it poses immediate risks to municipal stability. The construction threatens to displace essential water, sewer, and digital networks, leading to potential service outages and high recovery costs. Furthermore, the high-speed nature of the new corridor risks fragmenting local communities and increasing the cost of living due to proposed tolling. Without proactive coordination to secure pedestrian safety and utility protection, and the establishment of robust national-county partnerships, Naivasha's ability to protect its assets and sustain long-term growth remains at high risk.

CHAPTER SEVEN

7.0 RECOMMENDATIONS

To address the emerging issues and institutional challenges identified in Chapter 5, the Municipality of Naivasha has outlined the following strategies for the FY 2026/27 – 2028/29 period.

1. Financial Sustainability and Resource Mobilization

- **Own Source Revenue (OSR) Enhancement.** Automate and ring-fence revenue streams derived from municipal functions (e.g., parking fees, billboard advertising, business permits) to create a predictable revolving fund for maintenance and operations.
- **Donor and Partner Engagement (KUSP II).** Strengthen compliance with World Bank/KUSP II Minimum Conditions (MCs) and Performance Standards (PSs) to unlock maximum urban development grants (UDGs) *for capital projects*.

2. Institutional Strengthening and Governance

- **Human Resource Optimization.** Prioritize the recruitment and deployment of critical technical staff (Municipal Engineer, Quantity Surveyor, Physical Planner, and Environmentalist) to reduce reliance on shared County resources and accelerate project supervision.
- **Infrastructure for Administration.** Construct and equip a dedicated Municipal Complex to solve the acute shortage of office space, thereby improving staff morale and service delivery standards.

3. Devolution Framework Operationalization.

- Develop and enforce a clear Transitional Implementation Plan to seamlessly transfer the remaining gazetted functions (Development Control, Solid Waste Management) from the County Executive to the Municipal Board.

4. Infrastructure Development and Service Delivery

- **Climate-Resilient Infrastructure.** Re-engineer drainage and road networks to withstand extreme weather events and rising lake levels, specifically targeting vulnerable zones like Kihoto and the CBD.
- **Waste Management Modernization.** Transition from passive waste dumping to active waste management by acquiring specialized equipment (compactor trucks, skip loaders) and operationalizing a designated material recovery facility.

- **Streamlined Project Implementation.** Establish a Municipal Project Implementation Unit (PIU) to coordinate with the County Procurement Directorate, aiming to reduce lead times in tendering and ensure timely absorption of development funds.

5. Urban Planning and Land Management

- **Data-Driven Planning.** Conduct a comprehensive baseline survey and asset audit to generate disaggregated municipal data. This includes a digital registry of all ratepayers and municipal properties to guide evidence-based planning.
- **Spatial Plan Enforcement.** Strictly enforce development controls to curb urban sprawl and unauthorized construction, ensuring that the urbanization caused by the Special Economic Zone (SEZ) remains sustainable.

6. Joint Infrastructure Oversight and Coordination Taskforce

- To effectively navigate the challenges posed by the dualling of the **Rironi–Mau Summit Road**, it is recommended that the County Government of Nakuru, Naivasha Municipality establishes a **Joint Infrastructure Oversight and Coordination Taskforce** comprising technical representatives from the County Government of Nakuru, Municipality of Naivasha, the Kenya National Highways Authority (KeNHA), and key utility providers like NAIVAWASS. This body should prioritize a pre-construction "utility mapping" exercise to safeguard existing water and sewer lines, ensuring that relocations are integrated into the contractor's work plan to avoid costly service disruptions. Beyond technical safeguards, the Municipality must aggressively lobby for the inclusion of **pedestrian-centric infrastructure**, specifically footbridges and service lanes at high-density areas such as Kayole, Karai, and the CBD turn-offs, to maintain social connectivity and safety. Furthermore, to mitigate the socioeconomic friction of tolling, the taskforce should negotiate for **toll exemptions or "local-resident passes"** for intra-city movements, ensuring that this national corridor enhances—rather than hinders—the daily economic activities and mobility of Naivasha's residents.

REFERENCES

1. Annual Development Plan 2026/27
2. County Budget Review Outlook Paper of September 2025
3. County Fiscal Strategy Paper 2025
4. County Integrated Development Plan 2023-2027
5. Governor's Manifesto 2023-2027
6. Governor's Executive Order No.1 Of March 2023
7. Medium Term Expenditure Framework Budget 2022/2023-2024/2025
8. Nakuru County Financial Statements September 2025
9. Kenya Vision 2030
10. Constitution of Kenya 2010

APPENDICES

Appendix I: Analysis of Performance of Capital Projects (2024/2025)

Project Description	Location	Contract Date	Completion Date	Estimated Cost to Completion	Cumulative Budget Allocation	Completion Stage (%)	Specific Needs to Be Addressed by the Project
Programme:							
Improvement of 3km roads in Lakeview ward to bitumen standards and construction of related infrastructure	Lakeview Ward	12-04-22	31 st -12-2022	89,133,075	6,652,495.19	100%	Enhance mobility, improve connectivity within the neighborhood.
Rehabilitation of Naivasha Municipal Park	Viwandani Ward	03-03-2021	31 st – 12-2023	22,064,368	729,122	100%	Improve walkways, drainage, lighting, landscaping, and public amenities to create a safer, cleaner, and more attractive public space for community use.
Construction of Naivasha Market Phase 2	Viwandani Ward	30-8-2022	31 st – 12-2023	260,000,000	12,094,566	100%	Improve the overall trading environment for vendors and customers
Consultancy services for Construction of Naivasha Market Phase 2	Viwandani Ward	30-8-2022	31 st – 12-2023	13,000,000	1,125,126	100%	Provide technical support in design, documentation, supervision, and quality assurance to ensure the market expansion is well-planned, compliant, cost-effective, and delivered to the required standards
Installation and maintenance of streetlights in Naivasha Town	Viwandani Ward	-	-	18,000,000	18,000,000	-	Reallocated under the supplementary appropriation
Paved parking, Drainage, NMT and beautification along Mama Ngina Road	Viwandani Ward	22 nd April 2025	-	10,000,000	10,000,000	85%	Provide paved parking, improved drainage, NMT facilities, and beautification along Mama Ngina Road to enhance mobility, reduce congestion, prevent flooding, and create a safer, more attractive urban environment.
Installation and maintenance of streetlights in Naivasha Town	Municipality	-	-	5,000,000	5,000,000	-	Reallocated under the supplementary appropriation

Project Description	Location	Contract Date	Completion Date	Estimated Cost to Completion	Cumulative Budget Allocation	Completion Stage (%)	Specific Needs to Be Addressed by the Project
Construction of drainages within the CBD	Municipality	-	-	17,000,000	14,000,000	-	Reallocated under the supplementary appropriation
Improvement Of Roads To Bitumen Standards Within Naivasha Municipality In Viwandani	Viwandani Ward	2018/2019	2018/2019	6,500,000	6,500,000	-	Pending Bill
Rehabilitation of Sewerage system	Lakeview & Viwandani Ward	27 th May 2024	30 th June 2025	16,000,000	14,957,578	100%	Improving wastewater flow capacity, and restoring key infrastructure
Construction of NMT and paved parking along Kenyatta Avenue and Mama Ngina Street in Lakeview and Viwandani Wards	Lakeview & Viwandani Ward	25th May 2023	8th March 2024	20,000,000	1,990,343	100%	Improve walkability, enhance road safety, organize parking, and create a more efficient, accessible, and user-friendly urban environment
Construction of roads in Naivasha Municipality	Municipality	6 th June 2023	6 th December 2023	8,000,000	1,073,773	100%	Improve connectivity, enhance traffic flow, support local economic activities, and provide safer, more reliable access for residents and businesses.
TOTAL							

Appendix II: Summary of Human Resource Requirements

Directorate	Designation/ Position Title	Authorized Establishment	In Post as at 30 th June 2025	Funded Positions	Positions to be Funded		
				2025/26	2026/27	2027/28 Projection	2028/29 Projection
Municipality of Naivasha	Municipal Manager	1	1	1	-	-	-
	Architect	1	0	0	-	1	-
	GIS Expert I	2	0	0	1	1	-
	Municipal Engineer	1	0	1	-	-	-
	Urban Development Officer II	1	0	1	-	-	-
	Quantity Surveyor	1	0	0	-	1	-
	Economist II	1	0	-	1	-	-
	Social Development Officer	1	0	0	1	-	-
	Public Communication Assistant III	1	0	1	-	-	-
	Information officer II	1	0	0	-	1	-
	Office Administrative Assistant III	1	0	0	1	-	-
	Clerical Officer II	2	1	0	1	-	-
	Supply Chain Management Officer II	2	1	0	1	-	-
	Legal Officer	2	0	-	-	1	1
	Environment Officer	5	1	-	1	1	1
	Clerk of Works officer	3	0	-	1	1	1
	Revenue clerks	2	0	-	-	1	1
	Senior Support Staff /Senior Sanitary Cleaner	55	0	5	5	5	5
	Records Management Assistant II	2	0	-	1	-	1
	Senior Assistant/Fire Officers	8	0	-	-	2	2
	ICT OFFICER III	2	0	-	1	1	1
	Security Warden III	10	0	-	-	-	5
	Housing Officer	5	0	-	-	-	1
Total Funded Positions				9	15	16	19

Appendix III: Proposed Projects FY2026/2027

Project Code (IFMIS)	Project Description	Sub County	Ward	Est cost of Project or Contract Value (a)	Timeline		Allocation for 2026/27 Budget	
					Start Date	Expected Completion Date	Equitable	Conditional Grant
	Planning and Infrastructure							
	Construction/Sewer line Extension	Naivasha	Lake view	100	2026/2027	2026/2027		100,000,000
	Construction of parking lots	Naivasha	Lakeview	20M	2026/2027	2026/2027	20,000,000	
	Improvement of roads to bitumen standards	Naivasha		100M	2026/2027	2026/2027		100,000,000
	Improvement of drainages	Naivasha		22.5M	2026/2027	2026/2027		22,500,000
	Modern Market Improvement Structural Improvement, Water systems, Non Return Valve - Sewer	Naivasha	Viwandani	50M	2026/2027	2026/2027		50,000,000
	Rehabilitation of parks and green spaces	Naivasha		20M	2026/2027	2026/2027		20,000,000
	Social Services							
	Construction of social halls	Naivasha		10M	2026/2027	2026/2027	10,000,000	
	Holding of Annual Municipality Cycling & Marathons	Naivasha		5M	2026/2027	2026/2027	5,000,000	
	Holding of Municipality water sport event	Naivasha		5M	2026/2027	2026/2027	5,000,000	
	Holding of Urban forums	Naivasha		0.5M	2026/2027	2026/2027	500,000	
	Trade, tourism and Investment							
	Construction of markets	Naivasha		100M	2026/2027	2026/2027		100,000,000
	TOTAL			533M			533,000,000	