



**PERFORMANCE AUDIT REPORT ON THE IMPLEMENTATION OF THE KENYA
URBAN SUPPORT PROGRAM PHASE I**

BY

THE STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT



December 2025



VISION

Making a difference in the lives and livelihoods of the Kenyan people



MISSION

Audit services that impact on effective and sustainable service delivery



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FOREWORD

I am pleased to present this Performance Audit Report on Implementation of the Kenya Urban Support Program Phase I. My Office carried out the audit under the mandate conferred to me by Article 229 (6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, 2015 requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

Performance, financial and compliance audits form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of the audit work done by my Office. The framework is intended to provide a high level of assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for, but that the use of the resources results in positive impact on the lives and livelihoods of the Kenyan people. The main goal of our performance audits is to ensure effective use of public resources and promote service delivery to Kenyans.

The report is submitted to Parliament in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, 2015. In addition, I have submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury, Principal Secretary, State Department for Housing and Urban Development, and Chairperson, Council of Governors.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

31 December, 2025

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LIST OF ACRONYMS

Abbreviation	Meaning
APA	Annual Performance Assessment
CPCT	County Program Coordination Team
KUSP	Kenya Urban Support Program
NPCT	National Program Coordination Team
PAD	Program Appraisal Document
UDG	Urban Development Grant
UIG	Urban Institutional Grants
UACA	Urban Areas and Cities Act

DEFINITION OF TERMS

Term	Definition
Board	Board of a city or municipality constituted in accordance with Urban and Cities Act, 2019.
Citizen Fora	Forum for citizens organized for purposes of participating in the affairs of an urban area or a city under Urban and Cities Act, 2019.
Municipality	An urban area conferred to Municipal status under Urban and Cities Act, 2019 and among other requirements have at least two hundred and fifty thousand residents, has an Integrated Development Plan, and demonstrates potential for revenue collection.
Town	An urban area conferred to City status under Urban and Cities Act, 2019 and among other requirements have at least ten thousand residents, has an Integrated Development Plan, and has demonstratable economic, functional and financial viability.
Urban Area	A municipality or a town

EXECUTIVE SUMMARY

Background to the Audit

1. The Kenya Urban Support Program (KUSP) Phase I was a five-year Government initiative supported by the World Bank, aimed at establishing and strengthening urban institutions to manage rapid urbanization and deliver improved infrastructure and services. The Program was implemented by the Ministry of Lands, Public Works, Housing, and Urban Development through the State Department for Housing and Urban Development.
2. The Program had a budget of Kshs.33 billion, comprising a Kshs.31 billion loan from the World Bank and Kshs.2 billion counterpart funding by the Government of Kenya. It targeted forty-five (45) counties and fifty-nine (59) municipalities within these counties. The Program had three (3) windows: Window 1 focused on national institutional support, Window 2, county institutional support, and Window 3, urban development grants for infrastructure.
3. The Program was designed to operationalize the Urban Areas and Cities Act, 2011 (amended in 2019). It provided incentives for county governments to establish municipal boards and adopt effective urban management practices.
4. The audit was motivated by the following factors:
 - i. **Rapid Urbanization:** Kenya's urban population grew from 0.3 million in 1948 to 14.83 million in 2019. This rapid growth outpaced infrastructure development, leading to congestion and informal settlements.
 - ii. **Significant Investment:** The Program involved a substantial investment of Kshs.33 billion. As of December 2023, approximately 97% of the funds had been disbursed, necessitating an audit to assess whether the funds were effectively utilized.
 - iii. **Strategic Alignment:** The Program aligns with the Kenya Vision 2030 and Sustainable Development Goal (SDG) 11, which recognizes well planned and managed urban areas as drivers of economic growth. Assessing the Program is vital to determining progress towards inclusive, safe, and sustainable cities.

Objective and Scope of the Audit

5. The audit assessed the extent to which the State Department for Housing and Urban Development, County Governments, and Municipal Boards ensured that infrastructure

established under KUSP Phase I was sustainable. This included assessing implementation efficiency, adequacy of maintenance, alignment with community priorities, and inclusivity. The audit covered financial years 2017/2018 to 2024/2025.

6. Eight (8) counties were sampled for the audit: Kiambu, Kakamega, Kisumu, Uasin Gishu, Kilifi, Garissa, Nyeri, and Kajiado. Twelve (12) municipalities within these counties were sampled.

Summary of Audit Findings

Projects Completion Rate

7. Overall, the Program successfully financed 388 infrastructure projects and established fifty-nine (59) municipalities. The Program achieved a high project completion rate. Fifty-four (54) of the sixty-nine (69) sampled projects in the twelve (12) municipalities sampled were delivered within the planned timelines. However, fifteen (15) projects experienced delays ranging from eleven (11) days to four (4) years, and two (2) projects remained incomplete at the closure of the Program due to weak project preparation and procurement delays.

Operation and Usage of Projects

8. Majority of the infrastructure projects were operational. Out of the sixty-nine (69) projects assessed, sixty-six (66) were complete, with most being put to the intended use. However, three (3) projects: Nyamasaria Bus Park in Kisumu, Asian Quarters Bus Termini in Nyeri, and Qorahey Market in Garissa, were not-operational. This was attributed to disputes between municipalities and the intended users, regarding the design and location of the projects.

Effective Implementation of the Solid Waste Management Function

9. The audit established that the Program was effective in implementing solid waste management. The Program supported fifteen (15) solid and liquid waste management projects across the municipalities, including the purchase of garbage trucks and bins. This success was driven by the Program's performance standards, which required operational waste collection plans. Consequently, this significantly contributed to improvement of cleanliness of the municipalities.

Delays in Annual Performance Assessments

10. The Annual Performance Assessments, which determined eligibility for funding, experienced significant delays of three (3), six (6), and fourteen (14) months for the three (3) respective cycles. These delays were caused by misalignment between the Program's assessment timeline and the national and county budget cycles, resulting in delayed grant disbursements and disrupted implementation schedules.

Incomplete Delegation and Partial Performance of Municipality Functions

11. Urban institutions were not fully strengthened as envisioned due to incomplete delegation of functions to municipalities by the County Governments. Only two (2) out of the sixteen mandated functions: Municipal Plans and Solid Waste Management showed significant delegation and performance. Critical functions like road maintenance and traffic control remained under county departments. Budgetary allocations were often lumped with County Departments budgets, rather than being ring-fenced for the municipalities. Only six (6) out of the twelve (12) sampled municipalities had a dedicated budget vote. Further, allocations were based on budget ceilings rather than costed requirements for the delegated functions, leading to funding gaps for operations.

Inadequate Staff to Support the Functions of Urban Institutions

12. Municipalities faced core technical staff shortages. For instance, physical planners and municipal engineers were lacking in six (6) of the sampled municipalities. This was attributed to the lack of full delegation of functions, thus preventing the establishment of formal municipal staffing structures.

Gaps in Municipal Capacity to Effectively Carry Out Urban Governance

13. There were significant skills gaps in financial management, procurement, and spatial planning across the municipalities. Training initiatives were insufficient, and high staff turnover, including the frequent replacement of Municipal Managers, eroded institutional memory and capacity.

Absence of National Guidelines for Monitoring, Operation, and Maintenance

14. The State Department did not develop national guidelines for operation and maintenance as required. Consequently, municipalities adopted fragmented maintenance approaches. Physical verification revealed that 83% of the 69 projects sampled required preventive maintenance due to wear and tear, indicating a risk of rapid asset deterioration.

Inconsistent Stakeholder Engagement

15. Stakeholder engagement was inconsistent. While municipalities like Kakamega and Kilifi showed consistent engagement, others like Kisumu and Garissa had limited stakeholder engagement in certain years. Where citizens were objectively engaged, the completed projects were accepted and functional but where citizens felt that their views had not been considered, completed projects were rejected.

Limited Citizen Engagement on Urban Development

16. Citizen engagement forums were fewer than required. For example, Kisumu, Garissa, and Kajiado recorded only one (1) forum in the five (5) years under review against a target of twenty (20). Engagement was often superficial or event-driven, rather than continuously undertaken throughout the process of planning, implementation, and monitoring.

Limited Incorporation of Universal Accessibility Features

17. The Program faced challenges in ensuring universal accessibility. Assessment of twenty-one (21) projects revealed that fourteen (14) projects lacked disability friendly toilets, and several lacked ramps. This undermined the Program's objective of inclusive urbanization.

Conclusion

18. The Kenya Urban Support Program I achieved its intended outputs on the establishment of urban institutions and delivery of urban infrastructure in participating municipalities. The Program supported the establishment of fifty-nine (59) municipalities and financed infrastructure projects, resulting in significant infrastructure

outputs including drainage systems, urban roads, non-motorized transport facilities, markets, public parks, bus parks, fire stations, street lighting, sewer lines, vehicle parking facilities and other community facilities.

19. Despite these achievements, the Program did not fully realize the intended outcomes and benefits from the established infrastructure. While most projects were adequately funded and implemented within planned timelines, there were cases of delays in completion and non-operationalization across municipalities. Misalignment between the annual performance assessment cycles and the government budgeting process disrupted fund disbursement, negatively affecting implementation schedules.
20. Maintenance of infrastructure under the Program was inadequate and unsustainable across most municipalities. Weak and partial delegation of functions limited municipalities' capacity to effectively undertake operations and maintenance responsibilities. This was compounded by ineffective county financing arrangements characterized by insufficient and irregular allocations for operations and maintenance.
21. There were significant staffing gaps in key technical areas and overreliance on county personnel who were not always available. This undermined continuity, quality, and accountability in maintenance activities. Capacity-building interventions under the Program did not adequately address these technical and governance gaps, leaving municipalities without sufficient skills to plan, manage, and oversee infrastructure upkeep.
22. The Ministry of Housing and Urban Development did not develop the national guidelines for the operation and maintenance of urban infrastructure that was meant to standardize operations and maintenance. The completed projects continue to deteriorate due to lack of maintenance and some require serious intervention to make them usable.
23. The Program did not fully align infrastructure development with community priorities. Weak implementation of citizen participation mechanisms limited meaningful public engagement in planning and decision-making processes, thereby undermining transparency, ownership, and responsiveness to community needs. Disputes related to post-completion management, location of facilities, and design adequacy have hindered operationalization of some completed projects, resulting in non-usage and exposing investments to deterioration and potential loss of value.

24. The Program did not fully ensure sustainable and inclusive urban development as some of the projects were inaccessible by persons living with disability while some did not have disability friendly sanitation facilities.

Recommendations

25. Based on the audit findings and conclusions, the following recommendations are proposed, to improve the management of the Kenya urban Support Programs: -
- i. To ensure that implemented projects are fully scoped, designed, funded and completed within planned timelines, the County Project Coordination Teams, Municipal Boards and County Treasury should ensure that projects are effectively planned, professionally managed and adequately funded by ring-fencing counterpart funding. Procurement Units should institutionalize milestone-based project preparation and approvals and enforce time-bound procurement plans.
 - ii. To integrate grant allocations with county budgeting cycle and guarantee timely disbursement of funds to municipalities, the National Programme Coordination Team and the State Department for Housing and Urban Development should adopt an Annual Performance Assessment budget alignment protocol. This protocol should guarantee that assessments conclude on time thereby supporting accurate budgeting and timely project implementation.
 - iii. To ensure completed infrastructure is accepted and used by the intended beneficiaries, Municipal Boards and County Project Coordination Teams should strengthen stakeholder engagement during project design and establish clear post-completion management frameworks. These measures will promote ownership, reduce disputes, and guarantee that all projects become operational immediately after completion, thereby safeguarding investments and maximizing service delivery.
 - iv. To strengthen municipal capacity and guarantee effective and sustainable delivery of urban services, the State Department for Housing and Urban Development, County Executive Committees, and County Assemblies should

ensure full delegation of all the sixteen municipal functions. The delegated functions should then be adequately resourced including staffing.

- v. To ensure municipalities have adequate resources to maintain infrastructure and deliver services, County Treasuries, County Assemblies, and Municipal Boards should establish cost-based municipal budgeting frameworks that reflect the actual requirements of delegated functions. In addition, operations and maintenance allocations should be ring-fenced to protect funds for sustaining infrastructure. These measures will strengthen municipal capacity, reduce deterioration of assets, and guarantee continuity in service delivery.
- vi. To ensure municipalities have the human resources needed to implement and manage urban services, the State Department for Housing and Urban Development, County Public Service Boards, and Municipal Managers should define clear staffing requirements for effective urban development in municipalities. Core technical personnel should be recruited to fill critical positions within urban institutions. These measures will strengthen municipal capacity to handle urban governance, improve service delivery, and ensure sustainable management of urban infrastructure.
- vii. To enhance governance capacity, promote sustainability, and safeguard institutional knowledge for effective urban service deliver, the State Department for Housing and Urban Development together with Municipal Boards should implement structured and continuous capacity development programs that build skills across all levels of municipal management.
- viii. To strengthen accountability, improve service delivery, and enhance the long-term sustainability of investments, the State Department for Housing and Urban Development together with the National Program Coordination Team should develop comprehensive national guidelines for infrastructure monitoring, operation, and maintenance. These guidelines should then be disseminated to all counties and municipalities to provide a uniform framework for managing urban infrastructure.
- ix. To strengthen accountability, promote inclusivity, and ensure that completed projects respond effectively to community needs and priorities, Municipal

Boards and County Project Coordination Teams should institutionalize participatory planning frameworks that actively involve stakeholders throughout the project cycle. Documentation of stakeholder engagement should be maintained and recognized as a core urban institution governance requirement. These measures will also enhance project ownership and sustainability.

- x. To ensure technical, financial, and environmental viability of projects before implementation, the State Department for Housing and Urban Development together with County Project Coordination Teams should mandate that every project undergo feasibility studies and technical appraisals prior to approval and funding. These measures will safeguard resources, strengthen accountability, and guarantee that only viable projects are implemented, thereby enhancing sustainability and service delivery outcomes.
- xi. To promote consistent and enhanced efficiency in waste management and ensure that all urban areas benefit from sustainable and effective waste management systems, the State Department for Housing and Urban Development, the County Governors, and Municipal Boards should document proven best practices in solid waste management and replicate them across all municipalities. These measures will also scale up successful waste management practices and improve service delivery in underperforming areas.
- xii. To ensure accessibility and inclusivity for persons living with disabilities and other vulnerable groups, the State Department for Housing and Urban Development, County Project Coordination Teams, and Municipal Boards should integrate universal accessibility features into municipal infrastructure design standards and guidelines. Compliance with these standards should be strictly enforced to guarantee that all urban infrastructure is inclusive, safe, and usable by every member of the community. These measures will promote equity, strengthen accountability, and enhance the sustainability of urban development.

CHAPTER 1: BACKGROUND TO THE AUDIT

Introduction

- 1.1 The Kenya Urban Support Program (KUSP) Phase I was a five-year Government initiative supported by the World Bank. The Program aimed at establishing and strengthening urban institutions to improve infrastructure and services and to manage rapid urbanization. The Program's initiatives were to be achieved through the provision of capacity building and institutional support to forty-five (45) counties.
- 1.2 The Program had three (3) implementation windows, focusing on different aspects of urban development. Window 1 provided institutional support at the national level while window 2 offered institutional support to counties for the establishment of municipalities. Window 3 targeted to support urban development activities such as: waste management, storm water drainage systems, urban roads, non-motorized transport, street and security lighting; the creation of urban greenery and public spaces and establishment of fire control stations and disaster management equipment.
- 1.3 The Program was implemented by the Ministry of Lands, Public Works, Housing, and Urban Development through the State Department for Housing and Urban Development.

Motivation of the Audit

- 1.4 The Auditor- General approved the audit after considering the following factors:
 - (i) Kenya has experienced significant urban growth over the decades, with the urban population rising from 0.3 million in 1948 to 14.83 million in 2019. This represents an average annual population growth rate of about 4.23 percent. In the same period, the number of designated urban areas increased from 17 to 372¹. The rapid population growth has over-stretched existing infrastructure and services, leading to the growth of informal settlements that is characterized by overcrowding, lack of basic infrastructures such as sewerage, safe drinking water, and decent housing. The United Nations Department of Economic and Social Affairs estimates that by 2050, Kenya's urban population will be at 52.9 %

¹ <https://ijcua.com/ijcua/article/view/164>

of the total Country's population, hence the urbanization challenges will persist unless effectively addressed.

- (ii) The Program was aligned with the Kenya Vision 2030's social pillar which recognizes well planned and managed urban areas as engines of economic growth. KUSP Phase I supported this objective by enhancing urban infrastructure, improving service delivery, and strengthening urban institutions, which were all critical for fostering economic activities and attracting investment in urban areas.
- (iii) The Program budget was Kshs.33 billion with Kshs.31 billion being a loan from the World Bank and Kshs.2 billion being Government of Kenya funds. As at December, 2023, the World Bank had disbursed approximately Kshs.30.2 billion representing 97% of the loan towards the Program.
- (iv) The Program aligned with Sustainable Development Goal 11 by addressing key targets aimed at fostering sustainable and inclusive urban development. Target 11.3 is focused on enhancing participatory urban planning and management, whereas Target 11.6 is on reducing environmental impacts by improving air quality and waste management, and Target 11.7 is on ensuring the creation of safe, inclusive, and accessible public spaces for all by 2030.
- (v) The Program was linked to Africa Agenda 2063, Aspiration 1, which envisions a prosperous Africa based on inclusive growth and sustainable development goals. Specifically, Goal 10, Goal 11, and Goal 7 advocate for; world-class infrastructure, cities and other settlements as hubs, and environmental sustainability and climate-resilient economies, respectively.

1.5 In consideration of the above factors, a performance audit was necessary to establish whether the investments in the Program facilitated establishment and strengthening of urban institutions and urban infrastructures and to verify whether the resources were efficiently utilized to deliver the objectives of the Program.

CHAPTER 2: DESIGN OF THE AUDIT

Audit Objective

- 2.1 The objective of the audit was to assess the extent to which the State Department for Housing and Urban Development, County Governments, and Municipal Boards ensured established infrastructure in the Kenya Urban Support Program Phase I were sustainable. The specific objectives were:
- i. To assess the extent to which financed infrastructure projects were implemented and operationalized.
 - ii. To assess the extent to which established infrastructure were maintained.
 - iii. To assess whether established infrastructure under the Program aligned with community priorities.
 - iv. To assess whether the Program had ensured sustainable and inclusive urban development

Audit Scope

- 2.2 The audit examined the implementation of the Kenya Urban Support Program Phase I by the State Department for Housing and Urban Development, County Governments and Municipal Boards in the Country. The audit focused on implementation of the urban infrastructure projects and assessed if they addressed community priorities, were well maintained and if they were sustainable and inclusive. The audit covered financial years 2017/2018 to 2024/2025. The audit commenced on 1 September, 2024 and was completed on 31 October, 2025.

Audit Methodology

- 2.3 The audit was conducted in accordance with the International Standards of Supreme Audit Institution (ISSAI) 3000, Performance Auditing Standards, issued by International Organization of Supreme Audit Institutions. The Standard require that the audit provides a reasonable basis for the findings, conclusion and recommendations, based on the audit objectives.

Method of Data Collection

- 2.4 The audit evidence was collected through the following methods: -

- (i) **Document reviews:** To obtain sufficient and appropriate audit evidence on the Program implementation framework, the audit team reviewed various documents as listed in **Table 1**.

Table 1: List of Documents Reviewed

	Documents	Purpose of Reviewing
1.	Approved Program Appraisal Document (PAD)	To confirm the Program design, objectives, expected results, funding arrangement and performance indicators.
2.	Program Operational Manual (POM) Vol I and II	To review the operational procedures, implementation guidelines, roles and responsibilities, and compliance requirements that governed the Program execution.
3.	Urban Areas and Cities Act, 2019	To assess the legal and regulatory framework that guiding Urban governance, institutional mandates, and statutory obligations relevant to the Program implementation
4.	Samples of counties Program participation agreements	To review the role of the counties in the Program
5.	Municipal charters	To assess the role of the Board and the Municipal administration in the municipalities.
6.	Samples of County Urban Institutional Development Strategy (CUIDs)	To assess how counties intended to utilize the Urban Institutional Grant
7.	Gazette notices	To identify the functions delegated municipalities.
8.	National Urban Development Policy	To understand the urban policy guidelines for the Country.

Source: OAG compilation of reviewed documents

- (ii) **Interviews:** The audit team conducted interviews with National and County Program Coordination Teams to gain an understanding of the Program and the role of the coordination teams in the Program as well as the status of implementation. The audit team also interviewed Municipal Managers in twelve municipalities to assess the effectiveness of the municipalities in ensuring the Program objectives were met.
- (iii) **Physical verification:** To verify the status of the established infrastructure, the audit team visited sampled project sites listed in [Appendix I](#).

Sampling

- 2.5 The following eight (8) counties were sampled for the audit; Kiambu, Kakamega, Kisumu, Uasin Gishu, Kilifi, Garissa, Nyeri and Kajiado. The basis for the sample was:
- Counties with more than one municipality: Kiambu, Kakamega, Kilifi and Kajiado.

- b) Counties with one municipality but received more than Kshs.3 billion for the Urban Development Grants over the entire 5-year implementation period: Kisumu and Uasin Gishu.
 - c) Counties in North Eastern and Central regions who missed in criteria “a” and “b”: Garissa and Nyeri.
- 2.6 The infrastructure projects visited were sampled randomly from the list of projects implemented in twelve (12) municipalities sampled.

Assessment Criteria

- 2.7 The criteria for the audit were based on four (4) thematic areas;

Thematic Area 1: Efficiency in Funding and Implementation of the Projects

- 2.8 The audit assessed the timelines in funds disbursement to the municipalities and in completion of the projects. The focus was on the disbursement schedule and actual disbursements as advised by the Annual Performance Assessments and completion of projects within the set timelines and within the Program period. The audit also assessed whether the completed projects had been put to use.

Thematic Area 2: Efficiency of Urban Governance Structures

- 2.9 The audit assessed how well the Municipal Boards and Committees managed and maintained established infrastructure. The focus was on the extent to which county governments had delegated requisite functions to municipalities, the adequacy of budgetary allocations for municipal management, and the availability of qualified and sufficient staff to perform delegated functions. The audit also examined whether national guidelines for operations and maintenance had been developed to support sustainability of urban infrastructure.

Thematic Area 3: Effectiveness in Implementation of Urban Infrastructure Projects

- 2.10 The audit examined the effectiveness of project implementation, particularly in relation to stakeholder engagement and alignment with community priorities. The focus was on whether there was meaningful citizen participation in project identification and planning, and whether feasibility studies or needs assessments were conducted to inform infrastructure investments.

Thematic Area 4: Effectiveness of the Kenya Urban Support Program

2.11 The audit assessed the effectiveness of the Program in promoting sustainable and inclusive urban development. The key criteria were derived from relevant Sustainable Development Goal (SDG) targets, focusing on whether the Program enhanced participatory urban development, reduced per capita environmental impact, and improved access to safe, inclusive, and accessible public spaces.

2.12 The summary of the criteria and sources is presented in **Table 2:**

Table 2: Audit Criteria

Audit Sub-Question	Audit Criteria	Source of Criteria
1.1. To what extent were the Program infrastructure projects implemented within planned timeframes and completed by Program closure?	Disbursement linked indicator three was designed to provide urban institutions with incentives to: undertake effective planning, infrastructure delivery and basic service provision. In addition, performance standard ten required all urban development grants projects to be completed within the fiscal year they were funded. Overall, the Program timelines were between 11 January, 2018 to 31 July, 2023. This was later revised during the second restructuring approved in June 2023 extending the closing date from 31 July, 2023, to 31 December, 2023.	Part 35 of the Program Appraisal Document
2.1 Has the county delegated all the requisite functions to the municipalities?	Urban Institutions need to have clearly delegated functions. County governments were required to delegate core urban functions to municipalities and outline them in Urban Charters and corresponding Gazette Notices.	Section 8 of Program appraisal document. Urban Areas and Cities Act (UACA), 2019 and the Urban Areas and Cities Regulations, 2022
3.1 Was there stakeholder/citizen engagement and were the proposals of the citizens considered?	The citizens have, amongst others the right to deliberate on urban service delivery and the proposed urban investment plans and budgets.	Section 22 of the Urban Areas and Cities Act, 2011.
4.1 Has the Program effectively ensured inclusive and sustainable urbanization and participatory urban development?	The Program needed to enhance inclusive and sustainable urbanization and participatory urban development. The municipal boards were to publish annual calendar for citizen Fora that there be quarterly municipal fora's where citizens would be engaged in decision making on urban planning, budgeting and implementation of projects financed through Urban Development Grants (UDG).	Target 11.3 of Sustainable Development Goal Performance Standards (PS) 3 and 5 in the Program Operations Manual

Source: OAG Compilation of Assessment Criteria Used.

CHAPTER 3: DESCRIPTION OF THE AUDIT AREA

- 3.1 The Kenya Urban Support Program Phase I was a government initiative supported by the World Bank and aimed at establishing and strengthening urban institutions. The Program was meant to improve infrastructure and services in the forty-five (45)² counties and fifty-nine (59) municipalities within these counties as listed in **Appendix II**.
- 3.2 The Program was designed to operationalize the Urban Areas and Cities Act, 2011 (amended in 2019), which provides the legal framework for the classification, governance, and management of urban areas in Kenya. The Program supported the implementation of the Act by providing incentives to county governments to establish the urban management structures outlined in the legislation, particularly municipal boards.
- 3.3 The overall objective of the Program was to stimulate county governments to pay attention to urban development, and create the necessary urban institutions to manage urban development, as well as to provide and oversee the provision of municipal services. The Program became effective on 11 January, 2018 and was scheduled to end on 31 July, 2023, but was extended to 31 December, 2023.
- 3.4 Counties' access to the Program funds was through a program for results initiative, where they had to meet a set of minimum conditions and performance standards. Counties that met the minimum conditions were eligible to the Urban Institutional Grants (UIG) and Urban Development Grants (UDG). Those that met the performance standards got additional UDG funding as an incentive. An Annual Performance Assessment (APA) was carried out to evaluate counties' performance against the minimum conditions and the performance standards. It determined Counties' access to the Program funds

² Nairobi and Mombasa are not included in the Program

A. Key Stakeholders in the Implementation of the Kenya Urban Support Program I

I. State Department for Housing and Urban Development

- 3.5 The State Department's role in the Program was broad, focusing on strengthening urban management and financial administration, supporting planning and delivery of infrastructure and essential services, and guiding municipalities through development of charters, training, and procedural frameworks. It also coordinated urban development policy, oversaw sound program management, and provided Urban Institutional and Development Grants. To ensure accountability, the Department set minimum conditions and performance standards for access to the Grant, while helping urban boards and county governments finance infrastructure projects.

II. County Governments

- 3.6 County governments were tasked with setting up urban institutions to strengthen management, build capacity, and provide technical support to municipal boards. Their responsibilities included planning, implementing, and maintaining urban infrastructure and services, managing conditional grant funds responsibly, and ensuring that citizens actively participated in shaping urban development plans.

III. Municipal Boards

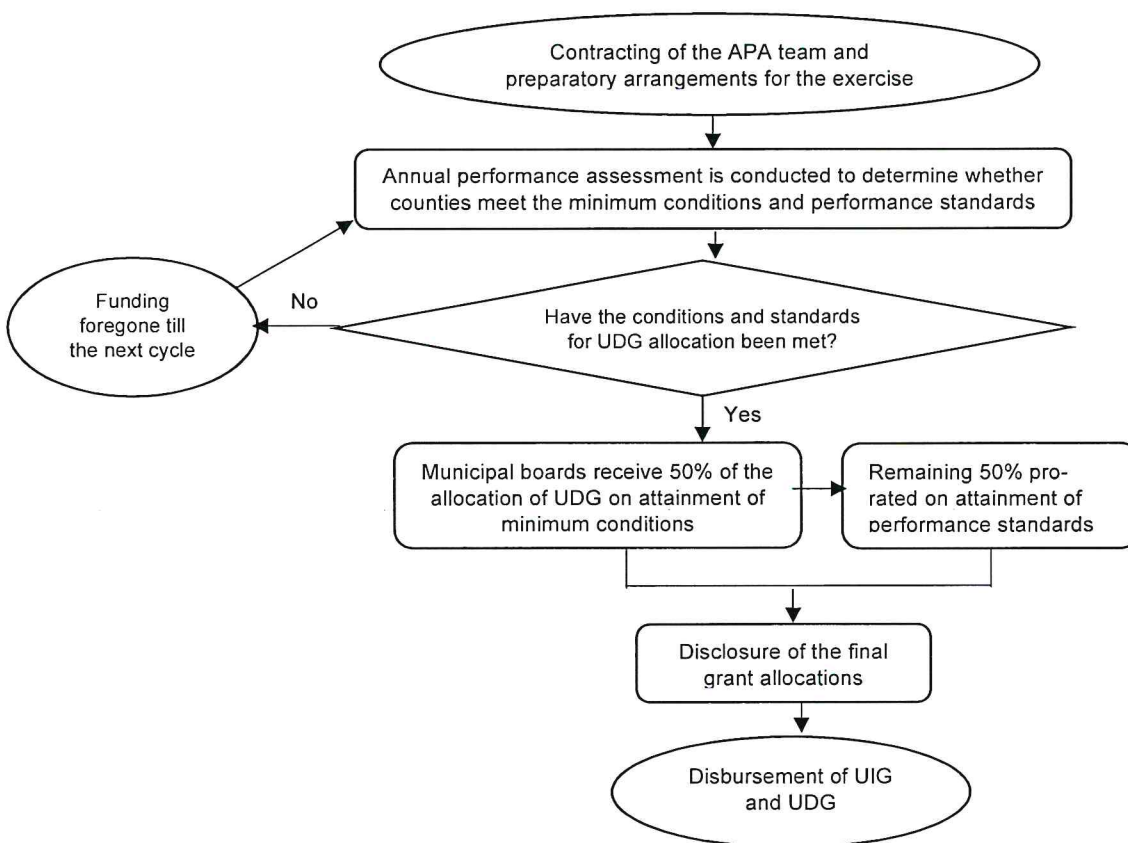
- 3.7 Municipal boards and administrations were charged with investment planning, budgeting, and managing the day-to-day implementation of the Program activities. They ensured compliance with financial management, procurement, and environmental and social safeguards. In particular, municipal boards oversaw the development of urban areas within their jurisdiction, formulated urban policies and by-laws to improve service delivery, and promoted sustainable urban planning, land use, and environmental management. Other stakeholders are detailed in [Appendix III](#).

B. System and Process Description

Process of Annual Performance Assessment and Funds Disbursement

3.8 Figure 1 presents the process of Annual Performance Assessment (APA) and the decision that needed to be made based on municipalities meeting the minimum conditions and performance standards set in the Program.

Figure 1: Annual Performance Assessment Process and the Disbursement of Grants Cycle



Source: OAG Compilation of APA and funds disbursement process

3.9 The Annual Performance Assessment for the minimum conditions, for both UIG and UDG, and the performance standards for UDG was expected to start in August every year and end on 31 March in the subsequent year. The Program had three APA cycles. The APA cycles were to begin with the contracting of the assessment team and preparation for the exercise. The APA team then carried out the assessments in all eligible counties,

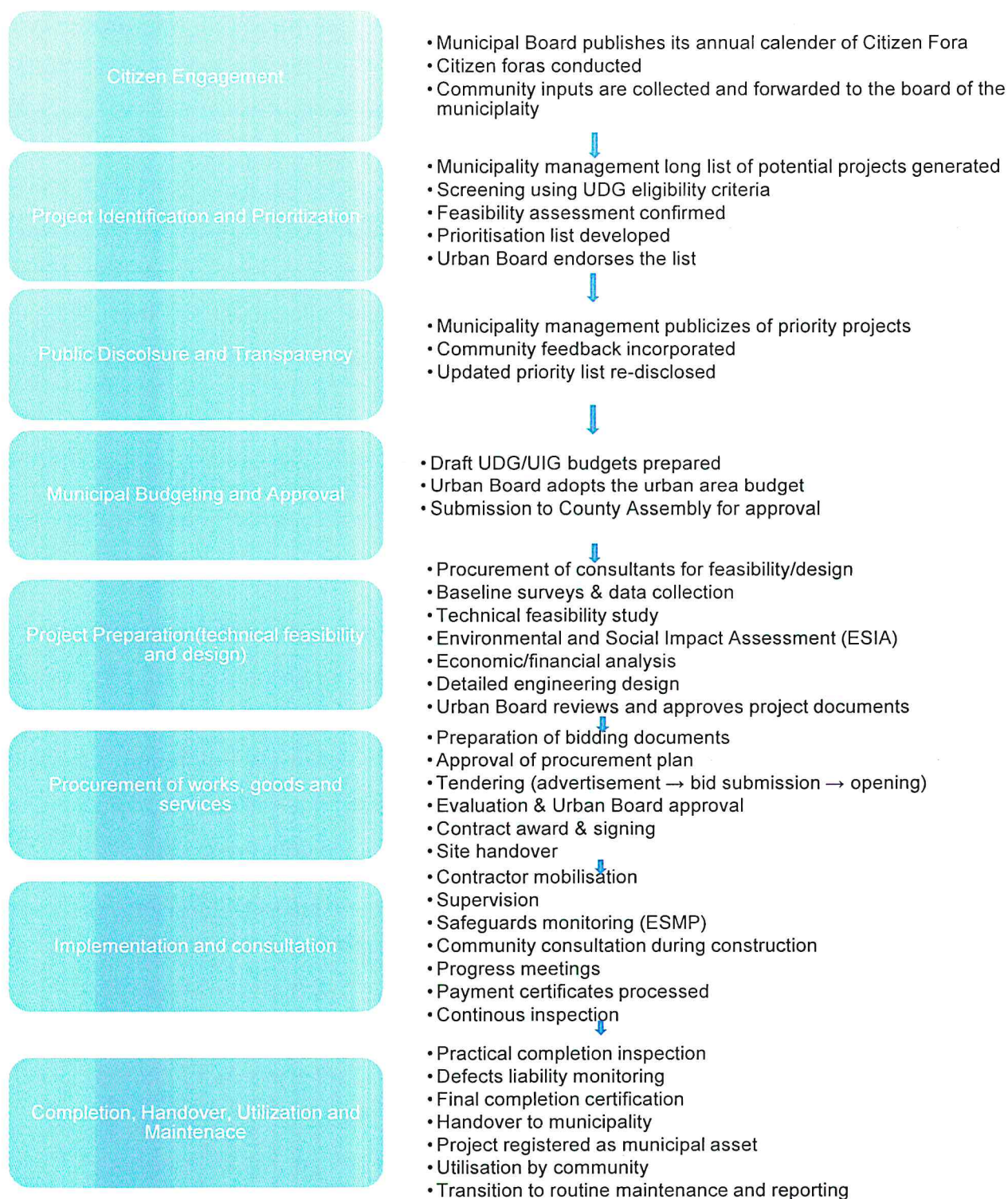
reviewing compliance with Minimum Conditions and Performance Standards and offering initial advisory feedback.

- 3.10 Municipalities that met the minimum conditions were to be allocated 50% of their development grant upfront, with the remaining 50% contingent upon demonstrating improvements in governance and service delivery in the ongoing assessments measured through the performance standards. Municipalities that did not meet the Minimum Conditions and Performance Standards missed the allocation for that cycle. This approach aimed to motivate continuous County performance improvements while addressing infrastructure gaps.
- 3.11 The cycle concludes with public disclosure of the final grant allocations and actual disbursement of funds to municipalities.

Integrated Municipal Infrastructure Delivery Process

- 3.12 The Integrated Municipal Infrastructure Delivery Process illustrates the activities required to plan, prioritize, finance, procure, implement, and operationalize urban infrastructure projects under the Kenya Urban Support Program. This process incorporates citizen engagement, municipal governance structures, sectoral planning, budgeting, procurement, supervision, and post-completion maintenance into one workflow in **Figure 2** illustrates the annual integrated municipal infrastructure delivery cycle.

Figure 2: Annual Integrated Municipal Infrastructure Delivery Cycle

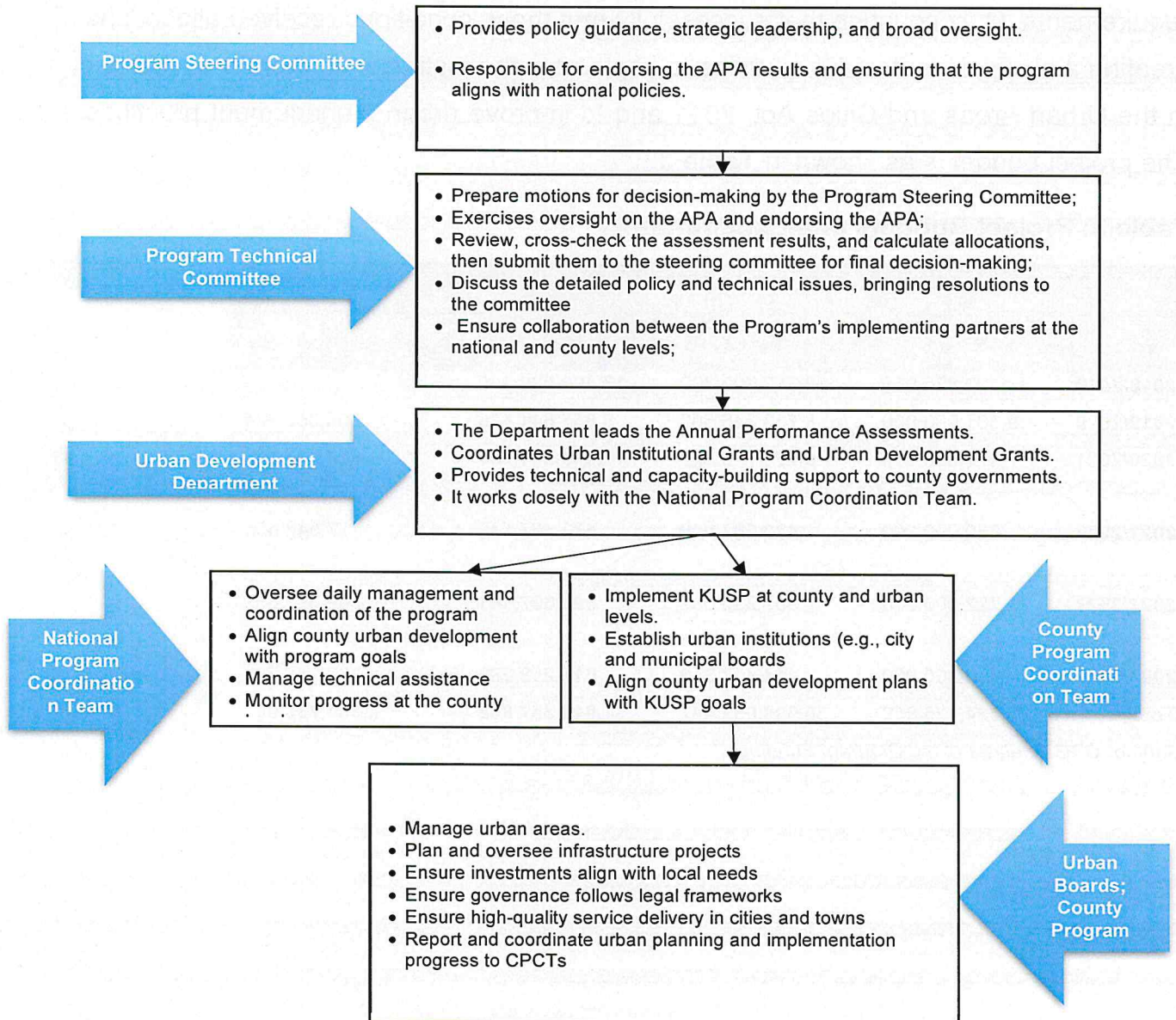


Source: OAG Compilation of municipal infrastructure delivery cycle

Program Management and Implementation Structure

3.13 To realize the Program objective, the Program’s implementation structure was to combine both national level and county level committees as shown in Figure 3.

Figure 3: Program Overall Implementation Structure



Source: Program Operations Manual and Project Appraisal Document

Funding and Project Cost

3.14 Funding to Counties was conditional upon meeting specified Minimum Conditions and Performance Standards. To determine eligibility for funding, Annual Performance Assessments were conducted to evaluate each county's compliance with these requirements. Only counties that successfully met those conditions received allocations, creating a strong incentive for counties to implement the institutional reforms envisioned in the Urban Areas and Cities Act, 2011 and to improve urban management practices. The project budget is as shown in **Table 3**.

Table 3: Project Budgets and Expenditure

Financial Years	Program Budget (Kshs.)	Receipts from World Bank and Government (Kshs.)	Expenditure (Kshs.)	Variance Between Budget and Expenditure (Kshs.)
2018/2019	13,490,825,959	13,318,702,300	13,490,825,959	-
2019/2020	9,361,000,000	8,733,246,502	8,857,644,176	503,355,824
2020/2021	7,470,300,000	6,776,778,322	6,645,594,758	824,705,242
2021/2022	650,000,000	423,607,948	572,457,546	77,542,454
2022/2023	1,722,000,000	939,335,032	829,607,141	892,392,859
2023/2024	900,000,000	414,417,343	616,258,282	283,741,718
Total	33,594,125,959	30,606,087,447	31,012,387,862	2,581,738,097

Source: OAG Analysis of the Program Funding

CHAPTER 4: FINDINGS OF THE AUDIT

- 4.1 The Program's objectives were geared towards establishing urban institutions and developing urban infrastructure. Interviews with the Program coordinators, municipal managers and review of the Program reports revealed that the Program had key impact in the targeted municipalities.
- 4.2 The Program established fifty-nine (59) municipalities and financed 388 infrastructure projects. Cumulatively the achievement of the Program included; construction of 246 km of drainage, 218 km of roads, 216 km of non-motorized facilities, 113 high mast security lights, 30 markets, 22 public parks, 5,000 parking facilities, 12 bus parks, 13 fire stations, 5,217 streetlights, 13 km of sewer line and 3 community facilities. In addition, as at the time of audit, most of the projects had been completed and in use. Despite these successes there were weaknesses that hindered full realization of the intended objectives as discussed below: -
- a) Delays and Completion of Projects After Program Closure**
- 4.3 Disbursement Linked Indicator 3 of the Program Appraisal Document (PAD) was designed to provide urban institutions with incentives to: undertake effective planning, infrastructure delivery and basic service provision. The Program Operational Manual also required all urban development grants projects to be completed within the fiscal year they were funded. Further, the Program was supposed to end on 31 July, 2023 which was extended to 31 December, 2023.
- 4.4 Review of project files established that fifty-two (52) projects representing 73% of the sixty-nine (69) sampled projects in the twelve (12) sampled municipalities were delivered within timelines, while seventeen (17) representing 27% of the projects delayed. The delays ranged from eleven (11) days to four (4) years, with an average delay of one year two months. For example, Construction of Storm Water Drainage from KPLC Yard-West Market Wetland in Eldoret delayed with over 4 years, extending from a planned completion date of 1 December, 2020 to an actual completion date of 2 May, 2025. The extent of delays for the different projects is detailed in **Appendix IV**.

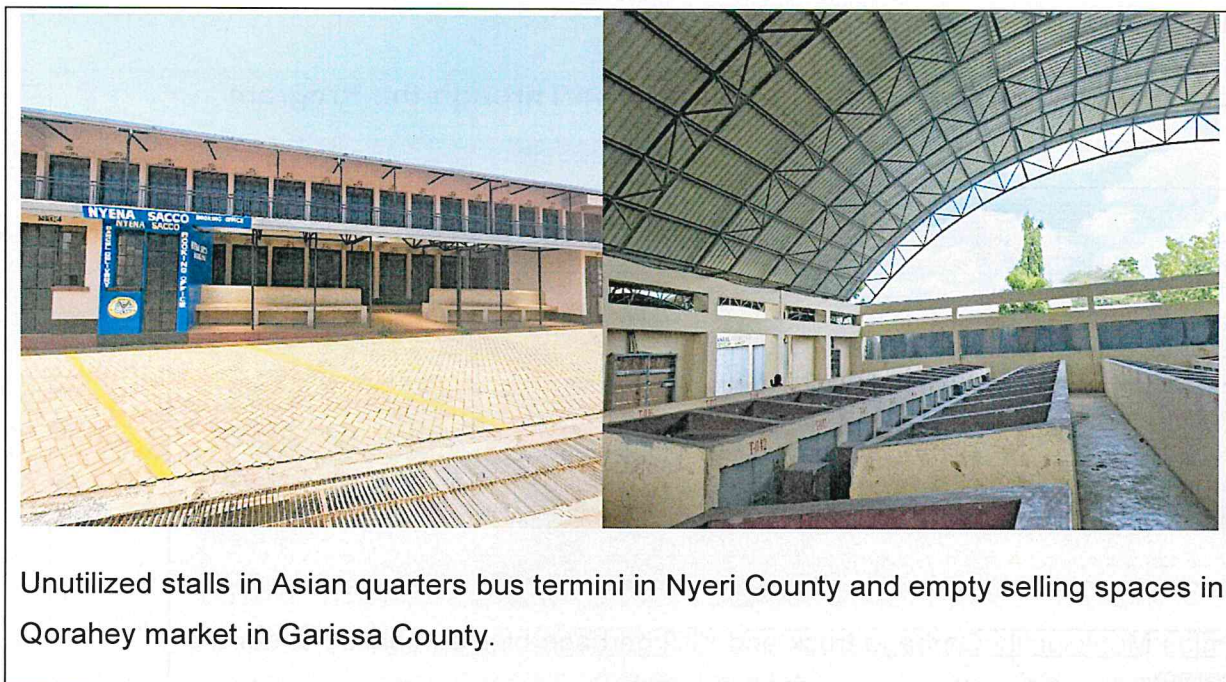
4.5 Delays in completion of projects were attributed to: poor project planning that lacked feasibility studies; incomplete designs; delayed counterpart funding; slow and lengthy procurement processes; and insufficient technical capacity for project management at municipal levels. The delays resulted to increased project costs as was the case of Jomo Kenyatta Sports ground where the contract value varied upwards by Kshs.100 million as a result of additional works. Subsequently, the expected service delivery to intended beneficiaries and members of the public as well as economic and social benefits were delayed.

b) Non-Utilization of Completed Projects

4.6 The Program's development objective was to support the establishment and strengthening of urban governance and management institutions and systems to deliver improved infrastructure and service in municipalities. Counties and municipalities were required to engage a consultant to review the usage of completed Urban Development Grant-funded projects which were expected to be functional and in active use upon completion.

4.7 Review of sixty-nine (69) projects project files and physical verification in sampled twelve (12) municipalities revealed that three (3) projects were completed but not in use. The projects include Nyamasaria bus Park in Kisumu, Asian Quarter Bus Termini in Nyeri and Qorahey Market in Garissa municipalities as shown in Figure 4. Details of completed projects and functionality are summarized in **Appendix V**.

Figure 4: Photos of Completed but non-operational Projects



Source: Field verification photographs taken by the audit team during site inspections conducted in September 2025

- 4.8 Rejection or delayed utilization of these facilities was attributed to disputes between municipalities and intended users arising from misalignment of project design, location, and post-completion management. These disputes highlight insufficient stakeholder engagement hindering realization of the project benefits. There was also risk of economic loss as the projects were exposed to vandalism and deterioration that would require additional costs to reinstate them to usable condition. Further, the Program risks incurring loss of investments totaling Kshs.742,392,264 on the three (3) projects i.e. Nyamasaria Bus Park Kshs.99 million; Nyeri Asian Quarters Termini Kshs.567 million; and Qorahey Market in Garissa at Kshs.74 million.

c) Effective implementation of the Solid Waste Management Function

- 4.9 Sustainable Development Goal (SDG) 11, Target 11.6 envisages that by 2030, cities and human settlements should reduce the adverse per capita environmental impact by paying special attention to municipal and other waste management. Review of the End of Program Evaluation Report of 2023 and physical verification established that solid and liquid waste management infrastructure projects were successfully implemented in all the

fifty-nine (59) municipalities. The projects included purchase of garbage bins and garbage trucks as shown in Figure 5

Figure 5: Garbage Truck and Bins Purchased Through the Program



Source: photographs taken by the audit team during site inspections in September 2025.

4.10 The success in implementation of the projects was attributed to the fact that it was part of the required performance standards for the Annual Performance Assessment. In addition, the counties allocated funds for execution of waste management. As a result, municipalities enhanced their sustainable waste management practices thereby improving service delivery to their residents.

d) Delays in the Annual Performance Assessments

4.11 The Program Operations Manual stipulates that the annual performance assessment was to be completed by end of March every year. The aim was to advice on the Urban Development Grant disbursement flow, align the assessment outcomes with the national budget cycle and ensure timely grant disbursement. Review of the annual performance assessment reports, bi-annual progress reports and restructuring paper revealed that three (3) annual performance assessments were conducted. The audit noted that the assessments experienced delays of up to three (3), six (6) and fourteen (14) months for the first, second and third annual assessments respectively as shown in **Table 4**.

Table 4: Delays in the Annual Performance Assessment

Annual Performance Assessment	Expected Date	Actual Date	Delay in Months
First Assessment	31/03/2018	30/06/2018	3
Second Assessment	31/03/2019	31/12/2019	6
Third Assessment	31/03/2020	28/05/2021	14

Source: Analysis of annual performance assessment's timelines

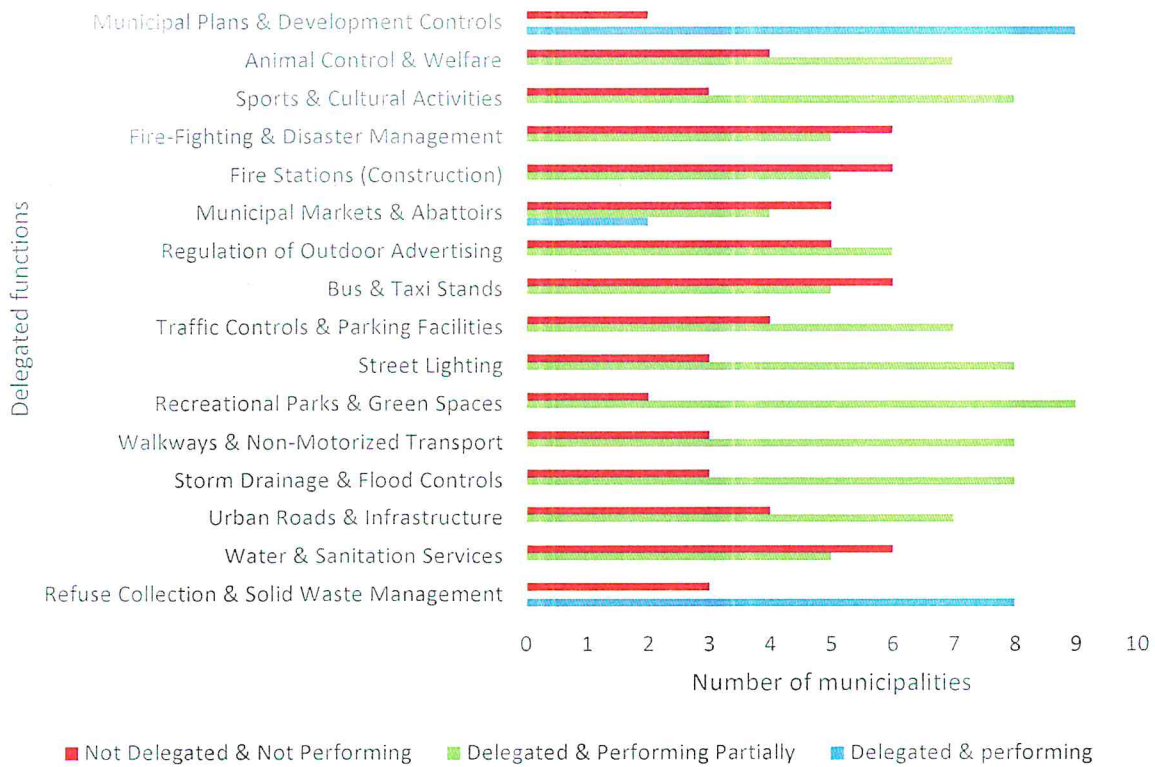
4.12 The delays were caused by misalignment between the Program's assessment-based funding flow and the county budgeting cycle as the county allocations depended on performance scores determined after their budgets had already been prepared. As a result, there were delays in accessing urban institutional and development grants which in turn delayed implementation of the Program activities and realization of the Program's objectives.

e) Incomplete Delegation and Partial Performance of Municipality Functions.

4.13 The Urban Areas and Cities Act (UACA), 2011 (amended 2019) and the Urban Areas and Cities Regulations, 2022, requires county governments to delegate core urban functions to municipalities. In addition, the Program Appraisal Document require delegated functions to be supported by corresponding budgetary allocations to ensure municipalities effectively plan, budget, and manage infrastructure and urban services.

4.14 Review of municipal charters, Gazette notices, and interviews with municipal managers in the 12 sampled municipalities revealed that not all functions were fully delegated to the municipalities. For instance, municipal plans and development control was fully delegated and operational in nine (9) municipalities, while refuse collection and solid waste management function was fully delegated and operational in eight (8) municipalities. Though the urban roads and infrastructure function was partially delegated and operational in seven (7) municipalities, roads maintenance function had not been delegated. The details of the levels of delegation and performance by sampled municipalities are illustrated in **Figure 6** and **Appendix VI**.

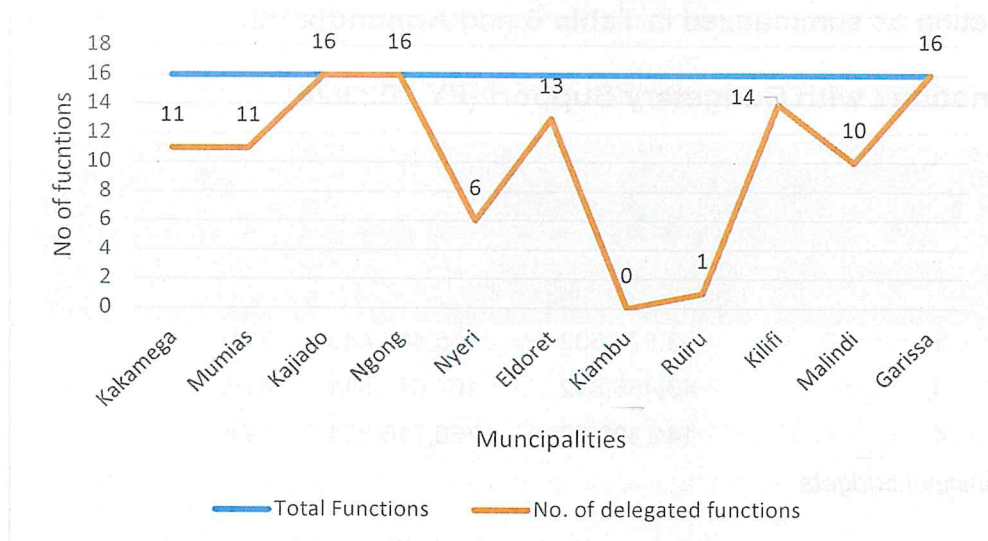
Figure 6: Delegation and Performance Status Across the Urban Functions



Source: OAG analysis of functions delegated and performance

4.15 Analysis of the delegated functions per municipalities further established that Kajjado, Ngong and Garissa municipalities had all the sixteen functions delegated to them though there was partial performance in a few of the functions. Interviews with the Municipal Manager revealed that Kiambu Municipality did not have any function delegated as demonstrated in

Figure 7: Analysis of Delegation of Functions per Municipality



Source: OAG analysis of delegation of functions per municipality

4.16 Analysis of municipal budgets for financial years 2021/2022 to 2023/2024 for the twelve (12) sampled municipalities and interviews with County Project Coordination Teams and municipal managers, established that the allocation of resources from the counties was based on pre-determined budgetary ceilings instead of costed requirements for the delegated functions. In addition, the audit established that only six (6) out of twelve (12) sampled municipalities: Kakamega; Mumias; Kisumu; Garissa; Kajiado; and Ngong had dedicated budget as shown in **Table 5**. The remaining six (6): Eldoret, Kilifi, Malindi, Nyeri, Kiambu, and Ruiru had their budgets lumped up with the County’s Department for Housing and Urban Planning.

Table 5: Financial Allocation to Municipalities

Municipality	Dedicated Budgetary Allocation (Ksh. million)			Total
	2021/2022	2022/2023	2023/2024	
1. Kakamega	136,502,986	140,035,621	155,483,443	432,022,050
2. Mumias	0	105,617,530	107,071,511	212,689,041
3. Kisumu	511,326,844	460,627,886	760,716,334	1,732,671,064
4. Garissa	68,250,000	65,250,000	89,000,000	222,500,000
5. Kajiado	59,184,699	61,121,827	54,338,226	174,644,752
6. Ngong	73,338,000	94,435,397	92,954,083	260,727,480

Source: OAG analysis of Municipal Budgets

4.17 Further, analysis of financial year 2023/2024 budgets for municipalities with dedicated votes such as Kakamega, Mumias, and Kisumu revealed that the allocations did not cater for all the delegated function as summarized in **Table 6** and **Appendix VII**.

Table 6: Delegated Functions with Budgetary Support (FY 2023/24)

Municipality	No of Functions Delegated	Total functions Supported on Maintenance and Operations	Maintenance and Operations	Total Municipality Budgets	Percentage of Support for Maintenance and Operations
Kakamega	11	3	53,874,632	155,483,443	35%
Mumias	11	4	43,456,842	107,071,511	41%
Kisumu	Not Availed	4	141,323,379	760,716,334	19%

Source: OAG analysis of municipal budgets

4.18 Partial performance and non-performance of functions was attributed to non-adherence to the Program requirements and failure by counties to allocate adequate resources to enable municipalities perform the delegated functions. The gaps in allocation were occasioned by lack of established standard budget allocation formula or criteria to guide counties in determining appropriate municipal allocations based on objective parameters such as infrastructure asset value, population served, geographic service area, or the scope of delegated functions.

4.19 Consequently, the municipalities financial and operational independence was limited, undermining their ability to plan, prioritize, or execute part of the delegated functions. Maintenance of established infrastructure was inadequate with their service life reduced due to premature deterioration. As a result, the municipalities failed to deliver key services hence weakening the development of sustainable municipal institutions and negatively affecting the lives of the citizens.

f) Inadequate Technical Staff to Support Functions of Urban Institutions

4.20 Section 12 (1) of the Urban Areas and Cities Act, 2011 and the Program Operations Manual on municipality personnel, states that county governments hold the mandate to manage municipalities through their appointed municipal managers, municipal boards, and personnel employed by the County Public Service Board. Review of staffing records

due to premature deterioration. As a result, the municipalities failed to deliver key services hence weakening the development of sustainable municipal institutions and negatively affecting the lives of the citizens.

f) Inadequate Technical Staff to Support Functions of Urban Institutions

4.23 Section 12 (1) of the Urban Areas and Cities Act, 2011 and the Program Operations Manual on municipality personnel, states that county governments hold the mandate to manage municipalities through their appointed municipal managers, municipal boards, and personnel employed by the County Public Service Board. Review of staffing records from the sampled twelve (12) municipalities revealed gaps between approved staff establishments and actual personnel in post across four critical technical positions: Physical Planners, Municipal Engineers, Environment Officers, and Social Officers. Physical Planners were lacking in six (6) Municipalities that include: Kakamega, Mumias, Eldoret, Kilifi, Malindi and Kajiado. Further, dedicated Municipal Engineers were lacking in Mumias, Eldoret, Kilifi, Malindi, Nyeri and Kajiado.

4.24 Five (5) out of the twelve (12) municipalities comprising of Kilifi, Mumias, Eldoret, Malindi and Nyeri had no Social Officers. Similarly, Environment Officers were lacking in Mumias, Kakamega, Kisumu and Nyeri Municipalities. To bridge the gap in staffing and service delivery county departments had to provide technical support on an ad-hoc basis, but they were mostly not available when needed.

4.25 Lack of core technical staff was attributed to lack of full delegation of functions such as; development control, construction and maintenance of urban infrastructure and solid waste management. Therefore, the staffing needs were not defined hence affecting the establishment of formal municipal staffing structures and recruitment of dedicated personnel for municipal operations. As a result, municipalities lacked ability to maintain infrastructure or actualize the municipal operations and implement municipal spatial plans envisioned. Eventually, service delivery was affected and, in some cases, increasing other risks especially with urban planning.

g) Municipal Capacity Gaps for Effective Urban Governance

4.26 According to Program Operations Manual, the Urban Development Department was to provide training to the counties and urban boards on a variety of topics ranging from urban board formation, to spatial planning and project identification. Section 79 of the PAD under the Program action plan identified environmental and social safeguards, financial management, and procurement as areas that needed skills for effective governance.

4.27 Interviews with County Project Coordination Teams and Municipal Managers from twelve (12) sampled municipalities revealed that apart from Kiambu municipality that reported having been equipped with requisite skills for urban governance, the rest did not have all the requisite skills for urban governance as shown in the **Table 7**. Spatial planning and procurement and contract management gap was identified in nine (9) municipalities.

Table 7: Staff Capacity Development Gaps

Capacity Gap Area	Municipalities Affected	No. of Municipalities with Skill Gaps
1. Environmental and safeguards	Mumias, Kisumu, Eldoret, Malindi, Ruiru, Garissa, Nyeri, and Kajiado	8
2. Urban Governance	Kakamega, Ruiru and Kajiado	3
3. Financial Management	Kakamega, Kisumu, Eldoret, Kilifi, Garissa, Nyeri, Kajiado	7
4. Spatial Planning	Kakamega, Mumias, Eldoret, Kilifi, Malindi, Ruiru, Garissa, Nyeri and Kajiado	9
5. Project design and Implementation	Kisumu, Eldoret, Kilifi, Garissa, Nyeri, Kajiado, Ngong	7
6. Procurement and contract management	Kakamega, Kisumu, Eldoret, Kilifi, Malindi, Garissa, Nyeri, Kajiado, Ngong	9

Source: OAG compilation of CPCT and Municipal Responses

4.28 In addition, only Nyeri and Eldoret submitted capacity building documentation as proof of skills development indicating that municipalities did not maintain proper records, making it difficult to assess the effectiveness of skills development interventions. Capacity development gaps were occasioned by inadequate skills development initiatives. The

duration allocated for training was short and did not reach all departments and board members, limiting effectiveness as reported by municipalities. In addition, the initiatives failed to accommodate institutional changes such as turnover of board members and staff, resulting in gaps among serving personnel.

4.29 In addition, high staff and managerial turnover weakened knowledge transfer, as frequent changes in municipal managers and low staff retention led to significant loss of trained personnel. The absence of structured knowledge management, documentation, and mentorship systems meant that skills gained through the Program were not institutionalized, leading to repeated losses rather than managed transitions.

4.30 As a result, there was ineffective implementation of the Program across the sampled municipalities. For instance, interview with municipal managers in Garissa indicated they struggled with execution of their roles due to inadequate skills in procurement and project implementation while those in Ruiru indicated that weak urban governance negatively affected project management.

h) Lack of National Guidelines for Monitoring and Maintenance of the Municipal Infrastructure

4.31 The Program Appraisal Document required the Ministry of Lands, Housing and Urban Development to develop and make available, national guidelines for the operation and maintenance of urban infrastructure developed under KUSP I. The Program Operations Manual and good practice in infrastructure management emphasize the need for standardized frameworks to ensure consistent maintenance, protect public investments, and sustainable service delivery.

4.32 Interviews with the National Project Coordination Team and municipal managers established that national operations and maintenance guidelines were not developed. Therefore, the municipalities had no structured template for developing operations and maintenance plans, budgeting for maintenance activities, or systematically tracking the condition of assets. In the foregoing, municipalities adopted diverse and fragmented approaches to operations and maintenance. Out of the twelve (12) sampled municipalities three (3) proactively adopted existing national sector-specific manuals, four (4) developed local, informal monitoring systems, while the remaining five (5) reacted to the situation at

hand. None of the municipalities had documented the approach they had adopted. **Table 8** outlines the various frameworks adopted by municipalities for maintenance.

Table 8: Categories of Operation and Maintenance Frameworks

Category	Municipalities	Count	Percentage
Adopted Sector-Specific Manuals (Roads, Electrical)	Kakamega, Eldoret, Garissa	3	25%
Developed Local Ad-Hoc Systems (reports, committees, inspections)	Kisumu, Mumias, Malindi, Ngong	4	33%
Minimal/Reactive Arrangements (situation-based, no formal plans)	Kilifi, Nyeri, Kajiado, Ruiru, Kiambu	5	42%
All with No National Guidelines		12	100%

Source: OAG analysis of Municipal Manager interview minutes

4.33 There was no clear explanation as to why the Ministry had not developed national guidelines for the operation and maintenance of urban infrastructure. As a result, operations and maintenance arrangements were inconsistent, reactive, and in most cases ineffective in keeping the infrastructure functional. Fifty-seven (57) representing 83% of sixty-nine (69) projects sampled presented minor wear and tear and required preventive maintenance without which the assets will continue to deteriorate, leading to higher future costs and reduced service life.

4.34 In addition, seven (7) representing 10% of sixty-nine (69) projects including roads required corrective repairs to restore them to their intended operational standard.

Figure 8: Infrastructure that was in Need of Repairs and Maintenance



Deep pothole at Galbet Township Road in Garissa and Vandalized Nyamasaria Bus Park in Kisumu whose security office has no doors and windows.



Worn out Roof in Barani NMT project in Malindi and Cabros installed in Mumias Bus Park that need maintenance.

Source: Field verification photographs taken by the audit team during site inspections.

4.35 In most severe cases, lack of maintenance has resulted in 7 representing 10% of projects requiring extensive maintenance or major rehabilitation. This includes completely non-

functional markets and vandalized facilities like the Nyamasaria bus park shown in **Figure 9**, where the required intervention was major. This presented a significant loss of public investment and loss of gains that would have been derived had it been in use.

Figure 9: Status of Nyamasaria Bus Park in Kisumu as at September 2025



Source: Field verification photographs taken by the audit team during site inspections of Nyamasaria Bus Park on September 2025 showing vandalized fence and passenger shade.

i) Inconsistent Stakeholder Engagement and Non-consideration of Community Priorities

4.36 Section 22 of the Urban Areas and Cities Act, 2019, describes the right of citizens to deliberate and make proposals with regard to service delivery and the plans and budgets for the county. For the urban areas, this means that citizens have the right to deliberate on urban service delivery and the proposed urban investment plans.

4.37 Review of public participation minutes and interviews from the twelve (12) sampled municipalities revealed that seven (7) municipalities consistently conducted public participation and incorporated citizen inputs into investment plans, resulting in projects

that were acceptable and effectively utilized. Examples of such projects are, the Mumias Bus Park in Kakamega and Oleiptip Market in Kilifi. However, five (5) municipalities were inconsistent in conducting public participation as summarized in **Table 9**.

Table 9: Public Participation Status for Each Municipality

Municipality	2018/2019	2019/2020	2020/2021	Status Summary
1. Kakamega	Yes	Yes	Yes	Consistent
2. Mumias	Yes	Yes	Yes	Consistent
3. Kisumu	No	Yes	No	Inconsistent
4. Eldoret	Yes	Yes	Yes	Consistent
5. Kilifi	Yes	Yes	Yes	Consistent
6. Malindi	Yes	Yes	Yes	Consistent
7. Ruiru	Yes	Yes	No	Inconsistent
8. Kiambu	Yes	Yes	No	Inconsistent
9. Garissa	No	No	No	No Participation
10. Nyeri	Yes	Yes	Yes	Consistent
11. Kajiado	No	No	Yes	Inconsistent
12. Ngong	Yes	Yes	Yes	Consistent

Source: OAG analysis of CPCT and Municipal Manager Analysis Tool

4.38 Further, review of the public participation minutes summarized in **Appendix VIII** and municipal managers' interview revealed that while mechanisms for public participation were established across all participating municipalities, their application and effectiveness varied widely, resulting in misaligned community needs.

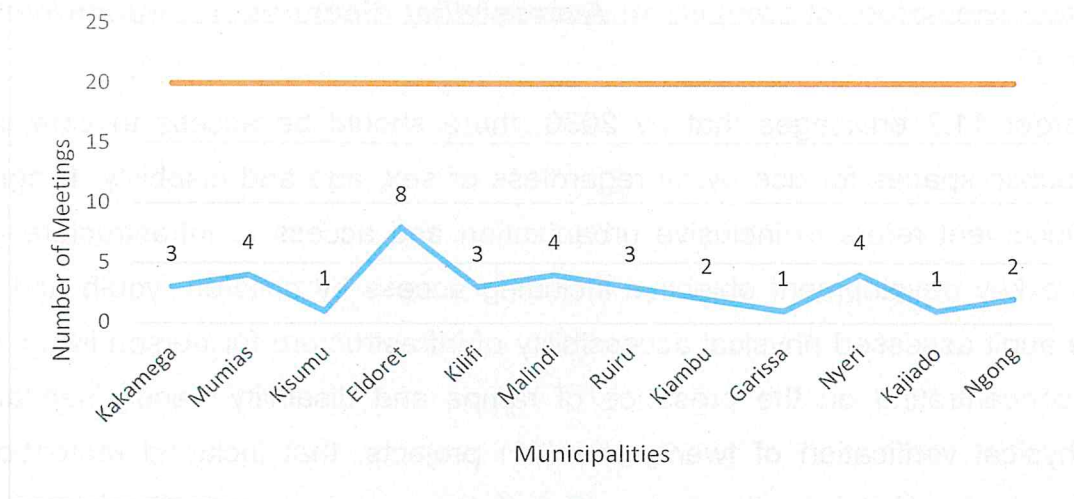
4.39 The audit noted that municipalities that demonstrated a direct link between citizen-identified needs and the implemented projects had most of the projects in operation. However, municipalities that convened meetings to create awareness for already approved projects led to infrastructure that failed to meet community needs and presented high risk of abandoned or underutilized projects. This resulted to waste of public

resources, and eroded trust between citizens and implementing agencies. It also meant that genuine community needs were not met.

j) Limited Citizen Engagement on Urban Development

- 4.40 Sustainable Development Goal (SDG) target 11.3 advocates for enhanced inclusive and sustainable urbanization and participatory urban development. In addition, the Program's performance standards required municipal boards to engage citizens in decision making on urban planning, budgeting and implementation of projects financed through Urban Development Grants (UDG).
- 4.41 Further, according to the Project Operations Manual, conducting a feasibility study was part of the Minimum Conditions for municipalities to qualify for Urban Development Grants. The implementing agencies were required to document feasibility studies and needs assessments to ensure projects are viable and aligned with community needs before implementation.
- 4.42 During the period under review, each municipality should have had a record of twenty (20) public participations. However, review of the participation minutes submitted revealed that events either did not occur regularly or the records were poorly maintained. Analysis of the minutes submitted indicated that Eldoret had the highest record of participation of eight (8) meetings whereas Kisumu, Garissa, and Kajiado recorded only one (1) in the five years under review as shown in **Figure 10**.

Figure 10: Number of Public Participation Required Versus the Actual Done



Source: OAG analysis of quarterly public participation minutes

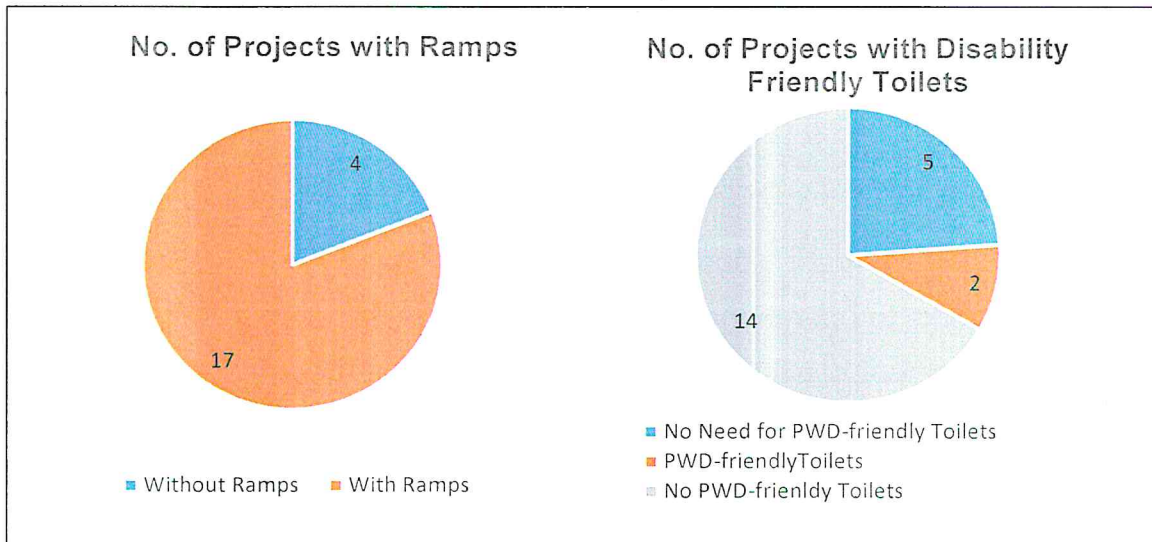
4.43 Further, review of the Value for Money Report of 2023 and End-of-Program Evaluation Report of 2023 prepared by the State Department, revealed that public participation in planning, budgeting and implementation was limited, inconsistent and somewhat superficial. More specifically, End-of-Program Evaluation Report indicated that there were sessions that were conducted in locations inaccessible to residents or attended by pre-selected participants, leaving out vulnerable and less-informed groups. Review of project files in the twelve (12) sampled municipalities revealed that out of sixty-nine (69) major projects implemented, only thirty-six (36) representing 52% had feasibility reports, while thirty-three (33) representing 48% had no evidence of feasibility analysis as shown in **Appendix IX**.

4.44 The municipalities lacked clear public participation policies, calendars, and implementation frameworks to operationalize participation requirements, resulting in ad-hoc, event-driven engagement confined to project initiation rather than being sustained throughout planning, implementation, and monitoring. In addition, National Project Coordination Team and County Governments did not provide adequate oversight over public participation requirements by Municipalities. Further, delays in annual performance appraisal results and disbursement cycles forced municipalities to fast-track project selection and design with minimal time for feasibility studies. This resulted in inefficiencies, lack of ownership, and in some cases public resistance to project use, as evidenced by completed but unutilized facilities.

k) Limited Inclusion of Universal Accessibility Features in Infrastructure Projects

4.45 SDG 11 Target 11.7 envisages that by 2030, there should be access to safe, and accessible public spaces for use by all regardless of sex, age and disability. Program Appraisal Document refers to inclusive urbanization and access to infrastructure and services as a key development objective including access by children, youth and the elderly. The audit assessed physical accessibility of infrastructure for person living with disabilities concentrating on the presence of ramps and disability-friendly sanitation facilities. Physical verification of twenty-one (21) projects, that included recreational parks, bus parks, markets, youth centers, fire stations, and non-motorized transport facilities across the twelve (12) sampled municipalities, indicated that seventeen (17) representing 81% incorporated ramps. However, 14 projects representing 67% had no disability-friendly sanitation facilities as indicated in **Figure 11**.

Figure 11: Status of Accessibility Ramps and Disability Friendly Toilets



Source: OAG Analysis of infrastructure accessibility features

4.46 The absence of these critical accessibility features was caused by failure to incorporate them in the project designs and in the Annual Performance Assessment design templates. This limited the use of infrastructure projects by persons with disabilities and

the elderly which undermined inclusivity in use of public resources and in turn increased stigma and social exclusion.

Management Responses to Audit Findings, Conclusions and Recommendations

4.47 At the conclusion of the audit, an exit meeting was held and subsequently the draft audit report was shared with the State Department for Housing and Urban Development requesting for comments on the audit findings, conclusions and recommendation. The Management's response has been incorporated in the Report and is presented **Appendix X.**

CHAPTER 5: CONCLUSION

- 5.1 The Kenya Urban Support Program I achieved its intended outputs on the establishment of urban institutions and delivery of urban infrastructure in participating municipalities. The Program supported the establishment of 59 municipalities and financed infrastructure projects, resulting in significant infrastructure outputs including drainage systems, urban roads, non-motorized transport facilities, markets, public parks, bus parks, fire stations, street lighting, sewer lines, vehicle parking facilities and other community facilities.
- 5.2 Despite these achievements, the Program did not fully realize the intended outcomes and benefits from the established infrastructure. While most projects were adequately funded and implemented within planned timelines, there were cases of delays in completion and non-operationalization across municipalities. Misalignment between the annual performance assessment cycles and the government budgeting process disrupted fund disbursement, negatively affecting implementation schedules.
- 5.3 Maintenance of infrastructure under the Program was inadequate and unsustainable across most municipalities. Weak and partial delegation of functions limited municipalities' capacity to effectively undertake operations and maintenance responsibilities. This was compounded by ineffective county financing arrangements characterized by insufficient and irregular allocations for operations and maintenance.
- 5.4 There were significant staffing gaps in key technical areas and overreliance on temporary personnel undermining continuity, quality, and accountability in maintenance activities. Capacity-building interventions under the Program did not adequately address these technical and governance gaps, leaving municipalities without sufficient skills to plan, manage, and oversee infrastructure upkeep.
- 5.5 The Ministry of Housing and Urban Development did not develop the national guidelines for the operation and maintenance of urban infrastructure that was meant to standardize operations and maintenance. The completed projects continue to deteriorate due to lack of maintenance and some require serious intervention to make them usable.

5.6 The Program did not fully align infrastructure development with community priorities. Weak implementation of citizen participation mechanisms limited meaningful public engagement in planning and decision-making processes, thereby undermining transparency, ownership, and responsiveness to community needs. Disputes related to post-completion management, location of facilities, and design adequacy have hindered operationalization of some completed projects, resulting in non-usage and exposing investments to deterioration and potential loss of value.

5.7 The Program did not fully ensure sustainable and inclusive urban development with as some of the projects were inaccessible by persons living with disability, while some did not have disability friendly sanitation facilities.

CHAPTER 6: RECOMMENDATIONS

6.1 Based on the audit findings and conclusions of the audit, the following recommendations are proposed, to improve the management of the Kenya urban Support Program: -

- i. To ensure that implemented projects are fully scoped, designed, funded and completed within planned timelines, the County Project Coordination Teams, Municipal Boards and County Treasury should ensure that projects are effectively planned, professionally managed and adequately funded by ring-fencing counterpart funding. Procurement Units should institutionalize milestone-based project preparation and approvals and enforce time-bound procurement plans.
- ii. To integrate grant allocations with county budgeting cycle and guarantee timely disbursement of funds to municipalities, the National Programme Coordination Team and the State Department for Housing and Urban Development should adopt an Annual Performance Assessment (APA) – budget alignment protocol. This protocol should guarantee that assessments conclude on time thereby supporting accurate budgeting and timely project implementation.
- iii. To ensure completed infrastructure is accepted and used by intended beneficiaries, Municipal Boards and County Project Coordination Teams should strengthen stakeholder engagement during project design and establish clear post-completion management frameworks. These measures will promote ownership, reduce disputes, and guarantee that all projects become operational immediately after completion, thereby safeguarding investments and maximizing service delivery.
- iv. To strengthen municipal capacity and guarantee effective and sustainable delivery of urban services, the State Department for Housing and Urban Development, County Executive Committees, and County Assemblies should ensure full delegation of all sixteen municipal functions. The delegated functions should then be adequately resourced including staffing.

- v. To ensure municipalities have adequate resources to maintain infrastructure and deliver services, County Treasuries, County Assemblies, and Municipal Boards should establish cost-based municipal budgeting frameworks that reflect the actual requirements of delegated functions. In addition, operations and maintenance allocations should be ring-fenced to protect funds for sustaining infrastructure. These measures will strengthen municipal capacity, reduce deterioration of assets, and guarantee continuity in service delivery.
- vi. To ensure municipalities have the human resources needed to implement and manage urban services, the State Department for Housing and Urban Development, County Public Service Boards, and Municipal Managers should define clear staffing requirements for effective urban development in municipalities. Core technical personnel should be recruited to fill critical positions within urban institutions. These measures will strengthen municipal capacity to handle urban governance, improve service delivery, and ensure sustainable management of urban infrastructure.
- vii. To enhance governance capacity, promote sustainability, and safeguard institutional knowledge for effective urban service deliver, the State Department for Housing and Urban Development together with Municipal Boards should implement structured and continuous capacity development programs that build skills across all levels of municipal management.
- viii. To strengthen accountability, improve service delivery, and enhance the long-term sustainability of investments, the State Department for Housing and Urban Development together with the National Program Coordination Team should develop comprehensive national guidelines for infrastructure monitoring, operation, and maintenance. These guidelines should then be disseminated to all counties and municipalities to provide a uniform framework for managing urban infrastructure.
- ix. To strengthen accountability, promote inclusivity, and ensure that completed projects respond effectively to community needs and priorities, Municipal Boards

and County Project Coordination Teams should institutionalize participatory planning frameworks that actively involve stakeholders throughout the project cycle. Documentation of stakeholder engagement should be maintained and recognized as a core urban institution governance requirement. These measures will also enhance project ownership and sustainability.

- x. To ensure technical, financial, and environmental viability of projects before implementation, the State Department for Housing and Urban Development together with County Project Coordination Teams should mandate that every project undergo feasibility studies and technical appraisals prior to approval and funding. These measures will safeguard resources, strengthen accountability, and guarantee that only viable projects are implemented, thereby enhancing sustainability and service delivery outcomes.
- xi. To promote consistent and enhanced efficiency in waste management and ensure that all urban areas benefit from sustainable and effective waste management systems, the State Department for Housing and Urban Development, the County Governors, and Municipal Boards should document proven best practices in solid waste management and replicate them across all municipalities. These measures will also scale up successful waste management practices and improve service delivery in underperforming areas.
- xii. To ensure accessibility and inclusivity for persons living with disabilities and other vulnerable groups, the State Department for Housing and Urban Development, County Project Coordination Teams, and Municipal Boards should integrate universal accessibility features into municipal infrastructure design standards and guidelines. Compliance with these standards should be strictly enforced to guarantee that all urban infrastructure is inclusive, safe, and usable by every member of the community. These measures will promote equity, strengthen accountability, and enhance the sustainability of urban development.

APPENDICES

Appendix I: List of Projects Verified

	County	Municipality	Type of project	Project Name (As per contract agreement)	Contract Amount	Status as per the record
1	Kakamega	Kakamega	Park/Landscaping, Road, NMT, Parking	Masinde Muliro Park, Sudi lane, NMT and Taxi parking	61,551,380	Complete
2	Kakamega	Kakamega	Road and drainage with walkway on top	Ambwere Junction Bukhungu Keere Road and associated works in Kakamega Municipality	53,693,834	Complete
3	Kakamega	Kakamega	Road	Proposed upgrading to bitumen standards of apple gate school-milimani resort hotel-state lodge junction road(0.73km) kamadep-catholic church road(0.6km)	54,207,090	Complete
4	Kakamega	Kakamega	Market	Proposed Construction of Sichirai Market and Access Roads	178,111,050	Ongoing
5	Kakamega	Kakamega	Road	Proposed landscaping of coast bus-nala lane-friends hotel road(0.6km) Amalemba primary-MOW-Mwaunds Assembly (0.8)	62,939,650	Complete
6	Kakamega	Mumias	Walkways, Drainage and Landscaping	Proposed Construction of walkways and Landscaping of Total -Level IV Hospital Road	51,038,454	Complete
7	Kakamega	Mumias	Roads, footpaths and drainage	Proposed upgrading to bitumen standards of triangle road (1.7km)	51,804,438	Complete
8	Kakamega	Mumias	Bus-park and access roads	Construction of Mumias bus park and access roads	185,663,366	Complete
9	Kakamega	Mumias	Road	Upgrading to bitumen standards of Mjini road to bitumen standards, proposed construction of non-motorized transport and landscaping for St. Mary's Bomani Grounds, Total-Lukoye junction (Mumias lot 3)	67,440,797	Complete
10	Kakamega	Mumias	Road	Upgrading to Bitumen Standards of St. Peter's - Nyapora road (1.7km)	62,567,972	Complete
11	Kakamega	Mumias	Refuse Truck	Supply, delivery and commissioning of Refuse Truck	18,100,000	Complete
12	Kisumu	Kisumu City	Market	Improvement works at Kibuye Market phase I	315,850,346	Complete
13	Kisumu	Kisumu City	Stadium	Improvement of Jomo Kenyatta Sports Ground	111,328,291	Complete
14	Kisumu	Kisumu City	Parks/Landscaping	Improvement of Jamhuri Gardens, Market Park (Oile), Botanical Garden and Streetscaping along Kisumu Urban Roads	111,756,242	Complete

15	Kisumu	Kisumu City	Youth innovation centre	Construction of Rotary youth innovation centre	295,149,840	Complete
16	Kisumu	Kisumu City	Bus Park	Construction of Nyamasaria Satellite Bus Park within City of Kisumu	99,883,902	Complete
17	Kisumu	Kisumu City	Non-Motorized Transport (Phase 1)	Construction of Non -Motorized transport facility (NMT phase 1)	240,460,880	Complete
18	Kisumu	Kisumu City	Non-Motorized Transport (Phase 2)	Construction of Non -Motorized transport facility (NMT phase 2)	659,065,834	Complete
19	Kisumu	Kisumu City	Community Center	Construction of Kaloleni Community Centre and Fencing Dunga Waterfront	151,468,960	Ongoing
20	Kisumu	Kisumu City	Fire Station	Construction of central fire station and fire management systems (Phase 1)	255,022,996	Complete
21	Uasin Gishu	Eldoret City	Roads	Proposed Tarmacking of Arap Kitongo Road in Kiplombe	88,310,699	Complete
22	Uasin Gishu	Eldoret City	Roads	Improvement of Roads Infrastructure at C39 (Ndalat Stage)-Oldonyo Lessos Bridge/CMC-Panvilla-Pioneer Health Centre-Langas (Rexona)	160,200,000	Complete
23	Uasin Gishu	Eldoret City	Road and Beautification	Non-Motorized Transportation, Beautification of Eldoret Arboretum	90,789,894	Complete
24	Uasin Gishu	Eldoret City	Roads	Paving of Eldoret CBD service lanes; paradise-Nandi Road, standard bank-korosiot, Barclays bank-Nandi arcade, main stage Elijah Cheruiyot and frontages of Nandi Park and Korosiot	68,574,937	Complete
25	Uasin Gishu	Eldoret City	Street Lighting	Proposed Paving of Miyako-Maxxis Tagore, Ndupawa Fish Point	83,032,800	Complete
26	Uasin Gishu	Eldoret City	Roads	Improvement of Road Infrastructure at Posta-Toyota Area-Railways-Wagon Wheel-Lands-Iten Road-Dola-Moi Girls Road	120,909,816	Complete
27	Uasin Gishu	Eldoret City	Storm Water Drainage	Construction of Storm Water Drainage from KPLC Yard-West Market Wetland through Arap Kitongo and Farmers Street, Eldoret; Beautification (Greening), ACK- MTRH, 64 Street-A104 and CBD; Construction of High Masts at Kipkaren, Asis and Ngomongo; Frontage Improvement from Iten Road (C51) to Muliro Street along A104 plus Drainage Works	79,080,680	Complete
28	Uasin Gishu	Eldoret City	Storm Water Drainage	Construction of stormwater drainage and 2 high masts at Kipkaren and Kapsaos	63,524,706	Complete
29	Uasin Gishu	Eldoret City	Roads	Non-Motorized Transportation Infrastructure: Chepkoilel-Sogomo, Zion Mall-Rupa Mall-RVTTI-AIC kaplimo, SOSIANI-Oil Libya, Public Works-PCEA, A104 (ACK-Cathedral)	161,000,000	Complete
30	Uasin Gishu	Eldoret City	Roads	Construction of Racecourse Primary School- Oletebes- Pastoral Center Marriot Junction Road	130,712,766	Complete
31	Uasin Gishu	Eldoret City	Stadium	Upgrading of 64 Stadium in Municipal of Eldoret	1,163,563,925	Ongoing

32	Kilifi	Kilifi	Fire Station	Proposed Fire Station and Rescue Centre for Kilifi County Government	120,911,300	Complete
33	Kilifi	Kilifi	Market	Proposed Refurbishment of Oloitiptip Market and Service Road at Sokoni ward in Kilifi Municipality, Kilifi County	95,362,190	Complete
34	Kilifi	Kilifi	Roads	Proposed upgrading to bitumen standard of junction A7 power station to sea horse road	24,998,959	Complete
35	Kilifi	Malindi	Park/Landscaping	Design build for the urban renewal of Malindi waterfront public park and tourism infrastructure	89,190,105	Complete
36	Kilifi	Malindi	NMT	Design build of commercial Non-Motorized Transport, street upgrading at Barani including site clearance and excavations, Precast concrete Paving works, Solar Street lighting, Prefabricated stalls, Waste collection bins, Washrooms, Guardhouse and Entrance Arch in Malindi Municipality	64,639,788	Complete
37	Kilifi	Malindi	Storm Water Drainage	Design build of drainage Works at Barani in Malindi Municipality	64,579,873	Complete
38	Kilifi	Malindi	Roads	Upgrading of Majengo Central Road to Cabros Standards	91,953,154	Complete
39	Kilifi	Malindi	Storm Water Drainage	Construction of outfall drainage within Malindi Municipality	85,965,222	Complete
40	Kilifi	Malindi	Roads	upgrading to Bitumen Standards of Barclays/Mtangani Road section between A7 to Paradise Hotel.	72,000,000	Complete
41	Kiambu	Ruiru	Road, Drainage	Upgrading of Wataalam Bypass Road and Bus Park Access Roads to Bituminous standards including improvement of Storm Water Drainage	106,272,581	Complete
42	Kiambu	Kiambu	Road	Proposed Upgrading of Kiambu Bypass to Bituminous Standard and Kiambu Bus Park (phase I)	103,666,118	Complete
43	Kiambu	Ruiru	Road, Street lighting	Upgrading and Street Lighting of Discovery Building Road, Mwhoko Streets to Chiefs Camp to Bituminous Standards	88,552,278	Complete
44	Kiambu	Kiambu	Road	Proposed Upgrading of Githunguri - Gatitu - Githiga Access to Bituminous Standards	52,486,130	Complete
45	Kiambu	Ruiru	Parking, NMT, drainage	Upgrading of Ruiru Town Parking Lots and NMT to Paving Blocks Standards and Improve Drainage in Ruiru Municipality	50,544,174	Complete
46	Kiambu	Kiambu	Industry, Road	Proposed Establishment and Construction of Light Industrial Garage and Posta Indian Bazaar Road (phase 3) in Kiambu Municipality	44,324,786	Complete
47	Kiambu	Ruiru	Street Lighting and High Mast	Proposed Upgrading Supply, Installation, Testing and Commissioning of Solar Street Lighting and High Mast Lighting at Ruiru Municipality	43,957,000	Complete
48	Garissa	Garissa Township	Roads	Upgrading To Bitumen Standards of Galbet Township Road	81,825,853	Complete
49	Garissa	Garissa Township	Roads	Upgrading To Bitumen Standards of Waberi-Iftin access Road	82,424,588	Complete

50	Garissa	Garissa Township	Roads	Upgrading of Sankuri Junction-KMTC-Qorahey Junction Road to Bitumen Standards	54,031,698	Complete
51	Garissa	Garissa Township	Market	Proposed Construction of Qorahey Market	83,959,580	Complete
52	Garissa	Garissa Township	Storm Water Drainage	Proposed storm water drainage and pedestrian walkway	91,458,776	Complete
53	Garissa	Garissa Township	Roads	Upgrading to Bitumen standards of Roundabout-Qorahey Road	51,952,608	Complete
54	Nyeri	Nyeri	Bus Park	Construction of Asian Quarters Transport Termini Civil Works Cluster 2 and Approach Roads	142,203,313	Complete
55	Nyeri	Nyeri	Supply	Supply, Delivery, Installation, Testing, and Commissioning of Sanitary Fitting, Plumbing, Drainage, Fire protection services - phase 1	28,700,000	Complete
56	Nyeri	Nyeri	Road	Proposed Rehabilitation of Addis Ababa and Kartar Singh Roads- Nyeri Town	54,309,367	Complete
57	Nyeri	Nyeri	Road	Proposed Asians Quarter's transport Termini Civil Works Cluster I Road	96,070,098	Complete
58	Nyeri	Nyeri	Electrical Installation	Proposed electrical installation and street lighting - phase 1	35,998,592	Complete
59	Nyeri	Nyeri	Bu	Proposed Erection to Completion of Asian Quarters Transport Termini-Main Works	249,979,948	Complete
60	Kajiado	Kajiado	Landscaping	Proposed Construction of Kajiado CBD Public Square and Cultural High Street in Kajiado Municipality	46,512,363	Complete
61	Kajiado	Kajiado	Market	Proposed Construction of Kajiado Market and Other Works at Kajiado Town	56,214,412	Complete
62	Kajiado	Kajiado	Road	Proposed Tarmacking of Total-Catholic Church-KCB JNC-Nyambene backyard road	49,329,338	Complete
63	Kajiado	Ngong	Road	Proposed Tarmacking of Kiserian Market Roads in Ngong Municipality	62,327,589	Complete
64	Kajiado	Ngong	Road	Construction of Juanco Box Culvert, Ngong Public Toilet, Parking and Beautification Park in Ngong	26,610,881	Complete
65	Kajiado	Ngong	Drainage, SWM, sheds, landscaping	Proposed Tarmacking of Juanco-Olepolos Road in Ngong Municipality	57,378,472	Complete
66	Kajiado	Ngong	Road	Tarmacking of Clean shelf Saitoti Hospital Gataka Road	82,817,655	Complete
67	Kajiado	Ngong	Road	Proposed Tarmacking of Kobil-Cathedral-JCN B50 Road	51,067,828	Complete
68	Kajiado	Ngong	Road	Proposed Tarmacking of Kenol Kobilwama Dispensary-Mechanic Parking Lane Roads in Ngong	69,117,701	Complete
69	Kajiado	Ngong	Road	Proposed Tarmacking of JCN B50-Kiserian Primary School-JCN-Magadi Road in Ngong Municipality	53,208,855	Complete

Appendix II: Population Data as at 2019 Population Census

The Population data as per the 2019 Kenya Population and Housing Census Volume VIII, and indicative annual entitlements for the municipalities.

County	Urban Area	Urban Population	Indicative UDG (Kshs)
1. Baringo	1. Kabarnet	25,954	52,360,500
2. Bomet	2. Bomet	83,440	168,334,800
3. Bungoma	3. Kimilili	94,719	191,089,400
	4. Bungoma	54,469	109,887,700
4. Busia	5. Busia	50,099	101,071,500
5. Elgeyo Maraket	6. Iten/Tambach	44,513	89,802,100
6. Embu	7. Embu	59,428	119,892,100
7. Garissa	8. Garissa	115,744	233,506,000
8. Homa Bay	9. Homa Bay	59,165	119,361,500
9. Isiolo	10. Isiolo	46,578	93,968,100
10. Kajiado	11. Ngong	107,042	215,950,300
	12. Kajiado	14,434	50,000,000
11. Kakamega	13. Mumias	102,208	206,198,000
	14. Kakamega	90,670	182,920,800
12. Kericho	15. Kericho	127,042	256,299,000
13. Kiambu	16. Kikuyu	264,714	534,043,300
14. Kiambu	17. Ruiru	240,226	484,640,300
15. Kiambu	18. Thika	151,225	305,086,600
16. Kiambu	19. Karuri	115,731	233,479,800
17. Kiambu	20. Kiambu	83,265	167,981,700
18. Kiambu	21. Limuru	79,686	160,761,300
	22. Malindi	115,882	233,784,400
19. Kilifi	23. Kilifi	47,957	96,750,100
	24. Kerugoya/Kutus	35,343	71,302,200
20. Kirinyaga	25. Kisii	81,318	164,053,800
21. Kisii	26. Kisumu	383,444	773,573,300
22. Kisumu	27. Kitui	115,183	232,374,200
23. Kitui	28. Kwale	21,378	50,000,000
24. Kwale	29. Rumuruti	10,064	50,000,000
25. Laikipia	30. Lamu	18,328	50,000,000
26. Lamu	31. Kangundo-Tala	218,722	441,257,400
27. Machakos	32. Machakos	150,467	303,557,400
28. Machakos	33. Mavoko	135,571	273,505,700
29. Machakos	34. Wote	67,542	136,261,600
30. Makueni			

31. Mandera	35. Mandera	87,150	175,819,500
32. Marsabit	36. Marsabit	14,474	50,000,000
33. Meru	37. Meru	57,940	116,890,200
34. Migori	38. Awendo	108,742	219,379,900
35. Migori	39. Rongo	81,968	165,365,100
36. Migori	40. Migori	66,234	133,622,800
37. Muranga	41. Muranga	30,949	62,437,600
38. Nakuru	42. Nakuru	367,183	740,767,800
	43. Naivasha	170,551	344,075,500
39. Nandi	44. Kapsabet	87,850	177,231,700
40. Narok	45. Narok	37,129	74,905,300
41. Nyamira	46. Nyamira	56,857	114,705,300
42. Nyandarua	47. Ol Kalou	67,186	135,543,400
43. Nyeri	48. Nyeri	117,297	236,639,100
44. Samburu	49. Maralal	15,213	50,000,000
45. Siaya	50. Siaya	23,825	50,000,000
46. Taita Taveta	51. Wundanyi	6,576	50,000,000
47. Tana River	52. Hola	17,124	50,000,000
48. Tharaka Nithi	53. Kathwana (non urban)	0	50,000,000
49. Trans Nzoia	54. Kitale	148,261	299,106,900
50. Turkana	55. Lodwar	47,101	95,023,200
51. Uasin Gishu	56. Eldoret	312,351	630,147,800
52. Vihiga	57. Vihiga	124,391	250,950,700
53. Wajir	58. Wajir	82,106	165,643,500
54. West Pokot	59. Kapenguria	36,379	73,392,300

Appendix III: Other Stakeholders in the Kenya Urban Support Program I

Stakeholder Group	The Role of The Stakeholder in the Implementation of the Program/ Project
National Treasury	<p>To provide financial oversight, coordination, and ensuring the Program's alignment with national fiscal policies. Key responsibilities:</p> <ul style="list-style-type: none"> • Allocates funds from both domestic and external sources. • Ensures timely release of funds to county governments for urban development projects. • Monitors how funds are used by counties to ensure compliance with the Program's objectives. • Tracks financial performance for transparency and accountability. • Collaborates with ministries and partners to enhance county governments' financial management capabilities. • Serves as the intermediary between the government and donors e.g World Bank to secure funding and align urban development initiatives with national goals. • Develops policies guiding urban development and financial strategies, ensuring alignment with Kenya Vision 2030 and the Big Four Agenda. • Ensures counties comply with public financial management laws. • Reports financial performance to parliament and stakeholders, ensuring accountability in the Program's execution.
World Bank	<ul style="list-style-type: none"> • To provide financial support and technical assistance. • Offers guidance on the effective implementation of infrastructure projects. • Monitors progress and evaluates outcomes to ensure alignment with international best practices
Commission of Revenue Allocation (CRA)	<ul style="list-style-type: none"> • Ensuring equitable revenue distribution, providing advisory support, monitoring fund utilization, and enhancing the capacity of county governments within the Kenya Urban Support Program. Fostering effective urban development, addressing regional disparities, and promoting accountability and transparency in the management of public resources.
National Assembly	<ul style="list-style-type: none"> • Ensuring that the Kenya Urban Support Program is effectively planned, implemented, and monitored. Ensure that urban development initiatives are aligned with national goals and that they address the needs of citizens. This collaborative approach enhances accountability, transparency, and effective resource utilization in urban development across Kenya.
Office of Auditor General	<ul style="list-style-type: none"> • Safeguarding public funds, detecting misuse, and ensuring that the Program delivers on its urban development objectives.
Office of Controller of Budget (OCoB)	<ul style="list-style-type: none"> • Overseeing budget approval, controlling expenditures, providing financial reporting, building capacity, developing policies, and monitoring performance. Its work ensures that funds allocated for urban development are utilized effectively, transparently, and in alignment with national development goals.

Civil Society and Local Communities	<ul style="list-style-type: none"> • Beneficiaries and watchdogs. • Participate in identifying priority projects. • Monitor and provide feedback on project implementation. • Ensure transparency and accountability in the use of resources.
Intergovernmental Relations Technical Committee (IGRTC)	<ul style="list-style-type: none"> • Coordinating policies, facilitating communication, building capacity, resolving conflicts, monitoring initiatives, providing advisory support, and promoting stakeholder engagement. • Ensure effective implementation of urban development projects and alignment with national priorities.
Ministry of Devolution and Planning	<ul style="list-style-type: none"> • Support counties by building their capacity to manage urban areas, including institutional development for municipalities. • Assist in mobilizing financial and technical resources to implement urban development projects. • Provide overall policy direction for urban development and institutional reforms. • Ensure effective coordination between national and county governments to achieve the goals of the Kenya Urban Support Program Phase I. • Oversee the performance of the Program through monitoring, evaluation, and reporting mechanisms to ensure alignment with national priorities.
Urban development committee of the Council of Governors	<ul style="list-style-type: none"> • Provide strategic direction and oversight for urban development activities under the Program. • Facilitate collaboration between the State Department for Housing and Urban Development (SDHUD) and county governments to promote urban institutional development. • Guide counties on appropriate urban investments, such as roads, drainage systems, and other infrastructure projects. • Review progress reports and monitor implementation of urban projects to ensure compliance with Program goals. • Provide technical and policy advice to counties regarding urban governance, infrastructure development, and service delivery. • Promote training and knowledge-sharing to build capacity at both national and county levels for urban development management.

Appendix IV: Delays in Project Completion

No	Municipality	Project Name	Planned End Date	Actual End Date	Delay (Days)
1	Kakamega	Proposed upgrading to bitumen standards of apple gate school-milimani resort hotel-state lodge junction road(0.73km) kamadep-catholic church road(0.6km)	12/6/2019	5/31/2020	177
2	Kakamega	Proposed Construction of Sichirai Market and Access Roads	5/10/2022	29/12/2023	598
3	Kisumu City	Improvement of Jomo Kenyatta Sports Ground	21/08/2021	8/3/2023	564
4	Kisumu City	Improvement of Jamhuri Gardens, Market Park (Oile), Botanical Garden and Streetscaping along Kisumu Urban Roads	21/08/2021	8/3/2023	564
5	Kisumu City	Construction of Kaloleni Community Centre and Fencing Dunga Waterfront	12/10/2021	22/08/2025	1414
6	Eldoret	Proposed Tarmacking of Arap Kitongo Road in Kiplombe	1/7/2021	21/04/2022	294
7	Eldoret	Upgrading of 64 Stadium in Municipal of Eldoret	9/5/2023	29/08/2025	843
8	Eldoret	Construction of Storm Water Drainage from KPLC Yard-West Market Wetland through Arap Kitongo and Farmers Street, Eldoret; Beautification (Greening), ACK- MTRH, 64 Street- A104 and CBD; Construction of High Masts at Kipkaren, Asis and Ngomongo; Frontage Improvement from Iten Road (C51) to Muliro Street along A104 plus Drainage Works	1/12/2020	2/5/2025	1,526
9	Eldoret	Construction of stormwater drainage and 2 high masts at Kipkaren and Kapsaos	14/4/2022	10/6/2022	57
10	Malindi	Design build for the urban renewal of Malindi waterfront public park and tourism infrastructure	11/14/2019	2/18/2021	462
11	Malindi	Design build of commercial Non- Motorized Transport, street upgrading at Barani including site clearance and excavations, Precast concrete Paving works, Solar Street lighting, Prefabricated stalls, Waste collection bins, Washrooms, Guardhouse and Entrance Arch in Malindi Municipality	11/14/2019	1/2/2021	415
12	Ruiru	Upgrading of Wataalam Bypass Road and Bus park Access Roads to Bituminous standards including improvement of Storm Water Drainage	7/3/2020	7/12/2021	374
13	Kiambu	Proposed Upgrading of Githunguri - Gatitu - Githiga Access to Bituminous Standards	12/4/2021	5/7/2022	154
14	Kiambu	Proposed Establishment and Construction of Light Industrial Garage and Posta Indian Bazaar Road (phase 3) in Kiambu Municipality	22/12/2022	11/12/2024	721
15	Ruiru	Proposed Upgrading Supply, Installation, Testing and Commissioning of Solar Street Lighting and High Mast Lighting at Ruiru Municipality	1/11/2020	1/12/2021	366
16	Nyeri	Proposed Asians Quarter's transport Termini Civil Works Cluster I Road	27/07/2020	30/11/2021	491
17	Ngong	Construction of Juanco Box Culvert, Ngong Public Toilet, Parking and Beautification Park in Ngong	15/07/2022	21/11/2022	129

Appendix V: Projects Status and availability of completion certificates

Municipality	Project Name	Status as per the record	If completed, Completion Certificate	Functionality: Is it in use for the intended purpose?
1. Kakamega	Masinde Muliro Park , Sudi lane, NMT and Taxi parking	Complete	Not Availed	Fully in use
2. Kakamega	Ambwere Junction Bukhungu Keere Road and associated works in Kakamega Municipality	Complete	Not Availed	Fully in use
3. Kakamega	Proposed upgrading to bitumen standards of apple gate school-milimani resort hotel-state lodge junction road(0.73km) kamadep-catholic church road(0.6km)	Complete	Not Availed	Fully in use
4. Kakamega	Proposed Construction of Sichirai Market and Access Roads	Stalled	N/A	N/A
5. Kakamega	Proposed landscaping of coast bus-nala lane-friends hotel road(0.6km) Amalemba primary-MOW-Mwaunds Assembly (0.8)	Complete	Not Availed	Fully in use
6. Mumias	Proposed Construction of walkways and Landscaping of Total -Level IV Hospital Road	Complete	Not Availed	Fully in use
7. Mumias	Proposed upgrading to bitumen standards of triangle road (1.7km)	Complete	Not Availed	Fully in use
8. Mumias	Construction of mumias bus park and access roads	Complete	Not Availed	Fully in use
9. Mumias	Upgrading to bitumen standards of mjini road to bitumen standards, proposed construction of Non-motorized transport and landscaping for St. mary's bomani grounds, total-lukoye junction(mumias lot 3)	Complete	Not Availed	Fully in use
10. Mumias	Upgrading to Bitumen Standards of St. Peter's - Nyapora road (1.7km)	Complete	Availed	Fully in use
11. Mumias	Supply, delivery and commissioning of Refuse Truck	Complete	Availed	Fully in use
12. Kisumu City	Improvement works at Kibuye Market phase I	Complete	Not Availed	Fully in use
13. Kisumu City	Improvement of Jomo Kenyatta Sports Ground	Complete	Availed	Fully in use

14.	Kisumu City	Improvement of Jamhuri Gardens, Market Park (Oile), Botanical Garden and Streetscaping along Kisumu Urban Roads	Complete	Availed	Fully in use
15.	Kisumu City	Construction of Rotary youth innovation centre	Complete	Not Availed	Fully in use
16.	Kisumu City	Construction of Nyamasaria Satellite Bus Park within City of Kisumu	Complete	Not Availed	Not functional
17.	Kisumu City	Construction of Non - Motorized transport facility (NMT phase 1)	Complete	Not Availed	Fully in use
18.	Kisumu City	Construction of Non -Motorized transport facility (NMT phase 2)	Complete	Not Availed	Fully in use
19.	Kisumu City	Construction of Kaloleni Community Centre and Fencing Dunga Waterfront	Stalled	N/A	N/A
20.	Kisumu City	Construction of central fire station and fire management systems (Phase 1)	Complete	Not Availed	Fully in use
21.	Eldoret	Proposed Tarmacking of Arap Kitongo Road in Kiplombe	Complete	Availed	Fully in use
22.	Eldoret	Improvement of Roads Infrastructure at C39 (Ndalat Stage)-Oldonyo Lessos Bridge/CMC-Panvilla-Pioneer Health Centre-Langas (Rexona)	Complete	Availed	Fully in use
23.	Eldoret	Non-Motorized Transportation, Beautification of Eldoret Arboretum	Complete	Not Availed	Fully in use
24.	Eldoret	Paving of Eldoret CBD service lanes; paradise-Nandi road, standard bank-korosiot, barclays bank-Nandi arcade, main stage Elijah Cheruiyot and frontages of Nandi park and Korosiot	Complete	Not Availed	Fully in use
25.	Eldoret	Proposed Paving of Miyako-Maxxis Tagore, Ndupawa Fish Point	Complete	Availed	Fully in use
26.	Eldoret	Improvement of Road Infrastructure at Posta-Toyota Area-Railways-Wagon Wheel-Lands-Iten Road-Dola-Moi Girls Road	Complete	Not Availed	Fully in use
27.	Eldoret	Construction of Storm Water Drainage from KPLC Yard-West Market Wetland through Arap Kitongo and Farmers Street, Eldoret; Beautification (Greening), ACK- MTRH, 64 Street- A104 and CBD; Construction of High Masts at Kipkaren, Asis and Ngomongo; Frontage Improvement from Iten Road (C51)	Complete	Availed	Fully in use

		to Muliro Street along A104 plus Drainage Works			
28.	Eldoret	Construction of stormwater drainage and 2 high masts at Kipkaren and Kapsaos	Complete	Availed	Fully in use
29.	Eldoret	Non-Motorized Transportation Infrastructure: Chepkoilel-Sogomo, Zion Mall-Rupa Mall-RVTTI-AIC kaplimo, SOSIANI-Oil Libya, Public Works-PCEA, A104 (ACK-Cathedral)	Complete	Not Availed	Fully in use
30.	Eldoret	Construction of Racecourse Primary School-Oletebes- Pastoral Center Marriot Junction Road	Complete	Availed	Fully in use
31.	Eldoret	Upgrading of 64 Stadium in Municipal of Eldoret	Ongoing	N/A	N/A
32.	Kilifi	Proposed Fire Station and Rescue Centre for Kilifi County Government	Complete	Availed	Fully in use
33.	Kilifi	Proposed Refurbishment of Oloitiptip Market and Service Road at Sokoni ward in Kilifi Municipality, Kilifi County	Complete	Availed	Fully in use
34.	Kilifi	Proposed upgrading to bitumen standard of junction A7 power station to sea horse road	Complete	Availed	Fully in use
35.	Malindi	Design build for the urban renewal of Malindi waterfront public park and tourism infrastructure	Complete	Availed	Fully in use
36.	Malindi	Design build of commercial Non-Motorized Transport, street upgrading at Barani including site clearance and excavations, Precast concrete Paving works, Solar Street lighting, Prefabricated stalls, Waste collection bins, Washrooms, Guardhouse and Entrance Arch in Malindi Municipality	Complete	Availed	Fully in use
37.	Malindi	Design build of drainage Works at Barani in Malindi Municipality	Complete	Not Availed	Fully in use
38.	Malindi	Upgrading of Majengo Central Road to Cabros Standards	Complete	Not Availed	Fully in use
39.	Malindi	Construction of outfall drainage within Malindi Municipality	Complete	Not Availed	Fully in use
40.	Malindi	upgrading to Bitumen Standards of Barclays/Mtangani Road section between A7 to Paradise Hotel.	Complete	Not Availed	Fully in use
41.	Ruiru	Upgrading of Wataalam Bypass Road and Bus Park Access Roads to Bituminous	Complete	Availed	Fully in use

		standards including improvement of Storm Water Drainage			
42.	Kiambu	Proposed Upgrading of Kiambu Bypass to Bituminous Standard and Kiambu Bus Park(phase I)	Complete	Not Aailed	Fully in use
43.	Ruiru	Upgrading and Street Lighting of Discovery Building Road, Mwihoko Streets to Chiefs Camp to Bituminous Standards	Complete	Not Aailed	Fully in use
44.	Kiambu	Proposed Upgrading of Githunguri - Gatitu - Githiga Access to Bituminous Standards	Complete	Not Aailed	Fully in use
45.	Ruiru	Upgrading of Ruiru Town Parking Lots and NMT to Paving Blocks Standards and Improve Drainage in Ruiru Municipality	Complete	Not Aailed	Fully in use
46.	Kiambu	Proposed Establishment and Construction of Light Industrial Garage and Posta Indian Bazaar Road (phase 3) in kiambu Municipality	Complete	Not Aailed	Fully in use
47.	Ruiru	Proposed Upgrading Supply, Installation, Testing and Commissioning of Solar Street Lighting and High Mast Lighting at Ruiru Municipality	Complete	Not Aailed	Fully in use
48.	Garissa Township	Upgrading To Bitumen Standards of Galbet Township Road	Complete	Aailed	Fully in use
49.	Garissa Township	Upgrading To Bitumen Standards of Waberi-Iftin access Road	Complete	Aailed	Fully in use
50.	Garissa Township	Upgrading of Sankuri Junction-KMTC-Qorahey Junction Road to Bitumen Standards	Complete	Aailed	Fully in use
51.	Garissa Township	Proposed Construction of Qorahey Market	Complete	Aailed	Partially used
52.	Garissa Township	Proposed storm water drainage and pedestrian walkway	Complete	Aailed	Fully in use
53.	Garissa Township	Upgrading to Bitumen standards of Roundabout-Qorahey road	Complete	Aailed	Fully in use
54.	Nyeri	Construction of Asian Quarters Transport Termini Civil Works Cluster 2 and Approach Roads	Complete	Aailed	Partially used
55.	Nyeri	Supply, Delivery, Installation, Testing, and Commissioning of Sanitary Fitting, Plumbing, Drainage, Fire protection services - phase 1	Complete	Aailed	Partially used
56.	Nyeri	Proposed Rehabilitation of Addis Ababa and Kartar Singh Roads- Nyeri Town	Complete	Aailed	Partially used

57.	Nyeri	Proposed Asians Quarter's transport Termini Civil Works Cluster I Road	Complete	Availed	Partially used
58.	Nyeri	Proposed electrical installation and street lighting - phase 1	Complete	Availed	Partially used
59.	Nyeri	Proposed Erection to Completion of Asian Quarters Transport Termini-Main Works	Complete	Availed	Partially used
60.	Kajiado	Proposed Construction of Kajiado CBD Public Square and Cultural High Street in Kajiado Municipality	Complete	Availed	Fully in use
61.	Kajiado	Proposed Construction of Kajiado Market and Other Works at Kajiado Town	Complete	Availed	Fully in use
62.	Kajiado	Proposed Tarmacking of Total-Catholic Church-KCB JNC-Nyambene backyard road	Complete	Availed	Fully in use
63.	Ngong	Proposed Tarmacking of Kiserian Market Roads in Ngong Municipality	Complete	Availed	Fully in use
64.	Ngong	Construction of Juanco Box Culvert, Ngong Public Toilet, Parking and Beautification Park in Ngong	Complete	Availed	Fully in use
65.	Ngong	Proposed Tarmacking of Juanco-Olepolos Road in Ngong Municipality	Complete	Availed	Fully in use

Appendix VI: Delegation and Performance Status Across Urban Functions

Function	Municipalities Delegated and performing	Municipalities Delegated and Performing Partially	Municipalities Not Delegated and Not Performing
1. Refuse Collection and Solid Waste Management	8	0	3
2. Water and Sanitation Services	0	5	6
3. Urban Roads and Infrastructure	0	6	4
4. Storm Drainage and Flood Controls	0	8	3
5. Walkways and Non-Motorized Transport	0	8	3
6. Recreational Parks and Green Spaces	0	9	2
7. Street Lighting	0	8	3
8. Traffic Controls and Parking Facilities	0	7	4
9. Bus and Taxi Stands	0	5	6
10. Regulation of Outdoor Advertising	0	6	5
11. Municipal Markets and Abattoirs	2	4	5
12. Fire Stations (Construction)	0	5	6
13. Fire-Fighting and Disaster Management	0	5	6
14. Sports and Cultural Activities	0	8	3
15. Animal Control and Welfare	0	7	4
16. Municipal Plans and Development Controls	1	6	4

Appendix VII: Funded Delegation Functions

The 16 Municipal Functions	Municipality		
	Kakamega	Mumias	Kisumu
1. Promotion, regulation and provision of refuse collection and solid waste management services;	Not Funded	Not Funded	Delegated functions not provided
2. Promotion and provision of water and sanitation services and infrastructure	Not Funded	Funded	Delegated functions not provided
3. Construction and maintenance of urban roads and associated infrastructure;	Not Funded	Not Funded	Delegated functions not provided
4. Construction and maintenance of storm drainage and flood controls;	Funded	Not Funded	Delegated functions not provided
5. Construction and maintenance of walkways and other non-motorized transport infrastructure;	Not Funded	Not Funded	Delegated functions not provided
6. Construction and maintenance of recreational parks and green spaces;	Not Funded	Not Funded	Delegated functions not provided
7. Construction and maintenance of street lighting;	Not Funded	Not Funded	Delegated functions not provided
8. Construction, maintenance and regulation of traffic controls and parking facilities;	Not Funded	Not Funded	Delegated functions not provided
9. Construction and maintenance of bus stands and taxi stands;	Not Funded	Not Funded	Delegated functions not provided
10. Regulation of outdoor advertising;	Not Funded	Not Funded	Delegated functions not provided
11. Construction, maintenance and regulation of municipal markets and abattoirs;	Funded	Funded	Funded
12. Construction and maintenance of fire stations;	Not Funded	Not Funded	Delegated functions not provided
13. provision of fire-fighting services, emergency preparedness and disaster management;	Not Funded	Not Funded	Delegated functions not provided
14. Promotion, regulation and provision of municipal sports and cultural activities;	Not Funded	Not Funded	Delegated functions not provided
15. Promotion, regulation and provision of animal control and welfare; Development and enforcement of municipal plans and development controls;	Not Funded	Not Funded	Delegated functions not provided
16. Municipal administration services (including construction and maintenance of administrative offices); Promoting and undertaking infrastructural development and services within municipality;	Not Funded	Not Funded	Delegated functions not provided

Appendix VIII: Comparison of Citizen Proposals versus Implemented Projects

Municipality	Publicly Proposed Projects (from Public Participation Summary)	Implemented Projects (from Public Participation Minutes)	Auditors Remarks
1. Kakamega	Fesbeth-National library road, Amalemba-bukhulunya road, shikulu lurambi road, shikhambi-UPC road, eshisiru modern market, rosterman market, khayega slaughter house, murhanda market and Sichirai (market, buspark, and Industrial Park).	Masinde Muliro Park, Sudi lane, NMT and Taxi parking; Ambwere Juction Bukhungu Keere Road; Upgrading of apple gate school-milimani resort hotel-state lodge junction road; Construction of Sichirai Market and Access Roads; Landscaping of coast bus-nala lane-friends hotel road, Amalemba primary-MOW-Mwaunds Assembly.	The significant Sichirai Market project was a direct outcome of public consultation. Several road and landscaping projects also align with the general request for road improvements, though not all specific roads mentioned were undertaken.
2. Mumias	Landscaping of township, Mumias people recreational park, tarmacking of urban roads, construct a retail market, renovate the existing market, construct a new modern bus park, storm water drains, boda boda sheds, street naming, landscaping, urban tree planting, purchase of fire extinguisher, construction NMT and urban waste management.	Construction of walkways and Landscaping; Upgrading to bitumen standards of triangle road; Construction of Mumias bus park and access roads; Upgrading to bitumen standards of mjini road to bitumen standards, proposed construction of Non-motorized transport and landscaping; Upgrading to Bitumen Standards of St. Peter's - Nyapora road; Supply, delivery and commissioning of Refuse Truck.	There is a very strong correlation. Key implemented projects like the bus park, road upgrades, landscaping, NMT, and the purchase of a refuse truck directly match the priorities identified by the public.
3. Kisumu	Proposal to upgrade the existing Prof. Nyongó Botanical Garden alongside construction of the proposed NMT along various roads.	Improvement works at Kibuye Market; Improvement of Jomo Kenyatta Sports Ground; Improvement of Jamhuri Gardens, Market Park (Oile), Botanical Garden and Streetscaping; Construction of Rotary youth innovation centre; Construction of Nyamasaria Satellite Bus Park; Construction of Non-Motorized Transport facility (NMT phase 1 and 2); Construction of Kaloleni	The specific projects mentioned in the public forum—the botanical garden upgrade and NMT construction—were both implemented. Other major urban renewal projects also align with the spirit of urban development discussed.

Municipality	Publicly Proposed Projects (from Public Participation Summary)	Implemented Projects (from Public Participation Minutes)	Auditors Remarks
4. Uasin Gishu	Upgrading of the 64 stadium.	Community Centre; Construction of central fire station. Tarmacking of Arap Kitongo Road; Improvement of Roads Infrastructure at C39; Non-Motorized Transportation, Beautification of Eldoret Arboretum; Paving of Eldoret CBD service lanes; Paving of Miyako-Maxxis Tagore; Improvement of Road Infrastructure at Posta-Toyota Area; Construction of Storm Water Drainage; Construction of stormwater drainage and 2 high masts; Non-Motorized Transportation Infrastructure; Construction of Racecourse Primary School- Oletebes Road; Upgrading of 64 Stadium.	The stadium upgrade, a major project, was a result of public consultation. However, the summary lacks details on whether the numerous other road and drainage projects were also public priorities.
5. Kilifi	Installation of street lights or high mast, construction of garbage collection points, planning for trade centers, rehabilitation of streetlights, market construction, drainage system and public toilet construction, upgrading roads.	Proposed Fire Station and Rescue Centre; Refurbishment of Oloitiptip Market and Service Road; Proposed upgrading to bitumen standard of junction A7 power station to sea horse road.	The market refurbishment and road upgrade align with public requests. However, the fire station, a significant investment, was not mentioned in the provided summary of public priorities.
6. Malindi	The board proposed augmentation of the storm water drainage and Malindi solid waste recycling, which were previously suggested during CIDP public participation.	Design build for the urban renewal of Malindi waterfront public park; Design build of commercial Non-Motorized Transport, street upgrading at Barani; Design build of drainage Works at Barani; Upgrading of Majengo Central Road to Cabros Standards; Construction of outfall drainage within Malindi Municipality; upgrading to Bitumen Standards of Barclays/Mtangani Road.	The key project of stormwater drainage was a direct response to public input. Other projects like street upgrading, NMT, and public park renewal are consistent with urban improvement themes.
7. Garissa	No specific projects listed in the provided summary.	Upgrading To Bitumen Standards of Galbet Township Road; Upgrading to Bitumen Standards of Waberi-Iftin access Road; Upgrading of Sankuri Junction-KMTC-Qorahey	The public participation summary for Garissa lacks specific project proposals, making it impossible to

Municipality	Publicly Proposed Projects (from Public Participation Summary)	Implemented Projects (from Public Participation Minutes)	Auditors Remarks
8. Nyeri	Validation workshop for the proposed plan to decongest Nyeri CBD. 56% of respondents cited congestion as the main problem.	Junction Road; Proposed Construction of Qorahey Market; Proposed storm water drainage and pedestrian walkway; Upgrading to Bitumen standards of Roundabout-Qorahey Road. Construction of Asian Quarters Transport Termini Civil Works and Approach Roads; Rehabilitation of Addis Ababa and Kartar Singh Roads; Erection to Completion of Asian Quarters Transport Termini-Main Works.	determine the level of alignment with the implemented projects. The implemented projects, centered around creating a new transport terminus and rehabilitating key roads, directly address the primary concern of CBD congestion raised by the public.
9. Kajiado	Discussions on the Markiti Market and Kajiado public square and cultural high street. Stakeholders were involved in adoption of market designs and management.	Proposed Construction of Kajiado CBD Public Square and Cultural High Street; Proposed Construction of Kajiado Market and Other Works; Proposed Tarmacking of Total-Catholic Church-KCB JNC-Nyambene backyard road.	The implemented projects are a direct match with the specific items discussed and prioritized during public and stakeholder consultations.
10. Ngong	Public participation was done, but the substantive minutes to show project selection were not provided.	Tarmacking of Kiserian Market Roads; Construction of Juanco Box Culvert, Ngong Public Toilet, Parking and Beautification Park; Tarmacking of Juanco-Olepolos Road; Tarmacking of Clean shelf Saitoti Hospital Gataka Road; Tarmacking of Kobil-Cathedral-JCN B50 Road; Tarmacking of Kenol Kobil-Wama Dispensary-Mechanic Parking Lane Roads; Tarmacking of JCN B50-Kiserian Primary School-JCN-Magadi Road.	Although public participation is noted to have occurred, the lack of specific records on project selection prevents a conclusive analysis of alignment.
11. Kiambu	Proposed storm water, street lighting, piped water, bus park, roads, beautification, waste collection, sewer plant, toilets and juakali park.	Proposed Upgrading of Kiambu Bypass to Bituminous Standard and Kiambu Bus Park (phase I); Proposed Establishment and Construction of Light Industrial Garage and Posta Indian Bazaar Road (phase 3).	The implemented projects, including the bus park and the light industrial garage (aligning with the "juakali park" concept), directly reflect the priorities that emerged from the discussion groups.

Appendix IX: Projects without proof of feasibility studies

Municipality	Type of project	Project Name
Mumias	Walkways, Drainage and Landscaping	Proposed Construction of walkways and Landscaping of Total -Level IV Hospital Road
Mumias	Bus Park and access roads	Construction of mumias bus park and access roads
Mumias	Refuse Truck	Supply, delivery and commissioning of Refuse Truck
Eldoret	Roads	Proposed Tarmacking of Arap Kitongo Road in Kiplombe
Eldoret	Roads	Improvement of Roads Infrastructure at C39 (Ndalat Stage)-Oldonyo Lessos Bridge/CMC-Panvilla-Pioneer Health Centre-Langas (Rexona)
Eldoret	Roads	Paving of Eldoret CBD service lanes; paradise-Nandi road, standard bank-korosiot, barclays bank-Nandi arcade, main stage Elijah Cheruiyot and frontages of Nandi park and Korosiot
Eldoret	Street Lighting	Proposed Paving of Miyako-Maxxis Tagore, Ndupawa Fish Point
Eldoret	Roads	Improvement of Road Infrastructure at Posta-Toyota Area-Railways-Wagon Wheel-Lands-Iten Road-Dola-Moi Girls Road
Eldoret	Storm Water Drainage	Construction of Storm Water Drainage from KPLC Yard-West Market Wetland through Arap Kitongo and Farmers Street, Eldoret; Beautification (Greening), ACK- MTRH, 64 Street- A104 and CBD; Construction of High Masts at Kipkaren, Asis and Ngomongo; Frontage Improvement from Iten Road (C51) to Muliro Street along A104 plus Drainage Works
Eldoret	Storm Water Drainage	Construction of stormwater drainage and 2 high masts at Kipkaren and Kapsaos
Eldoret	Roads	Non-Motorized Transportation Infrastructure: Chepkoilel-Sogomo, Zion Mall-Rupa Mall-RVTTI-AIC kaplino, SOSIANI-Oil Libya, Public Works-PCEA, A104 (ACK-Cathedral)
Eldoret	Roads	Construction of Racecourse Primary School- Oletebes-Pastoral Center Marriot Junction Road
Kilifi	Fire Station	Proposed Fire Station and Rescue Centre for Kilifi County Government
Kilifi	Market	Proposed Refurbishment of Oloitiptip Market and Service Road at Sokoni ward in Kilifi Municipality, Kilifi County
Kilifi	Roads	Proposed upgrading to bitumen standard of junction A7 power station to sea horse road
Malindi	Park/ Landscaping	Design build for the urban renewal of Malindi waterfront public park and tourism infrastructure
Malindi	Storm Water Drainage	Design build of drainage Works at Barani in Malindi Municipality
Malindi	Roads	Upgrading of Majengo Central Road to Cabro Standards
Malindi	Roads	upgrading to Bitumen Standards of Barclays/Mtangani Road section between A7 to Paradise Hotel.
Ruiru	Road, Drainage	Upgrading of Wataalam Bypass Road and Bus Park Access Roads to Bituminous standards including improvement of Storm Water Drainage
Kiambu	Road	Proposed Upgrading of Kiambu Bypass to Bituminous Standard and Kiambu Bus Park(phase I)

Ruiru	Road, Street lighting	Upgrading and Street Lighting of Discovery Building Road, Mwihoko Streets to Chiefs Camp to Bituminous Standards
Kiambu	Road	Proposed Upgrading of Githunguri - Gatitu - Githiga Access to Bituminous Standards
Ruiru	Parking, NMT, drainage	Upgrading of Ruiru Town Parking Lots and NMT to Paving Blocks Standards and Improve Drainage in Ruiru Municipality
Kiambu	Industry, Road	Proposed Establishment and Construction of Light Industrial Garage and Posta Indian Bazaar Road (phase 3) in kiambu Municipality
Ruiru	Street Lighting and High Mast	Proposed Upgrading Supply, Installation, Testing and Commissioning of Solar Street Lighting and High Mast Lighting at Ruiru Municipality
Garissa	Roads	Upgrading To Bitumen Standards of Galbet Township Road
Garissa	Roads	Upgrading To Bitumen Standards of Waberi-Iftin access Road
Garissa	Roads	Upgrading of Sankuri Junction-KMTC-Qorahey Junction Road to Bitumen Standards
Garissa	Market	Proposed Construction of Qorahey Market
Garissa	Roads	Upgrading to Bitumen standards of Roundabout-Qorahey road
Kajiado	Landscaping	Proposed Construction of Kajiado CBD Public Square and Cultural High Street in Kajiado Municipality
Kajiado	Market	Proposed Construction of Kajiado Market and Other Works at Kajiado Town

Appendix X: Management Response

1. Summary of Findings

Ref	Audit Finding Summary	Management Response	Auditor's Comments
a)	Delays and Completion of Projects after Program Closure.	<p>The delays were mainly attributed to inadequate project preparation at municipal level, including incomplete designs, delayed counter-funding, lengthy procurement processes, and limited technical capacity for project management. In some cases, these delays resulted in cost variations and deferred realization of project benefits.</p> <p>Management notes that corrective measures were undertaken, including extension of the Program period and provision of technical support to counties to facilitate project completion. Lessons learnt from KUSP I have informed the introduction of strengthened project preparation, appraisal, and readiness requirements under KUSP II to minimize recurrence of similar delays.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.
b)	Non-utilization of completed projects	<p>Management acknowledges the audit finding on non-utilization of three completed projects and indicates that they have engaged the respective county governments and municipalities to resolve outstanding disputes, review operational and management frameworks, and undertake targeted stakeholder consultations aimed at soliciting the potential users support leading to commissioning and sustainable use of the facilities.</p> <p>This step will also lead to strengthening stakeholder engagement and post-completion utilization planning in future projects especially under KUSP2 to safeguard public investments and maximize socio-economic benefits intended for such projects.</p> <p>The affected municipalities will also not be receiving their disbursements under the Kenya Urban Support Phase two until these outstanding issues have been resolved.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.

Ref	Audit Finding Summary	Management Response	Auditor's Comments
c)	Effective implementation of Solid Waste Management Function	<p>Management acknowledges the audit finding and attributes this success to the integration of waste management as a mandatory requirement under the Annual Performance Assessment, sustained county budgetary support and strengthened institutional commitment at the municipal level.</p> <p>These measures enabled the acquisition of critical waste management infrastructure and contributed to improved and more sustainable waste management practices. Management remains committed to sustaining these gains through continued funding, providing monitoring toolkit to ensure monitoring, and enforcement of performance.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.
d)	Delay in Annual Performance Assessments	<p>Management acknowledges that the delays were largely due to misalignment between the Program's assessment-based financing flow and the national and county budgeting processes. In particular, the timing of enactment and assent of the County Government Additional Allocation Act—which require approval by Parliament and the Senate before funds can be appropriated and disbursed—constrained timely confirmation of county resource envelopes. This, in turn, affected planning, finalization of assessments, and subsequent grant disbursement schedules.</p> <p>Management has taken note of this challenge and is in constant engagement with the related stakeholders to improve synchronization between assessment timelines and the national and county budget cycles. Early planning and scheduling of assessment has been introduced to streamline the assessment process. This will support timely completion and ensure KUSP2 grant disbursements are aligned with Program objectives and implementation schedules.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.
e)	Incomplete Delegation and Partial Performance of Municipality Functions.	Management acknowledges the audit finding and has engaged county governments to accelerate full compliance with the Urban Areas and Cities Act and Program requirements, strengthen formal delegation through updated charters and gazette notices, and improve	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.

Ref	Audit Finding Summary	Management Response	Auditor's Comments
		<p>alignment between delegated functions and corresponding budget allocations, including operations and maintenance funding.</p> <p>Management is also working with relevant stakeholders to develop clearer guidelines on how counties can provide financing to municipalities and function costing, while enhancing oversight and capacity building to support municipalities in fully performing their mandates and delivering sustainable urban services.</p>	
f)	<p>Inadequate Technical Staff to Support functions of Urban Institutions</p>	<p>Management acknowledges the audit finding and drawing from lessons learnt under KUSP I, KUSP II has introduced strengthened Minimum Conditions that require municipalities to have key professional staff in place—including an Engineer, Physical Planner, Environmental Officer, Social Safeguards Officer, Procurement Officer, and Accountant—as a prerequisite to qualify for Urban Development Grants. Management will continue to provide policy guidance and engage counties to support compliance</p>	<p>The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.</p>
g)	<p>Gaps in Municipal Capacity to effectively carry out urban governance</p>	<p>Management acknowledges the audit finding and continues to engage county governments to accelerate full delegation of functions, support development and approval of municipal staff establishments, and strengthen recruitment and deployment of core technical staff. In addition, management is retooling the counties and their municipalities with operational guidelines for staff establishment, template organizational structures and career progression besides also providing enhanced capacity-building programs that provides skills development with municipal operational needs to ensure sustainable urban governance and effective Program implementation.</p> <p>Additionally, KUSP II has introduced strengthened Minimum Conditions that require municipalities to have key professional staff in place—including an Engineer, Physical Planner, Environmental Officer, Social Safeguards Officer, Procurement Officer, and</p>	<p>The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.</p>

Ref	Audit Finding Summary	Management Response	Auditor's Comments
		<p>Accountant—as a prerequisite to qualify for Urban Development Grants.</p> <p>Management will continue to provide policy guidance and engage counties to support compliance with these requirements and strengthen municipal technical capacity.</p>	
h)	Absence of National Guidelines for Monitoring, Operation, and Maintenance of Municipal Infrastructure	<p>Management acknowledges the audit finding and has encouraged municipalities to adopt existing sector-specific standards/guidelines and strengthen preventive maintenance practices, while emphasizing the need for adequate operations and maintenance budgeting to safeguard public investments and sustain service delivery. In some instances, like for asset registers, management has encouraged municipalities to adopt the national treasury template.</p> <p>Management has ensured that under KUSP II, all investments to be undertaken by municipalities are fully delegated and have operations and maintenance plans as indicated in the Program Operation Manual's Urban Development Grant Investment Menu General Points to Note and Non-Eligible Investments.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.
i)	Inconsistent stakeholder engagement and non-incorporation of community priorities in project identification and development across municipalities	<p>Management acknowledges the audit finding and has placed two (2) mandatory engagements at the project design and implementation stage while reinforcing the requirement for early, continuous, and well-documented stakeholder engagement throughout the project identification and development cycle, and has engaged municipalities to strengthen capacity in participatory planning and feedback integration.</p> <p>Management is also enhancing oversight to ensure that citizen inputs are clearly linked to approved investments, with the aim of improving project relevance, utilization, and public trust while maximizing value for money.</p>	The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.
j)	Limited Citizen Engagement on Urban Development	Management acknowledges the audit finding and has developed a stakeholder engagement framework which is structured to provide guidance to municipalities in order to conduct	The finding remains as reported since the State Department for Housing and

Ref	Audit Finding Summary	Management Response	Auditor's Comments
		<p>public participation/engagements that are meaningful with calendars, and operational frameworks, strengthen documentation and reporting of participation processes, and ensure feasibility studies and needs assessments are systematically conducted prior to project approval.</p> <p>Management is also enhancing oversight and capacity-building for municipal boards to ensure meaningful, inclusive, and sustained engagement throughout the project planning, implementation, and monitoring cycle, thereby improving project relevance, community ownership, and value for money.</p>	<p>Urban Development acknowledges the finding.</p>
k)	<p>Limited inclusion of universal accessibility features in KUSP infrastructure projects</p>	<p>Management acknowledges the audit finding and has revised the project design guidelines and performance assessment criteria for KUSP2 to explicitly include universal accessibility standards, providing technical support and capacity-building for municipalities on inclusive and resilient infrastructure design, and ensuring that future urban projects incorporate all necessary accessibility features to promote inclusivity, equity, and safe use of public spaces by all citizens.</p>	<p>The finding remains as reported since the State Department for Housing and Urban Development acknowledges the finding.</p>

2. Summary of Conclusions

Ref	Conclusions Summary	Management Response	Auditor's Comments
5.1	The Kenya Urban Support Program (KUSP I) supported the establishment of 59 municipalities and financed infrastructure projects.	Management acknowledges the audit conclusions and notes that the Kenya Urban Support Program (KUSP) successfully established 59 municipalities and delivered significant urban infrastructure across participating municipalities, contributing to improved urban service delivery.	The conclusion remains as reported since the State Department for Housing and Urban Development acknowledges the conclusions. We also note that the State Departments has committed to address these issues in implementation of KUSP II.
5.2	Despite funding, there were cases of completion delays and non-operationalization across municipalities and misalignment between the annual performance assessment cycles and the government budgeting process.	Management recognizes, however, that some intended outcomes and benefits were not fully realized due to delays in project completion, inadequate operations and maintenance, weak delegation of municipal functions, insufficient technical staffing, and gaps in capacity-building interventions.	The management in collaboration with the municipalities and relevant institutions is implementing corrective measures in KUSP2 including strengthening municipal function delegation, enhancing staffing and technical capacity, promoting systematic and inclusive citizen participation, promoting the use of existing national operations and maintenance guidelines, and integrating universal accessibility standards into project design and implementation. These actions aim to safeguard public investments, improve operationalization of completed infrastructure, and ensure sustainable, inclusive, and community-responsive urban development in future programs.
5.3	Maintenance of infrastructure under the Program was inadequate and unsustainable across most municipalities.		
5.4	There were significant staffing gaps in key technical cadres and overreliance on temporary personnel.		
5.5	The Ministry of Housing and Urban Development did not develop the national guidelines for the operation and maintenance of urban infrastructure.	Management further acknowledges that the absence of national operations and maintenance guidelines, misalignment between performance assessment cycles and budgeting processes, inconsistent citizen engagement, and limited incorporation of accessibility features constrained the sustainability, inclusivity, and responsiveness of urban infrastructure.	
5.6	The Program did not fully align infrastructure development with community priorities.		
5.7	The Program did not fully ensure sustainable and inclusive urban development.		We will keep this in view during follow up.

3. Summary of Recommendations

Ref	Recommendations Summary	Management Response	Auditor's Comments
6.1	The County Project Coordination Teams, Municipal Boards and County Treasury should ensure that projects are fully prepared, professionally managed and adequately funded by ring-fencing counterpart funding.	<p>Management acknowledges the audit recommendations and notes that they provide a constructive roadmap for improving project planning, implementation, governance, and sustainability across municipalities under KUSP2.</p> <p>Management concurs with the need to ensure that projects are fully scoped, professionally managed, adequately funded, and completed within planned timelines, with milestone-based procurement and ring-fenced counterpart funding.</p>	The State Department for Housing and Urban Development has acknowledged the recommendations thus they remain as reported.
6.2	The National Programme Coordination Team and the State Department for Housing and Urban Development should adopt an Annual Performance Assessment (APA) – budget alignment protocol that guarantees assessments are concluded on time for accurate budgeting and timely project implementation.	Management will work with County Project Coordination Teams, Municipal Boards, and the County Treasury where necessary to align grant allocations with the county budgeting cycle through an Annual Performance Assessment – budget alignment protocol, strengthen stakeholder engagement, and establish clear post-completion management frameworks to ensure infrastructure is operational and responsive to community needs.	
6.3	Municipal Boards and County Project Coordination Teams should strengthen stakeholder engagement during project design and establish clear post-completion management frameworks.		
6.4	The State Department for Housing and Urban Development, County Executive Committees, and County Assemblies should ensure full delegation of all sixteen municipal functions and adequately resource them.	Management further agrees on the need to enhance municipal capacity by ensuring full delegation of all municipal functions as stipulated in the various charters, cost-based budgeting for operations and maintenance, recruitment of core technical personnel, and structured capacity development programs to build skills across all levels of municipal management.	
6.5	County Treasuries, County Assemblies, and Municipal Boards should establish cost-based municipal budgeting frameworks that reflect the actual requirements of delegated functions and ring-fence		

Ref	Recommendations Summary	Management Response	Auditor's Comments
	the operations and maintenance funds.		
6.6-6.7	The State Department for Housing and Urban Development, County Public Service Boards, and Municipal Managers should define clear staffing requirements for effective urban development in municipalities. They should also implement structured and continuous capacity development programs		
6.8	The State Department for Housing and Urban Development together with the National Program Coordination Team should develop comprehensive national guidelines for infrastructure monitoring, operation, and maintenance.	Management also supports the development of comprehensive national guidelines for infrastructure monitoring, operation, and maintenance, the institutionalization of participatory planning frameworks, and the requirement for feasibility studies prior to project approval to safeguard public resources.	
6.9	Municipal Boards and County Project Coordination Teams should institutionalize participatory planning frameworks that actively involve stakeholders throughout the project cycle.		
6.10	The State Department for Housing and Urban Development together with County Project Coordination Teams should mandate that every project undergo feasibility studies and technical appraisals prior to approval and funding.		
6.11	The State Department for Housing and Urban Development, the County Governors, and Municipal Boards should document proven best practices in solid waste management and replicate them across all municipalities.	Additionally, management commits to documenting and replicating best practices like in the case of solid waste management and integrating universal accessibility features into all urban infrastructure designs to promote inclusivity, equity, and sustainability. These actions will collectively strengthen municipal governance, improve service delivery, and safeguard public investments for long-term community benefits.	
6.12	The State Department for Housing and Urban Development, County Project Coordination Teams, and Municipal Boards should integrate universal accessibility features into municipal infrastructure design standards and guidelines.		

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