ANNUAL STATE OF DEVOLUTION ADDRESS BY H.E. FCPA AHMED ABDULLAHI, EGH, CHAIRPERSON COUNCIL OF GOVERNORS
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Fellow Kenyans,
Excellency Governors,
Speakers of the County Assemblies present,
Majority and Minority leaders present,
Members of the Fourth Estate,

On behalf of the Council of County Governors (CoG), I am pleased to deliver the twelveth (12th) State of Devolution Address (SODA). This address comes as we enter the last Financial Year of the third cycle of devolution. Thirteen (13) years after the inception of the pioneer County Governments provides an opportune moment for us to candidly reflect on the impacts the devolved system of governance has had on service delivery and socio- economic development. This address will focus on the strides the devolved sectors have made in the Financial Year 2025- 2026. It will also highlight challenges that devolution continues to experience, while proposing practical recommendations capable of strengthening devolved governments in the next phase.

On behalf of the County Governments, I now highlight the progress made in the last financial year.

A. AGRICULTURE AND LIVESTOCK

In the year under review, agriculture remained the backbone of Kenya's economy, reinforcing its central role in food security, employment, rural livelihoods, and economic transformation. According to the Economic Survey 2026, the sector's contribution to Gross Domestic Product (GDP) increased from 22.4% in 2024 to 23.2% in 2025, while the value of agricultural output rose from Kshs 3.64 trillion to Kshs 4.07 trillion. Agriculture is a fully devolved function. Through consistent investments by every County, growth was driven by strong performances across several agricultural value chains, although some subsectors continued to face structural challenges.

Horticulture retained its position as Kenya's leading agricultural export, generating Kshs 216.5 billion in earnings, up from Kshs 203.6 billion in 2024. Coffee recorded remarkable growth, with export earnings increasing from Kshs 38.4 billion to Kshs 52.1 billion due to favourable global prices. Tea remained one of Kenya's largest foreign exchange earners, contributing Kshs 187.1 billion despite lower production volumes. Food crop production also improved, with paddy rice output increasing from 169,300 tonnes to 180,100 tonnes and maize deliveries rising slightly to 178,000 tonnes, supporting national food security.

The livestock sector demonstrated strong resilience and remained a major source of rural income and nutrition. Milk production exceeded one billion litres, rising from 909 million litres in 2024 to about 1.01 billion litres in 2025, supported by improved rainfall that enhanced pasture and water availability. Cotton production also rebounded significantly, increasing from 6,200 tonnes to 8,800 tonnes, contributing to the revival of the textile and apparel industry. However, wheat deliveries declined from 294,300 tonnes to 240,600 tonnes, while sugarcane deliveries fell sharply from 9.4 million tonnes to 7.1 million tonnes, highlighting continued dependence on imports and the need for greater investment in productivity, processing infrastructure and farmer support.

County Governments continued to play a central role in delivering devolved agricultural services through production support, irrigation development, extension services, livestock health, value addition, market linkages, and farmer training. Reporting Counties placed approximately 3.1 million hectares under cultivation, including about 166,000 hectares under irrigation, underscoring their importance in implementing Kenya's food security agenda.

Livestock services ranked among the strongest in County interventions. All reporting Counties implemented animal vaccination programmes, reaching approximately 4.17 million animals and strengthening disease control, livestock productivity, and household resilience, particularly in pastoral and mixed-farming areas. Artificial insemination services were implemented by a majority of Counties, recording 59,594 inseminations, while many also procured semen to support genetic improvement programmes. These interventions are expected to enhance dairy productivity and livestock quality over the medium term.

Counties also continued to support crop production through agricultural input programmes. Fertilizer procurement reached 272,816 bags which were repackaged and distributed to more than 305,000 farmers. Support for seed and planting materials expanded beyond staple crops to include higher-value enterprises. Many Counties distributed maize seed, avocado seedlings, coffee seedlings, and fingerlings, reflecting increasing diversification towards commercial agriculture, aquaculture, and income-generating value chains.

Climate resilience remained a major priority. Most reporting Counties invested in irrigation infrastructure, developing substantial water storage capacity and irrigation potential while directly supporting more than 97,000 farmers. Counties also promoted fodder production, covering over 34,000 hectares and producing more than 7.4 million tonnes of fodder for nearly 88,300 beneficiaries. These investments strengthened drought preparedness and improved livestock survival during periods of climate stress.

Institutional capacity for agricultural service delivery continued to improve. Agriculture Training Centres (ATCs) operating in most reporting Counties trained approximately 102,958 farmers, while Agriculture Mechanization Centres expanded access to farm machinery, including 144 tractors. Counties also reported 213 cold chain facilities, helping reduce post-harvest losses and improve produce quality. Livestock infrastructure development included the distribution of breeding stock and poultry support through procurement of over 232,000 chicks, although investments in cattle dips, hay stores, and storage facilities remained relatively limited, indicating areas requiring further investment.

Counties also strengthened market access and value addition initiatives. All reporting Counties supported market linkages, while most implemented value addition projects aimed at increasing farmer incomes, reducing post-harvest losses, improving aggregation, and enhancing the competitiveness of County agricultural value chains. Going forward, greater emphasis on extension services, digital advisory systems, farmer field schools, improved targeting of agricultural inputs, soil testing, and monitoring of productivity outcomes will be essential to sustain growth. Overall, the 2025 performance demonstrates both the resilience of Kenya's agriculture sector and the critical role of County Governments in driving inclusive agricultural development and national food security.

B. ARID AND SEMI-ARID LANDS AND DISASTER RISK MANAGEMENT

County Governments continued to play a frontline role in protecting lives, livelihoods, infrastructure, and local economies from an increasing range of disasters. Counties faced multiple hazards, including floods, droughts, disease outbreaks, fires, strong winds, landslides, road accidents, and human-wildlife conflicts, all of which disrupted communities, public services, and economic activities. Recent floods, recurring droughts in ASAL regions, and the Elgeyo Marakwet landslide highlighted the growing frequency, complexity, and severity of disasters, underscoring the need for stronger preparedness, early warning systems, coordinated response, recovery planning, and long-term resilience.

A major milestone during the year under review was the enactment of the National Disaster Risk Management law in June 2026, which is aimed at strengthening Kenya's legal and institutional framework for disaster risk reduction, preparedness, response, recovery, and coordination between the National and County Governments. The new legislation is expected to enhance accountability, improve collaboration, and reinforce the role of Counties as the primary institutions responsible for disaster preparedness and emergency response.

County Governments continued to strengthen their own governance frameworks for disaster management. 79% of Counties had enacted Disaster Risk Management Acts, while 57% had operationalized them, demonstrating steady progress in moving from legislation to implementation. Additionally, 62% of Counties had developed Disaster Risk Management policies, of which 79% were already operational. These developments indicate a gradual shift from reactive emergency response towards structured systems focused on disaster risk reduction, preparedness, response, and recovery. However, further efforts are needed to fully operationalize these frameworks through adequate financing, staffing, regulations and implementation guidelines.

Preparedness planning also improved significantly. 83% of Counties developed County Emergency Operational Plans to guide coordinated emergency response, evacuation, resource mobilization, and community engagement during disasters. Institutional capacity continued to strengthen, with 91% of Counties establishing functional Disaster Management Directorates and 94% maintaining operational firefighting Departments. These institutions play a vital role in emergency coordination, fire and rescue services, risk communication, humanitarian assistance, and post-disaster recovery.

Counties also demonstrated commitment to disaster financing, with 89% allocating at least 2% of their annual budgets to County Emergency Funds. These dedicated funds enhance preparedness by enabling rapid response to emergencies, including evacuation, food assistance, medical support, temporary shelter, logistics, and restoration of essential public services, thereby reducing delays during crises.

C. HEALTH SERVICES

1. Health financing

County Governments continued to strengthen investments in healthcare to advance Universal Health Coverage (UHC). In FY 2025/2026, the total County allocation to health increased by 11.7%, rising from Kshs 137.57 billion to approximately Kshs 154.58 billion. This reflects sustained prioritization of healthcare within County budgets.

On implementing the Social Health Insurance Act (SHIA), and through the support of County Governments in publicity and raising awareness, a total of 30.1 million Kenyans have been registered under the Social Health Authority (SHA). As of 30th June 2026, Counties collectively received Kshs 21.36 billion in FY 2025/2026, up from Kshs 12.7 billion in FY 2024/2025. Further, of the 44 Counties that have enacted the Facility Improvement Financing (FIF) Acts, collections have improved from Kshs 16.9 billion to Kshs 24.01 billion surpassing their annual targets.

2. Human Resources for Health (HRH)

For the period under review, the total health workforce across all 47 Counties was 98,907 excluding those in national referral, faith-based and private hospitals. This presents a 26% decline from the previous financial year of 149,447 workers in the health sector which is majorly attributed to the loss of approximately 41,000 workers deployed under the United States Government (USG) programmes, of whom 28,600 were frontline health care workers. Another reason for the decline is the transfer of County hospitals to National Government, specifically the Jaramogi Odinga Odinga Teaching and Referral Hospital (JOOTRH).

Notwithstanding this decline, Counties continue to demonstrate resilience through active recruitments for health workforce, specifically for clinical officers, laboratory technicians and nurses. In FY 2025/26, 498 doctors have been released for post graduate training. Of the staff who were on postgraduate studies (681) in the last financial year, 40% have resumed duty and continue to deliver health services.

3. Health infrastructure

The number of registered and licensed public health facilities increased from 6,649 in FY 2024/2025 to 6,740 in FY 2025/2026, reflecting improved compliance with health facility standards and licensing requirements.

Health service capacity also expanded. The total number of hospital beds increased by 2.9 %, from 47,950 to 49,324. Critical care capacity improved significantly, with Intensive Care Unit (ICU) beds increasing by 9%, from 314 to 345, and High Dependency Unit (HDU) beds rising by 13 %, from 141 to 160, enhancing Counties' ability to manage critically ill patients.

Emergency medical services also recorded notable progress. The County ambulance fleet grew from 566 to 583. 175 public emergency departments received specialized emergency care training, compared to 85 in the previous year and 15 Counties also completed the establishment of emergency dispatch centres for strengthening emergency response.

Digital transformation accelerated through the Taifa Care Health Management Information System (HMIS). A total of 38 Counties have transitioned to Taifa Care HMIS, supported by the distribution of 16,542 digital devices to health facilities.

Despite these gains, the downgrading of 179 health facilities is an emerging issue that needs to be addressed. The Ministry of Health should therefore undertake consultative engagement with Counties before recategorizing facilities to safeguard access to healthcare services for citizens.

4. Service Delivery

Maternal and child health outcomes showed mixed performance across the 47 Counties during FY 2025/2026. Maternal deaths declined by 6.8%, from 2,851 to 2,656, neonatal deaths fell significantly from 6,909 to 5,777 and teenage pregnancies decreased by 19.7 %, reflecting progress in reproductive and maternal health interventions by County Governments.

However, utilization of key maternal health services declined. Skilled birth deliveries dropped by 23%, from 709,281 to 543,237 and fourth antenatal care (ANC) visits decreased by 19%, from 459,489 to 368,585. Counties attributed this decline largely to changes in maternity service delivery models and reduced accessibility of maternal health services at primary healthcare facilities.

Despite these challenges, Maternal and Perinatal Death Surveillance and Response (MPDSR) improved significantly, with all 47 Counties conducting weekly monitoring, compared to only 34 Counties in the previous financial year. Counties such as Kiambu, Makueni, Homa Bay, Murang'a, Machakos, and Kirinyaga Counties reported prolonged periods without maternal deaths in the year under review. Counties reaffirmed their commitment to strengthening maternal and newborn healthcare and ensuring that preventable maternal and child deaths continue to decline.

5. Primary health care and Community Health Services

The total number of established Primary Care Networks (PCNs) across the 47 Counties stands at 277, an improvement from 227 in the last financial year. Cumulatively across all 47 Counties, the total number of active Community Health Promoters (CHPs) is 107,831. County Governments and National Government jointly continue with the payment of CHP's stipends.

D. FINANCE AND ECONOMIC PLANNING

County Governments projected total revenue of Kshs 633.3 billion for FY 2025/26, comprising Kshs 234.33 billion (37%) for development expenditure and Kshs 398.97 billion (63%) for recurrent expenditure, thereby meeting the Public Finance Management Act (PFMA) requirement of allocating at least 30% of the budget to development. Revenue sources included Kshs 415 billion in equitable share, Kshs 71.98 billion in additional allocations from the National Government and development partners, Kshs 100.13 billion in projected Own Source Revenue (OSR), and Kshs 46.19 billion in unspent balances carried forward from FY 2024/25. By the reporting period, Counties had received the full equitable share allocation of Kshs 415 billion, while Kshs 36.19 billion, representing 50.3% of additional allocations, had been disbursed.

During the first nine months of FY 2025/26, Counties collected Kshs 53.88 billion in OSR, representing 54% of the annual target and a 17% increase compared to the same period in FY 2024/25. Counties such as Samburu, Garissa, Kirinyaga, West Pokot, and Trans Nzoia recorded particularly strong performance, with OSR collections reaching or exceeding most of their annual targets.

Despite improvements in revenue collection, County Governments continued to face significant fiscal pressures. Outstanding pending bills stood at Kshs 156.84 billion as of 31st March 2026, largely due to delays in the disbursement of equitable share and additional allocations, as well as shortfalls in achieving projected OSR targets.

On development planning, Counties continued implementing the third-generation County Integrated Development Plans (CIDPs) for 2023–2027. As part of the mid-term review process, five Counties had completed their CIDP reviews, 20 were at advanced stages, while the remaining Counties were yet to commence the exercise. The reviews aim to assess implementation progress, address emerging challenges, and realign development priorities to enhance service delivery and achievement of County development objectives.

E. LANDS, HOUSING AND URBAN DEVELOPMENT

1. County Planning and development

i. County Spatial Planning

County Governments continued to make progress in spatial planning during the review period. Two (2) additional Counties, West Pokot and Vihiga Counties approved their County Spatial Plans (CSPs), bringing the total to twenty-one (21) approved County plans. Eleven (11) Counties submitted draft CSPs to their County Assemblies for approval, while ten (10) Counties were at the situational analysis stage and five (5) at the inception stage. This demonstrates steady advancement in strengthening land use and development planning across Counties.

ii. Rating and Valuation

Five (5) County Governments- Trans-zoia, Nandi, Machakos, Lamu and Kakamega-developed and approved Valuation Rolls, particularly within their major urban areas, increasing the number of approved Valuation Rolls from seven (7) to twelve (12) during the reporting period. In addition, eight (8) Counties have submitted draft Valuation Rolls to their respective County Assemblies for approval, while thirteen (13) Counties are at the situational analysis stage and fourteen (14) are at the inception stage.

iii. Land Records Digitization

County Governments continue to prioritize the digitization of land records and land administration processes to enhance efficiency, transparency, and accountability in land governance and management. Through the EU/FAO-funded Digital Land Governance Programme (DLGP), fourteen (14) County Governments have been supported to develop County Land Information Management Systems (CLIMS), including the establishment of Electronic Document Management Systems (EDMS), cadaster systems, and the digitization of land records.

Additionally, County Geographic Information Systems (GIS) Officers who underwent a geospatial and remote sensing training in the previous year successfully graduated. This is expected to strengthen County Governments' capacity to operationalize County GIS Labs, promote GIS-based planning, and support evidence-based decision-making. Complementing these efforts, the CoG is developing a web-based GIS-enabled Open County Data Portal to support Counties in operationalizing their GIS Labs and strengthening spatial data management and planning functions.

2. Urban Governance and Management

County Governments continued to strengthen urban governance during the reporting period. Five additional municipalities were granted municipal charters, bringing the total to 123 chartered urban areas, comprising five cities and 118 municipalities, while Thika Municipality is in the process of attaining city status. Following their establishment, municipalities operationalized governance structures, including boards and administrative units, to improve urban management and the delivery of quality infrastructure and public services.

Counties also continued to devolve functions to cities and municipalities to enhance efficiency, responsiveness, accountability, and sustainable service delivery. For example, Lamu County delegated revenue collection functions and transferred key assets, including title deeds and machinery, to Lamu Municipality, while Kiambu County transferred revenue collection responsibilities to its municipalities, resulting in improved own-source revenue performance.

Significant progress was also recorded in strengthening urban planning and financing. Through the Kenya Urban Support Programme II (KUSP II), 45 Counties are domesticating the Model Urban Areas Financing Bill to establish sustainable financing mechanisms for urban service delivery in line with section 184 of the PFMA. The same Counties are also adopting the Private Sector Engagement Framework for Urban Areas, which aims to promote structured private sector participation, strengthen public-private partnerships, and enhance sustainable urban development and service delivery across Kenya's growing urban centres.

3. Housing Development

County Governments continued to support the implementation of the Bottom-Up Economic Transformation Agenda (BETA) and the Affordable Housing Act, 2024 by partnering with the National Government to deliver affordable housing projects. Counties played a key role by providing land for development and supporting integrated planning to promote sustainable and inclusive housing. To implement the Affordable Housing Act, 42 Counties established County Rural and Urban Affordable Housing Committees responsible for developing five-year and annual housing investment programmes. These committees provide the institutional framework for planning and coordinating affordable housing initiatives within Counties.

Additionally, the 42 Counties signed Intergovernmental Participation Agreements (IPAs) with the Ministry of Lands, Public Works, Housing and Urban Development to facilitate the disbursement of conditional grants. These agreements are expected to strengthen the institutional and operational capacity of Counties, enabling more effective implementation of affordable housing programmes and expanding access to decent and affordable housing for citizens.

F. TRANSPORT, INFRASTRUCTURE AND ENERGY

1. Transport and Roads

i. Road Network

County Governments have 182,832km representing 76% of the total road network in the country. Of this total network, 4% is paved, 44 % is gravel and 51% of the network are earth roads. The County road network is distributed as follows for top 10 Counties:

Table 1: County Road Network

RANK	COUNTY	TOTAL NETWORK (KM)	SHARE OF THE TOTAL
1	Nakuru	12,846.03	7.03%
2	Makueni	10,818.14	5.92%
3	Kitui	9,801.13	5.36%
4	Narok	8,074.72	4.42%
5	Kajiado	7,207.47	3.94%
6	Machakos	5,821.39	3.18%
7	Kiambu	5,436.25	2.97%
8	Kilifi	5,001.41	2.74%
9	Wajir	4,981.50	2.72%
10	Taita Taveta	4,852.28	2.65%

The Road Classification by class is as follows:

Table 2: County Road Classification

ROAD CLASS	LENGTH
D	17,027
E	19,583
F	29,074
G	117,148
TOTAL	**182,832**

ii. Road & Non-Motorized Transport construction

In the FY 2025/26 County Governments reported to have allocated Kshs 31 billion for road construction, with this allocation going the construction of 184 km of tarmac, 11,888Km of murram and 10725 of earth roads. Therefore, the total road network constructed was 22,797km an increase of 30% compared to FY 2024/25. Additionally, to enhance pedestrian mobility, County Governments reported to have constructed 17.1 km of Non-Motorized Transport (NMT). The County Governments reported road and NMT construction as follows.

Top 10 Counties in budget allocation and road construction include:

Table 3: Road Construction Budget Allocation

S/NO	COUNTY	ROAD CONSTRUCTION ALLOCATION (KSHS)
1.	Kisumu	2,897,650,583
2.	Nairobi City	1,767,716,299
3.	Kilifi	1,762,010,427
4.	Siaya	1,700,000,000
5.	Bungoma	1,325,332,478
6.	Nyandarua	1,130,124,093
7.	Migori	1,117,405,026
8.	Kisii	1,088,142,419
9.	Laikipia	925,908,612
10.	Meru	865,000,000

iii. Road maintenance

In the FY 2025/26, County Governments received Kshs 3.6 billion from Road Maintenance Levy Fund (RMLF) for road maintenance against an allocation of Kshs 10.52 billion. The funds were used to maintain 4385.94Km of road across the Counties, representing 2.4 % of the total County road network. Nakuru County had the highest allocation at Kshs 183,432,688 million while Turkana County had the largest reported length of 412.5Km to be maintained.

iv. Transport safety

Several County Governments made significant progress in strengthening road safety governance during the reporting period. A total of 28 Counties, including Wajir, Mombasa, Kisumu, Nairobi City, Nakuru, Kiambu, Kakamega, Bungoma, Kilifi, and others, operationalized County Transport and Safety Committees. These multi-agency committees, comprising representatives from the National Transport and Safety Authority (NTSA), the Traffic Police, and public transport stakeholders, are responsible for coordinating strategies to reduce road traffic crashes and improve road safety within their jurisdictions.

In addition, 32 Counties implemented a range of road safety initiatives aimed at reducing accidents and improving public awareness. These included road safety campaigns, public sensitization programmes, installation of road signs and other safety infrastructure, road marking, construction of transport infrastructure, speed bump installation, promotion of NMT, registration systems, and other measures to enhance safer road use and strengthen traffic management across the Counties.

v. Public transport management

24 County Governments reported to have registered 200 Public Service Vehicle (PSV) Saccos while 26 Counties reported to have registered 862 boda bodas and tuk tuk Saccos. Counties continue to increase collaboration with NTSA to enhance formalization and registration of the boda boda sector.

vi. Institutional strengthening

County Governments have continuously built their technical capacity in roads sector. County Governments reported to have a total of 219 registered engineers. An increase of 9.5% compared to FY 2024/25. Additionally, the total number of traffic marshals increased to 986 compared to 900 in the FY 2024/25. Further, the Counties engaged 1,660 interns and attachees in effort to support capacity development in the sector. Uasin Gishu County Government had the highest number of attachees/interns engaged during the period at 412.

Lastly, 37 County Governments reported to have machinery which includes; graders, excavators, bulldozers, rollers, loaders and dump trucks that have enhanced road management. According to the data submitted, 19 County Governments have all the 6 machinery categories namely graders, excavators, bulldozers, rollers, loaders and dump trucks, while 26 County Governments reported to have at least five categories. Counties with all the six machineries include: Uasin Gishu, Baringo, Busia, Kiambu, Kilifi, Kirinyaga, Kisii, Kisumu, Kitui, Kwale, Machakos, Migori, Nakuru, Nandi, Nyamira, Nyandarua, Turkana, Vihiga, and Wajir.

2. **Energy**

i. Development of County Energy Plans.

In the period under reporting, five (5) County Governments Kilifi, Embu, Taita Taveta, Meru, and Nyandarua approved their County Energy Plans (CEPs) bringing the total number of Counties with approved CEPs to 12. Further, 12 Counties have their draft CEPs at the respective County Assembly awaiting approval while 9 are at drafting stage. Therefore, a total of 33 County Governments have CEPs or were developing them in FY 2025/26, an increase from 27 in the FY 2024/25.

ii. Electrification, Renewable Energy Development and Streetlighting.

County Governments are collaborating with the National Energy Agencies through the Last mile connectivity progam and the Rural Electrification Matching Fund Initiative. In FY 2025/26, 52,000 households were targeted for grid connections across 31 Counties. Additionally, County Governments have leveraged renewable energy development to efficiently provide public services. In FY 2025/26, 19 County Governments solarized 66 public facilities including dispensaries, hospitals, Early Childhood Development and Education (ECDE) Centres, County offices and markets.

During the period under review, 34 County Governments solarized 185 water schemes. This has enhanced water provision and reduced operational power costs. Further, 38 County Governments have installed 12,546 solar streetlights in markets and urban areas.

iii. Clean Cooking

County Governments acknowledge the significance of transitioning communities to clean cooking solutions by 2028 in line with the National Clean Cooking Transition Strategy. In the period under review, 9 Counties reported to have distributed clean cooking solutions within their jurisdictions. Further, 9 County Governments constructed 206 biogas units to enhance utilization of bioenergy.

iv. Energy Regulation

6 County Governments licensed petrol stations and 5 Liquified Petroleum Gas (LPG) refill stations. Additionally, 7 County Governments have undertaken energy audits for public institutions.

G. TRADE, INDUSTRY, ENTERPRISE DEVELOPMENT AND COOPERATIVES

1. Trade development

County Governments continued to drive socio-economic growth during the 2025/26 financial year by promoting sustainable trade, investment, and enterprise development while creating a more conducive business environment. Through supportive policies, legislation, and targeted investments, Counties strengthened trade facilitation, improved market infrastructure, and enhanced service delivery to businesses and investors.

A major focus was the expansion and modernization of trading infrastructure. At least 25 Counties constructed 100 new markets to increase access to trading spaces and stimulate local commerce, while 33 Counties rehabilitated and renovated 171 existing markets to improve sanitation, accessibility, safety, and overall trading conditions. These investments enhanced the operating environment for traders and consumers while supporting local economic activity.

In the past 2 (two) financial years, the number of Counties that have automated business registration and licensing service remained at 36 while 19 Counties implemented electronic unified business permits. This was due to the procedural and lengthy processes of reviewing the relevant County legislations. To address this, all the 47 County governments are in the process of domesticating the County Uniform (Licensing Procedures) Act, 2024 and its attendant regulations. These ongoing reforms will contribute to a significant increase in business activities in the Counties.

The number of enterprises issued with trade licenses rose by 19%, from 845,411 businesses reaching a record 1,006,040 businesses. This growth reflects the positive impact of County-led initiatives to improve the ease of doing business and strengthen the regulatory environment. Counties further supported Micro, Small and Medium Enterprises (MSMEs) through business development services, entrepreneurship training, advisory support, and initiatives that expanded access to markets. These interventions enhanced business competitiveness, sustainability, and enterprise growth. Overall, County Governments continued to prioritize trade facilitation, market modernization, digital transformation, and institutional reforms, reinforcing their commitment to fostering inclusive economic growth, attracting investment, and creating a vibrant business ecosystem across the Counties.

2. **Investment and industry**

Counties continued to identify and promote investment opportunities across sectors including trade, manufacturing, agriculture, tourism, and value addition. At least 14 Counties reported having investment policies to guide investment attraction, retention, and promotion within their jurisdictions. Additionally, 16 Counties established County Investment Units, Authorities, Boards, or similar arrangements to spearhead investment promotion initiatives and provide investor support services. These institutional arrangements continue to play an important role in identifying investment opportunities, coordinating investment activities, facilitating investors, and offering after-care services. Despite the progress made, several Counties are yet to establish formal investment policies and institutional mechanisms necessary to strengthen coordinated investment promotion and improve competitiveness.

3. **Cooperatives**

County Governments continued to promote cooperatives as key drivers of socio-economic development, financial inclusion, and economic empowerment. They supported the sector through legal reforms, capacity building, and enterprise development programmes. At least 21 Counties established County Business Enterprise Funds to provide affordable financing to MSMEs, cooperatives, youth, women, and vulnerable groups. Counties also strengthened the legal and institutional frameworks governing cooperative development and management. By the end of FY 2025/26, a total of 21,864 cooperative societies had been registered including 1,147 new registrations during the year. In addition, Counties provided training, technical assistance, and advisory services to improve cooperative governance, management, sustainability, and their contribution to local economic growth.

H. TOURISM AND WILDLIFE

1. **Legislation, Policies and Regulatory Frameworks**

Progress in establishing legal and policy frameworks for tourism and wildlife remains gradual, with 23 Counties reporting the existence of County specific tourism related legislation, policies, regulations, or planning frameworks. These legal frameworks are supporting Counties to strengthen governance, attract investment, and guide destination development. Notable examples include Baringo’s

Community Wildlife Conservation Fund and Regulations, Isiolo's Wildlife Conservation and Management Act (2025) and Community Conservancy Act (2025), Samburu's Community Conservancies Fund Act (2019), West Pokot's Wildlife Conservation Policy and Narok's Wildlife Conservancies Bill (2026). However, many Counties continue to rely on national legislation, broader environmental policies, conservancy laws or draft tourism frameworks laws that do not adequately address the sector's evolving needs, highlighting the need for stronger County-specific legal instruments to address conservation management, human-wildlife conflict, and community benefit-sharing.

2. **Tourism Promotion, Marketing and Investments**

Counties are increasingly adopting integrated strategies that combine destination marketing, product development, infrastructure investment, and sustainability initiatives to strengthen tourism growth. Interventions reported included hosting expos and cultural festivals, digital marketing through social media and County websites, destination branding, and partnerships with National Government agencies, private sector players, and local communities to expand market reach. Notable examples include Nakuru's "Tembea Nakuru" campaign, Kisumu's branding as the "Lake Victoria Tourism Hub" and the development of the tagline "Kisumu my pride", Baringo's UNESCO Global Geopark initiative, Lamu's positioning as the "Island of Festivals," and Garissa's efforts to position itself as a frontier eco-cultural destination.

Counties also reported significant investments in tourism enabling infrastructure aimed at improving destination competitiveness. These included Kisumu's lakefront regeneration and conference infrastructure development, Isiolo's rehabilitation of Buffalo Springs Airstrip and reserve road networks, Kilifi's beach infrastructure upgrades, Homa Bay's waterfront and pier rehabilitation projects, and Embu's development of the Mt. Kenya Southeastern tourism circuit. Other Counties such as Samburu, Kajiado, Murang'a, and Turkana reported investments in eco-lodges, heritage tourism facilities, community conservancies, and community-based tourism infrastructure.

Public-Private Partnerships (PPPs) are also emerging as an important mechanism for tourism growth, particularly in conservation, hospitality development, heritage preservation, and destination marketing. Notable collaborations include Baringo County's partnership with United Nations Educational, Scientific and Cultural Organization (UNESCO) and Kenya National Commission for UNESCO (KNATCOM) on the Geopark initiative, Meru's partnership with Lewa Wildlife Conservancy and

Kenya Wildlife Service (KWS) on rhino and bongo conservation, Laikipia's collaboration with tourism and conservancy associations, Narok's partnerships with conservancies within the Maasai Mara ecosystem, and Muranga's partnerships with the Ministry of Tourism and National Museums of Kenya on heritage development.

Through these partnerships, Counties have reported immense growth in bed capacity for example Trans Nzoia County has reported a growth of up 3500, Homa-Bay 2284 and Machakos 3262. These partnerships demonstrate growing recognition that tourism development requires coordinated action between Counties, communities, development partners, and private investors.

3. **Tourism Data Collection and Visitor Tracking**

County submissions revealed significant gaps in tourism data collection and reporting, particularly on bed occupancy, visitor arrivals, and tourism performance metrics. While a few Counties reported occupancy rates ranging between 35% and 87%, and others provided estimates of domestic and international visitor arrivals. There is need for strengthened County-level tourism data systems to support evidence-based planning, investment decisions, and performance monitoring within the sector.

4. **Wildlife Conservation Areas and County Conservation Initiatives**

Wildlife conservation areas remain a significant land-use feature across many Counties, with 40 Counties reporting existence of wildlife conservation areas within their jurisdiction including national parks, national reserves, marine parks, forests, sanctuaries, and community conservancies. Counties are increasingly undertaking conservation and ecosystem management initiatives including: community awareness and sensitization programmes on conservation and human-wildlife coexistence; habitat restoration through tree planting; wetland restoration and invasive species control; fencing of conservation areas; recruitment and training of County and community rangers; and development of water infrastructure such as dams and boreholes to reduce human-wildlife conflict.

Stronger collaboration with KWS, Kenya Forest Service (KFS), community conservancies, development partners and private conservation actors has been witnessed. Counties such as Baringo, Isiolo, Narok, Samburu, Kajiado, Meru, Kilifi, and Tana River highlighted more structured interventions, particularly around community conservancy support, wildlife corridor protection, anti-poaching efforts, ranger deployment, and landscape restoration.

While majority of these conservation areas remain active and are primarily managed by KWS, KFS, County Governments, communities and private conservancies, several Counties have dormant sites that require revitalization through investment, infrastructure development, stronger management structures, and branding/promotion. A notable gap is the absence of ecosystem management plans for a majority of the National reserves creating need for strengthened partnership with KWS, other national agencies and development partners. Several Counties also have limited direct involvement in conservation management due to financial constraints, unclear functional mandates, and inadequate technical capacity, highlighting the need for clearer intergovernmental coordination and increased investment in County-level wildlife conservation efforts.

5. **M.I.C.E (Meetings, Incentives, Conferences and Exhibitions)**

The M.I.C.E (Meetings, Incentives, Conferences and Exhibitions) subsector continues to emerge as an important area for tourism diversification across the Counties. Counties reported the existence of conference facilities, hotels, ICT infrastructure, accessibility roads, airstrips, social halls, stadiums, resorts and recreational spaces that support conferences, exhibitions, sports tourism and cultural events. Several Counties also highlighted improvements in transport connectivity, digital infrastructure and accommodation facilities aimed at strengthening their attractiveness as M.I.C.E destinations.

Counties further reported the availability of hotel and accommodation facilities with varying bed capacities, demonstrating growing potential to host meetings, conferences and large-scale events. Complementary tourism assets were also identified, including museums, recreational parks, theatres, cinemas, beaches and cultural heritage sites which provide additional leisure and cultural experiences for delegates and visitors.

Counties have increasingly utilized cultural festivals, investment forums, trade fairs, conferences and sports events to position themselves as emerging tourism and investment destinations. Cultural festivals featured prominently, with Counties highlighting events such as the Ura Gate Cultural Festival (Tharaka Nithi), Trans Nzoia Cultural Festival, Nyeri Tourism and Cultural Festival, Garissa Cultural Festival, Busia Cultural Festival, Maa Cultural Festival in Narok, Kapkurgo Cultural Festival in Bungoma, Tobong'u Lore Festival in Turkana, and the Lamu Cultural Festival. Several Counties also reported hosting investment conferences and stakeholder forums aimed at promoting trade, tourism and investment opportunities, while others highlighted tourism pageants such as Miss Tourism events in Laikipia and Kakamega.

Sports tourism also emerged as an important component of M.I.C.E programming, with Counties hosting marathons, cycling competitions, motorsport events and conservation-themed sporting activities to attract both local and international participants.

Despite this progress, disparities remain in the distribution and quality of M.I.C.E infrastructure across Counties, with financial constraints continuing to limit destination marketing initiatives.

I. NATURAL RESOURCES MANAGEMENT

1. Environment

To date, 30 Counties have developed the County environmental policies and laws with objective to handle matters environmental, air and noise pollution control, restoration, waste management and sand harvesting. Additionally, these frameworks have contributed to institutional strengthening, improved environmental planning and budgeting, and enhanced compliance and enforcement mechanisms. For the FY 2025/26, Counties collectively allocated approximately Kshs. 3,097,775,260 to environment with Taita Taveta having the highest allocation of Kshs. 1,020,920,903. The increase in allocations has largely been driven by climate-related conditional grants and expanded collaboration with development partners.

In line with the Gazette Notice No. 219 on delineation of functions published on 16th December 2024, County Governments are reviewing their legislation to align with the unbundled devolved functions and guided by a model Environment Bill developed by the CoG and stakeholders. The adoption of the Model Bill will see increased OSR and budgetary allocation expected to strengthen regulatory oversight, improve environmental compliance and enhance management of waste and sand harvesting activities.

Environmental planning remains a critical pillar for effective service delivery and sustainable resource management. Towards this, 11 County Governments have finalized County Environment Action Plans (CEAPs), while 21 are at different stages of development. 12 County Governments have developed the County State of Environment Reports (CSoERs). There is need to accelerate preparation and regular updating of these instruments to support informed decision-making.

County Environment Committees (CENCOMs) continue to serve as important platforms for intergovernmental coordination and stakeholder engagement in environmental governance. With ongoing County restructuring and institutionalization of the Committees, Counties have collectively allocated Kshs. 42,730,000 with West Pokot leading with an allocation of Kshs. 8,000,000. Currently, there are 23 operational CENCOMs; 12 CENCOMs have served their terms; and 9 CENCOMs have been gazzetted but are not operational.

2. **Solid Waste Management**

23 Counties have enacted solid waste management legislation, providing a framework for waste segregation, collection, transportation, recycling, treatment, and disposal. These legislative reforms are supporting Counties to transition to circularity.

Counties have continued to invest in waste management infrastructure, resulting in a substantial increase in Material Recovery Facilities (MRFs), sanitary landfills, transfer stations, and waste collection equipment. The number of operational MRFs increased from 68 to 83, while sanitary landfills are now operational in 29 Counties, reflecting growing investments in environmentally sound waste disposal infrastructure. Additionally, Counties have expanded their fleet of waste handling equipment, including skip loaders, trailers, trucks, compactors, and earth-moving machinery, significantly enhancing waste collection efficiency and service coverage.

The sector is increasingly attracting private sector participation, community-based organizations, youth groups, and waste recovery enterprises. A growing ecosystem of waste recyclers, waste aggregators, and e-waste collection centres, with recorded numbers of 113 established waste recycling companies. Counties are leveraging these partnerships to advance waste valorization, recycling, composting, and Extended Producer Responsibility (EPR) initiatives.

To facilitate efficient waste collection and transportation, some of the initiatives demonstrated include:

i. Bungoma County is promoting a circular economy through plastic waste recycling, expanding recycling collection centers for plastics and promoting organic alternatives like vermi liquid.
ii. Wajir County is in the process of establishing a plastic waste recycling plant and fecal waste management plant.
iii. Embu County has an integrated EPR in the municipal by-laws.
iv. Vihiga County has engaged private waste service providers to support collection in private premises, employed over 300 cleaners to undertake clean ups, and conducted survey of waste streams in the County in collaboration with M-Taka. Landlords, nyumba kumi and the business community have been

sensitized on sustainable waste management and segregation at source. Waste generators have also been mapped in the County.

v. Nyeri County has established of 12 waste segregation areas, entered MoUs with Producer Responsibility Organizations, registered all waste aggregators, trained waste pickers on proper waste picking and safe handling. The County has also provided Personal Protective Equipment (PPEs) to waste pickers, established a segregation shed, waste segregation bins and a biodegradable unit at Karatina Market.

3. Climate Change

County Governments have made significant strides in institutionalizing climate action in development planning and decision-making. 46 Counties have relevant Climate Change Acts from 45 in the previous financial year; all 47 Counties have climate action plans and climate change units while 46 Counties have County Climate Change Funds an increase from 45 Counties. The Counties allocated minimum of 1.5% -6% of their development budgets for financial year 25/26 amounting to approximately Kshs. 7.6 billion to climate change response. Some of the Counties with a significant budget allocation include: Kakamega, Homabay, Kiambu, Bomet, Kisii, Migori, Nyandarua, Nakuru, Kericho and Wajir.

The establishment of County Climate Change Funds has enhanced the ability of Counties to directly finance locally led climate action, while creating mechanisms for attracting additional resources from development partners and climate financing institutions. Counties are increasingly prioritizing community-driven climate investments that respond directly to local vulnerabilities and development priorities.

Further opportunities exist to unlock climate finance through carbon markets line with emerging national policy and regulatory frameworks. Counties are reviewing their climate legislations to accommodate participation in carbon markets and facilitate County-led climate projects.

4. Water and Sanitation

32 County Governments have enacted water-related statutory instruments. Additionally, 20 Counties have developed County Water Master Plans while 27 Counties have developed the County Water and Sanitation Strategy and Investment Plans**.** Consequently, Counties have assessed the level of water and sanitation access coverage within their jurisdictions, with an average access level to safely managed water in rural areas at 47.5% and 57.85% in urban areas.

The sector recorded increased public investment during FY 2025/26, with approximately Kshs. 16 billion being allocated towards water and sanitation programmes. These investments have supported expansion of water supply systems, rehabilitation of existing infrastructure, development of new water sources, and enhancement of sanitation services.

County Governments have continued to strengthen water service delivery institutions through support to County-Owned Water Service Providers and development of Performance Improvement Action Plans. Currently, approximately 108 registered County-Owned Water Service Providers and over 3,700 small-scale service providers are supporting water service delivery across urban and rural areas. Infrastructure investments undertaken during the reporting period have significantly expanded access to water services. These projects include the construction, maintenance, and repair of water supply facilities. As such, in the FY 2025/2026, 25 County Governments constructed and maintained a total of 1590 new water projects and rehabilitated a total of 1519 water supply facilities. The number of boreholes, water pans and small dams has increased to 5112, 624 and 305 respectively, thereby reducing the distance to improved water facilities from 2.8km to 2.6km across the 47 Counties.

5. **Forestry**

Progress has been made in establishing enabling policy and institutional frameworks, with 17 Counties developing forestry legislation, policies, and regulations to support implementation of devolved forestry functions. Counties have also prioritized technical capacity through recruitment of 219 forestry personnel and a budget allocation Kshs. 315,232,500. Additionally, 9 Counties namely Bomet, Elgeyo-marakwet, Kilifi, Kitui, Kwale,Nandi, TransNzoia, Turkana and West Pokot have taken significant steps by administering certificates of origin and movement permits for farm forestry products in line with their mandates. This proactive approach has contributed to the OSR generation by the Counties of approximately Kshs. 43,600,000.

Among the diverse strategies aimed at combating climate change, tree growing has been a priority practice. Collectively, all 47 Counties planted a total of 72,485,913 trees with 192 tree nurseries established in the FY 2025/2026. Additional interventions include afforestation, rehabilitation of degraded ecosystems, protection of ecologically sensitive areas, and strengthening community participation through establishment and support of 171 Community Forest Associations across to support in management and gazettement of County forests. Counties are embracing digital technologies for monitoring the trees grown through Jaza Miti App, GIS, Manual Reporting, KOBO tool, Regreening App, Community scouts and respective Ward Climate Change Committees. There is a need for harmonization in integrated monitoring to achieve the forestry and environmental objectives in bid to achieve the 30% tree cover by 2032.

6. **Mining**

The clarification of functions between National and County Governments has created new opportunities for County Governments to strengthen governance of artisanal, small-scale, and low-value mineral extraction activities. Counties are increasingly positioning themselves to support sustainable mineral resource management while promoting local economic development and environmental stewardship. Progress has been recorded in establishing policy and legislative frameworks to govern County investment in the mining sector. As such, 10 Counties have enacted legislations including: Homabay, Kakamega, Kitui, Kwale, Makueni, Muranga, Taita Taveta, Tana River, Uasin Gishu and Vihiga. In addition, Counties have established and gazetted 24 artisanal mining committees to strengthen coordination, promote sustainable extraction practices, and support rehabilitation of mined areas.

J. HUMAN RESOURCE, LABOUR AND SOCIAL WELFARE

The distribution of human resources across County functions remains largely concentrated within core service delivery sectors. The health sector accounts for the largest share at 35.38%, followed by Education at 23.32%, and Finance at 7.90%. These sectors constitute much of the County workforce, reflecting the prioritization of essential public services and operational functions. Other key sectors include Public Administration at 7.57% and Agriculture at 6.80%, indicating sustained investment in governance and productive sectors that support service delivery and economic activity at the County level.

The distribution of human resources across County Governments reflects variations in the scale and scope of operations among devolved units. Nairobi City County accounts for the largest share at 7.57%, followed by Bungoma at 5.89%, Wajir at 5.83%, and Homa Bay at 5.65%, indicating relatively higher concentration of staff in these Counties. Other Counties with notable workforce shares include Turkana at 4.65%, Nakuru at 3.94%, and Kiambu at 3.35%. Overall, the distribution of human resources across Counties demonstrates variability in workforce allocation, with several Counties maintaining relatively higher shares while others operate with comparatively smaller staffing levels.

Despite the progress made in establishing human resource systems across County Governments, a number of challenges persist. These include inconsistencies in the application of human resource policies across Counties; disparities in workforce capacity and skills; and weaknesses in governance systems such as recruitment and payroll management. Variations in institutional structures and workforce deployment also continue to affect coordination and efficiency in service delivery. Addressing these challenges will require strengthened standardization of human resource frameworks, enhanced capacity building, and closer coordination between the National and County Governments to facilitate establishment of a cohesive, professional and effective public service.

K. BLUE ECONOMY

While only four (4) Counties had enacted Blue Economy-related legislation in FY 2024/2025, this number increased to ten Counties in 2025/2026, reflecting a notable expansion in the institutionalization of the sector at the County level and growing recognition of the need for formal regulatory frameworks to guide sustainable fisheries management.

At the regional level, the Joint Co-Management Area (JCMA) frameworks endorsed in early 2025 by coastal Counties- Kilifi, Mombasa, Kwale, Tana River, and Lamu- remained in force in 2026, continuing to guide ecosystem-based fisheries governance along the coast. These eight JCMA plans, covering over 6,300 square kilometres of coastal waters, retained their 2025 coverage, and continued to serve as the primary mechanism for inter-County coordination on marine conservation. Implementation of these frameworks continued to be supported by 42 Beach Management Units (BMUs), mandated to enforce sustainable fishing practices including gear regulation, protection of marine habitats, and community-based no-fishing zones.

Beyond the coastal JCMA Counties, there was a significant broadening of co-management and ecosystem-based fisheries governance at the national level. In the year under review, 22 Counties reported the adoption of integrated aquatic ecosystem management approaches, including spatial zoning, temporal fishing closures, protection of breeding and nursery grounds, and BMU-led co-management and surveillance. Correspondingly, a total of 510 registered BMUs were reported across these 22 Counties, supporting sustainable fisheries management in inland lakes, rivers, dams, and coastal waters.

Counties further reported measurable outcomes from these sustainable fishing interventions, including reduced illegal and destructive fishing practices, improved compliance with fisheries regulations, restoration of aquatic habitats, improved water quality, reduced post-harvest losses, and enhanced fish stocks and catches. These developments demonstrate a clear progression from the coastal-focused JCMA frameworks reported in 2025 toward broader adoption of ecosystem-based fisheries governance in 2026, reinforcing the deepening role of County Governments in this sector.

In the year under review, Counties reported training of 1,866 individuals on Blue-economy related skills (Maritime transport, fisheries and aquaculture), an increase from 564 students in FY 2024/2025 representing more than threefold increase. This growth reflects a shift from primarily institution-based student training toward broader, decentralized capacity-building targeting fishers, aquaculture farmers, BMUs, youth, and women groups through vocational centres, extension services, and partner-supported programmes.

Counties licenced 34,216 licensed fishers, a slight decline from 38,506 recorded in 2024/25. This adjustment reflects a consolidation phase in licensing, influenced by data validation, enforcement challenges, mandate overlaps between County and national institutions, and localized declines reported by some Counties. Similarly, the number of licensed fishing vessels, which stood at 13,666 in 2024/25 declined to 10,879 in 2026. This reduction mirrors the need for broader consolidation in licensing and reflects heightened regulatory scrutiny, safety compliance requirements, and operational challenges facing fishers.

Fish markets remain critical to County Governments as they generate OSR through licenses and fees, create employment, support local livelihoods, and strengthen fisheries value chains by improving access to fresh fish products. Counties constructed 12 fish markets in FY 2025/26 adding to the 17 markets constructed in FY 2024/25. This shift reflects a transition from rapid expansion toward consolidation, improved utilization of existing facilities, and increased focus on value addition and post-harvest loss reduction to enhance market access, improve fish quality, and support incomes for fishers and traders.

Counties continued to implement fisheries and aquaculture development programmes in support of production, value chain development, and sustainability objectives. While 54 development programmes were reported in FY2024/25, in FY2025/26 there were a total of 59 fisheries and aquaculture development programmes, representing a modest expansion in County-level interventions. The increase reflects sustained commitment by County Governments to support aquaculture development, capture fisheries management, value addition, and conservation initiatives, even as infrastructure investments shifted toward consolidation and financing constraints persisted across the sector.

Financing of the Blue Economy sector showed broader participation across Counties in 2025/26, albeit at generally low levels. While only Kilifi and Lamu Counties were highlighted in 2025 as leading in sector allocations with budgets of Kshs. 92 million and Kshs. 70 million respectively, most Counties allocated some level of funding to the sector. These allocations were generally inadequate, with most Counties committing less than 1% of their County or departmental budgets to Blue Economy-related activities with some of the financial support coming from development partners. There is need for enhanced and more predictable financing to sustain sector growth and unlock its full economic potential.

L. EDUCATION

1. Pre-Primary Education

On Access and Equity in pre-primary education, data for the School Year 2025 shows that the enrolment in pre-primary education in both public and private went up by 7.1% to 3,121,429 in 2025 school year, from 2,914,400 in 2024 school year. The current boys' enrolment is 1,573,526 while that of girls stands at 1,547,903 with girls accounting for 49.6% of the total enrolment and boys 50.4%. The increase in enrollment is attributed to increased incentives and investments in pre-primary schools by the County Governments.

Additionally, there has been an increase in the number of pre-primary schools from 47,769 in 2024 to 48,190 in 2025. The number of pre-primary teachers employed in the period under review was 81,843 from 78,101, a slight increase from last year. Based on the pupil enrollment data, this translates to a pupil teacher ratio of 38:1. In terms of financing, cumulatively, County Governments allocated approximately 10% of their budgets to the education function. Allocations from County Governments remained at Kshs. 6,813,488,709 to the pre-primary education function translating to an average of Kshs. 3,240 per learner.

2. Vocational Education and Training

In a quest to fill the current skills gap in the job market and address unemployment, in the last financial year, there were a total of 1188 Vocational training centers (1070 public and 118 private), a reduction from 1222 on the last FY, the difference attributed to upgrade of VTCs to National Polytechnics and closure of some of the VTCs due to lack of enrollment. Additionally, the current enrollment stands at 147,680 trainees, 84,962 being male trainees and 62,718 being female trainees. Approximately Kshs. 2,382,689,900 was invested in the sector with Kshs. 1,284,314,355 allocated for the construction, rehabilitation and equipment of the centers.

M. GENDER, YOUTH, SPORTS, CULTURE AND SOCIAL SERVICES

In FY 2025/26, County Governments collectively allocated an average of Kshs. 3,863,222,731, up from Kshs. 1,291,282,006 in the previous year towards programmes under this sector. The increased investment is largely attributed to sustained advocacy by the CoG and other stakeholders aimed at strengthening County budgeting for social development, inclusion, empowerment, and protection of vulnerable populations.

1. Gender

County Governments continued to strengthen gender mainstreaming and women's empowerment through policy development, institutional coordination, economic empowerment initiatives, and prevention and response programmes targeting Sexual and Gender-Based Violence (SGBV). A total of 30 Counties have operational gender-related laws and policies, while 33 Counties have enacted SGBV policies and legislative frameworks. Additionally, five Counties; Tharaka Nithi, Kajiado, Tana River, Marsabit and Wajir have anti-FGM policies and legislations aimed at accelerating the elimination of harmful cultural practices.

Further, 26 County Governments have established Women, Youth and PWD Funds, revolving funds, and economic empowerment funds to facilitate access to grants, affordable credit, business capital, and enterprise support for special interest groups. Counties further implemented a wide range of socio-economic empowerment interventions, including support for income-generating activities through the provision of livestock, salon equipment, tents, chairs, clean cooking mekos and other productive assets to organized groups. Additional interventions included public awareness campaigns, capacity-building programmes, commemorations of international days relevant to gender equality, establishment of Gender-Based Violence Recovery Centres, rescue centres and safe shelters. Additionally, 41 Counties have operational County Gender Sector Working Groups reflecting strengthened coordination mechanisms and sustained commitment to advancing gender equality and social inclusion.

2. **Social services**

County Governments continued to strengthen social protection systems and interventions targeting vulnerable populations, including persons with disabilities, older persons, vulnerable children, and disadvantaged households. A total of 35 Counties have policies and legislation promoting the rights and inclusion of persons with disabilities, while 28 Counties have social protection policies and frameworks in place.

Counties implemented a range of interventions including provision of assistive devices, bursaries and scholarships for vulnerable learners, support to self-help groups, social assistance programmes, rehabilitation services, corrective surgeries, livelihood support initiatives, and targeted interventions for vulnerable households. Notably, 20 Counties are providing financial support to PWD self-help groups, while 32 Counties reported reserving at least 5% of market stalls for persons with disabilities, in line with the provisions of the Persons with Disabilities Act.

3. **Sports**

County Governments continued to promote sports development through investments in sports infrastructure, talent identification and nurturing, sporting competitions, and policy development. A total of 15 Counties have sports-related policies and legislation in place to guide sports development and management.

Counties have approximately 348 operational sports facilities, including stadia, sports complexes, playgrounds, community grounds, and recreational facilities. During the reporting period, approximately 30 sports facilities were constructed or completed, while 61 sports facilities were rehabilitated and upgraded. In addition, Counties implemented approximately 134 sports programmes and activities, benefiting an estimated 33,500 people through talent development initiatives, sports festivals, tournaments, inter-County competitions, community sporting activities, and athlete support programmes.

4. **Youth**

County Governments continued to invest in youth development through policy formulation, skills development, entrepreneurship promotion, talent nurturing, and youth participation programmes. A total of 34 Counties have operational youth policies and legislative frameworks, while 35 Counties have youth-friendly service establishments aimed at enhancing access to information, mentorship, and support services for young people. Additional initiatives undertaken by Counties included provision of internship and apprenticeship opportunities, establishment of youth revolving funds, mentorship programmes, youth dialogues, talent development programmes, digital and technical skills training, and support for youth-owned enterprises through AGPO. Counties also procured assorted tools and equipment to support youth-led income-generating activities and enterprise development. These programmes are focused on job creation, entrepreneurship development, skills acquisition, and economic empowerment.

5. Culture

County Governments continued to promote cultural heritage preservation, cultural expression, creative industries, and heritage tourism through policy development, cultural festivals, heritage conservation initiatives, and support to cultural institutions. A total of 15 Counties have culture-related policies, legislations, regulations, or guidelines to support the preservation and promotion of cultural heritage. Notably, Counties have approximately 411 historical sites, 347 sacred cultural sites, and 29 UNESCO-recognized heritage sites, in addition to numerous other heritage assets of cultural significance. These cultural resources continue to serve as important repositories of indigenous knowledge, identity, and tourism potential.

County Governments also facilitated cultural festivals, exhibitions, traditional ceremonies, cultural exchange programmes, and youth participation in performing and creative arts. These initiatives continue to strengthen social cohesion, preserve cultural heritage, promote intercultural understanding, and create economic opportunities within the creative and cultural sector.

N. LEGAL, CONSTITUTIONAL AFFAIRS AND INTERGOVERNMENTAL RELATIONS

1. Litigation and court matters

Over the past year, the courts have significantly shaped and safeguarded devolution, affirming its objects under the Constitution while clarifying and reinforcing the respective mandates of National and County Governments under the Fourth Schedule.

A significant judgment affecting devolution was Environmental Petition *E026 of 2024 (consolidated with E022 of 2024), David Kihiu & Others vs NEMA and 5 Others,* delivered on 12 February 2026 by the Environment and Land Court. The Court held that the National Environmental Management Authority (NEMA) acted unconstitutionally by issuing a public notice on 8 April 2024 requiring the use of 100% biodegradable garbage bags without adequate public participation and without ensuring that Counties had the necessary MRFs and supporting infrastructure. The Court agreed with the CoG's position that the directive was impractical and lacked the required policy and institutional framework, declaring the notice null and void for violating Articles 10 and 47 of the Constitution.

The Court also issued key directives to facilitate lawful implementation of sustainable waste management. It ordered the Cabinet Secretary for Environment, Climate Change and Forestry to establish, within six months, the Waste Management Council under section 6(1) of the Sustainable Waste Management Act. In addition, the CoG was directed to support Counties in establishing MRFs and related infrastructure under section 14(1) of the same Act within the same period. The judgment reinforced the principles of intergovernmental consultation, public participation, and institutional preparedness in implementing policies affecting County Governments.

2. **Intergovernmental relations**

i. National & County Governments Coordinating Summit (the Summit)

As the apex intergovernmental relations body established under section 7 of the Intergovernmental Relations Act (IGRA), the Summit convened on 12th December 2025 to deliberate on key issues affecting both levels of the government. This presented an opportunity to take stock of the collective achievements and challenges affecting both the National and County Governments. Key among the issues deliberated upon included finalization of the unbundling, costing and transfer of functions; amendment of the draft Intergovernmental Relations (Sector Forums) Relations, 2026; enactment of the Intergovernmental Relations (Amendment) Bill, 2024; repeal of sections 191 A-E of the Public Finance Management Act, Cap 412; and implementation of the Social Health Insurance Fund (SHIF) scheme.

Further, Intergovernmental Budget and Economic Council (IBEC) meetings were held on 29th September 2025 and 13th February 2026 to deliberate on matters relating to budgeting, the economy and financial management at b0th levels of the government. Key among the resolutions made and existing updates thereon include:

a) The National Treasury was tasked to engage the relevant agencies to develop alternative funds flow framework and explore submitting the County Governments Additional Allocations Bill as a schedule to the County Allocation of Revenue Act. This is still pending.

b) The Intergovernmental Relations Technical Committee (IGRTC) in consultation with relevant stakeholders was tasked to expedite finalization of sector-specific reports detailing resources identified for transfer to County Governments. This is still pending, with resources identified not incorporated in the budget for FY 2026/27.
c) County Governments were tasked to prioritize and fast track payment of all eligible pending bills in accordance with the Pending Bills Action Plan and existing legal and fiscal frameworks.

ii. Council of Governors Meetings

Pursuant to section 21(2) and clause 4 of the schedule of the IGRA, there were five (5) full Council meetings held. The meetings were held to discuss key matters affecting County Governments including: the Devolution Conference 2025, implementation of the SHIF scheme, division of revenue for FY 2026/27, pension for Excellency Governors and appearance of Governors before the Senate County Public Accounts Committee, the County Public Investments and Special Funds Committee.

Among the key resolutions and status updates included:

a) The CoG challenged the directive issued by the National Treasury regarding the implementation of e- Government Procurement (e-GP) in court. The matter is still subsisting.
b) Excellency Governors resolved to appear before all Senate Committees except County Public Accounts Committee (CPAC) until the CoG's concerns are resolved. Excellency Governors also resolved to engage the County Public Investment and Special Funds (CPISF) Committee on appearing once in every audit cycle for efficiency. These issues have since been resolved.
c) The CoG approved the establishment of a contributory pension scheme for County State Officers, aligned to and mirroring the pension framework applicable to Members of Parliament. This is being operationalized through development of a Bill.

iii. Dispute resolution and intergovernmental coordination

Intergovernmental disputes remain prevalent, with 69% of Counties reporting active disputes, primarily involving national–County or inter-County relations. This underscores the evolving nature of Kenya's devolved system, where jurisdictional clarity and coordination continue to be tested in practice.

Counties are increasingly leveraging intergovernmental collaboration mechanisms. 63% of Counties have entered into inter-County agreements, often through regional economic blocs and joint service delivery initiatives. Additionally, 49% of Counties report international partnerships or memoranda of understanding, reflecting expanding engagement with global development actors and external investment opportunities. These trends point to a maturing intergovernmental ecosystem, albeit with participation that is not yet universal across all Counties.

Overall, Counties are reflecting a maturing devolution framework characterized by strong legislative coverage, improving institutional compliance, and expanding intergovernmental collaboration.

3. Citizen engagement and public participation

The County Public Participation Guidelines, 2025 were launched in January 2026 by the State Department for Devolution in collaboration with the CoG. The CoG further participated in sensitization of County Governments on the above Guidelines in May 2026.

4. Review of laws and policies

The CoG has reviewed law and policies affecting the Counties and developed memoranda on the same. These include:

i. *Memorandum from the Committee on Implementation of the Ten-Point Agenda and the National Dialogue Committee Report* – The CoG engaged the Committee on 23rd January 2026 on its views on the Ten-Point agenda; further, it submitted its responses to various questions that would be included in the Committee's report.

ii. *The Kenya Roads (Amendment) Bill* was reviewed and a memorandum developed on 12th August 2025. It was the CoG's position that several provisions create ambiguity regarding the autonomy of Counties over their roads, centralize decision-making in the National Government, and fail to uphold the spirit of devolution as enshrined in Articles 6(2), 174, 175, and 187 of the Constitution. Further, the Bill grants the Cabinet Secretary powers to classify and reclassify all roads, including County roads. This is contrary to Article 186 and the Fourth Schedule of the Constitution.

iii. *The Constitution of Kenya (Amendment) Bill (Senate Bill No. 13 of 2025)* reviewed and memorandum submitted. Some of the issues raised is that there is need to expedite the enactment of The County Governments (State Officers' Removal from Office) Procedure Bill (Senate Bills No. 34 of 2024) to codify the procedure for removal of Excellency Governors, County Executive

Committee Members and other state officers at the County level. Further, that submission of budget estimates to the legislature is a preserve of the executive at the National and County levels.

iv. *The National Honours Act, 2013 and the Kenya Heroes Act, 2014*– The CoG participated in their review and the finding was that the coexistence of two parallel systems has created confusion, duplication and overlaps. There was need for harmonization which should aim to streamline the identification and recognition processes, clarify revocation and appeals mechanisms and strengthen participation of County Governments.

v. *National Honours Bill, 2025* - reviewed and submitted to the Office of the Deputy President; among the reviews given include; the need to have a distinction between honorees and Heroes, include the Revocation and Appeals Mechanisms and enhance County Government participation.

vi. *Autism Management Bill* -reviewed and memorandum submitted- The CoG raised several issues including the fact that several clauses require alignment with the Constitution, the IGRA and the PFMA to ensure the Bill is implementable within the devolved health system.

vii. *Computer Misuse and Cybercrimes Amendment Act, 2025*- reviewed to address matters on: enhanced scope of cyber harassment; and the mandate of the National Computer and Cybercrimes Coordination Committee.

viii. *Advisory on Assented laws* – CoG reviewed and generated an analysis of the implications of the laws assented to by the President on 15th October 2025. These laws are the Virtual Asset Service Providers Act, 2025; the Wildlife Conservation and Management (Amendment) Act, 2025; the National Police Service Commission (Amendment) Act, 2025; the Land (Amendment) Act, 2025; the Computer Misuse and Cybercrimes (Amendment) Act, 2025; and the Privatization Act, 2025.

ix. *The Draft Intergovernmental Relations (Sector Forums) Regulations, 2026*–the Regulations were reviewed and made proposals for aligning their provisions with the resolution of the Summit on co-chairing by the relevant Cabinet Secretary and the sector Committee Chairperson at the CoG.

x. The draft *Concurrent Functions Bill, 2025*– The CoG reviewed the draft Bill from the State Department for Devolution and called for withdrawal of the same as it disregards the provisions of the IGRA on consultation and cooperation and attempts to provide for oversight beyond the dictates of the Constitution. It also attempts to provide for equitable allocation of resources outside Constitutional dictates and grants the Cabinet Secretary power to delineate and amend concurrent functions.

xi. *Public Participation Bill (National Assembly Bill No. 44 of 2025)*– The CoG proposed amendments to the Bill relating to inclusion of civic education as part of the public participation process and sufficient notice of 21 days to the public in conducting public participation.

xii. *Guidelines for County Government engagement with foreign entities* –The CoG contributed to the process of development of these guidelines after Wajir County Government engaged a foreign entity in Morocco. They are yet to be finalized.

xiii. *The Mining (Amendment) Bill (Senate Bill No. 22 of 2025)*– The CoG was in support of the Bill seeking to entrench public participation in distribution of benefits from mineral resources to local communities and timely transfer of mineral royalties to County revenue funds.

xiv. *Draft Sustainable Waste Management (Electrical and Electronic Waste Management) Regulations 2025 and Draft Environmental Management (Strategic and Integrated Environmental Impact Assessments and Environmental Audits) Regulations, 2025*- The CoG reviewed the draft Regulations from NEMA and submitted comments thereto.

xv. *The Power of Mercy Bill (National Assembly Bill No. 56 Of 2025)*– The CoG argued that although County Governments do not contribute to the Presidential Power of Mercy through decision-making, Counties play complementary roles in community-based rehabilitation and reintegration of pardoned individuals and victim support. Counties are best placed to undertake public education and awareness creation on nature and implications of the power of mercy, ensuring a smoother acceptance of pardoned individuals back into society. Through collaboration with national correctional services and probation officers at the local level, Counties can help gather necessary information and or data/ intelligence to inform decision-making on petitions for mercy.

xvi. *The Constitution of Kenya (Amendment) Bill (Senate Bills No. 7 of 2026)*– The CoG opposed this Bill that sought to bar Governors from vying for election as Senators or members of County Assembly for the first five years immediately after serving as County Governors to allow for any ongoing accountability processes in the Senate and the County Assemblies. We cited Constitutional timelines for consideration of audit reports and recusal of Committee members whenever there is conflict of interest.

xvii. *The County Governments (Amendment) Bill (Senate Bill No. 5 of 2026)*– The CoG was not opposed to the Bill.

xviii. *The Referendum Bill (Senate Bill No.3 of 2026)*– The CoG submitted its comments on the Bill that sought to consolidate the law relating to conduct of a referendum. Our comments required that the Bill be aligned to the

Constitution on the referendum process in instances of parliamentary initiative, lack of passage of a referendum Bill by County Assembly or Parliament and reasonable timelines for determination of referendum petitions.

5. **County policies, legislation, administrative and governance instruments**

In the period under review, key policy, legislation, regulations, administrative and governance instruments were developed aimed at improving service delivery at the County level.

i. Policy and Legislative Priorities for the Fourteen (14) Functional Areas

County Governments have achieved substantial legislative coverage in some devolved functions, with 37 out of 47 Counties (79%) reporting legal frameworks for County Health Services and 34 out of 47 Counties (72%) reporting legal frameworks for Agriculture. This reflects a high level of coordination in sectors central to service delivery and socio-economic transformation.

In addition, 36 out of 47 Counties (77%) reported legislation in Trade, 31 out of 47 Counties (66%) in Environmental Management, and 26 out of 47 Counties (55%) in Planning, indicating that many Counties are extending legislative development into broader economic and regulatory domains. There is however room for improvement to ensure improved regulatory scope and tap into attendant revenue streams therefrom.

However, the data also reveals gaps in a distinct set of lower-coverage sectors, which represent the least legislated functional areas in 2026. These sectors are Control of Drugs and Pornography, where only 19 out of 47 Counties (40%) reported legislative frameworks; County Planning and Development, where 26 out of 47 Counties (55%) reported legislative frameworks; and Early Childhood Development (ECDE/Pre-Primary Education) and Disaster Management, where 29 out of 47 Counties (62%) respectively reported legislative frameworks. Among these, Control of Drugs and Harmful Substances records the lowest legislative coverage, with fewer than half of Counties reporting frameworks. This places it significantly below all core service delivery and economic sectors and signals limited prioritization of this regulatory function within County legislative agendas.

This pattern suggests that while Counties have made considerable progress in establishing legislative frameworks for core service delivery and revenue-generating functions, legislative uptake remains slower in planning, social regulation and resilience-oriented sectors, which are equally critical for sustainable development, effective governance and long-term societal outcomes.

ii. Institutionalization of the Office of the County Attorney

Counties have made significant strides, with 100% of Counties reporting the presence of a County Attorney, underscoring near-complete compliance with statutory requirements. However, staffing depth remains uneven: 69% of Counties have appointed County Solicitors, while 86% of Counties report additional legal counsel capacity. This indicates that while the foundational legal structure is in place, human resource strengthening within County legal offices remains an area for continued investment.

iii. Governance, Accountability and Compliance

Governance compliance indicators show notable but incomplete progress. While 83% of Counties have signed Leadership and Integrity Codes, only 51% have gazetted them, revealing a clear compliance gap between commitment and formal institutionalization. However, internal oversight mechanisms remain significantly underdeveloped: only 11% of Counties conduct legal or governance audits, pointing to a major gap in structured compliance monitoring. In contrast, 54% of Counties have engaged the Ethics and Anti-Corruption Commission (EACC) for corruption risk assessments, suggesting that while external accountability mechanisms are gaining traction, internal governance assurance systems are still weak and unevenly institutionalized.

In terms of accountability practices, 86% of Counties have issued State of the County Addresses, affirming growing adherence to transparency and public reporting obligations.

O. THE 2025 DEVOLUTION CONFERENCE

During the year under review, the CoG in collaboration with partners convened the 9th Devolution Conference from 12th to 15th August 2025 at Homa Bay National School, Homa Bay County. The Conference was held under the theme *"For the People, For Prosperity: Devolution as a Catalyst for Equity, Inclusion and Social Justice"* and the sub-theme *"Re-engineering County Governments to Accelerate Development and Close the Socio-Economic Divide."* The conference attracted over 5,000 delegates- government, development partners, the private sector, civil society and the public - to assess devolution and identify measures for advancing equity and shared prosperity.

For the first time, the Conference successfully hosted 48 side-events covering a myriad of themes including but not limited to: accelerating equitable healthcare access; digitalization of public services; the inclusion and protection of vulnerable groups; Maternal and Perinatal Death Surveillance and Response (MPDSR); nutrition; performance management in Counties; and innovative financing of key social sectors such as ECDE, water and housing.

At the close of the Conference, a Joint Communique was adopted. CoG is tracking implementation of the resolutions therein.

P. KNOWLEDGE SHARING AND PEER TO PEER LEARNING

During the 2025/26 Financial Year, the Maarifa Centre strengthened its role as the knowledge-sharing and learning hub of the CoG by documenting, packaging, and disseminating County innovations and promising practices. A key milestone was the publication of the Ninth and Tenth Editions of the Compendium of County Innovations and Best Practices, providing structured platforms for peer learning and replication of successful County-led interventions.

The Ninth Edition, themed *County Innovations and Best Practices on Service Delivery*, documented 15 success stories from nine Counties across sectors including health, water, agriculture, governance, education, and social development. The publication showcased innovative approaches that improved access to services, enhanced efficiency, strengthened citizen engagement, and delivered measurable development outcomes at the County level.

The Tenth Edition, themed *Investing in Patient-Centered Services: A Compendium of County Innovations and Best Practices on Primary Health Care Networks (PCNs)*, featured 23 innovations and best practices from 15 Counties. The publication showcased County-led interventions aimed at strengthening PCNs through integrated service delivery, community health systems, referral coordination, digital health innovations, health workforce strengthening, and improved access to healthcare services, thereby advancing the realization of UHC.

In total, Maarifa Centre documented and published 64 new County success stories during the year under review, up from 31 County success stories in the last FY, significantly expanding the national repository of County knowledge, innovations, and practical learning resources. To institutionalize knowledge management across the devolved units, the Centre continued to work closely with the 45 County Knowledge Management Champions, who serve as focal persons for identifying, documenting, validating, and sharing County innovations and best practices. Additionally, in order to continually highlight the progress of County-led interventions and challenges in devolution, the CoG generated seventeen (17) opinion pieces that were published in print media.

All compendiums, success stories, policy briefs, reports, guidelines, and other knowledge products remained accessible through the Maarifa Portal (maarifa.cog.go.ke), providing a centralized repository for County knowledge and learning resources. The knowledge assets were further disseminated through the Maarifa Centre X page, the CoG's LinkedIn page, relevant WhatsApp groups, workshops, and stakeholder engagements, promoting wider access to knowledge, peer learning, and the replication of proven practices across Counties.

Dear Kenyans, Fellow leaders,
Devolution remains to be one of Kenya's most transformative governance shift. Outstanding and selfless service is what is demanded of us leaders by the Constitution. My prayer is that our ultimate priority will be to deliver quality, accessible and affordable services to all Kenyans with the aim of closing the socio-economic divide. Let us not leave our Counties the same way we found them. Every shilling from the equitable share, OSR and conditional grants must be accounted for through changed lives, improved livelihoods and prosperity of all Kenyans.

I now call on my fellow Governors to proceed with delivering the State of County Addresses in their respective jurisdictions. A detailed statistical report covering all the sectors I have mentioned is available. In the long version of this address, you will encounter success stories from across the forty-seven Counties.

Here's to the continued progress of our 48 Governments, and to the unity and prosperity of the Kenyan nation.

I thank you!

DELIVERED BY:
H.E. FCPA AHMED ABDULLAHI, EGH
CHAIRPERSON, COUNCIL OF GOVERNORS