



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MIGORI
FINANCE AND ECONOMIC PLANNING DEPARTMENT



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27th February, 2026

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County Secretary
Migori County

MIGORI COUNTY GOVERNMENT
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COUNTY SECRETARY
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RE: 2026/27 MIGORI COUNTY FISCAL STRATEGY PAPER

The above subject refers,

Attached please find a copy of 2026/2027 Migori County Fiscal Strategy paper as per section 117 of the PFM Act, 2012 for your perusal and necessary further action.

C.E.C. MEMBER – FINANCE
MIGORI COUNTY
P. O. Box 195-40400, SUNA-MIGORI

Thanks

Date:.....Sign:.....

Maurice Ottunga Nyanjagah
CECM-Finance and Economic Planning
Migori County

Cc. H.E The Governor
Migori County

Tabled on 3/3/2026
By Majority Leader
— S. A. —



REPUBLIC OF KENYA



MIGORI COUNTY

COUNTY FISCAL STRATEGY PAPER 2026

28th February 2026

FOREWORD

The Migori County Fiscal Strategy Paper (CFSP) 2026 is meticulously prepared and presented to all stakeholders in strict compliance with Section 117 of the Public Finance Management (PFM) Act, 2012. This vital document articulates the county government's fiscal framework and overarching policy goals intended to guide the entire budgetary process for the forthcoming Fiscal Year 2026/2027 and the subsequent medium term. Our strategic direction is carefully aligned with national economic objectives as outlined in the National Budget Policy Statement (BPS), while simultaneously being firmly rooted in the commitments articulated within our County Integrated Development Plan (CIDP 2023-2027). The formulation of this paper has been an inclusive and consultative process, informed significantly by extensive public participation and robust stakeholder engagement across all sub-counties, ensuring that the final fiscal path is a true reflection of the shared community needs of our citizens.

A central tenet of this document is the unwavering commitment to the principles of fiscal responsibility. We are dedicated to ensuring that recurrent expenditures remain strictly within the limits of total projected revenue, thereby guaranteeing long-term fiscal discipline and stability. Furthermore, this strategy reinforces our statutory obligation to allocate at least 30% of the total county budget toward development expenditures. This deliberate prioritization of capital investment is essential for building a resilient infrastructure base and fostering a conducive environment for private sector growth and local job creation.

Crucially, this CFSP establishes the indicative sector ceilings that will govern the allocation of resources across the various departments. These ceilings have been determined through a rigorous, transparent, and criteria-based approach, ensuring that funds are strategically distributed to high-impact projects that align with our county-wide development priorities. This balanced approach acknowledges that all departments play an integral and essential role in the service delivery framework. The allocations aim to optimize efficiency and ensure that every available shilling is utilized in a manner that yields maximum value for our taxpayers across all sectors.

To support these ambitions in an evolving economic landscape, the CFSP 2026 outlines aggressive and innovative strategies for own-source revenue (OSR) mobilization. While our OSR capacity is still developing, we acknowledge the critical role of equitable share transfers (exchequer releases) from the national government in funding our operations and development agenda. This paper projects a realistic and prudent balance of these funding sources, striving to enhance our internal resource capacity while prudently managing the timely absorption of all allocated funds to deliver public services efficiently.

The successful implementation of these fiscal strategies is a collective endeavour that requires the continued support and synergy of all stakeholders. I wish to express my profound gratitude for the visionary guidance provided by the County Governor, H.E. Dr. Ochilo Ayacko and the essential input from our development partners and the patriotic citizens of Migori. Together, we shall ensure the transparent, efficient, and impactful utilization of all public resources, ultimately securing a prosperous and dignified future for every resident of our great County.

Hon Maurice Otunga Nyanjagah

CECM Finance and Economic Planning

ACKNOWLEDGEMENT

The development of the Migori County Fiscal Strategy Paper (CFSP) 2026 was a collaborative and multi-agency exercise that drew on the expertise and commitment of various stakeholders. We are indebted to the Office of the County Governor, H.E. Dr. Ochilo Ayacko, whose transformative vision for a prosperous Migori County continues to inspire our planning. We also acknowledge the Migori County Assembly for their constructive engagement and oversight, which ensures that our fiscal path remains accountable to the people.

Special recognition goes to my colleagues, the County Executive Committee Members (CECMs) and my fellow Chief Officers from all departments. Their cooperation in aligning sectoral priorities with the available fiscal space was instrumental in ensuring a balanced and realistic strategy. I also thank Directors and heads of various departments; their technical input during the sector working group sessions provided the essential data and departmental insights required to formulate this document.

I also extend my sincere appreciation to the County Budget and Economic Forum, (CBEF) and the dedicated staff within the Department of Finance and Economic Planning for their tireless efforts in data collation and the meticulous compilation of this document.

Finally, I thank the residents of Migori, our development partners, and civil society organizations who participated in our public consultation forums. Your voices have ensured that this CFSP is a true reflection of the needs and aspirations of our community.

Dr. Achuora John Odoyo

Chief Officer Finance and Economic Planning

Migori County

EXECUTIVE SUMMARY

The **2026 County Fiscal Strategy Paper (CFSP)** establishes a comprehensive framework for the County Government of Migori's budget for **FY 2026/27** and the medium term. Prepared as the administration enters its fourth year, this paper focuses on consolidating the significant gains made under the **Bottom-Up Economic Transformation Agenda (BETA)** and the **3rd Generation County Integrated Development Plan (CIDP 2023-2027)**. Nationally, the Kenyan economy has demonstrated resilience with a projected growth of **5.2% by 2026**, providing a stable backdrop for Migori's local economy, which remains anchored by a robust agricultural sector and an expanding MSME landscape. Despite the challenges posed by delayed exchequer disbursements from the National Treasury, the County has maintained fiscal stability, keeping inflation within the target range and fostering a predictable environment for local trade.

A review of recent performance reveals that the County achieved a budget execution rate of **59.8%** during the first half of FY 2025/26. Notable milestones during this period include the completion of **203 ECDE projects** and steady progress on Phase II of the **County Headquarters**, which has reached the **50% completion mark**. In the health sector, revenue mobilization through the **Facility Improvement Fund (FIF)** has shown remarkable growth, reaching **KSh 184.763million** and now accounting for 64% of the County's Own Source Revenue. Governance has also seen a digital transformation with the launch of the **Ward-Based Development Record Database App**, which has significantly enhanced real-time monitoring and transparency in project implementation.

Looking ahead to the **FY 2026/27**, the total resource envelope is projected at **KSh 11.567 Billion**. This will be financed through an Equitable Share of **KSh 8.883 Billion**, a targeted Own Source Revenue of **KSh 1.052 Billion** (Comprising of 675 Million as Ordinary OSR, 370 Million as FIF and Million as A-I-A) bolstered by full automation, and **KSh 1.631 Billion** in conditional grants and donor funds. In strict compliance with the Public Finance Management (PFM) Act, the County has dedicated **30.84%** of its budget to development expenditure. Key priorities include the operationalization of the **County Aggregation and Industrial Park (CAIP)**, the final commissioning of the County Headquarters, and the establishment of a **Rescue and Recovery Centre** at an estimated cost of **KSh 50 million** to address Gender-Based Violence.

While the outlook is positive, the County continues to manage critical fiscal risks, including the upward pressure on the wage bill, which currently stands at **34.6%** just below the 35% statutory limit. To safeguard sustainability, the fiscal policy for the medium term will prioritize **debt resolution**, the ring-fencing of funds for **pending bills**, and the enforcement of **Standard Operating Procedures (SOPs)** to mitigate high litigation costs. By adhering to a "completion over new starts" policy and leveraging geospatial mapping for equitable resource distribution, the County Government of Migori remains committed to a transparent, accountable, and inclusive development agenda that secures long-term prosperity for all its residents.

ABBREVIATIONS AND ACRONYMS

ADP	ANNUAL DEVELOPMENT PLAN
AMS	AGRICULTURAL MECHANISATION SERVICES
CCTV	CLOSED CIRCUIT TELEVISION
CECs	COUNTY EXECUTIVE COMMITTEE MEMBER
CFMIS	COUNTY FINANCIAL MANAGEMENT INFORMATION SYSTEM
CIDP	COUNTY INTEGRATED DEVELOPMENT PLAN
ECDE	EARLY CHILDHOOD DEVELOPMENT EDUCATION
FSP	FISCAL STRATEGY PAPER
FY	FINANCIAL YEAR
GDP	GROSS DOMESTIC PRODUCT
ICT	INFORMATION COMMUNICATION TECHNOLOGY
IFMIS	INTEGRATED FINANCIAL MANAGEMENT SYSTEM
KPLC	KENYA POWER AND LIGHTING COMPANY
KSHS	KENYA SHILLING
MCA	MEMBER OF COUNTY ASSEMBLY
MTEF	MEDIUM TERM EXPENDITURE FRAMEWORK
PFM	PUBLIC FINANCE MANAGEMENT
SBP	SINGLE BUSINESS PERMIT
SMEs	SMALL AND MEDIUM ENTERPRISES
TOL	TEMPORARY OCCUPATION LICENSE

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CHAPTER ONE: OVERVIEW OF THE COUNTY FISCAL STRATEGY PAPER

1.1 Legal basis for the publication of the county fiscal strategy paper

1. The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The Law states that:

- a) The County Treasury shall prepare and submit to the County Executive Committee the county fiscal strategy paper for approval and the county treasury shall submit the approved fiscal strategy paper to the county assembly, by the 28th of February of each year.
- b) The county shall align its county fiscal strategy paper with the national objectives in the budget policy statement.
- c) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad specific priorities and policy goals that will guide the County Governments in preparing their budgets for the next financial year and over the Medium Term.
- d) The county shall include in its fiscal strategy paper the financial outlook with respect to county government revenues, expenditures, and borrowing for the coming financial year and over the Medium Term.
- e) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and consider the views of:
 - i. The Commission of Revenue Allocation
 - ii. The Public
 - iii. Interested Persons or groups
 - iv. Any other forum that is established by the legislation
- f) Not later than fourteen days after submitting the CFSP to the County Assembly shall consider and may adopt it with or without amendments.
- g) The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposals for the financial year concerned.
- h) The County Treasury shall publish and publicize the CFSP within seven days after it has been submitted to the County Assembly.

1.2 Fiscal responsibility principles for the National and County governments

1. In line with the constitution, the new PFM Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM Law (Section 15) states that:
2. Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure.
3. The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
4. The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
 - i. Over the medium term, the nation and county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
 - ii. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the county assemblies for the County Governments.
 - iii. Fiscal risks shall be managed prudently; and
 - iv. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

1.3 Accelerating Gains Under the Bottom-Up Economic Transformation Agenda For Inclusive and Sustainable Growth

1.3.1 Overview

1. The **2026 County Fiscal Strategy Paper (CFSP 2026)** is the fourth to be prepared by this administration since assuming office in September 2022. It outlines the Government's priority policies, programs, and interventions for implementation in FY 2026/27 and over the medium term. Furthermore, the 2026 CFSP highlights progress made in delivering the **Bottom-Up Economic Transformation Agenda (BETA)** and the Governor's Manifesto. This manifesto serves as the overarching framework for economic recovery through a value chain approach and is fully aligned with the **County Integrated Development Plan (CIDP 2023-2027)**.

2. The County Government of Migori has achieved notable progress in revenue administration, expenditure management, governance, MSME financing, agricultural commercialization, and infrastructure expansion. Efforts to streamline Public Financial Management (PFM) systems, resolve pending bills, and enforce expenditure transparency are ongoing. Overall, the County has strengthened inclusive growth, job creation, and healthcare access.

1.3.2 Implementation of the development Agenda.

3. Over the medium term, the Government will consolidate these gains through a value chain approach to scale impact, bridge urban-rural divides, and ensure sustainable transformation. Special emphasis will be placed on:
 - i) **Agricultural Transformation:** The Government prioritizes enhancing food security, promoting crop diversification, and modernizing value chains through the **County Aggregation and Industrial Park (CAIP)**. Central to building climate resilience are strengthened extension services, improved livestock disease control, and expanded agricultural insurance schemes.
 - ii) **MSME Economy:** Key priorities include expanding access to credit through the **Trade Empowerment Fund** and empowering youth. Strengthening cooperatives and facilitating market linkages will further enhance value addition and inclusive participation.
 - iii) **Healthcare:** Focus remains on achieving **Universal Health Coverage (UHC)** through integrated Primary Healthcare Networks, expanded community health services, and the deployment of adequate medical personnel. Sustainable financing, digital health platforms, and robust medical supply chains are vital for equitable access.
4. The Government will implement the following interventions to accelerate economic transformation:
 - i) Enhance fiscal management by expanding domestic revenue through administrative reforms and ensuring value for money in public spending.
 - ii) Accelerate infrastructure development—specifically roads, energy, and water systems—to lower the cost of doing business
 - iii) Strengthen human capital by increasing investments in health, Early Childhood Development Education (ECDE), and Vocational Training Centers (VTCs).
 - iv) Promote the empowerment of youth, women, and Persons with Disabilities (PWDs) through targeted government programs.

1.3.3 Gains Made in Key Core Areas of the CIDP

5. The County Government of Migori recognizes the pivotal role of good governance, transparency, and accountability in managing public resources and ensuring respect for human rights.
6. Under good governance ,Key priorities highlighted in the **CIDP 2023-2027** include deepening public participation, strengthening governance systems that uphold the rule of law, and fostering peace and cohesion. Efforts also include enhancing corruption prevention, improving Monitoring and Evaluation (M&E) tracking, and strengthening advisory bodies such as the **County Audit Committee** and the **County Budget and Economic Forum (CBEF)**.

7. Notable achievements during the period under review include strengthened collaborations through Memoranda of Understanding (MOUs) signed with various state agencies and development partners.
8. Furthermore, several policies and legislations were formulated to further guide the implementation of devolved functions, including:
 - **The Migori County Finance Act (2024 & 2025):** To regulate county taxation, fees, and charges for revenue mobilization.
 - **The Migori County Revenue Administration Act (2023):** To streamline the collection and management of own-source revenue.
 - **The Migori County Community Health Services Act (2022):** Providing a legal framework for professionalizing and paying stipends to Community Health Workers (CHWs).
 - **The Migori County Climate Change Act & Fund Act (2021/2023):** Mainstreaming climate actions and establishing a dedicated fund for grassroots adaptation.
 - **The Migori County Water and Sanitation Act (2022):** To enhance the management and sustainability of piped water schemes and rural supply.
 - **The Migori County ICT Governance & Innovation Policy (2025):** Guiding the digital transformation and automation of county services.

1.3.4 Sectoral Progress

9. Approximately 85% of Migori residents rely on agriculture for their livelihoods, a sector with a high employment multiplier that supports crucial value chains and rural job creation. During the medium term, the county implemented farmer registration, pest and disease control, promotion of small-scale irrigation, climate-smart technologies, and value addition initiatives.
10. The county government also focused on improving healthcare through human resource capacity building, strengthening information systems, ensuring medical supply sustainability, and enhancing infrastructure and governance.
11. In education, strategies included expanding scholarship schemes, rehabilitating infrastructure, promoting digital literacy, and increasing capitation for Vocational Training Centers.
12. Access to clean water and energy was addressed through expanding piped water schemes, drilling solar-equipped boreholes, establishing water committees, and installing high-mast floodlights and solar streetlights.
13. Infrastructure development focused on expanding and rehabilitating access roads and upgrading strategic road networks.
14. To drive industrialization and MSME growth, the county supported youth-led MSMEs and cooperatives, commenced construction of the County Aggregation and Industrial Park (CAIP), and provided grants to SACCOS.
15. To preserve the environment and mitigate the impact of climate change, the County has implemented robust conservation efforts aimed at preventing habitat destruction and maintaining ecological balance. Recognizing that climate phenomena directly affect county development, the Government has operationalized the **Migori County Climate Change Fund**. This fund facilitates adaptation and mitigation activities at the ward level, ensuring that environmental degradation is minimized and pollution levels are reduced, thereby achieving sustainable development goals through a community-led approach.

1.4 Enablers for Transformation

16. The successful implementation of CIDP objectives is fundamentally hinged on sound policy and institutional reforms. These enablers include comprehensive public sector reforms, the development of efficient infrastructure, the adoption of innovation, science, and technology, and the promotion of sustainable land use management. Furthermore, the County focuses on social

protection, the creative economy, and the harnessing of strategic partnerships as essential pillars for realizing the transformation agenda.

1.4.1 Public Sector Reforms

17. During the period under review, the County Government enhanced accountability and service delivery by rolling out **Performance Contracting** targeting CECMs, Chief Officers, Directors, and Heads of Sections. This initiative ensures that the public service remains results-oriented, with clear benchmarks for productivity and efficient resource utilization across all departments.

1.4.2 Infrastructure Development

18. Infrastructure development remains pivotal in facilitating and accelerating socio-economic growth across the county. In line with the CIDP, the Government has implemented strategies aimed at increasing access to clean energy, enhancing connectivity to the national electricity grid, and expanding public lighting within market centers to support a 24-hour economy.

1.4.3 Lands, Housing, and Urbanization

19. Sustainable land use and management provide the necessary foundation for all other economic activities. Key priorities include the implementation of the **National Land Management Information System (NLMIS)** and the preparation of a comprehensive **10-year County Spatial Plan (CSP)** to guide future development. Additionally, the County has focused on the spatial planning of market centres and public institutions, the preparation of a valuation roll, and the upgrading of informal settlements to ensure controlled urban growth.

1.4.4 Social Protection, Sports, Arts, and the Creative Economy

20. The social protection and recreation sector plays a critical role in the county's transformation by conserving cultural heritage and nurturing talent in sports and the creative arts. To sustain recent gains, the County has prioritized the documentation and digitization of cultural sites, the promotion of annual cultural festivals, and the protection of indigenous knowledge. Targeted interventions also focus on the empowerment of youth, women, and **Marginalized and Vulnerable Groups (MVGs)**, ensuring that gender inclusivity and child rights are mainstreamed within the county development agenda.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK.

2.1 Global Economic Outlook

21. Global growth has remained resilient in 2025, supported by front-loading of exports to the United States ahead of higher tariff implementation, improved financial conditions, and strong consumer spending. Global real GDP is estimated to grow by 3.2 percent in 2025, before moderating slightly to 3.1 percent in 2026 (Table 2.1). Growth is projected to slow in 2026 as the temporary boost from front-loading fades and as higher effective tariff rates and elevated trade-policy uncertainty weigh on activity. In addition, weak global demand and heightened geopolitical tensions continue to pose significant risks to the global outlook.

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Table 1: Global economic performance.

Economy	Actual		Projections	
	2023	2024	2025	2026
World	3.5	3.3	3.2	3.1
Advanced Economies	1.8	1.8	1.6	1.6
<i>Of which: USA</i>	2.9	2.8	2.0	2.1
<i>Euro Area</i>	0.5	0.9	1.2	1.1
<i>Japan</i>	1.4	0.1	1.1	0.6
Emerging and Developing Economies	4.7	4.3	4.2	4.0
<i>Of which :China</i>	5.4	5.0	4.8	4.2
<i>India</i>	9.2	6.5	6.6	6.2
<i>Of which:South Africa</i>	0.8	0.5	1.1	1.2
<i>Nigeria</i>	2.9	4.1	3.9	4.2

Source World Economic Outlook, October 2025

22. In advanced economies, growth is expected to remain modest at about 1.6 percent in both 2025 and 2026, supported by resilient household spending, strong business investment, particularly in AI-related technologies, and easing financial conditions. Meanwhile, growth in expansion is underpinned by rising real wages, which bolster household consumption, as well as investment in technology and equipment, although progress is constrained by trade-policy uncertainty, weaker export demand and subdued business confidence.

Emerging market and developing economies are projected to grow at 4.1 percent in 2025, then slightly slow to 4.0 percent in 2026. This moderate growth is underpinned by relatively resilient domestic demand in regions such as South Asia and Middle East / Central Asia, coupled with recoveries in investment in several countries. At the same time, China's growth softens, weighing on the aggregate; and growth in Latin America is projected to remain sluggish amid external pressures. The outlook for Sub-Saharan Africa is more favorable: growth is expected to be around 4.1 percent in 2025, with a modest pickup to 4.4 percent in 2026. This resilience is underpinned by macroeconomic stabilization, recovering private consumption, improving investment conditions, and ongoing economic reforms. Nonetheless, the region still faces risks from fiscal pressures and external vulnerabilities.

2.2 Domestic Economic Performance

Kenya's economy has demonstrated remarkable resilience over the past three years, consistently growing at a pace that outperforms both the global and regional averages. This strength is rooted in deliberate policies and the benefits of a diversified economy. The economy has thus been able to withstand adverse impacts of domestic and external shocks. In 2024, the economy grew by 4.7 percent supported by positive growth in all subsectors except construction, mining and quarrying. Further, in the first and second quarters of 2025, the economy remained strong with a growth of 4.9 percent and 5.0 percent, respectively. This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector. All economic sectors recorded positive growth rates in the first half of 2025, with varied magnitudes across activities

Table 2: Sector performance

Sectors/Sub-sectors	Annual Growth Rates	Quarterly Growth Rates			
	2024	2024 Q1	2024 Q2	2025 Q1	2025 Q2
1. Primary sector	3.9	4.5	4.0	6.2	4.9
1.1. Agriculture, Forestry and Fishing	4.6	5.6	4.5	6.0	4.4
1.2 Mining and Quarrying	(9.2)	(16.1)	(5.5)	10.8	15.3
2. Secondary Sector (Industry)	1.5	1.5	0.5	2.6	3.3
2.1. Manufacturing	2.8	1.9	3.2	2.1	1.0
2.2. Electricity and Water supply	1.9	2.8	1.2	3.6	5.7
2.3. Construction	(0.7)	0.4	(3.7)	3.0	5.7
3. Tertiary sector (Services)	6.1	6.8	6.2	4.8	5.5
3.1. Wholesale and Retail trade	3.8	3.6	2.5	5.4	4.0
3.2. Accommodation and Restaurant	25.7	38.1	35.0	4.1	7.8
3.3. Transport and Storage	4.4	4.1	3.4	3.8	5.4
3.4. Information and Communication	7.0	9.2	6.7	5.8	6.0
3.5. Financial and Insurance	7.6	9.6	8.0	5.1	6.6
3.6. Public Administration	8.2	7.5	9.0	6.5	6.0
3.7. Others	5.2	5.8	5.6	4.4	5.2
of which: Professional, Admin & Support Services	9.4	9.4	6.7	4.6	8.5
Real Estate	5.3	6.9	5.9	5.3	5.5
Education	3.9	2.4	3.2	2.9	3.2
Health	6.3	5.4	8.1	4.8	6.8
Taxes less subsidies	4.4	2.9	3.8	5.7	3.3
Real GDP	4.7	4.9	4.6	4.9	5.0

Source of Data: Kenya National Bureau of Statistics

In 2025, the primary sector grew by 6.2 percent in the first quarter and 4.9 percent in the second quarter compared to a growth of 4.5 percent and 4.0 percent in the corresponding quarters of 2024 (Table 12). This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub-sector. Activities in the agriculture, forestry, and fishing sub-sector expanded by 6.0 percent in the first quarter and 4.4 percent in the second quarter of 2025, compared to growth of 5.6 percent and 4.5 percent in the corresponding quarters of 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of milk, coffee, vegetables, fruits and cut flowers. However, the sub-sector's performance was somewhat curtailed by a decline in tea production.

The mining and quarrying sub-sector grew by 10.8 percent in the first quarter and 15.3 percent in the second quarter of 2025, compared to a contraction of 16.1 percent and a contraction of 5.5 percent in the same quarters of 2024. This reflected increased activity and renewed investment following a period of subdued performance in the previous year.

In the first half of 2025, **the industry sector** recorded a growth of 2.6 percent in the first quarter and 3.3 percent in the second quarter, an improvement from a growth of 1.5 percent and 0.5 percent in corresponding quarters of 2024. This growth was driven by improved performance across manufacturing, electricity and water supply, and construction. The manufacturing subsector grew by 2.1 percent in the first quarter of 2025 compared to 1.9 percent in the first quarter of 2024, and by 1.0 percent in the second quarter of 2025 compared to 3.2 percent in the second quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, the sub-sector benefitted from strong increases in coffee auctions and milk deliveries. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets.

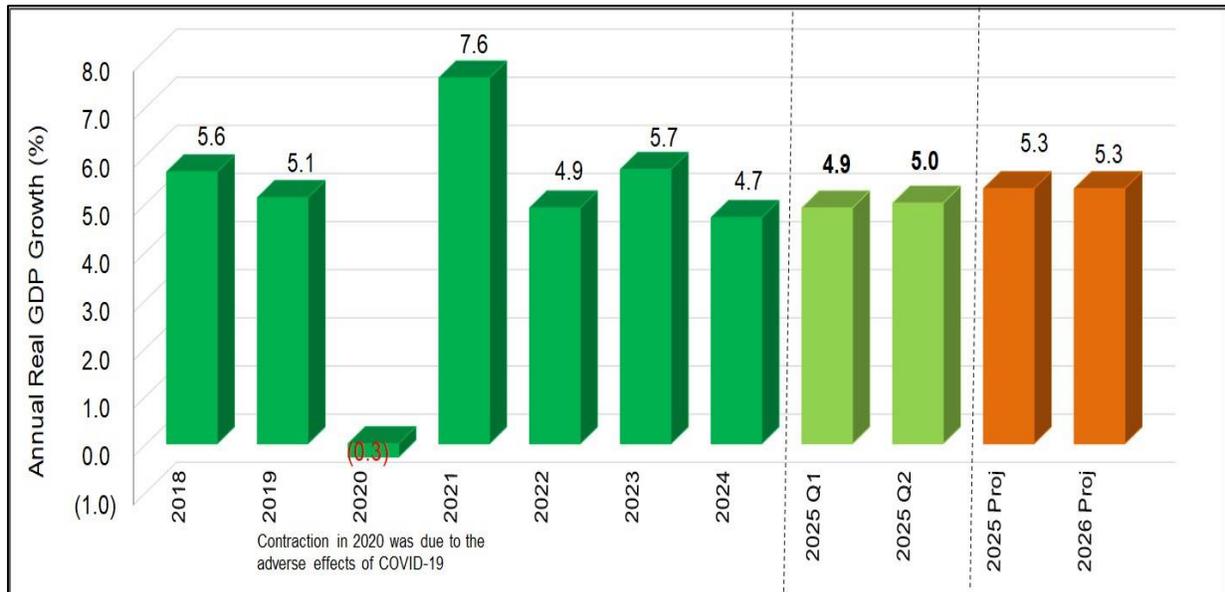
The electricity and water supply sub-sector grew by 3.6 percent in the first quarter and 5.7 percent in the second quarter of 2025, compared to 2.8 percent and 1.2 percent in the corresponding quarters of 2024. Growth was driven by higher electricity generation, with solar wind and geothermal contributing significantly, although increases in thermal generation and decline in hydro curtailed overall performance. Construction sub-sector grew by 3.0 percent in the first quarter and 5.7 percent in the second quarter of 2025, up from a growth of 0.4 percent and a contraction of 3.7 in corresponding quarters of 2024. This was driven by increased consumption of key inputs such as cement, iron and steel. Additionally, the quantity of imported bitumen increased during the period.

The **services sector** recorded a growth of 4.8 percent in the first quarter and 5.5 percent in the second quarter of 2025, a slowdown from the 6.8 percent and 6.2 percent growths posted in the corresponding quarters of 2024. The transportation and storage sub-sector expanded by 3.8 percent in the first quarter and 5.4 percent in the second quarter of 2025, compared to 4.1 percent and 3.4 percent in the corresponding quarters of 2024. The performance was supported by increased activity in land transport, railway operations, and port throughput. Accommodation and food service sub-sectors grew by 4.1 percent in the first quarter and 7.8 percent in the second quarter of 2025, a slowdown, compared to a growth of 38.1 percent and 35.0 percent in the corresponding quarters of 2024. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (JKIA) and Moi International Airport (MIA) increased in the first half of 2025.

The information and communication sub-sector grew by 5.8 percent in the first quarter and 6.0 percent in the second quarter of 2025, compared to a growth of 9.2 percent and 6.7 percent in corresponding quarters of 2024. This performance was supported by an increase in both domestic and international mobile voice traffic and an increase in mobile broadband data consumption. The financial and insurance sub-sector recorded growth of 5.1 percent in the first quarter and 6.6 percent in the second quarter of 2025, compared to 9.6 percent and 8.0 percent in the corresponding quarters of 2024. The slower growth reflects the impact of easing interest rates, which moderated earnings from financial intermediation, alongside relatively modest credit growth to the private sector.

Leading indicators of economic activity point to improved performance in the third quarter of 2025. The growth of the economy is expected to pick up to 5.3 percent in both 2025 and 2026, supported by continued resilience of key service sectors and agriculture, and continued recovery of the industry sector. The outlook will be reinforced by the ongoing implementation of priorities under Bottom-Up Economic Transformation Agenda (BETA) (**Figure 2.1**).

Figure 1: Annual Real GDP growth Rates ,percent



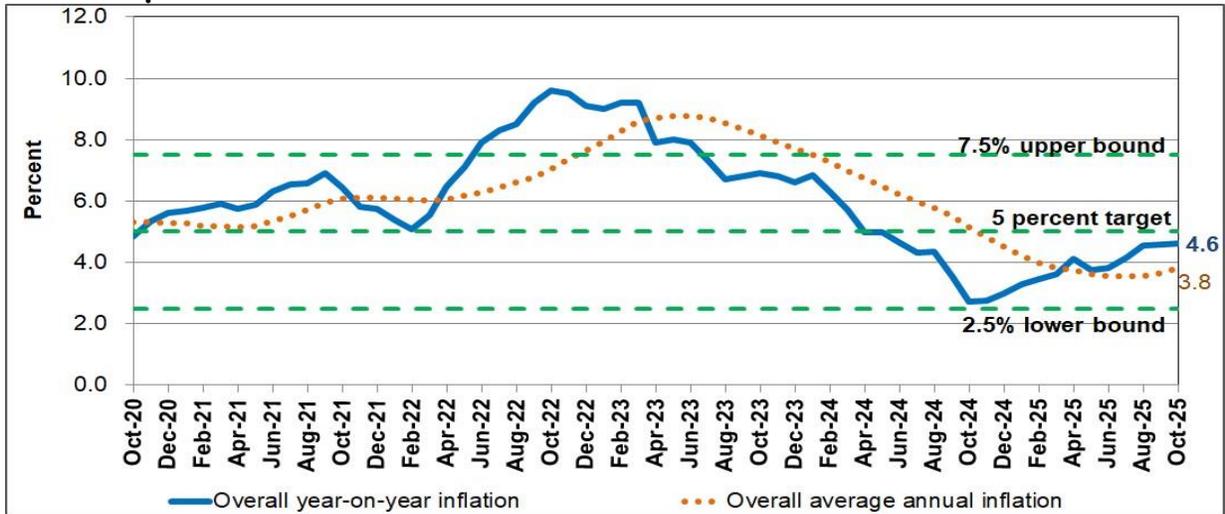
Source of Data: Kenya National Bureau of Statistics

Inflation Developments

Overall year -on-year inflation has declined and remained below the mid -point of the policy target range of 5.0 ± 2.5 percent since June 2024. The stable inflation has been supported by: abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate; lower international oil prices; and the decline in non -core inflation due to the impact of previous monetary policy tightening. Inflation stood at 4.6 percent in October 2025 compared to 2.7 percent in October 2024 (**Figure 2.2**). The slight increase reflects the easing of monetary policy.

168. Core inflation increased to 2.7 percent in October 2025 from 1.8 percent in October 2024, largely driven by higher prices of processed food items. Non -core inflation rose to 9.9 percent in September 2025 from 5.1 percent in October 2024, driven primarily by sharper increases in transport costs, as well as higher prices of vegetables, particularly tomatoes, carrots, onions, and cabbages, alongside pressures from utilities and energy.

Figure 2: Inflation Rate ,percent



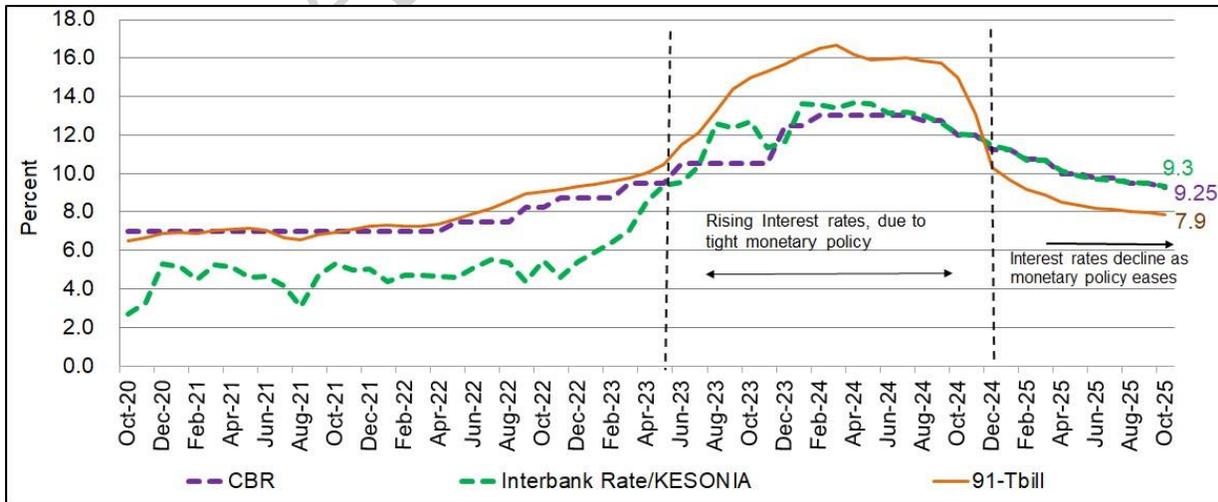
Source of Data: Kenya National Bureau of Statistics

169. The Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.25 percent in October 2025 (Figure 2.3a). This is meant to augment the previous policy actions aimed at stimulating lending by banks to the private sector and supporting economic activities. It also seeks to ensure that inflationary expectations remain firmly anchored and the exchange rate also remain stable.

Interest Rates Developments

170. The short term interest rates have declined in line with the easing of the monetary policy. KESONIA (overnight interbank rate) declined to 9.3 percent in October 2025 compared to 12.1 percent in October 2024 while the 91-day Treasury Bills rate declined to 7.9 percent from 15.0 percent, over the same period. The 182-day Treasury Bills rate declined to 7.9 percent in October 2025 from 15.8 percent in October 2024 while the 364-day Treasury Bills also declined to 9.4 percent from 16.1 percent over the same period. The decrease in government domestic borrowing rates has led to lower debt servicing costs.

Figure 2.3a: Short Term Interest Rates.

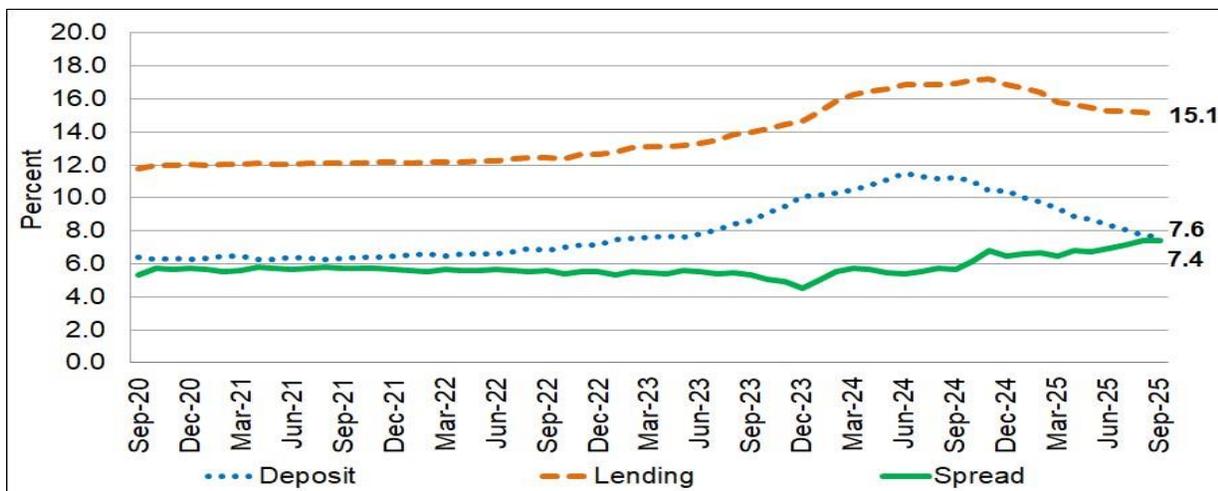


Source of Data: Central Bank of Kenya

171. Commercial banks average lending and deposit rates decreased in the year to September 2025 in tandem with the easing of the monetary policy. The average lending rate decreased to

15.1 percent in September 2025 from 16.9 percent in September 2024 while the average deposit rate also decreased to 7.6 percent from 11.2 percent over the same period. Consequently, the average interest rate spread increased to 7.4 percent in September 2025 from 5.7 percent in September 2024 (**Figure 2.3b**).

Figure 3: Commercial bank rates



Source of Data: Central Bank of Kenya

Monetary and Credit Developments

Broad money supply, M3, grew by 7.0 percent in the year to September 2025 compared to a growth of 1.6 percent in the year to September 2024 (Table 2.3). The improved growth of M3 was due to an increase in the growth of Net Domestic Assets (NDA) particularly credit to the private sector. The NFA of the banking system slowed down to a growth of 7.9 percent in the year to September 2025 compared to a growth of 26.1 percent in the year to September 2024. Growth in the NFA was mainly due to an increase in Central Bank's foreign assets while commercial banks' foreign assets declined during the period.

Table 2.3: Money and Credit Developments (12 Months to September 2025, KSh billion)

	2023 September	2024 September	2025 September	Absolute Change		Percent Change	
				2023-2024 September	2024-2025 September	2023-2024 September	2024-2025 September
COMPONENTS OF M3							
1. Money supply, M1 (1.1+1.2+1.3)	2,017.3	1,972.8	2,321.7	(44.5)	348.9	(2.2)	17.7
1.1 currency outside banks (M0)	267.5	268.2	292.5	0.7	24.3	0.3	9.1
1.2 Demand deposits	1,645.2	1,603.4	1,853.3	(41.8)	249.9	(2.5)	15.6
1.3 Other deposits at CBK	104.6	101.1	175.9	(3.5)	74.8	(3.3)	73.9
2. Money supply, M2 (1+2.1)	3,898.2	4,043.5	4,485.6	145.3	442.1	3.7	10.9
2.1 Time and savings deposits	1,881.0	2,070.8	2,163.9	189.8	93.2	10.1	4.5
Money supply, M3 (2+3.1)	5,295.9	5,381.4	5,758.6	85.6	377.2	1.6	7.0
3.1 Foreign currency deposits	1,397.6	1,337.9	1,273.0	(59.7)	(64.9)	(4.3)	(4.9)
SOURCES OF M3							
1. Net foreign assets (1.1+1.2)	708.5	893.3	963.9	184.8	70.6	26.1	7.9
1.1 Central Bank	516.2	472.1	767.1	(44.2)	295.0	(8.6)	62.5
1.2 Banking Institutions	192.3	421.2	196.8	228.9	(224.4)	119.1	(53.3)
2. Net domestic assets (2.1+2.2)	4,587.4	4,488.2	4,794.7	(99.2)	306.5	(2.2)	6.8
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	6,077.7	6,219.0	4,160.6	141.4	(2,058.4)	2.3	(33.1)
2.1.1 Government (net)	2,203.4	2,346.4	129.4	143.0	(2,217.0)	6.5	(94.5)
2.1.2 Other public sector	100.6	83.6	51.4	(17.1)	(32.2)	(17.0)	(38.5)
2.1.3 Private sector	3,773.6	3,789.1	3,979.8	15.4	190.8	0.4	5.0
2.2 Other assets net	(1,490.3)	(1,730.9)	634.1	(240.6)	2,364.9	(16.1)	136.6

Source of Data: Central Bank of Kenya

The current account deficit was US\$. 3,459.8 million (2.5 percent of GDP) in September 2025 compared to US\$ 1,819.3 million (1.4 percent of GDP) in September 2024 (The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account, net primary income and net secondary income balance. The current account deficit in the 12 months to September 2025 was more than fully financed by financial account inflows.

The balance in the merchandise account deteriorated by US\$ 1,890.6 million to a deficit of US\$. 11,428.4 million in September 2025 mainly due to an increase in import bill that more than offset the increase in exports. Goods exports increased by 4.0 percent, due to higher domestic exports particularly horticulture, coffee, manufactured goods, and apparel. Goods imports rose by 10.9 percent, reflecting increases in intermediate and capital goods imports. Net services receipts increased by 6.7 percent, mainly, supported by increased receipts from transport and travel services. The deficit on the primary account narrowed by US\$. 41.9 million to a deficit of US\$. 1,841.9 million in the year to September 2025, compared to the same period last year.

Net Secondary income remained resilient and increased by US\$. 61.9 million during the review period owing to an increase in remittances. Diaspora remittances increased by 7.6 percent to US\$ 5,080 million in the 12 months to September 2025 compared to US\$ 4,723 million in a similar period in 2024. Remittances increased forex inflows into the country, with some going to investment while others support household consumption of our people.

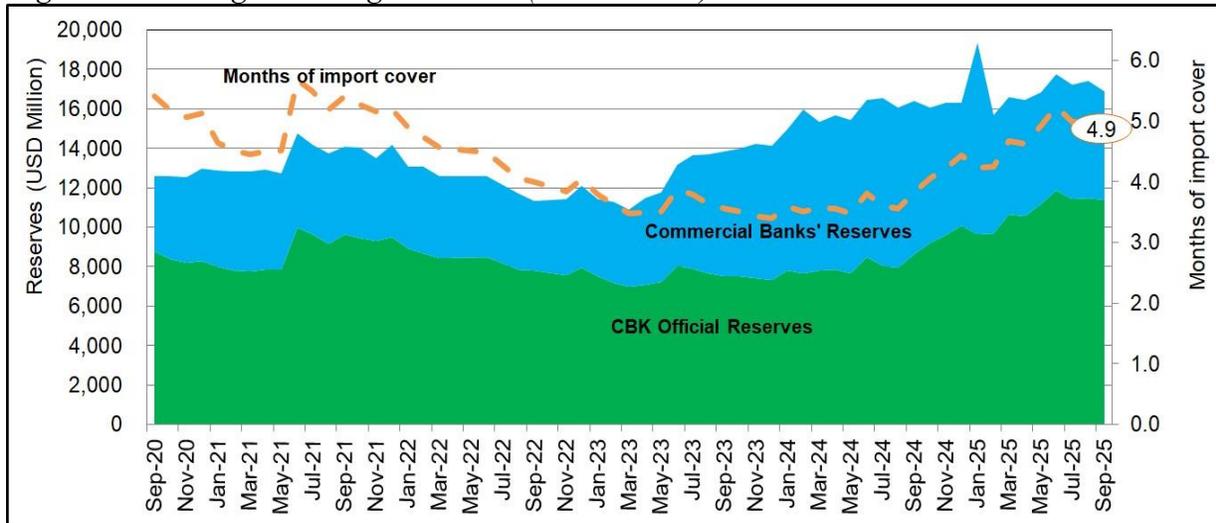
The capital account balance increased by US\$. 120.6 million to register a surplus of US\$ 262.6 million in September 2025 compared to a surplus of US\$. 142.1 million in the same period in 2024. Net financial inflows improved to US\$. 4,738.3 million in September 2025 compared to US\$. 1,130.9 million in September 2024. The net financial inflows were mainly in the form of direct investments, financial derivatives and other investments. However, portfolio investments registered a net outflow during the period partly due to global risk aversion, unattractive demand for high yields from investors amid fiscal strain, low investor appetite for sovereign credit, and political-financial instability.

Foreign Exchange Reserves

180. The banking system's foreign exchange holdings remained strong at US\$. 16,892.3 million in September 2025 from US\$. 16,391.4 million in September 2024. The official foreign exchange reserves held by the Central Bank stood at US\$. 11,383.6 million compared to US\$ 8,602.6 million over the same period in 2024 (**Figure 2.5**). Commercial banks foreign exchange holdings decreased to US\$. 5,508.7 million in September 2025 from US\$. 7,788.8 million in September 2024.

181. The official reserves held by the Central Bank in September 2025 represented 4.9 months of import cover as compared to the 3.8 months of import cover in September 2024. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market. It surpasses the requirement of a minimum requirement of a 4 Months of import cover.

Figure 2.5: Foreign Exchange Reserves (USD Million)

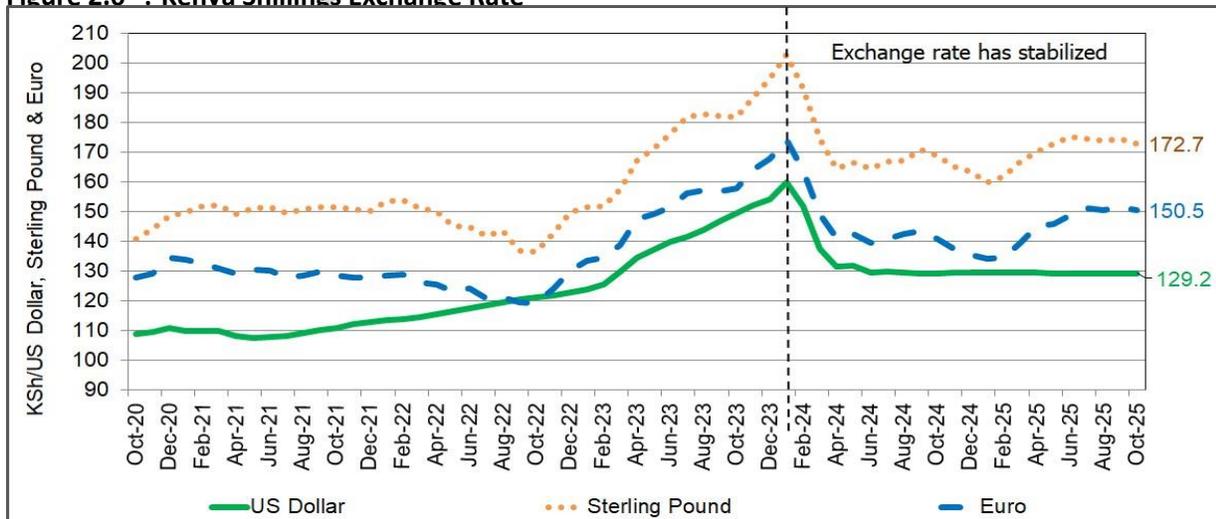


Source of Data: Central Bank of Kenya

Exchange Rate Developments

The Kenya Shilling remained relatively stable against the US Dollar, exchanging at an average of KSh 129.2 in October 2025, the same as in the corresponding period of the previous year. However, the Shilling depreciated against the Sterling Pound and the Euro by 2.3 percent and 6.8 percent, respectively. The Sterling Pound averaged KSh 172.7 in October 2025, up from KSh 168.8 in October 2024 while the Euro averaged KSh 150.5 compared to KSh 140.9 over the same period. Overall, the foreign exchange market remained well supported by steady inflows from agricultural exports and diaspora remittances, which helped cushion the Shilling against excessive volatility (Figure 2.6).

Figure 2.6 : Kenya Shillings Exchange Rate



Source of Data: Central Bank of Kenya

Capital Markets Developments

The stability of the Kenya Shilling against major international currencies, together with improved macroeconomic conditions, has boosted investor confidence. This has driven higher foreign direct

investment inflows and increased participation in the Nairobi Securities Exchange (NSE). As a result, the NSE 20 Share Index improved by 63.6 percent to 3,117 points in October 2025, up from 1,906 points in October 2024. Similarly, market capitalization expanded by 61.1 percent to KSh 2,966 billion from KSh 1,841 billion over the same period. These levels represent the strongest performance of the NSE since the pre-COVID period, reflecting renewed confidence in Kenya’s economic recovery and long-term prospects.

County Economic Outlook

Mirroring national trends, Migori’s economy is largely driven by a **rebound in Agriculture**—which accounted for roughly a quarter of national GDP growth in late 2025—and the expansion of the **Services sector**. The County’s focus on the **Aggregation and Industrial Park (CAIP)** is strategically positioned to capitalize on the national shift toward high-value manufacturing, which is expected to grow by **15%–20% by 2026**.

Risks to the County Economic Outlook

While the medium-term outlook is generally positive, the achievement of the County’s strategic objectives remains subject to several internal and external risks.

Table 3: Risks to the County Economic Outlook

Risk Category	Description	Mitigation Strategy
Fiscal Risks	Potential delays in the release of the Equitable Share from the National Treasury and underperformance in Own Source Revenue (OSR) .	Robust implementation of the Finance Act 2026 and full automation of revenue streams to reduce leakages.
Climate Change	Increasing frequency of extreme weather (floods or droughts) affecting Migori’s agricultural productivity and infrastructure.	Mainstreaming the County Climate Change Fund and investing in climate-smart agriculture and resilient drainage systems.
Pending Bills	Accumulation of historical debts and legal claims which may divert funds from core development projects.	Adherence to the Pending Bills Payment Plan and strict enforcement of the Public Procurement and Asset Disposal Act .
Inflationary Pressures	Potential spikes in global fuel prices or electricity tariffs increasing the cost of doing business and project implementation.	Prioritizing energy-efficient infrastructure and leveraging the solar street lighting program to reduce operational costs.
Wage Bill Pressures	Rising personnel emoluments (PE) exceeding the 35% PFM threshold, limiting funds available for development.	Strict implementation of staff establishment controls and leveraging Performance Contracting to maximize productivity.
Macroeconomic Volatility	Exchange rate fluctuations affecting the cost of imported medical supplies and specialized equipment.	Exploring multi-year framework contracts to lock in prices and improving inventory management systems.

2.3 Fiscal Performance

In the first half of FY 2025/26, budget implementation for the County Government of Migori commenced with notable momentum, despite initial delays caused by late exchequer releases from the National Treasury. The previous financial year (FY 2024/25) concluded with **KSh 0.272 billion** in unpaid exchequer requests, which were subsequently carried over into the current cycle. To maintain the integrity of the fiscal consolidation plan and ensure uninterrupted service delivery, the County Treasury proactively rationalized these pending obligations through **Supplementary Estimates I**.

During this six-month review period, the County recorded a budget execution rate of **59.8 percent**. While this absorption rate is considered moderate—primarily due to the ongoing challenges associated with the National Treasury's disbursement schedule—it nonetheless reflects positive growth in expenditure across all economic classifications when compared to the corresponding period in FY 2024/25.

2.3.1 Own Source Revenue Performance

Revenue performance at the end of the second quarter stands at Kshs 285,508,167.65 against an annual target of Kshs 760,000,000.00, translating to an overall performance of 37.57%. Own Source Revenue (OSR) accounts for Kshs 99,810,132.20, Facility Improvement Fund (FIF) for Kshs 184,763,965.45, while Appropriations-in-Aid (AIA) contributes Kshs 899,000.00 as shown in the table below.

Table 4: Own Source Revenue streams for 1st Half of FY 2025/26

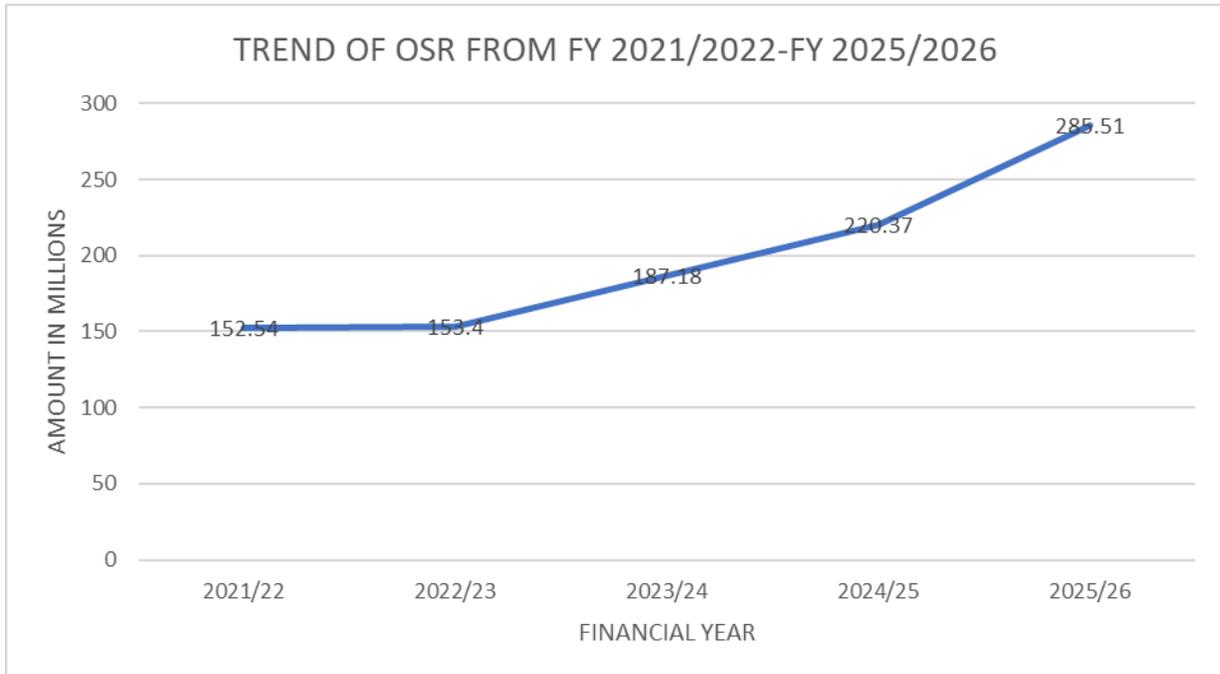
NO	REVENUE STREAM	ANNUAL TARGETED REVENUE (KSHS.)	ACTUAL REVENUE (KSHS.)	VARIANCE (KSHS.)
1.	FIF	A	B	C=A-B
	Health Department-Medical Services	225,000,000.00	149,780,920.45	75,219,079.55
	Public Health	25,000,000.00	34,983,045.00	(9,983,045.00)
	Sub total	250,000,000.00	184,763,965.45	65,236,034.55
2.	Appropriations in Aid			
	Liquor Fund	7,000,000.00	899,000.00	6,101,000.00
	Sub total	7,000,000.00	899,000.00	6,101,000.00
3.	Buspark Fees	45,449,870.00	13,697,710.00	31,752,160.00
4.	Motorbike	15,246,800.00	1,521,150.00	13,725,650.00
5.	Entry/Exit	3,049,300.00	771,010.00	2,278,290.00
6.	Taxi/Car parkin	9,351,300.00	5,417,454.00	3,933,846.00
7.	Single Business Permit	152,037,700.00	5,650,650.00	146,387,050.00
8.	Distribution Permits	20,485,550.00	592,000.00	19,893,550.00
9.	Market Dues	49,541,270.00	13,556,910.00	35,984,360.00
10.	Kiosk Dues	8,639,790.00	2,496,810.00	6,142,980.00
11.	Sugar Cane Cess	25,868,740.00	13,710,989.45	12,157,750.55
12.	Tobacco Cess	12,197,400.00	6,723,418.75	5,473,981.25
13.	Maize/Rice Cess	15,246,800.00	8,345,038.00	6,901,762.00
14.	Fish Cess	406,490.00	163,910.00	242,580.00

NO	REVENUE STREAM	ANNUAL TARGETED REVENUE (KSHS.)	ACTUAL REVENUE (KSHS.)	VARIANCE (KSHS.)
15.	Cattle Auction/Slaughter Fees	24,394,900.00	7,074,164.00	17,320,736.00
16.	Rent and Rates	9,659,900.00	2,779,000.00	6,880,900.00
17.	Tailing/Synstate/Gold Cess	41,570,210.00	223,690.00	41,346,520.00
18.	Sand/Stone Cess	12,197,400.00	4,892,519.00	7,304,881.00
19.	Public Works Building Plan	8,131,600.00	2,740,814.00	5,390,786.00
20.	PW Machinery Hire	2,032,290.00	-	2,032,290.00
21.	Burial Permit	101,590.00	-	101,590.00
22.	Way Leave	1,524,600.00	95,600.00	1,429,000.00
23.	Veterinary Services	711,490.00	318,425.00	393,065.00
24.	AMS	254,040.00	27,800.00	226,240.00
25.	Fisheries	508,200.00	59,200.00	449,000.00
26.	Building Inspection	1,016,390.00	738,000.00	278,390.00
27.	Lands Physical Planning	12,714,530.00	2,571,310.00	10,143,220.00
28.	Survey	203,200.00	-	203,200.00
29.	Ground/Kiosk Rent	2,541,100.00	1,720,300.00	820,800.00
30.	TOL	203,200.00	145,500.00	57,700.00
31.	Stadium/Hall Hire/Bus Hire	126,970.00	27,020.00	99,950.00
32.	COOP Audit	304,900.00	43,000.00	261,900.00
33.	Weight and Measures	1,219,700.00	406,900.00	812,800.00
34.	Environment	1,016,390.00	219,100.00	797,290.00
35.	Professional Research and Library Fees	4,116,550.00	371,000.00	3,745,550.00
36.	Borehole Flushing and Drilling	101,590.00	-	101,590.00
37.	Penalties	1,016,390.00	113,570.00	902,820.00
38.	Bill Boards	18,287,260.00	1,487,100.00	16,800,160.00
39.	Transport on Lands	1,524,600.00	1,109,070.00	415,530.00
Sub Total		503,000,000.00	99,810,132.20	403,189,867.80
Grand total		760,000,000.00	285,508,167.65	474,491,832.35

32. During the first half of **FY 2025/26**, the **Facility Improvement Fund (FIF)** significantly solidified its role as the primary driver of the County’s fiscal performance. The fund contributed a remarkable **65 percent** of the total Own-Source Revenue (OSR) collected during this period. This surge underscores the success of the health sector's financial autonomy and suggests that the Migori County Health Department's initiatives—such as the digitization of billing and the operationalization of Primary Care Networks—are yielding substantial returns in resource mobilization.

33. A steady upward trend has been observed over the past two financial years, with the first half of **FY 2025/2026** recording a peak collection of **KSh 285.51 million**. This represents a significant **30 percent increase** compared to the **KSh 220.37 million** collected during the same period in **FY 2024/2025**. This robust growth underscores the increasing importance of health-sector revenue—driven largely by the **Facility Improvement Fund (FIF)**—within the County’s broader resource mobilization strategy and its pursuit of fiscal autonomy. The figure below shows the performance of Own source revenue For FY 2021/2022-FY 2025/2026 Half years.

Figure 8: First Half Own Source Revenue Trends From FYs 2021/22 to 2024/25



2.4 Expenditure Performance

37. During the first half of FY 2025/26, the County implemented an annual budget of **KShs 10.83 billion**, comprising **KShs 6.66 billion** for recurrent expenditure and **KShs 4.17 billion** for development. Total utilization during this period amounted to **KSh 3,495,532,843**.

This expenditure was distributed across key economic classifications as follows: **KShs 1,461,909,880** for compensation of employees, **KShs 1,223,028,033** for operations and maintenance, and **KShs 810,594,931** for development projects. This translates to budget execution rates of **80.3 percent** for employee compensation, **64.8 percent** for operations and maintenance, and **37.9 percent** for development, relative to their respective half-year targets.

2.5 Fiscal Policy

The fiscal policy for FY 2026/27 and the medium term is designed to anchor the County Government's socio-economic transformation through a strategy of responsible fiscal consolidation. Central to this approach is the enhancement of **Own-Source Revenue (OSR)** mobilization, the strategic reprioritization of expenditures, and the safeguarding of essential social spending. By identifying new revenue streams, improving collection mechanisms, and ensuring strict compliance with tax laws, the County aims to expand its revenue base. This is balanced by a commitment to rationalizing expenditures and reducing fiscal deficits, ensuring that public funds are allocated efficiently to areas with the highest potential for economic impact.

In the medium term, the fiscal policy will prioritize the completion of ongoing projects while leveraging growth in productive sectors. Specific focus will remain on promoting access to quality, affordable healthcare and creating an enabling environment for private sector and MSME growth. To support these

initiatives, the County Government will operationalize both physical and social infrastructure while maintaining a balanced budget. A key component of this sustainability plan involves managing the **wage bill toward the 35 percent statutory limit** and ensuring that development expenditure remains above the **30 percent minimum** required under the PFM Act.

To enhance budget credibility, the County will refine its revenue and expenditure forecasting models, reducing the need for disruptive shifts in the fiscal framework during implementation. This will be supported by ongoing capacity building for budget practitioners, including sector working groups and managers of the **Facility Improvement Fund (FIF)** and Municipal Boards. Ultimately, the consolidated fiscal plan emphasizes supporting the Governor’s manifesto and the **Third Generation CIDP (2023-2027)**. This includes implementing an effective liability management strategy to slow the growth of pending bills, thereby securing the County's long-term financial health without compromising service delivery to the residents of Migori.

2.6 Fiscal Responsibility Principles

48. In keeping with the **Constitution of Kenya**, the **Public Finance Management (PFM) Act, 2012**, and the **PFM (County Governments) Regulations, 2015**, the County Government of Migori remains committed to the prudent and transparent management of public resources. To ensure fiscal sustainability, the County has strictly adhered to the statutory fiscal responsibility principles as outlined below:

First, the County ensures that a minimum of **thirty percent** of its total budget is allocated to development expenditure over the medium term, prioritizing capital projects that drive long-term economic transformation. Second, in managing human resources, the County maintains its expenditure on employee compensation—including benefits and allowances—at a level not exceeding **35 percent** of the combined total of the equitable share and own-source revenues.

Furthermore, the County adheres to the principle that all borrowings shall be utilized exclusively for financing **development expenditure** rather than recurrent costs. To safeguard financial stability, public debt and other financial obligations are maintained at sustainable levels as approved by the County Assembly. The County also proactively manages fiscal risks through regular monitoring and maintains a reasonable degree of **predictability in tax rates and tax bases**, ensuring that any future tax reforms are implemented with careful consideration of their impact on the local economy and the private sector.

2.6.1 Compliance with the Requirement on Allocation to Development Expenditure over the Medium Term

49. In alignment with statutory requirements, the County Government of Migori has consistently prioritized development by maintaining allocations above the **30 percent threshold** of total county expenditures. This commitment to capital investment is reflected in the fiscal trends of the medium term, where development funding as a share of the total budget stood at **40.51% in FY 2020/21** and **35.94% in FY 2021/22**.

While the ratio experienced a marginal dip to **29.96% in FY 2022/23**—largely due to a transition in administration and the necessity of addressing immediate recurrent obligations—it rebounded strongly in subsequent cycles. Specifically, development allocations accounted for **37.22% in FY 2023/24**, **36.6% in FY 2024/25** and **38.5% in FY 2025/2026**. These figures demonstrate a sustained focus on long-term growth and infrastructure expansion, ensuring that the County remains compliant with the Public Finance Management (PFM) Act while driving the socio-economic transformation of Migori, as indicated in Table below.

Table 5: Development allocation to total budget

FY	Total Budget	Development Allocation	% of Dev to Total budget
2020/21	9,156,789,688.97	3,709,039,828.80	40.51%
2021/22	10,444,016,812.00	3,753,527,689.00	35.94%

FY	Total Budget	Development Allocation	% of Dev to Total budget
2022/23	10,356,987,742.00	3,103,114,298.00	29.96%
2023/24	11,657,037,521.00	4,339,010,967.00	37.22%
2024/25	11,687,304,473.00	4,275,611,296.00	36.6%
2025/2026	10,825,813,687	4,169,470,335.00	38.5%

2.6.2 Compliance with the Requirement on Expenditure on Wages and Benefits

50 In accordance with **Regulation 25(1)(b) of the PFM (County Governments) Regulations 2015**, County Governments are mandated to ensure that total expenditure on wages and benefits does not exceed **35 percent** of their total revenue. Over the medium term, the County Government of Migori has consistently maintained its personnel emoluments within this statutory threshold. Specifically, expenditure on wages and benefits as a percentage of total revenue stood at **33.94% in FY 2020/21**, decreasing to **29.79% in FY 2021/22**, before adjusting to **32% in FY 2022/23**, **30.78% in FY 2023/24** and **increasing to 31.1% and 34.5% in FY 2024/2025 and 2025/2026 respectively**. of the total revenue as shown in table 10 below.

Table 6:Ratio of Personnel emoluments to total budget

FY	PE	Total Budget	% PE to Total Budget
2020/21	3,108,102,951.80	9,156,789,688.97	33.94
2021/22	3,111,345,649	10,444,016,812	29.79
2022/23	3,314,035,894	10,356,987,742	32
2023/24	3,587,991,830	11,657,037,521	30.78
2024/25	3,639,562,982	11,687,304,473	31.1
2025/2026	<i>3,732,127,133</i>	10,825,813,687	34.5

2.6.3 Compliance with the Requirement on Prudent Management of Fiscal Risks

51. One of the fiscal risks facing the county is the issue of huge pending bills. However, during the period under review, Pending Bills have reduced by 63.2 per cent from Kshs 1.765B to Kshs 649m, leaving a balance of 649 million within a span of one year. The county is committed to implementing measures aimed at bolstering revenue collections, basically through automation and broadening revenue sources.

2.7 Risks to the Fiscal Policy

53. Several factors pose significant risks to the County’s fiscal policy, potentially hindering the attainment of sustainable economic growth. Primary among these is the **delayed disbursement of national transfers**. Given that the equitable share and other conditional grants account for approximately 80 percent of the County’s total budget funding, any fluctuations or delays from the National Exchequer directly destabilize cash flow projections and compromise general financial planning.

54. Compounding this is the risk of **Own Source Revenue (OSR) shortfalls**. Analysis from the **2024 County Budget Review and Outlook Paper (CBROP)** reveals that OSR has recorded an average underperformance of 20 percent over the last two fiscal years. Should this trend persist into the medium term, it will necessitate a mid-year revision of the budget framework and negatively impact the County’s ability to meet its developmental targets. Furthermore, **weak execution of development expenditure**, often a direct consequence of exchequer delays,

remains a concern. A continuation of this trend threatens to diminish project outcomes and lower the overall credibility of the County budget.

55. The fiscal space is also threatened by **increased public expenditure pressures**, particularly the rising cost of wages and other recurrent expenditures, which limit the funds available for critical development projects. Externally, the sub-national economy remains vulnerable to **global shocks**, such as volatile oil prices and currency exchange fluctuations. These factors drive inflationary pressure and prompt monetary policy shifts that create uncertainty within the local economic environment.

Finally, the **accumulation of pending bills** observed in the 2025/2026 fiscal year underscores a reduced capacity to meet financial obligations. If left unaddressed, the growth of these liabilities will stifle budget efficiency in subsequent cycles and deteriorate the business climate for the local private sector.

CHAPTER THREE: SUSTAINING A PROSPEROUS, INDUSTRIALISED AND COHESIVE COUNTY

3.0. Overview

This chapter highlights the key achievements made by the various sectors during FY 2024/54 and first half of FY 2025/26 and outlines the priorities for each sector for the FY 2026/27 and the medium term.

3.1 REVIEW OF COUNTY ACHIEVEMENTS DURING THE FY 2024/54 AND FIRST HALF OF FY 2025/26 AND PRIORITIES FOR FY 2025/26 AND THE MEDIUM TERM

3.1.1. AGRICULTURE, LIVESTOCK, VETERINARY SERVICES, FISHERIES AND BLUE ECONOMY

The Department of Agriculture, Livestock, Veterinary Services, Fisheries and Blue Economy is mandated to promote sustainable agricultural growth, livestock development, veterinary public health, and blue economy advancement in Migori County. The Department formulates, reviews and enforces sector policies, legal frameworks and regulations; delivers extension and advisory services; promotes climate-smart agriculture; enhances access to quality inputs and production technologies; and spearheads value addition and market linkage initiatives. Its mandate extends to disease surveillance, prevention and control in livestock; safeguarding human and environmental health through veterinary public health interventions; and ensuring sustainable management, regulation and development of fisheries, aquaculture and blue economy resources. Collectively, these functions aim to enhance food and nutrition security, increase household incomes, stimulate value chain growth, and promote inclusive socio-economic development.

In FY 2024/25, the Directorate of Agriculture strengthened crop production and extension service delivery through the recruitment of nine additional extension officers and registration of 176,000 farmers into KIAMIS to enhance data-driven planning. Two non-residential buildings were renovated to improve service delivery, while 11,100 farmers benefitted from input support programmes. Irrigated acreage increased from 500 acres to 3,000 acres, significantly enhancing resilience to climate variability. The Directorate further supported farmers with sunflower, cotton, and soya bean seeds and upscaled staff capacity through training of 15 officers at the Kenya School of Government. The department showcased agricultural technologies at the ASK Show and Devolution Conference, while NAVCDP and FLOCCA supported farmer training in organization, production, post-harvest technologies, environmental conservation and kitchen gardening. In the first half of FY 2025/26, the Directorate reached 14,929 farmers with farm inputs and achieved notable production gains in maize, rice, beans and sunflower. Extension, field demonstrations and trade fairs reached 176,840 farmers. Acreage under key crops expanded, including sunflower (5,000 acres), rice (1,500 acres) and sorghum (300 acres), despite climate-related constraints.

During the reporting period, the Directorate of Livestock Production conducted 300 farmer trainings, 650 farm visits, 300 on-farm demonstrations, eight farmer field days and seven

exhibitions. Twelve staff management meetings and 12 field supervisions improved sector coordination and supervision. Market development efforts included 12 market surveys, the formation of four marketing organizations and the construction of two loading ramps and two inspection crushes. Breed improvement was supported through procurement of 20 gala goats for Miyare ATC. In the first half of FY 2025/26, the Directorate delivered 102 farmer trainings, six field days, 285 farm visits, 82 demonstrations, two exhibitions and two stakeholder fora. Four market surveys were conducted, and 5,000 improved chicks were distributed to farmer groups.

Similarly, the Directorate of Veterinary Services procured vaccines and sera worth KShs 3.99 million and acaricides worth KShs 0.29 million, vaccinating 38,493 livestock and 1,217 dogs against rabies. Phase two of the County Animal Disease Diagnostic Laboratory was completed, while Nyasare and Karamu slaughterhouses were renovated to strengthen meat hygiene. The Directorate procured 1,000 semen straws and 1,000 litres of liquid nitrogen to support AI services, and continued extension and clinical services, including participation in the ASK Show and field days. In the first half of FY 2025/26, 19,946 livestock were vaccinated against major diseases, and carcass inspections reached 24,017 against a target of 30,000. A total of 619 cows were inseminated. The Directorate sustained disease surveillance, livestock movement control and extension services, while participating in the 2025 South West Kenya ASK Show.

In FY 2024/25, the Directorate of Fisheries improved administrative capacity through procurement of essential operational goods and services, recruitment of key technical staff and promotions across cadres. Policy development progressed with the zero draft of the Fisheries and Blue Economy Strategy paper. Aquaculture development was supported through supply of pond liners, predator nets and bird nets, alongside construction and renovation of 40 fishponds each. Extension visits reached fish farmers across all wards, and blue economy initiatives were enhanced through procurement of an engine boat for Lidha BMU and renovation of Nyangwina Fish Auction Centre. In the first half of FY 2025/26, donor-supported initiatives expanded implementation capacity, including LVFO-supported Omena solar driers at Sori BMU, progress toward a Kenya Maritime Authority Search and Rescue Centre at Bongu BMU, and ABDP's handover of the Got Kachola BMU site for a modern landing site. WYFEEMA supported women and youth groups with life jackets, cooler boxes, aprons and gloves and supplied 53,028 fingerlings while facilitating farmer training at Ranen Ville Farm.

During the implementation period the sector faced cross-cutting challenges, including inadequate budget allocation, late disbursement of funds, understaffing due to attrition and weak succession planning, and inadequate transport facilities for extension workers. Procurement delays and pending bills affect implementation timelines, while slow adoption of modern technologies, rising costs of inputs, and increased prevalence of pests and diseases constrain productivity. Climate change effects continue to disrupt production, compounded by inadequate mitigation and adaptation strategies. Weak land use planning, gaps in policy and legal frameworks and fragile research–extension–stakeholder linkages further limit sector performance.

Lessons learnt highlight the need for improved planning discipline, enhanced monitoring and evaluation, strengthened staff capacity, and timely recruitment for critical positions. The Department recommends strengthening M&E systems, improving procurement planning, increasing investment in climate resilience, enhancing extension service mobility, improving

policy frameworks and strengthening partnerships for research, technology adoption and value chain development.

The priority for the Agriculture Sub-sector for FY 2026/27 is to enhance productivity, resilience and market competitiveness through staff recruitment, promotion and provision of adequate operational support under General Administration. The Directorate will improve sector coordination through performance monitoring, policy development and strategic planning. Extension services will be digitized, and research–extension–farmer linkages strengthened. Key interventions include subsidized input supply, expansion of irrigated agriculture, greenhouse technologies, high-value crops, food security surveys and promotion of climate-resilient crops under climate-smart agriculture. The Directorate will further develop an agricultural data management platform and automate reporting while promoting aggregation centres, value addition and market linkages. Donor-funded programmes will continue to support priority value chains.

The Directorate Livestock Production Sub-sector on the other hand will enhance livestock productivity and market access through procurement of mobility assets, recruitment and training of staff and improved planning and supervision. Extension services will be scaled through 320 farmer trainings, field days, exhibitions, farm visits, on-farm demonstrations and establishment of 40 livestock demonstration sites. Market development will be supported through formation and capacity building of marketing organizations, livestock market surveys and improvement of market infrastructure. Enterprise development interventions include establishment of feed formulation centres, construction of fodder stores, support to milk value addition firms and supply of improved breeds and fodder seeds.

Key priorities for the Veterinary Services Sub-sector in the FY 2026/27 include strengthening animal disease management through procurement of vaccines, sera and cold chain equipment and vaccination of 50,000 livestock and 2,500 dogs. The Directorate will equip the diagnostic laboratory, establish spray races and enhance acaricide application. Public health interventions include slaughterhouse renovation and inspection of 70,000 carcasses. Genetic improvement will be supported through procurement of semen and liquid nitrogen. Service delivery will be enhanced through procurement of transport equipment, recruitment and promotion of staff, training and development of policies and strategic plans.

The Directorate of Fisheries and Blue Economy Sub-sector will strengthen administration through recruitment and staff training, and advance policy development through completion of the Water Health and Safety Policy and Blue Economy Strategy. Aquaculture development will focus on pond liner procurement, construction of raised ponds, stocking of ponds and dams, supply of fish feeds and piloting integrated rice–catfish farming. Post-harvest handling will be improved through construction of solar driers, while fish safety and quality assurance will be enhanced through routine inspection and residue monitoring. Blue economy initiatives include construction of a pier and passenger shed at Sori BMU, Monitoring, Control and Surveillance activities, BMU elections and training of officials.

3.1.2. COUNTY ASSEMBLY

The Migori County Assembly, as one of the two arms of the County Government, derives its mandate from the Constitution of Kenya 2010 and the County Governments Act. Its core functions include legislation, oversight over public resource management and the implementation of county policies, and representation of the people of Migori County. In executing these responsibilities, the Assembly ensures that county laws, plans, and budgets adhere to statutory requirements; promotes public participation in governance; and provides institutional support to Members of the County Assembly (MCAs) through administrative, technical, and procedural services.

During the FY 2024/25, the County Assembly successfully formulated and passed all county laws required for effective county governance. It approved county policies, plans, and budgets while ensuring compliance with national development blueprints, including Vision 2030. The Assembly also strengthened representation by conducting committee sittings in public to enhance transparency and citizen engagement. Significant progress was recorded in infrastructure works, including the progressive implementation of Phase II of the committee rooms and offices. Renovations were completed for ward offices in North Sakwa, South Sakwa, East Kanyamkago, Bukira East, West Sakwa, as well as the Office of the Speaker.

In the first half of FY 2025/26, senior staff received training through senior management courses at the Kenya School of Government, enhancing leadership and administrative competencies. This helped strengthen the overall performance of legislative, oversight, and administrative functions across the institution. The Assembly developed the Hansard Manual Policy to standardize the production, storage, and management of official records. This policy is expected to strengthen institutional memory, improve documentation accuracy, and harmonize reporting procedures across the Hansard Department.

The Assembly face challenges during the implementation period, notably the backlog of pending bills amounting to KShs 179,013,230.55, some dating back to 2014. These financial obligations have strained relationships with suppliers, limited the Assembly's procurement capacity, and constrained cash flow—affecting timely implementation of planned activities.

The key lessons learnt include the importance of strict financial discipline and timely settlement of obligations to safeguard institutional credibility. The period also demonstrated the critical value of continuous investment in human capital, which directly improves the quality of legislation, representation, and oversight. Additionally, institutionalizing policies such as the Hansard Manual highlighted the gains associated with standardization in record-keeping, efficiency, and accountability.

Recommendations moving forward include adopting a structured plan to completely clear historical pending bills, strengthening internal financial management controls, improving procurement planning, and scaling up capacity-building initiatives for both staff and MCAs. The Assembly will prioritize enhanced human resource development, continuous training, employee remuneration and promotions, and the strengthening of administrative systems. Focus will also be placed on procurement of essential goods and services, insurance coverage for staff and MCAs, HR policy formulation, and continued implementation of mortgage and car loan schemes

to improve staff welfare and productivity. Another key priority is the complete settlement of all verified pending bills to restore the Assembly's financial credibility, unlock stalled services, and re-establish confidence among suppliers and implementing partners.

For the 2026/27 FY, the Assembly will focus on strengthening committee operations through enhanced facilitation, increased committee sittings, improved documentation processes, and mechanisms to boost transparency and accountability in public resource management. The County Assembly aims to expand the legislative output by prioritizing the passage and implementation of key bills, regulations, motions, petitions, and statements. Public participation will remain central, with deliberate efforts to enhance civic engagement and ensure inclusive legislative processes across all wards.

The Assembly's top infrastructure priorities during the plan period include completion of five ward offices and fencing of six others, Comprehensive structured cabling and ICT networking, Completion and furnishing of the committee rooms and offices and Advancement of the ultra-modern County Assembly Chambers to 40% completion in FY 2026/27

These investments are intended to modernize the Assembly's physical environment, improve operational efficiency, and provide dignified workspace for MCAs, staff, and committees.

3.1.3. COUNTY EXECUTIVE, ICT & SPECIAL PROGRAMMES

The sector comprises Governance and administration, Information Communication Technology and Special Programmes directorates and is mandated to provide overall strategic leadership, coordination, and administrative oversight across all county departments. Its mandate includes guiding the formulation, implementation, and monitoring of county plans, policies, and legislation; implementing national legislation to the extent that it applies to counties; supervising the delivery of services across all decentralized units; managing human resource functions and performance management; coordinating Cabinet affairs and intergovernmental relations; and strengthening communication, public affairs, and stakeholder engagement. In addition, the sector is responsible for developing, maintaining, and securing ICT infrastructure; promoting e-governance and innovation; expanding digital connectivity; providing ICT support services; and strengthening data management systems. The sector also oversees peacebuilding and conflict management, civic education, coordination of external partnerships and donor relations, youth empowerment initiatives, and community engagement forums aimed at enhancing social cohesion and inclusive development across the county

During FY 2024/2025, the department developed a sector strategic and sectoral plans to guide long-term decision-making. It commenced the construction of the County Headquarters, a two-year project aimed at enhancing service delivery efficiency. The sector inducted County Chief Officers on the Data Protection Act, 2019, prepared documentation for the County Executive Committee and its sub-committees, coordinated policy and bill preparation, and implemented resolutions of the County Human Resource Management Advisory Committee. It further rolled out the County Performance Framework, coordinated stakeholder engagement initiatives, and signed inter-governmental MoUs and Collective Bargaining Agreements. The sector also developed the Ward-Based Development Record Database App and enhanced livestreaming and publicity for the Governor's events. Additionally, it adopted geospatial technologies to strengthen evidence-based development and resource allocation.

In the first six months of FY 2025/2026, the sector held 10 public participation forums, sensitized 20 departments on ISO certification, and established county conflict management and peace-building units. Phase II of the County Headquarters reached 50% completion. The Governor's Press Unit provided real-time livestream coverage across departments, while the ward-based development system continued to support transparency and monitoring of service delivery. The department also intensified publicity of county projects across social and mainstream media.

In FY 2024/2025, the ICT department strengthened its technical capacity through the recruitment of 10 ICT officers, improved ICT infrastructure by expanding connectivity, procuring laptops, desktops, communication devices, and networking equipment, and enhancing general administrative systems to support digital transformation. During the first half of FY 2025/2026, the department implemented a unified network system, installed CCTV surveillance at Msomi, and subscribed to improved internet services. These interventions enhanced connectivity, operational security, and communication across county departments.

In FY 2024/2025, the Special Programmes and External Partnerships Sub-Sector department convened the *Kambi ya Vijana* at Kanga High School, hosted the regional International Day of Peace celebrations, and held a partners' engagement forum. It facilitated community peace engagements and conducted visits to external partners and embassies for collaboration. Youths were sensitized on the triple threats affecting their well-being.

During the reporting period the sector faced various challenges including limited financial and human resources, incomplete Cabinet Directorate staffing, inadequate mobility due to lack of utility vehicles, and insufficient office space to accommodate staff. Weak communication frameworks created inefficiencies in departmental coordination, while high litigation rates strained county resources. Industrial unrest and delayed procurement processes disrupted service delivery. ICT adoption was hindered by low computer literacy among staff and the public, inadequate policy frameworks, and limited budget allocation.

Key lessons learned include the need to institutionalize work councils to minimize industrial disruptions, develop Standard Operating Procedures to reduce litigation, fast-track approval of communication and ICT policies, enhance capacity-building initiatives, and strengthen digital literacy. Recommendations include increased resource allocation, procurement of utility vehicles, continuous staff training, stronger governance frameworks, and expanded public ICT awareness and youth engagement programs.

During the FY 2026/27 the Governance and Administration directorate will coordinate the completion of the County Headquarters, promote peace and cohesion, and enhance county competitiveness through improved policy coordination. It plans to conduct Governor's Dialogue Forums across all sub counties, expand public engagement forums, and institutionalize digitized performance management systems. Work councils will be operationalized at departmental and county levels to address staff welfare challenges. The sector will also strengthen communication systems, develop the County Government Communication Policy, and undertake customer satisfaction surveys. Geospatial services will be used to collect thematic data for developing a comprehensive county geospatial database to support equitable resource allocation.

During the plan period the department of Information, Communication Technology, E-Governance, and Innovation will maintain LCD billboards and upgrade and extend the county network. It will also procure ICT equipment including laptops, desktops, printers, tablets, and switches subscribe to internet services and enhance system support for email exchange and Active Directory. Continuous capacity building will be prioritized to strengthen ICT literacy and uptake across the county.

During the plan period, the Special Programmes and External Partnerships department will host external partners' forums, conduct resource mobilization activities, and strengthen community peace engagement forums. It will organize a County Peace Marathon, continue civic education on youth triple threats, and expand awareness of government programs. These initiatives will deepen community participation, strengthen partnerships, and enhance peacebuilding and service delivery.

3.1.3. EDUCATION, GENDER INCLUSIVITY, SOCIAL SERVICES, YOUTH AND SPORTS

The Education, Gender Inclusivity, Social Services, Youth and Sports Sector derives its mandate from the Fourth Schedule of the Constitution of Kenya, 2010, which assigns counties the responsibility for pre-primary education, Vocational Education and Training Centres (VETCs), home craft centres, and childcare facilities. The Sector executes its functions through four directorates—Education; Sports and Youth Affairs; Culture and Social Services; and Gender and Inclusivity—responsible for talent development, promotion of sports and recreational infrastructure, cultural preservation, social protection, and the implementation of gender equality and inclusivity programmes. The Department further oversees library services, supports community empowerment initiatives, and advances social welfare interventions across the county.

During the FY 2024/25 period, the Education directorate made substantial progress in strengthening Early Childhood Development Education (ECDE) and vocational training. A total of 203 ECDE projects were implemented significantly improving learning environments across the county. In addition, the County carried out Phase I construction of model VETC structures in Ngisiru, Awendo Marindi, and Kegonga. In the first half of FY 2025/26, the subsector disbursed Kshs 20 million in capitation to VETCs to enhance training delivery and partnered with EIDU to deploy digital learning solutions in 348 ECDE centres, accelerating technology-enabled learning.

In the Sports and Youth Affairs directorate, the County continued to promote youth talent and sports development. They procured uniforms for the Governor's Cup tournaments, rehabilitated sports grounds in Aeko, Rongo, Awendo, and Ntimaru supported County participation in the KICOSCA Games. During the first half of FY 2025/26, the County entered a partnership with the National Government to commence the construction of an ultra-modern stadium at the Migori headquarters, marking a major step toward upgrading sports infrastructure.

The Gender, Culture and Social Services directorate also recorded wide-reaching progress. They rolled out GBV interventions across all eight sub-counties, implemented Anti-FGM initiatives in Kuria East and West, and organized major cultural events including the Kuria Cultural Festival and the Lakefront Festival, jointly attracting over 1,600 participants. Social inclusion initiatives

supported 1,050 women entrepreneurs, commemorated International Widows Day, and distributed assistive devices to over 100 Persons with Disabilities (PWDs). In the first half of FY 2025/26, the County trained 80 herbalists, sensitized 1,000 community members on Anti-FGM, and successfully hosted the Piny Luo Cultural Extravaganza and the Migori County Cultural Festival, drawing over 10,000 participants.

Despite notable progress, the Sector faced several constraints including lengthy procurement processes, delayed exchequer releases, inadequate office space, limited field equipment, and a high taxation environment, all of which affected timely project delivery. Lessons from implementation highlighted the need for accelerated procurement planning, decentralized service delivery structures, and enhanced interdepartmental coordination. To address these issues, the Department recommends the provision of dedicated vehicles and satellite offices, ring-fencing of key social programme budgets, and diversification of funding through partnerships and resource mobilization. Strengthening collaboration with national agencies and development partners will be crucial in sustaining service delivery and scaling up priority programmes.

In the FY 2026/27 the Education directorate will prioritize the construction of 80 ECDE classrooms and the installation of user-friendly toilets in 40 centres to improve learning conditions and sanitation. Phase II construction of model VETCs will proceed in Kuria East, Awendo, and Rongo, accompanied by enhanced capitation and targeted bursaries to improve trainee retention and completion rates.

To promote sports development the directorate will conduct structured tournaments in all 40 wards, talent nurturing initiatives, and continued support to ongoing stadium development partnerships. The construction of a beach recreational centre at Muhuru Bay will also be prioritised to promote sports tourism and community recreation.

Gender and Social Services directorate will focus on the establishment of a Rescue and Recovery Centre aimed at strengthening protection and support services for survivors of GBV. In addition, they will also intensify programs addressing the "Triple Threat"—FGM, early marriages, and adolescent HIV—while expanding cultural development, social inclusion initiatives and community empowerment efforts.

3.1.4. ENVIRONMENT, NATURAL RESOURCES, CLIMATE CHANGE AND DISASTER MANAGEMENT

The Department of Environment, Natural Resources, Climate Change and Disaster Management is mandated to promote a clean, secure, and sustainably managed environment that supports the social and economic prosperity of Migori County. The mandate encompasses environmental conservation and protection, solid waste management, climate change adaptation and mitigation, sustainable utilization of natural resources, and strengthening disaster preparedness and response systems. The department further implements policies, plans and legislation on environmental governance; enhances community resilience to climate risks; coordinates emergency response mechanisms; and empowers communities to participate in environmental stewardship and disaster risk reduction.

In FY 2024/25, the department enhanced environmental cleanliness through routine garbage collection across major towns and market centres, complemented by the procurement of cleaning

materials to support day-to-day urban sanitation. Solid waste infrastructure improved significantly with the completion of four (4) solid waste transfer stations, contributing to more efficient waste collection and disposal. During the first six months of FY 2025/26, waste management services were further strengthened through the distribution of garbage skips, provision of PPEs to enhance worker safety, and continued garbage collection operations across market centres. These interventions helped improve urban cleanliness and promoted compliance with proper waste management practices.

Additionally, the department conducted 40 ward sensitization forums on climate change, equipping communities with essential knowledge on climate adaptation. Capacity building initiatives continued in the first half of FY 2025/26, where additional ward-level training sessions were undertaken and community-driven climate-resilient project proposals were developed. The department also received support from the Planet Gold programme, which enhanced climate governance structures and strengthened climate response mechanisms. These efforts contributed to increased community awareness, improved planning capacity, and enhanced resilience to climate-induced shocks.

Significant progress was made in natural resource management during FY 2024/25. The department supported the operations of county tree nurseries through the procurement of operational tools and inputs such as wheelbarrows, jembes, pangas and fertilizers to improve seedling propagation. In collaboration with partners (KUSP), the department completed major water and catchment conservation projects initiated in the previous financial year, including the drilling and equipping of thirty (30) solar-powered boreholes, installation of twenty-one (21) water tanks in health facilities, protection of thirteen (13) natural springs, and rehabilitation of two (2) water pans. These interventions improved access to clean water, strengthened watershed conservation, and enhanced landscape restoration efforts.

During the reporting period, the department strengthened disaster response capacity through the procurement of assorted relief food and non-food items that supported households affected by floods, drought and fire emergencies. The establishment and equipping of a Disaster Rescue Centre enhanced preparedness and coordination of emergency response operations. During the first half of FY 2025/26, the county continued to respond to multiple emergencies and intensified fire and disaster response activities. Staff promotions benefited twenty-six (26) officers, contributing to improved operational efficiency and timely emergency interventions.

Despite notable progress, the sector continued to face challenges such as late disbursement of funds, inadequate equipment for efficient solid waste management, limited financial resources, increasing demand for garbage collection services, insufficient infrastructure, climate-related risks, and low public compliance with environmental regulations. Emerging issues include rising climate variability, growing urban pressure on waste systems, and an increasing frequency of emergencies that overstretch available resources. Lessons learnt point to the importance of early planning, strengthened inter-departmental coordination, timely communication, enhanced stakeholder participation and improved institutional capacity. To address these challenges, the department recommends strengthening partnerships, improving resource mobilization, enhancing compliance enforcement, intensifying capacity building, upgrading infrastructure, and adopting proactive planning and monitoring strategies.

For FY 2026/27, the department will prioritize the purchase of land for a solid waste disposal site, acquisition of additional garbage collection vehicles, establishment of two Material Recovery Facilities (MRFs), procurement of waste skips, and construction of additional transfer stations. Further investments will include PPEs and tools for waste management workers, public awareness campaigns, and stakeholder workshops to strengthen waste handling practices and improve compliance with environmental regulations.

Other priorities include to support climate-smart development by providing grafted fruit tree seedlings to vulnerable groups, promoting briquette production and improved cookstoves among youth and women groups, and strengthening the capacity of community tree nursery producers. Investments will also focus on nature-based enterprises, establishment of a community resource centre, equipping of disaster rescue facilities, and upgrading of water resource conservation systems including water pans, boreholes, and spring protection structures. Additional priorities include expanding the County Greening Programme, rehabilitating degraded hilltops, scaling up street and urban tree-planting initiatives, and supporting farmer-managed forestry. The department will further protect riverine ecosystems, establish additional county tree nurseries, and strengthen community participation in natural resource management.

The department will intensify disaster preparedness through procurement of additional relief items, PPEs, fire engines and disaster-response equipment. Investments will support early warning systems, community sensitization forums, mapping of disaster-prone areas, installation of water hydrants, and acquisition of extrication kits for rescue operations. Staff and community training on disaster risk reduction will also be strengthened.

3.1.5. FINANCE AND ECONOMIC PLANNING

The Department of Finance and Economic Planning is mandated to provide leadership in fiscal discipline, resource mobilization, accountability, and strategic planning for sustainable development. Its overarching role is to ensure prudent management of public resources, effective coordination of economic planning, and transparent financial governance .

The Department recorded notable achievements during FY 2024/25 across its five directorates. In economic planning and budgeting, the Annual Development Plan, the County Budget Review and Outlook Paper, the County Fiscal Strategy Paper, and the Debt Management Strategy Paper were prepared and submitted, providing a framework for resource allocation and guiding fiscal discipline. Later in the year, the annual budget estimates were finalized and aligned with Vision 2030, the Medium-Term Plan IV, and the 2023–2027 CIDP. These processes were enriched by extensive public participation forums and sector working group meetings, which ensured inclusivity and stakeholder input. Budget reviews were also undertaken to allow for reallocation of resources to priority areas, improving absorption rates and service delivery. During the first half of FY 2025/26, the directorate fulfilled its mandate by preparing the ADP and CBROP within statutory timelines, again supported by public participation and sector consultations. It also worked to align county priorities with national frameworks such as Vision 2030, the Medium-Term Plan IV, and the Bottom-Up Economic Transformation Agenda, laying a strong foundation for fiscal strategy and budget formulation in the second half of the year.

The Internal Audit Directorate carried out its oversight responsibilities in FY 2024/25 by reviewing internal control systems across departments and agencies. It applied risk-based auditing to identify areas most vulnerable to inefficiencies and misuse of resources, with particular attention to procurement and expenditure management. Compliance with financial regulations and governance frameworks was assessed, and audit reports were submitted to oversight bodies. In the first half of FY 2025/26, the directorate maintained its oversight role, preparing and submitting audit reports, conducting follow-up audits to check implementation of recommendations, and examining governance processes for compliance. It also invested in capacity-building initiatives to strengthen staff skills in risk management and governance assurance.

The Accounting Services Directorate focused on strengthening financial reporting in FY 2024/25, ensuring timely preparation and submission of financial statements to the Auditor-General. It advanced the adoption of accrual-based accounting standards, improved accuracy of records, and built staff capacity through training. In the first half of FY 2025/26, it prepared mid-year financial reports, strengthened expenditure management, monitored compliance with financial regulations, and organized training sessions to align with global best practices in public sector reporting.

The Supply Chain Management Directorate enhanced transparency and reduced procurement cycle times in FY 2024/25 through e-procurement. Supplier vetting and prequalification were conducted to ensure credibility, and procurement processes were monitored for compliance. In the first half of FY 2025/26, compliance checks were intensified, supplier performance monitoring was strengthened, and local supplier participation was promoted to support inclusivity and economic empowerment.

The Revenue Directorate stood out as a key driver of success. In FY 2024/25, own-source revenue collections reached Ksh 691.56 million, representing 86% of the annual target and a substantial increase from the previous year. The Facility Improvement Fund surpassed expectations, collecting Ksh 354.19 million against a target of Ksh 250 million. Automation of high-impact streams sealed leakages and boosted collections, while diversification strengthened the revenue base. In the first half of FY 2025/26, revenue mobilisation achieved record growth, with OSR collections tracking toward Ksh 882 million, a 15% increase compared to the same period in the previous year. The FIF remained resilient, collecting over Ksh 180 million in six months. By December 2025, the county had achieved 100% cashless payment for market dues and single business permits, reducing human interference and boosting daily collections. Revenue diversification expanded to natural resources, and a comprehensive revenue mapping exercise identified over 2,000 new taxable entities, broadening the tax base.

Despite these achievements, challenges persisted. High levels of pending bills affected efficiency, while slow disbursement of equitable share constrained liquidity. Revenue losses at transit points, low land rate collections due to an outdated valuation roll, and climate-related disruptions to agricultural cess hindered performance. Broader economic pressures in FY 2025/26 also slowed growth despite automation gains.

Looking ahead to FY 2026/27, the department will continue to drive fiscal discipline, resource mobilization, accountability, and service delivery. The Economic Planning and Budget Directorate will prioritize timely preparation of statutory documents, supported by public participation and sector working groups, while aligning county priorities with national frameworks. The Internal Audit Directorate will deepen risk-based auditing, strengthen compliance checks, and enhance staff capacity. Revenue Mobilisation will expand automation to achieve full cashless transactions, diversify sources from natural resources and agricultural cess, update the valuation roll, and intensify border enforcement. The Accounting Services Directorate will focus on timely financial reporting, strengthening internal controls, and building staff capacity with modern tools. Supply Chain Management will expand e-procurement, strengthen supplier performance monitoring, promote local supplier participation, and conduct spot-checks to prevent malpractices. Together, these priorities reflect a holistic approach to financial governance, emphasizing digitization, compliance, diversification, and inclusivity to ensure transparent and efficient fiscal management responsive to the needs of Migori County.

3.1.6. HEALTH AND SANITATION

The Health Sector has the mandate to deliver affordable and sustainable quality health services to the people of Migori County, with the overarching goal of attaining Universal Health Coverage. County health services are delivered through three key programmes: planning and administrative support services, preventive and promotive health services, and curative, rehabilitative, and referral services. To effectively implement these programmes, the sector operates through two departments—Medical Services and Public Health—which work in close coordination to ensure comprehensive healthcare delivery. Together, these departments provide the institutional framework for strengthening health systems, improving service accessibility, and promoting the wellbeing of all residents of Migori County

Medical services

In FY 2024/25, the Medical Services Department demonstrated a strong commitment to infrastructure development and resource mobilization, implementing strategic projects. Central to these efforts was the upgrade of Migori County Referral Hospital (MCRH) toward Level 5 status, marked by the operationalization of an oncology clinic, a mental health clinic, and an expanded mortuary. Across the county, the department successfully launched the Awendo Mother and Child Unit in partnership with the M-Pesa Foundation and Lwala Community Alliance, completed a new maternity wing at Macalder, and installed an X-ray unit at Awendo. These physical improvements were matched by an impressive fiscal performance, with Facility Improvement Financing (FIF) collections nearly doubling from KSh 171 million to KSh 336 million.

Service delivery outcomes during this period were characterized by both notable successes and persistent challenges. The county maintained its leadership in the HIV cascade, exceeding global targets, and strengthened community-facility linkages through eight operational Primary Care Networks. However, several health indicators regressed: immunization coverage saw sharp declines, skilled birth attendance and antenatal care visits fell, and household latrine coverage

dropped from 87% to 83%. Additionally, the rising burden of non-communicable diseases, such as hypertension and diabetes, signaled an urgent need for enhanced screening and management. Systemic constraints continue to hinder the full realization of the health mandate. The sector's budget allocation remains significantly below the recommended 30%, resulting in chronic shortages of specialist personnel and periodic stockouts of essential health products and technologies. Addressing these gaps requires a concerted effort to maintain and replace an aging ambulance fleet, upgrade sub-county hospitals with modern diagnostic equipment, and ensure that specialized services are accessible to all residents. To safeguard these gains, the department is prioritizing the recruitment of healthcare workers and the stabilization of the supply chain in the upcoming fiscal cycle.

In the first half of the 2025/26 Financial Year, the Medical Services Department successfully transitioned toward a digital-first approach while advancing critical infrastructure. A landmark achievement was the 100% digitalization of Outpatient Department (OPD) services in collaboration with the Digital Health Agency, significantly streamlining patient records and service delivery. Strategic milestones also included the groundbreaking ceremony for the Mother and Child Complex at Kehancha Sub-County Hospital, progress in Social Health registration for households, and the successful establishment of eight new Primary Care Networks (PCNs) to strengthen community health systems.

To sustain this momentum, the department has initiated procurement for several vital infrastructure projects. Key among these are the completion of a modern Health Products Warehouse at MCRH to stabilize the supply chain, the Isebania Radiology Block, and the Physiotherapy Unit at MCRH (Phase 3). Operational capacity is further being expanded through phase-two constructions of OPD blocks at Rongo, Macalder, and Kehancha, as well as the completion and operationalization of the Macalder Theatre. Additional investments include the first phase of the Ntimaru Sub-County Hospital Theatre, the renovation of Dede Sub-County Hospital, and essential utility upgrades such as the construction of a water tower and tank at the Migori County Referral Hospital to ensure consistent service delivery.

In the 2026/27 Financial Year, the Department of Medical Services will prioritize institutional reforms and service efficiency to align with national health mandates. A key policy focus involves amending Health Service Fund regulations to harmonize with the national Facility Improvement Financing (FIF) Act, alongside the development of Primary Healthcare regulations and a comprehensive County Non-Communicable Diseases (NCD) Policy. To enhance accountability and resource management, the department will scale up the full automation of 17 hospitals and 16 medical stores. Addressing human resource gaps remains a critical priority for sustainable service delivery. The department plans to transition 70 partner-supported staff to the county payroll and recruit 122 medical and clinical personnel to operationalize expanded services, including High Dependency Units (HDU), radiology, and theatres. Furthermore, the promotion and re-designation of eligible staff, alongside the consistent payment of stipends to Community Health Promoters (CHPs), are central to mitigating industrial unrest and anchoring the primary healthcare model.

Infrastructure investments will focus on the completion and equipping of flagship facilities. At the Migori County Referral Hospital (MCRH), key projects include Phase 2 of the Medical and

Surgical Complex, the operationalization of a modern warehouse, and the establishment of a Histopathology Laboratory. Critical utility upgrades, such as the expansion of the Oxygen Plant and the procurement of equipment for the HDU and Renal units, are also planned. At the sub-county level, the department will operationalize theatres at Ntitaru and Nyamaraga, equip radiology units at Isebania and Awendo, and open modern outpatient blocks at Macalder, Kehancha, and Rongo.

In line with the national transition to the Social Health Authority (SHA), the department will equip all hospitals to meet accreditation requirements for the Primary Healthcare Fund (PHC), the Social Health Insurance Fund (SHIF), and the Emergency, Critical, and Chronic Care Fund (ECCF). This strategic alignment is expected to enhance revenue through increased reimbursements. Additionally, the department plans to bolster its referral system by refurbishing six ambulances and procuring two Advanced Cardiac Life Support (ACLS) units.

To resolve historical fiscal bottlenecks, the department is committed to settling outstanding pending bills for infrastructure and goods. To effectively implement these wide-ranging healthcare strategies and ensure the constant availability of essential health products and technologies.

Public Health

In FY 2024/25, the department initiated significant infrastructure projects, including the construction of the Suna East SCHMT block and EPI store, the opening of 10 new dispensaries, and the implementation of 29 community projects such as maternity wards and staff houses. Diagnostic capabilities were strengthened through the refurbishment of six laboratories, while community health services achieved near-total digitization across seven sub-counties in partnership with the Lwala Community Alliance. Despite these gains, the year saw mixed service delivery results; while the HIV cascade performance remained high, immunization coverage and skilled birth attendance declined, and household latrine coverage dropped to 83%. Systemic constraints, including a budget share below 30% and human resource shortages, hindered the operationalization of 31 newly constructed facilities. During the first half of For thr first half of FY 2025/26, the department focused on the second phase of maternity and OPD units at [Got Kachola](#), [Olasi](#), [Otacho](#) and [Kwoyo Kodalo](#) dispensaries, alongside the construction of the Suna West SCHMT block. Key achievements included the digitalization of 142 health facilities and the establishment of eight primary care networks to streamline service delivery. Furthermore, household registration for the Social Health Authority (SHA) reached 48%, marking steady progress toward the county's goal of protecting residents from catastrophic healthcare costs.

Strategic Priorities and Key Projects for FY 2026/27

Planning and Administrative Supportive Services aims at enhancing healthcare access and implementing Universal Health Coverage. Key initiatives include scaling household registration for the **Social Health Authority (SHA)** to a target of 80%, upgrading 20 dispensaries to health centers, and completing 15 new dispensaries to expand service reach. Additionally, the department plans to renovate and equip eight laboratories and provide facelifts for 30 primary care facilities under community health projects.

To ensure effective service delivery, the sector will recruit additional healthcare workers to operationalize new facilities and provide 24-hour coverage in 40 model facilities. Support for **3,440 Community Health Promoters (CHPs)** through stipends remains a priority, alongside insuring 4,000 vulnerable households to reduce out-of-pocket expenditures. Infrastructural enhancements include partnering with Kenya Power to connect 60 facilities to the national grid and collaborating with the Water Department to install

harvesting equipment in eight facilities. Finally, the procurement of diagnostic equipment for 10 primary health facilities is planned to bolster the county's overall diagnostic capabilities.

The department aims to boost preventive and promotive health services by achieving 100% e-CHIS usage among Community Health Promoters and increasing Community Unit coverage to 95%. Infrastructure enhancements include building 10 public sanitary facilities in strategic locations, implementing an extensive malaria prevention program, and transitioning a portion of HIV/TB services from donor support to county-led operations. The plan also focuses on combating Non-Communicable Diseases through cancer screening outreaches linked to Migori County Referral Hospital, strengthening disease surveillance, and expanding immunization facilities to reach 90% of eligible children.

The department's strategy for curative, rehabilitative, and referral services focuses on advancing Universal Health Coverage (UHC) and enhancing diagnostic services, including the operationalization of eight Primary Care Networks and equipping primary care facilities for 100% contracting by the Social Health Authority. Key priorities also involve ensuring constant availability of health products and technologies through partnership with KEMSA and addressing cumulative pending bills in public health.

3.1.7. LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT

The Lands, Physical Planning, Housing, and Urban Development sector has a broad mandate that encompasses the formulation and implementation of land policies, spatial planning and regulation, generation and management of geographical data, securing land tenure, and property valuation for revenue purposes. It also oversees land administration of government and trust land, management of land records, and promotion of sustainable land use. On the housing and urban development side, the sector is responsible for improving living conditions in slums and informal settlements, promoting affordable housing, managing housing for public servants, leasing office space, facilitating housing finance, and advancing housing development through public-private partnerships.

In FY 2024/25, the sector achieved significant milestones including the purchase of land parcels to ease congestion at Migori Bus Park, survey and beaconing of eight market centers to protect public land, and sensitization of the public on land administration and dispute resolution. It prepared the physical and land use development plan for Kehancha Municipality and established a GIS laboratory to digitize land records. In the first half of FY 2025/26, progress was marked by survey and beaconing of public lands, preparation of valuation rolls for Rongo and Awendo, and acquisition of land for public projects. Through the Digital Land Governance program, plot registers and property identification documents were digitized, enhancing transparency. The department also intensified revenue enforcement, held stakeholder engagement meetings, trained municipal board members under the Kenya Urban Support Program, and revamped the GIS lab in collaboration with FAO, equipping it with modern tools to strengthen spatial data management and mapping of public lands and natural resources.

The sector has faced challenges such as encroachment on public land, delays in approval of physical plans, limited technical capacity, and resistance to digitization. Lessons learned include the importance of continuous public participation to build trust, the need for strong enforcement mechanisms to protect public assets, and the value of partnerships in enhancing technical capacity. Moving forward, the sector aims to deepen digitization of land records, strengthen

conflict resolution frameworks, and accelerate approval processes to ensure timely implementation of development projects.

For FY 2026/27, priorities include strengthening administrative services through recruitment and training of staff, operationalizing the GIS laboratory, and developing a county strategic plan alongside a rating bill to guide revenue generation. The sector will undertake surveys and beaconing of public lands, facilitate titling of ten parcels, and acquire land for public purposes including urban roads alignment and a sewerage treatment plant in Migori town. Local physical and land use development plans will be prepared for Muhuru and Uriri towns, as well as selected market centres. Finally, valuation rolls for Kuria West and Suna West will be developed to enhance land-based revenue collection, ensuring fairness and sustainability in property taxation.

3.1.8 MUNICIPALITIES

Municipalities are broadly mandated to provide efficient and accountable urban governance, ensuring sustainable development and improved quality of life for residents. Their responsibilities encompass planning and regulating urban growth, developing and maintaining infrastructure and public amenities, conserving the environment through waste management and sanitation, and promoting public health and safety. They are also tasked with mobilizing and managing resources, preparing and implementing policies and by-laws, and fostering citizen participation to guarantee inclusivity and transparency. In addition, municipalities stimulate local economic development by creating enabling environments for trade, investment, and partnerships. Collectively, these functions position municipalities as engines of urban transformation and key drivers of development.

a) Migori Municipality

In the financial year 2024/25 and the first half of 2025/26, the municipality recorded notable achievements across all programmes. Under environmental management, a waste transfer station was constructed at Marindi Market, urban cleaners engaged, and 1,240 kilometers of streets and open spaces cleaned. In municipal planning, draft by-laws were presented to the County Cabinet, while the Integrated Development Plan and Annual Investment Plan were revised and adopted. Infrastructure development saw the construction of shoe shiner booths, renovation of drainage systems in Suna West, and opening of new roads to improve access and mobility. Administrative services were strengthened through compliance with the Urban Areas and Cities Act, with four full board meetings, sixteen committee meetings, and four citizen fora held. Recruitment of specialized staff, equipping of offices, and submission of development proposals further enhanced governance and service delivery.

Despite these achievements, challenges persisted, including delays in approval of municipal by-laws, limited waste management infrastructure, gaps in drainage and road networks, staffing shortages in specialized areas, and constrained revenue mobilization. Lessons learned emphasized the importance of collaboration with partners, citizen engagement, effective fund absorption, and recruitment of specialized staff to improve service delivery. The way forward involves fast-tracking approval of municipal by-laws, expanding waste management infrastructure, scaling up drainage and road development, diversifying revenue streams through valuation rolls and enforcement, and continuing capacity building and recruitment to address

staffing gaps. Strengthening partnerships with development agencies will also be key to leveraging resources for sustainable urban development.

For FY 2026/27, Migori Municipality has outlined priorities that reflect its commitment to sustainable urban growth and improved service delivery. Under environmental conservation, tree planting, conservation of Migori River riparian land, and enhanced street cleanliness will be undertaken, supported by investments in garbage skips, loaders, trucks, and bins. Municipal planning will focus on the development, approval, and implementation of key documents to guide urban management. Infrastructure development will include construction of non-motorized transport facilities, installation of solar street lights, upgrading of roads to bitumen standards, construction of a modern bus park, and renovation of markets. Administrative services will continue to emphasize governance compliance through board meetings, committee sessions, citizen fora, and public participation. Collectively, these priorities aim to create a cleaner, safer, and more vibrant urban environment that supports economic growth and improves the well-being of residents.

b) Awendo Municipality

During Fy 2024/25, Awendo Municipality achieved several milestones across its programs. Under the infrastructural services sector, the municipality renovated the Awendo modern market, improving facilities for traders while in the Environmental Management and Conservation the municipality maintained drainage systems within the municipality to prevent flooding and ensure better sanitation and also conducted regular cleaning of streets and public spaces.

Under the Municipal planning services, the Municipality prepared the Draft Municipal By-laws which are essential for maintaining order, safety, and harmony in communities as well as aid in regulating local activities such as traffic, waste management, and noise control, ensuring a clean, safe, and sustainable environment for residents. Additionally, the Municipality prepared Municipal IDePs which is the basis for provision of infrastructure and other services within the municipality and also Municipal Annual Urban Investment Plan thereby enhancing municipal governance.

During the first half of FY 2025/26, the Municipality of Awendo conducted the quarterly full board and committee meetings which culminated in various resolutions made for implementation by the management team. The citizens have also been engaged by the through the citizen for a meetings leading to the identification of projects proposals for implementation.

Under the program of environmental management, the Municipality has maintained routine cleaning of streets and sections of the drainage channels. In preparation for the implementation of the infrastructural services, the municipality has prepared the designs and bill of quantities for the electrical works at the market and the maintenance of Awendo municipality access roads. Currently, the procurement process for the aforesaid development projects is underway.

The Municipality also participated in the Annual Performance Assessment (APA 1) for Kenya Urban Support Program 2 which was done on 5th and 6th December 2024. The objective of the assessment was to evaluate the performance of the Municipality with respect to compliance with the Minimum Conditions and Performance Standards. The final report of the Assessment indicate

that the Municipality of Awendo MET all the applicable minimum conditions under APA1 and also met all the applicable Performance Standards under APA1.

Awendo Municipality faced several challenges during the year for instance, limited budgetary allocations constrained the implementation of planned projects, while delays in the disbursement of funds disrupted timely execution of the budget. Additionally, inadequate staffing made it difficult to effectively implement board decisions, and procurement delays resulted in the accumulation of pending bills.

The municipality has learned the importance of strengthening the procurement process and adhering to timelines will help avoid delays and reduce pending bills. To address staffing shortages, efforts will be made to hire and train more personnel to enhance operational efficiency. Going forward, the municipality aims to adopt more proactive strategies, streamline processes, and foster collaborations to ensure smooth and timely implementation of its programs.

In the financial year 2026/27, Awendo municipality intends to undertake various activities as discussed hereunder. Under the Environmental Management and Conservation services, the municipality has prioritized the planting of trees which will aid in carbon sequestration as well as beautify the municipality by enhancing aesthetics, purchase and installation of waste bins, waste skips, purchase of skip loader, garbage truck, cleaning of the streets and open public spaces within the urban core.

Under the Municipal Planning Services, the municipality has prioritized revision of an Integrated Development Plan (IDeP), preparation of Annual Urban Investment Plan and preparation of strategic Plan for the Municipality. In addition, under infrastructure development, Awendo municipality has prioritized maintenance of municipal roads and other municipal infrastructure and construction of a Olympic market which will enhance the economic development as well enable a seamless flow of services within the municipality.

Under the administrative and support services, the municipality intends to hire additional core staff, training of municipal staff, construction of the new municipal office building and also undertake key board activities.

) Rongo Municipality

During FY 2024/25, the municipality achieved several notable milestones. Routine cleaning of major streets was undertaken to promote sanitation and public health, while draft municipal by-laws were developed and submitted for approval. The Integrated Development Plan and Annual Investment Plan were reviewed to provide a structured framework for governance. Infrastructure development included partial construction of the Rongo Public Recreational Park, though litigation issues temporarily halted progress. Administratively, quarterly board and committee meetings, citizen fora, and proposal development for funding were conducted to strengthen governance. The municipality also participated in the Annual Performance Assessment under the Kenya Urban Support Program 2, meeting all minimum conditions and performance standards.

Additionally, the board revised its Integrated Development Plan, prepared its Annual Report and Financial Statements, and submitted them to the Office of the Auditor General for review.

In the first half of FY 2025/26, further progress was recorded. Streets and drainage channels continued to be cleaned regularly, while citizen engagement was enhanced through fora and Mashinani events. The board authorized reorganization of the Central Business District by removing illegal structures and developing prototype kiosk designs to integrate the informal sector into the wider economy. Designs and bills of quantities were prepared for the CBD beautification project, which includes shoe-shiner booths, branded benches, branded waste bins, and ornamental tree planting, now at the implementation stage. Quarterly board and committee meetings were held, resulting in resolutions for implementation, and the municipality maintained compliance with governance requirements.

Despite these achievements, challenges such as litigation delays affecting infrastructure projects, limited resources for waste management, and staffing gaps constrained service delivery. Lessons learned underscored the importance of strengthening legal frameworks to minimize disputes, enhancing citizen engagement to build trust, and investing in specialized staff to improve efficiency.

Looking ahead to FY 2026/27, Rongo Municipality has prioritized projects across all programs, including planting 500 ornamental trees, completing the Public Recreational Park, acquiring additional waste skips, constructing non-motorized transport facilities, installing solar-powered streetlights, building access roads, renovating the main market, and paving public spaces. Governance priorities include approval of municipal by-laws, construction of a municipal office (Phase 1), and recruitment of staff to operationalize administration. Collectively, these initiatives reflect the municipality's commitment to sustainable urban growth, improved service delivery, and enhanced governance for the benefit of its residents.

d) Kehancha Municipality

During FY 2024/25, Kehancha Municipality made notable progress in consolidating its institutional and governance frameworks while advancing service delivery. Municipal legal foundations were strengthened through the preparation of Kehancha Municipal By-Laws, submitted for County Assembly consideration. The Municipal Board exceeded its planned targets for meetings, and structured capacity-building sessions enhanced the competencies of Board members and senior staff. Public participation remained a core governance pillar, with citizen forums successfully conducted to strengthen accountability, responsiveness, and community ownership of municipal decisions.

Urban infrastructure development registered progress, with key access roads graded and gravelled to improve mobility, and fencing of the heavy commercial vehicle park completed to ease congestion within the CBD. Planning services advanced through completion of the Local Physical and Land Use Development Plan, pending approval, and review of the Municipal Integrated Development Plan. Human resource capacity was partially strengthened through recruitment, while governance and administrative systems continued to mature.

In the first half of FY 2025/26, Kehancha Municipality made steady progress in strengthening service delivery and governance. Street cleaning and public space maintenance covered 54,000 square metres, sustaining sanitation standards and improving the urban environment. Citizen engagement remained a priority, with two quarterly fora successfully held to enhance participatory governance and ensure community voices informed municipal decisions.

Governance structures were reinforced through four Board Committee meetings and two Full Board meetings, providing oversight and direction. The Board also benefited from structured training sessions covering Public Finance Management, urban development and management, the KUSP II framework, environmental and climate change management, and social etiquette, thereby enhancing institutional capacity. Drainage maintenance was initiated with the opening and upkeep of 0.2 kilometres of drainage, helping to mitigate flood risks and improve resilience against seasonal weather challenges. These activities reflect the Municipality's commitment to consolidating governance systems while progressively addressing urban service delivery needs.

Despite commendable progress in governance, service delivery, and institutional strengthening, Kehancha Municipality faced several challenges during FY 2024/25 and the first half of FY 2025/26. One of the most persistent issues was the overlapping mandates between the Municipality and parent county departments, where budgets for transferred functions remained under the control of the originating departments. This created coordination difficulties and slowed the full operationalization of municipal responsibilities. Delayed disbursement of development funds, particularly donor financing under KUSP II, further constrained implementation of planned projects. Procurement delays also affected the timely execution of infrastructure and environmental initiatives, limiting progress in areas such as drainage clearance, tree planting, and recreational park development. Staffing levels remained inadequate relative to the breadth of transferred municipal functions, reducing the Municipality's capacity to deliver services at the desired scale. In addition, liquidity constraints continued to affect operational efficiency.

Together, these challenges highlight the need for stronger institutional coordination, timely resource disbursement, enhanced procurement efficiency, and expanded staffing capacity. Addressing these constraints will be critical to sustaining the Municipality's progress and ensuring that urban service delivery keeps pace with community needs.

In FY 2026/27, Kehancha Municipality will focus on four core programmes in line with the Urban Areas and Cities Act and the Municipal Charter. Under planning, administration, and governance, emphasis will be placed on strengthening institutional capacity through Board training, facilitation of statutory meetings, acquisition of a municipal vehicle, and recruitment of critical technical staff. Resource mobilization, partnerships, and enhanced public participation mechanisms will also be pursued to deepen accountability and inclusivity.

Infrastructure development services will prioritize drainage unclogging and upgrading, improvement of access roads, expansion of street and flood lighting, and installation of public Wi-Fi hotspots. The Municipality will also complete and fence the Fresh Produce Market, renovate the Municipal Market, upgrade the Heavy Commercial Vehicle Park, and develop non-motorized transport pathways within the CBD to promote sustainable mobility.

Environmental management and conservation will be advanced through eco-beautification initiatives such as ornamental tree planting, acquisition of modern waste management equipment, maintenance and opening of backstreet roads, and continued renovation of markets to improve sanitation and resilience.

Finally, municipal planning services will be strengthened by enforcing land use and development control, preparing a Municipal Strategic Plan, and reviewing the Integrated Development Plan to ensure alignment with emerging priorities and community needs.

3.1.9. OFFICE OF THE COUNTY ATTORNEY

The Office of the County Attorney serves as the principal legal advisor to the County Government of Migori, holding the mandate for drafting and publishing legislative proposals, advising county agencies on legal matters, and negotiating international and local agreements. The office is further tasked with representing the County Government in legal proceedings and, in collaboration with the Office of the Director of Public Prosecutions (ODPP), coordinating the prosecution of offenses arising from county legislation.

In the first half of current fiscal period, the office has achieved significant milestones in strengthening the county's legal and governance framework. Key legislative successes included the assent of the **Revenue Administration Act** and the passage of its accompanying policy and regulations. The office also made progress in the health sector's legal framework by presenting the **Environmental Health Act's Fund and General Regulations** to the delegated committee. Furthermore, a comprehensive review of policies regarding youth, ECDE, and gender mainstreaming was completed to ensure inclusivity in service delivery.

Beyond legislative drafting, the office played a critical role in fiscal stabilization by clearing loan arrears owed to the **Kenya County Workers Union** and settling outstanding legal fees to panel advocates and various judgment creditors. These actions, combined with legal compliance training provided to various departments, have significantly enhanced the county's adherence to statutory requirements. Proactive drafting also continued for the **Tourism Bill**, the **Vocational Training Bill**, and the **Village Administrative Units Bill**, alongside new transport regulations, reflecting a balanced focus on sectoral development and institutional strengthening.

The department continues to navigate several operational hurdles, most notably **understaffing** and a lack of specialized capacity building for county staff regarding contract management. These gaps often contribute to the **high number of litigations** and procedural non-compliance. Furthermore, limited budgetary allocations have constrained the office's ability to fully settle historical judgments and legal fees, while weak public engagement in the legislative process remains a challenge. To mitigate these issues, the office recommends an increased budgetary allocation specifically for **judgment debt resolution** and the institutionalization of regular legal audits across all departments to identify and resolve potential legal liabilities before they escalate into costly court cases

In the **2026/27 Financial Year**, the Office of the County Attorney will continue to prioritize the drafting of legislative documents and the provision of specialized legal advice across all county departments. A key structural goal is the establishment of specialized directorates to better supervise the formulation of administrative policies and plans. The office aims to shift toward a more proactive stance in contract management and stakeholder engagement to reduce the county's exposure to legal risks.

3.1.10. PUBLIC SERVICE MANAGEMENT, MONITORING AND EVALUATION AND PERFORMANCE CONTRACTING

To ensure that governance is effectively devolved, the department is mandated to bring essential services closer to the residents of Migori County and serves as the central coordinating body for all county projects and performance management. The department is tasked with fostering a robust M&E culture within the public sector and strengthening internal capacities to track the implementation of county programs.

During the 2024/25 Financial Year, the department achieved significant infrastructural and administrative milestones. Notable completions included the Muhuru Ward office, the Public Service Management (PSM) store, and the Enforcement Office at the County Headquarters, all of which reached 100% completion. Administratively, the department successfully managed staff welfare by procuring insurance cover for senior staff and motor vehicles, conducting pre-retirement training, and achieving a 90% promotion rate for eligible personnel. The sub-sector also realized a major policy breakthrough by developing the Public Expenditure Review Report, the M&E Strategic Plan, and the County Monitoring and Evaluation Framework, which have been instrumental in enhancing institutional accountability.

The department further strengthened governance structures through Performance Contracting, successfully executing contracts between the Governor, CECMs, Chief Officers, and Directors. To boost institutional capacity, a Deputy Director for Monitoring, Evaluation, and Performance Contracting was recruited.

Under the **Kenya Devolution Support Programme (KDSP II)**, the department successfully enhanced its technical and oversight capacities through several data-driven initiatives. Key achievements included the development of a comprehensive **Human Resource Audit Report**, a **Skills Audit Report**, and a detailed **Payroll Report**, all of which serve to streamline the county's workforce management. To improve revenue mobilization and security, the department facilitated specialized training for **200 Revenue and Enforcement Officers**.

During the first six months of FY 2025/2026, the Department made significant strides in institutionalizing accountability and enhancing human resource oversight. Key milestones included the development of the first-quarter and semi-annual Monitoring and Evaluation (M&E) reports, alongside the drafting of a comprehensive departmental M&E policy. On the administrative front, the sector successfully reviewed the county's staff establishment and formulated critical procedures and policies governing training, welfare, employee transfers, and general human resource management. To optimize the workforce, the department conducted a comprehensive skills and HR audit for all county staff, followed by induction training for 423 newly recruited employees.

In a major push for transparency and ethical governance, 414 staff members were sensitized on the declaration of income, assets, and liabilities, ensuring full alignment with the Conflict-of-Interest Act of 2025. The department also prioritized the management and security of the county's fleet; all county vehicles have been successfully uploaded to the NTSA portal, and 99% of vehicles currently in garages have undergone formal inspection. However, logistics remain a fiscal challenge; while 24 motorbikes have been insured, only 25 digital plates have been secured for the 124 insurable county vehicles due to departmental payment delays, highlighting the need for improved inter-departmental fiscal coordination.

In the 2026/27 Financial Year, the Department of Public Service Management and Devolved Governance will prioritize the decentralization of services through an aggressive infrastructure program. Central to this strategy is the expansion of administrative hubs to improve service delivery at the grassroots level.

Specifically, the sector intends to construct and renovate of Sub- County and Ward offices, with a targeted focus on the North Sakwa, West Sakwa, South Sakwa, Nyabasi West, Wiga, Wasweta 2, and Muhuru ward offices, as well as the Kuria East Sub- County office at Kegonga..

Furthermore, in line with the operationalization of the Village Administration Bill, the department has prioritized the construction of Village Administration offices, marking a significant step toward bringing the county government closer to the residents of Migori.

The department plans to significantly enhance its oversight and operational efficiency. A critical priority is the procurement of a utility vehicle; an investment aimed at resolving longstanding mobility constraints and enabling the Monitoring and Evaluation (M&E) team to effectively supervise projects across the county.

To further strengthen the culture of accountability, the sector will undertake several key analytical and reporting milestones. These include the preparation of the Public Expenditure Review Report, comprehensive quarterly performance reports, and the highly anticipated Mid-term and End-term Review Reports for the current development cycle. Administratively, the department will focus on the formation of M&E Committees and the review of the M&E Indicator Handbook to standardize tracking across all sectors. These efforts will be complemented by a robust sensitization program targeting both staff and stakeholders to underscore the necessity of maintaining high-quality standards in the delivery of county projects and services.

PUBLIC SERVICE BOARD

The mandate of the Migori County Public Service Board is established under Section 59 of the County Governments Act No. 17 of 2012. Functioning as an independent body on behalf of the County Government, the Board is responsible for the establishment and abolition of offices within the County Public Service. It is further mandated to appoint qualified individuals to hold or act in county offices—including the boards of cities and urban areas—while exercising disciplinary control and executing the removal of persons as provided by law. To ensure transparency, the Board prepares regular reports for the County Assembly regarding the execution of its duties and remains the primary custodian for promoting the national values and principles of governance enshrined in Articles 10 and 232 of the Constitution of Kenya.

In the 2024/2025 Financial Year, the Migori County Public Service Board demonstrated high operational efficiency in its human resource and governance mandates. Under the Public Service Board Services programme, the Board achieved a near-total recruitment rate by appointing 431 new staff members across various departments against a projected need of 435. Significant progress was also made in career progression and staff motivation; the Board surpassed its initial target of 1,000 promotions by elevating 1,704 officers based on merit and seniority. Furthermore, the Board maintained institutional discipline by reviewing and resolving all submitted disciplinary cases in strict accordance with established regulations, while issuing strategic advisories to ensure cross-departmental policy compliance.

In tandem with its recruitment functions, the Board successfully executed the National Values and Principles of Governance programme. This initiative focused on mainstreaming the constitutional values of Articles 10 and 232 across all county departments. By embedding principles of accountability, integrity, and transparency into daily operations, the Board ensured that the public service remains responsive to the needs of the residents of Migori. These collective achievements underscore the Board's commitment to building a competent, ethical,

and highly motivated workforce capable of delivering effective services under the county's broader development agenda.

During the first half of the 2025/26 Financial Year, the Migori County Public Service Board made significant strides in staff stabilization and governance. A total of 40 staff members were promoted in accordance with human resource guidelines, while 194 officers were confirmed into permanent and pensionable terms. To ensure the sustainability of essential services, the Board successfully transitioned 210 officers from the CIHEB Programme to the Tukicheki Programme and renewed contracts for an additional 151 CIHEB officers following rigorous due diligence. Beyond personnel management, the Board intensified the mainstreaming of constitutional values and principles across sub-county hospitals and departments. This included a critical sensitization of Human Resource officers on wealth declaration compliance, reinforcing the county's commitment to transparency and the Conflict of Interest Act.

Despite these achievements, the Board continues to navigate substantial operational hurdles. Budgetary constraints remain a primary challenge, compounded by an encroachment on the Board's mandate by other departments, which has led to the diversion of resources and hindered the full execution of duties under Section 59 of the County Governments Act. Furthermore, inadequate physical infrastructure—including a lack of utility vehicles, reliable internet, and modern ICT equipment—continues to limit operational efficiency. Legal challenges also persist, often resulting in administrative delays that affect the timely implementation of key Board resolutions.

Looking ahead to FY 2026/27, the Board has set an ambitious agenda to recruit 1,000 new staff members to bridge existing human resource gaps across the county. The Board also plans to roll out a comprehensive sensitization program on national values and leadership training for Board Members to enhance oversight and institutional performance. To streamline administration, the Board will develop and operationalize four key human resource policies.

3.1.11 ROADS, TRANSPORT, PUBLIC WORKS AND INFRASTRUCTURE DEVELOPMENT

The Department of Roads, Transport, Public Works and Infrastructure Development is mandated to plan, develop, rehabilitate and maintain county transport infrastructure—including roads, bridges, box culverts, footbridges and related public works facilities—to improve connectivity, access to services and socio-economic productivity. The Department also provides mechanization services, coordinates road safety interventions, and supports the development of resilient infrastructure that withstands climate and terrain-related shocks. The mandate is implemented through county planning and budgeting instruments, including the County Integrated Development Plan (CIDP) and Annual Development Plans (ADPs), to ensure infrastructure investments align with county priorities and deliver measurable service outcomes.

During FY 2024/25, the Department implemented road works and crossings interventions across the 40 wards, targeting access improvement and road network functionality. Over 1,500 km of roads were opened and maintained across the county, contributing to improved accessibility to markets, health facilities and learning institutions, and supporting movement of agricultural produce. Significant progress was recorded on the flagship project—Road C727 (Sony Junction–Kanyimach Junction–Chamgiwadu)—where 13 km were completed within FY 2024/25, with cumulative progress reaching 15.14 km by December 2025. The Department also constructed 12

box culverts and footbridges to improve safety and continuity of movement at key river crossings.

In the first half of FY 2025/26 (July–December 2025), the Department sustained recurrent operations to support effective service delivery. On development expenditure, procurement processes commenced for community roads projects, major structures and major roads earmarked for implementation during the financial year. Collectively, these interventions demonstrate progress toward a more reliable road network and improved infrastructure resilience, particularly in areas affected by terrain constraints and seasonal rains.

Despite the performance gains, implementation continues to be constrained by insufficient funding, inclement weather, unstable soils, encroachment by local communities and narrow road reserves. These constraints increase unit costs, delay completion timelines and limit the extent of upgrades achievable within available budgets. An emerging issue is the need to improve and stabilize funding levels to match rising infrastructure demand and address maintenance backlogs.

The key lesson learnt during implementation is the importance of precision in planning, prioritization, design choices and execution sequencing to reduce reworks, cost overruns and delays. To strengthen delivery in FY 2026/27, the Department recommends enhanced and predictable funding, timely procurement, strengthened project readiness (including surveys, designs and bills of quantities prepared ahead of procurement), and improved supervision and stakeholder coordination to safeguard road reserves and manage encroachment.

Risk mitigation measures will include adopting climate-resilient road works (improved drainage, adequate culvert sizing and prioritization of flood-prone points), applying appropriate soil stabilization approaches in weak subgrades, and sequencing works to reduce weather-related disruptions. In collaboration with other relevant county departments cross-cutting mainstreaming will be strengthened through environmental safeguards (erosion control and tree planting), road safety measures that protect pedestrians and school-going children, and inclusion-oriented approaches such as labour-based works where appropriate to support local employment.

In FY 2026/27, the Department will prioritize opening, spot improvement, rehabilitation, maintenance and upgrading of county roads to all-weather standards, alongside expanded construction of box culverts, footbridges and bridges to eliminate connectivity bottlenecks and enhance resilience against flooding and seasonal disruptions. The Department will also advance mechanization to improve efficiency through acquisition of key road equipment and service vehicles.

In addition, the Department will strengthen road safety interventions—including signage, controlled crossings, footpaths and related safety infrastructure—to reduce fatalities and promote orderly mobility. To improve planning accuracy, accountability and decision-making, the Department will pursue digitization of transport systems through structured databases and improved asset management practices. These priorities will protect past investments, reduce recurring maintenance costs through timely interventions, improve access to economic nodes and public services, and support inclusive growth by enhancing mobility across rural and urban settlements.

3.1.12 DEPARTMENT OF TRADE, TOURISM, INDUSTRIALIZATION AND CO-OPERATIVES

The Department of Trade, Tourism, Industrialization and Co-operatives plays a pivotal role in advancing socio-economic development in Migori County by regulating trade, promoting tourism, supporting industrialization, and strengthening cooperative societies. Through policy formulation, infrastructure development, market regulation, consumer protection, SME support and investment promotion, the Department fosters a conducive business environment that enhances job creation, revenue mobilization and overall economic growth.

In FY 2024/25, the Department undertook significant development initiatives aimed at improving trade infrastructure and strengthening regulatory services. It renovated and completed market shades in Masangora, Senta and Kugitimo, while constructing new sheds in Masebe, Mukuro, Mapera, Koweru Kojwang and Olasi. The Department further expanded infrastructure by constructing thirty boda boda sheds, a shoe shiner shade, two waterborne toilets at Posta Migori and Sori Bus Park, three pit latrines and two auction rings. During the same period, 14,235 premises were assessed and invoiced at a value of Ksh.155 million. Consumer protection operations were intensified through the inspection of 712 business premises, verification of 698 measurement instruments and eight product conformity assessments, generating Ksh.1.4 million in verification fees.

Liquor Licensing and Control Services made substantial progress with the mapping of 550 liquor outlets, vetting of 508 applicants and issuance of 412 licenses, which generated Ksh.4.37 million in Appropriations-in-Aid (AIA). The subsector also conducted eight public participation forums, prepared architectural designs for a rehabilitation centre and undertaken a benchmarking mission to the MTRH Alcoholic Rehabilitation Centre to guide the establishment of a similar facility within the county. Meanwhile, industrial development activities achieved 85 percent completion of the Nyatike Industrial Park, supported SMEs to participate in regional and international exhibitions and facilitated local product showcasing. Tourism development progressed with the drafting and stakeholder review of the County Tourism Policy and representation of Migori County in key promotional events including the Festac Africa Festivals and the County Destination Marketing Series. Cooperative development interventions included sensitization and registration of 25 new cooperatives, facilitation of five AGMs, governance trainings for ten societies and auditing of eleven cooperatives covering sixteen audit years.

In the first half of FY 2025/26, the Department sustained and expanded its achievements. A total of 14,780 premises were assessed and invoiced, valued at Ksh.97.2 million. Consumer protection activities continued with the inspection of 298 premises, verification of 349 instruments and eight conformity assessments, resulting in verification fees amounting to Ksh.511,540. The Liquor Licensing and Control subsector conducted two public participation forums, mapped 120 liquor outlets, vetted 60 applicants and issued permits that generated Ksh.900,000 in AIA. Industrial development support increased, with 15 SMEs participating in national exhibitions and 20 SMEs attending the 25th EAC MSMEs International Exhibition in Nairobi, strengthening market access and regional trade linkages. Tourism promotion was sustained through county participation in exhibitions at the Devolution Conference and the showcasing of cultural tourism during the Piny Luo Festival beauty pageant segment. Cooperative development maintained strong performance, registering 25 new societies, facilitating five AGMs, training ten societies

on governance and auditing eleven societies covering sixteen audit years, which generated Ksh.175,550. Additionally, ten compliance trainings were conducted to enhance governance and regulatory adherence across cooperative societies.

Despite notable achievements across all programs, the Department encountered several challenges. Inadequate funding constrained large-scale infrastructure development, while enforcement capacity in areas such as trade regulation, consumer protection and liquor control remained insufficient, and the absence of advanced metrology infrastructure limited the efficiency and reliability of measurement verification services. Emerging issues, including rising demand for modern markets, increased SME support needs and heightened compliance requirements for cooperative societies, further affected service delivery. These challenges highlighted key lessons: the need for early and proactive procurement planning, stronger stakeholder engagement to enhance ownership of programmes and continuous capacity building for staff and sector actors to improve service delivery.

Drawing from these experiences, the Department proposes several strategic improvements moving forward, including increased budgetary allocations for priority projects, strengthening enforcement mechanisms, digitizing trade licensing and cooperative management systems and fostering partnerships with national institutions and development partners.

In FY 2026/27, the Department will pursue an ambitious programme aimed at promoting economic empowerment, enhancing infrastructure, improving regulatory services and accelerating sectoral growth. A total of Ksh.100 million has been allocated to the economic empowerment programme, complemented by sixteen planned business trainings. Infrastructure development will continue through the refurbishment of six modern markets and construction of fifty *boda boda* sheds, five waterborne toilets, three auction rings and five market toilets.

The Department aims to assess and invoice 22,000 premises valued at Ksh.165 million, while strengthening consumer protection through verification of 650 instruments, inspection of 700 premises, eight conformity assessments and establishment of a modern metrology laboratory.

Industrial development efforts will prioritize completion of the Nyatike Industrial Park, facilitation of at least thirty SMEs to participate in national and regional exhibitions and construction of an MSME exhibition centre and two *jua kali* shades. The Department will also develop a County Investment Policy, participate in international and local investment conferences and conduct sensitization workshops on investment opportunities. In Liquor Licensing and Control Services, planned activities include construction of a rehabilitation centre, eight public participation forums, advocacy trainings, mapping of outlets and issuance of licenses targeting AIA revenue of Ksh.6 million. Surveys and research will inform the county's rehabilitation strategy.

Tourism development will be advanced through finalization and operationalization of the County Tourism Bill and Policy, updating of tourism guide booklets, maintenance of a comprehensive tourism database, organization of the Annual County Tourism Festival and preservation activities such as fencing the Siabai Cultural Centre. The cooperative subsector will finalize the cooperative policy, register twenty-five new societies, train ten on leadership and governance, renovate five coffee factories, procure cooperative machinery and construct sixteen marketing

stores. Compliance and governance will be strengthened through auditing seventy audit years, enforcement of tax compliance, facilitation of AGMs and elections and reinforcement of arbitration mechanisms to effectively resolve disputes.

3.1.13 WATER AND ENERGY

The Department of Water and Energy is mandated to ensure sustainable provision of safe water, improved sanitation, and reliable energy services across the county. Its mandate is executed through two directorates—the Directorate of Water and the Directorate of Energy—supported by three key programmes: Policy, General Administration and Support Services; Water Supply and Management Services; and Energy Development Services. Collectively, these programmes provide strategic leadership, strengthen institutional coordination, enhance operational efficiency, and drive the development and management of water and energy infrastructure in alignment with county development priorities.

In FY 2024/2025, the Directorate of Water maintained the operation of six urban water schemes through payment of electricity bills, procurement of water treatment chemicals, repair of two pumping units at Awendo Water Supply, and overhaul of a pumping unit at the Oyani Water Treatment Plant. Additionally, fourteen community water projects were rehabilitated, upgraded, or extended; ten boreholes were drilled; eleven existing boreholes were equipped; and two new boreholes were both drilled and equipped. The department further constructed eighteen spring protection works, procured and distributed forty 10,000-litre uPVC water tanks, and installed three additional tanks of similar capacity. Partnerships with CARE International in Kenya and Osiligi Charity Organization enabled upgrading of two community water projects and repair of eighty-four handpumps, along with capacity-strengthening for rural WASH enterprises through governance and sustainability training. During the first half of FY 2025/2026, the department participated in the 12th Devolution Conference and undertook Water Tariff Assessments for two community schemes co-funded with CARE International. It also conducted feasibility studies, technical assessments, designs, costing, and preparation of Bills of Quantities for upcoming projects. The County Water Service Provider continued to be supported through payment of electricity bills, procurement of treatment chemicals, and repair of intake and pumping units for the Migori Water Supply (Oyani). With support from Osiligi Charity Organization, forty-five handpumps were also repaired, improving water access in rural areas.

In FY 2024/2025, the Directorate of Energy installed seven integrated solar floodlights and fifty-two integrated solar streetlights across the county. The department also settled electricity bills for grid-powered streetlights and floodlights and carried out maintenance works that included repair of sixty integrated solar streetlights, five grid-powered floodlights, and three solar floodlights—enhancing lighting coverage and public safety. During the first half of FY 2025/2026, the directorate undertook repair works on grid-powered floodlights at Nyasare, Rongo, and Nyandema markets. It also conducted a site visit to Marindi Market to assess feasibility for piloting solar fish fryers in partnership with FEION, aimed at promoting renewable energy solutions and supporting local enterprises.

The department experienced delays in procurement processes, inadequate staffing levels, and insufficient transport, all of which affected timely project implementation. Limited funding for rehabilitation and maintenance of water facilities, frequent flooding events, high operation and

maintenance costs, abrupt fluctuations in construction material prices, and low willingness of communities to pay for water services further constrained effective service delivery. Additional challenges included weak governance structures within rural water projects, vandalism and theft of infrastructure, aging water systems, and difficulties in accessing facilities on private land due to wayleave issues. The lack of an energy policy, regulatory framework, and county energy plan also hindered effective coordination of energy services.

Key lessons learnt include the need for early initiation of procurement processes to avert delays and pending bills; strengthening of human resource capacity, especially at ward level; and capacity building of rural water management committees to improve governance and sustainability. The department recommends proactive planning, enhanced institutional frameworks, and continuous investment in technical capacity to ensure efficient and sustainable service delivery.

During the plan period, the Directorate of Water will prioritize support to urban water schemes through payment of electricity bills, procurement of treatment chemicals, and undertaking minor repairs. The department will overhaul pumping units at Awendo Water Supply and at the Oyani Treatment Plant. Additional planned interventions include equipping boreholes with inline chlorination devices; rehabilitating, completing, upgrading, or extending community water projects; constructing or rehabilitating spring protection works; and distributing uPVC water storage tanks to targeted learning and health institutions. In addition, various Community water projects will be implemented, sensitization meetings on rainwater harvesting conducted, and water management committees trained. To strengthen technical capacity, the department will recruit technical interns in water and energy.

The department will leverage partnerships with the World Bank under the K-WASH Program and World Vision to expand access to improved water and sanitation services and enhance the operational performance of Water Service Providers. The county will provide co-funding of for the K-WASH Program and the World Vision Programme. The department targets securing funds for acquisition of land for the proposed Migori and Isebania Municipality Sewerage Treatment Plants including settling pending bills to strengthen financial management.

The Directorate of Energy will prepare and submit the Migori County Energy Regulations, finalize the County Energy Plan, and host an energy exhibition. Planned investments include installation of biogas plants in learning institutions, integrated solar streetlights, and solar floodlights, alongside repair and maintenance of solar streetlights and solar floodlights. Grid-powered floodlights will also be repaired.

The directorate will procure and install transformers and solar-powered mini-grid, leveraging matching funds from the Rural Electrification and Renewable Energy Corporation. To enhance clean energy access for communities, the department will distribute solar lamps to vulnerable school-going children, improved cookstoves to vulnerable households, install solar-powered water treatment plant, and procure improved institutional double-burner cookstoves for schools and other institutions. Electricity bills for streetlights and floodlights will be settled to maintain uninterrupted service delivery.

CHAPTER FOUR: BUDGET FOR FY 2026/2027 AND THE MEDIUM TERM

4.1 Fiscal Framework for FY 2026/27 and Medium-Term Budget

5. In pursuit of its broad policy goals and the development agenda envisioned in the Third Generation CIDP 2023-2027, the County Government of Migori will ensure that all development plans and priority programs are rigorously aligned with National Budget Policy documents. Central to this alignment is the Bottom-Up Economic Transformation Agenda (BETA), which serves as the primary framework for economic turnaround through strategic value chain development. Furthermore, the County's objectives are informed by priority interventions within the Fourth Medium Term Plan (MTP IV) 2023-2027, Vision 2030, and the Sustainable Development Goals (SDGs), reflecting a steadfast commitment to global and national development instruments.
6. To effectively address the pressing challenges facing vulnerable and marginalized communities, the County will enforce strict fiscal discipline across all departments. This will be achieved through the implementation of accurate expenditure plans linked to performance management, strict adherence to budget lines to prevent off-budget spending, and the optimal utilization of scarce financial resources. The Government remains committed to enhancing fiscal transparency by communicating medium-term goals and strengthening Public Financial Management (PFM) institutions. These efforts will ensure prioritized programming, accurate reporting, and the effective management of fiscal aggregates, including revenue, expenditure, and debt, all while adhering to statutory fiscal principles.

4.2 Revenue Projections

In the FY 2026/27, the total projected revenue required to implement the County's desired programs and deliver quality services is estimated at KSh 11.567B as detailed in table 7 below.

Table 7: Projected Revenue Streams for FY 2026/2027

Revenue Stream	FY 2024/25	FY 2025/26	Projected			%
			FY 2026/27	FY 2027/28	FY 2028/29	
Equitable share	8,385,079,399	8,385,079,399	8,883,939,719	9,328,136,705	9,794,543,540	76.80%
Conditional Grants	523,444,784	273,444,784	344,726,150	495,293,363	520,058,031	2.98%
Donor and other partners	902,000,972	1,254,500,972	1,286,340,853	1,350,657,896	1,418,190,790	11.12%
Ordinary Own Source Revenue	690,000,000	503,000,000	675,000,000	708,750,000	744,187,500	5.84%
FIF-Medical Services		250,000,000	350,000,000	367,500,000	385,875,000	3.03%
FIF-Public Health			20,000,000	21,000,000	22,050,000	0.17%
A-I-A - Alcohol Fund		7,000,000	7,000,000	7,350,000	7,717,500	0.06%
Total	10,500,525,155	10,673,025,155	11,567,006,722	12,278,687,964	12,892,622,362	100.00%

Source: County Treasury 2025

4.2.1 Own Source Revenue

7. Locally generated revenue consists of three categories that is Ordinary Own Source Revenue (Ordinary OSR), Facility Improvement Fund (FIF) and Appropriation in Aid (A-I-A).

These sources are expected to account for 9 percent of the projected County revenue in FY 2026/27 The ordinary OSR is projected at 675 million (5.84%), FIF at 370 Million (3.2%) and A-I-A at 7 million (0.06%) totalling to 1.052 Billion. The ordinary own source revenue has been increased from 525 million in the revised budget 2025/26FY to 675 million driven by the expected inflows from sugar industries, tobacco industries, enhanced revenue collection mechanisms, mapping of more revenue streams and strong measures aimed at sealing revenue loopholes and leakages. The County has a potential of raising over KShs. 3.726 billion according to the Comprehensive Own Source Revenue Potential and Tax Gap Report by Commission on Revenue Allocation (2022). Table 8 illustrates the OSR projection by main streams.

Table 8:Own Source Revenue Projections for FY 2026/2027

No	Revenue Stream	Revised Annual Targeted Revenue FY 2024/25 (Kshs.)	Projected Annual Targeted Revenue FY 2025/26 (Kshs.)	Revised Annual Targeted Revenue FY 2025/26 (Kshs.)	Annual Targeted Revenue FY 2026/27 (Kshs.)
	Parking Fees				
1	Bus Park	45,833,335	45,449,870	47,437,737	60,991,376
2	Motor Bike	17,187,500	15,246,800	15,913,658	20,460,417
3	Entry/Exit Fees	3,437,500	3,049,300	3,182,669	4,092,003
4	Taxi/Car	10,541,667	9,351,300	9,760,303	12,548,961
	Permits				
5	Single Business Permits	158,292,292	152,037,700	158,687,460	204,026,734
6	Distribution	23,093,125	20,485,550	21,381,538	27,490,549
	Market Fees				
7	Market Dues	49,299,479	49,541,270	51,708,085	66,481,824
8	Kiosk Fees	9,739,583	8,639,790	9,017,674	11,594,152
	Cess Fees				
9	Sugarcane	29,161,458	25,868,740	27,000,176	34,714,512
10	Tobacco	13,750,000	12,197,400	12,730,885	16,368,281
11	Maize/Rice	17,187,500	15,246,800	15,913,658	20,460,417
12	Fish	458,333	406,490	424,269	545,489
	Auction Fees				
13	Cattle Auction/Slaughter Fee	27,500,000	24,394,900	25,461,874	32,736,695
	Land Rates				
14	Rents & Rates	10,889,417	9,659,900	10,082,401	12,963,087
	Natural Resources				
15	Tailing(sainate)/Copper/gold	46,861,458	41,570,210	43,388,390	55,785,073
16	Sand/Stone	13,750,000	12,197,400	12,730,885	16,368,281
	Devolved Ministries				
17	Public Works – Building	9,166,667	8,131,600	8,487,256	10,912,186
18	Public Works- Machinery Hire	2,291,000	2,032,290	2,121,177	2,727,228
	-Cemetery(burial permit)	114,583	101,590	106,034	136,330
	-Way Leave	1,718,750	1,524,600	1,591,282	2,045,934
19	Agriculture- Vet	802,083	711,490	742,608	954,782
	-AMS	286,458	254,040	265,151	340,908
	-Fisheries	572,917	508,200	530,427	681,978
20	Building inspection	1,145,833	1,016,390	1,060,845	1,363,944
21	Physical Planning	14,332,917	12,714,530	13,270,633	17,062,242
22	Survey	229,167	203,200	212,088	272,685
23	Ground/kiosk rent	2,864,583	2,541,100	2,652,241	3,410,024
24	T.O.L	229,167	203,200	212,088	272,685
25	Stadium/ Hall Hire	143,229	126,970	132,523	170,387
26	Trade Department- Audit	343,750	304,900	318,235	409,159
	-Weight and measures	1,375,000	1,219,700	1,273,047	1,636,775

No	Revenue Stream	Revised Annual Targeted Revenue FY 2024/25 (Kshs.)	Projected Annual Targeted Revenue FY 2025/26 (Kshs.)	Revised Annual Targeted Revenue FY 2025/26 (Kshs.)	Annual Targeted Revenue FY 2026/27 (Kshs.)
27	Environment and NEMA	1,145,833	1,016,390	1,060,845	1,363,944
28	Professional Income- Research Fee & Library fees	4,640,625	4,116,550	4,296,598	5,524,197
29	Water Dept - Borehole Flushing	114,583	101,590	106,034	136,329
30	Penalties	1,145,833	1,016,390	1,060,845	1,363,944
31	Bill Boards	20,615,000	18,287,260	19,087,101	24,540,557
32	Transport on Land	1,718,750	1,524,600	1,591,280	2,045,931
	Sub-Total-1 - Ordinary OSR	541,979,375	503,000,000	525,000,000	675,000,000
34	Health Department-Medical Service -FIF	225,000,000	225,000,000	247,757,160	350,000,000
	-Public Health – FIF	25,000,000	25,000,000	102,242,840	20,000,000
33	Alcoholic Fund -(A.I.A)	8,020,625	7,000,000	7,000,000	7,000,000
	Sub-Total-2 - FIF & A-I-A	258,020,625	257,000,000	357,000,000	377,000,000
	Total	800,000,000	760,000,000	882,000,000	1,052,000,000

4.2.2 Conditional Share from the National Government

8. This category will account for 3 percent of the total projected County revenue. It comprises money for court fines, mineral royalties and lease of medical equipment. Lease of medical equipment money is normally deducted at source to pay for the medical equipment bought by the National Government on behalf of the counties. Table 9 presents the summary of conditional share from the National Government.

Table 9: Conditional grants projections for FY 2026/2027

Conditional share item	Revised FY 2024/25	Projected		
		FY 2025/26	FY 2026/27	FY 2027/28
Leasing of Medical Equipment	124,723,404	124,723,404	124,723,404	130,959,574
Fertilizer Subsidy	144,621,807	144,621,807	144,621,807	151,852,897
Allocation for Court fines	974,165	974,165		587,313
Allocation for Mineral Royalties	3,125,408	3,125,408		3,281,678
Industrial park	250,000,000			
Housing Levy Fund to the County Rural and Urban Affordable Housing Committees			1,987,622	2,087,003
Aquaculture Business Development Project (ABDP)			12,788,888	13,428,332
Road Maintenance Fuel Levy			56,919,675	59,765,659
Enironmental			3,684,754	
Total	523,444,784	273,444,784	344,726,150	495,293,363

4.2.3 Loans and Grants

9. The loans and grants account for 10.76 percent of the total revenue. The grants will specifically finance programmes in the Health Sector, Agriculture and Rural Development Sector, and in the Climate change programme. The loans and grants are presented in Table 10 below

Table 10: Summary of Loans and Grants schedule

Sector	Project name	FY 2025/26		Projection	
		Approved Budget	Supplementary	FY 2026/27	FY 2027/28
Donor Funds Total		1,137,893,544	1,255,431,687	1,286,340,853	1,350,657,893
Agriculture	EU Grant for Instrument for Devolution Advice and Support	5,706,628	5,706,628	5,706,628	5,991,959

Sector	Project name	FY 2025/26		Projection	
		Approved Budget	Supplementary	FY 2026/27	FY 2027/28
	(IDEAS)				
	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,120,452	1,120,452	1,120,452	1,176,474
	National Agricultural Value Chain Development Project (NAVCDP)	149,121,357	231,250,000	231,250,000	242,812,500
	KABDP SIDA	10,918,919	10,918,919	10,918,919	11,464,864
	KABDP MOA&LD (GoK)	1,000,000	1,000,000	1,000,000	1,050,000
	Livestock Value Chain Support Project	14,323,680	14,323,680	14,323,680	15,039,864
Environment	Climate Change - CCRI Grant- German Development Bank - KfW	200,000,000	200,000,000	200,000,000	210,000,000
	Climate Change -IDA World Bank	11,000,000	11,000,000	11,000,000	11,550,000
Health	DANIDA Grant (Universal Healthcare in Devolved System Program)	15,247,500	15,247,500	15,247,500	16,009,875
Municipalities	Migori Municipality UDG	54,181,008	54,181,008	70,194,334	73,704,050
	Awendo Municipality UDG	16,800,000	16,800,000	21,765,280	22,853,544
	Rongo Municipality UDG	16,800,000	16,800,000	21,765,280	22,853,544
	KehanchaMunicipality UDG	16,800,000	16,800,000	21,765,280	22,853,544
Physical planning	Urban Institutional Grant (UIG)	35,000,000	35,000,000	35,000,000	36,750,000
PSM	Kenya Devolution support program	390,000,000	425,409,500	425,409,500	446,679,975
Water	Kenya Water and Sanitation (K-WASH) Program	199,874,000	199,874,000	199,874,000	209,867,700

4.3 Expenditure Projection

10. In FY 2026/27, total expenditure is projected at Ksh. 11.567 billion where Ksh. 7.999 billion (69.16 percent) will comprise recurrent expenditure and Ksh. 3.56 billion (30.84 percent) will be used for development expenditure. This is in line with Section 107 (1b) of the PFM Act 2012 that requires County governments to allocate a minimum of 30 percent of the budget to development Budget.

11. Compensation to employees is projected at Ksh 4 billion (34.6 percent) which is within the threshold of 35 percent under Section 25 of the PFM (County Governments) Regulations, 2015. T

12. The County government will further set aside Kshs 1,090,039,284 towards

(i)	Settlement of outstanding Pending Bills	Ksh	112,483,284
(ii)	County Aggregation park	Ksh	63,000,000
(iii)	Counter Funding	Ksh	214,556,000
(iv)	Community Projects	Ksh	700,000,000

4.4 Deficit Financing

13. Observing that the County is implementing a balanced budget, the projected budget deficit is nil. Although section 140-142 of the PFM Act 2012 allows for borrowing to undertake development projects, the County Government does not envisage borrowing in FY 2026/27. The projected expenditures are expected to be funded by the County OSR from local sources and A-in-As, transfers from the National Government and grants from the Gok and development partners.

4.5 Criteria for Resource Allocation

14. The criteria guiding the allocation of resources for the MTEF 2026/2027- 2028/2029 includes:

- I. Programmes supporting economic recovery and sustainability
- II. Linkage of the programmes with the priorities of the CIDP 2023-2027, Annual Development Plan 2026/2027 and other county plans.
- III. Completion of on-going and multi-year projects and operationalization of completed projects/programmes.

- IV. Payment of outstanding pending bills/debts.
- V. Provision of social safety nets to County residents and staff including bursary, economic stimulus programmes, enhanced medical scheme for staff, allocation of funds for people living with disabilities fund.
- VI. Counter funding/Contribution towards the county donor funded programmes.

4.6 Proposed ceilings for sectors.

Migori County's FY 2026/27 ceilings demonstrate compliance with the fiscal responsibility principles set out in the **Public Finance Management (PFM) Act, 2012**. The county has allocated **69.16 percent of total expenditure to recurrent costs and 30.84 percent to development spending**,

The table 11 below shows the proposed ceiling by sector for recurrent expenditure.

Table 11: Proposed recurrent expenditure ceilings

RECURRENT - CEILINGS - FY 2026/27 PROJECTION						
Department	Salary	O&M	Counter Part	Donor	FIF/A-I-A	Total
Office of the Governor		205,000,000				205,000,000
County Secretary		40,000,000				40,000,000
Deputy Governor's Office		40,000,000				40,000,000
ICT, e-Government and Innovation		55,000,000				55,000,000
Special Programmes and External Partnerships		105,000,000				105,000,000
County Attorney		65,000,000				65,000,000
Public Service and Management	4,000,000,000	173,967,839	10,000,000	72,909,500		4,256,877,339
Public Service Board		33,576,920				33,576,920
Monitoring, Evaluation and Performance Contracting		15,641,306				15,641,306
Agriculture		16,549,612				16,549,612
Livestock Production		7,359,322				7,359,322
Veterinary Services		6,744,573				6,744,573
Fisheries and Blue Economy		14,982,943				14,982,943
Education, Youth and Sports		80,466,599				80,466,599
Gender Inclusivity, Culture and Social services		30,561,004				30,561,004
Medical Services		341,251,966			350,000,000	691,251,966
Public Health and Sanitation		185,506,036	11,556,000	15,247,500	20,000,000	232,309,536
Environment, Natural Resource, Climate Change and Disaster Management		160,617,623				160,617,623
Accounting Services		187,329,689				187,329,689
Revenue		40,800,000				40,800,000
Supply Chain Management		35,106,835				35,106,835
Audit		64,900,000				64,900,000
Economic Planning & Budgeting		145,103,198				145,103,198
Lands & Housing		17,239,526				17,239,526
Physical Planning and Urban Development		49,158,511		35,000,000		84,158,511
Rongo Municipality		25,122,009				25,122,009
Kehancha Municipality		25,878,110				25,878,110
Migori Municipality		25,122,009				25,122,009
Awendo Municipality		25,122,009				25,122,009
Roads and Transport		25,825,657				25,825,657
Public Works and Infrastructure		80,197,894				80,197,894
Trade & Market Development		45,029,270				45,029,270
Industrialization		8,000,000				8,000,000
Tourism & Marketing		8,000,000				8,000,000
Cooperative Development		11,561,004				11,561,004
Liquor Licensing and Control		3,512,010			7,000,000	10,512,010
Water		126,054,085				126,054,085
Energy		15,000,000				15,000,000
Sub-Total-1 - Executive	4,000,000,000	2,540,987,559	21,556,000	123,157,000	377,000,000	7,062,700,559
County Assembly		936,954,113				936,954,113

RECURRENT - CEILINGS - FY 2026/27 PROJECTION						
Sub-Total-2 - Assembly		936,954,113				936,954,113
Grand Total	4,000,000,000	3,192,941,672	21,556,000	123,157,000	377,000,000	7,999,954,672

Table 12 below shows the proposed development expenditure ceilings by sector.

Table 12: Proposed development expenditure ceilings

DEVELOPMENT - CEILINGS - FY 2026/27 PROJECTION							
Department	Executive Projects	Pending Bills	Co-Funding	Community	Donor	Conditional Grants	Total-
Office of the Governor	40,000,000	-	-	-	-	-	40,000,000
County Secretary	-	-	-	-	-	-	-
Deputy Governor's Office	-	-	-	-	-	-	-
ICT, e-Government and Innovation	-	-	-	-	-	-	-
Special Programmes and External Partnerships	-	-	-	-	-	-	-
County Attorney	-	-	-	-	-	-	-
Public Service and Management	10,000,000	4,000,000	20,000,000	-	352,500,000	-	386,500,000
Public Service Board	-	-	-	-	-	-	-
Monitoring, Evaluation and Performance Contracting	-	-	-	-	-	-	-
Agriculture	20,000,000	-	10,000,000	-	249,995,999	144,621,807	424,617,806
Livestock Production	10,000,000	2,000,000	-	-	14,323,680	-	26,323,680
Veterinary Services	7,200,000	800,000	-	-	-	-	8,000,000
Fisheries and Blue Economy	10,000,000	2,300,000	-	-	-	12,788,888	25,088,888
Education, Youth and Sports	20,000,000	6,998,998	-	51,860,642	-	-	78,859,640
Gender Inclusivity, Culture and Social services	-	-	-	-	-	-	-
Medical Services	80,000,000	17,000,000	-	-	-	124,723,404	221,723,404
Public Health and Sanitation	70,000,000	13,000,000	-	57,847,992	-	-	140,847,992
Environment, Natural Resource, Climate Change and Disaster Management	9,000,000	1,000,000	50,000,000	8,700,000	211,000,000	3,684,754	283,384,754
Accounting Services	-	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	-
Supply Chain Management	12,500,000	-	-	-	-	-	12,500,000
Audit	-	-	-	-	-	-	-
Economic Planning & Budgeting	3,500,000	-	-	-	-	-	3,500,000
Lands & Housing	15,000,000	2,000,000	-	-	-	1,987,622	18,987,622
Physical Planning and Urban Development	20,000,000	-	-	-	-	-	20,000,000
Rongo Municipality	8,000,000	1,000,000	-	-	21,765,280	-	30,765,280
Kehancha Municipality	9,000,000	-	-	-	21,765,280	-	30,765,280
Migori Municipality	8,000,000	1,000,000	-	-	70,194,334	-	79,194,334
Awendo Municipality	8,000,000	1,000,000	-	-	21,765,280	-	30,765,280
Roads and Transport	550,000,000	50,000,000	-	375,053,433	-	56,919,675	1,031,973,108
Public Works and Infrastructure	-	-	-	-	-	-	-
Trade & Market Development	50,000,191	6,000,000	-	63,234,442	-	-	119,234,633
Industrialization	-	-	63,000,000	-	-	-	63,000,000
Tourism & Marketing	-	-	-	-	-	-	-
Cooperative Development	-	-	-	-	-	-	-
Liquor Licensing and Control	5,000,000	-	-	-	-	-	5,000,000
Water	35,558,572	4,384,286	50,000,000	143,303,491	199,874,000	-	433,120,349
Energy	32,900,000	-	-	-	-	-	32,900,000
Sub-Total-1 - Executive	1,033,658,763	112,483,284	193,000,000	700,000,000	1,163,183,853	344,726,150	3,547,052,050
County Assembly	20,000,000	-	-	-	-	-	20,000,000
Sub-Total-2 - Assembly	20,000,000	-	-	-	-	-	20,000,000
Grand Total	1,053,658,763	112,483,284	193,000,000	700,000,000	1,163,183,853	344,726,150	3,567,052,050

4.5 FY 2026/27 and Medium-Term Priorities

4.5.1 County Assembly

15. This is a key sector in the implementation of development programmes in the county as it has the oversight role. It also plays the role of strengthening the democratic space and governance in the county. For the FY 2026/2027 the Assembly will focus on formulating and passing all county laws required for effective performance and exercise of powers of the County Government. In addition, it will approve county policies, plans and budgets and oversight implementation. It is proposed that the sector be allocated **Kshs. 956,954,113** to cater for operations activities in 2026/2027 FY.

4.5.2 County Executive

16. In the 2026/2027 fiscal year, the sector will prioritize completing the County headquarters, promoting peace and cohesion, and enhancing competitiveness through policy coordination, while also holding governor's dialogue forums and developing a geospatial database for resource distribution. The Economic Advisor's and Liaison Officer's offices will address economic issues and manage intergovernmental affairs, respectively, with the County Secretary's office focusing on training and communication policy development.

17. Due to the vital role, the sector plays, it's proposed that it be allocated **Kshs. 485,000,000** in 2026/2027 FY to cover both recurrent and development activities.

4.5.3 County Attorney

18. The Office of the County Attorney aims to reduce the financial legal liabilities incurred by the county government. Additionally, the office plans to decrease the number of cases against the County Government of Migori by using Alternative Dispute Resolution (ADR) methods to resolve disputes out of court, thereby reducing litigation costs for the county government.

19. Due to the vital role the sector plays, it's proposed that it be allocated **Kshs 65,000,000** to cater for operations activities in 2026/2027 FY.

4.5.4 Roads, Transport, Public Works and Infrastructural Development

20. In the fiscal year 2026/27, efforts will be concentrated on enhancing the road network and infrastructure by upgrading access roads to all-weather and bitumen standards, improving roads, constructing bridges, and digitizing the transport system. Other priorities involve procuring equipment to increase work efficiency, while environmental management will focus on tree planting, soil erosion control measures, and solar street lighting. Transport management will emphasize road safety through the construction of footpaths, road markings, controlled crossings, and installation of road signage and bus parks. Additionally, improvements in air and water transport will target the operationalization of airstrips and the completion of piers. Significant investment will be made to ensure these priorities are successfully implemented, focusing on enhancing overall service delivery, infrastructure, and environmental sustainability.

21. The directorate of public works in the fiscal year 2026/27, the focus will be on the efficient management of public works and infrastructural services, ensuring user-suitable and cost-effective buildings through architectural services, inspections, and report preparations by Quantity Surveyor's and Mechanical and Electrical Engineering services. Structural engineering services will produce design drawings, obtain approvals, and conduct inspections, while Building works services will maintain a safe and convenient working environment by inspecting buildings and procuring equipment. Infrastructure development will involve constructing office blocks and a powerhouse in Suna Central.

22. In order to achieve these programmes, it is proposed that the sector be allocated **Kshs. 1,137,996,659** in the 2026/2027 FY.

4.5.5 Public Service Management, Monitoring and Evaluation and Performance Contracting

23. In the financial year 2026/27, the department plans to install biometric systems, acquire fire-proof cabinets, and construct ward offices in Oruba Ragana, Suna Central, and Isibania, while refurbishing and renovating subcounty offices, partitioning West Sakwa, delineating villages, and procuring comprehensive medical cover for all employees. They will also purchase uniforms and security gear, acquire utility vehicles, train staff, conduct a public service dialogue week, and review staff establishment.

24. To achieve the above objectives, it is proposed that the sector be allocated **Kshs. 4,692,595,565** in the 2026/2027 FY and shared among the three sub-sectors as shown in table 11 & 12 above.

4.5.7 Agriculture, Livestock, Veterinary Services, Fisheries and Blue Economy

25. In the 2026/2027 financial year, the Directorate of Agriculture will focus on improving agricultural practices, digitizing extension services, and promoting climate-resilient and high-value crops, while the Directorate of Livestock Production plans to establish a meat processing plant, enhance livestock market infrastructure, and address climate change. The Directorate of Veterinary Services will enhance disease control and slaughterhouse facilities, and the Directorate of Fisheries and Blue Economy will increase aquaculture production and develop the Blue Economy sector through various initiatives.

26. To realize its outcomes, the Sector has been allocated **Kshs. 529,666,824**.

4.5.8 Education, Gender inclusivity, Social services, Youth and Sports

27. For the fiscal year 2026/27, the training of ECDE teachers and VETC instructors, construction of model VETCs and ECDE classrooms, and improvement of sanitation in ECDE centres will be prioritized. Sports tournaments will be organized, childcare and talent scouting facilities will be established, bursaries and fee payments for Governor's Education Merit Grant beneficiaries will be provided, playing fields will be leveled, the Piny Luo Cultural Festival will be hosted, and a Rescue Resource Center in Kuria will be constructed, with a total cost of Kshs 165 million.

28. In order for this sector to effectively cater for these objectives, it is proposed that the sector be allocated **Kshs. 189,887,243** in FY 2026/2027.

4.5.9 Environment, Natural Resources, Climate Change and Disaster Management

29. For FY 2026/27, the Department will focus on enhancing solid waste management, disaster management, forestry development, and climate change adaptation, including purchasing land for

disposal sites, vehicles, and constructing transfer stations, while providing PPE for workers and ensuring timely emergency response. Efforts will also be directed towards conserving hilltops, establishing nurseries, supporting artisanal mining, and implementing climate change initiatives, reflecting their commitment to sustainable development and environmental conservation.

30. It is proposed that the sector be allocated **Kshs. 444002377** in FY 2026/2027.

4.5.10 Finance and Economic Planning

31. For FY 2026/27, the sector aims to develop plans and policies like the Budget Circular, ADP, CBROP, CFSP, Debt Management Strategy Paper, and CIDP review. The revenue sub-sector will automate revenue collection and purchase vehicles, the internal audit sub-sector will implement a new system, and the planning sub-sector will conduct a CIDP review and survey, requiring motor vehicles for both.

32. To achieve these objectives, it's proposed that the sector be allocated **Kshs. 489,239,722** in FY 2026/2027.

4.5.11 Public Health Services and Sanitation

33. During FY 2026/27, healthcare access will be enhanced and Universal Health Coverage (UHC) will be implemented through the establishment of Primary Care Networks, upgrading of dispensaries, and construction of staff houses. Recruitment of healthcare workers, provision of stipends to Community Health Promoters, and ensuring vulnerable households will be prioritized, along with boosting community health services through increased e-CHIS usage and expanded Community Unit coverage. Malaria prevention, transitioning of donor-supported HIV/TB services, cancer screening, disease surveillance, and increasing immunization rates.

34. It is proposed that the sector be allocated **Kshs. 373,157,528** in FY 2026/2027.

4.5.12. Medical Services

35. During FY 2026/27, initiatives to enhance service efficiency and quality for Migori residents will be implemented, including the amendment of health service fund regulations, development of primary healthcare regulations, procurement of Health Management Information System (HMIS) tools, and automation of hospitals. Infrastructure projects such as the construction of a medical-surgical complex, operationalization of a cancer care unit, and establishment of a mental health unit will be completed. Curative and rehabilitative health initiatives, including the refurbishment of ambulances, procurement of an Advanced Cardiac Life Support (ACLS) ambulance, and digitization of hospital stores, will be carried out, requiring Kshs 2.74 billion in funding.

36. It is proposed that the sector be allocated **Kshs. 912,975,370** in FY 2026/2027.

4.5.12 Lands, Housing, Physical Planning and Urban development

37. In the financial year 2026/27, the sector plans to promote 10 staff, hire 26 new employees, develop a strategic plan, and equip the GIS laboratory for better land record management. Additionally, the department will survey and beacon public land, facilitate titling, purchase land for public utilities and urban road alignment, and prepare valuation rolls for improved land-based tax revenue collection.

38. To achieve the above targets, in the FY 2026/2027, it has been proposed that the sector be allocated **Kshs. 140,385,659**.

4.5.13 Trade, Tourism, Industry, Market and Cooperative Development

39. In FY 2026/2027, the department will focus on recruiting and training staff, implementing a performance management system, and allocating Kshs. 100 million for economic empowerment programs and business training sessions. Consumer protection initiatives will include constructing a metrology laboratory and conducting inspections, while industrial development will involve marketing the industrial park and facilitating SME participation in exhibitions. Tourism efforts will focus on finalizing the county tourism bill, developing a museum, and improving tourism sites, with additional initiatives in liquor licensing and cooperative sector empowerment.

40. To achieve the sector's goals, it is proposed that the sector be allocated **Kshs. 270,336,917** in FY 2026/2027.

4.5.14 Water and Energy

41. In the financial year 2026/2027, the department seeks to support urban water schemes, boreholes, community water projects, and sanitation services. The directorate of energy plans to submit regulations, conduct an energy exhibition, complete the county energy plan, and install biogas plants, solar lamps, and improved cookstoves. Additionally, integrated solar streetlights and floodlights will be installed and maintained, and funding from the World Bank for the K-WASH Program is expected.

42. To achieve these targets, it is proposed that the sector be allocated **Kshs. 607,074,434** in FY 2026/2027.

4.5.15 Municipalities

43. In the fiscal year 2026/27, the municipalities will focus on enhancing governance, infrastructure, environmental sustainability, and municipal planning. Key initiatives include training board members, recruiting technical staff, resource mobilization, and improving service delivery through the acquisition of vehicles. Infrastructure development plans will involve upgrading drainage systems, improving road access, and installing ICT infrastructure while environmental projects will focus on waste management, eco-beautification, and promoting non-motorized transport. Preparation of land use, strategic and integrated development plan and their reviews will guide and promote municipal growth.

44. To achieve the above objectives, it is proposed that they be allocated **Kshs. 272,734,311** in the 2026/2027 FY and the amount be shared among the four municipalities as shown in table 10 above.

CHAPTER FIVE CONCLUSION AND NEXT STEPS

The preparation of the 2026 County Fiscal Strategy Paper (CFSP) was undertaken in compliance with Section 117 of the Public Finance Management Act, 2012. The CFSP 2026 aims to provide guidance on the County fiscal framework for the next MTEF period (MTEF 2026/27-2028/29). The process was consultative and participatory, involving the County Treasury, County Departments, the County Assembly, and members of the public. Through stakeholder forums, departmental submissions, and technical reviews, the CFSP has consolidated the County Government's fiscal priorities into a coherent framework. This preparation was both necessary and timely, as it provides a structured basis for the 2026/2027 budget and ensures coherence with the County Integrated Development Plan (CIDP III), the Annual Development Plan (ADP), the national development agenda, and Kenya Vision 2030. By embedding a medium-term perspective, the CFSP ensures that fiscal planning is not only responsive to immediate needs but also strategically aligned to long-term development goals.

The CFSP has articulated expenditure ceilings, revenue mobilization strategies, and priority interventions across key sectors including health, education, agriculture, infrastructure, and social services. It underscores the County Government's commitment to prudent financial management, equitable resource distribution, and sustainable development. Anchoring the budget process in this strategy enhances service delivery, promotes inclusive growth, and strengthens accountability in the use of public resources.

In the medium term, the CFSP provides a roadmap for achieving the County Government's development objectives over the next three financial years. It sets expenditure priorities that will progressively address infrastructure gaps, strengthen human capital development, and expand social services. The medium-term fiscal outlook emphasizes consolidation of county finances, improved efficiency in resource use, and resilience against external shocks. Key strategies include diversifying and expanding the local revenue base, enhancing agricultural productivity and value addition, expanding access to quality health and education services, investing in infrastructure to support economic growth; completion, operationalization and expansion of County infrastructure; transforming the Micro, Small and Medium Enterprise economy; county public service reforms, enhancing governance, transparency and accountability; Social Development and Inclusivity.

Moving forward, the County Government of Migori will translate the priorities identified in this CFSP into detailed budget estimates for the 2026/2027 fiscal year. Revenue mobilization will be enhanced through automation, enforcement, and diversification of sources, while expenditure management will focus on efficiency, value for money, and strict monitoring to minimize wastage. Capacity building will be prioritized to strengthen institutional performance in financial management, procurement, and project implementation. Public participation will remain central to the governance process, ensuring that citizens are actively engaged in decision-making and oversight. Monitoring and evaluation frameworks will be reinforced to track progress, measure outcomes, and facilitate timely adjustments. Partnerships with the national government, development partners, the private sector, and civil society will be leveraged to mobilize resources and technical expertise.

The County Government recognizes that risks may affect the successful implementation of this CFSP. Revenue shortfalls, arising from economic fluctuations or compliance challenges, could constrain fiscal space. Climate-related shocks such as floods and droughts may disrupt agricultural productivity and strain service delivery. Political transitions and policy shifts may also affect continuity in planning and implementation. To mitigate these risks, the County Government of Migori will diversify revenue streams and strengthen compliance mechanisms, enhance disaster preparedness and climate resilience, and institutionalize reforms that safeguard fiscal discipline and continuity irrespective of political changes. The successful implementation of this CFSP will require collective effort from all stakeholders. By working together, the County Government of Migori can build resilience, expand opportunities, and deliver tangible improvements in the quality of life for its people.

ANNEX 1: PROPOSALS FROM PUBLIC HEARINGS ON 2025/26 FY CFSP
Community Projects Proposals For FY 2026/27