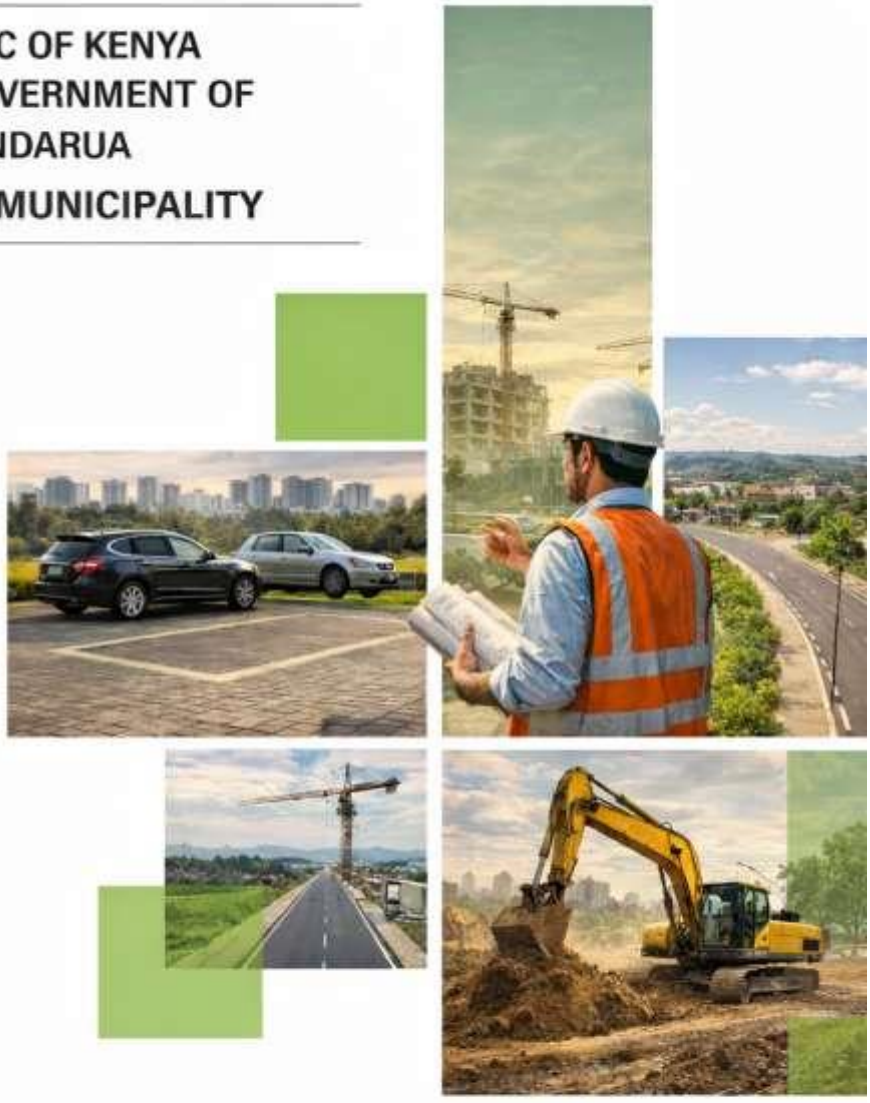
REPUBLIC OF KENYA
COUNTY GOVERNMENT OF
NYANDARUA
ENGINEER MUNICIPALITY



FY 25/26

ENGINEER MUNICIPALITY

ANNUAL INFRASTRUCTURE INVESTMENT PLAN

FOREWORD

It is with great pleasure and great optimism that we present this Investment Plan for Engineer Municipality. This plan reflects our shared vision of transforming Engineer into a vibrant, well-planned, and economically dynamic urban center capable of delivering opportunity and improved quality of life for all. It is not merely a planning document, but a strategic roadmap that articulates our collective aspirations and defines practical pathways toward sustainable urban transformation.

As municipal leadership, we fully recognize the immense potential that exists within our municipality. Engineer's strategic location, rich natural landscape, entrepreneurial spirit, and diverse cultural heritage position it uniquely to emerge as a regional economic, social, and cultural hub. With deliberate planning, strengthened governance, and targeted investments, we can harness these advantages to stimulate inclusive growth, enhance service delivery, and elevate the living standards of our residents while making the town attractive to investors and visitors alike.

We invite all stakeholders to embrace this Urban Investment Plan as a guiding instrument for decision-making, investment prioritization, and institutional action in the years ahead. Together, let us build a prosperous, sustainable, inclusive, and resilient Engineer Municipality—one that sets a benchmark for effective urban management and secures a brighter future for present and future generations.

TABITHA WAMBUI

CHAIRPERSON –ENGINEER MUNICIPAL BOARD

ACKNOWLEDGEMENT

The successful preparation of this Investment Plan for Engineer Municipality has been made possible through the collective effort, dedication, and professionalism of many individuals. We wish to express our sincere appreciation to all those who contributed their time, expertise, and commitment to the development of this important strategic document.

We extend our special gratitude to the Municipal Engineer, Eng. Rop Laban for providing outstanding technical leadership throughout the planning process. The Engineer's expertise in infrastructure planning, design validation, cost analysis, and standards compliance has ensured that the proposed interventions are technically sound, climate-resilient, and aligned with both national regulations and KUSP II requirements.

We also acknowledge and commend the Engineer Municipality staff for their invaluable contributions. Their support in data collection, stakeholder coordination, financial analysis, safeguards documentation, procurement planning, and administrative facilitation was instrumental in shaping a comprehensive and implementation-ready Investment Plan. The teamwork, diligence, and institutional cooperation demonstrated throughout the process reflect a strong foundation for effective project delivery.

Your collective dedication, professionalism, and shared vision for the growth and transformation of Engineer Municipality have greatly strengthened this Investment Plan. We look forward to continued collaboration as we move from planning to successful implementation for the benefit of our community.

NJOKI GATUHI

MANAGER –ENGINEER MUNICIPALITY

LIST OF ACRONYMS AND ABBREVIATIONS

- UAIP – Urban Area Investment Plan
- PLUP – Physical and Land Use Plan
- KUSP II – Kenya Urban Support Program – Phase Two
- ESF – Environmental and Social Framework (World Bank)
- ESIA – Environmental and Social Impact Assessment
- ESMP – Environmental and Social Management Plan • O&M – Operations and Maintenance
- PPADA – Public Procurement and Asset Disposal Act
- CIDP – County Integrated Development Plan
- SDGs – Sustainable Development Goals

EXECUTIVE SUMMARY

Engineer Town, has experienced rapid urbanization and commercial growth over the past decade. This growth has placed immense pressure on existing infrastructure, particularly parking facilities and drainage systems. The resulting congestion, flooding, and unsafe pedestrian conditions have hindered mobility, reduced economic efficiency, and compromised urban aesthetics.

This Investment Plan outlines Phase One of a strategic infrastructure upgrade to address these challenges. The project focuses on paving blocks of pedestrian zones, construction of concrete drainage channels, installation of catch pits, and landscaping with urban greening measures. Universal design features such as ramps and tactile paving will ensure inclusivity for women, children, and persons with disabilities.

The project is fully funded under the FY 2025/26 KUSP 2 allocation and complies with donor, environmental, and municipal guidelines. It has undergone environmental and social screening under the World Bank Environmental and Social Framework (ESF) and is classified as Low to Moderate Risk.

Expected outcomes include improved pedestrian mobility, effective flood mitigation, enhanced urban aesthetics, strengthened municipal capacity, and increased community satisfaction. This Phase One investment lays the foundation for subsequent phases involving road widening, lighting, signage, and stormwater outfall upgrades.

DEFINITION OF KEY TERMS

Urban Area Investment Plan (UAIP) -A structured plan prepared by municipalities to prioritize and guide infrastructure investments. It ensures projects align with local development priorities and available funding.

Physical and Land Use Plan (PLUP) -A statutory plan that designates land for specific uses (e.g., transport, housing, public infrastructure). It provides zoning guidance to ensure projects are legally and spatially appropriate.

Cabro Paving -Interlocking concrete blocks used for paving pedestrian walkways, driveways, and urban spaces. They are durable, aesthetically pleasing, and allow for easier maintenance compared to asphalt.

KUSP 2 (Kenya Urban Support Program – Phase 2)-A World Bank-supported program funding urban infrastructure projects in Kenyan municipalities. It emphasizes compliance with donor guidelines, sustainability, and inclusive design.

Contingency - A reserved portion of the budget (in this case 5%) set aside to cover unforeseen costs, inflation, or unexpected challenges during implementation.

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CHAPTER ONE: INTRODUCTION

1.1 Background and Rationale

Engineer Town, strategically located along the Njabini corridor in Nyandarua County, has experienced significant urban expansion over the past decade. This growth, driven by increased commercial activity, population influx, and rising levels of motorization, has exerted considerable pressure on the town's existing infrastructure. The Central Business District (CBD), which functions as the municipality's administrative and economic nucleus, is particularly affected by these rapid changes. As a result, several structural and service delivery challenges have emerged, undermining the town's functionality and livability.

Among the most pressing concerns are inadequate and unstructured parking facilities, poorly developed and maintained drainage systems, and frequent flooding during rainy seasons. Informal and unmanaged parking practices have led to congestion and encroachment onto pedestrian walkways, compromising both mobility and safety. At the same time, limited universal access infrastructure restricts accessibility for persons with disabilities, the elderly, and other vulnerable groups. These challenges are compounded by deteriorating urban aesthetics, which diminish the attractiveness and competitiveness of the CBD as a commercial center.

The impacts of these deficiencies are far-reaching. Flooding disrupts business operations, damages property, and poses public health risks through stagnant water accumulation. Traffic congestion reduces transport efficiency along the Njabini corridor, a vital route for agricultural trade and daily commuter movement. Collectively, these issues constrain economic productivity, compromise public safety, and reduce overall urban quality of life.

In response, the proposed Parking and Drainage Improvement Project has been designed to provide integrated and sustainable solutions. Key interventions include the installation of structured concrete drainage systems, construction of catch pits and properly designed stormwater channels, and cabro paving of pedestrian walkways to enhance accessibility and durability. The project also incorporates landscaping and urban greening measures to improve environmental quality and aesthetics, alongside inclusive design features such as ramps and tactile paving to promote universal access.

This initiative represents Phase One of a broader urban transformation strategy for Engineer Municipality. It seeks to strengthen climate resilience, improve mobility and safety, enhance economic vibrancy, and establish a foundation for sustainable, inclusive, and well-managed urban development in the years ahead.

1.2 Linkage to County Integrated Development Plan (CIDP) and Annual Development Plan (ADP)

The proposed Parking and Drainage Improvement Project is fully aligned with the strategic priorities outlined in the Nyandarua County Integrated Development Plan (CIDP), particularly under the thematic areas of urban infrastructure development, stormwater management and climate resilience, sustainable transport and mobility improvement, economic growth and market access enhancement, and environmental sustainability through the promotion of green urban spaces.

The CIDP underscores the need to strengthen municipal infrastructure as a catalyst for economic productivity, improved service delivery, and enhanced living standards. By upgrading pedestrian walkways, improving drainage systems, and integrating landscaping and greening measures within Engineer Town, the project directly advances these priorities by enhancing mobility, reducing flood risks, and creating a more conducive business environment.

The investment is further anchored in the Annual Development Plan (ADP) FY 2025/26, ensuring that it is formally budgeted within the current financial year and prioritized under urban development programs. Its inclusion in the ADP confirms alignment with approved municipal performance targets and integration within the County's Medium-Term Expenditure Framework (MTEF). This budgeting and planning alignment guarantees fiscal legitimacy, policy coherence, and structured implementation within the County's annual planning cycle.

Beyond county-level frameworks, the project is also consistent with the Urban Area Investment Plan (UAIP), which identifies priority infrastructure needs within Engineer Municipality. It aligns with the Physical and Land Use Plan (PLUP) by supporting orderly urban development, improved accessibility, and compliance with planning standards. At the national level, the intervention contributes to the objectives of Kenya Vision 2030, particularly under the economic and social pillars that emphasize infrastructure development, urban modernization, and sustainable growth. Internationally, the project advances Sustainable Development Goal

on Sustainable Cities and Communities by promoting inclusive, safe, resilient, and sustainable urban development.

This multi-level alignment confirms that the proposed investment is not a standalone initiative but rather a strategically coordinated intervention embedded within county, national, and global development frameworks. It reinforces policy consistency, enhances institutional credibility, and ensures that infrastructure improvements in Engineer Town contribute meaningfully to broader development objectives.

1.3 Compliance with KUSP II Guidelines

The proposed Parking and Drainage Improvement Project has been designed, appraised, and structured in full compliance with the Kenya Urban Support Program – Phase II (KUSP II) Program Operations Manual (POM) and the World Bank Environmental and Social Framework (ESF). Compliance considerations have been deliberately embedded across all stages of the project cycle from planning and budgeting to procurement, safeguards management, implementation, and reporting to ensure eligibility under KUSP II, institutional accountability, long-term sustainability, and donor assurance.

At the planning level, the project has been formally captured in the Urban Area Investment Plan (UAIP) and aligned with the Annual Development Plan (ADP) FY 2025/26, in accordance with POM requirements. Eligibility criteria relating to infrastructure prioritization, asset classification, and funding thresholds have been observed to ensure that the investment qualifies as a non-moveable capital asset under KUSP II guidelines. Financial allocations have been structured to meet prescribed expenditure ratios, including limits on consultancy, preparation costs, and contingency provisions.

From a financial management perspective, compliance with the Public Finance Management (PFM) Act and KUSP II fiduciary requirements has been integrated into budgeting, accounting, reporting, and audit processes. Dedicated financial tracking systems, segregation of duties, quarterly reporting, and audit readiness measures have been established to safeguard public funds and ensure transparent utilization of grant resources.

Environmental and social safeguards have been incorporated in line with the World Bank Environmental and Social Framework (ESF). The project has provided for Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) implementation, occupational health and safety standards, stakeholder engagement, and a

functional Grievance Redress Mechanism (GRM). Continuous safeguards monitoring and reporting ensure that environmental risks, labor conditions, and community impacts are effectively managed throughout construction.

Institutional governance arrangements also reflect compliance with the POM and ESF requirements by clearly separating oversight and implementation roles. The Municipal Board provides strategic and fiduciary oversight, the Municipal Manager coordinates implementation, technical officers supervise works, and financial and procurement officers ensure regulatory compliance. Reporting lines, performance monitoring, and audit mechanisms have been established to reinforce accountability at all levels.

Overall, compliance with KUSP II and the World Bank ESF has not been treated as a procedural formality but as an integral design principle. By embedding safeguards, fiduciary controls, governance clarity, and performance monitoring into the project structure, the Municipality ensures eligibility for funding, strengthens institutional credibility, mitigates risks, and promotes sustainable infrastructure outcomes consistent with international best practices.

1.3.1 Eligibility and Planning Compliance

The proposed Parking and Drainage Improvement Project fully satisfies all eligibility criteria as stipulated under the Kenya Urban Support Program – Phase II (KUSP II) guidelines, confirming its qualification for funding and implementation under the program framework.

First, the project is formally included in the approved Urban Area Investment Plan (UAIP), which serves as the primary planning instrument for municipal-level infrastructure prioritization under KUSP II. Its listing in the UAIP demonstrates that the intervention has undergone structured planning, stakeholder validation, and prioritization in line with municipal development objectives. This ensures that the project is not ad hoc, but rather integrated within a coordinated urban development strategy.

Second, the project meets land ownership and tenure compliance requirements. The intervention is located on public land under municipal or county jurisdiction, with verified ownership documentation confirming the absence of encumbrances, land disputes, or claims that would trigger involuntary resettlement. As such, the project does not require land acquisition or displacement of persons, thereby reducing social risks and ensuring compliance with World Bank Environmental and Social Framework (ESF) standards related to land and resettlement.

Third, the project falls squarely within the devolved functions of the Municipality as provided under the Urban Areas and Cities Act (2011, as amended). Urban infrastructure development, stormwater management, local transport improvements, and municipal service delivery are core mandates of municipal governments under Kenya's devolved governance structure. This confirms that the Municipality has both the legal authority and institutional mandate to plan, procure, implement, and manage the proposed investment.

Fourth, the project demonstrates strong strategic alignment with KUSP II development objectives, which emphasize improved urban infrastructure, strengthened institutional capacity, enhanced service delivery, and increased urban resilience. By addressing mobility constraints, drainage deficiencies, and environmental sustainability within Engineer Town, the intervention contributes directly to urban resilience, infrastructure modernization, and local economic growth. It is also consistent with national urban policy frameworks and broader development strategies promoting sustainable and inclusive urbanization.

Collectively, these eligibility elements confirm that the project complies fully with KUSP II requirements, satisfies legal and institutional mandates, and aligns with both programmatic and national urban development objectives, thereby reinforcing its legitimacy and funding qualification.

1.3.2 Financial and Budgetary Compliance

The project's financial structure has been carefully designed to ensure strict adherence to KUSP II funding thresholds and fiduciary requirements, thereby safeguarding compliance, financial discipline, and value for money throughout implementation.

First, the capital investment threshold requirement has been fully met. In line with KUSP II guidelines, a minimum of 80 percent of total project funds is allocated to non-moveable infrastructure assets such as cabro paving, drainage systems, and related permanent works. The current allocation exceeds this threshold, ensuring that the majority of funding is directed toward durable capital investments that generate long-term public value and sustainable service improvements.

Second, consultancy and preparation costs including feasibility assessments, engineering design, supervision services, and related technical support are maintained within the allowable ceiling of not more than 20 percent of total project costs. The project's allocation for these components remains well below the prescribed cap, demonstrating prudent financial

structuring and compliance with KUSP II financial regulations. This ensures that advisory and administrative costs do not disproportionately reduce funds available for physical infrastructure delivery.

Third, the contingency provision has been maintained below 5 percent of the total project cost, consistent with limits established under the Program Operations Manual (POM). This allocation provides flexibility to address unforeseen implementation risks, minor scope adjustments, or cost fluctuations, while avoiding unnecessary inflation of the overall project budget.

Fourth, budget certainty has been achieved through full allocation of 100 percent of required funding within the FY 2025/26 KUSP II grant framework. The absence of financing gaps or reliance on future-year allocations eliminates rollover risks and enhances implementation readiness, ensuring that procurement and construction activities can proceed without interruption due to funding constraints.

Finally, robust fiduciary controls will govern financial management throughout the project lifecycle. All transactions will comply with applicable public finance regulations, including the Public Finance Management (PFM) Act and KUSP II fiduciary guidelines. Internal audit mechanisms, periodic financial reporting, expenditure tracking systems, and segregation of duties will be enforced to promote transparency, prevent mismanagement, and ensure full accountability for the use of public resources.

Collectively, these financial structuring measures confirm that the project is fiscally compliant, risk-aware, and aligned with KUSP II funding principles, reinforcing both donor confidence and institutional credibility.

1.3.3 Environmental and Social Safeguards Compliance

The project has undergone comprehensive environmental and social due diligence in full accordance with the World Bank Environmental and Social Framework (ESF), ensuring that potential risks are identified, mitigated, and continuously monitored throughout the implementation cycle.

Environmental and social screening was conducted at the appraisal stage to assess potential risks and impacts associated with the proposed works. Based on the nature, scale, and location of the intervention primarily cabro paving, drainage improvements, and landscaping within an existing urban corridor the project has been classified as Low to Moderate Risk under the

World Bank ESF. This classification reflects the limited footprint of the works, absence of significant environmental sensitivities, and manageable social impacts.

Appropriate safeguard instruments have been prepared in line with ESF requirements. An Environmental and Social Impact Assessment (ESIA) and/or Environmental and Social Management Plan (ESMP) has been developed to outline anticipated impacts, mitigation measures, monitoring indicators, institutional responsibilities, and allocated budgets for safeguards implementation. These instruments provide structured guidance for managing issues such as construction-related dust, noise, waste disposal, occupational health and safety, traffic management, and community safety.

Safeguard trigger assessment confirmed that no high-risk safeguard triggers apply to the project. The intervention does not involve large-scale land acquisition, physical or economic displacement, works in biodiversity-sensitive areas, cultural heritage sites, or other activities deemed ineligible under KUSP II. The project is located on verified public land without encumbrances, and no involuntary resettlement is required, significantly reducing social risk exposure.

Stakeholder engagement has been undertaken in accordance with ESF standards to ensure transparency, inclusivity, and meaningful participation. Public participation forums and consultations with residents, traders, business owners, and local leaders were conducted during planning and design stages. Feedback received has informed project refinement, mitigation planning, and scheduling considerations, thereby strengthening community ownership and reducing implementation-related conflicts.

Finally, compliance monitoring mechanisms have been embedded within the implementation framework to ensure ongoing adherence to ESMP provisions and ESF requirements. Regular site inspections, safeguards compliance reviews, documentation of mitigation measures, and reporting to KUSP II oversight structures will ensure that environmental and social obligations are fulfilled throughout construction and post-completion phases.

Overall, the project's environmental and social due diligence demonstrates proactive risk management, regulatory compliance, and alignment with international best practices, reinforcing both sustainability and donor confidence.

1.3.4 Institutional, Procurement, and Governance Compliance

Robust governance and implementation arrangements have been established to ensure full compliance with both national legislation and donor requirements throughout the lifecycle of the Parking and Drainage Improvement Project.

With respect to procurement compliance, all procurement activities will be undertaken strictly in accordance with the Public Procurement and Asset Disposal Act (PPADA), 2015 (as amended), and its accompanying regulations. The project will apply competitive, transparent, and accountable procurement procedures, including clear evaluation criteria, documented bid assessments, and adherence to approval thresholds. This structured process safeguards fairness, promotes value for money, and ensures conformity with KUSP II procurement standards.

In the area of Monitoring and Evaluation (M&E), a structured framework has been developed to guide performance tracking and accountability. The framework incorporates clearly defined Key Performance Indicators (KPIs), reporting timelines at weekly, monthly, and quarterly intervals, and outcome-level tracking mechanisms aligned with KUSP II reporting requirements. Physical progress, financial absorption, safeguards compliance, and stakeholder satisfaction will be systematically monitored and documented to support informed decision-making and program performance assessments.

A formal Grievance Redress Mechanism (GRM) has been integrated into the project framework to manage complaints and disputes in a timely, transparent, and equitable manner. The GRM establishes clear procedures for registering, reviewing, resolving, and escalating grievances, while maintaining proper documentation for audit and oversight purposes. This mechanism strengthens social accountability and ensures that stakeholder concerns are addressed effectively.

To promote long-term sustainability, comprehensive Operations and Maintenance (O&M) and Facility Management Plans have been developed. These plans outline maintenance schedules, responsible units, resource requirements, and asset management procedures to preserve infrastructure functionality beyond the construction phase. Integration of completed works into municipal asset registers further reinforces long-term stewardship and accountability.

Institutionally, the implementing entity demonstrates adequate capacity, including qualified technical personnel, financial management systems, procurement structures, and governance

oversight mechanisms. The presence of a functional Municipal Board, a coordinated implementation team, and established reporting lines ensures readiness for effective execution and compliance oversight.

In conclusion, through strict adherence to the KUSP II Program Operations Manual (POM) and the World Bank Environmental and Social Framework (ESF), the project demonstrates full compliance with eligibility, financial, safeguard, and governance requirements. This integrated compliance approach ensures accountability and transparency in resource utilization, environmental and social sustainability, institutional readiness for implementation, alignment with national urban development objectives, and full conformity with donor financing conditions. Accordingly, the project is compliant, implementation-ready, and fully eligible for financing under KUSP II.

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1 Current Status of Urban Infrastructure and Services

Engineer Town functions as the administrative headquarters and primary commercial center of Engineer Municipality. The town serves as a regional trade hub, attracting daily commuters, traders, transport operators, and service providers from surrounding rural and peri-urban areas. Over the past decade, steady population growth, expansion of small- and medium-scale

enterprises, increased motorization, and intensified land use have significantly altered the urban landscape.

The resulting service deficits have led to congestion, environmental degradation, safety risks, and declining efficiency of urban systems within the Central Business District (CBD) and adjacent corridors.

2.1.1Parking Facilities and Traffic Circulation Management

Engineer Town Central Business District (CBD) currently lacks formally designed and demarcated parking facilities to accommodate growing vehicular activity. There is no structured off-street parking yard or multilevel parking facility to manage increasing vehicle volumes associated with commercial growth and market activity. As a result, parking within the CBD is predominantly informal, unregulated, and unmanaged.

Vehicles including private cars, public service vehicles (PSVs), boda bodas, delivery trucks, and other service vehicles commonly park along road shoulders, pedestrian walkways, junction corners, and directly in front of commercial premises. This uncoordinated use of road space has significantly reduced the functional efficiency of the CBD transport network. The absence of clear road markings, designated parking bays, loading and unloading zones, and adequate signage further exacerbates the situation. Traffic control measures within the CBD remain minimal, contributing to disorderly movement patterns.

One of the most pressing challenges is traffic congestion. During peak business hours and market days, indiscriminate on-street parking narrows carriageways and reduces effective road capacity. This leads to longer travel times, vehicle queuing, and increased driver frustration within the CBD. The situation is further compounded by inefficient traffic circulation, as the lack of organized parking bays disrupts logical traffic flow patterns. Vehicles frequently engage in unsafe overtaking maneuvers, intersections become blocked, and turning movements are constrained, increasing the risk of accidents.

Pedestrian safety is also significantly compromised. The encroachment of vehicles onto walkways forces pedestrians to use the carriageway, exposing them to moving traffic and heightening the likelihood of road traffic injuries. Vulnerable groups, including the elderly, children, and persons with disabilities, are disproportionately affected due to limited safe walking space.

Emergency access presents another critical concern. Congested and poorly managed streets restrict the movement of emergency response vehicles such as ambulances, fire engines, and security vehicles. In the event of a fire outbreak, medical emergency, or disaster situation, delayed response times could result in severe consequences for public safety.

The economic implications of poor parking management are equally significant. Limited accessibility to businesses reduces customer convenience and discourages potential investors from establishing operations within the CBD. The inability to provide organized, predictable parking undermines the town's competitiveness and constrains its capacity to attract highervalue commercial activities. Furthermore, the absence of structured parking systems results in revenue leakage, as the Municipality is unable to effectively collect regulated parking fees or optimize own-source revenue streams.

Overall, the current scenario underscores the urgent need for integrated parking planning, improved traffic management systems, installation of signage and road markings, strengthened enforcement mechanisms, and the potential development of structured off-street parking facilities. Addressing these deficiencies will not only improve mobility and safety but also enhance economic productivity and municipal revenue generation within Engineer Town CBD.

2.1.2 Stormwater Drainage and Flood Management Systems

The drainage infrastructure within Engineer Town CBD consists predominantly of open surface drains constructed along selected road sections. While these drains were initially intended to convey stormwater runoff, they are currently inadequate in both capacity and functionality to meet the demands of the rapidly urbanizing environment.

Hydraulically, the existing drains are undersized relative to the increased volume of runoff generated by expanded paved surfaces, including roads, walkways, and building frontages. As urbanization has intensified, natural infiltration areas have diminished, resulting in higher surface runoff during rainfall events. The current drainage channels lack the hydraulic capacity required to efficiently accommodate peak storm flows, leading to overtopping and localized flooding.

In addition, the drains lack uniform gradients and proper structural lining. In many sections, inconsistent slopes reduce flow velocity, causing water stagnation and sediment deposition. The absence of reinforced concrete lining in several areas contributes to erosion, structural

deterioration, and reduced lifespan of the drainage system. Uneven channel alignment further disrupts continuous water conveyance, creating bottlenecks along the drainage network.

Maintenance challenges compound these structural deficiencies. The open drains are frequently blocked by silt, debris, and improperly disposed solid waste. Accumulated sediments and waste materials significantly reduce the effective cross-sectional area of the drains, further restricting water flow and increasing the risk of flooding during heavy rainfall. Blocked drains also create stagnant water pools, which pose public health risks and contribute to environmental degradation within the CBD.

Overall, the current drainage conditions reflect a system that is both structurally inadequate and poorly maintained, necessitating comprehensive upgrading through properly designed, adequately sized, and well-lined drainage infrastructure integrated with improved stormwater management practices.

2.1.2.1 Urban and Environmental Impacts

The inadequacy of the existing drainage system has resulted in recurring and compounding impacts across the Central Business District (CBD), affecting infrastructure integrity, economic activity, environmental quality, and public health.

Frequent flooding is a major concern. During moderate to heavy rainfall events, stormwater accumulates along road corridors and commercial zones due to insufficient hydraulic capacity and blocked drains. This leads to flash flooding that disrupts transport, impedes pedestrian movement, and temporarily paralyzes business operations within the CBD. Even short-duration rainfall events can trigger localized flooding, reflecting the system's limited resilience.

Infrastructure damage is another significant consequence. Recurrent waterlogging accelerates pavement deterioration by weakening road bases and subgrades. Prolonged exposure to moisture results in potholes, surface cracking, rutting, and structural failures of road sections. Over time, this increases maintenance costs and shortens the design life of municipal infrastructure.

Property damage frequently affects adjacent commercial and residential premises. Floodwaters often overflow into shops, offices, and homes, damaging goods, furniture, equipment, and building finishes. These periodic losses strain small businesses, reduce investor confidence, and may complicate insurance claims due to recurring flood exposure.

Public health risks are heightened by stagnant water accumulation in poorly drained areas. Standing water creates breeding grounds for disease vectors such as mosquitoes, increasing the risk of malaria and other vector-borne diseases. Additionally, floodwaters may mix with waste materials, posing sanitation concerns and exposing residents to water-related illnesses.

Environmental degradation also results from uncontrolled runoff. High-velocity surface flows contribute to soil erosion along unlined drains and road shoulders, while sediment-laden runoff can lead to siltation of downstream watercourses. Pollutants such as oils, plastics, and solid waste are transported into natural drainage systems, degrading water quality and affecting aquatic ecosystems.

Climate vulnerability further exacerbates these challenges. With increasing rainfall variability and higher-intensity storm events linked to climate change, the existing drainage infrastructure lacks the resilience required to manage peak flows. Without structural upgrades, the frequency and severity of flooding are likely to intensify.

The absence of an integrated stormwater master plan and a structured preventive maintenance program compound the problem. Drainage interventions have historically been reactive rather than planned, leading to fragmented infrastructure that lacks network-wide coherence. Without coordinated planning, hydraulic modeling, and routine maintenance, system inefficiencies persist and escalate over time.

Overall, the cumulative impacts highlight the urgent need for comprehensive drainage upgrading, climate-resilient design standards, and the development of an integrated stormwater management strategy to safeguard infrastructure, public health, economic activity, and environmental sustainability within Engineer Town CBD.

2.1.3 Urban Aesthetics, Public Realm, and Environmental Management

Urban growth within Engineer Town has largely occurred in the absence of coordinated urban design controls and structured spatial planning. As a result, public spaces lack organized landscaping, functional street furniture, and integrated environmental enhancement measures that typically define a well-planned and attractive urban center. The current urban form reflects incremental development rather than a deliberately designed streetscape framework.

One of the most evident challenges is limited urban greening. Tree planting along streets, pedestrian corridors, and public open spaces is minimal, resulting in inadequate shade and

poor micro-climate regulation. The absence of sufficient vegetation contributes to elevated surface temperatures, heat stress for pedestrians and traders, and reduced air quality buffering. Without green infrastructure, the CBD lacks natural cooling effects and climate resilience benefits.

Soil erosion is also a recurring problem, particularly along unprotected road reserves and drainage edges. During rainfall events, exposed soils are easily washed away, contributing to sediment deposition in drainage channels and further reducing their efficiency. Erosion not only undermines infrastructure stability but also degrades the visual and environmental quality of public spaces.

The CBD further lacks shaded public spaces and designated rest areas. There are limited seating facilities, pedestrian refuges, or landscaped pockets that provide comfort and social interaction opportunities. This reduces the livability of the town center and limits inclusivity, particularly for elderly persons, children, and individuals with mobility challenges who require rest points along pedestrian routes.

Visual clutter is another significant concern. Informal and inconsistent signage, unregulated building frontages, exposed drainage systems, and uncoordinated utility installations create a fragmented streetscape. The absence of design standards for signage, facades, and street elements reduces aesthetic coherence and undermines the town's identity and attractiveness.

Solid waste management pressures further compound environmental challenges. Inadequate bin placement, irregular collection systems, and insufficient public awareness contribute to litter accumulation in streets and drainage channels. Waste disposal into open drains exacerbates flooding and degrades overall sanitation conditions within the CBD.

Overall, limited investment in urban design and green infrastructure has reduced the town's aesthetic appeal, environmental resilience, and capacity to create a vibrant, climate-responsive, and economically competitive urban center. Addressing these challenges requires integrated landscaping, structured streetscape planning, erosion control measures, and improved solid waste management systems to enhance both functionality and urban character.

2.1.4 Overall Urban Service Gap Analysis

In summary, Engineer Town is experiencing systemic infrastructure deficits that undermine its functionality, resilience, and economic potential. These gaps are interconnected and collectively constrain sustainable urban development within the Central Business District.

The town lacks organized parking systems and structured traffic management mechanisms. The absence of designated parking bays, loading zones, and clear traffic circulation patterns contributes to congestion, inefficiency, and safety risks. Informal parking practices reduce effective road capacity and disrupt orderly mobility within the CBD.

Second, stormwater drainage systems are not climate-resilient. Existing drainage infrastructure is hydraulically inadequate, poorly maintained, and incapable of accommodating increasing runoff associated with urbanization and climate variability. This results in frequent flooding, infrastructure deterioration, and environmental degradation.

Third, pedestrian infrastructure remains unsafe and insufficiently inclusive. Walkways are either absent, encroached upon, or poorly defined, exposing pedestrians to vehicular traffic and limiting accessibility for vulnerable groups, including persons with disabilities, the elderly, and children.

Fourth, urban greening and environmental enhancement measures are limited. The lack of structured landscaping, shade trees, and organized public spaces diminishes environmental quality, increases heat stress, and reduces the aesthetic appeal of the town center. This affects both livability and investment attractiveness.

Fifth, there is limited emphasis on long-term infrastructure maintenance and asset management planning. Without structured maintenance frameworks, even newly developed infrastructure risks premature deterioration, leading to recurring rehabilitation costs and reduced service life.

Without strategic and integrated intervention, these infrastructure deficits will continue to constrain economic productivity, compromise public safety, increase climate vulnerability, and diminish the overall quality of urban life in Engineer Town. Comprehensive planning, resilient design, and sustainable asset management are therefore essential to unlocking the town's full development potential.

2.2 Key Challenges and Opportunities

The proposed infrastructure intervention in Engineer Town is being implemented within a dynamic urban environment characterized by rapid growth, increasing economic activity, and rising service demands. While the project presents significant opportunities for urban transformation, several implementation and contextual challenges must be carefully managed to ensure successful delivery and long-term sustainability.

One of the primary challenges facing Engineer Town is persistent traffic congestion and elevated road safety risks within the Central Business District (CBD). The absence of structured parking facilities and clearly demarcated pedestrian zones has resulted in indiscriminate onstreet parking, encroachment onto walkways, and frequent conflicts between vehicles, motorcycles, and pedestrians. During peak trading hours and market days, effective road carriageway width is significantly reduced, causing delays, inefficient traffic circulation, and increased accident vulnerability. Pedestrians, particularly vulnerable groups such as women, children, the elderly, and persons with disabilities, are often forced to share carriageways with vehicles, heightening safety concerns. Without integrated traffic and pedestrian management interventions, these challenges will continue to undermine mobility efficiency and public safety.

Recurrent flooding presents another major constraint to urban functionality and economic productivity. The existing drainage infrastructure is undersized, poorly maintained, and discontinuous in several sections. During rainy seasons, stormwater accumulates rapidly, leading to localized flooding within commercial areas and adjacent properties. This disrupts business operations, damages road surfaces, and accelerates infrastructure deterioration. Stagnant water also contributes to sanitation concerns and vector-borne disease risks. Climate variability and increasing rainfall intensity further compound these vulnerabilities, underscoring the importance of climate-resilient drainage design and preventive maintenance systems.

The project must also anticipate temporary economic disruptions during the construction phase. Given that works will be concentrated within the CBD, construction activities may temporarily restrict access to business premises, reduce customer flow, and interfere with daily commercial operations. Noise, dust, and movement restrictions may particularly affect smallscale traders and informal sector operators who rely on daily turnover. Although such disruptions are temporary, inadequate planning and communication could generate stakeholder

dissatisfaction. Careful phasing of works, stakeholder engagement, and provision of alternative access routes will therefore be critical to minimizing adverse impacts.

Financial and cost-related risks also require consideration. Inflationary pressures affecting construction materials such as cement, steel, fuel, and aggregates may strain approved budgets. Fluctuations in labor costs and potential supply chain disruptions could similarly affect cost stability. While contingency provisions have been included within allowable KUSP II limits, robust procurement processes, strict contract management, and continuous financial monitoring will be necessary to safeguard budget discipline and prevent overruns.

Operational and climatic risks further influence project implementation. Heavy rainfall during construction periods may delay earthworks, drainage installation, and surface finishing activities. Adverse weather conditions may also affect material curing processes and site safety. Without proper scheduling and climate-responsive construction planning, project timelines could be extended. Integrating seasonal planning and resilient engineering standards will mitigate these risks and enhance infrastructure durability.

Quality control constitutes another important risk dimension. Substandard materials, poor workmanship, or inadequate supervision could compromise the structural integrity and lifespan of constructed facilities. Premature pavement failure, blocked drainage channels, or structural defects would increase long-term maintenance costs and reduce public confidence in municipal investments. Strict adherence to technical specifications, laboratory testing of materials, professional supervision, and compliance with national engineering standards will be essential to maintaining quality assurance.

Regulatory and procedural risks may also affect implementation timelines. Delays in obtaining environmental approvals, procurement clearances, utility relocation permissions, or donor noobjection letters could slow project execution. Early initiation of approval processes and proactive coordination with relevant authorities will be necessary to ensure timely compliance with regulatory and KUSP II Program Operations Manual requirements.

Despite these challenges, the project presents substantial strategic opportunities that position Engineer Town for sustainable urban transformation. The town’s location along the Njabini corridor,a key transport and agricultural trade route provides a strong economic foundation for infrastructure investment. Improved parking facilities, pedestrian infrastructure, and drainage systems will enhance regional connectivity, facilitate trade flows, reduce transport

inefficiencies, and strengthen the municipality's role as a commercial aggregation hub. This strategic positioning offers long-term economic growth potential beyond the immediate project scope.

The project also benefits from strong institutional and financial backing under the Kenya Urban Support Program Phase II (KUSP II), with technical oversight aligned to World Bank standards. This framework ensures adherence to environmental, social, fiduciary, and procurement safeguards, thereby enhancing implementation credibility, transparency, and accountability. The existence of functional municipal governance structures and technical personnel further strengthens institutional readiness.

Community engagement processes including public barazas, municipal board deliberations, and stakeholder consultations have demonstrated broad-based support for the project. Strong community buy-in enhances ownership, reduces resistance during implementation, and promotes long-term sustainability of infrastructure investments. Such participatory validation aligns with World Bank ESF principles and strengthens social acceptance.

The integration of inclusive and climate-resilient design features further enhances project value. Incorporation of universal access elements such as ramps and tactile paving promotes equitable mobility for persons with disabilities and other vulnerable groups. Urban greening components improve micro-climate regulation, reduce soil erosion, and enhance environmental aesthetics. Climate-adaptive drainage systems strengthen resilience against extreme weather events, contributing to long-term infrastructure sustainability.

Importantly, the project serves as a catalytic foundation for phased urban transformation. It establishes a framework for subsequent improvements, including road widening, enhanced street lighting, improved signage, smart parking systems, and upgraded stormwater outfalls. This phased development approach allows scalable urban upgrading aligned with long-term municipal strategic plans.

Additionally, the project will stimulate local economic activity through employment creation and procurement of local materials where feasible. Engagement of local contractors, skilled and semi-skilled labor, and suppliers will generate income opportunities, strengthen community ownership, and support the local economy during implementation.

In conclusion, while the project faces manageable risks related to congestion, flooding, temporary disruptions, financial volatility, climate variability, quality control, and regulatory

processes, these challenges are mitigable through structured planning and adherence to KUSP II and World Bank standards. At the same time, the strategic opportunities particularly enhanced connectivity, institutional support, inclusive design, economic stimulation, and phased urban transformation underscore the project's transformative potential for Engineer Municipality.

2.3 Summary of Previous Year's Performance

The FY 2024/25 planning cycle was primarily dedicated to laying the institutional, technical, financial, and regulatory groundwork necessary to facilitate full-scale project implementation in FY 2025/26. Rather than focusing on physical works, the year emphasized compliance preparation, strategic alignment, stakeholder validation, and resource mobilization to ensure that the project meets all Kenya Urban Support Program – Phase II (KUSP II) and World Bank requirements. The key achievements realized during this period are summarized below.

During the planning and policy alignment phase, the project was formally incorporated into the approved Urban Area Investment Plan (UAIP), thereby establishing its eligibility under KUSP II financing criteria. Integration into the UAIP ensured that the intervention is anchored within the municipality's prioritized capital investment framework and reflects identified urban service delivery gaps. The project was further reviewed for conformity with the Physical and Land Use Plan (PLUP), confirming that the proposed infrastructure developments align with zoning regulations, spatial planning guidelines, and long-term urban growth strategies. In addition, the project was aligned with the County Integrated Development Plan (CIDP) priorities and integrated into the Annual Development Plan (ADP) budgeting framework. This multi-level policy alignment ensured coherence between municipal, county, and national planning instruments, strengthening the project's strategic legitimacy.

Significant progress was also achieved in securing financial readiness. Full funding allocation for the project was secured under the FY 2025/26 KUSP II financing envelope, eliminating potential funding gaps and enhancing implementation certainty. The budget structure was carefully designed to comply with donor financial thresholds, with at least 80 percent of total allocation directed toward non-moveable infrastructure assets, in accordance with KUSP II guidelines. Consultancy and preparatory costs were maintained within allowable limits, and contingency provisions were capped within prescribed thresholds. This financial structuring reinforced fiduciary compliance and demonstrated prudent fiscal planning.

Environmental and social safeguard compliance was another major milestone during the reporting period. Screening was conducted in accordance with the World Bank Environmental and Social Framework (ESF) to assess potential environmental and social risks associated with the proposed intervention. Based on the screening outcomes, the project was classified as Low to Moderate Risk, indicating that anticipated impacts are site-specific, manageable, and mitigable through standard measures. Required safeguard instruments, including an Environmental and Social Impact Assessment (ESIA) and/or Environmental and Social Management Plan (ESMP), were prepared or initiated as applicable. These instruments outline mitigation measures, monitoring mechanisms, stakeholder engagement protocols, and institutional responsibilities to ensure compliance throughout the project lifecycle.

Extensive stakeholder engagement was undertaken to validate the project concept and strengthen community ownership. The project was presented and discussed during municipal board meetings, public participation forums, and stakeholder consultations. Engagements included traders' associations, youth groups, women's groups, local business operators, transport stakeholders, and community leaders. Feedback from these consultations informed design considerations and implementation planning. The strong community support demonstrated during these forums enhances social acceptance, reduces potential resistance during construction, and aligns with participatory governance principles under the World Bank ESF.

Institutional readiness was further strengthened through preparatory administrative and procedural actions. Procurement documentation and implementation frameworks were developed in line with the Public Procurement and Asset Disposal Act (PPADA) and KUSP II Program Operations Manual requirements. Draft bidding documents, technical specifications, and contract management frameworks were prepared to facilitate timely procurement once implementation commences. In parallel, a Monitoring and Evaluation (M&E) framework was established to track inputs, outputs, and outcomes against predefined indicators. Additionally, a Grievance Redress Mechanism (GRM) was integrated into project planning to provide accessible, transparent, and structured channels for addressing complaints and concerns during implementation.

Overall, FY 2024/25 was characterized by deliberate institutional strengthening, regulatory compliance assurance, stakeholder validation, and financial mobilization. By the close of the planning cycle, the project had achieved full policy alignment, secured funding, completed

environmental and social screening, obtained stakeholder support, and established necessary governance and monitoring systems. These achievements collectively position the project for smooth, compliant, and timely implementation in FY 2025/26 under the KUSP II framework.

CHAPTER THREE : OBJECTIVES OF THE ANNUAL INVESTMENT PLAN (AIP)

3.1 Strategic Objectives for FY 2025/26

The Annual Investment Plan (AIP) for FY 2025/26 is designed to strengthen urban infrastructure within Engineer Municipality by addressing critical mobility, drainage, environmental, and governance challenges in the Central Business District (CBD). The plan prioritizes the improvement of urban mobility and accessibility through the development of structured pedestrian walkways using cabro paving to create safe, durable, and organized pathways. By clearly separating pedestrian and vehicular movement, the Municipality aims to

reduce congestion, minimize road accidents, and enhance traffic flow within the CBD. The integration of universal access features, including ramps and tactile paving, will ensure inclusivity and equitable access for persons with disabilities, women, children, and the elderly, thereby promoting a more accessible and people-centered urban environment.

In addition, the AIP seeks to enhance stormwater management and strengthen climate resilience within the town. This will be achieved through the construction of structured Ushaped reinforced concrete drainage channels and the installation of strategically located catch pits to improve stormwater collection, conveyance, and discharge. These interventions are expected to significantly reduce flooding incidents, prevent infrastructure damage, and mitigate associated economic losses and public health risks. By addressing persistent drainage challenges, the Municipality will improve environmental sanitation and enhance the overall resilience of the CBD to climate variability and extreme weather events.

The plan further emphasizes upgrading urban aesthetics and promoting environmental sustainability to enhance the livability of Engineer Town. Landscaping and tree planting initiatives will be implemented along paved corridors to improve the visual appeal of the CBD while contributing to erosion control and micro-climate regulation. Greening measures will help reduce surface runoff, provide shade, improve air quality, and create a more attractive and welcoming urban environment for residents, businesses, and visitors. These improvements are intended to transform the CBD into a well-organized, environmentally sustainable, and economically vibrant urban center.

To ensure effective implementation and long-term sustainability, the AIP underscores the importance of strengthening institutional capacity and governance structures. The Municipality will ensure strict compliance with KUSP II guidelines, World Bank Environmental and Social Framework (ESF) safeguards, and Public Procurement and Asset Disposal Act (PPADA) standards. A robust Monitoring and Evaluation (M&E) framework will be operationalized to track progress, measure outcomes, and enhance accountability. Additionally, a functional Grievance Redress Mechanism (GRM) will be activated to provide a transparent platform for addressing stakeholder concerns and fostering public trust.

Finally, the AIP promotes inclusive and sustainable urban development by encouraging meaningful stakeholder engagement through civic participation forums and structured consultations. The plan prioritizes local labor and material sourcing to stimulate the local economy and create employment opportunities. An Operations and Maintenance (O&M)

framework will also be established to safeguard infrastructure investments beyond the construction phase, ensuring durability, service continuity, and value for money. These strategic interventions collectively align with the Nyandarua CIDP, the ADP FY 2025/26, the Urban Area Investment Plan (UAIP), Kenya Vision 2030, and Sustainable Development Goal 11 on Sustainable Cities and Communities, reinforcing the Municipality's commitment to building a resilient, inclusive, and sustainable urban future.

3.2 Expected Outcomes and Impact

The successful implementation of the FY 2025/26 Annual Investment Plan (AIP) is expected to generate measurable outcomes in both the short term and the medium to long term, contributing significantly to the transformation of Engineer Municipality's Central Business District (CBD).

In the immediate term, within the project year, the Municipality anticipates improved pedestrian safety and mobility through the establishment of safe, accessible, and clearly defined walkways within the CBD. The development of cabro-paved pedestrian corridors, combined with the separation of pedestrian and vehicular traffic, will significantly reduce pedestrian-vehicle conflicts, enhance safety, and improve the overall flow of movement within the town center. At the same time, the construction of structured drainage channels and installation of catch pits will improve stormwater management, ensuring proper water flow and reducing surface water stagnation during rainy seasons. This will minimize disruptions to businesses and transport while lowering the risk of flood-related damage.

The implementation of landscaping and greening initiatives will further enhance the urban appearance of Engineer Town, resulting in a more organized, attractive, and environmentally friendly streetscape that supports trade and encourages investment. Additionally, strict adherence to KUSP II guidelines, World Bank Environmental and Social Framework (ESF) safeguards, and PPADA procurement standards will strengthen municipal institutional capacity by improving planning, reporting, compliance, and accountability systems.

In the medium to long term, the AIP is expected to catalyze sustainable economic growth and increased commercial activity within Engineer Town. Improved accessibility to businesses, coupled with reduced disruptions caused by flooding and congestion, will enhance the efficiency of trade and service delivery. These improvements are likely to boost investor

confidence and position the CBD as a more competitive commercial hub within Nyandarua County.

Over time, enhanced infrastructure and improved urban organization are expected to contribute to increased property and land values, reflecting the growing attractiveness and functionality of the area. Public health and environmental conditions will also improve as reduced water stagnation lowers the risk of waterborne diseases, while tree planting and landscaping measures enhance air quality, reduce heat stress, and strengthen climate resilience. Furthermore, the integration of universal access features will promote dignity, mobility, and equitable access for vulnerable groups, reinforcing social inclusion and equity. Active community participation throughout implementation will foster a sense of ownership, ensuring sustainability of the investments.

Ultimately, demonstrated compliance with KUSP II and World Bank standards will strengthen the Municipality's credibility and enhance its eligibility for future funding phases and expanded development support, consolidating its trajectory toward inclusive and sustainable urban growth.

3.3 Performance Indicators

To effectively measure the achievement of the project objectives under the FY 2025/26 Annual Investment Plan (AIP), a set of clear and measurable Key Performance Indicators (KPIs) will be systematically tracked throughout the implementation period. These indicators will provide quantitative and qualitative evidence of progress, efficiency, and impact, while supporting accountability and informed decision-making.

The percentage completion of cabro paving works will serve as a primary physical progress indicator. This KPI will measure the actual surface area of pedestrian walkways completed against the total planned coverage within the Central Business District (CBD), expressed as a percentage. Regular site inspections, contractor progress reports, and certified measurement records will be used to validate performance against approved work plans and timelines.

The total linear meters of drainage constructed will track the extent of stormwater infrastructure delivered relative to the planned target. This indicator will measure the cumulative length of U-shaped reinforced concrete drains installed, including associated catch pits and outfalls. Monitoring this KPI will ensure that drainage works remain aligned with

approved engineering designs and contribute directly to improved stormwater conveyance capacity within the CBD.

Reduction in flood-prone zones within the CBD will serve as an outcome-level indicator to assess the effectiveness of drainage interventions. Baseline mapping of flood-prone areas will be compared with post-construction assessments to determine the extent of improvement. This indicator will evaluate not only infrastructure completion but also its functional performance during rainy seasons, including reductions in surface water stagnation and flood-related disruptions.

The number of inclusive access features installed will measure the Municipality's commitment to universal design and social inclusion. This KPI will capture the installation of ramps, tactile paving, curb cuts, and other accessibility enhancements integrated into pedestrian infrastructure. The indicator will ensure that infrastructure development is inclusive and responsive to the needs of persons with disabilities, the elderly, women, and children.

The percentage of budget absorbed within FY 2025/26 will assess financial performance and implementation efficiency. This indicator will measure the proportion of the allocated project funds that are committed and utilized within the financial year in compliance with procurement and financial management regulations. Timely and efficient budget absorption will reflect effective planning, procurement, and contract management processes.

Stakeholder satisfaction ratings will provide a qualitative assessment of project impact and service delivery. Through structured surveys, public consultations, and feedback mechanisms under the Grievance Redress Mechanism (GRM), the Municipality will gather perceptions from residents, business owners, transport operators, and other road users. This KPI will help evaluate improvements in mobility, safety, environmental conditions, and overall user experience within the CBD.

In conclusion, the FY 2025/26 AIP objectives are designed to deliver durable, inclusive, and climate-resilient infrastructure that addresses immediate urban challenges while establishing a strong foundation for the long-term transformation of Engineer Municipality. By combining measurable physical outputs, financial performance indicators, and stakeholder feedback, the Municipality will ensure that investments translate into tangible improvements in mobility, environmental sustainability, economic vitality, and social inclusion.

CHAPTER FOUR: PROPOSED INVESTMENTS

Project Title	Location	Estimated Cost	Funding Source	Implementation Timeline	Responsible Department	Expected Output/Outcome

Parking and Drainage Improvement Project	Engineer Town, Central Business District, Nyandarua County	KES 19,044,620	Kenya Urban Support Program (KUSP II) FY 2025/26 Allocation	2–3 months (Phased: Mobilization, Drainage Works, Subgrade Preparation, Cabro Installation, Landscaping, Handover)	County Government of Nyandarua –Engineer Municipality oversight from World Bank	Improved pedestrian mobility through cabro paving and inclusive walkways - Effective flood mitigation via structured drainage and catch pits - Enhanced urban aesthetics through landscaping and greening - Strengthened municipal capacity and compliance with donor guidelines - Increased community satisfaction and ownership through civic engagement

CHAPTER FIVE: FINANCING PLAN

5.1 Overview of Financing Strategy

The FY 2025/26 Annual Investment Plan (AIP) for the Parking and Drainage Improvement Project in Engineer Town is fully financed under the Kenya Urban Support Program – Phase II (KUSP II). This financing arrangement ensures that the project is implemented within a structured and accountable framework that adheres strictly to donor requirements while promoting fiscal discipline, transparency, and sustainability. The funding model is designed not only to support the immediate delivery of infrastructure improvements but also to safeguard long-term value for money and compliance with established public financial management standards.

The financing strategy prioritizes investment in permanent infrastructure assets to guarantee durable and long-lasting benefits. Funds are directed toward the construction of cabro-paved walkways and parking areas, structured drainage systems, and inclusive access features such as ramps and tactile paving. By focusing on capital-intensive and high-impact infrastructure, the Municipality ensures that public resources are utilized to create resilient assets that will serve the community for many years, reducing future rehabilitation costs and enhancing economic returns.

All project expenditures are aligned with KUSP II eligibility criteria and prescribed funding thresholds. Strict adherence to the program's financial management, procurement, and safeguard requirements ensures transparency, accountability, and compliance with donor guidelines. This structured approach minimizes the risk of ineligible expenditures and reinforces sound financial governance within the Municipality.

The project is deliberately structured to be fully financed and implemented within FY 2025/26. This approach minimizes the risk of budget rollovers, cost escalations, and implementation delays. By aligning procurement, contract execution, and payment schedules within the financial year, the Municipality enhances efficiency and ensures timely completion of works while maintaining compliance with annual budgetary provisions.

In addition to financial support from KUSP II, the County Government will provide complementary institutional backing to strengthen implementation and sustainability. This includes technical oversight, project supervision, quality assurance, and the development of post-completion Operations and Maintenance (O&M) plans. Such institutional integration ensures that

the infrastructure investments are not only delivered to required standards but are also properly maintained beyond the construction phase.

Furthermore, the financing structure incorporates a contingency allocation to mitigate risks associated with unforeseen costs, price fluctuations, or minor scope adjustments. This provision enhances financial stability and allows the project to respond flexibly to implementation challenges without compromising overall budget integrity. Collectively, this financing framework ensures that the Parking and Drainage Improvement Project is delivered efficiently, transparently, and sustainably, in full alignment with KUSP II objectives and broader urban development goals.

5.1 Breakdown of Funding Sources

The Annual Investment Plan (AIP) for FY 2025/26 is primarily financed through the Kenya Urban Support Program Phase II (KUSP II), with complementary institutional and administrative support from the County Government of Nyandarua. This financing arrangement ensures that the Parking and Drainage Improvement Project in Engineer Town is fully funded, performance-based, and implemented in strict compliance with national legislation and World Bank standards.

The Kenya Urban Support Program (KUSP II) provides a conditional infrastructure grant amounting to KES 19,044,620 for FY 2025/26. This allocation is strictly earmarked for capital development expenditure and constitutes approximately 100 percent of the direct financial cost of Phase One of the project. The grant finances civil works, including cabro paving and structured drainage construction, as well as landscaping and urban greening initiatives aimed at improving environmental sustainability and urban aesthetics. In addition, the allocation covers consultancy and supervision services, environmental and social safeguards compliance through ESIA/ESMP implementation, civic engagement and public participation activities, and a contingency provision to manage unforeseen costs. The grant is performance-based and subject to compliance with key program requirements, including listing in the Urban Area Investment Plan (UAIP), adherence to the Program Operations Manual (POM), compliance with the World Bank Environmental and Social Framework (ESF), and observance of the Public Procurement and Asset Disposal Act (PPADA). This ensures accountability, transparency, and alignment with both national and international standards.

Although no direct cash co-financing is required from the County Government of Nyandarua during Phase One, the County provides substantial in-kind institutional support that is critical to project success. This includes the deployment of technical personnel such as engineers, accountants, procurement officers, and project managers to oversee implementation. The County also provides supervision and inspection services, financial oversight and reporting, coordination with regulatory agencies such as NEMA and the Department of Public Works, and planning for post-construction operations and maintenance. This institutional contribution ensures administrative continuity, quality assurance, and long-term sustainability of the infrastructure investments beyond the funding cycle.

While the World Bank does not provide direct project-level funding for this phase, it plays a critical oversight and advisory role under KUSP II. The Bank offers technical advisory support, safeguards compliance review, monitoring and evaluation oversight, and performance assessments tied to disbursement and program eligibility. This external oversight strengthens fiduciary discipline, enhances compliance with international best practices, and reinforces municipal accountability.

The total project cost for FY 2025/26 is KES 19,044,620. Of this amount, KES 9,000,000 (45 percent) is allocated to cabro paving works, while KES 6,000,000 (30 percent) is dedicated to drainage infrastructure. Landscaping and urban greening account for KES 2,000,000 (10 percent), consultancy and supervision services total KES 1,500,000 (7.5 percent), and preparation and civic engagement activities are allocated KES 1,000,000 (5 percent). A contingency allocation of KES 500,000 (2.5 percent) has been included to mitigate unforeseen costs or minor scope adjustments.

The budget structure complies fully with KUSP II funding thresholds and asset allocation requirements. Approximately 85 percent of the total allocation is directed toward non-moveable infrastructure assets, exceeding the minimum 80 percent requirement. Consultancy and preparation costs account for 12.5 percent of the budget, remaining well below the maximum 20 percent threshold. The contingency allocation is maintained within the allowable limit of 5 percent, and the project is confirmed to be fully funded within the financial year, eliminating rollover risk.

Overall, the financing framework prioritizes permanent infrastructure investment while ensuring prudent allocations for supervision, safeguards compliance, and community engagement. This balanced approach guarantees not only physical delivery of infrastructure but also institutional strengthening, regulatory compliance, and long-term sustainability for Engineer Municipality.

CHAPTER SIX: IMPLEMENTATION ARRANGEMENTS

6.1 Roles and Responsibilities

The implementation of the Parking and Drainage Improvement Project under the FY 2025/26 Annual Investment Plan (AIP) will be anchored on a structured governance and institutional framework designed to ensure clarity of authority, well-defined reporting lines, strong accountability mechanisms, and full regulatory compliance. This framework establishes a clear

separation between policy oversight, technical execution, financial management, procurement processes, and community engagement, thereby minimizing conflicts of interest and strengthening transparency throughout the project lifecycle.

The governance structure is primarily guided by the Kenya Urban Support Program – Phase II (KUSP II) Program Operations Manual (POM), which outlines institutional roles, eligibility conditions, fiduciary standards, safeguards requirements, and performance assessment criteria. The POM provides the operational blueprint for project planning, procurement, financial reporting, monitoring and evaluation, and compliance verification. Adherence to this manual ensures that implementation remains aligned with program objectives and performance-based funding conditions.

Financial management of the project is governed by the Public Finance Management (PFM) Act, which establishes principles of prudent resource utilization, budgetary control, accountability, and transparent reporting. All project funds will be managed within the approved financial year framework, subject to internal controls, audit procedures, and reporting requirements to both County and national oversight bodies. This ensures fiscal discipline and safeguards public resources against mismanagement.

Procurement activities will strictly comply with the Public Procurement and Asset Disposal Act (PPADA), 2015. This guarantees competitive, transparent, and fair procurement processes for civil works, consultancy services, and related contracts. Clear segregation of duties between requisition, evaluation, approval, and contract management functions will reinforce procurement integrity and reduce the risk of irregularities.

Environmental and social compliance will be guided by the World Bank Environmental and Social Framework (ESF), which sets out standards for environmental protection, stakeholder engagement, labor management, grievance redress mechanisms, and risk mitigation. Implementation of ESIA/ESMP requirements and the operationalization of a functional Grievance Redress Mechanism (GRM) will ensure that potential environmental and social risks are proactively managed and that affected stakeholders have accessible channels for raising concerns.

Additionally, the governance framework operates within the provisions of the County Government Act relating to municipal administration. The Municipal Board provides policy oversight and strategic direction, while the Municipal Manager and technical staff are responsible for day-to-day implementation, supervision, and reporting. The County Executive Committee

Member (CECM) and relevant County departments provide oversight, coordination, and integration with broader county development priorities.

Overall, this structured governance and institutional framework ensures that the Parking and Drainage Improvement Project is implemented efficiently, transparently, and in full compliance with national legislation and international standards. By clearly defining roles, strengthening accountability systems, and maintaining regulatory adherence, the Municipality enhances both project performance and institutional credibility.

6.1.1 Municipal Board

The Municipal Board serves as the highest governance authority at the municipal level and plays a central role in providing strategic leadership, policy guidance, and fiduciary oversight for the implementation of the Parking and Drainage Improvement Project. Within the framework of the FY 2025/26 Annual Investment Plan (AIP), the Board ensures that the project is aligned with broader municipal development priorities and statutory obligations while maintaining accountability to both the County Government and KUSP II program requirements.

At the strategic level, the Board provides policy direction to ensure that the project remains consistent with the Municipality's long-term urban development vision and planning frameworks. It verifies alignment with the Urban Area Investment Plan (UAIP) and confirms that the proposed interventions support prioritized infrastructure needs within Engineer Town. The Board approves implementation schedules, key milestones, and performance targets to ensure timely and structured execution. Additionally, it reviews and endorses quarterly technical and financial performance reports, thereby maintaining oversight of project progress, budget absorption, and compliance with KUSP II conditionalities. Through this role, the Board ensures that the project contributes to sustainable and integrated urban infrastructure development rather than stand-alone improvements.

From an accountability perspective, the Municipal Board oversees compliance with statutory provisions, including the Public Finance Management Act, the Public Procurement and Asset Disposal Act (PPADA), and the County Government Act, as well as donor-specific requirements under KUSP II and the World Bank Environmental and Social Framework (ESF). The Board reviews internal and external audit findings and ensures that corrective actions are promptly implemented to address any identified weaknesses. It also safeguards asset management commitments by ensuring that completed infrastructure is incorporated into municipal asset

registers and supported by clear operations and maintenance plans. Furthermore, the Board upholds transparency in decision-making processes, promoting openness, accountability, and public confidence in municipal governance.

While the Municipal Board does not engage in day-to-day operational management, which is the responsibility of the Municipal Manager and technical staff, it remains the apex oversight body responsible for ensuring institutional accountability, governance compliance, and strategic coherence throughout the project lifecycle. Through this separation of roles, the governance structure strengthens checks and balances while supporting effective and compliant project delivery.

6.2.2 County Department of Urban Development (Technical Oversight and Regulatory Coordination)

The municipality macro-level technical oversight for the Parking and Drainage Improvement Project and ensures engineering integrity, regulatory compliance, and alignment with broader county infrastructure systems. Its role is supervisory and quality-assurance oriented, complementing municipal-level implementation while safeguarding professional and statutory standards.

From a technical oversight perspective, the Department validates all engineering designs and technical specifications prior to procurement and construction to ensure conformity with approved standards, safety requirements, and durability benchmarks. It reviews Bills of Quantities (BoQs) for accuracy, completeness, and compliance with approved cost estimates and KUSP II funding thresholds. Where necessary, the Department evaluates and approves technical variations or scope adjustments to ensure that any modifications are justified, technically sound, and financially prudent. Additionally, it ensures that the project integrates seamlessly with existing and planned county infrastructure systems, including road networks, stormwater corridors, and urban development plans, thereby preventing duplication or structural incompatibility.

In terms of regulatory coordination, the Department plays a facilitative role in securing statutory approvals and ensuring compliance with applicable laws and regulations. This includes coordinating approvals from the National Environment Management Authority (NEMA) and other relevant regulatory bodies, ensuring adherence to zoning, land-use planning, and building regulations, and supporting environmental licensing and reporting requirements. By

maintaining close coordination with statutory agencies, the Department minimizes regulatory risks and delays during project implementation.

The Department also contributes to monitoring and performance assurance. It conducts periodic technical inspections to verify that construction works meet approved engineering standards, contract specifications, and safety requirements. These inspections support quality control, timely identification of defects, and corrective action where necessary. Furthermore, the Department contributes to performance evaluations under KUSP II by providing technical assessments and validation of reported outputs and outcomes.

Overall, the Department ensures that the project maintains high professional standards, adheres to legal and environmental requirements, and remains technically sound throughout its implementation lifecycle, thereby reinforcing the credibility and sustainability of the investment.

6.1.3 Municipal Manager (Project Administrative Lead)

The Municipal Manager serves as the Project Implementation Coordinator and functions as the central administrative authority responsible for the day-to-day management of the Parking and Drainage Improvement Project. Acting as the link between the Municipal Board, County Government departments, contractors, and development partners, the Municipal Manager ensures that project implementation remains coordinated, compliant, and aligned with approved plans and timelines.

In terms of coordination responsibilities, the Municipal Manager oversees daily project operations, ensuring that all activities are executed in accordance with approved work plans, procurement schedules, and contractual obligations. The role involves facilitating effective inter-departmental coordination among engineering, procurement, finance, environment, and planning units to ensure seamless implementation. The Municipal Manager monitors adherence to timelines and key milestones, identifies emerging bottlenecks, and ensures that corrective measures are taken promptly. Additionally, the Manager tracks risk mitigation measures, including environmental, social, financial, and operational risks, ensuring that mitigation strategies outlined in project documents and safeguard instruments are effectively implemented.

With respect to reporting responsibilities, the Municipal Manager prepares and submits periodic technical and financial progress reports to County leadership in line with Public Finance Management (PFM) requirements. The Manager also ensures timely submission of compliance, safeguards, and performance reports to the Kenya Urban Support Program – Phase II (KUSP

II), in accordance with the Program Operations Manual (POM) and World Bank Environmental and Social Framework (ESF) standards. Furthermore, the Municipal Manager provides regular updates to the Municipal Board, enabling informed oversight, performance review, and strategic decision-making.

In the area of stakeholder management, the Municipal Manager plays a central role in facilitating civic engagement forums and public participation processes, ensuring that community voices are incorporated into implementation and that transparency is upheld. The Manager leads conflict resolution processes related to project implementation and oversees the operationalization of the Grievance Redress Mechanism (GRM), ensuring that complaints are received, documented, addressed, and resolved in a timely and fair manner.

Overall, the Municipal Manager ensures operational continuity, effective communication across institutional levels, and adherence to governance, technical, and safeguard requirements, thereby translating policy direction and strategic oversight into practical, results-oriented implementation.

6.1.4 Municipal Civil Engineer

The Municipal Civil Engineer plays a critical operational role in the implementation of the Parking and Drainage Improvement Project by providing direct, on-site technical supervision and ensuring that construction activities meet approved engineering standards. As the primary technical authority at the project site, the Engineer safeguards the quality, durability, and integrity of infrastructure works, ensuring value for money and compliance with contractual obligations.

In the area of quality assurance, the Municipal Civil Engineer supervises daily construction activities to ensure that works are executed in accordance with approved drawings, technical specifications, and contractual requirements. The Engineer verifies that construction methodologies adhere to established engineering standards and industry best practices. This includes conducting routine site inspections, overseeing setting out and alignment, and confirming that structural dimensions and workmanship meet prescribed tolerances. The Engineer also inspects construction materials and verifies testing results to ensure compliance with quality specifications, including standards for cabro blocks, concrete mixes, reinforcement materials, and drainage components. Through strict enforcement of engineering codes and standards, the Engineer ensures that completed works are structurally sound and fit for purpose.

With regard to certification responsibilities, the Municipal Civil Engineer measures completed works to confirm quantities executed before payment processing. Based on verified measurements, the Engineer certifies interim payment certificates and the final completion certificate in accordance with contract terms. The Engineer also reviews and verifies variation claims to ensure that any additional works or scope adjustments are technically justified, properly documented, and financially accurate. This function is essential in maintaining financial accountability and preventing overpayments or irregular claims.

In terms of compliance enforcement, the Engineer monitors adherence to occupational health and safety standards on site, ensuring that contractors provide appropriate protective equipment, maintain safe working conditions, and comply with labor regulations. The Engineer also oversees the implementation of Environmental and Social Management Plan (ESMP) measures, including waste management, dust suppression, noise control, and community safety provisions. Comprehensive site documentation and technical records, including daily site diaries, inspection reports, and material test results, are maintained to provide an auditable trail of project execution.

Overall, the Municipal Civil Engineer's role is central to ensuring technical excellence, regulatory compliance, and long-term infrastructure performance, thereby safeguarding public investment and reinforcing accountability within the project implementation framework.

6.1.4 Procurement Officer (Fiduciary Compliance Authority)

The Procurement Officer plays a critical fiduciary role in the implementation of the Parking and Drainage Improvement Project by ensuring full compliance with the Public Procurement and Asset Disposal Act (PPADA), 2015, KUSP II procurement guidelines, and applicable regulatory standards. This function safeguards transparency, competitiveness, accountability, and value for money throughout the procurement cycle.

At the pre-tender stage, the Procurement Officer prepares a detailed procurement plan aligned with the approved project work plan, budget allocations, and implementation timelines. This ensures that procurement activities are sequenced appropriately to prevent delays and cost escalations. The Officer develops comprehensive tender documents, including instructions to bidders, technical specifications, Bills of Quantities (BoQs), eligibility requirements, evaluation criteria, and draft contract conditions. Clear and objective evaluation criteria are established to promote fairness and minimize ambiguity during bid assessment.

During the tendering stage, the Procurement Officer manages the advertisement process in accordance with statutory requirements, ensuring adequate publicity and equal access to information for potential bidders. The Officer oversees the secure receipt and opening of bids and coordinates the formation and functioning of evaluation committees. Throughout the evaluation process, the Procurement Officer ensures procedural compliance, confidentiality, and proper documentation. Evaluation reports and recommendations are compiled, reviewed for procedural accuracy, and submitted to the appropriate approval authorities in line with delegated thresholds.

At the post-award stage, the Procurement Officer supports contract finalization and signing, ensuring that all contractual documents are complete, legally compliant, and properly executed. The Officer facilitates contract administration processes in coordination with the technical team, including issuance of notifications of award, performance security verification, and contract documentation. Comprehensive procurement records are maintained to provide a clear audit trail for internal and external audits, including reviews under KUSP II and oversight by regulatory bodies. The Officer also ensures adherence to PPADA provisions and KUSP II procurement thresholds, preventing irregularities and safeguarding donor compliance.

Overall, the Procurement Officer ensures that the procurement process remains fair, transparent, competitive, and fully compliant with statutory and donor requirements, thereby protecting the integrity of the project and reinforcing public confidence in municipal governance.

6.1.5 Municipal Accountant

The Municipal Accountant plays a central role in ensuring sound financial stewardship of KUSP II funds allocated to the Parking and Drainage Improvement Project. As the custodian of financial management processes at the municipal level, the Accountant ensures that all project resources are managed prudently, transparently, and in strict compliance with the Public Finance Management (PFM) Act and donor fiduciary requirements.

Under financial management responsibilities, the Municipal Accountant maintains projectspecific financial records to ensure accurate tracking of all revenues, commitments, and expenditures. This includes establishing dedicated ledger accounts for the project and ensuring that all transactions are properly recorded and reconciled. The Accountant tracks disbursements against approved budget lines to prevent overspending and to ensure alignment with the approved Annual Investment Plan (AIP) and KUSP II funding thresholds. Proper coding of

expenditures is enforced to guarantee accurate financial reporting and facilitate audit verification.

In the area of reporting and compliance, the Municipal Accountant prepares quarterly financial reports detailing budget absorption rates, expenditure breakdowns, commitments, and any variances from approved allocations. These reports are submitted to County leadership and KUSP II oversight structures in accordance with prescribed reporting timelines. The Accountant also facilitates both internal and external audits by organizing financial documentation, responding to audit queries, and implementing recommended corrective actions. Strict adherence to the PFM Act, treasury regulations, and donor fiduciary standards ensures that financial processes remain compliant and transparent.

With regard to internal controls, the Municipal Accountant enforces segregation of duties within the financial management system to minimize risks of fraud, error, or misappropriation. All payment requests are subjected to verification of supporting documentation, including certified works, approved contracts, invoices, and delivery notes, before authorization and processing. The accountant continuously monitors budget absorption rates and analyzes budget variances to identify potential implementation delays or financial risks, advising management accordingly.

Overall, the Municipal Accountant's role is essential in maintaining fiscal discipline, strengthening internal control systems, and ensuring audit readiness throughout the project lifecycle, thereby safeguarding public resources and reinforcing institutional credibility under KUSP II.

6.1.6 Contractor

The Contractor is contractually responsible for the physical delivery of infrastructure outputs under the Parking and Drainage Improvement Project and operates within the terms and conditions of the signed works contract. As the executing entity, the Contractor bears primary responsibility for translating approved designs, specifications, and Bills of Quantities (BoQs) into completed infrastructure that meets required quality, safety, and performance standards.

Under execution responsibilities, the Contractor is required to mobilize qualified technical personnel, skilled labor, appropriate construction equipment, and necessary materials in accordance with the approved work plan. The works must be executed strictly within the approved scope, technical specifications, and contractual timelines. The Contractor is also obligated to maintain site safety in compliance with occupational health and safety regulations,

ensuring that workers are provided with appropriate personal protective equipment and that safe working procedures are observed. Environmental standards must equally be upheld, including implementation of Environmental and Social Management Plan (ESMP) measures such as waste management, dust control, noise mitigation, and protection of surrounding properties and pedestrians.

In terms of reporting, the Contractor must submit regular weekly progress reports detailing activities undertaken, percentage completion of various work items, labor and equipment deployment, and any challenges encountered. Updated work schedules must be provided to reflect actual progress against planned milestones. The Contractor is also required to promptly report any incidents, accidents, or compliance issues, including measures taken to address them. This reporting framework supports transparency, monitoring, and timely corrective action where necessary.

Upon completion of construction works, the Contractor remains responsible during the Defects Liability Period for rectifying any defects or deficiencies identified by the supervising engineer at no additional cost to the Municipality. The Contractor must also submit as-built drawings that accurately reflect the completed works, along with final completion reports and any required operation and maintenance documentation. These deliverables ensure proper documentation, facilitate asset registration, and support long-term infrastructure management.

Overall, the Contractor is directly accountable for the timely, safe, and quality delivery of the project's physical infrastructure outputs, and performance is monitored against contractual obligations, technical standards, and compliance requirements.

6.1.7 Community Representatives

Community involvement plays a vital role in strengthening social accountability, transparency, and long-term ownership of the Parking and Drainage Improvement Project. Meaningful participation ensures that infrastructure investments respond to local needs, minimize social disruption, and foster a shared sense of responsibility for sustaining public assets beyond the construction phase.

Under participatory responsibilities, community members including residents, business owners, traders, and road users are encouraged to actively engage in structured public participation forums organized by the Municipality. These forums provide an opportunity to share views on project design, implementation schedules, potential impacts, and mitigation measures.

Community members also play an important role in monitoring localized project impacts, such as temporary access disruptions, environmental concerns, or safety issues. By providing timely feedback during implementation, the community contributes to adaptive management and continuous improvement of project delivery.

In terms of grievance support, community stakeholders facilitate the reporting of concerns through established channels under the Grievance Redress Mechanism (GRM). They help raise awareness about available complaint procedures, ensuring that affected persons understand how to lodge grievances and receive timely responses. Community leaders and local representatives may also support mediation and resolution efforts where minor disputes arise. Furthermore, community participation promotes collective responsibility in safeguarding completed infrastructure, discouraging vandalism, encroachment, and misuse of public facilities.

Overall, active community participation enhances transparency, strengthens accountability mechanisms, and improves project sustainability. By fostering inclusive engagement and shared ownership, the Municipality builds public trust and ensures that the infrastructure investments deliver lasting social and economic benefits to Engineer Town.

6.2 Governance and Oversight Mechanisms

To strengthen accountability, manage risks, and ensure full compliance throughout the implementation of the Parking and Drainage Improvement Project, a comprehensive governance safeguard framework will be applied. This framework integrates legal, fiduciary, technical, environmental, and social controls to ensure that project delivery adheres to statutory requirements, donor standards, and principles of good governance.

Under legal and fiduciary compliance, the project will strictly adhere to the Public Procurement and Asset Disposal Act (PPADA), 2015, ensuring fairness, transparency, and competitiveness in all procurement processes. Financial management will comply with the Public Finance Management (PFM) Act, guaranteeing prudent use of public resources, proper budgeting, and accurate reporting. All activities will observe applicable County regulations and bylaws governing municipal administration and infrastructure development. In addition, the Kenya Urban Support Program – Phase II (KUSP II) Program Operations Manual (POM) will guide planning, procurement, safeguards implementation, financial reporting, and performance assessments, ensuring alignment with program conditionalities.

Environmental and social safeguards will be implemented in accordance with the approved Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP). Regular safeguards monitoring will be conducted to ensure compliance with mitigation measures, including waste management, dust and noise control, and community safety provisions. Occupational health and safety standards will be enforced at all construction sites to protect workers and the public. Stakeholder disclosure and periodic reporting will further enhance transparency and compliance with the World Bank Environmental and Social Framework (ESF).

Strong financial oversight and internal control mechanisms will underpin project implementation. These will include segregation of financial duties to prevent conflicts of interest, multi-level approval processes for payments and commitments, and periodic financial reconciliations to verify accuracy and completeness of records. Quarterly financial reporting will be undertaken to track budget absorption and expenditure performance, while internal audit reviews will assess compliance with financial regulations and recommend corrective measures where necessary.

Technical supervision and quality assurance will be maintained through continuous on-site engineering oversight by qualified personnel. Materials testing and inspection protocols will ensure that construction inputs meet approved standards and specifications. Certification of works by the supervising engineer will be mandatory before any interim or final payments are processed. Any proposed variations will undergo technical validation to confirm justification, cost implications, and compliance with contractual provisions.

Monitoring and Evaluation (M&E) will provide systematic tracking of Key Performance Indicators (KPIs), including physical progress, financial performance, and outcome-level indicators such as reduction in flood-prone zones and stakeholder satisfaction. Performance assessments under KUSP II will evaluate compliance with program requirements and conditionalities. Documentation of lessons learned during implementation will inform future infrastructure planning and strengthen institutional capacity.

A structured and documented Grievance Redress Mechanism (GRM) will further reinforce accountability. The GRM will formally register complaints, assign responsibility for resolution, and establish clear response timelines. Unresolved issues will be escalated through defined channels, and comprehensive grievance logs will be maintained for audit and oversight review. This system ensures that community concerns are addressed promptly and transparently.

Periodic internal audits, external audits as required under KUSP II, and Municipal Board performance reviews will provide additional layers of oversight. Audit findings will be tracked, and corrective actions will be implemented and monitored to closure, reinforcing continuous improvement and institutional integrity.

In conclusion, the governance and implementation framework establishes a clear separation between oversight and execution functions, strong fiduciary controls, robust technical supervision, transparent procurement processes, and institutional accountability at all levels. By integrating multi-layered safeguards and compliance mechanisms, the framework ensures efficient project delivery, mitigates operational and financial risks, and guarantees sustainable infrastructure outcomes fully aligned with KUSP II standards and statutory requirements.

CHAPTER SEVEN: MONITORING AND EVALUATION (M&E) FRAMEWORK

7.1 Indicators and Targets

Key Performance Indicators (KPIs) that will guide performance measurement for the FY 2025/26 Parking and Drainage Improvement Project. These indicators provide clear, measurable targets to assess physical progress, financial efficiency, environmental impact, and stakeholder satisfaction.

For infrastructure delivery, the project targets the construction of 300 linear meters of drainage channels and the installation of 6 catch pits within the Central Business District (CBD). These outputs are expected to significantly improve stormwater management and reduce localized flooding. In addition, the project aims to complete 100 percent of the planned cabro paving corridor, ensuring that all approved pedestrian and parking areas are fully developed within the financial year.

Under environmental enhancement, tree planting will be undertaken in accordance with the approved landscaping design, ensuring alignment with greening plans and urban aesthetics objectives. The exact number of trees will correspond to technical design specifications and site suitability assessments.

Financial performance will be measured through a budget absorption target of at least 95 percent within FY 2025/26, demonstrating efficient utilization of the KUSP II allocation and minimizing rollover risks. Employment generation will also be monitored, with the number of

local workers engaged during project implementation documented to assess contribution to local economic stimulation.

At the outcome level, the project aims to achieve a measurable reduction in flood-prone sections of the CBD following completion of drainage works. Post-construction assessments during rainy seasons will verify performance improvements. Furthermore, stakeholder satisfaction will serve as a qualitative performance indicator, with a target of at least 80 percent positive feedback from residents, business owners, and road users, measured through structured surveys and public consultations.

Collectively, these KPIs ensure that project implementation is results-oriented, measurable, and aligned with infrastructure delivery, financial accountability, environmental sustainability, and community impact objectives.

7.2 Reporting Arrangements

Monitoring and reporting for the Parking and Drainage Improvement Project will be conducted through a structured, multi-tier framework to ensure timely oversight, transparency, and compliance with KUSP II and World Bank requirements. Reporting will occur at weekly, monthly, quarterly, and end-of-project intervals, allowing for continuous performance tracking and corrective action where necessary.

At the weekly level, the Contractor will submit detailed progress reports outlining activities undertaken, percentage completion of work items, labor and equipment deployment, challenges encountered, and mitigation measures implemented. These reports will be complemented by regular site inspections conducted by the Municipal Civil Engineer, who will verify physical progress, assess quality of works, monitor safety compliance, and document observations in site diaries and inspection reports. Weekly monitoring ensures real-time oversight and rapid response to emerging issues.

At the monthly level, technical review meetings will be convened involving the Municipal Manager, Municipal Civil Engineer, Procurement Officer, Accountant, and relevant County Department representatives. These meetings will assess progress against work plans, review budget performance, evaluate risks, and confirm adherence to environmental and social safeguards. Consolidated monthly progress reports will be prepared and submitted to the Municipal Board and the relevant County Department for strategic oversight and decisionmaking support.

On a quarterly basis, formal financial reports will be submitted to KUSP II in accordance with the Program Operations Manual (POM). These reports will detail budget absorption, expenditure breakdowns, commitments, and compliance with funding thresholds. Quarterly safeguards compliance reviews will also be conducted to verify implementation of ESMP measures, occupational health and safety standards, stakeholder engagement activities, and grievance redress performance. These submissions ensure continued eligibility under the performance-based grant framework.

At the end of the project, a comprehensive completion report will be prepared documenting physical outputs, financial performance, safeguards compliance, challenges encountered, and lessons learned. A final financial audit will be undertaken to confirm the integrity and accuracy of project expenditures. Additionally, an impact assessment will evaluate outcomes such as flood reduction, mobility improvements, and stakeholder satisfaction. Handover documentation, including as-built drawings and asset registers, will formalize the transition of completed works into municipal operations and maintenance systems.

All reports will adhere strictly to KUSP II and World Bank reporting templates to ensure consistency, comparability, and compliance with donor and statutory requirements. This structured reporting framework strengthens accountability, supports performance monitoring, and reinforces transparency throughout the project lifecycle.

7.3 Risk Management Measures

Risk mitigation measures will be systematically integrated throughout the implementation of the Parking and Drainage Improvement Project to minimize disruptions, safeguard public resources, and ensure compliance with statutory and donor requirements. The risk management approach addresses financial, environmental, social, operational, quality, and governance risks in a proactive and structured manner.

With respect to financial risks, a contingency allocation of 2.5 percent has been incorporated into the project budget to accommodate unforeseen cost variations, minor scope adjustments, or price fluctuations. Early procurement of key construction materials will help mitigate supply chain delays and price volatility. Strict financial tracking mechanisms, including budget monitoring, expenditure reconciliation, and multi-level approval processes, will ensure disciplined use of funds and prevent cost overruns.

Environmental risks will be managed through full implementation of the Environmental and Social Management Plan (ESMP). Specific mitigation measures such as dust suppression, erosion control, proper waste disposal, and noise management will be enforced throughout construction. Continuous environmental monitoring and site inspections will verify compliance with approved safeguards and prevent adverse impacts on surrounding properties and the local ecosystem.

To address social risks, proactive stakeholder engagement will be prioritized. Advance communication with traders, residents, and road users will help manage expectations and minimize disruptions. Where construction activities temporarily affect access, alternative access routes will be established to sustain business continuity and mobility. A functional and accessible Grievance Redress Mechanism (GRM) will ensure that concerns are formally registered, addressed within defined timelines, and documented for accountability.

Operational risks, including weather-related delays, will be mitigated through weather-adjusted work scheduling and flexible implementation planning. A phased construction approach will be adopted to maintain partial access to the Central Business District (CBD) and reduce largescale disruptions. This structured sequencing will enhance efficiency and reduce downtime.

Quality risks will be mitigated through continuous on-site engineering supervision, routine inspections, and strict adherence to approved drawings and specifications. Materials certification and verification of laboratory test results will ensure compliance with engineering standards. Contractor performance evaluations will be conducted to assess compliance with timelines, quality benchmarks, and safety requirements, with corrective measures applied where necessary.

Governance risks will be addressed through transparent and competitive procurement processes in accordance with PPADA and KUSP II guidelines. Independent internal and external audits will provide oversight of financial and procedural compliance. Clearly defined reporting lines and separation of oversight and execution functions will further strengthen accountability and reduce the risk of mismanagement.

In conclusion, the Financing Plan, Implementation Arrangements, and Monitoring and Evaluation (M&E) Framework collectively ensure that the FY 2025/26 Annual Investment Plan is financially secure, institutionally accountable, technically sound, environmentally compliant, socially inclusive, and results-oriented. This integrated approach to governance and risk

management guarantees efficient project delivery while safeguarding sustainability and longterm development outcomes for Engineer Municipality.

ANNEXES

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COUNTY GOVERNMENT OF
NYANDARUA
LAND, PHYSICAL PLANNING AND
URBAN DEVELOPMENT

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Ol-Kalou

NOTICE!!! NOTICE!!!

PUBLIC PARTICIPATION FOR ENGINEER MUNICIPALITY INTEGRATED & STRATEGIC URBAN DEVELOPMENT PLAN (ISUDP) & INTEGRATED DEVELOPMENT PLAN (IDep)

Pursuant to article 196 of the constitution of Kenya 2010 section 87(a), (b) (iii) and (iv) of county Governments Act 2012 which does require general public to be involved in decision making on matters affecting them.

The Department of Land, Physical Planning and Urban Development notices residents and the general public that there will be a **public participation meeting on 14th November,2024** at **Engineer Catholic Hall** as from **9.00am** to highlight the planning challenges, interventions and plan proposals to be incorporated in the first draft plan

Dated this day of 31st October, 2024.

HON. STEPHEN KINYAJUI MBURU KK
CECM-LAND, PHYSICAL PLANNING AND URBAN DEVELOPMENT


ENGINEER MUNICIPALITY BASE MAP

Engineer Municipality Board Meeting Held at Musan Garden Hotel
Date: 15th November 2024
Time: 2:00 PM

RESOLUTION NO. 01/15/11: Consideration for Approval of Integrated Development Plan (IDEP 2023-2028) and Integrated Sustainable Urban Development Plan (ISUDP 2023-2032)

The Board, having deliberated on the provided Engineer Municipality Integrated Development Plan (IDEP 2023-2028) and Integrated Sustainable Urban Development Plan (ISUDP 2023-2032) which was informed that the objective of the two documents provided a framework for planning and development of current and future needs and the functions of the Municipality. This is 5 years and 10 years development and physical land use plan which takes cognizance as per the following objectives inter-alia;

i. Provide basis for physical and social infrastructure provision for present and projected population during the 10 years of the plan and beyond.
ii. Examine demographic changes in the last ten years and projection over the life of the plan.
iii. Identify development potentials of the planning area.
iv. Provide a basis for development control and investment decisions.
v. Allocate sufficient spaces for various land uses and ensure efficient function, user convenience and flexibility to accommodate future growth.

The Engineer Municipal Board;

a) Considered, approved and adopted the Engineer Municipality Integrated Sustainable Urban Development Plan (ISUDP 2023-2032) and directs the Municipal Manager for the onward submission to the County Executive Committee for approval.
b) Considered, approved and adopted the Engineer Municipality Integrated Development Plan (IDEP 2023-2028) and directs the Municipal Manager for the onward submission to the County Executive Committee for approval.

Njoki Gatuhi
Secretary
Signature: MUNICIPAL MANAGER ENGINEER MUNICIPALITY NYANDARUA COUNTY **Date:** 22/11/2024

Tabitha Wambui
Chairperson
Signature: **Date:** 22/11/2024

ENGINEER MUNICIPALITY BOARD
22 NOV 2024
NYANDARUA COUNTY

REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
DEPARTMENT OF LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT.

ENGINEER MUNICIPALITY

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NOTICE!!

NOTICE!!

PUBLIC PARTICIPATION NOTICE – ENGINEER MUNICIPALITY (KUSP II)

The County Government of Nyandarua through the Department of Lands, Physical Planning, Housing and Urban Development invites residents, stakeholders, and the general public to a Public Participation forum under the Kenya Urban Support Programme (KUSP II) on 22nd and 23rd January, 2026. The venue will be at Engineer ACK Hall as from 10:00am.

Completed planning and policy documents will be presented for public review, feedback, and validation. Documents to be presented are scheduled as follows:

Date	Documents presented
Thursday, 22nd January 2026	1. Pre-Feasibility Study and Municipal Investment Plan 2. Municipal (GRM) System and Gender Inclusion & Participation Framework
Friday, 23rd January 2026	1. Solid Waste Management Policy & Monitoring and Evaluation Plan 2. Private Sector Engagement Framework

Members of the public can access the draft documents from the municipality's website; **https://www.nyandarua.go.ke/site2/engineer-municipality/** and are encouraged to attend.

Dated: 8th January, 2026

HON. STEPHEN KINYANJUI MBURU KK
CECM – LANDS, PHYSICAL PLANNING, AND URBAN DEVELOPMENT






MINUTES OF PUBLIC PARTICIPATION MEETING FOR THE ANNUAL INVESTMENT PLAN (AIP)

Municipality: Engineer Municipality
Venue: ACK Hall
Date: 22/01/2026 **Time:**
10:00 am

Chairperson: Eng. Rop Laban – Municipal Engineer

MIN 01 – 22/01/2026: Opening of the Meeting

The meeting was called to order by the Chairperson, **Eng. Rop Laban**, the Municipal Engineer of Engineer Municipality. He welcomed all participants and thanked them for attending the public participation forum convened to deliberate on the **Annual Investment Plan (AIP) proposal for the upgrading of the parking area at Engineer Town using cabro blocks**.

In his opening remarks, the Chairperson emphasized the importance of public participation in municipal planning and development. He stated that engaging the public ensures transparency, accountability, and inclusion in decision-making processes. He further explained that the meeting was organized to gather views and recommendations from residents, traders, and stakeholders regarding the proposed parking improvement project.

MIN 02 – 22/01/2026: Introduction of Participants

Participants present included municipal officials, technical staff from the municipality, representatives from community groups, local leaders, traders operating within Engineer Town, civil society organizations, and members of the public.

A brief introduction session was conducted where participants introduced themselves and indicated the groups or institutions they represented. The Chairperson acknowledged the presence of all stakeholders and appreciated their willingness to participate in the municipal development planning process.

MIN 03 – 22/01/2026: Purpose of the Meeting

The Chairperson explained that the main objective of the meeting was to engage the public and stakeholders on the **proposed parking upgrade project at Engineer Town**, which forms part of the Municipality's Annual Investment Plan.

The specific objectives of the forum were to:

- Present the proposed project for upgrading the existing parking area using **cabro block paving**.
- Obtain views, comments, and recommendations from residents and business operators.
- Ensure transparency and accountability in municipal planning and investment decisions.
- Incorporate stakeholder input into the planning and implementation of the project.

He further noted that the project aims to improve the organization, functionality, and aesthetic appearance of the parking area while enhancing accessibility within Engineer Town.

MIN 04 – 22/01/2026: Presentation on the Proposed Parking Upgrade Project

A presentation was made by the municipal technical team under the guidance of the Municipal Engineer detailing the proposed project.

The presentation covered the following key areas:

- Overview of the **proposed upgrading of the Engineer Town parking area using cabro block paving**.
- The current condition of the parking area, including challenges such as dust during the dry season and muddy conditions during rainy periods.
- The need for improvement to enhance accessibility for motorists, traders, and pedestrians.
- Expected benefits of cabro block paving, including improved durability, proper drainage, reduced dust, and enhanced visual appearance of the town center.
- The anticipated impact of the project on improving traffic organization and parking management within the town.

Participants were also informed that the project forms part of the municipality's broader efforts to improve urban infrastructure and service delivery.

MIN 05 – 22/01/2026: Public Participation and Stakeholder Discussions

Following the presentation, the Chairperson invited participants to provide comments, ask questions, and make recommendations regarding the proposed project.

Participants actively contributed to the discussion and generally expressed **support for the proposed parking upgrade project**. Several key issues and suggestions were raised during the discussion, including:

a) Need for Proper Drainage
Participants emphasized the importance of incorporating an effective drainage system within the parking area design to prevent water accumulation during the rainy season.

b) Organized Parking Layout
Stakeholders recommended proper demarcation of parking bays to ensure orderly parking and efficient use of available space.

c) Consideration for Traders and Pedestrian Access
Participants suggested that the design should consider adequate pedestrian walkways to ensure safety and convenience for traders and customers.

d) Security and Street Lighting
Participants proposed the installation of street lighting within the parking area to enhance security, especially during evening hours.

e) Timely Implementation of the Project
Some participants encouraged the municipality to ensure timely implementation of the project once approved.

MIN 06 – 22/01/2026: Responses from the Municipal Team

The Municipal Engineer and members of the municipal technical team responded to the issues and questions raised by participants.

They clarified that:

- The project design would incorporate **proper drainage provisions** to prevent water stagnation.
- The layout of the parking area would include **clearly marked parking bays** to improve organization and efficiency.
- Safety considerations for pedestrians and nearby traders would be taken into account during the final design stage.

The team assured participants that all views and recommendations raised during the meeting would be documented and considered in the final planning of the project.

MIN 07 – 22/01/2026: Way Forward

The Chairperson informed participants that the following steps would be undertaken after the public participation forum:

- Compilation and documentation of all comments and recommendations received.
- Review of the proposals by the municipal technical team.
- Incorporation of relevant stakeholder input into the project design.
- Inclusion of the project in the **Municipality's Annual Investment Plan** for approval through the appropriate administrative and governance processes.

Once approved and funded, the municipality would proceed with the implementation of the project.

MIN 08 – 22/01/2026: Closing Remarks

In his closing remarks, **Eng. Rop Laban** thanked all participants for their valuable contributions and active participation in the meeting. He emphasized that community engagement is essential in ensuring that municipal development initiatives meet the needs of the public.

There being no further business, the meeting was adjourned at 2pm.

Prepared by:

Eng. Rop Laban
Municipal Engineer

Approved by:

Njoki Gatuhi
Municipal Manager