

Issue 04 · 16th October 2026. Legal and policy developments shaping Kwale County, and what they mean for the sectors that drive it. This newsletter tracks new, upcoming and ongoing legal and policy decisions affecting Kwale County, and what they mean economically across key sectors.

Lands Sector

Between 1st and 8th October 2026, the National Land Commission (NLC) scheduled inquiries in Kwale County into the proposed compulsory acquisition of land for the Mwache Multipurpose Dam project. The inquiries covered the propriety of the acquisitions, compensation and related claims. On 9 October 2026, the NLC Chairperson, commissioners and Chief Executive Officer visited the project site to assess progress and reaffirm the Commission's role in facilitating land acquisition and fair compensation.

The developments follow earlier disputes over compensation that threatened to interrupt construction. NTV Kenya previously reported that approximately KSh237.9 million remained pending for 150 project-affected persons, primarily because of unresolved ownership disputes or missing documentation. The Commission had adopted alternative dispute resolution to help resolve compensation-related conflicts. This figure relates to earlier reporting and has not been independently confirmed as the outstanding balance as at 9 October 2026.

Impact

The timely resolution of land acquisition and compensation claims is important to the completion of the dam. Unresolved disputes can delay construction, increase project costs and leave affected households without compensation for land or property required for the project. Fair and timely resolution would protect landowners' rights while reducing disruption to implementation.

The dam is intended to supply approximately 186 million litres of treated water daily to Kwale and Mombasa. Reliable water supply could benefit households, agriculture and businesses, while supporting irrigation and

reducing vulnerability to water shortages. These benefits depend on completion of the project, effective water distribution and the lawful resolution of outstanding land matters.

Agriculture and Livestock Sector

The Livestock Bill tabled on 13th October and currently in its First Reading seeks to introduce structural changes to the mandates of regulatory bodies; tighten rules on animal feeds and breeding; and establishes an animal resources training and capacity building institution.

This national legal framework establishes county mandates that will intersect with Kwale County's local economy and agricultural priorities including:

- Providing livestock extension services along the entire livestock value chain
- Construction of markets and value addition infrastructure for livestock and livestock products.
- Entrench measures to mitigate disasters affecting livestock
- Facilitate access to affordable credit and livestock insurance
- Implementation of standards on pasture, water management and conservation of natural resources.
- Ensuring public participation in the governance of the livestock sector programmes at the local level

Impact

Capacity building hubs training livestock handlers in modern animal husbandry, beekeeping and commercial feed formulation will mean increased quality and skills where livestock products fetch better market prices and improve incomes.

As an international cross-border county with Tanzania, the county will be subject to distinct recording region that will track livestock to ensure they meet the health and safety standards required for premium export markets.

Meeting quality export standards will have the ripple effect of better marketability of the county's meat products.

The Bill has entered the Committee Stage. We have this on our Watch List for public participation sessions and further developments.

Trade and Investment Sector

The **2026 Kwale County Fiscal Strategy Paper (CFSP)** was approved in March 2026 and provides the fiscal and policy framework for preparation and implementation of the County's FY 2026/2027 budget. The County Government continues to make the approved CFSP available as an official county policy document.

For trade and investment purposes, the CFSP is significant because it adopts a strategy of **fiscal consolidation while seeking to maintain economic development and private-sector participation**. The County states that it intends to reduce non-essential recurrent expenditure, improve domestic revenue collection and protect priority government programmes. The CFSP specifically identifies **Public-Private Partnerships (PPPs)** as a mechanism for implementing financially viable projects and encouraging private-sector participation in public service delivery. It also proposes the introduction of a comprehensive **e-procurement system** and governance reforms aimed at improving expenditure efficiency and transparency.

On revenue, the County proposes to strengthen its Own-Source Revenue (OSR) collection by upgrading the automated revenue-management system, improving revenue administration, recruiting and training collection staff and undertaking revenue mapping. The stated medium-term objective is to raise county own-source revenue to more than KSh 1 billion while supporting economic activity. The CFSP therefore represents a continuation of Kwale's broader industrialization and investment agenda, but with greater emphasis **on** fiscal sustainability, private capital, digital revenue administration and value addition.

Impact

The economic significance of the CFSP is that it seeks to create additional fiscal space for development without relying exclusively on ordinary county revenue. The proposed expansion of PPPs could allow commercially viable infrastructure and service projects to access private capital where the County cannot finance the entire project from its own resources. For trade and investment, this could be relevant to markets, industrial infrastructure, logistics facilities and other projects capable of generating commercial returns.

The move towards automated revenue collection may also affect businesses directly. Greater digitalization could reduce manual handling, improve transparency and reduce revenue leakages. At the same time, businesses operating in markets and other county-regulated areas may experience greater consistency in assessment and collection of county charges. The economic effect will ultimately depend on implementation. A more efficient revenue system can strengthen county finances, but increased collection should be accompanied by predictable charges and efficient services so that the additional fiscal burden does not discourage small businesses.

The Proposed Kwale County Investment Corporation Bill, 2025 was introduced and published as part of the county legislative documents in early 2025 (with public participation and memorandums circulating through March 2026).

It is a legislative framework published by the County Government of Kwale aimed at establishing a dedicated investment corporation to drive strategic economic development, mobilize capital, and streamline commercial ventures in the county. These developments collectively point to a transition from fragmented trade promotion to a more centralized investment governance model aimed at improving capital inflows, enterprise growth, and industrial coordination within the county economy.

Impact

The proposed Kwale County Investment Corporation Bill 2025 seeks to diversify the county's own-source revenue, mobilize public and private

investment in sectors such as agriculture and tourism, and establish a corporate framework for managing county assets and investments commercially. If implemented, the framework could improve project delivery and reduce dependence on transfers from the national government. These objectives align with Kwale's broader fiscal strategy of strengthening revenue collection and improving the efficiency of development spending.