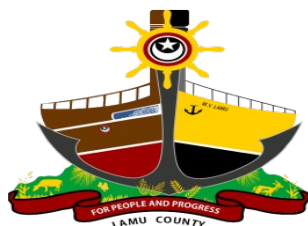


## COUNTY GOVERNMENT OF LAMU



## THE COUNTY ASSEMBLY OF LAMU

### THE HANSARD

Wednesday, 29<sup>th</sup> October, 2025

*The Assembly met at the  
Main Chambers, at 10:30 a.m.*

[Deputy Speaker (Honorable Paul Kimani Njuguna) in the Chair]

#### PRAYERS

[Deputy Speaker (Honorable Paul Kimani Njuguna)]: Next Order.

Clerk-at-the-Table: Motion

#### MOTION

*APPROVAL OF THE REPORT OF THE DEPARTMENTAL COMMITTEE ON  
FINANCE, BUDGET AND APPROPRIATION ON THE CONSIDERATION OF  
LAMU COUNTY BUDGET REVIEW OUTLOOK PAPER 2024/25*

**MCA Barisa Deko Bana** (*Basuba*): Thank you Mr Deputy Speaker. Mr Deputy Speaker Sir, I beg to move the following motion:

**THAT**, pursuant to the provision of the Constitution of Kenya, County Governments Act No. 17 of 2012, Public Finance Management Act; and the County Assembly Standing Orders, this House adopts and approves

the reports of the Departmental Committee on Finance, Budget and Appropriation on the consideration of the Lamu County Budget Review Outlook Paper 2024/25, tabled on Tuesday 28<sup>th</sup> October 2025.

Mr Deputy Speaker, allow me to read the report: -

The County Budget Review and Outlook Paper (CBROP) 2024/25 was prepared in line with section 118 of the Public Finance Management (PFM) Act 2012 which requires the County Government to prepare a Budget Review and Outlook Paper in respect for each Financial Year. "Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall arrange for the Paper to be laid before the County Assembly", the seven days being not later than 21st October of every year.

Mr Deputy Speaker Sir, The CBROP provides a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in the CFSP. This together with macroeconomic outlook provides a basis for revision of the current budget in the context of the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the CFSP.

Mr Deputy Speaker Sir, the paper reviews fiscal performance of the County for the 2024/25 financial year while comparing it with the budget appropriation. In addition, it provides information on changes in forecasts as indicated in the County Fiscal Strategy Paper (CFSP) 2025; and how actual financial performance for the previous financial year may have affected compliance with the Fiscal Responsibility Principles, or the County Financial objectives for that year. It further gives reasons for any deviation from the County Financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviations.

Mr Deputy Speaker Sir, the CBROP highlights actual financial performance for the Financial Year (FY) 2024/2025 against the budget appropriations for the same year. It equally provides a review of the recent economic developments and highlights the actual performance of the FY 2024/25 with regards to compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act or the financial objectives in the CFSP for that financial year.

Mr Deputy Speaker Sir, the paper is a policy document and links planning with budgeting. It is significant in the budget making process within the Medium-Term Expenditure Framework (MTEF) as it reviews previous fiscal performance for the year and identifies any deviations from the budget with the aim of providing realistic forecasts for the coming year. It also assesses how fiscal responsibility principles were adhered as provided in section 107 of the PFM Act 2012. In addition, the updated macroeconomic and financial outlook provides a basis for any budget revision and sets out broad fiscal parameters for the next budget. Further, the paper is expected to provide indicative sector ceilings for the FY 2026/2027 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2025.

Mr Deputy Speaker Sir, in compliance with the Public Finance Management (PFM) Act, 2012 and its related regulations, we are pleased to have reviewed the financial performance of the 2024/25 Lamu County Budget Review and Outlook Paper (CBROP) and has made some observations & recommendations as contained in this report.

## COMMITTEE MANDATE

Mr Deputy Speaker, Sir, the Committee on Budget, Appropriations and Finance is established under Standing Order No. 186 and is mandated to do the following;

1. Inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
2. Discuss and review the estimates and make recommendations to the County Assembly;
3. Examine the County Budget Policy Statement presented to the County Assembly;
4. Examine Bills related to the County budget, including Appropriations Bills; and
5. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

## COMMITTEE MEMBERSHIP

Mr Deputy Speaker Sir, the Finance, Budget and Appropriations Committee as currently constituted include the following members:

- |                               |                  |
|-------------------------------|------------------|
| 1. MCA Barisa Deko Bana       | Chairperson      |
| 2. MCA Bwana Mohamed Bwana    | Vice-Chairperson |
| 3. MCA Francis Ngure Gakonga  | Member           |
| 4. MCA Paul Kimani Njuguna    | Member           |
| 5. MCA Aisha Ali Abdulrahman  | Member           |
| 6. MCA Suleiman Mohamed Farah | Member           |
| 7. MCA Amina Hassan Bwanamkuu | Member           |
| 8. MCA Mohamed Aboud Abubakar | Member           |
| 9. MCA James Njaaga Kariuki   | Member           |

**ACKNOWLEDGEMENTS**

Mr Deputy Speaker Sir, first and foremost, on behalf of this Committee I wish to express our gratitude to the offices of Speaker and the Assembly Clerk for the support received as it discharged its mandate of examining the Lamu County Budget Review Outlook Paper FY 2024/25.

Further, I wish to express my appreciation to the Honorable members of the committee who traded off their time to participate in the activities of the Committee and whose dedication and fortitude saw the completion of this report.

Special appreciation also goes to the Secretariat to the Committee who, on several occasions, had to go beyond the normal call of duty. The commitment and devotion to duty of all those involved in this noble task made the work of the Committee and production of this report a success. Finally, Mr Deputy Speaker, the Committee extends its appreciation to the citizens of Lamu County for their patriotism and input in development programs and prioritization, which has really helped enhance the need identification for the County.

Mr Deputy Speaker Sir, it is therefore my pleasant duty and privilege, on behalf of the Finance, Budget & Appropriations Committee, to table this report on consideration of the Lamu County Budget Review Outlook Paper for the Financial Year 2024/25 recommend it to the House for adoption.

**ANALYSIS OF THE LAMU COUNTY BUDGET REVIEW OUTLOOK PAPER, -2024/25**

Mr Deputy Speaker Sir, In the Financial Year 2024/2025, the County Assembly approved a total budget of Kshs. 5.288 billion, to be financed as Equitable Share: Kshs. 3.362 billion (63.6%), Additional Allocations/Conditional Grants: Kshs. 1.157 billion (21.9%), Own Source

Revenue, including FIF: Kshs. 290 million (5.5%) & Balance Brought Forward: Kshs. 478 million (9%).

Mr Deputy Speaker, during budget implementation, the County Treasury revised the estimates to align county policy priorities with the changing fiscal environment, in compliance with the Public Finance Management framework.

Mr Deputy Speaker, during the period under review, Lamu County Government implemented a supplementary budget of Kshs. 4.98 billion, reflecting a 9% increase compared to the previous financial year. After accounting for ring-fenced funds under the Health Facility Improvement Financing Act, 2023, and the Alcoholic Drinks Control Act, 2020 totaling Kshs. 132.5 million. The net revenue available for appropriation stood at Kshs. 4.86 billion. Out of this, Kshs. 1.90 billion (39%) was allocated to development programmes & Kshs. 2.95 billion (61%) was allocated to recurrent expenditure.

Mr Deputy Speaker Sir, during the financial year under review, the County spent a total of Kshs. 4.05 billion, representing an absorption rate of 83% of the approved budget. Recurrent expenditure amounted to Kshs. 2.81 billion, reflecting a 95% absorption rate & Development expenditure stood at Kshs. 1.24 billion, with an absorption rate of 65%.

Mr Deputy Speaker, by economic classification: Kshs. 1.67 billion was spent on compensation of employees, Kshs. 719.1 million on operations and maintenance, & Kshs. 1.24 billion on development activities.

## **REVIEW OF COUNTY FISCAL PERFORMANCE FOR FY 2024-25**

### *REVENUE PERFORMANCE*

Mr Deputy Speaker Sir, the County received Kshs.4.68 billion in revenues in the review period to fund its development and recurrent activities. This amount represented a 12 per cent increase compared to the amount received in FY 2023/24 of Kshs.4.17 billion. The total revenue consisted of Kshs.3.25 billion from the equitable share of revenue raised nationally. Other revenue streams included additional

allocations from the national government and development partners, amounting to Kshs.336.66 million, as well as own-source revenue (OSR) collection of Kshs.234.88 million. Additionally, the County had a cash balance of Kshs.534.17 million from FY 2023/24. The total OSR collection of Kshs.234.88 million included Facilities Improvement Financing (FIF) of Kshs. 140.18 million, and Kshs.94.6 million from other OSR sources.

#### **SETTLEMENT OF PENDING BILLS.**

Mr Deputy Speaker Sir, at the beginning of FY 2024/25, the County reported a stock of pending bills amounting to Kshs. 39.53 million, comprising Kshs. 21.19 million for recurrent expenditure and Kshs. 18.34 million for development activities. The County settled pending bills totaling Kshs. 24.80 million, consisting of Kshs. 6.31 million for recurrent expenditure and Kshs. 18.49 million for development programmes. As of June 30, 2025, the outstanding pending bills amounted to Kshs. 32.11 million for recurrent expenditure, with no pending bills for development. All the outstanding bills were under the County Executive, as the County Assembly had none.

#### *Recurrent Pending bills*

RECCURRENT PENDING BILLS AS AT 30 JUNE 2025	TOTAL ELIGIBLE PENDING BILLS (Kshs.)
DEPARTMENT	
Land, Physical Planning, Urban Development And Natural Resources	279,543.00
Trade	4,687,000.00
Public Health	791,300.00
Fisheries, Blue Economy, Livestock And Co-Operatives	-
Finance	13,606,394.20
Infrastructure	-
PSM	3,067,838.00
Water	349,580.00
Medical Services	8,220,673.00
County Public Service Board	1,111,923.00

Municipality	-
<b>Total Recurrent pending bills</b>	<b>32,114,251.20</b>

### **Expenditure by Economic Classification**

Mr Deputy Speaker Sir, the analysis indicates that the County Executive spent Kshs.1.66 billion on employee compensation, Kshs.719.14 million on operations and maintenance, and Kshs.1.235 billion on development activities. Similarly, the County Assembly spent Kshs.182.739 million on employees' compensation, Kshs. 236.80 million on operations and maintenance, and Kshs.4.49 million on development activities.

### **DEPARTMENTAL EXPENDITURES**

Mr Deputy Speaker Sir, the analysis of expenditure by departments shows that the Department of Road, Transport, Infrastructure & Public Works recorded the highest absorption rate of development budget at 86.9%, followed by the department of Medical Services and Trade, Investment & Tourism at 85.6% and 85.9% respectively. The Department of Finance had the highest percentage of recurrent expenditure at 99.9% while the Department of Devolutions. Disaster and Resource Mobilization had the lowest at 18.9%.

### **DEVELOPMENT EXPENDITURE**

Mr Deputy Speaker Sir, the County reported expenditure of Kshs.1.239 billion on development programmes, representing an increase of 54% compared to FY 2023/24 when the County spent Kshs.805.04 million.

### **RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK**

Mr Deputy Speaker Sir, the global growth is projected to stay at 3.1% in 2024 and rise slightly to 3.2% in 2025 & Inflation is expected to continue falling globally, with the IMF forecasting it to decrease to 5.8% in 2024 and 4.4% in 2025. Kenya's economy has seen a moderation in growth for

2024, but it is expected to rebound in 2025, supported by a recovery in agriculture and a strong performance in sectors like finance, transport, and tourism, although it remains susceptible to risks like fiscal challenges and weather events, according to World Bank.

Mr Deputy Speaker Sir, the outlook for 2025 is positive, with projected growth of 5.2%, driven by continued agricultural recovery and economic policies. However, risks to this outlook include fiscal constraints, political uncertainty, and unpredictable weather.

## **COUNTY ECONOMIC OUTLOOK**

### *Gross County Product (GCP)*

Mr Deputy Speaker Sir, GCP is a measure of how much each county contributes to Kenya's GDP. According to Kenya National Bureau of Statistics, Gross County Product Report 2022, the Lamu Count GDP was estimated at KSHS.40164 Million (in current process) which is 0.3% of the national GDP in 2022. Lamu GCP for 2018-2022 has remained almost constant in the entire five-year period.

## **FISCAL PROJECTIONS**

Mr Deputy Speaker Sir, the County's total resource envelop for FY 2026/2027 is projected at Kshs. 4,934 billion.

## **Recommendations**

- 1.** Prioritize timelines: Ensure CARA and County Governments Additional Allocations Act are enacted before 30th June each year, in line with PFM Act, 2012 timelines, to provide legal certainty for disbursements.
- 2.** Priority to be given to initiatives that promote job creation, poverty reduction, cost-effectiveness and sustainability.
- 3.** Hold Contractors Accountable – impose penalties for contractors and suppliers who do not deliver as per the agreement.

4. Introduce framework contracts for recurrent items and fast-track procurement rules for time-sensitive projects, ensuring implementation even with late disbursements.
5. Completion of ongoing projects and clearance of pending bills.
6. Mitigate fiscal risks from finance bill failures.
7. Enact CARA and the Additional Allocations Act together – synchronize the two Acts to avoid a situation where Counties receive equitable share without clarity on conditional grants, or vice versa.

*Secunder*

**MCA Bwana Mohamed Bwana** (*Majority Leader*): Asante sana Bwana Naibu Spika. Bwana Naibu Spika nimesimama kuunga mkono ripoti iliyosomwa na Mwenyekiti wa Kamati ya Bajeti Mheshimiwa Barisa. Pili nikiwa Naibu wa kamati hiyo ningependa kumpongeza Mwenyekiti wangu na Kaunti nzima kwa jumla. Bwana Naibu Spika, ripoti hii ni muhimu sana kwa sababu hati ya mapitio na mtazamo wa bajeti ya Kaunti (CBROP) ndio inatupatia mwongozo wa namna ya kutengeneza bajeti inayokuja. Mambo muhimu yanayofaa kuangaziwa Bwana Naibu Spika ni upande wa mapato, nipongeze FIF na Waheshimiwa wenzangu kwa kuupitisha mswada ambao umeweza kuleta matunda. Kwa sababu katika ripoti iliyosomwa na Mwenyekiti wangu naona wameweza kukusanya ksh 1,040,000.18 ambayo imepita kiwango cha kile walichokadiria.

Kwa hivyo ningemuomba Mwenyekiti wangu tuweze kutengeneza ratiba ya kumuita Waziri wa fedha katika Bunge hili letu la Lamu ili atupatie mwelekeo wa hii ksh 94,000,000 kwa nini imeshuka katika ukusanyaji wa mapato hayo mengine. Katika upande wa maendeleo kuna Idara ambazo zinapata pesa nyingi sana na hazina matumizi mingi kwa Kaunti hii yetu. Kwa hivyo namalizia kwa kuwaomba Waheshimiwa wenzangu haswahaswa wale waliochaguliwa na wananchi tuungane kwa pamoja katika kuipitisha ripoti hii ili tuweze kupata miradi tofauti tofauti ambayo itaweza kuleta maendeleo katika Wadi zetu.

*Motion proposed*

### **Members Contributions**

**MCA Hope Wanjiku Mwaura (Nominated):** Thank you Mr Deputy Speaker. Mr Deputy Speaker Sir, I also stand to support and contribute the motion which has been brought forward by Honorable Barisa on the importance of County Budget Review and Outlook Paper (CBROP). Since it highlights actual performance of the previous financial year against the budget appropriations that were passed in that year by the County Assembly.

Mr Deputy Speaker Sir, the Chair for budget has taken us through the report we've seen the adoption rate of the various Departments, we have also seen the recommendations by the same Committee. But there is one recommendation that I feel that I should insist which reads "Contractors should be held accountable and those that do not complete their projects on time then a penalty or fine should be imposed on them". As we all know this is public money that they are wasting, so any contractor who will not deliver as per the agreement actions should be taken against them.

Mr Deputy Speaker Sir, I support all the recommendations done by the Budget Committee as we can see they have done a good job led by their Chair and their Committee Clerk.

**MCA James Njaaga Kariuki (Hindi):** Asante sana Bwana Naibu Spika kwa kunipa nafasi ya kuchangia. Pili ningependa kumpongeza Mwenyekiti wangu kwa kuileta ripoti hii Bungeni baada ya kukalia chini sisi kama Wanakamati. Bwana Naibu Spika jambo lililoweza kunivutia katika ripoti hii ni kwamba tunaweza kujua namna matumizi ya pesa yameweza kutumika katika miaka ya nyuma. Na tukiangalia zaidi tutaona Idara ya barabara na ujenzi imeweza kutumia zaidi ya 86%. Pia Idara ya biashara, uwekezaji na utalii na pia Idara ya fedha zimeweza kutumia pesa vizuri.

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Lakini kwa masikitiko makubwa tunaona Idara ya ugatuzi na rasilimali imeweza kutumia pesa kidogo sana ambayo ni 18%. Hii ripoti wakati inaletwa kwetu inaweza kutupatia taswira nzuri ya ni namna gani pesa zinatumika katika Idara tofauti tofauti. Mwisho namalizia kwa kuipongeza Ofisi yako pamoja na Ofisi ya Karani wa Bunge kwa kutupa nafasi ili tuwez

### Mover's Response

**MCA Barisa Deko Bana (Basuba):** Asante sana Bwana Naibu Spika, pili ningependa kuwashukuru Waheshimiwa waliochangia. Iwapo tutaweza kuipitisha ripoti hii basi tutaweza kupata manufaa makubwa sana katika Kaunti hii yetu ya Lamu. Mwisho namalizia kwa kuishukuru Ofisi yako, Ofisi ya Karani wa Bunge pamoja na Karani wa kamati hii yetu ya bajeti kwa ushirikiano wenu mkubwa ili kutuwezesha sisi kama Wanakamti kuja na ripoti hii.

(Question put and agreed upon)

**[Deputy Speaker (Honorable Paul Kimani Njuguna)]:** Next motion

### *SECOND READING OF THE LAMU COUNTY AGRICULTURAL MECHANIZATION SERVICE BILL 2025.*

**MCA Aisha Ali Abdulrahman (Nominated):** Thank you Mr Deputy Speaker. Mr Deputy Speaker Sir, I beg to move the following motion:

**THAT**, the Lamu County Agricultural, Mechanization Service Bill of 2025 be now read a second time.

Seconder

**MCA Beatrice Wamaitha Munge (Nominated):** Thank you Mr Deputy Speaker. Mr Deputy Speaker Sir, I stand to second since it ensures value

for money in Lamu County. And therefore the citizens of Lamu County will benefit.

Motion Proposed

### Members Contributions

**MCA Hope Wanjiku Mwaura (Nominated):** Thank you Mr Deputy Speaker for giving me this opportunity. Mr Deputy Speaker Sir, I stand to support the motion as we are all aware on the importance of agriculture in our Country. As we know many people practices agriculture as a main source of livelihood because we get to see many parents practice agriculture and take their children to school. So when this Bill will be adopted by the House and implemented by the County Government this means that we will change the narrative of how agriculture is being practiced in our County to modernized agriculture. The purpose of this Bill, it will provide training and mechanization extension services to farmers, pasteurized extension staff, technicians and operators of the agricultural machinery facilities.

Mr Deputy Speaker Sir, you get to see that most farmers in our County the kind of agriculture that they practice, they do not use machinery on their farms. This Bill will also engage partnerships with the National Government and the service providers in the various Wards. This Bill also has a fund which is known as Lamu County Agricultural Mechanization Fund which will be managed and administered.

### Mover's Response

**MCA Aisha Ali Abdulrahman (Nominated):** Thank you Mr Deputy Speaker and thank you Members of Agriculture Committee who has sit down and amend this Bill. Mr Deputy Speaker, I also congratulate Honorable Speaker together with the Clerk for facilitating the Committee and end up come with this Bill.

(Question put and agreed upon)

**[Deputy Speaker (Honorable Paul Kimani Njuguna)]:** Next motion

*SECOND READING OF THE LAMU COUNTY AGRICULTURAL DEVELOPMENT  
AND RESEARCH BILL, 2025.*

**MCA Aisha Ali Abdulrahman (Nominated):** Thank you Mr Deputy Speaker. Mr Deputy Speaker Sir, I beg to move the following motion: -

**THAT**, the Lamu County Agricultural Development and Research Bill of 2025 be now read a second time.

Secunder

**MCA Beatrice Wamaitha Munge (Nominated):** Thank you Mr Deputy Speaker for giving me this opportunity to echo my voice. As we all know this Bill will ensure the proper distribution of seeds, fertilizers and herbicides and also proper information will be given to the citizens of Lamu County. There is also one thing that is very important since it is raining season this Bill will ensure that even timely distribution of farming inputs which will include fertilizers, seeds etc.

Motion Proposed

### **Members Contributions**

**MCA Hope Wanjiku Mwaura (Nominated):** Thank you Mr Deputy Speaker for giving me this opportunity to contribute this motion. Mr Deputy Speaker Sir, most of our farmers in our County practice farming without proper research. So when this Bill will be adopted and our farmers are enlightening more about it this means such cases will be so rare. Boardrooms will be available for our farmers to be trained more and equipped with good knowledge regarding to agriculture. In those training

centers there will be hostels and catering facilities whereby we will end up create job opportunities to our youths and women.

**Mover's Response**

**MCA Aisha Ali Abdulrahman** (*Nominated*): Asante sana Bwana Naibu Spika, pili ningependa kuwashukuru waliochangia mswada huu. Kusema kweli mswada huu ukipita basi itaweza kutusaidia sisi wakaazi wa Lamu Kaunti haswahaswa wakulima.

(Question put and agreed upon)

**ADJOURNMENT**

**[Deputy Speaker (Honorable Paul Kimani Njuguna)]**: Honorable Members, there being no other business, the Assembly stands adjourned until today Wednesday 29th October, 2025 at 2:30 p.m.

***The Assembly rose at 12 p.m.***