COUNTY GOVERNMENT OF LAMU

THE COUNTY ASSEMBLY OF LAMU

THE HANSARD

Wednesday 24th June, 2026

The Assembly met at the

Main Chambers, at 2:30 p.m.

[The Temporary Speaker (MCA Beatrice Wamaitha Munge) in the Chair]

PRAYERS

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Next Order.

Clerk-at-the-Table: Communication from the Chair.

COMMUNICATION FROM THE CHAIR

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: May I take this opportunity to inform the House that. this Honourable House has received a petition from Lamu County Representatives of the Coast Regional Budget Hub and Faza Youth Action Group on: -

Systemic non-compliance with Constitutional and Statutory requirements for public participation and Transparency in the Budget process.

The petition was received through the Clerk office pursuant to Section 4 and 5 of the Lamu County Petition to County Assembly (Procedure) Act, 2015 and Standing Order 209 of the Lamu County Assembly.

Honourable members,

The petitioners pray that, the County Assembly: -

1. Institutionalize independent participation

2. Ensure mandatory publication

3. Establish a dedicated budget line

4. Operationalize Civic Education

5. Enhance Oversight

6. Enforce fiscal law compliance

7. Redirect recurrent costs

8. Prioritize the Blue economy

9. Rationalize Assembly spending

Honourable members,

Members of the public who signed the petition are almost twenty.

Honourable members,

Having been forwarded to the County Assembly, the Assembly is therefore obligated to make determination of the prayers sought by the public through their representatives as provided under the provisions of the Lamu County Assembly (Procedure) Act, 2015 and Standing Order 209 of the Lamu County Assembly

Honourable members,

I refer you to Article 37 of the Constitution which guarantee right to present public Authorities, Article 10 of the Constitution guarantee public petitions participation and good governance, Article 174(c) of the Constitution guarantees to Citizen participation in devolved governance. Article 196(1)(b) of the Constitution guarantees the County Assembly must facilitate public participation. Section 15 County Government Act guarantees specific rights to petition County Assemblies Article 35 guarantees access to information to support petitions. Therefore, I refer the petition to the Committee on Procedure and Rules.

Honourable members,

Therefore, at this point I direct the Rules and Procedure Committee to consider the petition and the prayers extensively as provided for in the Constitution as well as the Lamu County Assembly (Procedure) Act, 2015

I further advise the Committee to conclude its' report and submit the same to the Assembly to enable timely consideration and finalization within the stipulated timelines.

Honourable members,

I therefore direct and wish the Procedure and Rules committee wisdom and resource to effectively and expediently reach conclusion on the matter guided by total fidelity) to the law and taking into account the larger interest of the County and its people.

Thank you.

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Next Order.

Clerk-at-the-Table: Statements.

STATEMENTS

THE CONDUCT OF PORTERS AT VARIOUS LANDING SITES WITHIN THE COUNTY

MCA Mohamed Aboud Abubakar *(Faza)*: Thank you Madam Speaker**.**

Madam Speaker,

I seek a Statement from the County Executive Committee Member responsible for Transport. Maritime Affairs and Public Safety Pursuant to Standing Order 47 of the County Assembly Standing Orders, regarding the conduct of porters at various landing sites within the County.

Madam Speaker,

Landing sites serve as critical transport and economic hubs for residents, fishermen, traders. tourists and other users of water transport; porters play an important role in assisting passengers and handling luggage at landing sites:

Madam Speaker,

In recent times some porters have developed the practice of rushing towards boats immediately upon docking and boarding them before passengers have safely disembarked;

this practice causes congestion, confusion and unnecessary pushing and pulling, thereby exposing passengers, including the elderly, children, persons with disabilities and tourists, to the risk of accidents, injuries and possible drowning;

Madam Speaker,

Lack of proper regulation and enforcement of safety procedures at landing sites may undermine public confidence in water transport services and compromise public safety

Madam Speaker,

The safety of passengers must remain a priority at all landing sites. Immediate intervention is necessary to prevent avoidable accidents and ensure orderly operations within our maritime transport sector.

I therefore request the County Executive Committee Member to provide information on following:

1. Whether the County Government is aware of the unsafe conduct of porters at landing sites who board boats before passengers have safely disembarked.

2. What measures have been put in place to regulate the activities of porters and ensure compliance with safety standards at all landing sites.

3. Whether there are designated waiting areas for porters and mechanisms to prevent them from accessing boats before passengers have safely exited.

4. What enforcement actions have been taken against individuals or groups violating g safety regulations at landing sites.

5. Whether the County Government will collaborate with relevant national agencies, and order at landing Sites including the Kenya Maritime Authority and security agencies, to enhance safety.

6. The timelines within which the County Government intends to implement stricter safety measures and public awareness programs to protect passengers.

Thank you.

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Response from the Chair, Vice Chair or any other member from the committee**.**

MCA Amina Hassan Bwanamkuu *(Nominated)*: Thank you Madam Speaker, I would like us to be given 2 weeks so that we can bring the response to the House.

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Honorable Simba, are you satisfied with that response?

MCA Mohamed Aboud Abubakar *(Faza)*: Yes, I am satisfied Madam Speaker.

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Next Order.

Clerk-at-the-Table: Motion.

MOTION

APPROVAL OF THE REPORT OF THE SELECT COMMITTEE ON BUDGET AND APPROPRIATIONS ON THE CONSIDERATION OF THE MEDIUM-TERM FRAMEWORK 2026/27-2028/29 BUDGET ESTIMATES

MCA Barisa Deko Bana *(Basuba)*: Thank you Madam Speaker.

Madam Speaker, I would like to move the following motion: -

THAT, this Assembly adopt the Report of $select Committee on Budget and Appropriations on the Consideration of Medium-Term Framework 2026/27-2028/29 and Annual Budget Estimates for the year ending 30th June 2027, laid on the table of the Assembly on Tuesday 23rd June 2026.

Madam Speaker, kindly allow me to read the report.

Madam Speaker, on behalf of the Members of County Budget and Appropriations Committee and as required under Article 224 of the Constitution of Kenya as well as Section 131 of the Public Finance Management Act (2012).

Madam Speaker, I hereby present to the House, the County Budget and Appropriations committee report on consideration of the Lamu County Medium Term Expenditure Framework Budget Estimates 2026/27 - 2028/29 and Annual Budget for the year ending 30 June 2027, which were submitted to the County Assembly for review and approval by Mr. Mohamed Mbwana Ali – the County Executive Committee Member Finance, Budget, Strategy and Economic Planning on 30th April 2026.

Madam Speaker, The Lamu County Assembly and the Lamu County Executive Medium Term Expenditure Framework (2026-2027 Programme Based Budget) were tabled on 14th May 2026 and committed to the County Budget &

Appropriations Committee in accordance with the Standing Orders of the County Assembly of Lamu.

Madam Speaker, The PFM Act, 2012 sets a minimum of 30% of total expenditure of budget which should be set aside for development expenditure in the medium term. It is expected that once the development priorities are spelt out in the ADP 2026/27, this will enable the County meet the threshold of the development expenditure for financial year 2026/27 as stipulated in the PFM Act, 2012.

Madam Speaker, In the wake of the soaring wage bill and various economic challenges within the County, there is need to observe strict fiscal discipline while giving close attention to areas that will spur economic growth of the County. Key focus should be put on County priority plans and programs to ensure improved service delivery and prompt implementation of budgeted activities. Arising from limitation of resources and at the same time competition for scarce resources between a number of priorities programmes, developing a list of priority programmes and projects is essentially important to ensure that those programmes are appropriately implemented.

Madam Speaker, in this spirit of ensuring that all the above matters are actually achieved and observed within the Medium-Term Expenditure Framework Budget 2026-27 the Committee ventilated through the proposals and from which observations were deduced and recommendations drawn.

Madam Speaker, The County Budget & Appropriations Committee has therefore examined and discussed the Medium-Term Expenditure Framework Budget 2026/27 - 2028/29 and Annual Budget for the year ending 30 June 2027 and has made some observations & recommendations as contained in this report.

COMMITTEE MANDATE

Madam Speaker, the Committee on County Budget and Appropriations is established under Standing Order No. 200 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 Fiscal Strategy Paper presented to the County Assembly, including the Annual and County Integrated development plans
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

Madam Speaker, the County Budget and Appropriations Committee as currently constituted includes the following members:

1. MCA Barissa Deko Bana	Chairperson
2. MCA Bwana Mohamed Bwana	Vice-Chairperson
3. MCA Paul Kimani Njuguna	Member
4. MCA John Mburu Gitonga	Member
5. MCA Suleiman Farah	Member
6. MCA Mohamed A Abubakar	Member
7. MCA Mercy Wangeci Nyambura	Member
8. MCA Mercy Riziki Nzai	Member
9. MCA Amina H Bwanamkuu	Member

Madam Speaker, in reviewing the 2026/27 Budget Estimates the Committee held **twelve** Committee sittings and in-depth consultation with sectorial committees on the relevant departmental allocations. Engagement with respective departments schedule below:

NO	DATE	DEPARTMENT	TIME
1	2nd June 2026	Lands, Physical Planning, infrastructure urban development, water & resources	830-1030am
		Infrastructure and Energy	
		Water management & Conservation	
		Lamu Municipality	
		Health services, sanitation & Environment	11AM – 130PM
		Information communication & E-government	330pm-5pm
2	3rd June	Fisheries & Blue Economy	330PM-5PM
3	4th June 2026	Education, Gender, Youth affairs, Sports & Social services	830-1030am
		Trade, Investments, Culture & Tourism	11am – 130pm
		County Assembly of Lamu	330PM – 5PM
4	5th June 2026	Agriculture, irrigation & Food security	830-930
		County Public Service board	10am-11am
5	9th June 2026	County Executive	830-1030am

		Devolution disaster management & Resource mobilization	
		Finance, economy and strategic planning	11am – 130pm
		Budget & Economic planning	330-5pm

HIGHLIGHTS OF THE 2026-27 BUDGET ESTIMATES

Mr. Speaker Sir, the FY 2026/27 Budget Estimates as submitted had projected revenue of **Kshs 5,717,007,935.** The County expects to collect **Kshs 323,000,000** as Own Source Revenue as summarized below:

RENENUE STREAM	**FY 2025-2026**	**FY 2026-2027**
EQUITABLE SHARE	3,857,621,205	3,987,831,441
OSR	150,000,000	160,000,000
FIF	130,000,000	160,000,000
LIQUOR	3,000,000	3,000,000
Balance B/F (Roll Over Projects)		484,465,901
SUBTOTAL	4,140,621,205	**4,795,297,342**
Balance B/F Kenya Urban Support Project - Urban Institutional Grant (KUSP) UDG		24,863,023
Balance B/F (FLLOCA)		45,000,000
CONDITIONAL GRANT	916,788,869	851,847,570
SUBTOTAL		**921,710,593**
TOTAL	**5,057,410,074**	**5,717,007,935**

CONDITIONAL GRANTS 2026-2027		
	Printed Estimates 2025/2026	**Projection Estimates 2026/2027**
Food Systems Resilience Project (FSRP)	246,153,846	257,501,062
Construction of County Headquarters (CHQ	120,000,000	71,630,000
DANIDA grant to finance primary Health Care in Devolved Context	5,842,500	-
Resilient and Reproductive Health care	-	27,216,508
Kenya Urban Support Project- Urban Development Grant (KUSP) UIG	-	35,500,000
Kenya Urban Support Project - Urban Institutional Grant (KUSP) UDG	24,863,023	-
Kenya Devolution Support Program (Level 1 Grant) (KDSP)	72,909,500	37,500,000
Kenya Devolution Support Program (Level 2 Grant) (KDSP)	352,500,000	352,500,000

Financing Locally- Led Climate Action Program, FLLOCA) CCRI Grants	80,000,000	70,000,000
Subtotal grants	**902,268,869**	**851,847,570**

Madam Speaker, the Committee is cognizant of the funds received as conditional grants from development partners, which play a critical role in uplifting the livelihood. However, the committee is concerned that donor work plans are not submitted to the County Assembly for approval.

Madam Speaker, it is important to note that the balance brought forward is for both the recurrent and development expenditure allocation balance of the current financial year 2026/27.

Madam Speaker, the total recurrent expenditure for the financial year 2026/2027 as was submitted accounts for Kshs. three billion four hundred forty-one million nine hundred ninety-one thousand six hundred ninety-seven shillings **(Kshs. 3,441,991,697)** which constitute **60%** of the total budget**.** Compensation to employee's accounts for Kshs. two billion fourty-nine million five hundred seventy-eight thousand three hundred eighty-eight shillings **(Kshs.2,049,578,388)** of the total expenditure translating to 36% while other recurrent expenditure allocated for Operations, accounts for Kshs. one billion three hundred ninety-two million four hundred thirteen thousand three hundred and nine shillings and four cents **(Kshs. 1,392,413,309)** translating to **24%** of county total expenditure.

Summary of Expenditure by Vote and Economic Classification, 2026/2027 - 2028/2029

Economic Classification	**Estimates**	**Projected Estimates**	
	2026/2027	**2027/2028**	**2028/2029**

	KShs.	KShs.	KShs.
Current Expenditure	**3,441,991,697**	**3,462,538,025**	**3,496,664,521**
2100000 Compensation to Employees	2,049,578,388	2,071,098,960	2,092,845,502
2200000 Use of Goods and Services	810,399,630	806,764,338	814,977,675
2600000 Current Transfers to Govt. Agencies	459,774,319	462,667,603	465,591,341
2700000 Social Benefits	80,000,000	80,840,000	81,688,820
2800000 Other Expense	2,000,000	-	-
3100000 Non Financial Assets	40,239,360	41,167,124	41,561,183
4100000 Financial Assets	-	-	-
Capital Expenditure	**2,275,016,238.00**	**-**	**-**
2200000 Use of Goods and Services	179,500,000	-	-
2600000 Capital Transfers to Govt. Agencies	457,363,023	-	-
3100000 Non Financial Assets	1,638,153,215	-	-
Total Expenditure	**5,717,007,935**	**3,462,538,025**	**3,496,664,521**

Madam Speaker, The total development expenditure for the FY 2026/27 budget accounts for Kshs. two billion two hundred seventy-five million sixteen thousand two hundred thirty-eight shillings **(Kshs. 2,275,016,238).** This development expenditure translates to **40%** of the total expenditure.

Madam Speaker, the allocation is above the **30% threshold** required by the Public Finance Management Act, 2012 (PFMA 2012), reflecting the County's strong commitment to investing in transformative projects.

Recurrent Expenditure per Department

Head	Estimates 2026/2027		
	Gross Expenditure	Appropriations in Aid	Net Expenditure
		Kshs.	
3211000000 COUNTY ASSEMBLY	479,609,506	-	479,609,506
3212000000 COUNTY EXECUTIVE	204,041,057	-	206,041,057
3213000000 FINANCE, ECONOMY & STRATEGIC PLANNING	1,961,820,713	-	1,959,820,713
3214000000 AGRICULTURE & PLANNING	24,000,000	-	24,000,000
3215000000 LAND, PHYSICAL PLANNING, INFRASTRUCTURE, URBAN DEV, WATER & RESOURCES	20,000,000	-	20,000,000
3216000000 EDUCATION, GENDER, YOUTH AFFAIRS, SPORTS & SOCIAL SERVICES	102,500,000	3,000,000	99,500,000
3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	372,772,261	160,000,000	212,772,261
3218000000 TRADE, INVESTMENT, CULTURE & TOURISM	30,500,000	-	30,500,000

3219000000 INFORMATION, COMMUNICATION & E-GOVERNMENT	11,000,000	-	11,000,000
3220000000 FISHERIES, LIVESTOCK, VETERINARY & COOPERATIVE DEVP	16,970,360	-	16,970,360
3221000000 COUNTY PUBLIC SERVICE BOARD	12,000,000	-	12,000,000
3223000000 WATER MANAGEMENT AND CONSERVATION	60,000,000	-	60,000,000
3227000000 BUDGET AND ECONOMIC PLANNING	10,000,000	-	10,000,000
3228000000 INFRASTRUCTURE AND ENERGY	13,000,000	-	13,000,000
3229000000 LAMU MUNICIPALITY	54,277,800	-	54,277,800
3230000000 DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE MOBILIZATION	69,500,000	-	69,500,000
TOTAL FOR VOTE 3210000000 LAMU COUNTY	**3,441,991,697**	**163,000,000**	**3,278,991,697**

Development Expenditure per Department

HEAD	Estimates 2026/2027

	Gross Expenditure
3211000000 COUNTY ASSEMBLY	130,000,000
3212000000 COUNTY EXECUTIVE	26,500,000
3214000000 AGRICULTURE & PLANNING	335,501,062
3215000000 LAND, PHYSICAL PLANNING, INFRASTRUCTURE, URBAN DEV, WATER & RESOURCES	66,453,100
3216000000 EDUCATION, GENDER, YOUTH AFFAIRS, SPORTS & SOCIAL SERVICES	242,175,000
3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	222,237,586
3218000000 TRADE, INVESTMENT, CULTURE & TOURISM	37,076,000
3219000000 INFORMATION, COMMUNICATION & E-GOVERNMENT	166,664,076
3220000000 FISHERIES, LIVESTOCK, VETERINARY & COOPERATIVE DEVP	97,792,496
3223000000 WATER MANAGEMENT AND CONSERVATION	124,328,156
3228000000 INFRASTRUCTURE AND ENERGY	284,600,000
3229000000 LAMU MUNICIPALITY	105,558,763
3230000000 DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE MOBILIZATION	436,130,000
TOTAL FOR VOTE 3210000000 LAMU COUNTY	**2,275,016,238**

Madam Speaker, the 2026/27 Budget Estimates summary of expenditure by Vote and Category as below:

VOTE CODE TITLE	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	2026/2027 - KSHS		
3211000000 COUNTY ASSEMBLY	479,609,506	130,000,000	609,609,506
3212000000 COUNTY EXECUTIVE	204,041,057	26,500,000	230,541,057
3213000000 FINANCE, ECONOMY & STRATEGIC PLANNING	1,961,820,713	-	1,961,820,713
3214000000 AGRICULTURE & PLANNING	24,000,000	335,501,062	359,501,062
3215000000 LAND, PHYSICAL PLANNING, INFRASTRUCTURE, URBAN DEV, WATER & RESOURCES	20,000,000	66,453,100	86, 453,100
3216000000 EDUCATION, GENDER, YOUTH AFFAIRS, SPORTS & SOCIAL SERVICES	102,500,000	242,175,000	344,675,000
3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	372,772,261	222,237,586	595,009,847

3218000000 TRADE, INVESTMENT, CULTURE & TOURISM	30,500,000	37,076,000	67,576,000
3219000000 INFORMATION, COMMUNICATION & E-GOVERNMENT	11,000,000	166,664,076	177,664,076
3220000000 FISHERIES, LIVESTOCK, VETERINARY & COOPERATIVE DEVP	16,970,360	97,792,496	114,762,856
3221000000 COUNTY PUBLIC SERVICE BOARD	12,000,000	-	12,000,000
3223000000 WATER MANAGEMENT AND CONSERVATION	60,000,000	124,328,156	184,328,156
3227000000 BUDGET AND ECONOMIC PLANNING	10,000,000	-	10,000,000
3228000000 INFRASTRUCTURE AND ENERGY	13,000,000	284,600,000	297,600,000
3229000000 LAMU MUNICIPALITY	54,277,800	105,558,763	159,836,563
3230000000 DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE MOBILIZATION	69,500,000	436,130,000	505,630,000

TOTAL VOTED EXPENDITURE ... KShs.	3,441,991,697	2,275,016,238	5,717,007,936

Madam Speaker, the 2026-27 Budget Estimates have met some of the fiscal responsibilities in section 107(2) (a) (b) of the PFM Act, which requires a county government's recurrent expenditure not to exceed the county government's total revenue, and over the medium term a minimum of thirty percent of the county government's budget to be allocated to the development expenditure.

Madam Speaker, over the medium term, the County Government of Lamu does not intend to borrow funds to finance its development expenditure either through internal or external borrowing. County own revenue, equitable share, conditional grants and locally generated revenues will therefore finance the 2026/2027 budget.

Madam Speaker, The County Executive Committee Member for Finance did not attach a memorandum to the County Assembly on how the County Government intends to reduce this expenditure to the set limit in the PFM Act, (County Government Regulations, 2015).

LINKING THE 2026/27 MTEF BUDGET WITH 2026/27 COUNTY FISCAL STRATEGY PAPER AND THE 2026/27 ANNUAL DEVELOPMENT PLAN.

Madam Speaker, the County Fiscal Strategy Paper is an important document, which provides the broad policy thrust for the County government. In addition to this, the overarching document provides direction with regard to the allocation of resources between all the Programs and departments within the County Government.

Madam Speaker, the current approach to budgeting notably the medium-term Expenditure Framework (MTEF) demands a strong link between planning and budgeting. The county fiscal strategy paper also strengthens the link between policy, planning and allocation of resources. This means that the County Fiscal Strategy Paper should inform the budget estimates and the deviation if any between the amounts of expenditure and revenue proposed in the County Fiscal Strategy Paper from those of the budget estimates should be minimal. A comparison of the 2026/2027 County Fiscal Strategy paper revenue estimates and 2026-27 Revenue Estimates has been tabulated below:

REVENUE/EXPENDITURE PROJECTIONS	**CFSP2026-27**	**FY 2026/2027 (KSHS.)**
NATIONAL GOVERNMENT EQUITABLE SHARE	3,907,702,065	3,987,831,441
CONDITIONAL GRANTS	923,367,569.45	851,847,570
TOTAL EXCHEQUER ISSUES	5,103,569,634.45	
OWN SOURCE REVENUE (OSR)	272,500,000	323,000,000
BALANCE B/F		484,465,901
TOTAL REVENUE	**5,103,569,634.45**	**5,717,007,935**
EXPENDITURE		
COMPENSATION TO EMPLOYEES	2,099,950,059	2,049,578,388
OPERATIONS AND MAINTENANCE	1,416,626,637	1,392,413,309
DEVELOPMENT EXPENDITURE	1,586,992,938	2,275,016,238
TOTAL EXPENDITURE	**5,103,569,634.45**	**5,717,007,935**
SURPLUS/(DEFICIT)	0	

Madam Speaker, the committee noted that some departments in the 2026/2027 County Budget Estimates had adhered to the 2026/2027 County Fiscal Strategy Paper in relation to the proposed ceilings. However, **several** departments deviated from their recurrent ceilings as shown in the table below. The CECM Finance did not attach a memorandum to justify the deviations.

VOTE	PROPOSED CFSP CEILINGS 2026/2027	BUDGET 2026/2027
3211000000 COUNTY ASSEMBLY	510,100,000	479,609,506
3212000000 COUNTY EXECUTIVE	206,265,983	204,041,057
3213000000 FINANCE, ECONOMY & STRATEGIC PLANNING	2,011,887,213	1,961,820,713
3214000000 AGRICULTURE & PLANNING	25,000,000	24,000,000
3215000000 LAND, PHYSICAL PLANNING, INFRASTRUCTURE, URBAN DEV, WATER & RESOURCES	9,000,000	20,000,000
3216000000 EDUCATION, GENDER, YOUTH AFFAIRS, SPORTS & SOCIAL SERVICES	100,500,000.0	102,500,000
3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	337,192,260.82	372,772,261
3218000000 TRADE, INVESTMENT, CULTURE & TOURISM	30,500,000	30,500,000
3219000000 INFORMATION, COMMUNICATION & E-GOVERNMENT	12,000,000	11,000,000
3220000000 FISHERIES, LIVESTOCK, VETERINARY & COOPERATIVE DEVP	17,970,360	16,970,360
3221000000 COUNTY PUBLIC SERVICE BOARD	13,000,000.00	12,000,000
3223000000 WATER MANAGEMENT AND CONSERVATION	56,349,580.0	60,000,000

3225000000 PUBLIC HEALTH, ENVIRONMENT AND SANITATION	37,811,300.00	
3227000000 BUDGET AND ECONOMIC PLANNING	10,000,000.00	10,000,000
3228000000 INFRASTRUCTURE AND ENERGY	13,000,000	13,000,000
3229000000 LAMU MUNICIPALITY	53,500,000.00	54,277,800
3230000000 DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE MOBILIZATION	62,500,000.00	69,500,000
TOTAL FOR VOTE 3210000000 LAMU COUNTY	**3,506,576,697**	**3,441,991,697**

Madam Speaker, the committee noted that some departments in the 2026/2027 County Budget Estimates had adhered to the 2026/2027 County Fiscal Strategy Paper in relation to the proposed ceilings. However, **several** departments deviated from their development ceilings as shown in the table below. The CECM Finance did not attach a memorandum to justify the deviations.

VOTE	PROPOSED CFSP CEILINGS 2026/2027	BUDGET 2026/2027
3211000000 COUNTY ASSEMBLY	55,000,000	130,000,000
3212000000 COUNTY EXECUTIVE	15,000,000	26,500,000
3214000000 AGRICULTURE & PLANNING	312,501,061.63	335,501,062

3215000000 LAND, PHYSICAL PLANNING, INFRASTRUCTURE, URBAN DEV, WATER & RESOURCES	40,000,000	66,453,100
3216000000 EDUCATION, GENDER, YOUTH AFFAIRS, SPORTS & SOCIAL SERVICES	80,000,000	242,175,000
3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	150,256,136	222,237,586
3218000000 TRADE, INVESTMENT, CULTURE & TOURISM	32,000,000	37,076,000
3219000000 INFORMATION, COMMUNICATION & E-GOVERNMENT	97,250,000.00	166,664,076
3220000000 FISHERIES, LIVESTOCK, VETERINARY & COOPERATIVE DEVP	67,000,000	97,792,496
3223000000 WATER MANAGEMENT AND CONSERVATION	100,000,000	124,328,156
3221000000 PUBLIC HEALTH ENVIRONMENT AND SANITATION	8,000,000	
3228000000 INFRASTRUCTURE AND ENERGY	110,000,000.00	284,600,000
3229000000 LAMU MUNICIPALITY	90,855,740	105,558,763
3230000000 DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE MOBILIZATION	439,130,000	436,130,000
TOTAL FOR VOTE 3210000000 LAMU COUNTY	1,596,992,938	2,275,016,238

ADHERENCE TO THE LEGAL PROVISIONS OF THE 2026/2027 MTEF BUDGET ESTIMATES

Mr. Speaker Sir, The Estimates of Revenue and Expenditure for 2026/27 and the Medium Term were submitted to County Assembly of Lamu on 30th April, 2026; as underpinned by provisions of Sections 129(2) of the Public Finance Management (PFM) Act, 2012 and Sections 30 of Public Finance Management Act Regulations, 2015 which requires the CECM for Finance of county government entities to have reviewed and consolidated the annual budget estimates and submitted to the County Assembly, by April the 30th of each financial year.

ADHERENCE TO THE FISCAL RESPONSIBILITY PRINCIPLES ON THE 2026/27 MTEF BUDGET ESTIMATES

Madam Speaker, the Constitution, the PFM Act, 2012 and the 2015 PFM regulations sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The 2015 PFM regulations provide that:

1. The County government's recurrent expenditure shall not exceed the county government's total revenue.
2. Over the medium term a minimum of thirty percent of the County government's budget shall be allocated to the development expenditure.
3. The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly.
4. Over the medium term, the County government's borrowings shall be used only for financing development expenditure and not for recurrent expenditure.

Madam Speaker, the 2026-27 Budget Estimates have met some of the fiscal responsibilities in section 107(2) (a) (b) of the PFM Act, which requires a county government's recurrent expenditure not to exceed the county government's total revenue, and over the medium term a minimum of thirty percent of the county government's budget to be allocated to the development expenditure.

Madam Speaker, The County government's expenditure on wages and benefits for public officers is at **36%** and has exceeded the set limit in the PFM, Act (County Governments Regulations, 2015) which requires the County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government's total revenue.

COMMITTEE REVIEW OF THE EXPENDITURE ESTIMATES.

Madam Speaker, this expenditure is very critical in infrastructure development of Lamu, macro-economic stability and service provision to the people of Lamu, and as such the committee reviewed the estimates thoroughly after recommendations from the sector committees.

Madam Speaker, the total recurrent expenditure for the financial year 2026/2027 accounts for Kshs. three billion four hundred forty-one million nine hundred ninety-one thousand six hundred ninety-seven shillings **(Kshs. 3,441,991,697)** which constitute **60%** of the total budget**.** Compensation to employee's accounts for Kshs. two billion forty-nine million five hundred seventy-eight thousand three hundred eighty-eight shillings **(Kshs.2,049,578,388)** of the total expenditure translated to **36 %** while other recurrent expenditure allocated for Operations, accounts for Kshs. one billion three hundred ninety-two million four hundred thirteen thousand three hundred and nine shillings and four cents **(Kshs. 1,392,413,309)** translating to **24%** of county total expenditure.

Madam Speaker, The Committee has recommended the following recurrent expenditure budgetary allocation for the financial year 2026/27 to be as tabulated below:

VOTE CODE TITLE	NET CURRENT ESTIMATES	GROSS CURRENT ESTIMATES

3211000000 COUNTY ASSEMBLY	479,609,506	479,609,506
3212000000 COUNTY EXECUTIVE	206,041,057	204,041,057
3213000000 FINANCE, ECONOMY & STRATEGIC	1,959,820,713	1,961,820,713
3214000000 AGRICULTURE & PLANNING	24,000,000	24,000,000
3215000000 LAND, PHYSICAL PLANNING,	20,000,000	20,000,000
3216000000 EDUCATION, GENDER, YOUTH	102,500,000	102,500,000
3217000000 HEALTH SERVICES, SANITATION &	372,772,261	372,772,261
3218000000 TRADE, INVESTMENT, CULTURE &	30,500,000	30,500,000
3219000000 INFORMATION, COMMUNICATION &	11,000,000	11,000,000
3220000000 FISHERIES, LIVESTOCK, VETERINARY	16,970,360	16,970,360
3221000000 COUNTY PUBLIC SERVICE BOARD	12,000,000	12,000,000
3223000000 WATER MANAGEMENT AND ENERGY	60,000,000	60,000,000
3227000000 BUDGET AND ECONOMIC PLANNING	10,000,000	10,000,000
3228000000 INFRASTRUCTURE AND ENERGY	13,000,000	13,000,000

3229000000 LAMU MUNICIPALITY	54,277,800	54,277,800
3230000000 DEVOLUTION, DISASTER	69,500,000	69,500,000
TOTAL VOTED EXPENDITURE ... KShs.	**3,278,991,697**	**3,441,991,697**

DEVELOPMENT EXPENDITURE ESTIMATES

Madam Speaker, The total development expenditure for the FY 2026/27 budget accounts for Kshs two billion two hundred seventy-five million sixteen thousand two hundred thirty-eight shillings **(Kshs. 2,275,016,238).** This development expenditure translates to **40%** of the total expenditure. This allocation is above the **30% threshold** required by the **Public Finance Management Act, 2012 (PFMA 2012)**, reflecting the county's strong commitment to investing in transformative projects.

Madam Speaker, the committee has recommended the development expenditure budgetary allocation for the financial year 2026/27 to be as tabulated below:

VOTE CODE TITLE	NET CAPITAL ESTIMATES	GROSS CAPITAL ESTIMATES
3211000000 COUNTY ASSEMBLY	130,000,000	130,000,000
3212000000 COUNTY EXECUTIVE	20,000,000	26,500,000
3214000000 AGRICULTURE & PLANNING	337,501,062	335,501,062
3215000000 LAND, PHYSICAL PLANNING,	33,000,000	66,453,100
3216000000 EDUCATIONS, GENDER, YOUTH	121,550,000	242,175,000

3217000000 HEALTH SERVICES, SANITATION & ENVIRONMENT	195,256,136	222,237,586
3218000000 TRADE, INVESTMENT, CULTURE &	22,000,000	37,076,000
3219000000 INFORMATION, COMMUNICATION &	105,000,000	166,664,076
3220000000 FISHERIES, LIVESTOCK, VETERINARY	74,500,000	97,792,496
3223000000 WATER MANAGEMENT AND ENERGY	72,000,000	124,328,156
3228000000 INFRASTRUCTURE AND ENERGY	129,000,000	284,600,000
3229000000 LAMU MUNICIPALITY	101,558,763	105,558,763
3230000000 DEVOLUTION, DISASTER	430,130,000	436,130,000
TOTAL VOTED EXPENDITURE ... KShs.	**1,771,495,961**	**2,275,016,238**

SUBMISSION FROM THE PUBLIC ON THE PLAN

Madam Speaker, Sections 125 (1) (a), and 126 (2) of the Public Finance Management Act, 2012 stipulates that the budget process for county governments in any financial year shall consist of integrated development planning process which shall include both long term and medium term planning and that the County Executive Committee member responsible for planning shall prepare the development plan in accordance with the format prescribed by regulations.

In adherence to the provision of Article 196 of the Constitution of Kenya, 2010 which dictates that a County Assembly shall conduct its business in an open manner, and hold its sittings and those of its Committees, in public and facilitate public participation and involvement in the legislative and other business of the Assembly and its Committees, the County Assembly of Lamu undertook a public participation exercise on Thursday 11th June, 2026 in Lamu West, Lamu County.

Madam Speaker, the provision of Section 104 of the County Government Act, 2012 puts the planning obligation for the Counties on each respective County and states that a County Government shall plan for the County and no public funds shall be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly. The Section further provides that the county planning framework shall integrate economic, physical, social, environmental and spatial planning.

Members of the public while meeting at Juhudi Primary School at **Mkunumbi Ward** submitted the following as their priority projects:

1. Compensation of Amu Ranch Land.
2. Water project to be addressed.
3. Seeds distribution should be done equally.

OTHER POLICY OBSERVATIONS & RECOMMENDATIONS

Madam Speaker, the Committee observed the following:

1. Development allocation is above the 30% threshold required by the Public Finance Management Act, 2012 (PFMA 2012), reflecting the county's strong commitment to investing in transformative projects.
2. Non-compliance with Fiscal Responsibility Principles:
   Wage bill - Compensation to employees is 36% this is contrary to Section 107 of PFM Act, 2012 (County Governments Regulations, 2015).

0. Excessive Recurrent Expenditure: Spending over 35% of revenues on salaries violates fiscal responsibility principles.
0. The local revenue target is unrealistic.

0. No donor work plans are submitted to the County Assembly for Approval.

Madam Speaker, in addition, the Committee recommends going forward the CECM Finance should ensure:

1. The structure and content of the budget is as provided in Article 220 of the constitution 2010 and PFM act 2012 and other sections of the PFM Act Regulations.
2. Work plans of the donor funds to be submitted with the Budget Estimates.
3. Strengthening of Own Source Revenue.
   The County Treasury to put realistic local revenue targets and put in place austerity measures to ensure that the local revenue target is realized.

0. Equity across Wards.
0. The budget implementation reports are prepared and submitted to the County Assembly within 30 days after the end of each quarter as provided by the law.
0. Completion of ongoing projects – finalize stalled projects before initiating new capital investments.
0. The CECM Finance should attach the minutes of approval of Budget and other budgetary documents by the County Executive Committee as required by the relevant legislations and should also attach evidence of public participation in the County while submitting these crucial documents.
0. The CECM Finance cooperates with the County Assembly to ensure that the budget process is well executed and foster the spirit of consultations.

AMENDMENT ON DEVELOPMENT PROJECTS 2025-2026

. **From**

Construction of 4 door toilet at Boraimani Primary	Hindi	1,250,000.00

To

Construction of 4 door toilet at Boraimani ECDE	Hindi	1,250,000.00

ii. From

Construction of 4 door toilet at Bobo Primary	Hindi	1,250,000.00

To

Construction of 4 door toilet at Karavu ECDE	Hindi	1,250,000.00

iii. From

Construction of 4 door toilet at Kibokoni Primary	Hindi	1,000,000.00

To

Construction of 4 door toilet at Kibokoni ECDE	Hindi	1,000,000.00

iv. From

Construction of 4 door toilet at Mtepeni Primary	Hindi	1,000,000.00

To

Construction of 4 door toilet at Mtepe ECDE	Hindi	1,000,000.00

v. From

Construction of VIP toilet at Didewaride Primary	Witu	2,000,000.00

To

Construction of VIP toilet at Didewaride ECDE	Witu	2,000,000.00

ACKNOWLEDGEMENTS

Madam Speaker, first and foremost, on behalf of the Committee I wish to express our gratitude to the office of the Speaker and the Assembly Clerk for the support the Committee received as it discharged its mandate of reviewing the Lamu County Medium Term Expenditure Framework Budget and Annual Budget for the year ending 30 June 2027.

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 of 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. 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 the need identification for the County.

Madam Speaker, the Medium-Term Expenditure Framework Budget 2026/27 - 2028/29 and Annual Budget for the year ending 30 June 2027 was unanimously adopted by all members, and therefore, it is my pleasant duty and privilege, on behalf of the County Budget and Appropriations Committee, to table this report with amendments contained therein and recommend it before the House for adoption and approval.

Seconder

MCA Amina Hassan Bwanamkuu *(Nominated)*: I stand to second.

MCA Suleiman Mohamed Farah *(Witu)*: Asante Bi Spika, nasimama kuunga mkono ripoti hii na nashkuru ofisi ya Spika pamoja na karani wa bunge hili kuwapatia waheshimiwa wa bunge hili nafasi ya kuenda kuikagua bajeti hii. Kwa hakika, tumeridhika na bajeti hii kwa sababu tumerekebisha mahali kupasavyo tukikubaliana na Mheshimiwa Gavana.

MCA Hope Wanjiku Mwaura *(Nominated)*: Asante Bi Spika, nasimama kuunga mkono ripoti hii ambayo ina mambo mengi yanayohusiana na kaunti yetu na nampongeza Mwenyekiti wa bajeti kutusomea ripoti hii. Sisi kama bunge tuliweza kufika mashinani na tuliandamana na mwakilishi wadi wa Mkunumbi na kuweza kupata maoni tofauti kutoka kwa umma. Katika wadi hio ya Mkunumbi, wananchi walikuwa na swala nyeti kuhusiana na upimaji na kupewa hatimiliki ya ardhi yao na katika ripoti hii, nimeweza kuona kuwa pesa hio ni kweli iko na leo tunapitisha tukijivunia kuwa tumetia nguvu sauti ya mwananchi. Bajeti hii imenifurahisha kwa sababu pia imekata wadi zote kumi ambazo tuko nazo. Katika wadi ya Mpeketoni, nafurahi kuona kuwa kuna upanuzi wa barabara katika maeneo yetu. Vilevile, sisi kama wabunge tumeweza kufanya marekebisho kadhaa na yamezingatiwa katika ripoti hii. Naomba waheshimiwa waunge mkono ili wana nchi wetu wa Lamu waweze kusaidika.

MCA Mercy Riziki Nzai *(Nominated)*: Asante Bi Spika, nasimama kuunga mkono ripoti hii. Ni kweli kuwa sisi kama kamati tumeikalia bajeti hii kwa kina na kufanya marekebisho panapostahili.

MCA Mohamed Aboud Abubakar *(Faza)*: Asante Bi Spika, nasimama kuunga mkono ripoti hii. Naipongeza kamati na bunge letu kwa jumla kwa kutupatia sisi sote nafasi ya kuishughulikia na kuikagua bajeti hii ili kuepusha malalamishi. Sioni kuna shaka yoyote ya kuipinga bajeti hii kwa hivyo nawaomba Waheshimiwa wenzangu tuipitishe kwa haraka.

MCA Aisha Ali Abdulrahman *(Nominated)*: Asante Bi Spika, nasimama kuunga mkono ripoti hii. Nimefurahishwa nah ii bajeti kwa sababu naona kuwa kaunti zote kumi zimeweza kupata haki zao. Mambo mengi ambayo yako ndani ya bajeti hii ni ya kuleta maendeleo kwa hivyo naomba tuipitishe bajeti hii kwa pamoja.

Mover's Response

MCA Barisa Deko Bana *(Basuba)*: Asante Bi Spika, nasimama kuwashukuru waheshimiwa kuunga mkono bajeti hii ya 2026/2027, kusema kweli iwapo bajeti hii itapita, kutakuwa na maendeleo mazuri katika kaunti yetu.

(Question put and Agreed upon)

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Next Order.

Clerk-at-the-Table: Motion.

MOTION

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Honorable members, I differ the two motions on the order paper to the next sitting.

ADJOURNMENT

[The Temporary Speaker (MCA Beatrice Wamaitha Munge)]: Honorable Members, there being no other business, the Assembly stands adjourned until tomorrow Thursday, in the afternoon at 2:30 p.m.

The Assembly rose at 4:15 p.m.