



COUNTY GOVERNMENT OF LAMU
Office of the County Executive Committee
Member for Finance, Strategy and Economic Planning



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Ref: CGL/CECMF/2021/

Date: 14th October 2021

CLERK
LAMU COUNTY ASSEMBLY

**SUBMISSION OF 2020-21 LAMU COUNTY BUDGET REVIEW OUTLOOK
PAPER (CBROP)**

Pursuant to Public Finance Management Act, 2012 section 118(1-3) the County Treasury prepared 2021 CBROP and subsequently approved by County Executive.

The purpose of this letter is to thus forward the approved CBROP to County Assembly in order for the document to laid at the assembly and also to publish and publicise as per the PFMA, 2012 section 118(4) (A) and (b)

Thanks for the continued support

FAHIMA ARAPHAT
CECM, FINANCE, STRATEGY & ECOMOMIC PLANNING



THE COUNTY GOVERNMENT OF LAMU



LAMU COUNTY BUDGET REVIEW OUTLOOK PAPER

September, 2021

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Foreword

The County Budget Review and Outlook Paper (CBROP) 2021 has been 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; and submit it to the County Executive Committee by 30th September.

The paper reviews fiscal performance of the county for the 2020/21 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) 2020; 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 fiscal strategy paper together with proposals to address the deviations.

The updated economic and financial outlook presented in this paper will set out the broad fiscal parameters for preparation of the next budget. In particular, the provisional ceilings presented are intended to act as a guide to departments in preparing their budgets.

It is therefore my expectation that the policy paper will be useful in enhancing financial discipline and fiscal responsibilities outlined in section 107 of the PFM Act 2012 and thus contribute towards the realization of aspiration of the residents of Lamu County.

FAHIMA ARAPHAT
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, STRATEGY & ECONOMIC PLANNING

ACKNOWLEDGEMENT

In compliance with the Public Finance Management (PFM) Act, 2012 and its related regulations, we are pleased to present the 2021 Lamu County Budget Review and Outlook Paper (CBROP). The CBROP highlights actual financial performance for the Financial Year (FY) 2020/2021 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 2020/21 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; and

The preparation of the 2020-2021 CBROP was a collective effort by various departments of the Lamu county Government. I sincerely wish to thank all the departments for providing important and timely information about the execution of their budget for the financial year 2020/21. This information was very helpful in laying out the basis upon which the projections for the next financial years will be done.

My heartfelt appreciation goes to the team of staff from Budget and Economic Department who put in a great effort in compiling the CBROP. In this regard, I am specifically grateful to the staff from Budget and Economic Planning and Finance who not only ensured its timely production but also reviewed its overall flow and quality.

SALMA OMAR
CHIEF OFFICER, BUDGET & ECONOMIC PLANNING

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Preamble

Legal Basis for Preparation of the County Budget Review and Outlook Paper

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

1) A county Treasury shall;

a. Prepare a CBROP in respect of the County for each year; and

b. Submit the paper to the County Executive Committee (CEC) by 30th September of that year.

2) In preparing its CBROP, the County Treasury shall specify;

a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year

b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)

c. Information on:

(i) Any changes in the forecasts compared with the CFSP; or

(ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and

d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

3) The CEC shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.

4) Not later than seven days after the CBROP is approved by the CEC, the County Treasury shall:

a. Arrange for the paper to be laid before the County Assembly; and

b. As soon as practicable after having done so, publish and publicize the paper.

Fiscal Responsibility Principles in the Public Financial Management Law

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;

2) The county Government's expenditure on wages shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly;

3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;

4) The County debt shall be maintained at a sustainable level as approved by County Assembly;

5) The fiscal risks shall be managed prudently; and

6) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

1.0 INTRODUCTION

1. The Public Finance Management (PFM) Act, 2012 section 118 requires that among other responsibilities, the “County Treasury to prepare a County Budget Review Outlook Paper”. As such, this paper is prepared in accordance with this section of the PFM Act 2012. The Act requires that every county prepare a CBROP and submit it to the County Executive Committee (CEC) by 30th September of that financial year.
2. The County Executive Committee shall in turn: i) within fourteen days after submission, consider the CBROP with a view to approving it, with or without amendments. ii) Within seven days after the CEC approval of the paper, the county treasury shall arrange for the paper to be laid before the County Assembly and after doing so, publish and publicize the paper.

1.1 Objective of CBROP

3. The objective of CBROP is to provide 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.
4. Specifically, the CBROP provides:
 - Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
 - Details of the actual fiscal performance in the previous year compared to the budget appropriation for that particular year;
 - Any changes in the forecasts compared with the CFSP;

- Indication on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

1.2 Significance of CBROP

5. 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 2022/2023 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2022.

1.3 Structure

6. This paper has five sections.
 - Section one is the introduction to CBROP and its significance
 - Section two reviews the county's fiscal performance for the previous year. It is divided into three sub-sections, namely, The Overview, Fiscal Performance and Implications of Fiscal Performance.

- Section three reviews recent economic developments and has four subsections of Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook.
- Section four sets out how the county government intends to operate within its means. It establishes the resources envelope (total revenues) it expects then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium-term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing.
- Lastly, section five gives a conclusion of the entire paper Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook. Section four sets out how the county government intends to operate within its means. It establishes the resources envelope (total revenues) it expects then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium-term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing. Lastly, section five gives a conclusion of the entire paper

2.0 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2020/21 FY

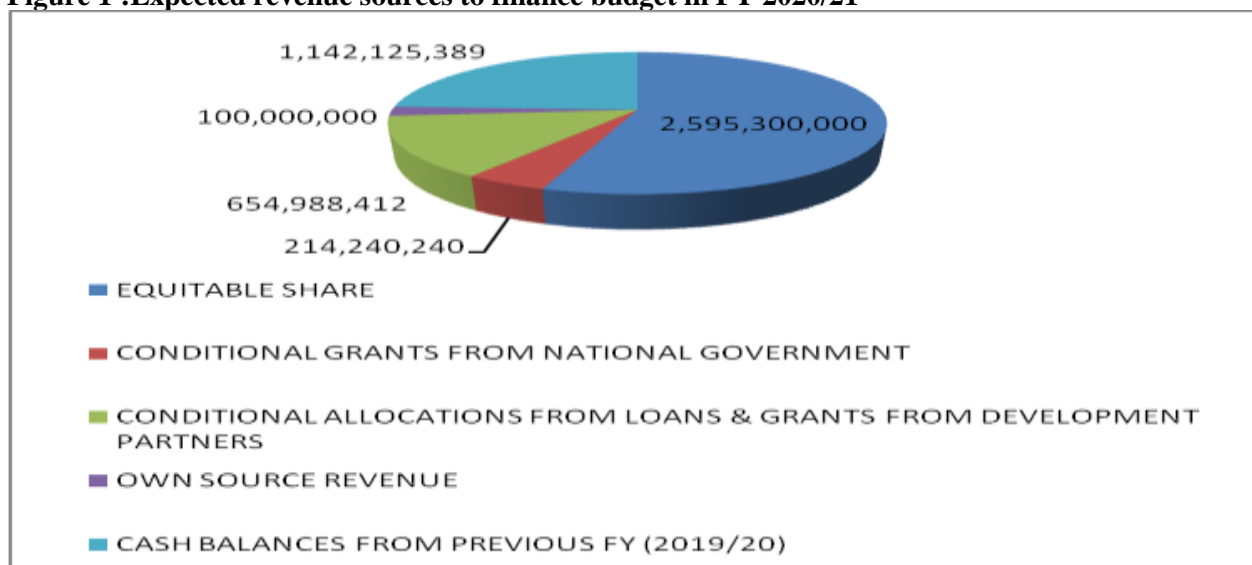
2.1 Overview

FINANCIAL PERFORMANCE

7. **Revenue:** In FY 2020/21, the County Government of Lamu approved supplementary budget amounted to **Kshs 4,706,654,041** Comprising of **Kshs 2,761,866,222** and **Kshs. 1,944,787,819** for Recurrent and Development expenditure respectively.
8. To Finance the budget, the county expected to receive **Kshs 2,595,300,000 (55%)** as equitable share of revenue raised nationally, **Kshs 214,240,240 (5%)** as Conditional Grants from National Government Revenue, **Kshs 654,988,412 (14%)** as Conditional Allocations from loans & grants from Development partners, **Kshs100,000,000 (2%)** as Own Source Revenue and **Kshs 1,142,125,389 (24%)** being cash balances from previous FY (2019/20).

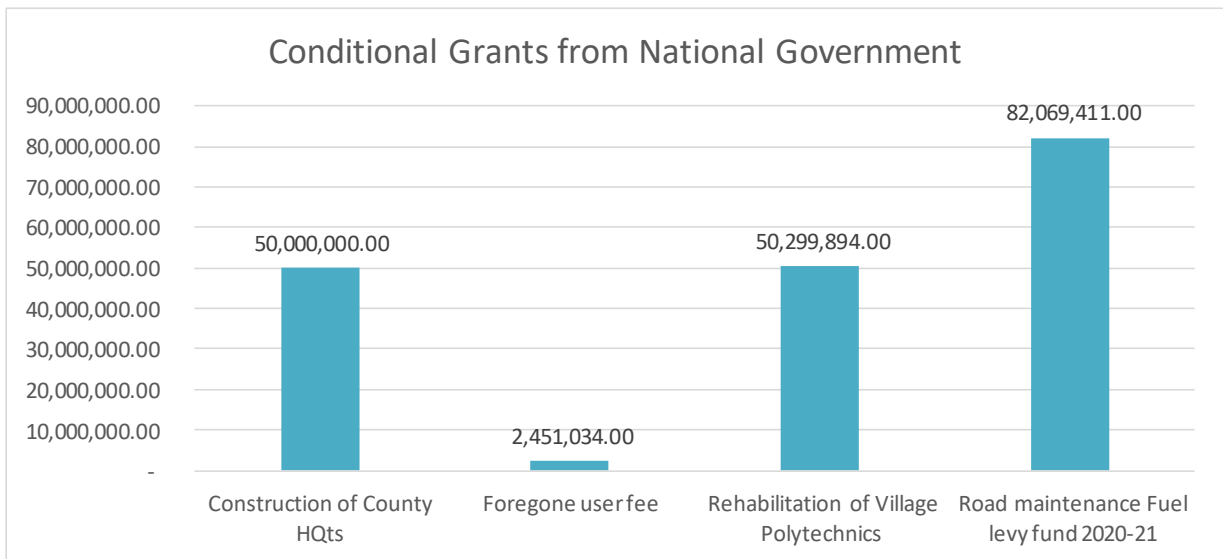
The expected sources of budget financing are as shown in figure 1.

Figure 1 :Expected revenue sources to finance budget in FY 2020/21



The Conditional Grants from National Government as contained in the CARA, 2020 are as shown in figure 2.

Figure 2: Conditional Grants Allocation from National Governments



The Conditional Grants Allocations from loans & grants from Development partners as contained in the CARA, 2020 are as shown in figure 3.

Figure 3: Conditional Grants Allocations from Loans and Grants from Development Partners

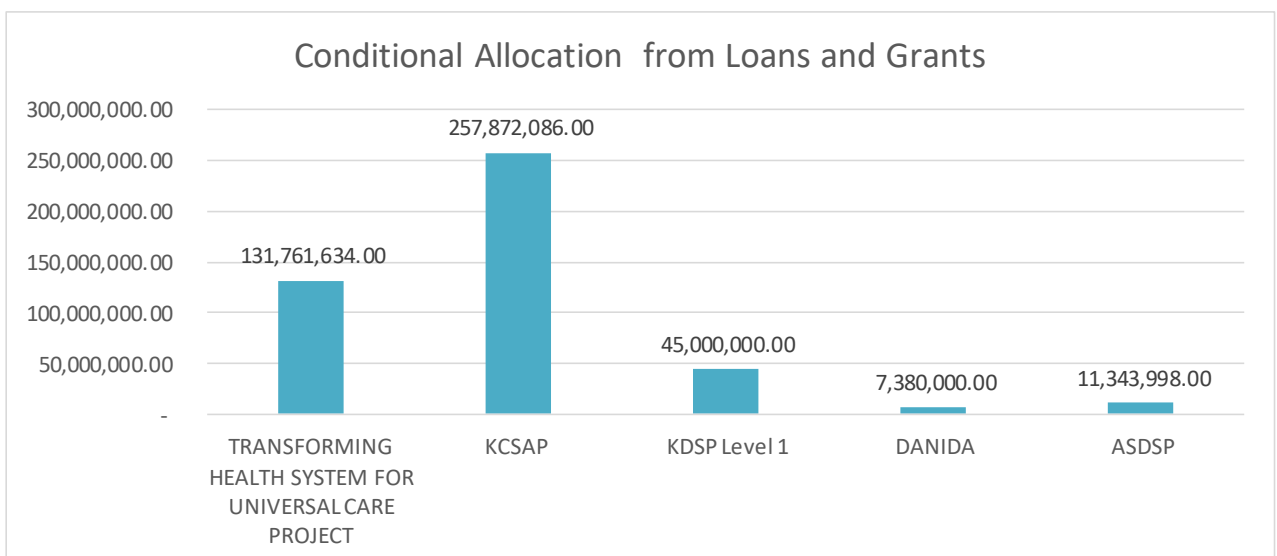


Figure 4: Conditional Grants Allocations Balance Brought forward from previous FYs

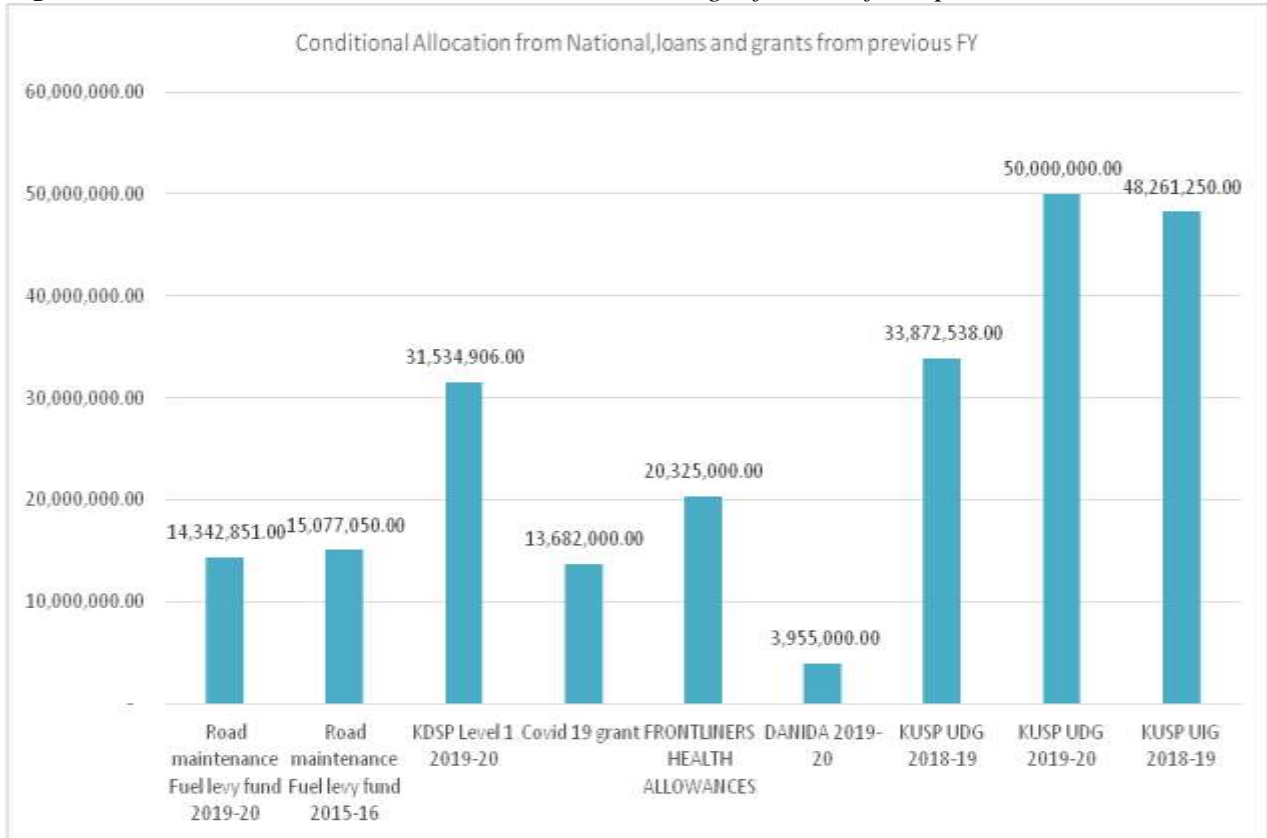


Table 1: Summary Fiscal Performance

REVENUE CLASSIFICATION	REVENUE		REALISATION
	BUDGET	ACTUAL	%
Equitable Share	2,595,300,000	2,818,495,800 ⁱ	109%
Transfer From Other Government Entities	184,820,339	134,820,339	73%
Proceeds From Domestic And Foreign Grants	467,039,718	424,657,144	91%
Own Source Revenue	100,000,000	108,433,650	108%
Balance Brought Forward Conditional Grant	217,368,595	217,368,595	100%
Balance Brought Forward Exchequer	1,142,125,389	1,142,125,389	100%
TOTAL	4,706,654,041	4,845,900,917	103%

Budget Performance

9. The total expenditure for the year amounted to **Kshs 3,153,395,434** against the budget of **Ksh 4,706,654,041** translating to utilisation level of **67%**. **Kshs 2,299,273,097** was spent on recurrent expenditure against the budget of **Ksh 2,761,866,222** translating to utilisation level of **83%** while **Kshs 854,122,337** was spent on development expenditure against the budget of **Ksh 1,944,787,819** translating to utilisation level of **44%**.

2.2 Fiscal Performance

2.2.1 Revenue Performance

10. During FY 2020/21, the County received Kshs.2.37 billion as equitable share of the revenue raised nationally, Kshs.397.5 million as total Conditional Grants, raised Kshs.108.91 million as own-source revenue, and had a cash balance of Kshs.1.46 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.34 billion as shown in Table 1.

Table 2: Lamu County, Revenue Performance in FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts in the FY 2020/21 (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	2,595,300,000.00	2,595,300,000	2,818,495,800ii	109.00
B.	Conditional Grants from the National Government Revenue				
2.	Supplement for construction of county headquarters	50,000,000.00	50,000,000.00		-
3.	Compensation for User Fee Foregone	2,451,034	2,451,034	2,451,034.00	100.00
5	Road Maintenance Fuel Levy Fund	82,069,411	111,489,312	82,069,411	73.61
6	Rehabilitation of Village Polytechnics	50,299,894	50,299,894	50,299,894	100.00
Sub Total		184,820,339	214,240,240	134,820,339	62.93
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	131,761,634.00	131,761,634	131,499,062	99.80
3.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	257,872,086.00	257,872,086.00	204,568,230.95	79.33

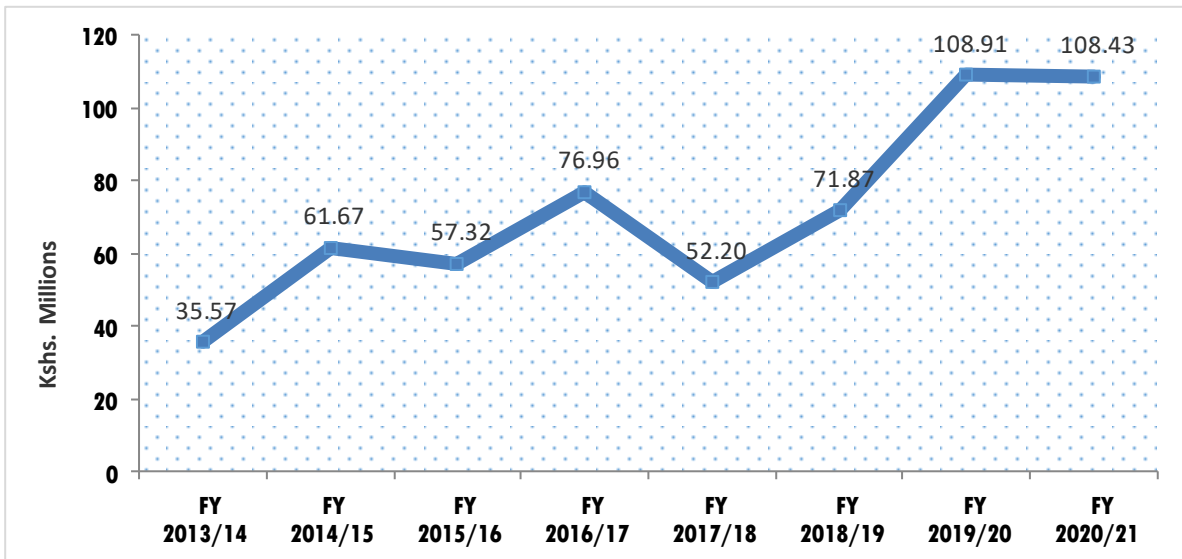
4.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000.00	76,534,906	45,000,000.00	58.80
5.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	0	83,872,538.00	25,365,167.25	30.24
6.	DANIDA Grant	7,380,000.00	11,335,000	7,380,000	65.11
7.	Covid 19 grant	0	13,682,000.00	13,682,000.00	100.00
8.	FRONTLINERS HEALTH ALLOWANCES	0	20,325,000.00	20,325,000.00	100.00
10.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	11,343,998.00	11,343,998	8,844,684.00	77.97
12.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	0	48,261,250	0	-
Sub Total		453,357,718	654,988,412	456,664,144	69.72
D					
1.	Own Source Revenue	-	100,000,000	108,433,650.20	108.4
2.	Balance b/f from FY2019/20	-	1,142,125,389	1,142,125,389	100
Sub Total		-	1,242,125,389.00	1,250,559,039.20	100.6

Source Lamu controller of budget

2.2.2 OWN SOURCE REVENUE PERFORMANCE

11. The total revenue for 2020/2021 was approximately KShs 108 Million. The respective revenue for each year is provided in Table 3. While the total revenue has been steadily increasing, the data shows that more revenue was collected during the 3rd and 4th quarters. The 1st and 2nd quarters had comparatively lower collections.

Figure 5: Trend in Own-Source Revenue Collection from FY 2013/14 to FY 2020/21



Source Lamu controller of budget

Table 3: Revenue Performance

Trend in Own Source Revenue Collection by from FY 2013/14 to FY 2020/21 (Kshs.)								
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
QTR. 1	5,079,717.00	5,008,154.00	10,905,995.00	6,200,252.00	4,308,450.00	6,327,478.00	11,922,697.40	13,972,829.86
QTR. 2	5,506,868.00	9,669,663.00	10,150,163.00	16,655,232.00	9,588,640.00	10,450,611.00	20,187,590.02	10,830,730.84
QTR. 3	11,650,143.00	28,816,985.00	25,626,832.00	19,333,328.00	24,505,766.00	15,483,693.00	18,063,840.70	41,489,460.25
QTR. 4	13,329,861.00	18,177,453.00	10,641,410.00	34,771,975.00	13,799,367.00	39,610,655.00	58,732,024.75	42,140,629.25
Total	35,566,589.00	61,672,255.00	57,324,400.00	76,960,787.00	52,202,223.00	71,872,437.00	108,906,152.87	108,433,650.20

Figure 6: Revenue Performance Over a period of three Fiscal Years**Table 4: Revenue Performance per Stream**

Description	2020-2021	2019-2020		
	KShs	KShs	INCREASE/decrease	%Increase/Decrease
Business Permit Current Year	14,315,200	9,360,150	4,955,050	53%
Health Centres	43,399,523	51,669,962	-8,270,439	-16%
Training/Learning Centres (Atc)	575,546	483,400	92,146	19%
Market Stalls Rent	37,100	232,100	-195,000	-84%
Fruits & Vegetables/Produce Cess	1,520,867	2,985,042	-1,464,175	-49%
Meat Inspection Fees	29,520	154,742	-125,222	-81%
Council Vehicles Hire (Ams Tractors)	5,989,490	5,305,526	683,964	13%
Open Air Market Fee	457,020	1,079,296	-622,276	-58%
Slaughtering Fee	354,470	317,640	36,830	12%
Livestock Cess	62,350	192,045	-129,695	-68%
Fish Cess	768,550	857,420	-88,870	-10%

Street Parking Fee	1,316,490	1,079,800	236,690	22%
Sales Miraa,Etc	15,677,450	168,600	15,508,850	9199%
Wheat Maize Cess	0	225,870	-225,870	-100%
Veterinary	44,750	149,633	-104,883	-70%
Forest Cess	563,400	174,100	389,300	224%
Metal Scrap	191,950	3,300	188,650	5717%
Sign Boards & Advertisement Fee	3,319,700	2,742,970	576,730	21%
Physical Planning	577,637	17,490,280	-16,912,643	-97%
Sand,Gravel,and Ballast Extraction Fees	5,242,063	1,671,407	3,570,656	214%
Fisheries Licence	405,305	115,400	289,905	251%
Land Rates	8,667,706	4,311,842	4,355,864	101%
Public Health	761,270	349,520	411,750	118%
Hides And Skins Fee	1,500	3,900	-2,400	-62%
Water Disilation Plant	0	270,575	-270,575	-100%
Donations	0	1,700,000	-1,700,000	-100%
Salary Commission	3,656,229	3,593,541	62,688	2%
Others Miscellaneous	498,564	2,218,092	-1,719,528	-78%
Total	108,433,650	108,906,153	-472,503	- 0.00

12. As shown in Table 4, the total own source revenue collected in the FY 2020/21 amounted to approximately KShs 108.433 million. This represents a Marginal decrease of -0.4% as compared to the FY 2019/20; There were also some significant variations in collection among the various revenue streams, which is as explained below.

- Single Business Permits: The increment in collections from single business permit was as a result of mass inspection of various business premises. The county also carried a business registration census in order to determine the different categories of business in the county with the aim of improving revenue collections by eliminating cases where less money was being charged.
- Revenue from Hospital: There was a decline by kshs 8,270,439 in 2020/2021 as compared to 2019/2020 This was occasioned by introduction of biometric system which lead to failure to submit NHIF Claims in time hence delays in receiving revenue capitation.
- Fruits & Vegetables/Produce Cess: The waiver granted by the Government due to Covid 19 Pandemic occasioned the Decline.
- The collection from open-air market reduced by kshs 622,276 due to waiver.
- Collection from Sales Miraa increased due strict enforcement and increased traffic of miraa vehicles destined to Somali.

2.2.3 Exchequer Issues

13. The Controller of Budget approved withdrawal of Kshs.3.48 billion from the CRF account during the reporting period. This amount comprised of Kshs. 1,060,913,947.61 (30.4 per cent) for Development programmes and Kshs.2.42 billion (69.6 per cent) for Recurrent programmes as shown below

Table 5: Exchequer Issues for FY 2021-22

Exchequer Issues	Development	Recurrent	FY 2020/21 Exchequer Issues	FY 2020/21 Exchequer Issues %
County Executive	1,036,474,447.61	2,095,666,369.32	3,132,140,816.93	89.9%
County Assembly	24,439,500.00	327,637,900.00	352,077,400.00	10.1%
Total	1,060,913,947.61	2,423,304,269.32	3,484,218,216.93	100.0%
% Exchequer issues	30.4%	69.6%	100.0%	

2.2.4 Overall Expenditure Review

14. A total of Kshs.3.15 billion was spent on Development and Recurrent programmes and represented 90 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.854.12 million and Kshs.2.29 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 43.6 per cent while that incurred on Recurrent programmes represented an absorption rate of 83. Per cent.

Table 6 :Overall Expenditure Review

Expenditure	Development	Recurrent	FY 2020/21 Expenditure	FY 2020/21 Expenditure %
County Executive	829,682,895.70	1,979,494,492.00	2,809,177,388.	80.5%
County Assembly	24,439,442.00	319,778,604.00	344,218,046.00	9.9%
Total	854,122,337.70	2,299,273,096	3,153,395,434.7	90.4%
Expenditure (%)	27.1%	72.9%	100.0%	
Expenditure to Budget (%)	43.9%	83.2%	66.9%	

3,153,395,434

2.2.6 Expenditure by Economic Classification

15. Analysis of recurrent expenditure indicated that Kshs.1.422 billion was spent on Compensation to Employees, Kshs.876.7 million on Operations and Maintenance, and Kshs.854.12 million on Development expenditure.

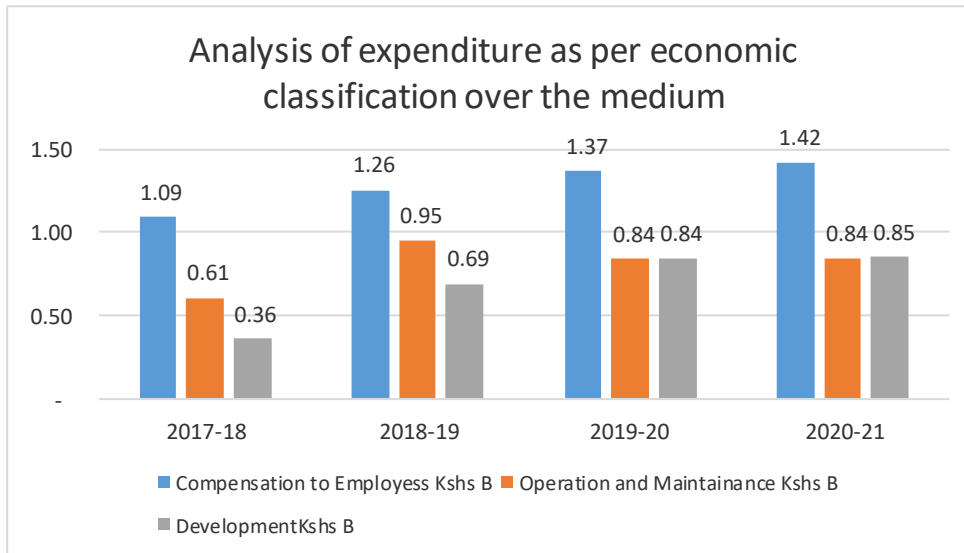
Table 7: Summary of FY 2020/21 Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Expenditure as a Percentage of Revenue (%)	Absorption (%)
Total Recurrent Expenditure	2,761,866,222.00	2,423,304,269.32	2,299,273,157.00	49.3%	83.3%
Compensation to Employees	1,485,443,623.00	1,472,373,710.39	1,422,526,233.10	30.5%	95.8%
Operations and Maintenance	1,276,422,599.00	950,930,558.93	876,746,923.90	18.8%	68.7%
Total Development Expenditure	1,944,787,819.00	1,060,913,947.61	854,122,277.70	18.3%	43.9%
Total	4,706,654,041.00	3,484,218,216.93	3,153,395,434.70	67.7%	67.0%

Source: Lamu controller of budget

Absorption of recurrent stood at 82 per cent while that of development stood at 44 percent.

Figure 7: ANALYSIS OF FY MEDIUM TERM EXPENDITURE AS ECONOMIC CLASSIFICATION

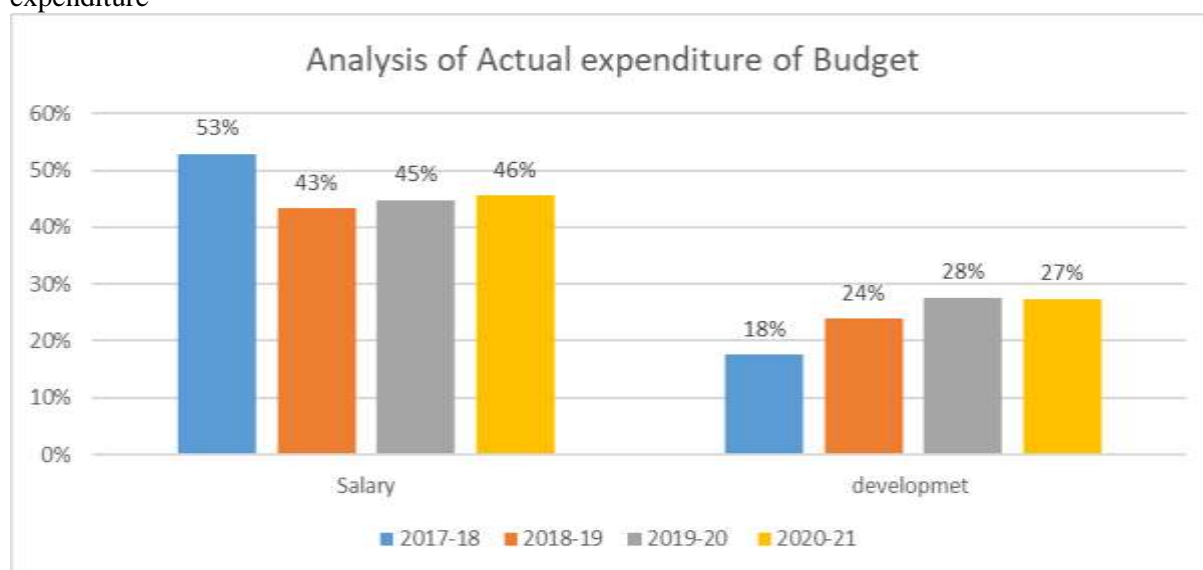


16. As it can be seen from figure 5, Compensation to employees has increased by over khs 160 M over the medium from 1.26 Billion in FY 2018/19 to kshs 1.42 Billion in FY 2020-21.

17. However, expenditure on development over the same period increased from kshs 0.69B in FY 2018-19 to kshs 0.85B in FY 2020-21

18. Actual compensation to employees over the medium is higher than the required 35 percent and for development is lower than 30 percent as indicated in the figure below

Figure 8: Analysis of Actual compensation to employees and Development against actual total expenditure



2.2.8 Development Expenditure Analysis

19. The Development expenditure of Kshs 854.122 million represented 43.6 per cent of the annual development budget of Kshs.2.08 billion and represented an increase of 21.6 per cent compared to a similar period in FY 2018/19 when the County spent Kshs.693.60 million. Table 8 provides a summary of development projects with the highest expenditure in the financial year.

Table 8: Lamu County, List of Development Projects with the Highest Expenditure in FY 2020

S/No.	Project Name/Description	Project Location	Contract Sum (Kshs.)	Payments to Date (Kshs.)	Absorption Rate (%)
1	NHIF Indigent cover for 20,000 households	County wide	120,000,000	120,000,000	100%
2	Grants towards supporting Rehabilitation of Village Polytechnics	County wide	50,299,894	50,299,893	100%
3	Construction of OPD at Mpeketoni	Bahari	51,000,000	48,833,136	95.8%
4	Provision of certified maize seeds, NERICA seeds, cow peas and green grams	County wide	35,000,000	34,618,303	98.9%
5	Concrete paving of lamu island streets	Mkomani	34,040,719	34,040,719	100%
6	Water Supply and connection	Faza and kiunga	40,000,000	24,294,335	60.7%
7	Tchundwa – Iyabogi - Mbujumwali household connection 30km	Faza	20,000,000	19,816,011	99.1%
8	Construction of Lamu Market	Mkomani	33,872,538	18,001,364	53.1%
9	Hindi Town Drainage System	Hindi	30,000,000	17,964,350	59.9%
10	Installation Hansard for Headquarters	County Assembly	20,000,000	14,989,590	74.9%

		HQs - Mokowe			
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Source: Lamu controller of budget

2.2.9 Budget Performance by Department

Table 4: Lamu County, Budget Performance by Department for FY 2020-21

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	400,000,000	120,000,000	327,637,900	24,439,500	319,778,604	24,439,442	97.6%	100.0%	79.9%	20.4%
County Executive	425,022,200	86,001,000	371,948,342	14,829,077	310,636,962	14,829,077	83.5%	100.0%	73.1%	17.2%
Finance	124,975,263	4,297,382	110,478,073	4,297,382	107,893,347	4,297,382	97.7%	100.0%	86.3%	100.0%
Agriculture & Irrigation	118,118,456	260,582,998	71,400,816	258,681,682	80,966,063	45,282,337	113.4%	17.5%	68.5%	17.4%
Land, Physical Planning	25,178,961	125,692,264	22,897,171	18,043,935	22,207,731	46,569,135	97.0%	258.1%	88.2%	37.1%
Education, Gender, Sports, Youth, Culture & Social services	211,416,690	139,149,556	201,255,219	115,865,705	197,165,180	87,378,004	98.0%	75.4%	93.3%	62.8%
Medical Services	1,067,775,334	376,889,881	1,003,268,615	256,299,545	909,483,072	253,459,829	90.7%	98.9%	85.2%	67.3%
Trade, Tourism & Investment	20,293,306	17,188,414	18,574,659	4,373,684	16,719,954	4,373,684	90.0%	100.0%	82.4%	25.4%
Livestock, Veterinary & Cooperative Development	40,907,192	40,941,592	39,815,479	20,725,643	39,161,291	20,725,643	98.4%	100.0%	95.7%	50.6%
Public Service Board	45,155,096	-	41,757,099	-	42,473,308	-	101.7%	0	94.1%	0
Water	53,802,875	297,661,141	52,341,418	81,223,950	50,512,417	81,485,585	96.5%	100.3%	93.9%	27.4%
Gender, Sports, Youth, Culture &	23,757,400	86,354,910	16,478,756	27,028,696	15,882,171	26,702,650	96.4%	98.8%	66.9%	30.9%
Public Health Sanitation and Environment	64,315,296	30,770,304	59,827,136	6,623,044	61,197,258	6,623,044	102.3%	100.0%	95.2%	21.5%
Fisheries	30,516,205	26,360,000	30,130,820	6,829,692	26,588,312	8,819,692	88.2%	129.1%	87.1%	33.5%
Infrastructure and Energy	34,182,166	244,025,839	28,538,064	193,652,689	31,586,513	206,396,550	110.7%	106.6%	92.4%	84.6%
Lamu Municipality	76,449,782	88,872,538	26,954,702	27,999,725	31,584,653	22,740,224	117.2%	81.2%	41.3%	25.6%
TOTAL	2,761,866,222	1,944,787,819	2,423,304,269	1,060,913,948	2,263,836,835	854,122,278	93.4%	80.5%	82.0%	43.9%

20. Analysis of expenditure by department shows that the Department of Finance, Economy and Strategic Planning Infrastructure and Energy Development recorded the highest absorption rate of development budget at 100 and 84 per cent respectively while the Department Public service Management was the lowest with 17.2 per cent. Overall absorption of development expenditure was at 43 per cent

21. On the recurrent expenditure The Department of Livestock, Veterinary & Cooperative Development had the highest absorption of recurrent budget at 93.7 per cent while the Department of Lamu Municipality had the lowest at 41.3 per cent.

2.2.10 Budget Execution by Programmes and Sub-Programmes

22. Table 5 shows a summary of the budget execution by programmes and sub-programmes in FY 2019/20.

Table 5: Lamu County, Budget Execution by Programmes and Sub-programmes in FY 2020/21

Budget Execution by Program and Sub-Programmes							
RECURRENT							
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
COUNTY EXECUTIVE							
703003212			332,684,123	92,338,077	425,022,200	327,162,293	97,859,907
	703013210	Administration Services	332,684,123	92,338,077	425,022,200	327,162,293	97,859,907
Total			332,684,123	92,338,077	425,022,200	327,162,293	97,859,907
FINANCE							
711003213			97,259,636	1,550,322	98,809,958	92,244,094	6,565,864
	711013210	Administration Services	97,259,636	1,550,322	98,809,958	92,244,094	6,565,864
712003213			20,860,000	5,305,305	26,165,305	19,145,405	7,019,900
	712013210	Budget Formulation, Coordination & management	8,800,000	(257,460)	8,542,540	7,765,005	777,535
	712053210	Public Finance & Accounting	12,060,000	5,562,765	17,622,765	11,380,400	6,242,365
Total			118,119,636	6,855,627	124,975,263	111,389,499	13,585,764
AGRICULTURE							
106003214			5,967,030	9,220,000	15,187,030	14,842,557	344,473
	106013210	Administration, Planning and Monitoring & Evaluation	5,967,030	9,220,000	15,187,030	14,842,557	344,473
116003214			52,248,686	-	52,248,686	16,125,637	36,123,049

	116033210	Promotion of Agro Processing & Value addition Technologies	52,248,686	-	52,248,686	16,125,637	36,123,049
201003214			50,506,370	176,370	50,682,740	49,973,486	709,254
	201013210	Administration, Personnel & Policy Formulation	50,506,370	176,370	50,682,740	49,973,486	709,254
Total			108,722,086	9,396,370	118,118,456	80,941,680	37,176,776
LANDS							
101003215			26,138,961	(960,000)	25,178,961	22,957,852	2,221,109
	101013210	Administration Services	26,138,961	(960,000)	25,178,961	22,957,852	2,221,109
Total			26,138,961	(960,000)	25,178,961	22,957,852	2,221,109
EDUCATION							
301003216			-	3,027,816	3,027,816	2,500,000	527,816
	301013210	Administration Services	-	3,027,816	3,027,816	2,500,000	527,816
501003216			77,466,690	(2,535,456)	74,931,234	70,278,295	4,652,940
	501013210	Administration Services	77,466,690	(2,535,456)	74,931,234	70,278,295	4,652,940
502003216			133,950,000	(492,360)	133,457,640	125,000,000	8,457,640
	502013210	Promotion of Early Childhood Education	133,950,000	(492,360)	133,457,640	125,000,000	8,457,640
Total			211,416,690	-	211,416,690	197,778,295	13,638,396
MEDICAL							
401003217			724,560,000	73,334,501	797,894,501	768,156,071	29,738,430
	401013210	Human Resource & Development	724,560,000	73,334,501	797,894,501	768,156,071	29,738,430
402003217			32,960,000	1,632,900	34,592,900	29,540,518	5,052,382
	402013210	Primary Health Care Services	32,960,000	1,632,900	34,592,900	29,540,518	5,052,382

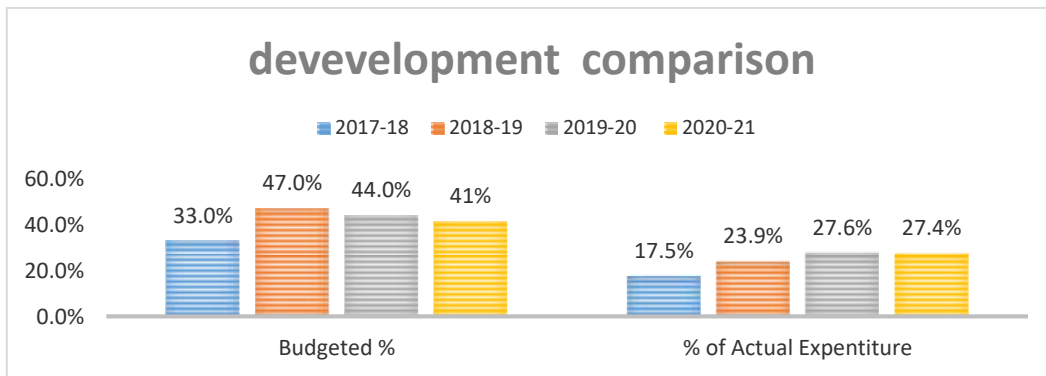
	402043210	SP4 curative Services	-	-	-	-	-
403003217			233,432,933	1,855,000	235,287,933	117,309,387	117,978,546
	403033210	Community Health	88,890,265	(1,900,000)	86,990,265	48,522,550	38,467,715
	403043210	SP4 Preventive and Promotive Services	144,542,668	3,755,000	148,297,668	68,786,837	79,510,831
Total			990,952,933	76,822,401	1,067,775,334	915,005,976	152,769,358
TRADE							
301003218			12,453,306	1,074,202	13,527,508	12,029,156	1,498,352
	301013210	Administration Services	12,453,306	1,074,202	13,527,508	12,029,156	1,498,352
302003218			5,810,000	(1,069,200)	4,740,800	3,446,990	1,293,810
	302023210	Promotion & Marketing	5,810,000	(1,069,200)	4,740,800	3,446,990	1,293,810
303003218			2,025,000	(2)	2,024,998	1,416,626	608,372
	303013210	Trade Promotion	2,025,000	(2)	2,024,998	1,416,626	608,372
Total			20,288,306	5,000	20,293,306	16,892,772	3,400,534
LIVESTOCK							
106003220			33,510,149	2,954,550	36,464,699	35,259,688	1,205,011
	106013210	Administration, Planning and Monitoring & Evaluation	33,510,149	2,954,550	36,464,699	35,259,688	1,205,011
108003220			944,528	(178,000)	766,528	604,918	161,610
	108013210	Co-management	944,528	(178,000)	766,528	604,918	161,610
111003220			1,620,328	(187,000)	1,433,328	1,391,045	42,283
	111013210	Livestock Extension Services	1,620,328	(187,000)	1,433,328	1,391,045	42,283
112003220			2,032,187	210,450	2,242,637	1,972,075	270,562
	112013210	Veterinary Service Management	2,032,187	210,450	2,242,637	1,972,075	270,562
Total			38,107,192	2,800,000	40,907,192	39,227,725	1,679,467

COUNTY PUBLIC SERVICE BOARD							
709003221			38,925,596	(1,936,886)	36,988,710	34,876,778	2,111,932
	709013210	Administration Services	38,925,596	(1,936,886)	36,988,710	34,876,778	2,111,932
710003221			6,229,500	1,936,886	8,166,386	7,794,452	371,934
	710053210	Human Resource Management and Development	6,229,500	1,936,886	8,166,386	7,794,452	371,934
Total			45,155,096	-	45,155,096	42,671,230	2,483,866
WATER							
105003223			24,834,570	28,968,305	53,802,875	50,875,195	2,927,681
	105013210	Water management, Conservation & Provision	24,834,570	28,968,305	53,802,875	50,875,195	2,927,681
Total			24,834,570	28,968,305	53,802,875	50,875,195	2,927,681
GENDER							
101003224			23,757,400	-	23,757,400	16,016,640	7,740,760
	101013210	Administration Services	23,757,400	-	23,757,400	16,016,640	7,740,760
Total			23,757,400	-	23,757,400	16,016,640	7,740,760
PUBLIC HEALTH							
501003225			62,315,296	2,000,000	64,315,296	61,197,258	3,118,038
	501013210	Administration Services	62,315,296	2,000,000	64,315,296	61,197,258	3,118,038
Total			62,315,296	2,000,000	64,315,296	61,197,258	3,118,038
FISHERIES							
709003226			32,882,174	(2,365,969)	30,516,205	26,347,619	4,168,586
	709013210	Administration Services	32,882,174	(2,365,969)	30,516,205	26,347,619	4,168,586
Total			32,882,174	(2,365,969)	30,516,205	26,347,619	4,168,586
INFRASTRUCTURE							
101003228			34,116,205	65,961	34,182,166	31,586,513	2,595,653

	101013210	Administration Services	34,116,205	65,961	34,182,166	31,586,513	2,595,653
Total			34,116,205	65,961	34,182,166	31,586,513	2,595,653
MUNICIPALITY							
101003229			32,077,858	44,371,924	76,449,782	31,584,653	44,865,129
	101013210	Administration Services	32,077,858	44,371,924	76,449,782	31,584,653	44,865,129
Total			32,077,858	44,371,924	76,449,782	31,584,653	44,865,129
Grand Total			2,101,568,526	260,297,696	2,361,866,222	1,971,635,200	390,231,022

2.2.10 ADHERENCE TO COUNTY FISCAL PRINCIPALS AS STIPULATED IN SECTION 107 OF PUBLIC FINANCE MANAGEMENT ACT 2012.

- (a) The county government’s recurrent expenditure shall not exceed the county government’s total revenue;
- (b) over the medium term a minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure;



(c) As it can be seen from above the whereas the county has been complying with the provisions of the PFMA 2012 and regulation of allocating at least 30 percent of the total county revenue to developmet,the same has not been complied over the medium term on the actual expenditure. More efforts should be put to increase the absorption of the development funds;

(d) the County Government’s expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government’s total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(e) The public finance management regulation 25(1) (b) requires that that benefits and wages to employees should not exceed 35% of the total county revenue. During the medium term period County Government of Lamu with the exception of FY 2017-18 has been Complying with the said regulation in terms of Budgeting.

However, the county has not been complying with the regulation when it comes to benefits and wages in comparison with Actual expenditure as shown in the figure below.

Figure 9: County government wages and benefits allocation as percentage of total budget vs total expenditure for FY 2017-18/ 2020-21



3.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1 Overview

23. This CBROP has been prepared against a background of a projected global economic recovery amidst uncertainty relating to new COVID-19 mutations particularly the Delta variant that could require broader reinstatement of containment measures. Global growth in 2021 is projected at 6.0 percent from a contraction of 3.2 percent in 2020 (WEO July 2021). However, economic prospects vary across countries with the emerging markets and developing economies expected to pick up slowly compared to advanced economies given different country policy responses to the pandemic. The projected recovery in advanced economies, particularly the United States, reflects the anticipated legislation of additional fiscal support in the second half of 2021 and broader vaccinations coverage across the group.

3.2 Recent County Economic Developments

24. The county has witnessed tremendous decline in the economic development because of the Covid-19 Pandemic. However, sectors like health, water, infrastructure, agriculture and energy transformed the lives of residents of Lamu County during the financial year under review.

25. There were also other various challenges apart from the Covid-19 Pandemic; key among them being delayed disbursement of funds from National Treasury and inadequate trained personnel in key departments.

26. Measures imposed by the government of Kenya to mitigate the spread of the virus resulted in job losses, both for casual workers in informal sector and daily-wage earners in the formal sector. Due to curfews and limited movement of people, many roles have become redundant, resulting in job losses or unpaid leave. Workers who already live in poverty and cannot afford to have precautionary savings consequently face a high risk of falling into poverty and might experience even greater challenges in regaining their livelihoods after the pandemic. The supply and demand of services in the sector have been significantly hampered.

27. The department of Health and Sanitation committed most of its resources to containing and controlling the spread of the virus. The sector ensured all aspects of control from

coordination mechanisms, community awareness and communication, infection prevention control, community surveillance, case management and logistics were adequately addressed. Other measures included the setting up of a county isolation ward at the county referral hospital, facility-based screening, screening at border points, package testing, training the county health workers on incident command system, rapid response activities, contacts tracing, data management and procurement of personal protective equipment for all health facilities. The National Government hired additional health workers to offer support and offered additional funds to help in fighting the pandemic.

28. The COVID-19 crisis has drawn attention to the already overburdened health sector, and to the challenges faced in recruiting, deploying, retaining and protecting sufficient well trained, supported and motivated health workers. It highlights the strong need for sustainable investment in health systems, including in the health workforce, and for decent working conditions, training and equipment, especially in relation to personal protective equipment and occupational safety. Social dialogue is essential to building resilient health systems, and therefore has a critical role both in crisis response and in building a future that is prepared for health emergencies.
29. One of the main development challenges in the county is accessibility to clean water. Towards provision of clean and safe water for socio economic growth, the department of water has continued investing in the construction water infrastructure, operationalization and maintenance of Water Supplies, provision of water harvesting storage, floods control and water pan construction. The department successfully implemented several projects under Mai Mekoni programme, especially in lamu East which was prone to water shortages by establishing water desalination plants.
30. Agriculture is a major contributor to the county economy, significant efforts were made to boost the sector through purchase and distribution of high valued certified seeds, pesticides, fertilizers and subsidized tractors services. In addition, the department also engaged in empowering farming communities through capacity building to improve their farming skills to enhance productivity.

31. The department of Lands and Physical Planning is identifying and mapping of key urban towns and. Planning of towns provides a spatial framework for sustainable utilization of resources and efficient use of the available land mass. It also enables formal settlement for the people of Lamu and the growth of urban towns that will in turn bring about economic growth in the County. The current pandemic Covid-19 has slowed down the progress of the above projects but the department is in the process of ensuring that the above projects are brought to completion to achieve the required results.
32. The Lamu Municipality has made significant efforts to ensure that the municipality is planned for and its boundaries set by the department of Lands and Physical Planning. A Municipality Board is in place and a Municipality Manager has been officially appointed. The Municipality, through the Kenya Urban Support Programme (KUSP), is undertaking the 2 construction of two markets at Mokowe and Mkomani using the Urban Development Grant (UDG). The board in place will ensure that there is efficient service delivery in the municipality that will in turn bring about economic growth.
33. To improve the retention rate in at ECDE the department of Education and Vocational Training continued with the established school feeding programs. In addition, the department continued to put in place measures to address the rate of unemployment among the youths through provision of best employable skill training and equipping of vocational training centers with modern tools and equipment. The department also released a total of Kshs. 125 million to County Scholarship and Bursary Fund to benefit needy students. The county is running a scholarship programme where county pays all the school fees to every student who scores 300 Marks in KCSE. To this end more than 1,000 students are under this programme.
34. The department of trade, tourism and industry is in the process of completing two Markets at majembeni and Hongwe in order to provide space for traders. In additional another open market is planned for this FY at Mpeketoni.
35. The department of Roads, Transport, Public Works, Housing and Urbanization achieved a number of milestones. The Roads and Transport sub sector, through the Executive

Committee prepared a workplan that was approved by the Kenya Roads Board for the utilization of the Roads Maintenance and Fuel Levy fund for rehabilitation of various county roads.

36. The Public Works sub sector in conjunction with Public service Management oversaw the beginning of the construction of the County Headquarters in Mokowe. At the close of FY 2020/21 the project was at the scheduled over 50%, with construction of the superstructure on going.

37. The department of Public Service was able to successfully fill the County Public Service Board members (CPSB.) This now allows the county executive to fill the Gaps in the public service, which was overdue especially in key department like health and education.

38. The department Public Service through of and civic education department and ward administrators continued to play key roles in engaging the citizens in key county decision making through public barazas.

39. The department of Finance and Economic Planning, embraced e-procurement in the FY 2020/21 ensured timely financial reporting, formulation of the County Budget and other policies. The department also has a developed M&E Policy. Additionally, the department has cleared all Historical Eligible Pending Bills.

40. Notably, local revenue remained resilient with a 0.4% decrease in collection compared to the previous financial year. The collection was realized in the last two quarters with the highest collection being in February, March, April and May. Over performance on collection of county own source revenue for the financial year 2020/21 had a positive effect on the resource envelope. The current revenue trend has been taken into consideration and strategies are being formulated to continue the improvement of the own revenue sources.

41. During the FY 2020/21, there were several non-core expenditures, which were necessary to ensure effective and efficient execution of administrative services. They included construction and refurbishment of offices, purchase of furniture, computers and other office equipment.

42.3.3 County Economic Outlook and Policies .

43. For the financial year 2021-2022, the county has emphasized programs and projects across the four strategic objectives: urban planning and climate proof infrastructure development; accessible and quality education; quality and affordable healthcare; and modern and commercially oriented agriculture
44. Projects to support the strategic objectives include institutional strengthening of the Lamu Municipality, survey and titling of settlements, improving health physical infrastructure and supply of pharmaceutical and non-pharmaceutical supplies, and expansion of the county medical workforce. In agriculture, the county is implementing the Kenya Climate Smart Agriculture Program. This is expected to improve food production and resilience against drought. In education, the County continues to establish and improve ECDEs centre facilities and subsidizing vocational training.
45. The County is planning to start various mechanisms to ensure efficient utilization of resources. These include rolling out the County M&E policy alongside the adoption of E-CIMES (County Integrated Monitoring and Evaluation System) to track results of policies, programmes and projects. Other initiatives on this include adoption of the CIDP II Indicator handbook and improving the human resource capacity for M&E in the Directorate of Economic Planning and Budgeting.
46. The County will continue to establish and strengthen partnerships with national government MDAs and development partners. Through these partnerships, the County anticipates to receive technical assistance, and access financial resources to complement the county's allocation to projects and programs.
47. The County will continue to engage with County citizens and other stakeholders in the County with an aim of soliciting feedback on the County plans, projects and programs. This is especially in the planning and budgeting cycle.
48. On revenue administration, the County is optimistic that the National Policy to Support Enhancement of County Own Source of Revenues shall be fully implemented. One of the elements of the Policy is automation of revenue collection from which the County will optimize revenue collection and administration.

49. In addition the county intends to develop various revenue generating legislation targeting various revenue streams

50. 3.4 Risks to the Outlook

51. Despite slow economic growth in Lamu County, the economy of Lamu is prone to both macro-economic and micro-economic risks. Macro-economic risks include;

52. Contracting global economy occasioned by the outbreak and rapid spread of the COVID-19 pandemic that weigh on Kenya's export activities and the tourism sector. Nationally, the pandemic has increased unemployment, disrupted business and consumption of goods and services, thereby affecting national government revenues and public expenditure. Such an impact will have a ripple effect on the County's economy seeing as 99% of the County's revenue comes from the National Government.

53. Depreciation of the Kenya shilling against the US dollar had a negative effect on the Consumer price index inflation leading to increased inflation. iii. The effects of the public debt and of pending bills are likely to contribute to the sluggish growth of the economy and have a negative trend on revenue collections to fund government expenditures.

54.b. Micro-economic risks include;

55. Agriculture is one the main economic activity in the County and one that provides employment and contributes to food security. Lamu is prone to natural disasters such as drought, floods, locust invasion and outbreaks of human and livestock diseases. The incidence of these disasters affects food security disrupts socio-economic activities and, in the case of floods, causes destruction to transport, water storage and distribution infrastructure.

56. Accessibility to some key areas of the county has been a challenge due dilapidated road network. The poor roads cause delays in deliveries and increase in transport costs that are in turn transferred to the consumer, with prices varying upward on some products as compared to recommended retail prices in other areas.

57. The County administration is continually monitoring these risks and undertaking appropriate measures to make the county economy resilient against these risks. To steer an appropriate

post-COVID-19 recovery, the County is investing in the productive and social sectors such as food production, enterprise development, water and health. The Youth, women and People Living with Disabilities Fund is in the final stages of being disbursed to successful groups.

58. The County will endeavour to step up efforts in building resilience against the climate shocks. This includes building climate-proof infrastructure, enacting legislation to support disaster risk management, reducing over-reliance on rain-fed agriculture, specific actions to promote drought resilience among pastoralists, and improving water security in the hinterlands.

59.3.5 Medium Term Expenditure Framework

60. To strengthen its fiscal responsibility, the county will put in place the following measures to enhance revenue collection, expenditure management and budget control.

61. Revenue enhancing measures:

62. The county intend to expand the valuation roll. This will include other areas which have been recently surveyed e.g mpeketoni, witu, Faza and Hindi.

63. The county intends to enact legislation of county revenue laws in the financial year 2021/2022.

64. The county will automate and integrate all revenue systems with the county bank accounts. The county shall improve enforcement of revenue collection.

65. Another measure to improve own source revenue will be through the provision of tax waivers to ratepayers.

66.3.5.2 Expenditure management and budgetary control

67. The County Public Service Board should establish an optimal staffing structure in order to ensure a sustainable wage bill.

68. Proper management of assets – The County will ensure tagging of all its assets and establish an all-inclusive register.

69. Lamu County will adopt GIS-based project mapping technology in order to locate projects and assets in real time to avoid duplication.

70. Strict adherence to PFMA and other relevant laws like procurement laws. This will avoid wastages in procurement, over expenditure and nugatory payments

71. County shall operationalize Internal Audit Committee to strengthen the Internal Audit function in an effort to enhance prudent financial management.

72. In addition to the above measures, the county should fully implement the CIMES in order to effectively monitor projects and evaluate their implementation

RESOURCE ALLOCATION FRAMEWORK

Overview

73. This section sets out how the County Government of Lamu intends to live within its means. It establishes the resource envelope or total revenue it expects, it also allocates this budget resources across government departments and agencies by setting expenditure limits of ceilings for each county department/agency.

- In order to ensure effective utilization of public finances, resource allocation will be guided by the following;
 - PFMA, 2012
 - Ongoing projects
 - Pending Bills Reports
 - Emerging priorities
 - County Integrated Development Plan (CIDP II)
 - Medium term plan III (2019 - 2023)

4.2 Adjustment to the FY 2021/2022 budget

74. Adjustments expected in the 2021/2022 budget estimates will be based on the actual performance of the expenditure thus far and the absorption capacity in the remainder of the financial year. Due to resource constraints, the county will rationalize expenditures by considering emerging needs such as:

- Recruitment based on the departmental staff establishment reports
- The occurrence of natural disasters such as severe drought and floods
- The report of the Lamu County Ineligible Pending Bills Resolution Committee

75. Lamu county treasury prepared the 2021/2022 FY Budget taking into consideration all the recommendations announced by his Excellency the Governor and the will of the people of Lamu county as expressed during the public participations held.

76. The County treasury has continued to realign the Development Budget into cost centers.

77. There was a Significant increase in own source revenue in the FY 2020/2021. The county treasury managed to collect 108.5 Million representing 108 percent collection of the Kshs

100M targeted amount and a marginal decrease of percent of the 108.8 million realized in the FY 2019/2020. The county treasury has overperformed in collection of own source revenue (OSR) against a target of 100 million in the previous financial year. The county treasury intends to roll out reforms in the revenue collections and administration that may aim at expanding its revenue base and complemented with improvement in revenue collections through automation prompting the county treasury to increase OSR target to 120 million.

78. The county treasury appropriated some monies to offset 2018/19, 2019/20 and the approved ineligible pending bills depending on the Ineligible Pending bills Committee' report. The county managed to offset all the approved historical pending bills in the F/Y 2019/20. These historical pending bills will eat into the County Resource envelope. This has mostly affected the current development projects and Operation and Maintenance expenses as well as future allocations. Based on the rising wage bill, the county treasury has maintained the decision to allow departments to employ only with the approval of the County Executive Committee and confirmation by the County Treasury on the availability of Funds.

4.3 The Medium-Term Expenditure Framework

79. This subsection explains adjustment that will be made to the budget over the immediate and the following two years. The county will continue to implement the medium-term expenditure framework (MTEF) through policies, projects, and programs set out in the annual development plans, county fiscal strategy papers anchored in the respective county integrated development plans.

80. During FY 2021/2022, the County will focus on building foundations for increasing the Own Source Revenue collections through resource mapping, civic education of the public on the importance of OSR, and automation of revenue collection. With increased sources and capacity, the County will look to increase OSR targets in subsequent financial years.

81. The County will continue to invest in infrastructure, quality and affordable universal care, education; urban planning and development, good governance among others to consolidate the gains made for the last seven years. The table below provides projected baseline ceilings and the 2022/2023 to 2024/2025 MTEF by department

Table 9 Revenue Projections

Grants	Budgeted 2020/21	actual 2020/21	2021/22	2022/23	2023/24	2024/25
Equitable share	2,595,300,000	2,595,300,000	3,105,649,643	3,105,649,643	3,260,932,125	3,423,978,731
Local revenue	100,000,000	108,756,520	120,000,000	120,000,000	126,000,000	132,300,000
Grants Contained in the CARA						
Road Maintenance Fuel Levy Fund	73,669,313	73,669,313	0	0	0	0
Kenya Devolution Support Programme (KDSP)	32,258,653	30,000,000	0	0	0	0
Compensation for User Fee Foregone	2,451,034	2,451,034	0	0	0	0
DANIDA Grant	10,593,750	14,548,750	5,750,250	5,750,250	6,037,763	6,339,651
Supplement for Construction of County Headquarters	121,000,000	0	38,000,000	0	0	0
Development of Youth Polytechniques	41,298,298	41,298,298	0	0	0	0
World Bank Loan for Transforming Health System for universal Care Project	44,679,843	34,402,667	42,427,244	42,427,244	44,548,606	46,776,037
Kenya Climate Smart Agriculture project	157,507,010	112,741,878	300,102,326	0	0	0
Kenya Urban Support Program (KUSP)-World bank urban institutional grant (UIG)	8,800,000	8,800,000	0	0	0	0
WORLD BANK-Kenya Informal Settlement Improvement Project(KISIP II)		0	10,000,000		0	0
Agriculture sector development programme(ASDSP)	14,265,997	9,882,997	25,109,992	0	0	0
COVID - 19 GRANT	0	13,682,000	0	0	0	0
FRONTLINERS HEALTH WORKERS ALLOWANCES	0	20,325,000	0	0	0	0
Kenya Urban Support Program (KUSP)-World bank	0	35,761,940	0	0	0	0
GRAND TOTAL	3,201,823,898	3,101,620,397	3,647,039,455	3,273,827,137	3,437,518,494	3,609,394,419

Table 10 Summary of Indicative Sector Ceilings for FY 2022/23 MTEF

VOTE TITLE	COMPENSATION TO EMPLOYEES	OPERATING & MAINTENANCE	RECURRENT GRANTS	DEVELOPMENT	GROSS ESTIMATES
County Assembly	193,631,710.00	224,368,290.00		10,000,000.00	428,000,000
County Executive	200,000,000.00	149,627,557.12		10,000,000.00	359,627,557
Finance	68,543,395.80	30,576,960.00		-	99,120,355.80
Agriculture & Irrigation	45,705,430.00	12,590,412.00		45,735,813.60	104,031,655.6
Land,Physical Planning	17,841,839.80	8,670,178.00		59,609,428.00	86,121,445.80
Education, Gender, Sports, Youth, Culture & Social services	110,490,500.40	132,440,000.00		90,667,500.00	333,598,000.4
Medical Services	757,186,297.00	150,379,261.00	48,177,494.00	175,350,000.00	1,131,093,052.
Trade, Tourism & Investment Development	20,850,908.00	5,614,625.40		37,800,000.00	64,265,533.40
Livestock, Veterinary & Cooperative Development	32,206,652.00	5,801,901.00		10,500,000.00	48,508,553.00
Public Service Board	36,255,946.00	14,607,300.00		-	50,863,246.00
Water	16,994,709.34	15,487,954.00		57,750,000.00	90,232,663.34
Gender, Sports, Youth, Culture & Social services	7,471,588.00	8,519,400.00		27,775,000.00	43,765,988.00
Public Health Sanitation and Environment	57,214,412.00	8,500,000.00		7,875,000.00	73,589,412.00
FISHERIES	24,468,280.00	7,357,000.00		15,750,000.00	47,575,280.00
Budget And Economic Planning	9,639,998.50	7,026,000.00		-	16,665,998.50

Infrastructure and Energy	20,830,360.80	21,986,246.00		185,850,000.00	228,666,606.
Lamu Municipality	23,851,309.24	8,762,980.00		35,487,500.00	68,101,789.24
TOTAL	1,643,183,336.88	812,316,064.52	48,177,494.00	770,150,241.60	3,273,827,137
	50%	25%	1%	24%	

Revenue Outlook

82. The resource envelope is projected at a total of Ksh 3.2 Billion, which comprises of Equitable share of revenue raised nationally of Ksh 3.1 Billion and conditional grants projected to amount to Ksh 48 Million. Meanwhile the county treasury is projecting to collect Ksh 120 Million as OSR. However, these estimates shall be firmed up by the Budget Policy Statement (BPS), County Allocation of Revenue Act 2021 and approved policies by the County Executive Committee.

Expenditure Outlook

83. The total expenditure is estimated at Ksh 3.2 Billion comprising of recurrent expenditure which is estimated at 76 percent and development estimated at 24 percent. Currently, the county wage bill has exceeded the 35 percent ceiling as stipulated in the fiscal responsibility principles of the Public Finance Management Act, 2012.

84. Over the medium term the county intends to live within its means and therefore shall endeavor to operate a balanced budget.

85. Table below indicates projections for expenditure in the Medium-Term 2022/23 – 2024/25

Table 11: Summary of Expenditure Projections for FY 2022/23 and MTEF in Million KShs

Revenue type	Budgeted	Projected Expenditures			
	2021/22	2022/23	2023/24	2024/25	%
Personnel Emoluments	1,647,109,123	1,643,183,336.88	1,676,047,003.62	1,709,567,943.69	50%
Operations & Maintenance	968,381,890	860,493,558.52	877,703,429.69	895,257,498.28	26%
Development	1,087,943,632.00	770,150,241.60	785,553,246.43	801,264,311.36	24%
Total	3,703,434,645.00	3,273,827,137.00	3,339,303,679.74	3,406,089,753.33	100%

5.0 CONCLUSION AND NEXT STEPS

86. The FY 2022/23 and the medium term budget is being prepared against the backdrop of a slowdown in the growth of the global and national economy. The Pandemic and the attendant containment measures has led to contraction of the global economy disrupting businesses including international trade and leading to loss of livelihoods for millions of people globally. Kenya has not been spared. From the Pandemic and the containment, measures have not only disrupted our ways of lives and livelihoods, but to a greater extent business. Consequently, the economy is projected to slow down to 2.6 percent in 2020 from the 5.4 percent registered in 2019. To cushion citizens and businesses from the adverse effects of Covid-19 Pandemic and stimulate economic recovery, the Government will continue to implement measures in the context of the Economic Stimulus Programme and the Post Covid-19 Economic Recovery Strategy.

87. Given the tight resource constraints amidst significant revenue shortfalls occasioned by the adverse effects of the Covid-19 Pandemic, the County Government of Lamu will continue to ensure proper prioritization of public expenditures to the most impactful programmes with highest welfare benefits to Kenyans. As such, in the FY 2022/23 budget, special focus will be placed on the achievement of the “**HE Governor Manifesto**” as stipulated in various county planning documents. Equally, emphasis will be on strategic interventions under the Post Covid19 Economic Recovery Strategy that will further re-position the economy on a steady and sustainable growth trajectory. Thus, all Departments are required to adhere to the hard sector ceilings, and the strict deadlines

provided in this document to facilitate the finalization and appropriation of the FY 2022/23 and the medium term budget. The resource envelope and ceilings for each Department provided in this Budget Review and Outlook Paper will form inputs into the next County Fiscal Strategy paper, which will be finalized by Mid-November 2021.

PROJECT STATUS AS AT 30TH JUNE 2021

HEAD CODE	TITLE		ESTIMATES	AMOUNT PAID	LEVEL OF COMPLETION
3212000000	COUNTY EXECUTIVE SERVICES				
	Construction of County Annex-Conditional Grant	County Headquarters -Mokowe	50,000,000	-	0.00%
	Construction of Enforcement and Training (Command) Centers	County Headquarters - Port Road Junction	1,000,000	-	0.00%
	Construction of County HQs Fence	County Headquarters -Mokowe	14,400,000	11,398,444	79.16%
	Construction of Governors Residence phase	County headquarters	10,000,000	-	0.00%
	Construction of county Headquarters	County Hqs	6,000,000	-	0.00%
	construction of fire station	Mkomani	2,000,000	1,646,968	82.35%
	Construction of information centre at witu	witu	696,000	-	0.00%
	Renovation of county HQRS ROOF	County Hqs	1,300,000	1,183,200	91.02%
	Toilets at blue house	County Hqs	605,000	600,465	99.25%
	NET EXPENDITURE		86,001,000	14,829,077	17.24%
3213000000	FINANCE				
	Construction of Witu weighbridge	witu	4,297,382	4,297,382	100.00%
	NET EXPENDITURE		4,297,382	4,297,382	100.00%
3214000000	AGRICULTURE & IRRIGATION				
	Provision of certified maize seeds, NERICA seeds, cow peas and green grams	County wide	35,000,000	34,618,303	98.91%
	ASDSP11	County wide	16,582,998	-	0.00%
	Purchase of 9 Motor cycles	County wide	4,050,000	-	0.00%
	Kenya Climate Smart Agriculture project Grants	Witu, Mkunumbi, Bahari, Hindi, Faza and Kiunga Ward	81,950,000	7,664,034	9.35%
	Purchase of 9 Motor cycles	County wide	4,500,000	-	0.00%
	Kenya Climate Smart Agriculture project Infrastructure projects	County wide	115,500,000	-	0.00%

	Pocurement and distribution of coconut seedlings	County wide	2,000,000	2,000,000	100.00%
	Procurement and distribution of grafted cashew nut seedlings	County wide	1,000,000	1,000,000	100.00%
NET EXPENDITURE			260,582,998	45,282,338	17.38%
3223000000	WATER MANAGEMENT				
	Bargoni -mswakini village water house hold connections connection ,elevated tank 10 M high sump tank 500M		9,000,000	-	0.00%
	Uziwa town water household connections		4,000,000	-	0.00%
	Muhamarani town water household connections		5,000,000	-	0.00%
	lake amu water household connections 4kms		3,000,000	-	0.00%
	Electricity connection for Magogoni water station		3,000,000	-	0.00%
	Siyu -pate -Mtangawada pipeline extension,pate household connections 25KMS		18,000,000	8,749,891	48.61%
	Hongwe town household connections 8 kms		4,000,000	-	0.00%
	Wiyoni water improvement 8km pipeline from pumping station to Wiyoni		8,000,000	-	0.00%
	Pipeline extension Mandamaweni – Manda Airport – Ras Kitau – Takwa Ruins 8km. elevated tank 24m high, sump tank 50m3 and solar pumping set		15,000,000	-	0.00%
	Mokowe desalination plant and plant house		20,000,000	-	0.00%
	Juhudi, Marafa, Salama – Widho pipeline extension 14km		10,000,000	3,975,915	39.76%
	Mpeketoni water household connection pipeline 40km, office block and stores		30,000,000	-	0.00%
	Extension of Jerico pipeline		8,000,000	-	0.00%
	Bomani town water household connection 4km		3,000,000	-	0.00%
	Construction of Elevated 50 Cubic meters 15M HIGH TANK AT SINAMBIO , 50 Cubic meters SUMP TANK ,SOLAR PUMPING SET AND FENCING		7,000,000	2,574,867	36.78%
	Wiwa pumping station improvement sump tank, electricity connection, pump station house, pumping set, toilets, elevated tank		7,000,000	2,575,988	36.80%

	rehabilitation				
	Elevated tank Nagele 24m high, solar pumping set. To serve Chalaluma, Moa, Dide, Katsa Kairu villages		8,000,000	2,920,265	36.50%
	Tchundwa – Iyabogi - Mbwajumwali household connection 30km		20,000,000	19,816,011	99.08%
	Overheads tank for witu		500,000	-	0.00%
	Extension of Water Project Bangure - Ndambwe		5,321,334	5,221,334	98.12%
	Desalination Plant mkokoni		6,840,175	4,581,690	66.98%
	Constuction of boreholes		7,200,000	-	0.00%
	Construction of water pans at kiangwe		7,000,000	-	0.00%
	Water Supply and connection		40,000,000	24,294,335	60.74%
	Drilling of 10 Boreholes		5,000,000	-	0.00%
	Sefu to Sinambio water connection		1,400,000	-	0.00%
	Sefu water project		837,520	837,520	100.00%
	Siyu Desalination plant and maintenance		2,462,112	-	0.00%
	Belebele waste water pipeline		4,000,000	-	0.00%
	Belebele water works improvement		4,000,000	-	0.00%
	faza desalination plant		20,000,000	-	0.00%
	Sinambio – Miruji pipeline extension		6,100,000	5,937,768	97.34%
	Basuba – Baure Water and Kiangwe water pan project		5,000,000	-	0.00%
	NET EXPENDITURE		297,661,141	81,485,584	27.38%
321500000	LANDS				
	Consultancy on preparation of variation roll		690,000	-	0.00%
	Consultancy services for planning and surveying of Manda Trading Centre	Faza	5,000,000	-	0.00%
	Consultancy services for planning and surveying of Baharini Town	Shella	7,000,000	-	0.00%

	Consultancy services for planning, surveying and regularization of Bomani Town and Mini Valley shambas	Bahari	8,000,000	-	0.00%
	Consultancy services for planning and surveying of Moa and Kitumbini villages	Hongwe	7,000,000	-	0.00%
	Consultancy services for planning, surveying and regularization of Uziwa Trading centre	Witu	5,000,000	-	0.00%
	Consultancy services for planning, surveying and regularization of Majembeni Centre	Mkunumbi	5,000,000	-	0.00%
	Consultancy services on planning, surveying and regularization of Milimani, Mangai and Mararani Villages in Basuba	Mkunumbi	4,000,000	-	0.00%
	Consultancy services for planning, surveying and regularization of vipingoni and Mkokoni Phase 2 Farms	Basuba	4,000,000	-	0.00%
	Consultancy services for planning, surveying and regularization of safirisi trading centre	kiunga	2,500,000	-	0.00%
	Consultancy services for planning of vumbe	Hindi	1,827,460	-	0.00%
	Consultancy services for planning of Hindi Magogoni Phase	Mkomani Ward	6,000,000	-	0.00%
	Planning, Survey and Regularization of Hidabu	All wards	4,120,320	4,120,320	100.00%
	Planning of informal centres on lamu west	All wards	2,000,000	-	0.00%
	Planning of informal centres on lamu east	Hongwe Ward	2,000,000	-	0.00%
	Planning, Survey and Regularization of Baraka Town	Bahari Ward	6,984,740	6,984,740	100.00%
	Planning, Survey and Regularization of Kiongwe Madukani Centre	Basuba Ward	5,233,920	5,233,920	100.00%
	Planning, Survey and Regularization of Basuba Village	Witu Ward	4,987,690	1,995,076	40.00%
	Planning, Survey and Regularization of Kiziwa Cha Paka	Bahari Ward	4,029,840	4,029,840	100.00%
	Planning, Surveying, Regularization and Kiongwe Farms II	Mkunumbi Ward	9,201,120	9,201,120	100.00%
	Planning, Survey and Regularization of Mikinduni Farms	Hindi	5,940,000	5,940,000	100.00%
	Survey & regularization of Hindi Township	Hongwe	4,076,973	4,076,973	100.00%

	Survey & regularization of Hongwe Centre	Mkunumbi	1,884,573	1,884,573	100.00%
	Survey & regularization of Muhamarani Centre	Shella	3,102,573	3,102,573	100.00%
	Planning, survey & regularization of Mararani village	Kiunga	7,982,032	-	0.00%
	Planning, survey & regularization of Kiwayu villages & farms	Kiunga	8,131,023	-	0.00%
	NET EXPENDITURE		125,692,264	46,569,135	37.05%
321600000	EDUCATION AND VOCATIONAL TRAINING				
	Construction of Bahati ECD	Bahari	3,300,000	2,371,968	71.88%
	Construction of kandahari ECD	Mkomani	3,300,000	-	0.00%
	Construction of 2 ecdes with Toilets	Hongwe	6,600,000	2,521,719	38.21%
	Construction of Kathale ECD	Witu	3,300,000	-	0.00%
	Construction of Shakale ECD	Mkunumbi	3,300,000	2,753,049	83.43%
	Construction of Milimani ECD	Basuba	3,300,000	-	0.00%
	Construction of Upendo ECD	Bahari	3,300,000	-	0.00%
	Construction of ECD Centers and toilets at Mararani	Shella	3,593,703	3,469,153	96.53%
	Construction of ECD at Jipendeni	Witu	3,229,081	1,370,754	42.45%
	Construction of ECD at lumshi	Witu	3,258,685	1,359,153	41.71%
	Construction of ECD at Lake Kenyatta	Bahari	3,276,295	3,079,443	93.99%
	Construction of an ECD at Bomani	Hongwe	3,599,613	3,469,153	96.38%
	Construction of an ECD at Hindi	Hindi	3,599,967	3,469,153	96.37%
	Construction of Tangeni ECD	witu	1,516,290	1,370,598	90.39%
	Construction of Thaku Thaku ECD	Witu	3,231,906	3,052,106	94.44%
	ECD EQUIPMENT, Learning and Teaching Material	Countywide	6,000,000	2,001,000	33.35%
	Youth polytechnics learning and teaching materials	Countywide	5,000,000	-	0.00%
	Grants towards supporting Rehabilitation of Village Polytechnics	Countywide	50,299,894	50,299,894	100.00%
	Construction of an ECD at MIKINDUNI	Mkunumbi	104,956	104,574	99.64%

	Construction of an ECD at MANGU	Hindi	485,949	485,867	99.98%
	Construction of an ECD at SIKOMANI	Hindi	348,396	-	0.00%
	Construction of an ECD at KIZUKE	Mkunumbi	3,606,231	3,303,311	91.60%
	Construction of an ECD at MKUNUMBI	Mkunumbi	3,000,000	-	0.00%
	Construction of an ECD at WIYONI	Mkomani	3,000,000	-	0.00%
	Construction of an ECD at BASUBA	Basuba	3,000,000	-	0.00%
	Construction of an ECD at KATSAKA KAIRU	Witu	3,000,000	-	0.00%
	Construction of an ECD at JUHUDI	Basuba	3,300,000	-	0.00%
	Construction of an ECD at MANGAI	Basuba	3,300,000	-	0.00%
	CONSTRUCTION OF ECD CLASSROOM AND 2 DOOR TOILET AT SIYU	Countywide	2,998,590	2,898,110	96.65%
	NET EXPENDITURE		139,149,556	87,379,005	62.80%
322400000	YOUTH, GENDER, CULTURE, SPORTS AND SOCIAL SERVICES				
	Construction of Social Hall at Mtangawada-Phase 1	faza	2,500,000	1,888,538	75.54%
	Construction of Social Hall at Shanga ishakani Social Hall – phase 1	faza	2,500,000	1,657,860	66.31%
	Kiwayu social Hall	faza	5,000,000	1,605,480	32.11%
	Ndau social hall phase II	Bahari	5,000,000	-	0.00%
	Renovation sheila social hall phase one	Hongwe	5,000,000	-	0.00%
	Construction of Social Hall at Muhamarani	Mkunumbi	5,000,000	-	0.00%
	Provision of smart driving licences for 1000 trained DLamus	Countywide	3,050,000	-	0.00%
	Youth Empowerment	Countywide	2,000,000	2,000,000	100.00%
	Women Empowerment	Countywide	2,000,000	2,000,000	100.00%
	People Living With Disabilities Empowerment	Countywide	2,000,000	2,000,000	100.00%
	construction of Social at Hindi Town	Hindi	1,388,287	1,386,734	99.89%
	construction of Social at Mokowe Town	Hindi	1,925,909	1,925,371	99.97%
	Construction of a 7 Aside Field	Sheila	14,836,328	5,611,209	37.82%

	Construction of social hall at lake kenyatta	Bahari	1,091,473	-	0.00%
	Renovatiion of social hall at Mkokoni	Kiunga	5,000,000	-	0.00%
	PWD CENTER		5,000,000	-	0.00%
	Construction of a seven Aside st lamu Boys	Bahari	13,059,328	3,039,792	23.28%
	levelling of siyu football stadia	faza	1,500,000	-	0.00%
	levelling of Tchundwa football stadia	Mkomani	1,062,757	-	0.00%
	Construction of Social Hall at Shanga Rubu	faza	3,326,458	2,999,905	90.18%
	Basketball court at Muungano	Mkomani	1,500,000	-	0.00%
	Additional 35 youth trained ONDRIVING	Countywide	500,000	-	0.00%
	Purchase of sports equipmenta	Countywide	614,370	587,760	95.67%
	Basketball court at Mkomani	Mkomani	1,500,000	-	0.00%
	NET EXPENDITURE		86,354,910	26,702,649	30.92%
3217000000	MEDICAL SERVICES				
	NHIF Indigent cover for 20,0000 households	Countywide	120,000,000	120,000,000	100.00%
	Renovation of Shanga Rubu Dispensary	faza	1,000,000	-	0.00%
	Expansion of Kizingitini hospital phase one	faza	9,000,000	7,986,695	88.74%
	Construction and Equiping of kihongwe Dispensary and toilet	Bahari	8,000,000	5,870,470	73.38%
	Construction Hongwe dispensary	Hongwe	6,000,000	5,770,710	96.18%
	INCENERATOR		3,000,000	-	0.00%
	MANDA MAWENI DISPENSARY PHASE I	SHELLA	6,000,000	-	0.00%
	Equiping of of Mpeketoni Hospital Maternity and OPD	BAHARI	8,000,000	-	0.00%
	Construction and equiping of Laboratory in Uziwa dispensary	Mkunumbi	6,000,000	-	0.00%
	Construction and equiping of Chalaluma dispensary	Witu	6,000,000	-	0.00%
	Construction of Dispensary at Mavuno whitehouse	Mkunumbi	6,000,000	-	0.00%
	purchase of an advanced life support ambulance	Basuba	9,700,000	9,530,000	98.25%
	Mavuno dispensary	Mkunumbi	1,200,000	-	0.00%

	COVID 19 CONDITIONAL GRANT purchase of isolation Beds and other equipment	Countywide	13,682,000	10,842,284	79.24%
	Renovation of old Mortuary building to a Laundry block	Bahari	1,500,000	-	0.00%
	Advanced life support ambulance for Kiunga Health Centre	Kiunga	9,600,000	9,530,000	99.27%
	Construction of OPD at Mpeketoni	Bahari	51,000,000	48,833,136	95.75%
	Renovation of King Fahd Hospital	Mkomani	5,000,000	4,893,599	97.87%
	Purchase of Medical equipment; Ophthalmology, Dental and Physiotherapy for Lamu County Hospital	Mkomani	5,000,000	-	0.00%
	Construction of a dispensary at Wiyoni	Mkomani	5,000,000	4,598,195	91.96%
	Construction of a dispensary at Kashmir-Phase 1	Mkomani	5,000,000	4,585,612	91.71%
	Procurement of immuno-analyzer	Hindi	6,000,000	4,500,000	75.00%
	Construction of OPD and Extension of Maternity wing at Mpeketoni and Extension of Maternity wing	Bahari	12,460,576	-	0.00%
	Completion of siyu Health centre	Faza	10,000,000	-	0.00%
	Renovation of Pandanguo dispensary	Witu	2,500,000	-	0.00%
	Construction of VIP latrines at Kiunga H/C	Kiunga	1,000,000	-	0.00%
	Construction of sanitary block at Hindi and water tower	Hindi	866,012	766,210	88.48%
	Renovation of Witu outpatient block	Witu	4,230,969	-	0.00%
	Construction of perimeter wall at Kizingitini	Faza	3,000,000	-	0.00%
	Equiping and furnishing of New OPD at Faza Hospital	Faza	4,000,000	-	0.00%
	Upgrading of Mokowe Health centre	Hindi	1,533,935	-	0.00%
	Completion of Witu Accident & Emergency unit	Witu	2,506,159	-	0.00%
	Construction of perimeter wall at Faza SCH	Faza	1,489,772	-	0.00%
	Supply, installation & commisioning of Laundry machine at Mpeketoni SCH	Bahari	4,447,936	4,447,936	100.00%
	Completion of perimeter fence at Mpeketoni	Bahari	597,400	-	0.00%

	Construction of OPD at Faza SCH	Faza	1,733,212	-	0.00%
	Construction of a dispensary at Siyu village	Faza	585,552	-	0.00%
	Construction of Kiunga Incinerator	kiunga	970,688	-	0.00%
	Extension of Maternity wing and general renovationsat Faza SCH	Faza	2,785,669	-	0.00%
	Completion and equiping of Lamu County Hospital intensive care unit	Mkomani	5,000,000	4,494,145	89.88%
	Lamu County Hospital oxygen plant	Mkomani	17,000,000	-	0.00%
	Mavuno dispensary VIP latrines	Hindi	1,000,000	-	0.00%
	Ishakani dispensary solar system	Kiunga	500,000	-	0.00%
	Supply, installation and commission of an X-ray machine and accessories at Witu Health Centre	witu	7,000,000	6,810,836	97.30%
	NET EXPENDITURE		376,889,881	253,459,829	67.25%
322500000	SANITATION & ENVIRONMENT				
	Construction of public toilets at kiongwe,tewe ,sikomani primary ,baharini and lake amu towns	County Wide	2,600,000	-	0.00%
	Construction of public toilets at various towns in hongwe	Bahari	2,600,000	-	0.00%
	Fencing of Dumping Site at Muhamarani	Hongwe	2,000,000	-	0.00%
	Construction of perimeter wall at Shella Damping site	Mkunumbi	611,668	-	0.00%
	Establishment of cleansing unit- Provision of yard and equipments	Mkunumbi	2,959,258	2,908,237	98.28%
	Acquisition and fencing of waste disposal sites	Faza	2,600,000	-	0.00%
	Acquisition and fencing of waste disposal sites	Witu	2,600,000	-	0.00%
	Construction of modern toilets	Hongwe	9,599,378	3,714,807	38.70%
	Aquisition and fencing of waste disposal site	Hindi	2,600,000	-	0.00%
	Aquisition and fencing of waste disposal site	Mkunumbi	2,600,000	-	0.00%
	NET EXPENDITURE		30,770,304	6,623,044	21.52%

3218000000	TRADE				
	Renovation of Mpeketoni Market Toilets	County Wide	500,000	-	0.00%
	Hongwe Market Phase II	Bahari	6,000,000	-	0.00%
	Construction of Majembeni Open Air Market phase III	Hongwe	6,000,000	2,540,742	42.35%
	Construction of Majembeni Open air Market II	Mkunumbi	3,300,000	1,832,942	55.54%
	Construction of local boat building shed, Kizingitini	Faza	552,354	-	0.00%
	Construction of Witu Boda Boda Shed	Witu	284,191	-	0.00%
	Construction of Hongwe Boda Boda shed	Hongwe	233,706	-	0.00%
	Construction of Hindi Boda Boda shed	Hindi	284,266	-	0.00%
	Construction of Ngoi women shed	Mkunumbi	33,897	-	0.00%
	NET EXPENDITURE		17,188,414	4,373,684	25.45%
3220000000	LIVESTOCK, VETERINARY & COOP DEVELOPMENT				
	Construct Mpeketoni Modern slaughter house	Bahari	6,000,000	-	0.00%
	Livestock health improvement programme	Countywide	8,342,300	8,339,900	99.97%
	Renovation/construction of Slaughter House	Hindi	5,992,582	-	0.00%
	Installation of overhaul rail and rehabilitation of sewage system of lamu slaughter house	Mkomani	2,200,000	-	0.00%
	Community Pasture and fodder development project Lamu East	Hindi	1,470,115	-	0.00%
	Construction of Nagele Auction Yard	witu	9,478,595	8,440,090	89.04%
	Community Pasture and fodder development project Lamu west	Vumbe	1,500,000	-	0.00%
	REHABILITATION OF AMU SLAUGHTER HOUSE	amu	2,000,000	-	0.00%
	Construction of Kitumbini Cattle dip	Witu	3,958,000	3,945,653	99.69%
	NET EXPENDITURE		40,941,592	20,725,643	50.62%
3226000000	FISHERIES				
	Construction of fisherman landing site (campsite)	Rubu , Mambore and Mvundeni	2,000,000	-	0.00%
	Fishing Gears and outboard engines	Countywide	5,000,000	4,990,000	99.80%

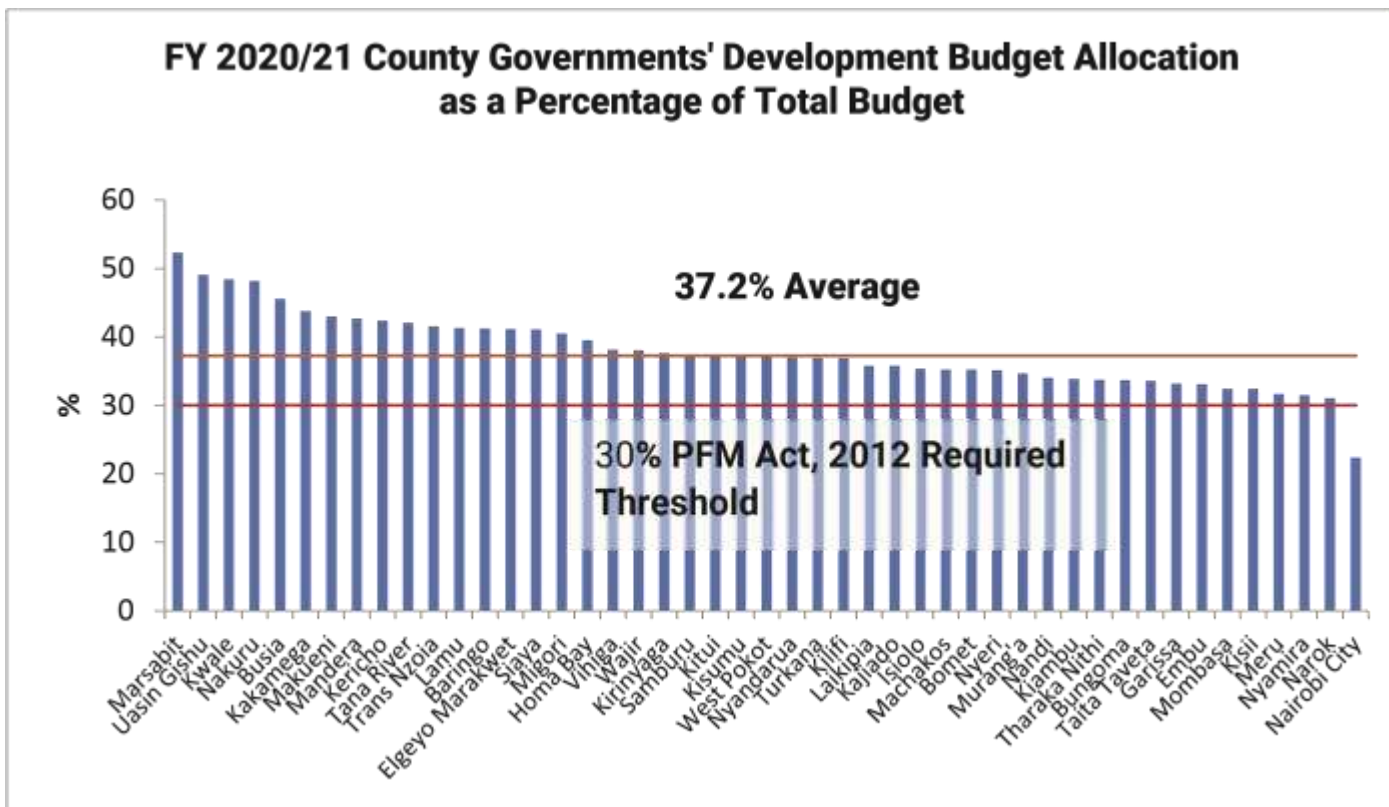
	Completion of Kizingitini Ice Plant	Kizingitini - Faza	9,000,000	-	0.00%
	Construction of fisherman landing site (campsite)	Mtangawanda and Kipungani	5,000,000	-	0.00%
	Supply of fish finders	Countywide	1,860,000	1,860,000	100.00%
	Construction of fisherman landing site (campsite)	Ndununi	2,000,000	1,969,692	98.48%
	Construction of fishermen shed	kiwayuu	1,500,000	-	0.00%
	NET EXPENDITURE		26,360,000	8,819,692	33.46%
322800000	INFRASTRUCTURE				
	Construction of Sea Wall at MBWAJUMALI	faza	10,000,000	-	0.00%
	Construction of Drainage System at Mpeketoni Town phase one	Bahari	10,000,000	8,667,903	86.68%
	IMPROVEMENT OF WALKWAYS IN MKOMANI	MKOMANI	5,000,000	4,994,480	99.89%
	Mtondoni Road Bridge	Hongwe	5,000,000	4,997,396	99.95%
	Hindi Town Drainage System	Hindi	30,000,000	17,964,350	59.88%
	County wide street light Programme	Countywide	10,000,000	10,000,000	100.00%
	MOA-CHALALUMA ROAD	Witu	6,000,000	5,978,396	99.64%
	A7 JUNCTION NAIRONI road	Witu	6,000,000	5,962,630	99.38%
	Sinambio road 1	hongwe	9,500,000	9,410,686	99.06%
	Sinambio road 2	hongwe	9,500,000	9,374,501	98.68%
	Mpeketoni bahari road	Bahari	4,000,000	3,998,809	99.97%
	Mpeketoni ndambwe road	Bahari	4,000,000	3,940,172	98.50%
	Ngoi road	Bahari	6,000,000	5,995,263	99.92%
	Kiangwe Basuba road	Basuba	8,000,000	7,941,662	99.27%
	Hindi-Magogoni road	Hindi	6,000,000	5,940,543	99.01%
	Ndeu-ECD road	Hindi	2,069,411	2,067,787	99.92%
	A7 JUNCTION –MOKOWE ROAD	Hindi	3,000,000	2,976,920	99.23%
	Mpeketoni-uziwa road	Bahari	6,000,000	5,999,163	99.99%
	Tewe junction –kiangwe road	Bahari	8,000,000	7,997,910	99.97%
	Nathan –Kizuke road	Bahari	4,000,000	3,998,347	99.96%

	Cabros at Mpketoni Market phase 11	Bahari	10,000,000	9,284,565	92.85%
	Cabros at Mpketoni Market and matondoni	Bahari & Mkomani	9,482,000	9,409,746	99.24%
	Rehabilitation of sheila jetty	Shela	3,000,000	3,000,000	100.00%
	Routine Maintainance of lamu 3 road	MKOMANI	7,781,976	7,781,848	100.00%
	Cobstruction of Box Culvert at Mugomoini	Hongwe	8,477,744	6,177,270	72.86%
	Maintainance of Ndambwe-bangure road	Mkunumbi	4,100,000	-	0.00%
	Concrete paving of lamu island streets	Mkomani	34,040,719	34,040,719	100.00%
	Manda	Shela	10,000,000	8,495,480	84.95%
	Lamu Cabro	Mkomani	5,073,989	-	0.00%
	NET EXPENDITURE		244,025,839	206,396,544	84.58%
3228000000	MUNICIPALITY				
	Procurement of Gabbage tractor and trailer	Mkomani	5,000,000	4,738,860	94.78%
	Construction of Lamu Market	Mkomani	33,872,538	18,001,364	53.14%
	Construction of Mokowe Market	Hindi	50,000,000	-	0.00%
	NET EXPENDITURE		88,872,538	22,740,224	25.59%
	TOTAL EXPENDITURE		1,944,787,819	853,646,458	45.47%

ANNEX II: BUDGET CALENDAR FOR THE FY 2022/23 MEDIUM-TERM BUDGET

ACTIVITY	RESPONSIBILITY	TIMELINE
(i) Develop and issue MTEF guidelines	County Treasury	30-August -21
(ii) Submission of Departmental inputs to ADP	Line departments	15-August -21
(iii) Submission of Annual Development plans to executive for Approval	County Treasury	23-August -21
(iv) Submission of Annual Development plans to county assembly for Approval	County Treasury	1-September -21
(v) Draft Budget Review and Outlook Paper (CBROP)	County Treasury..	15-Sep21
(vi) Submission and approval of CBROP by County Executive	County Treasury	30-Sep-21
(vii) Submission of approved CBROP to Assembly	County Treasury	14-Oct-21
(viii) Public consultation with various stakeholders	Line departments	15 th October - 20 th October 21
(ix) Drafting of county Departmental Budget Proposals	Line departments	25 th -30 th October 21
(x) Consultative meeting with CECMs/COs on Departmental Budget proposals	County Treasury	01-Nov-21
(xi) Draft CFSP &Medium Term Debt Strategy (CDMSP)	County treasury	05-Nov-21
(xii) Submission of CFSP, CDMSP to County executive for approval	County Treasury	15-Nov-21
(xiii) Submission of CFSP, CDMSP to Assembly for approval	County Treasury	30-Nov-21
(xiv) Develop and issue final guidelines on preparation of 2022/23 -2224/25 MTEF Budget	County Treasury	17-Dec-21
(xv) Submission of Budget Proposals to Treasury	Line Departments	10-Jan-22
(xvi) Consolidation of the Draft Budget Estimates	County Treasury	26-Jan-22
(xvii) Submission to Cabinet for Approval	County Treasury	26-Jan-22
(xviii) Submission of Draft Budget Estimates to Assembly	County Treasury	31-Jan-22
(xix) Review of Draft Budget Estimates by County Assembly	County Assembly	22-Feb-22
(xx) Report on Draft Budget Estimates from County Assembly	County Assembly	24-Feb-22
(xxi) Consolidation of the Final Budget County	County Treasury	4-Mar-22

	Assembly		
(xxii)	Submission of Appropriation Bill to Assembly	County Treasury	8-Mar-22
(xxiii)	Budget Statement	County Treasury	10-Mar-22
(xxiv)	Appropriation Bill passed	County Assembly	31-Mar-22
(xxv)	Finance Bill Passed	County Assembly	31-Mar-22
(xxvi)	Vote on account if Applicable	County Assembly	15-April 2022



FY 2020/21 County Governments' Development Expenditure as a Percentage of Total Expenditure

