



REVENUE ENHANCEMENT ACTION PLAN 2026



OFFICE OF THE DEPUTY PRESIDENT
STATE DEPARTMENT FOR DEVOLUTION



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Executive Summary

The Lamu County Revenue Enhancement Action Plan (REAP) was developed with technical support from the Commission on Revenue Allocation (CRA). It is anchored on the 2022 The Comprehensive Own Source Revenue Potential and Tax Gap Study Kenya Report, June 2022, which estimated Lamu's annual OSR potential at Kshs 431.2 million.

The REAP was developed through a participatory process involving both County leadership and technical departments, culminating in a technical workshop held from 25th to 28th March 2026 at the Kenya School of Government, Mombasa, which facilitated the dissemination of the study's findings, promoted departmental peer-to-peer learning, and enabled the identification of priority actions to close revenue gaps and enhance service delivery.

The study identified Lamu's own source revenue potential was highly concentrated in a few key areas, with the top seven streams being Hospital and Public Health Services fees, Advertising and signboard fees, Market Trade Centre fees, Trade licencing Natural Resource Transportation Fees, Property rates and Agricultural Transportation Fees. These three streams contribute over 84% of the total potential.

To realize this potential, the County REAP outlines practical actions across key revenue streams. These include digitising health billing systems and linking them with insurance claims; county revenue mapping, Development of the Lamu County Tariff & Pricing Policy; provide legislations for collecting natural resource & agricultural transportation fees; upgrading market infrastructure, enhance enforcement framework; and aligning the County valuation & Rating Act to the National Rating Act and use of GIS revenue administration and collection.

Cross-cutting reforms in data management, review of county revenue legal frameworks, enhance cashless automation, and capacity building for County staff. Responsibilities and timelines are assigned to ensure implementation and accountability. Lamu's REAP positions the County to significantly increase revenue performance, reduce reliance on national transfers, and enhance service delivery.



H.E Issa Timamy EGH,OGW
Governor, Lamu County

Abbreviation

CECM	County Executive Committee Member
CRA	Commission on Revenue Allocation
DSP	Devolution Sector Plan
EGH	Elder of the Order of the Golden Heart
FIF	Facility Improvement Financing
GCP	Gross County Product
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KADP	Kenya Accountable Devolution Program
KIHBS	Kenya Integrated Household Budget Survey
KNBS	Kenya National Bureau of Statistics
KRA	Key Result Area
MSME	Micro Small and Medium Enterprises
PDO	Program Development Objectives
OSR	Own Source Revenue
REAP	Revenue Enhancement Action Plan
SHA	Social Health Authority

Acknowledgement

The successful completion of this assignment was made possible through the invaluable guidance and strategic leadership of H.E. the Governor, the CECM for Finance and Economic Planning, as well as the collective efforts of the respective Chief Officers, Lamu Municipality Manager, Directors, and their technical teams across various departments. Their active participation during the dissemination workshop and their commitment to developing a robust Revenue Enhancement Action Plan for Lamu County are sincerely appreciated.

In addition, the County extends its gratitude to the Commission on Revenue Allocation for its invaluable support towards this significant initiative. We express our sincere appreciation to Commissioner Hadija Juma, HSC and CPA Zablon Manoah, whose expertise was instrumental in training and their technical support in development of the county revenue enhancement action plan.

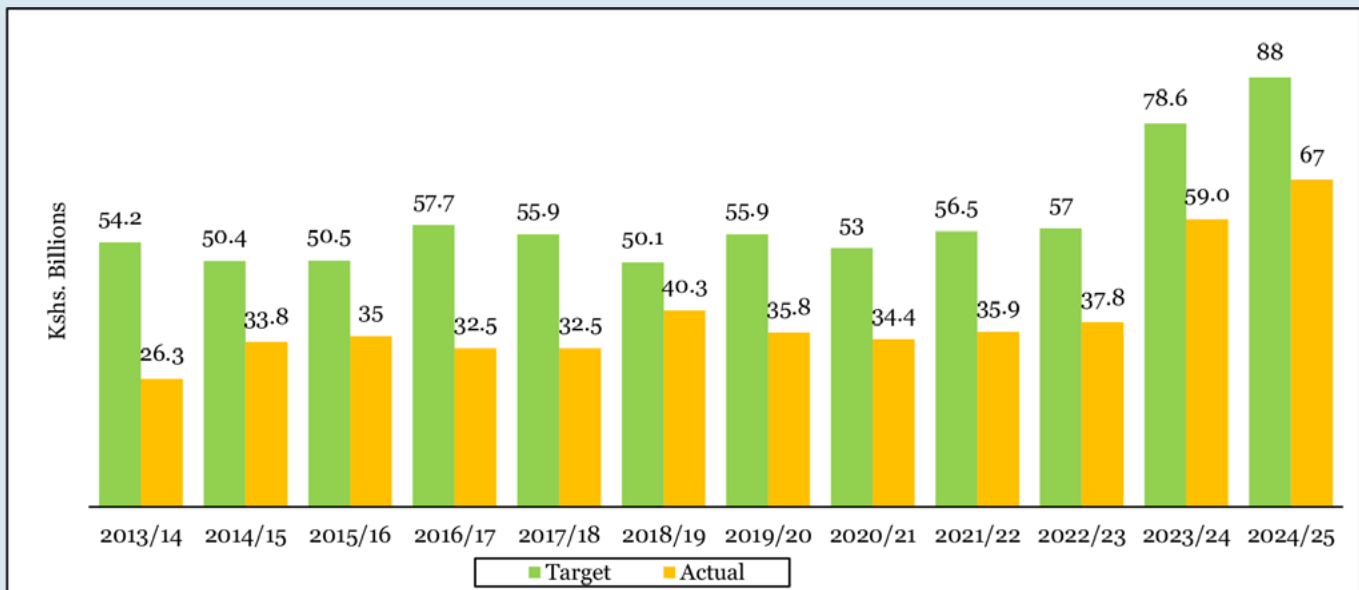
Finally, the assignment would not have been possible without the financial support from the State Department of Devolution under the Program Development Objective (PDO) for KDSP II whose main objective is to strengthen county performance in the financing, management, coordination, and accountability for resources.

Chapter 1: Introduction

1.1. Background

The Constitution mandates the Commission on Revenue Allocation in Article 216(3b) to define and enhance revenue sources for county and national governments. Article 209(3) further empowers County Governments to raise their own revenue by imposing property rates, entertainment taxes and any other tax that may be authorised by an Act of Parliament. County governments may also impose fees and charges on services they provide. Since the onset of devolution in FY2013/2014, the combined revenue collections of the 47 county governments have consistently fallen short of annual targets as illustrated in Figure 1: -

Figure 1 Comparison between (47) Counties OSR targets and OSR actual Collections (FY13/14- FY24/25)



The persistent failure to meet Own Source Revenue targets has hindered effective budget execution, leading to underfunded budgets and the accumulation of pending bills. The Commission in collaboration with the World Bank conducted a Comprehensive OSR Potential and Tax Gap study in 2022, where the key findings informed and guided further technical assistance counties' revenue enhancement can help counties optimize their own source revenue and improve their fiscal self-reliance while reducing pending bills and dependence on National Government transfers and grants.

1.2. Rationale

The Constitution of Kenya (2010) ushered in a devolved system of government consisting of the National Government and 47 county governments, which are distinct and interdependent. The respective functions and powers of the two levels of government are provided for in the Fourth Schedule of the Constitution of Kenya 2010. The Government of Kenya (GoK) has identified devolution as a key enabler for the creation of a conducive environment for socio-economic transformation.

The Devolution Sector Plan (DSP) is the overall umbrella strategic framework for devolution. The theme of the 2023–2027 DSP is 'the acceleration of the performance of devolution', and its objectives include improving capacity in service delivery, resource management, and accountability; improving access to decentralized services; ensuring effective participation by communities in

governance and socioeconomic development; and strengthening intergovernmental cooperation and collaboration for the resolution of emerging issues in devolution.

KDSP II will support the implementation of the DSP. It builds on the results achieved under the Kenya Devolution Support Program (KDSP), which closed in 2021. The Program Development Objective (PDO) for KDSP II is to strengthen county performance in the financing, management, coordination, and accountability for resources. To achieve the PDO, the Program is expected to significantly improve outcomes in the counties participating in the Program under each of the three key results areas (KRAs).

The Lamu County Revenue Enhancement Action plan is anchored under KRA 1: *(The KRA support efforts toward enhancing financing to and expenditure management by counties)* and the Lamu County Integrated Development Plan 2023-27 under revenue mobilization. This KRA support the development of frameworks and guidelines for county revenue mobilization; policy to support financing for service delivery units; and structures and tools to support counties’ institutionalization of shared project management functions. The DLIs similarly target the revenue mobilization agenda *(for example increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base)*.

1.3. Overview of Lamu County Government Own Source Revenue performance

Lamu County’s estimated revenue potential stands at approximately Kshs 431 million, based on analysis of various local revenue streams. A closer examination, as illustrated by figure 3, reveals that revenue is highly concentrated in a few key areas, with the top six streams—Hospital and Public Health Services Fees, Advertising and signboard fees, Trade licencing, Property rates, Natural Resource Transportation fees, agricultural transportation fees—contributing over 84% of the total revenue potential.

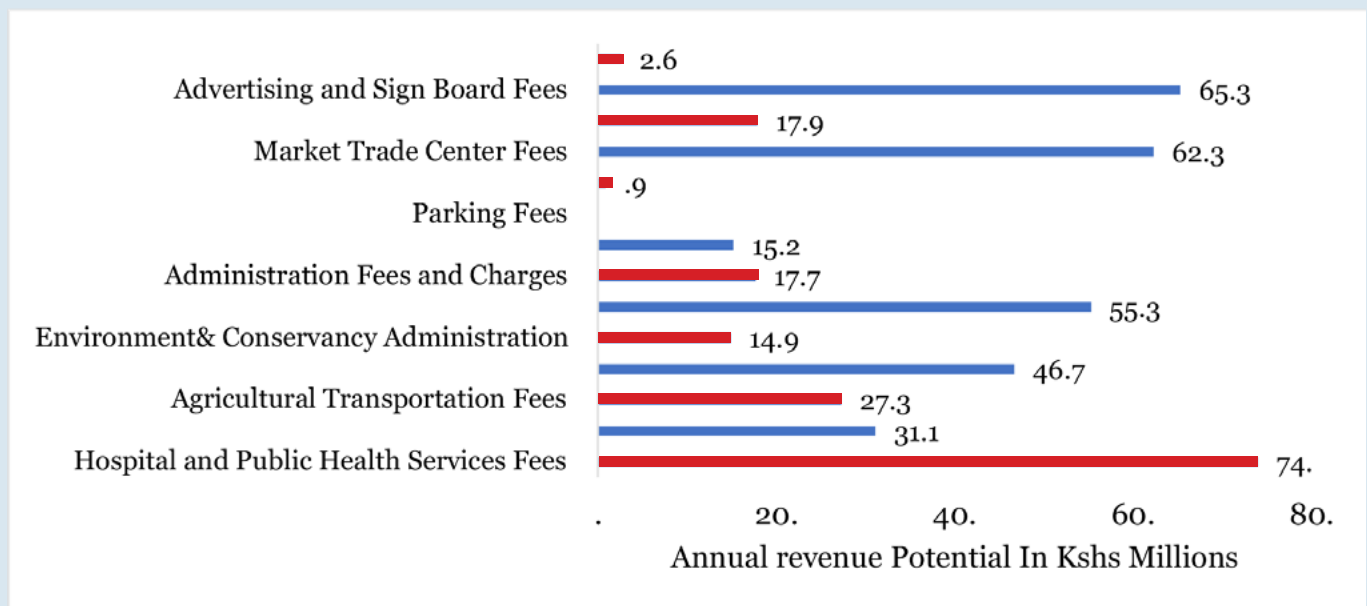


Figure 3: Lamu County revenue streams estimated annual potential

Source: Comprehensive own-source revenue potential and tax gap study 2022

An analysis of Lamu County’s own-source revenue performance against its estimated potential over the period FY 2013/14 to FY 2024/25, as illustrated in Figure 4, reveals a progressively strengthening revenue effort and notable gains in fiscal capacity utilization. Over the most recent five-year period, the County has achieved an average revenue effort of approximately 39% of its estimated potential, signalling a meaningful improvement in the efficiency of revenue mobilization mechanisms relative to the underlying tax base.

This performance reflects a positive and sustained trajectory in the County’s ability to convert its latent revenue capacity into actual collections. Compared to the earlier years within the review period, the upward trend suggests that Lamu County has undertaken deliberate measures—administrative, policy, and institutional—to enhance compliance, broaden the revenue base, and reduce systemic leakages.

From a fiscal performance standpoint, the 39% realization rate, while indicative of progress, also underscores the existence of a significant untapped revenue gap. This gap represents both a challenge and a strategic opportunity. On one hand, it points to structural constraints such as informality, valuation gaps, enforcement limitations, and suboptimal fee structures. On the other hand, it highlights considerable headroom for revenue growth through targeted reforms, including strengthening revenue administration systems, leveraging technology for automation and monitoring, enhancing taxpayer education, and rationalizing tariffs to align with current economic realities.

Importantly, the observed trend demonstrates that Lamu County is on a reform-positive path, progressively aligning its actual revenue performance closer to its assessed potential. Sustaining and accelerating this momentum will require a continued focus on data-driven decision-making, institutional accountability, and interdepartmental coordination in revenue collection.

In summary, while the County’s average performance of 39% reflects commendable progress and a clear upward trajectory, it simultaneously emphasizes the urgency of unlocking the remaining 61% of unrealized revenue potential to achieve greater fiscal self-reliance and resilience.

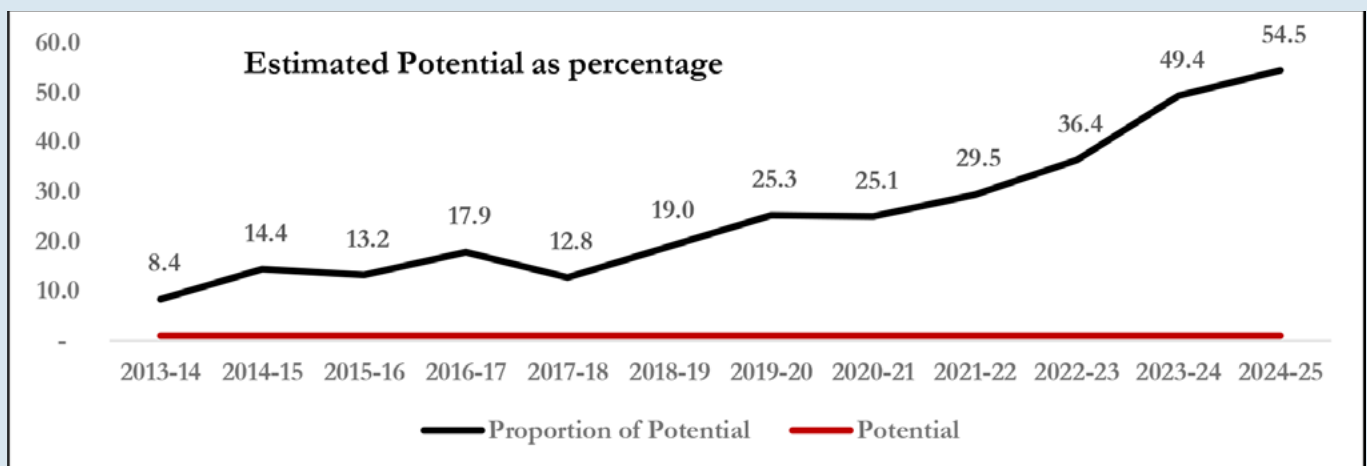


Figure 4: Lamu County government's annual OSR collection as a proportion of the potential over eleven years

Lamu County's estimated revenue potential stands at approximately Kshs 431 million in comparison to the actual performance for FY 2024-25, a tax gap of Kshs.198 Million exist to be realized in the long term as summarised in figure 5 below:

Revenue Stream Lamu County	Actual collection of Revenues FY 2024-25	Deterministic Frontier Analysis Potential	Tax Gap
	Kshs. Million	Kshs. Million	Kshs. Million
Property Rates	11	46.7	36
Building Plan Approvals Fees	6	0.9	(5)
Trading Licensing/Single Business Fees	23	55.3	32
Liquor Licensing fees	2	17.9	16
Advertising and Sign Board Fees	4	65.3	61
Parking Fees	5	-	(5)
Agricultural transportation fees	17	27.3	10
Hospital Fees and Public Health Services	141	74.0	(67)
Market Trade Centre Fees	2	62.3	61
Natural Resource Transportation Fees	12	31.1	19
Environment and Conservancy Administration Fees		14.9	15
Administrative fees and Charges		17.7	18
Fines, Penalties and Forfeitures		2.6	3
Technical Services Fees	-	15.2	15
Property Rent	5		(5)
Miscellaneous	6		(6)
Totals	234	431.2	197.7

Figure 5: Lamu County government's OSR potential compared to actual collection FY 2024-25. Source: Comprehensive own-source revenue potential and tax gap study 2022 and Lamu County Receiver of Revenue Report for the period ended 30th June 2025

Chapter 2: Workshop Deliberations

2.1. Opening Remarks by the CECM Finance and Economic Planning, Lamu County

The CECM for Finance and Economic Planning, Mohamed Mbwana Ali, formally welcomed participants to the Lamu County Own Source Revenue (OSR) Mobilization Workshop and expressed appreciation for their presence and commitment to strengthening the County's fiscal capacity. He acknowledged the participation of key stakeholders and facilitators, notably Commissioner Khadija Juma, HSC and CPA Zablon Manoah from the Commission on Revenue Allocation (CRA), whose technical expertise would guide the deliberations.

In his remarks, the CECM emphasized the strategic importance of Own Source Revenue (OSR) as a cornerstone of fiscal sustainability and a critical enabler of the devolution agenda in Kenya. He noted that strengthening OSR is essential for constrained Lamu County's fiscal autonomy and limits its ability to finance priority programmes and respond effectively to local development needs. The CECM highlighted that the structure of the workshop had been deliberately designed to address these challenges in a practical and results-oriented manner. Key focus areas include:

- a) Assessment of Lamu County's OSR performance and administrative systems;
- b) Review of the legal and policy framework, including identification of gaps and reform priorities;
- c) Alignment of revenue strategies with core planning and budgeting instruments (CIDP, ADP, CFSP, and FY 2025/2026 Budget);
- d) Development of a targeted Revenue Enhancement Action Plan;
- e) Formulation of a County Tariff and Pricing Policy to ensure efficiency and cost recovery; and
- f) Implementation of a comprehensive revenue mapping process to unlock untapped revenue streams.

In addition, he called upon participants to engage actively, provide candid insights, and focus on delivering practical, implementable solutions that will translate into measurable improvements in revenue performance. In conclusion, the CECM reaffirmed the County Government's commitment, under the leadership of H.E the Governor Issa Timamy, to implement the outcomes of the workshop. He expressed confidence that the engagement would lay a solid foundation for enhanced revenue mobilization, strengthened fiscal discipline, and sustainable economic growth for Lamu County.



Hon. Mohamed Mbwana
The CECM Finance addressing the workshop participants during the workshop.

2.2. Remarks by Commissioner, Commission on Revenue Allocation (CRA)

Hadija Juma, HSC, a Commissioner from the Commission on Revenue Allocation (CRA), underscored the strategic importance of the workshop as a critical intervention aimed at strengthening counties' capacity to mobilize Own Source Revenue (OSR) and enhance fiscal sustainability. She noted that the workshop aligns directly with CRA's constitutional mandate of promoting equitable and sustainable financing of county governments, as provided for under Constitution of Kenya 2010 and operationalized through the Public Finance Management Act 2012.

In this regard, she emphasized that improving OSR performance is not only a technical priority but also a governance imperative, as it determines the extent to which counties can exercise real fiscal autonomy and deliver on their devolved functions.

Commissioner Hadija challenged the County leadership and technical teams to move beyond incremental reforms and adopt bold, data-driven approaches to revenue mobilization. She stressed that counties must leverage empirical evidence—such as revenue potential assessments, compliance data, and sectoral performance trends—to inform policy, administrative reforms, and enforcement strategies.

In particular, she highlighted that the sessions outlined in the programme—ranging from OSR performance analysis, legal and policy reviews, and revenue administration processes, to revenue mapping and tariff setting—provide a comprehensive framework for diagnosing systemic weaknesses and designing targeted interventions. She further emphasized that the development of County Revenue Enhancement Action Plans (REAPs), as scheduled in the workshop, is not optional but a fiscal imperative. These action plans, she noted, are expected to provide a structured, time-bound roadmap for improving revenue performance by:

- a) Identifying and quantifying untapped revenue streams through the revenue mapping process;
- b) Addressing legal and policy gaps in existing county legislation;
- c) Strengthening administrative efficiency and accountability in revenue collection systems; and
- d) Aligning revenue strategies with key planning and budgeting instruments such as the CIDP, ADP, and CFSP.

In addition, she also drew attention to CRA's ongoing oversight and advisory role in monitoring county revenue performance. She noted that CRA systematically reviews data submitted through Receiver of Revenue Reports, as required under the Public Finance Management Act 2012, to assess trends, identify gaps, and provide evidence-based recommendations to counties. This monitoring function, she emphasized, is essential for enhancing transparency, strengthening accountability, and ensuring that counties progressively improve their revenue effort relative to their assessed potential.

In conclusion, she reaffirmed CRA's commitment to supporting Lamu County and other counties through technical assistance, policy guidance, and continuous monitoring. She expressed confidence that, if the outcomes of the workshop—particularly the Revenue Enhancement Action Plan and the Tariff & Pricing Policy—are effectively implemented, Lamu County will significantly improve its OSR performance, reduce fiscal dependency, and strengthen its overall financial resilience.

2.3. Methodology of estimating revenue potential

The facilitator introduced the Deterministic Frontier Analysis (DFA) as the adopted methodology for estimating Own Source Revenue (OSR) potential and assessing revenue performance efficiency. The DFA approach benchmarks actual county performance against a constructed efficiency frontier, derived from the average performance of the five best-performing counties in each revenue stream.

This provides a realistic benchmark for optimal performance and enables consistent inter-county comparison. The methodology allows for the determination of: Revenue potential for each stream, Revenue effort (actual collections as a proportion of potential); and Revenue gap (unrealized collection capacity).

The following key revenue streams were analysed as the county's primary contributors: Hospital and Public Health Services Fees, Advertising and Signage Fees, Market & Trade Centre Fee, Trading Licensing Fees, Property Rates, Natural Resource Transportation Fees and Agricultural Transportation Fees. For each stream, participants applied a standardized assessment framework focusing on:

- a) Definition and scope of the revenue source;
- b) Economic base underpinning the charge;
- c) Core assumptions informed by empirical and administrative data; and
- d) Estimation of potential revenue using DFA benchmarking.

Chapter 3: Lamu County Government Revenue Enhancement Action Plan

Strategy	Responsible Officer(s)	Timeline
1. Hospital Fees		
1.1. Acquire and install ICT infrastructure to support automated billing and claims processing in health facilities.	Chief Officer Health Services	30th Dec 2026
1.2. Amend the Lamu County Health Facilities Improvement Financing Act 2023 to increase the proportion of revenue retained by level 4 hospitals.	CECM Health, Director Legal Services	30th July 2026
1.3. Development of F.I.F regulations	CECM Health, Director Legal	30th July 2026
1.4. Train facility administrators and finance/revenue officers on digital billing, revenue recording and reconciliation, claims management and reporting tools	CO Health	30th Dec 2026
1.5. Conduct public sensitization on SHA registration and contribution	CO Health	30th Dec 2026
1.6. Enhance telemedicine and mobile outreach clinics with integrated billing systems to expand the revenue base	CECM Health	30th June 2027
1.7. Rehabilitate and equip health facilities to support efficient revenue collection and claims documentation	CECM Health	30th June 2027
1.8. Follow up on implementation of recommendation of internal audit report	Revenue Director, Asst Revenue Admin	30th Dec 2026



Deputy Governor H.E Dr. Mbarak Bahjaj during sensitization on Health Facilities Management and SHA Optimization

Strategy	Responsible Officer(s)	Timeline
2. Public Health Service		
2.1 Operationalize F.I.F on Public Health services	CECM Health	30th Dec 2026
2.2 Enhance collaboration between the Municipality, building inspectors, building plan approval bodies, and other government bodies with Public Health i.e. Departments to work together during inspections & approvals	Director Public Health Manager Municipality	30th Dec 2026
2.3 Map all food premises including hotels, Guest houses and water dispensing points among others.	Director Public Health	30th Dec 2026
2.4 Unify issuing of SBP Licence on food premises to be issued after hygiene assessments has been conducted	Director Public Health Director revenue	30th Dec 2026
2.5 Develop legal framework on public health administration within the county to establish timelines for payment of respective fees, and also have control on food hawkers	CECM Health, Director Legal Services	30th Dec 2026
2.6 Coordinate with Public Health co-opt and train where possible Public Health Officers to aid in revenue administration and collection	Director Public Health Director revenue	30th Dec 2026
2.7 Public Health (Port Waste Reception Charges)-Port Waste Reception Charges. Introduce charges on vessels for collection and disposal of ship-generated waste (solid, oily, sewage). Apply tariffs based on vessel type, size, and waste category. Legal Framework and Enact regulations to support collection and enforcement. Digitize billing and ensure strict monitoring to prevent leakages and Establish waste reception facilities at ports.	Director Public Health, Director revenue and Director Legal Services	30th June 2027



A meeting to validate the County One Health Strategy and review progress

Strategy	Responsible Officer(s)	Timeline
3. Parking Fees		
3.1. Develop legal framework to guide parking fee collection, zoning, penalties, and enforcement mechanisms	CECM Finance, Manupal Manager, Director Legal	30th Sept 2026
3.2. Map and designate formal parking areas across towns and trading centres as would be designated by the parking act.	Director Revenue	30th Dec 2026
3.3. Demarcate parking lots and install physical markers to support enforcement and digital mapping	Director Revenue, Municipal Manager	30th Dec 2026
3.4. Conduct stakeholder sensitization forums targeting motorists, matatu/boda boda associations, boats and traders	CECM Finance, CECM Public Participation Director Revenue	30th Dec 2026
3.5. Sensitize the organization of transport operators into registered SACCOs for structured engagement and compliance	CECM Finance, Municipal Manager, Director Revenue	30th Dec 2026
3.6. Sensitize the public on payments option such as USSD on Parking Fees	Municipal Manager, Director Revenue	30th Dec 2026
3.7. Develop and deploy an enforcement application to track parking usage, billing, and compliance	Municipal Manager, Director Revenue	30th Dec 2026
4. Trade Licensing Fees		
4.1. Review and Update the legal framework to govern trade licensing, fee structures, compliance, and enforcement	CECM Finance, CECM Trade, Director Legal	30th Sept 2026
4.2. Conduct annual mapping of all businesses to identify and register new and existing traders	CECM Finance, CECM Trade	30th June 2026
4.3. Update and maintain an accurate business register and cadastral records for licensing purposes	CECM Finance, CECM Trade	30th June 2026
4.4. Integrate the Single Business Permit (SBP) system with GIS to improve spatial tracking and compliance	CECM Finance, CECM Trade, CECM Lands, Director ICT	30th Dec 2026
4.5. Carry out stakeholder sensitization on the digital SBP system and licensing procedures	CECM Finance, CECM Trade, Communications Unit, Municipal Manager	30th Dec 2026
4.6. Enhance enforcement operations to ensure licensing compliance	Municipal Manager, Director Revenue	30th June 2026



Sensitization on the digital SBP system and licensing procedures

Strategy	Responsible Officer(s)	Timeline
5. Market Fees		
5.1. Develop a legal framework to govern market fees structures, compliance and enforcement	CECM Finance, CECM Trade, Director Legal	30th Sep 2026
5.2. Provide essential services to support structured market operations and enhance compliance	CECM Finance, CECM Trade, Municipal manager	30th Dec 2026
5.3. Ensure cashless collection of market fees	CECM Finance	30th Dec 2026
5.4. Upgrade existing market infrastructure to improve functionality and revenue collection	CECM Finance, CECM Lands, CECM Trade	30th Dec 2026
5.5. Conduct awareness campaigns targeting traders on market fee policies and payment systems	CECM Finance, CECM Trade, Communications	30th Dec 2026
5.6. Carry out enforcement operations to ensure trader compliance with market fee requirements	CECM Finance, CECM Trade, County Inspectorate	30th Dec 2026
5.7. Build the capacity of market management committees to support revenue oversight	CECM Finance, CECM Trade, Department of Public Service	30th Dec 2026
5.8. Operationalise inactive markets to expand the revenue base and improve trader accessibility	CECM Finance, CECM Trade, CECM Lands	30th June 2027
5.9. Rationalize and re-designate of staff to ensure we have night shift revenue enforcement officers	County Secretary	30th Dec 2026
6. Property Rates		
6.1. Align the Lamu County Valuation Roll with the National Rating Act	CECM Lands & Director Legal	30th Nov 2026
6.2. Continuous updating of the Valuation Roll	CECM Lands	Continuous
6.3. Mapping rateable property as per the Valuation Roll using GIS across the county to support valuation and billing	CECM Lands	30th June 2027
6.4. Conduct stakeholder sensitization on property valuation, billing, and payment obligations	CECM Finance, CECM Lands, Communications	30th Dec 2026
6.5. Strengthen enforcement mechanisms in line with the National Rating Act to improve compliance	CECM Finance, CECM Lands, County Inspectorate	30th Dec 2026
7. Property Rents		
7.1. Conduct stakeholder sensitization on rent billing, and payment obligations	CECM Lands, Municipal Manager	30th Dec 2026
7.2. Enforce payment in compliance with the County Finance Act	CECM Finance, Municipal Manager	30th Dec 2026
7.3. Map out county properties including County grounds, County Toilets and County Social Halls and enforce rent payment	CECM Lands CECM Finance	30th Dec 2026
8. Physical Planning and Development		
8.1 Develop county legal framework on building plan and approvals and Update county bylaws to: Enforce penalties of construction cost, enable faster enforcement action to close legal loopholes developers exploit.	CECM Lands, Municipal Manager, CECM Finance, Director Legal Services	30th Dec 2026

Strategy	Responsible Officer(s)	Timeline
8.2 Digitization & Automation of approvals to eliminates under-declaration, bribery, and fake receipts. Introduce an e-permitting system for building plan approvals, change of user, subdivision, and development permissions and issue QR-coded approvals/permits to prevent fraud	CECM Lands & CECM Finance	30th June 2027
8.3 Bring non-compliant developers into the revenue net. Conduct routine site inspections using GIS-enabled tools, Compare approved plans vs. actual construction. Identify & regularize: -Unapproved buildings, Illegal extensions, Unauthorized change of use. Introduce a time-bound amnesty/regularization program	CECM Lands, CECM Finance Director Legal Services	30th Dec 2026
8.4 Strengthen Inspection & Enforcement Units-Have a dedicated enforcement unit under physical planning to stop orders for illegal construction and demolition for persistent defaulters	CECM Lands and CECM Finance	30th Dec 2026
8.5 Public Awareness & Stakeholder Engagement - Educate developers on Approval requirements and penalties for non-compliance	CECM Lands & CECM Finance	30th Dec 2026
9. Advertisement and Signboard Fees		
9.1 Legal & Policy Strengthening for advertisement and signboard fees and enhance enforcement & penalties, mapping of all advertising points to create a digital register of all adverts through the use of GIS	CECM Finance, Trade and director legal services	30th Sep 2026
9.2 Public Awareness & Stakeholder Engagement on businesses and advertisement agencies	CECM Finance & Communication	30th Dec 2026
9.3 Integration advertising and signboard fees with Business Licensing	CECM Trade and CECM Finance	30th Dec 2026
10. Fisheries		
10.1 Mapping & registration of fisheries actors through conducting a comprehensive registration of: Fishermen, Boats/vessels, Fish traders & middlemen, Fish transporters and Processing facilities and issue Licenses/permits with unique IDs.Create a fisheries database linked to revenue systems.	CECM Fisheries/ICT	30th Dec 2026
10.2 Designation & Control of Fish Landing Sites. Restrict fish landing to approved collection points only and deploy sufficient fisheries officers	CECM Fisheries/ICT	30th Dec 2026



Strategy	Responsible Officer(s)	Timeline
11. Agriculture Mechanization Services-AMS		
11.1. Establish a legal and policy framework and enhance productivity to generate revenue. County to implement the following: Operational Efficiency, ensure adequate fuel supply for all tractors, implement routine maintenance and asset tracking systems, enact legislation to regulate mechanization services, including access, pricing, and management.	CECM Agriculture & Director legal services	30th December 2026
11.2 Establish cost-recovery mechanisms to ensure sustainability through Revenue Optimization, introduce structured tariffs for mechanization services, digitize booking, billing, and payment systems to improve revenue collection, Service Expansion, increase mechanization units and decentralize services to ward level, Prioritize high-demand and high-value agricultural areas.	CECM Agriculture & Finance	30th December 2026
11.3 Capacity and Partnerships Train operators and technicians for efficient service delivery Promote partnerships with private sector and farmer cooperatives	CECM Agriculture	30th December 2026
11.4 Technology and Accountability by deploying GPS tracking and MIS for monitoring usage and revenue and Strengthen oversight, audits, and performance tracking.	CECM Agriculture & ICT	30th December 2026



12. Liquor Licensing		
12.1 Comprehensively Mapp & Register all liquor Outlets-Conduct a county-wide census of all liquor outlets: Bars, Wines & spirits shops, Restaurants selling alcohol and Clubs and lounges Capture: Location, Ownership, License status and assign unique business IDs	CECM Education and Director Liquor Licencing	30th Dec 2026
12.2 Enforcement & Compliance Operations through establishing a multi-agency enforcement team comprising of the revenue staff, enforcement officers p public health and security agencies. Conduct Routine inspections Night operations checks and shut down unlicensed premises	CECM Education and Director Liquor Licencing	30th Dec 2026
12.3 Public Awareness & Stakeholder Engagement through educating operators on Licensing requirements Penalties for non-compliance and engage bar owners' associations	CECM Education and Director Liquor Licencing	30th Dec 2026
12.4 Legal & Policy Strengthening by updating county liquor laws to: Strengthen enforcement powers, increase penalties and fast-track closure of illegal premises	CECM Education and Director Liquor Licencing, Director legal services	30th Sept 2026

Strategy	Responsible Officer(s)	Timeline
13. Revenue Administration Strengthening		
13.1 Review the existing County Revenue Legislations	CECM Finance and Director Legal services	30th Dec 2026
13.2 Enact missing revenue legislations i.e. cess revenue from fisheries, Natural Resources transportation fees, Agricultural transportation fees / produce cess . Review and update on Penalty structures, Ensure Legal backing for digital systems and ensure powers are clear. Streamline the reporting structures.	CECM Finance and Director Legal services	30th June 2027
13.3 Develop and publish Lamu County Revenue enhancement action plan	CECM Finance	5th April 2026
13.4 Develop tariff and pricing policy for the County Government	CECM Finance & Director Legal	
13.5 Conduct county revenue mapping and develop the report	CECM Finance	30th May 2026
13.6 Automate all revenue streams and introduce Online application process & payment portals (citizen portal) Create dashboards for: Real-time monitoring	CECM Finance	30th Dec 2026
13.7 Monthly revenue round table departmental meetings chaired by the CECM Finance to discuss OSR matters. Define KPIs such as: Collection efficiency rate, % of billed vs collected, arrears reduction rate.	CECM Finance	30th May 2026
13.8 Revenue Reconciliation & Reporting. Deploy revenue accountant, Regular internal audits and initiate surprise inspections	CECM Finance	30th Dec 2026
13.9 Staff Capacity & Accountability. Train staff on revenue systems, customer service and compliance enforcement. Introduce Staff performance targets (KPIs) and Rotate staff in high-risk positions such as road blocks	CECM Finance	30th Dec 2026
13.10 Customer Experience & Voluntary Compliance. Set up: Revenue help desks with dedicated phone numbers and call centers. Provide clear payment instructions on billboards and brochures. Enable self-service portals	CECM Finance & Director legal services	30th Dec 2026
13.11 Dispute resolution mechanisms anchored into law & Establish dispute resolution committee within the County	CECM Finance & Director legal services	30th June 2027
13.12 Arrears Management Strategy. Segment arrears: Large vs small debtors and by aging. Develop targeted strategies on Payment plans, amnesty programs such as waivers and Legal recovery	CECM Finance and Director legal services	30th Dec 2026
13.13 Establish a Performance-Based Incentive Framework and introduce a Revenue Performance Reward structure within the County for revenue collection staff. Reward should be based (collections, compliance, efficiency. Allocate a revenue incentive budget to provide funds for the incentive framework.	CECM Finance	30th Dec 2026
13.14 Develop scientific evidence based forecasting model for OSR strengthen fiscal discipline during budget implementation	CECM Finance	30th Dec 2026

I, the CECM Finance & Economic Planning of Lamu County Government, **Mr. Mohamed Mbwana**, commit to implementing this Revenue Enhancement action plan in our efforts to enhance own source revenue in Lamu County.

Date: 1st April 2026 Signature: 

I, the Governor of Lamu County Government **H.E Issa Timamy** commit to supporting the county in implementing its County Revenue action plan through leadership and budgetary support.

Date: 1st April 2026 Signature: 

Annex I-Workshop participants list held between 25th -28th March 2026 at Kenya School of Government, Mombasa.

	Name	Designation
1.	Mohamed Mbwana	CECM Finance & Economic Planning
2.	CPA Salma A. Omar	Chief Officer Finance
3.	Dr. Victor Tole	Chief Officer Medical services
4.	Mohamed Rashid Dirie	Program Co-Ordinator-KDSP II
5.	Kassim Mohamed	Chief Officer-Devolution Disaster Management, Resource mobilization and Public Participation
6.	Bwanaheri Harun	Chief Officer- Budget, Strategy and Economic Planning
7.	Abdulswamad Abdalla	Municipal Manager-Municipality of Lamu
8.	CPA Mohamed Abbas	Director Accounting Services
9.	CPA Joseph Muitah	Assistant Director Revenue Services
10.	Andrew Waweru	Director Budget
11.	Kulthum Harith	Director Legal Affairs
12.	Mohamed Abubakar	Ag. Director Public Health
13.	CPA Mwalimu Msham	Senior Accountant, Focal person KRA I-KDSP II
14.	Ahmed Farah	Program M & E Officer-KDSP II
15.	Jaliya Abdillahi	Program Procurement Officer-KDSP II
16.	Fatma Alwy	Program Accountant-KDSP II
17.	Najma Ali	Accountant-King Fahad Hospital
18.	Ali Ghalib	Revenue Administrator
19.	Khanif Said	Revenue Supervisor-Lamu Town
20.	Zeinab Golo	Revenue Supervisor- Witu
21.	Austin Gona	Revenue Supervisor- Faza and Kiunga
22.	Alex Mungai	Revenue Supervisor- Mpeketoni
23.	Johana Kaboi	Revenue Supervisor- Mokowe and Hindi
24.	Ms Hadija Juma HSC	Commissioner-CRA
25.	Zablon Manoah	Research Officer Revenue Enhancement, CRA
26.	Boniface Thoya Baya	County Publisher



County Government of Lamu
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County Treasury