REPUBLIC OF KENYA



**PARLIAMENT** 



# THE SENATE

**ELEVENTH PARLIAMENT** 

THIRD SESSION, 2015

THE STANDING COMMITTEE

ON

ROADS AND TRANSPORTATION

A REPORT ON A VISIT TO LAMU ( $14^{TH}$  TO  $17^{TH}$  MAY, 2015)

AND

NAKURU COUNTY (8 $^{\text{TH}}$  TO  $10^{\text{TH}}$  JUNE, 2015)

Clerk's Chambers, Parliament Buildings, P. O. Box 41842-00100, NAIROBI.

JULY, 2015



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## ABBREVIATIONS

AIDCO Al Bader International Development Company

CoK Constitution of Kenya

KAA Kenya Airports Authority

KENHA Kenya National Highways Authority

KeRRA Kenya Rural Roads Authority

KMS Kilometers

KURA Kenya Urban Roads Authority

LAPSSET Lamu Port Southern Sudan-Ethiopia Transport

NTSA National Transport and Safety Authority

PPP Public Private Partnerships

ROOLA Road/Railway, Oil Pipelin, Oil Refinery, Lamu Port and Airport

#### **PREFACE**

### Mr Speaker Sir,

The Senate Standing Committee on Roads and Transportation is established pursuant to standing order 208 of the Senate Standing Orders. It is mandated to consider all matters related to: transportation and roads, Public works, Construction and maintenance of roads, rails and buildings, air, seaports, housing and communication.

The Committee oversees the Ministry of Transport and Infrastructure and Ministry of Land, Housing and Urban development.

# Membership of the Committee

The Committee is comprised of the following Members:

1.	The Hon. Sen. Abu Chiaba Mohamed, MP	-Chairperson
2.	The Hon. Sen. Judith Sijeny, MP	-Vice-Chairperson
3.	The Hon. Sen. Charles Keter, MP	-Member
4.	The Hon. Sen. Kimani Wamatangi, MP.	-Member
5.	The Hon. Sen. Liza Chelule, MP	-Member
6.	The Hon. Sen. Mike Sonko Mbuvi, MP	-Member
7.	The Hon. Sen. Chris Obure, MP.	-Member
8.	The Hon. Sen. Hargura Godana, MP	-Member
9.	The Hon. Sen. Moses Kajwang, MP	-Member

# Delegation's composition

The delegation of the visit to Lamu County comprised of the following members;

1. Hon. Sen. Abu Chiaba Mohamed, MF	-Chairperson
2. Hon. Sen. Judith Sijeny, MP	-Vice-Chairperson
3. Hon. Sen. Kimani Wamatangi, MP	-Member
4. Hon. Sen. Liza Chelule, MP	-Member
5. Hon. Sen. Moses Kajwang, MP	-Member

i he delegation to Nakuru County comprised	of the following Members.
1. Hon. Chris Obure, MP	-Chairperson
2. Hon. Sen. Kimani Wamatangi, MP	-Member
3. Hon. Sen. Liza Chelule, MP	-Member
4. Hon. Sen. Moses Kajwang, MP	-Member
Acknowledgement	
The Committee acknowledges the time an	d considerable effort made by the County
Government of Lamu, County Govern	ment of Nakuru, the Lapsset Corridor
Development Authority and the Ministry of	Roads and Transportation, which made the
visits successful.	
I wish to extend special gratitude to my coll- commitment and considerate contributions d	eagues, Members of the Committee, for their
	ort from the Offices of the Speaker and Clerk
of the Senate, in facilitating the visits to I	amu and Nakuru Counties by the Standing
Committee on Roads and Transportation.	
Mr. Speaker Sir,	
It is now my pleasant duty, pursuant to Sta	nding Order 204, to present the report of the
Standing Committee on Roads and Transp	portation on the visits to Lamu and Nakuru
Counties.	
Date:	•••••
Signed:	
SEN. ABU CHIABA, MP	
CHAIRPERSON, STANDING COMMIT	TEE ON ROADS AND TRANSPORTATION
Senate Committee on Roads & Transportati	ion, 2015 Page 5

#### **EXECUTIVE SUMMARY**

This report documents the visit by the Senate Committee on Roads and Transportation to Lamu County from 14<sup>th</sup> to 17<sup>th</sup> May, 2015 and Nakuru County from 8<sup>th</sup> to 10<sup>th</sup> June, 2015.

Chapter one of this report gives a background to the visits which was as a result of a resolution of the Committee during its sitting held on 8<sup>th</sup> April, 2015. The visits were undertaken in fulfilment of the Constitutional role of the Senate under Article 96 of the Constitution and in exercise of the Committee mandate as provided for under the Senate Standing Orders.

Chapter two documents activities undertaken by the Committee during the visit to Lamu County. The Committee held a meeting with H.E. Issa Timamy, Governor of Lamu County to discuss the status of roads in the county and further undertook an inspection tour of the progress of LAPPSET Corridor Project at Lamu Port and Manda Airport in Lamu.

Chapter three of the report documents activities undertaken by the Committee during the visit to Nakuru County. The Committee held a meeting with the Governor of Nakuru County and County Executive Committee (CEC) Member in charge of Roads and Infrastructure to discuss the status of roads in the county. The Committee further undertook a road inspection of the Kibunja-Molo-Keringet-Oleguruoni-Kiptagich Road and interacted with residents of the area.

Chapter three contains observations made by the Committee as follows:

## Lamu County

There has been minimal progress in the construction of Roads and other infrastructure projects in Lamu owing to the geography of the area and the limited financial allocations.

(i) Lamu County is yet to benefit from the equalization fund.

- (ii) There is lack of a clear distinction between roads falling under the mandate of the National and County Governments respectively.
- (iii) There is a cordial but informal working relationship between the County Government of Lamu and the LAPSSET Corridor Development Authority.
- (iv) The commencement of construction of the first three (3) Berths of Lamu Port was expected to be launched by end of May 2015. So far construction activities for preliminary facilities at Lamu Port are ongoing with some nearing completion.
- (v) The Lamu youth scholarship programme started by LAPSSET Corridor Development Authority in conjunction with county leaders is a commendable initiative. The on-going projects and improvements works at the Manda Airport was commendable and would improve the livelihoods of the people of Lamu County.

# Nakuru County

- (i) The rehabilitation of Molo-Olenguruone Road was awarded to Kimilili Hauliers Limited in 2010 with its completion expected to be in 2012. The first section of the road from Kibunja to Molo is (about 6.) is complete.
- (ii) The second section from Molo through Keringet town and ends at Olenguruone town remains in a deplorable state having been abandoned by the Contractor;
- (iii) The deplorable state of the road has adversely affected the livelihoods of the residents of the area.
- (iv) Residents have to travel for long hours from Nakuru to Counties when in fact that travel time can be shortened by construction of a bridge.
- (v) There is confusion caused by lack of a clear distinction between roads falling under the mandate of the National and County Governments respectively.

- (vi) There has been a delayed disbursement of funds by the National Government to the County Government of Nakuru from the month of March to May, 2015 hence crippling activities of the County Government.
- (vii) The County Government of Nakuru does not receive benefits from the national parks in the County.
- (viii) Land surface as criteria of allocation of funds is important where population density is high.

Following the above observations, the Committee in Chapter Five of this Report makes recommendations as below:

## Lamu County visit

The Committee makes the following recommendations based on observations made during its visit to Lamu County:

- (i) The National Assembly fast tracks the transmission of the Kenya Roads Bill, 2015 to the Senate.
- (ii) The Government fast tracks the implementation of the Equalization Fund Guidelines, 2015 so as to enable Counties benefit for the purpose for which it was intended.
- (iii) The Governments of Counties through which the LAPPSET Corridor Project traverses, to unite as a formal bargaining platform with the LAPSSET Corridor Development Authority (LCDA), for the socio- economic benefit of their people.
- (iv) The National Government develops a policy framework on how exactly Counties within the LAPSSET Corridor and the country as a whole will benefit from the project.

- (v) The Governor of Lamu County, H. E. Issa Timamy, initiates a concept paper on how the County Government of Lamu can offer auxiliary services at the Lamu Port for the benefit of Lamu County.
- (vi) LAPSSET Corridor Development Authority replicates the Youth Scholarship Programme in the other counties within the corridor.

# Nakuru County visit

The Committee makes the following recommendations based on observations made during its visit to Nakuru County:

- (i) The National Assembly fast tracks the transmission of the Kenya Roads Bill, 2015 for to the Senate.
- (ii) The Ministry of Roads and Transportation prioritizes the reconstruction of Molo-Olenguruone Road in the financial year 2015/16, to improve the livelihoods of the residents of that area.
- (iii) The County Government of Nakuru constructs a bridge linking Nakuru and Narok Counties to shorten the travel time between the two counties.
- (iv) Treasury to adhere to the disbursement schedule that was approved by the Senate.
- (v) The Senate fast tracks the enactment of the Natural Resources (Benefit Sharing) Bill, 2014, which will address holistically the challenge of sharing of benefits from Natural Resources in Counties.

#### **CHAPTER ONE**

### **INTRODUCTION**

The Committee on Roads and Transportation is mandated to consider all matters related to: transportation and roads, Public works, Construction and maintenance of roads, rails and buildings, air, seaports, housing and communication.

In the exercise of this mandate and in fulfilment of the Constitutional role of the Senate as provided for under Article 96 of the Constitution, the Committee in its Annual Work Plan 2015/2016 committed to undertake visits to various counties, with a target of all the forty seven (47) Counties in the country for that period. The Committee has so far undertaken visits to three (3) Counties.

During its meeting held on 8<sup>th</sup> April, 2015, the Committee resolved to undertake a visit to Lamu County from May 14-17<sup>th</sup>, 2015 and Nakuru County from 8<sup>th</sup> to 10<sup>th</sup> June, 2015 respectively.

The specific objectives of the visits were to:

- familiarize with the projects that the County Governments had undertaken in the development of roads and other infrastructure projects.
- establish challenges, if any, faced by the County Governments in the development of their road infrastructure.
- assess the status of construction of the LAPSSET project.
- establish the impact of the LAPPSET project on the livelihoods of the people of Lamu County
- undertake an inspection tour of the Manda Airport in Lamu
- undertake an inspection tour of Molo-Olenguorone Road.

#### CHAPTER TWO

# VISIT TO LAMU COUNTY

During the visit to Lamu County, the Committee:

- held a meeting with the Governor of Lamu County Government
- undertook an inspection tour of the LAPSSET Projects at the Lamu Port
- undertook an inspection tour of the Manda Airport in Lamu.

# 2.1 MEETING WITH H.E. ISSA TIMAMY, THE GOVERNOR, COUNTY GOVERNMENT OF LAMU.

The meeting with H. E. Issa Timamy, Governor Lamu County was held on Friday 14<sup>th</sup> May, 2015 during which H.E. Timamy made submissions highlighting the following issues:

## (i) About Lamu County

Lamu County is one of the six counties in the coastal region of Kenya. Its county headquarters is in Lamu town. The county covers a strip of north eastern coastal mainland and the Lamu archipelago and has area coverage of 6,167 km². The county has a population of 101,539 people (2009 census).

The county is divided into two Constituencies: Lamu East and Lamu West. It has ten County wards, which are represented in the County Assembly. The County wards are as follows:

- Mkomani
- Shella
- Faza
- Kiunga
- Basuba
- Hindi
- Hongwe

- Bahari
- Mkunumbi
- Witu
- (ii) The LAPSSET project is very important to the County Government of Lamu. The Port is a natural resource that if utilized efficiently, could greatly benefit Lamu county and its people.
- (iii) Infrastructure development in Lamu County remains a huge challenge since the county has not benefited from any major infrastructure development for the past over fifty (50) years of independence. Witu town in the County had a mere one (1) km of tarmacked road. Other important national roads in the county include the road from Hindi to the border with Somalia, the Witu-Kipini road and the Milimani road which links the County to Garissa County.
- (iv) Road classes A, B, C still remain national government roads while C, D and E are mandated to the county government. On its part, the county Government of Lamu had budgeted for six (6) roads which have been completed and three (3) smaller roads improved. The Lamu County Government has embarked on various roads and infrastructure development projects. (SEE ANNEX 1: IMPROVEMENT & MAINTENANCE WORKS (2013-2014 FY) ROADS IN LAMU EAST & WEST)
- (v) The Lamu-Malindi road which is a major road still remains in a deplorable state despite thirty (30) years of promises that it would be tarmacked.
- (vi) The sea-walls have been beneficial to the County by restricting water from entering the land. The county government has embarked on improvement of the jetties especially the one from the airport which has seen major improvements.

- (vii) Accessibility in the county is a major challenge, since the major means of transport is by boat, whilst some of the major roads in the county are in deplorable condition.
- (viii) Lamu County received the least revenue allocation i.e. Kshs two (2) billion in the current financial year (FY) 2015/16 despite the geography of the county which makes it expensive to run. The current formula for revenue allocation is unjustified since it is mostly based on population. The population of Lamu County is small but the geography of the area makes running the county expensive.
- (ix) Lamu County has never received the equalization fund that was meant to benefit marginalized region
- (x) The LAPSSET Project is a key infrastructure project that will be a major turnaround factor for the county.
- (xi) There has been a cordial working relationship of co-ordination and co-operation between the County Government and the LAPSSET Corridor Development Authority (LCDA).
- (xii) The County Government of Lamu, together with other County Governments in the region through which the LAPPSET Corridor Project traverses, intend to come together as a bargaining platform with the LAPSSET Corridor Development Authority (LCDA). Some of the issues they intend to raise include;
  - What will the county government get from the projects i.e. how will the county government benefit economically, socially etc.
  - How will the opportunities that come with the project be shared out? It is important that the implementers of the project are bound to use local labour.

 How the County Governments will deal with the expected migration of people into the region once the project is operational, as they come in search of work.

#### Remarks of the Committee

The delegation emphasized on the importance of a policy framework in relation to the LAPPSET Project in order to fully maximize on the opportunities that the project will provide.

Members advised the County Government to take an alternative approach to reap benefits accruing from the project by offering auxiliary services at the Port upon completion for a fee, such as loading of trains, handling of Cargo etc. as opposed to demanding a share of the revenue generated from the port. The Governor undertook to come up with a concept paper on the same.

The delegation noted that the issue of location of the oil refinery was pertinent. It would be rational to have the refinery located in Lamu, due to its proximity to the sea, as opposed to Isiolo which is in the inland. The delegation advised the Governor to make it a matter of policy, that the refinery is located in Lamu.

# 2.2 INSPECTION TOUR OF THE LAPSSET PROJECT

# **Background of the LAPSSET Project**

The Government of Kenya with the assistance of Government of Japan undertook a feasibility study on the Lamu Port way back in 1975. In 2003/04, during the drafting of the Integrated National Transport Policy, the Government proposed to develop a 2nd Transport Corridor with a Deep Sea Port at Lamu, Road and Railway network linking Lamu Port with Ethiopia, South Sudan and Uganda.

Later in 2006, Al Bader Company submitted a Concept Proposal called ROOLA Project encompassing the development of a Road, Railway Line, Oil Refinery, Oil Pipeline and

Lamu Free Port. At this juncture, the government prepared a Cabinet Memorandum for Cabinet consideration of Al Bader application to develop the ROOLA Project.

# Challenges to the ROOLA Project:

- (i) Lack of a legal Framework at that time for engaging private sector in development of massive infrastructure
- (ii) The venture was risky with dedicating multi-infrastructural projects in the hands of one private sector investor.
- (iii) The Proposal by Al Bader for grant of Title Deed could have unfairly disadvantaged the state and the communities living there.
- (iv) Disadvantage to the Kenyan Local Private Sector at a time when the government was undertaking structural reforms in order to allow for the participation of Private Sector to do business in areas that were previously government domain.
- (v) Lack of the appropriate technical information on the proposed ROOLA Project.

It was upon consideration of the above factors that the government declined to award the ROOLA Project concession to Al Bader and directed that appropriate studies be undertaken to inform the decision making. In the recent past (January & February, 2015) the Cabinet Secretary, National Treasury has made efforts and advised AIDCO to reformulate their proposal into a project proposal, aligned to the requirements of the Public Private Partnership Act 2013, and resubmit the proposal for consideration.

# LAPSSET Corridor Development Authority

In March 2013 the LAPSSET Corridor Development Authority was created to plan, coordinate and sequence the implementation of the LAPSSET Corridor Projects. The

Authority has since its inception been focused on the planning and coordination of the implementation of the LAPSSET Corridor seven (7) key infrastructural projects.

The seven key infrastructure project components of the LAPSSET Corridor Program requires a budget estimate of US\$24.5 Billion, equivalent to Kshs. 2 Trillion at current exchange rates in construction costs.

#### Benefits of the programme

The overall expected benefits are;

- Sustained economic growth for the coming years with an estimate of between 2% −3% of GDP injected into the economy from the core projects alone, and 5% − 8% of the country's GDP through attracted and generated investments
- > provision of equity in development for the entire country in line with the Constitution and the Kenya Vision 2030.
- > enhance efficient, seamless inter-modalism in the country's transport and logistics operations
- ▶ planned resort cities will resolve the current urban primacy scenario centered along the current Northern Corridor route from Mombasa – Nairobi – Malaba and Kisumu – Busia.
- > creation of employment and reduction of poverty
- improved accessibility and enhanced socio-economic development of the northern part of the country.
- > creation of a seamless interconnectivity within coastal counties, throughout the country and linkages to neighboring countries
- > strengthen Kenya's regional Hub status in Eastern Africa

- ▶ help the region create capacity in infrastructure industry from human, technological, financial and consumers in the country. Countries like China, India, Malaysia, Brazil, Iran and Singapore among others have used this model to adapt technology and train their manpower while building capacity in their delivery institutions.
- > improvement of infrastructure as the key backbone of the Kenyan economy.
- > open up the pastoral regions particularly in the north of Kenya
- > increased electric power generation through various energy initiatives such as green energy and clean energy
- > attraction of increased private sector investment in infrastructure development and management in the country
- > The Project will position our country in the developmental frontline in Africa
  Components of the LAPSSET project

The LAPSSET Project will involve the following components:

- (i) Lamu Port at Manda Bay (32 Berths including Associated Infrastructure);
- ii) Standard Gauge Railway Line from Lamu Isiolo South Sudan (Juba) Ethiopia (Addis Ababa);
- iii) Highways;
  - Lamu Masebub Garissa
  - Garissa- Habasswein Isiolo
  - Lamu Witu Garsen Malindi
  - Isiolo Maralal Lokichar Nakodok Torit Juba (South Sudan)
  - Isiolo Marsabit Moyale (Kenya) Hailegeriaman Hawassa Addis Ababa (Ethiopia)

- iv) Crude Oil Pipeline from Lamu Isiolo Nakodok/Nadapal (South Sudan), and Product Oil Pipeline from Isiolo Moyale Addis Ababa (Ethiopia);
- v) International Airports at Lamu, Isiolo, and Lokichokio;
- vi) Resort Cities at Lamu, Isiolo and Lake Turkana;
- vii) Merchant Oil Refinery at Isiolo;
- viii) High Grand Falls Multipurpose Dam;
  - Water Supply
  - Power Supply
- ix) Fibre Optic Cable / Communication;
- x) Other generated and attracted investments in commercial and manufacturing sectors along the LAPSSET Corridor.

# Tour of the 3 berth port project at Manda Bay, Lamu County

The delegation, together with representatives from LAPSSET Corridor Development Authority (LCDA) lead by their Chief Executive Officer Mr. Silvester Kasuku undertook an inspection visit of the Lamu port site.

The Government has so far set aside approximately Kshs. 4.5Billion in preparation for the commencement of construction works for the 1st three berths. Kshs. one (1) Billion will be used to pay for compensation to the land owners whose land has been taken for the port project. The government is also in the process of mobilizing more resources from its own revenue resources as well as from private sector investors through equity and debt including infrastructural bonds while mobilization of more funds through equity and debt participation by investor for the construction of the first three Berths and its associated infrastructure.

Contractor Ms China Communication Construction Company and Supervision Consultants Yashoon Engineering will build the 1st Three Berths at an estimated cost of

Kshs 41 Billion of which Kshs. 4.5 Billion has been provided to start works. The commencement date for the construction was expected to be in May 2015.

The 1st three Berths will be constructed to attract Private Sector Investors for Port Operations and construction of the remaining 29 Berths.

# Committee Observations during the inspection tour

The committee observed that:

- (i) The commencement of construction of first 3 Berths of Lamu Port is planned to be launched in May 2015. So far construction activities for preliminary facilities at Lamu Port are ongoing with some nearing completion.
- (ii) Lapsset corridor project building at Lamu port site has been completed
- (iii) Port Police Station has been completed
- (iv) construction of port management housing has started
- (v) Construction of temporary causeway and platform for launch of first 3Berths of Lamu Port Project
- (vi) There is construction of a perimeter wall around the Port Headquarters
- (vii) Boreholes have been sunk and equipped to supply port with water;
- (viii) Piping work has been done to Port site;
- (ix) Funds have already released to Coast water Services Board for the Construction of storage tanks and construction works are ongoing.
- (x) 220KV Power line from Rabai to Lamu has been completed;
- (xi) A power sub-station has been completed;
- (xii) Distribution of electric power to Hindi, Mokowe, Lamu Island and Mpeketoni is ongoing
- (xiii) Engagement with Lamu County residents and leaders is on-going
- (xiv) Land Acquisition has substantially been paid i.e Kshs 1 billion out of 1.35 Billion

## 2.3 TOUR OF MANDA AIRPORT

The committee led by officials of the Kenya Airports Authority (KAA) undertook a site tour of Manda Airport in Lamu. The officials briefed them on the on-going projects at the airport.

The government recently completed lengthening of Lamu-Manda Island Airport runway from 1.1km to 2.3 kms. Improvement works are already complete for the airport terminal building.

Preparations are at an advanced stage towards the construction of a parallel taxiway and aircraft apron area to improve capacity of the airport. These improvements will enhance the capacity of Manda Lamu Airport that already has a strong scheduled flights clientele.

The airport has also embarked on a project to supply fresh water from Lamu Island to the airport.

#### CHAPTER THREE

#### VISIT TO NAKURU COUNTY

During its visit to Nakuru, the Committee held a consultative meeting with Governor Nakuru County, H.E. Kinuthia Mbugua. The meeting was attended by the Deputy Governor, Mr. Joseph Ruto, the County Executive Committee Member (CEC) in-charge of Roads, Public Works and Transport Eng. Joel Maina Kairu, the CEC in charge of Finance and Economic Planning Mr. Francis G. Mathea as well as other members of staff from the county government. Also in attendance were engineers from the Ministry of Transport and Infrastructure, national road agencies as follows:

- 1. Eng. Ezekiel Fukwo Kenya National Highways Authority(KeNHA)
- 2. Eng. Philemon Kandie Kenya National Highways Authority (KeNHA)
- 3. Eng. Joseph Irungu Kenya Rural Roads Authority (KERRA)
- 4. Eng. Michael Mugo Kenya Urban Roads Authority (KURA)

The Committee thereafter conducted an extensive road inspection of the Kibunja-Molo-Keringet-Oleguruoni-Kiptagich Road which is approximately 54 kms. The Committee also interacted with residents of the area to receive submissions on the impact of the road on their livelihoods.

# 3.1 MEETING WITH H.E. KINUTHIA MBUGUA, GOVERNOR, COUNTY GOVERNMENT OF NAKURU

H.E. Kinuthia Mbugua welcomed the Senate Committee on Roads and Transportation and made his submissions as highlighted below:

- 1. Nakuru County was cosmopolitan, having representation from all ethnic communities in the country. He stated that Nakuru has a diverse economy and that without proper infrastructural network, especially roads, the economy would be disintegrated. He added that the County is among the largest in the country having 11Members of Parliament and 4 Senators.
- 2. The County has a vast road network of 12000kms covering 11 sub counties, with only 996 kms that are tarmacked. The County also has 1750kms of gravel and

earth roads and 9954kms of earth roads. He noted that the national truck roads traverse the county.

- 3. The County Government, however, aims to continuously improve the road structure and street lights within the County. The Governor noted that when the County Government took over from the defunct county council in 2013, Nakuru County was ranked at number 45 on the road status. Since then the County has risen to the top 15 counties with improved roads.
- 4. Challenges faced by the County Government mainly arise from insufficient budgetary allocation.
- 5. Various roads e.g. in Naivasha are periodically damaged by storm waters during the rainy season. The County Government continuously makes efforts to repair these roads however this requires a lot of resources.
- 6. During the financial year of 2013/2014 the County Government maintained and rehabilitated 1200km of roads within the county. For the 2014/2015 financial year the Government targeted to rehabilitate 1500 kms and the Governor was confident that this target would be achieved.
- 7. The County Government had acquired machinery for road works including three motor graders, a bull dozer and three tippers. This is however not significant for the size of the county. The Governor hoped for more resources to purchase more machinery to adequately service the vast county.
- 8. The County Government during its first year in office put up 3322 poles of street lighting. However, to avoid high electricity costs the Government was switching to solar energy. In the 2014/2015 financial year the Government has installed 418 solar poles.

- 9. The County Government has partnered with the World Bank through the Kenya Informal Settlement Improvement Authority in the construction of modern improved urban roads in Nakuru East and this is expanding to Naivasha. This partnership will complement the county budget.
- 10. Infrastructure is a high priority of the County Government taking up 15% of the County's budget, which was still too little. The Governor requested the Senate to intervene in the criteria of budgetary allocation taking into account administrative infrastructure of a county.
- 11. The County Government has been working well with the national agencies. However, there was still room to work better as a team and plan together with the County Government. There was a need for structured systems for exchange of info between the county government and the national agencies.
- 12. The Olenguruone Road which services half of the county has been in a very bad state. The contractors have been performing their duties at a very slow pace, and the road has been abandoned severally. The Governor urged the Committee to intervene in this matter.

Following discussions with Members of the Committee, the Governor gave the following clarifications:

- 1. Prior to the devolved system of government, Nakuru had 4 local authorities with the highest revenue collection of Kshs. 1.2 billion annually. From 2013, there was a slump during the transition to the devolved system. The Government undertook various strategies e.g. automation and collected 1.8 billion. The Government's target for this financial year is to increase revenue collection to 2 billion.
- 2. The County Government has not taken much initiative for joint ventures with international companies, parastatals e.g. Geothermal, KWS. The County Government would look into forming such partnerships.

- 3. The County does not benefit at all from the national parks within its jurisdiction.
- 4. The County has the ability to absorb more funds. However, a major challenge for the County Government has been the national government's failure to release funds. The County has not received reimbursements for the months of March to May. The Governor urged the Senate to intervene in the erratic release of funds.

#### Remarks from the Committee

Members urged the County Government to consider roads in rural areas such as Kuresoi and Olenguruone, when prioritizing roads for construction or rehabilitation.

It was noted that residents faced serious challenges of transportation between Nakuru and Narok and to address this, it was recommended that a bridge be constructed to link the two counties. This would reduce the travel time and uplift the livelihood of citizens.

Members referred to the Committee's benchmarking visit to Turkey where they witnessed revolutionary ideas by the government to transform housing for the poor. They proposed that the County Government apply some of the strategies to transform housing problems within the county and change the lives of its citizens.

# Submissions from the national agencies on the status of roads in Nakuru County. Kenya Rural Roads Authority

Engineer Irungu from KeRRA informed the meeting that the Molo-Olenguruone-Kuresoi-Road was approximately 51 Kms, and Kibunja to Molo was approximately 4 Kms. The initial contract as awarded to Kimilili Company was for the reconstruction, recarpeting and sealing of the road between Olenguruone and Molo. On carrying this out, heavy lorries using the road caused the it to fall apart. The need arose to revise the approach as the road needed to be redesigned and reconstructed. The contract with Kimilili Company was then terminated and the Molo-Kibunja 4km road was readvertised. The Ministry of Roads and Transportation was awaiting financial allocation for awarding of the contract.

Members urged the Engineers present report to the Ministry on the urgency of the completion of the road and the necessity to treat the road as urgent. The Ministry had made a mistake in identifying a contactor without the capacity to undertake the road works and there was therefore a need for remedial action.

# Kenya National Highways Authority

Engineer Kandie from KeNHA noted that the northern corridor passed through Nakuru. He stated that there are various on-going projects in the County of Nakuru which fall in three categories i.e. Periodic Maintenance, Routine maintenance or spot improvement and Performance based contract. He added that award for three interchanges has been done and the contractor is mobilising to start works for interchanges at Junction B5 (Kunste Hotel), Junction C56 Njoro and Junction B1 (Mau Summit) financed by World Bank.

He noted that the contractor working between Kunste-Nyahururu was very slow and had only reached Maili Kumi. The agency has held several meetings on this matter and may repackage a new contract within the next 101 days. He informed the meeting of a development contract to improve mobility on entry to Nakuru for interchanges at Kunste, Njoro turn off and Mau Summit.

PPP programme on dual carriage between Rironi to Mau Summit was also under consideration and would be discussed with the Senate in due course. The concessionaire is currently giving advice to the agency on the way forward. The agency in conjunction with the NTSA is also working towards lanes dedicated for trucks only.

# Kenya Urban Roads Authority

Engineer Mugo from KURA informed the meeting that KURA was allocated Kshs 136 million during the 2014/2015 financial year, with Kshs. 104 million allocated to Nakuru and Kshs. 32 million to Naivasha, and are working on 4 roads. These funds are mainly for routine maintenance. He informed the meeting that requests had been made for

emergency works to be done as a result of the heavy rains and KURRA was set to undertake emergency works soon.

# 3.2 INSPECTION TOUR OF THE MOLO-OLENGURUONE ROAD

The Committee, along with engineers from KeNHA, KERRA and KURA, conducted an extensive road inspection tour of the Kibunja-Molo-Keringet-Oleguruone-Kiptagich Road.

During the inspection tour, the Committee had an opportunity to interact with residents of the area, who raised the following concerns on their livelihoods following, the impact of the poor state of the road:

- (i) The residents cannot access health facilities and in a number of instances expectant women have had to deliver on the way to the hospital;
- (ii) The area is fertile with the main economic activity of the people being farming.

  However, the farmers are not able to transport and access markets for their agricultural produce;

The residents attributed the poor state of the roads to:

- (iii) Trucks and lorries using the road for transportation of timber; and
- (iv) Contractors failing to complete the road works on schedule with some contractors being incapable of carrying out the road works.

The residents of the area urged the road agencies to ensure that a provision is made for Contractors to offer employment for youth in the area during road construction;

CHAPTER FOUR

# COMMITTEE OBSERVATIONS DURING THE VISIT TO LAMU AND NAKURU COUNTIES

#### 4.1 LAMU COUNTY

The Committee made the following observations during its visit to Lamu County:

- (i) There has been minimal progress made in construction of roads and other infrastructure projects in Lamu owing to the geography of the area and the limited financial resources allocated to the County in the financial year 2014/2015.
- (ii) Lamu County is yet to benefit from the Equalization Fund.
- (iii) There is confusion caused by lack of a clear distinction between roads falling under the mandate of the National and County Governments respectively.
- (iv) There is a cordial working relationship between the County Government of Lamu and the LAPSSET Corridor Development Authority. However, there are no clear formal mechanisms of engagement to ensure that the people of Lamu County will reap the economic and social benefits of the LAPSSET project.
- (v) The commencement of construction of the first three (3) Berths of Lamu Port is expected to be launched before the end of May 2015. So far construction activities for preliminary facilities at Lamu Port are ongoing with some nearing completion. For instance the Port headquarters, the Police station, Port Staff Quarters among others.
- (vi) The Lamu youth scholarship programme initiated by LAPSSET Corridor Development Authority in conjunction with county leaders is a commendable initiative. It has so far recruited two hundred and twenty (220) students. The students were admitted to various colleges throughout the country with 193

students having reported and have been admitted to various institutions in the country, 32 students reported in December 2014. Recruitment of more students will be carried out annually until the target of 1000 students is achieved.

(vii) The on-going projects and improvements works at the Manda Airport was commendable and would improve the livelihoods of the people of Lamu County.

# 4.2 Nakuru County

The Committee made the following observations during its visit to Nakuru:

- (i) The Molo-Olenguruone Road which traverses through Molo and Kuresoi Constituencies is approximately 54.5Km in length. A tender for rehabilitation of the road was awarded to Kimilili Hauliers Limited in 2010 with its completion expected to be in 2012. The first section of the road from Kibunja to Molo is (about 6.) is complete.
- (ii) The second section from Molo through Keringet town and ends at Olenguruone town remains in a deplorable state having been abandoned by the Contractor;
- (iii) The deplorable state of the road has adversely affected the livelihoods of the residents of the area. Farmers have continued to suffer serious economic losses due to lack of access to markets for their agricultural products while patients have been unable to access health facilities.
- (iv) Residents have to travel for long hours from Nakuru to Counties when in fact that travel time can be shortened by construction of a bridge.
- (v) There is confusion caused by lack of a clear distinction between roads falling under the mandate of the National and County Governments respectively.

- (vi) There has been a delayed disbursement of funds by the National Government to the County Government of Nakuru from the month of March to May, 2015 hence crippling activities of the County Government.
- (vii) The County Government of Nakuru does not receive benefits from the national parks in the County.
- (viii) Land surface as criteria of allocation of funds is important where population density is high.

#### CHAPTER FIVE

# **COMMITTEE RECOMMENDATIONS**

# 5.1 Lamu County visit

The Committee makes the following recommendations based on observations made during its visit to Lamu County:

- (i) The National Assembly fast tracks the transmission of the Kenya Roads Bill, 2015 for to the Senate. This Bill, when enacted into law, will shed clarity on the classification of roads and consequently the respective responsible Governments.
- (ii) The Government fast tracks the implementation of the Equalization Fund Guidelines, 2015 so as to enable Counties benefit for the purpose for which it was intended.
- (iii) The Governments of Counties through which the LAPPSET Corridor Project traverses, to unite as a formal bargaining platform with the LAPSSET Corridor Development Authority (LCDA), for the socio- economic benefit of their people.
- (iv) The National Government develops a policy framework on how exactly Counties within the LAPSSET Corridor and the country as a whole will benefit from the project.
- (v) The Governor of Lamu County, H. E. Issa Timamy, initiates a concept paper on how the County Government of Lamu can offer auxiliary services at the Lamu Port for the benefit of Lamu County.
- (vi) LAPSSET Corridor Development Authority replicates the Youth Scholarship Programme in the other counties within the corridor.

# 5.2 Nakuru County visit

The Committee makes the following recommendations based on observations made during its visit to Nakuru County:

- (i) The National Assembly fast tracks the transmission of the Kenya Roads Bill, 2015 for to the Senate. This Bill, when enacted into law, will shed clarity on the classification of roads and consequently the respective responsible Governments.
- (ii) The Ministry of Roads and Transportation ensures that the published Tender No. KeRRA/011/39/3/2015-2017 for rehabilitation and repair of Molo-Olenguruone Road is awarded to a Contractor with the capacity and commitment to undertake the contract to completion within the set timelines.
- (iii) The County Government of Nakuru constructs a bridge linking Nakuru and Narok Counties to shorten the travel time between the two counties.
- (iv) Treasury to adhere to the disbursement schedule that was approved by the Senate.
- (v) The Senate fast tracks the enactment of the Natural Resources (Benefit Sharing) Bill, 2014, which will address holistically the challenge of sharing of benefits from Natural Resources in Counties.