


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 APR 2023	DAY: Wed
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**THE AUDITOR-GENERAL**

**ON**

**KENOL-SAGANA-MARUA HIGHWAY  
IMPROVEMENT PROJECT (P-KE-DBO-037)  
CREDIT NOs.5050200000901 AND 2000200004504**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**KENYA NATIONAL HIGHWAYS  
AUTHORITY**





**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING, URBAN DEVELOPMENT  
AND PUBLIC WORKS**



**Kenya National Highways Authority**

Quality Highways, Better Connections

**Project Name – KENOL - SAGANA - MARUA HIGHWAY IMPROVEMENT PROJECT**

**Implementing Entity – KENYA NATIONAL HIGHWAYS AUTHORITY - (KenHA)**

**PROJECT ID: –ADB LOAN ID P-KE-DB0-037  
PROJECT CREDIT Nos. 5050200000901 & 2000200004504.**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2022**

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**KENOL - SAGANA - MARUA HIGHWAY IMPROVEMENT PROJECT**  
*Annual Report and Financial Statements for the financial year ended June 30, 2022*

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**KENOL - SAGANA - MARUA HIGHWAY IMPROVEMENT PROJECT**  
*Annual Report and Financial Statements for the financial year ended June 30, 2022*

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**KENOL - SAGANA - MARUA HIGHWAY IMPROVEMENT PROJECT**  
*Annual Report and Financial Statements for the financial year ended June 30, 2022*

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

<b>Project Name</b>	Kenol - Sagana - Marua Highway Improvement Project
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<b>Project Objectives</b>	<p>a) To enhance movement of goods/ services (trade) and people between the counties in Central, Eastern Kenya and the capital city, Nairobi and also links with Ethiopia</p> <p>b) Contribute to the social and economic development efforts by providing more efficient and effective transport system.</p>
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<b>Project Registered Office and Physical Location:</b>	The project headquarters offices are at Barabara Plaza, Jomo Kenyatta International Airport, Nairobi, Off Mazao Road (Opposite KCAA Headquarters)
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<b>Project Address</b>	P.O. Box 49712-00100 Nairobi
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<b>Contacts:</b>	Telephone: 020-8013842; Email dg@kenha.co.ke; Website www.kenha.co.ke
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**1.2 Project Information**

<b>Project Start Date:</b>	9 <sup>th</sup> January, 2020
<b>Project End Date:</b>	31 <sup>st</sup> December, 2023
<b>Project Manager:</b>	Eng. C. Obuon – Director, Development Eng. D. Cheronno – Project Engineer.
<b>Project Sponsor:</b>	African Development Bank (AfDB)/ Africa Growing Together Fund (AGTF) Government of Kenya



# KENOL - SAGANA - MARUA HIGHWAY IMPROVEMENT PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2022

## 1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works.																						
Project number	P-KE-DB0-O37																						
Strategic goals of the Project	<p>The project management aims to achieve the goals through the following means: -</p> <ul style="list-style-type: none"> <li>(i) To support the transport infrastructure sector to attain sustainable, safe roads network that facilitates economic growth and the improvement in living standards.</li> <li>(ii) To promote trade and regional integration.</li> <li>(iii) To improve road transport services by reducing travel time and vehicle operating cost</li> </ul>																						
Other important background information of the project	<p><b>PROJECT COMPONENTS AND COSTS - LOAN</b></p> <table border="1"> <thead> <tr> <th></th> <th>Foreign Exchange Cost</th> <th>Total Cost</th> </tr> <tr> <th></th> <th>Euro</th> <th>Euro</th> </tr> </thead> <tbody> <tr> <td><b>A. Civil Works</b></td> <td></td> <td></td> </tr> <tr> <td>ADB</td> <td>178,020,000</td> <td>178,020,000</td> </tr> <tr> <td>AGTF</td> <td>31,150,000</td> <td>31,150,000</td> </tr> <tr> <td>Government of Kenya</td> <td>48,510,000</td> <td>48,510,000</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>257,680,000</b></td> <td><b>257,680,000</b></td> </tr> </tbody> </table> <p>The total cost of the Project is EUR 257.68 million. The Project is co-financed by the Bank Group (69%), Africa Growing Together Fund (12 %) and Government of Kenya (19%). The overall implementation period is 5 years (2020 – 2025).</p> <p><b>PROJECT BACKGROUND: -</b></p> <p>The project road is part of the Kenyan section of Trans-Africa Highway, TAH4 (Cairo to Cape), through Nairobi on to Moyale. The project road also links the Capital City Nairobi to some of the major commercially and agriculturally rich Mt Kenya region as well as to Ethiopia through the Moyale border. The Project consists of the dualling of 84 km of the Kenol – Sagana – Marua Road with grade separated junctions, road safety interventions and social complementary initiatives. The project also includes soft components such as training of unemployed youth; institutional capacity building; monitoring and evaluation; sensitization and awareness; tree planting, among others.</p>			Foreign Exchange Cost	Total Cost		Euro	Euro	<b>A. Civil Works</b>			ADB	178,020,000	178,020,000	AGTF	31,150,000	31,150,000	Government of Kenya	48,510,000	48,510,000	<b>TOTAL</b>	<b>257,680,000</b>	<b>257,680,000</b>
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	<p><b>LOCATION AND EXTENT OF WORKS</b></p> <p>The proposed new dual carriageway is a Class A International Trunk Road, approximately 84 kms long. The project area in Central and upper Eastern region of Kenya covers five counties of Muranga, Machakos, Embu, Kirinyaga and Nyeri.</p>
Current situation that the project was formed to intervene	The existing road is a two-way single carriageway of bitumen standard, which is congested with high accident rate making transport costly and a threat for life. The road therefore is proposed for upgrading to dual carriageway to reduce travel cost and improve road safety.
Project duration	The project started on 9 <sup>th</sup> January 2020 and is expected to run until 31 <sup>st</sup> December 2023.

**1.4 Bankers**                      Co-operative Bank of Kenya Ltd  
 Upper Hill Branch, Nairobi

**1.5 Auditors**                    Auditor General  
 Office Of the Auditor - General  
 P.O. Box 30084 – 00100 GPO  
 Nairobi

**1.6 Roles and Responsibilities**

<b>Name</b>	<b>Designation</b>
Eng Charles Obuon	Director, Development
Eng.D. Cheron	PIU Team Leader/Manager
Mr. W. Nyatwanga	D. Director, (Environmental & Social)
Ms N. Odingo	CS/DD, Legal Services –Administration Staff (Legal)
Mr. R. Kilel	AD – Supply Chain Services -Administration Staff (Procurement)
Mr. Chanje Kera	D. Director – Finance & Accounts - Administration Staff (Finance)
Ms M. Mwangi	AD – Human Resource-Administration Staff (Human Resources)
Ms R. Oloo	AD – Environment/RAP Team (Sociologist)