

REPUBLIC OF KENYA



NATIONAL ASSEMBLY
TENTH PARLIAMENT – FOURTH SESSION, 2011

REPORT OF THE DEPARTMENTAL COMMITTEE (L)
ON TRANSPORT, PUBLIC WORKS AND HOUSING ON CONSIDERATION
OF THE BUDGET POLICY STATEMENT;

MINISTRY OF TRANSPORT
MINISTRY OF ROADS
MINISTRY OF PUBLIC WORKS
MINISTRY OF HOUSING

CLERK'S CHAMBERS
NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI

APRIL 2011

PREFACE

Mr. Chairperson Sir,

- 1 On behalf of the Members of the Departmental Committee on Transport, Public Works and Housing, and pursuant to the provisions of Standing Order No. 143 (4), it is my pleasure to present to the Budget Committee the Committee Report on the Budget Policy Statement.

Committee Membership comprises of the following: -

- i. The Hon. David Were, M.P. – Chairperson
- ii. The Hon. Isaac Muoki, M.P. – Vice-Chairperson
- iii. The Hon. Walter Nyambati, M.P.
- iv. The Hon. Mohammed H. Gabbow, M.P.
- v. The Hon. Edwin O. Yinda, M.P.
- vi. The Hon. Yusuf K. Chanzu, M.P.
- vii. The Hon. (Dr.) Wilbur Ottichilo, M.P.
- viii. The Hon. Boaz Kaino, M.P.
- ix. The Hon. Benjamin Langat, M.P.
- x. The Hon. Joseph Kiuna, M.P.
- xi. The Hon. Clement Wambugu, M.P.

- 2 The Departmental Committee on Transport, Public Works and Housing is one of the Departmental Committees established under Standing Order No. 198 whose functions are *inter alia*:-

- i. investigate, inquire into and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and Departments;
- ii. study the programme and policy objectives of the Ministries and Departments and the effectiveness of the implementation;
- iii. study and review all legislation after First Reading subject to the exemptions under Standing Order 101 A (4);
- iv. study and review all legislation referred to it;
- v. study, assess and analyse the relative success of the Ministries and Departments as measured by the results obtained as compared with its stated objectives;
- vi. investigate and inquire into all matters relating to the assigned Ministries and Departments as they may deem necessary, and as may be referred to them by the House or a Minister; and
- vii. make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.

- 3 The Committee is mandated to consider the following issues; Transport, Roads, Public Works, Construction and Maintenance of Roads, Rails and Buildings, Air, Seaports and Housing.

4 In executing its mandate, the Committee oversees the following Ministries:

- i. Ministry of Transport;
- ii. Ministry of Public Works;
- iii. Ministry of Roads; and
- iv. Ministry of Housing.

5 The Ministries of Transport, Road Public Works and Housing fall in the category of Physical Infrastructure Sector, a very critical sector to the socio-economic needs of Kenya. Infrastructure is a major contributor to the creation of a favourable environment for economic growth as it supports all other economic and social activities and is therefore critical to the achievement of the vision 2030.

Mr. Chairperson Sir,

6 As you are aware, pursuant to Standing Order 143 (1), every year, not later than 21st March, the Minister responsible for matters relating to finance, shall prepare and lay before the House a Paper to be referred to as the Budget Policy Statement. Standing Order 143 (3) provides that upon being laid before the House, the Budget Policy Statement shall consult each Departmental Committee and shall, not later than 15th April, lay its report before the House.

The House shall consider the report of the Budget Committee on a motion that "this House do adopt the report of the Budget Committee on the Budget Policy Statement made by the Minister for Finance on (date when the Statement was made)"

7 In considering the Budget Policy Statement (BPS), the Departmental Committee on Transport, Public Works and Housing held a total of three sittings where it analysed the Budget Policy Statement, in particular, Ministries of Transport, Roads, Public Works, Housing. The Committee also received a comprehensive brief from the Parliamentary Budget Office on the BPS.

8 Based on the analysis of the Budget Policy Statement conducted, the following were the observations made under the Ministries of Transport, Roads, Public Works and Housing:-

- a) Treasury, through the BPS had identified the overall goals for the physical infrastructure sector as among others; to accelerate ongoing infrastructure development; to improve efficiency and effectiveness of the infrastructure development process at all levels of planning, contracting and construction; aesthetics and functionality of the infrastructure services developed; to focus on quality; and to support identified flagship projects to ensure contribution to the economic growth and social equity goals.
- b) The BPS acknowledges that despite the progress made, the sector continued to face major challenges. Some of the challenges identified by the physical

infrastructure sector MTEF report include huge maintenance backlog of the road network; fragmented transport system; slack enforcement of rules and regulations; out-dated Legislation on transport; Security/safety at ports and Airports; Overreliance on one transport corridor; capacity of the Port of Mombasa; Lack of comprehensive housing sector legislation; delay in establishment of New Construction Authority; increased demand for new office space and facilities; inadequate plant and equipment under Mechanical and Transport Fund; and lack of technology to stabilize murrum roads in the parks and reserves; encroachment of road reserves by private developer.

- c) The BPS indicates that in the Medium term, the Government seeks to address these challenges through among others things road development, maintenance and management; Transport infrastructure development; construction standards and research; Transport Management and Safety; Government Buildings; Coastline infrastructure and Pedestrian Access; procurement, warehousing and supply; housing development, and human settlement programme.
- d) The BPS has not identified the specific challenges facing the sector other than the general statement that challenges still exist despite the major achievements over the recent past.
- e) There is no mention of specific intervention strategies towards challenges facing the physical infrastructure sector. Moreover, the sector programmes are attached to the BPS at gross level without indicating strategies for achieving them.
- f) The Infrastructure Sector MTEF Report 2011/12 – 2013/14 indicates that in the Medium term, the Government seeks to put more funds towards infrastructure programmes and sub-programmes including Roads, Transport, Housing and Public Works Sub-Sectors, which was commendable. However, slow implementation of infrastructure projects arising from among other things, slow procurement process and lack of construction capacity makes the sector a quick target for reduction during Supplementary Budgets.
- g) Though some Ministries continued to indicate their serious need for more funding year in, year out, as is evidenced by the Physical Infrastructure Sector MTEF Report 2011/12 – 2013/14 utilization capacity was still low with many Ministries not fully utilizing funds allocated.
- h) Some of the issues that remain a challenge in the physical infrastructure sector include lack of/weak sector policies, slow implementation of infrastructure flagship projects identified in Vision 2030 and budgetary issues whereby, the development budget is usually allocated substantial resources, but quickly becomes the first target of reduction during

Supplementary Budgets. Other challenges facing the physical infrastructure sector include;

- Delays in Exchequer releases towards the sector, which Members partly attributed to delays in release of development vote.
- Lack of clear of information regarding prioritization of sectoral funding.
- Huge recurrent expenditures.
- Poor quality of construction works in particular road works.
- Poor quality of road construction materials and resistance by various parties towards adoption of cheaper, quality materials
- Lack of policy to ensure diversification as well as adoption of new technologies with regard to construction materials.
- Low absorption capacity attributed to slow and lengthy procurement procedures.

9 Thereupon, the Committee recommends that;

- i. There is need to amend the lengthy and cumbersome PP&D Act, 2005 to make tendering process shorter.
- ii. There is need to have in place a policy to ensure diversification as well as adoption of new technologies with regard to construction materials
- iii. Treasury should make it known to Parliament how they conduct the prioritization of sectoral funding.
- iv. Treasury should address delays in exchequer releases that contribute greatly to low absorption capacity of funds allocated and delays in completion of projects.

10 On behalf of the Committee, I now wish to present to the Budget Committee the Report on the Consideration of the Budget Policy Statement, Ministries of Transport, Roads, Public Works, Housing by the Departmental Committee on Transport, Public Works and Housing.

The Hon. David Were, MP
Chairperson
Departmental Committee on Transport,
Public Works and Housing

Dated: April 12, 2011

