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From: The informal development partner coordination group on the roads sector in Kenya  
Chair:- EU Delegation  
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## Contribution from the Roads Sector

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### 1. Opening remarks

#### *1.1. Congratulations to the government*

International development partners commend the Ministry of Roads, Public Works & Housing for its continued support to reforms in the roads sub-sector, as exemplified by its high level participation in the ongoing preparation of a Roads Sub-sector Policy and Strategy, and believe that the end result will be a greatly improved and efficient management of the road network. The Ministry's strong position against the long-standing problems of corruption and pending bills is also acknowledged. Development partners look forward to urgent and decisive action to eradicate corruption from the roads sub-sector and they urge that this should begin with implementation of the recommendations of the Pending Bills Verification and Validation Committee.

#### *1.2. Importance of the sector to economic growth and poverty reduction*

The Transport Sector is the engine of the country's economic growth. Road transport accounts for over 80 percent of Kenya's total passenger and freight transportation.

The National Stakeholders Forum for preparation of the Poverty Reduction Strategy Paper identified the poor road network as a major constraint on economic growth and poverty reduction as it contributes to the high cost of doing business.

A road transport sub-sector that is performing well has a major impact on access to employment and a wide range of social services. As a facilitator of the circulation of goods and persons it is a key element for the functioning of the markets, contributing to match supply and demand. Furthermore, it is a key instrument for regional integration and generates a supportive environment for private initiative and willingness to invest. An efficient road transport sub-sector also has a substantial influence in the country's competitiveness and it is one of the decisive elements in determining the price of goods.

#### *1.3. General statement on the partners' willingness to support the government in its efforts in the sector.*

Development partners support the reform process and urge the GoK to develop a clear set of priorities for the development of the sub-sector.

An integrated strategy for the different modes of transport, emphasising inter alia their complementarity, needs to be defined with a view to accomplishing a comprehensive approach to the transport sector. Moreover, the fact that Kenya is an important transit country underlines the need for increased co-operation in the region, particularly among Eastern African Community Countries, in order to harmonise national policies and implementation mechanisms.

The new Government has already recognised the urgent need to develop a comprehensive national transport policy involving the different modes of transport (roads, railways, sea and

inland marine transport, air transport and pipeline transport) for which the Ministry of Transport & Communications has set up Task Force.

## **2. Recent positive developments affecting the sector**

### ***2.1. Policy reforms***

Trends can be observed within the ongoing transport reforms that are in line with the global reform programmes in Kenya aimed at establishing efficient management of the roads sub-sector. Furthermore, they all relate to three fundamental points:

- important institutional reforms with a view to improving efficiency.
- policies being implemented or discussed focus openly on sustainability and financial practicability
- a progressive disengagement of the State and the liberalisation of the sub-sector is presently being considered or is underway

In this respect, a stakeholders' conference on policy and strategy for the roads sector in Kenya, held between 21-23<sup>rd</sup> May 2002 formulated an action plan which resulted in the ongoing Road Sub-sector Policy and Strategy Study funded by the EC.

### ***2.2. Institutional changes***

The road transport infrastructure expanded substantially in the 60s, 70s and the 80s to meet new demands and economic growth. However, this network has over recent years deteriorated to the extent that it is estimated that 37% of the main paved road network is in poor or bad condition. The reasons for this situation lie, essentially, with the lack of an adequate maintenance policy and absence of a harmonised institutional framework.

Following the Road Maintenance Initiative launched by the World Bank in the early 90s, the GoK undertook a strategic analysis on road policy with a view to identifying the necessary reforms for sustainable improvements in the road sector. This led to a number of concrete measures such as the setting up in 1994 of a Road Maintenance Levy Fund, a first attempt to secure funds allocated to road maintenance.

In 1995 a Road Sector Institutional Study was commissioned with the objective of developing an institutional framework within which the management of the entire road network in Kenya would most effectively be undertaken. The study recommended the establishment of an executive Roads Board and road agencies. The Board would be a purchaser of road works services from road agencies while the agencies themselves would be responsible for providing road maintenance, rehabilitation and development services.

A more comprehensive approach had to wait until the "Strategic Plan for the Road Sector" (1997) subsequently the "Road Sector Reforms Action Plan" (1999) (with EC funded technical support), and the consultancy in 1999 leading to the report, Management of Change to Roads Authority in Kenya, January 2000 (with DFID funded support) allowing the identification of some strategic measures to be taken.

The Kenya Roads Board (KRB) bill was enacted into Law by Parliament in December 1999 and the KRB Act came into effect in July 2000.

The Kenya Roads Board Act entrusts the oversight and the co-ordination of the development, rehabilitation and maintenance of the entire road network to a single, independent organisation, the Kenya Roads Board (KRB). The Board draws its membership

from both the public and private sectors and has three road agencies in charge of the execution of annual road works programmes. These agencies are the Roads Department in charge of the class A, B and C roads, 70 District Road Committees (DRC) created to execute road works on classes D, E, SPR and unclassified roads, and the Kenya Wildlife Service which caters for roads within National Parks and Game Reserves. In July 2003 the 5 large Cities and Municipal Councils were gazetted as sub-agencies.

As a result of its mandate, the Board is responsible for the proper allocation of the Fuel Levy Fund, which collects about Ksh 8 billion per year.

After the establishment of the Kenya Roads Board, the implementation of a global, sustainable and efficient sector policy remains a major challenge for Kenya's administration.

### ***2.3. Innovative programmes***

The Roads 2000 Maintenance Programme represents a new strategy in Kenya within the RMI main policy framework for improved road maintenance on a road network basis for the selective rehabilitation, spot improvements and maintenance of the road network. The new technical approach is being supported with a range of funding, management, manpower development and rationalisation, motivation and private sector development objectives.

The entire process of the Roads 2000 programme is aimed at developing the road network to an economic level of serviceability and carrying on sustained maintenance using local resources, appropriate technology and labour based methods where cost-effective.

Several development partners have supported the Roads 2000 programme, including SIDA (in Nyeri, Kirinyaga and now appraising Nyanza Province), Danida (4 districts in Coast Province), the European Union (8 districts of Eastern Province), while other programmes funded by the KfW (some districts of Rift Valley and Nyanza), ADB (8 districts of Rift Valley) and AFD (3 districts of Central Province) are at an advanced preparatory stage.

The Roads 2000 approach evolved in the early 1990s from the lessons of the Minor Roads Programme, to address the needs of the lower level roads for which motorized access rather than road condition was the primary objective. The Roads 2000 approach was endorsed by all stakeholders but, in practice with the notable exceptions of Danida and SIDA, there has been little implementation of the approach. Donor funding is limited but, where local funding is employed on the unpaved network, it is in the form of full road rehabilitation contracts. There is therefore a need to re-launch the Roads 2000 programme. To this end, the Kenya Roads Board, with the services of a technical assistance expert provided by Danida, is formulating a Roads 2000 strategy through a participatory process, that will harmonise the Roads 2000 activities in various regions.

The Government should fund the Roads 2000 activities in regions which are not covered by programmes of Development Partners.

Other development partners have funded various programmes and projects :-

- The El Nino Emergency Project has also received support from development partners, particularly World Bank, ADB and AFD.
- KfW and AFD have provided funds for Mai Mahiu – Narok road
- World Bank is expected to fund the Northern Corridor Improvement Project to rehabilitate 356km of the Northern Corridor

- The EC is funding the rehabilitation of two sections of the Northern Corridor, namely, Sultan Hamud – Mtito Andei (131km) and Mai Mahiu – Naivasha – Lanet road ( 95km)
- Japanese Government is financing two bridges (Athi and Ikutha bridges)

#### ***2.4. Outputs and outcomes, where available.***

Whereas a number of development partners have been supporting road development and maintenance programmes and projects for a number of years, a comprehensive sector wide programme has not yet been put in place. More effective outcomes could be realised if such a sectoral framework were put in place to ensure coordination and integration of activities.

### **3. Key challenges facing the sector**

#### ***3.1. Gap between the current situation and the targets for the sector***

In the absence of clear targets for the roads, the Stakeholder Workshop in May 2002 derived a number of targets for the roads sub-sector:-

- to strengthen KRB by establishing autonomous road agencies with defined responsibilities and clear separation of roles between KRB as a funding body and the agencies as implementing bodies;
- to increase the level of revenue for maintenance from the current US \$ 100 million to 125 million which is deemed sufficient for routine and periodic maintenance of the core network;
- to secure capital funding for backlog maintenance to the tune of US\$ 1 billion over the next 5 years. If Kenya wants to protect the existing investment and ensure an improved network within this period, it will have to take a very proactive approach to mobilise both donor and private sector finance to address the funding gap;
- re-establishing regular effective routine maintenance through private sector contracting such as performance-based maintenance contracting and maintenance concessions (long-term performance based maintenance contracting);
- effective prioritization and use of existing resources

All of these reaffirm the importance of developing a clear, comprehensive and coherent sub-sector policy and strategy (built on a principle of broad based consultation with all key stakeholders) and an efficient, effective and fully resourced institutional framework.

#### ***3.2. Policies and institutions that are still in need of reform***

The road maintenance policy of the Ministry of Roads and Public Works is contained in the Strategic Plan for the Road Sector printed in March 1997. The Plan gives top priority to maintenance of the public road network using local resources, labour based methods and the private sector as much as is practical. Rehabilitation of the failed sections of the highway system will be given high priority while upgrading of roads to bitumen standard will depend on traffic and the importance the roads play in social economic development. The Government will use its resources for the maintenance of the road network while donor support will be sought for major rehabilitation works and upgrading of roads to bitumen standard. The Kenya Roads Board plans to prepare a Roads Sub-Sector Strategy Paper after the ongoing study is completed.

A comprehensive road inventory and condition survey of the entire classified network is nearing completion through World Bank funding. KRB has indicated its intention to seek further assistance to carry out a similar exercise on the unclassified roads network. Eventually the results of these studies will probably lead to a redefinition of the public roads network.

On the issue of Roads Safety, Kenya records some of the highest road vehicle accident rates and related deaths and injuries in the world. On average, between 2,800 – 3,000 are killed each year and a further 8,000 – 10,000 seriously injured. The situation is bad and appears to be gradually deteriorating further. As everywhere, the causes of accidents are quite simple: human behaviour, vehicle condition and road condition, as well as the interaction between these factors. In Kenya, the high accident rate reflects the very poor driving standards of many, the financial incentives to minimize trip time by matatu and bus drivers, the poor condition of many vehicles, and poor road conditions (particularly potholes on paved roads).

The Development Partners identify some of the basic contributory factors as;-

- lack of an overall coherent planning process – policy in one ministry, implementation of policy in another;
- little or no funding for road safety measures;
- no development technical expertise and capacity which results in improper implementation of specific accident countermeasures;
- MoRPWH is hampered in integrating road safety in design by funding constraints, but perhaps more importantly by an apparent lack of appreciation of the importance of such basics as road marking;
- no attempt to ensure that the regulations are enforced in an effective manner.
- no processing of accident data to identify where either enforcement should be concentrated or safety engineering considered;
- lack of coordination hampers the efforts of the stakeholders, opportunities are lost and scarce resources are wasted.

The Government through Ministry of Transport & Communications is urged to put into place appropriate mechanisms to address this serious problem.

### ***3.3.Problems with implementing reforms***

Reform of the roads sub-sector is sensitivity to legal, political and institutional factors and must be tied to a realistic time frame. Progress is dependent on appropriate constitutional and legal frameworks, and public consultation and political will. Co-ordinated mechanisms and structures need to be set up for the institutionalisation of public consultation and access to information. Coherent linkages and harmonisation need to be done between macro-level policy and micro level, including a feedback mechanism. The development of a roads policy must be rooted in the national transport policy framework. Policy formulation roles and implementation should clearly defined and separated.

### ***3.4.Quality of targeting/pro-poor orientation of the public expenditure component***

More work needs to be done to reorient objectives and activities toward rural infrastructure expenditure, particularly in high productivity areas.

## **4. Priority actions required to address the challenges**

### ***4.1. Key policy reforms***

Key actions to be taken include:-

- road classification study
- amendment to relevant legislation
- road fund and maintenance needs study – to determine the funding requirements and appropriate level of road tariffs and charges to generate sufficient revenues

- completion of the Roads Sub-sector Policy and Strategy study being undertaken under the auspices of KRB
- adoption by Government of policy and strategy drawn up through the consultative process under the Roads Sub-sector Policy and Strategy study and a realistic timetable for implementation.
- implementation of necessary institutional and legal reforms under the recommended organisational set-up.
- resolving the progressively increasing pending bill liability as well as large outstanding claims. Unless taken over by the Government, this liability could seriously restrict the activities financed by the KRB and reduce its credibility in the eyes of the road users.

#### ***4.2. Institutional changes***

The key issues are:-

- development of a coherent road sub-sector policy and strategy properly anchored in a national transport policy;
- restructuring of road agencies by disengaging the Government from direct involvement in implementation of road operations and maintenance and transferring this role to autonomous road agencies;
- introduction of business management practices in all road agencies;
- more private sector involvement through contracting out services and works;
- securing adequate and sufficient revenue to fund the maintenance of the network;
- developing management information systems for the agencies as a tool for planning, programming and management. These will incorporate baseline data from road inventory and condition survey;
- identification of the core road network based on a network matched to the resources available to maintain it;
- securing adequate capital funds to carry out rehabilitation of the core road network to bring it to maintainable standards;
- Effecting adequate maintenance;
- Enforcement of axle load control ;
- Regular live auditing and reporting to ensure accountability of funds disbursed to roads agencies;
- Publicising information on the use of funds for road development, rehabilitation and maintenance;
- Enhanced road safety.

#### ***4.3. Capacity enhancements***

Development Partners are willing to support capacity building of the road agencies to be established. GOK should develop a coherent strategy to identify areas and projects where technical assistance, human resource development, institutional strengthening are required in order to enhance management capacity of the sub-sector.

#### ***4.4. Appropriate roles of the government, the private sector, and civil society in the sector***

The Kenya Roads Board Act provides for stakeholder engagement through the Board representation and the make up of District Roads Committees, which will be critical for ownership and sustainability in implementation. It also provides a focal point to enable development partners to move towards a sector wide approach for roads funding.

#### ***4.5. Measures to improve planning and targeting of resources, and strengthen accountability and transparency.***

The Development Partners support the KRB's commitment to operationalise live auditing of road works through private consultancy firms. This should substantially enhance accountability on use of funds disbursed to the agencies. The Development Partners also note the Government's recent suspension of public procurement officers due to widespread conflicts of interest with suppliers firms, and they urge the Ministry of Roads, Public Works & Housing to carry out its threat to root out cowboy contractors and weed out members of staff who have interest in contracting firms.

#### ***4.6. Actions to strengthen systems of monitoring and evaluation***

KRB has established a system of publicising expenditure on road maintenance in accordance with the requirements of the KRB Act. The KRB should go further and apply appropriate monitoring indicators that measure the progress of projects and assess the quality of results and benefits delivered to stakeholders, namely:-

- **Project activity level** to measure quantity and thus focus on the efficiency of project implementation – such as kilometres of roads rehabilitated, number of contract awarded, number and type of training courses held;
- **Project results level** to measure the quality and quantity of services delivered to the road users- such as better road conditions as measured by the International Roughness Index, reduced transit time, reduced cargo and passenger tariffs;
- **Overall objective level** to measure the enhanced benefits both at a project level and at a wider sectoral level – such as increased trade or increased volume of goods transported.

#### ***4.7. Cross-sectoral actions***

GOK should identify cross-sectoral actions related to roads and establish that these are institutionalised in the sector activities with mechanisms for involving as wide a range as possible of people and institutions to ensure their input into policy and institutional reform processes. Activities on cross-cutting issues such as environment, socio-cultural aspects and HIV/Aids must be integrated into sector programmes and projects.

### **5. Development partner harmonisation**

#### ***5.1. Actions to enhance coordination between the government and partners and among partners.***

GoK should reintroduce the programme of annual sectoral review meetings with development partners and stakeholders. This will also facilitate harmonisation amongst its programmes in order to avoid overlapping or divergent approaches amongst development partners within the sector. The development partners urge the Government to establish institutional mechanisms and a framework for an ongoing dialogue with them. They also suggest that the Government encourages the move towards a sector wide approach for road investment in order to reduce the amount of time spent by Government in dealing with development partners separately.

### **6. Conclusion**

The key conclusions are that:

- Successful development and implementation of a comprehensive roads sub-sector policy and strategy is the priority in the GoK's efforts to establish an efficient management of the sub-sector, which should act as a catalyst to economic growth and poverty reduction.
- Firm and decisive action is required to root out corruption in the sub-sector
- Action is needed to assess the pending bills situation with finality and transfer the burden to central government in the context of national debt.