

REPUBLIC OF KENYA



NATIONAL ASSEMBLY
TENTH PARLIAMENT – FOURTH SESSION

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REPORT OF THE DEPARTMENTAL COMMITTEE (L)
ON TRANSPORT, PUBLIC WORKS AND HOUSING ON EXAMINATION
OF THE 2012/2013 ESTIMATES FOR THE FOLLOWING VOTES;

VOTE 113 – MINISTRY OF ROADS
VOTE 114 – MINISTRY OF TRANSPORT
VOTE 144 – MINISTRY OF HOUSING
VOTE 159 – MINISTRY OF PUBLIC WORKS

CLERK'S CHAMBERS
NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI

MAY 2012

*PAPER COPY
By Hon. David
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TABLE OF CONTENTS

CONTENT	PAGE
PREFACE.....	2
MINISTRY OF TRANSPORT (VOTE 114).....	14
Introduction	14
Total Requested from the Exchequer	14
Comparison of 2012/2013 Estimates with 2011/2012 Allocations	14
Allocations to New Projects/Programmes.....	15
Ministry Absorption Capacity	15
Areas/Projects Left Out of the Estimates	16
Underfunded Projects	16
Development Projects	16
Critical Issues Achieved During 2011/12	16
Performance and Implementation Status of Projects in 2011/12 Budget	17
Proposed Allocation vis-à-vis Achievements of Ministry's Strategic Plan	19
Budgets of State Corporations	19
Other Issues Related to the Estimates	19
Conclusion.....	20
MINISTRY OF ROADS (VOTE 113).....	21
Introduction	21
Total Requested from the Exchequer.....	21
Comparison of 2012/2013 Estimates with 2011/2012 Allocations	21
Allocations to New Projects	22
Ministry Absorption Capacity	22
Areas/Projects Left Out of the Estimates	22
Development Projects During the 2011/12 Financial Year.....	23
Proposed Allocation vis-à-vis Achievements of Ministry's Strategic Plan	23
Budgets of State Corporations	24
Other Issues Related to the Estimates	24
Conclusion.....	24
MINISTRY OF PUBLIC WORKS (VOTE 159).....	25
Introduction	25
Total Requested from the Exchequer.....	25
Comparison of 2012/2013 Estimates with 2011/2012 Allocations	25
Areas/Projects Left Out of the Estimates	25
Critical Issues to be Achieved During 2012/13	26
Conclusion	26
MINISTRY OF HOUSING (VOTE 144).....	27
Introduction	27
Total Requested from the Exchequer.....	27
Areas that were Underfunded	27
Ministry Absorption Capacity	27
Budgets of State Corporations	27
Performance and Implementation Status of Projects in 2011/12 Budget	28
Conclusion.....	28

Report of the Departmental Committee on Transport, Public Works and Housing on
the 2012/13 Annual Estimates

APPENDIX I: MINUTES OF THE COMMITTEE

APPENDIX II: MINISTRY OF PUBLIC WORKS, OUTSTANDING PAYMENTS ON STALLED PROJECTS

APPENDIX III: MINISTRY OF PUBLIC WORKS, COMPLETED STALLED BUILDING PROJECTS BY JUNE 2010

APPENDIX IV: MINISTRY OF PUBLIC WORKS, ONGOING STALLED PROJECTS F/Y 2009/2010

APPENDIX V: MINISTRY OF PUBLIC WORKS, CONSTRUCTION OF NEW DISTRICT HEADQUARTERS UNDER ECONOMIC STIMULUS PROGRAMME

APPENDIX VI: MINISTRY OF HOUSING, LIST OF ONGOING AND NEW PROJECTS

APPENDIX VII: MINISTRY OF ROADS, DISTRICT ALLOCATION BUDGET FOR THE FINANCIAL YEAR 2012/2013

PREFACE

Mr. Speaker Sir,

1. The Departmental Committee on Transport, Public Works and Housing was constituted on 17th June 2009 during the Third Session of the Tenth (10th) Parliament pursuant to provisions of Standing Orders 198 (1). The Committee executes its mandate in accordance with the provisions of Standing Order 198 (3), from which it derives its mandate to-
 - 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.
- 2 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.
- 3 In executing its mandate, the Committee oversees the following Ministries:
 - i. Ministry of Transport;
 - ii. Ministry of Roads;
 - iii. Ministry of Public Works; and
 - iv. Ministry of Housing.
- 4 The Departmental Committee on Transport, Public Works and Housing comprises the following Members: -
 - 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. Edwin Ochieng' Yinda, M.P.
 - v. The Hon. Yusuf K. Chanzu, M.P.
 - vi. The Hon. (Dr.) Wilbur Ottichilo, M.P.

- vii. The Hon. Boaz Kaino, M.P.
- viii. The Hon. Benjamin Langat. M.P
- ix. The Hon. Joseph Kiuna, M.P.
- x. The Hon. Clement Wambugu, M.P.

Mr. Speaker Sir,

- 5 Pursuant to Standing Order 152, upon being laid before the National Assembly, the Estimates stand committed to the relevant Departmental Committee for examination. The Departmental Committee on Transport, Public Works and Housing examined the printed estimates of the following votes;
- i. Vote 114 – Ministry of Transport
 - ii. Vote 159 – Ministry of Public Works
 - iii. Vote 113 – Ministry of Roads
 - iv. Vote 144 – Ministry of Housing
- 6 In considering the Estimates, the Committee held a total of seven sittings. The Committee received a comprehensive brief from the Parliamentary Budget Office on the Estimates. The Committee later held meetings with the Ministers for Transport, Public Works, Roads and Housing where it received submissions, presentations and other reports. The Ministers were accompanied by the Permanent Secretaries in the respective Ministries and the relevant technical Officers. The minutes of these sittings are appended to this report.
- 7 In its examination, the Committee mainly dealt with the following issues:-
- i. Total net requested from the Exchequer for each of the four Ministries
 - ii. Comparison of the previous years' allocations
 - iii. Allocations to the new projects/programmes
 - iv. Ministries absorption capacity
 - v. Areas/projects/programmes left-out of the Estimates
 - vi. All development projects; new, on-going and stalled
 - vii. Critical policy issues that the Ministries intend to achieve during financial year 2012/2013
 - viii. Performance and implementation status of projects/programmes in 2011/2012 budget
 - ix. Proposed allocation vis-à-vis the achievements of the Ministries Strategic Plans.
 - x. Budget of State Corporations under each of the four Ministries
 - xi. Disaggregated/District budgets.
 - xii. Other issues related to the estimates.

Mr. Speaker Sir,

- 8 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. The demand for physical infrastructure and services which provides a facilitative role for other economic sectors as envisaged under Vision 2030 therefore requires massive investment.

- 9 Vision 2030 envisions elevating of efficiency and quality of infrastructure that will deliver the anticipated growth and positions the country to being globally competitive and prosperous. The document has outlined certain policy reforms expected to achieve the foretasted physical infrastructure. The National Integrated Transport Plan (NITP); a legal framework to support Public Private Partnerships (PPPs); and Comprehensive Construction Industry Development Policy are such policies that have lapsed their target of being in place with two years of the Vision 2030 implementation period.

- 10 Efficient transport is key to the development of any economy. It is essential in facilitating the delivery of goods and produce to markets by farmers and entrepreneurs in a timely and efficient manner. It also ensures convenience and affordability in movement of people. According to the 2012 Economic Survey, Railway Transport posted a marginal growth of 1.5% in freight traffic with revenue from passenger and freight traffic streams increasing by 14.5% and 2.5% respectively. Total throughput handled at the Port of Mombasa recorded a 5.1% increase to 19,953 tonnes compared to 18,977 tonnes handled in 2010. Over the same period, total passenger and freight traffic handled went up by 16% and 23% respectively, largely as a result of the recovery in the tourism industry.

- 11 The Kenya Roads Board approved a total of Kshs. 24.1 Billion for road agencies for the maintenance and rehabilitation of roads during the 2011/12 financial year compared to Kshs. 23.4 Billion allocated in 2010/11. Fuel levy collections are expected to increase by 2.9% in 2011/12 compared to a 4.1% growth achieved in 2010/11. Transit toll collections are also expected to increase, having increased from Kshs. 304million in 2010/11 to Kshs. 343million in 2011/12.

The total expenditure on roads has been going up for the past five financial years, largely to fund construction / rehabilitation of trunk

roads. The kilometers of road under earth / gravel decreased from 53.6 thousand km in 2007 to 53.1 thousand km in 2011. The kilometers of road under bitumen increased to 8.9 thousand km in 2011 from 8.8 thousand km in 2007.

- 12 A total of 205,841 motor vehicles were registered in 2011 compared to 196,456 units registered in 2010. However, there was a decline in the number of saloon cars and station wagons by 31.8% and 16.9% respectively. This could be attributed to high vehicle prices triggered by the weakening of the Kenya Shilling. The effects of tsunami that was experienced in Japan in 2011 also constrained production and supply of vehicles.
- 13 There was a significant drop of 87.5% in the registration of mini buses from 3600 units in 2010 to 451 units in 2011. This might have been occasioned by the intended Government policy aimed at phasing out the 14-seater Public Service Vehicles to decongest major cities. This resulted in registration of buses/coaches maintaining an upward trend, from 1,264 units in 2010 to 1,662 units in 2011. The registration of three wheelers, commonly known as *tuk tuk*, recorded a 40.7% increase from 1,521 units in 2010 to 2,140 units in 2011. The number of licenses issued by the TLB dropped from 28,840 in 2010 to 23,680 in 2011, a decline of 17.9%. The licenses issued to matatus, which comprise mainly of 14 – seater passenger service vehicles dropped by 6.2% during the review period, consistent with their decreased registration.
- 14 Under air transport, passenger traffic handled increased by 16% from 7,516 thousand passengers recorded in 2010 to 8,722 thousand passengers in 2011. This improved performance is associated with progressive recovery in the tourism industry. Overall, 72.1% of the passengers used Jomo Kenyatta International Airport as their entry/exit point.
- 15 According to the 2012 Economic Survey, the housing industry remained vibrant in 2011 due to increased investment in real estate. Demand for housing coupled with availability of credit from commercial banks and mortgage institutions provided the necessary support to the industry. The National Housing Corporation undertook a number of housing activities in 2011. The number of completed units were 255 in 2011 compared to 390 in 2010. The Corporation advanced housing loans by County amounting to Ksh. 212.6 million. There are 726 units at the planning stage to be constructed across the country.
- 16 The challenges inherent in the housing sub-sector include: inadequacy of affordable and decent housing, low level of urban home-ownership,

extensive and inappropriate dwelling units and persisting slums and squatter settlements.

17 Acknowledgements

The Committee wishes to thank the Office of the Honourable Speaker and the Liaison Committee for the necessary support extended to it in the execution of its mandate as well as the Office of the Clerk for providing the necessary logistical and technical support. The Committee is also grateful to the Parliamentary Budget Office for the technical support provided. The Committee further wishes to thank the Ministers for Transport, Public Works, Roads and Housing, their respective Permanent Secretaries and the Technical Staff who appeared before the Committee for providing the necessary information and responding to issues raised by Members during the examination of the 2012/2013 estimates.

Mr. Speaker Sir,

18 Based on the submissions, presentations and evidence adduced under the Ministry of Transport – Vote 114:-the Committee recommends that;

1. It was important that the critical issues raised in the Budget Policy Statement be supported by funds allocation.
2. There should be modalities to ensure that Kenya Vision 2030 projects are secured so that their implementation in subsequent government is guaranteed. In this respect, existing institutions with mandate to implement ports, airports, railways, etc should be funded so that they implement the projects.
3. The following actions should be considered as they affect projects which are of national priority :
 - i. Provision of Kshs.1,200 million for purchase of two (2) new ferries.
 - ii. Provision of Kshs.1,000 million for the counterpart funds of the Second Container Terminal project.
 - iii. Provision of Kshs.4,000 million for Dredging of Port of Mombasa.
 - iv. Ring fencing of Kshs. 2,000 million for the construction of the first three berths including causeway. This should be increased by Kshs.4,000 million to top it up to Kshs.6,000 million which was requested.
 - v. Provision of Kshs.3,500 million for the development of the Standard Gauge rail system in line with the agreements with the Ugandan government.

- vi. Provision of Kshs.600 million should be made for implementation of the Transport Integrated Management System (TIMS) in order to improve the management of Transport System.
 - vii. To finance the agreed work plan under National Road Safety, the Ministry needs an additional Kshs. 260 million to make it Kshs.600 million that was requested to address the escalating road carnage in the country.
 - viii. Provision of an additional Kshs.800 million so as to complete the Isiolo International Airport.
 - ix. Provision of Kshs.400 million for Olentare airport to serve four counties that is Narok, Homa-bay, Kisii and Nyamira.
 - x. Provision of Kshs.400 million for development of Nakuru airport.
 - xi. Provision of Kshs.700 million for the second runway and the associated facilities at the Jomo Kenyatta International Airport. This is an urgent strategic facility to secure Nairobi as an international hub.
4. All funds earmarked for Transport facilities (Airports, Rail, and Ports) should be provided to the Ministry of Transport. Should any funding be provided to a different Ministry or Department, it should be disclosed to the Ministry of Transport as the Ministry is accountable for Transport projects.
 5. Where projects were not funded at all, seed money should be provided to demonstrate willingness of jumpstarting projects such as Lamu – Isiolo – Juba – Moyale - Lokichogio railway lines and Lamu International Airport
 6. The Government should consolidate the various bodies dealing with transport into one central transport coordinating body or authority for efficiency and easy regulation of road transport sector for harmony and efficiency in service provision. It should also consolidate transport licensing into a one-stop shop to ease revenue collection.
 7. The Ministry should ensure operationalization of Integrated Transport Management Policy to reform and modernize the transport sector as a means to opening up the economy.
 8. The National Road Safety Council should be operationalised as a matter of urgency to enhance road safety.
 9. The Ministry should ensure improvement of efficiency and absorption to ensure key programme outputs were achieved with the approved budget in line with the government’s effort to implement programme budget.

19 Based on the submissions, presentations and evidence adduced under the Ministry of Roads – Vote 113:-the Committee recommends that;

- i) Treasury allocates Kshs. 10.7Billion to the Ministry as a matter of urgency for the repair of roads all over the Country, extensive damaged by the floods currently being experienced. Of this amount, Kshs.500Million for roads managed under KENHA, Kshs.2.6Billion for Roads under KURA and Kshs.7.5Billion for roads under KERRA.
- ii) Treasury makes provision for the dualling of the Mombasa-Mariakani road, to ease traffic congestion
- iii) The Ministry should ensure improvement of efficiency and absorption to guarantee achievement of key programme outputs with the allocated budget in line with the government's effort to achieve Vision 2030 targets.
- iv) The Ministry should explore strategies towards improvement of efficiency in the procurement and disbursement procedures by development partners.
- v) In future, Treasury should not allocate funds to other players for road works and if provisions are made, these agencies should operate as agencies appointed by the Ministry.
- vi) The Ministry should ensure strict enforcement of quality workmanship on roads and bridges.

20 Based on the submissions, presentations and evidence adduced, the following were the areas of concern under the Ministry of Public Works – Vote 159:-

- i) Inflated cost of construction under the Economic Stimulus Programmes (ESPs)
- ii) The high cost of preparation of Bills of Quantities.
- iii) The high number of stalled projects.
- iv) Inadequate human resource hampering implementation of projects.
- v) Huge number of pending bills carried over from one year to another.
- vi) Parallel funding of the same projects e.g. Mitihani House, which was getting funds from both the Ministry of Public Works and Ministry of Education thereby raising co-ordination issues.

21 the Committee recommends that;

- i. Provision of Kshs.4.7Billion to complete 26 stalled projects, as the cost of completion of these projects keeps increasing year by year.

- ii. Provision of Kshs.1Billion to pay for pending bills arising from ongoing works on stalled projects.
- iii. Provision of Kshs.200 million for installation of lightening arrestors in the Counties as many lives continue to be lost.
- iv. Provision of Kshs.822, 000, 000 for recruitment of technical staff to be distributed to the Counties.
- v. Provision of Kshs.178.3 to operationalize the National Construction Authority.
- vi. Provision of Kshs. 270million for supervision of projects all through the Country.
- vii. Provision of 1.5Billion to cater for one footbridge per Constituency.
- viii. The Minister to organize a Kamukunji with all Members of Parliament to enlighten Members on issues of BQ's which have given the Ministry extremely bad publicity especially on foot bridges and classrooms.
- ix. The Ministry should expedite the revision of Bills of Quantities (BQs) specifications and other manuals for construction.
- x. The Ministry should prioritize completion of the stalled and on-going programmes/ projects before embarking on new ones.
- xi. The Ministry should involve all stakeholders in the identification of sites for various projects ranging from economic stimulus projects to footbridges.
- xii. The Government should expedite operationalization of the National Construction Authority. The Authority will among other things build capacity for the local construction industry and regulate standards in the industry while the board will among other things, register contractors and regulate their conduct for improved performance of the industry which includes building.
- xiii. The Government should facilitate the Ministry so as to address the serious shortage of human resource as the Ministry had lost a number of technical staff to other ministries, parastatals, resignations, retirement. The Ministry should prioritize payment of the huge number of pending bills carried over.

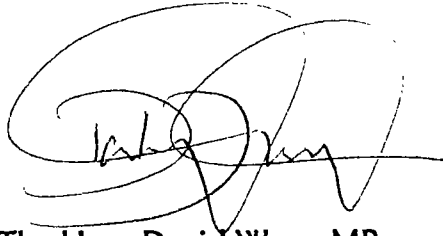
22 Based on the submissions, presentations and evidence adduced, the following were the areas of concern in the Ministry of Housing – Vote 144:-

- i) Lack of comprehensive housing sector legislation (legal framework).
- ii) Inadequate public and private sector investments in housing.
- iii) Inadequate funding levels by government to housing sector development.
- iv) Illegal acquisition of Government houses and land.

23 the Committee recommends that;

- i) The Civil Servant Housing Scheme Fund which requires an additional funding of Kshs. 3 billion. This will enable the Scheme to fund the ongoing and proposed projects in full, and disburse loans to Civil Servants to purchase or construct their own houses.
- ii) The Slum Upgrading programme requires Kshs. 3 billion to expand coverage to other major towns around the country and not just at provincial levels.
- iii) The Housing Development programme requires Kshs. 2 billion to be able to establish more Appropriate Building Technology Centers across the country, equip them and organize training. The funds will also assist in the development of Housing Infrastructure to open up more areas for housing development.
- iv) Government Estates Management requires Kshs. 4 billion to be able to purchase View Park Towers and Hazina Towers at a cost of Kshs. 3.2 billion and provide rental housing for Senators and Governors in the 47 Counties for a period of six months.
- v) The Ministry should undertake, complete and implement legislative, regulatory and administrative reforms in the housing sub-sector to guarantee access to land as well as housing development in the public interest.
- vi) The Ministry should undertake and utilize research and innovative cost effective building materials and technologies to make housing more affordable especially for the low income earners.
- iii) The Government should put in place more incentives to enable lenders put more money in the mortgage sector to enable the Ministry fulfill its plans for production of 200,000 housing units per year. The Ministry should also, through the National Housing Corporation explore the possibility of raising funds through the financial market for housing development.

- v) The Ministry should put in place guidelines to harmonize leasing of government offices and residential accommodation to ensure there is no payment for used and underused-space to reduce the rent bill which currently stands at Kshs. 2.0 billion annually through constructions of more buildings to accommodate various government ministries and departments as well as ensuring no space wastage by the occupants.
 - vi) The Ministry should intensify the on-going process of acquisition of title deeds for government houses across the Country. It should also intensify the process of recovery of illegally acquired houses and land reverts back to the Ministry. In addition, the Ministry of Lands should expedite the process of validating the titles issued for Government owned houses .
- 24 Based on the submissions, presentations and evidence adduced, the following were the areas of concerns that were cross-cutting for all the four Ministries:-
- i) Inadequate funds for development, rehabilitation and maintenance of infrastructure and facilities.
 - ii) Delays in Exchequer releases from Treasury.
 - iii) Slow and lengthy procurement and disbursement procedures.
 - iv) Delays in completion of projects.
- 25 Thereupon, the Committee recommends that;
- i) Adequate funds should be allocated for the development, rehabilitation and maintenance of infrastructure and facilities.
 - ii) Treasury should address delays in the disbursement of funds to address the late progression and completion of works.
 - iii) Treasury should address the frequent breakdown of Integrated Financial Management Information System (IFMIS) brought about mainly by absence of network and maintenance of the system by Treasury.
 - iv) A permanent solution should be sought to address slow procurement and disbursement procedures which leads to late commencement and progress of projects as per the contractual agreements. Probably, this may necessitate review of the Public Procurement Act, 2005.
- 26 On behalf of the Committee, I now wish to present to the House, the Report on the Examination of Votes:114 – Ministry of Transport, 113 – Ministry of Roads, 159 – Ministry of Public Works, and 144 – Ministry of Housing, pursuant to the provisions of Standing Order 181.

A handwritten signature in black ink, appearing to read 'David Were', with a large, stylized flourish above the name.

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

Dated: May, 16, 2012

VOTE 114 - MINISTRY OF TRANSPORT

Introduction

- 27 The Ministry is expected to facilitate accessible transportation services to spur socio-economic growth and development. It is mandated to facilitate provision of adequate, efficient, affordable safe and reliable transport services to all parts of the country to support socio-economic activities. The Transport sector is crucial in the promotion of socio-economic activities and development. An effective, efficient and reliable transport system is a mainspring for rapid and sustained development in terms of national, regional and international integration, trade facilitation, poverty reduction and improvement of welfare of the citizenry.
- 28 The economy's Gross Domestic Product (GDP) is estimated to have expanded by 4.4% in 2011. The main drivers of the growth were activities of the wholesale, retail trade, transport and communication.
- 29 Total Ministry's net requested from the Exchequer vis-à-vis net provided.

Vote	Net requested	Net Provided	Net Deficit
	Kshs.(Million)	Kshs.(Million)	Kshs.(Million)
Recurrent	3,731	1,692	2,039
Development	19,820	4,473	15,347
Total	23,551	6,165	17,386

- 30 Comparison of 2011/2012 Net Approved and 2012/2013 Estimates.

Vote	2011/12 (net approved)	2012/13 Estimates	Change - Increase/ (Decrease)
	Kshs.(Million)	Kshs.(Million)	Kshs.(Million)
Recurrent	1,423	1,692	269
Development	3,426	4,473	1,047
Total	4,849	6,165	1,316

The above comparison is only for GOK funds (From the Exchequer). The Donor Revenue component in the Development Vote which is excluded in the above comparison was Kshs.10,480 million and Ksh.9,969 million for 2011/12 and 2012/13 respectively. This shows a decline of Ksh.511 million.

31 Allocation to the new Project/Programmes

The Ministry had created a new Head for Air Transport Department where it requested for Kshs. 45 million but has been given Kshs. 29 million, leaving it with a deficit of Kshs. 16 million.

32 Ministry's Absorption Capacity

	Financial Year (2011/2012)			
	Estimate	Expenditure	Under Expenditure	Percentage
Recurrent – Kshs.(Million)	1,423	1,143	280	80.2%
Development – Kshs.(Million)	6,665	2,347	4,318	35.2%

The under absorption of funds in the recurrent expenditure was attributed mainly to under expenditure on purchases due to the early closure of the procurement module of IFMIS by Treasury in the course of the 4th Quarter.

The under absorption of funds in the development vote was attributed mainly due to:-

- (i) Long procurement procedures and delays in issuance of no objections.
- (ii) Delays in reimbursements from Donors when the project accounts are exhausted. Quite often delays in reimbursements make it impossible to utilise the provisions in the Budget. On the other hand, when such reimbursements are made, Treasury takes a long time to transfer the funds from the offshore dollar accounts to the Exchequer.
- (iii) Delays in the issuance of Exchequer releases to the Ministry in respect of the reimbursed funds.
- (iv) Failure of implementing agencies in sending timely expenditure returns to Ministry headquarters in order for the Ministry to capture it in the IFMIS system

33 Areas/Projects/Programmes Left out of the Estimates

(i) Recurrent Activities

No.	Project	Amount (Kshs in million).
1.	Engineering Services Department	1,200

(ii) Development Projects

No.	Project	Amounts (Kshs in million)
1.	Kenya Ferry Services– Purchase of two new additional Ferries	1,200
2.	KPA – 2 nd Container Terminal Counterpart Funds	1,000
3.	Kenya Railways Corporation Mombasa/ Malaba Standard Gauge	3,500
4.	Nairobi Commuter Rail Services	2,500
	Sub-total	8,200
	Total (Recurrent and Development)	9,400

The above are flagship projects in the Kenya Vision 2030, Medium Term Plan and the Ministry's Sector Plan. They are therefore crucial to the fulfillment of the Ministry's mandate.

34 Under Funded Projects

The following projects though included in the budget were not funded to level of the Ministry's request in 2012/2013 financial year. They still require the amount indicated against them.

	Project	Requirement (Ksh. in Million)	Provision (Kshs. in Million)	Deficit (Kshs. in Million)
1.	LAPSSSET	4,500	2,000	2,500
2.	National Road Safety Council	600	340	260
	Total	5,100	2,340	2,760

35 Development Project (New, On-going)

On-going Projects	
1	Road Safety
2	Development of new Transport Corridor from Lamu to Ethiopia and S. Sudan (LAPSSSET Project) with seven components namely: a port at Lamu , railway line, highway, resort cities, airports, oil refinery and oil pipeline
3	Mombasa Port Dredging
4	Development of a Mass Transit System (include three Light Rail corridors namely Athi River-Nairobi; Thika-Nairobi; and Limuru-Nairobi developed in addition to a Bus Rapid System)
5	Development of a Second Container Terminal
6	Refurbishment of Transcom House
7	Rehabilitation and Maintenance of Airstrips
8	Establishment of Transport Data Centre (East Africa Trade and Transport Facilitation Project –World Bank)
9	KRC Support Programme (East Africa Trade and Transport Facilitation Project – World Bank)

New Project

1	Kenya Transport Sector Support Project
2	Integrated Records Management System
3	Transport Integrated Management System

36 Critical policy issues the Ministry intends to achieve during the 2012/2013 Financial Year include;

- (i) Development of 2nd Transport Corridor to facilitate transport through Northern Kenya to Sudan and Ethiopia.
- (ii) Improvement of rail/road transport to decongest Nairobi. JKIA-City Centre Railway Light Rail Mass Rapid System.
- (iii) Development of regional hub for air transport including expansion of JKIA, expansion of Kisumu, rehabilitation of Airstrips, rehabilitation and feasibility study of Isiolo Airport.
- (iv) Rehabilitation of maritime transport. Management of Inland Ways-from Kenya Railways Corporation (KRC) to Kenya Ports Authority (KPA).
- (v) Turn Mombasa Port into a destination of choice through dredging and construction of the 2nd Container Terminal.
- (vi) Enhancement of road safety by operationalising the National Road Safety Council.

37 Performance and implementation Status of Projects/Programmes in 2011/2012 Budget

ON-GOING PROJECTS/PROGRAMMES			
	Project Name	Objectives	Implementation Status
1.	Road Safety	Measures put in place to reduce/control road accidents and incidences.	Formulated a bill to create National Road Safety Authority
2.	Development of new Transport Corridor from Lamu to Ethiopia and S. Sudan (LAPSSSET Project)	Opening up of the Northern part of Kenya and a new link to Ethiopia and Southern Sudan Provide a second corridor and reduce over-reliance on one Corridor and Port	Feasibility study already completed and plans for the construction of the three berths are underway.
3.	Mombasa Port Dredging	Increase docking depth to 15 metres and improve port accessibility by post-panamax vessels	Actual work Completed

4.	Development of a Mass Transit System (the three Light Rail corridors and the Bus Rapid System)	Reduce traffic congestion and improve accessibility to and from Nairobi Metropolitan	The report has been finalized and the detailed designs are on-going.
5.	Development of a Second Container Terminal	Increase efficiency and cargo handling capacity of Mombasa Port	Study complete and the project is on-going.
6.	Refurbishment of Transcom House	To create open space offices	On-going
7.	Rehabilitation and Maintenance of Airstrips	Improve air services in all areas and make Kenya an air transport hub	Rehabilitation of airstrips countrywide such as Lodwar, Kakamega, Nyeri/Nyaribo, expansion of JKIA and Kisumu Airports among others
8.	Establishment of Transport Data Centre (East Africa Trade and Transport Facilitation Project –World Bank)	To create transport data bank to aide policy formulation	Waiting for No Objection from World Bank to enter into contract with the Nairobi University Financial and technical evaluation has been done
9.	Kenya Railway Corporation (KRC) Support Programme (East Africa Trade and Transport Facilitation Project – World Bank)	Improve railway operational safety and efficiency	Revised Relocation Action Plan Report has been approved by World Bank and detailed designs are being finalized

NEW PROJECTS/PROGRAMMES

	Project Name	Objectives	Implementation Status
10.	Kenya Transport Sector Support Project	To improve efficiency in operations under the various components i.e. MOT, KCAA and KAA	To start
11.	Integrated Records Management System	To improve efficiency in management of Personnel records	To start
12.	Transport Integrated Management System	To provide single window source for all information /data in the Road Sub-Sector	To start

38 Proposed allocation vis-à-vis the Achievements of the Ministry's Strategic Plan.

The Ministry's Strategic Plan is drawn from the Transport Policy which aims at creating an enabling framework to nurture development of a safe, efficient and affordable transport system.

The Strategic Plan(2008 – 2012) focuses on key areas which include revitalization of transport sector, enhancement of staff productivity, improvement/modernization of systems and processes.

The proposed allocations in 2012/13 financial year were based on programmes/projects that were aimed at achieving the Strategic Plan targets. However, the funds provided fall short of the Ministry's requirement for full realization of the targets, implying that it will take a long time to implement fully the projects if the under funding continues.

39 Summary of Budgets of the under listed State Corporations under the Ministry's portfolio:-

a) The Ministry has six State Corporations namely:-

Commercial State Corporations

- i) Kenya Airports Authority
- ii) Kenya Ports Authority
- iii) Kenya Railways Corporations 0

Non-Profit Making State Corporations

- i) Kenya Maritime Authority (Regulatory)
- ii) Kenya Ferry Services (Social Services)
- iii) Kenya Civil Aviation Authority (Regulatory)

b) State Corporations

Name	2012/13 Kshs. million
	Rec and Dev
Kenya Ports Authority	31,274,100
Kenya Airports Authority	16,426,444
Kenya Civil Aviation Authority	6,080,238
Kenya Maritime Authority	598,975
Kenya Railways Corporation	2,205,412
Kenya Ferry Services	805,464

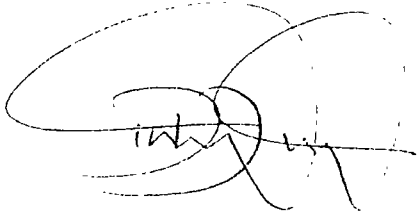
Source: 2012/13 Annex of Estimates of Revenue and Expenditure of State Corporations

40 Other issues related to estimates

- (i) It has been observed that some funds are released directly from Treasury to the Parastatals thereby overlooking the Ministry. Yet the Ministry is expected to account for such funds.
- (ii) The current budgetary ceiling of the Ministry has been inadequate in financing the implementation of the flagship projects under the Kenya Vision 2030

CONCLUSION

This committee recommends that a sum not exceeding Kshs 1,691,730,000 be approved for Net recurrent expenditures and recurrent appropriations in aid amounting to Kshs 2,672,250,000 be raised to support expenditures under the recurrent vote.



Hon. Daniel Jepkor, MP

VOTE 113 - MINISTRY OF ROADS

Introduction

41 This Ministry is expected to facilitate provision and maintenance of quality of roads for sustainable socio-economic development. The Mandate of the Ministry of Roads is provision of road infrastructure facilities to the Public. It is mandated to rehabilitate/reconstruct and maintain the existing road network and airstrips throughout the country develop and effectively manage quality road system and facilitate adequate provision of physical infrastructure through policy formulation, research, design, supervision and regulation of standards in roads and aerodromes development and maintenance in the country.

42 Comparison of 2011/2012 net approved with 2012/2013 estimates;

42.1 Comparison of the Gross Budget

The Gross Printed Budget for the 2011/2012 financial year was Ksh.104,334,265,241. A comparison with the 2012/2013 gross revised estimates were as follows:-

Revised Gross Budget 2011/2012	Printed Budget 2012/2013	Amount of Change	Percentage of Change
104,334,265,241	123,617,659,130	19,283,393,889	16%

42.2 Recurrent Budget

a) The overall Road Maintenance Levy Fund (RMLF) increased from Kshs. 24,100,000,000 to Kshs. 24,370,450,000.

42.3 Development Budget

The Development Budget comprised Kshs. 95,667,129,880 broken down as follows:-

	Approved 2011/2012	Printed 2012/2013	Change	Percentage of Change
GoK	37,371,101,790	38,526,200,000	1,115,098,210	3%
Development Partner	39,740,031,048	57,140,929,880	17,400,898,832	44%
Total	77,111,132,838	95,667,129,880	18,555,997,042	24%

Compared with the Revised Budget 2011/2012, the Development Budget increased by 24% with the GOK component increasing by 3% and the Development Partner component by 44%.

- 43 Major new projects taken on board in the 2012/2013 Financial Year include;

<u>Project Allocation(Kshs.Million)</u>	<u>Development Partner</u>	<u>GOK</u>	<u>Total</u>
Mwatate- Voi	ADB		200
Merille – Marsabit	EU		205
Turbi - Moyale	ADB		312
Timboroa – Eldoret	ADB		200
Kibwezi - Kitui	-		100
Nuno- Modogashe	BADEA/KUWAIT/OPEC/SAUDI/ ABUDHABI		950

- 44 Ministry's Absorption Capacity

Before 2004/2005 the Ministry barely used to spend half of its allocation of which the total development budget was less than 12 billion. Since then, the Ministry has maintained a sustained absorption capacity over the years.

Nevertheless, the Ministry continues to experience challenges in consumption of Development Partner funds owing to issues not directly related to the Ministry introduced during and after tendering and lengthy procurement procedures.

- 45 Projects Left Out of the Estimates

The Ministry was not able to take on board the following crucial projects among others due to the costs involved vis-à-vis the GOK ceiling allocated.

- (i) Kitale – Nandapar
- (ii) Isiolo – Modogashe
- (iii) Kibwezi – Isiolo
- (iv) Mombasa – Mariakani (Dualling)
- (v) Nakuru – Nyahururu (Rehabilitation)

- 46 All development projects to be implemented by the Ministry are contained in the District Allocation budget (Ref. to Appendix II – Disaggregated/District Budget).

47 Proposed Allocation vis-à-vis the achievements of the Ministry's Strategic Plans:-The Ministry greatly appreciates the support of Parliament and the Treasury in allocating it substantial amount of funds above any other infrastructure Ministry. Through this support, the Ministry has been able to implement quite a big proportion of its strategic plans. However, the funds still fall short of the optimal requirement and the Ministry is therefore not able to implement its plan to the maximum. The Ministry had targeted to receive a gross provision of Kshs. 140Billion but has only been allocated 124Billion, resulting in a massive shortfall.

48 State Corporations

The Ministry is in charge of four State Corporations namely;

- i. Kenya Roads Board (KRB) – whose mandate is to disburse RMLF and advice the Minister on matters related to maintenance of Roads in accordance with the KRB Act, 1999 and Kenya Roads Act, 2007.
- ii. Kenya National Highways Authority (KeNHA) – Responsible for the management, development, rehabilitation and maintenance of National roads.
- iii. Kenya Rural Roads Authority (KeRRA) – Responsible for the management, development, rehabilitation and maintenance of rural roads.
- iv. Kenya Urban Roads Authority (KURA) – responsible for management, development, rehabilitation and maintenance of all public roads in the cities and municipalities in Kenya except where these roads are national roads.

All the four parastatals are funded by the Government. KRB is fully established and has been in operation since 1999. It is fully funded through the RMLF. The other three authorities are created through the Kenya Roads Act, 2007.

The Development Budget for all the State Corporations under the Ministry are financed through the Treasury by Development Partners and GOK. The recurrent budgets are financed through the Road Maintenance Levy Fund.

Corporation	Development Budget	Recurrent Budget
Kenya National Highways	16,710,861,000	-
Kenya Rural Roads Authority	14,568,641,790	300,000,000
Kenya Urban Roads	5,276,248,000	95,000,000

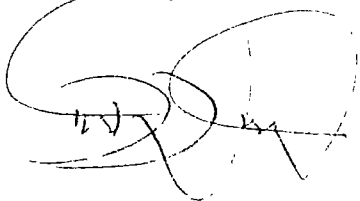
The Components of the Development budget were as shown in the District allocation budget for each of the Authorities. (Ref. to Disaggregated/District Budget – Appendix II)

49 Other Issues related to the estimates

While appreciating the constitutional requirement of devolving management of some roads to the Counties, if not properly handled, expansion of the road network for the rural roads will be greatly impaired after loss of economies of allocation. Funds allocated to counties for construction may not be adequate for construction of any road, particularly if the division is not well thought out. Under the County system, there may be no pulling of resources to specific counties and the country may end up experiencing the same problems is experiencing in maintenance of paved rural roads.

CONCLUSION

This committee recommends that a sum not exceeding Kshs 2,255,579,250 be approved for Net recurrent expenditures and recurrent appropriations in aid amounting to Kshs 25,694,950,000 be raised to support-expenditures under the recurrent vote.



Hon David Njiri, MP.

VOTE 159 - MINISTRY OF PUBLIC WORKS

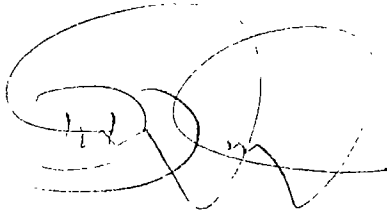
Introduction

- 50 The Ministry is expected to facilitate provisions and maintenance of quality infrastructure mainly in buildings and other public works so as to promote and sustain socio-economic development. It is mandated to provide basic infrastructure facilities to the public, which include development and maintenance of Government buildings and other public works.
- 51 Total Net Budget requested from the Exchequer from the Ministry.

S/N	Vote R159/D159	Requested 2012/13	Printed 2012/13	Variance
1	Recurrent	3,292,440,000	2,092,885,800	1,199,554,200
2	Development	10,045,000,000	5,345,000,000	4,700,000,000
	TOTAL	13,337,440,000	7,437,885,800	5,899,554,200

- 52 Areas/projects left out of the estimates:
- Pending payment certificates of **Kshs. 602,695,603**
 - Recruitment of technical staff amounting to **Kshs. 822,000,000**
 - Stalled Projects, to the tune of **Kshs. 4.7 Billion.**
 - Kshs. 178.3 Million** for the operationalization of the National Construction Authority.
 - Installation of lightening arrestors in Counties, amounting to **Kshs. 200million.**
- 53 Critical policy issues that the Ministry intends to achieve during the 2012/13 financial year include;
- Finalization of the Ministry's policy taking into consideration the implementation of the Constitution of Kenya 2010. The Ministry intends to undertake a stakeholders' workshop to validate the document.
 - To operationalize the National Construction Authority Act, 2011 to oversee the construction industry and coordinate its development.
- 54 the Ministry's key achievements during the 2011/12 Financial Year included;

- i. Completion of 3 stalled projects out of the targeted 8.
- ii. Designing, documentation and supervision to completion of 198 projects out of the targeted 250 projects.
- iii. Construction of 24 footbridges out of the targeted 40.
- iv. Rehabilitation and maintenance of 418meters of sea walls out of the targeted 1100 meters.
- v. Reconstruction of Lamu Customs Jetty is at 29%, against a target of 75%.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

VOTE 144 - MINISTRY OF HOUSING

Introduction

55 The Ministry is expected to improve livelihood of Kenyans through facilitation of access to adequate housing in sustainable human settlements. It is mandated to facilitate development and management of quality and affordable housing for Kenyans which include facilitation of production of decent and affordable housing in urban areas and improvement of quality shelter in rural areas, provision of effective and efficient estate management services and improvement of tenancy relations.

56 In the 2012/13 financial year, the Ministry has been allocated Kshs. 6,020,668,900 against the resource requirement of Ksh. 17Billion. The Ministry has a funding gap of Kshs. 11 Billion based on its actual requirement.

Ministry's resource allocation for the 2011/12 financial year had been 4Billion against a resource requirement of 16 Billion.

57 The areas that were under funded include;

- i) Civil Servant Housing Scheme Fund
- ii) Housing Infrastructure Development
- iii) Upgrading of Slums and informal Settlements
- iv) Implementation of the New Building Law
- v) Re-development of the Upper Hill Plots
- vi) Government Housing Re-development and maintenance and
- vii) Facilitation of Public Private Partnerships (PPPs)

58 The Ministry's absorption capacity for the 2011/2012 financial year has been given as being close to 95% given the trend of expenditure.

59 **State Corporations;** The Ministry has one semi autonomous State Corporation, National Housing Corporation (NHC), which supports the Ministry in fulfilling its mandate.

Budget for the National Housing Corporation

National Housing Corporation			
	Actual	Forecast	Estimates
Revenue	2010/2011 (Kshs. "000"	2011/12 (Kshs. "000"	2012/13 (Kshs. "000"
Internally Generated Income	1,194,779	1,214,333	2,018,273
Government Resources			

Grants-Recurrent			
Grants - Development			
Others Incomes			
Grants			
Loans			
Expenditures			
Recurrent Expenditures	541,801	744,135	1,292,253
Surplus or (Deficits)	609,978	470,198	726,020
Capital Expenditures		3,352,824	4,926,400

Source: 2012/13 Annex of Estimates of Revenue and Expenditure of State Corporations

60 Performance and Implementation Status of projects and Programmes in 2011/12 financial year;

Name of Project in the performance contract	Start and End (Time Frame)	Project's relevance in reference to Kenya Vision 2030, mandates/ sector Standards	Quality assurance measures
Design and construct at least 600No. Housing Units at Kibera Soweto East Village Zone A.	1.08/2010 to 01.08.2015	Flagship project on production of 200,000 housing units annually by 2012 through a mixture of initiatives in order to fill the huge housing shortage in the country	Working Drawings, Bills of Quantities Setting out, Materials testing protection of works, production and approval samples .
Design and construct 400 housing units, primary school, nursery school, social hall, market centre and health centre in Mavoko, Athi River.	09.11.2007 to 01.08.2013	Flagship project on production of 200,000 housing units annually by 2012 through a mixture of initiatives in order to fill the huge housing shortage in the country	Working Drawings, Bills of Quantities Setting out, Materials testing protection of works, production and approval samples .
Development and Rehabilitation of 7no. social and physical infrastructure in main provincial towns and key urban areas	01.08.2010 to 30.06.2011	Flagship project on installation of physical and social infrastructure in 20 urban areas to formalize slums and permit construction of improved houses.	Working Drawings, Bills of Quantities Setting out, Materials testing protection of works, production and approval samples .
Develop and operationalize Housing cooperatives formed within project areas to mobilize savings for housing	1.07.2010 to 30.06.2011	Flagship project on production of 200,000 housing units annually by 2012 through a mixture of initiatives in order to fill the huge housing shortage in the country Mobilization of investment funds for public housing	Bylaws, Registration of cooperatives, training and capacity building of members
Develop Project Appraisal Document (PAD for implementation of Kenya Informal Settlements Improvement program (KISIP) liaise with the Municipalities and achieve the following which will	1.07.2010 to 1.11.2010	Flagship project on installation of physical and social infrastructure in 20 urban areas to formalize slums and permit construction of improved houses.	Appraisal visits to 15 participating municipalities Develop Operations manual Formulate Implementation plan

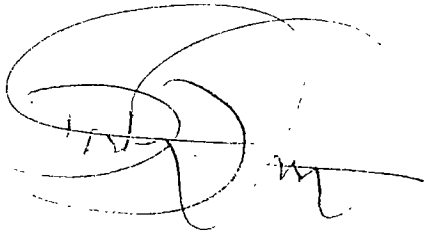
Name of Project in the performance contract	Start and End (Time Frame)	Project's relevance in reference to Kenya Vision 2030, mandates/ sector Standards	Quality assurance measures
form part of PAD.			
Hold one Multi Stakeholder Support Group (MSSG) workshop for information sharing, harmonization of activities and coordination.	By 1.12.2010	Flagship project on installation of physical and social infrastructure in 20 urban areas to formalize slums and permit construction of improved houses. Mobilization of investment funds for public housing	Stakeholder analysis, presentations, appropriate venue, facilitation of participants
Design and construct 526 houses, nursery school, and commercial center at Ngara phase II	313.2008 to 30/6/2011 (39 months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 130 houses at Ngara phase I	4.6.2007 to 30/6/2011 (49 months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 40 houses off Nyeri road-Kileleshwa	16.7.2009 to 1/12/2010 (16 months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 20 houses at Kilimani phase II	23.1.2009 to 5.05.2010 (15 months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 22 houses off Makueni road-Kileleshwa	1.8.2008 to 31.12.2010 (29months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 315 houses at Shauri Moyo off Jogoo Road	1.3.2010 to 31/06/2011 (16 months)	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construct 300 houses at Provinces (Kisumu, Nyeri, and Kakamega)	New projects	Input in development of 200,000 housing units annually.	Contract documents and supervision
Design and construction of 7 Km of Trunk sewer line and 2 Km of Trunk water line in Athi River Town.	Start: June 2009 End: December 2010	Serviced land will facilitate the private sector to build more houses and thus uplift the standard of living of wananchi.	Designs, bills of quantities and specifications are adhered to ensuring that the highest standards are kept
Design and construction of 6 Km of Trunk sewer line and 0.60 Km of anti-malarial drainage in Eldoret Town.	Start: June 2009 End: September 2010	Serviced land will facilitate the private sector to build more houses and thus uplift the standard of living of wananchi.	Designs, bills of quantities and specifications are adhered to ensuring that the highest standards are kept
Design and construction of 7 Km of Trunk sewerage line and 5 Km of Trunk water line in Thika Town	2 km of sewer line completed. 5 km of sewer line and 5 km of water line started June 2010, to end in June 2011	Serviced land will facilitate the private sector to build more houses and thus uplift the standard of living of wananchi.	Designs, bills of quantities and specifications are adhered to ensuring that the highest standards are kept
	Start: July 2010	Serviced land will facilitate	Designs, bills of

Name of Project in the performance contract	Start and End (Time Frame)	Project's relevance in reference to Kenya Vision 2030, mandates/ sector Standards	Quality assurance measures
Design and construction of 15 km of access roads to bitumen standards in Nairobi Metropolitan Area	End: December 2012	the private sector to build more houses and thus uplift the standard of living of wananchi.	quantities and specifications are adhered to ensuring that the highest standards are kept
Upgrading 50 km of access roads to murrum standards in residential areas	Start: July 2010 End: September 2011	Serviced land will facilitate the private sector to build more houses and thus uplift the standard of living of wananchi.	Designs, bills of quantities and specifications are adhered to ensuring that the highest standards are kept
Establish & Equip 22 Constituency Appropriate Building Technologies (ABTs) centres	July 2010 to June 2011	Flagship project of establishing housing technology centres in each constituency to increase access to decent housing by promoting location, specific building materials and low cost housing.	Designs, bills of quantities and specifications adhered to and supervision
Hold 63 No. workshop for training, demonstration and dissemination of ABTs in all provinces	July 2010 to June 2011	Flagship project of establishing housing technology centres in each constituency to increase access to decent housing by promoting location, specific building materials and low cost housing.	Presentations appropriate venue, facilitation of participants
Establish a Regional ABT center in Mavoko	June 2009 to October, 2010	Flagship project of establishing housing technology centres in each constituency to increase access to decent housing by promoting location, specific building materials and low cost housing.	Designs, bills of quantities and specifications adhered to and supervision
Update and disseminate a simplified version of approved housing sector incentives	August 2010 to June 2011	Input in the flagship project of production of 200,000 housing units annually by 2012 through enhanced participation of the private sector in the production of housing	A simplified version of the approved housing sector incentives developed
Develop pre-surveying instruments of the National housing Survey	Sept. 2010 to June 2011	Input in the flagship project of production of 200,000 housing units annually by 2012	Workshop Reports
Human Settlements Stakeholders & Policy co-ordination	July 2010 to June 2011	Input in the flagship project of production of 200,000 housing units annually by 2012	Fora Reports
Refurbish 2300 housing units with emphasis on large estates in Nairobi, Kisumu, Mombasa and Institutions	1.7.10 to 30.07.2011	Improve aesthetic and functionality of public facilities and buildings as per Medium Term Plan (MTP)	Strict supervision and Control in Documentation, implementation and

Name of Project in the performance contract	Start and End (Time Frame)	Project's relevance in reference to Kenya Vision 2030, mandates/ sector Standards	Quality assurance measures
		2008-2012 flagship project – Public Facilities Improvement Programme	certification. Audit trail documents filed
Complete Refurbishment of Protection House, Crescent House and Bima House	Currently to June, 2011	Provide accommodation to Government Ministries/Departments	Strict Supervision, timely meetings and honouring of certificates
Registration of Government land with a view to acquiring titles and securing land through fencing	Ongoing 30.06.2011to Phase II – Thika,Kajiado & Kisumu	To secure Government land for Government Ministries/Departments	Strict supervision, timely meetings and honouring of obligations, finances, facilitation
Continuous improvement of existing Government Houses with installation of individual water and electricity meters and improve drainage	1.7.2010 to 30.06.2011	Improve living conditions through Access to Water and Electricity which are basic requirements	Usage of proper and quality materials. Ensure strict supervision, proper documentation
Register newly built government houses as they are completed as a way of updating the housing inventory	1.7.2010 to 30.06.2011	Include new units to support government Ministries/Departments and also increase AIA	Timely acquisition of construction data Processing, Filing and registration
Complete purchase of two plots from Kenya Railways at Upper Hill with a view to developing offices for government as currently a lot of funds are being expended on leased office accommodation	April, 2011	Increase land for construction of government accommodation	Ensure authenticity of documents. Fastrack disbursement of funds upon signing of the Agreement and as per terms.
Finalize leasing policy, maintenance policy, review of planning and building regulations (Building Code)	June, 2011	Provide guidance on the various issues being on leasing, maintenance, planning and building. Procure/preserve assets	Adequate Work Plan prepared Adherence to Work plan
Establishment of Planning Authority as per the Draft Planning and Building Bill 2010	New project	Provide guidelines for planning and Building Works. Provide Standards and Direction on various issues Revolutionalize building construction function.	Ensure strict adherence to the standards. Enforce Sanctions as provided in the law. Responsibilities clearly identified.

CONCLUSION

This committee recommends that a sum not exceeding Kshs 1,741,380,000 be approved for Net recurrent expenditures and recurrent appropriations in aid amounting to Kshs 485,000,000 be raised to support expenditures under the recurrent vote.



Hon David Wale, MP
Chairperson.

**MINUTES OF THE 147TH SITTING OF THE DEPARTMENTAL COMMITTEE
ON TRANSPORT, PUBLIC WORKS AND HOUSING HELD ON THURSDAY
17TH MAY 2012, IN THE COMMITTEE ROOM ON 2ND FLOOR,
CONTINENTAL HOUSE, AT 10:15AM**

PRESENT

Hon. David Were, M.P.- Chairperson
Hon. (Dr.) Wilbur Ottichilo, M.P.
Hon. Clement Wambugu, M.P.
Hon. Walter Nyambati, M.P.
Hon. Benjamin Langat, M.P.
Hon. Joseph Kiuna, M.P.
Hon. Yusuf K. Chanzu, M.P.

ABSENT WITH APOLOGY

Hon. Isaac Muoki, M.P. – Vice – Chairperson
Hon. Edwin Yinda, M.P.
Hon. Boaz Kaino, M.P.

IN ATTENDANCE -KENYA NATIONAL ASSEMBLY

Ms. Lucy Wanjohi -Clerk Assistant
Ms. Josephine Kusinyi -Clerk Assistant

MIN. NO.801/2012 PRELIMINARY

The Chair called the meeting to order at 10:00am.

MIN. NO.802/2012 CONFIRMATION OF MINUTES

The following Minutes were read and confirmed by Members present as a true record of proceedings and signed by the Chair:

140th Sitting held on 7th May 2012

141st Sitting held on 8th May 2012

142nd held on 9th May 2012

143rd Sitting held on 10th May 2012 in the Morning

144th Sitting held on 10th May 2012 in the Afternoon

145th Sitting held on 15th May 2012

146th Sitting held on 16th May 2012

147th Sitting held on 17th May 2012

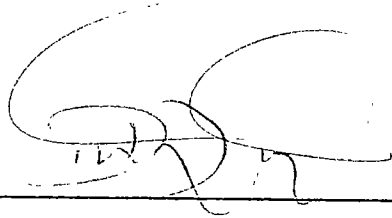
**MIN. NO.803/2012 ADOPTION OF THE COMMITTEE'S REPORT ON
THE 2012/13 ANNUAL ESTIMATES**

The meeting adopted the Committee's Report on the 2012/13 Estimates for the Ministries of Transport, Roads, Public Works and Housing; with amendments.

MIN. NO. 804/2012 ADJOURNMENT OF THE MEETING

There being no other business for consideration, the meeting was adjourned at Noon.

SIGNED _____



CHAIRPERSON

DATE 17-05-2012

**MINUTES OF THE 146TH SITTING OF THE DEPARTMENTAL COMMITTEE
ON TRANSPORT, PUBLIC WORKS AND HOUSING HELD ON
WEDNESDAY 16TH MAY 2012, IN THE SMALL DINING, MAIN
PARLIAMENT BUILDINGS AT 4:30PM**

PRESENT

Hon. David Were, M.P.- Chairperson

Hon. (Dr.) Wilbur Ottichilo, M.P.

Hon. Edwin Yinda, M.P.

Hon. Clement Wambugu, M.P.

Hon. Walter Nyambati, M.P

Hon. Benjamin Langat, M.P

ABSENT WITH APOLOGY

Hon. Isaac Muoki, M.P. – Vice – Chairperson

Hon. Joseph Kiuna, M.P.

Hon. Yusuf K. Chanzu, M.P.

Hon. Boaz Kaino, M.P.

IN ATTENDANCE -KENYA NATIONAL ASSEMBLY

Ms. Lucy Wanjohi -Clerk Assistant

Ms. Josephine Kusinyi -Clerk Assistant

MIN. NO.798/2012 PRELIMINARY

The Chair called the meeting to order at 4:30pm.

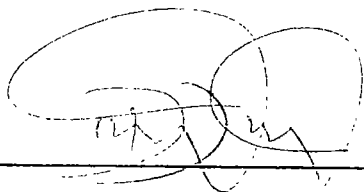
**MIN. NO.799/2012 ADOPTION OF THE COMMITTEE'S REPORT ON
THE 2012/13 ANNUAL ESTIMATES**

The meeting resolved that all recommendations per Ministry, as contained in the Minutes be included in the Committee's Report, for adoption on 17th May 2012 at 9:30am

MIN. NO. 800/2012 ADJOURNMENT OF THE MEETING

There being no other business for consideration, the meeting was adjourned at 4:45pm.

SIGNED

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CHAIRPERSON

DATE

17.05.2012

**MINUTES OF THE 145TH SITTING OF THE DEPARTMENTAL COMMITTEE
ON TRANSPORT, PUBLIC WORKS AND HOUSING HELD ON TUESDAY
15TH MAY 2012, AT THE MEDIA CENTRE, MAIN PARLIAMENT BUILDINGS**

AT 10:30AM

PRESENT

Hon. David Were, M.P.- Chairperson
Hon. Isaac Muoki, M.P. – Vice – Chairperson
Hon. (Dr.) Wilbur Ottichilo, M.P.
Hon. Edwin Yinda, M.P.
Hon. Yusuf K. Chanzu, M.P.
Hon. Clement Wambugu, M.P.
Hon. Joseph Kiuna, M.P.
Hon. Boaz Kaino, M.P.

ABSENT WITH APOLOGY

Hon. Walter Nyambati, M.P
Hon. Benjamin Langat, M.P

IN ATTENDANCE **-MINISTRY OF HOUSING**

Hon. Soita Shitanda	-Minister for Housing
Tirop Kosgey	-PS, Housing
James Ruitha	-MD, NHC
W.O Mbaka	-CFO, Housing
Cassius Kusienya	-DD, Slum upgrading
P.M.Bucha	-Director, Estates
Charles Sikuku	-Acting Director, Housing Dept
Joseph Ngayai	- Acting Director, CSHS
Moses Gatana	-Acting Director, Infrastructure
Albert Nyaga	-Chief Accountant, NHC
Peninah Njugunah	- Finance Officer
Beatrice Mathenge	-Deputy Director, Rent Restriction Tribunal

IN ATTENDANCE **-KENYA NATIONAL ASSEMBLY**

Ms. Josephine Kusinyi	-Clerk Assistant
Mr. Edward Libendi	-Clerk Assistant
Mr. Kefa Omoti	-Research Assistant

MIN. NO.793/2012 PRELIMINARY

The Chair called the meeting to order at 10:15am and opened it with a word of prayer. He then welcomed the Minister for Housing with his team and introduced the Members present.

MIN. NO.794/2012 MEETING WITH THE MINISTER FOR HOUSING

- i. The Minister then introduced his team and informed the meeting that the Ministry had requested for a net total resource requirement of **Kshs. 17Billion** for both Recurrent and Development, however only **Kshs. 6,020,668,900** has been provided in the printed estimates, creating a financing gap of **Ksh.11 Billion**.
- ii. The Ministry's absorption capacity on average stands at 96%
- iii. The Ministry's 2011/12 Achievements include;
 - a) Registration of 731 housing units countrywide, under the Estates Management function.
 - b) Securing of 32 allotment letters and 18 part development plans(PDP) forwarded to the Commissioner of Lands and Director of Surveys.
 - c) Refurbishment of 1874 units countrywide by end of the third quarter.
 - d) Completion of phase 1, refurbishment of Bima House Mombasa. This included installation of lifts, finishing to the lift lobby and common areas. Phase 2 of the project which includes partitioning, mechanical/electrical installations and air conditioning is expected to be completed by end of September 2012.
 - e) Submission of Cabinet Memoranda on Maintenance Policy. The Built Environment Bill and Building Surveyors Bill have been

submitted to the Attorney General for drafting. A handbook has also been created to assist in interpretation of the regulations to users and practitioners.

- f) Identification of Harambee House and Ukulima House for purchase to accommodate the bi cameral Parliament, and View Park towers and Hazina towers to accommodate Government Ministries/ Departments to reduce the rent bill.
- g) Construction of 1300 housing units in Kibera Soweto, under the slum upgrading programme. High mast flood lighting structures have also been installed in various towns to address security issues in slums. A total of 25 housing cooperatives have been formed in various slums to facilitate resource mobilization for low cost housing development.
- h) Rolling out of a new programme to improve lives of those who live in informal settlements, a joint initiative of the Kenya Government , World Bank, SIDA and the French Agency Development. Implementation of the programme in 15 Municipalities is expected to start in July 2012.
- i) Establishment of 67 constituency Appropriate Building Technologies(ABTs)centers. Construction of the National ABT centre also intended to serve the East African Region is complete and being furnished.
- j) Disbursement of Ksh.1.5 Billion in form of loans to civil servants to purchase or develop residential houses.
- k) Progress has also been made on the following housing projects under the Civil Servant Housing Scheme ;
 - Ngara Phase 1 expected completion date, 30th May 2012.
 - Ngara Phae II expected completion by June 2012.
 - Makueni Road, Kileleshwa expected completion by end of October 2012.
 - Shauri Moyo

MIN. NO.795/2012 RECOMMENDATIONS

The Meeting recommended that Treasury reallocates funds to the following critical areas which have remained under funded and in some cases completely left out. These include;

- i. The Civil Servant Housing Scheme Fund which requires an additional funding of Kshs. 3 billion. This will enable the Scheme to fund the ongoing and proposed projects in full, and disburse loans to Civil Servants to purchase or construct their own houses.
- ii. The Slum Upgrading programme requires Kshs. 3 billion to expand coverage to other major towns around the country and not just at provincial levels.
- iii. The Housing Development programme requires Kshs. 2 billion to be able to establish more Appropriate Building Technology Centers across the country, equip them and organize training. The funds will also assist in the development of Housing Infrastructure to open up more areas for housing development.
- iv. Government Estates Management requires Kshs. 4 billion to be able to purchase View Park Towers and Hazina Towers at a cost of Kshs. 3.2 billion and provide rental housing for Senators and Governors in the 47 Counties for a period of six months.

MIN. NO.796/2012 ANY OTHER BUSINESS

The meeting was informed that;

- i. The major challenge faced by the Ministry in the slum upgrading project is reoccupation of the vacated houses. The landlords to these informal settlements have for a long time been a stumbling block to this well intended project.
- ii. A comprehensive Housing Survey should be ready by August/September 2012.
- iii. The Ministry has been working closely with the Ministry of Lands on

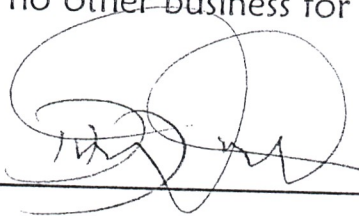
the issue of land banks. It is however going to be an issue to be taken up with the National Land Commission. The NHC has been trying to do small scale land banking.

- iv. The perception that NHC has been giving out houses is not true. The Corporation does not get any funds from GOK to build houses and as such the sale of the houses enables it pay up bank loans. The Housing Bill proposes to include all members of the public in accessing finances through NHC to buy houses, unlike the current status where only civil servants benefit.
- v. Shelter Afrique has had issues with the management, in particular with the Managing Director. The Ministries of Foreign Affairs and Immigration & Registration of Persons have been involved to solve the issue. Kenya is the largest shareholder, with 70% of the organization's assets located in Nairobi. The organization is expected to hold its AGM in the next two weeks from the date of this sitting, in Rwanda, where the solutions to its management wrangles may be solved. The Minister however invited any person with any information as to the Managing Director's conduct to forward the same to him as soon as possible.
- vi. Housing officers are being deployed to the counties to ensure a smooth take off of devolution.

MIN. NO. 797/2012 ADJOURNMENT OF THE MEETING

There being no other business for consideration, the meeting was adjourned at 12:10pm.

SIGNED _____



CHAIRPERSON

DATE 17-05-2012

