

**MINISTRY OF ROADS AND TRANSPORT**  
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NAIROBI

RE: MOR & T/R/A15.02 (25)

24<sup>th</sup> August, 2023

**Hon. Kimani Ichung`wah, MGH, MP**  
Leader of Majority  
The National Assembly  
**NAIROBI**

Dear *Leader,*

**RE: PROJECTED FUNDING CEILINGS FOR KeRRA FINANCIAL  
YEAR 2024/25 and 2025/26.**

The above matter and your letter Ref.NA/LOM/2023(125) dated 23<sup>rd</sup> August 2023 refers.

Forwarded herewith please find our response on the matter of projected funding ceilings for the Kenya Rural Roads Authority FY 2024/25 and 2025/26 submitted for your information and further necessary directions.

Yours

*Sincerely,*

Hon. Kipchumba Murkomen, EGH  
**CABINET SECRETARY**







**REPUBLIC OF KENYA**

**PRESENTATION ON THE MATTER OF  
PROJECTED FUNDING CEILINGS FOR KERRA FOR  
FINANCIAL YEAR 2024/25 & 2025/26**

***BY***

***THE CABINET SECRETARY,  
MINISTRY OF ROADS AND TRANSPORT***

## 1.0 INTRODUCTION

The Constitution of Kenya, 2010 assigns the national government responsibility for construction and maintenance of national trunk roads, while county governments are assigned the responsibility for county roads.

County Governments became beneficiaries of the Road Maintenance Levy Fund (RMLF) conditional grant from FY 2015/2016 based on the County Allocation of Revenue Act 2015. Kenya Roads Board therefore allocated 15% of (RMLF) as a conditional grant to the county governments for 6 years, from FY 2015/16 to FY 2020/21. Effective FY 2021/2022, the maintenance of county roads was incorporated into the equitable revenue share.

The 9<sup>th</sup> National and County Governments Coordinating Summit held in February, 2023 in Naivasha resolved that the RMLF allocation to the counties would be given consideration in the FY 2024/2025 through a restructured process.

To effect the resolution of the summit, Inter-Governmental Relations Technical Committee (IGRTC) convened a meeting on 8<sup>th</sup> August, 2023 at the Kenya School of Government where the Road Sector was expected to:

- i. Restructure the KRB Act or RMLF Act to include allocations to the County Governments.
- ii. Review the road classification to align with the restructured Act.

The discussion of the meeting was not concluded and IGRTC was advised to convene a stakeholders meeting involving the CoG, CRA, MoRT and its affiliated agencies to discuss the above matter further.

## 2.0 PROJECTED FUNDING CEILINGS FOR KERRA FOR FY 2024/25 AND 2025/2026

Section 19 of the KRB Act, 1999 requires the Board to communicate to the Road Agencies *at least a year in advance* on the funding likely to be available for allocation in the coming year. Every road agency is then required to submit to the Board an annual roads programme. The Board is further required in accordance with section 35(2A) of the Act to submit a collated annual roads maintenance programme of the road agencies to Parliament for approval.

To ensure compliance with the tight budget requirements under the KRB Act, the Board issued projected funding ceilings to KeRRA in July, 2023 as shown in **Table 1** below;

**Table 1: KRBF allocation to KeRRA FY 2024/25 (Option 1)**

ALLOCATION DESCRIPTION	PROJECTED ESTIMATES (Kshs)	
	FY 2024/25	FY 2025/26
15% Constituency Roads Allocation	11,265,896,674.09	11,756,078,845.42

ALLOCATION DESCRIPTION	PROJECTED ESTIMATES (Kshs)	
	FY 2024/25	FY 2025/26
6.8% Critical links Roads Allocation	5,107,206,492.26	5,329,422,409.93
<b>Total KeRRA Allocation</b>	<b>16,373,103,166.35</b>	<b>17,085,501,255.35</b>
<i>Allocated as follows:</i>		
<b>(a) Admin&amp; operations (5.5% of RMLF)</b>		
15% Constituency Roads	2,810,289,082.57	2,931,556,513.76
6.8% Critical links Roads	1,273,997,717.43	1,328,972,286.24
<b>Total Admin &amp; operations</b>	<b>4,084,286,800.00</b>	<b>4,260,528,800.00</b>
<b>(b) Roadworks</b>		
15% Constituency Roads	8,455,607,591.52	8,824,522,331.66
6.8% Critical links Roads	3,833,208,774.82	4,000,450,123.69
<b>KeRRA Total Road Works</b>	<b>12,288,816,366.35</b>	<b>12,824,972,455.35</b>
<b>(c) Roadworks Allocation per Constituency</b>		
15% Constituency Roads	29,157,267.56	30,429,387.35
6.8% Critical links Roads	13,217,961.29	13,794,655.60
<b>Total Allocation per Constituency</b>	<b>42,375,228.85</b>	<b>44,224,042.95</b>

The ceilings issued to KeRRA were based on the assumption that County Governments shall receive 15% of the RMLF effective FY 2024/25 in line with resolution of the 9<sup>th</sup> Summit.

It was noted that in the six financial years (FY 2015/16 to FY 2020/21) that counties received 15% RMLF in accordance with the County Allocation of Revenue Act, KeRRA and KURA were allocated 21.8% and 10.2% respectively on a prorated basis. Noting that the road network administered under these two Road Agencies are within counties, both KeRRA and KURA have included county roads in their Annual Roads Work Programmes.

#### ***KRBF allocation to KeRRA FY 2024/25 (Option 2)***

The Board shall be guided by the resolution of Parliament as to whether county governments shall receive RMLF funding in FY 2024/25 for maintenance of county roads. In the event otherwise the ceilings to KeRRA shall be revised upwards as per **Table 2** below.

***Table 2: KRBF allocation to KeRRA FY 2024/25 (Option 2)***

ALLOCATION DESCRIPTION	PROJECTED ESTIMATES (Kshs)	
	FY 2024/25	FY 2025/26
22% Constituency Roads Allocation	16,576,899,394.90	17,296,254,496.94
10% Critical links Roads Allocation	7,534,954,270.41	7,861,933,862.25
<b>Total KeRRA Allocation</b>	<b>24,111,853,665.31</b>	<b>25,158,188,359.18</b>
<i>Allocated as follows:</i>		

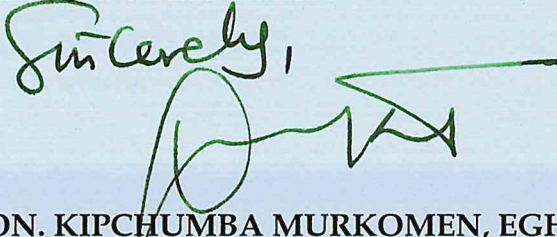
ALLOCATION DESCRIPTION	PROJECTED ESTIMATES (Kshs)	
	FY 2024/25	FY 2025/26
<b>(a) Admin &amp; operations (5.5% of RMLF)</b>		
22% Constituency Roads	2,810,289,082.57	2,931,556,513.76
10% Critical links Roads	1,273,997,717.43	1,328,972,286.24
<b>Total Admin &amp; operations</b>	<b>4,084,286,800.00</b>	<b>4,260,528,800.00</b>
<b>(b) Roadworks</b>		
22% Constituency Roads	13,766,610,312.33	14,364,697,983.18
10% Critical links Roads	6,260,956,552.98	6,532,961,576.01
<b>KeRRA Total Road Works</b>	<b>20,027,566,865.31</b>	<b>20,897,659,559.18</b>
<b>(c) Roadworks Allocation per Constituency</b>		
22% Constituency Roads	47,471,070.04	49,533,441.32
10% Critical links Roads	21,589,505.36	22,527,453.71
<b>Total Allocation per Constituency</b>	<b>69,060,575.40</b>	<b>72,060,895.03</b>

If the ceilings are issued based on Table 2 above and county governments become beneficiaries of RMLF then KeRRA will have pending bills since works would have been procured.

### 3.0 CONCLUSION

The lower ceilings issued to KeRRA was made under caution to safeguard the Authority from early procurement of works and the resulting pending bills that may arise if county governments are funded.

The Ministry of Roads and Transport and KRB shall be guided appropriately by Parliament on this matter .

*Sincerely,*  
  
**HON. KIPCHUMBA MURKOMEN, EGH**  
**CABINET SECRETARY**  
**MINISTRY OF ROADS AND TRANSPORT**

REPUBLIC OF KENYA



PARLIAMENT  
THE NATIONAL ASSEMBLY

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Ref: NA/LOM/2023(125)

23<sup>rd</sup> August 2023

**Hon. Kipchumba Murkomen E.G.H.**  
Cabinet Secretary  
Ministry of Roads and Transport  
Transcom House, Ngong Road  
P.O. Box 52692-00200  
**NAIROBI**

Dear *Waziri*,

**RE: PROJECTED FUNDING CEILINGS FOR KERRA FINANCIAL YEAR 2024/25  
& 2025/26**

Yesterday, Tuesday 22<sup>nd</sup> August 2023, the Member for Nyando Constituency (Hon. Jared Odoyo Okelo, MP) brought to the attention of the House that the Kenya Rural Roads Authority (KeRRA) had circulated a memo Ref: KeRRA/05/02/Vol.II(185), dated 16<sup>th</sup> August 2023, to all Regional Directors of the Authority, regarding projected funding ceilings per constituency, for the KeRRA financial years 2024/25 and 2025 /26.

The House appreciated the role played by KeRRA particularly in quality road maintenance. The House therefore is concerned that allocations for the next KeRRA Financial Years 2024/25 and 2025/26 had been drastically reduced, with funding for constituency roads being capped at 15% down from 22%; and critical links roads being allocated 6.8% down from 10% . These reductions would greatly affect the maintenance works undertaken by KeRRA in rural areas and slow down the pace of improving road connectivity to accelerated economic growth and access to services. Further, the House noted that there were no consultations held between KeRRA and Members of Parliament whose role is to appropriate funds and oversight implementation for development projects in their respective constituencies.

Members also raised concerns about duplication of maintenance of roads by both County Governments and KeRRA which occasions waste of public funds that would otherwise be allocated to alternative projects.

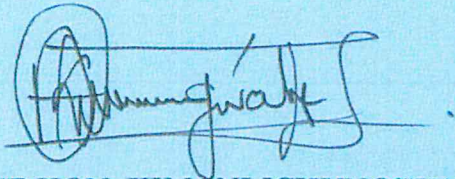
Therefore, you are hereby required to provide to the House, through my office, a comprehensive report on the rationale of these reductions, and the policy guiding classification of roads maintained by County Governments and those maintained by KeRRA.





This report should be reach my office latest Wednesday 30<sup>th</sup> August 2023, by 1:00pm to enable me report to the House on the matter.

Yours *Sincerely,*

A handwritten signature in black ink, appearing to read 'Kimani Ichung'wah', written over a horizontal line. The signature is stylized and includes a circular mark at the beginning.

**THE HON. KIMANI ICHUNG'WAH, MGH, MP**  
**LEADER OF MAJORITY, NATIONAL ASSEMBLY**

