KSHS. 15/= INJECTED INTO THE ECONOMY FOR EVERY KSHS. 1/= INVESTED IN ROAD MAINTENANCE

Nairobi 5th June, 2022……A study commissioned by Kenya Roads Board (KRB) to establish whether value for money is achieved in programmes funded by Road Maintenance Levy Fund (RMLF) has revealed that for every shilling spent from RMLF to maintain roads, the country gets Kshs.14.63.

The Value for Money (VFM) Audit Report on RMLF funded roads covering FYs 2018/2019 to 2020/2021 also shows that for every Kshs.100 Million spent, the country gets Kshs.1.46 Billion. Additionally, the road condition in the country improved tremendously over the study period to attain a level of 60 per cent roads in good condition, up from 40 per cent during the baseline study of the sampled network. Roads in fair and poor condition reduced from 37 percent and 23 percent to 22 percent and 18 percent respectively.

The audit covered RMLF funded programmes undertaken by Kenya National Highway Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), Kenya Urban Roads Authority (KURA), Kenya Wildlife Service (KWS) and County Governments and sought to assess economy, efficiency, effectiveness, and equity of RMLF programmes implemented in the country. In the last 10 years to June 2021, the Board had invested Kshs. 531 billion towards road maintenance.

"It is imperative for the Board to establish whether Value for Money is achieved in programmes funded by RMLF. To do so, the Board recognized that the technical, financial, performance and procurement audits undertaken by the Board are an integral part of value for money audits which are necessary and crucial." Said KRB Director General Rashid Mohamed.

The study sampled 72 roads spread across the country that are contained in the Annual Public Roads Programme (APRP) for maintenance in all the Road Agencies and the County Governments over a three-year period from FY 2018/19 to FY 2020/21.

The 72 roads were assessed for Economy, Efficiency, Effectiveness and Equity. Economy was achieved for 62 percent of the sampled roads and signifies that the costs of resources used for projects in terms of certified works were less than the total allocated resources in APRP.

Efficiency on roads maintenance was achieved for 57 percent where measured works did not exceed the contracted works, equally what was paid in terms of certified works was within the contract sum; and completed works were in good condition. In addition, the projects were completed within time and cost devoid of time extensions and cost variations.

Effectiveness was achieved for 42 percent of the projects sampled and 37 percent of the projects were assessed adequate. The analysis further showed that scoping of works was adequate as activities were implemented as planned. There was good consideration on road safety.

Equity was achieved for 27 percent of the sampled roads and was assessed adequate for 36 percent of the sampled projects. This was largely because construction materials were being sourced locally, and contracts incorporated cross cutting issues, which include HIV/AIDS education and environmental protection.

With regards to Social Return on Investment, all the sampled roads have registered factors that improve people's lives, which reflects increased social value of investment in road maintenance.

The study shows that there is now increased access to health facilities due to improved road infrastructure, improved human dignity brought about by employment which has been triggered by increased business opportunities, reduced road accidents due to good road maintenance. Overall , the study indicate that the positive impacts of road maintenance activities on the society and environment far outweigh the few negative impacts.

The study comprised carrying out technical, financial and performance audits, and impact assessment. The data obtained was analyzed for value for money rating and valuation of outcomes of road maintenance for each road. It was noted that Value for Money was majorly achieved in all the 72 roads sampled.

Additionally, the study showed that roads with high Benefit Cost Ratio (BCR) were in good condition and avenues of major economic activities, and therefore had high benefits.

Most roads in good condition during the study period were found to be within the KeNHA and KURA road network and were under the Performance Based Contracts (PBC) maintenance regime.

The Board recommends axle load control to be strengthened or established across all the Road Agencies and County Governments to safeguard the huge investments in development and maintenance of roads funded by the Board.

Additionally, the Board will upscale the planning process for roads to ensure that paved roads in good to fair condition are prioritized for PBC/ Hybrid PBC maintenance approach.

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Notes to Editor

The Kenya Roads Board (KRB) is a State Corporation established under KRB ACT No. 7, of 1999. The object and purpose for which the Board is established is to oversee the road network in Kenya and coordinate the maintenance, rehabilitation and development funded by the KRB Fund and advise the Minister for Transport on all matters related thereto.

In achieving the above, KRB works with road agencies; Kenya National Highway Authority (KENHA), Kenya Urban Roads Authority (KURA), Kenya Rural Roads Authority (KERRA) and Kenya Wildlife Service (KWS).

This is achieved through Annual Public Roads Programme (APRP) which outlines the planned Road Maintenance Works that will be carried out by the Road Agencies each financial year.

Value for Money (VfM) ratings are the standards or performance levels applied to the VfM criteria. The VFM criteria is on economy, efficiency, effectiveness, and equity.
Value for Money (VfM) relates to economy, efficiency, effectiveness, and equity with which a public entity uses its resources to realize its goals

Each VfM criterion were rated as poor, fair, adequate, good or excellent based on score achieved in assessment through technical, financial and performance audits.
The VfM parameter rating (i.e standards or level of performance) used in preparation of the VfM report are:

- 0 - 25% poor
- 26 – 50% Fair
- 51 – 75% Adequate
- 76 – 100% Good
- Above 100% - Excellent

The Benefit Cost Ratio (BCR) is the ratio of total benefits divided by total costs. The overall BCR from the study stood at 14.63.