

**LEGAL NOTICE NO.....**

**THE KENYA ROADS BOARD ACT**

*(Cap. 408A)*

**IN EXERCISE** of the powers conferred by section 32A(3) of the Kenya Roads Board Act, the Cabinet Secretary for Roads and Transport makes the following Regulations—

**THE KENYA ROADS BOARD (KENYA ROADS BOARD FUND) (ADDITIONAL FUNDING) REGULATIONS, 2025**

**PART I—PRELIMINARY PROVISIONS**

Citation.

**1.** These Regulations may be cited as the Kenya Roads Board (Kenya Roads Board Fund) (Additional Funding) Regulations, 2025.

Object and purpose of the Regulations.

**2.** The object and purpose of these Regulations shall be to prescribe the procedure for setting aside a portion of the Fund for purposes of securing additional funding to meet financial demands for maintenance, development and rehabilitation of roads in terms of section 32A(2) of the Act.

Scope of the Regulations.

**3.** These Regulations shall apply to—

- (a) the procedure for securing additional funds by the Board; and
- (b) the procedure for the Board to monitor the manner road agencies utilise additional funds allocated by the Board.

**PART II—REVIEW BY THE BOARD**

Review of programmes.

**4.** (1) The Board shall, at least six months before the end of the financial year, undertake a review of the five year road investment programme under section 6(2)(d) of the Act to determine whether additional funding for maintenance, development and rehabilitation of roads shall be needed in the coming financial year.

(2) The review under subregulation (1) shall consider the following information—

- (a) how much money was allocated from the Fund for the five year road investment programme;
- (b) how much money was requisitioned for the purposes of the five year road investment programme;
- (c) the deficit, if any, between the money requisitioned and the money allocated under the five year road investment programme;
- (d) whether the money allocated under the five year road investment programme was spent in full or partially spent;

- (e) if any money allocated under the five year road investment programme remained unspent, the reasons thereof; and
- (f) any other relevant information to determine how much additional funding is required in the coming financial year.

Participation by road agencies.

Sub. Leg.

5. Where a road agency wishes to receive additional funding from the Board under these Regulations, the road agency shall submit the information contained in Form C as set out in the Schedule to the Kenya Roads Board (General) Rules together with any additional information that the Board may request in that regard.

**PART III—PROPOSALS FOR ADDITIONAL FUNDS**

Portion of the Fund to be set aside.

6. (1) Where the Board determines that additional funding is required for maintenance, development and rehabilitation of roads for the coming financial year, it shall, with the approval of the Cabinet Secretary and the Cabinet Secretary for matters relating to finance—

- (a) set aside and withdraw a portion of the Fund from the Fund; and
- (b) deposit the set aside and withdrawn funds in a special account established for the purpose of securing additional funds.

(2) The portion of the Fund set aside and withdrawn under subregulation (1)—

- (a) shall not exceed the amount allocated by the Board under section 6(2)(c)(ii) of the Act; and
- (b) shall include any associated costs, fees and insurance of securing the additional funding that may be incurred by the Board.

(3) For the purposes of subregulation (1), the Cabinet Secretary and the Cabinet Secretary responsible for matters relating to finance may authorise more than one withdrawal from the Fund to be set aside for the purposes of section 32A(2) of the Act:

Provided that the aggregate of the sums set aside from the Fund shall not exceed the amount allocated by the Board under section 6(2)(c)(ii) of the Act.

Proposals for additional funding.

7. Before setting aside the portion of the Fund under regulation 6(1), the Board shall—

- (a) prepare a proposal for the approval of the Cabinet Secretary and the Cabinet Secretary responsible for matters relating to finance, setting out the way the funds of the Fund shall be used to secure additional funding;
- (b) prepare a proposal for the approval of the Cabinet Secretary setting out the way on which the additional

funds shall be allocated for the maintenance, development or rehabilitation of roads;

- (c) prepare a list of road agencies to whom the additional funds will be disbursed;
- (d) prepare a framework for the disbursement of the additional funds for the maintenance, development or rehabilitation of roads; and
- (e) prepare a framework for supervising the way the additional funds allocated under these Regulations are utilised for the maintenance, development or rehabilitation of roads.

Contents of the additional funding proposal.

**8.** (1) The proposal submitted to the Cabinet Secretary and Cabinet Secretary responsible for finance under regulation 7(a) shall contain the following information—

- (a) the amount of the portion of the Fund intended to be set aside for the purposes of securing additional funding;
- (b) the method or methods that the Board proposes to utilise to secure additional funding;
- (c) an economic, legal and financial analysis of the methods the Board proposes to utilise to secure additional funding;
- (d) a statement of whether the Board has identified the source or sources of additional financing and the cost associated with the source or sources of additional financing;
- (e) the period for which the additional funding shall be secured; and
- (f) the way the value of the portion of the Fund used to secure additional funding was computed and the related assumptions regarding the computation.

(2) The proposal submitted to the Cabinet Secretary under regulation 7(b) shall contain the following information—

- (a) whether the additional funds shall be allocated exclusively for maintenance, development or rehabilitation of roads or any combination thereof;
- (b) a schedule for allocating the additional funds and in what proportions the additional funds shall be allocated;
- (c) the road agencies that the Board intends to allocate the additional funds to; and
- (d) the reasons for allocating the additional funds to the road agencies specified under paragraph (c).

Approval of additional funding proposals.

**9.** (1) The Board shall, at least three months before the end of the financial year, submit the proposals under regulation 7(2) to the Cabinet Secretary for approval.

(2) Where the Cabinet Secretary approves the proposals under subregulation (1), the Cabinet Secretary shall submit the proposals to the Cabinet Secretary responsible for matters related to finance for approval.

Cap. 412C.

(3) Where the Cabinet Secretary and Cabinet Secretary responsible for matters related to finance approve the proposals, the Board shall procure the services of an advisor to assist the Board in securing additional funds in accordance with the Public Procurement and Asset Disposal Act.

(4) The advisor procured by the Board under subregulation (3) may include—

- (a) the Central Bank of Kenya;
- (b) a bank licensed by the Central Bank of Kenya;
- (c) a securities market intermediary licenced by the Capital Markets Authority;
- (d) multilateral lending agencies to which Kenya is a member;
- (e) regional and international development agencies to which Kenya is a member; and
- (f) any other financial services provider approved by the National Treasury.

#### **PART IV—SECURING AND DISBURSEMENT OF ADDITIONAL FUNDS**

Clearance by National Treasury and Attorney-General.

**10.** (1) The Board shall, before execution, submit the transaction agreement to be executed by the Board—

- (a) to the National Treasury for clearance of the financial aspects of the agreement; and
- (b) to the Attorney-General for legal clearance.

(2) Where the National Treasury and Attorney-General clear the transaction agreement, the Board shall execute the agreement.

Remittance of additional funds by advisor.

**11.** The party that secures the additional funds under the transaction agreement executed under regulation 8 shall deposit the additional funds in the special account established under regulation 6(1)(b).

Disbursement.

**12.** The additional funds secured through the financing agreement or agreements executed by the Board under regulation 11 shall be disbursed—

- (a) in accordance with the allocation schedule prepared under regulation 7(2)(b); and

(b) to the road agencies specified under regulation 7(2)(c).

**PART V—MISCELLANEOUS PROVISIONS**

Register. **13.** The Board shall keep and maintain a register of road agencies to whom additional funds have been disbursed, how much each road agency received, for what purpose the funds were disbursed, and any other relevant information regarding the additional funds.

Compliance. **14.** Where a road agency to whom additional funds have been disbursed under these Regulations fails to apply the funds as directed by the Board, that road agency shall not be eligible to receive any funds from the Board until the road agency fully complies with the direction of the Board.

Books and records of account. **15. (1)** The Board shall keep and maintain or cause to be kept and maintained such books and records of account in respect of the additional funds secured under these Regulations.

Cap. 412A. **(2)** The books and records of account kept and maintained under subregulation (1) shall comply with the relevant provisions of the Public Finance Management Act, Public Audit Act and such standards and guidelines as may be prescribed by the Public Sector Accounting Standards Board.

Cap. 412B. **16.** The accounts of the Fund shall be audited and reported on in accordance with the provisions of the Public Audit Act.

Accounts and audit. **17. (1)** The Board shall prepare or cause to be prepared annual financial and non-financial reports on the additional funds in accordance with the provisions of the Public Finance Management Act.

Annual reports. **(2)** In addition to the reports prepared under subregulation (1), the Board shall prepare an annual general performance report of the additional funding on the five year road sector investment programme that shall be submitted to the Cabinet Secretary together with the annual report under subregulation (1).

Cap. 412A. **18.** The coming into operation of these Regulations shall not invalidate any authorisations by the Cabinet Secretary and the Cabinet Secretary responsible for matters relating to finance to set aside of a portion of the Fund for the purposes of section 32A(2).

Transitional matters.

Made on the ....., 2025.

**DAVIS CHIRCHIR,**  
*Cabinet Secretary for Roads and Transport.*