	Approved for tabling in the Hovse.
n	1/2/2022
	THE NATIONAL A THE NATIONAL ASSEMBLY DATE: 01 MART2022LETH PARLIAMENT - SIXTH SESSION
	TABLED BY: CHAIRPERSUN, TRANSPORT, PUBLIC WORKS AND HOUSING CLERK-AT THE-TABLE: G-Chebet
	REPORT ON CONSIDERATION OF PETITION ON BEHALF OF THE RESIDENTS OF SOUTH RIFT AND NYANZA REGARDING THE VIABILITY OF THE STANDARD GAUGE RAILWAY PROJECT
$\bigcirc$	(PETITION NUMBER 18 OF 2020 BY HON. DAVID OLE SANKOK, MP)
	DIRECTORATE OF DEPARTMENTAL COMMITTEES CLERK'S CHAMBERS - NATIONAL ASSEMBLY PARLIAMENT BUILDINGS NAIROBI MARCH 2022

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#### 1.0 PREFACE

On behalf of the Departmental Committee on Transport, Public Works and Housing and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report on the Petition on Behalf of the Residents of South Rift and Nyanza Regarding the Viability of the Standard Gauge Railway Project (Petition Number 18 of 2020).

The petition was tabled before the House pursuant to Standing Order 225 (2) (a) by the Hon. David Ole Sankok, M.P., Nominated Member.

Pursuant to Standing Order 227 (1), the petition was referred to the Departmental Committee on Transport, Public Works and Housing for consideration and preparation of a report within 60 days.

#### 1.1 Mandate of the Committee and Membership

#### a) Mandate

- 1. The Departmental Committee on Transport, Public Works and Housing is established under Standing Order 216(1) whose mandate, pursuant to the Standing Order 216 (5), is as follows;
  - a. investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
  - b. study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
  - c. study and review all legislation referred to it;
  - d. study, assess and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
  - e. 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;
  - f. to vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);
  - g. examine treaties, agreements and conventions;
  - h. make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
  - *i.* make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
  - *j.* consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
  - k. examine any questions raised by Members on a matter within its mandate.

2. Further, the Second Schedule to the Standing Orders mandates the Committee to consider matters relating to the following subjects: -

- a) Transport;
- b) Roads;
- c) Public works;
- d) Construction and maintenance of roads, rails and buildings;
- e) Air and seaports; and
- f) Housing.
- 3. In executing this mandate, the Committee oversights various State Departments, namely:
  - i. The State Department of Transport;
  - ii. The State Department of Infrastructure;
  - iii. The State Department of Housing and Urban Development;
  - iv. The State Department of Public Works; and
  - v. The State Department of Shipping and Maritime Affairs.

#### **1.2 Committee Membership**

4. The Committee on Transport, Public Works and Housing as constituted by the House comprises of the following members:

Chairperson Hon. David Pkosing, C.B.S., M.P. Pokot South Constituency Jubilee Party

Vice-Chairperson Hon. Mercy Wanjiku Gakuya, M.P. Kasarani Constituency Jubilee Party

#### Members:

Hon. Abdul Rahim Dawood, M.P. North Imenti Constituency Jubilee Party

Hon. Johnson Manya Naicca, M.P. Mumias West Constituency Orange Democratic Movement Party

Hon. Peris Tobiko, C.B.S., M.P. Kajiado East Constituency Jubilee Party

Hon. Ahmed Abdisalan Ibrahim, M.P. Wajir North Constituency **Orange Democratic Movement Party** 

Hon. Ali Wario Guyo, M.P. Garsen Constituency Orange Democratic Movement Party

Hon. George Aladwa Omwera, M.P. Makadara Constituency Orange Democratic Movement Party

Hon. Kulow Maalim Hassan, M.P. Banisa Constituency Economic Freedom Party (EFP)

Hon. Janet Wanyama Nangabo, M.P. Trans-Nzoia County Jubilee Party

Hon. Tom Mboya Odege, M.P. Nyatike Constituency Orange Democratic Movement Party Hon. David Njuguna Kiaraho, M.P. Ol Kalou Constituency Jubilee Party

Hon. Omar Mwinyi Shimbwa, M.P. Changamwe Constituency **Orange Democratic Movement Party** 

Hon. Samuel Arama, M.P. Nakuru Town West **Jubilee Party** 

Hon. Ahmed Bashane Gaal, M.P. Tarbaj Constituency **Peoples Democratic Party** 

Hon. Dominic Kipkoech Koskei, M.P. Soitik Constituency Jubilee Party

Hon. Gideon Mutemi Mulyungi, M.P. Mwingi Central Constituency Wiper Democratic Party

Hon. Moses Malulu Injendi, M.P. Malava Constituency Jubilee Party

Hon. Shadrack John Mose, M.P. Kitutu Masaba Constituency Jubilee Party

#### 1.3 Committee Secretariat

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5. The Committee secretariat comprise the following:

Ms. Chelagat Tungo Aaron Senior Clerk Assistant Head of Secretariat

Mr. Ahmed Salim Abdalla Second Clerk Assistant

Mr. Abdinasir Moge Yusuf Fiscal Analyst I

> Ms. Zainabu Wario Serjeant-at-Arms

Mr. Yaqub Ahmed Media Relations Officer Mr. Ronald Walala Legal Counsel I

Mr. Eric Kariuki Research Officer III

Mr. Yeziel Jilo Serjeant-at-Arms

Mr. Collins Mahamba Audio Recording Officer

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#### 1.2 Committal and Consideration of the Petition

- 6. Pursuant to the provisions of Standing Orders 227 (1), the petition was referred to the Departmental Committee on Transport, Public Works and Housing for consideration and preparation of a report within 60 days.
- 7. The Committee proceeded with the consideration of the petition by holding meetings to set up terms of reference and schedule meetings.
- 8. In considering the petition, the Committee invited and held meetings with the officials from the Ministry of Transport and Infrastructure, The National Treasury, the Kenya Railways and the Hon. David Ole Sankok, M.P, on behalf of the Petitioners. The meetings were aimed at responding to issues raised by the petitioners.

#### **1.3** Committee Observations

9. Having held meetings and considered the submissions presented on the petitions, the Committee observed that: -

#### 1.4 Prayers in the Petition

- 10. The petitioners had prayed that the National Assembly through the Committee on Transport, Public Works and Housing: -
  - (i) Inquiries into the circumstances under which the SGR Phase 2B Project has terminated in a remote Emurutoto Shopping Center instead of Narok Town;
  - (ii) Intervenes through the relevant Government Ministries to ensure that the 12km stretch from Emurutoto Shopping Center to Narok Town, which has sufficient human traffic and adequate economic viability and that a link to the highly productive Greater Lake Region be constructed;
  - (iii) Recommends to the Ministry of Transport and Infrastructure and the National Treasury to identify financial resources to complete the 12km stretch of SGR to Narok Town, and to urgently ensure that the already constructed 52km stretch is safeguarded from vandalism perpetrated by scrap metal dealers and that it does not fall into utter disuse; and
  - (iv) Makes appropriate recommendations with respect to ensuring the short and mediumterm viability of Phase 2B of the SGR is realized.

#### In response to the above prayers, the Committee recommends that: -

- 1. The National Treasury and the Kenya Railways Corporation undertakes costing for SGR project completion from Emurutoto to Narok Town.
- 2. The National Treasury and the Kenya Railways Corporation prioritizes the allocation of funding for the remaining part of the project from Emurutoto to Narok Town.
- 3. The National Treasury considers including the allocations in the Estimates for the Financial Year 2022/2023.

#### 1.6 Acknowledgment

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the support and services extended to the Members to enable the Committee complete this report.

I am grateful to the Members of the Committee whose support enabled the Committee to accomplish this task. Special thanks to the Secretariat for their technical support during the compilation of the report.

On behalf of the Committee, and pursuant to Standing Orders 227(2) of the National Assembly, it is my honor and privilege to present this report to the House for consideration and adoption of the Committee Report on Consideration of the Petition on Behalf of The Residents of South Rift and Nyanza Regarding the Viability of the Standard Gauge Railway Project (Petition Number 18 of 2020).

DATE 01/03/2022 SIGNED .....

#### HON. DAVID PKOSING, CBS, M.P CHAIRPERSON DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS & HOUSING

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#### 2.0 BACKGROUND INFORMATION

- The Petition Regarding the Viability of the Standard Gauge Railway Project was presented to the House by the Hon. David Ole Sankok on 15<sup>th</sup> July 2020, pursuant to Standing Order 225 (2)(a), on Behalf of The Residents of South Rift and Nyanza.
- 12. Pursuant to House rules, the petition was referred to the Departmental Committee on Transport, Public Works and Housing for consideration and preparation of a report. The Committee considered the petition pursuant to the provisions of Standing Order 227.
- 13. The petitioners wished to draw the attention of the Honorable House to the following: -
  - I. **THAT**, the design for infrastructure development, particularly road and railway transport, ought to be intended to open up areas it traverses or terminates for economic exploitation and spur economic development;
  - II. **THAT**, having completed Phase 2A of the Standard Gauge Railway (SGR) from Nairobi to Suswa, the Government embarked on design and construction of the westbound Phase 2B of the SGR project from the Suswa Dry Port;
  - *III.* **THAT,** residents of South Rift and Nyanza welcomed the project with optimism that it would further open up the regions for economic exploitation, spur economic development and contribute to expansion of urban areas along the SGR line;
  - IV. **THAT,** unfortunately, the multibillion 52km Phase 2B SGR line from the Suswa Dry Port stalled at Emurutoto Shopping Center, a small shopping centre with only one shop and butchery, neither roads nor any essential social amenities;
  - V. **THAT**, residents are concerned that there seems to be no indication construction of the Phase 2B of the SGR line will extend to Western Kenya as envisaged;
  - VI. **THAT,** Phase 2B SGR project could be economically viable if the 12km stretch to Narok Town is completed to give it an economic catchment area of the Greater Lake Region;
  - VII. **THAT,** residents are further concerned that unless the remaining short stretch of 12km from Emurutoto to Narok Town is completed, the project runs the risk of becoming a white elephant in which billions of shillings sourced through in loans and tax payers' money with little economic returns and benefits to South Rift and Greater Western regions;
  - VIII. **THAT,** the completion of the 12km stretch to Narok Town could transform and serve as a Special Economic Zone and a hub for residents of the region producing fish, wheat, maize, barley, tea, potatoes, livestock products, bananas, avocados, pineapple, soap stones, sugarcane among other products;
  - IX. **THAT**, the matters raised in this petition are not pending before any court of law, constitutional or other legal body;

**THEREFORE,** the petitioners prayed that the National Assembly through the Departmental Committee on Transport, Public Works and Housing: -

- *(i)* Inquiries into the circumstances under which the SGR Phase 2B Project has terminated in a remote Emurutoto Shopping Center instead of Narok Town;
- (ii) Intervenes through the relevant Government Ministries to ensure that the 12km stretch from Emurutoto Shopping Center to Narok Town, which has sufficient human traffic and adequate economic viability and that a link to the highly productive Greater Lake Region be constructed;
- (iii) Recommends to the Ministry of Transport and Infrastructure and the National Treasury to identify financial resources to complete the 12km stretch of SGR to Narok Town, and to urgently ensure that the already constructed 52km stretch is safeguarded from vandalism perpetrated by scrap metal dealers and that it does not fall into utter disuse; and
- (iv) Makes appropriate recommendations with respect to ensuring the short and medium-term viability of Phase 2B of the SGR is realized.

#### **3.0 SUBMISSIONS AND EVIDENCE**

14. Having been seized of the Petition, the Committee commenced its consideration by inviting the Hon. David Ole Sankok, MP and the officials from the Ministry of Transport and Infrastructure, the Kenya Railways and the National Treasury. During the meetings, written and oral evidence was adduced as recorded hereunder.

#### 3.1 Submission from the Petitioner

- 15. The petitioner, Hon. David ole Sankok, MP appeared before the Committee and explained that the construction of the multibillion 52km Phase 2B SGR line from the Suswa dry port had stalled at Emurutoto Shopping Center, a very remote area with no roads and essential social amenities. He explained that the phase 2B SGR project could be more viable if the 12km stretch to Narok Town was completed to give it an economic catchment area of the Greater Lake Region.
- 16. The petitioner explained that he was not convinced with the explanation by the Principal Secretary for Transport who, in the same meeting, explained that the project ended abruptly because of lack of funds. The petitioner explained that the same Ministry constructed another 30km stretch from the dry port to Longonot even when it ironically maintained it had no funds for the 12km from Emurutoto to Narok.

#### **3.2** Submission from the State Department for Transport

17. In his presentation to the Committee, the Principal Secretary for Transport submitted that the project ended abruptly because of lack of funds but that the Ministry was looking for a way out. The Petitioner however contested that assertion.

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- 18. The Committee asked the Principal Secretary for Transport to bring a report in two weeks on the following:
  - a) Estimated cost of building the remaining 12km stretch from Emurutoto to Narok Town;
  - b) A report on the scope of the phase 2B SGR project contract; and
  - c) Possibility of using the RDLF to fund the 12km stretch
- 19. The Committee, after a long wait, observed that the report was not forthcoming from the State Department for Transport. Subsequently, the Committee noted *suo moto* that the affairs of Kenya Railways were vested in the National Treasury pursuant to Executive Order Number 5 of 2020. It was then that the Committee resolved to invite the National Treasury for a meeting on the same.

#### 3.3 Submission from the Kenya Railways Corporation

20. In his presentation to the Committee, the Managing Director for Kenya Railways reinforced the positions provided by the State Department for Transport and the National Treasury, explaining that the main issue was lack of funding. He further submitted that currently, Kenya Railways can only deal with passenger traffic since the 12km stretch was for the time being not commercially very viable.

#### 3.4 Submission from The National Treasury

- 21. In his presentation to the Committee, the Principal Secretary for the National Treasury submitted that the Phase 2B from Naivasha to Kisumu could cost around 3.7 billion shillings. Considering the financial constraints, there was need to temporarily stop at Naivasha. However, the situation was constantly being reviewed and once funds were available, the stretch will be done as well. It was reported that the Naivasha to Longonot route transports cargo but not for the Narok route. The Ministry explained that they were concentrating on the line from Mombasa to Uganda.
- 22. The petitioner, Hon. Sankok, MP however disputed the assertions by the National Treasury explaining that it was more costly to leave the line vandalized at Emurutoto than to build the 12km stretch to Narok Town. He explained that there were enough livestock products to be transported from Narok, as well as other farm products such as potatoes, wheat and among others.
- 23. The Principal Secretary in the National Treasury explained that there was need to maximize use of resources recognizing the constrained fiscal space and keeping in mind the effects of Covid19 pandemic on the economy. He affirmed that the government was however continually reviewing what was in the best interest of the country and the regions.
- 24. The PS explained that currently, it was not possible to complete the 12km stretch in the near future because it was not in the recently approved budget. He submitted that the Ministry will however review and see if in the medium term, it was possible to be done.

#### 4.0 COMMITTEE OBSERVATIONS AND RECOMMENDATION

#### 4.1 **Observations**

25. There is need to complete/connect the Emurutoto section to Narok Town with the SGR line, a distance of 12km. This will accelerate economic activities in the larger Narok County and the regions beyond. The Committee however noted that indeed, the country is operating under constrained budgetary provisions, and that the National Treasury has to constantly review the fiscal situation while prioritizing on important development projects.

#### 4.2 Recommendations

The Committee having heard from the officials makes the following recommendation, that: -

- 26. The National Treasury and the Kenya Railways Corporation undertakes costing for SGR project completion from Emurutoto to Narok Town.
- 27. The National Treasury and the Kenya Railways Corporation prioritizes the allocation of funding for the remaining part of the project from Emurutoto to Narok Town.
- 28. The National Treasury considers including the allocations in the Estimates for the Financial Year 2022/2023.

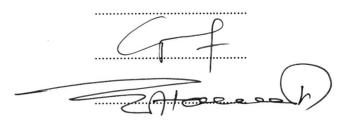
HON. DAVID PKOSING, CBS, M.P CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS & HOUSING

#### Adoption of the Committee Report on consideration of the Public Petition by Hon. David Ole Sankok, Nominated M.P. on Behalf of The Residents of South Rift and Nyanza Regarding the Viability of the Standard Gauge Railway Project (Petition Number 18 of 2020)

We, the Members of the Departmental Committee on Transport, Public Works and Housing, have today, the 24<sup>th</sup> day of February 2022, pursuant to Standing Order 199, adopted this Report and affixed our signatures to affirm our approval and confirm its accuracy, validity and authenticity:

- 1. Hon. David Pkosing, CBS
- Chairperson
- 2. Hon. Mercy Wanjiku Gakuya
- 3. Hon. Abdul Rahim Dawood
- 4. Hon. David Njuguna Kiaraho
- 5. Hon. Johnson Manya Naicca
- 6. Hon. Moses Malulu Injendi
- 7. Hon. Omar Mwinyi Shimbwa
- 8. Hon. Peris Pesi Tobiko, CBS
- 9. Hon. Samuel Arama
- 10. Hon. Ahmed Abdisalan Ibrahim
- 11. Hon. Ahmed Bashane Gaal
- 12. Hon. Ali Wario Guyo
- 13. Hon. Dominic Kipkoech Koskei
- 14. Hon. George Aladwa Omwera
- 15. Hon. Gideon Mutemi Mulyungi
- 16. Hon. Kulow Maalim Hassan
- 17. Hon. Janet Wanyama Nangabo
- 18. Hon. Shadrack John Mose
- 19. Hon. Tom Mboya Odege

- Vice Chairperson



#### MINUTES OF THE NINTH (9<sup>TH</sup>) SITTING OF THE DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS & HOUSING HELD ON THURSDAY, 24<sup>TH</sup> FEBRUARY 2022 AT 10:00 AM AT THE NEW DINING HALL, WITHIN PARLIAMENT BUILDINGS

#### MEMBERS PRESENT

- 1. Hon. David L. Pkosing, C.B.S., M.P. Chairperson
- 2. Hon. Mercy Wanjiku Gakuya, M.P. Vice Chairperson
- 3. Hon. Abdul Rahim Dawood, M.P.
- 4. Hon. David Njuguna Kiaraho, M.P.
- 5. Hon. Omar Mwinyi Shimbwa, M.P.
- 6. Hon. Samuel Arama, M.P.
- 7. Hon. Dominic Koskei, M.P.
- 8. Hon. Gideon Mulyungi, M.P.
- 9. Hon. Kulow Maalim Hassan, M.P.
- 10. Hon. Shadrack John Mose, M.P.
- 11. Hon. Tom Mboya Odege, M.P.

#### **MEMBERS ABSENT WITH APOLOGY**

- 12. Hon. Moses Malulu Injendi, M.P.
- 13. Hon. Peris Pesi Tobiko, C.B.S., M.P.
- 14. Hon. Johnson Manya Naicca, M.P.
- 15. Hon. Janet Nangabo, M.P.
- 16. Hon. Ahmed Abdisalan Ibrahim, M.P.
- 17. Hon. Ali Wario Guyo, M.P.
- 18. Hon. Ahmed Bashane Gaal, M.P.
- 19. Hon. George Aladwa Omwera, M.P.

#### **SECRETARIAT**

- 1. Ms. Tungo Chelagat Aaron
- 2. Mr. Ahmed Salim Abdalla
- 3. Mr. Ronald Walala
- 4. Mr. Abdinasir Moge
- 5. Ms. Lilian Cherotich
- 6. Ms. Christine Maeri
- 7. Mr. Tindi Simiyu

- Senior Clerk Assistant
- Clerk Assistant II
- Legal Counsel
- **Fiscal Analyst**
- Protocol Officer \_
- Audio Officer \_
- Hansard Reporter III \_

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#### MIN No. TPWH 038/2022:

#### **PRELIMINARIES**

The Chairman called the meeting to order at five minutes past ten o'clock followed by a word of prayer. The Chairman informed the Honorable Members that the Committee was meeting to consider the following agenda:

- 1. Consideration of the Addendum/Amendments to the Supplementary Estimates 1 for the Financial Year 2021/2022;
- 2. Briefing on the petition regarding Enforcement of Maritime Labour Convention, 2006 by Hon. Ali Menza Mbogo, MP;
- 3. Adoption of the Report on Consideration of the Petition on Economic Viability of Phase 2B of the Standard Gauge Railway (Hon. David Ole Sankok, MP);

- 4. Adoption of the Report on Consideration of the Petition on Proposal to amend the National Construction Authority Act (Mr. Boniface Mwai Gachunga); and
- 5. Adoption of the Report on Consideration of the Petition on Compensation of owners of land acquired for construction of St. Marys-Kinooro, Access to Igoji TTC, Gianchuku-Mbogoro Roads Project (Hon. Kareke Mbiuki, MP).

The agenda of the meeting was therefore adopted after being proposed by the Hon. David Kiaraho, MP and seconded by the Hon. Shadrack Mose, MP.

#### MIN No. TPWH 039/2022:

#### <u>CONFIRMATION OF THE MINUTES OF THE</u> <u>PREVIOUS SITTINGS</u>

The agenda item was deferred to the next meeting.

#### MIN NO. TPWH 040/2022:

# CONSIDERATIONOFTHEADDENDUM/AMENDMENTSTOTHESUPPLEMENTARYESTIMATES1FORTHEFINANCIALYEAR2021/2022

Members of the Committee went through the proposed amendments. The Committee resolved to reject the amendments in totality considering that there was already a huge deficit on budget for *Kazi Mtaani* program and from the budget for airstrips countrywide. It was the view of the Committee that any further reductions to those sectors were not reasonable.

#### MIN NO. TPWH 041/2022:

#### BRIEFING ON THE PETITION REGARDING ENFORCEMENT OF MARITIME LABOUR CONVENTION, 2006 BY HON. ALI MENZA MBOGO, MP

Members of the Committee were briefed on the petition regarding Enforcement of Maritime Labour Convention, 2006 by Hon. Ali Menza Mbogo, MP. The Committee noted that the petition came on the backdrop of ratification of five conventions on maritime affairs.

#### Resolution

Noting that majority of the stakeholders in the maritime industry are in the Coastal Region, and the need to give as many stakeholders a platform to express their views on issues raised in the petition, the Committee resolved to conduct an inquiry in Mombasa County in the next two weeks. The Clerk's Office directed to organize the same.

#### MIN NO. TPWH 042/2022:

#### ADOPTION OF THE REPORT ON CONSIDERATION OF THE PETITION ON ECONOMIC VIABILITY OF PHASE 2B OF THE STANDARD GAUGE RAILWAY (HON. DAVID OLE SANKOK, MP)

The Committee observed that there is need to complete/connect the Emurutoto section to Narok Town with the SGR line, a distance of 12km. This will accelerate economic activities in the larger Narok County and the regions beyond. The Committee however noted that indeed, the country is operating under constrained budgetary provisions, and that the National Treasury has to constantly review the fiscal situation while prioritizing on important development projects.

#### The Committee Recommended that:

- 1. The National Treasury and the Kenya Railways Corporation undertakes costing for SGR project completion from Emurutoto to Narok Town.
- 2. The National Treasury and the Kenya Railways Corporation prioritizes the allocation of funding for the remaining part of the project from Emurutoto to Narok Town.
- 3. The National Treasury considers to include the allocations in the Estimates for the Financial Year 2022/2023.

The Report was therefore adopted after being proposed by Hon. Samuel Arama, MP and seconded by Hon. Omar Mwinyi, MP.

#### MIN NO. TPWH 043/2022: **ADOPTION** OF THE REPORT ON **CONSIDERATION** ON OF THE PETITION PROPOSAL NATIONAL TO AMEND THE CONSTRUCTION AUTHORITY ACT (MR. **BONIFACE MWAI GACHUNGA)**

The Committee observed that the issue of costing and accountability may be beyond the scope of the National Construction Authority. However, Hon. Abdul Rahim Dawood, MP and Hon. Omar Mwinyi, MP were of the opinion that it was ideal to have the requirement that all public-funded projects display the costs as this would promote transparency.

#### The Committee Recommended that:

There is no need to amend the NCA Act because the existing procurement laws are more comprehensive in ensuring accountability.

The Report was therefore adopted after being proposed by Hon. Gideon Mulyungi, MP and seconded by Hon. Shadrack Mose, MP.

<u>MIN NO. TPWH 044/2022:</u>	ADOPTION	OF	THE	REPORT	ON
	CONSIDERAT	TION C	<b>F</b> THE	PETITION	ON
	COMPENSAT	ION O	F OWNE	RS OF	LAND
	ACQUIRED F	OR CONS	STRUCTIO	N OF ST. MA	ARYS-
	<b>KINOORO, A</b>	CCESS T	О І <b>GOJI</b> Т	<b>FC, GIANCH</b>	IUKU-
	<b>MBOGORO</b>	ROADS	PROJECT	(HON. KA	REKE
	MBIUKI, MP)				

The Committee observed that the Principal Secretary for State Department of Infrastructure undertook to include the amount of Kshs. 114 million in the Supplementary Budget Estimates for the Financial Year 2021/2022 so that the project affected persons may be paid immediately.

#### The Committee Recommended that:

The Hon. Member reports back to the Committee within three months if dissatisfied with the Ministry's response in planning to compensate the affected registered owners of parcels of land that was acquired through the National Lands Commission.

The Report was therefore adopted after being proposed by Hon. Tom Odege, MP and seconded by Hon. Dominic Koskei, MP.

#### MIN No. TPWH 045/2022: ADJOURNMENT

There being no other business, the sitting was adjourned at forty-seven minutes past eleven o'clock. Next meeting to be held on notice.

Signed

(Chairperson)

Date.....

#### MINUTES OF THE FIFTIETH (50<sup>TH</sup>) SITTING OF THE DEPARTMENTAL COMMITTEE **ON TRANSPORT, PUBLIC WORKS & HOUSING HELD ON** TUESDAY, 2<sup>ND</sup> NOVEMBER 2021 AT 10.30 A.M. AT BARAZA 2 BOARDROOM, WHITESANDS HOTEL IN MOMBASA

#### MEMBERS PRESENT

- 1. Hon. Samuel Arama, M.P. Session Chairperson
- 2. Hon. Johnson Manya Naicca, M.P.
- 3. Hon. Peris Pesi Tobiko, C.B.S., M.P.
- 4. Hon. Ahmed Bashane Gaal, M.P.
- 5. Hon. Ali Wario Guyo, M.P.
- 6. Hon. Dominic Koskei, M.P.
- 7. Hon. Kulow Maalim Hassan, M.P.
- 8. Hon. Janet Nangabo, M.P.
- 9. Hon. George Aladwa Omwera, M.P.
- 10. Hon. Mercy Wanjiku Gakuya, M.P.
- 11. Hon. Shadrack John Mose, M.P.
- 12. Hon. Moses Malulu Injendi, M.P.
- 13. Hon. Gideon Mulyungi, M.P.
- 14. Hon. Tom Mboya Odege, M.P.
- 15. Hon. David Njuguna Kiaraho, M.P.
- 16. Hon. Ahmed Abdisalan Ibrahim, M.P.

MEMBERS ABSENT WITH APOLOGY 17. Hon. David L. Pkosing, C.B.S., M.P. - Chairperson

- 18. Hon. Abdul Rahim Dawood, M.P.
- 19. Hon. Omar Mwinyi Shimbwa, M.P.

#### **SECRETARIAT**

- 1. Ms. Tungo Chelagat Aaron
- 2. Mr. Ahmed Salim Abdalla
- 3. Mr. Ronald Makokha Walala
- 4. Mr. Eric Kariuki
- 5. Mr. Yeziel Igwo Jilo
- 6. Mr. Collins Mahamba
- MIN No. TPWH 310/2021:

#### **PRELIMINARIES**

The Session Chairman called the meeting to order at thirty minutes past ten o'clock followed by a word of prayer. The Session Chairman informed the Honorable Members that the Committee was meeting to consider the Petition on Behalf of The Residents of South Rift and Nyanza Regarding the Viability of the Standard Gauge Railway Project (Petition Number 18 of 2020 by Hon. David Ole Sankok, MP).

The agenda of the meeting was therefore adopted after being proposed by the Hon. Johnson Naicca, MP and seconded by the Hon. Peris Tobiko, MP.

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- Audio Officer
- Clerk Assistant II Legal Counsel

Clerk Assistant I

- **Research** Officer
- Sergeant-at-arm

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#### MIN No. TPWH 311/2021:

#### <u>CONFIRMATION OF THE MINUTES OF THE</u> <u>PREVIOUS SITTINGS</u>

Confirmation of minutes of the previous sittings was deferred to the next sitting.

#### MIN NO. TPWH 312/2021:

# CONSIDERATION OF THE PETITION ON BEHALFOFTHERESIDENTSOFSOUTHRIFTANDNYANZAREGARDINGTHEVIABILITYOFTHESTANDARDGAUGERAILWAYPROJECT(PETITION NUMBER 18OF2020BYHON.DAVIDOLESANKOK, MP)Image: Colored State State

The Legal Counsel briefed the Committee on the status of the petition, from the day it was committed to the Committee to date. It was noted that the petition has been pending before the Committee for quite some time and that a draft report was ready for Committee's consideration.

The Committee resolved to recommend that the National Treasury prioritizes the allocation of funds to complete the construction of the SGR section from Emurutoto to Narok Town. The Committee however noted that it was currently not possible to allocate funds because the budget estimates for the current financial year had been passed and therefore the prioritization be done during the financial year 2022-2023 budget estimates.

The Committee resolved that a sub-Committee of the Committee visits Narok before a report was adopted and tabled.

#### MIN No. TPWH 313/2021:

#### **ADJOURNMENT**

There being no other business, the sitting was adjourned at fifteen minutes past one o'clock. Next meeting to be held same day on  $2^{nd}$  November 2021 2:30pm.

Signed...

(Chairperson)

**Date**... 06/11/2021.....

#### MINUTES OF THE THIRTIETH (30<sup>TH</sup>) SITTING OF THE DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS & HOUSING HELD ON TUESDAY, 29<sup>TH</sup> JUNE 2021 AT 10.00 A.M. AT 5<sup>TH</sup> FLOOR, CONTINENTAL HOUSE

#### **MEMBERS PRESENT**

- 1. Hon. David L. Pkosing, M.P. Chairperson
- 2. Hon. Abdul Rahim Dawood, M.P. virtually
- 3. Hon. Johnson Manya Naicca, M.P. virtually
- 4. Hon. Omar Mwinyi Shimbwa, M.P. virtually
- 5. Hon. Peris Pesi Tobiko, M.P. virtually
- 6. Hon. Samuel Arama, M.P. virtually
- 7. Hon. Ahmed Bashane Gaal, M.P. virtually
- 8. Hon. Ali Wario Guyo, M.P. virtually
- 9. Hon. Dominic Koskei, M.P. virtually
- 10. Hon. Gideon Mulyungi, M.P. virtually
- 11. Hon. Janet Nangabo, M.P. virtually
- 12. Hon. Kulow Maalim Hassan, M.P. virtually
- 13. Hon. Mercy Wanjiku Gakuya, M.P. virtually
- 14. Hon. Shadrack John Mose, M.P. virtually
- 15. Hon. Tom Mboya Odege, M.P. virtually

#### MEMBERS ABSENT WITH APOLOGY

- 16. Hon. Gathoni Wamuchomba, M.P. Vice Chairperson
- 17. Hon. David Njuguna Kiaraho, M.P.
- 18. Hon. Ahmed Abdisalan Ibrahim, M.P.
- 19. Hon. George Aladwa Omwera, M.P.

#### SECRETARIAT

- 1. Mr. Ahmed Salim Abdalla
- 2. Mr. Ronald Walala
- 3. Ms. Winnie Kulei
- 4. Ms. Zainab Wario
- 5. Mr. Collins Mahamba
- Clerk Assistant II Legal Counsel
- Research Officer virtually
- Sergeant-at-arm
- Audio Officer

#### **IN ATTENDANCE**

- 1. Dr. Julius Muia, CBS
- 2. Mr. Philip Mainga
- 3. Eng. Kamau
- 4. Mr. Duncan G. Hunda

MIN No. TPWH 158/2021:

5. Mr. Dismas Bosire

#### **PRELIMINARIES**

The Chairman called the meeting to order at ten minutes past ten o'clock followed by a word of prayer. The Chairman informed the Honorable Members that the Committee was meeting to consider the Petition regarding the economic viability of Phase 2B of the SGR project, by Hon. David ole Sankok, MP.

The agenda of the meeting was therefore adopted after being proposed by the Hon. Shadrack Mose, MP and seconded by the Hon. Tom Odege, MP.

#### MIN No. TPWH 159/2021:

#### **CONFIRMATION OF THE MINUTES OF THE PREVIOUS SITTINGS**

- Principal Secretary, Treasury
- MD, Kenya Railway Corporation

Confirmation of minutes of the previous sitting was deferred.

#### MIN NO. TPWH 160/2021:

# CONSIDERATIONOFTHEPETITIONREGARDINGTHEECONOMICVIABILITYOFPHASE2BOFTHESTANDARDGAUGERAILWAY(SGR)PROJECTVIABILITYOF

The Committee was informed that the Phase 2B from Naivasha to Kisumu could cost around 3.7billioon shillings. Considering the financial constraints, there was need to temporarily stop at Naivasha. The Managing Director for Kenya Railways further confirmed that currently, they can only deal with passenger traffic since the 12km stretch was for the time being not commercially very viable. However, the situation was constantly being reviewed and once funds were available, the stretch will be done as well. It was reported that the Naivasha to Longonot route transports cargo but not for the Narok route. The Ministry explained that they were concentrating on the line from Mombasa to Uganda.

The petitioner, Hon. Sankok, however disputed the assertions by the Ministry explaining that it was more costly to leave the line vandalized at Emurutoto than to build the 12km stretch to Narok Town. He explained that there were enough livestock products to be transported from Narok, as well as other farm products such as potatoes, wheat and even charcoal.

The Principal Secretary in the National Treasury explained that there was need to maximize use of resources recognizing the constrained fiscal space and keeping in mind the effects of Covid19 pandemic. He affirmed that the government was however continually reviewing what is in the best interest of the country and the regions. He explained that currently it was, it was not possible to complete the 12km stretch because it was not in the recently approved budget. He submitted that the Ministry will however review and see if in the medium term, it was possible to be done.

#### Way Forward

The Committee proposed that the Principal Secretary for Treasury and the Committee conduct a field visit to the area at the end of August 2021 to assess the area before scheduling another meeting to make a determination.

#### MIN NO. TPWH 161/2021: ANY OTHER BUSINESS

The Committee asked the Principal Treasury to note that as regards to the Executive Order Number 5 of 2020, the Departmental Committee on Finance was in-charge of revenue-raising measures but Kenya Railways Corporation's Day to day operations were still under the Departmental Committee on Transport, Public Works and Housing.

#### MIN No. TPWH 162/2021:

#### **ADJOURNMENT**

There being no other business, the sitting was adjourned at eleven minutes past eleven o'clock. Next meeting to be held on Thursday, 1<sup>st</sup> July 2021.

DAS KOL

Signed...

(Chairperson)

Date...

#### MINUTES OF THE TWENTY NINTH (29<sup>TH</sup>) SITTING OF THE DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS & HOUSING HELD ON WEDNESDAY, 23<sup>RD</sup> JUNE 2021 AT 10.00 A.M. AT 2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE

#### MEMBERS PRESENT

- 1. Hon. David L. Pkosing, M.P. Chairperson
- 2. Hon. Abdul Rahim Dawood, M.P. virtually
- 3. Hon. David Njuguna Kiaraho, M.P. virtually
- 4. Hon. Johnson Manya Naicca, M.P. virtually
- 5. Hon. Omar Mwinyi Shimbwa, M.P. virtually
- 6. Hon. Samuel Arama, M.P. virtually
- 7. Hon. Ali Wario Guyo, M.P. virtually
- 8. Hon. Dominic Koskei, M.P. virtually
- 9. Hon. Gideon Mulyungi, M.P. virtually
- 10. Hon. Kulow Maalim Hassan, M.P. virtually
- 11. Hon. Shadrack John Mose, M.P. virtually
- 12. Hon. Tom Mboya Odege, M.P. virtually

#### MEMBERS ABSENT WITH APOLOGY

- 13. Hon. Gathoni Wamuchomba, M.P. Vice Chairperson
- 14. Hon. Peris Pesi Tobiko, M.P.
- 15. Hon. Ahmed Abdisalan Ibrahim, M.P.
- 16. Hon. Ahmed Bashane Gaal, M.P.
- 17. Hon. George Aldwa Omwera, M.P.
- 18. Hon. Janet Nangabo, M.P.
- 19. Hon. Mercy Wanjiku Gakuya, M.P.

#### **SECRETARIAT**

- 1. Mr. Ahmed Salim Abdalla
- 2. Mr. Ronald Walala
- 3. Ms. Winnie Kulei
- 4. Mr. Yeziel Jillo
- 5. Ms. Christine Maeri

- Clerk Assistant II
- Legal Counsel virtually
- Research Officer virtually
- Sergeant-at-arm
- Audio Officer
- MIN No. TPWH 152/2021:

#### **PRELIMINARIES**

The Chairman called the meeting to order at ten minutes past ten o'clock followed by a word of prayer. The Chairman informed the Honorable Members that the Committee was meeting to consider the following petitions:

- 1. Adoption of the Report on the Petition regarding the Approval, Application and Use of Newbuild's Low-Cost Construction Technology by one Mr. John Dumas Gachara and as conveyed by Hon. Samuel Arama on 12<sup>th</sup> August 2020; and
- 2. Petition Regarding Economic Viability of Phase 2B of the Standard Gauge Railway (SGR) by the Hon. David Ole Sankok, Nominated Member of Parliament.

The agenda of the meeting was therefore adopted after being proposed by the Hon. Omar Mwinyi, MP and seconded by the Hon. Dominic Koskei, MP.

#### MIN No. TPWH 153/2021:

#### CONFIRMATION OF THE MINUTES OF THE PREVIOUS SITTINGS

- 1. Minutes of the 27<sup>th</sup> sitting which was held on 24<sup>th</sup> May 2021 were confirmed as a true record of the proceedings, after having been proposed by the Hon. Abdul Rahim Dawood, MP, and seconded by the Hon. Dominic Koskei, MP.
- 2. Minutes of the 28<sup>th</sup> sitting which was held on 16<sup>th</sup> June 2021 were confirmed as a true record of the proceedings, after having been proposed by the Hon. Johnson Naicca, MP, and seconded by the Hon. Kulow Hassan, MP.

#### MIN NO. TPWH 154/2021:

#### CONSIDERATION AND ADOPTION OF THE REPORT ON THE PETITION REGARDING THE APPROVAL, APPLICATION AND USE OF NEWBUILD'S LOW-COST CONSTRUCTION TECHNOLOGY

The Committee noted that in its sitting held on 18<sup>th</sup> November 2020, the Committee received oral submissions from the petitioner and the Ministry. The Committee observed that:

- i. The Newbuild Construction Technology was well known to the Ministry and that the Ministry was in support of the petitioner's work, and ever willing to give the petitioner a forum to showcase his innovation;
- ii. The issues raised in the petition were all addressed by the Ministry as submitted during the Committee sitting held on 18<sup>th</sup> November 2020;
- iii. The Ministry had shown remarkable commitment to embracing new technology and to give platform to innovators to showcase their products and to support them in every way possible;
- iv. The petitioner had been given numerous opportunities by the National Construction Authority to showcase his innovation. The Ministry uploaded the petitioner's proposal on its website as a way of supporting innovation within the country; and
- v. Neither the Committee nor the Ministry had powers to force consumers to use the said technology.

The Committee therefore made the following recommendation:

That the petitioner showcases his product in the market and find innovative ways of attracting possible consumers. The Ministry to take all the necessary steps to support the growth of new and affordable technologies in the country including the Newbuild Low-Cost Housing Technology in line with the relevant laws and regulations.

#### Adoption of the Report

The report was unanimously adopted with the aforementioned observations and recommendation. Adoption proposed by the Hon. Tom Odege, MP and seconded by the Hon. Shadrack Mose, MP.

MIN NO. TPWH 155/2021:	CONSIDER	ATION	OF	THE	PETITION
	REGARDIN	IG EC	ONOMIC	VIAB	ILITY OF
	PHASE 2E	B OF	THE ST	<b>CANDAR</b>	D GAUGE
	RAILWAY	(SGR)	BY 7	THE NO	OMINATED
	MEMBER (	HON. D	AVID OLI	E SANKC	OK, MP

The Committee noted that in its sitting held on 18<sup>th</sup> November 2020, the Committee met with both the petitioner and the Ministry. The Committee then directed the Ministry through the

Principal Secretary for Transport to provide a report in two weeks' time with the following information:

- 1. Estimate cost of building the remaining 12km stretch from Emurutoto to Narok Town.
- 2. To submit a report on the scope of the phase 2B SGR project contract.
- 3. Possibility of using the RDLF to fund the 12km stretch.

The Committee observed that to date, the Ministry has not provided the requested information. The Committee however noted that vide the Executive Order Number 5 of 2020 on Framework for Management, Coordination and Integration of Public Port, Rail and Pipeline Services, the railway services were now under the oversight of the National Treasury.

#### Way Forward

Committee resolved to invite the National Treasury to a virtual meeting on Tuesday, 29<sup>th</sup> June 2021 at 10.00 am to receive their views and responses to the issues raised in the petition before tabling its report to the House.

#### MIN NO. TPWH 156/2021: ANY OTHER BUSINESS

The Chairperson informed the Committee that vide a petition number E224 of 2021 at the High Court of Kenya at Nairobi, a member of the public had challenged the constitutional validity of the Kenya Roads (Amendment) Bill, 2021. The Committee was however informed that the Office of the Clerk was, in consultation with the Directorate of Legal Services and the Directorate of Litigation and Compliance, handling the matter. Any developments on the same will be communicated in due course.

#### MIN No. TPWH 157/2021:

#### **ADJOURNMENT**

There being no other business, the sitting was adjourned at forty minutes past ten o'clock. Next meeting to be held on Tuesday, 29<sup>th</sup> June 2021.

Signed...

DARILE

(Chairperson) ......03/08/2021.....

Date...



MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS

#### STATEMENT BY PRINCIPAL SECRETARY TO THE DEPARTMENTAL COMMITEE ON TRANSPORT, PUBLIC WORKS AND HOUSING ON PETITION REGARDING THE ECONOMIC VIABILITY OF PHASE 2B OF THE STANDARD GAUGE RAILWAY (SGR) PROJECT

#### Mr. Chairman,

I beg to respond to the question on petition regarding the economic viability of Phase 2B of the Standard Gauge Railway (SGR) Project.

#### Mr. Chairman,

I beg to respond as follows:

Feasibility study for the 262km Naivasha - Kisumu Standard Gauge Railway (Phase 2B SGR) section was prepared in 2016. The scope also included construction of the new Kisumu Port on Lake Victoria, complete with a 9km SGR branch line to serve the new Kisumu Port.

From the feasibility study, it was envisaged that Narok station and its environ would attract significant traffic volumes. It was predicted that in the initial stage, short term and long term, the incoming freight volumes at this station would be 60,000 tons, 90,000 tons and 130,000 tons respectively, mainly consisting of residents' production and living supplies like construction materials and grains. The outgoing freight volumes would be 60,000 tons, 80,000 tons and 110,000 tons respectively mainly consisting of local agricultural products.

Following the construction of SGR Phase 2A, which terminates at Emurutoto, certain pertinent parameters have changed and also this necessitated review of the route for the Phase 2B SGR. In particular,

- (i) 120 KM SGR phase 2A takes off from Nairobi Terminus and terminates at Emurutoto. Hence, SGR Phase 2B, which is yet to commence as funds are still being sourced, will begin from Emurutoto to Kisumu;
- (ii) The 12 km stretch from Emurutoto to Narok is part of proposed SGR Phase 2
  B. However, in the short term, Kenya Railway is currently constructing MGR link from Naivasha Dry port to Longonot station to enhance seamless movement of freight from Mombasa port to Malaba; and

 (iii) Implementation of Phase 2B SGR will extend the constructed SGR within the Republic of Kenya by a further 262km, bringing the completed length to 854km.

#### Mr Chairman,

The construction of the Phase 2B is justified on the following grounds:

- (i) Its construction will provide employment, as well as services provision opportunities; thereby spur economic growth along the southern route, where it will traverse;
- (ii) Its operational phase is expected to contribute to an annual growth of 1.5% of the Gross Domestic Product (GDP);
- (iii) The 35 locomotives (i.e 29 locomotives for mainline, 4 locomotives for passenger services and 2 locomotives for shunting), 724 wagons and 64 passenger coaches and other operational equipment to be procured under Phase 2B SGR, will be used in the operations of the completed Mombasa to Naivasha SGR section, thereby relieve constraints on the Mombasa - Nairobi SGR locomotives, rolling stock and equipment fleet and enhancing capacity to transport more freight on the SGR network;
- (iv) The existing road network connecting Nairobi through Kisumu to Busia (Kenya/Uganda Border), and through Eldoret to Malaba (Kenya/Uganda Border), suffers congestion due to high traffic volume, and has high maintenance costs due to damage from loaded trucks. Implementation of Phase 2B SGR will alleviate these, and enhance transport along the East African region's Northern Corridor route;
- (v) The existing Kisumu Port has been revamped, Phase 2B SGR will revive inland water transport, through feeding the existing Kisumu Port with transit freight to neighboring countries of Tanzania, Uganda, Rwanda, Burundi and Democratic Republic of Congo (DRC);
- (vi) It will reduce cost of transportation, making the region attractive for investment by improving connectivity with the neighbouring land locked countries;
- (vii) Construction of the SGR Phase 2B and New Kisumu Port will promote development of the Kisumu Industrial Park.

#### Mr. Chairman,

The viability analysis takes into consideration the projection of the freight beyond Nairobi which also includes the cargo generated from within Nairobi and surrounding area for consumption in the western part of the countries in addition to cargo from potential industrial park to be established in Kisumu. With the projections which are estimated with growth rate of 5% p.a and 6.0% p.a for imports and exports

respectively including cargo generated from Kisumu Industrial Park, the oil products, and the neighbouring countries around Lake Victoria, imports and exports volumes for the Phase Two are as shown in the tables below:

Commodity	ommodity 2017 Prediction of Railway 2017 Transport Volume of 2023 in tonnage		Notes	Туре	
Import commodities	1,374.1475	1,841			
Wheat	817.425	1095	(-Kisumu)	Bulky	
Maze	0	0	(-Kisumu)	Bulky	
Fertilizer	266.56	357	(-Kisumu, Eldoret)	Bulky	
Liquid oil	92.6625	124		Bulky	
Ceramic	24.12	32		Container	
Tyres	11.2	15		Container	
Clothing	19.18	26		Container	
Plastics	143	192		Bulky	
Transfer commodities	6,400	8,577		Container	
Domestic commodities	2,480	3,323	(Nairobi- Kisumu)		
Cement	2000	2680		Bulky	
Edible oil	150	201		Bulky	
Iron & Steel	100	134		Bulky	
Soda ash	30	40			
Furnitures	200	268		Container	
Total	10,254	13,742			

Table 1: Freight Volume of Phase 2 for 2023 in up direction from Nairobi to Kisumu ('000')

Table 2: Freight Volume of Phase 2 in 2023 in down Direction from Kisumu ('000')

Commodity	Prediction of Railway Transport Volume of 2023 in tonnage	Notes	Туре
Kisumu industry park	1000		Bulky
Lake Victoria	1000		Container
Oil & Equipment	1000	(Through Kisumu)	Bulky
Total	3,000		

#### Mr Chairman,

With the above assumptions, the projected cashflow for Phase 2B is as shown in table 3 below given Construction Period will from 2022 to 2025 while in table 4, it is shown that the project is profitable with a net present value of US\$ 3.9 billion with financial internal rate of return of 8.59% and it will take about 15 years to recover the cost as shown below.

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038 .
Operation Revenue	164.46	192.21	205.39	219.56	234.8	251.2	268.85	277.87	287.2	296.87	306.88	317.24	327.96
Operation Cost	91.84	98.94	102.36	106.04	110.03	114.33	118.97	121.23	123.56	125.98	128.48	131.07	133.74
Loan Repayment	113.86	203.32	198.22	336.85	328.87	320.9	312.92	304.95	296.98	289	281.03	273.05	265.08
Other Cost	1.13	1.93	1.71	1.83	1.96	2.1	2.25	2.15	2.23	2.31	2.39	32.93	2.56
Subsidy from Phase 1 and Phase 2B				132.35	174.51	206.03	251.63	271.57	424.39	446.09	451.6	556.58	557.02
Cash-Flow	-42.37	- 111.98	-96.9	-92.81	-31.55	19.9	86.34	121.11	288.82	325.67	346.58	436.77	483.6

Table 1 FIRR of the Project in 2016-2038	Unit: 1000 USD
Indicator	Value
FIRR of project investment (before tax)	8.59
Financial net present value of project investment (before tax)	3,989,050
Payback period of project investment (before tax)	15.9

### Solomon Kitungu PIRNCIPAL SECRETARY

Date:

	2		
		THEN	Directorate of Legislative & Procedural Services (NA) The Table Office
-	М Е N то		DIRECTOR, COMMITTEE SERVICES (NA)
	FROM	:	PRINCIPAL CLERK ASSISTANT II THE TABLE OFFICE DEPARTMENT
		:	JULY 15, 2020
	SUBJECT	:	PUBLIC PETITION

The following Petitions was presented before the House, today, Wednesday, July 15, 2020: -

- Public Petition regarding the Economic Viability of Phase 2B of the Standard Gauge Railway (SGR) by the Nominated Member (The Hon. David ole Sankok, MP) (referred to the Departmental Committee on Transport, Public Works and Housing).

Enclosed please find the Petition for your necessary action.

Harry

#### RACHEL KAIRU

Copy to: -

- 1. Clerk of the National Assembly
- 2. Deputy Clerks
- 3. Director of Legislative and Procedural Services

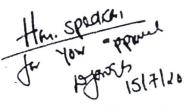
(Encls.)

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**REPUBLIC OF KENYA** 





#### THE NATIONAL ASSEMBLY (FOURTH SESSION

16 JUL 2020

RECENTED

# DIRECTOR COMMITTEE STRVICE

#### PUBLIC PETITION

(No. 18 of 2020)

#### REGARDING THE ECONOMIC VIABILITY OF PHASE 2B OF THE STANDARD GAUGE RAILWAY (SGR) PROJECT

I, the **UNDERSIGNED**, on behalf of concerned Kenyans especially residents of South Rift and Nyanza, draw the attention of the House to the following;

- 1) THAT, the design for infrastructure development, particularly road and railway transport, ought to be intended to open up the areas it traverses or terminates for economic exploitation and spur economic development;
- 2) THAT; having completed Phase 2A of the Standard Gauge Railway (SGR) from Nairobi to Suswa, the Government embarked on design and construction of the westbound Phase 2B of the SGR project from the Suswa dry Port;
- 3) THAT, residents of South Rift and Nyanza welcomed the project with optimism that it would further open up the regions for economic exploitation, spur economic development and contribute to expansion of urban areas along the SGR line;
- 4) THAT, unfortunately, the multibillion 52km Phase 2B SGR line from the Suswa dry Port stalled at Emurutoto Shopping Center, a small shopping center with only one shop and a butchery, neither roads nor any essential social amenities;
- 5) THAT, residents are concerned that there seems to be no indication construction of the Phase 2B of the SGR line will extend to Western Kenya as envisaged;
- 6) THAT, Phase 2B SGR project could be economically viable if the 12km stretch to Narok Town is completed to give it an economic catchment area of the Greater Lake Region;
- 7) THAT, residents are further concerned that unless the remaining short stretch of 12km from Emurutoto to Narok Town is completed the project runs the risk of becoming a white elephant in which billions of shillings sourced through in loans and tax payers money with little economic



#### PUBLIC PETITION

#### REGARDING THE ECONOMIC VIABILITY OF PHASE 2B OF THE STANDARD GAUGE RAILWAY (SGR) PROJECT

- 8) THAT, the completion of the 12km stretch to Narok Town could transform serve as a Special Economic Zone and a hub for residents of the region producing fish, wheat, maize, barley, tea, potatoes, livestock products, bananas, avocados, pineapple, soap stones, sugarcane among other products;
- 9) THAT, the matters raised in this Petition are not pending in any Court of Law, constitutional or other legal body;

**THEREFORE,** your humble Petitioners pray that the National Assembly through the Departmental Committee on Transport, Public Works and Housing: -

- (i) Inquires into the circumstances under which the SGR Phase 2B Project has terminated in a remote Emurutoto Shopping Center instead of Narok Town;
- (ii) Intervenes through the relevant Government Ministries to ensure that the12km stretch from Emurutoto Shopping Center to Narok Town, which has sufficient human traffic and adequate economic viability and that a link to the highly productive Greater Lake Region be constructed;
- (iii) Recommends to the Ministry of Transport and Infrastructure and the National Treasury to identify financial resources to complete the 12km stretch of SGR to Narok Town, and to urgently ensure that the already constructed 52km stretch is safeguarded from vandalism perpetrated by scrap metal dealers and that it does not fall into utter disuse; and
- (iv) Makes appropriate recommendations with respect to ensuring the short- and medium-term viability of Phase 2B of the SGR is realized.

And your petitioners will ever pray.

REOF DIRECTOR COMMUNES LAVIERS TITES

THE HON. DAVID OLE SANKOK, MP NOMINATED MEMBER

PRESENTED BY:

2020 DATE: ..



PUBLIC PETITION

## REGARDING THE ECONOMIC VIABILITY OF PHASE 2B OF THE STANDARD GAUGE RAILWAY (SGR) PROJECT

No. NAME ID NUMBER ADDRESS OR SIGNATURE TELEPHONE NO. OR THUMP IMPRESSION 1. Shinini de Sopia. 0716897060 00192063 2. Hellen Siyicuro 236725970714044689 3. Carolino Mplhi 22599517072038496 Eme. 4. Jobah Oken bin Roleng 28608121 073689206 Meseman Naserian 3743986 874075155 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. THE MATRIAN RECENCE 15 JUL 2020 DIRECTOR COMMITTEE SERVICES Tiret

