This year KES 255.9bn has been allocated for energy, infrastructure and ICT; which accounts for 14.5% of the Consolidated National Government Budget.

Time for Implementation; Towards Vision 2030

It is time to lay the foundation for future economic sustainable development to transform Kenya from a developing into a middle income economy.

Vision 2030 emphasises the development of key infrastructure sectors including energy and roads.

Implementation of flagship projects in the year is likely to result in the achievement of the targeted absorption rate of 80%

Compared to other forms of government spending, infrastructure projects result in the highest multiplier effect in the economy. This is because it lays the foundation and framework for all other sectors of the economy to thrive. In order to enjoy the benefits, implementation should be expedited.

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Focus on Flagship Projects

The Government has allocated the following:

- **Roads**

On-going roads, maintenance, roads connecting borders, decongestion and new roads amount to KES 116.7bn. The roads sector received the lion's share of the total infrastructure budget both recurrent and development. This is in line with the government initiative of rehabilitating and expanding the existing roads, opening new roads especially along the northern corridor, and maintaining the already developed roads in good standard.

- **Energy**

The government continues to pursue the 5000MW programme and has allocated KES 10bn to geothermal project development. Power transmission and rural electrification account for KES 33.6bn of the budget.

- **Railways**

The Government has allocated KES 22.9bn towards the Standard Gauge Railway (SGR) which will be raised through the Railway Development Levy (RDL) to supplement the other external funding sources. The funding arrangements for the proposed extension of the SGR from Nairobi to Kisumu via Malaba have not been disclosed. There are also modalities of financing the JKIA commuter rail to increase accessibility to and from the airport.

- **Airports and Ports**

KES 1.65 billion has been allocated to upgrading Kisumu and Isiolo and constructing three new airports in Mandera, Malindi and Suneka. The country and the region are set to benefit from the expansion of the Jomo Kenyatta International Airport (JKIA) which has been operating beyond the intended capacity. The completion of terminal 4 and the start of the construction of the green-field terminal will ease the pressure on travellers and contribute to making Nairobi a regional hub.

The upgrade of Kisumu International and Isiolo Airports along with the construction of three new airports in the country will facilitate trade and travel in various parts of the country. This is in line with the strategy to develop a first class transport and logistics network.

- **LAPSSET**

Funding for the transport components of the LAPSSET corridor project will be done under Public Private Partnership (PPP) framework. The upstream oil pipeline to be built, within a PPP structure as part of the LAPSSET programme, reiterates the commitment of the government to the oil industry, and the potential to exploit the found oil reserves into a commercially viable project, with a massive potential income generation capacity. This will require time and close collaboration with the stakeholders involved in the programme.

Critical Success Factors

- The major risks inherent in these projects relate to time and cost overruns, which will require a significant upgrade in technical, legal and institutional frameworks to manage and control the delivery of the investments. This will require project management and independent monitoring that provides assurance and facilitates timely completion.

- Harmonisation of projects requires a pragmatic approach on how the government funds national development. Indeed, it is now recognised that the current development funding gap can only be plugged by bringing together capital and know-how from the public and private sectors. It is for this reason that private sector involvement has been entrenched as a central and prominent feature of national development planning in Kenya.

- The large infrastructure projects that the government is undertaking will have an implementation period of more than one year thus requiring innovative financing approaches. The focus on the international capital markets for financing through the Eurobond opens up possibilities for accessing reliable funding sources for these projects. However, money received from such sources of financing bear a risk of not being utilised while attracting a fixed interest. We therefore need to pursue such funding when projects' feasibility has been assured and the relevant political goodwill garnered.

- The procurement processes in capital and infrastructure projects continue to cause major delays in implementation. There is an urgent need to look at the procurement processes to facilitate speedy, transparent and value for money based procurement of goods, works and services pertaining to the implementation of capital and infrastructure projects. To this effect, the Budget speech for FY 2014/15 has recommended certain measures to improve procurement processes. Some of the recommendations include:

    - New Procurement law,
    - E-procurement systems,
    - Strengthening of the PPOA, EACC, Auditor General's office and the Office of the Public Prosecutor.

- It is hoped that they will improve the procurement process and thereby fast track the implementation of the capital and infrastructure projects.