

Cyclists along Lungalunga Road. © CDKN

### SUSTAINABLE FINANCING AND NON-MOTORIZED TRANSPORT

Non-Motorized Transport: Lessons from Nairobi, Mombasa and Kisumu is a four-part newsletter series on non-motorized transport, covering public awareness and engagement, partnership building with the private sector and public transport actors, sustainable financing, and political successions.

This series builds on recommendations from a previous newsletter series published by the Climate and Development Knowledge Network (CDKN), which examined the NMT experience in Nairobi. It culminated in a study,1 'Promoting Non-Motorized Transport in Nairobi: A Study on Users, Safety and Infrastructure Trends,' which was officially adopted by the Nairobi Metropolitan Services (NMS) as a reference guide in June 2021.

As part of the efforts to implement the recommendations from this study, NMS, in partnership with CDKN, organized

**Peer learning forums among Nairobi, Mombasa and Kisumu city officials** in September 2021 and October 2021. Representatives from the National Transport and Safety Authority (NTSA) and the Kenya Urban Roads Authority were also present, as these two agencies are essential in securing NMT safety and improving infrastructure. These peer exchanges were informed by the commendable gains that the three cities have made on NMT and provided the opportunity for city officials to share best practices and brainstorm plans to advance NMT in their respective cities.

This **four-part newsletter series draws on the outcomes**<sup>2</sup> **of the peer learning forums,** which have been useful in supporting several NMT stakeholders – such as city officials, road agencies, political leaders, civil society organizations and residents' associations – to develop NMT networks that meet the needs of the people.

The construction and maintenance of NMT infrastructure calls for sustainable sources of financing. This newsletter will:

- Explore the existing sources of NMT financing across Kisumu, Nairobi, and Mombasa;
- 2. Highlight a selection of under-explored finance sources for NMT; and
- 3. Recommend financing mechanisms that are sustainable in the long-term.

# Sources of NMT financing across Kisumu, Mombasa, and Nairobi

Kisumu, Mombasa and Nairobi present with unique and contrasting NMT financing models. Kisumu City's NMT projects have so far been purely donor-funded, whereas Mombasa's have been largely funded by government road agencies. Nairobi has the most diverse sources of funding, ranging from county budgetary allocation and county revenues, to development loans.<sup>3</sup>

#### Kisumu

In Kisumu City, NMT phase one covering 1.8 kilometers (km), and phase two (ongoing) covering 8.1 km, are **fully funded by the World Bank through the Kenya Urban Support Program (KUSP)**. The KUSP focuses on supporting the development of cities that have been recognized as being underfunded in existing county government regimes. However, the fund does not cater for maintenance of the established infrastructure, which highlights the need for sustainable sources of NMT financing going forward.<sup>4</sup>

The city is thus exploring alternative sources of financing for NMT, including:

- A **minimum budgetary allocation** of 5% for urban infrastructure by Kisumu County Government.
- Resources from the Kenya Urban Mobility Program (KUMP).
- **Tariffs collected from fiber optic providers** to be used for maintenance of NMT facilities.
- Public-private partnerships with business. An example is as an ongoing partnership between the city and Naivas Supermarket on Nairobi Road.

### Mombasa

The 81 km of NMT infrastructure in Mombasa was financed by several stakeholders: 29.4 km was financed by the Kenya Municipal Program, 40 km by the Mombasa County Government, and the remaining 11.6 km by the Kenya Urban Roads Authority and Kenya National Highways Authority.

In Mombasa, the Roads, Public Works and Transport department prioritizes funds according to the needs of the county. As

such, **NMT** and drainage facilities are often sacrificed when there are budgetary constraints. Using a complete street guide approach to inform how funds are prioritized and budgetary guidelines are established can help ensure that drainage and NMT facilities are included. Additionally, there is a need to revise **NMT** Key Performance Indicators to focus on outcomes of the facilities for users, rather than focusing on the length of **NMT** facilities constructed.<sup>5</sup>

#### Nairobi

In Nairobi, the Roads department, like Mombasa, prioritizes financing according to needs. As such, in Nairobi, too, there is a need to have the complete road design framework incorporated in decision-making. This approach allows for all road users' needs, including pedestrians and cyclists, to be considered in the design and implementation of road infrastructure.<sup>6</sup>

Commendably, **during the 2020/2021 financial year, Nairobi saw 40% of city finances focused on NMT projects.**<sup>7</sup> This may partly be a result of increased policy and legislative support for financial allocation towards NMT, which is translating into actual budgetary support for NMT. According to the Nairobi NMT Policy,<sup>8</sup> 20% of funds collected by the county are allocated to infrastructure as road funds. Additionally, the Transport Act<sup>9</sup> states that 15% of county revenue is to be allocated to the transport fund. Most of the revenue contributors come from the transport sector, such as parking fees and licenses.

Other potential sources of NMT financing for the county include:

- The Ward Development Program (WDP), through Ward Committees, identifies projects within each ward. The budget allocation for the WDP is approximately KES 1.5 billion, and research shows that up to 80% of the funds are allocated to road projects.
- Nairobi gets a share of the Fuel Levy Fund, which is used for maintenance and routine works. All counties receive a share of this fund and can utilize it to improve NMT facilities.
- Nairobi also receives funding from the Kenya Informal Settlement Program (KISIP), which could be used for NMT purposes.
- The Kenya Roads Board Fund is less bureaucratic as it does not require approval by the political class; therefore, it is easier to prioritize NMT within this Fund.
- NMS has partnered with **private sector players** to assist in financing and coordinating projects.
- Leveraging the Nairobi Metropolitan Improvement
   Project (NAMSIP) phase two for NMT prioritization is also an avenue of finance.
- NMS has **invested in its in-house capacity** in technical skills and machinery, and stocks paving materials that can be used for maintenance. This allows them to save on costs that would otherwise be incurred when hiring external contractors and machinery for NMT road construction.

### RECOMMENDATIONS FOR SUSTAINABLE NMT FINANCING



# Anchoring minimum budgetary allocation for NMT in county policies and plans

Securing minimum budgetary allocation ensures that NMT projects are prioritized. <sup>10</sup> The percentage for minimum allocation should be informed by the specific needs of the county. Nairobi offers a good example for legislation of minimum budgetary allocation through the 20% set in the NMT Policy, and the provision that the Transportation Fund should boost its NMT kitty. In Kisumu, the county budget currently only caters for maintenance costs. Below are some examples of instruments that may be used to secure such minimum NMT budgetary allocations at county level:

- The integration of NMT in County Integrated Development Plans and County Annual Development Programs.
- The development of discrete NMT Policies.
- The establishment of Sustainable Mobility Plans.
- The institution of County Transport Acts.

Public sensitization and participation are equally critical to ensure funds are allocated according to the needs of the people regarding NMT. Issue 1 of this newsletter considered public awareness and outlined various strategies for public engagement and building awareness on NMT.<sup>11</sup> A well-informed citizenry can advocate for appropriate NMT facilities while supporting the proper use and maintenance of such facilities. A good example of this is the community engagement seen on Park Road, Ngara, where local vendors and businesses took up the work of maintaining and cleaning NMT facilities themselves.



# Mainstreaming the NMT agenda across sectoral policies and plans

Transport is a cross-cutting issue and should be mainstreamed across county departments. <sup>12</sup> This approach allows for NMT needs to be considered in all relevant sectors such as transport, health, finance, and environment, enabling the leverage of additional sources of financing. A siloed approach towards transport not only hinders holistic development strategies, but also constrains resources for infrastructure development and maintenance.



# Strengthening collaboration between private sector and government

Issue 2 of this newsletter explored partnership building with the private sector for NMT.<sup>13</sup> It emphasized that mutually beneficial partnerships are key in strengthening public-private sector partnerships (PPPs). Approaching corporates to partner with counties on street lighting, bike-share programs, the maintenance of green spaces, and the supply of street furniture and crossing marshalls, while allowing them to use these various avenues to advertise, has also been instrumental in cutting costs.

## Leveraging political goodwill

Fund allocation and development plans at the county level must be approved by members of County Assemblies. There is a need to engage with political decision-makers in a manner that ensures that they understand the benefits of NMT to the public. This can be done by demonstrating the importance of NMT, including showing them the positive effects of NMT on the lives of their electorate. Local advocacy groups also play a critical role in pushing the agenda of NMT improvement to political decision-makers.

### CONCLUSION

**Long-term NMT improvement can only be supported by sustainable financing.** These recommendations can be useful in guiding county officials in leveraging diverse sources of funds to support NMT, beyond traditional sources such as donor funds and budgetary allocations.



### **ENDNOTES**

- 1 Climate and Development Knowledge Network. (2021). 'Promoting Non-Motorized Transport in Nairobi, A Study on Users, Safety, and Infrastructure Trends'. Retrieved from: <a href="https://www.cdkn.org/nmtstudy">www.cdkn.org/nmtstudy</a>
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#### **ABOUT CDKN**

CDKN works to enhance the quality of life for the poorest and most vulnerable to climate change. We support decision-makers in designing and delivering climate compatible development.

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