

PUBLIC PRIVATE PARTNERSHIP PROJECTS 2023 REPUBLIC OF KENYA

PREPARED FOR AND PRESENTED TO EXCLUSIVE ACCESS TRADING GROUP

ALKEBULAN INVESTMENTS RESERVE LIMITED, P. O. BOX 22350-00400 NAIROBI, KENYA, +254729252856, INFO@ALKEBULANRESERVE.COM
ALKEBULAN INVESTMENTS RESERVE LIMITED | P. O. BOX 22350 – 00400 NAIROBI, KENYA

#	Name	Sector	County	Stage	Contracting Authority	KES	\$USD
1	Development of Accommodation, Training and Shopping Complex at KNH	Health	Nairobi	Pre-procurement	Kenyatta National Hospital (KNH)	8,485,191,000	62,700,000
2	35MW Menengai Phase I (Sosian)	Energy and Petroleum	Nakuru	Post-procurement	Geothermal Development Company (GDC)	11,782,506,450	87,065,000
3	Nairobi-Thika Highway O&M Toll Road	Transport and Infrastructure	Kiambu	Pre-procurement	Kenya National Highways Authority (KeNHA)	4,412,923,764	32,608,614
4	KCB Usalama Housing Program (KUHP)	Privately Initiated Investment Proposals (PIIPs)	Nairobi	Pre-procurement	KCB Bank	280,233,286	2,070,740
5	Development of an Export Quarantine Station and Livestock Export Zone	Agriculture, Livestock & Fisheries	Mombasa, Taita Taveta, Tana River	Pre-procurement	Ministry of Agriculture Livestock and Fisheries	1,801,242,300	13,310,000
6	University Of Embu PPP Hostel Project	Education	Embu	Procurement	The University of Embu (UoEm)	2,694,420,300	19,910,000
7	Moi University PPP Hostels Project	Education	Uasin Gishu	Procurement	Moi University	3,141,009,300	23,210,000
8	Roads Annuity Programme Lot 33: Kajiado – Imaroro and Ngong – Kiserian – Isinya Roads	Transport and Infrastructure	Kajiado	Post-procurement	Kenya Rural Roads Authority (KeRRA)	14,423,336,070	106,579,000
9	Kenyatta University Students Hostels	Education	Kiambu	Post-procurement	Kenyatta University (KU)	2,103,434,190	15,543,000
10	Roads Annuity Programme Lot 3: Samatar – Wajir (B9) and Rhamu – Mandera(B9) Roads	Transport and Infrastructure	Mandera, Marsabit, Wajir	Post-procurement	Kenya National Highways Authority (KeNHA)	26,844,464,790	198,363,000
11	Likoni Crossing Aerial Cable Car	Transport and Infrastructure, Privately Initiated Investment Proposals (PIIPs)	Mombasa	Procurement	Kenya Ferry Services Limited (KFSL)	21,004,569,300	155,210,000
12	Roads Annuity Programme Lot 32: Illasit – Njukini – Taveta Road	Transport and Infrastructure	Kajiado, Taita Taveta	Procurement	Kenya National Highways Authority (KeNHA)	9,753,503,760	72,072,000
13	Roads Annuity Programme Lot 18: select urban roads in 4 Counties; Kakamega, Vihiga, Bungoma and Busia.	Transport and Infrastructure	Bungoma, Busia, Kakamega, Vihiga	Procurement	Ministry of Transport and Infrastructure (MOTI)	7,795,955,310	57,607,000
14	Roads Annuity Programme Lot 15: Select urban roads in 6 Counties; Nyeri, Kirinyaga, Murang'a, Embu, Tharaka Nithi and Laikipia	Transport and Infrastructure	Embu, Kirinyaga, Laikipia, Murang'a, Nyeri, Tharaka Nithi	Procurement	Kenya Urban Roads Authority (KURA)	9,796,674,030	72,391,000
15	Roads Annuity Programme Lot 8: Bomas – Kiserian – Magadi (C58), Bomas - Karen - Dagoreti - Ruiru (Bomas - Dagoretti Market) (C63), Uplands - Githunguri – Ngewa-C65 and other link Roads.	Transport and Infrastructure	Kajiado, Nairobi	Procurement	Kenya National Highways Authority (KeNHA)	38,220,575,250	282,425,000
16	Development of Lamu Port (first three berths) DBSA	Privately Initiated Investment Proposals (PIIPs)	Lamu	Pre-procurement	Kenya Ports Authority (KPA)	28,135,107,000	207,900,000
17	300- Bed Private Hospital	Health	Nairobi	Pre-procurement	Kenyatta National Hospital (KNH)	5,954,520,000	44,000,000
18	2nd Nyali Bridge Project	Transport and Infrastructure	Mombasa	Procurement	Kenya Urban Roads Authority (KURA)	29,772,600,000	220,000,000
19	Mamlaka Undergraduate PPP Hostel Project	Education	Nairobi	Pre-procurement	The University of Nairobi (UoN)	7,904,625,300	58,410,000
20	Development of Nanyuki Bulk Water Supply	Water and Sanitation	Laikipia	Procurement	DBSA	2,977,260,000	22,000,000
21	Roads Annuity Programme Lot 6; select roads in 6 Counties; Narok, Bungoma, Transzoia, Kakamega, Busia and Narok	Transport and Infrastructure	Bungoma, Busia, Kakamega, Migori, Narok	Pre-procurement	Kenya National Highways Authority (KeNHA)		
22	Kenya Technical Teachers College (KTTC) PPP Student Accommodation Project	Education	Nairobi	Pre-procurement	The Kenya Technical Trainers College (KTTC)	8,187,465,000	60,500,000
23	Lamu-Garissa-Isiolo Highway	Transport and Infrastructure, Privately Initiated Investment Proposals (PIIPs)	Lamu	Pre-procurement	Kenya National Highways Authority (KeNHA)	92,533,240,800	683,760,000
24	Mombasa Petroleum Trading Hub	Transport and Infrastructure	Isiolo, Lamu, Marsabit	Procurement	Ministry of Energy	148,863,000,000	1,100,000,000
25	National Cancer Management Centres	Health	Nairobi	Pre-procurement	Ministry of Health (MoH)	2,724,192,900	20,130,000
26	KSG Embu PPP Hostel Conference Complex Project	Education	Embu	Pre-procurement	The Kenya School of Government (KSG)	1,979,877,900	14,630,000
27	Postgraduate and International Student Hostels on Harry Thuku Road, University of Nairobi	Education	Nairobi	Pre-procurement	The University of Nairobi (UoN)	9,169,960,800	67,760,000
28	Pwani University PPP Hostel Project	Education	Kilifi	Pre-procurement	Pwani University	5,716,339,200	42,240,000
29	Machakos University PPP Hostel Project	Education	Machakos	Pre-procurement	Machakos University College Projects	8,931,780,000	66,000,000
30	JKUAT PPP Hostel Project	Education	Kiambu	Pre-procurement	Jomo Kenyatta University of Agriculture and Technology	3,691,802,400	27,280,000

31	University Of Eldoret PPP Hostel Projects	Education	Uasin Gishu	Pre-procurement	The University of Eldoret	1,767,003,810	13,057,000
32	Maseno University PPP Hostel Project	Education	Busia, Kisumu	Pre-procurement	Maseno University	200,965,050,000	1,485,000,000
33	Egerton University PPP Accommodation Project	Education	Nakuru	Pre-procurement	Egerton University	8,931,780,000	66,000,000
34	Menengai 35MW Geothermal Energy Project (Quantum)	Energy and Petroleum	Nakuru	Post-procurement	Geothermal Development Company (GDC)	11,782,506,450	87,065,000
35	140MW Geothermal PPP project at Olkaria	Energy and Petroleum	Nakuru	Procurement	Kenya Electricity Generating Company (KenGen)	94,870,389,900	701,030,000
36	Development Of the Shimoní Port	Transport and Infrastructure	Kilifi	Pre-procurement	Kenya Ports Authority (KPA)	2,799,334,756	20,685,249
37	The Implementation Of A Multi Level Terminus At The Kenya Ferry Services Limited (Likoni-Island Side)	Transport and Infrastructure	Mombasa	Pre-procurement	Kenya Ferry Services Limited (KFSL)	833,632,800	6,160,000
38	Nairobi Commuter Rail Project	Transport and Infrastructure	Nairobi	Pre-procurement	Kenya Railways Corporation (KRC)	47,933,886,000	354,200,000
39	Mombasa Solid Waste Management	Water and Sanitation	Mombasa	Pre-procurement	Mombasa County Government	8,261,896,500	61,050,000
40	University Teaching and Referral Hospital, Pwani University	Health	Mombasa	Pre-procurement	Pwani University	35,146,554,300	259,710,000
41	South Eastern Kenya University (SEKU) PPP Hostel Project	Education	Kitui	Procurement	South Eastern Kenya University (SEKU)	5,671,680,300	41,910,000
42	Nairobi Bulk Water Supply Project	Water and Sanitation	Nairobi	Pre-procurement	Athi Water Services Board (AWSB)	34,833,942,000	257,400,000
43	Nandi Forest Multipurpose Dam	Water and Sanitation	Busia, Siaya	Pre-procurement	Lake Basin Development Authority	418,305,030	3,091,000
44	Magwagwa Multipurpose Dam Development	Water and Sanitation	Bomet, Homa Bay, Kericho, Kisumu, Nyamira	Pre-procurement	Lake Basin Development Authority	124,389,922,800	919,160,000
45	Nairobi Solid Waste Management Project	Water and Sanitation	Nakuru	Pre-procurement	Nakuru County Government	2,605,102,500	19,250,000
46	Development of Murangá Town/Mukuyu Water Supply	Water and Sanitation	Murang'a, Laikipia	Procurement	Murang'a County Government	2,277,603,900	16,830,000
47	Tana Integrated Sugar project	Tourism, Trade & Industrialization	Tana River	Pre-procurement	Tana & Athi Water Rivers Development Authority	34,655,306,400	256,080,000
48	Tana Delta Irrigation	Water and Sanitation	Tana River	Pre-procurement	Tana & Athi Water Rivers Development Authority	7,219,855,500	53,350,000
49	Munyu Multipurpose and Greater Kibwezi Irrigation	Water and Sanitation	Makueni	Pre-procurement	Tana & Athi Water Rivers Development Authority	22,329,450	165,000
50	Integrated Marine Transport System (IMTS)	Transport and Infrastructure	Lamu, Mombasa	Pre-procurement	Kenya Ferry Services Limited (KFSL)	3,721,575,000	27,500,000
51	Nairobi – Nakuru – Mau Summit Highway Project	Transport and Infrastructure	Nakuru	Procurement	Kenya National Highways Authority (KeNHA)	104,204,100,000	770,000,000
52	Nairobi Mombasa Highway Project	Transport and Infrastructure	Mombasa	Procurement	Kenya National Highways Authority (KeNHA)	349,828,050,000	2,585,000,000
53	Nairobi Southern Bypass project	Transport and Infrastructure	Nairobi	Pre-procurement	Kenya National Highways Authority (KeNHA)	26,318,978,400	194,480,000
54	The Transmission Grid Expansion Programme	Energy and Petroleum	Bomet, Kajiado, Kilifi, Kisumu, Nakuru	Pre-procurement	Kenya Electricity Transmission Co. Ltd. (KETRACO)	64,743,495,960	478,412,000
55	1,050MW Lamu Coal-Fired Power Plant Project	Energy and Petroleum	Lamu	Post-procurement	Ministry of Energy	272,865,879,000	2,016,300,000
56	Government Flying School	Transport and Infrastructure	Nairobi	Pre-procurement	Kenya Civil Aviation Authority (KCAA)		
57	Nairobi City Council Car Park Project	Transport and Infrastructure	Nairobi	Procurement	Nairobi City County Government	10,152,456,600	75,020,000
58	Solid Waste Treatment In Nairobi City County	Water and Sanitation	Nairobi	Pre-procurement	Nairobi City County Government	32,809,405,200	242,440,000
59	Kisumu Sea Port	Transport and Infrastructure	Kisumu	Procurement	Kenya Ports Authority (KPA)	11,760,177,000	86,900,000
60	Kenya Medical Training College (KMTC) Projects-Infrastructure, Equipment And Materials Up-grade	Health	Nairobi	Pre-procurement	Kenya Medical Training College (KMTC)	4,230,686,460	31,262,000
61	Centres Of Excellence (COE) And Expansion Of New Campuses For KMTC	Health	Nairobi	Pre-procurement	Kenya Medical Training College (KMTC)	1,637,493,000	12,100,000
62	Nairobi International Convention And Exhibition Centre (NAICEC)	Tourism, Trade & Industrialization	Nairobi	Pre-procurement	Bomas of Kenya	32,484,883,860	240,042,000
63	Mombasa International Convention Centre (MICC)	Tourism, Trade & Industrialization	Mombasa	Pre-procurement	Tourism Finance Corporation (TFC)	11,909,040,000	88,000,000
64	Lamu Port Development	Transport and Infrastructure	Lamu	Pre-procurement	Kenya Ports Authority (KPA)	3,274,986,000	24,200,000
						2,074,409,099,275	15,328,523,604

DEVELOPMENT OF ACCOMMODATION, TRAINING AND SHOPPING COMPLEX AT KNH

SECTOR

Health

COUNTY

Nairobi

INDICATIVE VALUE

KES 8,485,191,000 | US\$ 62,700,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenyatta National Hospital (KNH)

PROJECT NEED

KNH cannot provide accommodation for most of its staff and students. The hospital has 4,700 staff members, of which only 20 percent can live on the hospital's campus. Moreover, KNH provides training to 1,700 students from the University of Nairobi and the Kenya Medical Training College. Slightly less than 15 percent of the students training at KNH find on campus accommodation. KNH's lack of housing forces most of the hospital's staff and students to live far away. For instance, some of KNH staff and students live in the Kiserian and Juja areas, which are respectively, 27km and 35km away from the Hospital. Housing that is far from the Hospital has several drawbacks for staff and students, including: limited access to learning resources like computers (which not every student possesses), safety concerns for those on night duties, and higher transportation costs. The number of staff and students living far from KNH will increase as the current accommodation units continue to deteriorate. 50 percent of KNH's accommodation units have been earmarked for demolition and should no longer serve as accommodation for people. KNH also lacks designated training facilities for medical students and staff. Most trainings take place offsite in hotels and hostels. The off-campus training sites have not been designed to facilitate learning and the lack necessary amenities to properly train staff and students. The need for these facilities will grow as KNH enrolls more students, employees more staff, and expands the hospital. The Project's objectives include providing: ▪ Affordable accommodation to KNH staff and students on KNH's campus. ▪ A designated training location to KNH staff and students

DESCRIPTION OF ASSET

KNH envisions the Project having the following characteristics: ▪ 500 one-bedroom units 166 Section 31(3) of the PPP Act 2013 167 Third Schedule of the PPP Act provides for the Minimum Contractual Obligations of PPP Agreement ▪ 800 two-bedroom units ▪ 400 three-bedroom units ▪ 300 studios. The Project's training facility will have: ▪ A conference room ▪ A dining area, and ▪ Additional classrooms. The Project's shopping complex will have: ▪ Shops ▪ Restaurant ▪ Banking halls ▪ Space for other commercial facilities.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Engaging a private investor will help the Government, and KNH specifically, achieve value for money. The private investor can bring funding, which would be unavailable otherwise, and complete construction of the proposed hostels faster. Under a PPP arrangement, KNH can transfer risks to the private investor and incentivize on-time and on-budget project implementation. Another advantage of PPP procurement stems from the private investor operating the Project and providing services more efficiently than KNH could.

35MW MENENGAI PHASE I (SOSIAN)

SECTOR

Energy and Petroleum

COUNTY

Nakuru

VALUE

KES 11,782,506,450 | US\$ 87,065,000

PHASE
Post-procurement

CONTRACTING AUTHORITY
Geothermal Development Company (GDC)

PROJECT NEED

Energy infrastructure is a vital input to socio-economic development, which contributes to the pace of economic growth in any country. Kenya has identified the energy sector as a key enabler for achieving its national development blueprint, "Vision 2030." Vision 2030 calls for the energy sector to provide affordable, sustainable, and reliable electricity supply to stimulate high and sustained economic growth, in turn leading to higher incomes, increased employment, and reduced poverty for the country. To achieve the goals in Vision 2030, Kenya plans to increase electricity access from 55% today, to 100% by 2020. Additional generation capacity will be an important part of delivering universal access with high reliability. The project is expected to be a cost-effective and environmentally sound option for meeting Kenya's energy needs and utilizing Kenya's substantial endowment of geothermal resources.

DESCRIPTION OF ASSET

The project involves the design finance, construction installation, operation and maintenance of a 35 MW modular geothermal power plant on a Build own operate basis.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Utilizing the private sector capability in the delivery of such public infrastructure will result in the achievement and maintenance of a balanced risk return structure, thereby providing effective services. As the private sector is known to possess good mobility, this will offer cost savings to the projects aspects such as planning, design, construction and eventually the operation. The private sector participation in the provision of this infrastructure will relieve the government of the need to budget up front to develop this infrastructure

NAIROBI-THIKA HIGHWAY O&M TOLL ROAD

SECTOR
Transport and Infrastructure

COUNTY
Kiambu

INDICATIVE VALUE
KES 4,412,923,764 | US\$ 32,608,614

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by Kenya National Highways Authority (KENHA) identified the need to improve the operation and maintenance of the Nairobi Thika highway with the objective of managing the high volumes of traffic along certain sections of the highway while improving safety of pedestrians and emergency response systems.

DESCRIPTION OF ASSET

KeNHA intends to procure operation and maintenance services from a private party over a 10 year concession period for the Nairobi – Thika highway. In summary the Project Scope is set out below: a) Operation and maintenance (including heavy maintenance / lifecycle replacement works) of the Project Highway in accordance with specified performance standards. b) The design, financing, engineering, and construction and subsequent operation and maintenance of the following; • Foot Over Bridges at various locations and removal of speed bumps. • Installation of street lighting along selected sections of the main carriageway as

well as along service roads. • Implementation of a highway traffic management system along with emergency response system. • Geometric improvements at identified intersections.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the Government and would ensure risk allocative efficiency between the public and private sector parties. In addition, the proposed engagement of the private sector party through a performance based PPP contract will result in improved service delivery and efficiency in the operational and maintenance of the identified project road.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

ICT was engaged in its capacity as a Transaction Advisor to provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor was engaged to take charge in the completion of the initial project appraisal including: preparation of a Feasibility Study report; carrying out a procurement and PPP options analyses and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, including key milestones, deliverable and approval; stages; and conduct a comprehensive economic and financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: preparation of bidding documents (including the EOI, RFQ and RFP documents); and provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial Closure.

KCB USALAMA HOUSING PROGRAM (KUHP)

SECTOR

Privately Initiated Investment Proposals (PIIPs)

COUNTY

Nairobi

INDICATIVE VALUE

KES 280,233,286 | US\$ 2,070,740

PHASE

Pre-procurement

CONTRACTING AUTHORITY

KCB Bank

PROJECT NEED

The proposed project seeks to alleviate the critical shortage of housing for the NPS through the use of a combination of private financing, development and facilities management expertise. According to the Police Reforms Implementation Committee Report of June 2012, the force requires additional housing estimated at 69,061 units. This estimate excludes provisions for an additional 10,000 recruits who were undergoing training at the time of publishing the committee's report. Their inclusion would increase the housing shortage to an estimated 79,061 units. Over the medium term, the force's accommodation requirements are estimated at 130,000 units. This is on account of the planned annual recruitment of 10,000. It is against this background that the proposed project was conceived to finance the construction of a total of 20,000 housing units housing units. The implementation of the proposed project will be phased. This is on account of the recognition of the technical challenge and financial commitment required of the Developer (KCB Group). To that end, this feasibility study limits itself to Phase I of the project. In addition, it is proposed that the KCB Group retains an option to develop subsequent phases. Such an option would imply that KCB Group has the option but not an obligation to develop subsequent phases of the project.

DESCRIPTION OF ASSET

Phase IA will entail construction of a total of 4,685 housing units across nine project sites. These include; ☐ South B Depot ☐ Industrial Area ☐ Administration Police Training Unit ☐ GSU Training Camp ☐ Police Logistics

UNSOLICITED PROJECT - RATIONALE

Since the proposed project is to be delivered through a PPP mode as opposed to traditional public procurement approach, estimation of value-for-money (VfM) of the proposed delivery mode Vis a Vis public procurement is in order. This assessment is based on financial modelling of a Public Sector Comparator (PSC), which is the main tool in determining value for money. The PSC is necessary to test whether a PPP offers value for money in comparison to the most efficient and likely form of public sector delivery. The PSC is a risk-adjusted estimate of the net present cost of delivering the project through the best case public sector arrangement. It adjusts for retained risks, transferred risks and competitive neutrality to facilitate comparison with the PPP. The net present cost of the PPP is then deducted from the net present cost of the PSC. In this instance, the assessment rendered VfM estimates ranging from USD 134 million to USD 192 million, which implies that under all the scenarios, the proposed project would generate VfM for the contracting authority. Besides the quantitative evaluation above, the qualitative benefits associated with the delivery of the proposed project through a PPP are numerous. Firstly, the model facilitates transfer of risk and associated benefits include transfer of construction risk and completion risk to time and cost. To that end, there is an overwhelming amount of evidence to substantiate that PFI/PPP projects are being delivered on time and on budget.

DEVELOPMENT OF AN EXPORT QUARANTINE STATION AND LIVESTOCK EXPORT ZONE

SECTOR

Agriculture, Livestock & Fisheries

COUNTY

Mombasa, Taita Taveta, Tana River

INDICATIVE VALUE

KES 1,801,242,300 | US\$ 13,310,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Ministry of Agriculture Livestock and Fisheries

PROJECT NEED

Kenya does not have any disease-free livestock zones even though these zones enable countries affected by trade-sensitive diseases to export livestock and livestock products. These zones quarantine animals and prevent them from contracting communicable diseases. They also provide spaces to treat animals that might have been exposed to diseases and certify that animals in these zones are disease free. The concept of the creation of disease free livestock zones in Kenya was mooted in the year 2005 and is necessitated by the need to facilitate access of livestock and livestock products into the high-value markets which has been lost to other producers in the world due to the failure of the country to implement effective disease control measures as required by the prospective importing countries. This scenario led to an increase in the number of outbreaks of trade sensitive diseases rendering the country endemic as far as these diseases are concerned. The country disease situation created a barrier for trade leading to loss of potential revenue and foreign exchange. The overall goal of the project is to contribute to poverty reduction at the national and household levels. The specific objectives of the project are; to facilitate access of livestock and livestock products to local, regional and international markets; to improve sustainable rural livelihoods and food security; and to strengthen institutions in the livestock sub-sector. The programme will also contribute to compliance with sanitary measures in line with Kenya's obligations under World Trade Organization-Sanitary and Phyto-sanitary (WTO-SPS) Agreement and thereby facilitate market access and food safety. The present scenario renders livestock products incapable of accessing the desired lucrative markets due to the stringent sanitary measures conditionally put in place by importing countries such as Middle East, European countries etc.

DESCRIPTION OF ASSET

Description The DFZ facilities under development are: i) Development of the Bachuma Livestock Export Zone (Bachuma Station) is sited at the former Bachuma LMD holding ground along Voi – Mombasa road. The Holding ground spans about fifteen thousand acres (15,000 acres) and is wholly owned by the State Department of Livestock as a livestock Marketing and Productivity improvement facility. The holding ground is surrounded by large ranches that are under lease to individual and group ranchers. There are twenty eight (28) ranches. This facility is expected to be leased for operation through public private partnership in an “operate, maintain and develop” arrangement with the State Department of Livestock (SDL). ii) Development of a Marshalling yard at Miritini (Miritini Station) in Mombasa County to support activities at the Bachuma facility during which it will be used for holding pre-shipment yard for live animals since there are no existing facilities at the Kilindini Port in Mombasa for such purposes. iii) Development of the Export Quarantine Station in Kurawa (Kurawa Station), Tana River County. It is under consideration for development as a screening facility for livestock. It is expected to be operated through a Build-Own-Operate-Transfer scheme where the private party designs, constructs, and finances, operates and maintains the facility on land leased to them at Kurawa Holding ground.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Engaging a private entity will help the Government, and Department of Veterinary Services (DVS) specifically, achieve value for money. The private investor can bring funding, which would be unavailable otherwise, and complete construction of the Project faster. Under a PPP arrangement, DVS can transfer risks to the private entity and incentivize on-time and on-budget project implementation. Another advantage of PPP procurement stems from the private investor operating the Project and providing services more efficiently than DVS could.

UNIVERSITY OF EMBU PPP HOSTEL PROJECT

SECTOR
Education

COUNTY
Embu

INDICATIVE VALUE
KES 2,694,420,300 | US\$ 19,910,000

PHASE
Procurement

CONTRACTING AUTHORITY
The University of Embu (UoEm)

PROJECT NEED

EUC has experienced a rapid increase in enrollment with 2,723 students currently enrolled, up from 120 in 2012 and 486 in 2013. A growth rate of 8% is anticipated going forward, suggesting that the number of students will increase to a total population of 5,879 by 2025, and will continue to increase to 8,638 students by 2030. Currently the accommodation gap at EUC reflects a shortfall of just over a 1,000 students. (2,723 current students minus 1,650 total accommodations provided by private and campus hostels). Assuming that EUC is unable to provide any further accommodation, and that private hostel accommodation grows by 5%, the total available hostel capacity in 2030 will be 2,679. This will be substantially below the projected student population in that year. Thus the accommodation gap is expected to be 5,958 in 2030. Acknowledging that the private sector will continue to play a role in providing accommodation for its students, EUC has a long-term goal of providing on-campus hostel accommodation to 60% of its student population in the future. This would require a growth in hostels of 3,575. The University thus seeks to develop accommodation for 4,000 students including the related bulk infrastructure.

DESCRIPTION OF ASSET

The project involves construction, operation and maintenance of a student Hostel Complex within the University. It is proposed that the complex should cater for undergraduate and postgraduate students.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Genesis Analytics (Pty) Ltd and Crisil Infrastructure Advisory in association with PKF Consulting Ltd lexicon-ion and MMC Africa Law, Lloyd Masika, Tandem & Stark Kenya. The TA will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

MOI UNIVERSITY PPP HOSTELS PROJECT

SECTOR

Education

COUNTY

Uasin Gishu

INDICATIVE VALUE

KES 3,141,009,300 | US\$ 23,210,000

PHASE

Procurement

CONTRACTING AUTHORITY

Moi University

PROJECT NEED

Nationally, universities recognize the important role that student housing plays in meeting institutional goals and enhancing campus life. Historically, providing on campus housing has been a part of the public university model, although demand and increased enrolled have made a number of institutions to request the students to look for accommodations out of campus. Most university colleges are either in the process of building new housing, expanding existing housing, or are in the early planning stages. Changing market conditions and student demand have led Moi University to seek for Public Private Partnership on a "building operate and transfer" arrangement. Although many factors impact Moi University's ability to provide housing, carefully planned housing and other "quality of life" facilities are important components of an overall strategy. The student current distribution and shortfall shows that, the current on-campus accommodation facilities are 6,400 bed spaces in main campus, 260 at the College of Health Sciences, while the university has no accommodation at the School of Law (Annex) and Eldoret West Campus. However, the university's total demand for students' accommodation is estimated to be 14,000 in Main Campus, 1,600 in School of Law and 940 at the College of Health Sciences. Against this background, it is clear that the university has an acute shortage of students' accommodation, thus the required bed spaces. It is estimated that the current student population stands at 28,000 and based on the Moi University 2005/2015 Strategic Plan, students' population is expected to even grow further. The government's plan to accelerate intake for 2010 and 2011 form IV school leavers is also expected to introduce a lot of pressure on accommodation requirement. This situation is expected to be worse in the year 2015, when the students from free primary education join the university. Therefore, there is need for immediate action to expand the accommodation facilities in all the campuses to meet these demands. As such Moi University is seeking to develop student accommodation for 15,000 students (11,000 in main campus and 4,000 in its law campus) along related bulk infrastructure.

DESCRIPTION OF ASSET

The project's scope for each campus covered three components – the hostel accommodation, bulk infrastructure and associated facilities. The hostel accommodation specifications focused on the number of students to be accommodated per room. All rooms are to be equipped with a bed, and study tables and chairs. Associated facilities relate to the additional accommodation services such as a dining hall, food court and barbershop. These will enhance the student living condition, and also potentially generate revenue.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

PPPs provide one alternative, where private sector finance can be crowded into national development priorities. It is within this context that the GoK has introduced PPPs into its national development approach. This began in 2009 with the establishment of an institutional and regulatory framework that supported the use of PPPs, which was subsequently reviewed and updated a year later. This was followed by an official GoK PPP Policy statement that articulated the GoK's commitment to PPPs and aimed to provide the basis for the enactment of legislation surrounding the use of PPPs.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Genesis Analytics (Pty) Ltd and Crisil Infrastructure Advisory in association with PKF Consulting Ltd lexicon-ion and MMC Africa Law, Lloyd Masika, Tandem & Stark Kenya. The TA will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

ROADS ANNUITY PROGRAMME LOT 33: KAJIADO – IMARORO AND NGONG – KISERIAN – ISINYA ROADS

SECTOR

Transport and Infrastructure

COUNTY

Kajiado

VALUE

KES 14,423,336,070 | US\$ 106,579,000

PHASE

Post-procurement

CONTRACTING AUTHORITY

Kenya Rural Roads Authority (KeRRA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries. Lot 33 comprises of a total of 91 KMs comprising of the following roads; • Kajiado – Imaroro • Ngong – Kiserian – Isinya

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure.

KENYATTA UNIVERSITY STUDENTS HOSTELS

SECTOR

Education

COUNTY

Kiambu

VALUE

KES 2,103,434,190 | US\$ 15,543,000

PHASE

Post-procurement

CONTRACTING AUTHORITY

Kenyatta University (KU)

PROJECT NEED

Kenyatta University has been instituting interventions specifically aimed at increasing teaching and accommodation space to cater for the increasing number of students joining the university. This is in line with the University philosophy of sensitivity and responsiveness to societal needs and the right of every person to knowledge. There has been a need to construct more hostels to bridge the gap of increased number of students and the available accommodation space. To achieve this, Kenyatta University has planned to come up with three projects of constructing hostels. In Kenya, university education has seen tremendous expansion, both in student enrolment and institutions. At independence there was only one university institution in place, the Nairobi University College (now, University of Nairobi) that became a fully-fledged university in 1970 with an enrollment of about 1,000 students. The student enrollment gradually increased and by 1984 the student enrollment had reached 8,900 students. This was partly through setting up of two constituent colleges: Kenyatta and Egerton university colleges. With the increasing number of students demanding university education, more public universities were established. Moi University was established in 1984 following the recommendations of the Presidential Working Party - The Mackay Report 1981. Thereafter, other public universities were established; Kenyatta University (1985); Egerton University (1987); Jomo Kenyatta University of Agriculture and Technology (1994); Maseno University (2001) and Masinde Muliro University of Science and Technology (2006). The Private universities, on the other hand, have also increased rapidly and by 2008/09 there were over 21 private universities of which 11 were fully accredited /chartered, 4 registered and 6 with letters of interim authority. Consequently, the student enrollment has witnessed substantial growth over the

last decade, doubling from 58,397 in the 2000/01 academic year to 122,847 in the 2008/09 academic year. The female students constitute less than 40 percent of the total student population (GoK, 2008). The public universities still dominate university student enrolment despite the fact that the student enrolment growth in the private sector has been high compared to the public sector. For instance, over the last decade, the private sector enrolment almost trebled from 7,693 in 2000/01 academic year to 22,198 in 2008/09 academic year. The proportion of enrolment in the public vis-à-vis private universities, therefore, has been decreasing with the private sector student enrolment growing at a faster rate compared to the public sector. Currently Kenyatta University has a student population of 60,000 in its main campus, against the available accommodation for only 10,000 students. This has informed the PPP hostels project that seeks to develop an additional 10,000 bed-capacity.

DESCRIPTION OF ASSET

The project involves construction, operation and maintenance of a student Hostel Complex within the University. It is proposed that the hostels will cater for undergraduate and postgraduate students.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

IFC was appointed by KU to provide Transaction Advisory Services to introduce private sector participation in the provision of students' accommodation under a PPP. The development will also incorporate resource efficiency improvements (green buildings). IFC is supported by specialized consultants; Motts MacDonald as technical consultants and Hamilton Harrison & Mathews Advocates as legal counsel. Scope IFC undertook the preparation, design, and implementation for the private sector participation in the Project by attracting one or more private sector investors with established financial standing and experience in the development, management, operation and maintenance of student hostels or related facilities.

PROJECT SUMMARY DOCUMENT

Site: Kenyatta University Main Campus PPP BOT basis PPP Terms Private party to design, construct, finance and operate the students' hostels Parties KU and Africa Integras (Kenya LLC) PPP project term 25 years Payment mechanism Fixed rental Project cost KES 1165M (USD14.13M) Capital Required KES2.4Billion (USD28.5M) Capital Financing Private debt and equity (70:30) Return on Equity 15% Project summary documents are attached .

ROADS ANNUITY PROGRAMME LOT 3: SAMATAR – WAJIR (B9) AND RHAMU – MANDERA(B9) ROADS

SECTOR

Transport and Infrastructure

COUNTY

Mandera, Marsabit, Wajir

VALUE

KES 26,844,464,790 | US\$ 198,363,000

PHASE

Post-procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 has identified

the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KenHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure.

LIKONI CROSSING AERIAL CABLE CAR

SECTOR

Transport and Infrastructure, Privately Initiated Investment Proposals (PIIPs)

COUNTY

Mombasa

INDICATIVE VALUE

KES 21,004,569,300 | US\$ 155,210,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya Ferry Services Limited (KFSL)

PROJECT NEED

Mombasa is the second-largest city in Kenya, with a population of over one million. As a regional, cultural and economic hub, the city has a large port, an international airport and is an important regional tourism centre. The North and South of Mombasa County is linked by the Likoni channel, which is primarily served by a ferry system. The current ferry services are not adequate to meet the transport needs of commuters crossing the channel and an alternative mode of transport across the channel is therefore required. The Cable Car system will also act as a tourist attraction and serve to boost both local and international tourism within Mombasa County.

DESCRIPTION OF ASSET

The Likoni Cable Express project is a proposal to implement an Aerial cable car connection for the Likoni crossing to link the South Coast to the Mombasa Island, capable of moving 5,500 passengers per direction per hour, with a daily operational time of 17 hours. The built design includes tower masts, base stations, passenger screening and holding areas, and a commercial space to enhance passenger experience across the channel. This Project will be undertaken as a Turnkey Solution taking on the Build Own Operate Transfer Model. The expected output will be provision of an aerial cable connection on the Likoni crossing complete with the actual system, associated infrastructure and billing/management capability.

UNSOLICITED PROJECT - RATIONALE

This was approved as a PIIP under section 61(1)(d) due to the efficiencies and the improvements it would provide in transport across the Likoni Channel as well as the contribution it will have towards the tourism sector.

ROADS ANNUITY PROGRAMME LOT 32: ILLASIT – NJUKINI – TAVETA ROAD

SECTOR

Transport and Infrastructure

COUNTY

Kajiado, Taita Taveta

INDICATIVE VALUE

KES 9,753,503,760 | US\$ 72,072,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones,

deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure. Deliverables: Financial Feasibility

ROADS ANNUITY PROGRAMME LOT 18: SELECT URBAN ROADS IN 4 COUNTIES; KAKAMEGA, VIHIGA, BUNGOMA AND BUSIA.

SECTOR

Transport and Infrastructure

COUNTY

Bungoma, Busia, Kakamega, Vihiga

INDICATIVE VALUE

KES 7,795,955,310 | US\$ 57,607,000

PHASE

Procurement

CONTRACTING AUTHORITY

Ministry of Transport and Infrastructure (MOTI)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 (hereinafter referred to as 'the Authorities') has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure.

ROADS ANNUITY PROGRAMME LOT 15: SELECT URBAN ROADS IN 6 COUNTIES; NYERI, KIRINYAGA, MURANG'A, EMBU, THARAKA NITHI AND LAIKIPIA

SECTOR

Transport and Infrastructure

COUNTY

Embu, Kirinyaga, Laikipia, Murang'a, Nyeri, Tharaka Nithi

INDICATIVE VALUE

KES 9,796,674,030 | US\$ 72,391,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya Urban Roads Authority (KURA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 (hereinafter referred to as 'the Authorities') has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure

ROADS ANNUITY PROGRAMME LOT 8: BOMAS – KISERIAN – MAGADI (C58), BOMAS - KAREN - DAGORETI - RUIRU (BOMAS - DAGORETTI MARKET) (C63), UPLANDS - GITHUNGURI – NGEWA-C65 AND OTHER LINK ROADS.

SECTOR

Transport and Infrastructure

COUNTY

Kajiado, Nairobi

INDICATIVE VALUE

KES 38,220,575,250 | US\$ 282,425,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 (hereinafter referred to as 'the Authorities') has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure.

DEVELOPMENT OF LAMU PORT (FIRST THREE BERTHS) DBSA

SECTOR

Privately Initiated Investment Proposals (PIIPs)

COUNTY

Lamu

INDICATIVE VALUE

KES 28,135,107,000 | US\$ 207,900,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Ports Authority (KPA)

PROJECT NEED

The Government commenced construction of the first 3 berths of the Lamu Port in 2014, through an EPC contract between KPA and China's CCCC. The completion of these berths is slated for mid-2018. Upon completion, there is need to ensure that the port is equipped, operated, augmented and maintained well, so as to ensure that the infrastructure investment is optimally used and provides the relevant services to the public

DESCRIPTION OF ASSET

Equip operate and maintain the three berths (Constructed by CCCC and delivered to KPA - procured outside the outside of concession); develop admin Buildings, IT Systems, Road Infrastructure; and Equipment Supply; and develop Berths 4 to 6 if additional capacity is required as part of the Concession

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such a Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation

UNSOLICITED PROJECT - RATIONALE

The project was admitted as a PIIP under section 61(1)(a) of the PPP Act, which provides – urgent need for continuity. The development of the 3 berths is set to be completed by June 2018, and there is therefore an urgent need to ensure that once complete, an operator is on board, who can fully equip the port and ensure it is running adequately.

300- BED PRIVATE HOSPITAL

SECTOR

Health

COUNTY

Nairobi

INDICATIVE VALUE

KES 5,954,520,000 | US\$ 44,000,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenyatta National Hospital (KNH)

PROJECT NEED

In March 2012, KNH began exploring opportunities for private sector participation to modernize the hospital. The initial project proposed under a Public Private Partnership (PPP) arrangement is a 300 Bed Private Hospital, which is now part of Kenya Vision 2030 Flagship project. It will be a stand-alone facility with a different operation platform however some of the non-core services could be shared if at all it would cut the operation costs without affecting the quality and efficiency of services being rendered in the private hospital such as laundry services. After completion of development, the 300-bed Private Hospital being will provide Kenyans with local access to state-of-the-art specialty care thereby potentially reducing the need to travel abroad and develop into a regional referral centre of excellence. The services provided will be at market rate and shall provide high level of specialization, efficiency and quality care.

DESCRIPTION OF ASSET

This facility will provide an alternative for the current hospital private wing by releasing it for the general public use. In addition since the hospital will be operating competitively with other private hospitals some of the resources generated will act as leverage to the main hospital. This will assist in improving the services and at the same time reduce the dependence of the exchequer as is the case currently. The facility will create employment opportunities as well as ensuring quality patient care through a healthcare delivery model that includes operational elements such as:

- Progressive Patient Care Model Approach
- Episodes of Care Management Technique to Continuum of Care
- Nursing Excellence through Proficiency, Compassion and Care
- Latest Medical & Allied Equipment
- Accessibility to Latest Technological Developments
- Collaborations with eminent Global Institutions for continuing education, Faculty Exchange, training & transfer of knowledge for professional staff.
- Total Quality Management (TQM)/JCI through Accreditation
- Evidence based medicine

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project. The project involves contracting with a private operator to build, operate and transfer a new private facility that provides specialty healthcare at competitively and affordable rates. The private party would finance, construct, operate & maintain then transfer the facility to Kenyatta National Hospital at the end of a specified term that shall not exceed thirty years.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

A joint venture Ernst & Young LLP consisting of Ernst & Young LLP (Kenya) & Ernst & Young LLP (India) and its consortium were appointed as consultant on 22nd March 2018 to undertake the project feasibility study consistent with the PPP Act, 2013 to a standard that will enable the Contracting Authority (CA) to establish the technical configuration, affordability, commercial attractiveness and bankability of the proposed PPP Project. The Consultant to be engaged will prepare a feasibility study consistent with the PPP Act (2013) to a standard that will enable the Contracting Authority (CA) to establish both the project feasibility and its optimal technical and operational configuration, as well as the optimum method of procurement, taking into account commercial attractiveness, bankability, affordability and Value for Money. No. Deliverable 1. Inception Report 2. Papers on project configuration (including shadow design), financial analysis, economic analysis, legal due diligence, PPP options analysis, risk analysis, market sounding, etc. 3. Draft of Feasibility Study Report and Draft Project Financial Model 4. Final Feasibility Study Report, Draft EIA report, and Financial Project Financial Model 5. Draft transaction documents, including RfQ, RfP, draft PPP Agreement, Output Specifications, evaluation criteria, final EIA report, 6. Final transaction documents

2ND NYALI BRIDGE PROJECT

SECTOR

Transport and Infrastructure

COUNTY

Mombasa

INDICATIVE VALUE
KES 29,772,600,000 | US\$ 220,000,000

PHASE
Procurement

CONTRACTING AUTHORITY
Kenya Urban Roads Authority (KURA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by Kenya Urban Roads Authority identified the need to augment the capacity of the existing Nyali Bridge connecting the Momabasa North coast mainland and Mombasa island with the objective of easing congestion and accommodating increasing traffic levels in a safe and sustainable manner, allowing ease of traffic flow and more accessibility for cargo and personal users alike.

DESCRIPTION OF ASSET

KURA intends to procure work and services through entering into a 30 year concession with a private party who will design, build, finance, operate and maintain a greenfield bridge across Tudor Creek connecting Mombasa Island to the North Cost Mainland along with associated access roads.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the Government and would ensure risk allocative efficiency between the public and private sector parties. In addition, the proposed engagement of the private sector party through a performance based PPP contract will result in improved service delivery and efficiency in the implementation of the identified bridge project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Deloitte Consulting Ltd. was engaged in its capacity as a Transaction Advisor to provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor was engaged to take charge in the completion of the initial project appraisal including: preparation of a Feasibility Study report; carrying out a procurement and PPP options analyses and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, including key milestones, deliverable and approval; stages; and conduct a comprehensive economic and financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: preparation of bidding documents (including the EOI, RFQ and RFP documents); and provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial Closure.

MAMLAKA UNDERGRADUATE PPP HOSTEL PROJECT

SECTOR
Education

COUNTY
Nairobi

INDICATIVE VALUE
KES 7,904,625,300 | US\$ 58,410,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
The University of Nairobi (UoN)

PROJECT NEED

This project entails construction of student hostels to accommodate approximately 10,000 undergraduate students both local and international, on an 8.5 acres approximately parcel of land to be excised from the current 14.3 acres bounded by Mamlaka Road, Kivemia Road and Dorobo Road. The University of Nairobi currently has a student population of approximately 84,000 students, spread in its various campuses within Nairobi Metropolitan Area, Kisumu, Mombasa and 13 extra mural centers spread around several counties in Kenya. The university is currently housing 12,370 students within the 11 hostels within Nairobi Metropolitan Area. The current student population at Main campus is 26,488 with only 6,147 being accommodated within the campus. The over 20,000 'un-housed' students seek housing facilities in low-income residential areas and informal settlements in Nairobi City. These accommodations impact negatively on their student life and academic performance. The proposed project- construction of Mamlaka Hostels- will help alleviate this acute housing shortage and its negative impacts.

DESCRIPTION OF ASSET

The key objectives of the project can be stated as follows: a) Provide decent and convenient accommodation for UON students that is: i. Affordable ii. Accessible iii. Secure b) Efficiently develop and utilize University land c) Expand accessibility to University Education d) Improve the University's competitiveness e) Conserve the environment

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project is proposed for delivery as a PPP, which is anticipated to deliver higher Value for Money (VfM) as contrasted to public delivery. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

DEVELOPMENT OF NANYUKI BULK WATER SUPPLY

SECTOR

Water and Sanitation

COUNTY

Laikipia

INDICATIVE VALUE

KES 2,977,260,000 | US\$ 22,000,000

PHASE

Procurement

CONTRACTING AUTHORITY

DBSA

PROJECT NEED

The Nanyuki and surrounding environs are covered by one WSP- Nanyuki Water Services Company (NAWASCO). The existing water supply for Nanyuki town is fed from a treatment plant located near the Mount Kenya Safari Club which draws raw water from the Likii Central River. Based on the existing water source and treatment works, it is estimated that there will be a deficit of 68% with respect to the projected water demands in the year 2020. Thus the need to expand the bulk water system. There is also need for rehabilitation and expansion of the distribution system within Nanyuki Town and its environs.

DESCRIPTION OF ASSET

The project entails building a bulk water supply, expansion of the existing treatment plant, construction of additional storage tanks and expansion and rehabilitation of the water distribution network.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates

risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Ernest & Young and its consortium were appointed as the Consultants on 2nd January 2017 to undertake feasibility assessment for water supply projects in Murang'a and Laikipia Counties. The overall objective of the feasibility study assignment is to assist the County Governments of Murang'a to develop a bankable structure for the rehabilitation and extension of the water distribution network in Murang'a Town/Mukuyu as well as reviewing the clustering options with the proposed Kahurura Dam supply project in Laikipia County. The deliverables are; Inception Report Feasibility study report including PPP implementation plan Feasibility study findings approvals and closeout

ROADS ANNUITY PROGRAMME LOT 6; SELECT ROADS IN 6 COUNTIES; NAROK, BUNGOMA, TRANSNZOIA, KAKAMEGA, BUSIA AND NAROK

SECTOR

Transport and Infrastructure

COUNTY

Bungoma, Busia, Kakamega, Migori, Narok

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), and the Kenya Urban Roads Authority (KURA) being state corporations established under the Kenya Roads Act, 2007 (hereinafter referred to as 'the Authorities') has identified the need to upgrade to paved standards approximately 2,000km of roads. These roads are intended to support the primary growth sectors of Commerce, Tourism, Agriculture and Rural Production, and Extractive Industries.

DESCRIPTION OF ASSET

The scope of work will broadly include upgrading to paved standards of gravel and earth roads and rehabilitation/reconstruction of existing roads including bridges, culverts, road intersections, drains, etc. and the maintenance thereof

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, that allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PwC Nairobi in association with HH&M Advocates (KeNHA, KURA and KeRRA undertook the technical and social environmental aspects of the feasibility study). The Transaction advisor was engaged, in its capacity as a Financial Advisory firm, for the development of the project to structure and ensure that it is bankable and ensures value for money to the Contracting Authority. The TA takes charge in the completion of the initial project appraisal including: Preparation of a Feasibility study report; Carrying out a procurement and PPP options analysis and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, identifying key milestones, deliverables and approval stages; and Conduct a comprehensive Economic and Financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services

include: Preparation of bidding documents (including the EoI, RfQ and RfP documents); and Provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial closure.

KENYA TECHNICAL TEACHERS COLLEGE (KTTC) PPP STUDENT ACCOMMODATION PROJECT

SECTOR
Education

COUNTY
Nairobi

INDICATIVE VALUE
KES 8,187,465,000 | US\$ 60,500,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
The Kenya Technical Trainers College (KTTC)

PROJECT NEED

There were three elements to the needs analysis –the current supply and pricing of hostel accommodation at KTTC; the current and future demand for hostels and associated facilities, and subsequently the prevailing and future accommodation gap at KTTC. The needs analysis further assessed the institution's commitment and capacity to manage and develop a project of this capacity. Over the last five years, from 2011 to 2015, the KTTC student population has risen by 55% from 1,374 to 2,133 students currently. Over the next 15 years, according to the KTTC Administration, the total student population is forecast to grow by an average of 10% per annum. KTTC Administration therefore projects that the number of students will increase from current levels to a total population of 4,572 by the 2023 academic year, and will continue to increase in the future to reach 8,910 students enrolled by 2030. KTTC's current hostel capacity can accommodate a maximum of 512 students. Beyond the accommodation provided by KTTC, the alternative accommodation option for students is provided by private accommodation facilities that are located close to KTTC's campus. Students who fail to get accommodation within the College usually look for accommodation mainly in the Gachie and Ruaka townships, approximately 5 km from the College. Given the urban location of KTTC, KTTC's situation in a prime property area and the fact that there is a high demand for accommodation not only from the College's students, there is limited available accommodation that is affordable to students. As such KTTC is seeking to provide an additional accommodation for 4500 students along with related bulk infrastructure.

DESCRIPTION OF ASSET

Hostel accommodation for 4,500 students, equipped with beds, mattresses, storage wardrobes, study tables and chairs. There are two categories of hostel types requested by KTTC: Shared rooms – hostel rooms accommodating either four or two students in a room. • Single rooms – hostel rooms accommodating a single student, with some single rooms designed as en-suite studio apartments (kitchens and bathrooms included per room). • Hostel blocks to be equipped with the required sanitary fittings. • Common study rooms for students. • Facilities Management offices per block.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Genesis Analytics (Pty) Ltd and Crisil Infrastructure Advisory in association with PKF Consulting Ltd lexicon-ion and MMC Africa Law, Lloyd Masika, Tandem & Stark Kenya. The TA will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due

diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

LAMU-GARISSA-ISIOLO HIGHWAY

SECTOR

Transport and Infrastructure, Privately Initiated Investment Proposals (PIIPs)

COUNTY

Lamu

INDICATIVE VALUE

KES 92,533,240,800 | US\$ 683,760,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government commenced construction of the first 3 berths of the Lamu Port in 2014, through an EPC contract between KPA and China's CCCC. The completion of these berths is slated for mid-2018. To ensure the Port is capable of becoming fully operational upon completion, it is critically important that the road system between Lamu and Isiolo is delivered. This road comprises an important piece of feeder and offtake system for the port.

DESCRIPTION OF ASSET

The purpose of the road is twofold: • to open up Kenya's largely underdeveloped northern regions and • to reduce the dependence of the Port of Mombasa. The roads would be as follows: Lamu to Garissa (250 kms), Surfaced two lane highway with single toll plaza. Garissa to Isiolo (280 kms), Surfaced two lane highway with single toll plaza.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation

UNSOLICITED PROJECT - RATIONALE

The project was admitted as a PIIP under section 61(1)(a) of the PPP Act, which provides – urgent need for continuity. The development of the 3 berths is set to be completed by June 2018, and there is therefore an urgent need to ensure that once complete, an operator is on board, who can fully equip the port and ensure it is running adequately.

MOMBASA PETROLEUM TRADING HUB

SECTOR

Transport and Infrastructure

COUNTY

Isiolo, Lamu, Marsabit

INDICATIVE VALUE

KES 148,863,000,000 | US\$ 1,100,000,000

PHASE

Procurement

CONTRACTING AUTHORITY

Ministry of Energy

PROJECT NEED

The Government of the Republic of Kenya through the State Department of Petroleum identified the need to look into the potential development of a Petroleum trading hub in Lamu in order to supply oil and refined products into the hinterland given the fact that Kenya is likely to remain an importer of petroleum products for the foreseeable future.

DESCRIPTION OF ASSET

The State Department of Petroleum, Ministry of Energy and Petroleum (MoEP), through the National Treasury's Public Private Partnerships (PPP) Unit invited IFC to provide transaction advisory services for the development of a Petroleum Trading Hub at Lamu Port over a give concession period with some of the following key features: □ An offshore oil jetty. □ Tank Farm. □ Refine products pipeline from Lamu and potentially onward to Moyale and Ethiopia.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a potential PPP because it was believed that it could potentially generate value for money to the Government and would ensure risk allocative efficiency between the public and private sector parties. In addition, the proposed engagement of the private sector party through a performance based PPP contract is deemed to be likely to result in improved service delivery and efficiency in the development, operations and maintenance of the proposed petroleum trading hub.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Name: IFC Deliverables: To assist in the formulation of the services to be offered to the MoEP, IFC carried out a pre-mandate assessment of the existing studies, reports and documents to identify gaps and prepare the scope for a full advisory mandate. The pre-mandate assessment included the following key activities: (a) review of reports and documents the MoEP, Kenya Pipeline Company (KPC) and other stakeholders have on the proposed project and identify gaps that further studies should address. (b) high level commercial viability of the project based on the information available indicated in point (a) and limited due diligence. (c) collect information on similar IFC projects, if any; and, (d) draft terms of reference for full PPP due diligence.

NATIONAL CANCER MANAGEMENT CENTRES

SECTOR

Health

COUNTY

Nairobi

INDICATIVE VALUE

KES 2,724,192,900 | US\$ 20,130,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY
Ministry of Health (MoH)

PROJECT NEED

In 2013, the Ministry initiated the idea of establishment and expansion of radiotherapy and nuclear medicine services and renal dialysis centers in Kenya. The aim of the project was to enhance accessibility of radiotherapy and nuclear medicine across the country. This was to be achieved through consolidation of the existing Radiotherapy and Nuclear Medicine facilities at KNH, and establish similar facilities in Kisumu and Mombasa cities for management of cancer patients and other non-cancerous diseases. The Ministry of Health envisages entering into a long-term contractual agreement with private parties for at least 20 years. Once the projects are up and running it is expected that most of the patients with cancers will have easy access to cancer treatment and management. Under this project the Ministry plans to establish three new cancer management centers (Coastal, Western and Central Region) This project intends to enhance accessibility of radiotherapy and nuclear medicine across the country.

DESCRIPTION OF ASSET

Broadly, the project in the three new sites will have three components; i. Infrastructure development including the installation and operationalization of diagnostic equipment such as CT scanners and fluoroscopy equipment diagnosis and management; ii. Infrastructure development for cancer treatment through radiotherapy, and brachytherapy. This will include installation of Linear Accelerator (LINAC) machines and other mechanisms to support administration of brachytherapy; iii. Establishment of systems for administering chemotherapy and other support systems to legible patients. iv. Long-term capacity building of the human resources to enhance local skills and competencies in cancer management and to address the current shortage of specialists in this field. The capacities of the project will be determined after comprehensive feasibility study.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

The International Finance Corporation (IFC) The Consultant to be engaged will prepare a feasibility study consistent with the PPP Act (2013) to a standard that will enable the Contracting Authority (CA) to establish both the project feasibility and its optimal technical and operational configuration, as well as the optimum method of procurement, taking into account commercial attractiveness, bankability, affordability and Value for Money. No. Deliverable 1. Inception Report 2. Papers on project configuration (including shadow design), financial analysis, economic analysis, legal due diligence, PPP options analysis, risk analysis, market sounding, etc. 3. Draft of Feasibility Study Report and Draft Project Financial Model 4. Final Feasibility Study Report, Draft EIA report, and Financial Project Financial Model 5. Draft transaction documents, including RfQ, RfP, draft PPP Agreement, Output Specifications, evaluation criteria, final EIA report, 6. Final transaction documents

KSG EMBU PPP HOSTEL CONFERENCE COMPLEX PROJECT

SECTOR
Education

COUNTY
Embu

INDICATIVE VALUE
KES 1,979,877,900 | US\$ 14,630,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
The Kenya School of Government (KSG)

PROJECT NEED

The proposed project entails construction of a 400 room modern self-contained hostel to address the increased demand for the use of the facilities available in KSG Embu. Further the proposed facility will also entail top class conference facilities, shopping malls, banks, cyber cafes and a gymnasium. The KSG Embu is severely limited in terms of physical infrastructure. Although a five storey ultra-modern Administration block is nearing completion, other physical facilities such as student hostels are inadequate. The expanding role of KSG Embu as a premier training school for the public service has heightened with the implementation of the devolved governance structure. There is mounting demand for KSG Embu to design and implement new training programmes, undertake research and consultancy work and to host conferences and seminars for the new counties in the Eastern Region of Kenya and indeed all other counties in Kenya. The demand for middle level and top-level management courses that the school offers has greatly increased. There is therefore an urgent need to upgrade and expand existing facilities to meet this growing demand.

DESCRIPTION OF ASSET

The proposed facility is a modern 400 room self-contained hostel suitable for the cadre of personnel who are increasingly demanding to use the facilities available at KSG Embu. The proposed hostel, apart from the 400 rooms will have top class conference facilities and high quality auxiliary services such a shopping mall, banks, cyber cafes and a gymnasium.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The KSG Embu is interested in attracting a strategic partner who will be interested in financing part of the proposed project, in order to supplement the contributions from the government and the institution. In this regard, the institution is requesting the Treasury to consider the inclusion of the proposed project under the PPP framework.

POSTGRADUATE AND INTERNATIONAL STUDENT HOSTELS ON HARRY THUKU ROAD, UNIVERSITY OF NAIROBI

SECTOR
Education

COUNTY
Nairobi

INDICATIVE VALUE
KES 9,169,960,800 | US\$ 67,760,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
The University of Nairobi (UoN)

PROJECT NEED

Of the total student population, University of Nairobi currently provides accommodation for some students in 11 hostels within Nairobi Metropolitan Area. The remaining students find housing elsewhere in Nairobi, which is not ideal. Most off-campus accommodation caters to working individuals and families and provides few opportunities for students to share knowledge and to develop connections with peers. Off-campus housing has other drawbacks as well: it is often too expensive for government-sponsored students and is often located in unsafe or far-away areas, or in informal settlements. Clearly, UoN needs more on-campus residences to close the existing gap between the demand for housing and the available hostel spaces, especially as it expects its enrollment to grow by 37 percent over the next 3 years. However, UoN cannot finance the housing expansion with its own resources. The University of Nairobi (UoN) intends to procure a private entity to construct hostels to accommodate approximately 3,000 postgraduate students, 1,500 international students, and 500 visiting scholars under a PPP arrangement. The HTRH Project is a part of the UoN Strategic Plan 2013-2018, UoN Master Plan, and aligns with the broader national development plan, Kenya Vision 2030.

DESCRIPTION OF ASSET

University of Nairobi intends to construct and operate student accommodations that: □ Provide affordable, accessible, and secure on-campus housing for 5,000 international students and visiting scholars □ Create an environment that encourages and fosters academic studies and growth, in part, by creating opportunities for knowledge spillovers and socializing □ Provide sufficient number of beds to offset the pressing demand in the short- to medium-term.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Engaging a private entity will help the Kenyan Government, and UoN specifically, achieve value for money. The private investor can bring funding, which would be unavailable otherwise, and complete construction of the proposed hostels faster. Under a PPP arrangement, UoN can transfer risks to the private entity and incentivize on-time and on-budget project implementation. Another advantage of PPP procurement stems from the private investor operating the Harry Thuku Road hostels and providing services more efficiently than UoN could. Table 3.1 presents an overview of how the HTRH Project may create value for money by procuring it as a PPP. Table 3.1: Assessment of the HTRH Project's Value for Money Driver of Value for Money Project Characteristic

1. Efficient risk allocation-The PPP arrangement allows for efficient allocation of risk and responsibilities between UoN and the private investor. Under this arrangement, UoN will transfer design, construction, finance, operations, and maintenance risks to the private sector who has the experience managing these risks.
2. Attractive to private investors-The Project has revenue generating potential, which could attract private investors. As experience of Kenyatta University shows, foreign investors are interested in student housing PPPs in Kenya.
3. Suitable for procurement and operations under a long-term contract-The services offered will not change substantially during the contract term, which suggests that the HTRH Project is well suited for management under a long-term contract.
4. Generates enough revenue to cover costs-According to a preliminary projection, the Harry Thuku Road hostels will be in high demand among UoN students, especially at the rents assumed during UoN's initial market sounding.
5. Economic justification -A preliminary economic analysis suggests that the economic benefits of the HTRH Project outweigh its economic costs.
6. Likelihood of having lower whole life costs-Because UoN expects an investor to regularly service and maintain the Harry Thuku Road hostels, the HTRH Project may result in lower costs over the project life cycle.

PWANI UNIVERSITY PPP HOSTEL PROJECT

SECTOR

Education

COUNTY

Kilifi

INDICATIVE VALUE

KES 5,716,339,200 | US\$ 42,240,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Pwani University

PROJECT NEED

The number of students enrolled at PU is projected to increase by more than 140 percent between 2016 and 2019, growing from 6,000 to more than 14,500. PU expects to further add 5,100 students by 2024, surpassing 19,500 students. The available capacity of 868 beds on campus is well below what students demand. The addition of 5,100 beds, while critical to respond to the housing shortage, will allow PU to offer housing to just over 40 percent of students enrolled by 2019. With limited off-campus housing, PU anticipates that the supply of housing will continue to fall short of student demand, even with the Project's success. The Project consists of the construction of two hostels to accommodate 5,100 undergraduate and postgraduate students. The transaction advisor (TA) will evaluate demand further and determine how the facilities might adapt to additional growth in the student population. The TA will also consider the elasticity of demand for on-campus housing among students to set tariffs at an optimal level.

DESCRIPTION OF ASSET

The Project consists of the construction of two hostels to accommodate 5,100 undergraduate and postgraduate students. Given PU's objectives, the likely PPP modality is the design, build, finance, operate, maintain, and transfer (DBFOMT). Under this structure, the private sector will: □ Finance the design, construction, operation and maintenance of the proposed facilities □ Build and commission the proposed facilities within 2 years □ Furnish the hostels □ Operate and maintain the buildings for 25 years □ Handover the facilities to PU upon contract's termination. PU will retain responsibility for providing unencumbered land for the hostels and will collect room rents from the students to pay the investor.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Engaging a private investor will help the Kenyan Government, and PU specifically, achieve value for money. The private investor can bring funding, which would be unavailable otherwise, and complete construction of the proposed hostels faster. Under a PPP arrangement, PU can transfer risks to a private investor that has the experience to manage them and incentivize on-time and on-budget project implementation. Another advantage of PPP procurement stems from the private investor operating the student hostels and providing services more efficiently than PU could.

MACHAKOS UNIVERSITY PPP HOSTEL PROJECT

SECTOR

Education

COUNTY

Machakos

INDICATIVE VALUE

KES 8,931,780,000 | US\$ 66,000,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Machakos University College Projects

PROJECT NEED

Ever since the upgrading of the university, the student population has increased from 1500 to more than 7000. Out of these student population, the University college is only able to accommodate only 500 with the rest staying in private hostels which are not only limited but also do not provide a conducive environment for study and are located far away from the University College. The student population is expected to reach 15000 in the next five years. This project will therefore provide the most needed accommodation for the students.

DESCRIPTION OF ASSET

The project involves construction, operation and maintenance of a student Hostel Complex within the University. It is proposed that the complex should cater for undergraduate and postgraduate students.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

JKUAT PPP HOSTEL PROJECT

SECTOR

Education

COUNTY

Kiambu

INDICATIVE VALUE
KES 3,691,802,400 | US\$ 27,280,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Jomo Kenyatta University of Agriculture and Technology

PROJECT NEED

The Jomo Kenyatta University of Agriculture and Technology is desirous to accommodate a higher number of students to improve their wellbeing and provide them with a more conducive learning environment. Living on campus provides students easy access to numerous campus resources such as faculty and academic advisors, libraries, computer labs, dining halls, easy access to the health center, recreational facilities, and ability to engage with other students in various activities e.g. study groups, social events etc. In addition, this provides a secure environment. The university emphasizes on Science, Technology, Engineering and Mathematics (STEM) discipline. These disciplines require long working hours into the night of students in labs, studios and libraries. Such students definitely require accommodation within campus. Also a number of students who seek admission into the JKUAT programmes come from the various rural parts of the country and some from marginalized areas with disadvantaged/needy backgrounds. As the university grows, such a category of students also continues to grow and therefore provision of accommodation for them is a great necessity. Currently, there are approximately 28,000 students at JKUAT Main Campus. Of these, only 2,800 students are accommodated within the University with the rest being accommodated in the privately owned hostels located outside the University. JKUAT's strategic plan projects annual student population growth of 12%. With the increasing number of students enrollment and the projected student growth, it is expected the student population to reach 50,000 by 2030. It is therefore necessary to expand accommodation facilities in tandem with the growth in student population.

DESCRIPTION OF ASSET

The project involves construction, operation and maintenance of a student Hostel Complex within the University. It is proposed that the complex should cater for undergraduate and postgraduate students as well as visiting faculty.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

UNIVERSITY OF ELDORET PPP HOSTEL PROJECTS

SECTOR
Education

COUNTY
Uasin Gishu

INDICATIVE VALUE
KES 1,767,003,810 | US\$ 13,057,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
The University of Eldoret

PROJECT NEED

The University of Eldoret is committed to increasing access to quality higher education. To this end, the university strives to provide its students with welfare services that will facilitate academic excellence and a wholesome learning experience for the holistic development of students. Currently, the University of Eldoret has 16 hostel blocks built in the 1970's to accommodate 600 students when it was a teachers college. These hostels currently house 2,649 (Male 1,181 and Female 1,468) students out of an enrolment of over 15,000. This has been achieved by increasing the room occupancy from 2 students to 4-6 per room. This increment has denied students opportunity for private space and conducive environment for evening studies. The available accommodation space represents less than 20% of the enrolled student population, implying that over 80% of the students stay off-campus. The University has also rented 11 hostels outside the campus, which accommodate 1,992 students (Male 1,764 and Female 228). The rest of the students seek accommodation privately in the nearby villages. The University has no special accommodation for post graduate and in-service students. Further, the University has international linkages that attract international students to the institution for study and research but there are no facilities to cater for such students and scholars. As such the University proposes to develop 15,000 bed spaces through the PPP framework.

DESCRIPTION OF ASSET

The University proposes to develop hostels to cater for accommodation needs for three categories of students, i.e. undergraduate, post-graduate and international. A fourth category considered is visiting faculty and researchers, who require convenient short term, mostly fully furnished accommodation. Each of these categories has both inter and intra special needs. For example undergraduate students can be discriminated mainly by their financial capabilities while postgraduate students can either require single or married quarters. International students, in most situations require residence for continuous fixed terms and usually with self-catering facilities. The proposed hostels will support the university deliver its core mandate of providing quality education as a means of helping the country attain its vision of becoming an industrialized economy by 2030, through the provision of a conducive learning environment.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project is proposed for delivery as a PPP, which is anticipated to deliver higher Value for Money (VfM) as contrasted to public delivery. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

MASENO UNIVERSITY PPP HOSTEL PROJECT

SECTOR

Education

COUNTY

Busia, Kisumu

INDICATIVE VALUE

KES 200,965,050,000 | US\$ 1,485,000,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Maseno University

PROJECT NEED

Maseno University anchors its strategy on the Kenya Vision 2030., the Nation's road map for accelerating transformation into a rapidly industrializing middle-income nation by the year 2030. The University recognizes as it strives to address its mandate of teaching, research and dissemination of knowledge, that the education and training of all Kenyans is fundamental to the success of the Vision. The University has therefore developed its strategies to provide the skills that will be required to steer Kenyans to the social goals of Vision 2030. The first immediate challenge is how to meet the human resource requirements for a rapidly changing and more diverse economy. The next challenge is to ensure that the education provided meets high quality standards, and that its contents are relevant to the needs of the economy and society. A third challenge lies in improving the overall transition rates from secondary to University levels. The Vision 2030 envisions that through education and training, Kenya will provide globally competitive quality education, training and research to her citizens

for development and enhanced individual well-being. The Universities are the core of this strategy. The development of physical infrastructure within the University is anchored on this background. The University intends to provide accommodation for 10,000 students (both undergraduate and post graduate)

DESCRIPTION OF ASSET

The student village is envisioned to provide a holistic living environment for Maseno students as well as retail services to students, staff and the surrounding community. The Village will provide accommodation and catering services to approximately 10,000 students with integrated recreational facilities including modern a student center that will serve as a social hub for the students. Student hostels would provide adequate studying and lounge areas, in addition to self-laundry facilities. The Village would house a mall containing numerous shops, restaurants, eateries, document services, banks as well as a retail anchor tenant such as Nakumatt, Tusky's, Ukwala or Naivas. The mall would not only serve the entire University community, but the entire surrounding community who currently must travel all the way to Kisumu or Busia to obtain the desired services. The mall would strategically front the Kisumu-Busia Road, where the University has adequate land, thereby providing easy access as well as adequate parking.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project is proposed for delivery as a PPP which is anticipated to deliver higher Value for Money (VfM) as contrasted to public delivery. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

EGERTON UNIVERSITY PPP ACCOMMODATION PROJECT

SECTOR

Education

COUNTY

Nakuru

INDICATIVE VALUE

KES 8,931,780,000 | US\$ 66,000,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Egerton University

PROJECT NEED

There is an increased need for higher education in Kenya. Egerton provides such quality Education to both local and regional students. It has also international linkages that attract international students to the institution for study and research. It is therefore necessary to pay attention to the needs of the growing number of students especially for accommodation facilities to meet their high demand. Egerton University has a student population of 16,000 students. Out of these over 12,000 are at Njoro Campus. It is expected that by the year 2016, the University will have over 16,000 students at the Njoro Campus alone. At the moment, the University has a student accommodation capacity of 7,800. The current expansion of student hostels will house an additional 1600 extra students. At the moment, over 4,000 students reside outside the University and the number is expected to rise to over 7,000 when the University achieves its projection of 16,000 by 2020. Even beyond the 2020 target, the numbers will still grow in future, thus, demanding more accommodation facilities than envisioned in this report. The current accommodation facilities provided by the local community cannot meet the demand for quality and favorable accommodation for student living and scholarly work.

DESCRIPTION OF ASSET

The project will involve: • Provision of housing facilities for Under-Graduate Students to accommodate of 5,120 students. • Provision of housing facilities for Post-Graduate students to accommodate 1,000 students. Undergraduate Hostel: The newly proposed 4-storied Undergraduate Hostel will hold a total of 20 No. blocks with carrying capacity of 16 units per floor, each unit taking four (4) students having, two double decker beds, 4-spaces for reading and two wardrobes with compartments and a shared balcony. Each floor will also incorporate washrooms comprising of 8-Toilets on one side and 8-showers opposite the main corridor. There

will also be a common fully set ironing corner and two staircases on both sides of the block. The total number of students per block is 256. The undergraduate hostels will accommodate a total number of 5,120 students, both female and male. The hostels will feature all modern accommodation facilities/amenities and be constructed to be energy efficient.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Genesis Analytics (Pty) Ltd and Crisil Infrastructure Advisory in association with PKF Consulting Ltd lexicon-ion and MMC Africa Law, Lloyd Masika, Tandem & Stark Kenya. The TA will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

MENENGAI 35MW GEOTHERMAL ENERGY PROJECT (QUANTUM)

SECTOR

Energy and Petroleum

COUNTY

Nakuru

VALUE

KES 11,782,506,450 | US\$ 87,065,000

PHASE

Post-procurement

CONTRACTING AUTHORITY

Geothermal Development Company (GDC)

PROJECT NEED

Energy infrastructure is a vital input to socio-economic development, which contributes to the pace of economic growth in any country. Kenya has identified the energy sector as a key enabler for achieving its national development blueprint, "Vision 2030." Vision 2030 calls for the energy sector to provide affordable, sustainable, and reliable electricity supply to stimulate high and sustained economic growth, in turn leading to higher incomes, increased employment, and reduced poverty for the country. To achieve the goals in Vision 2030, Kenya plans to increase electricity access from 55% today, to 100% by 2020. Additional generation capacity will be an important part of delivering universal access with high reliability. The project is expected to be a cost-effective and environmentally sound option for meeting Kenya's energy needs and utilizing Kenya's substantial endowment of geothermal resources.

DESCRIPTION OF ASSET

The project involves the design finance, construction installation, operation and maintenance of a 35 MW modular geothermal power plant on a Build own operate basis.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Utilizing the private sector capability in the delivery of such public infrastructure will result in the achievement and maintenance of a balanced risk return structure, thereby providing effective services. As the private sector is known to possess good mobility, this will offer cost savings to the projects aspects such as planning, design, construction and eventually the operation. The private sector participation in the provision of this infrastructure will relieve the government of the need to budget up front to develop this infrastructure

140MW GEOTHERMAL PPP PROJECT AT OLKARIA

SECTOR

Energy and Petroleum

COUNTY

Nakuru

INDICATIVE VALUE

KES 94,870,389,900 | US\$ 701,030,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya Electricity Generating Company (KenGen)

LAST UPDATE

12-06-2018 07:15:25

PROJECT NEED

Energy infrastructure is a vital input to socio-economic development, which contributes to the pace of economic growth in any country. Kenya has identified the energy sector as a key enabler for achieving its national development blueprint, "Vision 2030." Vision 2030 calls for the energy sector to provide affordable, sustainable, and reliable electricity supply to stimulate high and sustained economic growth, in turn leading to higher incomes, increased employment, and reduced poverty for the country. To achieve the goals in Vision 2030, Kenya plans to increase electricity access from 55% today, to 100% by 2020. Additional generation capacity will be an important part of delivering universal access with high reliability. TO meet these objectives, KenGen proposes to develop a new 140 MW geothermal power plant at Olkaria ("Olkaria VI") in order to meet future electricity demand growth and support the expansion of electricity access in Kenya. The Olkaria VI project is expected to be a cost-effective and environmentally sound option for meeting Kenya's energy needs and utilizing Kenya's substantial endowment of geothermal resources.

DESCRIPTION OF ASSET

The objective of the Olkaria VI project is to develop a new geothermal power plant in the greater Olkaria resource area which will generate firm capacity and electricity to help meet Kenya's future energy needs. To prepare and implement the proposed Olkaria VI PPP project, the National Treasury and KenGen sought a team of qualified, expert consultants to act as Transaction Advisor to assist with preparing and implementing the project from feasibility study and project structuring through a competitive tender process to financial close. The Transaction Advisor would provide all technical, legal, financial, social, and environmental expertise required for the successful completion of the project.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such a Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well

can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

K&M Advisors in association with AECOM, Pierce Atwood LLP, ACMIRS Consulting.

DEVELOPMENT OF THE SHIMONI PORT

SECTOR

Transport and Infrastructure

COUNTY

Kilifi

INDICATIVE VALUE

KES 2,799,334,756 | US\$ 20,685,249

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Ports Authority (KPA)

PROJECT NEED

Shimoni is best positioned for port development due to its good nautical access. It's been selected to become one of the two large (semi) industrial fishing ports in the coastal region. Development of the Port has been a National Priority as stated in Kenya's Vision 2030 and is also in line with the National Transport Sector Policy, Kenya's constitution and KPA's Strategic Plan. The project provides an avenue through which KPA can contribute to the development of the rural communities, create employment and entrepreneurial opportunities, as well as improve living standards of all citizens. The project will also open up Shimoni's economic potential by attracting more coastal trade and improve fishing industry, as more cold storage facilities shall be availed. The improvement in infrastructure will enhance port capacity to handle larger ships more efficiently thereby reducing the cost of doing business and leading to a trickledown effect on the local economy. The project will also improve Kenya's competitiveness as a maritime and logistics hub while creating additional capacity and options for handling the growing demand in cargo arrivals at the Port of Mombasa.

DESCRIPTION OF ASSET

It is expected that; in the Southern area of Kenya, a market for offshore semi-industrial fishing can be unlocked to compliment the artisanal fishing industry. Five potential roles have been identified for the small ports along the Kenyan coast: Local fish port; Offshore fish port; Tourism trips; Marina, and Coastal trade

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

KPA will consider a Concession Arrangement. A Concession contract is preferable to a Lease Contract. Such concession agreements provide for the concessionaire to construct, rehabilitate and maintain port infrastructure and provide port operation services for a fixed number of years. The concessionaire is expected to pay an annual fee to the government the right to use the port infrastructure and provide the port service. The Authority believes that the development of Shimoni Port is viable and will ensure investment returns to the Authority.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Maritime & Transport Business Solutions (MTBS) of the Netherlands The Transaction advisor was engaged for the development of the project to structure and ensure that the project is bankable and ensures value for money to the Contracting Authority. The services shall include: Pre-feasibility studies; Project feasibility studies, including assessing PPP options, environmental, and social and gender safeguards considerations, financial analysis and modeling, and project structuring; Preparation of bidding documents and draft contracts; and Provision of support during the bidding process until financial close.

THE IMPLEMENTATION OF A MULTI LEVEL TERMINUS AT THE KENYA FERRY SERVICES LIMITED (LIKONI-ISLAND SIDE)

SECTOR

Transport and Infrastructure

COUNTY

Mombasa

INDICATIVE VALUE

KES 833,632,800 | US\$ 6,160,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Ferry Services Limited (KFSL)

PROJECT NEED

Kenya Ferry Services Ltd currently offers the link between Mombasa island and the south coast region and further on to Tanzania and anticipates extending the services to other parts of the coast as well as inland waters as part of its corporate strategy. Key to the mandate of the company is safe ferrying of persons and goods. The service has seen an upward surge of ferry users with over 83 million passengers and 2 million vehicular traffic crossing each year at the two channels; Likoni and Mtongwe. A great proportion of these commuters use the public vehicle services which terminate at the KFS. Due to lack of proper infrastructure to accommodate the huge inflow and out flow of people, there is uncontrollable crowd the informal matatu terminus with lot of risks and dangers associated with overcrowding including insecurity and safety issues. The KFS owns the pieces of land on the island side of the channel and wishes to seek an eligible partner in the design, construction and implementation on a PPP basis, a modern terminus to facilitate smooth flow of traffic from all regions of the country and across the channel to and from the Mainland South and Mombasa Island. The ferry service at Likoni channel operates between the Mainland south side and the Mombasa Island side. The proposed land for development is on the Mombasa Island side. The current infrastructure cannot accommodate the huge number of pedestrians. The business enterprises carried out at the proposed site are totally informal. There are no social amenities and other facilities and this is a major commercial vacuum at the ferry are causing an uprising in the informal business hence loss of revenues for the company as well as insecurity and safety risk for ferry users

DESCRIPTION OF ASSET

The objective of the project is to 1. Streamline the traffic flow of both pedestrians and vehicles from the island to the mainland and beyond 2. Increase and broaden revenue so as to enhance the company's sustainability and further improvement (expansion) to cope with the increasing demand 3. Accommodate the ever increasing pedestrian flow, ease congestion and provide sanitation and other services 4. Organized running of business enterprises and eliminate congestion at the PSV park The project will contain: Proper infrastructure for vetting and directing of ferry pedestrian users Parking bay for heavy commercial vehicles and other vehicles Public services vehicle terminus A shopping complex comprising of a supermarket hall, fuel station, banking halls, restaurant and bar, cinema hall, offices, local market area, franchise shops e.g bata, management office for the property manager.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Based on the analysis of the available data and the current economic trends especially in retail business in Mombasa, the project is a viable and will generate substantial revenue for the KFS and the developer/investor, as well as making the ferry crossing organized, safe and secure. The development of the proposed project is on a Build Operate Transfer basis (BOT)

NAIROBI COMMUTER RAIL PROJECT

SECTOR

Transport and Infrastructure

COUNTY

Nairobi

INDICATIVE VALUE

KES 47,933,886,000 | US\$ 354,200,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Railways Corporation (KRC)

PROJECT NEED

Commuter rail services were introduced in the city of Nairobi in May 1992, in response to a series of matatu strikes, which crippled commuter transport services in the city. Effective November 1, 2006, Kenya Railways conceded railway operations to a consortium of private sector investors (Rift Valley Railways (K) Ltd.) Notwithstanding the assumption of operations by the private sector, commuter rail service levels have deteriorated significantly, with dilapidated coaches pulled by superannuated locomotives that are often pulled off local service in favor of long distance freight. The existing track and signaling system also limit the frequency of service; currently four routes are run, each with one train in the morning and one in the evening. The project seeks to establish a commercially viable commuter rail service capable of serving a maximum number of passengers safely, reliably and with affordable tariffs. The project is set to contribute to a sizable reduction of traffic congestion within and around Nairobi that will have considerable positive effects on productivity. Additionally, the Project will employ over 500 people during the operational phase, and is expected to lead to the indirect employment of over 2,000 people. The Project will also have a positive impact on air quality through its reduction of traffic flow and congestion.

DESCRIPTION OF ASSET

The project entails the rehabilitation of existing 100km railway line, and doubling of sections and support infrastructure. Additional services include: Rehabilitation of 4 existing stations and construction of 13 new stations, including a new station at JKIA; Construction of 5-7 Km of new track from Nairobi Central Station to JKIA; Construction of new tracks, depots, bridges and other facilities throughout the rail network; Introduction, operation and maintenance of new, modern purpose built rolling stock (locomotives and coaches); and Commissioning of a new signaling system.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation and improved service provision.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

InfraCo Ltd ("InfraCo") The Transaction Advisor was engaged to develop, on a private commercial basis, a commuter rail network to serve the residents of Nairobi and its immediate suburbs (the "Commuter Rail Service"). The services shall include: Pre-feasibility studies; Project feasibility studies, including assessing PPP options, environmental, and social and gender safeguards considerations, financial analysis and modeling, and project structuring; Preparation of bidding documents and draft contracts; and Provision of support during the bidding process until financial close.

MOMBASA SOLID WASTE MANAGEMENT

SECTOR

Water and Sanitation

COUNTY
Mombasa

INDICATIVE VALUE
KES 8,261,896,500 | US\$ 61,050,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Mombasa County Government

PROJECT NEED

One of the County's major goals is achievement of sustainable development without degrading the natural environment which the population depends on. Proper disposal of solid waste impacts the health and safety of people, negative visual effect and environmental sustainability. This project's main objective is to address the challenges of solid waste by developing an integrated solid waste management system. A solid waste management plan integrating the complementarity between landfill and cement kiln recovery will favor the attainment of environmental and social goals and is in line with mission of Lafarge of Building

DESCRIPTION OF ASSET

i. Engineering and operations component Engineering component comprises of; processing plant, existing and future process buildings, infrastructures and access ways, process control and automation, all auxiliary plant facilities, civil works and equipment erection. These shall include operations and maintenance. Bamburi Cement proposes that they handle the Engineering construction and operation component of the partnership. ii. Collection and coordination component Collection and coordination component comprises of; all collection systems management and delivery of solid waste to designated sites and coordination of the partnership.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

After considering the current solid waste management situation in Mombasa, it is necessary for public private partnership (PPP) strategy to be adopted. The strategy should encompass the following elements; i. Collection and transportation management ii. Recovery / recycling and landfilling / final disposal iii. Community involvement in the solid waste management cycle iv. Financing of the solid waste management strategy The TA recommends that there be two separate public private partnership arrangements to handle; a. Collection and transportation and b. Recovery / recycling and landfilling / final disposal

UNIVERSITY TEACHING AND REFERRAL HOSPITAL, PWANI UNIVERSITY

SECTOR
Health

COUNTY
Mombasa

INDICATIVE VALUE
KES 35,146,554,300 | US\$ 259,710,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Pwani University

PROJECT NEED

Pwani University (PU) intends to procure a private investor to design, build, finance, operate, maintain, and transfer a 2,000-bed Pwani University Teaching and Referral Hospital (PUTRH) under a PPP arrangement (the

Project). The Project will respond to current challenges in health service delivery in the coastal region, and healthcare worker training across Kenya.

DESCRIPTION OF ASSET

□ Provide competitive quality medical education, clinical research, clinical services, and training for healthcare professionals □ Become a leading international institution in the fight against infectious, debilitating, and disabling diseases □ Providing a combination of practical training and healthcare delivery to reduce the burden of sickness and mortality in Kenya □ Deliver effective interventions to improve health conditions in the poorest communities □ Foster health tourism □ Provide facilities for education and training in medicine, pharmacy, dentistry, nursing, and other health professions.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Engaging a private entity will help the Kenyan Government and PU, achieve value for money. The private investor can bring funding, which would be unavailable otherwise, and complete construction of the proposed Cancer Care Center faster. Under a PPP arrangement PU can transfer risks to the private entity best placed to manage them, and incentivize on-time and on-budget project implementation. Another advantage of PPP procurement stems from the private investor operating the Project and providing services more efficiently than PU. Table 1.1 presents an overview of how the Project may create value for money by procuring it as a PPP. Table 1.1: Assessment of the Project's Value for Money Driver of Value for Money How the Project Demonstrates Characteristics Required to Achieve Value for Money 1. Efficient risk allocation -The PPP arrangement allows for efficient allocation of risk and responsibilities between PU and the private investor. Under this arrangement, PU will transfer building, operations, maintenance, and financing risks to the private sector. PU will bear demand risk for the Project. 2. Attractive to private investor-The Project has revenue generating potential, which could attract private investors Several CAs in Kenya have received unsolicited proposals for healthcare PPPs 3. Suitable for procurement and operations under a long-term contract A long-term contract is essential to ensure that private investor can recover its investment and earn a reasonable return on capital. Further, the general objectives of the Project are unlikely to change dramatically over time allowing for a long-term concession. 4. Generates enough revenue to cover costs-According to a preliminary projection, the Project will be in high demand among Kenyans. With NHIF, it is also likely that most Kenyans will be able to afford the Project's services. 5. Economic justification -The Project will benefit PU students and citizens in the region. The Project will also improve the total service delivery of Kenya's referral hospitals, which could create secondary benefits across Kenya. 6. Likelihood of having lower whole life costs-Attracting a private investor may lower the whole life costs of the Project compared to public procurement.

SOUTH EASTERN KENYA UNIVERSITY (SEKU) PPP HOSTEL PROJECT

SECTOR

Education

COUNTY

Kitui

INDICATIVE VALUE

KES 5,671,680,300 | US\$ 41,910,000

PHASE

Procurement

CONTRACTING AUTHORITY

South Eastern Kenya University (SEKU)

PROJECT NEED

South Eastern Kenya University (SEKU) has a great need to accommodate 7000 undergraduate students and 1000 post-graduate students. Currently SEKU is only able to accommodate 36% of its undergraduate students. This percentage is far below the expected capacity. Provision of quality accommodation will provide students with a conducive learning environment and encourage more enrollment at the university, which has a great positive impact in the country. The accommodation shortage in SEKU is made worse by the fact that the university is located in a largely rural setting and 13 kilometers from the main road meaning there is hardly any private accommodation within reasonable distances from the university. The University thus seeks to develop

accommodation for 5400 students (4500 undergraduate and 900 post graduate students) including related bulk infrastructure.

DESCRIPTION OF ASSET

The project involves construction, operation and maintenance of a student Hostel Complex within the University. It is proposed that the complex should cater for undergraduate and postgraduate students.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A feasibility study, which involved assessing the most feasible site as well as appraising the project's technical, financial, legal, financial and environmental aspects, has been carried out. The feasibility study has found out that delivery of this project as a PPP provides the best Value for Money (VfM) to the University as contrasted to a publicly delivered project. This will result from private sector innovation in developing the facilities as well as efficiencies in operating and maintaining the hostels.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Genesis Analytics (Pty) Ltd and Crisil Infrastructure Advisory in association with PKF Consulting Ltd lexicon-ion and MMC Africa Law, Lloyd Masika, Tandem & Stark Kenya . The TA will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

NAIROBI BULK WATER SUPPLY PROJECT

SECTOR

Water and Sanitation

COUNTY

Nairobi

INDICATIVE VALUE

KES 34,833,942,000 | US\$ 257,400,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Athi Water Services Board (AWSB)

PROJECT NEED

The population growth rate in Nairobi is projected to be 3–4 percent over the coming decades, and water demand is set to more than double by 2035 (to over 1,300,000 cubic meters per day). Therefore, it is imperative that preparations be in place for the development of further additional water resources in the coming years. The water supply and sanitation infrastructures investments in the City of Nairobi have been neglected for a long time despite substantial population growth. This projects aims to support further improvements and the gains so far made in delivery of water and sanitation services in the Nairobi County and to scale up the impact of the ongoing projects with support by various development partners.

DESCRIPTION OF ASSET

The Nairobi Bulk Water Supply involves construction of Maragua Dam at the confluence of Irati and Gikigie Rivers in the Aberdare Catchment Area. The capacity of the dam will be 30Million Cubic Meters. A DN 1,000 raw water gravity pipeline will be constructed from the dam to Ndunyu Chege area a distance of 24Km where a water treatment works will be constructed. The water treatment plant will have a capacity to treat 140,000 cubic meters of water per day. In order to increase on the storage security of Thika Dam, a tunnel will

be constructed from South Mathioya River to transfer 0.64 cubic meters per second to Thika dam. The tunnel will be 3.36Km long and 3m wide. The additional water at Thika dam will then be delivered to Ndunyu Chege Treatment Works a distance of 7.5Km through a DN 600 pipeline. The pipeline from Thika Dam to Ndunyu Chege will transmit 0.6 cubic meters per second thereby ensuring Ndunyu Chege receives and treats about 1.62 and treats 1.53m³/s (132,000 cubic meters per day). The treated water will then be delivered to Nairobi through a DN 1,000 pipeline to Kabete water treatment works a distance of 41Km. The implementation period for the 5th Nairobi Water Supply is 2016 – 2020 and will meet the City demand for year 2026.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project

NANDI FOREST MULTIPURPOSE DAM

SECTOR

Water and Sanitation

COUNTY

Busia, Siaya

INDICATIVE VALUE

KES 418,305,030 | US\$ 3,091,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Lake Basin Development Authority

PROJECT NEED

The background of the Nandi Forest Multipurpose Dam Development Project is based on a number of studies developed within the last two decades of the past century. These studies confirm that there is a water surplus in the Lake Basin Area to face an important development of issues such as hydro-power generation, irrigation or to improve the water supply. The studies concluded that the best multipurpose scheme to take advantage of the great possibilities of the Yala river basin, is to build up a dam in the Nandi Forest area to divert water to the Nyanza sugar belt zone.

DESCRIPTION OF ASSET

It is recognized that land mismanagement and vegetation degradation within the catchment would result in dam siltation jeopardizing viability of the project. Key actions in the CCMP will revolve around (i) restoration of the hydrological functions within the catchment, (ii) ensuring land use practices which minimize soil erosion, and (iii) reforestation/afforestation as compensatory measure for degradation of natural vegetation in the catchment area. The main objectives of this CCMP are ? To compensate negative impacts due to Nandi Forest Multipurpose Dam development Project ? To implement measures that will ensure water resources in the Nandi Forest Dam catchment area: specifically: (i) to reduce and control river sediment loads and to stabilize water regimes for discharge into the project dam, (ii) to restore lost flora and fauna within the catchment area, and (c) to protect the existing forest areas. This will be achieved through: ? Control sediment loads and stabilize water regimes ? Restoration of lost flora and fauna ? Protection of existing forest areas

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are

considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

MAGWAGWA MULTIPURPOSE DAM DEVELOPMENT

SECTOR

Water and Sanitation

COUNTY

Bomet, Homa Bay, Kericho, Kisumu, Nyamira

INDICATIVE VALUE

KES 124,389,922,800 | US\$ 919,160,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Lake Basin Development Authority

PROJECT NEED

The Magwagwa Dam on the Sondu River has been proposed as a large scale multipurpose water reservoir catering for water supplies, irrigation, river regulation, and flood control and power production. Other specific objectives are inter and intra basin water transfers, fisheries, silt load reduction and ecosystem conservation and sustainability. The project contributes towards the Government of Kenya's Vision 2030 aspirations. The proposed Magwagwa Dam Multipurpose Development Project is one of the Flagship projects of Kenya Vision 2030 and is slated for implementation during the First Medium Term Plan (2008-2012). The Magwagwa Multipurpose Dam Development Project (MMDDP) is proposed to be located on the Sondu River in the vicinity of Magwagwa Township at the meeting point of Kericho, Bureti and Nyamira Districts in the western part of Kenya abutting Lake Victoria. The Sondu River is one of the five principal rivers whose catchments form the Kenyan part of the Lake Victoria Basin. The river's head waters rise on the Mau massif at an elevation of 2,500 to 2,800 m Above Sea Level (ASL) and it drains an area of 3,470 km² before discharging into the Lake Victoria Winam Gulf between Nyakach and Osodo Bays at an elevation of 1134 m.a.s.l. The principal catchment is divided into two major sub basins, giving rise to the Kipsonoi and Yurith rivers. These two tributaries merge approximately 4 km south east of the town of Magwagwa to form the Sondu, from where the main stream flows northwards into a deepening gorge to Sondu Township, before veering westwards to intersect the Nyakach escarpment. The river cascades down the Odino falls to the Nyakwere plain, finally entering Lake Victoria within the Winam Gulf where it has given rise to a substantial delta. The Magwagwa reservoir is a storage reservoir with the prime function of storing river flood flows and thus regulating the flow of the river downstream of the dam site. By this means it is possible to retain high flows from the river for generation of power and use for irrigation rather than let these same high flows spill and discharge down the river unexploited. The volume of the reservoir and the benefits that can be obtained from its storage are dependent on the height of the dam. An exercise has therefore been carried out to optimise the benefits obtained from the reservoir against the height and cost of dam to be constructed.

DESCRIPTION OF ASSET

The project includes development of: Hydro-Electric Power plant; irrigation schemes; and, public water supply. The project outputs are:- i. 95m high and 450m long dam with live storage capacity of 445 million m³ ii. 120 MW of hydropower giving energy production of 570GWh/yr iii. 33km 132KV Transmission Line iv. 13,807 ha irrigated land in Kano/Nyakach plains (3,063 ha in Phase 1) v. Water supply infrastructure to people in surrounding towns vi. Buildings, Roads and other infrastructures

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates

risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAIROBI SOLID WASTE MANAGEMENT PROJECT

SECTOR

Water and Sanitation

COUNTY

Nakuru

INDICATIVE VALUE

KES 2,605,102,500 | US\$ 19,250,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Nakuru County Government

PROJECT NEED

As urbanization phenomena increasingly become a reality in Kenya, the impacts are more pronounced in Nairobi given its status as an industrial, commercial and administrative Centre of the Country. Nairobi as a city has over the years attracted many people who migrate from their rural areas in search of better opportunities. Equally, the city is the epitome of industrial activities as well as other commercial investments. All these developments pose great environmental challenges especially those related to solid waste management. The social pillar of the Kenya Vision 2030 underscores the importance of a clean and secure environment as the country aspires to realize a just and cohesive society enjoying equitable social development. Owing to the unchallenged importance of the city to the County and the Country at large, proper management of environment in general and solid wastes in particular is therefore a duty that the County government has had to prioritize. In order to realize this vision, the County Government through assistance from the Government of Japan, up dated the 1998 SWM master plan to an Integrated Solid Waste Management (ISWM) Plan which highlights key programmes that must be implemented in order to address the challenges of SWM in the City.

DESCRIPTION OF ASSET

The overall goal of the project is to improve waste management in Nakuru Town. Objectives include: • Support the County to set up a sustainable system of integrated solid waste management; • Build new facilities for transfer and the proper disposal of waste; • Provision for potential waste recovery and to properly engineer the rehabilitation and closure of existing landfills; • Facilitate implementing the new regulations; and • Facilitate private sector and Community Based Organisations (CBOs) participation in solid waste management.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Delivery of the project as a PPP is anticipated to deliver the best Value for Money (VfM) as opposed to a publicly funded project. This will result from private sector innovation and efficiencies in designing, developing, operating and maintaining the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Mott McDonald; will provide all the needed support, inputs, documentation, services and content for the project to achieve successful financial close during the different key stages of the project: a. Feasibility study, including assessing PPP viability and PPP options, technical due diligence and preliminary (shadow) engineering design, environmental, social and gender safeguard considerations, financial analysis and modeling and overall transaction structuring. b. Project marketing, including drafting the information memorandum and road show presentations. c. Pre-qualification documentation and process data room design and documentation, if needed. d. Bid documentation; including RFPs and PPP Draft Agreements. e. Bid process implementation and support for bidder consultations, clarification requests, negotiation of contract terms and amendments of the contracts through to financial close, including any further documentation and analysis required.

DEVELOPMENT OF MURANGÁ TOWN/MUKUYU WATER SUPPLY

SECTOR

Water and Sanitation

COUNTY

Murang'a, Laikipia

INDICATIVE VALUE

KES 2,277,603,900 | US\$ 16,830,000

PHASE

Procurement

CONTRACTING AUTHORITY

Murang'a County Government

PROJECT NEED

Murang'a County covers a large area comprising multiple water schemes and five (5) Water Service Providers (WSPs) namely MUWASCO, MUSWASCO, KAWASCO, GATAWASCO and GAWASCO. MUWASCO's supply area has been expanded and that a key water supply project which is required to be implemented within this expanded area is the Mugoiri Watiri – Maragua Water Supply Project. There is need to install sewerage systems and associated wastewater treatment works in the Maragua, Saba and Kenol areas. In Murang'a County only Murang'a town has a sewerage system. Murang'a County is rapidly expanding and hence the need for additional sewerage systems to improve sanitation and spur development within the county. The areas within the county with rapid growth include Kabati, Kenol, Saba, Maragua and their surroundings. Key issues which prevail within the water supply networks include: ☐ Pipes laid in the 1970s and 1980s using uPVC and AC ☐ None Revenue Water (NRW) in key networks within the County – it was noted that the NRW within the county averages close to 50% and the NRW savings could potentially cover any water supply deficit. ☐ Inadequate pipe capacity ☐ Pipes laid at both deep and shallow depths ☐ Unauthorized connections and water theft ☐ Under-reporting customer meters ☐ Low network service coverage ☐ Uncompleted projects which were proposed under the 2010 Murang'a Bulk Water Supply Project

DESCRIPTION OF ASSET

Implement remedial works on the Murang'a Urban Bulk Water pipeline ☐ Remedial works on the Bulk Water pipeline ☐ Construction new water treatment plants ☐ Improvement and rehabilitation of elements of the existing network (including tanks) ☐ Network expansion to areas not currently covered

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Ernst & Young LLP Ernest & Young and its consortium were appointed as the Consultants on 2nd January 2017 to undertake feasibility assessment for water supply projects in Murang'a and Laikipia Counties. The overall objective of the feasibility study assignment is to assist the County Governments of Murang'a to develop a bankable structure for the rehabilitation and extension of the water distribution network in Murang'a Town/Mukuyu as well as reviewing the clustering options with the proposed Kahurura Dam supply project in Laikipia County. The deliverables are; Inception Report Feasibility study report including PPP implementation plan Feasibility study findings approvals and closeout

TANA INTEGRATED SUGAR PROJECT

SECTOR

COUNTY
Tana River

INDICATIVE VALUE
KES 34,655,306,400 | US\$ 256,080,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Tana & Athi Water Rivers Development Authority

PROJECT NEED

The idea of a sugar production at the Tana Delta was first proposed in 1969 through a report by Booker International, which had been commissioned by the Ministry of Agriculture. The proposal was revisited by the Sugar Research International PTY Ltd of Australia as commissioned by the Ministry of Agriculture to review the possibilities of rehabilitation and Augmentation of Kenyan Sugar Industry in 1993. However it was not until 2004 when at the National Investment Conference TARDA proposed the project funding and implementation of Sugar production and processing at the Tana Delta on a Private Public Partnership basis. Immediately thereafter a team comprising of officers from TARDA, Kenya Sugar Board (KSB) and Kenya Sugar Research Foundation (KESREF) was constituted to make preliminary investigations of the project. From the team's preliminary observations, it was concluded that despite the low annual rainfall, the soils of the Delta were suitable for sugar growing under irrigated conditions. Subsequently, the proposal of this national project was submitted to the Government for consideration and approval in October 2004. The approval was given on 11th November 2004 and an Inter-Ministerial Technical Committee was constituted by the Government to oversee feasibility studies and project development. The Inter-Ministerial Technical Committee comprises of The Permanent Secretaries of Ministries of Regional Development Authorities, Agriculture, Water & Irrigation, Planning, Livestock, Energy, Environment & Natural Resources, and Finance. Other institutions included are; Investment Promotion Centre (IPC), Kenya Sugar Board (KSB), Kenya Sugar Research Foundation (KESREF) and TARDA. The project feasibility study was completed in 2007 and the Environmental Impact Assessment validated in 2008 and reviewed again in 2012 and shows that sugar cane is an ideal crop for the area. This project argument is collaborated by experimental work carried out at Mtwapa sugar research station by the Kenya Sugar Research Foundation (KESREF), which indicate that sugarcane matures at between 10 and 12 months and attains yields of over 100 tons/ha/year under irrigated conditions in the region. This is due to the high temperatures, humidity and sunshine hours experienced in the coastal areas. Other areas in the country do not experience such ideal conditions and sugar cane matures on average between 18 - 24 months, albeit on rain fed conditions, with average yield of 30 – 35 tonnes /ha/ year. The project will further help bridge the sugar import deficit currently standing at 200,000 tons/year. It is envisaged that at full production the project will provide relatively cheaper sugar into the domestic market and hence prevent the influx of sugar in the country once the COMESA region and in the face of the EU sugar reforms the effects of which started being felt in 2006. the project is aimed at import substitution and increasing incomes to the local communities;

- Employment creation in agricultural operations,(factory processing factory operations, nucleus estate in the out growers scheme).
- Earnings from farm labour for and out growers farmers.
- Poverty reduction due to direct and indirect earnings.
- Enhanced purchasing power and reduced in household poverty.
- Potential for wage employment in schools- Hospitals and clinics and infrastructure development project around the project.

DESCRIPTION OF ASSET

The TISP is an integrated Agricultural project involving sugarcane production on 16,000 ha of nucleus estate and 4000 ha of out growers. The factory operations shall include production of about 193,196 MT sugar. The factory by products will include about 676,600 MT of bagasse and 95,861 MT of molasses. The by products of bagasse will be used in the boilers to produce steam to run generators at a power outlet level of 32MW. An estimated 16.5W of the power will be exported to the national grind. About 5% of the molasses will go to livestock and 95% to alcohol production producing about 23 million litres per annum.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

TARDA, Kenya Sugar Board (KSB) and Kenya Sugar Research Foundation (KESREF)

TANA DELTA IRRIGATION

SECTOR

Water and Sanitation

COUNTY

Tana River

INDICATIVE VALUE

KES 7,219,855,500 | US\$ 53,350,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Tana & Athi Water Rivers Development Authority

PROJECT NEED

The agricultural sector is the mainstay of the Kenya's economy. The sector directly contributes 24% of the Gross Domestic Product (GDP) and 27% of GDP indirectly through linkages with manufacturing, distribution and other service related sectors. Approximately 45% of Government revenue is derived from agriculture with the sector contributing to over 75% of industrial raw materials and more than 50% of the export earnings. The sector is the largest employer in the economy, accounting for 60 per cent of the total employment. Over 80% of the population, especially living in rural areas derives their livelihoods mainly from agricultural related activities. Due to these reasons the Government of Kenya (GoK) has continued to give agriculture a high priority as an important tool for promoting national development. Therefore, the overall goal of the project is dovetailed towards achieving Vision 2030 and Millennium Development Goals in particular with respect to food security, increasing the area under irrigation and livelihoods in the region through sustainable integrated agribusiness development and management of the TDIP. The project also relates to the specific development plan of the Authority as it is responsible to the Government, for integrated planning, co-coordinating and monitoring development projects within the Tana and Athi Basins as summarized by the Authority's Vision and Mission statements as follows; Sustainable Socio-economic development through optimal management of Tana and Athi Basins' resources by undertaking integrated regional resource planning, promote and undertake development within the Tana and Athi River basin's for sustainable socio-economic well-being of the resident communities. The project will also help to bridge rice deficit in the country. It is envisaged that at full production the project will provide relatively cheaper white rice into the domestic market and hence prevent the influx of rice in the country. The project will addresses Key result areas food security, employment opportunities and incomes of the MEWNR strategic plan 2013-2017 The project is destined to enhance quality of life in Tana Delta, Tana River Basin through sustainable utilization of land and water resources, environmental protection, food security, revenue generation and capacity building.

DESCRIPTION OF ASSET

1. 1600 HA under rice production. 2. Attain an annual production of 65,000 tons of milled rice. 3. Generation of over 5,000 direct and indirect jobs. 4. Improved access of irrigation water to about 300 ha of Lower Tana Irrigation Schemes. 5. Increased production of high value crops and incomes from the region with surplus for export. 6. Install a full rice mill capacity of 7.5 tonnes throughput.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR
Tana and Athi Rivers Development Authority (TARDA)

MUNYU MULTIPURPOSE AND GREATER KIBWEZI IRRIGATION

SECTOR
Water and Sanitation

COUNTY
Makueni

INDICATIVE VALUE
KES 22,329,450 | US\$ 165,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Tana & Athi Water Rivers Development Authority

PROJECT NEED

Kenya is a water-scarce country. The economic and social developments anticipated by Vision 2030 will require more high quality water supplies than at present. The country, therefore, aims to conserve water sources and enhance ways of harvesting and using rain and underground water. The 2030 vision for Water and Sanitation is to ensure that improved water and sanitation are available and accessible to all. This will be realised through specific strategies, such as: (i) raising the standards of the country's overall water, resource management, storage and harvesting capability. (ii) rehabilitating the hydro-meteorological data gathering network; (iii) constructing multipurpose dams (e.g., on Nzoia and Nyando). (iv) constructing water and sanitation facilities to support a growing urban and industrial population. The project also relates to the specific development plan of the Authority as it is responsible to the Government, for integrated planning, co-ordinating and monitoring development projects within the Tana and Athi Basins as summarized by the Authority's Vision and Mission statements as follows; Sustainable Socio-economic development through optimal management of Tana and Athi Basins' resources by undertaking integrated regional resource planning, promote and undertake development within the Tana and Athi River basin's for sustainable socio-economic well-being of the resident communities. The project will also help to bridge water deficit in the country. The project addresses Key result areas water insufficient, employment opportunities and incomes of the MEWNR strategic plan 2013-2017. The project is destined to enhance quality of life in Tana Delta, Tana River Basin through sustainable utilization of land and water resources, environmental protection, insufficient water, revenue generation and capacity building.

DESCRIPTION OF ASSET

The Munyu-Kibwezi Project is envisaged to comprise the following: • A river-regulating reservoir at Munyu with a capacity of 575 million cubic metres of live storage. • Three hydro-electric power stations with an aggregated capacity of the order of 40mw • A major irrigation scheme at Kibwezi covering about 13,000 ha, with two river intake structures and some 80 km of canal ranging up to 20m³/s capacity

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the government if done as a PPP rather than using traditional methods of procurement. Value for Money is determined as the difference between the costs to the government for doing the project as a PPP, and the cost of using traditional procurement methods. Projects that generate a positive value for money are

considered the best projects to be undertaken as PPPs, since there is optimal risk allocation, which allocates risk to the party best suited to manage it. Other than the provision of value for money, the involvement of a private party results in improved service delivery and efficiency in implementation of the project.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Tana and Athi Rivers Development Authority (TARDA)

INTEGRATED MARINE TRANSPORT SYSTEM (IMTS)

SECTOR

Transport and Infrastructure

COUNTY

Lamu, Mombasa

INDICATIVE VALUE

KES 3,721,575,000 | US\$ 27,500,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Ferry Services Limited (KFSL)

PROJECT NEED

All the towns along the Kenyan Coast depend highly on Mombasa for manufactured and imported goods. Moreover, neighboring counties depend highly on Mombasa for the sale of their agricultural commodities. The main means of transport for goods, commodities, traders and tourists travelling from Mombasa to the beach resorts along the Kenyan coast is road transport. Because employment and education are concentrated on Mombasa Island and in Changamwe, approximately 40-45% of the population of Mombasa has a reason to travel to and from the Island on a daily basis. Water transport is likely to contribute to a reduction of traffic congestion in Mombasa if it is made attractive. Waterbus services connecting several landing sites on the North Main-land and the east side of the Island, between Junda and the Old Port, are likely to be technically and financially feasible. On a normal day up to 500,000 people enter and leave Mombasa Island from the east side. In order to be attractive for passengers, the Island Line should have substantial capacity during rush hours to transfer passengers back and forth between the Island and the North Mainland. The proposed water route connects several towns located between Lamu and Shimon. Coastal towns are interconnected by roads that are in acceptable conditions and with available public transport modalities. Therefore a Coastal Line should be competitive to a car and matatu qua traveling time and ticket price.

DESCRIPTION OF ASSET

The project involves the provision of regular ferry services with landing on the Mombasa Island, Mainland North, and South & West. In particular, services include: Waterbus service; Leisure ferry services around Mombasa; Cruise vessels; Water taxis; Coastal ferry services linking all coastal towns between Mombasa and Lamu and associated islands; and Floating hotels.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The main reasons to pursue the project through a PPP model are: operational efficiency, value for money, affordability, funding of investments and optimal allocation of risk between the private party and public authority. Pursuing a PPP in the establishment of this project will help realize the technological and financial competencies of the private sector for an inclusive, flexible and robust marine transport system.

NAIROBI – NAKURU – MAU SUMMIT HIGHWAY PROJECT

SECTOR

Transport and Infrastructure

COUNTY

Nakuru

INDICATIVE VALUE
KES 104,204,100,000 | US\$ 770,000,000

PHASE
Procurement

CONTRACTING AUTHORITY
Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by Kenya National Highways Authority (KENHA) identified the need to expand the road capacity and improve the road quality between Nairobi and Mau Summit in order to accommodate the increasing traffic in a safe and sustainable manner. This road is intended to support Kenya's primary growth sectors namely – Commerce, Tourism, Agriculture, Rural production and extractive Industries.

DESCRIPTION OF ASSET

KeNHA intends to procure work and services through entering into a 30 year concession with a private party who will design, build, finance, operate and maintain the Nairobi – Nakuru – Mau Summit Highway in order to accommodate the increasing traffic in a safe and sustainable manner. In summary the project includes: □ Operation and Maintenance of the Gitaru Rironi section. □ Widening to a four lane separated highway, and operation and maintenance of A8 from Rironi to Mau Summit. □ Strengthening, operations and maintenance of A8 South from Rironi to Naivasha.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Intercontinental Consultants and Technocrats PVT. Ltd. ICT was engaged in its capacity as a Transaction Advisor to provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor was engaged to take charge in the completion of the initial project appraisal including: preparation of a Feasibility Study report; carrying out a procurement and PPP options analyses and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, including key milestones, deliverable and approval; stages; and conduct a comprehensive economic and financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: preparation of bidding documents (including the EOI, RFQ and RFP documents); and provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial Closure.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Intercontinental Consultants and Technocrats PVT. Ltd, to advise KeNHA and the PPP Unit on matters related to the Bidding Process and the Project. The main objective of the consultancy is the provision of Transaction Advisory Services for a PPP tender to be awarded through competitive bidding under the PPP Act, 2013 as a concession agreement to a Project Company for the Development, Operation and Maintenance of the Nairobi – Nakuru – Mau Summit Highway Project. The Transaction Advisor will provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor will complete a feasibility study to standard that will enable the Contracting Authority to establish the commercial attractiveness and bankability of the project. During the procurement phase, the transaction Advisor will advise the Contracting Authority on optimum risk allocation and the resultant contract structure including preparation of all necessary documentation and requisite approvals.

NAIROBI MOMBASA HIGHWAY PROJECT

SECTOR
Transport and Infrastructure

COUNTY
Mombasa

INDICATIVE VALUE
KES 349,828,050,000 | US\$ 2,585,000,000

PHASE
Procurement

CONTRACTING AUTHORITY
Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by Kenya National Highways Authority (KENHA) identified the need to expand the road capacity and improve the road quality between Nairobi and Mombasa in order to accommodate the increasing traffic levels along the route in a safe and sustainable manner. This road is intended to support Kenya's primary growth sectors namely – Commerce, Tourism, Agriculture, Rural production and extractive Industries especially given that the northern corridor, anchored by the port of Mombasa is the principal transport route for national, regional and international trade for the East African Community.

DESCRIPTION OF ASSET

KeNHA intends to procure work and services through entering into a 30 year concession with a private party who will design, build, finance, operate and maintain the Nairobi – Mombasa Highway in order to accommodate the increasing traffic in a safe and sustainable manner. For much of the highway's length, the Project involves the addition of two extra lanes, auxiliary lanes, and construction of high demand intersections in addition to other facilities required as a result of the expansion. Road facilities include bridges, wildlife crossings, laybys, junctions, foot bridges, speed control installations and at strategic locations to minimize driver fatigue, roadside rest areas.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the Government and would ensure risk allocative efficiency between the public and private sector parties. In addition, the proposed engagement of the private sector party through a performance based contract will result in improved service delivery and efficiency in the implementation of the identified project road.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PWC was engaged in its capacity as a Transaction Advisor to provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor was engaged to take charge in the completion of the initial project appraisal including preparation of a Feasibility Study report; carrying out a procurement and PPP options analyses and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, including key milestones, deliverable and approval; stages; and conduct a comprehensive economic and financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: preparation of bidding documents (including the EOI, RFQ and RFP documents); and provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial Closure.

NAIROBI SOUTHERN BYPASS PROJECT

SECTOR
Transport and Infrastructure

COUNTY
Nairobi

INDICATIVE VALUE
KES 26,318,978,400 | US\$ 194,480,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY

Kenya National Highways Authority (KeNHA)

PROJECT NEED

The Government of the Republic of Kenya through the Ministry of Transport and Infrastructure represented by Kenya National Highways Authority (KENHA) identified the need to improve the operation and maintenance of the Nairobi Southern bypass with the objective of managing the increasing volumes of traffic while improving safety of pedestrians and emergency response systems.

DESCRIPTION OF ASSET

Operation, maintenance, and tolling activities on the almost complete Nairobi Southern Bypass road through a public private partnership arrangement (PPP). The new dual carriageway is a Class A international trunk road, approximately 28.6 Km long, situated in the city of Nairobi and in Kikuyu Division of Kiambu District, Central Province. The Project road starts at the junction of Mombasa Road where an interchange has been constructed at SK 0+397.5 and ends at SK 28+600 linking with the Kabete Limuru Road (A104) at Kikuyu town. The road crosses the National Park westward then goes through Lang'ata Road (C58), Ngong Road (C60), Motoine River, Dagoretti Road (C63), Thogoto Road (D411) then passes over Ondiri River and a railway line towards Kikuyu town.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The project was selected for development as a PPP because it proved that it would generate value for money to the Government and would ensure risk allocative efficiency between the public and private sector parties. In addition, the proposed engagement of the private sector party through a performance based contract will result in improved service delivery and efficiency in the operation and maintenance of the identified project road.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

CPCS was engaged in its capacity as a Transaction Advisor to provide advice on the project, including all the detailed financial, technical and legal work required to prepare the Contracting Authority to implement the proposed project from Inception to Financial Close. The Transaction Advisor was engaged to take charge in the completion of the initial project appraisal including preparation of a Feasibility Study report; carrying out a procurement and PPP options analyses and recommending the best PPP mode of delivery; Assist the client in leading the development of a procurement strategy and timetable for the project, including key milestones, deliverable and approval; stages; and conduct a comprehensive economic and financial analysis for the project including developing a detailed and comprehensive Project Financial Model. Additional services include: preparation of bidding documents (including the EOI, RFQ and RFP documents); and provision of support during the bidding process, including tender evaluation and bidder negotiations until Financial Closure.

PROJECT SUMMARY DOCUMENT

The project is centered on the operation, maintenance, and tolling activities on the almost complete Nairobi Southern Bypass road through a public private partnership arrangement (PPP). The Government of Kenya (GoK), represented by Kenya National Highways Authority (KeNHA) as the Contracting Authority, aims to award a concession contract for operation and maintenance (O&M) and for toll collection. The expectation is that the selected private sector operator will be responsible for the costs for construction and operation of tolling facilities and that the cost of the O&M for the SNBP would be fully or to a large extent recouped with the proceeds of toll revenues and any associated commercial developments on either side of the road Right-of-Way (ROW). The Nairobi Southern Bypass (NSB) road construction commenced in early 2012 and is expected to be completed in May 2016. It was originally scheduled for completion in July 2015 but has experienced delays due mainly to land acquisition issues relating to access to Nairobi National Park that have now been resolved. The NSB is a 28.6 km dual carriageway with 12 km of slip roads and 8.5 km of service roads (as per the road design), as well as an additional 8 km services roads.¹ The dual carriageway is a Class A international trunk road, situated in the city of Nairobi and Kikuyu Division of Kiambu District, Central Province.

THE TRANSMISSION GRID EXPANSION PROGRAMME

SECTOR

Energy and Petroleum

COUNTY

Bomet, Kajiado, Kilifi, Kisumu, Nakuru

INDICATIVE VALUE

KES 64,743,495,960 | US\$ 478,412,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Electricity Transmission Co. Ltd. (KETRACO)

PROJECT NEED

The country's long-term development blueprint, the Vision 2030, aims at transforming Kenya into a globally competitive, newly industrialized, middle income and prosperous country. The growth objectives underpinning the Vision 2030 require a sustainable annual economic growth rate of more than 10% supported by industry, agriculture and services. Efficient, accessible and reliable infrastructure is identified as an enabler for achieving sustained economic growth, development and poverty reduction by lowering cost of doing business and improving the country's global competitiveness. The electricity sub-sector has adopted a coordinated planning approach with the preparation of a Least Cost Power Development Plan (LCPDP), underpinned by a thorough consultation among stakeholders. ERC as mandated by the Energy Act of 2006, coordinates a stakeholders' committee to develop and review the electricity subsector plan, the LCPDP. The stakeholders are drawn from all the electricity subsector public institutions. The 20-year rolling plan provides the estimated power demand, the 5 proposed power generation sequence to meet the demand and the necessary network upgrades and expansions required to adequately evacuate the generated power and efficiently meet the demand. Under the LCPDP process, KETRACO has identified priority projects for implementation, constituting a total of about 2,650 km of 132 kV lines, 2,700 km of 220 kV lines, 2,000 km of 400kV lines, and 612 km of 500kV HVDC lines. It is expected that the cumulative length of high voltage lines by 2020 will be over 10,000 km which is projected to increase to over 15, 000 km by 2030. KETRACO's 2015-2020 Strategic Plan highlights inadequate and unpredictable financing as a challenge and identifies PPPs as a lever to address it. The transmission lines to be built under the PPP model will contribute substantially to the expansion of the network, strengthening of the grid and evacuation of renewable energy. The programme will involve an initial construction of a total of 410km of lines under the PPP model, and if the model is successful, additional lines will be built over the next five years up to a target of 2,000km. The first 3 priority lines have been selected based on the system requirements.

DESCRIPTION OF ASSET

The transmission lines will collectively extend approximately 270km. The proposed lines consist of the following segments: Malindi – Galana (105km) and Bomet – Olenguruone – Rongai (165km). The Private party will be contracted to Design, Finance, Build, Operate and maintain the transmission lines, and thereafter transfer it back to KETRACO.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

A preliminary study undertaken for Ketraco showed that the PPP methodology would be suitable for a project of this nature as: the project size is suitable to attract private sector investment and the project is part of a pipeline of projects, and there are thus future opportunities for the private sector. Moreover, experience from other countries has shown that privately financed transmission projects have realized efficiency gains, reduced costs, and opened access to new sources of finance. A greater role of private finance will similarly help ease KETRACO's financing constraints, and overcome the transmission deficit in Kenya.

1,050MW LAMU COAL-FIRED POWER PLANT PROJECT

SECTOR

Energy and Petroleum

COUNTY

Lamu

VALUE

KES 272,865,879,000 | US\$ 2,016,300,000

PHASE

Post-procurement

CONTRACTING AUTHORITY

Ministry of Energy

PROJECT NEED

The design, financing, supply, construction, testing, commissioning, operation and maintenance of a 1,050MW (gross) 981.5MW (net) coal-fired power plant to be located in Manda Bay, Lamu County, Kenya.

DESCRIPTION OF ASSET

The design, financing, supply, construction, testing, commissioning, operation and maintenance of a 1,050MW (gross) 981.5MW (net) coal-fired power plant to be located in Manda Bay, Lamu County, Kenya.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation

GOVERNMENT FLYING SCHOOL

SECTOR

Transport and Infrastructure

COUNTY

Nairobi

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Civil Aviation Authority (KCAA)

PROJECT NEED

Training pilots in Kenya is expensive due to the capital cost requirements of establishing a flying school and the cost of training. Currently, the schools are owned by the private sector and are also few resulting to limited training opportunities. The Country faces a shortage of highly qualified pilots and continues to license foreign ones to fly in Kenya. The Government is thus considering increasing the training opportunities and expanding accessibility by making it affordable to the majority of Kenyans. Achieving a vibrant civil aviation system requires that KCAA develop adequate and qualified aviation personnel in all areas in order to meet the growing demand. In Kenya pilot trainings is done by private flying schools. There are seven such licensed schools in the country. Five of these use Wilson Airport to conduct training, with Mombasa, Eldoret and Malindi hosting one each. The Government policy of increasing opportunities to the youth and based on the bills of rights, requires that accessibility to flight training be available even to the marginalized members of the community. Currently, the established private schools are expensive and out of reach to the majority of the Kenyans. Establishment of a Government Flight Training School will ensure the provision of quality pilots to serve in the domestic and external markets.

DESCRIPTION OF ASSET

The overall objective of the project is to increase the number of trained pilots to meet the growing demand for pilots in the region and the world. It is envisaged that the School will be established by EASA in partnership with the private sector.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation and improved service provision.

NAIROBI CITY COUNCIL CAR PARK PROJECT

SECTOR

Transport and Infrastructure

COUNTY

Nairobi

INDICATIVE VALUE

KES 10,152,456,600 | US\$ 75,020,000

PHASE

Procurement

CONTRACTING AUTHORITY

Nairobi City County Government

PROJECT NEED

Nairobi City County (NCC) was established in the year 2013 by Constitution of Kenya, 2012. In order to improve the physical infrastructure for rapidly increasing urban population and also to provide essential facilities and services for growing city of Nairobi, NCC had identified some major projects including road transport, water supply, parking, sewerage and storm water drainage, solid waste management, street lighting, energy, affordable housing etc. Parking is a major issue in the Central Business District and an emergent issue in the rest of the city. Due to Commercialization and addition of new vehicles on roads, demand for parking spaces has been increasing from time to time. In order to resolve the problem of parking spaces, NCC has decided to develop Mixed Use Integrated Commercial and Multi Level Parking Infrastructure along Taifa Road, Nairobi on Design, Build, Finance, Operate and Transfer Concession Framework. In order to improve parking facility and to organize the traffic movement and establish designated places for paid parking in Nairobi City, NCC has decided to develop Mixed Use Integrated Commercial and Multi Level Parking Infrastructure along Taifa Road, Nairobi on Design, Build, Finance, Operate and Transfer Concession Framework in Nairobi City.

DESCRIPTION OF ASSET

The developments shall comprise of civil construction traffic flow interventions accesses and of basements (where required), commissioning of parking modules in the basements and upper floors, construction of commercial complex and office tower, staircases, elevators, lifts, and public utilities and other supporting infrastructure. The developer has to do the Operation & Maintenance of the Parking Lots for a period of thirty (30) years after the construction period starting from project completion date.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

Nairobi City County conducted a value assessment. It shall cost NCC KES 8.8 Billion to undertake the project through the conventional procurement process and KES 6.3 Billion under the PPP procurement. This will yield the NCC a value for money of about KES 2.5 Billion while transferring risks to the private party amounting to KES 800 Million. Accordingly, the NCC sought to undertake this project on a Public Private Partnership basis under the Design, Build, Finance, Own, Operate and Transfer model.

SOLID WASTE TREATMENT IN NAIROBI CITY COUNTY

SECTOR

Water and Sanitation

COUNTY

Nairobi

INDICATIVE VALUE

KES 32,809,405,200 | US\$ 242,440,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Nairobi City County Government

PROJECT NEED

As urbanization phenomena increasingly become a reality in Kenya, the impacts are more pronounced in Nairobi given its status as an industrial, commercial and administrative Centre of the Country. Nairobi as a city has over the years attracted many people who migrate from their rural areas in search of better opportunities. Equally, the city is the epitome of industrial activities as well as other commercial investments. All these developments pose great environmental challenges especially those related to solid waste management. The observed increase of threats to environment especially those related to solid waste management necessitated the establishment of a specific department in the city to deal with such challenges. Consequently, the now defunct City Council of Nairobi formed its Department of Environment in 1996, with the mandate of providing, maintaining and promoting a clean, healthy and beautiful environment for residents and visitors of the City. With the promulgation of the constitution of Kenya, 2010, the responsibility for solid waste management (SWM) by the County Governments has been made clearer. SWM is now one of the many devolved functions that County Governments must ensure its proper and satisfactory provision despite them having inherited dilapidated relic structures from the defunct local authorities. The social pillar of the Kenya Vision 2030 underscores the importance of a clean and secure environment as the country aspires to realise a just and cohesive society enjoying equitable social development. Owing to the unchallenged importance of the city to the county and the country at large, proper management of environment in general and solid wastes in particular is therefore a duty that the County government has had to prioritise. Furthermore, the County Government has adopted a vision as a healthy, safe, secure and sustainable SWM system fit for a world class city. In order to realize this vision, the County Government through assistance from the Government of Japan, up dated the 1998 SWM master plan to an Integrated Solid Waste Management (ISWM) Plan which highlights key programmes that must be implemented in order to address the challenges of SWM in the City.

DESCRIPTION OF ASSET

The objective of this endeavour would be to establish a waste treatment facility that would reduce the amount of waste to be disposed, reduce its hazards and maximize on the economic benefits of such facilities.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The goal of a public-private partnership in the establishment of a solid waste management treatment facility is to realize the technological and financial competencies of the private sector for an inclusive, flexible and robust SWM system.

KISUMU SEA PORT

SECTOR

Transport and Infrastructure

COUNTY

Kisumu

INDICATIVE VALUE

KES 11,760,177,000 | US\$ 86,900,000

PHASE

Procurement

CONTRACTING AUTHORITY

Kenya Ports Authority (KPA)

PROJECT NEED

The Port of Kisumu is one of the ports on Lake Victoria that offer organized shipping services on the Lake. The Port has been a critical link in an integrated East African rail/water transportation system with particular focus on freight transport. Currently, the port of Kisumu operates only at a fraction of its capacity and former throughput. Due to the deterioration of the rail connection from Mombasa to Kisumu, especially transit cargo, volumes have decreased steeply over the last decades. The port still handles some of the local cargo and specific transit cargo. However, all cargo volumes have dwindled, due to a lack of critical mass and the reliability of the transport system. In addition, Kisumu faces the issue of water hyacinth, which periodically hinders vessel movements in and out of the port. These hyacinths occupy Kavirondo Gulf for periods of several months causing severe hindrance or even full blockage of nautical access. Studies show that, at the current site, Kisumu port is adequate to handle a substantial cargo volume, but the facilities and cargo are not there to date. The port could have a role in the regional transport system; however, on-going and planned projects can be either complementary or competitive to Kisumu port.

DESCRIPTION OF ASSET

From a demand and revenue potential perspective, the port should focus on the cargo handling. It could become an important hub for EAC trade, as it is conveniently situated for cargo destined for certain regions of Uganda, the Democratic Republic of Congo (DRC), Tanzania, Rwanda, and Burundi. The redevelopment of the Kisumu Port seeks to: Promote local and regional trade; Effectively manage the ports; Create employment; Support commercial, agricultural and industrial development; Support tourism activities; Facilitate movement of people and goods; and Ensure the efficient utilization of the ports for the benefit of the East African Community region.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation and improved service provision.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Maritime & Transport Business Solutions (MTBS) of the Netherlands The Transaction advisor will be engaged for the development of the project to structure and ensure that the project is bankable and ensures value for money to the Contracting Authority. The services shall include: Pre-feasibility studies; Project feasibility studies, including assessing PPP options, environmental, and social and gender safeguards considerations, financial

analysis and modeling, and project structuring; Preparation of bidding documents and draft contracts; and Provision of support during the bidding process until financial close.

KENYA MEDICAL TRAINING COLLEGE (KMTC) PROJECTS-INFRASTRUCTURE, EQUIPMENT AND MATERIALS UP-GRADE

SECTOR

Health

COUNTY

Nairobi

INDICATIVE VALUE

KES 4,230,686,460 | US\$ 31,262,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Medical Training College (KMTC)

PROJECT NEED

Although having 80% Market share in production of Middle level HRH, Kenya Medical Training College (KMTC) like other public institutions in Kenya is faced with challenges of managing multiple services against limited revenue base. This has further been aggravated by the fact that the college fee is capped and not based on prevailing market rates in the backdrop of high costs and prices of essential commodities and operations. In the background of the dwindling global financial fortunes and the effects of socio-political dynamics in Kenya all has not been helpful in addressing the fiscal and monetary challenges of running the autonomous government Agencies (SAGAs). The health management systems and reform has been more challenged by the over increasing vicious circle of poverty and ever changing disease dynamics. Cast on the platform of constitutional reforms the health Service delivery is a challenge that needs a multi-pronged strategy for development. Therefore KMTC Senior Management Team and the board of Management working with the newly appointed PPP node have approved strategy that is anchored on the college strengths and opportunities alike. The arch strategy here is a defensive strategy anchored on the strong brand that KMTC is and thereby increase Learning infrastructure and increase HRH Training opportunities to the country's youth who clear secondary education. The unique cultural and local dynamics requires global think with a local implementation whose opportunities are currently limited due to lack of adequate HRH training facilities in the country. More Laboratories, Computer resource centers and improved Library services will do the magic. With dwindling funding to all SAGAs KMTC included, there is a dire need more than ever to leverage private and public opportunities which would provide the capacities needed for growth and development. This project is meant to address the current challenges in Health Service delivery which is closely connected to Health Workforce training challenge. The state of health service delivery is considered a key pillar in meeting the Health Systems strengthening challenge. The strategic targets and delivery parameters set by Kenya Essential health packages (KEPHS) in 2006 has remained a mirage with limited successes made on the same. The strategy set an ambitious target of reaching 16 million Kenyans (3.2 Households) in the next four years. 7 years later, very limited progress has been made with ever increasing challenges to service delivery. These nice targets will remain a mirage without adequate HRH graduates coming from the health training institutions. All the Cohorts of KEPHS including Health promotion, Advocacy, referral, HIV/AIDs control, community mobilization require competent health workforce with adequate facilities for success. Health training without appropriate commensurate health service practice is beginning to be a challenge to many HRH graduates in our country. KMTC in the current strategic plan considers training of competent health professionals only achievable with increased infrastructure and seeks to set high standards in both training and mentorships of HRH through improved infrastructure, equipment and supplies. The WHO in proposing the health Systems Framework also makes a strong case for Public Private Partnerships; that need to harness reasonable partnerships in increasing public equity through service to the population. The Health Systems building blocks mapping is indicative of the limited resources that exist for any working Health sector. Ranging from the most significant to the least pillar all need synergistic leverage including service delivery; health workforce; information; medical Products, vaccines and technologies; financing; and leadership and governance (stewardship) all require strategic partnerships for achievement, output and sustainability. In

tackling these infrastructure gaps KMTC Node has identified four major gaps which would richly improve learning and mentorships in KMTC. The PPP node in tandem with the strategic plan also has proposed this in the cast of offensive aggressive expansion strategies where KMTC wants to establish at least one KMTC in all the 47 counties to collaborate and partner with county governments in addressing HRH challenges which exacerbate the already difficult health service delivery in County and Sub-county health facilities across the breath of the country. The major proposals are as follows all which are interrelated: 1. Increased Accommodation to deal with more clinical courses which require substantive proximity to wards and practicum sites. 2. Tuition Complex to serve as the model Vision 2030 –face of new KMTC Tuition and Research complex to house All Laboratories (Anatomy, Physiology, Bio-chem and Skills-lab), Library services, expanded Tuition blocks, more Lecture halls. 3.Conferencing facility. To open KMTC for IGA mechanisms from health related Conferences and workshops. Targeting to convert KMTC land to meaningful income generating activities under the KMTC Enterprise. GOK sponsored workshops/seminars.

DESCRIPTION OF ASSET

1.Increased Accommodation to deal with more clinical courses which require substantive proximity to wards and practicum sites. 2.Tuition Complex to serve as the model Vision 2030 –face of new KMTC Tuition and Research complex to house All Laboratories (Anatomy, Physiology, Bio-chem and Skills-lab), Library services, expanded Tuition blocks, more Lecture halls. 3.Conferencing facility. To open KMTC for IGA mechanisms from health related Conferences and workshops. Targeting to convert KMTC land to meaningful income generating activities under the KMTC Enterprise. GOK sponsored workshops/seminars.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The PPP arrangement would free up the college's finances raised through income generating activities, and from Government to develop other key quality optimization outcomes such as faculty, equipment, curriculum, processes and partnerships. Based on the capacity of KMTC development budget from the exchequer, the PPP Node has considered a Turnkey Solution based on the sensitivity of the learning infrastructures; This is proposed to inviting a private developer through an open tendering process indicating that private firms are welcome to bid and propose all the financial and technical proposals to construct hostels in the agreed land indicating their sub-contractors, the Architects, the structural Engineers, the Contractors, the electrical Engineers and all the works lead. The payment would be made based on the approved certificate of completed works signed by the Project manager in agreed portions. In this model KMTC would need to advance to the contractor some mobilization fee and pay on completed works until it is fully completed. On the other hand the GOK PPP unit could consider KMTC as one of the beneficiaries to bilateral support under TIVET or Ministry of health for the government commitment for financial year 2015-2016. Being that this project has been discussed with AfDB and IFC for consideration.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Intrahealth/FUNZO Kenya, GOK, IFC/World Bank, JVA Organization, Meditech, Siemens, GE, Symbion Architects

CENTRES OF EXCELLENCE (COE) AND EXPANSION OF NEW CAMPUSES FOR KMTC

SECTOR

Health

COUNTY

Nairobi

INDICATIVE VALUE

KES 1,637,493,000 | US\$ 12,100,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Kenya Medical Training College (KMTC)

PROJECT NEED

Each year, KMTC admits approximately 10,000 students. Some of the challenges faced by these students include congested classrooms with minimum acceptable standards for studying. However, construction of more classrooms and skills labs will allow KMTC to expand its admission capacity to admit all qualified applicants. It is envisaged that, most of these students will be drawn from local and international markets. The college has cultivated close and productive links with both levels of government to establish various campuses for training of adequate and competent health personnel. This is in support of Vision 2030 which has identified a 50% human resource short fall needed for improved service delivery as envisaged in the Kenya Health Policy Framework 2014-2030. It is therefore important for the college to optimize the use of existing physical facilities including full utilization of the college land in all campuses. If the College does not expand, then it can neither increase its student population nor perform other training activities, with a detrimental effect on the quality of teaching and learning. The rapid increase in student population, which currently stands at 32,995, without a corresponding expansion of physical facilities, inadequate equipment and budget, has created pressure on the limited physical infrastructure affecting the production of adequate health professionals. The high demand for college courses has contributed to shortage of accommodation and teaching and learning facilities. To overcome this challenge the college needs to find strategies for sourcing funds to develop adequate infrastructure to create an environment conducive for teaching and learning. Human Resource for health is one of the core building blocks of Kenya's health system. Evidence has shown that there is a correlation between the size of a country's health workforce and its health outcomes. The training of a skilled health workforce by the College supports the Ministry of Health to realize the health-related Sustainable Development Goals and Kenya Vision 2030 goals. In addition, it contributes to the achievement of the goals of the Kenya Health Policy 2014 -2030 which envisages having an adequate, productive and equitably distributed pool of health workers who are accessible for effective health care delivery. The college plans to establish regional Centers of Excellence (COEs) located next to County Referral and National Referral Hospitals. These centers will accommodate a larger student population, with state of the art teaching and learning facilities.

DESCRIPTION OF ASSET

□To construct and equip ten (10) skills laboratories in the following campuses: Nairobi; Kisumu; Mombasa; Kakamega; Nyeri; Eldoret; Nakuru; Embu; Machakos; and Garissa. □To construct 200 residential units for students in each of the following campuses Nairobi; Kisumu; Mombasa; Kakamega; Nyeri; Eldoret; Nakuru; Embu; Machakos; and Garissa. □To construct and equip one (1) clinical skills laboratory in each of the following campuses: Mosoriot; Makindu; Kaptumo; and Makueni. □To construct 200 residential units for students in each of the following campuses: Mosoriot; Makindu; Kaptumo; and Makueni.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

KMTC under the Ministry of health and GOK unit considers PPP mechanisms operational through financial investments to be made by and/or management undertaken by the private sector entity for a specified period of time. This will help the KMTC and private sector to spread and pool risks where there is a substantial risk sharing with the private sector. The PPP arrangement would free up the college's finances raised through income generating activities, and from Government to develop other key quality optimization outcomes such as faculty, equipment, curriculum, processes and partnerships.

NAIROBI INTERNATIONAL CONVENTION AND EXHIBITION CENTRE (NAICEC)

SECTOR

Tourism, Trade & Industrialization

COUNTY

Nairobi

INDICATIVE VALUE

KES 32,484,883,860 | US\$ 240,042,000

PHASE

Pre-procurement

CONTRACTING AUTHORITY

Bomas of Kenya

PROJECT NEED

The tourism industry in Kenya remains vital for the continued growth of its economy. Over the past five years, the sector continues to account for about 10 per cent of the country's national wealth. The industry is mainly an export oriented sector, and offers the Kenyan economy an opportunity to a diversified export base. In the recent times tourism has maintained its position as one of the leading foreign exchange earner together with tea and horticulture. The Project under consideration is the redevelopment of the current Bomas of Kenya "BOK" site into a world-class convention and exhibition centre with adjacent hotel development. The Project is aligned to discussions by the taskforce constituted in 2016 by the Ministry of Tourism to create an institutional framework to develop a marketing strategy for convention tourism in Kenya for the country to position itself as a major Meetings Incentives Conferencing and Exhibitions "MICE" destination on the continent and unlock the latent value of tourism property portfolio. The development promises to increase the country's profile internationally in addition to increasing the number of arrivals by foreign tourists. Additional benefits include the socio-economic impact arising from the direct and indirect expenditure in relation to the increase in MICE activity. Moreover, MICE events attract prominent persons in their respective fields, and provide a forum for Kenya to showcase local innovation while benefiting from increased visibility on the global stage.

DESCRIPTION OF ASSET

The primary aim of the project is to develop a flexible multipurpose use convention and exhibition centre that can handle local civic events as well as national, regional and international conventions. It is envisioned that the development will include a cultural centre in line with BOK' core mandate. Features contemplated are an exhibition gallery where art and artifacts of interest may be placed on display, a theatre where culture inspired performance art (folk dances and plays) will take place, and a restaurant offering traditional Kenyan cuisine. The inclusion of the cultural aspect is viewed as complementary to the development and as an onsite attraction that will be the focal point through which BOK will promote local culture amongst the local and foreign delegates.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such a Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation and improved service provision.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

PricewaterhouseCoopers "PwC" The consultant was engaged to undertake the project feasibility study consistent with the PPP Act, 2013 to a standard that will enable the Contracting Authority to establish the technical configuration, affordability, commercial attractiveness and bankability of the proposed PPP Project.

MOMBASA INTERNATIONAL CONVENTION CENTRE (MICC)

SECTOR

Tourism, Trade & Industrialization

COUNTY

Mombasa

INDICATIVE VALUE

KES 11,909,040,000 | US\$ 88,000,000

PHASE

Pre-procurement

PROJECT NEED

Kenya has only one purpose-built conference centre, the Kenyatta International Conference Centre situated in Nairobi. Mombasa, the main coastal city and port of Kenya, is the second largest urban centre and, due also to the existence of several hotels with spare capacity at certain times of the year, has been suggested as the location for the development of the country's second purpose-built convention centre. Mombasa and the wider coastal area have been experiencing declining numbers of tourists and holiday makers, partly due to the maturity of the product, and also due to terrorism activities, several directed at the tourism industry. Attracting more conferences to the region will regenerate and grow the local economy since conference tourism is less susceptible to negative travel advisories compared to holidaymakers. Demand for Mombasa's beach tourism is highly seasonal, and there is a high volume of spare bed capacity at certain times of the year, which could be used by conference visitors. An international convention center will raise the profile of Mombasa as a destination and will help revive the fortunes of the beach product. In addition, and as intended for flagship projects, it will act as a catalyst for the development of other projects and support facilities, including much-needed infrastructure, and will create employment, both directly and in the supply chain.

DESCRIPTION OF ASSET

The Project entails the development of a multi-purpose Convention Centre with a contemporary design to ensure large event(s) are successful in Kenya. The key objectives and uses for any subvention for the MICC would be to: Attract high-yield, high-spend conferences to Mombasa; Enable Mombasa to be competitive within the East African conference market (especially with the imminent opening of the Kigali Conference centre); and to attract additional conference that may not be attracted without subvention.

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

The provision of public infrastructure and services such as water, power and roads is key mandate of the Government. Infrastructure investments are known to accelerate much-needed growth in developing countries, such as Kenya, and reduce income disparities. However, poor infrastructure is often a reflection of several constraints faced by the Government, for example, insufficient public funds, poor planning or weak analysis underpinning project selection. Infrastructure assets are also often poorly maintained. These challenges, coupled with fiscal constraints, have prevented the Government from adequately improving the current public infrastructure and expanding service provision to meet the current demand. To rise above this problem, among other things, the Government of Kenya is leveraging private finance through Public Private Partnerships (PPPs). Through PPPs, the Government will have access to additional financing while the private sector develops and maintains infrastructure in a more efficient way, for a profit. PPPs if implemented well can help overcome inadequate infrastructure that constrains economic growth in Kenya. Beyond the broader economic effects, PPPs can benefit the poor through several channels including job creation and improved service provision.

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Trevor J. Ward The Transaction advisor was engaged for the development of the project to structure and ensure that the project is bankable and ensures value for money to the Contracting Authority. The TA shall be expected to: Review all material available on the Mombasa Convention Centre; Carry-out field trips to the proposed site and advise on the suitability of the chosen site; Advise on possible packaging of the convention facility that would make it commercially viable; Provide an estimate of capital expenditure and operational costs over the full project cycle, based on benchmarks for projects of this nature elsewhere in the world; Undertake a preliminary analysis of the commercial viability of the project and sizing and also identification of potential investors in the project; Undertake a high level market study and prepare a pre-feasibility report complete with a financial model for the proposed facility; and Undertake any other tasks necessary to ensure the successful completion of the assignment.

LAMU PORT DEVELOPMENT

SECTOR

Transport and Infrastructure

COUNTY
Lamu

INDICATIVE VALUE
KES 3,274,986,000 | US\$ 24,200,000

PHASE
Pre-procurement

CONTRACTING AUTHORITY
Kenya Ports Authority (KPA)

PROJECT NEED

In order to accelerate economic development and increase trade within the Intergovernmental Authority on Development ("IGAD") region and in particular between the Republic of Kenya and the neighbouring countries of South Sudan and Ethiopia, the Government of Kenya ("GoK") has proposed a program to develop the Lamu Port – South Sudan – Ethiopia ("LAPSSET") Corridor. The LAPSSET Corridor development has been internationally acclaimed as one of the most important infrastructure projects in Africa and aims to integrate the transport systems of the countries involved to improve accessibility and regional socio-economic development along the LAPSSET Corridor, especially in the Northern, Eastern, North-Eastern and Coastal regions of Kenya, while providing direct access from Lamu Port to South Sudan, Ethiopia, Uganda and the Great Lakes Region. The LAPSSET Corridor program is a key development initiative in the Republic of Kenya's National 2030 vision and has been formally endorsed by all three countries as a key driver of economic development for their respective countries.

DESCRIPTION OF ASSET

- A port at Manda Bay, Lamu;
- A rail line connecting Lamu with Juba in South Sudan and Addis Ababa in Ethiopia;
- Oil pipelines from Southern Sudan and Ethiopia;
- The road component;
- An oil refinery at Bagoni in Kenya;
- Three airports at Lamu, Isiolo and Lokichokio; and
- Three resort cities at Lamu, Isiolo and Lake Turkana;

RATIONALE FOR SELECTING THE PROJECT FOR DEVELOPMENT AS A PPP

There are differences between the conventional government procurement approach and the PPP procurement approach as a result of which the conventional government procurement approach has been found to be more generally inefficient in managing risks. This view is supported by research into efficiencies of PPP procurement vs conventional procurement. Research in the USA and in Australia has concluded that cost over runs in conventional procurement processes are between 12% and 15%. Accordingly by following the PPP procurement approach, before taking into account the impact of risk transferred from the Government of Kenya to the LPC Consortium, empirical data supports that the project is likely to be around 15% cheaper under PPP procurement than under conventional procurement which is a significant Value for Money driver for the Government of Kenya..

NAME AND DELIVERABLES OF TRANSACTION ADVISOR

Development Bank of Southern Africa ("DBSA"), Transnet SOC Ltd ("Transnet"), Mwalimu Trading Co Ltd ("Mwalimu"), Kenya Ports Authority and Group Five Construction Ltd ("Group Five")

UNSOLICITED PROJECT - RATIONALE

The LAPSSET Corridor program has received international acclaim and is among the Top Infrastructure Projects championed under the African Union's Presidential Infrastructure Championship Initiatives ("PICII"). This status was granted in January 2015 at the 32nd African Union ("AU") General Assembly held in Addis Ababa. Over the last two years, the LPC Consortium has been negotiating with the Government of Kenya for the development of part of the LAPSSET Corridor. In recognition of the LPC Consortium efforts and initiative the Government of Kenya has issued the LPC Consortium with an official mandate letter (refer to paragraph 3.3) to develop a proposal in response to the components set out in the official mandate letter.