



THE NATIONAL TREASURY
& ECONOMIC PLANNING
PUBLIC PRIVATE PARTNERSHIPS
DIRECTORATE

KENYA'S PUBLIC PRIVATE PARTNERSHIP ECOSYSTEM

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www.pppkenya.go.ke

PPP SYMPOSIUM 11TH AUGUST 2025 SERENA HOTEL



PPP KENYA

DELIVERING SUSTAINABLE
INVESTMENTS

www.pppkenya.go.ke

PRESENTATION OUTLINE



Mandate of PPP- Directorate



Evolution of PPPS



The PPP Ecosystem



PPP Highlight Projects



Our Promise



OUR MANDATE

Institutional Coordination

central repository for PPP project data and coordinate cross-agency collaboration to streamline approvals.

Regulatory Compliance

Ensure adherence to legal frameworks.



Policy Development & Advisory Role

Providing technical guidance and developing standardized guidelines for PPP projects.

Project Facilitation & Oversight

Conduct feasibility studies and value-for-money assessments.

Capacity Building

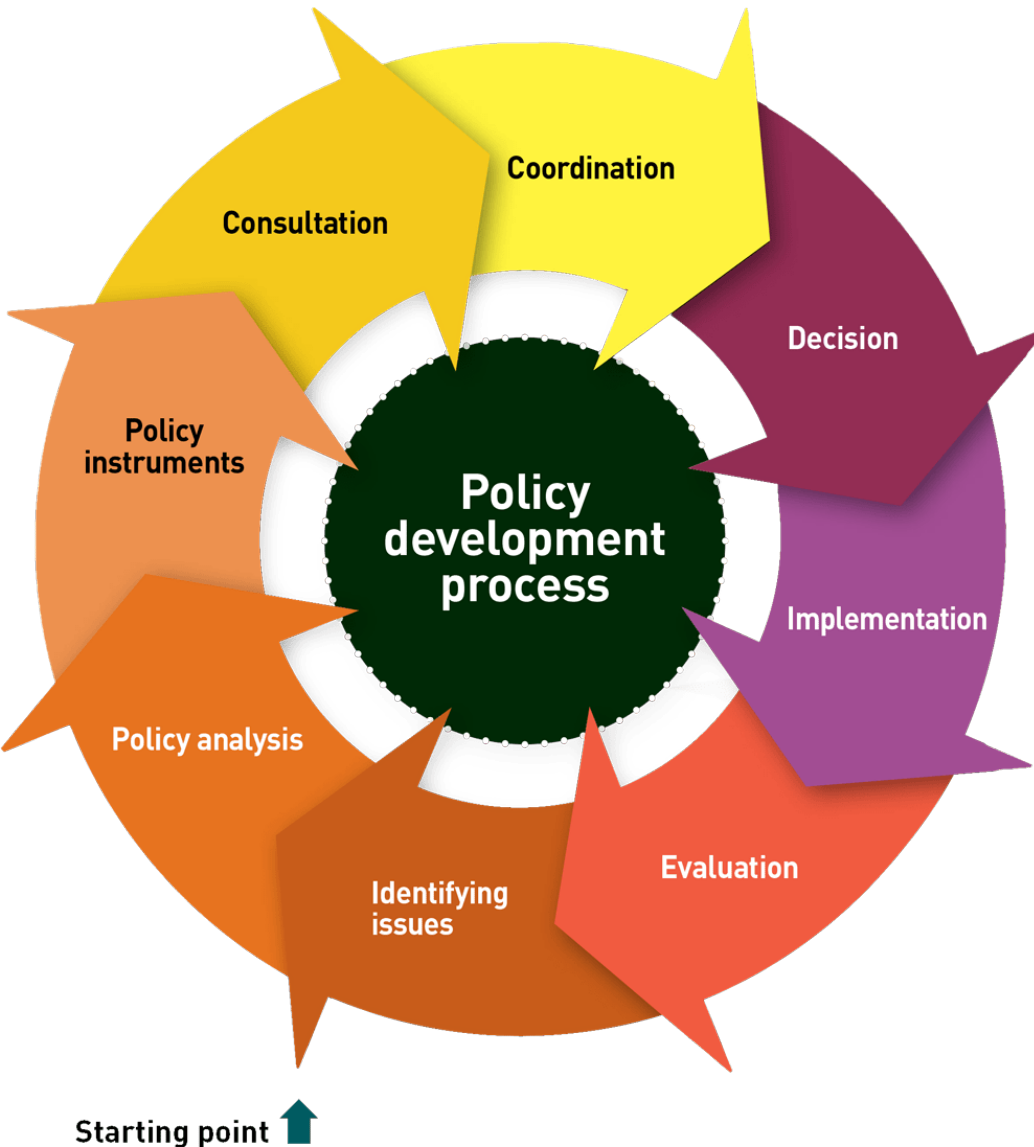
Train government agencies and stakeholders on PPP processes, risk management, and best practices.

Mandate Aim

Balance public interest, private sector efficiency, and risk allocation while ensuring accountability in infrastructure development.



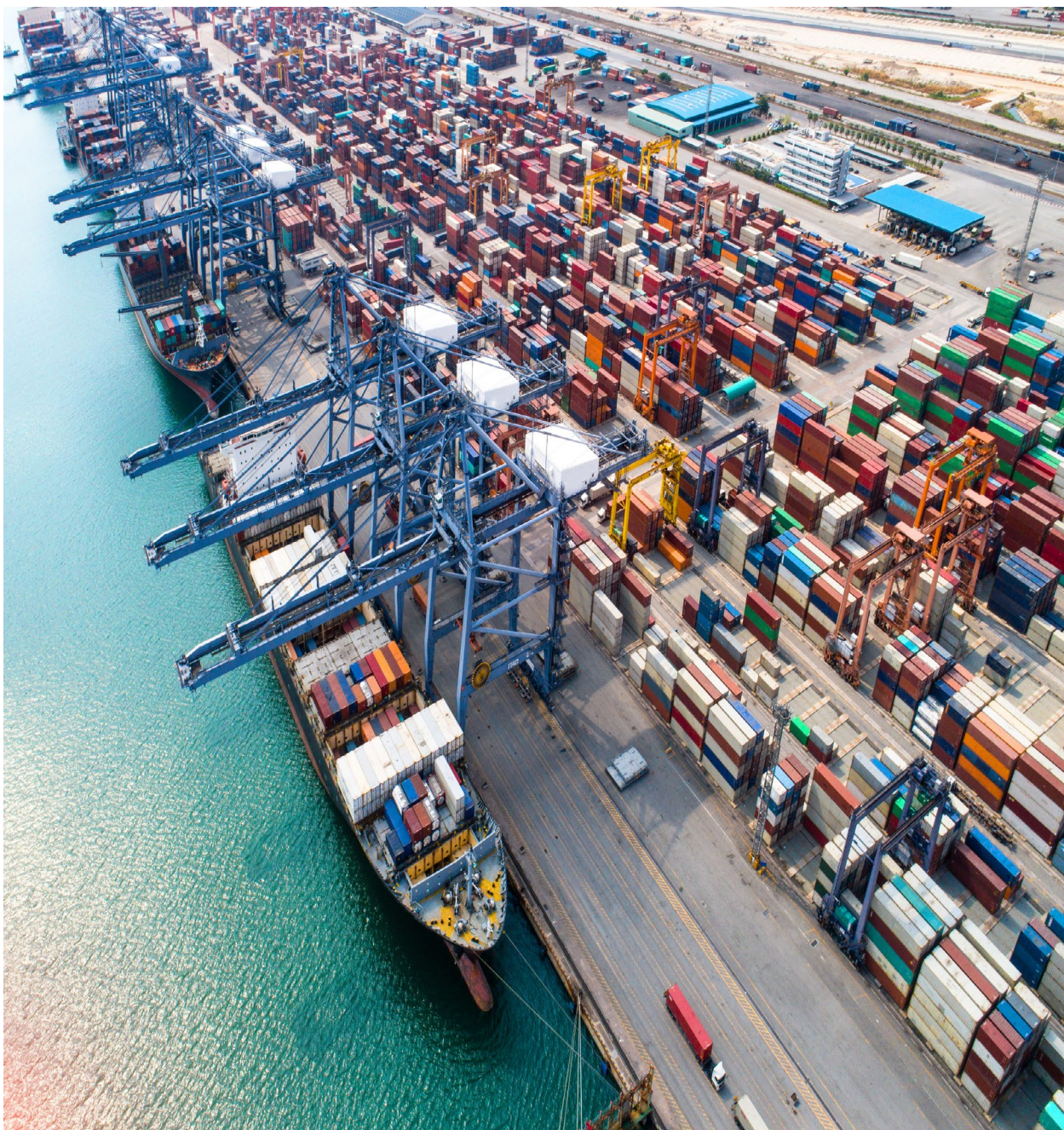
POLICY DEVELOPMENT ROLE



The Directorate is in the process of developing guidelines on:

- I. Preparation of project concept notes
- II. Issuance of Government Support Measures
- III. PPP procurement methods under the PPP Act, 2021
- IV. Disclosure requirements
- V. Proposal evaluation
- VI. Guidelines for Procurement of County PPP Projects
- VII. Conducting negotiations
- VIII. Contract management
- IX. Local content
- X. Preparation of feasibility studies
- XI. Assessment tools including affordability, value for money, public sector comparator, and risk assessment
- XII. Appointment of Independent Experts for project supervision.



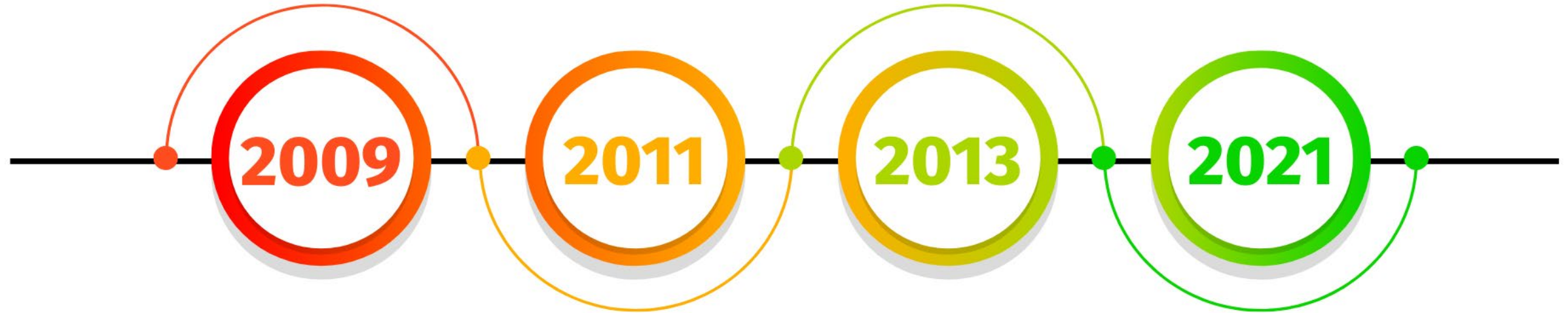


THE CASE FOR PPPS

- I. **Mobilising private capital** to fund infrastructure without increasing immediate public debt obligations.
- II. **Transferring project risks** such as construction, financing, and operational risks to the private sector, thereby safeguarding public resources.
- III. Accelerating infrastructure delivery by **leveraging private sector efficiency and innovation**.
- IV. **Enhancing value-for-money** through life-cycle costing and competitive bidding processes.



EVOLUTION OF PPPS IN KENYA



Introduction of the Public Procurement and Disposal (Public-Private Partnerships) Regulations

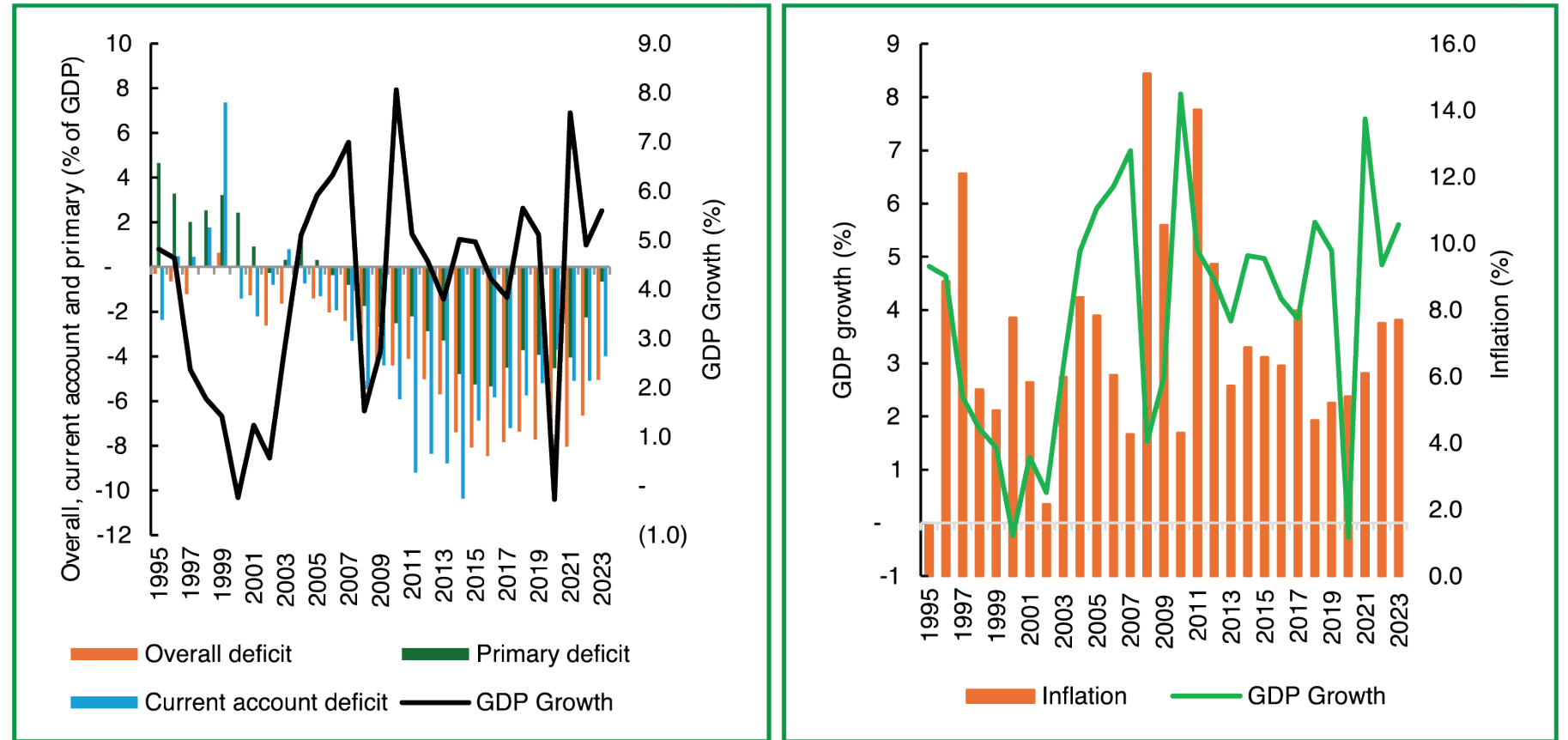
Release of the National PPP Policy Statement, providing strategic policy direction and identifying priority sectors for PPP investment.

Enactment of the PPP Act, No. 15 of 2013, creating the PPP Unit within the National Treasury to serve as the national coordinating agency, formalising processes, and ensuring standardisation.

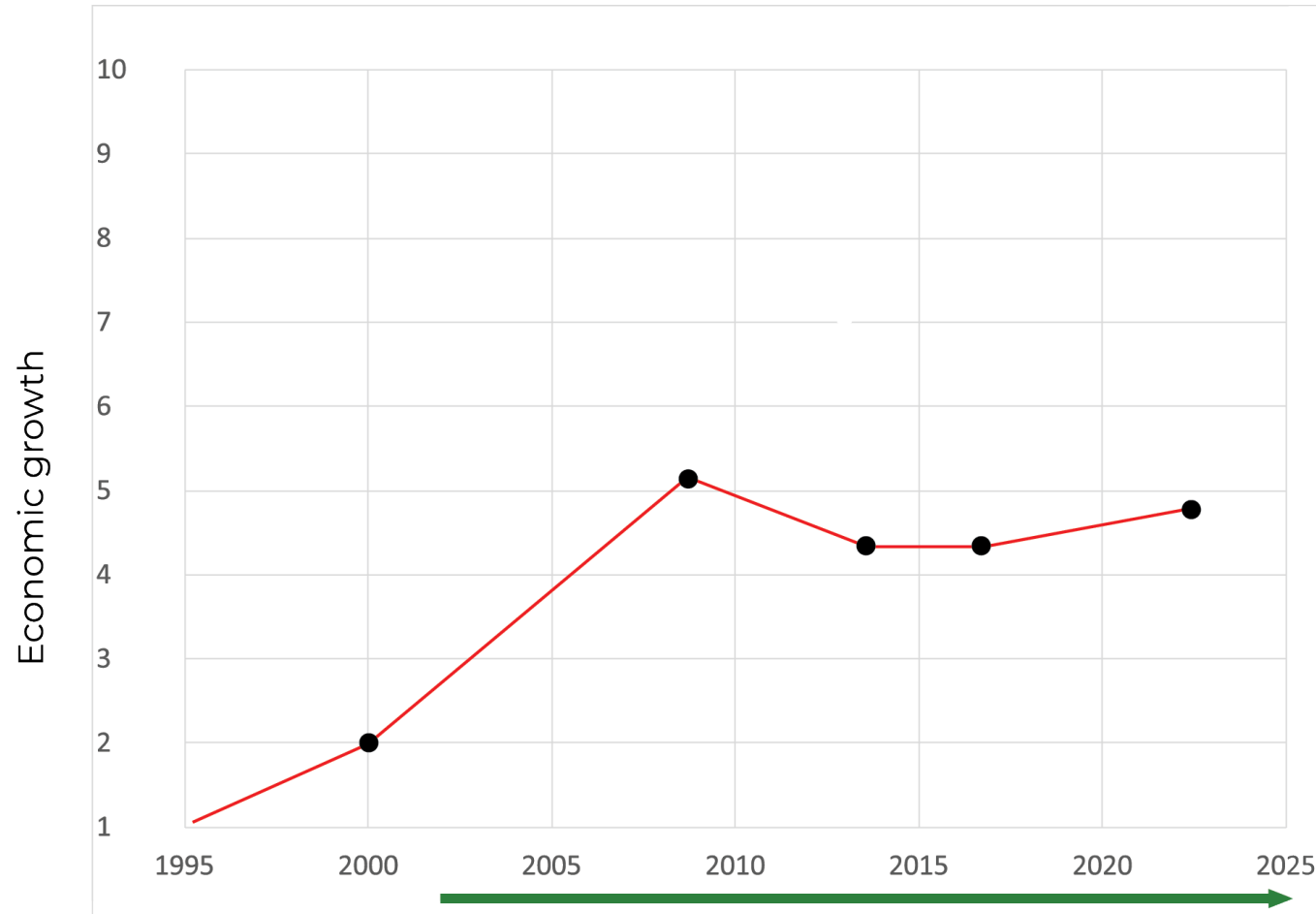
Passage of the PPP (Amendment) Act, expanding the scope of PPP application to county governments and social sectors.



TRENDS IN MACROECONOMIC STABILITY INDICATORS (1995-2023)



ECONOMIC GROWTH IN RELATION TO INVESTMENTS TOWARDS LARGE SCALE INFRASTRUCTURE PROJECTS



Growth in large scale infrastructure projects investments.

1995- 2002: Low productivity growth reflecting the prevailing harsh economic environment.

2003-2007: Economic growth averaged 5.4 per cent, with productivity growth averaging 5.0 per cent-

2008-2012 economic growth averaged 4.4 per cent while productivity growth averaged 7.1 percent.

2013-2017: Economic growth averaged 4.4 per cent while productivity growth averaged 8.7 per cent.

2018-2022: Economic growth averaged 4.6 per cent and productivity growth averaged 6.4 per cent.

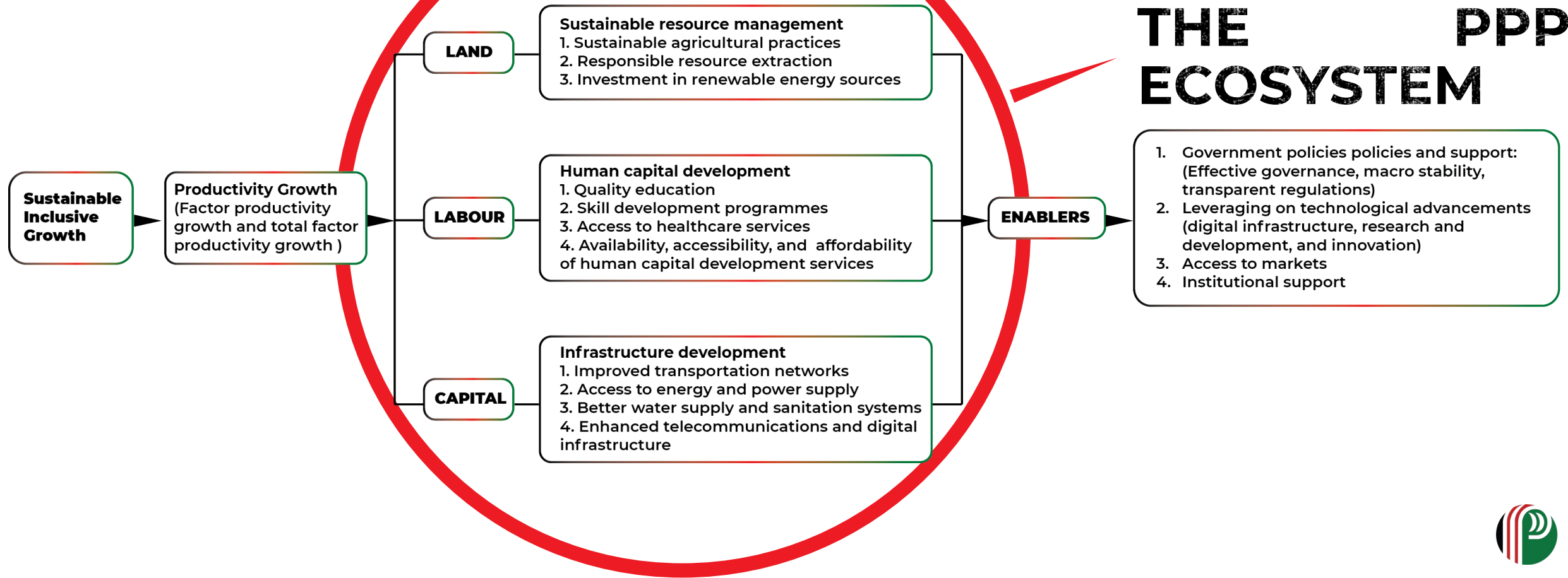
Key Takeaway: Whenever shocks- both internal and external- natural i.e floods, droughts occur and the economy has to absorb these shocks, there is slowed economic growth as a result of constrained exchequer investments in critical public infrastructure projects.

SOURCE: KIPPRA- KENYA ECONOMIC REPORT 2024





THE PPP ECOSYSTEM





GUIDING PRINCIPLES

- I. **Enhanced Risk Rating Framework:** We have enhanced due diligence across all PPP project lifecycles in a manner that protects both Government, Public and Investor interests.
- II. **Promotion of Disclosure Guidelines:** We comply with the Access to Information Act, 2016 and the PPP Act, 2020, we have the disclosure guidelines through the entire project lifecycle.
- III. **Investor Protection:** We comply with the Fair Administrative Action Act 4 of 2015– that provides for fair hearing, equal, transparent administrative process in arbitration and review of contractual obligations.
- IV. **Broad-Based Local Benefit Framework:** PPP projects are designed to offer direct and indirect benefits and opportunities to local citizens, private sector through job creation, sub contracts, supplies etc.



THE 3 TESTS OF PPP QUALIFICATION

1

Affordability

2

Value for Money

3

Appropriate Risk Transfer



PPP PROCUREMENT METHODS



Competitive Bidding	Privately Initiated Proposals	Restricted Bidding	Direct Procurement
S.46-63	S.40-44	S.45	S.38 &39
Aligned to Article 227	Non-Compete method, recognizes place and role of innovation	Utilized when the universe of prospective bidders is narrow	Conditions for utilization of direct procurement clearly stipulated
Embeds competition and enables fair price discovery	Example: Nairobi Expressway, Selu - Galana		



OUR AMBITION

5

Current OPERATIONAL projects
VALUE: KES 123.1 Billion

FY 25/26 Target:

Mobilize approximately
KES293.6 Billion.

PPP PROJECTS & STAGE

Project Stage	National Govt Projects	County Govt Projects	Total No. of Projects
PPP Projects Under Implementation			
At Operations & Maintenance phase	5	0	5
At Construction phase	3	0	3
PPP Pipeline			
At Commercial Close -signed	1	0	1
At Negotiations	4	0	4
Undergoing Procurement	2	0	2
Project ready for Procurement	2	0	2
Projects at Feasibility Stage/ Project Devt	8	2	10
At Proposal stage awaiting Transaction Advisor	9	1	10
TOTAL	34	3	



FINANCIALLY CLOSED PROJECTS

Project Name	Contracting Authority	Project Value (KES Billion)	Status Update
Lot 33	KeRRA	12.7	Completed
Nairobi Expressway Project	KeNHA	86.8	Completed
Lot 15	KURA	8.09	Completed
Lot 18	KURA	6.40	Completed
35 MW Sosian	GDC	11.7	Completed
35 MW Quantum	GDC	15.21	Construction
Kenya Defence Forces Residential Accommodation	Ministry of Defence	4.5	Construction



PROJECTS AT COMMERCIAL CLOSE

Sector	Project Name	Contracting Authority
Irrigation	Galana-Kulalu Food Security Project	National Irrigation Authority
Energy	35MW Orpower 22 Geothermal Power Plant Project	GDC
	Power Transmission Lines and Substations sponsored by Africa50 and Power Grid	KETRACO





PROJECTS SET FOR COMPETITIVE BIDDING IN FY 2025/26

Housing Sector Capacity Improvement

- I. NHC Affordable Housing – **RFQ issued and closing on 18th August 2025**
- II. University of Nairobi Student Accommodation- **RFQ to be issued in September 2025**

Urban Renewal

Nairobi Street Lighting – **Feasibility Study is ongoing**

Health Sector Capacity Improvement

- I. MTRH Teaching and Housing Facilities – **RFQ issued and closing on 14th August 2025**
- II. Pwani Teaching and Referral Hospital – **RFQ to be issued in September 2025**
- III. Meru Cancer Centre – **Feasibility Study is ongoing**



LESSONS LEARNT



- I. All stakeholders- Private and public sectors must **be comfortable with the risk allocation and undertakings**
- II. The need to structure projects better to avoid mid term terminations and avoid cost to the Country **in terms of Lost opportunity settlements.**
- III. Taking advantage of the **Disclosure Guidelines** to communicate better to the public, investors and all stakeholders across the project life cycle.
- IV. Capacity building – We have to constantly **build capacity of project implementing teams** across counties, line ministries, state departments and implementing agencies.
- V. Managing Public Expectations- Projects must be well-defined, well understood by all stakeholders. **Each projects doesn't always end up as a PPP.**





- **Be Collaborative**
- **Be Attentive**
- **Be Daring**





KEY PARTNERS

- I. World Bank (IDA, PPIAF)
- II. Africa Legal Support Facility (ALSF)
- III. Private Infrastructure Development Group (PIDG)
- IV. International Finance Corporation (IFC)
- V. Japan International Cooperation Agency (JICA)
- VI. Asian Infrastructure Investment Bank (AIIB)





*The diverse interests of different sectors can in fact, **be harnessed for the collective good.** (i.e. need for service delivery, investment, socio-economic development, job creation and growth vs the profit motive).*

*This is what PPPs are about. The public gets **better, more cost-effective services**; the private sector gets **new business opportunities.** Both are in the **interests of the nation.**"*

**South Africa's Minister of Finance-
Trevor Manuel, August 2004**



Thank You!

