



Press Release
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For Immediate Use

Vision 2030 Delivery Secretariat banks on PPPs to accelerate pace of delivery of mega projects

NAIROBI... Vision 2030 Delivery Secretariat will prioritise signing up more public-private partnerships on ticket projects to accelerate their pace of development and completion timelines over the next decade.

The Lamu Port-South Sudan-Ethiopia-Transport corridor –LAPPSET, the Konza Techno City, modernisation of aviation facilities, expansion of the port of Mombasa, and the standard gauge railway (SGR) are current on-going flagship projects that will make a significant contribution towards achieving the 10 per cent economic growth target and improve Kenya’s standard of living.

Transport in Nairobi is set to get a major boost with the ongoing construction of the Sh62 billion, 27km Nairobi Expressway, expected to be completed by December 2022.

Kenya, through its Public Private Partnership Unit and the Kenya National Highways Authority (KeNHA), executed Africa’s largest ever PPP through an agreement with the French company Rift Valley Highway, for the development of the Nairobi-Nakuru-Mau Summit Highway project. The signing occurred in Paris on September 30th 2020 in the presence of French President Emmanuel Macron Kenya’s President Uhuru Kenyatta. The financial close of the project is expected to occur by the end of 2021 and will cost about €1.3 billion, transforming the existing trunk road into a 175-kilometer dual two-lane motorway. The construction works are scheduled to last 42 months.

Similarly, the construction of three berths at Lamu Port, fully financed by the government is on-going with berth one already completed. A total of 32 deep sea berths are expected to be put up at a cost of Sh 500 Billion (USD 5 Billion). The remaining 29 berths will be developed by private sector investors.

The Secretariat projects the port to be operational by October 2021.

“Significant progress has been made over the years in line with our Medium Term Plans. The pace of completion has however been hampered partly by new developments beyond our control including current COVID-19 pandemic that has

negatively impacted on economic growth across the world ,” said Vision 2030 Delivery Secretariat, Director General, Kenneth Mwige.

Ministries, state departments and government agencies have over the 2019/2020 fiscal year experienced budget restrictions due to slow revenue growth compared to 2018 and Climate change effects on Agriculture sector occasioned by drought during first half of the year, followed by high rainfall in the second half.

Other factors that have slowed down implementation progress include inadequate funding, and weak legislation especially in social sectors and an emerging issue, the Corona Virus (COVID-19) Pandemic, impacting delivery of flagship projects towards end of third quarter (Q3) till the end of the year.

“Unprecedented containment measures scaled down sector wide activities, resulting in poor business environment further slowing economic performance. This reality and the requisite adjustments such as change in the tax laws affected the realization of ordinary revenue targets, undermined resource mobilization for implementation of Vision 2030 and the ‘Big Four’ Agenda,” said Mwige.

The government is only required to fund 30% of the projects under vision 2030 with private sector given a window to finance 70 per cent on project costs.

He added, “As National government puts more effort to boost economic recovery through the development of the Post COVID-19 Economic Stimulus Programme (PC-ESP), our focus will be to push for more PPPs to accelerate pace of delivery in flagship projects.”

The Secretariat said modernisation and expansion of aviation facilities at Jomo Kenyatta, Moi, Kisumu and Isiolo International Airports and selected airstrips across the country is still ongoing and will require PPP arrangements to improve the facilities to required standards.

So far, Key achievements made under the flagship projects over the second and Third Medium Term Plan include completion of berths 19, 20 and 21 of Mombasa Port that were commissioned by H.E President Uhuru Kenyatta in 2016.

Phase 1 and 2 of the SGR project have also been completed and commissioned.

Completed mega road projects include, Thika SuperHighway, 525Km Isiolo-Marsabit-Moyale road, rehabilitation of Northern Corridor, Nairobi’s Northern, Eastern and Southern By-passes, Athi-River-Namanga road and 144km Voi-Mwatate-Taveta/Holili border road.

Total length of paved roads has more than doubled to 21,000 Kilometers from 9,600 Kilometers in 2012.

Total Installed electricity capacity has increased from 1690MW to 2,818MW that has seen number of households connected to the national grid rise from 2.3 million in 2012 to 7.6 Million.

Construction of Office Block at Konza Technopolis City is complete, as Phase 1 of Konza National Data Center and Smart City facilities nears completion (97 per cent complete).

The Tatu City Industrial Park development is going on at fast pace, and already hosts 50 Kenyan and international firms that are open or developing. Phase Two of the development is already in motion. Among resident companies are Cooper K-Brands, Dormans, Maxam, Copia, Africa Logistics Properties, Chandaria Industries, Kim-Fay and Davis and Shirtliff.

Other major achievement over the period is on generation of clean energy with the addition of 442.7MW to the grid of which 310MW was from Lake Turkana Wind Power; 82.7MW was from Olkaria V Unit 1 and 50MW from REREC Garissa Solar Plant.

Latest Data from Vision 2030 Delivery Secretariat shows the country's economy has been growing at an Average of 4.9 per cent despite slowdowns to about 2 per cent on every election cycles.

Key economic sectors, Agriculture, Tourism and Manufacturing have however recorded notable growths since the launch of the country's long-term development plan in 2008.

Tourism earnings have grown from Sh 65Billion in 2007 to Sh 164Billion in 2019 on increased investments in hospitality facilities that has doubled number of available hotel beds per night to current 29.7 Million and upto 2 Billion international arrivals annually. Start of direct flights to the USA from Kenya by Kenya Airways, completion of KICC MICE facility (60 per cent complete) and Nairobi International Convention Center(10 per cent complete) will shore up the numbers.

Total Agricultural Output at current prices is valued at Sh 465.7 billion compared to Sh 176 Billion in 2007.

Despite slow growth in manufacturing contribution to economy, it has been employing over 300,000 Kenyans every year with sales from EPZ companies more than doubling over to Sh 68.5 billion compared to Sh 29 Billion in 2007.

Operationalization of Special Economic Zones Act 2015, establishment of Special Economic Zones Authority and suitable land in Mombasa (2000KM²), Kisumu (700KM²) and Lamu (700KM²) will spur activities in this sector.

"We expect with increased investor activities in the near short-term as we pursue more PPS and completion of key infrastructure projects, we will start realising significant output from these sectors to boost the general economy and meet key targets within timelines," said Mwige.

Construction of Industrial Research Laboratories in Kisumu is complete while the one in Nairobi's South B is at early stages in line with plans to transform KIRDI into a world class Research Institute.

Mwige said prospects are still high to reach the 10 per cent target for annual economic growth and transform Kenya into a newly industrialising globally competitive and middle-income country providing a high quality of life to all its citizens by 2030.

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About Vision 2030

Kenya Vision 2030 is the long-term development blueprint for the country and is motivated by a collective aspiration for a better society by the year 2030. The aim of Kenya Vision 2030 is to create “a globally competitive and prosperous country with a high quality of life by 2030”. It aims to transform Kenya into “a newly-industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment”.

The Vision is a product of a highly participatory, consultative and inclusive stakeholders’ (international and local experts, ordinary Kenyans and stakeholders from all parts of the country) process carried out between October 2006 and May 2007. Between July and August 2007, the contents of the Vision 2030 were again subjected to open consultations in all provinces in Kenya before the document was finalized.

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For media enquiries please contact:

Veronica Muchiri, Chief Public Relations and Communication Officer

Mobile: +254 722 320 333

Email: vmuchiri@vision2030.go.ke