



GREAT LAKES ILLUSTRATIVE PROJECTS



KISUMU SEAPORT AND OTHER LAKE VICTORIA PORTS



Project Country (ies)	Kenya, Uganda, Tanzania
Project Sector	Transport Infrastructure – Lake Port rehabilitation and expansion
Project Source/Sponsor/Funder(s)	EAC, Kenya Government (seeking private participation via PPP)
Investment Opportunity	Port Management, Engineering, Storage, Logistics
Stage of Project:	Appointment of Transaction Advisors: Appointed early in 2015. The project forms part of a list of 68 proposed national PPPs.
Type of Project:	Transport Infrastructure (lake port rehabilitation/ development)
Duration of Project:	Estimate 36-48 months
Cost of Project:	US\$150 million
Funding Available:	Kenya government has begun this project
Funding Gap:	TBD



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Description of the Project

Since the 1900s, Lake Victoria ferries have been an important means of transport between Uganda, Tanzania and Kenya. The main ports on the lake are Kisumu, Mwanza, Bukoba, Entebbe, Port Bell and Jinja.

Kisumu Port is located in Kisumu County, on the shores of Lake Victoria, the second largest freshwater lake in the world. The catchment of Lake Victoria, which encompasses parts of Kenya, Uganda, Rwanda and Burundi, has a population of around 35 million and a GDP of some USD 30 Billion i.e. 40% of the total EAC economy. Approximately 0.5 million people live in Kisumu and 10 million in the Kisumu region, accounting for approximately 27 percent of Kenya’s population. As such Kisumu is the third largest city in Kenya and a commercial center with diverse unexploited resources in agriculture, commercial, industrial, tourism and transport services. The port is operating at a mere 20% of its capacity with infrequent lake transport and the lack of container port facilities limiting the ability for businesses to use the lake. Additionally, the low water level by the port restricts the size of boats able to access the port. The poor condition of roads outside of Kisumu – particularly the main artery connecting the city with Nairobi – is by far the largest infrastructure constraint impacting business activity in the region.

This project involves the development of Kisumu Port into a modern commercial port on a Build-Operate-Transfer (BOT) basis. The goal is to develop the port and provide the requisite physical and super infrastructure. The vision is also to develop a mechanism to effectively manage the port and ensure its efficient utilization. Private sector parties will be invited to design, finance, build, operate and transfer whilst it is anticipated that the Kenya Port Authority will own the port and be the landlord.

In March 2015 the Kenya Treasury’s Public–Private Partnership Unit (PPPU) announced a consortium led by Maritime & Transport Business Solutions (MTBS) of The Netherlands had been appointed to advice on the planned construction of a modern \$220 million port in Kisumu.

Further Information

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See:
<http://www.pppunit.go.ke/index.php/news/2015/02/ppp-pipeline-progress-report-for-quarter-one-2015>