



REPUBLIC OF KENYA

**THE NATIONAL TREASURY
STATE DEPARTMENT FOR PUBLIC INVESTMENTS AND ASSETS MANAGEMENT
PUBLIC PRIVATE PARTNERSHIPS DIRECTORATE (PPPD)**

TERMS OF REFERENCE

FOR

**TRANSACTION ADVISORY SERVICES FOR THE KENYA PORTS
AUTHORITY (KPA) PORT PROJECTS - ADDITIONAL ASSETS**

MARCH 2026

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1.0. BACKGROUND

1.1. Kenya Ports Authority

Kenya Ports Authority (KPA) is a State Corporation established under the Kenya Ports Authority Act Chapter 391 of The Laws of Kenya. KPA was established as a statutory body and identified as a Commercial State Authority with strategic functions.

The Authority's mandate is to develop, maintain, operate, improve, and regulate all seaports and inland waterways in Kenya.

The powers/functions of KPA are as provided in Sec. 12 of the KPA Act:

- a) Port Infrastructure development
- b) Port and ferry operations
- c) Maintaining port facilities
- d) Aids to navigation
- e) Pilotage and other port services; and
- f) Regulation of port business

Scheduled/gazetted ports under KPA

- a) Mombasa
- b) Kiunga
- c) Lamu
- d) Ngomeni
- e) Malindi
- f) Kilifi
- g) Takaungu
- h) Mtwapa
- i) Funzi
- j) Shimoni
- k) Vanga

The Port of Mombasa has been the only commercially viable port in Kenya. It is well connected in the region, with over 45 shipping lines calling and providing direct connectivity to over 80 ports. The Port is a natural deep harbour with good shelter and a maximum dredged depth of 15 meters.

Construction of Lamu port first three berths, the alternative gateway, was completed and operationalized in 2021. KPA has deployed equipment at the new Port. The new port is a major container hub and entry point to the planned LAPSSET corridor. The Port is intended to become an international port handling over 14 million tonnes of cargo by

2027 reducing the pressure from the port of Mombasa and helping Kenya retain its position as a regional transport hub.

Recently, the Lake Ports and Inland Water ways were brought under the authority of KPA through Legal Notice Kenya Gazette Supplement No. 22 of 05.04.2012. Ferry services was also added as part of the functions of the Authority.

KPA currently predominantly employs the Public Service Port Model. It owns and operates virtually all the port assets. This is the dominant model in most of Africa but is beginning to change to include some private sector participation as a way of improving efficiency and competitiveness as demand for quality and cost-effective service continues to rise. There are, however, a number of private sector cargo operations within the purview of KPA that include Kipevu Oil Jetty, Shimanzi Oil Terminal, Storage facilities for East African Molasses Ltd and operations of Magadi Soda Company, Bamburi Portland Cement, grain bulk handling, and private CFSs.

1.2. KPA Master Plan

The Kenya Ports Authority National Ports Master plan 2018-2047 envisages that Lamu port will be operated principally as a landlord port. It also envisages that the landlord model should however be applied to the extent possible with regard to Mombasa Port. The key to maximizing private sector participation in the port operations lies in providing investment opportunities to companies that have internationally renowned capability to perform the functions.

Further, the Master Plan notes that, because of sensitivities generally associated with PPP processes, it is imperative that the process followed is as transparent as possible. The economy will benefit greatly from the efficiencies derived from involvement of the private sector in port operations. It is envisaged that the cost of handling cargo will come down considerably both for containers and conventional cargo.

1.3. KPA Strategic Plan

The Authority is currently implementing the Strategic Plan 2023/24 -2027/28 with the vision to be *“World Class Ports of Choice”* and the Mission *“To Provide Efficient and Competitive Port Services to Facilitate Global Trade”*. The Authority will implement Strategic Initiatives aimed at realizing the following 7 objectives:

- i. Attain customer satisfaction index of 75%
- ii. Improve port efficiency by 41%
- iii. Promote a safe and healthy working environment with zero accidents.
- iv. Increase common Transit Market Share by 7%

- v. Increase profitability to KES 20 billion by 2027/28
- vi. Increase employee productivity index to 2.
- vii. Promote 100% compliance with legal and regulatory requirements and good governance principles.

KPA's performance has been growing steadily over the last 10 years with throughput increasing from 26.7 million tons in 2015 to 41.1 million tons in 2024. During the same period, container traffic increased from 1.1 million TEU's to 2.0 million TEU's. The transit traffic has grown from 7.6 million tons in 2015 to 12.3 million tons in 2024. Transshipment traffic has grown from 16,269 TEU's in 2013 to 496,034 TEU's in 2024.

The attainment of the above objectives is hinged on attainment of quality and efficient services, ability to attract new customers and venture into new markets, further investments in port capacity as well as growth of local manufacturing and value addition industries.

Given the capital nature of port investment, the Authority is financially constrained to support implementation of its long-term investment plans, using internally generated funds. In view of the foregoing, the Authority is seeking strategic partners to invest in Port development in the form of PPP arrangements.

1.4. PPPs IN KENYA

Established initially under the Public Procurement and Disposal (Public Private Partnership) Regulations, 2009, the PPP Directorate of the Government of Kenya has in the recent past committed to improving and strengthening the PPP framework for private sector participation in the country. Several accomplishments are notable:

- i. The adoption of a PPP Policy in 2011 to articulate the Government's commitment to PPPs and to provide a basis for the enactment of a PPP Law;
- ii. The enactment of the Public Private Partnerships Act on 8th February 2013;
- iii. The issuance of the National PPP Regulations on 19th December 2014;
- iv. The issuance of the PPP Petition Guidelines in 2014;
- v. The issuance of the PPP Project Facilitation Fund Regulations on 12 May 2017;
- vi. The development of a PPP Financial and Contingent Liability Management Framework;
- vii. The repeal of the 2013 Act and enactment of the PPP Act 2021; and
- viii. Development of the (draft) PPP Regulations, 2025.

To support the delivery of the country's PPP agenda, a number of institutions were also created under the PPP Act of 2021 and have been fully operationalized. The roles and responsibilities of these institutions are defined in the Act. The Institutions include the:

- i. Contracting Authorities
- ii. PPP Committee
- iii. PPP Petition Committee
- iv. PPP Directorate

The PPP Act of 2021 recognizes Contracting Authorities (CA) as Ministries/Government Departments, County Governments and Statutory Corporations. Their main responsibilities with respect to PPP are to identify, develop, implement, and monitor projects. To discharge their responsibilities, contracting authorities are required to conduct feasibility studies, prepare bidding documents, and seek necessary approvals.

Each CA undertaking a PPP project is required to establish a Project Implementation Team, with officers with the ability to carry out day-to-day management of a PPP project (section 31 of the PPP Act, 2021). Where Contracting Authorities do not have in-house expertise on PPP, they may need to appoint Transaction Advisors (TA) to assist them in the development of projects, through the full PPP project cycle.

1.5. Government Strategy on Domestic Capital Mobilization

Kenya's domestic financial markets comprise a strong and diversified ecosystem of commercial banks, pension funds, insurance companies, fund managers, collective investment schemes, and retail investors. Together, these actors represent a substantial and growing pool of long-term domestic capital capable of supporting the country's infrastructure and PPP pipeline through debt, equity, and blended-finance instruments aligned with the Public-Private Partnership (PPP) Program.

As of June 2023, Kenya's pension industry managed assets totaling approximately KES 1.7 trillion, equivalent to about 13% of GDP, making it a cornerstone of patient and predictable long-term capital for infrastructure development. The insurance sector, with assets estimated at around KES 1 trillion, continues to expand steadily as regulatory reforms encourage greater exposure to infrastructure-linked and long-term investments. Meanwhile, the banking sector held total assets exceeding KES 7.3 trillion—equivalent to more than 55% of GDP—demonstrating deep liquidity and strong capacity to support project financing and investment in capital-market instruments.

Beyond institutional investors, Kenya's retail market—comprising individual savers, SACCO members, and small-scale investors—holds considerable potential to contribute to infrastructure financing. As of 2023, Kenya's SACCO movement managed over KES 1 trillion in assets, reflecting a vast base of member savings that could be mobilized through structured investment products.

Although Kenya’s financial system is deep and diverse, it has barely realized its potential in financing PPPs. This shortcoming is not due to a lack of capital, but rather the absence of deliberate coordination and structured engagement of domestic financial institutions in PPP origination, structuring, and investment.

The deliberate inclusion of local institutional and retail investors not only strengthens domestic resource mobilization but also serves as a natural hedge against political and sovereign risk. When citizens, pension funds, and local financial institutions co-invest in PPPs, they help anchor projects in national ownership, deepen accountability, and build resilience against external financing shocks and policy uncertainty.

Recognizing this untapped potential, the Government of Kenya has adopted a strategic policy direction to crowd in domestic capital for long-term infrastructure delivery. This policy direction has been reinforced through the Government’s decision to establish the National Infrastructure Fund (NIF) as a vehicle for mobilizing blended public and private financing for priority national infrastructure projects. This initiative underscores the Government’s commitment to unlocking domestic capital markets, enhancing fiscal sustainability, and strengthening Kenya’s financial sovereignty in infrastructure delivery.

Importantly, this policy shift is already gaining traction. The National Social Security Fund (NSSF) is participating as both an equity and debt investor in the Nairobi–Nakuru–Mau Summit Highway PPP, marking a significant step in institutional participation in large-scale infrastructure projects. In parallel, the Government of Kenya has leveraged the capital markets through the issuance of the Talanta Infrastructure Bond—a USD 400 million transaction—to finance the development of the Talanta Stadium. These milestones reflect growing institutional investor confidence and demonstrate practical progress in integrating domestic capital into Kenya’s infrastructure financing architecture.

Against this background, the Transaction Advisor shall structure the Project in a manner that actively mobilizes financing from domestic financial markets, including local institutional investors, capital markets instruments, and other innovative financing mechanisms that facilitate participation by Kenyan investors.

1.6. SCOPE OF THE TRANSACTION ADVISORY WORK

The Kenya Ports Authority National Ports Master Plan (2018–2047) provides the long-term strategic framework for port development in Kenya and envisages a progressive transition from the traditional public service port model to a landlord port model. Under the landlord port model, KPA retains ownership of port land and core infrastructure, while private operators are competitively concessioned to finance, operate, maintain, and

modernize terminal facilities. This transition is intended to improve efficiency, attract global operators, reduce operating costs, and align Kenya's ports with international best practice.

Pursuant to this policy direction, and at the request of KPA, the National Treasury engaged a Transaction Advisor to support the development of selected port assets under the Public–Private Partnership (PPP) framework. During the initial preparation of the consultancy Terms of Reference, it was envisaged that feasibility studies would cover a broad portfolio of port and port-related assets, reflecting the integrated nature of the ports system. However, due to budgetary considerations, the scope of the initial consultancy assignment was limited to four (4) priority assets, namely:

- a. Lamu Port Container Terminal (Berths 1–3);
- b. Mombasa Port (Berths 11–14);
- c. Mombasa Port Container Terminal I (Berths 16–18); and
- d. Lamu Special Economic Zone (SEZ).

During project inception and early analytical work on these assets, several structural and strategic challenges were identified. These included emerging capacity constraints at the Port of Mombasa driven by sustained growth in container traffic, delays in previously envisaged public financing for certain berth developments, and the risk of inefficient outcomes where publicly operated and privately concessioned terminals coexist without coordinated structuring.

In parallel, Government policy guidance issued during the 2023/24 period emphasized the need to extract greater value from national assets through broader and more coordinated private sector participation. Consistent with this guidance and the Ports Master Plan, KPA reviewed its PPP pipeline and expanded it to include additional port and port-linked assets.

The additional assets proposed for inclusion under the expanded PPP portfolio are:

- a) Mombasa Port Container Terminal II (Berths 20–22);
- b) Mombasa Port Container Terminal – Berths 23–24;
- c) Mombasa Port Cargo Terminal – Mbaraki Wharfs;
- d) Mombasa Port Cargo Terminal – Berths 1–5;

- e) Mombasa Port Cargo Terminal – Berths 7–10;
- f) Inland Container Depot (ICD) Nairobi (Embakasi); and
- g) Inland Container Depot (ICD) Naivasha.

These assets are operationally interconnected and may share common infrastructure and interfaces, including yards, access channels, terminal support facilities, and landside logistics systems. Consequently, decisions taken in relation to one asset have material implications for the performance, efficiency, and bankability of the other assets within the portfolio.

In addition, the proposed PPP concessions have implications not only at the asset level but also at the corporate level for KPA. Concessioneering selected terminals affects KPA’s revenue base, cost structure, balance sheet, and long-term financial sustainability. As such, there is a clear requirement for a holistic corporate financial model to assess KPA’s financial position before and after the proposed PPP transactions, including the cumulative impact of multiple concessions on cash flows, debt capacity, creditworthiness, and the Authority’s ability to fund residual public-service obligations.

Given the scale of the assets, their shared demand drivers, and the strategic objective of transitioning to a landlord port model, it is necessary that these assets are assessed and structured under the PPP framework on a portfolio basis, rather than through fragmented, asset-by-asset transactions. A portfolio-based approach enables harmonized technical standards, consistent concession structures, aligned risk allocation, and coordinated market engagement, thereby supporting bankability and effective implementation of the landlord port model.

Accordingly, KPA now seeks to procure transaction advisory services for an expanded portfolio of seven (7) port and port-related assets through a new competitive procurement process, designed to ensure full compliance with public procurement requirements while supporting continuity, value-for-money, and the orderly transition of Kenya’s ports to the landlord port model as envisaged in the National Ports Master Plan.

2. OVERVIEW OF THE PROPOSED PROJECTS FOR PPP FRAMEWORK

2.1 Initial Priority Projects

2.1.1 Lamu Port Container Terminal (Berths 1-3)

Located at Manda Bay, The Port of Lamu is the anchor project for the entire Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor Program with significant interlinkages with other components. The Port is envisaged to have 23 berths comprising of bulk,

container, and general cargo berths once fully developed. The development of the LAPSSET Corridor will open new opportunities in terms of investments and job creation for the local economy.

The first three container berths with a total quay length of 1.2 KM and 4,320 ground slots have been completed and operationalized since 2021, but the facility has not been optimally utilized to date. The Port of Lamu has an annual design capacity of 1.2 million Twenty-Foot Equivalent Units (TEUs), however the port handled 382 TEUs and 1,779 TEUs in 2021 and 2022, respectively. A landlord concession model is envisaged where a private operator will be fully responsible for the handling of the terminal operations.

2.1.2 Mombasa Port (Berths 11-14)

Development of Berths 11- 14 was completed in 1967 and the facility has been operational since then. Berth 11-14 currently is used as a multi-purpose berth. A site investigation study undertaken in 2016 showed that the berths are in dilapidated condition and required immediate action. The container handling capacity of the terminal is approximately 300,000 TEUs per annum. The total berth length is 720 m, with a water depth between CD -10.25 and 11.5 m. The yard area totals 17.0 ha.

The Authority seeks to rehabilitate and upgrade the existing Berths 11-14 including realignment of berths and associated capital dredging to 15m depth below the Chart Datum to accommodate larger vessels. The re-development will provide an additional 2,700 container ground slots, backup area of 60,000 m² and a yard capacity of 900,000 TEU per annum.

2.1.3 Mombasa Port Container Terminal I – Berths 16-19

KPA owns and operates container terminal 1 consisting of berths 16-18 in Mombasa of length 840 meters with an annual capacity of 962,000 TEUs. However, the facility has not achieved the desired levels of efficiency. The Terminal has State of the art equipment deployed with 4 quay cranes deployed in August 2023. The yard equipment includes Rubber Tyred Gantries, Rail Mounted Gantries, Reach Stackers, Empty Container Handlers, etc. The Authority is also constructing Berth 19B which will extent the terminal quay by additional 240 metres upon completion by June 2028

The table below summarizes the port facilities.

Berth	Current commodities	Berth length [m]	Allowable Draft [m]
B1	Cruise/RORO/General Cargo	330	10
B3	Grain Bulk/General Cargo	237	10
B4	Grain Bulk/General Cargo	213	10
B5	Bulk/General Cargo	111	9.75
B7	General Cargo/Bulk Crude Palm Oil/Bulk Vegetable Oil	211	10
B8	Bulk/General Cargo	139	11
B9	Bulk/General Cargo	215	10
B10	Multi-Purpose	187.5	10
B11	Coasters	216	10
B13	Multi-Purpose	292	10
B14	Multi-Purpose	240	10
B16 – B18	Container	839	12.5
B20	Container	220	10
B21 – B22	Container	650	14.5

2.1.4 Lamu Special Economic Zone (SEZ)

The Special Economic Zone (SEZ) program is a flagship project within Kenya's Vision 2030 national development framework. The government designated land adjacent to the port of Lamu as a Special Economic Zone (SEZ) in line with the SEZ Act of 2015. Proximity to the port will allow for the export of products, particularly heavy goods, and access to imported inputs where these are required.

The SEZ land remains undeveloped. It was envisaged that the operations of the Lamu port will be catalyzed by the development of the Lamu Special Economic Zone (SEZ). However, this has not been actualized resulting in limited utilization of the port.

2.2 Additional Assets – New Transaction

2.2.1 Mombasa Port Container Terminal II (Berths 20-22)

The Second container Terminal is a modern, state-of-the-art terminal constructed from 2014 to 2022 under the Mombasa Port Development Programme (MPDP) comprising of Berths 20 to 22.

Berths 21 and 22 have a quay length of 350 m and 300m, respectively. Each has a depth of 14.5 metres. Berth 20 has a quay length of 220 metres and a depth of 10 metres. The Terminal has an annual design capacity of approximately 1.1 million TEUs.

The terminals are currently equipped with 6 quay cranes, 28 RTCs and 4 mobile harbor Cranes and has a yard area of 42 hectares. CT 2 has facilities such as, terminal buildings (administration block, equipment workshops, etc).

2.2.2 Mombasa Port Container Terminal (Berths 23-24)

The Port Master Plan 2018-2047 proposes further westward expansion of the container terminals beyond berth B22 up to where the creek turns towards the north.

The project entails construction and operations of berth 23 & 24. Each berth will have a quay length of 350 metres and annual handling capacity of 550,000 TEUs. Each Berth will be equipped with 3 quay cranes and 16 Rubber Tyred Gantries (RTGs).

Other facilities include terminal buildings, security installation and other utilities.

2.2.3 Mombasa Port Cargo Terminal Berths 1-5

Berths 1 - 5 were constructed between 1926 and 1931 and are currently used for a variety of cargo as follows: Berth 1 is dedicated for cruise ships and Roro vessels with an accompanying cruise terminal.

The berths are also used by RORO vessels, mostly handling motor vehicles. Berths 3 and 4 are dedicated for handling grains and equipped with pneumatic unloaders and conveyer belts, and Berth 5 is used for handling fertilizer, clinker and is equipped with retractable conveyor to allow berthing of container and other general cargo vessels.

Table Berths below provides for the quay length and a depth of the berths.

Berth	Current commodities	Berth length [m]	Allowable Draft [m]
B1	Cruise/RORO/General Cargo	330	10
B3	Grain Bulk/General Cargo	237	10
B4	Grain Bulk/General Cargo	213	10
B5	Bulk/General Cargo	111	9.75

The project involves straightening, deepening and strengthening the current 4 berths to create straight quay and increase the depth (from the current -10.5 metres to -15 metres) of the berth to accommodate larger vessels. The scope also includes construction of cargo yards with a capacity of 24 million MTs of cargo annually, terminal buildings and acquisition of terminal equipment for cargo handling.

2.2.4 Mombasa Port Cargo Terminal Berths 7-10

Berths 7 to 10 were constructed between 1943 and 1953. They are mainly used for general cargo as follows; Berths 7 and 8 are used for steel cargo, fertilizer, and clinker, while berths 9 and 10 are used for clinker, iron ore, Magadi soda, and edible oils.

Berth	Current commodities	Berth length [m]	Allowable Draft [m]
B7	General Cargo/Bulk Crude Palm Oil/Bulk Vegetable Oil	211	10
B8	Bulk/General Cargo	139	11
B9	Bulk/General Cargo	215	10
B10	Multi-Purpose	187.5	10

The project involves straightening, deepening and strengthening the current 4 berths to create straight quay and increase the depth (from the current -10.5 metres to -15 metres) of the berth to accommodate larger vessels. The scope also includes construction of cargo yards with a capacity of 24 million MTs of cargo annually, terminal buildings and acquisition of terminal equipment for cargo handling.

2.2.5 Mombasa Port Cargo Terminal Mbaraki Wharfs.

Mbaraki Wharf is a facility built in 1970 and located on the Island side southern part of the Kilindini Harbour in Mombasa, close to the Likoni Channel. Mbaraki Wharf has a total length of 305 m divided into two berths for dry bulk and liquid bulk cargo. The berthing structure is connected to land by five access bridges.

The berth was designed for geared bulk carriers. The discharge operation is carried out using ship gear by stevedores/shore handlers provided by KPA. The facility handles clinker, coal, and refined oil products.

The Mbaraki Wharf is generally in a serious condition due to heavily corroded bottom reinforcement, resulting in cracks and spalling significantly reduces the load bearing capacity of the structure.

The Project involves significant rehabilitation of the terminal however the extend of the rehabilitation will be established at the feasibility study stage.

2.2.6 Inland Container Depot (ICD) NAIROBI (EMBAKASI)

The Inland Container Depot (ICD) Nairobi was commissioned in 1984 is linked by both the Metre Gauge Railway (MGR) and Standard Gauge Railway (SGR) to the Port of Mombasa and provides shippers with dry port facilities in the commercial centre of the country.

The ICD Nairobi was designed initially to accommodate a throughput of 180,000 TEUs which was extended to 450,000 TEUs per annum in 2018 and more recently to 562,000 TEUs following enhancement of ground slots and improvement on dwell time.

ICDN has been designed and equipped to handle containerized cargo including reefer containers. The Terminal is currently operational and therefore, the operator is expected to take over operation, maintenance and expand the Terminal.

2.2.7 Inland Container Depot (ICD) Naivasha

The Naivasha Inland Container Depot (ICD) was commissioned in 2019 and is linked to both MGR and SGR. The Depot is built on 10 acres land and is situated on the southwest side of Mai Mahiu township, approximately 13 km.

The Naivasha ICD handles transit cargo destined for Uganda, Rwanda, Burundi, South Sudan and DR Congo which accounts for approximately 30% of import and export through the port of Mombasa. The ICD is also projected to serve the Naivasha Special Economic Zones which is currently under development, and which will attract various investors who have shown interest in putting up industries.

Equipped to provide fully dry port services, ICD Naivasha plays a vital role in decongesting the Port of Mombasa and serving importers and exporters in the hinterland.

3. OBJECTIVE OF THE ASSIGNMENT

The primary objective of this consultancy is to provide end-to-end, integrated transaction advisory services to the Kenya Ports Authority (KPA) for the structuring and implementation of Public–Private Partnership (PPP) transactions for a portfolio of port and port-related assets, in accordance with the PPP Act, 2021 and applicable regulations.

The assignment shall be undertaken on a coherent, portfolio-based basis, with the objective of ensuring consistency and alignment across all assets in respect of technical assumptions, operational interfaces, financial modelling, risk allocation, performance standards, and concession structures, in order to support bankability, value-for-money, and the orderly transition to the landlord port model. Specifically, the Transaction Advisor (TA) shall:

- a. Undertake integrated technical and financial feasibility studies across the asset portfolio, taking into account shared infrastructure, operational interdependencies, and demand dynamics;

- b. Develop harmonized output specifications, performance standards, and risk allocation frameworks applicable across the portfolio, with asset-specific refinements where required;
- c. Prepare and support the drafting of PPP transaction documents, including procurement documents and project agreements, ensuring coherence and consistency across transactions;
- d. Support the Contracting Authority throughout the procurement, negotiation, and approval processes, through to commercial and financial close; and
- e. Develop a holistic corporate financial model to assess the financial position of KPA before and after the proposed PPP transactions, including the cumulative impact of multiple concessions on revenues, costs, cash flows, and financial sustainability.

In addition, and in line with Government policy to deepen domestic capital participation in infrastructure financing, the assignment shall support the Government of Kenya's objective of mobilizing local retail and institutional capital for strategic port infrastructure, in order to strengthen strategic influence, enhance domestic value retention, and align national interests with commercially viable infrastructure delivery.

The Transaction Advisor shall therefore advise on appropriate deal structures, financing instruments, and market engagement strategies to facilitate participation by local financial markets, including public funds, pension funds, insurance companies, capital markets, and local retail investors.

4. SCOPE OF SERVICES/WORK

4.1 Phase I – Feasibility Study Report

The Transaction Advisor (TA) shall undertake integrated feasibility studies for the identified portfolio of projects to determine their suitability for implementation under the Public–Private Partnership (PPP) framework and to support transaction structuring. The feasibility studies shall be conducted on a portfolio basis, taking into account asset-level characteristics as well as cross-asset operational, commercial, and financial interdependencies.

In undertaking the feasibility studies, the TA shall, inter alia, address the following:

- **Technical Feasibility (project level):** Assess the technical requirements of each asset, including preparation of conceptual/reference designs where applicable, taking into account shared infrastructure, operational interfaces, phasing considerations, and consistency with the landlord port model.

- **Legal and Regulatory Feasibility:** Assess the legal and regulatory requirements applicable to the projects, including compliance with the PPP Act, 2021, and identify provisions necessary to enhance bankability and facilitate participation by local and international investors, including local financial markets.
- **Environmental, Social, and Economic Assessment:** Assess the environmental, social, and economic impacts of the projects in accordance with applicable laws and standards, using the annexed templates and in line with national and development partner requirements. The environmental and social Impact assessment shall be done in accordance with Annex 1.
- **Financial Feasibility (Project-Level):** Assess the financial viability of each project through the development of project-specific financial models, including evaluation of revenues, costs, tariffs, capital expenditure, operating expenditure, and financing structures.
- **Corporate Financial Impact (KPA-Level):** Develop a holistic corporate financial model to evaluate the cumulative impact of the proposed asset concessions on KPA's financial position before and after implementation, including effects on cash flows, debt capacity, creditworthiness, and long-term financial sustainability.
- **Deal Structuring and Financing Strategy:** Design appropriate PPP structures and financing strategies, including approaches to mobilize investment from local financial markets, with specific consideration of public funds, pension funds, insurance companies, capital markets, and local retail investors.
- **Affordability and Value-for-Money Analysis:** Assess project affordability and undertake value-for-money (VfM) analysis, including the development of a Public Sector Comparator (PSC) to determine the relative costs and benefits of PPP delivery compared to traditional public procurement.
- **Fiscal Commitments and Contingent Liabilities (FCCL):** Identify, quantify, and assess potential fiscal commitments and contingent liabilities arising from the projects, in accordance with the applicable FCCL framework.
- **Risk Identification and Allocation:** Identify and map all material project risks within the PPP framework and propose optimal risk allocation consistent with market practice and bankability considerations.
- **Land and Site Readiness:** Assess land requirements, site conditions, and preparatory activities necessary for effective and efficient project implementation, including land access, interfaces, and resettlement considerations where applicable.

- **Stakeholder Engagement and Communication:** Support stakeholder identification, engagement, and communication strategies to facilitate project development, approvals, and market acceptance.
- **Market Sounding and Investor Consultations:** Undertake a comprehensive market sounding exercise and investor consultations, with particular emphasis on local financial markets, and incorporate feedback into the proposed project structures, risk allocation, and transaction documentation.
- **Project Prioritization:** Based on the outcomes of the feasibility studies, prioritize and recommend assets to proceed to the procurement stage, including asset combinations, sequencing and phasing considerations across the portfolio.
- **Portfolio Packaging and Transaction Sequencing:** Develop and assess alternative asset packaging, bundling, sequencing, and phasing options, including recommendations on whether assets should be procured individually, in clusters, or under a portfolio structure to optimise bankability, competition, and long-term value to KPA.

4.2 Phase II – Procurement, Commercial & Financial Close

The Transaction Advisor (TA) shall support the Kenya Ports Authority (KPA) throughout the procurement, negotiation, and closing phases of the PPP transactions, ensuring compliance with the PPP Act, 2021, applicable procurement laws, and international best practice. The TA shall undertake these activities on a portfolio and coherent basis, ensuring consistency across the assets in procurement strategy, risk allocation, contractual provisions, and performance frameworks.

The scope of services under this phase shall include, inter alia, the following:

- a) **PPP Procurement Support:** Support KPA in the procurement of private parties through international competitive bidding, including:
 - I. Preparation of procurement and tender documents, including RFQ/RFP documents and draft PPP agreements;
 - II. Support in issuing invitations to bid, managing bidder queries, clarifications, and addenda;
 - III. Support in bid evaluation, including technical, financial, and commercial assessments; and
 - IV. Preparation of bid evaluation reports in accordance with applicable laws and

regulations.

b) Negotiations and Commercial Structuring: Support KPA in negotiations with preferred and successful bidders on among others:

- I. Port performance indicators and service standards;
- II. Port business plans and investment obligations;
- III. Indigenization and localization strategies;
- IV. Penalty and incentive regimes for performance and non-performance;
- V. Revenue- and benefit-sharing mechanisms with KPA;
- VI. Concession period determination, guided by Kenyan law and international best practice;
- VII. Tariff structures and adjustment mechanisms;
- VIII. Reporting, monitoring, and disclosure obligations;
- IX. Identification of non-negotiable contractual provisions;
- X. Contract management frameworks; and
- XI. Optimal allocation of risks across the portfolio.

c) Stakeholder Engagement and Public Participation: Support KPA in stakeholder mapping, engagement, and coordination throughout the project lifecycle, including facilitation of public participation processes as required under the PPP Act, 2021.

d) Data Room and Information Management: Design, establish, and manage a secure electronic data room, including preparation, uploading, updating, and management of all relevant project documentation and information required during procurement and negotiations.

e) Transaction Documentation:

- I. Prepare and finalize PPP/Concession Agreements and related transaction documents in accordance with Schedule III of the PPP Act, 2021;
- II. Support KPA during negotiations on the draft agreements with preferred

bidders; and

- III. Ensure consistency and coherence of contractual provisions across the asset portfolio.
- f) **Conditions Precedent and Effectiveness:** Assist KPA in identifying, tracking, and fulfilling all conditions precedent to effectiveness of the project agreements, including coordination with relevant stakeholders and authorities.
- g) **Financial Modelling and Scenario Analysis:**
- I. Develop and maintain robust financial models (in Microsoft Excel) for each project and at portfolio level;
 - II. Undertake sensitivity and scenario analyses to test project viability under varying assumptions; and
 - III. Use the models as tools to support negotiations with bidders and lenders.
- h) **Approvals and Governance Support:** Support KPA in securing all requisite approvals by:
- I. Preparing submissions and supporting documentation for the PPP Directorate, PPP Committee, and other approving authorities;
 - II. Assisting KPA to respond to comments, queries, and conditions raised by approving entities; and
 - III. Supporting the approval process through to issuance of final approvals under the PPP Act, 2021.
- i) **Fiscal Commitments and Contingent Liabilities (FCCL):** Provide support in the preparation of FCCL assessments, including:
- I. Identification and quantification of fiscal commitments and contingent liabilities;
 - II. Preparation of documentation required under the FCCL Framework; and
 - III. Support in securing approvals from the Directorate of Public Debt Management (DPDM).

- j) **Legal Reviews and Attorney General’s Opinion:** Provide technical and commercial input to all legal documents and support KPA in securing the Attorney General’s opinion on the draft PPP agreements, including addressing issues and comments raised by the Attorney General’s Office.
- k) **Financial Close Support:** Assist the Contracting Authority in fulfilling all conditions precedent to financial close, including preparation and review of documentation required to support lender and investor requirements.
- l) **Close-Out and Post-Transaction Deliverables:** Prepare a comprehensive close-out report for each transaction;
 - I. Develop a Contract Management, Performance Monitoring, and Reporting Framework;
 - II. Prepare a PPP case study documenting the transaction structure, procurement process, and negotiations;
 - III. Develop a comprehensive PPP Contract and Risk Management Manual for KPA, mapping rights, obligations, remedies, and enforcement mechanisms under the PPP agreements.
- m) **Capacity Building and Institutional Strengthening:**
 - I. Provide ongoing capacity building to the Project Implementation Team through workshops, seminars, and on-the-job training throughout the project lifecycle; and
 - II. Propose an internal organizational and governance structure for KPA to manage and oversee PPP concession agreements on a long-term basis.

5. QUALIFICATION CRITERIA

The Transaction Advisor shall be a firm or consortium of firms, led by a financial advisory firm, and collectively possessing the requisite technical, financial, legal, environmental and social, ports and marine infrastructure, special economic zones (SEZs), and domestic and international capital mobilization expertise necessary to deliver the assignment.

5.1 Qualifications Requirements for the Firm/Consortium of Firms

- a) *PPP Transaction Advisory Experience (Ports Infrastructure):* The firm/consortium shall demonstrate PPP transaction advisory experience including project structuring,

financial modelling, financial analysis, procurement, and negotiations evidenced by having:

- I. Led PPP transaction advisory assignments on at least ten (10) ports infrastructure projects five (5) of which must be in sub-Saharan Africa and at least three (3) port-linked dry port or Special Economic Zone (SEZ); and
- II. Achieved financial close on at least five (5) of the above PPP projects with at least three (3) in SSA.

Additional credit shall be given for experience in Sub-Saharan Africa.

b) Multi-Asset Portfolio Optimization in Port Transactions

- I. Demonstrated experience in structuring and optimizing multi-asset port portfolios under landlord or concession models, with proven ability to design coherent asset packaging, revenue frameworks, and phased transaction strategies that enhance overall portfolio value and long-term public sector returns.
- II. Proven experience in undertaking integrated corporate-level transaction assessments for port authorities or port-sector entities, evaluating the financial, balance sheet, cash flow, dividend, borrowing capacity, and strategic implications of asset concessioning. Such experience shall demonstrate the ability to assess the cumulative impact of multiple transactions on the parent port authority, including revenue reallocation, debt sustainability, capital investment planning, and long-term institutional viability.

Additional credit shall be given for experience in Sub-Saharan Africa.

c) Domestic Financial Markets Experience: Demonstrated capability in structuring and achieving financial close for infrastructure projects involving domestic infrastructure funds, pension funds, and capital markets, particularly under BOT, DBFOM, concession, or similar PPP arrangements;

d) Engineering and Port Planning Experience: The firm/consortium shall demonstrate engineering and port planning experience on at least ten (10) ports infrastructure projects five (5) of which must be in sub-Saharan Africa undertaken within the last twenty (20) years, with greater weighting accorded to more recent experience.

- I. Engineering design and planning of port infrastructure, including berths, terminals, yards, marine works, and associated facilities;

- II. Port master planning, capacity analysis, and phasing strategies aligned with operational and demand requirements.

Additional credit shall be given for experience in Sub-Saharan Africa.

e) *PPP Legal Advisory Experience:* The firm/consortium shall demonstrate PPP legal advisory experience, including:

- I. Legal feasibility studies for PPP projects;
- II. Drafting of PPP concession agreements; and
- III. Support during contract negotiations with preferred bidders and lenders.

Only experience within the last fifteen (15) years shall be considered. Preference shall be given to experience in Port PPP transactions.

Additional credit shall be given for experience in Sub-Saharan Africa.

f) *Environmental and Social Impact Assessment:* The firm/consortium shall demonstrate experience in undertaking Environmental and Social Impact Assessments (ESIA) for infrastructure projects.

Only experience within the last fifteen (15) years shall be considered. Preference shall be given to experience in Port PPP transactions.

Additional credit shall be given for experience in Sub-Saharan Africa.

Under each of the above criteria, firms shall clearly indicate the relevant projects or transactions demonstrating the required experience, including

- I. the awarding institution/client,
- II. Role of the firm (Lead/sub-consultant)
- III. the country where the project was implemented,
- IV. the stage reached in the PPP project lifecycle.
- V. Reference letter

Firms shall present this information in accordance with the table below, provide a clear page reference to the section of their submission where the assignment is described in detail,

and attach a reference letter confirming the firm’s role in the assignment.

No.	Criterion Reference	Project / Transaction Name	Year of the assignment	Asset Type (Port / SEZ / Dry Port)	Country	Region	Role of Firm	PPP Lifecycle Stage Reached*	Page Reference (Evidence)
1	(e.g. a, b, c, etc.)								
2									
3									
4									
5									

5.2 Qualification Requirements and Competencies for Key Experts

The Transaction Advisor’s team will include qualified personnel in the fields of port engineering & operations, public-private partnerships, local financial markets, project preparation and appraisal, project management, financial modeling, PPP project structuring, economic and financial analysis, risk analysis, procurement, policy, legal analysis and expertise on stakeholder management.

The consulting experts shall have sufficient qualified personnel to provide all necessary professional, technical, and expert services to accomplish all the required services within the prescribed time.

Tabulated below is a list of required key experts. In addition to the key experts, the Transaction Advisor shall propose non-key experts that may be required to successfully complete the assignment. The tasks for each key expert shall be read in conjunction with the scope of work. Additional credit will be given for participation of local nationals in the consortium.

Position	Expertise Required
K1: Team Leader/PPP Expert	<ul style="list-style-type: none"> ▪ A degree in Management, Economics, Statistics, Law, Finance, Engineering or any other relevant field. ▪ A minimum of 15 years' demonstrated experience in providing PPP transaction advisory services and development of large infrastructure projects on PPP basis including extensive experience in project structuring and risk analysis, allocation and management; project agreements; bid process management including preparation of bidding documentation and post-bid process monitoring in a team leadership position. ▪ Demonstrated experience acting as Lead Transaction Advisor in at least ten (10) port infrastructure PPP projects, five of which must be in SSA, where the services provided included PPP structuring, preparation of transaction documentation, support to the procurement process, and participation in negotiations with bidders or lenders. ▪ Successful financial closure in at least five (5) port PPP projects, including at least two (2) projects in Sub-Saharan Africa. ▪ Experience in transaction advisory for ports infrastructure development, operations & maintenance projects. ▪ Excellent English communication and writing skills, especially in report writing, are essential.
K2: Port Engineer	<ul style="list-style-type: none"> ▪ University degree in Engineering or related field, with a relevant post-graduate qualification in marine/civil/structural/mechanical engineering. ▪ A minimum of 10 years' demonstrated experience in port design and cost estimation. Relevant qualifications and experience in port projects in general. ▪ Demonstrated experience serving as Port Engineer in at least five (5) port infrastructure PPP projects, including

	<p>at least three (3) projects located in Sub-Saharan Africa, where the expert was responsible for port planning, engineering design, technical feasibility assessment, or technical advisory support during PPP project preparation or transaction implementation.</p> <ul style="list-style-type: none"> ▪ Must be a member of, and in good standing with a relevant Professional body ▪ Fluency in both spoken and written English, especially in report writing is essential.
<p>K3: Financial Expert</p>	<ul style="list-style-type: none"> ▪ A degree in Finance or any other relevant field. ▪ A professional qualification such CPA, CFA or other similar qualifications. ▪ At least 10 years of professional experience in project finance, with a proven track record in financial modeling of PPP projects including value for money assessments. ▪ Demonstrated experience serving as Financial Expert in at least five (5) port infrastructure PPP projects, including at least three (3) projects located in Sub-Saharan Africa, where the expert was responsible for financial modelling, financial feasibility analysis, project structuring, tariff or revenue analysis, and/or financial advisory support during PPP project preparation or transaction implementation. ▪ Successful preparation of at least three (3) financially closed PPP projects, one (1) of which must be in sub-Saharan Africa with a capital value of at least USD 100 Million. ▪ Fluency in both spoken and written English.
<p>K4: Local financial markets expert (Pensions, insurance &</p>	<ul style="list-style-type: none"> ▪ A degree in Mathematics, Economics, Finance or any other relevant field. ▪ A professional qualification such as CPA, CFA, ICIFA,

Capital Markets Expert)	<p>CISI or an equivalent certification;</p> <ul style="list-style-type: none"> ▪ A minimum of 10 years of professional experience in structuring and executing innovative financing solutions, including debt instruments, for local financial markets; ▪ Demonstrated evidence of successfully raising capital from local financial markets (pension, insurance funds and capital markets), with a proven track record of fundraising/financial close for BoT type infrastructure projects from Kenyan financial markets; ▪ Experience with structuring Sukuk or other Sharia-compliant instruments will be an added advantage; ▪ Strong understanding of regulatory frameworks and compliance requirements in local and international capital markets; ▪ Proven ability to navigate and engage key stakeholders, including pension funds, institutional investors, and regulatory bodies, with an emphasis on infrastructure and impact investments; ▪ Fluency in both spoken and written English.
K5: Legal Expert	<ul style="list-style-type: none"> ▪ A university degree in Law. ▪ Demonstrated experience in the drafting of at least five (5) PPP concession agreements of comparable scale, at least two (2) of which must be in SSA; ▪ Extensive knowledge and experience of laws/transactions corresponding to port sector; ▪ Experience in advising on resolution of stakeholder concerns including employment redundancy, and staff welfare/transition for port projects; ▪ Experience in advising at least one (1) Port PPP transactions; ▪ Demonstrated experience in at least five (5) assignments involving legal feasibility studies, drafting contractual agreements and other related documents/agreements;

	<p>PPP procurement, managing bidding process, resolving legal issues, policy and institutional assessment;</p> <ul style="list-style-type: none"> ▪ Successful preparation of PPP projects of at least two (2) financially closed PPP projects in SSA; ▪ Experience in public procurement/transaction management; ▪ Excellent English communication and writing skills, especially in report writing, are essential.
<p>K6: Port Operations Expert</p>	<ul style="list-style-type: none"> ▪ A degree in Engineering, Construction Management, Economics, Logistics, Business Administration, Project Management or related field from an accredited college or university. ▪ A minimum of 10 years' experience with port Planning and Operations. ▪ Demonstrated participation in at least ten (10) port planning or port operations assignments for major ports, five (5) of which must have been in sub-Saharan Africa, including preparation of operational plans, port capacity assessments, logistics analysis, or port operational modelling. ▪ Proven experience in port operational modelling or logistics analysis for at least three (3) financially closed port PPP project, one of which must be in sub Saharan Africa. ▪ Professional experience in port planning, and operational modelling. ▪ Fluency in both spoken and written English, especially in report writing, is essential.
<p>K7: Environmental & Social Safeguards Expert</p>	<ul style="list-style-type: none"> ▪ University degree in environmental science or other related sciences. Advanced degree preferred; ▪ At least 10 years of professional experience preparing

	<p>environmental impact assessments;</p> <ul style="list-style-type: none"> ▪ Demonstrated experience in the preparation or review of at least five (5) high risk Environmental and Social Impact Assessments (ESIAs) or equivalent environmental studies for major infrastructure projects. ▪ Experience in advising at least one (1) Port PPP transactions; ▪ Valid registration with the National Environment Management Authority (NEMA) of Kenya as an Environmental Impact Assessment Expert (Lead or Associate Expert). ▪ He/she should be well familiar with development partners environmental policies and IFC Performance Standards and be registered with NEMA. ▪ Experience in assessing likely social risks including labor influx, labor displacement, GBV; vulnerability assessments; labor integration/re-integration, gender, disability, and intergenerational inclusion; and proposing mitigation measures; ▪ Experience in consultations with interested and affected parties in accordance with procedures and regulations of Kenya and the development partners safeguards and Standards for stakeholder consultations;
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Under each of the above criteria, experts shall clearly indicate the relevant projects or transactions demonstrating the required experience, including

- I. the awarding institution/client,
- II. Role of the consultant
- III. the country where the project was implemented,
- IV. the year of assignment,

- V. the stage reached in the PPP project lifecycle.
- VI. Reference letter confirming the expert's role in the assignment

This information shall be presented in the relevant expert's curriculum vitae (CV), with a clear page reference to the section of the CV where the assignment is described in detail, and supported by a reference letter confirming the expert's role in the assignment.

No.	Criterion Reference	Project / Transaction Name	Year of the assignment	Asset Type (Port / SEZ / Dry Port)	Country	Region	Role of Expert	PPP Lifecycle Stage Reached *	Page Reference (Evidence)
1.	(e.g. a, b, c, etc.)								
2.									
3.									
4.									
5.									

6. TENTATIVE TIME SCHEDULE

The assignment is anticipated to take 36 months in accordance with the Target Timetable in section 10.0. The contract to be signed with the TA shall remain valid for the period pending the conclusion of transaction.

7. BUDGET/PAYMENT

The final price for the transaction advisory services is expected to be a result of a competitive bidding under this tender. The invoicing of the transaction advisory services is expected to be based on the acceptance of individual deliverables by the Project Implementation Team and the Contracting Authority. A detailed payment schedule of the transaction advisory services is provided below.

No	Deliverable	Payment Amount	Timeline (After Contract Signature)
Phase I- Feasibility Phase			
1.	Completion of the Inception report	20%	1 Month
2.	Completion of draft Feasibility Study Phase Deliverables including Feasibility Study Report and ESIA Report	50%	4 Months
3.	Completion and acceptance of Feasibility Study Phase Deliverables including Feasibility Study Report and ESIA Report	30%	6 Months
4.	Total	100%	6 Months
Phase II - Procurement, Commercial Close, Financial Close			
5.	Completion of Procurement Phase Documents Deliverables – Draft Project Agreement, RFQ and RFP Phase Documents/Deliverables	20%	8 Months
6.	RFQ - Tender Evaluation Phase Report	20%	12 Months
7.	RFP - Tender Evaluation Phase Report	20%	16 Months
8.	Commercial Close - Signing of the Project Agreement	30%	24 Months
9.	Financial Close – As will be defined in the Project Agreement	10%	36 Months
10.	Total	100%	36 Months

The decision to proceed to any subsequent phase of the assignment shall be contingent upon approval of the deliverables in the preceding phase and written instructions by the Client in consultations with KPA. Where approvals are required under the PPP Act, such approvals shall be sought and obtained before proceeding.

8. BID EVALUATION CRITERIA

The selection method shall be quality and cost-based. The evaluation committee shall evaluate the proposals on the basis of their compliance and responsiveness to ToR's.

ANNEX 1

ENVIRONMENTAL, SOCIAL, AND RESETTLEMENT STUDIES

PPP Feasibility Stage

1. Purpose and Legal Basis

This Schedule sets out the requirements for Environmental, Social, and Resettlement Studies to be undertaken as part of the Feasibility Study for the proposed Port Infrastructure Development Project, to be implemented under a Public–Private Partnership (PPP) framework by the Kenya Ports Authority (KPA).

The assignment shall be undertaken in accordance with:

- the Public Private Partnerships Act, 2021 and applicable Regulations;
- the Kenya Ports Authority Act;
- the Environmental Management and Coordination Act (EMCA) and subsidiary regulations;
- the Physical and Land Use Planning Act;
- applicable land laws and National Land Commission (NLC) guidelines;
- relevant marine, fisheries, and coastal management legislation; and
- the World Bank Environmental and Social Framework (ESF) and applicable lender environmental and social safeguard standards.

2. Overall Environmental and Social Safeguards Strategy

In line with the PPP Act and international PPP best practice, environmental and social safeguards shall be implemented through a two-stage approach:

1. **Stage 1:** Government-led preliminary PPP Environmental and Social Impact Assessment (PPP ESIA) and Full Resettlement Action Plan (RAP) at Feasibility Stage; and
2. **Stage 2:** Private Concessionaire-led Full ESIA Study prior to Financial Close.

This approach ensures that:

- land acquisition and resettlement risks are addressed and implemented by Government prior to financial close; and
- the private party undertakes a bankable, construction-ready ESIA based on final designs, in compliance with NEMA and lender requirements.

Given that the Project may involve development, expansion, rehabilitation, and operation of port terminals, berths, cargo handling facilities, and associated logistics infrastructure including inland container depots, the feasibility studies shall assess potential environmental and social impacts including marine and coastal impacts, cargo handling operations, land acquisition where applicable, relocation of structures or utilities, and impacts on surrounding communities and economic activities.

3. Government-Led Preliminary PPP ESIA

3.1. Objective of the PPP ESIA

The Consultant shall prepare a preliminary PPP Environmental and Social Impact Assessment (PPP ESIA) to inform project structuring, risk allocation, and procurement.

3.2. Scope of the Preliminary PPP ESIA: The preliminary PPP ESIA shall:

- identify and assess material environmental and social risks associated with port infrastructure development, cargo handling operations, logistics facilities, and surrounding communities;
- inform terminal layout options, operational planning, infrastructure rehabilitation requirements, and associated engineering solutions;
- support cost estimates and PPP risk allocation;
- define mitigation principles and safeguard obligations to be incorporated into bidding documents; and
- provide a baseline safeguard framework for the subsequent private-led ESIA.

The preliminary PPP ESIA shall comply with EMCA and the World Bank ESF.

3.3. Screening for Indigenous Peoples:

In accordance with the World Bank Environmental and Social Framework, the Consultant shall screen for the presence of Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7) within the Project Area of Influence. Given that the project is expected to be implemented largely within existing port operational areas and associated logistics facilities, no ESS7-eligible communities are anticipated. This assumption shall, however, be confirmed through desk review, stakeholder consultations, and field verification. Where the screening confirms that ESS7 is not triggered, the Consultant shall prepare an ESS7 Screening Note documenting the assessment and conclusion, and no Indigenous Peoples Plan (IPP) shall be required at Feasibility Stage. Where future design refinements, new auxiliary infrastructure, or site expansion result in ESS7 applicability, the PPP ESIA shall include a conditional requirement for the Private Concessionaire to undertake further ESS7 assessment and, where required, prepare an IPP as part of the Full ESIA prior to Financial Close.

4. Government-Led Land Acquisition and Resettlement

4.1 Resettlement Applicability

Based on the preliminary project concept, the Project is expected to be implemented within existing sites owned or controlled by KPA, with minimal or no land acquisition requirements.

Notwithstanding the above, the Consultant shall confirm resettlement impacts during

feasibility.

4.2 Resettlement Deliverables (If Applicable)

The Consultant shall prepare a Full Resettlement Action Plan (RAP), where applicable, suitable for implementation by Government following completion of the Feasibility Study and prior to Financial Close.

The RAP shall comply with:

- the Constitution of Kenya (2010);
- the Land Act (2012) and Land Value (Amendment) Act (2019);
- National Land Commission guidelines; and
- World Bank ESS5.

4.3 Surveys and Asset Identification (If Applicable)

The Consultant shall undertake:

- a 100% census of Project Affected Persons (PAPs);
- a Detailed Measurement Survey (DMS) of affected assets; and
- a household-level socio-economic baseline survey.

A formal cut-off date shall be established in accordance with Kenyan law.

4.4 Valuation and Compensation Framework

The RAP shall include:

- asset valuation at full replacement cost;
- eligibility and entitlement matrices;
- livelihood restoration and transitional assistance measures; and
- provisions for vulnerable groups.

4.5 RAP Implementation

The RAP shall provide:

- a fully costed implementation budget;
- an implementation schedule aligned to the PPP procurement programme;
- institutional roles and responsibilities, including KPA and NLC;
- grievance redress mechanisms; and
- monitoring and reporting arrangements.

The RAP shall be implemented by GoK prior to Financial Close, ensuring land availability for the concessionaire.

5. Private Concessionaire-Led Full ESIA Study

The preliminary PPP ESIA and RAP prepared at feasibility stage shall not replace the requirement for a statutory ESIA.

The Private Concessionaire shall be responsible for:

- preparing a Full ESIA Study Report based on final designs;
- obtaining all required approvals and licences from NEMA; and

- ensuring compliance with the World Bank ESF and lender requirements, prior to Financial Close, as a condition precedent under the PPP Agreement.

The GoK-prepared PPP ESIA and RAP shall serve as baseline reference documents for the private-led ESIA.

6. Stakeholder Engagement

The Consultant shall prepare an initial Stakeholder Engagement Plan (SEP) covering:

- stakeholder identification and mapping;
- consultation and disclosure strategy;
- grievance redress mechanisms; and
- roles, responsibilities, and reporting.

The SEP shall support RAP preparation and implementation and shall be updated by the Private Concessionaire during the Full ESIA Study.

7. Integration with PPP Procurement

The Consultant shall ensure that environmental and social requirements are clearly reflected in the PPP procurement process, including:

- confirmation of RAP implementation requirements and timing, including completion prior to Financial Close where applicable;
- identification of residual environmental and social risks;
- allocation of environmental and social safeguard obligations and associated risks between Government and the Concessionaire; and
- definition of environmental and social conditions precedent to Financial Close.

8. Deliverables

The Consultant shall deliver the following as part of the Feasibility Study:

1. PPP Environmental and Social Impact Assessment (PPP ESIA)
2. ESS7 Screening Note (stand-alone or annexed to the PPP ESIA)
3. Full Resettlement Action Plan (RAP), if applicable
4. RAP Costed Implementation Schedule
5. Initial Stakeholder Engagement Plan (SEP)
6. PPP ESIA–Private ESIA Interface Note