

PRIORITY INVESTMENT AREAS FOR THE DEPARTMENT OF LANDS, HOUSING  
AND URBAN PLANNING/DEVELOPMENT FOR BOMET MUNICIPALITY 2018 / 2019

FOUR POSSIBLE PROJECTS

Strategic Objective	Enhancing efficiency in land administration, housing and urban development <i>for prosperity</i>
Goals	<ul style="list-style-type: none"><li>❖ Fully operational inter-regional bus terminus hub for sustainable development <i>and connectivity</i></li><li>❖ Establishment of a duly recognized and approved slaughterhouse/<i>Abattoir</i></li><li>❖ <i>Improvement of</i> housing standards by 20 percent</li><li>❖ <i>Establishment of</i> housing data base/<i>inventory</i></li><li>❖ Development of 1,000 low cost houses in Bomet County</li><li>❖ Development of integrated solid waste management systems in the County</li><li>❖ Development of Integrated Land Information Management Systems</li></ul>

Priority Areas	<ul style="list-style-type: none"> <li>✓ Improving domestic and regional bus passenger and cargo transportation services</li> <li>✓ Accelerate urban development</li> <li>✓ Provide consumers a <i>disease-free and quality meat</i> in a sustainable environment</li> <li>✓ Improve meat by-products through value addition</li> <li>✓ Facilitate <i>access to low cost housing</i> in the county</li> <li>✓ Conduct housing surveys and inventories</li> <li>✓ <i>Improve revenue collection and systems</i></li> <li>✓ <i>Enhance hygienic business environment</i></li> </ul>
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### PRIORITY AREA ONE (1): SOLID WASTE MANAGEMENT ISSUES IN BOMET COUNTY

Integrated solid waste management initiative for urban centers in the County

LIVING CONDITIONS AND QUALITY OF LIFE IN ALL URBAN AREAS

#### Problem Experienced in General

- Solid waste management in the County
- High population growth in urban centers around the lake, hence an increase in solid waste generation,
- Poor planning and uncontrolled expansion of urban centers,
- lack of disposal facilities and systems,
- haphazard waste disposal systems in some cases,
- poor dumping sites in most towns,
- biased programs/initiatives,
- poor planning of waste disposal initiatives,

- lack of handling and treatment facility,
- low community participation in existing initiatives on waste disposal,
- lack of knowledge and awareness,
- low funding on solid waste management initiative, population explosion,
- unaffordable costs,
- lack of recycling and re-use of solid waste, and
- poor maintenance, and poor infrastructure.

Goal	To contribute to the achievement of SDG 11 targets on Sustainable Urban Areas
Strategy objective	Pollution control and waste management
Specific Project Objective (s)	<ol style="list-style-type: none"> <li>1. To create awareness among city/town residents on the importance of clean and safe environment;</li> <li>2. To build the capacity of community groups to manage and maintain localized solid waste disposal systems;</li> <li>3. To facilitate establishment of small scale technologies for Recycling and Reuse of solid wastes the major cities and towns within the Basin, and</li> <li>4. To prevent and reduce solid wastes pollutants emanating from Urban areas/towns into the county rivers.</li> </ol>
Issue (s)	<ol style="list-style-type: none"> <li>1. Establishment of small scale technologies for Recycling and Reuse of solid wastes</li> <li>2. Prevention and reduction of solid wastes pollutants emanating from urban areas/towns into the county rivers</li> <li>3. Capacity building targeting community groups on how to manage and maintain localized solid waste disposal systems</li> <li>4. Awareness creation among city/town residents on the importance of clean and safe environment</li> </ol>

## Broad Issues

Lack of a comprehensive policy framework for waste management and a shortage of tools to analyze and improve efficiency, effectiveness and sustainability has been a major problem in mushrooming urban centers within the region. Lack of replicative models has also aggravated the problem of solid wastes in urban areas. Mushrooming and expansive urban areas, high population density, inadequate waste facilities, low literacy levels, high in-migration levels from rural to towns and cities, few national programs targeting solid waste interventions in most urban centers within the basin, poor urban planning.

Difficult to forge partnership and community participation, low returns in solid waste collection. The approach will focus a community based-model for solid waste management centers in urban centers and also will contribute to pollution reduction into the water bodies by poorly disposed solid wastes. Furthermore, the approach will have inbuilt mechanism for community participation and sustainability.

Financial problems as a result of imbalances between income and expenditure due to rising costs and inadequate revenues by the county governments in the region, have further contributed to the above mentioned problems afflicting solid wastes.

## ISWM Principles

- Equity
- Effectiveness
- Efficiency
- Sustainability

There is need to:

To create awareness among urban residents on importance of clean and safe environment:

It is evident that population living in slum areas lack awareness on importance of sanitation and impacts, this objective aims to promote awareness of proper handling

and disposal of solid wastes and impact on human health and the general environment.

To achieve that objective the following activities will be implemented:

- i. Develop information, education and communication materials;
- ii. Identification and training of community groups on importance of solid wastes management
- iii. Carry massive awareness campaigns on solid waste management.
- iv. Carry out advocacy campaigns

The following are the expected outputs of the intended campaigns:

- a. Information and education materials developed.
- b. Peer groups identified and trained.
- c. Massive awareness campaigns carried out.
- d. Advocacy campaigns carried out.

To build the capacity of community groups to manage and maintain localized solid waste disposal systems;

Many solid waste management models have been tried out in most urban centers the world over but with minimal success. The models have failed mainly due to poor assimilation in the local environment and lack of understanding on how to operationalize these technologies in the context of prevailing infrastructure in the urban areas. This objective will therefore involve introduction of an integrated solid waste management model that is suitable for fastest growing urban centers. To achieve the objective, the following activities will be undertaken:

- i. Identification of suitable sites for construction of the disposal systems
- ii. Establishment and training of community management committees for the solid wastes disposal systems
- iii. Facilitation of construction of the specialized safe disposal systems-landfills, incinerators and underground sites

The following are the expected outputs:

- a. Suitable sites identified
- b. Community management committees established and trained
- c. Safe disposal systems identified and constructed

To facilitate establishment of small scale technologies for Reducing, Recycling and Reuse of solid wastes the major cities and towns within the Basin,

Communities in slum areas lack capacity to manage and sustain waste disposal projects and services. This is compounded by the lack of community participation and ownership of the projects. This objective will address capacity gaps of the community leaders including management of community projects and establishment and maintenance of partnerships.

To prevent and reduce solid wastes pollutants emanating from towns /urban centers into County Rivers

Most community projects lack simple information systems that can enhance the community's understanding of the outputs and outcomes of the project. Consequently participation and ownership of the projects by the communities remain minimal. This therefore calls for development of a simple information system to be integrated in the project design to ensure its sustainability.

## IMPLEMENTATION APPROACH

### Areas

Selection of the urban centers and pilot areas will be based on population density and magnitude of the water and sanitation problems.

### design

The project will be implemented in phases which entail both short term and long term interventions.

## Institutions and Partnerships

Implementing partners will include: Communities, Municipalities, Departments responsible for Solid Wastes collection and disposal, Regional Organizations, Environment Enforcement Authorities, CBOs and NGOs

Potential Partners – World Bank (IDA), AfDB, EADB, Local Banks (KCB, TNB, NB, Equity Bank, CO-OP Bank, etc), US Aid, UNDP, Individuals, Private Organizations, State Corporations, etc

## RECOMMENDATIONS

1. Provide adequate facilities to collect solid wastes around by incorporating every sector
2. Provide adequate number of vehicles to collect and dump solid wastes
3. Acquire appropriate dumping sites for solid wastes in the County

## ESTIMATED COST

It is envisaged that the cost of this project is Kshs 700 million including capacity and operational costs to completion of the project. The project duration is 1 (one) year.

## PRIORITY AREA THREE (2): DEVELOPMENT OF ULTRA MODERN ABBATOIR

Project Name:	Slaughterhouse/Abattoir at Kapsimatwo
Description of Project:	<p>This is a “greenfield” project that is expected to create between 3,000 and 4,000 local jobs. Regional communities should also benefit as the livestock industry is expected to grow as a result of enhancing the value chain (livestock slaughter, packaging and exports) locally and thereby reducing costs of export.</p> <p>Although other project structures are being considered, it is anticipated that a design, finance, construct, implement, operate and transfer back to the County contract is</p>

	<p>preferred. The slaughterhouse may also include other added value services such a flash freezing, cold storage, packaging, quality and health standards controlled and certified, etc.</p> <p>Large scale producers (potential clients/investors) in the region have approached Bomet County on providing a regional slaughterhouse. Currently a large percentage of livestock are transported to Nairobi for slaughter.</p> <p>The market currently exists for cattle, sheep and goats.</p> <p>Location of this “greenfield” project to be determined (based on private sector interests based on existing sites and feasibility studies).</p>
Location in County& Description:	Bomet County population is 800,000 and region to benefit is USD 2,000,000
Industry/Sector:	Livestock and agribusiness
Contracting Authority:	Bomet County Government through the Department of Urban Planning/Development
Project Leader:	LHUP
Contact Point:	LHUP
Funding of Feasibility & Study Transaction Advising:	<ul style="list-style-type: none"> <li>• Not identified probable partnership</li> <li>• FIRM funding</li> <li>• County budget</li> </ul>
Projected CAPEX:	KES 750 million
Identified CAPEX for viability gap& earmarked use for proceeds:	The Department of Lands, Housing and Urban Development has set aside KES 10 million and another KES 15 million for the purchase of adequate land for the project.
Other CAPEX funding (e.g., private sector):	<ul style="list-style-type: none"> <li>• Private sector investor operator KES 725 million</li> </ul>

Projected Viability Gap (see attached financials):	<ul style="list-style-type: none"> <li>• Viability gap financing may be required if the project is not feasible, ALSO</li> <li>• Potential for concession fee paid by developer to County</li> </ul>
Anticipated Capital Structure (Debt/Equity):	<ul style="list-style-type: none"> <li>• Anticipated to be about 30% equity</li> </ul>
Projected Revenues:	To be determined – Expected to include fees for slaughter and other value added services, rent/storage
Projected O&M Costs:	To be determined
Projected net income and IRR (see attached financials):	<ul style="list-style-type: none"> <li>• May require subsidization (viability gap)</li> </ul>
PPP Options	<p>Options discussed included:</p> <ul style="list-style-type: none"> <li>• Concession</li> <li>• Lease</li> <li>• Management</li> <li>• PFI</li> <li>• BOT</li> <li>• Licensed BOO</li> </ul>
Risk/Possible Allocation:	<ul style="list-style-type: none"> <li>• All design, construction operating maintenance risks to private sector except for demand risk to be determined</li> </ul>
Legal Issues:	<p>For Identified PPP Options:</p> <ul style="list-style-type: none"> <li>• PPP Law (depending on potential guarantee required)</li> <li>• Health Law</li> <li>• Competition with existing providers</li> </ul>

	<ul style="list-style-type: none"> <li>• Determine other national government jurisdiction, if any (e.g., health)</li> </ul>
Market Sounding (Investor/Operator)	<ul style="list-style-type: none"> <li>• Must be undertaken</li> <li>• Interest on the part of large producers</li> </ul>
Preliminary potential concerns:	<ul style="list-style-type: none"> <li>• Level of demand will determine the project's viability and size.</li> <li>• Level of demand</li> <li>• Seasonality of sector</li> <li>• Existing competition</li> <li>• Transport through Bomet</li> </ul>
Potential Partners	<ul style="list-style-type: none"> <li>- World Bank (IDA), AfDB, EADB, Local Banks (KCB, TNB, NB, Equity Bank, CO-OP Bank, etc), US Aid, UNDP, Individuals, Private Organizations, State Corporations, etc</li> </ul>
Current Status:	<ul style="list-style-type: none"> <li>• Determining potential level demand for service</li> <li>• Develop very high level of design</li> <li>• Identify potential locations</li> <li>• Identify potential eventual investor/operator (large scale producers)</li> </ul>
Follow-up:	<p>Information to be requested:</p> <ul style="list-style-type: none"> <li>• Develop financial assessment</li> <li>• Determine CAPEX</li> <li>• Identify potential client base and amount of potential revenue based on market fees</li> <li>• Projected cost of operations &amp; maintenance (OPEX).</li> <li>• Confirm legality of proposed structure (legal review).</li> </ul>

	<p>Support to be provided by FIRM:</p> <ul style="list-style-type: none"> <li>• Provide a financial assessment of the project with a high level review, where necessary: <ul style="list-style-type: none"> <li>○ Legal,</li> <li>○ Economic,</li> <li>○ Technical,</li> <li>○ Financial</li> <li>○ Environmental/social</li> <li>○ Competition</li> <li>○ Investor market interest</li> </ul> </li> <li>• Prepare a TOR for Transaction Advisor and/or full feasibility study</li> </ul>
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**PRIORITY AREA THREE (3): DEVELOPMENT OF INTER-REGIONAL BUS TERMINUS HUB AT KAPKWEN AREA, BOMET COUNTY**

Project Name:	Bus Terminal/Hub
Description of Project:	<p>The County is facing an uphill task in controlling and collecting revenues from motor vehicles, as there is inadequate space for bus stoppages. This condition has led to inconveniences and sometimes even the loss of life. Therefore, the County is planning to construct and operate a Regional Bus Terminal in Bomet County. This is a newly proposed project that was included in the current financial year budget as a core project activity, though initially at a low scale. However due to funding constraints, the County is now considering various alternatives to implementing the project including obtaining private investment through a PPP and extending the project to be implemented in phases over several years. As of now, land has been availed to the</p>

	<p>County Government for this project.</p> <p>On the PPP side, the most interesting option would be a design, finance, construct, implement, operate and transfer back to the County of a regional bus terminal/hub in Bomet County. The bus terminal/hub will also include a taxi stand and other concessions (e.g., restaurant, retail market, petrol station, etc.) based on the private sectors interest.</p> <p>The viability of the project will be based on existing local and transit traffic and on planned upgrading of main road and is expected to include traffic to and from Uganda, Rwanda, Burundi and Tanzania</p>
Location in County& Description:	Bomet County population is estimated at 800,000 plus. The project will be located inside the Municipality area and is expected to provide adequate space for southern corridor which accounts for more than 200,000 people plying the route monthly. This project is expected to invigorate the economy across the county and its regional environs.
Industry/Sector:	Transportation and urban development
Contracting Authority:	County Government of Bomet( Department of Urban Development)
Project Leader:	LHUP
Contact Point:	LHUP
Funding of Feasibility & Study Transaction Advising:	<ul style="list-style-type: none"> <li>• Not identified/probable partnership</li> <li>• FIRM funding</li> <li>• County budget</li> </ul>
Projected CAPEX:	KES 1.2 billion
Identified CAPEX for viability gap& earmarked use for proceeds:	Although public funding is not expected to be required, the Department of Lands, Housing and Urban Development has set aside KES 10 million as well as land for construction of the Bus Terminal.

Other CAPEX funding (e.g., private sector):	KES. 1.1 billion for the design and construction of the terminal and feeder infrastructure.
Projected Viability Gap (see attached financials):	<ul style="list-style-type: none"> <li>• None expected</li> <li>• Potential for concession fee resulting from rent and other traffic fees</li> </ul>
Anticipated Capital Structure (Debt/Equity):	Lenders expected to require between 30% and 50% equity.
Projected Revenues:	To be worked out
Projected O&M Costs:	To be worked out
Projected net income and IRR (see attached financials):	<ul style="list-style-type: none"> <li>• Anticipated to be fully financially viable without County support</li> <li>• Concession to the County is also expected</li> </ul>
PPP Options	<p>Options discussed included:</p> <ul style="list-style-type: none"> <li>• Concession</li> <li>• BOT of terminal/hub assets.</li> <li>• BOO</li> <li>• Institutional PPP with minority interest on the part of the County</li> <li>• Lease or operating management contract if funding identified by County</li> </ul>
Risk/Possible Allocation:	<ul style="list-style-type: none"> <li>• All risk to private sector developer including traffic/demand risk</li> <li>• Enforcement of terminal exclusivity by County</li> </ul>
Legal Issues:	<p>For Identified PPP Options:</p> <ul style="list-style-type: none"> <li>• PPP Law (expected to be exempt)</li> <li>• Determine other national government jurisdiction, if</li> </ul>

	any
Market Sounding (Investor/Operator)	<ul style="list-style-type: none"> <li>• Required upon completion of the feasibility study</li> </ul>
Preliminary potential concerns:	<ul style="list-style-type: none"> <li>• Determining potential level on traffic/demand</li> <li>• Level of existing traffic will determine the size and viability of project.</li> <li>• Status of upgrade of main road in Bomet</li> <li>• Competition on other roads (e.g., road north of Bomet that is currently being upgraded). Near Kapsimatwo market into a tarmack</li> </ul>
Potential Partners	<ul style="list-style-type: none"> <li>- World Bank (IDA), AfDB, EADB, Local Banks (KCB, TNB, NB, Equity Bank, CO-OP Bank, etc), US Aid, UNDP, Individuals, Private Organizations, State Corporations, etc</li> </ul>
Current Status:	<ul style="list-style-type: none"> <li>• Develop very high level of design based on projected traffic/demand</li> <li>• Identify potential eventual investor/operator</li> <li>• Insufficient data/information available</li> </ul>
Follow-up:	<p>Information to be requested:</p> <ul style="list-style-type: none"> <li>• Perform financial assessment</li> <li>• Determine CAPEX</li> <li>• Identify potential sources and amount of potential revenue</li> <li>• Projected cost of operations &amp; maintenance (OPEX).</li> <li>• Confirm legality of proposed structure (legal review).</li> </ul> <p>Support to be provided by FIRM:</p> <ul style="list-style-type: none"> <li>• Provide a financial assessment of the project with a</li> </ul>

	<p>high level review, where necessary:</p> <ul style="list-style-type: none"> <li>○ Legal,</li> <li>○ Economic,</li> <li>○ Technical,</li> <li>○ Financial</li> <li>○ Environmental/social</li> <li>○ Competition</li> <li>○ Investor market interest</li> </ul> <ul style="list-style-type: none"> <li>● Prepare a TOR for Transaction Advisor (TA) and/or full feasibility study</li> <li>● Support County in identifying, signing and managing feasibility study consultant and/or TA</li> </ul>
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**PRIORITY AREA FOUR (4): DEVELOPMENT OF LOW COST HOUSING IN BOMET COUNTY PART OF THE BIG FOUR AGENDA**

Project	Development of Low Cost Housing in Bomet County
Objective	<p>Due to increased urbanization there has been rising demand for housing nationally. The national strategic objective is to facilitate production of an average of 200,000 units per year. To meet this demand in Bomet County, there is need to invest in low cost housing in urban centers. The overall objective is to construct 1,000 houses to increase number of people accessing quality, affordable and habitable housing. A sizeable number of staff (95%) is operating from their homes around the County due to lack affordable or rentable houses. The target houses will prize from Kshs 500,000 and above.</p>

Specific Activities	<ul style="list-style-type: none"> <li>❖ Identification and acquisition of land and setting up of cost-effective facilities</li> <li>❖ Negotiations with potential partner institutions to for relevant knowledge and technology and finance</li> <li>❖ Signing of agreement</li> <li>❖ Promotion of low cost housing materials and technology</li> <li>❖ Project implementation</li> <li>❖ Monitoring and evaluation</li> </ul>
Expected Outputs	<ul style="list-style-type: none"> <li><input type="checkbox"/> Appropriate land acquired</li> <li><input type="checkbox"/> MOUs with partners or institutions signed</li> <li><input type="checkbox"/> Developed and habitable housing</li> </ul>
Expected Impacts	Increased housing stock, reduction of number of people without accommodation – homelessness, increased number of people accessing quality, affordable and habitable housing reduced informal settlement, improved environmental sustainability and economic development.
Resources:	Available: County housing development land and human resource etc. Required: Technical assistance and financial support Kshs.750m.
Desired Collaboration and Support	<ul style="list-style-type: none"> <li>- Partnership with research institutions, and providers of relevant technology on low cost housing research and development and finances</li> <li>- Partnership with potential partners and institutions, and infrastructure development</li> <li>- Training of M&amp; E officers</li> </ul>
Potential Partners	<ul style="list-style-type: none"> <li>- World Bank (IDA), AfDB, EADB, Local Banks (KCB, TNB, NB, Equity Bank, CO-OP Bank, etc), US Aid, UNDP, Individuals, Private Organizations, State Corporations, etc</li> </ul>
Current Status:	<ul style="list-style-type: none"> <li>• Develop very high level of design based on projected traffic/demand</li> <li>• Identify potential eventual investor/operator</li> <li>• Insufficient data/information available</li> </ul>
Follow-up:	Information to be requested:

	<ul style="list-style-type: none"> <li>• Perform financial assessment</li> <li>• Determine CAPEX</li> <li>• Identify potential sources and amount of potential revenue</li> <li>• Projected cost of operations &amp; maintenance (OPEX).</li> <li>• Confirm legality of proposed structure (legal review).</li> </ul> <p>Support to be provided by FIRM:</p> <ul style="list-style-type: none"> <li>• Provide a financial assessment of the project with a high level review, where necessary: <ul style="list-style-type: none"> <li>○ Legal,</li> <li>○ Economic,</li> <li>○ Technical,</li> <li>○ Financial</li> <li>○ Environmental/social</li> <li>○ Competition</li> <li>○ Investor market interest</li> </ul> </li> <li>• Prepare a TOR for Transaction Advisor (TA) and/or full feasibility study</li> <li>• Support County in identifying, signing and managing feasibility study consultant and/or TA</li> </ul>
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## Sustainability

The approaches to be adopted in the three priority areas will have an in-built system for ensuring sustainability and continuity. The success of this intervention requires that high level commitment both at the County, national and regional levels and should be maintained at all times. The approach will be fully integrated into the existing development programmes in the county, national and regional and

institutional frameworks where applicable to vouch for support and meet financial obligations.

To ensure project ownership, participatory process during the project design, every effort will be made to bring on board the people in the urban slum areas in the county, NGOs, and the private sectors will be engaged in regional, national and county consultations and this will therefore indicate their commitment and ownership of this approach

Since the approach is expected to continue beyond its lifespan, mechanisms for long-term sustainable financing will be explored and piloted during implementation of the approach as well developing policy to guide on disposal of solid wastes in the County.

## MONITORING AND EVALUATION

Monitoring and Evaluation will form an integral part of these projects. M&E indicators will be developed covering the output areas stated above. Monitoring will be done continuously and reported on a quarterly basis. Evaluation will be done based on the projects objectives at the mid-term periods depending on their start dates and the closure of the project to find out whether the project objectives are on track and have been realized, respectively. Both outcome and impact indicators will be developed to assist in the evaluation of the project.