



The County Green Project Preparation Facility

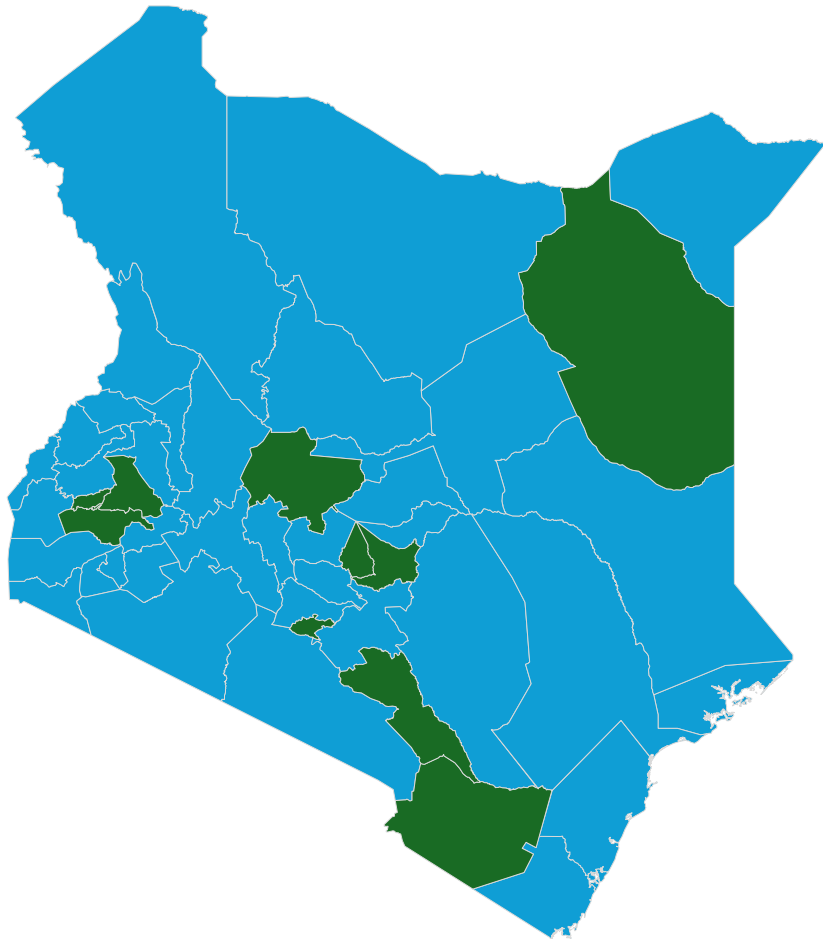
The Green Finance Kenya
2025 Roundtable

4th September 2025



Overview of the County Green Project Preparation Facility

10 Participating Counties in Kenya



Laikipia, Kirinyaga, Embu, Wajir, Makueni, Taita Taveta, Nandi, Kisumu, Vihiga & Nairobi City

How PwC is supporting counties to identify viable green projects



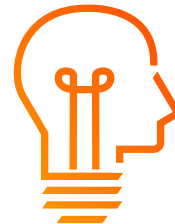
Origination

Supporting counties to generate a pipeline of viable green projects.



Project preparation

Supporting counties to transform high level ideas into well defined feasible and fundable projects. This includes carrying out feasibility assessments, financial structuring, stakeholder engagement and ESIA.

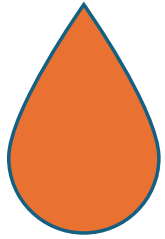


Investor Engagement

Supporting counties to engage potential private public investors.

Emerging themes

The areas below emerged as priority for green investments, following an assessment that was conducted by FSD Kenya in the 10 counties.



- Water and sewerage – enhance bulk water supply, expand treatment facilities, improve reticulation and metering with aim to improve access to clean water and sewerage services



- Renewable energy – improve access to clean, reliable and affordable energy to reduce operational costs and improve service delivery. Key areas: wind, solar and small-scale hydropower units.



- Sanitation – improve management of solid and liquid waste in urban and peri-urban areas by promoting waste reduction, reuse and value addition activities.

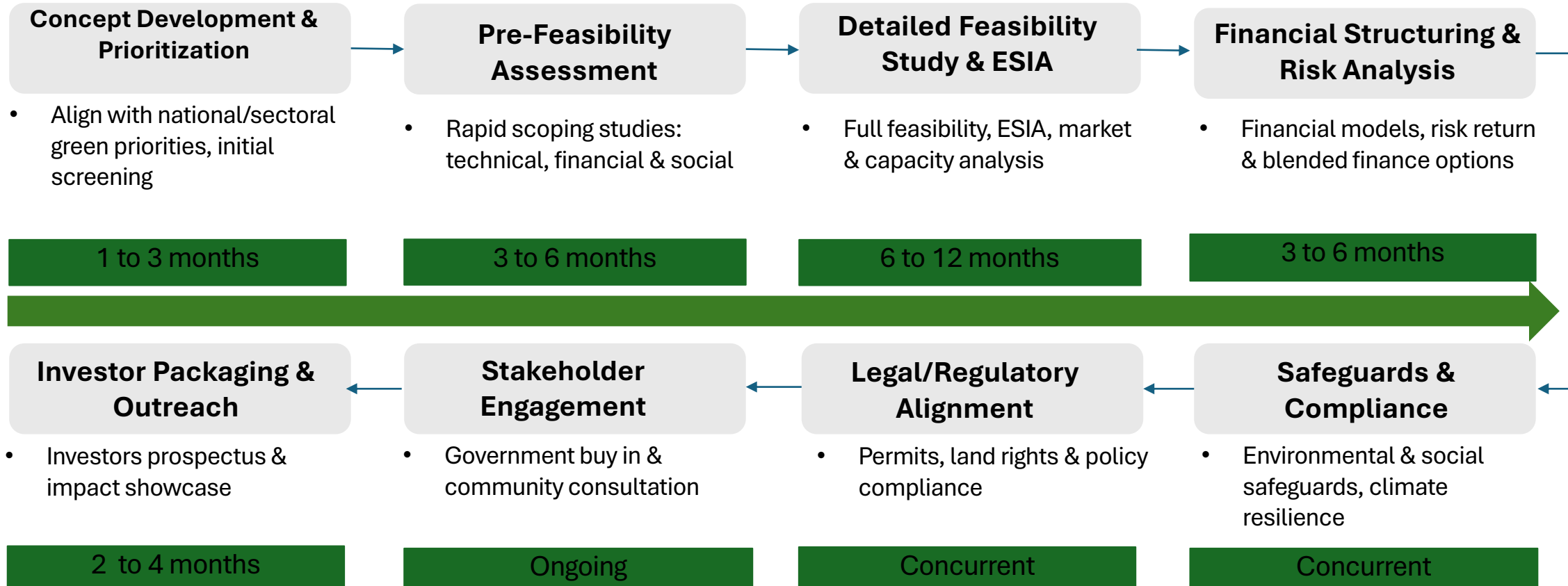


- Aggregation and value addition centers – develop value addition and aggregation centers to reduce post harvest losses, promote access to market and increase revenue earned from agricultural activities.

Project Preparation

A **Project Preparation Facility** is an institutional or programmatic mechanism established to help governments, development partners, or private sector actors translate green project ideas into bankable, investment-ready opportunities. With the aim to bridge the gap between project concepts and financing by providing technical, financial, legal, and institutional support.

Steps to Investor-Readiness



Project Viability Assessment

Commercial Viability

- Generate sufficient revenue to cover costs
- Deliver a return on investment
- Cost effectiveness in use of resources
- Funding availability

Technical Viability

- Availability of the technology and infrastructure required
- Innovation readiness of the project

Legal and regulatory viability

- Availability of supportive legal structures to foster project development whether through laws, regulations and/or industry standards

Environmental and social viability

- Environmental impact
- Whether the project promotes responsible resource use
- Project reach in terms of number of direct beneficiaries

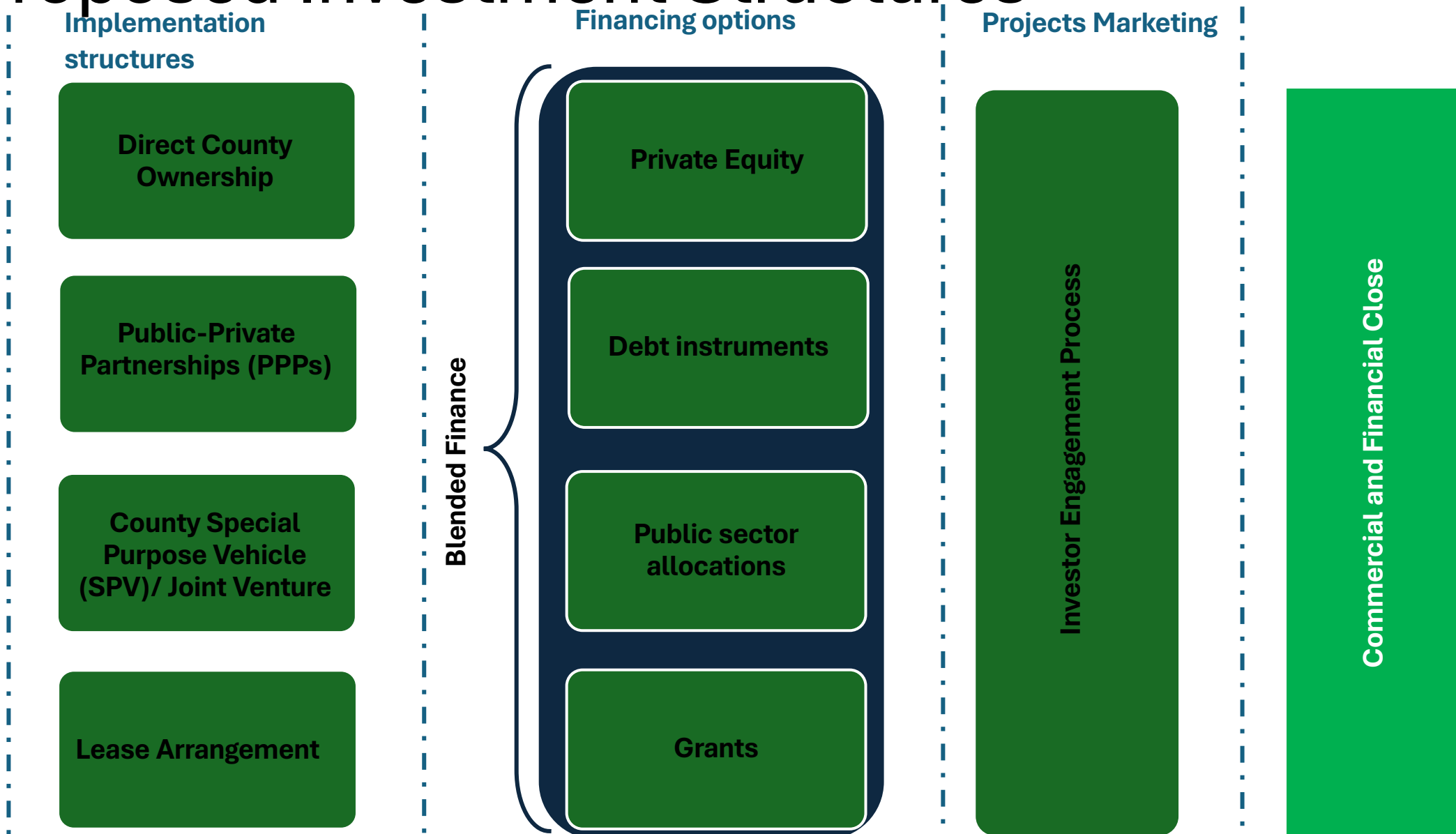
Market Viability

- Clear and sustainable need for the product or service
- Competitive positioning
- Customer acceptance

Operational viability

- Resource availability
- Identification of potential risks and mitigations measures

Proposed Investment Structures



Existing Gaps & Opportunities for Partnership

Phase	Existing Gaps	Opportunities for partnership
Concept Development & Prioritization	<ul style="list-style-type: none"> Counties often submit projects that are not aligned with green finance criteria. Limited screening capacity, many initial ideas are not investment-ready. Lack of clear project pipelines tailored to local priorities. 	<ul style="list-style-type: none"> Provide early-stage technical support to help counties align project concepts with investor criteria and climate goals. Facilitate structured project screening and prioritization frameworks. Support joint project identification workshops with counties, national government, and private sector.
Pre-Feasibility Assessment	<ul style="list-style-type: none"> Missing/partial market studies, feasibility assessments, and environmental/social assessments. Outdated data (CAPEX, OPEX, ROI), leading to weak investment cases. No dedicated funding for pre-feasibility work. 	<ul style="list-style-type: none"> Establish a Project Preparation Fund to finance feasibility studies, technical designs, and ESIA's. Provide rapid scoping support (market, financial, technical). Partner with universities/research institutions for updated data collection.
Detailed Feasibility Study	<ul style="list-style-type: none"> Counties lack funding and technical expertise to conduct full feasibility studies. Many feasibility studies done in the past are outdated. Weak institutional capacity to oversee technical consultants. 	<ul style="list-style-type: none"> Co-fund updated feasibility studies for priority projects. Build county capacity to manage consultants and assess technical outputs. Support development of standardized feasibility templates for green projects.

Existing Gaps & Opportunities for Partnership

Phase	Existing Gaps	Opportunities for partnership
Financial Structuring	<ul style="list-style-type: none"> Lack of financial models showing revenue streams and ROI. Weak county fiscal health: limited autonomy, high debts, delayed payments. No policies to ensure revenues are ring-fenced or reinvested. 	<ul style="list-style-type: none"> Provide technical assistance in financial modelling and bankability analysis. Support development of county-level frameworks for revenue management and ring-fencing. Partner with DFIs and donors for blended finance structures.
Safeguards & Compliance	<ul style="list-style-type: none"> Limited awareness of green finance requirements (IFC standards, E&S safeguards). Environmental and social risks not consistently assessed or mitigated. 	<ul style="list-style-type: none"> Provide training on compliance with global safeguards (IFC, AfDB, GCF). Support preparation of ESIA reports and safeguard frameworks. Establish capacity-building programs for county environmental officers.
Legal & Regulatory Alignment	<ul style="list-style-type: none"> Counties lack policies and guidelines for PPPs, licensing, and permits. Institutional misalignment between national and county regulations. 	<ul style="list-style-type: none"> Provide advisory on PPP frameworks, licensing, and land rights. Partner with government to harmonize regulations for green investments. Establish legal toolkits and guidance notes for counties.

Existing Gaps & Opportunities for Partnership

Phase	Existing Gaps	Opportunities for partnership
Stakeholder Engagement	<ul style="list-style-type: none">• Limited early engagement with communities and local stakeholders.• Varying county priorities, one-size-fits-all approach doesn't work.• Weak communication between national and county levels.	<ul style="list-style-type: none">• Facilitate inclusive stakeholder workshops for project co-design.• Tailor support to diverse county contexts (e.g., urban vs arid counties).• Strengthen coordination platforms between counties, national government, and private sector.
Packaging & Investor Outreach	<ul style="list-style-type: none">• Projects are poorly packaged and lack compelling investor materials.• Counties lack experience in pitching to investors.• Weak track record and credibility reduce investor confidence.	<ul style="list-style-type: none">• Support development of information memoranda and investor prospectuses.• Build county capacity for investor engagement and pitching.• Partner with DFIs, climate funds, and private investors to create matchmaking platforms.

Shortlisted Green Projects

Water and Sewerage

- **Laikipia** - Nanyuki Bulk water supply and treatment plant, Rumuruti Dam
- **Vihiga** - Upgrading of water schemes Maseno, Lunyerere and Kaimosi
- **Makueni** – Construction of Kiia Nzou Water Dam Project
- **Kirinyaga** – Construction of Water & Sewerage System for Sagana Industrial City (SAIC)
- **Embu** – Construction of Thambana Dam & Expansion of Water Infrastructure for Irrigation
- **Taita Taveta** – Construction of the Njoro Kubwa Bulk Water Project

Renewable Energy

- **Wajir** - Solar Power Plant
- **Vihiga** – Solarization of water pumping stations in Maseno, Lunyerere and Kaimosi
- **Kisumu** – Solarization of Water Pumping Stations in Nyakach
- **Nandi** – Solarization of Nandi and Kapsabet Water Treatment Plant and Pumping Stations
- **Taita Taveta** - Solarization of water pumping stations

Sanitation

- **Laikipia** – Construction of Nyahururu Fecal Sludge Treatment Plant
- **Kisumu** - Integrated Waste to Energy and Organic Fertilizer Project
- **Makueni** – Establishment of a material recovery facility in Wote
- **Embu** - Design, construct and equip a recycling material recovery plant and waste transfer stations