

CONSTRUCTION REVIEW ONLINE · KENYA

Kenya Treasury revives Ksh 337B Grand Falls Dam PPP

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Kenya's National Treasury has re-advertised competitive tenders for transaction advisory services on the Kibuka High Grand Falls Dam Project, reviving a Ksh 337 billion energy and water infrastructure scheme under a reworked Public-Private Partnership framework. The renewed procurement marks the project's return to the national agenda after an earlier stall, with the government framing the dam as a strategic asset for expanding nationwide electricity access and securing long-term water storage capacity.

The instrument at this stage is a tender for transaction advisory services — meaning the project remains in its structuring and preparation phase. No construction contract has been signed, no engineering, procurement and construction award has been made, and no final investment decision has been announced. The advisory tender is the mechanism through which Kenya intends to attract and evaluate the private-sector partners who will ultimately co-finance and deliver the scheme under the PPP model. This is a critical but early-stage milestone: the shape of the final deal, including project scope, capacity targets, and operator responsibilities, will be determined through the advisory process now being initiated.

At Ksh 337 billion — roughly equivalent to \$2.6 billion at current exchange rates — the Grand Falls Dam would rank among Kenya's largest infrastructure undertakings. The project sits on the Tana River and has historically been associated with hydropower generation alongside irrigation and flood management functions. The scale of the financing requirement explains why the Treasury is pursuing a PPP structure rather than purely public funding, as Kenya's fiscal position limits the

government's ability to carry large capital expenditure commitments unilaterally. A transaction adviser will be tasked with developing the bankable project structure, risk allocation framework, and investor documentation needed to bring credible private capital to the table.

For the broader East African energy market, the revival of Grand Falls is significant. Kenya has ambitious rural electrification targets and faces recurring seasonal shortfalls in hydropower output when drought conditions reduce generation at existing facilities on the Tana River cascade. A large storage dam at Grand Falls would provide both baseload hydropower and grid-balancing capacity, reducing Kenya's dependence on expensive thermal peakers. The water storage dimension also carries strategic weight given climate variability affecting agricultural output in the Tana basin.

Norwegian service companies should treat this as a project to monitor closely rather than a procurement opportunity to pursue immediately. The advisory tender will take months to conclude, and the subsequent PPP structuring process could extend well beyond that before any construction or engineering contract is tendered. However, the project's scale and complexity — a large dam with associated civil works, electromechanical equipment, transmission infrastructure, and potentially SCADA and grid-integration systems — means that when procurement does open, it will draw on a wide supplier base. Companies with relevant hydropower infrastructure, electrical systems, or project management credentials should begin mapping the advisory firms likely to win the structuring mandate, as those advisers will shape the technical and commercial specifications that determine which suppliers are pre-qualified.

Why this matters to partners and clients of Saga

The Grand Falls Dam is in PPP advisory procurement only — no construction or engineering contracts are open. Norwegian firms with hydropower electromechanical, grid integration, or dam instrumentation capabilities should monitor which transaction adviser wins the mandate, as that firm will define the technical procurement framework. Relationship-building with Kenyan energy sector stakeholders and the winning advisory consortium is the appropriate action at this stage.

PARTNER ANGLES

- **Service:** Firms with hydropower project management or feasibility expertise should track the advisory tender outcome, as the winning consortium will shape engineering and supplier pre-qualification criteria.
- **Pipeline:** Water conveyance and penstock suppliers should begin mapping the project's civil and mechanical scope as PPP structuring progresses over the coming months.
- **Subsea/FPSO:** Limited direct relevance, but companies with large-scale marine or hydraulic civil works credentials may find transferable positioning when construction procurement eventually opens.
- **LNG:** If the PPP structure includes thermal backup or hybrid generation components, LNG-to-power suppliers could explore advisory-stage engagement with the transaction structuring team.

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