



Kisii Municipality Investment Profile



Municipality Background



Kisii is the headquarters of Kisii County and a major commercial hub within the Nyanza Region.

Vision: Prosperity for All

- Kisii County is the 4th largest agricultural producer in Kenya. It is part of the Lake Region Economic Bloc (LREB), alongside 12 other counties. Kisii town is a strategic trade hub and center point for the Western tourist circuit and is a cosmopolitan transit town.
- The Municipality enjoys highland equatorial climate. It generally receives rain all year round due to its positioning in the Lake Victoria lake basin and the heavily foliated Kisii highlands. Due to its unique positioning within hills, Kisii is rich in cash and food crops.
- The total arable land in the County is about 98,870 hectares out of which 70% is under food crop while 30% is under cash crop production.
- The infrastructure within the municipality is well developed and roads and access routes well upgraded. In terms of amenities, the Municipality has hospitals, a golf course, a stadium which has hosted a number of national events.
- Agriculture is the main economic activity in Kisii County and employs over 70% of the workforce directly, or indirectly. The county is keen to grow its agro-processing capability.

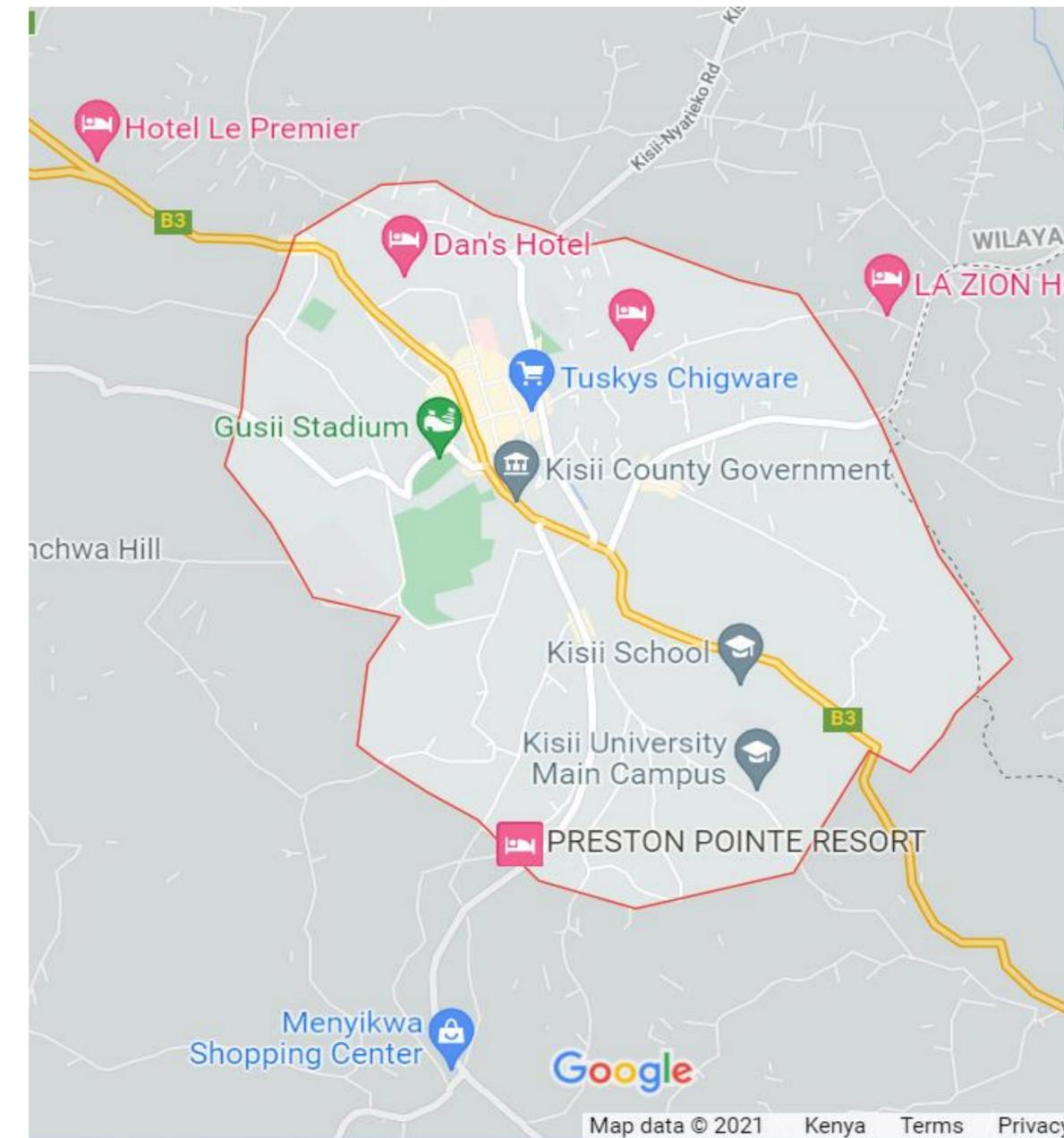


Photo credit: Google



Agro- Processing Opportunities

Avocado Oil Processing



Setting up of an avocado oil processing facility, in Kenya's 3rd largest avocado producing county, to produce avocado oil for export

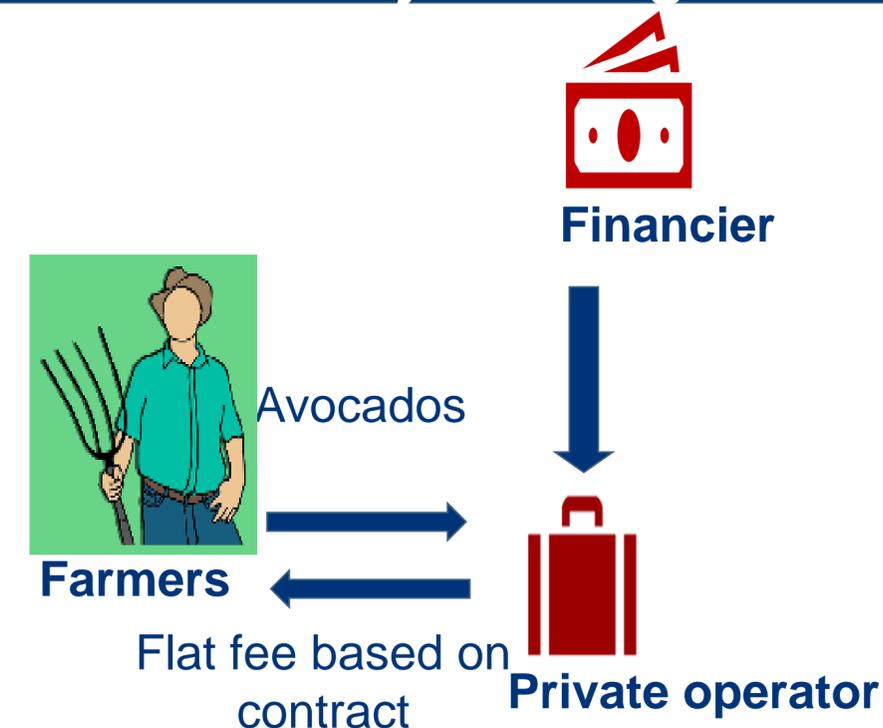
Project description

- A greenfield opportunity that seeks to process extra virgin avocado oil, in bulk form, for export
- Intends to take advantage of the avocado supply in the region both the Hass avocados and the local avocado varieties
- Processing capacity 750 MT p.a.
- CAPEX **USD 2.4 million**
- Estimated IRR between 20% and 30%.

Project opportunity

- Kisii is the 3rd largest producer of avocado in Kenya
- Has ~300 ha (30,000 trees) of Hass avocado or 8,000 MT p.a. available
- Will meet global avocado oil market demand valued at USD 484 M in 2020 and projected to reach USD 646 M in 2026
- The local demand for avocado oil is still nascent in Kenya but is likely to grow given the nutritional and health benefits of the oil

Project design



Investment incentive

- Kisii County has allocated 1.3 acres of land at the Agriculture Training Centre (ATC) to host the facility.
- Constructed a godown measuring 23 by 50 metres to house the operations and prioritised infrastructure around the facility.
- The County continues to provide extension services to farmers and cooperatives – 120,000 seedlings.



Kisii County



SUED
SUSTAINABLE URBAN ECONOMIC
DEVELOPMENT PROGRAMME

Banana Fibre and Banana Fibre Products Processing



Use of the banana pseudo stems in Kisii to manufacture banana fibre, sanitary pads and handicraft items

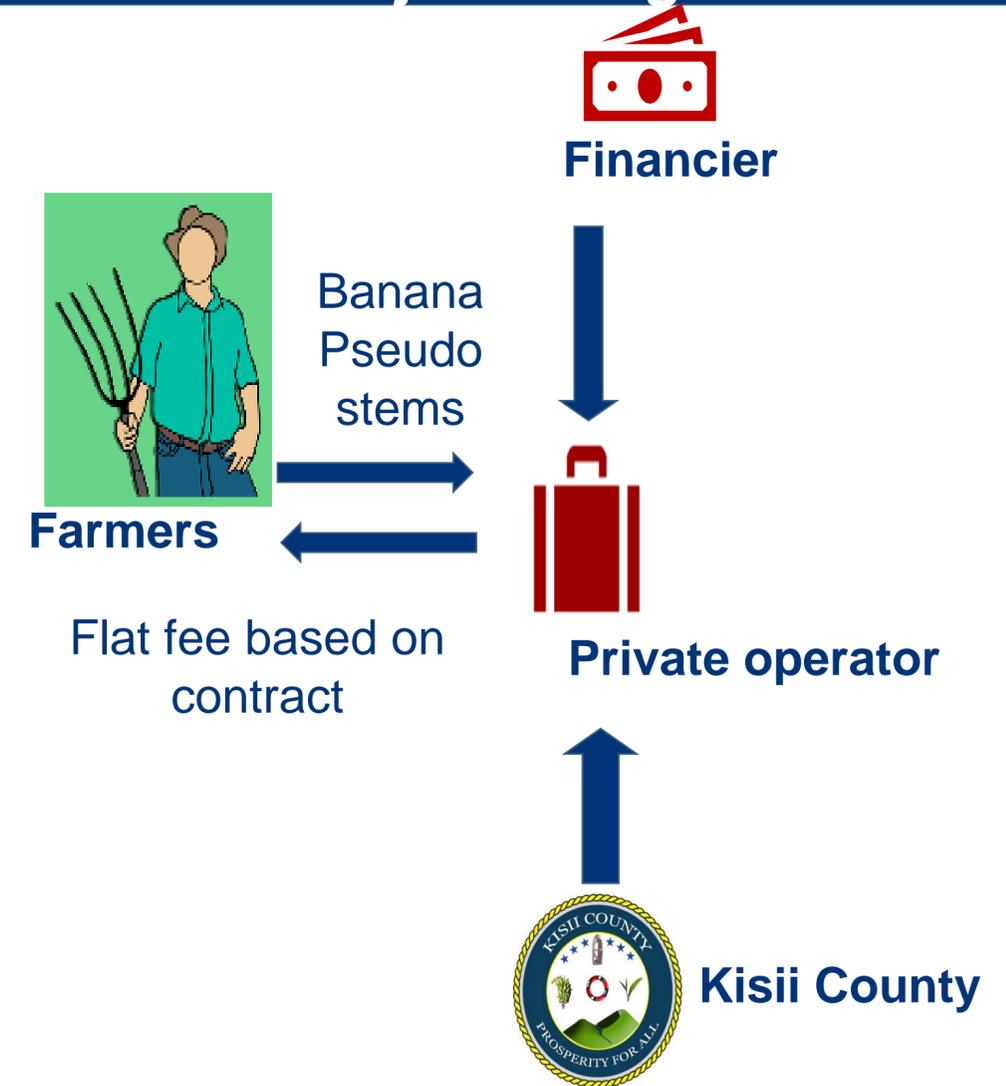
Project description

- A greenfield, novel, project to manufacture banana fibre, sanitary pads and handicraft items like bags, mats and wall hangings from banana pseudo stem
- **CAPEX USD 2.05 million**
- Processing capacity 24,000 MT p.a
- Estimated IRR 25% - 30%.
- The VC project will lead to economic empowerment to SIGs in all phases of the project

Project opportunity

- The project will meet the global demand for natural fibre
- Close to 80% of the processed fibre will be exported ;20%, will be sold locally.
- Improve access for 65% of women/ girls in Kenya who are not able to afford sanitary pads. The sanitary pads will be sold in the retail market and to county governments and NGOs for distribution to schools and hospitals

Project design



Investment incentive

- Kisii is endowed with sufficient pseudo stems (8.9 million stems p.a.) to support immediate supply for the project
- County collaboration with other investors – EU and World bank
- County supports research into the banana value addition initiatives, provides capacity building to farmers and has distributed c. 30,000 seedlings of tissue culture bananas
- Provision of land

Infrastructure Opportunities



Integrated Waste Management



Investing in an integrated waste management system; effectively averting potential environmental and public health hazards in Kisii Municipality

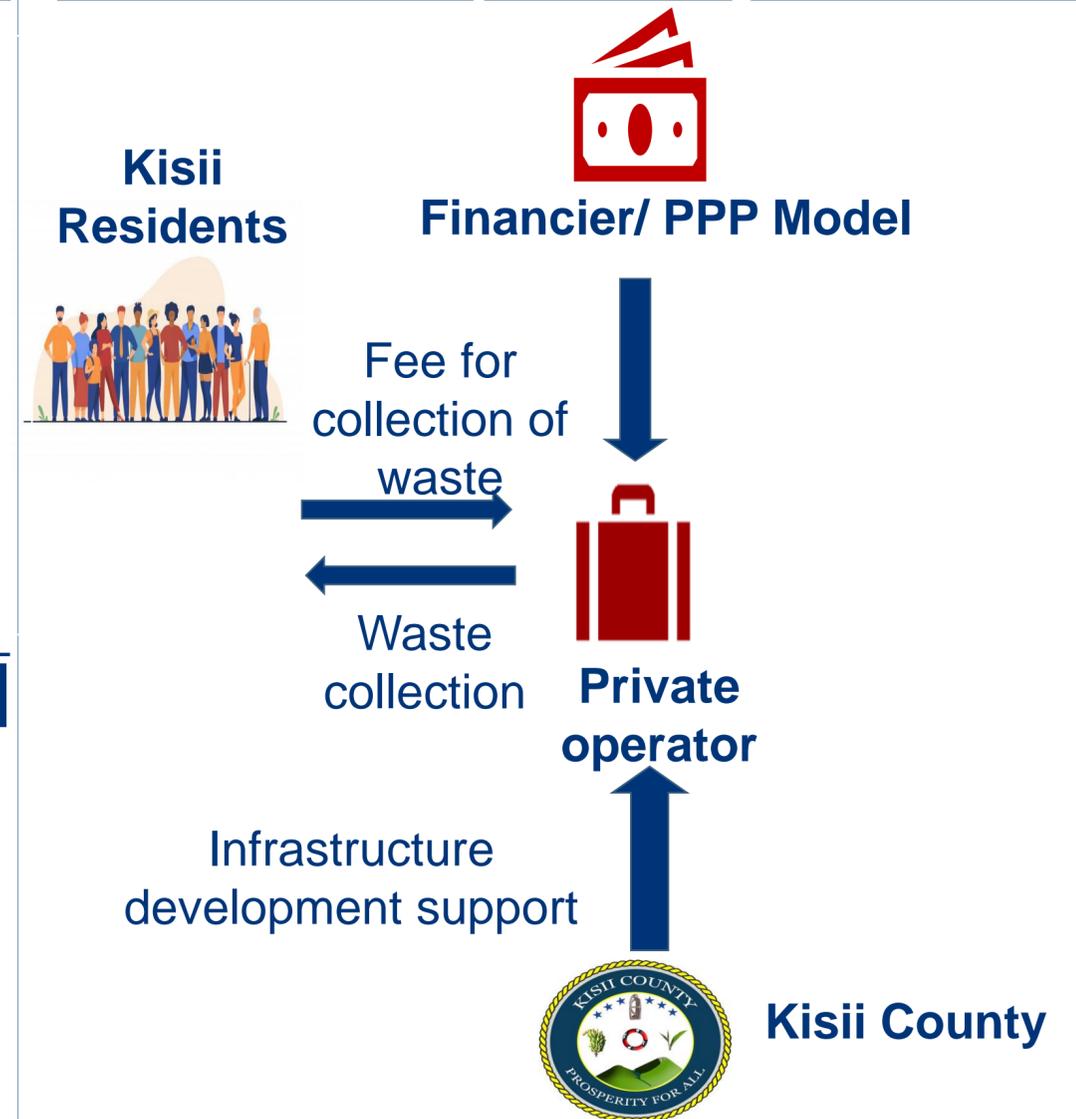
Project description

- A greenfield project that seeks to decommission the current dumpsite, construct a new sanitary landfill and explore waste to value opportunities
- The current dumpsite is a health and environmental hazard
- The potential off-taker is Kisii Municipality who will have overall control of the project and provide oversight, but will partner with a private investor operator

Project opportunity

- The waste at the dumpsite is over its capacity, not segregated and therefore warrants the need for a more efficient waste collection system
- Will entail the procurement of new waste receptacles which will encourage source segregations and new collection vehicles.
- In a well-managed system, an opportunity exists to recycle and implement waste to value initiatives

Project design



Investment Incentive

- Kisii municipality is one of the fastest growing Municipalities in Kenya generating 120 MT of waste a day; half of this waste is organic in nature
- The municipality has designated land for the new landfill, and intends to fence the site and improve the access roads at a cost of KES 30 million
- Improved waste management, for example through waste to value initiatives could reduce emissions from landfill waste by more than 80%



Contact Information

All enquiries regarding the content of this document, approaches and discussions on the opportunity should be directed to contact below.

Liz Muange

Investment and Value Chain Lead

Email: info@suedkenya.org