Kenya Diaspora Conference
Washington DC, 8th – 9th Oct 2011

Eunice Mueni Kariuki
Deputy CEO/Marketing Director
Kenya ICT Board
Email: eunicekariuki@ict.go.ke
### Project Profile & Expected Benefits

#### Project Profile
- An exemplar mixed development technology city, on a Greenfield site 60kms from Nairobi
- Phased development over 20 years, with BPO/ITeS Park taking up 23% of the planned 6 Million square feet of floor space.

#### Economic Benefits
- Create 200,000 BPO/IT & ITeS Jobs over 20 years.
- World class infrastructure and technology to facilitate research, education and business
- BPO/ITeS Sector contributes over 10% to GDP

#### Social Benefits
- Mixed urban development and best in class residential and working environment.
- Enhance local research and development, entrepreneurship and IT enterprise culture.
Sponsor Profile

Kenya ICT Board

- KICT Board is the implementation agency of the Ministry of Information and Communications.
- Mandates - International marketing & Transparency project ($116)
- Infrastructure Development

Ministry of Information of Communication

- ICT Policy and legal frameworks
- Country ICT infrastructure development agenda
- Leader of Inter-ministerial co-ordination on the Konza City Project
Kenya ICT Board implements Key IT Projects for government

- **Government systems and applications**
  - Shared Services (IT SS, IFMIS, Local Gov)
  - Government Records Digitization
  - Central government Connectivity
  - Public Key Infrastructure

- **BPO/ITeS Project**
  - BPO/ITeS Business Parks
  - Center of Excellence
  - Incubation
  - Software certification

- **Digital Inclusion**
  - Digital Villages
  - One Million Laptops and University Internet

- **Local Digital Content**
  - Web and Mobile Content
  - Open Data Portal
  - Animation / Film (Creative Industry)

- **Project Management**
  - PMO office
Broadband Infrastructure Investment
USD 200M

Terrestrial Fibre

Undersea Fibre Cables

Konza Technology City: Market Sounding Tour
Aug/Sep 2011
The Project
Overview: Konza Project Team

Steering Committee
- Stakeholder Workshops
- Regulatory – SEZ Interface
- Consensus Building
- Implementation

Ministry of Information & Communications (MOIC)
- Permanent Secretary
- MOIC and ICT Board Technical Team

International Finance Corporation
- Project Management
- Transaction Structuring
- Tender Process

Hamilton Harrison Matthews
- Legal Due Diligence
- Transaction Documentation

Summit Strategies/ Pell Frischmann
- Demand Study
- Master Planning
- Environmental and Social
- Architectural Model
The Process

Demand Study

Legal/Regulatory

Due Diligence

SEZ Framework

Master Plan

Financial Model

- Infrastructure Requirements
- Development Phasing
- Land Use
- Incentive Requirements

- Financing Costs
- Risk Analysis

Transaction Structure:
- Government
- Master Developer
- Investor(s)

Vision 2030

Konza Technology City: Market Sounding Tour

Aug/Sep 2011
Overview Site Location

- Site sits on 5,000 acres
- 60 km from Nairobi on the main highway
- Only 50 km from Jomo Kenyatta International Airport
The Konza Technology City

- Infrastructure Development: USD 2Bn
- Site real estate development: USD 5Bn

Average Expected return:
- 12-15% per annum for lease income
- 20% capital gains per annum (straight line)
World Class Design

Key
- BPO Technopark
- Central Business District (CBD)
- University Campus and Hospital
- High density residential
- Medium density residential
- Low density residential
- Strategic Reserve
- Parks, recreation and open space
- Water treatment plant
- Sewage and wastewater treatment
- Primary road
- Secondary road
- Feeder road
- Public transport only road
Four 5-year Phases of Investment
## 20 Year Development in 4 Phases

<table>
<thead>
<tr>
<th>Phase</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>1,000</td>
<td>400</td>
<td>600</td>
<td>150</td>
<td>2,150 USD 000</td>
</tr>
<tr>
<td>Development</td>
<td>1,300</td>
<td>1,300</td>
<td>1,500</td>
<td>800</td>
<td>4,900 USD 000</td>
</tr>
<tr>
<td><strong>(Total): USD 000</strong></td>
<td><strong>2,300</strong></td>
<td><strong>1,700</strong></td>
<td><strong>2,100</strong></td>
<td><strong>950</strong></td>
<td><strong>7,050</strong></td>
</tr>
<tr>
<td>Broken Down:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BPO Park</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>450</td>
<td>1,350 USD 000</td>
</tr>
<tr>
<td>Residential</td>
<td>975</td>
<td>850</td>
<td>700</td>
<td>250</td>
<td>2,775 USD 000</td>
</tr>
<tr>
<td>Financial District</td>
<td>125</td>
<td>100</td>
<td>300</td>
<td></td>
<td>525 USD 000</td>
</tr>
<tr>
<td>University</td>
<td>50</td>
<td></td>
<td></td>
<td>50</td>
<td>100 USD 000</td>
</tr>
<tr>
<td>Science Park</td>
<td>100</td>
<td>100</td>
<td></td>
<td>200</td>
<td>400 USD 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,300</strong></td>
<td><strong>1,700</strong></td>
<td><strong>2,100</strong></td>
<td><strong>950</strong></td>
<td><strong>7,050</strong></td>
</tr>
<tr>
<td>%</td>
<td>33</td>
<td>24</td>
<td>30</td>
<td>13</td>
<td>100 %</td>
</tr>
</tbody>
</table>
# Floor Space Development Costs

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Development Investment (USD 000)</th>
<th>% in $ Terms</th>
<th>Floor Space (000 SQM)</th>
<th>% Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPO Park</td>
<td>Master Developer and Anchor Tenant</td>
<td>1,350</td>
<td>28</td>
<td>1,400</td>
<td>23</td>
</tr>
<tr>
<td>Residential</td>
<td>Master Developer</td>
<td>2,775</td>
<td>57</td>
<td>3,600</td>
<td>60</td>
</tr>
<tr>
<td>Financial District</td>
<td>Master Developer</td>
<td>525</td>
<td>11</td>
<td>699</td>
<td>12</td>
</tr>
<tr>
<td>University</td>
<td>Local Commitment</td>
<td>50</td>
<td>1</td>
<td>51</td>
<td>1</td>
</tr>
<tr>
<td>Science Park</td>
<td>USD 85m Indicative Commitment</td>
<td>200</td>
<td>4</td>
<td>226</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4,900</strong></td>
<td><strong>100</strong></td>
<td><strong>5,976</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Investment Summary

Infrastructure development $2.1 B
- On-site $1.9 B
- Off-site $200 M

Site real estate development $4.9 B

Total project cost $7.0 B

Average expected return - based on real estate market in Kenya:
- 12 -15% per annum for lease income
- 20% capital gains per annum (straight line)
Investor Participation Models

1. Government contributes land to an SPV to be established jointly with private Master Developer. Terms and responsibilities of each party to be determined.

2. Single Private Master Developer undertakes the master planning of the entire property under Master Development Agreement and finances its development directly or through sub-developers. Government finances backbone infrastructure fully or partially.

2. Government Authority finances backbone infrastructure and undertakes the master planning of the property, including attracting developers for specific land uses.
THANK YOU

Eunice Mueni Kariuki
Deputy CEO/Marketing Director
Kenya ICT Board
Email: eunicekariuki@ict.go.ke