

COUNTY GOVERNMENT OF SIAYA



INVESTMENT OPPORTUNITIES GUIDE

May 2022

Siaya County Investment Opportunities Guide Booklet

Welcome to the Siaya County Investment Opportunities Guide Booklet.

We have endeavored to consolidate all investment opportunities resident in Siaya County and potential areas of interest for both foreign and domestic investors who may be interested in investing in Siaya County.

This guide is a concise summary of what one needs to look at in greater detail if he/she is interested in investing or partnering with the County Government in various sectors within the county. Those interested in the agricultural sector have milk processing and packaging, processed milk products, milk quality improvement technology, fish processing and fruits processing subsectors to invest in just to mention a few.

The Education sector has low hanging investment opportunities in the areas sports and talent development, youth polytechnics and vocational training, early childhood development, youth and gender affairs in the provision of social services, including table banking for micro-economic take off.

The lands sector has conducted an audit of public land within the county and therefore has an inventory of all public land available for investments. Further, the county is under regime of revision of physical and land use plans for various investments, and this process can be hastened through public private partnerships.

The infrastructure and energy sectors are still at the nascent stages of development. To this end, the investors will find interest in the cooperation of green technologies in construction works, carbon trading, solar and wind energy. Lake Victoria and Rivers Yala and Nzoia offer immense potential for blue economy investment opportunities such as fishing and water transport between Siaya County and others from within the East African Community.

You will also notice that there are great opportunities for investments in the areas of Tourism and Hospitality industry, Information, Communication and Technology Industries among others. Our health, finance, water and governance sectors have even more opportunities as you will find out from this guide.

The County Government will ensure that there is a conducive infrastructural and policy support to enable the investment partners be well accommodated in the overall pursuit of prosperity for our people.

The laws we have formulated to catalyse investments thus far coupled with policy documents under formulation will supplement the existing government structures running through the villages to ensure that we have a coordinated development machinery to support our Investment Partners. We also boast of a peaceful atmosphere as a county.

I therefore welcome all of our Partners to treat this as an overall guide and hopefully you gain interest in Siaya as the preferred investment destination. More details and walkabouts will be provided to interested partners by our very competent and government officers in the relevant areas of interest.

Thank You.

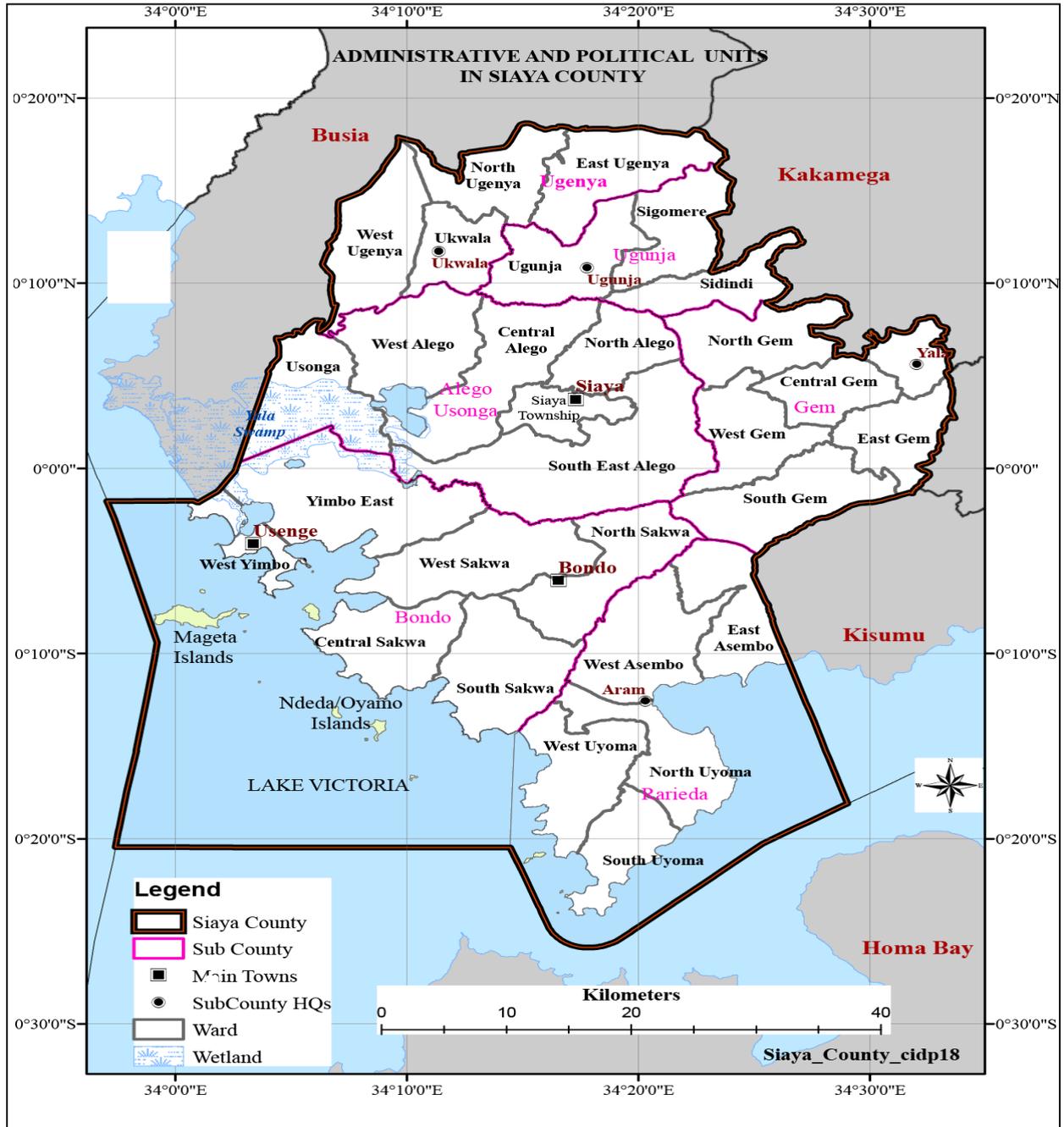
His Excellency Cornel Rasanga Amoth, EGH
GOVERNOR
COUNTY GOVERNOR OF SIAYA

Introduction

Siaya is one of the 6 counties in Nyanza Region, Western Kenya with a population of approximately one million people. It has three major geomorphologic areas namely: dissected uplands, moderate lowlands and Yala Swamp. These have different relief, soils and land use patterns. The altitude of the county rises from 1,140m in the eastern parts to 1,400m above sea level in the west. There are 16 hills found in the county namely; Mbagha, Odiado, Akala, Regea, Nyambare, Usenge and Ramogi Hills in Bondo Sub County and Rambugu Hill in Rarieda, Got Abiero and Sirafuongo and Naya. River Nzoia and Yala Swamp. The administrative map of Siaya County is shown below.

- 1.1 Since 2013, the County Government of Siaya has implemented various development projects to create an enabling environment for investments in the county. Interventions have been focused on access roads, water, market infrastructure, health, education amongst others.
- 1.2 The main policy thrust is to transform the county and make it a destination for investors, both local and foreign.
- 1.3 Factors making Siaya an investment destination include:
 - ✓ Water sources: In addition to Lake Victoria, the county has two perennial rivers, i.e., River Yala and River Nzoia draining into Lake Victoria. Location in Lake Victoria Basin which fronts investment in water related areas such as fishing, and transport
 - ✓ Close proximity to Kisumu International Airport and Port for movement of goods produced to other countries in East Africa and abroad
 - ✓ Road network – the county is connected to major trunk roads such as Busia-Kisumu road and Kisumu-Usenge Road. In addition, it has a good number of tarmacked roads supported by murrum roads.
 - ✓ Water sources: In addition to Lake Victoria, the county has two perennial rivers, i.e., River Yala and River Nzoia draining into Lake Victoria.
 - ✓ Climatic conditions in the county favour both agriculture and livestock development
 - ✓ It has special features such as the second largest ox-bow lake in the world, Lake Kanyaboli and some of the rare wildlife species such as Sitatunga.
 - ✓ The county is home to renowned professionals in addition to being the origin of former President of the United States of America, Barack Obama.

Administrative and Political Map of Siaya County



2 Sectoral Investment Opportunities

2.1 Agriculture, Livestock and Fisheries

Siaya County has good climate for agricultural production and well located to facilitate marketing of agricultural produce. The sector consist of crop production including horticulture; livestock with both local and improved species and fisheries. Buoyed with tarmac roads and bordering Lake Victoria, investment in agriculture can be a profitable venture. Key investment areas include:

2.1.1 Crop Production and Marketing

- ✓ Agricultural Mechanization- Farm Machinery Hire services
- ✓ Farm Input Access- Fertilizer, Seeds manufacture/ Distribution and Retail
- ✓ Investment in Soil and Plant Health- Soil and Plant testing facilities (Soil and Plant Lab)
- ✓ Irrigated crop production and marketing e.g. vegetables, and rice
- ✓ Agro processing and value addition:
 - Groundnuts and Soya beans
 - Cassava and Sweet potatoes
- ✓ Cotton value Chain Development
- ✓ Grain Storage and Farm Input Handling facilities
- ✓ Production and value addition of drought tolerant cereals and legumes such as Sorghum and beans
- ✓ Agricultural Finance and Insurance

Fruits processing: There is a growing global trade in processed fruits driven by increased awareness of the health benefits of natural beverages over carbonated and artificial beverages.

Whereas Siaya is rich in fruits such as mangoes, avocados, bananas, and pawpaw, trade in locally processed fruit remains unexploited. Key areas of opportunities in the sub-sector include:

- ✓ **Partnerships and backward linkages to secure supply of fruits:** Investments in backward linkages with cooperatives/farmer aggregators, storage and freight service providers to assure supply of fruits can help fruits processing industries overcome one of the biggest roadblocks to scale. This is critical because fruits processing companies incur substantial costs in procuring fruits that match specific quality standards. This is critical basing on the seasonality of fruit production and absence of cold storage infrastructure.
- ✓ **Investment in better technology and processes for fruits processing and packaging:** Investments in better technology and processes; and in diversifying the product range to cater to different customer preferences and product formats with varying shelf lives is a lucrative opportunity as well. This will help companies capture market share as well as create more efficiency in supply chain management.

- ✓ **Distribution infrastructure to increase the overall market for processed products:** Investments in building distribution infrastructure in smaller towns in Siaya will be critical to increase customer base over a period of time.

2.1.2 Investment Opportunities in Livestock Sub-Sector

Milk processing and packaging: There is strong and growing domestic demand for fresh as well as processed milk products in the county. According to the available data, milk production has remained low compared to demand, for example, in the year 2020, the total milk production was only 33.5million kg. against demand of 201million kg. The rising population puts pressure on milk production as demand outstrips supply leading to heavy reliance on milk from other counties. There is also high demand for milk products cheese, butter, yoghurt, and buttermilk. Despite the county having dairy processing plants, there is a sizeable amount of unprocessedmilk.

- ✓ **Processed milk products:** Investments in diversification of processing into value-added products like yoghurt, ghee, cheese and butter offer a lucrative opportunity for private equity investors since these products have profit margins.
- ✓ **Investment in partnerships:** Investments in building efficient and transparent partnerships with distributors and in own retail networks can help private dairies overcome inefficiencies in milk distribution network.
- ✓ **Milk Quality:** Investments in technology and processes to assess and certify milk quality will allow private dairies to build brand recognition and trust amongst buyers.

Other areas:

- ✓ Animal feed processing and packaging
- ✓ Leather tanning and processing
- ✓ Expert slaughter house
- ✓ Support services, such as cold storage facilities and refrigerated transport for horticultural and other perishable products.
- ✓ Provision of finance services to small holder farmers
- ✓ Hatcheries for the production of chicken for both domestic and regional consumption are under-exploited.
- ✓ Artificial Insemination (A.I.) services: Artificial Insemination plays an important role in the development of the dairy sub-sector.

2.1.3 Fisheries Sub-sector

Fish Value-Addition:-Fish processing plants, Ice plants, Fish feeds production, -establishment of fish hatcheries, -Fish farming inputs and equipment supplies and fish cage culture in natural water bodies.

2.2 Education, Youth Affairs, Gender and Social Services

2.2.1 County Pre-Primary Education

- ✓ Provision of teaching and learning materials.
- Equipping of Early Childhood Centres.

2.2.2 Vocational Training Centres

Equipping the centres with modern equipment and learning aids

2.2.3 Sports & Talents Development

- ✓ Construction of Sports Complex including a sports academy
- ✓ Construction of a pavilion, starting & finishing point, an animal sanctuary, a pier for boat racing, and a ring road for the marathon. - Hospitality facilities
- ✓ Construction of modern sports infrastructure with the assistance of the Diaspora in each and every ward to help tap and nurture raw talents

2.2.4 Youth & Gender Affairs and Social Services

- ✓ -Table Banking
- ✓ -Micro-finance
- ✓ -Enterprise funds
- ✓ -ICT/Information incubation centres
- ✓ -Agri-business/ Agro-processing
- ✓ -Industry based training institutions.

2.3 Lands, Physical Planning, Housing and Urban Development

The Department of Lands, Physical Planning, Housing and Urban Development aims at achieving sustainable development through sound planning principles, efficient management of land resources and Urban areas, equitable access to land, secure tenure and improved access to housing for all the people of Siaya County.

The Department in furtherance of this mission has identified key investment opportunities and enabling functions that are critical in attracting and retaining potential investors. The key Investment opportunities are as listed below;

i) Availability of public land for investment

The Department has conducted an audit of public land within Siaya County and therefore has an inventory of all public land that would be available for investment.

ii) Land Banking

One of the functions of Department is to purchase land for various sectors for the devolved functions. The department offers technical support towards this end for varied uses including investments.

iii) Affordable Housing Initiatives

The Department, through the Directorate of Housing, is cognizant of the low supply of housing vis a vis demand within the County. The department is therefore keen on public private partnerships (PPPs) as an area with vast opportunities for housing investment.

iv) Physical and Land Use Planning Initiative

The County is under regime of revision of physical and land use plans for various investments on land. The plans that exist need revision and for the new investments, new plans need to be in place. This can be achieved faster through Public Private Partnerships (PPP) by addressing the emerging planning needs in both the urban areas which are the concentration areas and the rural areas.

Enabling Functions

- Development control carried out by the Physical Planning Directorate to ensure orderly and optimal use of land.
- Surveying to secure boundaries of land identified for investment so as to avert conflicts that would discourage any potential investors.
- Creation of urban management structures such as Siaya, Bondo and Ugunja Municipalities for improved services and amenities for investors within those urban management units

2.4 Public Works, Roads, Energy and Transport

Siaya County has an elaborate road network system that connects the major towns of Siaya, Bondo, Usenge, Ugunja, Yala and Ukwala. These have led to ease of trade within the county and also opened up the county to other markets.

The County Government has been keenly improving the road network infrastructure by opening up new roads and upgrading the existing access roads within the county to all weather roads. In collaboration with the other government agencies such as KERRA (Kenya Rural Roads Authority), KURA (Kenya Urban Roads Authority), and KENHA (Kenya National Highways Authority), the paved road network in the county is equally growing significantly at an annual rate of 20km.

There are four categories of transport found within Siaya County, namely:-Air Transport, Water Transport, Land Transport and Railway Transport. These areas can be exploited to enhance the current transport system. There are designated areas that have been earmarked for airstrips within the county namely Gombe, Sega and Migwena. Airstrips in these areas can enhance movement of people as well as goods in the region. The county is surrounded by

a major water body, Lake Victoria which offers immense potential for water transport between Siaya County and other towns within the East African Community. The National and the County Government are in the process of constructing modern Harbours in Asembo Bay, Usenge and Luanda Kotieno as well as jetties and landing bays in various beaches to facilitate human and goods transportation. Ferries and water buses can be employed in these areas.

This will open up Siaya to markets in the neighbouring countries of Tanzania and Uganda as well as Kisumu and Homa Bay Counties in Kenya thus leading to increase in trade.

The construction industry is a very vibrant industry in the County. The County Government and several private developers engage in construction of offices, homes, business complexes, schools and health facilities among others. This has created demand for building materials thus necessitating investments in this area.

In the energy Sector, the county boasts of excellent weather conditions favorable for exploring and developing renewable energy ventures. From carbon trading, solar and wind energy, the county has vast reserves that can increase the energy capacity in the county whilst ensuring environmental conservation. Companies interested in venturing in solar energy production and development will benefit from energy zones that will be established within the county. The following opportunities are available in the energy sector:-

- ✓ Solar Power Generation plants that can be injected to the National Grid,
- ✓ Solar Power mini grids to the off grid areas, such as islands and part of mainland,
- ✓ Hydro power generation,
- ✓ Solar powered boreholes and powering of Siaya Water and Sewerage water pumps,
- ✓ Exploring changing organic waste into energy,
- ✓ Tapping Wind Energy generation which can be injected to the national grid,
- ✓ Establishing briquette manufacturing companies,
- ✓ Supply of portable home systems to communities, and establishment of energy centres.

The zones set aside by the County Government for solar supply will have adequate road networking with proper security. The County Government will provide incentives to construction companies that will be willing to incorporate green technologies in their buildings.

Investment Opportunities in the Infrastructure Sub-Sector

From the background information, it is evident that the infrastructure and energy sector has several investment opportunities. The following are some of the possible opportunities for public private partnership: -

- ✓ Modern car parks in major urban centers especially Siaya, Bondo, Ugunja, Usenge and Yala.
- ✓ Production of cement based construction products
- ✓ Investment in stone crushing industry

- ✓ Solar and wind energy exploitation
- ✓ Construction of complexes to house banks, supermarkets and offices in major towns such as Siaya, Bondo, Usenge and Yala.

2.5 Tourism and Wildlife Conservation

2.5.1 Hospitality, Tours and Travels Investment Opportunities

Investment opportunities are available in the following areas:--

- ✓ Hotels, homestays, tented camps, resorts and guest houses
- ✓ Eco-tourism, with sites in Got Ramogi Forest, Yala Swamp Wetlands, River Yala, Lake Victoria, Lake Kanyaboli, Lake Sare, Lake Namboyo, waterfalls, hills and Rivers
- ✓ Cultural Tourism
- ✓ Tour and travels
- ✓ Wildlife conservation
- ✓ Water sport (Recreation)
- ✓ Cruise tourism
- ✓ Business and Conference facilities
- ✓ Health Spas

The County Government of Siaya through the Directorate of Tourism and Culture will consider tax exemptions where they will evaluate the impact of the investment with a view to giving corresponding exemption.

2.5.2 Information and Communication Technology (ICT)

- ✓ ICT Business Process Outsourcing Park (BPO)
- ✓ ICT Capacity Building
- ✓ **ICT Technology Parks:** these will boost the development of BPO Incubation and Innovation systems towards realization of Vision 2030.
- ✓ **E-Commerce & M-Commerce Solutions and B2B solutions:** there are few companies with specialized/customised E-Commerce M-Commerce solutions.
- ✓ **Training Opportunities** in Software development.
- ✓ **Data Integration.** Public Private Partnership in Online Database Integration provides the facilities to a single office to access other offices' branches data spread across a territory from the same source.
- ✓ **Multimedia Development and Music.** The Multimedia business is still in its infancy and whatever production made in Kenya is faced with stiff global and regional competition. More investment to exploit the local talents and innovation is needed;
- ✓ **E-Translation Services.** The local population cannot easily access many documents and information. Currently there is a need to electronically translate those documents into local content. This can be done through Public Private Partnership.
- ✓ **Broadband Service Provision** such as providing Wifi Services at the Governor's Park

2.6 Health Sector

The county operates a pluralistic health system comprising of the public, not-for-profit organizations and private. Public health facilities consist of county referral hospitals, sub-

county hospitals, health centers and dispensaries. Private health facilities consist of clinics and hospitals. There is also an Oxygen plant which supplies oxygen to several Counties in the region. Health financing consist of out of pocket, private and social insurance.

In the latter case, the National Hospital Insurance Fund (NHIF) is a state corporation. There is no health insurance firm located in the County.

Investment opportunities exist in several spheres of the health sector.

2.6.1 Healthcare Financing: Providing Universal Health Care Insurance Scheme

2.6.2 Private specialized services: No hospitals that provide world-class specialized services. Majority of cases are referred to Moi Teaching and Referral Hospital in Eldoret, JaramogiOgingaOdinga Teaching and Referral Hospital, Kisumu and Kenyatta National Hospital, Nairobi. Investors can establish purpose-built specialist health facilities.

2.6.3 Dialysis:

- ✓ There is a huge market for sale of dialysis equipment/accessories and consumables
- ✓ Private blood bank services required for dialysis
- ✓

2.6.4 Diagnostic Services

- ✓ Lack of medical laboratories for medico-legal issues such as: paternity testing and genetic studies. Siaya needs a one-stop diagnostic center that can handle all forms of diagnostic test.
- ✓ No diagnostic equipment servicing companies. There is need for biomedical engineering companies

2.6.5 Medical Services

- ✓ Most public hospitals are under-equipped due to budgetary constraints. There is an opportunity for Public Private Partnership Agreement with public hospitals to run laboratories.
- ✓ Equipment leasing for private hospitals
- ✓ Development of Human Resources for Health
- ✓ Construction of Biotechnology Research Centre in Partnership with the Private Sector

2.7 Water, Environment and Natural Resources

- ✓ Sub-contracting of discrete services (e.g. metering, repairs, revenue collection)
- ✓ investments, retaining revenues, and eventually returning assets to the public owner
- ✓ Manufacturing and supply of water treatment chemicals
- ✓ Public private Partnerships in the Development and Management of Public Water Supplies
- ✓ Construction and Management of new water supplies(*containerised treatment plants*)
- ✓ Drilling of new boreholes and equipping existing with solar powered pumps (adoption of solar energy as an alternative source of power)
- ✓ Construction of sewerage works in the major upcoming urban centres such as Yala, Ugunja, Akala, Usenge)

- ✓ Afforestation programmes in major hill tops within the county
- ✓ Modernizing Recreation parks in Major Urban Centres Siaya, Bondo, Ugunja, Usenge.

2.8.1 Trade, Industry and Cooperative Development

- ✓ Development of industrial parks including small and medium enterprises (SME) and Export processing Zones (EPZ)
- ✓ Provision of Business Information System including profiling of SMEs
- ✓ Development of Modern market systems and market infrastructure
- ✓ Agro-Processing of industries which include textile, fruit processing, cottage industries, honey and peanut processing
- ✓ Provision of affordable credit facilities
- ✓ Promotion of Cooperative Societies and SACCO
- ✓ Training of Business managerial skills
- ✓ A weigh bridge for heavy trucks along Busia-Kisumu Highway
- ✓ Calibration plant along Busia-Kisumu Highway for tankers

The County is also endowed with an enormous agricultural cooperative industrial potential arising from the many industries which were handed over to co-operative institutions but have had financial and technical capacity challenges, which therefore if run efficiently can be very viable processing plants. These plants which are scattered across the sub-counties therefore offer immense investment opportunities for potential diaspora investors:-

- ✓ Animal Feed Processing plant
- ✓ Poultry Development and Hatchery
- ✓ Modern abbattour
- ✓ Fish cold storage and ice processing plants
- ✓ Dairy Processing plants
- ✓ Amaranth Processing Plants
- ✓ Rice Processing Plants
- ✓ Fish Feed Processing Plants
- ✓ Fruit Processing Plants
- ✓ Cotton Gineries