



DISCLOSURE ON THE PRIVATELY INITIATED PROPOSAL (PIP) BY ELEVOOLUTION ENGENHARIA, SA (ELEVO GROUP, PORTUGAL) FOR THE THUCI DAM PROJECT - EMBU COUNTY

A. BACKGROUND:

The State Department for Irrigation (the “**Contracting Authority**”) established pursuant to Executive Order No. 1 of 2025 is mandated, among other functions, to oversee the formulation and implementation of the National Irrigation Policy; management of irrigation schemes; land reclamation; mapping, identification and development of areas suitable for irrigation schemes; development of irrigation infrastructure; and the management and oversight of irrigation schemes administered by Regional Authorities.

In the discharge of its mandate, the Contracting Authority has been pursuing the development of the Thuci Dam Project (the “**Project**”), which traverses Embu and Tharaka Nithi Counties. The Project is intended to enhance the availability and reliability of water for irrigation through the conservation of water during periods of adequate rainfall and its regulated release for irrigation purposes.

The Project was initially proposed for implementation under an Engineering, Procurement, Construction and Financing (EPC-F) model in the year 2017. However, implementation under that model did not proceed owing to changes in Government policy and constrained fiscal space for capital investment.

The Public Private Partnerships Act, Cap 430 Laws of Kenya (the “**PPP Act**”) provides a framework for private sector participation in the development of public infrastructure, including the design, financing, construction, equipment, operation, maintenance and transfer of infrastructure projects.

B. SUBMISSION OF THE PRIVATELY INITIATED PROPOSAL

In May 2025, the Contracting Authority received a Privately Initiated Proposal (PIP) from **Elevation Engenharia, S.A.**, and **Weihei International Economic and Technical Corporation (WIETC)** for the Financing, Design, Construction, Operation and Transfer of the Thuci Dam Project under the PPP framework. WIETC subsequently withdrew from the project in October 2025, leaving Elevation Engenharia SA as the sole project proponent. Receipt of the PIP was disclosed to the public through a Public Disclosure Notice dated 18th July 2025, in accordance with the applicable public disclosure requirements.

C. EVALUATION AND DUE DILIGENCE

Following its preliminary review, the Contracting Authority determined that the PIP satisfied the requirements contemplated under Section 40(2) of the PPP Act and submitted the proposal to the PPP Directorate for assessment. The PIP was subsequently evaluated jointly by the PPP Directorate and the Contracting Authority pursuant to Section 42 of the PPP Act. Preliminary due diligence on the Proponent was undertaken in accordance with the applicable provisions of Section 41. However, it also identified the need for

a comprehensive due diligence of the proponent including verification of its financial, technical, legal and institutional capacity as well as physical due diligence and submission of further documentation information required to complete the assessment.

The findings and recommendations were submitted to the PPP Committee, which, vide their letter dated **2nd February 2026**, granted conditional approval for the project to proceed to Project Development Phase pursuant to Section 42(7) of the PPP Act subject to satisfactory comprehensive due diligence and resolution of the outstanding issues.

Physical due diligence was subsequently undertaken in accordance with the conditions of the PPP Committee's approval and Section 27 of the PPP Act to verify the proponent's compliance with the prescribed conditions for progression to the Project Development Phase. Upon completion of the physical due diligence, the findings and recommendations were submitted to the PPP Committee for consideration.

D. DECISION OF THE PPP COMMITTEE

The PPP Committee, at its **61st Ordinary Meeting held on 26th August 2026**, considered the due diligence report and the overall assessment of the PIP and resolved to:

1. **TERMINATE** the Privately Initiated Proposal submitted by **Elevation Engenharia, S.A.** in respect of the Thuci Dam Project;
2. **DIRECT** the Contracting Authority to consider an alternative procurement route for the implementation of the Thuci Dam Project in accordance with the PPP Act; and
3. **DIRECT** the Contracting Authority to update the feasibility studies for the Project and secure an adequate budgetary allocation for viability funding to facilitate the further development and implementation of the Project.

E: PUBLIC NOTICE

Pursuant to the Public Private Partnerships Act and the Circular dated **24th April 2025 on Public Disclosure Requirements for Privately Initiated Proposals**, and in furtherance of the Government of Kenya's commitment to transparency and accountability in the development and implementation of public infrastructure projects, the public is **HEREBY NOTIFIED** of the outcome of the PPP Committee's consideration of the Privately Initiated Proposal submitted by **Elevation Engenharia, S.A. (Elevo Group – Portugal)** in respect of the Thuci Dam Project.

The termination relates solely to the Privately Initiated Proposal and does not constitute a termination of the Thuci Dam Project itself. The Government remains committed to considering the development of the Project through an appropriate procurement route, subject to updating of the feasibility studies, completion of requisite financing, procurement, statutory and regulatory processes and approvals in accordance with the applicable laws and policies of the Republic of Kenya.