

STATEMENT BY THE CABINET SECRETARY, THE NATIONAL TREASURY DURING THE SIGNING CEREMONY OF THE EXCHANGE OF NOTES FOR THE GRANT FOR HUMANITARIAN ASSISTANCE ON MARCH, 2017.

H.E. Mr. Liu Xianfa, Ambassador of China to Kenya,
Government Officials Present,
Ladies and Gentlemen.

1. **On behalf of the people** and the Government of Kenya, I wish to recognize and appreciate your Government's continued financial and technical support towards the economic development of our country since the beginning of our cooperation immediately after we attained independence. The assistance has been substantial in financial terms and also well focused on high priority sectors including infrastructure, energy development, health, agriculture and human resource development. Indeed, the dramatic increase in financial support from your government

over the last ten years confirms our very warm consideration cooperation between the People's Republic of China and Kenya.

2. Your Excellency, I can assure you that your support has made significant impact to our socio-economic development today, your country is one of the leading bilateral donors to Kenya with a cumulative Official Development Assistance amounting to **Ksh. 727.822 billion**. I particularly wish single out and to thank your Government for the financial support towards the construction of the Mombasa to Nairobi SGR Project which will be commissioned in June this year, and the Nairobi to Naivasha Section SGR whose construction works have commenced. This is one of the flagship projects in the Vision 2030 whose completion will play an important role in strengthening cooperation among the East African Member States and promote Kenya's economic development.

3. Your Excellency, we have today signed Exchange of Notes for the grant for purchase of food amounting to **Kshs. 2.25 million**. I note that the grant will particularly be utilized for purchase of rice commodity and that plans are underway to receive the first shipment in the next few weeks.

Let me say how grateful we are and particularly appreciate that this special consideration is in response H.E. the President's Declaration that Drought being faced in Kenya is a National Disaster and to Development Partners for assistance for support to mitigate the current drought situation facing the country. I wish to thank the Government of China for the quick response to the appeal by giving financial commitment after the Government declared the drought a National Disaster.

4. Your Excellency, the country is facing unprecedented short fall of the major food commodities particularly maize and indications are that approximately 3 million people, in both urban and rural areas are at risk of severe hunger. Indeed, because of not getting adequate food, children less than five years, expectant and lactating mothers are highly vulnerable to malnutrition.

5. The Government has been taking short term measures to address the current food crisis. In this regard, we are mobilizing funds through expenditure reprioritization to meet the cost of importing maize and other foodstuffs, as well as to make water available in the drier parts of the country. However, the challenge is daunting and our budgetary resources are not adequate to

meet the challenge. This grant will therefore go along way towards supplementing the on going Government's efforts towards addressing challenge.

6. Your Excellency, on the economy front, let me assure you that through the implementation of sound macroeconomic policies and structural reforms, the Kenyan economy is on strong growth path. As a matter of fact, forecasts indicate that all sectors are experiencing growth and the economic growth is envisaged to be 5.6% during the current financial year. As the Kenya government continues to take appropriate measures towards the implementation of Vision 2030, I am hopeful of your government's unwavering cooperation towards the achievement of the above agenda.

7. Finally Your Excellency, I wish to commend your Government for the wise decision to host the Belt and Road Forum for International Cooperation that will take place in Beijing during the month of May 2017. I note that the Belt and Road Initiative is aimed at promoting policy coordination, facilities connectivity, unimpeded trade, financial integration and people- to-people exchange among the countries involved in the Belt and Road Initiative. Let me assure you that

the Government of Kenya fully supports this Initiative and a high level delegation will represent the Government during the forum.

THANK YOU.