

SIGNING OF THE EXCHANGE OF NOTES FOR A LOAN AND GRANT AGREEMENTS FOR THE MOMBASA PORT AREA ROAD DEVELOPMENT PROJECT (PHASE II), DUALLING OF THE NAIROBI-DAGORETTI CORNER AND THE PURCHASE OF PATROL MOTOR BOATS

STATEMENT BY MR. HENRY ROTICH, EGH CABINET SECRETARY, NATIONAL TREASURY

4th July, 2017 at the Treasury Building at 10.00 a.m

H.E. MR. TOSHITSUGU UESAWA, Ambassador of Japan to Kenya

Ms. Keiko Sano, JICA Chief Representative

Members of the Japanese Delegation

Government Officials Present

Distinguished Ladies And Gentlemen,

1. **Let me** welcome Your Excellency and your delegation to the National Treasury to participate in the signing ceremony of the Exchange of Notes for a Loan and Grant Agreement for the Mombasa Port Area Road Development Project Phase II **(Kshs.11.8billion)**, the dualling of Nairobi - Dangoretti Corner section of the Ngong Road **(Kshs.2.4 billion)** and the Purchase of Patrol Motor boats **(Kshs.273million)**. Let me on behalf of Government and the People of Kenya extend our thanks and appreciation to the Government and people of Japan for this support. The signing of these financing agreements today is a clear indication of our very strong and close bilateral cooperation between our two countries.

2. **Your Excellency,** I wish to record the appreciation of Government of Kenya for the continued development assistance that the Government of Japan has extended to Kenya since the beginning of our bilateral cooperation in 1964. As a Government, we are grateful for this valuable support to our development agenda. We note with

satisfaction that the support has mainly benefited infrastructure projects which are key to the growth of our economy.

3. I am happy to note that to date, we have received on a cumulative basis received from your Government financial and technical support amounting to approximately **¥ 599.1 billion** or (**approx. Kshs. 512.7 billion**) making Japan one of our major bilateral partners.

4. Some of the projects that have benefited from the Japanese development assistance include the Jomo Kenyatta University of Science and Technology, the Kenya Medical Research Institute, Construction of Nyali, Kilifi, Mtwapa and Sabaki Bridges, the Construction of the Nairobi Missing Links Project and Embu Water Supply project, among others.

5. **Your Excellency**, Other Projects currently under construction through funding from your Government are; Olkaria IV Geothermal Power Station, Expansion of Mwea Irrigation, Mombasa Port Area Road Development project (Dongo Kundu Bypass), Olkaria – Lessos – Kisumu Power Transmission Lines, Development of Mombasa Port Project Phase II and III and Health Sector Support Program for Universal Health Coverage Program among others. Once complete these projects will no doubt contribute to the realization of the Vision 2030 which aims at transforming Kenya into a middle income country providing high quality of life in a clean and secure environment.

6. **Ladies and Gentlemen**, to deepen our cooperation further we have today signed Exchange of Notes for a Loan and Grant Agreements for; the Mombasa Port Area Road Development Project Phase II (**commonly known as Dongo Kundu Road**) amounting to **Ksh 11.8 billion**, the dualling of Nairobi-Dangoretti Corner Section of the Ngong Road grant amounting to **Kshs. 2.54 billion** and a further grant aid of **Ksh 273 million** for the Purchase of Patrol Motor Boats. The total assistance that we have received

today from the Government of Japan is therefore **Kshs. 14.61 billion**. On behalf of the Government and the people of Kenya I thank the Government of Japan for this support.

7. **The Loan Credit that** we have received today is for additional funding of the development of the Mombasa Port Area Road Project. As most of you are aware, the Government of Japan in 2012 provided to the Government of Kenya a loan amounting to Kshs. 28.94 billion for the construction of the Mombasa Port Area Road Project Phase I. This is a high priority project whose completion will facilitate easy access, mobility and transportation of goods and passengers from the coast region to other areas of the country, as well as to the neighbouring countries. Once completed, the project will significantly decongest the city of Mombasa by providing alternative option to the Likoni Ferry by linking the main land with Mombasa South Coast. It will further complement the ongoing expansion of the Mombasa Port, the proposed development of SEZ and therefore contribute to higher economic development of the country. Tourism sector will also benefit through better road network in Mombasa.

8. **Similarly,** the dualling of Adams Arcade to Dangoretti Corner Section of the Ngong Road will significantly ease traffic congestion and improve road access. The project will go a long way in reducing the road transport costs within the Nairobi Metropolitan Region. It will also shorten travel time during peak hours, create security, safety and convenience as well as decongest the surrounding roads and improve accessibility of logistics and living environment.

9. **The Purchase of Patrol Motor Boats** to through a grant will be utilized by the country's Maritime Police Unit to enhance security between Kenya and the Somali coastline as well as patrolling Kenya's coastline to combat drug trafficking and contraband goods.

10. **Finally Your Excellency, Ladies and Gentlemen,** allow me to acknowledge the Government of Japan support to our infrastructure development in the country especially in the coastal region. The completion of the Mombasa Port Container Expansion Project (Phase I) through yen loan credit extended by your Government in 2007 and amounting to Kshs. 19 billion is a clear testimony of your Government's support to infrastructure sector. We therefore wish to thank the Japanese Government for the commitment to support the infrastructure sector which contributes directly to the country's economic growth and eventual realization of the Vision 2030.

I THANK YOU FOR YOUR KIND ATTENTION.

