

**THE SIGNING OF FRAMEWORK ARRANGEMENT OF GRANT AID AND  
A LOAN ARRANGEMENT FOR EDCF LOAN FOR THE ESTABLISHMENT  
OF KENYA ADVANCED INSTITUTE OF SCIENCE AND TECHNOLOGY  
(KAIST)**

---

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

**20<sup>TH</sup> NOVEMBER, 2017 AT THE TREASURY BUILDING, AT 11.00A.M.**

---

**H.E. Mr. Kwon Young-dae – The Ambassador of South Korea,  
Permanent Secretaries present,  
CEO, Konza Technopolis Development Authority,  
Country Director, KOICA Kenya Office,  
Ladies and Gentlemen.**

1. **Let me take** this opportunity to welcome you all to the National Treasury on the occasion of the signing of the Framework Arrangement of a Grant Aid and a Loan Arrangement for an Economic Development Cooperation Fund (EDCF) Loan for the Establishment of Kenya Advanced Institute of Science and Technology (KAIST). The occasion also signifies the existing strong bilateral ties between the Government of Kenya and the Government of the Republic of Korea.

2. **Your Excellency**, the Government is delighted to have signed today Framework Arrangement for Grant aid which will now form the basis of future sectors for cooperation in education, health and water sector. The following projects will benefit under the Framework Agreement that we have signed today namely:-

- i) Project for Capacity Development of the National Industrial Training Authority (NITA) USD 4 million (**approximately Ksh. 414 million**),
- ii) Primary School Environment and Capacity Building Project, USD 4.25 million (**approximately Ksh. 441 million**),
- iii) Project for the Improvement of the Water Supply System in Bungoma, USD 5 million (**approximately Ksh. 519 million**),
- iv) Maternal and Child Health (MCH) Outreach Program for improving the accessibility of health service and raising awareness of health in Kenya, (**amount to be determined later**) and,

v) Ex-post Maintenance Assistance for the Project for the Improvement and Upgrading of Kitengela Health Center, USD 200,000 (**approximately Ksh. 20.7 million**).

3. **Similarly, the Loan Arrangement** we have also signed today for an EDCF Loan for the Establishment of Kenya Advanced Institute of Science and Technology will culminate to the eventual signing of a Loan Agreement with Korea Eximbank, amounting to US\$94,697,000 (**aproximately Ksh. 9.825 billion**). The establishment of KAIST will enhance the quality of higher learning while nurturing a technologically advanced population producing creative young talents and leaders. Phase I of KAIST will be located on 400 acres of land at Konza Technopolis City, and will generate 17,000 jobs upon completion. On behalf of the people and the Government of Kenya, we are indeed grateful for this support.

4. **Your Excellency**, we note that this will be the fourth loan from the Korean Government after the successful completion of the Technology Development Center Extension Project in Athi River was implemented through an EDCF loan of US\$ 10.742,000 million (appro. Kshs. 837.9 million). The project involved the construction of new buildings in the existing facility such as conference hall, ICT center and library as well as the supply of training equipment and transportation vehicles. I am happy to inform that the project has contributed significantly to the economic development of our country by effectively strengthening human resource development at the industrial and informal sector levels through training.

5. The cumulative Korean ODA loans extended to the Government of Kenya now stands at US\$ 51.4 million (**Ksh. 5.14 billion**).

6. **In conclusion Your Excellency**, let me state that the Government of Kenya is keen on expanding economic and technical cooperation with the Government of South Korea for mutual benefit of the two countries. In this regard, we remain hopeful that we can count on the Government of Korea for support towards the economic development of our country.

**ONCE AGAIN, THANK YOU.**