

STATEMENT BY MR. HENRY ROTICH, CABINET SECRETARY, THE NATIONAL TREASURY DURING THE SIGNING CEREMONY OF THE AGREEMENT FOR FINANCING KENYA INFORMAL SETTLEMENTS IMPROVEMENT PROJECT (KISIP) AND LAKE VICTORIA WATER AND SANITATION PROJECT ON 17TH DECEMBER 2015 AT THE TREASURY BUILDING

**Your Excellency, Mr. Rémi Maréchaux, the Ambassador of French to Kenya
Mr. Yves BOUDOT, The Regional Director of Agence Francaise de Development (AfD)
Cabinet Secretaries present
Principal Secretaries present
Ladies and Gentlemen,**

1. It is my pleasure to welcome you all to the National Treasury for the signing ceremony between the Government of Kenya and Agence Francaise de Development in respect of two projects.

2. Let me express our sincere gratitude to the Government of France for your valuable support both in form of grants and loans that you have given to us since Independence. I can assure you that this support has contributed enormously for the development of our country. I note with satisfaction that in the last 10 years, the French assistance through AfD has increased substantially from Euros 18 million (equivalent to KShs1.98 billion) to Euro 1 billion (equivalent to KShs.110 billion) to-date to finance various development projects mainly in Water and Sanitation, Infrastructure and Environment among others. These are critical sectors of our economy as spelt out in our Vision 2030.

3. **Your Excellency**, today I am again delighted to sign with you two Agreements. One in respect of Lake Victoria Water and Sanitation Project for a total of Euros 5 million Grant (**KShs. 560,394,048**) and the other one for Kenya Informal Settlements Improvement Project (KISIP) concessional loan amounting to Euros 35 million (**Kshs. 3,922,758,338**) which will cover 27.5% of the total project cost. I note that the World Bank through the International Development Association (IDA) will fund (60.5%), the Swedish International Development Agency (SIDA) (6%) and the Government of Kenya (6%).

4. **Your Excellency**, the Lake Victoria Water and Sanitation Project is a part of a bigger regional project around Lake Victoria involving Tanzania and Uganda. The project has a significant sanitation component with a major objective of protecting Lake Victoria. As you are aware, Lake Victoria is an important national and regional resource, which not only supplies water to the farms around Lake Victoria, but also has a great potential for the development of Regional Lake Transport and Tourism. When complete, this project will improve access to reliable, clean, safe, affordable, and sustainable water supply to the people of Kisumu City. The funds will be used to improve Dunga Water pumping system, thus enabling secondary distribution network from Mamboleo and Obwolo tanks in Northern Kisumu and supplying water to Ahero and Kiboswa-Peri urban areas.

5. In addition, the project will also provide sanitation and waste management services through rehabilitation and extension of sewerage networks. The initiative is pro-poor and will target the poor population where access to improved water and sanitation services is currently very low.

6. **Your Excellency**, Kenya is currently facing rapid urbanization. Notwithstanding the positive effects like employment opportunities, urbanization has adversely impacted on the environment and social wellbeing of our society. It is against this backdrop that the Government of Kenya with assistance from Development Partners launched a series of initiatives, Kenya Informal Settlements Improvement Project (KISIP) included, geared towards transforming these evolving municipalities into centers for economic growth.

7. The initiative intends to improve the livelihoods of at least 2.5 million people living and working in informal sectors in Kenya. This has been envisaged in Kenya's Vision 2030 for provision of adequate and decent housed nation in a sustainable environment. This project is an informal settlements upgrading project targeting 15 urban areas in Kenya and will involve improvement of roads, drainage and footpaths, water and sanitation infrastructure, and installation of floodlights. The project is already underway with the financing from the World Bank, SIDA and GoK and the AfD. The funds that we have received today will enhance further expansion of these activities including strengthening of tenure security.

8. Finally, **your Excellency**, on behalf of the people of Kenya, I wish to thank your Government for this support. Kenya Government appreciates the importance and impact of France's development assistance during our long period of financial cooperation. It is our sincere hope that the two countries will continue to strengthen this relationship for our mutual benefits.

Thank you