

**FOR THE FINANCING AGREEMENTS FOR THE ANNUAL ACTION PROGRAMME
(AAP) 2016 WITH THE EUROPEAN UNION - SIGNING CEREMONY**

**Statement by Mr. Henry K. Rotich, Cabinet
Secretary to the National**

19th December 2016 at KICC President Office at 10.00 A.M.

Your Excellency, The President of the Republic of Kenya Hon. Uhuru Kenyatta, C.G.H

Your Excellency, **Neven Mimica**, (European Commissioner for International Cooperation and Development)

Your Excellency, **Stefano Dejak**, (Head of Delegation, EU Delegation to Kenya)

Your Excellences, Ladies and Gentlemen

1. It is with great pleasure that we welcome you to Kenya.
2. We consider the European Union together with its member states as a friend and an important partner in supporting our development agenda.
3. In the over fifty years of our partnership with Kenya, the European Union has been a very significant contributor to our economic development of our country, providing on a cumulative basis more than KSh.100 billion.
4. The funding we receive through the European Development Fund – which consists entirely of grants – goes towards the improvement of our roads and energy infrastructure; access to affordable food and clean water; devolution and access to justice; and to the urban poor and those living in Kenya’s driest regions.
5. In particular, the support that Kenya has received from the EC is aligned with our development priorities and objectives. For instance, the National Indicative Programme (NIP) 2008-2013 under the 10th EDF in which the EC provided a grant of approximately Euros 390 Million (Ksh.40 billion) responded to the broad priorities outlined in the Kenya Vision 2030. Key priority areas of the 10th EDF are: transport infrastructure, agriculture and rural development.
6. Among the key development projects financed by EU under the 10th EDF include the following:
 - Regional Roads: Upgrade Merrille River to Marsabit (120.5 km) Euros 135 million
 - Northern Corridor Rehabilitation, Phase III (Eldoret–Webuye – Malaba Road) - Euros 73.15 million
 - Construction of Nairobi Missing links Kshs. 2.32 billion of which **EU will provide €15.2million and GOK Kshs. 560 million**
 - Northern Corridor Rehabilitation Project (Naivasha-Nakuru Road) euros 55 million
 - Construction of Roads to and within Mt. Kenya and Abardare National Park €15.2million

7. Currently we are implementing projects under the 11th EDF which is for the period 2014 – 2020 in which Kenya is allocated a grant of EUR 435 million (Ksh.45 billion).

8. **Your Excellencies, Ladies and Gentlemen**, the Financing Agreements that we are signing today marks the commencement of programmes worth a total of Euro 104 million, which is part of a total of Euro 435 million that has been committed under the 11th European Development Fund.

9. The funds will go towards;

a) **Improving water supply and sanitation in ASAL regions** by implementing medium sized water and sanitation projects in selected ASAL counties and promoting Public-Private- Community-Partnerships within the water sector. This will be undertaken under the project **"Climate Proofed Infrastructures for improved water supply and sanitation in ASAL - €20 million(approx. KES 2.1 billion)"**

b) **Improved agricultural productivity**, the primary target being smallholder farmers, pastoralists and their groups who are occasional market players with the potential to become full players in specific value chains. The agri-business actors are the strategic partners enabling smallholders' integration into commercial farming within their specific value chain.

10 The EDF grant support will target provision of services and capacity building to enable smallholder investment on farm, as well as reduce financial risks by way of interest subsidies or collateralisation through a blending facility with EIB. These activities are under the project **"Support to Productive, Adapted and Market Integrated small holder agriculture in Kenya"- €50 million (approx. KES 5.3 billion**

a) Reinforcing the ability of the justice sector to address and redress economic and political grievances, thus strengthening the legitimacy of the rule of law and the Kenyan State. **It seeks also to address the linkage between the marginalisation of the communities concerned and their exposure to criminal activities, including radicalisation, which sustains a vicious circle where exclusion and instability** become mutually reinforcing. These action will be under the **"Programme for Legal Empowerment and Aid Delivery (PLEAD) - €50 million"**

10. **Your Excellences, Ladies and Gentlemen**, in conclusion, let me reiterate that the Government of Kenya is committed to transform Kenya into a newly industrialized middle income country, providing high quality of life to all its citizens by 2030 through consistent implementation of sound economic and financial policies. We will therefore count on the support of the EU towards the achievement of this agenda. Towards this end I wish to indicate the all the financial resources that we have received from the EU will be used for the intended purposes.

THANK YOU.

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