

**STATEMENT BY HON. UHURU KENYATTA, THE DEPUTY PRIME MINISTER AND MINISTER FOR FINANCE DURING THE OCASSION OF THE SIGNING OF LOAN AGREEMENTS FOR THE KISUMU URBAN PROJECT AND ROADS 2000 PHASE II PROJECT IN CENTRAL PROVINCE ON 5<sup>TH</sup> JULY 2010 AT TREASURY BUILDING, NAIROBI**

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H. E. Elisabeth Barbier, the French Ambassador to Kenya,

Mr. Hugo Pierrel, Acting Director, AFD Regional Office Nairobi,

Other Members of the French Delegation,

Ladies and Gentlemen,

1. Let me take this opportunity to welcome your Excellency and your delegation to the Ministry of Finance.
2. Your Excellency, allow me to record the Government's appreciation for the Development assistance from the French Government through the Agence Francasie de Development (AFD) extended to Kenya since our independence. To date, AFD has on a cumulative basis extended approximately 903 million euros (equivalent to Ksh.90.3 billion) to Kenya, in addition to the loans that we have just signed today. We are indeed grateful for this valuable support to our development agenda.
3. Over the years, the projects that have benefited from AFD financial assistance include; the Kisumu Water Supply and Sewerage project, rehabilitation of roads in parts of Central Province under the Road 2000 programme, rehabilitation of Sasumua Dam, Rural Electrification project and the co-financing of Mai Mahiu – Narok road.
4. Your Excellency, The two financing agreement that we have just signed today are for a total of 80 million euro (equivalent to Ksh.8 billion) with Kisumu Urban project receiving 40 million euro (equivalent to Ksh. 4 billion) while the Roads 2000 project will receive 40 million euros (equivalent to Ksh. 4 billion). Your Excellency, these two projects are of

high ranking priority whose completion will have a wider social-economic impact on our people.

5. Your Excellency, Kenya's urban areas have over the years suffered from poor planning which has resulted in proliferation of informal settlements with poor housing and little or no infrastructure services. Like most African countries, Kenya has been urbanizing rapidly and currently urban population represents 35% of the total population, with a growth rate of 4% per year. The government has therefore seen the urgent need to look a fresh at this problem. Consequently with financial and technical assistance from the World Bank, the Swedish international Development Agency and Agence Francaice de Development the Government aims to improve the living conditions of the population in urban areas by strengthening the local autonomy of the municipalities.

6. The Kisumu urban project is therefore a pilot project within the wider Kenya urban programme. Its objective is to improve the living conditions of the people of Kisumu through development of infrastructure and facilities, slum upgrading and local capacity building. In particular, the capacity building component is expected to increase the financial autonomy and to strengthen accountability in the municipality.

7. On the other hand, the roads 2000 project is a continuation of the first phase which covered Murang'a, Nyandarua and Maragua districts and will entail improving the unpaved rural road network and to strengthen the systems of management and maintenance of roads, using labour based methods, local resources as well as the private sector. The six regions to be covered under this phase of the project are Murang'a, Nyandarua, Kiambu, Nyeri, Kirinyanga and Laikipia. The project is expected to improve road network and also facilitate the movement of goods and services, especially farm produce to the market outlets thus improving the livelihood of the population.

8. In conclusion let me once again express our deep appreciation for the quality support that we have continued to receive from the people and government of France towards the realization of our Vision 2030 Development agenda.

9. Finally, Your Excellency, I am informed that the term of Mr. Jean-Pierre Marcelli, the current Regional Director of AFD has come to an end. We wish to thank him enormously for his tireless effort to ensure that the taps of assistance from AFD to Kenya continued to flow with even more momentum during his tenure in Kenya

10. As Mr. Marcelli proceeds to take up his next assignment in Egypt, we wish him well and let me assure him that he is always welcome to Kenya.

Thank you