

**STATEMENT BY DEPUTY PRIME MINISTER AND MINISTER FOR
FINANCE ON THE OCCASION OF THE SIGNING OF THE LOAN
AGREEMENT FOR THE EXTENSION OF THE WATER AND SANITATION
SYSTEMS IN KIRANDICH AND KIAMBERE BASINS**

**H.E. Mr. Pierandrea Magistrati
Italian Ambassador to Kenya,**

**Dr. Pasqualino Procacci
Director
Italian Development Cooperation Office,
Other Members of Italian 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 that the Government and people of Kenya have continued to receive from Italy since independence. We are indeed very grateful to this valuable support to our development initiative. With your support and other development partners, we have been able to enhance the economic growth rate of our economy for the benefit of Kenyans.

3. Over the years, the projects that have benefited from the Italian Development assistance include: - Sigor Weiwei Integrated Development Project, upgrading of equipment at Kenya and Mombasa Polytechnics, Kuirandich Dam and Kiambere Water Supply Phase 1. These sectors that have benefitted from Italian support are critical in addressing poverty in this country.

4. Let me in particular single out and appreciate very much the Italian Government positive gesture to convert about Ksh 4 billion debt owed to Italy by Kenya into a facility to Finance jointly agreed projects in the Social Sector, namely Education (Youth Polytechnics), Health, Slum Upgrading (Korogocho), water and Sanitation.

5. This is a poverty reduction facility aimed at improving the welfare of the poor segment of our community and to enable them have access to basic social amenities. I am happy to note that the programme has so far registered a commendable success and helped many poor Kenyans to have access to clean, safe water in the programme areas and good roads in Korogocho Slums. I look forward to the expansion of the programme through additional funding so as to reach many more Kenyans.

6. The good news is that, the Financing Agreement that we have just signed today is for a total amount of 33.4 million euros (equivalent to Ksh 3.3 billion) and will finance the Kirandich and Kiambere water Supplies Phase 11 in Rift Valley and Eastern Provinces respectively. The Kirandich Water Supply has received 18.9 million Euros (equivalent to Ksh 1.9 billion) while Kiambere Water Supply has received 14.5 million Euros (equivalent to Ksh 1.4 billion).

7. The Kirandich Water Supply Phase 11 is an extension of the first phase which involved construction of the dam, water treatment plant, two pumping stations and related rising mains, two water tanks and distribution pipeline. The first phase was completed in the year 2000.

8. In the second phase, the project will be expanded to distribute water to a population of about 50,000 inhabitants as compared to only 12,000 being served currently. In addition, the project design includes the construction of a sewage system and waste management for Kabarnet town.

9. The Kiambere Water Supply Phase 11 is also an expansion of the first phase which involved construction of water intake treatment and pumping plant. The first

phase of the project only serves Mwingi town but does serve the surrounding Mwingi District rural areas.

10. The 2nd phase of the project therefore involves expansion of the water supply to cover rural areas. A waste Management Plant will also be constructed in Mwingi town. The two projects will improve the Social, Economic and Health Conditions of the communities living in the target areas, which is in line with the objectives of vision 2030.

11. In conclusion, let me once again express our deep appreciation for the support we continue to get from the people and Government of Italy towards the realization of our vision 2030 Development objectives. Your Excellency, I am aware that you are **celebrating the 25th Anniversary of Italy's cooperation with Kenya**, and a number of activities have been lined up for the celebrations. I am sure some of the **Treasury staff** will find time to join you in these celebrations to enjoy the **Italian music**, among other entertainments.

12. Finally Your Excellency, I am informed that **Dr. Pasqualino Procacci, the Director of Development Cooperation** at the Italian Embassy, will be leaving the country having finished his tour of duty in Kenya. We wish to thank him for his **innovative ideas**, which in

particular made the **Kenya Italy Debt Swap Initiative** become a success.

13. As Dr. Procacci proceeds to take his next assignment in Italy, we wish him well and assure him that he is **always welcome to Kenya.**

Thank You.

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