

STATEMENT BY THE DEPUTY PRIME MINISTER AND MINISTER FOR FINANCE,
HON. UHURU KENYATTA DURING THE SIGNING CEREMONY OF THE LOAN
AGREEMENT FOR THE NAIROBI SOUTHERN BYPASSES PROJECT ON 29th
DECEMBER, 2011 AT THE TREASURY BUILDING, AT 9.00AM.

H.E. Mr. Liu Guangyuan

Ambassador, Embassy of the People's Republic of China,

Hon. Franklin Bett, Minister for Roads,

Permanent Secretaries Present,

Other Government Officials,

Ladies and Gentlemen.

1. Your Excellency, on behalf of the people and the Government of Kenya, I wish to recognize and appreciate the Export Import Bank of China past assistance towards the economic development of our country since the beginning of our cooperation.

2. The assistance extended to Kenya by your Government has been substantial in financial terms and also well focused on high priority sectors. The support has targeted energy development and natural resources, infrastructure, health, agriculture and human resource development. Indeed, the marked increase in financial support from your Government over the last five years is a good reflection of the cordial relations our two countries enjoy. The support has made a significant impact in our socio-economic development and today, your country is one of the leading bilateral partners to Kenya with a cumulative official development assistance amounting Ksh. 58.962 billion.

3. Some of the projects that have been successfully implemented through Chinese funding include:- Moi Sports Centre, Kasarani, Moi Teaching and Referral Hospital, Rehabilitation and Widening of the JKIA – Uhuru Highway – UNEP Road, Mama Lucy Kibaki Hospital in Nairobi Eastlands, and the Kenya

Power Distribution System Modernization Strengthening Project, amongst others.

4. In addition, the following Chinese funded projects are at various stages of implementation, namely:- the Nairobi Northern and Eastern Bypasses Project, Olkaria IV Geothermal Field Production Wells Drilling Project, Kenyatta University Teaching, Research and Referral Hospital Project and the Kenya Power Distribution System Modernization and Strengthening Project, amongst others. It is worthy to note that these projects are being implemented through Concessional and the Preferential Buyer Loan Credits from the Export Import Bank of China.

5. Your Excellency, to further strengthen cooperation between our two Governments, I have today part signed a Preferential Buyer Credit Loan Agreement for the Nairobi Southern Bypass Project amounting to US\$ 183.6 million which is equivalent to Ksh. 16.9 billion. This amount will cover 85% of the project construction cost while the remaining 15% will be met by the Government of Kenya. I note that the agreement will immediately be submitted to the President of Exim Bank of China, Mr Li Ruogu for his signature, and therefore, legalize the agreement.

6. Let me say how grateful we are and particularly appreciate that this timely assistance is in response to the Kenya Government's request for infrastructure development support. The credit will be applied for the construction of the planned Nairobi Southern Bypass Road project with a view to providing Nairobi City with an essential corridor for fast transit traffic, hence facilitating quick diversion movement of the urban traffic and the improvement of Nairobi Metropolitan Area's road network. The project will therefore significantly contribute to the decongestion of the City of Nairobi which is currently

experiencing heavy traffic jams due to inadequate road network.

7. The City of Nairobi, besides being the Commercial hub of Eastern Africa, generates 60% of the country's GDP and therefore, the development of its infrastructure, particularly roads is a top Government priority. As you are aware Your Excellency, the Construction of the Nairobi Northern and Eastern Bypasses Project is almost complete. The construction of the planned Nairobi Southern Bypass will therefore complete the loop for the realization of maximum benefits to be derived from the completion of the three bypasses.

8. Your Excellency, the future of our collaboration with Exim Bank of China looks good. I note that negotiations for loan facilities for various priority projects already presented to the Bank are going on smoothly, and we are hopeful for a positive response.

9. Finally Your Excellency, the Government of Kenya in the process implementing the new Constitution that is expected to initiate major policy changes and therefore create more transparency and accountability as well as setting up appropriate institutional framework and systems. There are still difficulties of mobilizing adequate financial resources to finance the devolved County Governments. We sincerely hope that we can count on the support of all our friends including the Government of China.

THANK YOU!