

SPEECH BY THE HONORABLE MINISTER FOR FINANCE HON. ROBINSON GITHAE, EGH. DURING THE SIGNING CEREMONY OF KENYA TRANSPARENCY AND COMMUNICATIONS INFRASTRUCTURE PROJECT ON 4TH MAY 2012 AT 2.00 P.M. AT TREASURY BUILDING -10TH FLOOR CONFERENCE ROOM

**Mr. Johannes Zutt, World Bank Country Director,
Permanent Secretary
World Bank Officials
Senior Government Officials,
Ladies and Gentlemen;**

1. I am delighted to welcome you all today during the signing ceremony of the credit agreement with World Bank in respect of additional financing for Kenya Transparency and Communications Infrastructure Project. [KTCIP]
2. The first credit of the KTCIP was signed on 23rd May 2007 amounting to US\$ 114.4m or Kshs 8.04 billion. The initial development objectives were: to expand infrastructure for Kenya to become an Information and Communications Technology ICT hub in the region, to revamp and extend e-government to improve service delivery by the public sector, develop rural ICT centres and to encourage ICT entrepreneurship in the country.
3. The additional credit we have signed today amounting to **USD 55.1 Million** (equivalent to **Kshs. 4.573 Billion**), brings the total Credit from IDA in support of the Kenya Transparency and Communications Infrastructure to **USD 169.5 Million** (equivalent to **Kshs. 14.068 billion**).

Ladies and Gentlemen;

4. With the signing of this agreement the total World Bank supported portfolio will now increase to a total commitment of **US\$2.805 Billion (equivalent to Kshs 232.8 billion)** making the World Bank our leading multilateral financing institution. The Government of Kenya indeed appreciates this valuable support by the International Development Association (IDA), to support the many projects and programmes spread countrywide. It is my hope that this good partnership will continue to deepen as we implement our economic blueprint under the Vision 2030 that seeks to transform Kenya into globally competitive, newly-industrializing and a middle income country.
5. As you all appreciate information technology is critical in enhancing efficiency in any institution. Let me therefore indicate that this support is critical to our economy, as we acknowledge that the development of Information and Communication Technology (ICT) is a key driver to the

economic growth of this country. The proposed investment to be undertaken by the Government of Kenya will have a direct impact, towards increased access to information technology in both the urban and rural areas. This will in turn generate many employment opportunities to our people.

Ladies and Gentlemen

6. Today's additional financing under Kenya Transparency and Communication Technology Project will support the following key areas:
 - The Integrated Financial Management Information System (IFMIS) – **USD 35.8 Million** or Kshs 2.98 billion
 - End-to-end eGovernment which include (a) establishment of a Private Public Partnership in e-Government; (b) the Immigration and Population Registry System; (c) Improving the information security and cyber security – **USD 10 Million** or Kshs 830m.
 - Open data initiative in Kenya - **USD 6.6million** or Kshs 549m
 - Operational costs - USD 2.04million or Kshs 169m.
7. This additional funding will also finance activities already initiated, and complement the implementation of the Virtual Network between universities, implementation and launch of additional rounds of Digital Villages and Content grants. The project will also assist in digitizing land records, establish an on-line business registry (eBusiness registry), and continue implementation of the shared services platform.
8. As you all know the IFMIS re-engineering programme was launched about two years ago with impressive progress. The Bank support towards this process will therefore enable the Government implement urgently needed Financial Management Reforms that will allow Government operate in a total e-government environment.

Ladies and Gentlemen,

9. The Government is committed to ensure full implementation of the new Constitution. Let me indicate that the GOK appreciates the financial support extended by our Development Partners, as we prepare to roll out the constitutional reforms in the next five years. We are in the process of enacting 49 Legislative Bills that were envisaged in the Constitution in the next five years up to 2015, with huge financial cost implications. To fund the process, Treasury has earmarked a budget of **Kshs. 160.4 Billion (equivalent to USD. 1.935 Billion)** to fund the Devolved Government after the 2013 General Election. This is inadequate and so, we hope our Development Partners will upscale their support towards supporting the Implementation of the Constitution.

Ladies and Gentlemen,

10. While the Government welcomes, the support under the additional financing for KTCIP Project, I wish to indicate that the signing of this agreement is only the beginning of hard work ahead to realize the benefits. This will require strong commitment on the part of the implementing Ministry and other agencies to ensure effective and timely implementation of the project and more important, to ensure that funds available are utilized for the intended purpose. In this regard I wish to encourage the implementing Ministry and also the ICT Board to undertake the necessary steps to ensure timely execution of this project.
11. You are all aware that Kenyans are looking forward to the establishment of Techno City at Konza which has been dubbed the Silicon Savanna of Africa. The success of the KTCIP will no doubt contribute to the success of the Konza project and therefore anchor Kenya as an ICT hub in the region, thereby generating a lot of employment opportunities for our people. We must therefore achieve this target by laying the necessary infrastructure.

Ladies and Gentlemen,

12. In conclusion, I wish to point out that we are committed to the agreed partnership Programme with the World Bank through the Country Partnership Strategy (CPS) covering the period 2010 – 2013, and also quickly add that we are satisfied with the good progress achieved in the implementation of the programme so far.
13. This Partnership Strategy has put greater emphasize on the physical infrastructure development which includes energy, transport, water, roads and urban infrastructure development, which are key priority sectors in our Vision 2030 strategy.
14. **Finally**, I wish to commend the World Bank specifically in taking leadership on the Development Partnership Forum which has become an ideal forum for dialogue with our Development Partners. Let me indicate that the next Development Partnership Forum is scheduled to take place on 19th June 2012.

Thank you very much.