



**REPUBLIC OF KENYA  
THE NATIONAL TREASURY AND ECONOMIC PLANNING**

**TALKING NOTES BY THE CABINET SECRETARY, THE NATIONAL TREASURY AND ECONOMIC PLANNING, CPA, HON. JOHN NG'ONGO MBADI, EGH, DURING THE KFW DIRECTORS' HANDOVER CEREMONY ON 11<sup>TH</sup> SEPTEMBER 2024, FROM 6:00 PM AT THE RIVERSIDE SQUARE BUILDING**

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**Ladies and Gentlemen,**

I wish to acknowledge the presence and extend a warm welcome to **Ms. Christine Laibach, a Member of KfW's Executive Board in charge of International Financing, and Mr. Christoph Tiskens, KfW Director for Eastern Africa and the AU**, as well as representatives from the German Embassy and the German Delegation to Kenya. I further acknowledge and appreciate the courtesy call meeting we had in the morning where we deliberated on our cooperation.

It is with great honour and privilege to join you here today at this handover ceremony, where director **Oskar von Maltzan** of KfW and director **Antje Steiner** of KfW-DEG both of Nairobi office and who have served since 2019, will be passing the baton to their successors, **Ms. Kristina Laarmann and Ms. Barbara von Toll**.

I am delighted to acknowledge the warm and close bond shared between Kenya and Germany, particularly during the five-year tenure of the outgoing directors. Over this tenure, Kenya and Germany relationship has been firmly

anchored on equality, mutual trust, and mutual benefit, resulting in win-win outcomes.

**Ladies and Gentlemen,**

I recognize Germany is one of the primary bilateral development partners for Kenya, committing over 2.5 billion Euros (equivalent to KSh 395 billion) to various sectors, including **water, energy, agriculture, infrastructure, education, youth employment promotion, as well as vocational training.**

With the new leadership, the Government aims to strengthen already established cooperation and expand investment networks. This will be achieved through supporting development objectives by financing various economic, social and reform-oriented projects and programs as articulated in the government blue print, the Kenya Vision 2030.

In particular, the Bottom-Up Economic Transformation Agenda, which is integrated in the Fourth Medium Term Plan (MTP IV) of the Kenya Vision 2030, offers numerous investment opportunities for mutual beneficial financial cooperation in at least five core pillars namely: Agriculture; Health Care; Housing and Settlement; Micro, Small and Medium Enterprises (MSMEs) Economy; and Digital Superhighway and Creative Economy.

Investment in these core pillars is expected to have the highest impact on the economy thus bringing about economic turn-around and inclusive growth thereby improving livelihoods and welfare of citizens especially those at the bottom of the pyramid.

**Ladies and Gentlemen,**

It is worth noting that the Government of Kenya is implementing bold policy responses to mitigate against the negative global and persistent shocks that have pushed the Kenyan economy to its lowest vibrant level. The country has embarked on structural reforms to stabilize government finances and the economy.

It is against this backdrop that the Government of the Federal Republic of Germany, through KfW, has this morning, signed a financing agreement worth Euros 60 million (KSh. 8.5 billion) committed last year, towards Development Policy Operation (DPO) which is aimed at supporting government reforms. The Kenyan Government, once more, urges the Government of the Federal Republic of Germany, through KfW to participate in this year's DPO.

Further, the Government of Kenya, appreciate KfW's support in the finalization of the sustainable linked bond framework that will guide the country in acquiring green bonds. Kenya also appreciates Germany's assistance in the recently signed Debt Swap Agreement amounting to over Euro 31 million (KSh. 4.4 billion), for the Steam Field Development in the Bogoria Silali Block. The country looks forward to deepening such innovative support.

### **Ladies and Gentlemen**

In the next three years, the Kenyan Government prioritizes initiatives aimed at accelerating economic recovery while addressing key development challenges such as unemployment, poverty, and climate change dynamics. Additional investments will be focused on: Human Capital Development; Reforming disarrayed markets; Mobilizing domestic resources for development; Reforming and restructuring institutions and Digitization.

Supporting the MTP IV initiative is therefore government's growth-friendly fiscal consolidation plan, which aims to slow down public debt growth without compromising service delivery. This consolidation plan is expected to enhance the country's debt sustainability position and uphold the principle of intergenerational equity in Kenya's development agenda.

### **Ladies and Gentlemen,**

In conclusion, i call upon participating Ministries and other relevant government agencies to take note and prepare accordingly for the upcoming biennial bilateral negotiations, scheduled to take place in Nairobi on 4<sup>th</sup> and 5<sup>th</sup> November 2024. During these negotiations, the Government of the Federal

Republic of Germany is expected to commit additional resources to finance new development projects in Kenya.

The National Treasury has fostered a positive and productive relationship with KfW during the tenure of the departing KfW director and DEG director, and I extend my best wishes to them in their future endeavors. I also look forward to establishing a constructive relationship with the new directors. The Government of Kenya is willing and committed to working closely with KfW to accomplish the country's development goals and objectives.

**Thank you**

**Asanteni Sana**

**Vielen Dank**