

US-AFRICA LEADERS SUMMIT AUGUST 5-6, 2014

KENYA NATIONAL STATEMENT

Introduction

Kenya, a leading Eastern Africa economy, has a population of about 44 million people with a GDP of US\$44.1 billion and an economic growth rate of 4.7% that is projected to rise to 5.9% by 2015. It is a multi-party democracy with two levels of government: National, headed by the President; and County, headed by a Governor. There are 47 counties which are distinct but interdependent with the National Government.

The values and aspirations of the Kenyan people are articulated in the Constitution of Kenya which espouses principles of governance, including the rule of law, democracy, participation of the people, human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized, among others.

Peace and Security

Kenya's geo-political location in the Horn of Africa is of great strategic importance. However, its location predisposes it to transnational threats like piracy in the Indian Ocean and international terrorism as a result of regional conflicts and instability. In addition, it faces other security related challenges including influx of refugees (Kenya hosts over 600,000 refugees) and trans-border crimes, of human and drugs trafficking, poaching, small arms and light weapons proliferation and money laundering. These threats constantly attract international attention.

To proactively address the regional security challenges, Kenya as an active member of the African Union (AU) and Inter-Governmental Authority on Development (IGAD) has successfully mediated and negotiated the peace processes in the region and contributed peace keeping forces to Sudan, South Sudan and Somalia. Further, Kenya's collaboration with the international community has led to reduction of piracy in the Indian Ocean and achievement of relative stability in Somalia.

Kenya and USA have collaborated in the past to promote peace and security in the region, on military to military support, and training on counter terrorism.

To achieve lasting peace and security in the region, Kenya calls upon the US and the international community to provide additional support in:

- i) Implementation of the Tripartite Agreement signed between Kenya, Somalia and United Nations High Commission for Refugees (UNHCR) on the repatriation of Somali refugees;
- ii) AU led AMISOM in logistics, air and maritime assets;
- iii) IGAD peace process in South Sudan, including, the deployment of an IGAD Task Force under the expanded UNMISS;
- iv) Humanitarian assistance to South Sudan;
- v) Eastern African Standby Force (EASF); and
- vi) The Peace Fund as a tool for regional conflict resolution and management.

In order to address internal security concerns effectively, Kenya seeks urgent support towards the security sector reforms as follows:-

- i) Capacity building of internal security organs in responding to emerging security threats;
- ii) Cooperation in eradication of organized trans-border crimes;
- iii) Re-engineering the existing peace and conflict management and resolution structures across the country; and,
- iv) Border security and surveillance.

Youth Opportunities and Leadership

The youth in Kenya constitute 38% of the population. The unemployment rate in Kenya is 40% and the youth constitute 60% of the unemployed.

Kenya has put in place the following interventions to address these challenges:-

- i) Setting up affordable pool of funds for youth and Persons with Disabilities (Uwezo and the Youth Fund).
- ii) Restructuring the National Youth Service to increase youth training.
- iii) Establishing youth empowerment centres.
- iv) Increasing access to government procurement opportunities.

Further, to address the unemployment gaps, the Government has emphasized the need to embrace science, technology, innovation and research in education with a special bias towards ICT. This creates an avenue for support and collaboration with potential investors. In addition, the middle level and tertiary institutions of learning require immense support to expand their research and development capacity. This can be achieved through implementation of strategic partnerships, bursary schemes, exchange programmes with reputable US centres of higher learning, research and development.

Moreover, Government is piloting the Kenya Youth Empowerment Project to support the youth in life skills and entrepreneurship training through up-scaling internships and apprenticeship programmes. This project is expected to provide necessary infrastructure for the youth to engage in productive agricultural activities, enhance employment, reduce poverty and contribute to economic growth.

Health

The Kenyan Constitution guarantees every citizen the right to healthcare. Kenya appreciates the immense support received from the US Government in the health sector, especially in the prevention, control and treatment of HIV/AIDS & Malaria; Health systems strengthening; Disease surveillance & research; and provision of technical support among others. Through such interventions, the prevalence of HIV/AIDS has declined from a high rate of 7.2% in 2007 to about 5.6% today.

In an effort to reduce maternal and child mortality rates, the Government has made provision for free maternity healthcare and free health services to children below five years in all public health facilities. However, more can be done and the Government welcomes support from all actors in health, including development partners, to complement these efforts.

Climate change and food security

Over 80% of Kenya is arid and semi arid, thus, prone to drought and floods leading to crop failure and death of livestock, the mainstay of the population. Reliance on rain feed agriculture and inadequate rain water harvesting contribute to food insecurity. To alleviate this problem, the Government has embarked on subsidizing small scale farmers and establishing irrigation schemes like the newly launched one million acre Galana-Kulalu food security project in the Coastal region.

This is an expensive venture and Government is seeking partnership in order to realize its goal on food security.

In the livestock sector, the Government is scaling up laboratory investigation and diagnostic services in an effort to improve animal health and eradicate trade sensitive diseases. These efforts include capacity building, procurement of relevant equipment and adoption of appropriate technology, surveillance, mapping of vector distribution and establishment of disease free zones in the Country.

Justice, Governance and Rule of Law

One of the key aspects of Kenya Constitution is the adoption of the devolved system of government. The 47 county governments, which are funded by the national government run their own development agendas and address local issues, with an ultimate aim of achieving equitable national development.

To improve service delivery and enhance business environment, the Government is in the process of digitizing most registries, among them: lands, Government service centres (Huduma centres), online registration of businesses and commercial entities, treaties and agreements. The improvement of service delivery provides substantive investment opportunities for partnerships.

Overall, the Government is prioritizing reform in the following areas:-

- (i) Governance, ethics and integrity, including the fight against corruption;
- (ii) Improving respect for human rights;
- (iii) Enhancing access to justice, particularly for the poor, marginalised and vulnerable;
- (iv) Crime prevention, police reforms (including community policing), training more police officers to reduce police-citizen ratio;
- (v) Strengthening public prosecutions and legal services available to the public; and
- (vi) Reformist-led capacity building with a focus on attitude and culture change.

Trade and Investment

To reduce the cost of electricity and provide a stable electricity supply, Government seeks to increase electricity generation capacity from the current 1746MW to over 5000MW in the next

three years. Most of the projects will seek to exploit geothermal and wind sources of power through Public Private Partnership.

The Government acknowledges the support from the US under the Power Africa initiative through projects such as Lake Turkana Wind Project, one of the largest wind farms in Sub-Saharan Africa. To increase connectivity to national grid, development of the transmission and distribution grid across the country is a priority. The energy sector presents good opportunities for investment partnerships.

Under Kenya Vision 2030 blue print, the Government is undertaking massive infrastructural development projects, including; expansion of airports, roads, commuter railway lines, decongestion of cities and construction of new ports along the coast. This implies huge financing and investment gaps that present diverse opportunities for partnerships.

In trade, Kenya and EAC partner States have embarked on implementing bold economic and structural reforms aimed at enhancing regional economic integration. Kenya has been at the forefront of creating conducive business environment to attract investors from across the globe. In this respect, Kenya welcomes the recently launched Trade Africa, as a new partnership initiative between the United States and sub-Saharan Africa that seeks to increase internal and regional trade within Africa, and expand trade and economic ties between Africa, the United States, and other global markets.

U.S.A. remains a major destination of Kenyan exports under the African Growth and Opportunity Act (AGOA). Whereas the total exports from Kenya to US have more than doubled, the product range remains limited. Only 25 -30 product lines are exported out of the allowable 6,400 products. The effective utilization remains low due to challenges such as supply side constraints and logistics. AGOA is set to expire in September, 2015 and this creates uncertainty for the exporters already benefiting from the initiative. In this respect, Kenya looks forward to a seamless renewal of the Act and favourable consideration of issues relating to predictability, application of the Third Country Fabric Rule, review of the eligibility criteria and making the AGOA Rules of Origin less restrictive.

Conclusion

The US-Africa Leaders Summit presents a great opportunity for US-African leaders to constructively engage in promoting mutual partnerships that will seek solutions to common

challenges. Kenya fully supports this initiative and looks forward to hosting the next summit in Africa.

Kenya is open for business!

July 11, 2014

Government of the Republic of Kenya