Japan grants Kenya Kshs 440 million

Acting Minister for Finance Hon. John Michuki and the Minister for Agriculture Hon. William Ruto, on 11th September, 2008 held a meeting with a high level delegation from Japan, led by the Japanese ambassador to Kenya H.E Mr. Shigeo Iwatani and Hon. Nobuhide Minorikawa, Parliamentary Vice-Minister for Foreign Affairs, Japan.

In a signing ceremony between Hon. John Michuki and H.E Mr. Shigeo Iwatani, Hon. Michuki thanked Japan for selecting Kenya for "The Grant Assistance for Underprivileged Farmers" scheme. Through this scheme, the Government of Japan has extended to the Government of Kenya a grant aid of Kshs. 440 million.

This special consideration was in response to the request Kenya made for further assistance in the agricultural sector during the high level bilateral meetings between Japan and Kenya on the margins of the recent Fourth Tokyo International Conference on African Development (TICAD) in Yokohama Japan.

Hon. Michuki appreciated the financial assistance Japan has extended to Kenya in the last forty years in support of the development agenda. Saying that Japan's Official Development Assistance (ODA) to Kenya stands at Ksh. 299 billion, the minister reiterated that Japan is the leading bilateral donor to Kenya, accounting for nearly 37 percent of the total ODA from the bilateral donors.

The minister further stated that Japan's assistance is aligned to Kenya's development priorities in agriculture, human resource development, physical infrastructure and natural conservation, which are core areas in Kenya's development strategy.

Commenting on the agriculture sector, Hon. Michuki said that the Japanese government has been supportive of Kenya's effort to improve agricultural productivity and food security. Under the Second Kennedy Round Initiative (2KR) programme, Kenya has received Ksh. 14 billion worth of fertilizers as an incentive to the small scale farmers.

Revisiting the issue of food security, Hon. Michuki said that the Ksh. 440 million worth of aid will go into buying fertilizer for the farmers especially at this time when the planting season is approaching. He also invited Japanese investors to Kenya and assured them of a favourable investment climate.

In his speech, the Minister for Agriculture Hon. William Ruto said that the Japanese assistance of fertilizer will complement the current stock. He said that the current requirement of fertilizer stands at 400,000 metric tones, while the available stock is only 150,000 metric tones.

Hon. Ruto reiterated Hon. Michuki's opinion that the aid from the Government of Japan has come at the right time when the planting season is near.

H.E Shigeo Iwatani said that the Grant Assistance for Underprivileged Farmers (2KR) provides fertilizers to assist the self help efforts in ensuring food security. He noted that since the inception of the programme in 1979, Japan has contributed Kshs. 11 billion towards the promotion of food security in the country. The Government of Japan, he said, is one of the largest contributors of food security in Kenya through the provision of food and agricultural inputs.

In his speech, Mr. Nobuhide Minarikawa said that his country will assist the Japanese private sectors to Africa invest more in Kenya, as well as to double ODA, as an initial step towards commitment expressed at TICAD IV.

He said that the Government of Japan through its ODA had pledged a loan aid of Kshs. 16 billion for the expansion of the port of Mombasa.

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