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## PRESS RELEASE

### Visit in Kenya of the Chief Executive Officer of Agence Française de Développement

The **Chief Executive Officer of Agence Française de Développement (AFD), Mr Dov Zerah**, will be visiting Nairobi on Monday 25<sup>th</sup> July, 2011.

During his visit, Mr Zerah will notably commission the Heart and Cancer Centre of the Aga Khan University Hospital, as well as launch, in Gigiri, together with the Permanent Secretary of the Ministry of Water and Irrigation, Additional Water Transmission Works to Nairobi, as part of the “Nairobi Water and Sewerage Emergency Physical Investments Programme” implemented by Athi Water Services Board (AWSB) [http://](http:///).

He will also meet the Deputy Prime Minister, Minister of Local Governance.

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*AFD, the Agence Française de Développement, is a public development finance institution that has worked to fight poverty and support economic growth in developing countries and the French Overseas Provinces for 70 years. AFD executes the French government's development aid policies.*

*Through offices in more than fifty countries and nine French Overseas Provinces, AFD provides financing and support for projects that improve people's living conditions, promote economic growth and protect the planet: schooling, maternal healthcare, help for farmers and small business owners, clean water supply, tropical forest preservation, and fighting climate change, among other concerns.*

*In 2010, AFD approved more than €6.8 billion for financing aid activities in developing countries and the French Overseas Provinces. The funds will help 13 million children go to school, improve drinking water access for 33 million people and provide €428 million in microloans benefiting more than 700,000 people. Energy efficiency projects financed by AFD in 2010 will save nearly 5 million tons of carbon dioxide emissions annually.*

**In Kenya**, the priority focus areas for AFD's support are:

- core infrastructure, particularly for energy and transport, with a specific focus on environmental issues (biodiversity, natural resources management and the fight against climate change);
- urban dynamics by financing integrated urban programs and essential investments, with a focus on the water and sanitation sector;
- economic growth by promoting the private sector, which is an engine for growth and job creation.

Over the past decade, the volume of AFD's financing in Kenya has reached some €800 million and PROPARCO's €306 million. Thanks to this financing, some 2.5 million people have benefited from improved water services, 400,000 have been hooked up to a power grid in rural areas, a million people have benefited from improved electricity services, 1,500 km of rural roads have been upgraded, reaching over 1.5 million people, 80,000 clients of microfinance institutions have received support and investments have been made in 4,000 km<sup>2</sup> of protected areas, reaching 300,000 people. PROPARCO's investments have benefited 45 companies.

#### **Support for infrastructure**

AFD operates in the road sector via the upgrading of the Maai- Mahiu/Narok road, the main access route to the Maasai Mara National Reserve, and the “rural roads” project, which finances road infrastructure upgrading for the economic opening-up of Central Province.

In the energy sector, AFD supports the development of a low-carbon energy mix, particularly through geothermal energy. It helps provide access to electricity, especially in rural areas, while ensuring the country's energy intensity is held in check and reinforcing the power transmission and distribution grids. Finally, another priority is also the regional integration of the electricity market in East Africa.

AFD also contributes to the definition and planning of national policies for renewable energies under its mandate as lead donor in the energy sector. It mobilizes the private sector, with commercial banks and Kenya Association of Manufacturers, in order to promote sustainable growth, *via* specialized subsidized credit lines earmarked to finance renewable energy and energy efficiency projects.

Finally, AFD finances regional infrastructure, such as Nairobi International Airport, a regional airport hub, or the laying of an undersea fiber-optic cable in the Indian Ocean.

### **Water, sanitation and integrated urban development**

In the water and sanitation sector, AFD supports the implementation of the sector reform at the decentralized level. It finances the upgrading and extension of drinking water supply and sanitation facilities in three of Kenya's main cities, Nairobi, Mombasa and Kisumu, by building the management and planning capacities of regional water agencies and local public water companies.

It also contributes to solid waste treatment and improving the way it is managed in the cities of Mombasa and Nakuru. It is supporting a major urban development project in the city of Kisumu and is preparing a national development program for Kenyan cities and a national slum upgrading program for roughly fifteen cities, co-financed with the World Bank. Finally, AFD is providing its support for resolving the major congestion problem in the city of Nairobi, with a reserved lane public transport project, and is supporting social housing by refinancing Shelter Afrique.

### **Environment and biodiversity**

AFD has been providing support for protecting ecosystems and biodiversity for several years now. A partnership with the NGO Green Belt Movement, founded by the Nobel Peace Prize Winner Professor Wangari Maathai, is helping to partially reforest the Aberdare Forest (2,000 ha).

AFD is also supporting the Kenyan Government to define its National Climate Change Plan, particularly by financing technical assistance to the Prime Minister's and Minister for Environment's departmental staff.

### **Support for private dynamics**

AFD supports microfinance institutions, SMEs and banks, with its ARIZ guarantees and its specialized long-term credit lines. The main beneficiaries of PROPARCO's financing have been the agro-industry (tea, sugar), tourist industry and energy sectors. It has allocated €142.6 million to Kenyan SMEs over the past ten years.

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