



**OPENING SPEECH BY HON. KIPRUTO ARAP KIRWA, MP,  
MINISTER FOR AGRICULTURE DURING THE OFFICIAL  
OPENING OF TEGEMEO CONFERENCE ON ENHANCING  
AGRICULTURAL COMPETITIVENESS FOR ECONOMIC  
GROWTH AND POVERTY REDUCTION ON 24TH MARCH 2004  
AT SAFARI PARK HOTEL, NAIROBI**

THE VICE-CHANCELLOR EGERTON UNIVERSITY, PROF. EZRA  
MARITIM,  
USAID MISSION DIRECTOR, DR KIERTISAK TOH,  
CHIEF AGRICULTURE BUSINESS AND ENVIRONMENT OFFICE,  
MARGARET BROWN,  
DEPUTY VICE-CHANCELLORS,  
DIRECTOR OF TEGEMEO INSTITUTE,  
DISTINGUISHED GUESTS,  
LADIES AND GENTLEMEN.

I AM PLEASED TO JOIN YOU TODAY FOR THIS CONFERENCE ON  
ENHANCING AGRICULTURAL COMPETITIVENESS FOR  
ECONOMIC GROWTH AND POVERTY REDUCTION. AGRICULTURE

IS EXPECTED TO CONTINUE TO PLAY THE GREATEST ROLE IN ECONOMIC RECOVERY OF OUR NATION. THE SECTOR ACCOUNTS FOR OVER A QUARTER OF THE GROSS DOMESTIC PRODUCT (GDP), TWO THIRDS OF EXPORT EARNINGS AND PROVIDES JOBS FOR A LARGE NUMBER OF KENYANS.

WHILE WE EXPERIENCED SIGNIFICANT GROWTH RATES JUST AFTER INDEPENDENCE, THE LAST TWO DECADES HAVE SEEN SHARP DECLINES IN AGRICULTURAL PRODUCTIVITY. POOR PERFORMANCE HAS BEEN REFLECTED IN THE OVERALL ECONOMIC GROWTH CONTRIBUTING TO DECREASING HOUSEHOLD INCOMES, RISING UNEMPLOYMENT, FOOD INSECURITY AND INCREASING POVERTY.

IN RECOGNITION OF THESE FACTS, THE NARC GOVERNMENT PREPARED THE ECONOMIC RECOVERY STRATEGY FOR WEALTH AND EMPLOYMENT CREATION (ERS) DOCUMENT AS A FRAMEWORK FOR THE DEVELOPMENT AND REVERSAL OF THE DECLINING GROWTH RATE. THE NARC GOVERNMENT STRONGLY BELIEVES THAT STRENGTHENING OF THE AGRICULTURAL SECTOR IS KEY TO ACHIEVING THIS RECOVERY. IT IS UPON THIS REALIZATION THAT MY MINISTRY PREPARED THE STRATEGY FOR REVITALIZATION OF AGRICULTURE (SRA).

THE STRATEGY IS COMPREHENSIVE AND FOCUSED TOWARDS GUIDING PRIVATE AND PUBLIC EFFORTS IN ADDRESSING

MAJOR AGRICULTURAL DEVELOPMENT CHALLENGES. IT HAS BEEN FORMULATED WITHIN THE CONTEXT OF ON-GOING INSTITUTIONAL, POLICY AND POLITICAL REFORMS IN THE COUNTRY. IN LINE WITH THIS APPROACH, THE STRATEGY HAS TAKEN INTO ACCOUNT THE POVERTY REDUCTION STRATEGY PAPER (PRSP), THE POLICY PROPOSALS CONTAINED IN THE NARC MANIFESTO AND OTHER POLICY DOCUMENTS.

MR. CHAIRMAN, POLICY RESEARCH AND ANALYSIS WILL THEREFORE REMAIN CRITICAL IN OUR QUEST TO IMPLEMENT THESE GOVERNMENT STRATEGIES. POLICY RESEARCH AND ANALYSIS WILL DIRECT AND INFORM THE IMPLEMENTATION PROCESS AND ALSO MONITOR AND EVALUATE THE IMPACTS OF THESE STRATEGIES. I UNDERSTAND THAT TEGEMEO INSTITUTE OF AGRICULTURAL POLICY AND DEVELOPMENT, IN COLLABORATION WITH THE MICHIGAN STATE UNIVERSITY HAS BEEN CARRYING OUT RESEARCH ON ISSUES RELATED TO AGRICULTURAL PRODUCTIVITY AND COMPETITIVENESS.

MY MINISTRY RECOGNIZES THAT SUCCESSFUL IMPLEMENTATION OF THE STRATEGIES DESCRIBED ABOVE IS HIGHLY DEPENDENT ON EFFECTIVE SYSTEM OF MONITORING AND EVALUATION. AS WE ARE ALL AWARE, GLOBAL TRADE IS THE NORM, PARTICULARLY THROUGH THE REGIONAL AND INTERNATIONAL TRADE AGREEMENTS SUCH AS THE WORLD TRADE ORGANIZATION (WTO), COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA) AND THE EAST

AFRICA CO-OPERATION (EAC). POLICY RESEARCHERS SHOULD THEREFORE ADVISE US ON WAYS OF REDUCING PRODUCTION COSTS IN ORDER TO ENHANCE COMPETITIVENESS OF VARIOUS COMMODITIES IN THE REGIONAL AND INTERNATIONAL MARKETS.

MR. CHAIRMAN, A KEY ELEMENT OF OUR STRATEGY IS ACCESS TO CREDIT BY OUR RURAL POPULATION FOLLOWING WITHDRAWAL OF MOST COMMERCIAL BANKS FROM THE RURAL AREAS. THERE IS NEED FOR ORGANIZATIONS SUCH AS THE AGRICULTURAL FINANCE CORPORATION (AFC) TO FILL THE GAP CREATED BY THE WITHDRAWAL OF SOME BANKS IN THE RURAL AREAS. SYNERGIES SHOULD BE DEVELOPED BETWEEN THE AFC AND OTHER EXISTING FINANCIAL SERVICE PROVIDERS SUCH AS MICRO-FINANCE INSTITUTIONS (MFIs) AND SAVINGS AND CREDIT COOPERATIVE SOCIETIES (SACCOs). THE GOVERNMENT WILL CONTINUE TO SUPPORT AND ENCOURAGE DEVELOPMENT OF AGRICULTURE FRIENDLY FINANCIAL ORGANISATIONS.

EXPORT HORTICULTURE HAS PARTICULARLY SHOWN FAVOURABLE GROWTH OVER THE PAST DECADE DUE TO THE RAPID AND SUSTAINED GROWTH IN EUROPEAN MARKET. HOWEVER, EXPORT HORTICULTURE HAS REMAINED A SMALL FRACTION OF KENYA'S OVERALL HORTICULTURAL SECTOR AS A LARGE PROPORTION OF IT IS CONSUMED DOMESTICALLY. IT

IS THEREFORE IMPERATIVE THAT WE CONTINUE TO EXPLOIT THE POTENTIAL OF THIS IMPORTANT AND GROWING SUB-SECTOR INCLUDING THE EMERGING SUPERMARKET OUTLETS.

MR. CHAIRMAN, WHEREAS WE KNOW FROM THE CENTRAL BUREAU OF STATISTIC'S WELFARE MONITORING SURVEYS (WMS) ABOUT THE INCIDENCE OF POVERTY, WE DO NOT HAVE ADEQUATE INFORMATION HOW HOUSEHOLDS ARE ABLE TO EXIT OUT POVERTY OVER TIME. WHAT, FOR INSTANCE, IS THE PRESENT STATUS OF HOUSEHOLDS THAT WE CATEGORISED AS LIVING BELOW THE POVERTY LINE IN 1997? HAVE THEIR CONDITIONS WORSENERD OR IMPROVED? WE NEED TO KNOW THE FACTORS THAT ARE ASSOCIATED WITH SUCH POVERTY DYNAMICS.

IN CONCLUSION, I WOULD LIKE ON BEHALF OF MY MINISTRY AND THE KENYA GOVERNMENT, TO THANK THE PEOPLE AND GOVERNMENT OF THE UNITED STATES OF AMERICA, THROUGH THE DIRECTOR OF USAID IN KENYA FOR THEIR CONTINUED FUNDING OF TEGEMEO INSTITUTE SINCE 1990. THIS IS AN IMPORTANT CONTRIBUTION TO OUR AGRICULTURAL POLICY OBJECTIVES OF ATTAINING ECONOMIC GROWTH, WEALTH, EMPLOYMENT CREATION AND FOOD SECURITY. I APPEAL TO USAID TO CONTINUE SUPPORTING US IN THIS IMPORTNT ENDEAVOUR AND URGE OTHER DONORS TO CONSIDER SUPPORTING AND STRENGTHENING TEGEMEO INSTITUTE TO CONTINUE AND EXPAND POLICY ANALYSIS IN AGRICULTURE.

TO THE CONFERENCE PARTICIPANTS, I WISH YOU LIVELY AND FRUITFUL DELIBERATIONS AND HOPE TO GET RECOMMENDATIONS EMANATING FROM THIS CONFERENCE. ON THAT NOTE, IT IS MY PLEASURE TO DECLARE THE CONFERENCE OFFICIALLY OPEN.

THANK YOU.