

THE BROOKINGS INSTITUTION
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

KENYA'S DOMESTIC, REGIONAL, AND
INTERNATIONAL PRIORITIES:
A CONVERSATION WITH
HIS EXCELLENCY PRESIDENT UHURU MUIGAI KENYATTA

Washington, D.C.

Thursday, August 7, 2014

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Introduction:

MARTIN INDYK
Senior Fellow and Vice President, Foreign Policy
The Brookings Institution

Featured Speaker:

HIS EXCELLENCY PRESIDENT UHURU KENYATTA OF KENYA

Moderator:

MWANGI KIMENYI
Senior Fellow and Director, Africa Growth
Initiative
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. INDYK: Good afternoon ladies and gentlemen. I am Martin Indyk, Vice President and Director of the Foreign Policy program at the Brookings Institution. And I'm very glad to have the opportunity to welcome you. This is not our normal digs. Next door, our auditorium is being renovated so you have to excuse us. But we're very happy to have an opportunity to host you on behalf of the African Growth Initiative at the Brookings Institution, especially on this occasion; we are very honored to have the opportunity to host President Kenyatta and his distinguished delegation of ministers, on the occasion of the just concluded U.S.-Africa Leaders Summit. It's been an amazing whirlwind week, showcasing the opportunities that Africa has to offer and that is no more the case than of course in the great nation of Kenya. I'm particularly glad that we have in attendance today, some of the strongest supporters of the Africa Growth Initiative, particularly representatives from the Bill and Melinda

Gates Foundation. Also Ambassador Godec, our ambassador to the Republic of Kenya, and Ambassador Michael Battle, who has been so active in organizing the U.S.-Africa Leaders Summit.

The Brookings Institution's Africa Growth Initiative is a research effort dedicated to producing high quality in-depth policy analysis to generate innovative solutions that promote Africa's economic development. And as part of this goal, the Africa Growth Initiative has established a multi-year partnership with the Kenya Institute for Public Policy Research and Analysis. The African Growth Initiative and KIPPRA have conducted a number of joint research initiatives over the past four years and they have an ambitious agenda going forward. We are very honored to host President Kenyatta today for a discussion on Kenya's economic growth trajectory, regional integration and security challenges, as well as President Kenyatta's ongoing efforts to unit his people under the new Kenyan constitution.

After we have a chance to hear presentation

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

from President Kenyatta, the director of AGI, Mwangi Kimenyi will serve as the moderator for a conversation with the President, both at the podium and with questions from the audience. His Excellency, President Uhuru Kenyatta was elected to the Presidency in March, 2013, last year. He ascended to this role after very distinguished career in public service, at first as the minister of local government, then as Minister of Finance, and then as the country's Deputy Prime Minister. Since his election, he's pursued an ambitious policy agenda, prioritizing efforts to promote national unity and regional security, as well as to improve Kenya's education, public health systems through the fulfillment of the country's long term development plan, which he has labeled Vision 2030.

In addition to his domestic leadership, President Kenyatta also serves as the Chairman of the East African Community, the EAC, which has made the most progress out of all the regional economic groupings in Africa towards the stages of the African Union's plan for regional integration, codified in the

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

Abuja Treaty. At the EAC, President Kenyatta has championed important efforts to accelerate those commitments. Under his leadership, Kenya has also partnered with a number of flagship U.S. government programs. Kenya today is a lead collaborator in our USAID's Feed the Future Initiative, the Obama administration's new Trade Africa Program, as well as Power Africa, which will receive 12 billion dollars in new commitments, from a variety of stakeholders, announced during Tuesday's U.S. Africa business forum. Ladies and gentlemen, as I said, it's a great honor to have the opportunity to host President Kenyatta, and I would ask you to please join me in welcoming him to the podium.

MR. KENYATTA: Thank you. Thank you very much. Let me begin by saying, it's a pleasure to be here. And has been said, at the tail end of what I believe has been a great week for the African continent and a great week for the United States from two perspectives, one, we've always had a partnership. But I think for the very first time, we're trying to

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

crystallize this partnership in a form not of dependence, not of Africa coming to your doorstep with our problems, with our demands, with our sorrows and our woes, but Africa coming to the table offering a hand of partnership, opportunity and new found hope. A couple of years ago I had the opportunity to have another opportunity to be right here and many of the things we will possibly be talking about today, we weren't talking about then. I was never very clear where Kenya, East Africa, or Africa was really going. But I think over the years, that story has changed. That story has developed, and today, when I say I truly believe that Africa is clear on where it wants to go, I believe many in the world have seen that. I believe many in the world have already started participating in that trend.

We've had a certain story told about what Africa has to offer. We have certain positions that have been taken about what Africa is all about, and unfortunately that story has stuck. In many ways similar to kind of like a broken record, huh? You

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

don't want to really think differently. You hear the word Africa. You hear the word Kenya, you know. We know about that, huh? And this really hasn't even been helped very much by the perceptions that are maintained by our media. People haven't even sat back to reflect and ask themselves a very simple question. Wow -- these are not stories that are born and brought out by foreigners. These are stories that are brought and brought out by Kenyans, by Africans. What does that mean? When I was here many years ago, I mean, one of the main issues was, you know, people being journalists, and jail, lack of freedoms, lack of this, but today, who's telling the story? It's our own people back at home. What does that mean? When we were here talking about lack of media freedoms -- where are we today, as Kenya, in terms of those freedoms? That means something. Something's changing somewhere along that particular path. When we were here, we were talking about civil society and chains and dungeons and everywhere. Where are they now? They're here addressing you. And telling you what

they think. Telling you what they feel. Telling you what they wish to see in their home country. And they're not saying it as refugees. They're boarding the KQ [Kenya Airways] flight and flying here, finish off with you and then they're flying back home and continuing with their business. Something's changing somewhere. But we're still stuck on that broken record. We haven't yet moved from that record. When all of a sudden, here we are saying, oh China. China is moving into Africa. Africa's moving to China. Nobody sat back and said, wait a minute, the Chinese for all they may be, are probably shrewdest business people I've ever seen on this planet. They're never going to do anything unless it's in their interests. So they've seen something that nobody else has seen. They've taken advantage of something that people still stuck on a broken record, haven't yet latched onto. So Africa is moving. It's moving with Chinese money, its Chinese contractors, its Chinese companies, exploiting resources, Chinese companies building railways and highways, all across the African

KENYA-2014/08/07

continent, and then, as it happens, because I keep repeating this broken record, the only way that could be happening, yeah -- is because they are bribing those corrupt African governments. It's not the other way around. If they're bribing corrupt African governments, they're not bribing them just to give them money; they're bribing them maybe because there's something they're getting out of it, huh?

Because the truth of the matter is that Africa has changed over the last 20 years. And Africa's changing, and it's changing at a pace far greater than any other corner of this globe. Africa is creating opportunities. Africa is learning from her own mistakes. Africa wants to chart a completely new path. Some of the world's most reformist constitutions, not some I think the only, that can be found anywhere on the globe, are on the African continent, and Kenya prides herself to be one such country, with a constitution second, possibly to none in the world in terms of the rights that are enshrined in that constitution. And as a small country less

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

than 50 years old, if we look at the ages of many countries, yourselves have been around for over 200 years. The United Kingdom, it's been up and down for the last 1000, having us as part of their colony, who still don't have a constitution to date. This is what we've done in the last 50 years. We've still got challenges. No -- nobody denies that. Big ones. But what have we done, even with the limited resources that have been available to us? Look at what's happening in health. Look at what's happening in education. Look at what's going on in infrastructure. Why don't we abandon Her Majesty's voice -- you know that old gramophone that used to sing to us all the time, eh? And recognize that here's a continent that's really possibly grasped more onto the digital world than the first world. Here's a country that's coming up with innovations that are being copied, that are being patented and in some cases even bought over and taken over by first world companies. This is a country or a continent and let me talk about it in general specifics when we sit to Battle, we'll be more

Kenya specific, where the most advanced forms of banking can be found anywhere in the world. We are expanding our financial inclusion on a digital platform, in many ways far ahead of the United States itself. In many, many ways. We have apps being built by young Kenyans that are being sold for millions of dollars to some of your own companies. They are actually Kenyan or African applications. But yet, within that whole mix, they are some who are beginning to grasp and to latch onto these possibilities and opportunities, and that's why, especially, a number of major corporations, U.S. amongst them, especially those ones that rely on talent, are actually growing their presence on the African continent more and more each day, because of this -- seeing this happen -- the traditional thought is still way back on the broken record. We were having a chat a little earlier and we were talking about the headlines, and despite the fact that here we are at a historic moment, of an AGI conference, between our continent of great opportunities and a country that prides itself on

opportunity, and yet what do the headlines tell us? They talk to us about Ebola infected summits. God Almighty, I mean, yeah? Ebola is there, and as was said, for those who are mistaken, that is a global crisis, it's not an African crisis. Wake up to the fact and deal with it, otherwise it's going to be on your doorstep. It's not an African problem. It's our problem. It will be on your shores tomorrow, but we can deal with it. Like together we dealt with AIDS and other things. These are issues that mankind has to deal with. We used to blame you for creating AIDS and transporting it to us in the continent, but we didn't stick there and moan about it. We said let's deal with it. And I think as a globe, as humanity, we've really focused ourselves on dealing with that problem and I think we're winning that particular battle. And we'll win it, just like we can win this one, if we actually figure out that these are problems that we need to solve together. So I really don't have much to say today. I think we're here for a conversation, huh? We're here to discuss. My only

plea is please, let's start changing the record. Let's start recognizing that yes, problems are there. I'll be the first to admit. Problems are there. But for the first time in the history of independent Africa, you're getting more and more governments clearly understanding that we have got to change and we are in the process of changing, and change requires support. Criticism yes, but it requires more support in order for it to be sustainable. And that's why we say, what we seek are partners to help us turn our challenges which are real into opportunities, not just for Africa, but also for yourselves. And it is that partnership that's going to help us a kind of world where, you know, we all share in mutual prosperity and create a peaceful, stable, inclusive, participatory, democratic world. But it's not going to happen overnight. And we've got to remember that every single journey, no matter how short or how long, begins with a first step. Africa has taken the first step, and Kenya specific, we have taken the first step. Thank you very much.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

MR. KIMENYI: Good. Thank you Mr. President for joining us again. Last time you came, you were Finance Minister.

MR. KENYATTA: That's right.

MR. KIMENYI: So we thank you very much. And we are privileged that you came back to visit us. And I also want to thank Martin for welcoming our President. Martin, our Vice President, he didn't mention that he's the immediate Obama's Special Envoy to the Middle East on the Israeli conflict, is like, is an early conflict, and I think it's pretty hot out there, so he's back with us. So thank you very much Mr. President. We don't have a lot of time, and I would like to give the audience to really come up with the questions. And I would like to focus on four different, very important areas that are, you know, to Kenya and naturally to the continent. The first one I would like to talk a little bit about internal and external security, and the second is on the regional integration for which you have become a real champion, and the third is on the Kenyan economy. You started

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

on that, but I would like us to have a general overview, and I would also like to focus on the implementation of the new constitution. I would like probably to focus more specifically on devolution which was the key aspect of this.

So nevertheless, I would like you to start by probably giving us your view. You started on that, but what do you consider to be the most important aspect of this summit, that you see -- the successes. Just briefly, you mentioned, it was a big thing, but could you specify the areas where you think you have made progress. As Brookings, we are very happy. We made the recommendation like, that we would like to see this going beyond Obama, so that it is institutionalized and that was one of the points that they have taken, among others. So we're also very happy about our contribution. We are working with that administration. So would you comment briefly on that?

MR. KENYATTA: I think the first thing is to say that I think this has given us, as I said earlier

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

there, an opportunity for us to actually have an engagement as two continents. It has with the American government being part and parcel of the organization of this summit; it has created a certain degree of awareness, especially amongst corporate America, and allowed attendance at the highest possible levels. Indeed as was said by one of my colleagues, it's really the first time, because we've had trade missions, we've had countries coming out on road shows to try and sell their various destinations. But we've never really been able to engage at the kind of levels that we were able to engage at this time.

Secondly, it's the very first time that there's been an engagement at a summit level that involves not just corporate American, but also corporate Africa, that the two coming together with a clear understanding, that governments are here to facilitate the partnership between the private sector and the African continent and the private sector in America. Because I think that's the first success and clear goal. Second, many of us were very concerned

even when we were coming. This was going to be monologue.

MR. KIMENYI: Yes.

MR. KENYATTA: Of a talking down to. But what clearly impressed everybody, especially after yesterday, was that it was clearly not a monologue, but a dialogue. Right? And an opportunity for Africa to get help going across, equally, for the United States to pass on their message, yeah? And to see how the two messages could come together and get a very clear way forward. So I think, whereas the perception, what we were talking about before in terms of the way, or the media, or the general public has taken the whole situation, I think at the decision making level, we have reached a place where we're not talking at each other anymore. We're actually with each other.

MR. KIMENYI: Okay.

MR. KENYATTA: And to me, I think at large is --

MR. KIMENYI: Your success.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

MR. KENYATTA: The most important milestone of this. I'll give an example. We're, for the first time, if we look at Libya for example.

MR. KIMENYI: Yeah.

MR. KENYATTA: You know there was a position that had been taken by the African union. Yes. And there was a position that was taken by the U.S. and all of the western allies. Yesterday was the first time we were able to look each other in the eye and say, okay, this was the African Union position. President Obama was there saying, well, this was our position, all right?

MR. KIMENYI: Yeah.

MR. KENYATTA: And to look at both sides of the coin, together at the same table. And this is necessary, ah? In order to build a spirit of trust.

MR. KIMENYI: Yeah.

MR. KENYATTA: And mutual confidence, yeah?

MR. KIMENYI: Excellent.

MR. KENYATTA: So I think without getting into the specifics on what has happened --

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

MR. KIMENYI: Yeah, no, that's fine. Yeah.

MR. KENYATTA: You know, in terms of the business meetings or this or that --

MR. KIMENYI: Yeah.

MR. KENYATTA: I think just that ability to be able to sit and frankly exchange with one another.

MR. KIMENYI: Yes.

MR. KENYATTA: Was very useful and hopefully this will be the beginning, yeah?

MR. KIMENYI: Good.

MR. KENYATTA: Of a regular interaction of partners, yeah? Yeah? And to me, that is of fundamental importance.

MR. KIMENYI: Yeah. I think that's excellent, and we were very worried that this was going to be a one way conversation, and I'm very glad to hear that that was a dialogue. Okay, let me go ahead and ask some specific questions that you are directly involved in. And this one has to do with -- on security. External threat from al-Shabaab about, which seems to be costing Kenya dearly, yet Kenya

KENYA-2014/08/07

continues to be the host of thousands of Somali refugees. Kenya defense forces are still in Somalia. This seems to have become a Kenyan problem, while it's really an international problem. What is your take on this and what's your view on the role of the international community? Do you think the international community is doing enough, and what do you say about the permanent travel advisories that seem to be costing the country quite a bit. Okay, just briefly.

MR. KENYATTA: Let me first agree with you that this is not a Kenyan problem. This is not a regional problem. This is an international problem. And I say that because terrorism doesn't have boundaries. All it has found at this current stage and moment in time, is a home, somewhere along the borders of Kenya. And tomorrow, it is very easily relocated to a new home, possibly close to the borders of the United States. It has no home. It is where the environment is conducive. So consequently you cannot tackle the problem of terrorism as a country

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

specific or as a national problem. It is an international problem.

MR. KIMENYI: Yeah.

MR. KENYATTA: When terrorism first reared its head, Kenya was nowhere on the radar.

MR. KIMENYI: Yeah.

MR. KENYATTA: And I like to, in many instances, recall that, you know, America, Western Europe and many other parts of the world suffered from terrorism. And to remind a lot of people who have probably forgotten that, yeah? And at that time, when it was never an African war, yeah? We stood in solidarity with the world at that particular moment in time. It's now shifted and found a new focus on the Kenyan borders, in Nigeria, in Mali, in Syria today, in Iraq, in Libya. If we're not careful the direction that they're going, it's going to find itself a home there as well. And we have to acknowledge that the same war that you fought when it was on your shores is the same war that we're still fighting today. And Africa today is fighting that war with a lot less

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

resources available to us, yeah? Than those that were available to you. And I think that issue came out clearly yesterday, because to me it's been a concern because, and I've said it severely that sometimes we feel as if this war has been left as our war. I think I'm happy to say that today I can see -- I mean I speak specifically about the discussions we have had with our partners here in the United States. I think there is acknowledgment that we need to do more together to combat this. There are concerns that have been issued and raised about the manner in which possibly we are handling this whole issue -- the way we are tackling this terrorist threat. So you know, issues and concerns, the whole human rights and et cetera issue, issues that we are totally in agreement with. Do you know if you have a piece of land, you need to eat, yeah, all right?

MR. KIMENYI: Yeah.

MR. KENYATTA: There's a person who has a combine harvester that you know, plows the land, sows, fertilizes at the same time. And there is that

KENYA-2014/08/07

individual who has nothing more than just a hoe, yeah?

MR. KIMENYI: Yeah.

MR. KENYATTA: So the man with the hoe will be a lot more rudimentary.

MR. KIMENYI: Yeah.

MR. KENYATTA: But our aspiration is to be able to plow the same way as maybe you would plow your combine harvester. So rather than say, hey, okay, you're not handling it right, look at us and say, how can we help you? How can we work together?

MR. KIMENYI: Yeah.

MR. KENYATTA: So that we can combat this in the same manner.

MR. KIMENYI: Yes.

MR. KENYATTA: Because the objective ultimately is for us to be able to deal with it in the proper manner. But you know you want to first of all look at the tools that are available to each other. And rather than criticize, say, I want to help, or get this plow that is going to be able to get in, to get a better yield from his farm, while still achieving you

know, the same objective. And that's where the partnership comes in. We want to do this thing. We want to do it right, right?

MR. KIMENYI: Yes.

MR. KENYATTA: But we need to work together. We need to get the support for us to be able to do it together correctly, right? So this really is the encouragement. And that's why I'm saying, you know, through discussion, through dialogue, if we're not talking at each other, but talking with each other, we get that understanding; we are able to tackle our problem together, do things in the right manner, but get the end result. What is the end result? It's to eliminate terrorists threat, not just from Kenya, from the globe. Right? That's actually what we all desire, right?

MR. KIMENYI: Yeah.

MR. KENYATTA: Let's just work together and see how do we do it in a manner that is acceptable to all of us, right?

MR. KIMENYI: Yes.

KENYA-2014/08/07

MR. KENYATTA: Because we all want to get to the same end point, correct.

MR. KIMENYI: Thank you very much. I know that the audience is probably getting anxious, because they want to ask questions, so I may have to skip some. But I'd like you to comment. We'll tolerate a little bit -- I wanted to cover the general ground.

On the internal security, we have a domestic security problem, especially at the coast. This appears quite unusual. Is this contained and do we know what the root causes are? Could this be reflective or emerging organized crime or is it a political problem? Again, brief on this.

MR. KENYATTA: I think the two are intertwined, and I've said that in the past too. One, we have a problem that is historical in nature, a problem of grievances between communities, a problem of grievances of underdevelopment, a problem of grievances, what is quote, unquote, historical injustices. All right? Which, I need not repeat, this is something that is well on the radar of

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

everybody, and all of us know the peak of all that resulting situation, in the 2007-2008 elections. This is underpinned, the core, the desire, the drive for a new constitutional dispensation to deal with some of these issues. And as a result of what happened, there was a fast tracking and a sense of urgency to bring this about. And we managed to get to a position where in 2010, as a republic, we created, got ourselves a new constitutional dispensation which really aimed at not only dealing with the issues of historical injustice, right?

MR. KIMENYI: Yeah.

MR. KENYATTA: But pushed us towards trying to create this more equitable society, where rights were clearly defined, protected and safeguarded, so that we would be able to address ourselves to that past. And now look towards our future, in a much more cohesive united manner. We're in the first year of implementing that constitution, right? So let's not say that these underlying issues have been dealt with. They've not yet completely been dealt with.

MR. KIMENYI: They're not.

MR. KENYATTA: We are in the process now of addressing ourselves to those, be they land, be they, you know, marginalization, and we still have those forces. I still feel we need these issues addressed.

MR. KIMENYI: Yeah.

MR. KENYATTA: At the same time, right? You have this threat of terrorism that is finding its way in. The threat. There comes a time when some of these groups get what you might all a marriage of convenience. All right? Where people feel, I am unjustly treated and maybe give, Give, give, give. I may not believe in the terrorists' ideology but I -- we share a common end goal. You know, I want to get rid of these up-country people, instead of looking and saying, but by the way, to deal with those historical injustices, let's sit now as Kenyans and address themselves. You get these terrorist movements trying to take advantage of that. All right? And that is why I'm saying, we need to first and foremost be able, because -- and there's been a marriage of what you

might call a marriage of convenience between these two forces.

MR. KIMENYI: Okay.

MR. KENYATTA: And that's why we are desirous to separate. Let us deal with the terrorism threat and move them out. Then let us now focus on dealing with the local grievances, in accordance with the principles set out and the institutions laid out in our new constitution, all right? So if it is the question of land, for example, on the coast, you don't need to go and join us about to sort them out. You now have a constitution that allows us to be able to concretely deal with these issues in a much more permanent manner. You handle those and that avenue is now open to you, right? You don't want to brush them back under the carpet. We just say, you don't need to have us to support you to deal with that. You have a discourse -- let's address this challenge, if it is a question of unequal development. We now have the counties. Let us nurture these counties. Let us get things going so that we are sure we get equitable

KENYA-2014/08/07

medical facilities across the country, proper extension services, so that the issue of marginalization is adequately dealt with. We have the framework now. We don't need to go to the extreme end, to deal with those issues. If it is a question of equity in terms of it, we have a constitution that is very clear, yeah? On agenda, parity, we have a constitution that is very clear, yeah? On ethnic parity, any problems you can go to -- there are institutions you can go to, to seek redress. We don't need to go to a violent end to get redress. So this is why I said that all of what is happening, we see a convergence of a negative force, yeah? And a force that is using negative -- a negative way of achieving their agenda. We want to separate the two. We want to eliminate the negative force that is coming to reign terror and deal with the genuine problems that have existed in a manner that is clearly laid out in the constitution, and say, you have genuine grievances. We acknowledge that, but we want to address them in a peaceful permanent manner.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

MR. KIMENYI: Good.

MR. KENYATTA: You don't have to resort to giving al-Shabaab somewhere to sleep or facilitate them with food. You don't have to do that. You have now institutions to deal with those problems of those.

MR. KIMENYI: Thank you very much. I'm going to open to the floor, but there are so many questions I'd like to have answered, but I'm assuming the audience will ask. I was interested in covering the East African community, particularly, you are very fast-tracking of a monetary union you know, which is to me a bit worrisome. I wanted a comment on Trade Africa. You have already mentioned that. I wanted to hear a little bit more about the economy, which you covered that quite a bit about all this, and I wanted to see how the gender and the youth strategies are working out. Also you can weave it in with some of the questions coming from the floor. I was very impressed by your proposal about converting dead capital of land in particular, Kibera. I haven't heard much about that so if you could weave it in, in

KENYA-2014/08/07

some of these strategies, it would be very helpful -- because I thought it was an ingenious way of solving this, and also want to ask about devolution which will come up, but let me ask my last question, which will be, this will be my very last question, please -- (laughter) -- because it's something I don't understand. One of President Kibaki's notable achievements was infrastructure. Your government seems to be keen to do more in this area. Last week you announced that the government will almost double the number of tarmac roads - a real ambitious plan. Now, you said that you are going to use a new strategy -- the Annuity Financing Framework. I confess I had to go and study this one, but still had some gaps. You stated that this approach has the advantage because in the past, and I quote, "weak contractual arrangements provided a perfect opportunity for briefcase buccaneers and convoy racketeers to masquerade as contractors while freezing the taxpayers." Contracted.

MR. KENYATTA: That's one of the problems of
ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

the internet, everybody knows --

MR. KIMENYI: So how exactly is this going to help us with dealing this problem, and it can be brief. And I can start asking someone to start passing the microphone, so go ahead." So tell me how these buccaneers, briefly.

MR. KENYATTA: As briefly as I can.

MR. KIMENYI: What is this finance.

MR. KENYATTA: What we were saying is, how have we conducted or carried out infrastructure development in the past? What we have done has largely relied on budgetary allocation. So you say, I'm building a road from here to there. So it's budgetary allocation, all right? Then you've gone out to tender. Then you have a procedure and a process, where you do the design, right? Possibly again through collusion, you've done that design to suit a particular contractor, who you've had a deal with. And that contractor goes out within that same contract; you've got all sorts of different penalties which are charged and levied for repayments, for this

amount and the other. Then again, there's still that same collusion that when the time comes for payment, there's a delay in payment and then there is a thirty percent surcharge, thirty percent monthly, surcharge, so that by the time it's paid, you've seen that that contract is almost doubled or tripled to the point where you've reached a state where you have road projects that are ongoing, never complete, always stalling because there's never enough resources to see them through. That's sort of generally been the way it's been done. So what we have said, and I believe it's one of the main reasons it's been slow.

MR. KIMENYI: Yes.

MR. KENYATTA: Not only slow but filled with corruption. And those are the buccaneers.

MR. KIMENYI: The cowboys.

MR. KENYATTA: Yes, that what we're talking about. So what we've said is let's change this model. Let's involve private sector. Let us say that I want to build a road now from Nairobi to Maroc. All right? Or go out and say, I want to do this road. Let me

engage private sector and say, I want you to design a road to this specification, right? These many kilometers, right? From here to there, design it, then build it, all right? Then I'll put that out. Let people go out and compete. And on top of it, get your own finance.

MR. KIMENYI: Oh, I see.

MR. KENYATTA: Go out and compete, right? Then we get a three way arrangement where as you get your final, and say, okay, this is the person who has designed the road, right? Because now they're going to be competing amongst each other, right? The person who's designed the road has the best finance, best capability, best timeframe work, et cetera, including maintaining the road, right?

MR. KIMENYI: Which is a problem we have.

MR. KENYATTA: Over a period of time. Then the arrangement that you have is the person builds the road, right? And then you, through your budgetary allocation instead setting aside two, three, four billion to pay, you will be paying and servicing as a

KENYA-2014/08/07

government, whoever has won, right? The government takes on the role of servicing that loan basically. Right?

MR. KIMENYI: I see.

MR. KENYATTA: And you can do a series, a whole series of roads. So you get the road up front. You get open competition. There's no nothing hidden, because now all the contractors are actually equally competing with yourselves. And the two billion that you had set aside to do ten kilometers, right? You can do twenty, thirty, forty kilometers, because you stretched the payment -- the payment period. And the model has been very successful in India, right? It opens up; it creates greater transparency and greater competition, right? Because the only factor that we're putting in there is, as part of our principle of thirty percent going to Youth Agreement, it's the only criteria that was put there. Thirty percent has to be reserved for women, youth and persons with disabilities. But other than that, you compete on the basis of price, standard, and you design and build so

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

it's not the government coming to say, these are the specifications, and then you are bidding and you don't know whether something's been tweaked there. And it's the same principal for example that we're following with the provision of health care, and again, we're seeing that grow. We're working in that. We've gotten a lot of interest also, even from American companies because we're saying, why should government go, right? And again, put down a ten dollar bet that I want to buy X-Ray equipment, that equipment, local passage to maintain, which is common there, right? Somebody has made his cut, right? Nobody bothers to maintain, so we are saying, we want to change that model. Let's lease this equipment. Let's work with reputable international companies, open up and float an international tender, let them provide the equipment, let them service the equipment and it ends up being much cheaper, not only being cheaper for government, but on top of it, you end up getting service, so that people actually have those equipment being serviced in the respective hospitals. So it's

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

just basically a new way of looking at it, instead of having the issue of providing money for people to go there and take their cut, and then they don't care what happens thereafter, by engaging private sector, by allowing private sector to take the lead, nobody is going to build a road and want that road to collapse if they are responsible for maintaining it. They will do the job because they want to conserve their -- nobody will want to pay -- why should I pay a local bribe. I want to maximize my profit and so long as it's standing in an open transparent manner, and the country benefits.

MR. KIMENYI: Thank you very much. You have educated me. I suppose there are several questions. I'm sure the audience is happy that I consolidated a lot of the questions. So you be very brief. I'll take three questions at a time. I'll start with Witney, is it Tony? Good. Witney, briefly, and if it is a comment, make it very brief, but then ask a question direct, and Witney will show the example. He is a Brookings scholar.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

MR. SCHNEIDMAN: Mr. President, my name's Witney Schneidman and I'm a Nonresident Fellow at Brookings. My question is not on Mwangi's list. It's an issue that you raised and it's China. I think there's recognition that China has made a contribution in Africa, so in terms of investment, infrastructure, in the bay areas. My question relates to the concerns. The way we see it here, is China comes in and they don't create jobs, they don't create skills. All the aim is tied to China's products and services. And my question is, is that a good service for you. And related to that, there's a price report this week that said that China is actually proposing into U.S. to work together on various infrastructure projects, in Africa, and they put the Inga Dam as the example. Now is this something that accepts from (inaudible).

MR. KIMENYI: Tony.

MR. CARROLL: I'm Tony Carroll and I'm a Senior Associate from down the street at CSIS. So we're warring think tanks. I'd like you to give a little bit more detail on the sub-regional elements.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

Will the new -- under the new constitution, will the new sub-regional authorities have tax revenue generating capability and if so, wouldn't that open up the opportunity for sub-regional infrastructure development, where each of these authorities have revenue generating capability? The bond markets, which are fledgling, but starting to show some real strength in Africa, might be willing to put together funding for a grid for an airport or water plant as it's done in this country.

MR. KIMENYI: The lady at the corner, and I just noticed that we have Shanta Devarajan, the former Chief Economist for Africa Region, so you find a question (laughter).

QUESTIONER: Thank you very much Mr. President.

MR. KIMENYI: Oh, it's Vera. I didn't know that was my other scholar, actually. I couldn't see properly. I would have skipped her.

MS. SONGWE: In the context of regional integration I just wanted to ask a very short question

KENYA-2014/08/07

on regional commodity markets. Coffee today in the world is going for such a huge price than the farmer is receiving and I know that they are working on getting regional markets (inaudible).

MR. KENYATTA: Okay, let me answer those. I assume there are so many so be brief.

MR. KIMENYI: It's awkward for me to tell my president how to act, so I have to apologize at some point.

MR. KENYATTA: I think with China. I don't think the Chinese are doing anything different than anybody else, if you want to look at it from the perspective of their finances are tight -- Chinese goods and services. Same for the World Bank, yeah? All right? If we get money from France, it's tied to French goods and services. If we get aid from KFW of Germany, it's tied to German goods and services. I will guarantee EXIM here in the U.S. will not give me money to go and buy Airbus. So it's -- the Chinese are not doing anything.

MR. KIMENYI: Unique.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

MR. KENYATTA: That is unique from that perspective. Like I've said, all they're doing is just being very shrewd business people, right? Who have seen an opportunity and are taking advantage of that opportunity. And in actual fact, this is one of the things that we were saying yesterday and the day before; that it is important for the U.S. Congress to understand that EXIM money is not money that's being given to be dished out to some backwater countries on the African continent. EXIM money is tied to jobs here in the United States. And there's need for people to understand that quite clearly. So I think that's what I have to say about that particular issue. You're not going to give your money at subsidized rates if it's not going to benefit you. Not China, not the U.S., not anybody. It's always tied to that. With regard to counties, yes, they do have the capacity to raise revenue through various local taxes. But here we have to be careful, because ultimately, whatever is borrowed by the county is tied to the national debt. And we have to be very cautious,

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

especially in the initial stages. Eventually we may get to where you say, but until we are 100 percent certain that we have all the necessary financial management controls in place, it would be highly risky at this stage to allow our counties to go out and borrow, especially externally, without those control measures in place, because it can really rain havoc on the overall fiscal framework of a country. So we are not, and even the framers of the constitution themselves realize that, because they made it quite clear, at least for the next, I think it's five years or so, counties cannot borrow, until such time that they're proper public financial management systems are in place to ensure that we protect the national fiscal framework. So it's not likely to happen in the near future, because we're still building institutions, but ultimately, you know, that's where we're heading. Regional commodities exchange, yes we're working on it and we're working on it very seriously. We have a great champion I see sitting at the back who has really done a lot of work towards putting together

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

this regional commodities exchange, and we are very supportive of that move. We believe it will strongly benefit our farmers. We believe it will ensure that the person who actually sweats gets the best possible price for his or her sweat. Rwanda has managed to conclude theirs. We are in the process through the Northern Corridor Framework, of working out how we can ultimately create a regional exchange because we realize there is merit in size. So we are working in those details and it is indeed my hope because it's to be raised at the next summit so we should be able to conclude this particular issue very very soon.

MR. KIMENYI: Thank you very much. I'm going to go to this side for now, and I'll come back to this side. The two ladies and Betty, so, three it is. And be brief, yeah.

MS. MATISSO: Thank you Mr. President for being here and for discussing with us. My name is Rose Matisso. I'm from Nairobi. I'm also a young person, and I guess this is a Mwangi question. I'm really eager to hear what strategies you have in place

KENYA-2014/08/07

for young people in Kenya. We're an exploding population, growing. A lot of us are entering into the work force at some point. What is the outlook? What can we aspire to in terms of job opportunities? And you know, in a context of sparse resources and what seems to be a very tough future for us?

MR. KIMENYI: The one behind.

QUESTIONER: My name is (inaudible) from Tanzania. My question goes to (inaudible) East Africa and we have seen witnessing bombings in Arusha so what's the role of EAC in assuring border security. And my second question is with Power Africa, what's the initiative you are going to implement your program on this putting laptops in schools, so how are you going to implement this?

MR. KIMENYI: Betty.

MS. MINA: Thank you. My name is Betty Mina, from Kenya as well. Thank you Mr. President for coming on this visit, because it's given an opportunity for many business people to also join you. I just regard that many of us have been here and

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

learned a lot. And you've picked up some of the tensions of the week that I'd like your take on. The perceptions that we have been fed, now that we have confronted about Africa here are quite different. Africa to us is 54 countries. But to the U.S. business, it's one country. There is very little difference or even when we try to speak a lot, what they think, we're just little states within the big country, like in the U.S., and therefore, and also, in our own presentation of Africa, because of our small size of the small economies, we've also presented ourselves as one, to be able to have a better critical mass. But what is your take with that tension between being separate and yet one? The challenge of dealing with perceptions about Ebola which is challenging at this time, but it affects all of us. And we've seen the tensions as well this week. We were presenting ourselves as one continent, but when we've gone for pictures, I think we've dined in some of the meetings, separate countries just do individual pitches. They don't do continental or regional pitches. So I think

KENYA-2014/08/07

it's pretty much of a confusion for us. It's important that we present ourselves as one large mass but there is attraction in separation so that we can say we are not all invested in east Africa. So what is your take about how we're going to work collectively but present the separate promise of individual countries? Thank you.

MR. KIMENYI: Okay, Mr. President. Those three. I won't promise one other three. I can see the foreign cabinet secretary looking at me and since they kept time, I'm also going to keep time.

MR. KENYATTA: The most important thing for us is to acknowledge that - as my young sister there has said -- yes; young people are our greatest resource. And at the same time, they are our greatest challenge, given the fact that we have indeed the youngest population in the world, and therefore our need to focus. What are we doing for Kenya? In Kenya we're trying to see how we can begin to institutionalize some of those things. How do we create opportunities for our young people. We're

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

trying to set aside funds and training for young people who can access funds at very low cost, to be able to start up their respective businesses. A good number are beginning to take advantage of that across the country. This is something that we are going through and about to test. We have set aside again, the same realization as I was talking about with the annuity program -- thirty percent total government procurement, we have set aside and said that this can only be accessed by women, young people and persons with disabilities, again, in an attempt to get them to go. We're trying to restructure our national youth service, so that it can come home, a breeding ground, to provide people an excuse that they require in life, looking at amending and changing our curriculum to make it more appropriate to the kind of challenges and opportunities that a new, changing world is providing. So these are just some of the things that we're trying to see, to see how we include an appropriate youth in the social economic agenda of the country, so when we want to engage, we recognize the challenge that the

KENYA-2014/08/07

youth pose but we want to see how we can convert that challenge into opportunity for Kenya and the continent as a whole. With regard to the issue of EAC, and as I said, the threat of terrorism is not just regional, it's an international problem. But we are trying to work together under the framework of the EAC. We meet regularly. We have - what do you call it -- east African, what is it called? The sectoral (inaudible) so you have the meeting that we hold every month, where we are trying to address ourselves to the challenge. We are trying to see how we can come up with a common immigration system, whereby we're trying to integrate our national ID so that we know who are people are on a digital platform so you know who are your citizens. We are working on mutual intelligence sharing. We have an intelligence sector -- joint intelligence sector for the region is being established. We recognize that we need a joint approach. Terrorists in Kenya sometimes pass through Uganda. Sometimes they have taken their boats across to Pemba Island into Tanga into Arusha to hit

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

Tanzania. So we recognize that this threat requires a common approach, and we are working together to deal with that. With regards to the issue of laptops, we are committed to that particular program. We are going to continue to pursue it. We are facing government challenges. We don't want to fast track it. We don't want to do an outside process. We will go through the process. But with regard to the program of Powering, and preparing of primary and secondary schools, we are aware of the track and we need that by next year, we will be in a position to formally announce that every single primary school, every single secondary school in the Republic of Kenya will be on the grid as we continue working towards implementing our laptop program.

MR. KIMENYI: Betty's question was on the continent, and briefly.

MR. KENYATTA: The truth of the matter, yes. There are more than 50 countries on one continent. And the perception is one country as opposed to 52 countries. That on the one hand, we want to sell

KENYA-2014/08/07

ourselves individually but I think with great recognition we are cognizant of the need to sell ourselves as a region, precisely what we did this morning in the EAC meeting that we had with the Chamber of Commerce. and selling our region and our projects and our programs together. We still have that national idea. But I believe with each passing day that, and especially with what we are trying to fast track, especially within the EAC, there is growing recognition that it makes more sense for us to sell ourselves, you know, as a region, to sell ourselves as a single market. And when it comes to the issue of perception, which is what I was saying, if you want to take Ebola. Ebola is not, and we'll get there -- Ebola is not an African problem. It's not a West African problem. It is a problem for mankind, wherever you are. And I think education and more regular interactions as we're having now, will go a long way towards getting people to understand who Africa is, what Africa is about, and the constituent parts. But that responsibility will largely lie on

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

us, to sell that positive story, to sell the identity and for us to recognize that our individual identity does not mean our inability to collectively work together. It is not going to be an easy challenge, and it's been that, and it has been that. It has historic context and boundaries that we'll put together by people who we don't know, who died long before. But these are challenges that we must recognize, be respectful of those boundaries at the time of independence, but we must recognize that those boundaries should not be obstacles to helping us achieve what we need to achieve as individual countries and as a continent as a whole.

MR. KIMENYI: Thank you very much. I'm going to take further questions, but I've promised to release the President exactly at 5:30. He may give us two minutes over but before, let me -- I'm going to go to -- yes. Then I'm going to ask, I'm going to ask Chris to speak, for so long as it's not more than a minute because the President will be late, and the last question for come from Shanta. Okay. Yes.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

QUESTIONER: Thank you Mwangi. Ian Gary from OXFAM, and in February, OXFAM and Brookings collaborated on the East African Oil and Gas Bill. So my question is related to oil in Kenya. One of the major themes in managing this resource will be transparency and accountability. When we had that conference in February, the chairman of Tullow Oil said they were more than willing to disclose their petroleum agreements in every country of operation. They've done so in Ghana. My question to you is, would you be willing to honor the Tullow disclosure of petroleum agreements?

MR. KIMENYI: Okay, that's one.

MR. KENYATTA: Can I just answer that

MR. KIMENYI: Yes.

MR. KENYATTA: And I say, absolutely. In fact, the bill that is before Parliament is seeking to address precisely that so that it is quite clear, from day one, what is in those agreements, and we're even going a stage further, to include public participation in the development of that draft bill, so that we

KENYA-2014/08/07

ensure maximum transparency. We have all seen the problems that are in many parts of the African continent as a result of that lack of transparency and we want to ensure that we get it right from square one.

MR. KIMENYI: Chris.

QUESTIONER: Your Excellency, as a practitioner in Kenya, I'd just like to talk to you to tell you that we have a company two years ago; our share value was about 13 BOP [Kenya Shillings], hardly two years ago. Today, our share value price is 50 BOP. This is voting with confidence because of your policy. And I think that's why I like always to say something, because I am centered in Kenya. We are now going into agriculture, energy, medical, education --

MR. KIMENYI: Chris, I'm going to cut you presently.

QUESTIONER: Please don't. I really feel people here need to listen to the people who are on the ground. I think it's very important when the president talks, he's not just talking. He means what

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

he says and does what he says.

MR. KIMENYI: Thank you very much. There seems to be -- if it's very short, then Shanta will conclude the questioning. Very brief. Of course you don't have to answer those two.

QUESTIONER: Mr. President, thank you for your comments on EXIM. I chair the U.S. EXIM I chair the US-Africa committee and sit with a number of others on the USTR committee, so it's an AGOA question. There's a lot of concern on the Congressional side about the economic partnership agreement with European countries and it's kind of negatively affecting the discussion on the occupation of AGOA. So what would you say to members of Congress on how we can balance those two things and still keep the forward movement on AGOA going forward? Thank you.

MR. KIMENYI: Okay, Shanta.

QUESTIONER: My question was partially asked already and you partially answered it, which was about the oil sector. The experience of oil producers in

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

Africa is quite sobering. There's been huge problems both on the revenue side, which is what the other question is about, but also on the expenditure side. And so my question is, what are you doing to make sure that in the case of Kenya, this actually turns out to be a spending cut.

MR. KENYATTA: I'm sorry, if you could just say that again?

QUESTIONER: What are you doing to make sure that the oil era in Kenya will be a successful one when there's been so many problems in previous oil countries in Africa that have experience with oil.

MR. KIMENYI: Okay. Mr. President. Thank you.

MR. KENYATTA: I think the first thing that I have to say, if I address that first, is you've got to look at this in context of where it is today, all right? Like I said, under our new framework, we have now got our subcontractors, who are very clear in their role, and have been very active in promoting issues that are of interest to them. They are number

KENYA-2014/08/07

one, your first safeguard to ensure first of all, that they will not agree to anything and that, if you follow the news, you've seen how active for example Turkana County has been in wanting clearly to understand step by step, not just taking what the national government should say. Two, we are also equally very clear that if we are to successfully exploit in a sustainable manner those resources, we are not going to be able to do so unless we clearly are able to take into account local communities in the area. We're not going to be able to do so without taking into account the counties where those resources are. We're not going to be able to do so without taking into account the national interests, because Kenyans, wherever they are, are determined to know, and ultimately, we're not going to be able to do so without being able to take care of the interests of our investment partners. With the kind of civil society that we have in the country, with the kind of media, freedoms that we currently have in the country, we are not going to be able to take a single step

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

without Kenyans at every single level, demanding to see what is tied in those agreements. In fact, this is one of the reasons it's taken so long to conclude some of these issues. So I think for Kenya anyway, and I don't want to speak for anyone else, but for Kenya, the era of being able to do anything without scrutiny, is literally over. I'll give you just a very recent example. I mean we're in the process of recruiting new police officers. All right? Ten thousand new police officers. Whereas ordinarily it would have just proceeded, we're now stuck including in court battles, as to the process that was used in identifying those 10,000. So the era of just doing something and -- it's non-existent. And this is why I keep emphasizing the point of, let's understand that we need to change the record, because Kenyans have replaced that record and are actually right now on YouTube. It's quite clear. It's impossible. No matter how much you may try. I think with regard, it's a challenge, but I think it's important to address that challenge from this particular

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

KENYA-2014/08/07

perspective. The goal has been that. For whatever reason, on both sides, we have not taken full advantage of that. And where are we? What we're trying to do is to establish, develop, grow new markets. And we've got to be able to understand that we've got to give AGOA another chance because we are negotiating EPAs on the basis that we have had long standing trade arrangements that are substantial, especially with Europe. And that cannot be performed overnight. Here we're at the development stage. And even though the course is becoming increasing difficult to negotiate because of very clear -- we're not at the same level as we were when we first -- you know when we were discussing the original, what was it -- ACP. And I think this is the understanding that we would want lawmakers in this country to understand. That America is playing catch up in many ways, all right? And today cannot necessarily look at the same considerations. You've got to first establish the links. And I think what AGOA was supposed to do was to open up the grand capacity for us to be able to do

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

more business with each other. Let's establish the business and then start talking about, you know, those harder principals. It's very difficult to compare. If it is Europe, our entire flora culture, horticulture -- it is dependent on the European market.

MR. KIMENYI: Thank you.

MR. KENYATTA: We've got to look at it from that particular perspective.

MR. KIMENYI: Thank you very much. And I would like to add that we have a couple of people here like Tony, Witney, who have been testifying in Congress on that issue, and they are very good supporters of Africa. The Africa Growth Initiative has testified in Congress on this issue, so on our part, we are trying to help from this side. Now, let me make two announcements. Well, the first one is that, we've been instructed that you stay there until the President exits, so you just stay seated. I believe the Cabinet Secretaries will follow, and the Ambassador. The other one I would like to say to you

Mr. President, is to thank you very much. One thing is, I'm very proud personally, as an African and as a Kenyan -- when we get a president who is not evade of any question, and is knowledgeable and actually educates us. (Applause) So it's quite unusual and commendable that every question that we asked, including, again, I had to go and study UI [the Annuity Programme], to do this and educate us, and so we are very happy-- and this, at Brookings we tend to be fairly tough, and so I do commend you for that and I and I would like to support -- Chris-- by the way I knew where you are going. I think we see this movement and we are looking forward. I think, I guess, this is the first time I have a president who is younger than me. (Laughter) And so I can see what the young people can do, so we are very happy Mr. President, and we appreciate that very much.

(Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

)Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190