

**REMARKS BY SEN. MUTAHI KAGWE, THE CABINET
SECRETARY FOR AGRICULTURE & LIVESTOCK
DEVELOPMENT (KENYA), DURING THE 48TH
SESSION OF THE IFAD GOVERNING COUNCIL**

“CATALYSING INVESTMENT AT THE 1st MILE.”

ROME, ITALY, 12-13 FEBRUARY 2025

Excellencies, Ladies and Gentlemen,

It is a delight for me to be here with you today and I bring with me warm greetings from people of Kenya.

We are all gathered here for the 48th Governing Council of the International Fund for Agricultural Development (IFAD), as Governors representing a diverse set of people and different nations from across the globe that have taken cognizance of the altruism that a nation's strength is measured by the way it treats its weakest and the effort it devotes towards uplifting its impoverished through, among others, mechanism that eradicate malnutrition, attain food security, and build the overall resilience of those communities. As the only United Nations (UN) agency that is dedicated to transforming agriculture, rural economies and food systems through innovative

financing mechanisms, IFAD has since its inception, invested in society's most vulnerable; the millions of poor, small-scale, rural-based farmers who are often overlooked and therefore at risk of being left behind. Some of the beneficiaries have been of Kenyan designation and I therefore wish to thank the founders of IFAD for their vision on financing that is sustainable foremost because, as we have recently found out, big-brother financing and dependency is fairly inelastic.

Excellencies, Ladies and Gentlemen,

We in Kenya have interpreted this year's theme of 'catalyzing investment at the 1st mile' to mean addressing the challenges of our rural poor while simultaneously tackling the first points of agricultural production. It is our considered view that this issue is

much deeper and much more urgent than its face value because it seeks to tackle a myriad of far reaching challenges such as the seemingly intractable migration crisis to Europe and America. As Italian Prime Minister, Hon. Georgia Meloni recognized through the Mattei Plan, “**we must address these challenges at source, on the African continent**”. Colleague Governors, we have some major feats to overcome and it is my hope at this session, we shall honestly fulfill our theme by not only conducting a self audit on these challenges but importantly, by ending the Session with resolutions that address them. To do so, we are proposing a modern-day Marshall Plan for Agriculture.

Indeed, it is an immutable truth that unless we rise to the occasion, invest in our people, prudently allocate and use resources, the tides we are witnessing, including in immigration, shall not turn. No amount of

legislation, threats, jail time or policing will stem this hemorrhaging of human resources and we must therefore address it to the benefit of all.

Climate Change

To begin with, we must examine the issue of Climate Change and its impact on Africa. It is common knowledge that notwithstanding the fact that we produce less than 3% carbon emissions, African nations are bearing the brunt of Climate Change not through the devastation of its physical effects but also through among others, the conditions placed on us. Can we really, as an example, achieve the objections of this Session without addressing the issue of changing goalposts and the demands placed on us particularly those related to funding for Climate Change? Is this group ready to make the trade-offs and sacrifices required such as amending the

conditionalities of the European Union (EU) Deforestation Regulations (EUDR)?

While Kenya can confirm that it strives to meet all its obligations, its capacity - - like that of other African states, is questionable and therefore we call on IFAD to fulfill the objective of this Session by first addressing this matter.

Fertilizer

Excellencies, Ladies and Gentlemen,

As we seek to catalyze investment in the 1st mile, we must also resolve the gap in the application of fertilizer because it is one of the major impediments to our food security. Kenya's current access to fertilizer with the capacity to improve acidic soils is only a third that of the developed economies yet they require less support. Owing to this shortfall, we

are currently producing a quarter per unit area cultivated, yet we have more arable land, better climatic conditions, and extremely affordable labor.

We will continue to fall short of our potential unless a matter as simple as fertilizer is addressed and we are therefore calling on IFAD to deepen its investment in countries such Kenya so that simple matters like the affordability of fertilizer are readily addressed and therein, our agricultural productivity boosted in tandem with that of developed nations.

Investment in ICT and Technology

As a former Minister for Information Communications and Technology and a citizen of a nation tagged “**the Silicon Savannah**” for its technological prowess, I cannot underscore the need for the recalibration of

our funding model as relates to the target population and investment in technology and technical support.

Many of you are aware of the fact that Kenya, alongside the rest of Africa is a very youthful country with over half its population aged between 15-54 years. This cohort is tech savvy, ambitious and significant enough in its numbers to transform our nation's food security. We believe that the key to our food security is tapping and onboarding our youth and that it is imperative to do so through offering them technology and evidence-based scientific solutions that are cost efficient and capable of upscaling agricultural production. In our considered view, IFAD must make a paradigm shift in its financing model by reconfiguring it to revolve around our youth endowment and the technological innovations in agriculture that make the sector a more efficient and attractive one for all.

Kenya is walking the talk to the best of its ability however its agricultural sector is not only grossly underfunded, but also structured to largely focus on the traditional farmer who is on average 64 years old and technologically unexposed. Mainstream commercial banks lend a paltry 3% of their loan book to the sector and our specialist lender, the government-owned Agricultural Finance Corporation (AFC) meets only 25% of its funding requiring notwithstanding its documented cooperation with IFAD.

I am proud to share that we have sought a homegrown solution - - the cooperative movement, which is mostly served by ubiquitous savings and credit cooperative organizations (SACCOs). SACCOs are agile and innovative lenders to the sector and Kenya is a global leader in cooperatives, ranking first

in Africa in deposits, loan book and membership, and 7th globally. They may just be the panacea we need which, working more closely with IFAD, can further aid in closing the financing gap. It is our hope that the organization will leverage this potential and seize the opportunity.

Kenya also intends to deepen its collaboration with IFAD to strengthen its value chains which not only consist of cash crops like coffee, tea, sugarcane, cotton value-chains, but also livestock, which has excellent back and forward linkages with other sectors of the economy. Our livestock sector provides quick wins and if enhanced, the capacity to positively impact arid and semi-arid areas which have been marginalized for long.

Next month, we will be opening the Leather Industrial Park near our capital city, Nairobi and wish to

therefore call on investors in leather manufacturing to take advantage of this unique facility.

We wish to also draw attention to the Kenya Veterinary Vaccines Production Institute (KEVEVAPI), which is the only such institution in the region and a net exporter and manufacturer of vaccines across East, West, Central and Southern Africa. While impacting, this institution's potential remains untapped and it is therefore our desire to develop a cooperation with IFAD so as to boost its capacity in line with the growing domestic and regional demand for vaccines.

Conclusion

Excellencies ladies and Gentlemen,

I wish to conclude by quoting Martin Luther King Jnr who noted that “whatever affects one directly,

affects all indirectly" and we are living in a globalized world where this has never rang more true. If we ignore the poor of one society, they will become the poor of the next and I therefore call upon all of us, through the cooperation with IFAD and other agencies, to truly dedicate ourselves to the realization of our theme. Let's address the accessibility of inexpensive farm inputs, improve market conditions and penetration so that all of our countries thrive.

Finally, it would be remiss of me not to point out that in addition to Kenya being a world-renowned repertoire of tourism, we now have agri-tourism, which no doubt, you would enjoy. I welcome you to visit Kenya, the land of 'hakuna matata' (no worries) and a place in which you will find a plethora of opportunities.

Karibuni na Asanteni sana! Grazie Mille!

Thank you very much!