

**CENTRAL BANK OF KENYA**



Remarks by

**PROF. NJUGUNA NDUNG’U  
GOVERNOR  
CENTRAL BANK OF KENYA**

at the Launch of the

**REGIONAL CERTIFICATE IN AGRICULTURAL FINANCE  
AND THE EAST AFRICAN AGRICULTURAL FINANCE  
NETWORK**

*Kenya School of Monetary Studies, Nairobi  
September 7, 2011*

**The Hon. Minister for Agriculture**, Dr. Sally Kosgei;

**The Secretary General**, East Africa Community, Amb. Dr. Richard Sezibera;

**Permanent Secretary, Dr. Romano Kiome**

**USAID East Africa Regional Director**, Lawrence Meserve;

**Chief Executive Officers of Commercial Banks;**

**Esteemed Members of AFRACA;**

**Distinguished Participants;**

**Ladies and Gentlemen:**

**Good Morning:**

**Hon. Minister**, About a year and a half ago, on 17<sup>th</sup> March 2010, we gathered here to discuss innovative ways to increase financial flows to the agricultural sector. The delegates in that meeting identified limited human capacity in agricultural lending as an impediment to financing the sector. The Kenya School of Monetary Studies was tasked to address this human resource gap amongst lending institutions.

**Ladies and gentlemen:** I am pleased to inform you that after extensive consultations with key stakeholders, the School with the support of USAID-Competitiveness and Trade Expansion Project (COMPETE), developed a Modular Certificate Training Program whose launch we are all here to witness.

I wish to commend the team that steered the process of initiating this important program. In order to further develop this sector, this committee has been transformed into the East African Agricultural Finance Network (EAAFN) with a view to nurture, deepen and consolidate the sector's capacity building agenda.

**Hon. Minister**, I also recognize the presence, at this forum, of the inaugural class of the Regional Certificate Program in Agricultural Finance. I hope the course is has met your expectations.

**Hon. Minister, Ladies and gentlemen:** The rapid growth of microfinance suggests that there may be a large market for rural and agricultural loans. It is therefore important to better understand the demand for and use of agricultural credit to develop effective products, institutions and policies. That is why the CAF program mainly targets staff working in the credit and product development units in regional commercial banks, agricultural SACCOs and Micro-finance Institutions.

**Hon. Minister, Ladies and Gentlemen,** let me conclude by again expressing the Central Bank of Kenya's appreciation of various institutions that have enabled the development of this capacity building programme as well as the 22 financial institutions that are represented by the pioneer CAF participants.

While acknowledging that the challenges facing agriculture are huge given the growing population, declining land sizes, climate change that has imposed severe costs on the sector, all of which compound the problem of financing agriculture, the challenges are not insurmountable, if we work together.

**Ladies and Gentlemen,** it is now my pleasure and privilege to welcome **The Hon. Minister for Agriculture,** Dr. Sally Kosgei to give the key note address and officially launch the **East African Agricultural Finance Network (EAAFN)** and inaugurate the **Regional Certificate Program in Agricultural Finance.**

Thank you.