



REPUBLIC OF KENYA
MINISTRY OF FINANCE

33
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2
3
4
5
6
7
8
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SESSIONAL PAPER NO.....3.....OF 1989

KENYA GOVERNMENT GUARANTEE OF A LOAN OF JAPANESE YEN 16,198,000,000
equivalent to ksh.2,385,965,400 FROM OVERSEAS ECONOMIC COOPERATION FUND,
JAPAN AND KENYA BROADCASTING CORPORATION FOR MODERNISATION PROJECT.

1. In accordance with the provision of the guarantee (Loan) Act (Cap 461) of the laws of Kenya, the following information is laid before the National Assembly for consideration and approval.

2. The Kenya Broadcasting Corporation is a wholly owned Government parastatal, which was established under the Kenya Broadcasting Corporation Act, No.15 of 1988. The Corporation will be the borrower and the Executing Agency for the project. Kenya Broadcasting Corporation is accountable to the Ministry of Information and Broadcasting.

3. The duties of Kenya Broadcasting Corporation include the following.
 - (i) Provide independent and impartial broadcasting services of information, education and entertainment, in English and Kiswahili and in such other languages as the Corporation may decide;

 - (ii) Provide, if the Minister so requires, an external Broadcasting service for reception in Countries outside Kenya and may for that purpose, subject to the acquisition of any requisite licence, concessions rights or privileges, construct or acquire and establish install, equip and use radiocommunication stations in Countries or places outside Kenya or in space;

 - (iii) Control and operate such plant, property, installations and services as are, or may be, acquired by the Corporation under this Act;

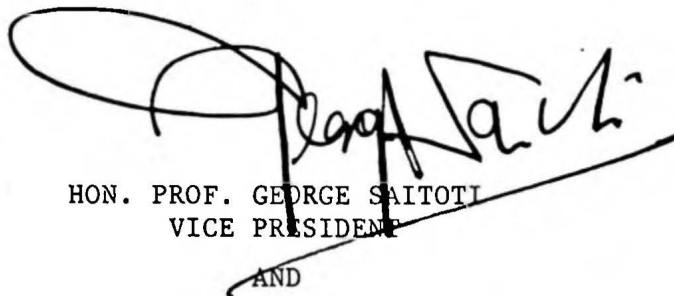
 - (iv) Advise the Government on all matters relating to the Broadcasting Services and to matters appertaining to the Corporation generally;

- (v) Appoint and enter into agreements with such contractors and Artistes as may be necessary for the purposes of the Act;
 - (vi) Conduct the Broadcasting Services with impartial attention to the interests and susceptibilities of the different communities in Kenya;
 - (vii) Ensure the observation of standards of broadcasting and commercial advertising;
 - (viii) Provide facilities for commercial advertising and for the production of commercial programmes at such fee or levy as the Corporation may determine;
 - (ix) Include in its sound and television programmes as daily service of news which shall be broadcast in English and Kiswahili and such other languages as the Corporation may decide at such times as the Corporation may determine;
4. With the full support of the Government, the Kenya Broadcasting Corporation has successfully negotiated for a loan of Japanese Yen 16,198,000,000 equivalent to Ksh.2,385,965,400 from the Overseas Economic Cooperation Fund of Japan. The loan bears an interest rate of 2.5% per annum, payable semi annually on the Principal disbursed and outstanding. The loan carries 10 year Grace period and 20 years Repayment period.
5. The proceeds of the loan will be utilised for
- (i) Expansion of Medium Wave (MV) broadcasting Network in Kenya
 - (ii) Upgrading of the existing Medium Wave (MV) radio station facilities in Kenya.

The Scope of work will involve

- (a) Procurement, installation, commissioning of MW radio transmitters and their associated equipment including technical training and maintenance assistance.
- (b) Civil works associated with the stations.

- c) Upgrading the existing MW radio stations facilities and their associated equipment in Kenya.
 - d) Provision of training equipment and materials and consultancy services.
6. The National Assembly is therefore requested to approve the Government Guarantee of a loan of Japanese Yen 16,198,000,000 equivalent to Kshs.2,385,965,400 from the Overseas Economic Cooperation Fund of Japan to the Kenya Broadcasting Corporation.
7. The current contingent Liabilities of the Government of Kenya in respect of guarantees given under Section 3(3) of the Guarantee (Loans) Act (Other than those specified in the schedule of the Act) amount to K£734,426,668 and with this guarantee of JY16,198,000,000 equivalent to K£119,298,270 proposed in this Sessional Paper, the aggregate amount will be increased to K£853,724,938 of which K£83,489,479 fall within paragraph (a) and K£770,235,459 within paragraph (b) of Section 3(3) of the Act.



HON. PROF. GEORGE SAITOTI
VICE PRESIDENT

AND

MINISTER FOR FINANCE