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Kenya is set to benefit from a flagship US\$250 million climate-smart agriculture and food security investment programme

Kenya has today received a major boost following the formal MoU signing of a flagship agriculture investment programme in partnership with UK-based investment group United Green Group (UG). The resultant partnership will deliver agri-fin-tech services for rural communities, high productivity climate-smart farming and state-of-the-art agro-industrial facilities, creating new markets for farmers in the Lake Victoria basin region over the next five years.

The MoU signing today signals the Kenyan Government's commitment to ensure this UK-led flagship investment project delivers on much needed sectoral productivity and structural improvements that will catalyse future food security and food sovereignty for Kenya.

The investment via a local joint venture Kenyan company, 'Victoria Green Invest', will adopt a rigorous development approach not yet seen before in the agriculture sector, which seeks to contribute materially to food security for Kenya and the region. The venture will reduce Kenya's dependence on importing food commodities by approximately US\$200 million annually, thus reducing Kenya's trade deficit.

An array of high value crops will generate foreign exchange with focus on servicing local consumer and industry demand with consumer value addition done within Kenya; this includes (amongst others):

- At least 100,000 tonnes (16% of local demand) of locally produced rice products.
- At least 100,000 bales (160% of current local production) equivalent of cotton products to support the Kenyan textile industry;
- edible oil such as sunflower, soybean, etc.;
- cottonseed, soybean and maize by-products to support the livestock sector.

The MoU was signed between Ministry of Investments, Trade and Industry, Cabinet Secretary, Hon. Moses Kuria, Kisumu County Governor, Prof. Peter Anyang' Nyong'o and United Green Group's Chief Investment Officer, Albrecht Frischenschlager.

Ministry of Investments, Trade and Industry, Cabinet Secretary, Hon. Moses Kuria:

"The Kenyan Government applauds the strong commitment and close collaboration shown by British investment group United Green and Kisumu County and national agencies and ministries, to initiate this truly transformative investment in Kenya's agriculture sector. We are proud to support and are confident of the expected positive outcomes, that could be extended across Kenya, including job creation, improved crop production for the outgrower community and enhanced livelihoods.

The investment will support the Kenyan Government's strong commitment to agricultural transformation, increased productivity and output, and inclusive growth of local agriculture and associated industries. The collaborative development approach over 5 years will deliver the

largest and most modern integrated crop and agro-industrial processing system in Kenya, as well as strengthening Kenya's food security in the face of global threats."

Kisumu County Governor, Prof. Peter Anyang' Nyong'o: *"Kenya needs a champion organisation to provide leadership and prudent investment, to develop inclusive, scalable, market-based, environmentally sustainable and high productivity agri-food systems.*

This project has incredible alignment to the County Government of Kisumu's strategy and with the national Government's Agricultural Sector Transformation and Growth Strategy (ASTGS) 2019-2029 - we will significantly contribute to all nine ASTGS Flagships."

United Green Group's Chief Investment Officer, Albrecht Frischenschlager: *"We are proud to have found such committed foundation partners and identified potential additional partnerships with international DFI's and look forward to building a national champion business in the sector together.*

This investment would not have been possible without the market orientation, business process guidance and support from: The UK Government, in particular the invaluable support from the British High Commission Kenya, Agricultural Transformation Office (ATO) and Ministry of Investments, Trade and Industry, Kenya."

Notes to the editors:

1. Phase I:UG Nutrition (UK) Ltd. and Kisumu County 42 Lake Venture Company are the founding shareholders of a local Kenyan joint venture company, 'Victoria Green Invest', which will be capitalised by UG and KC42LVC with approx. US\$6m to kick off Phase I. Upon completion of Phase I, which incorporates both the feasibility (in terms of what crops would work best, which exact land parcels to be used, etc.) and detailed surveying, design and engineering, and financial analysis and planning of the project; this will allow for seamless transition to participation by international DFI's for the project financing and construction in Phase II.
2. Once completed, the venture will be the largest and most modern integrated agri-food and services programme and operation in Kenya, positioning the project as the leading strategic player in the development of Kenya's high potential agricultural sector. The venture's primary farms will integrate with 100,000 hectares of surrounding farming communities via a unique smallholder farmer scheme, with the aim of increasing their productivity and providing them with support on sustainable farming methods.

The venture will subsequently commit to off-take agreements with the farmers to ensure financial security for these farmers.

- 20,000 rural households are targeted to be incorporated in the new agri-food operating system and at least 5,000+ indirect jobs will be created when the integrated enterprise is at full capacity.
- Approximately 2,000+ people will be directly employed when the enterprise is fully operational

3. The investment will support Kenyan Governments' strong commitment to increasing productivity, youth participation and employment within the development of local agriculture and associated industries, and strong demand for high quality, safe food products. The collaborative development approach over 5 years will deliver the largest and most modern integrated crop and agro-industrial processing system in Kenya.
4. **United Green** is a British based private strategic investment group with specialist expertise, investment and operating track record in developing and managing large scale greenfield business enterprises globally across multiple sectors. The Kenyan investment project is part of its 5 year, US\$3 Billion, agri-food capital investment strategy, via UK investment holding company UG Nutrition Limited. The objective is to deliver both highly attractive economic returns, positive environmental and social outcomes within rural communities, and maintaining a constant supply of high quality, nutritious and safe agricultural commodity and consumer branded products for Kenyan consumers.
5. **Kisumu County 42 Lake Ventures Company (KC42LVC)** is an official investment platform of the County Government of Kisumu (CGK) under the Kisumu County Investment and Development Corporation Act and one of the mechanisms with which CGK seeks to advance the development of private and public assets to create and invest in joint ventures; that delivers on inclusive economic development strategy maximizes Kisumu's potential and position for investment. KC42LVC's purpose is to create equity and prosperity through strategic development, investments, innovative ideas and strong partnerships to accelerate Kisumu's socio- economic diversification and global integration for sustainable development.