REPUBLIC OF KENYA

STATEMENT BY HIS EXCELLENCY HON. WILLIAM SAMOEI RUTO, PhD, C.G.H., PRESIDENT OF THE REPUBLIC OF KENYA AND COMMANDER-IN-CHIEF OF THE DEFENCE FORCES, DURING THE SIGNING OF THE NATIONAL INFRASTRUCTURE FUND BILL INTO LAW

MARCH 9, 2026

STATE HOUSE, NAIROBI

THE NATIONAL
INFRASTRUCTURE FUND

Ladies and Gentlemen,

1. Today is the 9th day of March, 2026.

2. I do not say this because I imagine you do not know what day it is. I say it because I want there to be no doubt about the significance of this moment. Years from now, we will look back on this day as a turning point in the journey of our nation's transformation.

3. Today, I have signed into law the National Infrastructure Fund.

4. For too long, Kenya has been a nation of great ambition without the financial resources to match it. We have known what must be built, including roads, railways, ports, power, housing, and irrigation, yet too often the means to achieve them remained beyond our reach.

5. But Kenya has never been a nation defined by limitation.

6. The generations before us fought for independence, democracy, human rights, and the rule of law. Because of them, we live under one of the most progressive, democratic, and open society in the world.

7. Our Constitution guarantees healthcare, housing, food, water, education, and social security as fundamental rights, but rights written on paper must be delivered in reality.

8. That conviction gave rise to the Bottom-Up Economic Transformation Agenda; the belief that our nationhood remains incomplete as long as millions are excluded from economic opportunity.

9. Over the past three years, we have laid a stronger foundation for our country, restoring macroeconomic stability, revitalising agriculture, expanding healthcare, stabilizing education, advancing affordable housing while creating jobs, increasing our savings, deepening financial inclusion, and opening new opportunities for our youth.

10. Today, Kenya stands on firmer ground. But the next stage of our journey demands more.

11. More scale. More investment. And above all, a new way to finance our development.

12. The National Infrastructure Fund is a commitment we made to the Kenyan people in our manifesto. Today, we fulfill that promise.

13. But why did we propose the National Infrastructure Fund in the first place?

14. Because the scale of the challenge before us demands a new approach.

15. Multilateral development institutions estimate that Africa faces an infrastructure financing gap of up to 80 billion dollars every year. The continent requires between 130 and 170 billion dollars yearly.

16. Kenya reflects this same reality.

17. The World Bank has estimated that our country requires approximately 4 billion dollars each year to meet its infrastructure needs.

18. A decade ago, Africa, Kenya included, believed it had found a once-in-a-generation opportunity to accelerate infrastructure development.

19. Global interest rates were historically low following the global financial crisis, and China's Belt and Road Initiative opened new sources of infrastructure financing.

20. But we did not fully anticipate the risks of relying so heavily on sovereign debt. And certainly, none of us could have foreseen the shocks that would soon follow: the COVID-19 pandemic and the global economic and financial turbulence that came in its wake.

21. It was against this backdrop that my team and I began to ask ourselves a difficult question before the last election.

22. How would Kenya continue investing in the infrastructure required for our development while at the same time stabilising our economy, responding to prolonged drought, and navigating the aftershocks of the pandemic?

23. We knew that a period of fiscal discipline would be unavoidable. But we also knew that halting development was not an option.

24. That is where the idea of the National Infrastructure Fund was born.

25. I couldn't put it more clearly and succinctly than it is stated in our manifesto, and I quote: "An Infrastructure Fund will be established with initial capitalisation from privatisation proceeds, with a view to progressively reducing the financing of commercially viable infrastructure projects from the budget."

26. We would have moved earlier. But as many of you know, our privatisation initiatives encountered political headwinds.

27. Around the same time, we sought to expand Jomo Kenyatta International Airport through a Public-Private Partnership. That proposal also met strong resistance.

28. Today, I am pleased to announce that the expansion of Jomo Kenyatta International Airport will be the first major project financed through this new model. It will be structured with approximately 20 billion shillings in equity participation from the National Infrastructure Fund and domestic institutional investors.

29. The potential of domestic capital is immense.

30. Last year alone, Kenyan pension fund assets grew by 700 billion shillings representing a 25 percent increase, bringing total pension assets to 2.81 trillion shillings.

31. That annual growth of 700 billion shillings, equivalent to roughly 5.3 billion dollars, exceeds the World Bank's estimate of our total annual infrastructure financing requirement.

32. The National Infrastructure Fund provides a mechanism to channel these long-term savings directly into infrastructure investment.

33. Mobilising domestic capital will help us solve three major challenges that arise when development depends excessively on foreign financing.

34. The first challenge it will help us solve is the mismatch of investment horizons.

35. Infrastructure projects are long-term assets. Railways, ports, power plants, and highways often require repayment periods of 30 years or more. Yet many international loans are structured over much shorter periods.

36. A good example is the Standard Gauge Railway, which was financed with 15- and 20-year loans despite having an economic payback horizon closer to 30 years.

37. Pension savings, by contrast, are inherently long-term. A young Kenyan who begins contributing to a pension fund today may only begin drawing from it three decades from now. That makes pension capital naturally suited to financing long-term infrastructure.

38. The second challenge it addresses is the cost of capital.

39. Many analysts have shown that Africa consistently pays more for capital than objective risk would justify. In infrastructure financing, the default rate in Africa is approximately 5.5 per cent, compared to 14.5 per cent in Latin America.

40. Yet international investors typically demand returns that are about five percentage points higher in Africa than in Latin America.

41. This perception bias alone is estimated to cost the continent up to four billion dollars each year in additional interest payments.

42. If we apply Kenya's share of Africa's Eurobond exposure, roughly eight per cent, that perception penalty costs us approximately 320 million dollars every year, or about 42 billion shillings.

43. The third challenge is currency mismatch.

44. When infrastructure is financed in foreign currency while the revenues are earned in Kenyan shillings, exchange rate volatility introduces significant risk. This challenge has long affected many of our utilities, particularly in the electricity sector.

45. Domestic financing helps eliminate this currency exposure.

46. Tomorrow morning, I will ring the bell to inaugurate trading of the Kenya Pipeline Company on the Nairobi Securities Exchange, fulfilling a commitment I made three years ago.

47. The Kenya Pipeline Company IPO has generated 106 billion shillings that will be used to capitalise the National Infrastructure Fund.

48. Our goal is to leverage this capital at least twelve times, mobilising up to 1.2 trillion shillings for infrastructure investment. Over time, this model will enable Kenya to mobilise close to five trillion shillings in infrastructure investment over the next decade.

49. Previously, this asset would have provided the National Treasury with a dividend of about five billion shillings annually. Through the National Infrastructure Fund, that value will now be multiplied many times over, delivering infrastructure that benefits all Kenyans.

50. I must confess that I struggle to understand the argument that using infrastructure assets to finance additional infrastructure somehow amounts to "selling the family silver."

51. On the contrary, it is the responsible stewardship of national assets for national development.

52. Many of you will also be aware that Parliament recently enacted the Government-Owned Enterprises Act. This legislation provides a modern legal framework for commercialising government enterprises and ensuring that they operate according to the highest standards of corporate governance.

53. Institutions such as the Kenya Airports Authority, Kenya Ports Authority, Kenya Railways, KETRACO, the Geothermal Development Company, and the National Cereals and Produce Board will now operate under this framework.

54. Over time, these entities will access capital markets, and the proceeds will allow us to build even more infrastructure for the future.

55. The law establishing the National Infrastructure Fund also provides strong governance safeguards. It establishes a Governing Council responsible for strategic oversight, strengthens the professionalism and independence of the Fund's board, and ensures parliamentary oversight of its investment policy to guarantee transparency, accountability, and the prudent stewardship of public resources.

56. Finally, let me emphasise that the National Infrastructure Fund is not an experiment. It is a model that has been adopted successfully around the world.

57. Examples include the Nigeria Infrastructure Fund established in 2011, the Ghana Infrastructure Investment Fund in 2014, India's National Investment and Infrastructure Fund in 2015, the Canada Infrastructure Bank in 2017, the United Kingdom's National Wealth Fund, and South Africa's Infrastructure Fund.

58. We have drawn lessons from all these experiences.

59. I want to thank our development finance partners, including the World Bank and the International Finance Corporation, who have supported us in designing this framework.

60. The statute we have signed today specifically allows the National Infrastructure Fund to leverage the technical expertise of the development finance institutions of which Kenya is a member.

61. Indeed, I must acknowledge that without the responsiveness of our regional and global partners, including the Trade and Development Bank, Afreximbank, the Africa Finance Corporation, the African Development Bank, and the World Bank Group, Kenya would have faced far greater difficulty navigating the global financial turbulence of the first two years of my administration.

62. I also wish to thank the people of Kenya and Parliament for their support in passing the National Infrastructure Fund Bill. Through public participation, thousands of Kenyans contributed ideas that helped strengthen the governance and transparency provisions contained in the final Act. In approving this legislation, Parliament has once again demonstrated foresight, responsibility, and a shared commitment to strengthening the long-term foundations of our country's growth and prosperity.

63. Today's moment, therefore represents more than the creation of a fund. It represents a new chapter in how Kenya finances its future.

64. A chapter where we invest at scale in the foundations of a first-world economy; transforming agriculture through extensive irrigation and water infrastructure; expanding modern infrastructure, including roads, railways, ports, airports, and logistics corridors that connect our farms, factories, and markets; and scaling up reliable energy to power industry, innovation, and value-added production across our economy.

65. A chapter where our ambition is matched by our capacity.

66. A chapter where the savings of Kenyans today build the infrastructure of Kenya tomorrow.

67. And a chapter where development is not postponed for tomorrow, but financed with confidence today.

I thank you.

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