



The Mystery of **KEN REN Fertilizer** Company



The Mystery of **KEN REN Fertilizer** Company

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Joe Nyagah
MP for Gachoka



John Michuki,
Minister for
Administration and
National Security

While researching the notorious Russian MI-17 helicopter overhaul contract, we came across a puzzling exchange in the Parliamentary Hansard of June 26th 2007.

The scene opens with Joe Nyagah, MP for Gachoka in a full frontal engagement with John Michuki, the Minister for Administration and National Security over the 12.8 million dollar helicopter overhaul contract that was awarded to the highest bidder. At issue is whether or not Mr. Nyagah is in a position to give the true facts over helicopters. Joe Nyagah suddenly shifts gears and thanks the government in the ultimate back-handed fashion. If he intended to silence Mr. Michuki, it worked.

“Mr. Deputy Sir, I wish to thank the Government for wishing to repay the [sic] Ken Ren loans. As we know, Ken Ren collapsed in 1970’s. I see that from this year, we will start repaying those loans dating back to 1970’s.”

Mr. Nyagah’s thanks cannot have gone down well at all. He had raised a gigantic bogey from the past. The distant past - three decades ago.

Ken Ren Chemical and Fertiliser Company; a 30 year-old scandal had re-emerged, with less than 4 months to go before the 2007 presidential election.

A Thumbnail sketch of Ken Ren:

In its hey-day, Ken Ren was the Goldenberg and Anglo Leasing of Kenyan public sector corruption. It had a mix of local and foreign players and was shrouded in mystery. Shrouded in mystery, for a generation of Kenyans, Ken Ren is almost completely unknown.

In the early 1970’s, a decision was made to enter into a joint venture with an American Company to establish a fertiliser processing plant at Mombasa, on the Kenyan Coast. The company was called Ken Ren Chemical and Fertilizer Company. The government was both a shareholder and a guarantor for the factory. The deal collapsed in scandal and the factory was never built. The company ended up in liquidation and embroiled



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Mr. Peter Kenneth,
Assistant Minister for
Finance

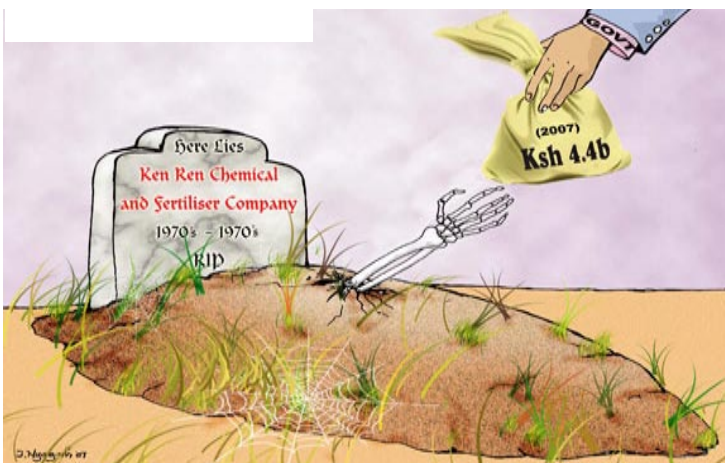
in litigation in Europe. At the heart of parliamentary and public scrutiny, was the role of treasury, then headed by Mwai Kibaki, as Minister of Finance.

What we know of the litigation:

Information on the litigation is hard to come by. Nevertheless, research reveals two cases. In the first, *SA Coopee Lavalin v. Ken Ren Chemicals and Fertilisers Ltd*, a U.K. House of Lords decision of 1994, the court records the plaintiff as a Belgian company who had contracted with the Kenyan defendant (Ken Ren) to build a chemical plant in Kenya. When a dispute was referred to arbitration by the ICC in London, the Belgian company sought security from Ken Ren, which had become insolvent, on the ground that Ken Ren's backers (which included the Kenyan Government) were unlikely and could not be forced to pay costs, should Ken Ren's claim at the ICC fail. The House of Lords agreed to order security, partly on the basis that the insolvent Ken Ren was being funded by the Kenyan Government.

The second litigation ended more recently. The ICC Arbitration proceedings, *Republic of Kenya vs. Bawag of Austria*, resulted in an award against Kenya in November 2000; and heralded the beginning of the re-entry of Ken Ren into the public consciousness.

Fast Forward to 2007:



Soon after Joe Nyagah's altercation with John Michuki, on July 11th 2007, Peter Kenneth (Assistant Minister for Finance) tabled a list of all loans signed by the Government of Kenya between January 1963 and December 31st 2006.



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On this list there are two Ken Ren related loans. Unpaid loans. Collectively, they are worth just over Ksh. 4.3 billion. The questions rapidly follow:

- * Why would we have such loans on our books, in 2007 if the Ken Ren Fertiliser Company was never built?
- * Why do the budget estimates provide for a payment of at least Ksh.268m on principal and interest payments for Ken Ren, which by all accounts ended in failure 30 years ago?
- * Why should Kenyans pay for a 30 year old dud project?
- * Who was responsible for getting us into this debt, in the first place?



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The Ken Ren Debts:

It is possible to depict the Ken Ren debts in tabular form. The information below is derived from public domain Kenyan Ministry of Finance documents including the list of loans signed between 1963 and 2006, the statement of public debt and the budget estimates 2007/8. Ken Ren, it would appear, has been hidden in plain site.

Creditor	Date	Purpose	Amount	Outstanding June 2005	Repayment Terms	Budget 2007-8 Provision
Austria – Bank Fr Arbeit und Wirtschaft AG (BAWAG)	Nov. 14th 2000	Ken Ren Fertiliser Company Restructuring Agreement	Ksh 1.4 billion	Euro 16.63 million Ksh 1.48 billion	Loan of Euros 16,635,156 payable semi-annually commencing 30 September 2003 and ending 31 March 2014 as per agreement dated 14 November 2000	Principal redemption Ksh 192,982,604 Interest Ksh 75,644,019
Belgium - Ducreire	ICC Award November 6th 2002	Ken Ren Rescheduled debt agreement (No. ii)	Ksh 2.89 billion Euro 32.5 million	Ksh 2.85 billion	Loan of Euros 32,520,319 repayable in 21 semi-annual instalments the first falling due on 31st December 2003 and ending on 30th June 2015	



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Bearing in mind that our public debt accounted for 50.5% of our GDP in 2006, is it not time Kenyans started asking pointed questions about Ken Ren and other odd debts? Especially now in this is election year, as Minister of Finance Amos Kimunya continues to borrow at unprecedented levels – even while an 11 country study by the World Bank study rates Kenya’s debt management capacity as weak (Business Daily, July 10th 2007).



media mentions



Kenyans To Pay For KenRen Scan, Insists Nyong'o

Daily Nation, Wednesday, November 07, 2007 - Page 4, News

ODM on Tuesday insisted that the controversial 30-year-old financial scandal allegedly presided over by President Kibaki when he was the minister for Finance in the 1970s will be repaid until the year 2020.

[Read More](#)

Kibaki Meets PNU Strategists, Raila In Sh43b Claim

Kenya Times, Tuesday, November 06, 2007 - Page 2, News

PRESIDENT Mwai Kibaki and ODM presidential candidate Raila Odinga yesterday held meetings with key campaign operators as their hunt for votes gathered pace.

[Read More](#)

Mwiraria Unfit For Office, Say Former TI Directors

East African Standard, Friday, July 27, 2007 - Page 5, News

Anti-corruption activists have faulted the reappointment of Mr David Mwiraria to the Cabinet. A day after taking his new office as Environment minister, reactions are flying fast that Mwiraria was yet to be cleared of corruption allegations.

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The 'Truth' On KEN REN

Kenya Times, Wednesday, November 07, 2007 - Page 9, Commentary

In the recent past, some Opposition leaders have been making claims against the Government basing on politics other than facts.

[Read More](#)

Raila Alleges New Mega Scam

The People Daily, Tuesday, November 06, 2007 - Page 24, News

ODM presidential flag-bearer Raila Odinga yesterday claimed the Government has withdrawn h pm h 4.3 billion from the Consolidated Fund to finance the repayment of loans accruing from contract for the construction of fertilizer factory at the Coast.

[Read More](#)

Raila Returns To A Frenzied Welcome

Kenya Times, Sunday, September 23, 2007 - Page 1, News

THE Orange Democratic Movement (ODM) Presidential hopeful Raila Odinga returned home to an ecstatic welcome yesterday and revealed that he had identified conduits through which 811700billion was looted from Kenya.

[Read More](#)



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Raila's Allegations Of Sh4.3b Ghost Project Irresponsible

East African Standard, Wednesday, November 07, 2007 - Page 8, Letters

There is no substance to the claims made by Mr Raila Odinga in respect of Ken-Ren Fertiliser Company. The Ken-Ren project was not the responsibility of the Finance Minister in 1977.

[Read More](#)

Sh4.3bn Scandal To Fund Polls, Claims Raila

Daily Nation, Tuesday, November 06, 2007 - Page 4, News

ODM presidential candidate Raila Odinga has claimed taxpayers will lose Sh4.3 billion to a 30-year-old Anglo Leasing-type scandal.

[Read More](#)

Sh 4.3 Billion Set Aside For 30 Year Ghost Project, Says ODM Boss

East African Standard, Tuesday, November 06, 2007 - Page 6, News

ODM presidential candidate, Mr Raila Odinga, has claimed that the Government has committed Kenyans to a Sh 4.3 billion ghost project.

[Read More](#)



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Suspicious Over Payment Of 30-Year-Old Debt

The People Daily, Monday, September 03, 2007 - Page 1, News

QUESTIONS are being raised on the Government's plan to pay a Shs 4.3 billion debt incurred in the abortive establishment of a fertiliser factory in Mombasa 30 years ago despite audit queries by the Public Accounts Committee and the Controller and Auditor- General.

[Read More](#)

Uproar Over Move On Economic Crimes

East African Standard, Friday, September 14, 2007 - Page 1, News

Fury over the death of the war on corruption has been directed at Members of Parliament, who were collectively branded traitors for allowing grand corruption to swallow them.

[Read More](#)



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Raila alleges graft in government

Citizen TV, 5th November 2007

ODM Presidential candidate, Hon. Raila Odinga makes a fresh allegation of corruption by government over the payment of 4.3 Billion shillings....

[Click Here to View clip](#)

The government dismisses allegations over Kenren

KBC TV, 5th November 2007

The government dismisses allegations over Kenren

[Click Here to View clip](#)

Raila alleges graft in government

KTN TV, 5th November 2007

ODM Presidential candidate, Hon. Raila Odinga accuses President Kibaki of graft by ordering the payment of 4.3 Billion shillings

[Click Here to View clip](#)

Raila alleges graft in government

NTV, 5th November 2007

ODM Presidential candidate, Hon. Raila Odinga puts the government on the spot over

[Click Here to View clip](#)



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Kituyi defends government over Kenren scandal

Citizen TV, 6th November 2007

Trade Minister Hon. Mukhisa Kituyi dismisses ODM Presidential candidate Raila's allegations over the KenRen payments as mere fabrications.

[Click Here to View clip](#)

PNU defends President over Kenren

KTN TV, 6th November 2007

The Party of National Unity defended President Mwai Kibaki over The Kenren scandal allegations

[Click Here to View clip](#)

Government intends to pay 4.3b for Kenren deal

NTV, 6th November 2007

A company associated with The Kenren Scandal is featured in the list of Government debtors , despite denials by the Treasury.....

[Click Here to View clip](#)



supporting documents



SUPPORTING DOCUMENTS	
1.	Ken Ren Report of the Parliamentary Anti Corruption Select Committee May 2000
2.	Hansard of the Kenya Parliament
3.	Kibaki is not new to Grand Scams - pg1-pg4
4.	Ken Ren Extract from list of Loans - Year 2000-2001
5.	Ken Ren Extract from list of Loans - Year 2003-2004
6.	Ken Ren Kenya External Public Debt Register 2002
7.	Ken Ren Kenya External Public Debt Register 2003
8.	Ken Ren Kenya External Public Debt Register 2004



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SUPPORTING DOCUMENTS

9. Ken Ren Kenya External Public Debt Register 2005

10. Ken Ren Kenya Budget Estimates 2007 Principals Payments

11. Ken Ren Kenya Budget Estimates 2007 Interest Payments



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SUPPORTING DOCUMENT 1



Ken Ren Report of the
Parliamentary
Anti- Corruption Select
Committee May 2000

incurred storage charges amounting to K..33,249-18-65 on Government fertilizer.

72. Although as indicated above Government did not import fertilizers directly during 1976/77, the Ministry authorized certain firms to import fertilizer into the country. But due to changes in world fertilizer into the country. But due to changes in world fertilizer prices, some of these fertilizers were imported at lower prices than Government fixed fertilizer prices while others were imported at higher prices. Instead of re-adjusting the fertilizer prices in the County, Government decided to let the existing prices continue and make recoveries at an agreed rate per ton from and/or pay subsidies to those importers who had imported fertilizer at costs either lower or higher than the cost of Government imported fertilizers. This arrangement does not however, appear to have worked and as far as I have been able to ascertain, no recovery has so far been received from any distributor; while on the other hand no subsidy has so far been paid by Government. The distribution system is such that the Ministry is not in a position to determine how much is due from distributors in the form of recoveries or how much is due from distributors in the form of recoveries or how much is due to them in the form of recoveries. As regards the collection of sale of fertilizer revenue under Development Revenue Heads 200 and 240 the position continued to be unsatisfactory and during 1976/77 out of the total estimate receipts of K..10,000,000 only K..6,798,165 was actually collected resulting in a shortfall of K..3,201,835.

The Committee heard the explanation given by the Accounting Officer that the records have been improved and are almost up to date. The Committee was also informed that the stock of unsold fertilizer had gone down to 2,000 tons and that every effort is being made to speed up the selling of the fertilizer and that recovery of the money would be done in 1977/78. The Committee was further informed that the distribution of the last consignment of 30,000 tonnes was entrusted to Ken-Re Company which still owes the Government Shs.11.6 million which forms part of Government claim on this company.

The Committee strongly condemns the fact that the situation was allowed to deteriorate to that extent and urges the Accounting Officer to ascertain that in further, fertilizer and other agricultural inputs imported by Government should be treated in a more - business-like manner with a view to reducing losses of public funds.

G.M.R. ADVANCES

73. In paragraphs 79 to 81 of the Report for 1975/76 attention was drawn to the worsening situation regarding the arrears of repayment of advances made under the Minimum Financial Returns which stood at K..5,428,229 as at 30th June 1976 and also to the unsatisfactory situation regarding shortfall of K..266,153 on Cereals Finance at the same date. The situation deteriorated further during 1976/77 and footnote to the Appropriation Account



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SUPPORTING DOCUMENT 2



Hansard of The Kenya
Parliament

[Mr. J. Nyagah]

continue with more constructive items like how the Budget---

The Minister of State for Administration and National Security (Mr. Michuki): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to continue with this saga, when he is not in a position to give the true facts to this House? The contract is for five years on quite a number of helicopters that the Russians can no longer maintain. That industry is out of production.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, is the Minister aware that---

Mr. Deputy Speaker: Order, Mr. J. Nyagah! The Minister ought to have stood on a point of information. Indeed, that is very useful information!

Proceed, Mr. J. Nyagah!

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I wish to thank the Government for wishing to repay the Kenden loans. As we know, Kenden collapsed in 1970s. I see that from this year, we will start repaying those loans dating back to 1970s.

I wish to thank the Government for giving Embu Provincial General Hospital some money this year. That is long overdue. We were promised some money three years ago, but it never happened. I hope this year the Arab Bank for Economic Development in Africa (BADEA) money will come through, so that our provincial hospital, which we are proud of, and which the Minister for Co-operative Development and Marketing is the hon. Member for that area can, once and for all, be properly done.

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): On a point of information, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. J. Nyagah, do you want to be informed?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I do not want to be informed! I am only reading the books that the Minister published.

I read these books very thoroughly from 4.00 a.m. in my home in Mbeere!

On external debt, I am happy that there are no Anglo-Leasing type debts. I only have one question on a loan to do with Banque Nationale de Paris to a tune of Kshs633 million. What is it for?

Mr. Deputy Speaker: Mr. J. Nyagah, unfortunately, you have run out of time!

Mr. J. Nyagah: Thank you, Mr. Deputy Speaker, Sir.

Prof. Maathai: Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to contribute to this debate. First of all, I want to thank the Minister very much for having addressed the issue of plastics. We know that thin, flimsy plastic bags have been a menace to our environment. We have discussed this issue and raised it in this House many times. Therefore, I want to thank the Minister for requesting companies to increase the thickness of plastic bags they produce, so that we recycle and reuse them. In the process, we would reduce the amount of plastic bags scattered all over the environment.

As a matter of fact, in many other countries, governments have gone further than just condemning the thin and flimsy plastics; they have literally banned the production of plastics. Our Government has not gone all the way. However, I want to thank the Government and appeal to companies in this country to participate in cleaning the environment. They should support in ensuring that we have a clean and healthy environment in this country.

Mr. Deputy Speaker, Sir, it is not true that companies have not had the time to think about these flimsy plastic bags. We have been discussing it with them even before I came to this House. We have raised this issue here. This issue has also been discussed at the Ministry of Environment and Natural Resources. We have tried to



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SUPPORTING DOCUMENT 3

> Kibaki is not new to
Grand Scams
(pg1-pg4)

Saturday January 28, 2006

Kibaki is not new to grand scams

Sunday Standard Team

When John Githongo complained about high-level corruption, a senior Cabinet Minister allegedly reminded him that President Mwai Kibaki was too experienced a politician to be worried about the Anglo Leasing scandal. Little did Githongo know that Kibaki was not new to witnessing, or being at the centre of, Anglo-Leasing style financial deals. These involve phantom project proposals and tendering processes that later leave the public coffers empty and the public yawning for answers.

Although most projects initiated by the Government over the last three decades were aimed at finding lasting solutions to poverty, most of them ended up being white elephants after huge sums were paid out. In the early 1970s when President Kibaki was the Finance and Planning minister, two of the most prominent scandals of the time, were recorded and are yet to be resolved.

In 1972, Kenya faced a crippling drought and a serious shortage of foreign currency, which as it was later to emerge, became the cash cow for some well-placed government officials, mostly in the Treasury. When the Government hived-off 11.5 acres of land from the Kenya Veterinary Department and allocated it to a private company called Halal Meat Processing Products Limited in 1973, parliamentarians raised hue and cry.

"This land has been given away to a few individuals who are only out to enrich themselves and without consultations with the Maasai. This is tribalism being done with the Government's knowledge," said John Konchellah, who was the Narok West MP at the time.

The land transfer from the Veterinary Department to the private holder in 1973, which took only 21 days, was the first step in the multi-million shillings scandal. Mohammed Ali Modha, a butcher, who operated a joint business with the late Abdul Habib Adam at Adams Arcade, Nairobi, wanted to expand his business but said he did not have enough money to finance the expansion. The butcher sought the approval of the Olkejuado Council to allow him buy 60 acres of land outside Ngong town, but before he could reveal his reasons for seeking that parcel of land, word leaked that he had plans for a holding ground. The council rejected the proposal. Modha, together with his friend, Adam approached the Ministry of Finance and Planning, then headed by Kibaki.

He indicated that he wanted a loan of Sh5m for expansion, which included building a slaughterhouse near Ngong township and grounds for fattening animals. He told Treasury officials that he wanted

despite pressure from Parliament, the Government, through the Ministry of Agriculture, set aside £801,300, which was approved in the 1974/75 to 1977/78 budgets in Parliament. Additional credit from the Treasury to the Ministry of Agriculture brought the Halal's rip-off to some Sh27.7 million, a huge sum of money at the current valuation of the shilling, yet the Ministry of Finance would not volunteer a word about the project.

When pressed hard to give a ministerial statement in Parliament, Nyagah described the Halal scandal, as "an iceberg with only a third of its body exposed while two thirds remained submerged." But even before the Halal heat could cool down, the Treasury was involved in a bigger scandal involving over Sh453 million in late July 1978, involving an American company, which also appeared to replicate the Anglo-Leasing or Goldenberg.

In the same style that the grandmasters of the Anglo Leasing scandal left the country, never to be traced, Modha and his wife quietly left the country for what was described as a "world tour of the Far East, China and Japan, Europe and Arabia." Analysts predicted that the Government was keen to deflect the Halal fiasco in Parliament, where MPs had set up a Select Committee to probe the scandal in 1978, saying Nyagah's statement was unsatisfactory. Veteran politician John Keen says the Halal scandal and what was later to be known as the Ken-Ren scandal were shadowy projects aimed at siphoning public funds.

"These are thieves. They stole from us in Ken-Ren and Halal. Not a single cow was slaughtered in Ngong then. And now they are shamelessly stealing through Anglo Leasing," Keen said.

Shikuku says the onset of corruption in Kenya was because of a complex process where politicians sought money to buy popularity and has been fuelled by the culture of Harambee, which he said was used to silence critics. "Corruption actually started in 1963 when the late Sir Michael Blundel introduced the late Bruce Mackenzie to the late President Jomo Kenyatta during a show in Eldoret," Shikuku recalled in an interview. Mackenzie later gave Kenyatta six heifers. "I remember Mzee was impressed after seeing fattened heifers and Mackenzie said to him, those are yours. Gatundu Hospital was built on harambee, with the big bosses visiting Kenyatta and giving him money for the hospital. The money received for Gatundu Hospital could have easily built two hospitals like the Kenyatta National Hospital," he said.

Efforts by Parliament to probe corruption were nipped in the bud before it went further in the 1970s. When the Ken-Ren scandal broke out in July of 1978, little was known about the huge financial haemorrhage that the country had suffered over the past four years.

Kenya, like most countries, was hit by the oil-induced inflation, which characterised the rise of the Tamil Tigers and propelled the Asian giants, leading to unprecedented worldwide shortage of oil and leading to inflation. The country faced a huge shortage of fertilisers. The situation remained the same years on after the worldwide shortage of fertilisers. From 1974 when the shortage was at its height, the country was riddled with constant shortages. Private companies and cooperative societies, mostly the Kenya Farmers Association, imported fertilisers at the time when the shortage was at its peak. Government officials saw an opportunity to make quick funds and sought to have fertilisers produced in Kenya. Traditionally, the Government sent out invitations to firms that it believed could manufacture fertilisers to avert the shortage. But by the time an American company, N-Ren Corporation applied among a group of others, the country had a fertilisers' influx.

The Government had taken the importation of the fertilisers and revoked permits awarded to the private firms, Mackenzie (Kenya) Limited, KFA, Sapa Chemical Industries and Intag Ltd. Mackenzie and KFA were the leading importers of fertilisers. But then the Government claimed these firms were swindling farmers and decided to tender for the project. N-Ren Corporation offered to complete the

help to secure a loan from the East African Development Bank (EADB). Treasury Permanent Secretary Leonard Kibinge then assigned an assistant secretary to study Modha's proposal. Modha's story, reminds one of Kamlesh Pattni, whose project to raise \$50 million annually, through the Goldenberg International, flopped.

The butcher told Treasury that he had Sh1.5m and wished to get Sh5m from the EADB to invest in his abattoir. The Treasury passed the plan to the Ministry of Agriculture then headed by Jeremiah Nyagah for further feasibility studies, to determine whether the project was viable. The Ministry of Agriculture inflated the cost of the project to Sh9.6m. The country was at the time experiencing meat shortage and drought. The minister revoked a waiver of the Kenya Meat Commission (KMC) Act.

When the Ministry of Agriculture finished evaluating the Modha blueprint and gave its findings to the Treasury, the Government immediately signalled that funds were available for the project. The money came from the Danish Foreign Aid Agency. In August 1974, Treasury drafted a loan agreement and a State counsel, who is said to have overlooked flaws in the loan agreement, approved it. Modha's Sh27m project got the nod. Treasury gave out £500,000.

"I think the time has come for Kenyans to be told the truth. What happened was the result of nothing else other than corruption, which has now matured into destruction," says former Butere MP Martin Shikuku, named the President of the poor in his heydays. Shikuku recalls that the Halal scandal unfolded under the watch of the Finance minister, who was deemed the fittest for the job, having taught economics at Makerere.

Halal Meat Factory, situated in Ngong, was to remain mysterious despite pressure from Parliament. MPs recall that the issue became hotter in 1978 when the Controller and Auditor General Mr Gico Njoroge revealed the case in Parliament. Investigations into the scandal, which saw the Government guarantee payments of Sh27.5 million to the private company, plus a free 11.5 acres of land, focused on how the ministry of land issued the lease. Parliamentarians also questioned details of the signatories of the loans and the names of the investors, who were listed as Modha and his wife Fatuma. The company ownership structure was also a mystery, as it was not known who owned how many shares. Halal's mystery continued to haunt the Government as Nyagah, when hard-pressed in Parliament to explain the acquisition of the 11.5 acres, said that the Commissioner of Lands James Oloughlin, who was said to be interested in the case, pushed the deal.

Witnesses said the lands boss initially sought 20 acres from the Veterinary Department but he met stiff resistance as he was told the land he wanted was infested with animal diseases and if Modha was to be allowed to use it, he would need a buffer zone for checking against the spread of the diseases. The Halal Meat Products ended up with a slaughterhouse with the capacity for 400 cows, 400 goats and 400 sheep. KMC immediately began to feel its impact as it faced a shortage of animals for slaughter.

A war of words erupted between the Ministry of Agriculture and KMC Managing Commissioner, who accused Nyagah of failing to protect the firm, in which the Government had invested up to Sh140m from cutthroat competition. "This factory would kill KMC where the Government has invested Sh140m," argued GG Kariuki during a parliamentary debate on the Halal scandal in June 1978.

"The truth should be revealed. The company is hidden somewhere in Ngong and the Government has been advancing it loans amounting to £1,253,590 since 1974," said Kariuki, who was then a Health Assistant minister. The Laikipia MP suggested that the people behind Halal, just like Anglo-Leasing, could have been Treasury officials who were working for the downfall of KMC. But when asked, said KMC should leave domestic markets and seek the export markets.

Halal's mysteries or its close links to the Government officials, came to the public limelight when

fertiliser factory the Government dreamed of in about three years time.

Treasury was impressed by the fact that N-Ren had offered the lowest price and pledged to help supply fertilisers at prices below the prevailing market prices at the world markets. N-Ren also said it would supply fertilisers through soft-loans. The two partners, then continued to the next stage and signed an agreement, setting up a new company, Ken-Ren Chemicals and Fertilisers Company, that was intended to be built in Mombasa. It never took off in 1975 when it was registered.

The Government set aside Sh428m budget for the project. Kenyans had fallen victim of an Anglo-Leasing style fraud. Critics blamed it on the lack of technical know-how on project administration but MPs said it was a scheme to defraud the taxpayer. Kenyans realised that they had been duped through a properly planned cartel, which supplied second-hand machinery. Experts said these were not compatible to the ideals of the intended project. Moreover, investigations revealed that the American firm duped the Government into accepting machinery that had earlier been rejected in Ireland. The Government is yet to clear the mist in the project.

Government documents and press reports showed the fertiliser manufacturing and blending plant, which was expected to manufacture seven different types of fertilisers to suit various types of crops was a fraud. The Government had 65 per cent stake in Ken-Ren while the American firm owned 35 per cent, but the firm mysteriously won the management tender and later twisted the agreement, leaving the financial burden of the project to the Government.

When the Government awarded the firm the management contract, again a State counsel who worked on the deal turned a blind eye on the flawed deal. But during the three years, the firm squeezed Sh54m from the public coffers. But this did not stop the Government from declaring that it would still continue with the project. Ken-Ren imported machinery valued at Sh8m, but experts described the machinery as "unwanted" for the intended use. The machinery, whose origin still remains unknown, is still lying unclaimed at the Kilindini Harbour.

In 1975 when the Government finalised administrative arrangements with the firm it emerged that N-Ren was a subsidiary of a firm registered in Bermuda, operating from Brussels, Belgium. N-Ren's managing agent who was appointed the Managing Director of the defunct Ken-Ren, Kenneth Roy Slocum, was said to have swindled the Government and formed a new company. He was later deported in unclear circumstances. After signing the original contract without perusal, the agrochemical firm took the Government through a classic wild goose chase for a fertiliser firm, but through acts of omissions and commissions, the firm again walked out of the deal.

The Government could not track details of any board meetings or a semblance of order in the management of Ken-Ren because Slocum single-handedly managed the firm as the Government who appointed six lame duck directors, watched. Kibaki, the Minister of Finance then, does not feature in any of the controversies that surrounded the scandals. He only spoke about a foreign exchange deal involving horticultural firms, unearthed by the CBK. Here the Government lost Sh500m.

Kibaki's time at the Treasury also saw the Kenya Cooperative Creameries and KMC make their biggest losses. KCC also incurred a Sh68m loss in 1978 when Kibaki was VP and Minister for Finance and Economic Planning.

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SUPPORTING DOCUMENT 4



Ken Ren Extract from list of
Loans - (Year 2000-2001)

Year 2000 - 2001

CREDITOR	PROJECT	CRR	AMOUNTS	KSHS EQUIVALENT
2000				
AUSTRIA	Restructuring Agreement(Nov.2000)KENREN (OeKB)	EUR	16,635,156.16	1,480,226,138.40
	Masinga-Kitui Pipeline Water Supply Project (converted from 1991013 ATS)	EUR	8,380,938.35	834,732,780.07
	Restr. Agreement 2000 (Austria) (Erste Bank)	EUR	10,694,192.25	951,588,475.95
BELGIUM	Restr. Agreement 2000(Belgium ODA)	EUR	61,973.38	5,514,502.90
BELGIUM	Restr. Agt.2000 (agreement II)Off.Nat.Ducroire(Belgium)	EUR	7,961,100.52	708,393,054.25
SWITZERLAND	Restr. Agreement 2000(Switzerland)	CHF	5,421,705.01	290,538,328.08
GRTMANY	Restr. Agreement 2000(Germany-KFW)	EUR	3,332,630.47	296,543,457.96
GRTMANY	Restr. Agreement 2000(Germany-Consortium-Hermes)	EUR	5,733,143.23	510,145,404.26
DENMARK	Restr. Agreement 2000(Denmark)	DKK	26,980,000.00	-
FINLAND	Restr. Agreement 2000 USD (Finland)	EUR	920,929.62	81,945,975.26
FINLAND	Restr. Agreement 2000 EUR (Finland)	EUR	720,973.62	64,153,530.46
FRANCE	Restr. Agreement 2000 France(BDF 1>ODA)	EUR	13,083,893.80	1,164,228,421.33
FRANCE	Restr. Agreement 2000 France(COFACE)	EUR	67,597,993.45	6,014,391,133.57
FRANCE	Restructuring Agreement 2000 (BDF 2)	EUR	1,375,267.79	122,373,803.44
ITALY	Restr. Agreement 2000 USD (Italy)	EUR	637,148.43	56,694,614.17
ITALY	Restr. Agreement 2000 EURO(Italy)	EUR	11,122,353.38	989,687,023.99
NETHERLANDS	Restr. Agreement 2000(Netherlands)	EUR	9,110,994.07	810,712,652.14
USA	USA Rescheduled Debt 2000 (USAID Debts)	USD	8,362,717.62	555,368,077.14
USA	USA Rescheduled Debt 2000 EXIM	USD	13,032,254.79	805,472,040.60
USA	USA Rescheduled Debt 2000 (DOD DEBTS)	USD	351,325.72	23,331,541.07
ICO (SPAIN)	Medical Equipment supply ph 3(bilateral)	USD	4,887,063.50	324,549,887.04
ADF	Structural Adjustment Programme Loan	AUA	28,250,000.00	-
BADEA	Rehab.of Embu Provincial Gen.Hospital	USD	4,800,000.00	318,768,000.00
BADEA	Wote-Makindu Road	USD	8,750,000.00	581,087,500.00
IDA	Privatization and Private Sector devt. pj	USD	1,089,574.34	72,358,631.92
IDA	Economic and Public Sector Reform Credit	XDR	79,450,000.00	7,968,835,000.00
IDA	HIV/AIDS Disaster Response Project	XDR	37,900,000.00	3,801,370,000.00
IDA	Emergency Power Supply Project	XDR	42,484,513.23	4,261,196,676.97
IMF	PRGF Loan 2	USD	33,600,000.00	2,231,376,000.00
2001				
BFCE (FRANCE)	Converted from FRF 1989206 & 1989207	EUR	1,885,116.57	167,741,065.61
BFCE (FRANCE)	Converted from FRF 1989205	EUR	1,054,838.02	93,861,385.73
BFCE (FRANCE)	Converted from FRF 1989229	EUR	2,158,678.08	192,083,061.18
BFCE (FRANCE)	Converted from FRF 1989230	EUR	1,559,045.30	138,726,657.08
BFCE (FRANCE)	Converted from FRF 1989231 & 1989235	EUR	1,457,655.36	129,704,797.71
BFCE (FRANCE)	Converted from FRF 1989232 & 1989233	EUR	1,081,973.25	96,275,927.34
BFCE (FRANCE)	Converted from FRF 1989234	EUR	45,734.71	4,069,556.82
BFCE (FRANCE)	Converted from FRF 1989236, 1989237 & 238	EUR	1,974,669.28	175,709,626.94
BFCE (FRANCE)	Converted from FRF 1989239	EUR	94,432.80	8,402,800.52
BFCE (FRANCE)	Converted from FRF 1990211	EUR	4,802,144.04	427,303,420.54
BFCE (FRANCE)	Converted from FRF 1990212	EUR	1,636,286.13	145,599,685.16
BFCE (FRANCE)	Converted from FRF 1990213	EUR	355,714.38	31,652,105.82
BFCE (FRANCE)	Converted from FRF 1990214	EUR	1,778,571.86	158,260,525.53
BFCE (FRANCE)	Converted from FRF 1990215	EUR	243,918.44	21,704,301.84
BFCE (FRANCE)	Converted from FRF 1990216	EUR	213,428.62	18,991,262.78
BFCE (FRANCE)	Converted from FRF 1990217	EUR	48,783.69	4,340,860.55
BFCE (FRANCE)	Converted from FRF 1990218	EUR	647,908.32	57,652,048.55
BFCE (FRANCE)	Converted from FRF 1990219	EUR	128,057.18	11,394,758.38

from MOF Debt Management Unit



The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 5



Ken Ren Extract
from list of Loans -
(Year 2003-2004)

Year 2003 - 2004

CREDITOR	PROJECT	CRR	AMOUNTS	KSHS EQUIVALENT
IDA	Converted Special Act.Cred. LUF 1980030	EUR	45,700.00	4,071,397.25
IDA	Converted Special Act.Cred. NLG 1980032	EUR	837,673.74	74,537,717.20
OPEC	Basic Education Improvement	USD	13,700,000.00	909,817,000.00
2003				
AFD (FRANCE)	Rehabilitation of Maai Mahiu-Narok RD	EUR	18,000,000.00	1,601,672,400.00
BELGIUM	Belgium Rescheduling (Agreement II) Ken Ren	EUR	32,520,319.00	2,893,716,521.19
GERMANY	Rehabilitation of Maai Mahiu-Narok RD	EUR	18,000,000.00	1,601,672,400.00
EURM	Kenya Navy	EUR	51,997,000.00	4,626,786,654.60
MFSL	Administration Police	EUR	49,650,000.00	4,417,946,370.00
IDA	Arid Lands Resource Mangmt. Proj. Ph II	XDR	83,950,000.00	8,420,185,000.00
IFAD	Mt.Kenya E. Pilot pj. for Nat. Res. Mangmt	XDR	12,700,000.00	1,273,810,000.00
IMF	PRGF Loan 1	XDR	75,000,000.00	7,522,500,000.00
2004				
AFD (FRANCE)	Kisumu Drinking Water Purification Proj.	EUR	20,000,000.00	1,779,636,000.00
EDC (CANADA)	Paris Club Resch. 2004 EDC (Canada) KENPC3	USD	4,025,772.96	267,351,582.01
BELGIUM	Paris Club Resch. 2004 Belgium(Ducroire)(Agreement III)	EUR	9,032,096.22	803,692,179.43
BELGIUM	Paris Club Resch.2004 Belgium (ODA)	EUR	260,286.60	23,160,770.18
DENMARK	Rural Infrastructure-Mt.Kenya Region	EUR	7,738,246.65	688,563,115.76
DENMARK	Geothermal Power Plant Olkaria IV-Invest	EUR	7,624,210.69	678,415,990.78
DENMARK	Water Supp. & sanitation Nzoia Cluster	EUR	9,500,000.00	845,327,100.00
DENMARK	Smallholder Irrigation Proj. Mt Kenya Reg	EUR	3,300,000.00	293,639,940.00
DENMARK	Paris Club Resch.2004 Germany (Consortium-Hermes)	EUR	656,789.79	58,442,337.74
DENMARK	Paris Club Resch. 2004 Germany(ODA- KFW)	EUR	8,760,118.33	779,491,097.22
DENMARK	Paris Club Resch. 2004 Denmark	DKK	60,960,000.00	723,138,000.00
FRANCE	Paris Club Resch. 2004 France (ODA) BDF	EUR	18,340,739.10	1,631,991,978.45
FRANCE	Paris Club Resch. 2004 France (Non-ODA) COFACE	EUR	7,540,471.54	670,964,730.48
ITALY	Paris Club Resch. 2004 Italy (USD)	EUR	727,134.64	64,701,749.11
ITALY	Paris Club Resch. 2004 Italy (EURO)	EUR	31,790,675.18	2,828,791,500.73
JAPAN	Sondu Miriu Hydro Power II	JPY	10,554,000,000.00	5,667,498,000.00
JAPAN	Paris Club Rescheduling (Japan Ministry of Agriculture) Food Agency	JPY	157,464,869.00	84,558,634.85
JAPAN	Paris Club Rescheduling (JBIC))	JPY	17,186,346,484.00	9,229,068,061.91
JAPAN	Japan 2004 Commercial Rescheduling (NEXI)	JPY	30,471,983.00	16,363,454.87
JAPAN	Paris Club Rescheduling JBIC (KBC, TARDA, EAPC)	JPY	6,111,631,099.00	3,281,945,900.16
UK	Paris Club Resched.2004 U.K ECGD Agreement NO.3	GBP	1,788,885.37	236,622,128.99
USA	Paris Club Resched.2004 USA (USAID Debts)	USD	12,863,742.43	854,281,134.78
USA	Paris Club Resched.2004 USA (DOD Debts)	USD	24,358.10	1,617,621.42
EXIM (USA)	Paris Club Resched.2004 USA (EXIM)	USD	1,703,000.00	113,096,230.00
CIAS	NSIS	USD	41,800,000.00	2,775,938,000.00
ADF	ASAL Based Livestock & Rural Livelihoods	AUA	18,410,000.00	1,846,523,000.00
ADF	Education III	AUA	24,260,000.00	2,433,278,000.00
ADF	Rural Health Project III	AUA	17,180,000.00	1,723,154,000.00
ADF	Rift Valley Water Supply & Sanitation	AUA	13,040,000.00	1,307,912,000.00
BADEA	Rehab & Dev of Irrigated land Hola Ph.1	USD	5,000,000.00	332,050,000.00



The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 6



Ken Ren Kenya
External Public
Debt Register 2002

Ken Ren Kenya External Public Debt Register 2002

LENDER	PURPOSE	RATE OF INTEREST	AMOUNT	AMOUNT	AMOUNT	TERMS OF PAYMENT
			OUTSTANDING AT 30-06-2001	REPAID TO 30/06/2002	OUTSTANDING AT 30-06-2002	
			Kshs	Kshs	Kshs	
ITALY	Limuru-Naivasha Road (Section - Mair Mathu-Naivasha A/D97/004)	0.5	55,273,809	NIL	121,563,316.00	Loan amount of US\$ 554,710,416.00. The repayments shall be made in 47 consecutive equal semi-annual instalments.
FRENCH CREDITS	Goods and Services	VARIOUS	3,613,415,462	2,061,765,462	1,101,259,117	Loans totalling FRF315,984,315. For each contract repayment will be made in either one or several portions of 20 equal semi-annual instalments each. The first instalments maturing 6 months after the corresponding starting date of repayment which will be fixed for each portion by the corresponding French Authority according to the characteristics of the loan. (See the repayments schedule)
FRENCH TREASURY	Goods and Services	3	1,532,975,466	2,144,875,653	1,040,169,200	Loan totalling FRF418,239,000 repayable in 15 years by 30 instalments. The first one falling due 126 months after the end of the quarter during which drawings have been effected.
FRANCE	Turkwel Gorge Buyers Credit Loan & Fixed CHF Loan	7.75	2,658,954,895	13,124,239,325	1,168,314,932	Loan of FRF 700,000,000 (CHF 325,000,840) repayable in 24 semi-annual instalments with a grace period of 4.5 years. The first instalment of FRF29,166,666.67 commencing on 16th July 1990 and ending on 16th July 2002.
VARIOUS DONORS	Defence	VARIOUS	8,516,906,536	24,536,985,511	5,977,359,139	various terms of payment
BAWAG	Ken-Ren Ferrous Company	1.5	380,267,200	NIL	1,294,536,779	Loan EUR 10,005,155 repayable in 22 semi-annual instalments the 1st falling due on 30th Sept 2003 and ending on 31st March 2014. Restructuring agreement signed on 14th Nov 2000.
REPUBLIC OF CHINA	Construction of Sports Complex in Nairobi Loan No. 1	Free	386,124,581	NIL	383,310,015	Loan of RMB 100,000,000 repayable in 15 annual instalments on 1st October each year. Each repayment shall be one fifteenth of the loan used commencing on 1-10-96 and ending 30/9/2011.
REPUBLIC OF CHINA	Moi Kasarani Stadium Complex Loan A/C No. 2	Free	157,999,599	77,206,860	227,392,350	Loan of USD40,000,000 repayable in fifteen annual instalments the first one commencing on 1/10/96 and ending on 30/9/2011.
REPUBLIC OF CHINA	Exmore Hosp. Out-patient Department Loan No. 3	Free	240,002,336	NIL	413,316,455	Loan of USD115,000,000 repayable in fifteen instalments the first one commencing on 1/10/96 and ends on 30/9/2011.
KOREA	Technology Development Centre	1.5	548,664,425	153,170,439	469,755,560	Loan of WON10,934,000,000. The first instalment falls due in 1998 and ends in 2013. won329920000.
FINLAND	Capital Goods and Services	0.75	125,573,961	115,621,280	140,656,496	Loan of FIM29,000,000 repayable in 25 semi-annual instalments of FIM250,000 each and one final instalment of FIM750,000 commencing on 30-9-89 and ending on 31-12-2000.
FINLAND	Meru Milk Plant	1.5	123,034,274	195,313,130	1,17,614,704	Loan of FIM27,296,500 repayable in 20 semi-annual instalments the first one commencing on 31-3-92.

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The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 7



Ken Ren Kenya
External Public
Debt Register 2003

Ken Ren Kenya External Public Debt Register 2003

LENDER	PURPOSE	RATE OF INTEREST	AMOUNT OUTSTANDING AT 30-06-2002	AMOUNT REPAYED TO 6/30/2003	AMOUNT OUTSTANDING AT 30-06-2003	TERMS OF PAYMENT
		%	Kshs	Kshs	Kshs	
FRENCH TREASURY	Goods and Services	3	1,845,149,228	2,572,260,085	3,298,512,379	Loan totalling to FFR418,239,000 repayable in 15-years by 30 instalments. The first one falling due 126 months after the end of the quarter during which drawings have been effected.
FRANCE	Turkwel Gorge Buyers Credit Loan & Fixed CHF Loan	7.25	1,600,314,933	14,801,088,841	NIL	Loan of FFR700,000,000 (CHF325,606,840) repayable in 24 semi annual instalments with a grace period of 4.5 years. The first instalment of FFR29,166,666.67 commencing on 16th July 1990 and ending on 16th July 2002.
BAWAG	Ken-Ren Fertilizer Company	1.5	1,294,938,779	NIL	1,410,052,382	Loan EUR 16,635,156 repayable in 22 semi annual instalments the 1st falling due on 30th Sept. 2003 and ending on 31st March 2014. Restructuring agreement signed on 14th Nov. 2000
FRANCE	Rescheduled Loans II (Euro Portion)	Variable	4,444,053,372	Nil	4,839,107,584	Loan of Eur 57,089,588 as per FRANCE/KENYA Debt rescheduling Agreement. The Loan is repayable semi-annually.
FRANCE	Rescheduled Loans II (USD & CHF Portion)		2,022,243,819	Nil	2,202,011,153	Loan of Eur25,978,325 as per FRANCE/KENYA Debt rescheduling Agreement. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 15/11/2000.
BELGIUM	Rescheduled Loans II		624,544,153	Nil	682,605,933	Loan of Eur 8,053,074 as per BELGIUM/KENYA Debt rescheduling Agreement dated 04/07/2001. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000.
NETHERLANDS BANK	Rescheduled loans II		709,231,667	Nil	772,278,835	Loan of Eur 9,110,994.07 as per NETHERLANDS/KENYA debt rescheduling Agreement dated 16/07/2001 payable semi-annually 30/06/2011 to 31/12/2020. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000
NETHERLANDS N.C.M.	Rescheduled Loans II		434,734,610	Nil	473,380,355	Loan of Eur 5,584,725.89 as per NETHERLANDS/KENYA Debt rescheduling Agreement dated 18/09/2002. The loan is payable semi annually from 30/06/2004 to 31/12/2018. This is as per Paris Club meeting agreed on the consolidation of the Debt of the Republic of Kenya held on 15/11/2000.
AUSTRIA	Rescheduled Loans II		833,455,175	NIL	912,798,322	Loan of Eur 10768,779 as per AUSTRIA/KENYA debt rescheduling Agreement dated 30/05/2001 payable semi-annually 30/06/2004 to 31/12/2018. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 19/01/94.
BELGIUM	Rescheduled Loans	6.31	86,828,498	273,894,410	Nil	Loan of BEF199,982,621 as per BELGIUM/KENYA Debt rescheduling Agreement. The loan is payable semi annually from 30/03/95 to 30/09/01. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 19/01/94.

173,722,208,102 37,002,724,613 60,076,812,049

Code 704
LPR 2003

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Ken Ren Kenya External Public Debt Register 2003

LENDER	PURPOSE	RATE OF INTEREST	AMOUNT OUTSTANDING AT 30-06-2002	AMOUNT REPAYED TO 6/30/2003	AMOUNT OUTSTANDING AT 30-06-2003	TERMS OF PAYMENT
		%	Kshs	Kshs	Kshs	
FRENCH TREASURY	Goods and Services	3	1,845,149,228	2,572,260,085	3,298,512,379	Loan totalling to FFR418,239,000 repayable in 15-years by 30 instalments. The first one falling due 126 months after the end of the quarter during which drawings have been effected.
FRANCE	Turkwel Gorge Buyers Credit Loan & Fixed CHF Loan	7.25	1,600,314,933	14,801,088,841	NIL	Loan of FFR700,000,000 (CHF325,606,840) repayable in 24 semi annual instalments with a grace period of 4.5 years. The first instalment of FFR29,166,666.67 commencing on 16th July 1990 and ending on 16th July 2002.
BAWAG	Ken-Ren Fertilizer Company	1.5	1,294,938,779	NIL	1,410,052,382	Loan EUR 16,635,156 repayable in 22 semi annual instalments the 1st falling due on 30th Sept. 2003 and ending on 31st March 2014. Restructuring agreement signed on 14th Nov. 2000
FRANCE	Rescheduled Loans II (Euro Portion)	Variable	4,444,053,372	Nil	4,839,107,584	Loan of Eur 57,089,588 as per FRANCE/KENYA Debt rescheduling Agreement. The Loan is repayable semi-annually.
FRANCE	Rescheduled Loans II (USD & CHF Portion)		2,022,243,819	Nil	2,202,011,153	Loan of Eur 25,978,325 as per FRANCE/KENYA Debt rescheduling Agreement. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 15/11/2000.
BELGIUM	Rescheduled Loans II		624,544,153	Nil	682,605,933	Loan of Eur 8,053,074 as per BELGIUM/KENYA Debt rescheduling Agreement dated 04/07/2001. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000.
NETHERLANDS BANK	Rescheduled loans II		709,231,667	Nil	772,278,835	Loan of Eur 9,110,994.07 as per NETHERLANDS/KENYA debt rescheduling Agreement dated 16/07/2001 payable semi-annually 30/06/2011 to 31/12/2020. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000.
NETHERLANDS N.C.M.	Rescheduled Loans II		434,734,610	Nil	473,380,355	Loan of Eur 5,584,725.89 as per NETHERLANDS/KENYA Debt rescheduling Agreement dated 18/09/2002. The loan is payable semi annually from 30/06/2004 to 31/12/2018. This is as per Paris Club meeting agreed on the consolidation of the Debt of the Republic of Kenya held on 15/11/2000.
AUSTRIA	Rescheduled Loans II		833,455,175	NIL	912,798,322	Loan of Eur 10768,779 as per AUSTRIA/KENYA debt rescheduling Agreement dated 30/05/2001 payable semi-annually 30/06/2004 to 31/12/2018. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 19/01/94.
BELGIUM	Rescheduled Loans	6.31	86,828,498	273,894,410	Nil	Loan of BEF199,982,621 as per BELGIUM/KENYA Debt rescheduling Agreement. The loan is payable semi annually from 30/03/95 to 30/09/01. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 19/01/94.

173,722,208,102 37,002,724,613 60,076,812,049

Code 704
LPR 2003

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The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 8



Ken Ren Kenya
External Public
Debt Register 2004

Ken Ren Kenya External Public Debt Register 2004

LENDER	PURPOSE	RATE OF INTEREST	AMOUNT OUTSTANDING AT 30-06-2003	AMOUNT REPAYED TO 30/06/2004	AMOUNT OUTSTANDING AT 30-06-2004	TERMS OF PAYMENT
FRENCH TREASURY	Goods and Services	3	Kshs 3,298,512,379	Kshs 290,049,882	Kshs 5,844,238,164	Loan totalling to FFR418,239,000 repayable in 15 years by 30 instalments. The first one falling due 126 months after the end of the quarter during which drawings have been effected. 16th January, 2003
BELGIUM(Ducroire)	Rescheduled debtl (ICC case No 6262)				3,115,761,810	Loan Eur 32,520,319.00 repayable in 21 semi-annual instalments the first falling due on 31st December, 2003 and ending on 30th June, 2015 ICC award of 6 November, 2002.
AUSTRIA (Bawag)	Ken-Ren Fertilizer Company	1.5	1,410,052,382	7,942,921	1,590,416,861	Loan EUR 16,635,156 payable semi annually commencing 30th Sept 2003 and ending on 31st March 2014. as per agreement dated 14th Nov 2000
FRANCE	Rescheduled Loans II (Euro Portion)	Variable	4,839,107,584		5,485,521,570	Loan of Eur 57,089,588 as per FRANCE/KENYA Debt rescheduling Agree- ment The Loan is repayable semi-annually.
FRANCE	Rescheduled Loans II (USD & CHF Portion)		2,202,011,153		2,496,158,532	Loan of Eur 25,978,325 as per FRANCE/KENYA Debt rescheduling Agreement. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 15/11/2000.
B.D.F.	Rescheduled debtl	Variable			1,389,325,892	Loan of Eur 14,459,161.59 repayable semi-annually commencing 30/6/2004 and ending 31/12/2020. Debt refinanced as per agreed minute of 15/01/2004.
BELGIUM	Rescheduled Loans II		682,605,933		773,789,279	Loan of Eur 8,053,074 as per BELGIUM/KENYA Debt rescheduling Agreement dated 04/07/2001. The loan is payable semi-annually. This is as per Paris Club meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000.
NETHERLANDS BANK	Rescheduled loans II		772,278,835		768,056,365	Loan of Eur 9,110,994.07 as per NETHERLANDS/KENYA debt rescheduling Agreement dated 16/07/2001 payable semi-annually 30/06/2011 to 31/12/2020 This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000
NETHERLANDS N.C.M.	Rescheduled Loans II		473,380,355		536,615,089	Loan of Eur 5,584,725.89 as per NETHERLANDS/KENYA Debt rescheduling Agreement dated 18/09/2002. The loan is payable semi annually from 30/06/2004 to 31/12/2018. This is as per Paris Club meeting agreed on the consolidation of the Debt of the Republic of Kenya held on 15/11/2000.
AUSTRIA	Rescheduled Loans II		912,798,322		1,034,731,053	Loan of Eur 10,768,779 as per AUSTRIA/KENYA debt rescheduling Agreement dated 30/05/2001 payable semi-annually 30/06/2004 to 31/12/2018. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the Republic of Kenya held on 15/11/2000.
BELGIUM	Financial Assistance				119095735	Original Loan of BEF 50,000,000 repayable commencing 31st December, 2000 Rescheduled on 14.9.2004 now repayable annually in 20 equal instalments commencing 1st July 2016 and ending 1st July, 2025
			50,075,812,049	22,294,244,768	61,324,509,066	

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The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 9



Ken Ren Kenya
External Public Debt
Register 2005

Ken Ren KEQA External Public Debt Register 2005

LENDER	PURPOSE	AMOUNT		AMOUNT		TERMS OF PAYMENTS
		RATE OF	OUTSTANDING	REPAID TO	OUTSTANDING	
		INT.	AT 30-06-2004	30-06-2005	AT 30-06-2005	
		%	Kshs	Kshs	Kshs	
FRENCH TREASURY	Goods and Services	3	5,844,238,164	402,000,199	5,526,304,566	Loan totalling to FFR 418,239 repayable in 15 years by 30 instalments. The first one falling due 126 months after the end of the quarter during which drawings have been effected. 16th January 2003.
BELGIUM (Ducroire)	Rescheduled debt ICC Case No.6262		3,116,761,810	145,948,650	2,856,810	Loan EUR 32,520,319.00 repayable in 21 semi annual instalments the first falling due on 31th December 2003 and ending on 30th June 2015. ICC award of 6 November 2002.
AUSTRIA (Bawag)	Ken - Ren Fertilizer Company	1.5	1,590,416,861	50,703,595	1,486,051,039	Loan of Eur 16,635,156.00 payable semi-annually commencing 30 September 2003 and ending 31 March 2014 as per agreement dated 14 November 2000.
FRANCE	Rescheduled Loans II (Euro Portion)	Variable	5,485,521,570		5,257,654,189	Loan of Eur 57,089,588 as per FRANCE/KENYA Debt rescheduling Agreement. The loan is payable semi annually.
FRANCE	Rescheduled Loans II (USD & CHF Portion)		2,496,158,532		2,392,468,645	Loan of Eur 25,978,325 as per FRANCE/KENYA Debt rescheduling Agreement. The loan is payable semi annually. This is as per Paris Club Meeting agreed minutes on the consolidation of the debt of the republic of Kenya held on 15/11/2000.
B.D.F.	Rescheduled Debt	Variable	1,389,325,892		1,331,613,595	Loan of Eur 14,459,161.59 repayable semi annually commencing 30.06.2004 and ending 31.12.2020. Debt refinanced as per agreed minute of 15.01.2004.
FRANCE - AFD	Rehabilitation of Meru National park (CKE - 1010 01Z)	2.5			119,877,908	Loan of EUR 8,200,000.00 repayable in 22 equal semi-annual instalments commencing 30 April 2008 and ending 31 October 2018. No prepayment is authorised on or before 30 April 2010.
FRANCE-AFD	Emergency repairs for El-Nino phenomenon CKE-1007-01 F	2.25	1,111,799,496		1,065,615,587	Loan of Eur 15,000,000 repayable semi annually commencing 30.04.2008 and ending 31.10.2018.
FRANCE-AFD	Rehabilitation of El-Nino damaged infrastructure CKE-1016-1 F	2.5				Loan of Eur 13,000,000 repayable semi annually commencing 30.04.2008 and ending 31.10.2018.

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SUPPORTING DOCUMENT 10



Ken Ren Kenya Budget
Estimates (2007 Principals
Payments)

CONSOLIDATED FUND SERVICES			-(Contd.)	
(1) R50 - PUBLIC DEBT			-(Contd.)	
502 - PUBLIC DEBT REDEMPTION				
5210600 - EXTERNAL REDEMPTION				
HEAD	ITEM	CREDITOR	EXPENDITURE 2006/2007	ESTIMATES 2007/2008
			KShs	KShs
101	5210601	GERMANY	283,730,000	333,244,328
105	5210601	ITALY	1,507,770,000	1,266,697,229
107	5210601	JAPAN	2,934,730,000	4,162,506,458
111	5210602	IDA	4,608,000,000	4,989,198,437
112	5210602	ADB/ADF	844,650,000	794,389,927
116	5210601	U.S.A.	175,050,000	237,275,016
135	5210601	DENMARK	240,720,000	137,800,000
139	5210601	NETHERLANDS	287,830,000	356,429,001
155	5210602	OPEC	31,500,000	132,406,400
157	5210602	BADEA	19,130,000	36,190,000
158	5210601	FRANCE	717,430,000	1,200,404,863
159	5210602	EIB	1,418,850,000	1,486,282,566
162	5210601	SAUDI FUND	426,840,000	403,874,000
164	5210601	AUSTRIA - BAWAG	14,240,000	192,982,604
167	5210601	SWITZERLAND	5,050,000	2,288,927
171	5210602	EEC	251,960,000	289,363,646
172	5210601	BELGIUM	726,150,000	491,293,606
177	5210601	FINLAND	12,010,000	4,573,741
200	5210601	RESCHEDULED DEBT	1,327,230,000	-
205	5210601	CHINA	550,000,000	149,459,210
209	5210601	SPAIN	142,200,000	115,281,974
211	5210601	KUWAIT	100,770,000	90,992,000
212	5210601	EXIM BANK OF KOREA	53,470,000	44,557,000
213	5210601	CANADA	-	46,830,983
214	5210601	SWEDEN	-	12,084,407
215	5210601	UNITED KINGDOM	-	90,966,710
216	5210602	IFAD	-	96,242,276
217	5210603	BNP	-	603,738,084
TOTAL 947-EXTERNAL DEBT REDEMPTION			16,679,310,000	17,767,353,393

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for the year ending 30th June 2008 page (xi)



The Mystery of **KEN REN Fertilizer** Company

SUPPORTING DOCUMENT 11



Ken Ren Kenya Budget
Estimates
(2007 Interest Payments)

CONSOLIDATED FUND SERVICES

-(Contd.)

(1) R50 - PUBLIC DEBT

-(Contd.)

2410100 - EXTERNAL DEBT - INTEREST

AD	ITEM	CREDITOR	EXPENDITURE	ESTIMATES
			2006/2007	2007/2008
			KSHS	KSHS
01	2410101	GERMANY	58,600,000	155,671,616
05	2410101	ITALY	85,950,000	114,174,675
07	2410101	JAPAN	1,166,790,000	1,634,525,322
111	2410102	IDA	1,448,550,000	1,627,259,790
112	2410102	ADB/ADF	421,130,000	385,147,067
116	2410101	USA	149,250,000	271,105,738
130	2410101	NEW LOANS	375,000,000	802,000,000
139	2410101	NETHERLANDS	78,940,000	78,552,760
155	2410102	OPEC	10,480,000	18,405,994
157	2410102	BADEA	3,750,000	12,195,399
158	2410101	FRANCE	184,760,000	694,244,490
159	2410102	EIB	224,570,000	194,703,010
162	2410102	SAUDI FUND	82,760,000	70,636,727
164	2410101	AUSTRIA	23,140,000	75,644,019
167	2410101	SWITZERLAND	280,000	9,214,572
171	2410102	EEC	70,170,000	49,450,258
172	2410101	BELGIUM	168,000,000	161,905,601
177	2410101	FINLAND	9,393,096	5,891,184
200	2410101	RESCHEDULED DEBT	959,710,000	-
205	2410101	CHINA	49,320,000	19,609,260
209	2410101	SPAIN	54,300,000	32,043,757
211	2410101	KUWAIT	29,520,000	17,551,765
212	2410103	EXIM BANK OF KOREA	22,630,000	30,459,000
213	2410101	CANADA	-	71,697,415
214	2410101	SWEDEN	-	10,545,489
215	2410101	UNITED KINGDOM	-	140,593,776
216	2410102	IFAD	-	37,693,000
217	2410103	BNP	-	29,115,269
218	2410102	NORDIC DEVELOPMENT FUND	-	13,665,756
TOTAL 942 - EXTERNAL DEBT- INTEREST			5,676,993,096	6,763,702,709

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for the year ending 30th June 2008 page (ix)