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**KENDREN**  
THE KENYA DEBT RELIEF NETWORK



Our Ref: KENDREN/LA-INTL /001/13

Vince Cable  
Secretary of State for Business  
1 Victoria Street  
London  
SW1H 0ET  
UNITED KINGDOM



25/07/13

Dear Vince Cable,

I am writing from the Kenya Debt Relief Network (KENDREN). KENDREN is a network of civil society organizations concerned with Kenya's debt burden that continues to cripple development and efforts to improve living standards for the Kenyan people.

In November 2012, you revealed that 68 per cent of Kenya's debt to the UK comes from 'power' sector exports, though I understand that this was changed in a parliamentary statement to 12 per cent. The statement also confirmed that the debt was from a hydro-power project, which I assume to be the Turkwell Hydro Electric Dam Project.

The contract to build Turkwell was awarded in January 1986. In March 1986 a European Commission official said that the price was **"more than double the amount Kenya's government would have had to pay for the project based on an international competitive tender ... The Kenyan government officials who are involved in the project are fully aware of the disadvantages of the French deal ... but they nevertheless accepted it because of high personal advantages."** There is evidence these 'advantages' included payments to President Daniel Arap Moi, then leader of Kenya under an increasingly repressive a one-party state regime. Despite this, we understand ECGD's guarantees for the Turkwell Dam were issued in August 1986, well after it was apparent the deal was corrupt.

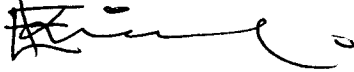
In the mid-1980s, Kenya's debt payments were already between 25-30 per cent of export earnings. More debt was clearly unsustainable, never mind for a corrupt overpriced 'white elephant'.

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I also understand that 11 per cent of Kenya's debt to the UK comes from communications equipment for the military, supplied between 1987 and 1989. Such a deal was clearly unjust; supporting the military of a heavily indebted one-party state which was by many accounts repressive and included documented cases of torture at the time.

In this regard it is our considered opinion that it would suffice an apology on behalf of the UK government for supporting these unjust loans, publicly reveal where all Kenya's debt to the UK comes from, and cancel the small amount of debt which remains.

Yours faithfully,



Kiama Kaara  
Senior Programmes Coordinator,  
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