

The National Treasury and Planning

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT OF KENYA FROM 1ST JANUARY 2022 TO 30TH APRIL 2022

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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST JANUARY 2022 TO 30TH APRIL 2022

Section 1-Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, 2012 and covers the period from 1st January 2022 to 30th April 2022. Section 31(3) requires that. "At the end of every four months, the Cabinet Secretary shall submit a report to Parliament stating the loan balances brought forward, carried down, drawings and amortizations on new loans obtained from outside Kenya or denominated in foreign currency, and such other information as may be prescribed by regulations, specifying—

- (a) the names of the parties to the loan;
- (b) the amount of the loan and the currency in which it is expressed and in which it is repayable;
- (c) the terms and conditions of the loan, including interest and other charges payable and the terms of repayment;
- (d) the amount of the loan advanced at the time the report is submitted;
- (e) the purpose for which the loan was used and the perceived benefits of the loan."

Section 2 - Details of the new loans.

This section of the report contains nine (9) new loans contracted between Government of Kenya and, bilateral and multilateral creditors. Six of the loans are from multilateral lenders and three are from bilateral lenders. The total value of the 9 new loans signed is equivalent to Kshs. 137,934,659,733. Two of the loans have disbursed by the time of submitting this report. The loans are as follows:

1. Second Accelerating Reforms for an Inclusive and Resilient Recovery Development Policy Financing

i. The parties to the loan

The loan was signed on 18th March 2022 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 520,000,000 approximately equivalent to Kshs. 60,291,868,000 and will be repaid in Dollar.

iv. The purpose for the loan

To provide financing in support of the program whose actions include:

- a) Fiscal and debt reforms to make spending more transparent and efficient, and enhance domestic debt market performance
- b) Electricity sector and PPP reforms to strengthen the cornerstone utility (KPLC), place Kenya on an efficient, green energy path, and boost private infrastructure investment
- c) Strengthen environmental and natural resource governance, combat climate change, and improve healthcare including pandemic response

3. Primary Education Equity in Learning Program

i. The parties to the loan

The loan was signed on 14th April 2022 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 125,100,000 approximately equivalent to Kshs. 15,307,423,650 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 2,064,150 from 1st June 2027 through to 1st December 2046 and 10 equal semi-annual instalments of EUR 4,253,400 from 1st June 2047 through to 1st December 2051. The interest rate of the loan is 1.25 percent per annum and the service charge is 0.75 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To reduce regional disparities in learning outcomes, improve the retention of girls in upper primary education, and strengthen systems for delivering equitable education outcomes.

4. Additional Financing for Coastal Region Water Security and Climate Resilience Project

i. The parties to the loan

The loan was signed on 3rd March 2022 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

iv. The purpose for the loan

To increase access to financial services and support COVID-19 recovery of Micro, Small and Medium Enterprises (MSMEs) in Kenya.

6. Linking Farmers to Markets through Improvement of Rural Roads in Western Kenya

i. The parties to the loan

The loan was signed on 9th February 2022 between Government of the Federal Republic of Germany as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 17,000,000 approximately equivalent to Kshs. 2,080,145,500 billion and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 283,000 from 15th June 2032 through to 15th December 2051 and 20 equal semi-annual instalments of EUR 284,000 from 15th June 2052 through to 15th December 2061. The interest rate of the loan is 0.75 percent per annum on the disbursed amount. The commitment charge rate is 0.25 per cent per annum on undisbursed loan amounts.

iv. The purpose for the loan

To finance the improvement of rural roads in Western Kenya.

7. Malindi Integrated Social Health Development Program – MISHDP Phase II

i. The parties to the loan

The loan was signed on 26th January 2022 between Government of the Italian Republic as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 6,395,373 approximately equivalent to Kshs. 782,547,433 million and will be repaid in Euro.

9. Additional Financing Emergency Locust Response Project

i. The parties to the loan

The loan was signed on 28th April 2022 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 31,400,000 approximately equivalent to Kshs. 3,842,151,100 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 518,100 from 1st May 2027 through to 1st November 2046 and 10 equal semi-annual instalments of EUR 1,067,600 from 1st May 2047 through to 1st November 2051. The interest rate of the loan is 1.25 percent per annum and the service charge is 0.75 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To finance the project whose objective is to prevent and respond to the threat to livelihoods posed by the desert locust outbreak and to strengthen the recipient's system for preparedness.

	Purpose of the Loan	Perceived beaefits	Creditor	Borrewer O	REPORT ON NI Orieinal Ioan	REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 157 JANUARY 2022 TO 30TH AFRIL, 2022 find hear	THE NAT	TONAL GOVER	NMENT FRO	M IST JANU	ARY 2022 TO 30TH	1 1		11			
					amount	2	te Currene	y payment	Date	Date	luring the period (1)		Outstanding amount Grace as at April, 2022 period	od Interest rate	Terms of	erns of repayment	
ECO	A: ECONOMY									-	(Foreign currency)		-		_		
-	Second Accentaring Reforms for an Inclusive and Realiner Recovery Development Policy Financing	O provide intrancing in an approximation of the program house combining more transport and effects, and non- positing more transport and effects, and non- stratistic deline much preformance. Electricity sectors and Provide much preformance effects, preventing and strange and and and an anomal resonance, contrast effecting, and a moral stronge and strongers environmental and manufactoric environce. Contrast effecting, and anomal resonance, contrast effecting, and a moral stronger environce.	International Development Association	СОКЕ	520,000,000 00	00000001102	020 56,511	120	18th March 2022	15th March 2052	520,000,000 00	00 000 \$95 167 09	60.291,868,000.00 5 Years	are The introte rate of the low is 1.35 process per arman while service charge is 0.35 process per annum on the withdrawn credit balance.		The loan will be repaid in 40 equal semi-annual reportents of USD 8.580,000 from 1.5 ⁴⁰ reportents 2017 from 0.15 Munus 2.043 and 10 equal semi-annual instalments of USD 17.880,000 from 1.5 ⁴⁰ September 2047 through to 15 ⁴⁰ March 2052.	1
C1	A second science for the former for a sub- an interacting and Realism and Realism Realism and Realism	cities unbulk financing in activity of the program bases cities unbulk; Final and deri reform to make model: Final and deri reform to make wenter deti market preformance: Electrichy search wenter deti market preformance: Electrichy search EFUC, place Krays and reform generating and Strenghone and production and resource and Strenghone and and intervent and Strenghone and and intervent and strenghone and and and and resource and strenghone and and and and and and strenghone and and and and and and strenghone and and and and and and strenghone and	International Bank for Reconstruction and Development	GOKE	230,000,000,00	36,667,557,000,00	115.95 USD	asn	18th March 2022	15th September 2040	230,000,000,00	26,667,557,000 00	26,667,557,000.00 5 Years	The function rate of the lows is the functioners rate plans the variable ground or auch rate and apply following a conversion.		The form will be repaid in 26 optimisation in the constraint of 20 optimisation of the constraint of the September 2021 bitworks to 15 March 2040 and the statistical of LSD \$,740,000 on 15 % September 2040	-
B: FINANCE	NCE						_						_				
m	Supporting Access to Finance and Enterprise Recovery Project	To increase access to financial services and support COVID-19 recovery of Micro, Small and Medium Enterprises (MSME4) in Kenya.	International G Development Association	GOKE	85,900,000,00	10,510,852,850.00	122.36 HUR	EUR	8th February 2022	15th Junic 2051	Not Disbursed	Not Disbursed	Nii 4 Years	The interest rate of the loan is 1.25 percent for annum and the service charge is 0.25 percent per annum on the withdrawn credit balance.	11.25 The loan will h vice charge repayments of the December 2002 copal environ 2,920,660 from 15 th June 2051	The Ioan will be repaid in 40 equal serie-armal properments of ELR (417,350 from 154 December 2006 from 154 June 2006 and 10 equal serie-armal intalinenss of ULR equal serie-armal intalinenss of ULR	
: AGR	C: AGRICULTURE							-									
4	Additional Financing Emergency Locus Response Project	Additional Financing Emegness To finance for perspect subsecting and an end of the contract and Locat Response Project. Toporad to the fortunal indifferends posed by doubt to doubt for an endrowing and to strengthen the recipient a particular and to strengthen the recipient a particular and the strengthent doubt and the strength	International Development Association	GOKE	31,400,000.00	3,842,151,100.00	122.36 EUR	EUR	28th April 2022	la November 2051	Not Disbursed	Not Disbursed	Ni S	5 Years The interest rate of the hum is 1.25 percent per annum and the service change is 0.25 percent per annum on the withdrawn credit balance.		The loan will be repaid in 40 equal semi-arraul repayments of EUR 518,100 from 1* May 2027 through to 1* Netwerk 2046 and 10 equal semi- arraul insultances of EUR 1.1067,000 from 1* May 2047 through to 1* Netwerker 2051.	
D: WATER	ER.																
~	ditional Financing for Coastal gion Water Security and imute Resilience Project	To increase bulk water apply to Monthata County and Kwale County and increase access to water in Kwale County.	International G Development Association	GOKE	128,800,000.00	15,760,161,200.00	122.36 EUR	EUR	3rd March 2022	1st December 2051	Not Disbursed	Not Disbursed	Na S Y	5 Years The interest rate of the loan is 1.25 percent per amount and the service charge is 0.05 percent per amount on the withdrawn credit balance.		The hour will be repuid in 40 equal serie-arrenal reportments of EUR 2.13.2.300 from 1 ⁶ uaz 2027 through to 1 ⁶ Described 2016 and 10 equal series arrenal instances of EUR and 10 for the 4.373.200 from	
INFR	E: INFRASTRUCTURE														_		-
9	uing Farmers to Markets agh Improvensent of Rural Is in Western Kenya	To finance the improvement of neal roads in Western Kenya.	Government of the GOKE Federal Republic of Germany	OKE	17,000,000.00	2,080,145,500.00	122.36 EUR	EUR	9th February 2022	15th December 2061	Not Disbursed	Not Disbursed	Vol 10	10 Years The interest rate of the loan is 0.75 percent per tarnam on the disburged arrowst.		The fean will be repaid in 40 equal semi-armail repayments of EUR 32400 from 15 ⁸ have 2023 through to 15 th December 2051 and 20 equal semi- armal instantization of EUR 24600 from 15 th Jace 2023 through to 15 th December 2061.	1 1 11
F: HEALTH																	
2	alth	To improve the secial and conserve development of Auditation and Magnetic SAC, Constitute Magnetic Machine (solution gravity) and secial through the Education (solution and above construct in Superior Machine). To improve inflation and a dore us Magnition and the Sachard Sachard and a second and the Magnetic and Magnetis and social segment, and the Sachard and Magnetis and social segment, and the Sachard Magnetis Ambroard stopping of seatmander (segment mendpartic).	Government of the IG Italian Republic	GOKE	6.395.37	HE.EEP.TH, 287	122.36 EUR	EUR	26th Jamuary 2022	26th Jawary 2042	Not Disbursed	Not Disbursed	1 OI	10 Years The intervent late of the bate in 0.00 process per annum on the disher self annum.		ીમ કે બાત માં! મિત વસાવે છે. 20 concerning equal આવે ન્યાલ્ય કે છે. આ ગામ કે છે. આ ગામ કે છે. દાખા રૂ.બે . આ ગામ કે છે.1 દાખાનું છે છે. કે માલાવ ગામ 2012.	11.
EDUG	11																
90	8 Primary Education Equity in Learning Program	To roduce regional dispetition in learning outcomes, International intervolution of girls in upper primury obtained. Development and troughten systems for delivering equilable education Association outcomes.		GOKE	125.100,000.00	15,307,423,650.00	122.36 EUR	EUR	14th April 2022	lat N December 2051	Not Disbursed N	Not Disbursed	S Ve	Years The instreet rate of the loan is 1.25 percent per annum and the acristic charge is 0.75 percent per annum on the withdrawn credit balance.		The lean will be repuid in 40 equal kerni-arraul reportments of EUR 2,044,150 from 1 ² lanes 2023 ibrough to 1 ⁺⁸ Docember 2046 and 10 equal kerni- arraul instabilistics of EUR ¹ . Theorember 2013,400 from 1 ⁴	11
ENV	H: ENVIRONMENT & FORESTRY																_
0	Supply of Forest Firefighting Equipment and Associated Services to the Kenya Forest Service in Kenya	chase in France of French goods and the implementation of the project.	Government of the G	GOKE	22,000,000.00	2,691,953,000.00	122.36 EUR	EUR	17th March 2022	31st March N 2057	Not Disbursed N	Not Disbursed	Nii 14 Y	14 Years The interest rate of the loan is 0.0161 percent per arran on the disbursed and not yet repaid arrounts.		The loan will be repaid in 42 equal and anceeasive half-yearly instalments of EUR 523,810 from 30 th September 2036 through to 31" March 2037.	
П	Total Note: IDA is International Develop	nmera Association				137,934,659,733.34	$\ $			Ħ		86,959,425,000.00	86,959,425,000.00				-
T	GOKE is Government of Kenya Exchange rate is as at 9h May 2022	33								T							
1	EXChange rate is as at 7th Play, 40	12													-		

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