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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY
GOVERNMENT OF KENYA FROM 1ST FEBRUARY 2024 TO 30TH APRIL
2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK-AT THE-TABLE:	INZOPU MWALE

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST FEBRUARY 2024 TO 30TH APRIL 2024

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 February 2024 to 30th April 2024. Section 31(3) requires that *“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, multilateral and bilateral creditors. Four of the loans are from multilateral lenders, three from bilateral lenders and two from commercial lenders. The total value of the 9 new loans signed is equivalent to Kshs. 103,705,148,433. None of the loans had disbursed by the time of submitting this report. The loans are as follows:

1. Second Kenya Devolution Support Program

i. The parties to the loan

The loan was signed on 2nd February 2024 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 140,700,000 approximately equivalent to Kshs. 19,892,545,890 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 2,321,550 from 15th April 2029 through to 15th October 2048 and 10 equal semi-annual instalments of EUR 4,783,800 from 15th April 2049 through to 15th October 2053. The interest rate of the loan is 1.25 percent per annum plus the Basis Adjustment and the service charge is 0.75 percent per annum plus the Basis Adjustment 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 strengthen County performance in the financing, management, coordination, and accountability for resources.

2. Kenya Water, Sanitation and Hygiene Program

i. The parties to the loan

The loan was signed on 28th February 2024 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 187,600,000 approximately equivalent to Kshs. 26,523,394,520 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 3,095,400 from 15th April 2029 through to 15th October 2048 and 10 equal semi-annual instalments of EUR 6,378,400 from 15th April 2049 through to 15th October 2053. The interest rate of the loan is 1.25 percent per annum plus the Basis Adjustment and the service charge is 0.75 percent per annum plus the Basis Adjustment 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 increase sustainable access to improved water and sanitation services, eliminate open defecation, and improve the financial performance of water services providers in selected Counties, including Refugee Hosting Counties.

3. Kenya Jobs and Economic Transformation Project

i. The parties to the loan

The loan was signed on 28th February 2024 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 140,700,000 approximately equivalent to Kshs. 19,892,545,890 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 2,321,550 from 15th March 2029 through to 15th September 2048 and 10 equal semi-annual instalments of EUR 4,783,800 from 15th March 2049 through to 15th September 2053. The interest rate of the loan is 1.25 percent per annum plus the Basis Adjustment and the service charge is 0.75 percent per annum plus the basis adjustment 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 increase private sector investment, access to markets and sustainable finance to create and improve jobs.

4. Competitiveness and Economic Recovery Support Programme-Supplementary Financing

i. The parties to the loan

The loan was signed on 2nd February 2024 between the African Development Bank (ADB) 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 73,000,000 approximately equivalent to Kshs. 10,320,937,100 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 34 equal and consecutive semi-annual instalments of EUR 2,147,059 from 15th March 2032 through to 15th September 2048. The interest rate of the loan shall be at a percentage rate per annum equal to the sum of: Floating base rate; Lending

margin (0.8% per annum); Funding cost margin; and Maturity premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance and a front-end fee of 0.25 per cent of the loan.

iv. The purpose for the loan

To strengthen resilience and support inclusive post-COVID-19 pandemic economic recovery through improved economic governance and enhanced industrial development and competitiveness.

5. Design, Supply and Turnkey Construction of Ngong Road/Naivasha Road (Junction Mall) Junction Flyover

i. The parties to the loan

The loan was signed on 8th March 2024 between Instituto De Credito 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 25,339,000 approximately equivalent to Kshs. 3,582,496,235 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 46 six-monthly equal instalments of EUR 550,848 from 15th April 2031 through to 15th October 2053. The interest rate of the loan is 1.5 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.1 per cent per annum on the unwithdrawn financing balance and a management commission of 0.1 per cent of the total amount of the credit.

iv. The purpose for the loan

To finance the design, supply and Turnkey construction of Ngong road/Naivasha road (Junction mall) Junction Flyover at Ngong road.

6. Supply and Commissioning of Kenya Railways Corporation (KRC) Rolling Stock Maintenance Workshop Equipment and Capacity Building in Nairobi, Mombasa and Nakuru

i. The parties to the loan

The loan was signed on 8th March 2024 between Instituto De Credito 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 24,249,309.42 approximately equivalent to Kshs. 3,428,432,839 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 42 six-monthly equal instalments of EUR 557,365 from 15th April 2033 through to 15th October 2053. The interest rate of the loan is 1.5 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.1 per cent per annum on the unwithdrawn financing balance and a management commission of 0.1 per cent of the total amount of the credit.

iv. The purpose for the loan

To finance the supply and commissioning of Kenya Railways Corporation (KRC) rolling stock maintenance workshop equipment and capacity building in Nairobi, Mombasa and Nakuru.

7. Revamping the Commuter Rail

i. The parties to the loan

The loan was signed on 1st March 2024 between the Government of the French 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 128,000,000 approximately equivalent to Kshs. 18,096,985,600 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 30 equal and successive half-yearly instalments of EUR 4,266,667 from 1st August 2029 through to 1st February 2044. The interest rate of the loan is 0.282 percent per annum on the disbursed and not yet repaid amounts.

iv. The purpose for the loan

To finance the purchase of French goods and services, relating to the implementation of the Project.

8. Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE) Phase I, Kisumu County, Kenya

i. The parties to the loan

The loan was signed on 27th March 2024 between the EXIM Bank Hungary PLC 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 9,997,000 approximately equivalent to Kshs. 1,311,742,359 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 28 semi-annual equal instalments of USD 357,035.71 from 27th September 2026 through to 27th March 2040. The interest rate of the loan is 0 percent.

iv. The purpose for the loan

To finance the project of Kabonyo fisheries and aquaculture service and training centre of excellence (KFASTCE) phase I.

9. Rehabilitation and Upgrading of Pumping Station in Ahero Irrigation Scheme, Kisumu County, Kenya

i. The parties to the loan

The loan was signed on 27th March 2024 between the EXIM Bank Hungary PLC 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 5,000,000 approximately equivalent to Kshs. 656,068,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 28 semi-annual equal instalments of USD 178,571.43 from 27th September 2026 through to 27th March 2040. The interest rate of the loan is 0 percent.

iv. The purpose for the loan

To finance the project of rehabilitation and upgrading of pumping station in Ahero irrigation scheme.

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1ST FEBRUARY 2024 TO 30TH APRIL 2024

No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate	Loan Currency	Agreement Date	Disbursement during period (Forex)	Disbursement during period in (Ksh)	Outstanding amount as at April 2024	Interest rate	Terms of repayment	
A. ROADS AND RAIL															
1	Design, Supply and Turnkey Construction of Ngong Road/Navakha Road Junction (small) Junction Flyover at Ngong road.	To finance the design, supply and turnkey construction of Ngong road/Navakha road junction (small) junction flyover at Ngong road.	Instituto IM Credito	GOKE	25,139,000.00	3,582,496,235.30	141.38	EUR	8th March 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 1.5 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.1 per cent per annum on the unwithdrawn financing balance. The commitment charge rate is 0.1 per cent of the total amount of the credit.	The loan will be repaid in 46 six-monthly equal instalments of EUR 550,848 from 14th April 2024 through to 15th October 2025.	
2	Supply and Commissioning of Kenya Railways Corporation (KRC) rolling stock maintenance workshop equipment and capacity building in Nairobi, Mombasa and Nakuru	To finance the supply and commissioning of Kenya Railways Corporation (KRC) rolling stock maintenance workshop equipment and capacity building in Nairobi, Mombasa and Nakuru.	Instituto IM Credito	GOKE	24,249,309.42	3,428,432,838.94	141.38	EUR	8th March 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 1.5 percent per annum on the withdrawn credit balance. The commitment charge rate is 0.1 per cent per annum on the unwithdrawn financing balance. The commitment charge rate is 0.1 per cent of the total amount of the credit.	The loan will be repaid in 42 six-monthly equal instalments of EUR 557,365 from 15th April 2024 through to 15th October 2025.	
3	Re-vamping the Commuter Rail	To finance the purchase of French goods and services, relating to the implementation of the Project.	Government of the French Republic	GOKE	128,000,000.00	18,096,985,666.00	141.38	EUR	31st February 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 0.282 percent per annum on the disbursed amount and not yet repaid amounts.	The loan will be repaid in 30 equal and successive half-yearly instalments of EUR 4,266,667 from 1st August 2024 through to 1st February 2024.	
B. ECONOMY															
4	Kenya Jobs and Economic Transformation Project	To increase private sector investment, access to markets and sustainable finance to create and improve jobs.	International Development Association	GOKE	140,700,000.00	19,892,545,890.00	141.38	EUR	28th February 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 1.25 percent per annum plus the float. Adjustment and the service charge is 0.75 percent per annum plus the float adjustment on the withdrawn credit balance. The commitment charge rate is 0.25 percent per annum on the unwithdrawn financing balance.	The loan will be repaid in 40 equal semi-annual repayments of EUR 2,321,550 from 15th March 2024 through to 15th September 2028 and 10 equal semi-annual instalments of EUR 4,783,800 from 15th March 2029 through to 15th September 2033.	
5	Competition and Economic Recovery Support Programme-Supplementary Financing	To strengthen resilience and support inclusive post-COVID-19 pandemic economic recovery through improved economic governance and enhanced industrial development and competitiveness.	African Development Bank	GOKE	71,000,000.00	10,120,937,106.00	141.38	EUR	2nd February 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan shall be all-inclusive rate per annum equal to the sum of Floating base rate, lending margin (0.8% per annum), funding cost margin and maturity risk premium (0.25 per cent per annum) on the unwithdrawn loan balance and a front-end fee of 0.25 per cent of the loan.	The loan will be repaid in 34 equal and consecutive semi-annual instalments of EUR 2,147,059 from 15th March 2024 through to 15th September 2028.	
C. WATER															
6	Water, Sanitation and Hygiene Program	To increase sustainable access to improved water and sanitation services, eliminate open defecation, and improve the financial performance of water service providers in selected Counties, including Refugee Hosting Counties.	International Development Association	GOKE	187,600,000.00	26,523,394,320.00	141.38	EUR	30th February 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 1.25 percent per annum plus the float. Adjustment and the service charge is 0.75 percent per annum plus the float adjustment on the withdrawn credit balance. The commitment charge rate is 0.25 per cent per annum on the unwithdrawn financing balance.	The loan will be repaid in 40 equal semi-annual repayments of EUR 1,095,400 from 15th April 2024 through to 15th October 2028 and 10 equal semi-annual instalments of EUR 6,378,400 from 15th April 2029 through to 15th October 2033.	
D. AGRICULTURE															
7	Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE) Phase I, Kisumu County, Kenya	To finance the project of Kabonyo fisheries and aquaculture service and training centre of excellence (KFASTCE) phase I.	FNIM Bank Hungary	GOKE	9,997,000.00	1,311,342,359.20	131.21	USD	27th March 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 0 percent.	The loan will be repaid in 28 semi-annual equal instalments of USD 357,035.71 from 27th September 2026 through to 27th March 2026.	
8	Rehabilitation and Upgrading of Pumping Station in Aburo Irrigation Scheme, Kisumu County, Kenya	To finance the project of rehabilitation and upgrading of pumping station in Aburo irrigation scheme.	FNIM Bank Hungary	GOKE	3,000,000.00	656,668,000.00	131.21	USD	27th March 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 0 percent.	The loan will be repaid in 28 semi-annual equal instalments of USD 178,571.43 from 27th September 2026 through to 27th March 2026.	
E. GOVERNANCE															
9	Second Kenya Devolution Support Program	To strengthen County performance in the financing, management, coordination, and accountability for resources.	International Development Association	GOKE	140,700,000.00	19,892,545,890.00	141.38	EUR	2nd February 2024	Not Disbursed	Not Disbursed	Nil	The interest rate of the loan is 1.25 percent per annum plus the float. Adjustment and the service charge is 0.75 percent per annum plus the float adjustment on the withdrawn credit balance. The commitment charge rate is 0.25 per cent per annum on the unwithdrawn financing balance.	The loan will be repaid in 40 equal semi-annual repayments of EUR 2,321,550 from 15th March 2024 through to 15th September 2028 and 10 equal semi-annual instalments of EUR 4,783,800 from 15th April 2029 through to 15th October 2033.	
Total															
							103,765,148,033.44								
Exchange rate as at 15th May, 2024															