



The National Treasury and Economic Planning

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY
GOVERNMENT OF KENYA FROM 1ST MAY 2024 TO 31ST AUGUST 2024

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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST MAY 2024 TO 31ST AUGUST 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 May 2024 to 31st August 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 eleven (11) new loans contracted between Government of Kenya and, multilateral and bilateral creditors. Seven of the loans are from multilateral lenders and four from bilateral lenders. The total value of the 11 new loans signed is equivalent to Kshs. 258,408,080,602. Two of the loans had disbursed by the time of submitting this report. The loans are as follows:

1. Building Resilient and Responsive Health Systems Project

i. The parties to the loan

The loan was signed on 3rd May 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 144,500,000 approximately equivalent to Kshs. 20,624,658,400 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 2,384,250 from 15th August 2029 through to 15th February 2049 and 10 equal semi-annual instalments of EUR

4,913,000 from 15th August 2049 through to 15th February 2054. 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 improve utilization and quality of primary healthcare services and strengthen institutional capacity for service delivery.

2. First Kenya Fiscal Sustainability and Resilient Growth Development Policy Operation

i. The parties to the loan

The loan was signed on 4th June 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 278,200,000 approximately equivalent to Kshs. 39,707,819,840 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 4,590,300 from 15th October 2029 through to 15th April 2049 and 10 equal semi-annual instalments of EUR 9,458,800 from 15th October 2049 through to 15th April 2054. 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 promote efficiency, transparency, and equity of public finance; Foster more competitive and inclusive product and labor markets; and strengthen climate action.

3. Kenya Green and Resilient Expansion of Energy (Green) Program Phase 2 Project

i. The parties to the loan

The loan was signed on 14th March 2024 between the International Bank for Reconstruction and Development and 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 45,000,000 approximately equivalent to Kshs. 5,813,370,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 20 equal semi-annual repayments of USD 450,000 from 15th March 2029 through to 15th September 2038 and 40 equal semi-annual instalments of USD 900,000 from 15th March 2039 through to 15th September 2058. The interest rate of the loan is 0 percent per annum and the service charge is 0.25 percent per annum on the withdrawn GCF loan 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 the capacity of Kenya power system for energy trade and renewable energy integration.

4. Kenya Green and resilient Expansion of Energy (Green) Program Phase 2 Project

i. The parties to the loan

The loan was signed on 14th March 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. 20,082,279,840 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 the capacity of Kenya power system for energy trade and renewable energy integration.

5. First Kenya Fiscal Sustainability and Resilient Growth Development Policy Operation

i. The parties to the loan

The loan was signed on 4th June 2024 between the International Bank for Reconstruction and Development 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 850,000,000 approximately equivalent to Kshs. 109,808,100,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 26 equal instalments of USD 31,450,000 from 15th October 2032 through to 15th April 2045 and 1 instalment of USD 32,300,000 on 15th October 2045. The interest rate of the loan is reference rate plus the variable spread. The commitment charge rate is 0.25 per cent per annum on the unwithdrawn loan balance and a front-end of 0.25 per cent of the loan amount.

iv. The purpose for the loan

To promote efficiency, transparency, and equity of public finance; Foster more competitive and inclusive product and labor markets; and strengthen climate action.

6. Transmission Network Improvement Project

i. The parties to the loan

The loan was signed on 8th April 2024 between African Development Bank and African Development Fund 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 57,000,000 approximately equivalent to Kshs. 7,363,602,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 20 equal instalments of USD 2,850,000 from 15th October 2028 through to 15th April 2038. The interest rate of the loan is 0.3 percent per annum on the disbursed loan balance and a non-refundable administered loan charge of 0.1 per cent per annum on the loan.

iv. The purpose for the loan

To increase reliability and efficiency of green electricity supply by augmenting high voltage transmission network power transfer capacity.

7. Transmission Network Improvement Project

i. The parties to the loan

The loan was signed on 8th April 2024 between the African Development Bank 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 54,300,000 approximately equivalent to Kshs. 7,750,304,160 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 30 equal instalments of USD 1,810,000 from 15th October 2028 through to 15th April 2043. The interest rate of the loan shall be at a percentage rate per annum equal to the sum of the floating base rate, funding cost margin, lending margin, and maturity premium of zero basis points per annum and a non-refundable front-end fee of 0.25 per cent per annum on the loan amount. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance.

iv. The purpose for the loan

To increase reliability and efficiency of green electricity supply by augmenting high voltage transmission network power transfer capacity.

8. Kenya Konza Smart Digital Media City Development Project

i. The parties to the loan

The loan was signed on 3rd June 2024 between the EXIM Bank of Korea 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 107,731,000 approximately equivalent to Kshs. 13,917,336,966 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 30 semi-annual equal instalments of USD 3,591,033.33 from 3rd August 2029 through to 3rd February 2044. The interest rate of the loan is 1.8 percent per annum and a management fee of 0.4 percent of the aggregate amount of the loan.

iv. The purpose for the loan

To purchase of goods and services required for the implementation of the Project.

9. Kenya Konza Smart Digital Media City Development Project

i. The parties to the loan

The loan was signed on 3rd June 2024 between the EXIM Bank of Korea 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 129,992,000 approximately equivalent to Kshs. 16,793,146,512 and will be repaid in Korean Won.

iii. The terms and conditions of the loan

The loan will be repaid in 60 semi-annual instalments of Korean Won 2,907,682,721.33 from 22nd October 2029 through to 22nd April 2059. The interest rate of the loan is 0.05 percent per annum of the disbursed and outstanding and a service charge of 0.1 percent of the amount of each disbursement.

iv. The purpose for the loan

To purchase of goods and services required for the implementation of the Project.

10. Spyder Air Defence System

i. The parties to the loan

The loan was signed on 20th May 2024 between the Bank Leumi Le-Israel B.M. 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 23,134,448 approximately equivalent to Kshs. 3,302,007,524 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 12 equal and consecutive semi-annual instalments of EUR 1,927,870.67 from 1st November 2025 through to 1st May 2031. The interest rate of the loan is EURIBOR plus a margin of 2.72 percent per annum of the disbursed and outstanding amount and a management fee of 0.45 percent of the total commitments. The commitment charge rate is 0.5 per cent per annum on the lender's available commitments.

iv. The purpose for the loan

To finance 100 percent of the risk mitigation instrument fee and the payment by the importer to the exporter pursuant to the project contract of an amount equal to the down payment.

11. Spyder Air Defence System

i. The parties to the loan

The loan was signed on 20th May 2024 between the Bank Leumi Le-Israel B.M. 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 92,800,000 approximately equivalent to Kshs. 13,245,455,360 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 19 equal and consecutive semi-annual instalments of EUR 4,884,210.53 from 20th September 2026 through to 20th September 2035. The interest rate of the loan is EURIBOR plus a margin of 2.30 percent per annum of the disbursed and

outstanding amount and a management fee of 0.45 percent of the total commitments. The commitment charge rate is 0.5 per cent per annum on the lender's available commitments.

iv. The purpose for the loan

To finance 100 percent of the ASHRA premium and the payment by the importer to the exporter pursuant to the project contract of up to 80 percent of the project contract amount.

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM JANUARY 2024 TO DECEMBER 2024

No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate (Loan Currency)	Currency of Payment	Agreement Date	Naturity Date	Disbursement during period (in Ksh)	Disbursement during period (in USD)	Outstanding amount as at August, 2024	Grace period	Interest rate	Terms of repayment
A. FINANCE																
1	First Kenya Rural Electrification and Development Growth Investment Facility Operation	To promote efficiency, transparency, and equity of the electricity market, and to support the private sector in the electricity market.	International Development Association	GOKE	278,200,000.00	39,267,819,840.00	142.73	EUR	4th June 2024	15th April 2024	278,200,000.00	39,267,819,840.00	39,267,819,840.00	4.5 years	The interest rate of the loan is 125 percent per annum plus the Basis Adjustment on the withdrawn credit balance. The commitment charge rate is 0.25 percent per annum on the undrawn credit balance.	The loan will be repaid in 20 equal semi-annual repayments of EUR 4,500,000 from 15th October 2029 through to 15th April 2049 and 10 equal semi-annual installments of EUR 9,449,000 from 15th October 2049 through to 15th April 2054.
2	First Kenya Rural Electrification and Development Growth Investment Facility Operation	To promote efficiency, transparency, and equity of the electricity market, and to support the private sector in the electricity market.	International Development Association	GOKE	850,000,000.00	109,008,100,000.00	129.19	USD	4th June 2024	15th October 2025	842,875,000.00	109,033,579,250.00	109,033,579,250.00	7.5 years	The interest rate of the loan is the reference rate plus the variable spread. The commitment charge rate is 0.25 percent per annum on the undrawn loan balance and 0.5 percent per annum on the drawn amount.	The loan will be repaid in 20 equal installments of USD 21,450,000 from 15th October 2032 through to 15th April 2045 and 1 installment of USD 12,350,000 on 15th October 2045.
B. ENERGY																
3	Kenya Green Hub Incident Response Program Phase 2 Project	To increase the capacity of Kenya power system for energy trade and renewable energy integration	International Bank for Reconstruction and Development - Association	GOKE	45,000,000.00	5,813,270,000.00	129.19	USD	16th March 2024	15th September 2028	Not Disbursed	Not Disbursed	Nil	4.5 years	The interest rate of the loan is 0.25 percent per annum and the service charge is 0.25 percent per annum on the undrawn amount and 0.5 percent per annum on the drawn amount.	The loan will be repaid in 20 equal semi-annual repayments of USD 450,000 from 15th March 2029 through to 15th September 2038.
4	Kenya Green Hub Incident Response Program Phase 2 Project	To increase the capacity of Kenya power system for energy trade and renewable energy integration	International Development Association	GOKE	140,200,000.00	20,042,229,840.00	142.73	EUR	16th March 2024	15th September 2023	Not Disbursed	Not Disbursed	Nil	4.5 years	The interest rate of the loan is 125 percent per annum plus the Basis Adjustment on the withdrawn credit balance. The commitment charge rate is 0.25 percent per annum on the undrawn credit balance.	The loan will be repaid in 20 equal semi-annual repayments of EUR 2,324,550 from 15th March 2029 through to 15th September 2038 and 10 equal semi-annual installments of EUR 4,791,800 from 15th March 2039 through to 15th September 2043.
5	Transmission Network Improvement Project	To increase reliability and efficiency of green electricity supply by augmenting high voltage transmission network, power transfer capacity	African Development Bank and African Development Fund	GOKE	57,000,000.00	7,561,602,000.00	129.19	USD	8th April 2024	15th April 2028	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate of the loan is 0.3 percent per annum on the undrawn loan balance and non-refundable administered loan charge of 0.1 percent per annum on the loan.	The loan will be repaid in 20 equal installments of USD 2,800,000 from 15th October 2038 through to 15th April 2043.
6	Transmission Network Improvement Project	To increase reliability and efficiency of green electricity supply by augmenting high voltage transmission network power transfer capacity	African Development Bank	GOKE	54,300,000.00	7,276,084,160.00	142.73	EUR	8th April 2024	15th April 2043	Not Disbursed	Not Disbursed	Nil	5.4 years	The interest rate of the loan shall be at a percentage per annum equal to the reference rate plus the variable spread, the commitment charge rate, and maturity premium of zero basis points per annum and a non-refundable administered loan charge of 0.25 percent per annum on the loan. The commitment charge rate is 0.25 percent per annum on the undrawn loan balance.	The loan will be repaid in 19 equal installments of USD 1,810,000 from 15th October 2028 through to 15th April 2043.
C. HEALTH																
7	Building Resilient and Responsive Health System Project	To improve utilization and quality of primary healthcare services and strengthen institutional capacity for service delivery	International Development Association	GOKE	144,500,000.00	20,024,658,400.00	142.73	EUR	3rd July 2024	15th February 2024	Not Disbursed	Not Disbursed	Nil	4.9 years	The interest rate of the loan is 125 percent per annum plus the Basis Adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 percent per annum on the undrawn loan balance.	The loan will be repaid in 19 equal semi-annual repayments of EUR 2,342,500 from 15th August 2029 through to 15th February 2049 and 10 equal semi-annual installments of EUR 4,699,000 from 15th August 2049 through to 15th February 2054.
D. COMMUNICATIONS AND DIGITAL																
8	Kenya Kenya Digital Health System Development Project	To purchase of goods and services required for the implementation of the Project	FINIX Bank of Kenya	GOKE	10,721,000.00	13,912,336,960.00	129.19	USD	3rd June 2024	3rd February 2024	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate of the loan is 18 percent per annum and the management fee is 0.5 percent of the aggregate amount of the loan.	The loan will be repaid in 19 semi-annual equal installments of USD 1,591,013.33 from 7th August 2029 through to 7th February 2044.
9	Kenya Kenya Digital Health System Development Project	To purchase of goods and services required for the implementation of the Project	FINIX Bank of Kenya	GOKE	129,922,000.00	16,791,146,812.00	129.19	USD	3rd June 2024	22nd April 2025	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate of the loan is 0.05 percent per annum of the disbursed and outstanding amount and a service charge of 0.1 percent per annum on the amount of each disbursement.	The loan will be repaid in 09 semi-annual installments of Korean Won 2,997,682,713.33 from 22nd October 2029 through to 22nd April 2039.
E. DEFENCE																
10	Special Air Defence System	To finance 100 percent of the risk mitigation expenses pursuant to the project contract of an amount equal to the down payment.	Bank Comiti Le-fond B.M.	GOKE	23,134,448.00	3,392,097,524.38	142.73	EUR	20th May 2024	1st May 2021	Not Disbursed	Not Disbursed	Nil	1 years	The interest rate of the loan is EURIBOR plus a margin of 2.25 percent per annum on the undrawn amount and a management fee of 0.4 percent of the total commitment. The commitment charge rate is 0.5 percent of the lender's available commitments.	The loan will be repaid in 12 equal and consecutive semi-annual installments of EUR 1,916,662.50 from 1st November 2023 through to 1st May 2024.
11	Special Air Defence System	To finance 100 percent of the MSIRA premium and expenses pursuant to the project contract of an amount equal to 80 percent of the project contract amount.	Bank Comiti Le-fond B.M.	GOKE	92,800,000.00	13,245,445,250.00	142.73	EUR	20th May 2024	20th October 2025	Not Disbursed	Not Disbursed	Nil	2 years	The interest rate of the loan is EURIBOR plus a margin of 2.25 percent per annum on the undrawn amount and a management fee of 0.4 percent of the total commitment. The commitment charge rate is 0.5 percent of the lender's available commitments.	The loan will be repaid in 09 equal and consecutive semi-annual installments of EUR 1,260,000.00 from 20th September 2026 through to 20th September 2028.
Total					755,000,000.00	102,241,199,598.00					102,241,199,598.00	102,241,199,598.00				
Prepared by: Kenya Revenue Authority, Nairobi, Kenya, 15th September, 2024.																

