



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

PRESS STATEMENT

FOR IMMEDIATE RELEASE

**REBUTTAL TO CONTROLLER OF BUDGET'S STATEMENT ALLEGING HIGH
INTEREST RATES ON IMF AND WORLD BANK LOAN FACILITIES**

The National Treasury strongly refutes the recent claims reported in a section of the media today and attributed to the Controller of Budget regarding the interest rates on loans extended to Kenya by the International Monetary Fund (IMF) and World Bank. The Controller's assertions, suggesting exorbitant interest rates of **14.5 percent**, are not only sensational but also inaccurate. Such misleading statements risk causing confusion among Kenyans and straining our relationships with valuable development partners and foreign investors.

Contrary to the Controller's remarks, Kenya does not hold any loans from the IMF or World Bank with interest rates as high as **14.5 percent**. A cursory examination of both multilaterals' official websites clearly reveals that their lending products range from 0 percent to a maximum of approximately **6.74 percent [SOFR + 1.44]**.

Presently, Kenya's outstanding debt to the IMF amounts to US\$2.68 billion, attracting interest rates ranging from **0 to 6.07 percent per annum**. Similarly, debt owed to the World Bank under the concessional IDA Window totals **US\$11.3 billion**, with interest rates varying between **0.35 and 1.39 percent per annum**. Additionally, debts under the non-concessional IBRD window stand at **US\$1.0 billion**, with interest rates ranging from **2.19 to 6.74 percent per annum**.

For transparency, a comprehensive list of loan products offered by the IMF is publicly accessible on their website: <https://www.imf.org/en/About/Factsheets/IMF-Lending>.

Furthermore, the World Bank provides detailed information on two financial packages: concessional facilities through the International Development Association (IDA) loans, available at <https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees>, and non-concessional facilities through the International Bank of Reconstruction and Development, accessible at <https://treasury.worldbank.org/en/about/unit/treasury/ibrd-financial-products/lending-rates-and-fees>.

It's important to note that the Controller of Budget has access to all loan contracts and underlying documentation maintained in the Public Debt Management Office. These documents, along with payment details, loan registers, and statements, undergo annual audits by the Office of the Auditor General. Moreover, the utilization of loan proceeds and other public funds is subject to rigorous scrutiny by the Office of the Auditor General, with reports submitted annually to Parliament.

We urge the Controller of Budget to disseminate factual information to the public to uphold the integrity of the Constitutional Office.



Njuguna Ndung'u, CBS

CABINET SECRETARY

23 February 2024