



# REPORT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1<sup>ST</sup> JULY TO 31<sup>ST</sup> OCTOBER, 2017

*Paper laid  
Wednesday  
6/12/2017  
MJB*

## a) Introduction

The Public Finance Management Act section 31(1) and (3), requires the cabinet secretary, National Treasury to submit to Parliament, every four months, a report on all new loans made to national governments, national government entities and county governments from outside Kenya or denominated in foreign currency.

This report covers the new loans contracted for the period from 1st July to 31<sup>st</sup> October, 2017, with information on loan amounts in the original currencies and the equivalent in Kenya shillings, perceived benefits and the repayment terms of the loan.

## b) Number of loans signed

The report contains a total of 20 newly contracted loans from bilateral, multilateral and commercial sources.

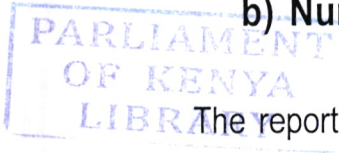
## c) Disbursed amounts

The total value of the 20 newly signed loans are equivalent to Ksh 361.81 billion out of which, Ksh 10.78 billion from the commercial creditor (Eastern & Southern Development Bank) has been disbursed.

## d) Use of Proceeds

The proceeds from all the financial facilities are expected to finance development projects mainly in the water and sanitation, energy and education sectors.

See the attached list of the new loans signed



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No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Loan Currency	Currency of payment	Agreement Date	Maturity Date	Balance b/f from June 2016	Disbursement during the period(Foreign currency)	Disbursement during the period in (Ksh)	Outstanding amount as at November, 2017	Terms of the Loan		
															Grace period	Interest rate p.a(%)	Repayment
<b>A. Irrigated water and water supply</b>																	
1	Ruiru II-Commercial Facility	To increase availability and productivity of irrigated water	Deutsche Bank, France	GOKE	105,417,579	12,752,332,933	EUR	EUR	14/06/2017	15/06/2024	Nil	Not Disbursed	Not Disbursed	Nil	3	Euribor + 3%	64 Equal Repayments of XDR 27,400,000.00 starting 15/08/2023
2	Ruiru II -BPIAE Facility	To increase availability and productivity of irrigated water Enhance supply of clean water	Deutsche Bank, France	GOKE	27,633,375	3,342,801,084	EUR	EUR	14/05/2017	15/12/2028	Nil	Not Disbursed	Not Disbursed	Nil	3	Euribor + 1.6%	28 Equal Repayments of EUR 174,910,500.00 starting 15/08/2026, 12 Equal Repayments of EUR 73,189,500.00 starting 15/02/2041
3	Rwabura Irrigation Development Project	To increase availability and productivity of irrigated water Enhance supply of clean water	ICO(Spain)	GOKE	6,825,738	825,707,493	EUR	EUR	18/07/2017	18/07/2038	Nil	Not Disbursed	Not Disbursed	Nil	8	1.04	28 Equal Repayments of EUR 6,825,738.12 starting 18/01/2025
4	Mavoko Drinking Water	To increase availability and productivity of irrigated water Enhance supply of clean water	Belfius BANK, BELGIUM	GOKE	8,176,233	989,076,446	EUR	EUR	23/05/2017	02/01/2033	Nil	Not Disbursed	Not Disbursed	Nil	3	Nil	27 Equal Repayments of EUR 8,176,232.94 starting 02/01/2020
5	Homabay Cluster Water Supply Project	To increase availability and productivity of irrigated water Enhance supply of clean water	KBC Bank, Belgium	GOKE	8,174,912	988,916,594.10	EUR	EUR	18/07/2017	18/07/2033	Nil	Not Disbursed	Not Disbursed	Nil	4	3m Libor + 3%	26 Equal Repayments of EUR 8,174,911.52 starting 18/01/2021
6	Ithanga Water Supply Project - Phase II		KBC Bank, Belgium	GOKE	9,189,451	1,111,645,071	EUR	EUR	09/10/2017	20/08/2032	Nil	Not Disbursed	Not Disbursed	Nil	2	Libor + 1.4%	26 Equal Repayments of EUR 9,189,450.51 starting 20/02/2020
<b>B. Energy</b>																	
7	Kenya Power Transmission Improvement	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	Exim China	GOKE	319,827,810	33,232,412,219	USD	USD	16/05/2017	21/01/2033	Nil	Not Disbursed	Not Disbursed	Nil	4	Libor + 3%	24 Equal Repayments of USD 319,827,810.00 starting 21/07/2021
8	Kamburu- Embu - Kibirigwi - Thika - 220KV Transmission Line & Associated 220/132KV Substation Works and 132/66KV Substations	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	Exim China	GOKE	90,286,383	9,381,405,296	USD	USD	01/08/2017	21/07/2031	Nil	Not Disbursed	Not Disbursed	Nil	2	Libor + 3%	24 Equal Repayments of USD 90,286,383.39 starting 21/01/2020
9	Off Grid Solar Access Project For Underserved Counties	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	IDA	GOKE	133,800,000	16,185,745,860	EUR	EUR	05/09/2017	06/06/2027	Nil	Not Disbursed	Not Disbursed	Nil	6	Euribor +3.0%	30 equal repayments totaling EUR 90,000,000.00 starting 27/09/2022

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10	Kenya Nairobi Underground Electric Power Distribution Network in Kilimani, Hurlingham, Ngong Road, State House and Lavington	Improve stability of electricity supply Diversify and increase electricity production and lower the electricity and hence the cost of doing business	Exim China	GOKE	1,200,000,000	18,458,160,000	CNY	CNY	15/05/2017	21/09/2036	Nil	Not Disbursed	Not Disbursed	Nil	7	26 Equal Repayments of CNY 1,200,000,000.00 starting 21/03/2024	
11	Kenya Nairobi Underground Electric Power Distribution Network in Kileleshwa, Westlands, Parklands, Ngara and Riverside Area Project	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	Exim China	GOKE	685,000,000	10,536,533,000	CNY	CNY	15/05/2017	21/09/2036	Nil	Not Disbursed	Not Disbursed	Nil	7	26 Equal Repayments of CNY 685,000,000.00 starting 21/03/2024	
12	Kenya Power Transmission Improvement Project	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	Exim China	GOKE	319,827,810	33,232,412,219	USD	USD	16/05/2017	21/07/2031	Nil	Not Disbursed	Not Disbursed	Nil	3	Libor +3% 24 Equal Repayments of USD 319,827,810.00 starting 21/01/2020	
13	Olkaria I Geothermal (unit 6) and Olkaria I & IV Geothermal Extension Project	Improve stability of electricity supply Lower cost of electricity transmission and hence the cost of doing business	EIB	GOKE	72,000,000	8,709,818,400	EUR	EUR	28/08/2017	15/11/2036	Nil	Not Disbursed	Not Disbursed	Nil	4	Libor +0.5% 32 Equal Repayments of EUR 72,000,000.00 starting 15/05/2021	
<b>C. Education</b>																	
14	Kenya Secondary Education Quality Improvement Project	Improve the quality of education offered in secondary schools	IDA	GOKE	175,500,000	21,230,182,350	EUR	EUR	27/09/2017	15/05/2047	Nil	Not Disbursed	Not Disbursed	Nil	5	0.75 40 Equal Repayments of EUR 115,830,000.00 starting 15/11/2022, 10 Equal Repayments of EUR 59,670,000.00 starting 15/11/2042	
<b>D. Others and commercial loans</b>																	
15	Konza Techno City Project	infrastructure development	Unicredit SPA, Italy	GOKE	441,404,103	53,396,521,859	EUR	EUR	14/06/2017	15/12/2030	Nil	Not Disbursed	Not Disbursed	Nil	3	Euribor +1.8% 20 Equal Repayments of EUR 376,783,737.00 starting 16/05/2021, 6 Equal Repayments of EUR 64,620,365.38 starting 15/06/2020	
16	Additional Financing For the Infrastructure Finance & Public Private Partnership Project IDA	Budget support for the funding of infrastructure development	IDA	GOKE	46,900,000	5,673,478,930	EUR	EUR	07/08/2017	15/05/2047	Nil	Not Disbursed	Not Disbursed	Nil	5	1.46 40 Equal Repayments of EUR 30,954,000.00 starting 15/05/2022, 10 Equal Repayments of EUR 15,946,000.00 starting 15/11/2042	
17	Kenya National Wide Remote Sensing Airborne Geophysical Survey Project	Budget support for the funding of infrastructure development	Exim China	GOKE	438,000,000	6,737,228,400	CNY	CNY	31/08/2017	21/09/2036	Nil	Not Disbursed	Not Disbursed	Nil	7	26 Equal Repayments of CNY 438,000,000.00 starting 21/03/2024	

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18	Program to Strengthen Governance for Enabling Service Delivery & Public Investment In Kenya	Ensure efficient service delivery	IDA	GOKE	131,600,000	15,919,612,520	EUR	EUR	27/09/2017	15/03/2047	Nil	Not Disbursed	Not Disbursed	Nil	5	0.75	40 Equal Repayments of EUR 86,856,000.00 starting 15/09/2022, 10 Equal Repayments of EUR 44,744,000.00 starting 15/09/2042
19	Kenya Urban Support Program	Budget support for the funding of infrastructure development	IDA	GOKE	300,000,000	31,172,160,000	USD	USD	14/09/2017	15/02/2047	Nil	Not Disbursed	Not Disbursed	Nil	5	4.92	
20	TDB US\$ 750 Million Refinancing Facility	Budget support	Eastern & Southern Development Bank	GOKE	750,000,000	77,930,400,000	USD	USD	05/10/2017	10/10/2025	Nil	103,750,000	10,780,372,000	103,750,000	6	Libor + 6.7%	64 equal repayments totaling XDR 73,900,000.00 starting 15/08/2023
<b>Total</b>						<b>361,806,550,675</b>											

Source: The National Treasury, November 2017

Note: Libor means London Interbank offered Rate and Euribor means Euro Libor

EURIBOR means Euro Interbank Offered Rate

IDA is International Development Association