



REPUBLIC OF KENYA  
THE NATIONAL TREASURY & PLANNING

**PRESS STATEMENT**

Wednesday, 23<sup>rd</sup> June, 2021.

**KENYA'S PROGRESS ON IMF-SUPPORTED REFORMS**  
**Outcome of the First Review of the 38-Month Programme Awaited**

The National Treasury and Planning wishes to confirm that its first review under the 38-month International Monetary Fund (IMF) programme is about to be completed. We expect the review to be successful given the progress we have made towards the goals we had set for ourselves under the programme.

The review weighed the Government's performance against the agreed objectives of the economic reforms, and noted the following in relation to the Government's performance:

*Fiscal Reforms*

- the **primary balance** target for end-March 2021 was achieved by a comfortable margin, alongside all targets related to **debt guarantees** as well as the Central Bank of Kenya's **net international reserves**.
- the targets on **tax revenue**, **social spending** and **outstanding exchequer requests** were generally met except by a marginal under-performance of 0.3 percent of GDP, primarily attributable to COVID-19 pandemic effects among other factors.

*Structural Reforms*

- the efforts to **increase transparency**, **reinvigorate anti-corruption measures** and strengthen **public accountability in procurement** processes are bearing fruit with the publication of a comprehensive audit of COVID-19-related expenditures.
- the completion of the **in-depth financial evaluation of 18 state-owned enterprises (SOEs)**, with the largest fiscal risk was completed by the end of May, 2021, and will inform the reform of these enterprises so as to minimize risks emanating from them.



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The Government will contain growth in spending while maintaining reasonable revenue-raising efforts in-order to reduce debt-related vulnerabilities while securing resources to support priority social spending and overall growth. The scaling up of the ongoing vaccination programme will be critical in managing risks to growth and securing economic recovery. These are all reflected in the Budget submitted to Parliament for the FY 2021/22, which is also consistent with the programmed deficit targets.

The outcome of the review is imminent and expected once the Executive Board of the IMF meets on 23<sup>rd</sup> June, 2021 to consider the report arising from the first review.

If approved, it will trigger the release of approximately **USD 410 million** in funding to support our policy priorities. This will be a further testament to the confidence the IMF has in Kenya's economic policies and reform agenda.

A handwritten signature in black ink, appearing to be 'Ukur Yatani', written over a horizontal line.

**Hon. (Amb.) Ukur Yatani, EGH**  
**Cabinet Secretary for the National Treasury & Planning**

NAIROBI, 23<sup>rd</sup> June 2021.

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