



## International Monetary Fund

### **IMF Executive Board Completes Sixth and Final Review Under the ECF Arrangement for Kenya and Approves US\$110.2 Million Disbursement**

Press Release No. 13/484

December 2, 2013

The Executive Board of the International Monetary Fund (IMF) today completed the sixth and final review of Kenya's economic program supported by a three-year arrangement under the Extended Credit Facility (ECF). The completion of the review enables the immediate disbursement of an amount equivalent to SDR 71.921 million (about US\$110.2 million), which will bring total disbursements to the full arrangement amount of SDR 488.52 million (about US\$748.4 million).

The Executive Board approved the Extended Credit Facility program for Kenya on January 31, 2011 (See [Press release No. 11/22](#)), which was augmented on December 9, 2011, for a total of SDR 488.52 million (180 percent of quota).

At the conclusion of the discussion on Kenya, Mr. Naoyuki Shinohara, Deputy Managing Director and Acting Chair issued the following statement:

"Kenya's macroeconomic conditions have continued to improve in the wake of far-reaching reforms supported by the Fund's Extended Credit Facility. The external and fiscal positions are now stronger, high inflation has been tamed, and the economy's resilience to shocks has been boosted. Improved policies have placed Kenya in a good position to tap the international financial markets. Strong domestic activity is expected in 2013/14.

"The authorities have demonstrated a strong commitment to fiscal discipline. Provided that devolution proceeds in an orderly manner, their medium-term fiscal plans give assurance that prudent policymaking will continue in the period ahead.

"The Central Bank of Kenya has gained credibility by maintaining inflation within its target for twelve consecutive months. A tighter monetary stance following the VAT-related spike in headline inflation in September has been key to keeping inflation expectations at low levels.

"Strong policy ownership has allowed the authorities to respect all the structural benchmarks under the program. Kenya has made significant inroads with reforms of its expenditure and tax systems, as well as of business and financial regulatory frameworks. Recent legislation on value added taxes will help mobilize revenue and strengthen the

“Although Kenya’s economic outlook is favorable, both external and domestic risks persist. Continued engagement with the Fund could help the authorities manage these risks.”

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