

**EXECUTIVE  
BOARD  
MEETING**

EBS/21/52  
Supplement 1

June 16, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Kenya—First Reviews of the Extended Arrangement Under the Extended Fund Facility and an Arrangement Under the Extended Credit Facility and Requests for Modifications of Performance Criteria and Structural Conditionality—Supplementary Information**

Board Action:	Executive Directors' <b>consideration</b> (Formal)
Tentative Board Date:	<b>Wednesday, June 23, 2021</b>
Publication:	Yes*
Questions:	Ms. Goodman, AFR (ext. 39337) Mr. Crispolti, AFR (ext. 36982) Ms. Jack, AFR (ext. 36293)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	After Board Consideration—African Development Bank, Common Market for Eastern and Southern Africa, World Trade Organization

\*The authorities have indicated that they consent to the Fund's publication of this paper.





# KENYA

June 16, 2021

## FIRST REVIEWS OF THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND AN ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY AND REQUESTS FOR MODIFICATIONS OF PERFORMANCE CRITERIA AND STRUCTURAL CONDITIONALITY - SUPPLEMENTARY INFORMATION

Approved By

**Annalisa Fedelino (AFR)**  
and **Martin Kaufman (SPR)**

Prepared By:

The African Department

**1. Staff has received new information from the Kenyan authorities after the staff report for the first reviews of the EFF/ECF Fund-supported arrangements was issued to the Board.** The information received does not change the thrust of the staff appraisal.

### ***Outturn of Priority Social Spending at end-March 2021***

**2. The Kenyan authorities have provided revised information on the execution of priority social spending through end-March 2021, which totaled KSh.284.8 billion.** The new data primarily reflect availability of information on expenditure returns (as opposed to Exchequer requests which are available early on) for payments of wages in the education and health sectors as well as transfers to the elderly.

**3. Based on the new information, the end-March 2021 IT on priority social spending was missed by about KSh.8 billion rather than KSh.3 billion as reported in Table 1 of the MEFP.** The data revision does not change staff's assessment about the non-observance of the IT by a small margin (revised amount is equivalent to 0.07 percent of GDP) due to delays in releasing Exchequer resources.