

KENYA



Population: 33,829,590

Life expectancy at birth: 45 years

HIV/AIDS - adult prevalence rate: 6.7%

People living with HIV/AIDS: 1.2 million

Adult Literacy Rate: 74%

Population living below the poverty line: 50%

Unemployment rate: 40%

Infant mortality rate: 79 deaths/1,000 births

Child Malnutrition: 20% under the age of 5

Sources: CIA World Fact Book, Kenya at a Glance (World Bank 9/9/05)

Debt Sustainability and Odious Debt

Kenya is not part of HIPC as its nearly US \$7 billion external debt is deemed “sustainable” under HIPC debt sustainability criteria that compare external debt to exports. However, Kenya also suffers from a large internal debt stock which is not taken into consideration when determining debt sustainability. Moreover, most of Kenya’s debt was accrued by the regime of Daniel Arap Moi with more than \$2 billion in loans from the IMF and WB during his 24 year rule. This support propped up the Moi regime and made it difficult for civil society actors to challenge corruption and repression in their country. Thus civil society groups have deemed much of Kenya’s debt to be odious.

Debt Servicing

The 2005/2006 budget has allocated some 22% of government expenditure (112 billion Kenyan Shillings) to debt servicing. This amount is equivalent to the budgets of six other Ministries - Health (30 billion), Roads (28 billion), Water (10 billion), Agriculture (8 billion), Transport (11 billion) and Finance (25 billion).¹

Status of Kenya’s Debt

Total External Debt: \$6.998 billion

World Bank: \$2.883 billion

IMF: \$103 million

Total Debt Service (2004): \$356 million

Debt Service: (% of budget) 22%

Source: Kenya at a Glance (World Bank 9/9/05)

¹ “Government of Kenya should declare official position on debt,” 19 July 2005, Njoki Githethwa (Co-ordinator, Kenya Debt Relief Network [KENDREN])