

Don't give us S2bn loan, Kenyans tell IMF

Written by Administrator

Sunday, 11 April 2021 11:56 - Last Updated Sunday, 11 April 2021 11:56

<https://www.thetimes.co.uk/article/dont-give-us-2bn-loan-kenyans-tell-imf-svbqf3d6l>

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Jane Flanagan 10/04/2021

A \$2.34 billion bailout for Kenya from the International Monetary Fund (IMF) has provoked anger among its citizens rather than relief.

Since the three-year package was disclosed, the IMF's social media sites have been peppered with complaints under the hashtag #StopGivingKenyaLoans. A petition demanding that the loan be cancelled has gathered a quarter of a million signatures in a few days.

The east African state is already struggling to pay off debts that are expected to peak next year at 73 per cent of GDP. President Kenyatta has admitted that every day \$18 million is lost from state coffers to corruption.

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The arrest of one of the ringleaders of the campaign against the further loan suggested that it was causing embarrassment. Edwin Mutemi Kiama appeared in court on cybercrime charges. He had published a poster featuring Kenyatta's image and a warning that the president should not be allowed to agree deals on behalf of the country since "future generations shall not be held liable for penalties or bad loans".

Joseph Irungu Gitonga, the state prosecutor, demanded that Kiama be held in custody for a fortnight. "The presidency is a symbol of unity and any attack on him — on the institution — is contemptuous," he said.

The government wanted the funds to cover a coronavirus vaccine rollout and ease the effects of its lockdown.

"Previous loans to the Kenyan government have not been prudently utilised and have often resulted in mega-corruption scandals," the online petition said. It also urged the IMF to do "the right thing: withhold the funds until the next, hopefully more accountable, government is elected next year".

In a post on the IMF Facebook page, Mwihaki Mwangi said that the loan would do more harm than good. "Stop lending money to the Kenyan government," he wrote. "It ends up in a few corrupt pockets. No change in living standards to the common citizens. We are becoming poorer and poorer. Heavy taxes levied on our meagre salaries. Reverse the loans."

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The government has made no comment on the campaign but confirmed an application for a \$750 million loan from the World Bank, which it hopes to receive this month.