



Date:06-01-14

Kenya is setting standards in the region –IMF Managing Director

By Kazungu Chai/James Mwambai

Mombasa, 6 Jan, 2013 (PSCU) –International Monetary Fund Managing Director Christine Lagarde has commended Kenya for setting economic standards in the region.

Speaking this evening at State House Mombasa during a dinner hosted in her honour by President Uhuru Kenyatta, Ms Lagarde said Kenya has undertaken ambitious programmes to accelerate economic growth and improve the lives of the citizens.

“These ambitious programmes are encouraging as examples to the rest of the world, particularly at a time when there are threats, turmoil and external potential shocks,” the IMF Managing Director said.

She cited the successful completion of the extended credit facility that was put in place three years ago and the monetary policies implemented by the Kenya Government that have helped tame inflation and built on accumulated resource reserves.

The IMF director said the Jubilee Government has also effectively delivered on the reform programme and the pledges it made to the people of Kenya.

President Kenyatta said time has come to shift gear and focus on partnerships that will propel Kenya beyond a “frontier economy” to a truly middle-income country.

He expressed confidence that with discipline, focus and commitment, the country will achieve the target of becoming a middle-income country in the next six years.

“My Government recognizes the importance of achieving durable broad-based growth,” he said.

He said his administration has embarked on boosting the competitiveness of the economy through investment in infrastructure, enhanced regional integration and targeted support for small and medium enterprises.

“We are focusing on improving the road network, expanding energy generation and distribution, and building modern rails and ports so as to create jobs and grow the economy,” he said.

The Head of State said Kenya aims to deepen its links with regional partners and is investing in and modernizing the agricultural sector through improved financing and irrigation.

To improve the lives of Kenyans, the President said the Government has taken steps to ensure well-equipped health facilities are accessible and healthcare workers are well-trained and motivated. He said systems are also being developed to support and expand healthcare and improve sanitation.

He disclosed that the Government will build on the free primary and secondary education policy. He said the quality of education will be improved and the link between education and employment enhanced via knowledge and technology.

Other priorities, the President said, include facilitating devolution, completing implementation of the Constitution by enacting the remaining legislation aimed at entrenching civil liberties, supporting county governments, enabling public participation in decision-making, ensuring diversity and gender balance, and enacting regulations to secure effective implementation of the public finance management.

He said the Government is also working to vanquish corruption and has taken steps to combat waste and inefficiency by reforming the procurement systems to enhance value for money.

“We believe that these actions will open up economic opportunities for a better future for all Kenyans,” President Kenyatta said.

The President lauded the strong partnership that exists between IMF and the Government, which is anchored on sound macroeconomic policy.

He cited the successful completion of the IMF’s Extended Credit Facility (ECF) programme, which was approved by the Executive Board two years ago as an example of beneficial partnership.

“This programme had strong ownership by the Government. It was very well designed and took into account the specific circumstances of our socio-economic and political realities. It was important for us that the programme supported our desire for growth that leaves no one behind,” the President said.

He said the positive results achieved under the Facility are a testimony that the IMF has come of age in the way it engages with member countries in designing and implementing programmes.

“Let me add that our enhanced partnership has not just been in programme support and technical assistance. In recent years, we have co-hosted regional and international conferences bringing together participants and officials from African countries, international experts and others to come to share experiences and learn from each other as we work together to grow the continent to become the mighty economic power that it deserves to be,” the President said.

He said his administration has also worked closely with other East African Community countries to make the region a single economic unit where people can trade, invest and travel freely. He said this approach is premised on the fact that Kenya’s sustained growth is partly reinforced by prosperity amongst its neighbours.

Noting that Kenya has almost exhausted the concessional window under the Poverty Reduction and Growth Trust, the President said the Government is looking for an arrangement that can blend these funds with the General Resources Account (GRA) to increase available resource to build an effective buffer.