



## Terms of Reference for an Okoa Uchumi documentary on the cost of IMF's Fiscal Consolidation program to social spending in Kenya

*August 2023 – November 2023*

### **About TISA and the Okoa Uchumi Campaign**

The Institute for Social Accountability (TISA) was launched in Nairobi in 2008 to promote citizen empowerment and government accountability, at a moment of promise, when Kenya was charting a path to constitutional reform. Since the adoption of Kenya's 2010 Constitution, TISA has sought to advance the Constitution's central tenet: transforming the way power in Kenya is distributed and managed, chiefly through the devolution of government power from the national to the county (sub-national) level. TISA's mission is to help Kenyans find their voice and agency to claim their rights to services; make the Kenyan government accountable for its duties and promises; and make the constitution a lived experience.

The Okoa Uchumi Campaign<sup>1</sup> is a civil society platform committed to working with stakeholders to redress Kenya's public debt crisis. The coalition seeks to push for political accountability and bolster constitutional safeguards in public debt management for debt sustainability through a balanced and equitable budget. It is a platform for coordination of civil society engagements in the public debt management processes that articulate the shared concerns, demands and proposed solutions around Kenya's Public debt management as well as influencing public discourse on public debt through media and other engagements.

### **Background of Assignment**

The secretary of National Treasury Dr. Kiptoo informed the Debt and privatization Committee that the gross public debt as of 30<sup>th</sup> March 2023 increased by Kshs. 488.1 billion to Kshs. 9.6 trillion, which is 66 percent of the Gross Domestic Product (GDP) in nominal terms; compared to Kshs. 9.1 trillion at 67 percent of GDP as of the end of December 2022. A study by Okoa Uchumi [\*Kenya Debt Crisis: Unpacking Fiscal Consolidation 2021\*](#), found that Kenya is increasingly getting into a debt trap due to persistent fiscal deficits driven by growth in foreign borrowing and expanding imports. The Kenya shilling has steadily depreciated against the dollar in the last one year. This presents a challenge to the economy in servicing of external

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<sup>1</sup> **Coalition Members:** Oxfam in Kenya, The Institute for Social Accountability, Institute for Public Finance, International Budget Partnership Kenya, Interreligious Council Kenya, Kenya Human Rights Commission, National Taxpayers Association Kenya, Okoa Mombasa, Transparency International Kenya, National Democratic Institute, Mzalendo, Crown Trust Kenya, Diakonia Sweden, Diocese of Lodwar, PAWA 254, Fight Inequality Kenya, Social Justice Centers, Kenya Tuitakayo Movement, ICJ – Kenya, Christian Aid Kenya, Katiba Institute, Tax Justice Network Africa, Access Coalition, Inuka Kenya, Amnesty International, Center for Fiscal Affairs, Center for Economic Governance, EACHRights, Econews Africa, East Africa Tax and Governance Network, Muslims for Human Rights, Kenya Tobacco Control Alliance, Twaweza Kenya, African Forum and Network on Debt and Development, Uraia Trust.

debts and importation of goods by businesses. Depreciation of the shilling has a direct impact on debt service since significant amount of external debt is denominated in foreign currencies, especially the dollar. A recent analysis by the Institute of Economic Affairs indicates that the repayment of 1US\$ loan by the end of March 2023 is 1.25 times what it was at the beginning of 2021.

The debt service charges constitute the single largest share of government expenditure. Computation of debt service charges as a share of the total government expenditure for financial 2021/2022, as presented in the 2022 Economic Survey by Kenya Bureau of Statistics<sup>2</sup> shows that debt repayments accounted for 32% of the expenditures, from 25% in 2019/2020 and 30% in 2020/2021.

### **Rationale for the assignment**

Debt repayments in the first nine months of FY2022/23 overtook the national government's recurrent expenditure. Kenya spent Sh815.35 billion on debt repayments between July 2022 and March 2023, up from Sh740.69 billion in the same period a year earlier.<sup>3</sup> In the fiscal year 2023/2024 the total expenditure on interest payment on domestic debt and foreign debt are expected to amount to Ksh. 628.3 billion and Ksh. 146.9 billion respectively. Further, the response to inflation by both domestic and foreign monetary authorities may result in higher expenditures on debt servicing during the first half of the 2023/24 FY.<sup>4</sup>

The National Treasury put together a budget of Ksh 3.6 trillion for the FY 2023/2024 with a projected deficit of Ksh 768 billion. The bulk of this budget deficit will be financed by debt. This external debt must be paid back in the currency it was borrowed, which poses an issue as foreign currencies are majorly earned through exports, remittances, and foreign direct investment.

The National Assembly's Public Debt and Privatization Committee recently approved the conversion of Kenya's debt ceiling from Ksh10 trillion to a debt anchor as a percentage of GDP. continues to be a big problem in the country. The National Assembly has failed in its oversight of budget implementation to reduce wasteful expenditure. The office of the Auditor-General has recently raised queries on the lack of financial statements on public debt, non-disclosure of all guaranteed debts, commitment fees and debt service costs.

In April 2021, the IMF officially approved the Fiscal Consolidation Program for Kenya, anchored in the Extended Fund Facility (EFF)/ Extended Credit Facility (ECF) that aims to

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<sup>2</sup> <https://www.knbs.or.ke/wp-content/uploads/2022/05/2022-Economic-Survey1.pdf>

<sup>3</sup> <https://www.businessdailyafrica.com/bd/economy/debt-payments-surpass-state-running-expenses--4211528>

<sup>4</sup> <http://www.parliament.go.ke/sites/default/files/2023-05/Unpacking%20of%20the%20Budget%20Estimates%202023-24%20final%2029.5.2023.pdf>

stabilize the economy and set a basis for a resurgence of growth and shared prosperity. TISA under the Okoa Uchumi Campaign has been reviewing the IMF-Fiscal consolidation program and identified significant asymmetries in the IMF Fiscal Consolidation program that are having dire consequences on the economy. Okoa Uchumi developed the Okoa Uchumi Debt Monitoring Framework, to monitor the uptake of recommendations made in its advocacy engagements, as well as to guide continuous monitoring of the IMF-Kenya Fiscal Consolidation program and its impacts.

Kenya's has cumulatively received up to US\$.2.416 billion from the IMF under the ECF/EFF arrangement. The IMF executive board is set to approve the fifth review under the extended fund and extended credit facilities. Successful consideration of the fifth review will unlock Kenya's access to \$410.0 million (Sh57.8 billion) as its sixth drawdown from the credit line provided under this program.<sup>5</sup> Kenya has also tabled a request for a new 20-month loan facility under the IMF Resilience and Sustainability Facility (RSF) translating to about Sh76.8 billion.

The conditions introduced by the IMF have brought about austerity measures that undermine gender responsive public service, employment creation, reducing the care burden on women and poverty reduction. The government has since continued reducing budgetary allocations to essential sectors like health and education. They have also increased cost of living and doing business in Kenya. For instance, the IMF's push for the fuel tax was disclosed in an advisory to the government after the fund's board approved a new loan for Kenya valued at \$2.34 billion in 2021 to help the country respond to the Covid-19 pandemic and address its debt vulnerabilities.

The International Monetary Fund (IMF) has been pushing for austerity measures and restructuring of loss-making state corporations to protect Kenyan government revenues and reduce persistent budget deficits. IMF Fiscal Consolidation program highly influenced the finance Bill 2023 which has introduced punitive tax measures to increase government revenue.

IMF has turned down requests by Okoa Uchumi and the CSO stakeholders to explore all available options to ensure that the government puts measures for balanced revenue raising strategies that do not strain the economy, especially reducing people's disposable income and expenditure on social services.

The desired impact of the documentary therefore is amplification of the citizens voice in pushing the government to relook the conditions imposed by the IMF. It will also sensitize citizens to play their role in public debt management which includes public participation, election of leaders who hold the highest levels of integrity to create a culture that will anchor public service on transparency, accountability, and participation, fostering ownership of public finance management processes by the people.

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<sup>5</sup> <https://www.businessdailyafrica.com/bd/economy/imf-sets-date-for-kenya-s-fifth-review-under-sh291bn-funding--4299396>

## The Assignment

The Okoa Uchumi Campaign documentary campaign seeks to document Okoa Uchumi's success story in engaging duty bearers, International Financial Institutions (IFIs) and spurring citizen action for accountability in Kenya's public debt management and fiscal justice.

It also seeks to sustain the campaign's demand that the IMF fiscal consolidation process needs to ensure the principles of public participation, transparency, and accountability as enshrined in the constitution and in the Public Finance Management Act are adhered to, and that the IMF considers the impact and burden of austerity measures on the most vulnerable of citizens.

Through the documentary, TISA aims at achieving the following:

- I. Showcase TISA's and Okoa Uchumi's success stories around movement building and multistakeholder consultations and influencing across the fiscal justice spectrum.
- II. Document Okoa Uchumi's engagements with IFIs (IMF and World Bank).
- III. Highlight the implications of the Kenya – IMF fiscal consolidation program and the resulting plight of Kenyan citizens.
- IV. Spur popular messaging on the cost of fiscal consolidation to social spending in Kenya.
- V. Push the government to relook the conditions imposed by bilateral donors and especially those driven by the IMF under the fiscal consolidation program.

## Duties of the Consultant

The consultant will work closely with the communication and programs Officer to document some of the past, ongoing, and future scenarios of TISA and Okoa Uchumi engagements around fiscal Justice in Kenya.

### Objectives:

- To produce a high-quality documentary that tells the story of TISA and Okoa Uchumi engagements around fiscal Justice in Kenya
- To create awareness and promote citizen engagement in good governance through the documentary.
- To provide TISA with a valuable communication tool for future advocacy efforts.

### Responsibilities:

- Work closely with TISA's Communications and Program team to understand the objectives of the documentary and the target audience.
- Film an all-rounded backstory that entails, **past, present, and future scenarios** related to the project journey as directed by TISA.
- Edit footage and create a compelling narrative that tells the project story in a way that is engaging and accessible to the target audience.
- Provide TISA with raw and final edited version of the documentary that meets their requirements and specifications.

## **Requirements:**

- Proven experience in videography and documentary production.
- Demonstrated ability to work independently and deliver high-quality work within deadlines.
- Excellent communication and interpersonal skills.
- Access to high-quality video equipment and editing software.
- Ability to work effectively with diverse communities and stakeholders.
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## **Scope of work:**

### **I. Content:**

- In-depth research and analysis of Kenya's public debt management over the past decade (2013-2023).
- Investigation into the role of International Financial Institutions (IFIs) in Kenya's debt accumulation.
- Detailed examination of the Fiscal Consolidation Program and its impact on the country's growth and development.
- Analysis of major corruption scandals and their connection to debt dependency.
- Understanding the Eurobond borrowing and repayment processes and their implications.
- Examination of the government transition from the Uhuru Kenyatta-led Jubilee government to the William Ruto-led government and its impact on the economy and public debt management.
- Assessment of the government's efforts to finance development through internal taxation and the ambitious government budget for FY 2023/24.
- Examination of the economic backlash and Kenya's global economic position.
- Future scenarios regarding IFIs and economic independence for Kenya.

### **II. Locations:**

There is a possibility to travel into counties to capture development projects.

### **III. Interviews:**

There will be interviews with different stakeholders, both physical and virtual, in various locations for the documentary production.

### **IV. Timeline:**

Production should take a maximum of 4 months from the contract's commencement.

## **Deliverables:**

### I. A three-part documentary series; 15 minutes each

#### Part 1:

- A comprehensive overview of Kenya's public debt situation, detailing the events and decisions that led to the country's current state of debt dependency.
- In-depth analysis of the IFIs' involvement in Kenya's borrowing and the consequences of heavy reliance on external loans.
- Investigation into past corruption scandals, their impact on the economy, and how they contributed to the debt crisis.
- Clear visualization of data and statistics to illustrate the scale of debt accumulation and its effects.

#### Part 2:

- An in-depth examination of the Fiscal Consolidation Program and its objectives, analyzing its effectiveness and implications on the country's growth and development.
- Detailed exploration of the decision-making process in the face of corruption and how it affected budget allocation and prioritization.
- Analysis of the Euro bond borrowing, the repayment process, and its implications for the country's financial stability.
- Examination of the government transition and its influence on the economic landscape and public debt management.
- Highlighting efforts to finance development through internal taxation and its challenges.

#### Part 3:

- Exploration of Kenya's economic backlash and its position in the global economic context.
- Analysis of possible future scenarios regarding Kenya's engagement with IFIs and its pursuit of economic independence.
- Presentation of viable solutions and recommendations for sustainable debt management and reducing dependency on external loans.

### II. Engaging expert interviews with economists, financial analysts, policymakers, and civil society representatives and citizens.

### III. Social Media Campaign:

- Creation of micro clips and excerpts from each part of the series to promote and generate interest on social media platforms.
- Use of eye-catching visuals and compelling teasers to attract a wider audience.
- Leveraging popular social media channels such as YouTube, Facebook, Instagram, and Twitter to broadcast the series.
- Consistent promotion of the documentary series using targeted advertisements and influencer collaborations to reach a broad audience.

- Encouraging active engagement and sharing among viewers to increase the impact and awareness of Kenya's debt situation and the need for economic independence.

III. Raw footage of the entire shoot related to the project journey.

IV. A detailed report on the production team activities during the project, including any challenges encountered and how they were addressed.

#### **Best Value for Money:**

- To ensure the best value for money, TISA will evaluate the proposals based on the following criteria:
- Demonstrated experience and record of accomplishment in videography and documentary production.
- Quality and creativity of the proposed approach and methodology.
- Competitive pricing
- Availability of high-quality video equipment and editing software.
- Demonstrated ability to work effectively with diverse communities and stakeholders.

#### **How To Apply**

To apply for the above consultancy, kindly send an email to [hr@tisa.or.ke](mailto:hr@tisa.or.ke) with the subject “*Consultancy Opportunity –Okoa Uchumi Documentary*” by close of business **Friday, 4<sup>th</sup> August 2023**.

The application should include:

- i. CV highlighting your work, which must be relevant to this call.
- ii. A financial proposal providing estimates for services being provided including daily consultancy fees related to the successful undertaking of this assignment.