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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY
GOVERNMENT OF KENYA FROM 1ST MAY 2025 TO 31ST AUGUST 2025

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CLERK AT THE TABLE	Abigail.

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST MAY 2025 TO 31ST AUGUST 2025

Section 1- Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, 2012 and covers the period from 1st May 2025 to 31st August 2025. One loan facility and one bond issuance from the previous period are reflected in the current report, having been recorded in the Commonwealth Meridian system after the close of the reporting period. Section 31(3) requires that *“the Cabinet Secretary shall submit a report to Parliament stating the loan balances brought forward, carried down, drawings and amortizations on new loans obtained from outside Kenya or denominated in foreign currency, and such other information as may be prescribed by regulations, specifying—*

- (a) the names of the parties to the loan;*
- (b) the amount of the loan and the currency in which it is expressed and in which it is repayable;*
- (c) the terms and conditions of the loan, including interest and other charges payable and the terms of repayment;*
- (d) the amount of the loan advanced at the time the report is submitted;*
- (e) the purpose for which the loan was used and the perceived benefits of the loan.”*

Section 2 - Details of the new loans.

This section of the report contains four (4) new loans contracted between Government of Kenya and, multilateral, bilateral and commercial creditors. The total value of the 4 new loans signed is equivalent to Kshs. 95,524,700,020. Two of the loans had disbursed by the time of submitting this report. The loans are as follows:

1. Integrated Natural Resources Management Programme

i. The parties to the loan

The loan was signed on 23rd June 2025 between the International Fund for Agriculture Development as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 126,800,000.00 approximately equivalent to Kshs. 16,387,492,520 and will be repaid in US dollars.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of USD 3,170,000 from 15th June 2030 through to 15th December 2049. The interest rate of the loan is 1.41, service charge of 1.39 percent will be fixed for the life cycle of the loan and payable semi-annually.

iv. The purpose of the loan

To enhance integrated natural resources management, increase resilience to climate change and improve beneficiaries' livelihoods, particularly for women, youth, and other vulnerable groups.

2. 8.6 MW Gogo Hydropower Plant Redevelopment Project-(Renewable Energy Enhancement Facility (REEF) II)

i. The parties to the loan

The loan was signed on 19th August 2025 between Government of the Federal Republic of Germany as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 35,000,000 approximately equivalent to Kshs. 5,348,647,500 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 20 equal instalments of EUR 1,666,666.66 from 15th May 2030 through to 15th November 2039 and the last 1 instalment of EUR 1,666,666.80 on 15th May 2040. The interest on the loan is at a rate of 2.98 percent per annum (Fixed Interest Rate) on disbursed loan amount. The commitment fee is 0.25 percent per annum on undisbursed loan amounts. Additionally, the loan attracts a non-refundable one-time lump-sum management fee of 0.5 percent of the loan amount.

iv. The purpose of the loan

To finance the 8.6 MW Gogo Hydropower Plant Redevelopment project.

3. International Sovereign Bond

i. The parties to the loan

The bond was issued on 30th April 2025, between the Citi Group Global Markets Europe AG as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 500,000,000 approximately equivalent to Kshs. 64,619,450,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in two equal instalments of USD 250,000,000 on 30th April 2030 (the First Amortisation Date) and on 30th April 2032 (the maturity date). The interest rate is 8.25 percent per annum of the outstanding principal amount of the notes.

iv. The purpose of the loan

To carry out liability management operations and support the budget.

4. Economic Inclusion and Green Recovery Support Program

i. The parties to the loan

The loan was signed on 22nd April 2025 between Organization of Petroleum Export Countries as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 60,000,000 approximately equivalent to Kshs. 9,169,110,000 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal instalments of EUR 1,500,000 from 15th May 2030 to 15th November 2049. The interest rate is 6 months Euribor plus a margin of 1.55 percent per annum on amounts withdrawn and outstanding. The commitment fee is 0.25 percent per annum on the unwithdrawn amount of the loan and a front-end fee¹ of 0.25 percent of the loan payable 90 days from the date of effectiveness.

iv. The purpose of the loan

¹ It's a cost paid upfront to the lender or agent involved in the borrowing process for their services in handling the initial stages of the loan.

To assist the Government in implementing policy reforms aimed at improving efficiency of public expenditure systems, enhancing budget and debt transparency. Fostering economic resilience through better efficiency, accountability, and responsible use of public resources.

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1ST MAY 2025 TO 31ST AUGUST 2025

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1ST MAY 2015 TO 31ST AUGUST 2015																	
No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate	Loan Currency	Loan term (years)	Agreement Date	Disbursement Date	Disbursement during the period (foreign currency)	Disbursement during the period (Ksh)	Outstanding amount as at 31st August 2015	Interest rate	Terms of repayment	
A. AGRICULTURE																	
1	Integrated Natural Resources Management Programme	To enhance integrated natural resources management, increase resilience to climate change and improve beneficiaries livelihoods, particularly for women, youth, and other vulnerable groups	The International Fund for Agricultural Development	COCKE	128,800,000.00	16,387,492,520.00	129.24	USD	USD	23rd April 2015	15th December 2016	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate of the loan is 1.41 service charge of 1.39 percent will be fixed for the life cycle of the loan and payable semi-annually	The loan will be repaid in 40 equal semi-annual repayments of USD 3,170,000 from 15 th June 2010 through to 15 th December 2019
B. ENERGY																	
2	8.6 MW Gengo Hydropower Plant Redevelopment Project (Renewable Energy sub-component facility (KEEF) II)		Government of the Federal Republic of Germany	COCKE	35,000,000.00	5,348,647,500.00	152.82	EUR	EUR	19th August 2015	15th May 2016	Not Disbursed	Not Disbursed	Nil	4.8 years	The interest on the loan is at a rate of 2.98 percent per annum (Fixed Interest Rate) on disbursed loan amount. The commitment fee is 0.25 percent per annum on undischursed loan amounts and non-reimbursable one-time lump-sum management fee of 0.5 percent of the loan amount.	The loan will be repaid in 20 equal installments of EUR 1,666,666.66 from 15 th May 2010 through to 15 th November 2019 and 1 installment of EUR 1,666,666.66 on 15 th May 2010
C. ECONOMIC																	
3	USD 500 Million Private Placement Notes	To support the budget and to carry out liability management operations	Club Group (Global Markets Europe AG)	COCKE	500,000,000.00	64,619,450,000.00	129.24	USD	USD	30th April 2015	30th April 2017	500,000,000.00	64,619,450,000.00	64,619,450,000.00	5 years	The interest rate is 8.25 percent per annum of the outstanding principal amount of the notes.	The loan will be repaid in two equal installments of (USD 250,000,000 on 10th April 2010 (the First Amortisation Date) and on the maturity date.
4	Economic Inclusion and Green Recovery Support Program	To assist the Government in implementing policy reforms aimed at improving the efficiency of public expenditure systems, enhancing budget and debt transparency, and fostering economic growth and better environment, accountability, and responsible use of public resources	Organization of Petroleum Exporting Countries	COCKE	60,000,000.00	9,169,110,000.00	152.82	EUR	EUR	22nd April 2015	15th November 2019	60,000,000.00	9,169,110,000.00	9,169,110,000.00	5 years	The interest rate is 6 months Euribor plus a margin of 1.35 percent per annum on amounts withdrawn and outstanding. The commitment fee is 0.25 percent per annum on the undischursed amount of the loan and a first- and second-charge fee of 0.25 percent of the loan payable 90 days from the date of effectiveness.	The loan will be repaid in 40 equal installments of EUR 1,500,000 from 15 th May 2010 to 15 th November 2019
Total													73,788,540,000.00	73,788,540,000.00			
COCKE in Government of Kenya																	
Exchange rate is as at 17th September, 2015																	