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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT OF KENYA FROM 1ST JANUARY 2026 TO 30TH APRIL 2026

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 29 JUL 2026 DAY. WEDNESDAY
TABLED BY: HON. ROBERT PUKOSE, MP (ON BEHALF OF THE LEADER OF MAJORITY)
CLERK-AT THE-TABLE: J. LEMERELLE

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST JANUARY 2026 TO 30TH APRIL 2026

Section 1- Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, CAP 412 A and covers the period from 1st January 2026 to 30th April 2026. 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 6 new loans and one international Sovereign Bond (ISB) contracted between Government of Kenya and multilateral and commercial creditors. The total value of the 7 new loans signed is equivalent to about **Ksh. 416,170,394,680.** The ISB has already disbursed by the time of submitting this report. The loans and ISB contracted are as follows:

1. Support to Higher Education Science and Technology – Phase II

i. The parties to the loan

The loan was signed on 10th February ,2026 between the African Development Fund 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 UA 55,160,000 approximately equivalent to Kshs. 9,783,894,680.00 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 50 equal semi-annual repayments of Euro 1,103,200.00 from 15th April 2031 through to 15th April 2056. The interest rate of the loan is 1.00 per annum of disbursed loan balance in Units of Account, service charge of 1.0 per cent per annum of the disbursed loan balance and commitment fee of 0.75 percent per annum on undisbursed loan balance. The loan has a grace period of 5 Years.

iv. The purpose of the loan

To support for the higher education science and technology phase II. The project is to impose relevance and equitable access to quality higher education training and research in STE M for inclusive economic growth and employment in Kenya by 2030.

2. NEXI Samurai loan Facility

i. The parties to the loan

The loan was signed on 31st March, 2026 between The Sumitomo Mitsui Banking Corporation (SMBC) Bank International 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 JPY 25,000,000,000 approximately equivalent to Kshs. 20,327,500,000.00 and will be repaid in JPY

iii. **The terms and conditions of the loan**

The loan will be repaid in 8 equal instalments of JPY 3,125,000,000.00 from 30th September 2029 to 30th March 2033. The interest on the loan shall be floating rate per annum (TOFR) plus a margin of 0.95% percent per annum (Floating Interest Rate) on disbursed loan amount. Commitment fee of 35% of the margin per annum, agency fee of USD 50,000 payable per annum, arrangement fee of USD 2,460,000 paid once.

iv. **The purpose of the loan**

For general budget support, implementation of National Automotive Policy (NAP) and reduction of energy losses.

3. International Sovereign Bond

i. **The parties to the loan**

The bond was issued on 26th February 2026, between the Citibank Europe plc Germany Branch 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 2,250,000,000 approximately equivalent to Kshs. 291,487,500,000.00 and will be repaid in USD. The ISB was split in two tranches, one at USD 1,350 million and USD 900 Million.

iii. **The terms and conditions of the loan**

Tranche A of US 1,350 million will be repaid in three equal instalments of USD 450,000,000 on 26th February 2037 (the First Amortisation

Date), 26th February 2038 (the second Amortisation) and on the maturity Date 26th February 2039.

Tranche B of US 900 million will be repaid in two equal instalments of USD 450,000,000 (the (First Amortisation) 26th February 2033 and on maturity Date on 26th February, 2034. The interest rate is 8.70 percent per annum for the USD 1,350 million notes and 7.875 percent per annum for the US 900 million notes of the outstanding principal amount of the notes.

iv. The purpose of the loan

To carry out liability management operations and budget support.

4. Second Additional Financing for the Primary Education Equity in Learning Program

i. The parties to the loan

The loan was signed on 6th February 2026 between the International Development Association (IDA) 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 225,000,000 approximately equivalent to Kshs. 29,148,750,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of USD 5,625,000 from 15th December 2030 through to 15th June 2050. The interest rate of the loan is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To reduce regional disparities in learning outcomes, improve the retention of girls in Junior School, and strengthen systems for delivering equitable education outcomes.

5. Additional Financing for Financing Locally Led Climate Action Program

i. The parties to the loan

The loan was signed on 17th March 2026 between the International Development Association (IDA) 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 30,000,000 approximately equivalent to Kshs. 3,886,500,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of USD 750,000 from 15th April 2031 through to 15th October 2050. The interest rate of the loan is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To deliver locally led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.

6. Housing Finance, Lands, and Sustainable Investments Project

i. The parties to the loan

The loan was signed on 22nd April 2026 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan A is USD 168,000,000 approximately equivalent to Kshs. 21,764,400,000 and USD 182,000,000 for loan B approximately equivalent to Kshs. 23,578,100,000. Both will be repaid in US Dollar.

iii. The terms and conditions of the loan

Loan A will be repaid in 40 equal semi-annual repayments of USD 4,200,000 from 15th April 2031 through to 15th October 2050. Loan B will be repaid in 11 equal semi-annual repayments of USD 15,160,600 from 15th April 2032 through to 15th April 2037 and 1 instalment of USD 15,233,400 on 15th October 2037. The interest rate of the loan A is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.

7. Housing Finance, Lands, and Sustainable Investments Project

i. The parties to the loan

The loan was signed on 22^{nd} April 2026 between the International Bank for Reconstruction and Development (IBRD) 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 125,000,000 approximately equivalent to Kshs. 16,193,750,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 17 equal semi-annual repayments of USD 6,950,000 from 15^{th} October 2029 to 15^{th} October 2037 and 1 instalment of USD 6,850,000 on 15^{th} April 2038. The interest rate of the loan is the reference rate plus the variable spread and a front-end fee of 0.25 per cent of the loan amount. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn loan balance.

iv. The purpose for the loan

To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1ST JANUARY 2026 TO 31ST APRIL 2026

No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate	Loan Currency	Curency of payment	Agreement Date	Maturity Date	Disbursement during the period (Foreign currency)	Disbursement during the period in (Ksh)	Outstanding amount as at April 2026	Grace period	Interest rate	Terms of repayment
A. EDUCATION																	
1	Support to Higher Education Science and Technology project-Phase II	To assist in Financing the support to Higher Education Science and Technology Phase II	African Development Fund	GOKE	55,160,000.00	9,783,894,680.00	177.37	UA	EURO	10th February 2026	15th October 2056	Not Disbursed	Not Disbursed	Nil	5 years 6 months	The rate of interest applicable to the loan shall be one percent (1%) per annum. The rate applicable to the service fee shall be one percent (1%) per annum. The rate applicable to the commitment fee shall be zero point Twenty Five percent (0.75%) per annum.	The loan will be repaid in 50 equal semi annual repayments of Euro 1,103,200 from 15th October 2031 to 10th October 2056 .
2	Second Additional Financing for the Primary Education Equity in Learning Program	To reduce regional disparities in learning outcomes, improve the retention of girls in Junior School, and strengthen systems for delivering equitable education outcomes.	International Development Association	GOKE	225,000,000.00	29,148,750,000.00	129.55	USD	USD	6th February 2026	15th June 2050	Not Disbursed	Not Disbursed	Nil	4 years 10 months	The interest rate of the loan is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.	The loan will be repaid in 40 equal semi-annual repayments of USD 5,625,000 from 15th December 2030 through to 15th June 2050.
B. ECONOMIC																	
3	NEXI Samurai loan Facility	For general budget support, implementation of National Automotive Policy (NAP) and reduction of energy losses.	Samurai	GOKE	25,000,000,000.00	20,327,500,000.00	0.8131	JPY	JPY	31st March,2026	30th March 2033	Not Disbursed	Not Disbursed	Nil	3 years 6 months	The interest on the loan shall be floating rate per annum (TOFR) plus a margin of 0.95% percent per annum (Floating Interest Rate) on disbursed loan amount. Commitment fee of 35% of the margin per annum, facility angeny fee of USD (50,000) per annum payable to the facility agent, arrangement fee of USD 2,460,000.	The loan will be repaid in 8 equal instalments of JPY 3,125,000,000.00 from 30th September 2029 to 30th March 2033.
4	International Sovereign Bond	For liability management and budget support	Citibank Germany Branch	GOKE	2,250,000,000.00	291,487,500,000.00	129.55	USD	USD	26th February, 2026	26th February 2039	2,250,000,000.00	291,487,500,000.00	Nil	7 and 12 Years	The interest rate is 8.70 percent per annum for the USD 1,350 million notes and 7.875 percent per annum for the US 900 million notes of the outstanding principal amount of the notes.	Tranche A of US 1,350 million will be repaid in three equal instalments of USD 450,000,000 on 26th February 2037 (the First Amortisation Date), 26th February 2038 (the second Amortisation) and on the maturity Date 26th February 2029. Tranche B of US 900 million will be repaid in two equal instalments of USD 450,000,000 (the (First Amortisation) 26th February, 2033 and on maturity Date on 26th February, 2026
C. HOUSING																	
5	Housing Finance, Lands, and Sustainable Investments Project	To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.	International Development Association	GOKE	168,000,000.00	21,764,400,000.00	129.55	USD	USD	22nd April 2026	15th October 2050	Not Disbursed	Not Disbursed	Nil	4yrs 6 months	The interest rate of the loan A is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.	Loan A will be repaid in 40 equal semi-annual repayments of USD 4,200,000 from 15th April 2031 through to 15th October 2050
					182,000,000.00	23,578,100,000.00	129.55				15th October 2037	Not Disbursed	Not Disbursed	Nil	5yrs 6 months	The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.	Loan B will be repaid in 11 equal semi-annual repayments of USD 15,160,600 from 15th April 2032 through to 15th April 2037 and 1 instalment of USD 15,233,400 on 15th October 2037
6	Housing Finance, Lands, and Sustainable Investments Project	To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.	International Bank for Reconstruction and Development	GOKE	125,000,000.00	16,193,750,000.00	129.55	USD	USD	22nd April 2026	15th April 2038	Not Disbursed	Not Disbursed	Nil	3yrs 6 months	The interest rate of the loan is the reference rate plus the variable spread and a front-end fee of 0.25 per cent of the loan amount. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn loan balance.	The loan will be repaid in 17 equal semi-annual repayments of USD 6,950,000 from 15th October 2029 to 15th October 2037 and 1 instalment of USD 6,850,000 on 15th April 2038
7	Additional Financing for Financing Locally Led Climate Action Program	To deliver locally led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.	International Development Association	GOKE	30,000,000.00	3,886,500,000.00	129.55	USD	USD			Not Disbursed	Not Disbursed	Nil	4yrs 7 months	The interest rate of the loan is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.	The loan will be repaid in 40 equal semi-annual repayments of USD 750,000 from 15th April 2031 through to 15th October 2050
	Total					**416,170,394,680.00**							**291,487,500,000.00**				
	GOKE is Government of Kenya																
	Exchange rate is as 29th May 2026																