REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

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THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026
PUBLIC PETITIONS COMMITTEE

REPORT ON-

REPORT ON CONSIDERATION OF PETITION NO. 10 OF 2026 REGARDING STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTERGENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 30 SEP 2026 DAY. Wednesday
TABLED BY: Hon. Janet Sitienei, MP (Vice-Chairperson)
CLERK-AT THE-TABLE: Lomala

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SEPTEMBER, 2026

TABLE OF CONTENTS

TABLE OF CONTENTS 1

CHAIRPERSON'S FOREWORD 2

PART ONE 3

1. PREFACE 3

1.1 Establishment and Mandate of the Committee 3

1.2 Committee Membership 4

1.3 Committee Secretariat 5

PART TWO 6

2. BACKGROUND OF THE PETITION 6

2.1 Introduction 6

2.2 Petitioners' Prayers 6

PART THREE 8

3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION 8

3.1 The Petitioners 8

3.2 Parliamentary Budget Office 9

3.3 Office of the Controller of Budget 15

3.4 Office of the Auditor General 18

3.5 The National Treasury 19

PART FOUR 22

4. COMMITTEE OBSERVATIONS 22

PART FIVE 23

5. COMMITTEE RECOMMENDATIONS 23

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on Public Petition No. 10 of 2026 regarding the Strengthening oversight, transparency and intergenerational equity in public debt governance by Ms. Beatrice N. Waiyaki and others representing Kiambu County Empowerment Network and the Bunge Mashinani Initiative. The petition was presented to the House pursuant to the provisions of Standing Order No. 225 (2) (b) by the Hon Speaker.

The Petitioner prayed that the National Assembly, through the Public Petitions Committee, engages the Ministry of Finance & National Treasury, the Auditor General, the Controller of Budget and other relevant institutions to ensure that policies to Promote structured inter-generational dialogue; and strengthen engagement between Parliament, citizens, and civil society, while integrating inter-generational equity considerations into public debt policy and oversight further Strengthen oversight of public debt management is achieved and any other recommendation it deemed fit in addressing the plight of the petitioners.

The Committee observed that public debt remains above the statutory debt anchor of 55 percent of GDP in present value terms. Debt information published by the National Treasury remains scattered across multiple reports, making it difficult for independent users to access comprehensive and timely debt information. Moreover, the reporting format may not be user-friendly, especially to the youth. Kenya remains exposed to debt sustainability risks arising from persistent fiscal deficits, refinancing pressures, exchange rate fluctuations, and increasing debt servicing costs, necessitating prudent borrowing and stronger fiscal discipline.

The Committee recommends that the National Treasury ensures compliance with the statutory debt anchor target of 55 percent of GDP target of October 2028, enhances public participation through social media, and submits amendments to the Public Finance Management Act, 2012 and its attendant Regulations, to expressly require the National Treasury to establish, and maintain an up-to-the-minute comprehensive Public Debt Registry, including matched debt service expenditure.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1. PREFACE

1.1 Establishment and Mandate of the Committee

1) The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

   i) considering all public petitions tabled in the House;
   ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
   iii) recommending whether the findings arising from consideration of a petition should be debated; and
   iv) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

2) The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

Chairperson
Hon. Muchangi Karemba, CBS, M.P.
Runyenjes Constituency
United Democratic Alliance (UDA)

Vice Chairperson
Hon. Janet Jepkemboi Sitienei, M.P
Turbo Constituency
United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Edith Vethi Nyenze, M.P.
Kitui West Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Ntwiga Patrick Munene, M.P.
Chuka Igambang'ombe Constituency
United Democratic Alliance (UDA

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency
United Democratic Alliance (UDA)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency
United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, M.P.
Dagoretti North Constituency
Orange Democratic Movement (ODM)

Hon. Bernard Muriuki Nebart, M.P.
Mbeere South Constituency
Independent

Hon. Biego Paul Kibichy, M.P.
Chesumei
United Democratic Alliance (UDA)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency
Maendeleo Chap Chap Party (MCCP)

Hon. John Bwire Okano, M.P.
Taveta Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency
Jubilee Party (JP)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency
United Democratic Alliance (UDA)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency
Wiper Democratic Movement-Kenya (WDM-K)

1.3 Committee Secretariat

3) The Public Petitions Committee is facilitated by the following members of the secretariat:

Lead Clerk
Mr. Victor Weke
Principal Clerk Assistant II

Ms. Miriam Modo
First Clerk Assistant

Mr. Benard Toroitich
Third Clerk Assistant

Ms. Kafuyai Wamae
Third Clerk Assistant

Mr. Clinton Sindiga
Legal Counsel II

Ms. Nancy Akinyi
Research Officer III

Ms. Viola Saiya
Research Officer III

Ms. Roselyne Njuki
Principal Serjeant-at-Arms

Mr. Paul Shana
Serjeant-at-Arms

Mr. Pascal Valerian
Hansard Officer III

Mr. Collins Mahamba
Audio Officer III

Ms. Felistus Muiya
Public Communication Officer

Ms. Fridah Ngari
Media Relations Officer III

Mr. Chacha Machage
Senior Fiscal Analyst

PART TWO

2. BACKGROUND OF THE PETITION

2.1 Introduction

4) The Petitioners state that the growing public debt burden has emerged as a significant governance and fiscal concern, with implications for Kenya's fiscal sustainability, delivery of public services, economic opportunities and inter-generational equity. They contend that the continued accumulation of public debt poses risks to the country's long-term development and the fiscal burden borne by future generations.

5) The Petitioners emphasize the need to strengthen parliamentary oversight of public debt contracting, management and reporting to ensure that borrowing decisions are prudent, transparent and aligned with national development priorities. In their view, effective parliamentary scrutiny is necessary to promote accountability in public borrowing and safeguard public resources.

6) The Petitioners further observe that the absence of a comprehensive, regularly updated and publicly accessible Public Debt Registry constrains effective scrutiny of public borrowing and debt sustainability by Parliament and the public. They propose a centralized registry consolidating information on domestic and external public debt, including creditors, borrowing terms, guarantees, maturity profiles and debt-servicing obligations.

7) The Petitioners also raise concerns regarding the limited mechanisms for structured inter-generational dialogue on public debt and fiscal policy. They contend that discussions on public debt are often concentrated within technical and national-level forums, with limited participation by local communities and different generations. They therefore call for broader and more inclusive engagement in public debt policy and long-term fiscal decision-making.

2.2 Petitioners' Prayers

8) The Petitioners prayed that the National Assembly, through the Public Petitions Committee—

i) Strengthens parliamentary oversight of public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments. In particular, the Petitioners propose the enactment of a twenty-four (24) month freeze on new borrowing commencing in FY 2027/28 and the introduction of a mandatory bi-annual address to Parliament by the Cabinet Secretary responsible for the National Treasury on the status of Kenya's public debt.

ii) Enhances the transparency and accessibility of public debt information by ensuring comprehensive and timely disclosure of debt information in digital formats that are accessible and understandable to the general public. In particular, the Petitioners propose amendments to the Public Finance Management (National Government) Regulations, 2015 to require publication, within thirty (30) days, of all new loan contracts, guarantees and information on pending bills. They further propose the digitization of historical public debt

records, in accordance with the Access to Information Act, to enhance public access, transparency and accountability.

iii) Institutionalizes greater public participation in public debt matters by strengthening engagement between Parliament, citizens and civil society organizations through regular public hearings, petitions, stakeholder consultations and effective feedback mechanisms. The Petitioners contend that these mechanisms would provide the public with greater opportunities to participate in discussions and decision-making relating to public borrowing and debt management.

iv) Integrates inter-generational equity considerations into public debt management by incorporating the interests of present and future generations into public debt policy formulation, medium- and long-term fiscal planning, and legislative oversight processes, consistent with the Constitution of Kenya

PART THREE

3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION

3.1 The Petitioners

The Petitioners appeared before the Committee on Tuesday, 23rd June 2026 and submitted as follows;

9) Kenya's public debt had increased significantly, from approximately Kshs. 2.4 trillion in 2014 to over Kshs. 12 trillion, raising concerns regarding the sustainability of the country's fiscal position and the implications of the debt burden for present and future generations.
10) They stated that the Petition was intended to articulate the concerns of young Kenyans and future generations regarding the implications of the growing public debt burden on economic opportunities, access to public services and the long-term welfare of the country.
11) The Petitioners anchored their concerns on the principle of inter-generational equity under Article 201(c) of the Constitution, which requires that the burdens and benefits arising from the use of resources and public borrowing be shared equitably between present and future generations. They further cited Article 10 on national values and principles of governance, Article 35 on access to information, and Article 43 on economic and social rights as relevant constitutional considerations in public debt management.
12) In support of their submissions, the Petitioners referred to The Peoples' Audit (2025), published by the Okoa Uchumi Coalition, which they stated showed that debt servicing absorbed more than half of the tax revenue collected during FY 2024/25. In their view, the increasing allocation of public resources towards debt service reduces the fiscal resources available for development expenditure and essential public services.
13) The Petitioners further referred to Oxfam Kenya's report, Kenya's Inequality Crisis: The Great Economic Divide (2025), which they stated highlighted significant economic inequalities in the country. They submitted that the report indicated that Kshs. 68 out of every Kshs. 100 collected in taxes in 2024 was applied towards debt repayment, thereby constraining expenditure on critical sectors such as education, health and social protection.
14) The Petitioners contended that the combination of rising public debt, increasing debt-service obligations and existing economic inequalities raises questions regarding whether the benefits derived from current borrowing are commensurate with the repayment obligations being transferred to future generations. They expressed concern that continued fiscal pressures could constrain future fiscal space, weaken the State's capacity to provide essential public services and limit economic opportunities for future generations.
15) The Petitioners further alleged that weaknesses in the contracting and management of public debt, including inadequate transparency and instances where borrowing could not readily be linked to identifiable development outcomes, had contributed to inter-generational inequity. In their view, unsustainable borrowing effectively transfers the cost of present fiscal decisions to future taxpayers without necessarily providing corresponding long-term economic and social benefits.

16) The Petitioners also submitted that the management of public debt has implications for civic engagement and social stability. They emphasized the importance of dialogue and structured engagement between citizens and Parliament in addressing concerns regarding public debt and urged the National Assembly to exercise its constitutional mandate in making difficult fiscal and policy decisions necessary to restore debt sustainability.

17) Against this background, the Petitioners posed the question of whether the prevailing public debt position satisfies the constitutional principle of inter-generational equity where future generations may inherit substantial repayment obligations, constrained fiscal space, reduced access to quality public services and limited economic opportunities, while having had no direct role in the borrowing decisions giving rise to those obligations.

18) The Petitioners therefore called upon the National Assembly to strengthen its oversight of public borrowing and debt management, particularly with respect to transparency of existing debt obligations and scrutiny of new borrowing. They submitted that Parliament should act as a safeguard against the continued accumulation of debt that may not be consistent with fiscal sustainability and inter-generational equity.

19) As a specific corrective measure, the Petitioners proposed a twenty-four (24) month freeze on new borrowing commencing in FY 2027/28. They further proposed that the National Assembly require the Executive to prepare a balanced or zero-deficit budget for FY 2027/28, thereby eliminating the need for additional borrowing during the proposed period.

20) In support of this proposal, the Petitioners referred to the approved FY 2026/27 fiscal deficit of approximately Kshs. 1.1 trillion, which would require additional financing. They submitted that achieving a zero-deficit budget in FY 2027/28 would require expenditure rationalization, strengthened measures against corruption, greater fiscal discipline and the temporary deferment of non-priority capital expenditure.

21) Finally, the Petitioners emphasized that effective parliamentary and public oversight of public debt depends on access to timely, accurate and reliable information. They therefore called for greater transparency and disclosure of public debt information, noting that access to information under Article 35 of the Constitution is fundamental to enabling citizens and oversight institutions to hold public institutions accountable for borrowing and debt-management decisions.

3.2 Parliamentary Budget Office

During the meeting held on Tuesday, 23rd June 2026, the Committee was informed as follows —

22) The Petition raises concerns regarding public debt transparency, accountability and sustainability, as well as public participation and the implications of public borrowing for present and future generations.

23) The Petition was developed with the support of the Bunge Mashinani Initiative, the National Democratic Institute, the Institute of Social Accountability and Odhumo Kenya. These institutions support civic education, citizen participation, accountable governance and public engagement on public finance matters, including fiscal policy and public debt management.

24) The Petition is anchored on Articles 1, 10, 118, 119, 201 and 221 of the Constitution of Kenya, 2010, the Public Finance Management Act, 2012, and Standing Order 225 of the National Assembly Standing Orders. It calls upon the National Assembly to strengthen its oversight of public debt contracting, management and reporting, while enhancing debt transparency, public participation and consideration of inter-generational equity in fiscal decision-making.

25) As at April 2026, Kenya's total public debt stood at approximately Kshs. 12.86 trillion, equivalent to 69.4 percent of GDP. Domestic debt accounted for Kshs. 7.19 trillion, representing approximately 56 percent of the total debt stock, while external debt amounted to Kshs. 5.67 trillion, or approximately 44 percent. In present value terms, public debt was estimated at approximately 65 percent of GDP, exceeding the statutory debt anchor of 55 percent of GDP, with a permissible deviation of five percentage points, which is required to be achieved by October 2028.

26) The accumulation of public debt has largely reflected persistent fiscal deficits arising from expenditure requirements that have exceeded available revenues. Over time, these pressures have been associated with increased infrastructure expenditure, the fiscal and economic effects of the COVID-19 pandemic, revenue underperformance and other emerging expenditure requirements. Consequently, Government has continued to borrow to finance annual fiscal deficits and meet approved expenditure obligations.

27) The fiscal deficit for FY 2025/26 is estimated at approximately Kshs. 1.2 trillion. The persistence of sizeable fiscal deficits implies continued reliance on borrowing and, consequently, further accumulation of public debt unless accompanied by sufficient economic and revenue growth, expenditure rationalization and sustained fiscal consolidation.

28) The Committee was informed that the continued growth in the public debt stock gives rise to a number of fiscal and macroeconomic concerns, including the following:

    i) Rising debt-service expenditure: The increase in the public debt stock has translated into higher debt-service obligations. Public debt service expenditure is projected at approximately Kshs. 2.31 trillion in FY 2026/27, absorbing a substantial proportion of ordinary revenue and Consolidated Fund Services expenditure. This reduces the fiscal space available for development expenditure, social services and other priority Government programs.

    ii) Debt sustainability and vulnerability to shocks: Kenya remains assessed as being at high risk of debt distress, indicating heightened vulnerability of the public debt portfolio to adverse macroeconomic developments. These include exchange-rate depreciation, increases in interest rates, revenue underperformance, refinancing pressures and external economic shocks. Persistent fiscal deficits and elevated debt-service obligations may further constrain the Government's capacity to respond to economic, fiscal or climate-related shocks without resorting to additional borrowing.

    iii) Crowding-out of development expenditure: As a larger share of Government resources is committed to interest payments and debt redemptions, fewer resources remain

available for capital investment and other productive expenditure. This may weaken the long-term economic returns from public borrowing and constrain the country's capacity to generate the economic growth and revenues required to sustainably service future debt obligations.

iv) Increased reliance on domestic borrowing: The growing reliance on domestic borrowing exposes the Government to relatively high interest costs and refinancing risks. Sustained Government borrowing from the domestic financial market may also compete with the private sector for available credit, potentially increasing borrowing costs and constraining credit available for private investment.

v) Refinancing and liquidity risks: A debt portfolio with significant short- and medium-term maturities requires frequent refinancing. This exposes the Government to changes in market interest rates, investor appetite and liquidity conditions. Where maturing obligations are refinanced at higher interest rates, debt-service costs increase and place additional pressure on the fiscal framework.

Institutional Framework for Public Debt Management and Oversight

29) Public debt management in Kenya operates within a broad constitutional, legal and institutional framework involving several public institutions with distinct but complementary responsibilities. The National Assembly does not exercise public debt oversight in isolation. The framework includes the National Treasury, the Public Debt Management Office, the Controller of Budget, the Office of the Auditor-General, the Central Bank of Kenya, Ministries, Departments and Agencies, State Corporations and other institutions involved in borrowing, budget implementation, reporting, audit and accountability.

30) Consistent with the constitutional principle of separation of powers, each institution performs its respective mandate while remaining subject to the applicable accountability mechanisms within the public finance management framework. The National Assembly provides legislative oversight and accountability through consideration of debt management strategies, borrowing plans, public debt reports, budget estimates, Consolidated Fund Services expenditure and audit findings. These processes enable the House to scrutinize the sustainability, affordability, transparency, risks and development impact of public borrowing.

The National Assembly

31) The National Assembly exercises oversight over public debt through its constitutional functions relating to legislation, approval of the national budget, scrutiny of public expenditure and oversight of national public finances. In particular, the Public Debt and Privatization Committee, established under Standing Order 207A, is mandated to consider matters relating to public debt, public-private partnerships, privatization and Consolidated Fund Services expenditure.

32) In exercising this mandate, the Committee considers key public debt documents, including the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy, Annual Borrowing Plans, reports relating to new loans, debt-related fiscal risks and estimates of public debt service expenditure under the Consolidated Fund Services. The Committee also makes recommendations to the House on debt sustainability, borrowing strategies, liability management operations, utilization of borrowed resources, public guarantees and other debt-related obligations.

The National Treasury and the Public Debt Management Office

33) The National Treasury is the principal institution responsible for public debt management. Under the Public Finance Management Act, 2012, the National Treasury is responsible for managing the level and composition of public debt, public guarantees and other financial obligations of the National Government in a manner consistent with fiscal sustainability.

34) Sections 62 to 64 of the Public Finance Management Act establish the Public Debt Management Office within the National Treasury. Among its functions, the Office is responsible for implementing Government debt management policy with the objective of minimizing financing costs over the medium to long term while taking account of associated risks; maintaining reliable and up-to-date public debt records; preparing and implementing the National Government borrowing plan; managing debt-service obligations; and facilitating the issuance of Government debt securities.

The Controller of Budget

35) The Office of the Controller of Budget is established under Article 228 of the Constitution and is responsible for overseeing implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds, including the Consolidated Fund and County Revenue Funds.

36) In relation to public debt, the Controller of Budget provides an important layer of fiscal oversight by monitoring withdrawals from the Consolidated Fund and reporting on budget implementation. The Office's periodic budget implementation reports provide Parliament and the public with information relevant to expenditure performance and the broader fiscal position.

The Office of the Auditor-General

37) The Office of the Auditor-General is established under Article 229 of the Constitution and is responsible for auditing and reporting on the accounts of public entities, including those of the National Government. Its mandate provides an important mechanism for enhancing transparency, accountability and value for money in the management of public resources.

38) In relation to public debt, audit processes may examine debt-service expenditure, public guarantees, loan-financed projects, utilization of borrowed resources, contingent liabilities and compliance with applicable laws and approvals. Audit findings therefore provide an

important basis for parliamentary scrutiny of whether borrowed resources have been utilized lawfully, efficiently, effectively and for their intended purposes.

Ministries, Departments, Agencies and State Corporations

39) Ministries, Departments, Agencies and State Corporations play an important role in the implementation of projects and programmes financed through public borrowing. Their responsibilities include project preparation and appraisal, procurement, implementation, monitoring and reporting, as well as ensuring that debt-financed projects deliver their intended economic and social outcomes.

40) The effectiveness of debt-financed expenditure therefore depends partly on the capacity of implementing entities to develop bankable projects, utilize committed funds within agreed timelines, meet counterpart-funding obligations, manage project costs and deliver measurable development outcomes. Weaknesses in project preparation and implementation may contribute to delayed disbursements, commitment fees, project delays, cost escalations and diminished value for money.

The Legal Framework for Public Debt Management

The Constitution of Kenya, 2010

41) The Constitution provides the overarching framework governing public finance and public debt management. Article 214 defines public debt as all financial obligations arising from loans raised or guaranteed and securities issued or guaranteed by the National Government. It further provides that public debt is a charge on the Consolidated Fund unless an Act of Parliament provides for all or part of the debt to be charged on another public fund.

42) Article 206 establishes the Consolidated Fund into which money raised or received by or on behalf of the National Government is paid, except where otherwise provided by law. Public debt-service expenditure charged on the Consolidated Fund constitutes Consolidated Fund Services expenditure and is therefore not subject to annual appropriation in the same manner as voted expenditure. The related estimates are, however, submitted to the National Assembly for consideration and oversight.

43) Article 201 further establishes the principles governing public finance, including openness and accountability, public participation, equitable sharing of the burdens and benefits arising from the use of resources and public borrowing between present and future generations, prudent and responsible use of public money, and responsible financial management.

The Public Finance Management Act, 2012

44) The Public Finance Management Act, Cap. 412A, provides the principal statutory framework for public financial management and public debt management in Kenya. It establishes responsibilities for the management of national and county public finances and assigns functions to the various institutions involved in borrowing, fiscal management, reporting and oversight.

45) In relation to public debt, the Act requires the National Treasury to manage the level and composition of public debt, public guarantees and other financial obligations of the National Government within the applicable fiscal responsibility framework. It further provides the framework through which domestic and external resources are mobilized to finance approved Government requirements.

46) The Act also establishes fiscal responsibility principles relevant to public borrowing. These include the requirement that, over the medium term, Government borrowing should be directed towards financing development expenditure rather than recurrent expenditure; that public debt and other financial obligations should be maintained at sustainable levels; and that fiscal risks should be managed prudently.

47) Section 49 of the Public Finance Management Act provides the statutory basis for borrowing by the National Government. It authorizes the Cabinet Secretary responsible for the National Treasury to borrow on behalf of the National Government subject to the Constitution, the Act and other applicable requirements governing public borrowing and fiscal management.

48) The existing institutional and legal framework demonstrates that Kenya has established mechanisms for the management, reporting and oversight of public debt. The National Treasury already provides substantial information through instruments including the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy, Annual Borrowing Plans, debt registers, budget documents and other fiscal reports. The principal concern is therefore not necessarily the absence of public debt information, but its consolidation, accessibility, timeliness, comprehensiveness and usefulness to Parliament, citizens and other stakeholders.

49) The Petition also raises matters that the National Assembly has previously considered through resolutions of the House and recommendations arising from scrutiny of public debt reports and strategies. These include strengthening parliamentary oversight of borrowing; improving debt reporting and transparency; enhancing public participation in debt-management strategies; strengthening management of fiscal risks; reducing commitment fees; improving utilization of borrowed resources; and containing the growth of debt-service costs.

50) The concerns raised by the Petitioners regarding public debt sustainability, transparency, citizen participation and inter-generational equity are therefore relevant to the continuing development of Kenya's public debt management framework. At the same time, notable institutional measures have been undertaken by the National Assembly, including the establishment of the Public Debt and Privatization Committee, enhanced scrutiny of public debt reports and strategies, engagement with technical and oversight institutions, and increased stakeholder participation in parliamentary consideration of public debt matters.

51) The key consideration is therefore how the National Assembly can build upon the existing legal and institutional framework by strengthening implementation of House resolutions, improving the quality and accessibility of public debt information, enhancing accountability for the utilization of borrowed resources and developing a more proactive and integrated framework for parliamentary oversight of public debt.

52) Certain reforms proposed by the Petitioners may require amendments to the Public Finance Management Act, Cap. 412A. Any such reforms should be carefully designed to complement the existing budget process, preserve sound fiscal policy management, and strengthen the National Assembly's constitutional oversight role without undermining the operational efficiency of public finance.

3.3 Office of the Controller of Budget

Dr. Margaret Nyakango, CBS appeared before the Committee on 28th July 2026 and submitted as follows;

53) Article 228 of the Constitution establishes the Office of the Controller of Budget (CoB) and mandates it to oversee implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds. Article 228(6) further requires the Controller of Budget to submit reports to each House of Parliament and the respective County Assemblies every four months on the implementation of their budgets.

54) The contracting and management of public debt is primarily undertaken by the National Treasury through the Public Debt Management Office established under the Public Finance Management Act, 2012, within the constitutional and statutory framework governing national government borrowing and parliamentary oversight.

55) The CoB does not contract, negotiate or guarantee public debt. Its constitutional mandate in relation to public debt is principally exercised during budget implementation, particularly through oversight of withdrawals from public funds, including withdrawals relating to public debt-service expenditure, and subsequent reporting on budget implementation.

56) This distinction was relevant to the Committee's consideration of the Petition. While the Office is well placed to address matters relating to budget implementation, transparency, accountability and reporting, decisions relating to debt contracting, borrowing strategies and the broader public debt management framework fall within the respective mandates of the National Treasury, Parliament and other institutions involved in public debt management.

57) The CoB prepares and publishes periodic National and County Government Budget Implementation Review Reports. These reports provide information on actual expenditure, including public debt-service expenditure, against approved budgetary provisions and are made publicly accessible. They therefore provide Parliament and the public with an independent source of information on the implementation of debt-service expenditure.

58) Where the CoB identifies material variances or other issues relating to approved budgetary provisions and actual withdrawals for debt-service expenditure, these are highlighted through its budget implementation reports submitted to Parliament pursuant to Article 228(6) of the Constitution, as summarized in the table below.

59) The existing reporting framework therefore provides an important source of independent information that may complement initiatives aimed at strengthening public debt transparency and accountability. Rather than establishing parallel reporting arrangements, consideration may be given to improving the coordination, accessibility and integration of

existing information generated by the CoB, the National Treasury and other relevant institutions.

60) On the specifics of the Petition, the CoB responds as follows;

No.	Prayers Sought by the petitioner	CoB Position
1.	On strengthening oversight over public debt contracting, management and reporting	Supported. The CoB recommends that the four-monthly Budget Implementation Review Reports under Article 228(4) be formally designated as a standing input to parliamentary debt oversight, alongside National Treasury and Central Bank of Kenya reporting.
2.	On ensuring comprehensive, timely, and accessible public disclosure of public debt information	Supported. The CoB already publishes County and National Budget Implementation Review Reports in accessible formats. The CoB recommends that any new disclosure standard for debt data be harmonized with the format and timelines of these existing reports to avoid duplication and confusion among users. The Commonwealth Meridian system plays a significant role in harmonizing the management of public debt through the following ways: • Standardization of Debt Management Practices • Centralized Debt Database • Improved Debt Transparency and Accountability • Better Debt Portfolio Management
3.	On establishing and maintain comprehensive publicly Public Debt Registry	Supported in principle. Custodianship properly, sits with the National Treasury through the. Debt Management Office, as the entity that contracts and services debt. The CoB proposes a
4.	On institutionalizing independent expert forecasts and long-term debt sustainability analysis in parliamentary-debate	Supported. The CoB noted that credible independent analysis requires adequate resourcing of existing institutions, including the Parliamentary Budget Office and the CoB's own analytical function, rather than the creation of new bodies.
5.	On facilitating structured intergenerational dialogue on public debt through national and regional platforms.	Supported in principle. Convening such platforms falls outside the CoB's core mandate but can be done on invitation

6.	On enhancing direct engagement between Parliament, citizens and civil society through hearings, petitions and feedback mechanisms.	Supported. The CoB welcomed closer coordination with the Committee and civil society organizations on matters of budget implementation and fiscal accountability, consistent with its constitutional public engagement obligations.
7.	On integrating intergenerational equity into public debt policy, medium-term and long-term fiscal planning.	Supported. The fiscal responsibility principles already set out in section 15 of the Public Finance Management Act, 2012, embed elements of intergenerational equity. The CoB recommends anchoring this prayer through amendment of the Act, consistent with the ongoing Amendment Bill process to which The CoB has previously made submissions, rather than through new stand-alone legislation.

61) The CoB therefore recommends that;

i) The Public Finance Management Act, 2012 be amended to expressly require the National Treasury to establish, maintain and regularly update a comprehensive Public Debt Registry, rather than enact separate stand-alone legislation for this purpose. This would consolidate the proposed reforms within the existing public financial management framework and would be consistent with the CoB's earlier submissions made during consideration of amendments to the Public Finance Management Act.

ii) The establishment of a statutory mechanism for periodic reconciliation of information contained in the proposed Public Debt Registry with debt-service expenditure reported in its Budget Implementation Review Reports. Such reconciliation would facilitate comparison between public debt stock and debt-service information and enable material discrepancies or variances to be identified and reported to Parliament.

iii) Continued modernization and automation of public debt recording and settlement processes, including implementation of the Commonwealth Meridian debt management system and greater automation of public debt settlement processes. This would improve the accuracy, timeliness and consistency of public debt information across relevant institutions.

iv) Strengthening and adequately resourcing existing independent analytical institutions, including the Parliamentary Budget Office and the Office of the Controller of Budget, to enhance long-term debt sustainability analysis and independent scrutiny of public debt, rather than establishing an additional advisory body with potentially overlapping functions.

v) Clear delineation of the respective responsibilities of the National Treasury, the Central Bank of Kenya, Parliament and the Office of the Controller of Budget in public debt management, implementation, reporting and oversight. This would minimize

duplication of mandates, strengthen institutional accountability and improve coordination of public debt information and reporting.

vi) Inter-generational equity considerations be incorporated within the existing fiscal responsibility framework under section 15 of the Public Finance Management Act, 2012, and supported through structured public participation at both the national and county levels.

62) In conclusion, the Controller of Budget welcomed the objectives of Petition No. 10 of 2026 and acknowledged the concerns raised by the Petitioners regarding prudent, transparent and inter-generationally equitable management of public debt. The Office reaffirmed its constitutional mandate under Article 228 of the Constitution to independently oversee budget implementation and expressed its commitment to continued engagement with Parliament in strengthening transparency, accountability and oversight in the management of public finances.

3.4 Office of the Auditor General

Mr. Isaac Ng'ang'a, Deputy Auditor General appeared before the Committee on 28th July 2026 on behalf of the Auditor General and submitted as follows;

63) The Office of the Auditor-General (OAG) supported the objectives of Petition No. 10 of 2026, noting that prudent public debt management is critical to fiscal sustainability, accountability, effective public service delivery and safeguarding the interests of future generations. The OAG observed that while public borrowing is a legitimate instrument for financing development, it should be undertaken transparently, sustainably and in a manner that supports national development priorities.

64) Pursuant to Article 229 of the Constitution, it is mandated to audit and report on the accounts of public entities and provide independent assurance on whether public resources have been applied lawfully and effectively. Through financial, compliance, performance and special audits, the Office provides Parliament with independent information relevant to the management of public debt, utilization of borrowed resources and associated fiscal obligations.

65) As at 30th June 2025, Kenya's public debt stood at approximately Kshs. 11.825 trillion, equivalent to 67.8 percent of GDP, while debt-service expenditure absorbed a significant proportion of ordinary revenue. The Office observed that persistent fiscal deficits, increasing debt-service costs and unreported or inadequately disclosed liabilities may constrain fiscal space and heighten public debt sustainability risks.

66) Recurring audit findings relating to weaknesses in public debt management, including unreconciled debt balances, inconsistencies in debt records, weaknesses in internal controls and documentation, inadequate project preparation and fragmented debt information systems. The Office also reported that approximately Kshs. 7.65 billion in commitment fees had been incurred on undrawn loan balances between FY 2020/21 and FY 2024/25.

67) These weaknesses may undermine the accuracy and reliability of public debt information, increase the cost of borrowing and reduce the value derived from debt-financed expenditure. It therefore emphasized the need to strengthen governance, transparency, internal controls and accountability throughout the public debt management cycle, from project identification and loan contracting to disbursement, implementation, debt servicing and evaluation.

68) In response to the prayers of the Petition, the OAG supported measures aimed at strengthening parliamentary oversight of public debt; improving the comprehensiveness and accessibility of public debt information; establishing a comprehensive Public Debt Registry; strengthening independent debt sustainability analysis; enhancing monitoring of debt-financed projects; incorporating inter-generational equity considerations into public debt policy; and expanding meaningful public participation in public debt governance.

69) The OAG further informed the Committee that it was finalizing a comprehensive audit of public debt undertaken at the request of the National Assembly's Public Accounts Committee. The audit is expected to provide further findings and recommendations relevant to parliamentary oversight and the management of public debt.

70) The Auditor-General therefore recommends that:

i) Parliamentary oversight be strengthened across the entire public debt management cycle, including loan contracting, utilization of borrowed resources, debt servicing and evaluation of debt-financed projects;

ii) Independent technical and analytical expertise be institutionalized and strengthened to support informed decision-making on public borrowing and debt sustainability;

iii) Monitoring, evaluation and reporting on debt-financed projects be strengthened to ensure that borrowed resources are utilized for their intended purposes and generate measurable economic and social returns;

iv) Fiscal discipline and institutional coordination among entities involved in public debt management, reporting, implementation and oversight be strengthened;

v) Adherence to the applicable public debt sustainability framework and fiscal responsibility requirements be enhanced; and

vi) Mechanisms for monitoring and implementing audit recommendations relating to public debt and debt-financed expenditure be strengthened to ensure timely corrective action

3.5 The National Treasury

Mr. Raphael Otieno, Director General Public Debt Management at the National Treasury appeared before the Committee on behalf of the Principal Secretary, on 30th June 2026 and submitted as follows;

71) Kenya has an established constitutional, legal and institutional framework for public debt management that substantially addresses the concerns raised in Petition No. 10 of 2026 regarding parliamentary oversight, transparency, accountability, debt sustainability and inter-generational equity.

72) The Constitution of Kenya, 2010 and the Public Finance Management Act, 2012 provide the principal framework governing public borrowing and debt management, including provisions relating to parliamentary oversight, transparency and accountability, fiscal responsibility, debt sustainability and reporting to Parliament.

73) Regarding the Petitioners' proposal for the establishment of a Public Debt Registry, the National Treasury submitted that a comprehensive Public Debt Register already exists and is maintained through the Meridian Debt Management System. It further indicated that the External Public Debt Register is publicly accessible through the National Treasury's website.

74) Public debt information is regularly disseminated through various reports and publications, including the Monthly Public Debt Bulletin, Annual Public Debt Management Report, Medium-Term Debt Management Strategy, Annual Borrowing Plan, Budget Policy Statement and Debt Sustainability Analyses. These documents collectively provide information on the level and composition of public debt, borrowing strategies, debt-service obligations and associated fiscal risks.

75) Public and Publicly Guaranteed Debt stood at approximately Kshs. 11.81 trillion as at June 2025, equivalent to 67.8 percent of GDP. By March 2026, the debt stock had increased to approximately Kshs. 12.83 trillion, comprising Kshs. 7.15 trillion in domestic debt and Kshs. 5.68 trillion in external debt.

76) The National Treasury acknowledged that the present value of public debt as a proportion of GDP remained above the statutory debt anchor of 55 percent of GDP. It informed the Committee that the Government was implementing fiscal consolidation measures aimed at bringing public debt within the applicable statutory framework by October 2028.

77) On inter-generational equity, the National Treasury submitted that the principle is already incorporated within the existing public debt and fiscal management framework. It cited the statutory debt anchor, public participation undertaken during the budget process, debt sustainability analysis and the Government's borrowing strategy, including the prioritization of concessional external financing and longer-term domestic debt instruments, as measures intended to promote sustainable borrowing and equitable distribution of the costs and benefits of public debt over time.

78) Regarding parliamentary and institutional oversight, the National Treasury observed that public debt is subject to scrutiny by several institutions exercising distinct but complementary mandates. These include the National Assembly and the Senate, relevant parliamentary committees including the Public Debt and Privatization Committee and the Public Accounts Committee, the Parliamentary Budget Office, the Office of the Auditor-General and the Office of the Controller of Budget.

79) In response to the specific prayers of the Petition, the National Treasury maintained that the existing institutional framework provides the principal mechanisms necessary for public debt management and oversight. It further submitted that a Public Debt Register already exists; independent technical analysis is available through institutions including the Parliamentary Budget Office; and mechanisms for public participation are provided for within the existing public financial management framework.

80) Notwithstanding the existing framework, the National Treasury acknowledged the need to strengthen public communication and stakeholder engagement on public debt matters. In particular, it recognized the importance of producing simplified and more accessible public debt information to improve public understanding of debt levels, borrowing decisions, debt-service obligations and associated fiscal risks.

81) The National Treasury further outlined ongoing reforms aimed at strengthening public debt management and domestic debt-market infrastructure. These include digitization of debt-payment processes; enhancement of the Meridian Debt Management System; operationalization of the Registrar of National Government Securities; expansion of retail participation in Government securities through platforms such as DhowCSD and M-Akiba; and exploration of alternative financing instruments, including Sustainability-Linked Bonds.

82) In conclusion, the National Treasury submitted that Kenya's public debt governance framework is substantially established and anchored in the Constitution and the Public Finance Management Act, 2012. It nevertheless reaffirmed its commitment to continuously strengthening debt management practices, transparency, accountability, public participation and accessibility of public debt information.

PART FOUR

4. COMMITTEE OBSERVATIONS

Upon hearing from the Petitioners, the Controller of Budget, Auditor General and the National Treasury, the Committee observed that—

83) The Petition raises legitimate concerns regarding the rapid growth of Kenya's public debt and its implications for fiscal sustainability, economic development, and intergenerational equity as envisaged under Article 201(c) of the Constitution.

84) Kenya's public debt remains above the statutory debt anchor of 55 percent of GDP in present value terms, underscoring the importance of continued fiscal consolidation, prudent borrowing, and effective debt management to ensure long-term fiscal sustainability.

85) Although substantial debt information is published by the National Treasury, the information remains scattered across multiple reports, making it difficult for independent users to access comprehensive and timely debt information. Moreover, the reporting format may not be user-friendly, especially to the youth.

86) Rising debt service obligations continue to consume a significant proportion of Government revenue, thereby reducing fiscal space for development programmes and essential public services.

87) Kenya remains exposed to debt sustainability risks arising from persistent fiscal deficits, refinancing pressures, exchange rate fluctuations, and increasing debt servicing costs, necessitating prudent borrowing and stronger fiscal discipline.

88) The current fiscal space and debt levels have left limited options for government operations and development. A freeze on borrowing would therefore result in massive macro-economic shocks that would be detrimental to the country.

89) The target to confine the statutory debt anchor to 55 percent of GDP by October 2028 is geared towards debt sustainability. Fiscal consolidation ought to be sustained by the National Treasury.

90) The Petition complements previous House resolutions on public debt governance and highlights the need to strengthen implementation of existing resolutions rather than creating parallel oversight mechanisms.

91) The ultimate authority in oversight is the National Assembly, and through its relevant committees, it indeed receives and considers all reports on public debt from the National Treasury, Controller of Budget and the Auditor General.

PART FIVE

5. COMMITTEE RECOMMENDATIONS

92) Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

i) On the prayer that the National Assembly strengthens its oversight role over public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments by legislating on a 24-month debt freeze from FY 2027/2028 and a mandatory bi-annual parliamentary address by the Cabinet Secretary Finance & National Treasury on the status of existing public debt in Kenya; **the Committee declines to grant the prayer on the 24-month debt freeze, but recommends that the National Treasury ensures strict compliance with the statutory debt anchor target of 55 percent of GDP by October 2028 and sustains fiscal consolidation efforts beyond this target.**

ii) On the prayer that the National Assembly enhances the transparency and accessibility of public debt information by ensuring comprehensive and timely disclosure of debt information in digital formats that are accessible and understandable to the general public. In particular, the Petitioners propose amendments to the Public Finance Management (National Government) Regulations, 2015 to require publication, within thirty (30) days, of all new loan contracts, guarantees and information on pending bills. And the digitization of historical public debt records, in accordance with the Access to Information Act, to enhance public access, transparency and accountability; **the Committee recommends that within ninety (90) days upon tabling of this report, the National Treasury, submits to the National Assembly amendments to the Public Finance Management Act, 2012 and its attendant Regulations, to expressly require the National Treasury to establish, and maintain an up-to-the-minute comprehensive Public Debt Registry, including matched debt service expenditure.**

iii) On the prayer that National Assembly enhances and facilitates direct engagement between parliament, citizens and civil society organizations through public hearings, petitions and feedback mechanisms on debt transparency and accountability, and integrates inter-generational equity; **the Committee recommends that the National Treasury enhances public participation and stakeholder engagement during the preparation of the Medium-Term Debt Management Strategy and other key debt policy documents, including use of social media.**

Signed: _____ **Date:** 30-09-2026

HON. MUCHANGI KAREMBA, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 30 SEP 2026 DAY. Wednesday
TABLED BY: Hon. Jane Sitienei MP (Vice-chairperson)
CLERK-AT THE-TABLE: Lomale

ANNEXURES

Annex 1: Report Adoption List

Annex 2: Petition No. 10 of 2026 Strengthening Oversight, Transparency and Intergenerational Equity in Public Debt Governance

Annex 3: Minutes of proceedings

PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

(i) Consideration and adoption of the P/No. 10 of 2026 regarding Strengthening Oversight transparency and inter-generational equity in Public debt governance by Kiambu County Empowerment Network and the Bunge Mashinani Initiative

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 4/9/2026

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba,CBS, M.P.(Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P.(Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene,CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT (FIFTH SESSION)

CONVEYANCE OF PUBLIC PETITION

(No 10 of 2026)

REGARDING STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTER-GENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE

1. **Honourable Members**, Article 119 of the Constitution accords every person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than those presented by a Member.

2. In this regard, Honourable Members, I wish to report to the House that my Office has received a Petition from **Ms. Beatrice N. Waiyaki** and others, representing the **Kiambu County Empowerment Network** and the **Bunge Mashinani Initiative**. The Petitioners are calling for the enhancement of oversight, transparency, and the integration of inter-generational equity in the governance of public debt.

3. The Petitioners contend that public debt has emerged as a critical governance challenge with profound implications for Kenya's fiscal sustainability, the delivery of essential services, and the economic prospects of future generations. They express grave concern over the escalating debt burden and the attendant risks to the country's long-term developmental trajectory.

4. **Honourable Members**, the Petitioners underscore the necessity of robust parliamentary scrutiny over the contracting, management, and reporting of public debt. They aver that such oversight is vital to ensure that borrowing remains prudent, transparent, and strictly aligned with national strategic priorities, thereby safeguarding public resources.

5. The Petitioners further observe that the absence of a comprehensive and periodically updated **Public Debt Registry** impedes effective scrutiny by both the public and relevant Parliamentary Committees. They argue that a centralized, publicly accessible registry—detailing domestic and external debt, borrowing terms, creditors, and repayment schedules—is indispensable for debt sustainability analysis.

6. **Honourable Members**, the Petitioners also highlight a deficiency in structured mechanisms for inter-generational dialogue. They note that discourse on fiscal policy remains largely confined to technical and national forums, effectively excluding local communities and the youth—who will bear the long-term cost of today's borrowing—from the decision-making process.

7. In light of the foregoing, the Petitioners seek the intervention of the National Assembly to:

   (a) Strengthen the institutional framework for the oversight of public debt management;
   (b) Enhance transparency through the legislative establishment of a comprehensive and mandatory Public Debt Registry;
   (c) Institutionalize the utilization of independent expert analysis during debt-related deliberations in the House; and
   (d) Promote structured engagement between Parliament, civil society, and the citizenry to ensure inter-generational equity is a primary consideration in public debt policy.

8. Having established that the matters raised in the Petition fall squarely within the mandate of this House and being satisfied that the issues are not *sub-judice* or pending before any other constitutional or legal body, I hereby commit this Petition to the **Public Petitions Committee** for consideration, pursuant to the Standing Orders.

9. The Committee is required to consider the Petition and report its findings to the House and to the Petitioner in accordance with Standing Order 227(2).

I thank you.

Wetangula

THE RT. HON. (DR.) MOSES WETANG'ULA, SC, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Date ...4/6/26.....

MINUTES OF THE 55TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 4TH SEPTEMBER, 2026 IN MASHUA CONFERENCE ROOM, SERENA HOTEL, MOMBASA COUNTY AT 10:00 A.M.

PRESENT

1. Hon. Eric Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Maisori Marwa Kitayama, M.P.
6. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
7. Hon. Suzanne Ndunge Kiamba, M.P.
8. Hon. Peter Irungu Kihungi, M.P.
9. Hon. Edith Vethi Nyenze, M.P.
10. Hon. Paul Biego Kibichiy, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Peter Mbogho Shake, M.P.
3. Hon. Sloya Clement Logova, M.P.
4. Hon. Patrick Ntwiga Munene, CBS, M.P.
5. Hon. John Bwire Okano, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Mr. Oscar Namulanda	-	Deputy Director/HOD
2. Mr. Victor Weke	-	Principal Clerk Assistant II
3. Ms. Miriam Modo	-	Clerk Assistant I
4. Mr. Bernard Toroitich	-	Clerk Assistant III
5. Ms. Kafuyai Wamae	-	Clerk Assistant III
6. Mr. Clinton Sindiga	-	Legal Counsel II
7. Ms. Nancy Akinyi	-	Research Officer III
8. Mr. Valerian Pascal	-	Hansard Officer II
9. Mr. Collins Mahamba	-	Audio Officer
10. Ms. Fridah Ngari	-	Media Relation Officer
11. Mr. Paul Shani	-	Serjeant-at-Arms
12. Mr. Mahlon Kiprono	-	Intern

MIN./PPC/2026/282: PRELIMINARIES

The Chairperson called the meeting to order at 9:00 am and opening prayers were led by the Hon. Maisori Marwa Kitayama, M.P.

MIN./PPC/2026/283: ADOPTION OF AGENDA

The proposed agenda was adopted having been proposed by Hon. Suzanne Ndunge Kiamba, M.P, and seconded by, Hon. Edith Vethi Nyenze, M.P.

AGENDA

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of previous Minutes

4. Matters Arising
5. **Consideration and adoption of the following Public Petition Reports -**
6. **Public Petition No. 10 of 2026 regarding Strengthening Oversight transparency and inter-generational equity in public debt governance by Kiambu County Empowerment Network and the Bunge Mashinani Initiative; and**
7. **Public Petition No. 13 of 2026 regarding Establishment of a National Police Firearms Digital Detection and Tracking System.**
8. Any Other Business
9. Adjournment and Date of the Next Meeting

MIN./PPC/2026/284: CONFIRMATION OF MINUTES

This agenda item was deferred to the next sitting.

MIN./PPC/2026/194: CONSIDERATION AND ADOPTION OF REPORTS ON VARIOUS PUBLIC PETITIONS

a) Public Petition No. 10 of 2026 regarding Strengthening Oversight transparency and inter-generational equity in Public Debt Governance by Kiambu County Empowerment Network and the Bunge Mashinani Initiative.

The Committee considered and adopted the Draft Report unanimously having been proposed by the Hon. Edith Vethi Nyenze, M.P and seconded by the Hon. Paul Biego Kibichiy, M.P as follows:

Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows -

(i) On the prayer that the National Assembly strengthens its oversight role over public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments by legislating on a 24-month debt freeze from FY 2027/2028 and a mandatory bi-annual parliamentary address by the Cabinet Secretary Finance & National Treasury on the status of existing public debt in Kenya; **the Committee declines to grant the prayer on the 24-month debt freeze, but recommends that at the National Treasury ensures compliance with the statutory debt anchor target of 55 percent of GDP target of October 2028 and sustains fiscal consolidation efforts beyond this target.**

(ii) On the prayer that the National Assembly enhances the transparency and accessibility of public debt information by ensuring comprehensive and timely disclosure of debt information in digital formats that are accessible and understandable to the general public. In particular, the Petitioners propose amendments to the Public Finance Management (National Government) Regulations, 2015 to require publication, within thirty (30) days, of all new loan contracts, guarantees and information on pending bills. And the digitization of historical public debt records, in accordance with the Access to Information Act, to enhance public access, transparency and accountability; **the Committee recommends that the National Treasury, within three (3) months of tabling of this report, submits to the National Assembly amendments to the Public Finance Management Act, 2012 and its attendant Regulations, to expressly require the National Treasury to establish, and maintain an up-**

to-the-minute comprehensive Public Debt Registry, including matched debt service expenditure.

(iii) On the prayer that National Assembly enhances and facilitates direct engagement between parliament, citizens and civil society organizations through public hearings, petitions and feedback mechanisms on debt transparency and accountability; **the Committee recommends that the National Treasury enhances public participation and stakeholder engagement during the preparation of the Medium-Term Debt Management Strategy and other key debt policy documents, including use of social media.**

b) Public Petition No. 13 of 2026 regarding Establishment of a National Police Firearms Digital Detection and Tracking System

The Committee considered and adopted the Draft Report unanimously having been proposed by the Hon. Joshua Kandie, MP and seconded by the Hon. Nerbert Muriuki, MP as follows –

Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

On the prayer that the National Assembly intervenes by amending the National Police Service Act and related legislation to establish a secure national digital firearms detection and tracking system within the National Police Service, including biometric-controlled smart armouries, encrypted real-time tracking and alert mechanisms, safeguards for operational confidentiality, dedicated budgetary support and statutory protections to ensure that officers are not unfairly held liable for systemic technological failures; **the Committee recommends that the Inspector General of Police avails an implementation framework for full digitization of firearms records, including amendments to relevant laws, and the resultant budgetary requirement to the National Assembly during consideration of the Budget Policy Statement 2027/28.**

MIN./PPC/2026/285: ANY OTHER BUSINESS

The Committee resolved to undertake site visits to assess the status of forest excisions within the Mount Kenya-Ontulili Block and gather further information regarding the allegations raised in the petition by the squatters.

The Committee further resolved to undertake a site visit to the Kiunga Marine National Reserve to engage with residents and establish the facts surrounding the alleged illegal allocation of land and encroachment within the Reserve. The site visits will enable the Committee to verify the issues raised and make informed determinations towards concluding the two petitions.

MIN./PPC/2026/286: ADJOURNMENT AND DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at 4:30 p.m. The |Next meeting will be held on Notice.

Sign: ..... **Date** 30/09/2026

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 45TH MEETING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 30TH JULY, 2026 IN COMMITTEE ROOM 25, FLOOR, 5TH BUNGE TOWER AT 11:50 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Edith Vethi Nyenze, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Maisori Marwa Kitayama, M.P.
3. Hon. (Eng.) Bernard Nebart Muriuki, M.P
4. Hon. Suzanne Ndunge Kiamba, M.P.
5. Hon. Patrick Ntwiga Munene, CBS, M.P.
6. Hon. John Bwire Okano, M.P.
7. Hon. Peter Irungu Kihungi, M.P.
8. Hon. Paul Biego Kibichiy, M.
9. Hon. Peter Mbogho Shake, M.P.
10. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Mr. Victor Weke	-	Principal Clerk Assistant II
2. Mr. Bernard Toroitich	-	Clerk Assistant III
3. Mr. Paul Shane	-	Serjeant at arms
4. Mr. Clinton Sindiga	-	Legal Counsel II
5. Mr. Pascal Valerian	-	Hansard Officer II
6. Ms. Nancy Akinyi	-	Research Officer III
7. Mr. Arkan Mumin	-	Research Officer III
8. Mr. Collins Mahamba	-	Audio Officer
9. Ms. Fridah Ngari	-	Media Relations Officer
10. Mr. Mahlon Kiprono	-	Intern

THE NATIONAL TREASURY

1. Mr. Raphael Otieno	-	Director General-Public Debt
2. Mr. Julius Mbida	-	Principal Economist
3. Ms. Angela Abei Mary	-	PLO National Treasury
4. Mr. Salim Madaraka	-	Principal Debt Officer National Treasury
5. Mr. Nyamawih Charo	-	Senior Deputy Director

AUDITOR GENERAL OFFICE (OAG)

1. Mr. Isaac Nganga	-	Deputy Auditor General
2. Mr. Samuel Muchiri	-	Director of Audit
3. Mr. Ezekiel Omare	-	Senior Auditor
4. Ms. Edna Mogoka	-	Principal Auditor
5. Mr. Newton Gichero	-	Audit Associate

MIN./PPC/2026/231: **PRELIMINARIES**

The Chairperson called the meeting to order at 11:54 am and said a word of prayer.

MIN./PPC/2026/232: **ADOPTION OF AGENDA**

The proposed agenda was adopted hereunder having been proposed by Hon. Joshua Chepyegon Kandie , M.P, and seconded by, Hon. Beatrice Kadeveresia Elachi, CBS, M.P

AGENDA

1. Prayer & Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of the Previous Minutes;
4. Matters Arising;
5. **Meeting with the Principal Secretary, National Treasury on Public Petition regarding 10 of 2026 regarding strengthening oversight, transparency and intergenerational equity in Public Debt Governance.**
6. Any other Business; and
7. Adjournment.

MIN./PPC/2026/233: **CONFIRMATION OF MINUTES**

This agenda item was deferred to the next sitting.

MIN./PPC/2026/234: **MEETING WITH THE PRINCIPAL SECRETARY OF THE NATIONAL TREASURY) ON PUBLIC PETITION 10 OF 2026 REGARDING STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTERGENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE**

Mr. Raphael Otieno, Director-General, Public Debt Management Office, appeared before the Committee on behalf of the Principal Secretary to the National Treasury vide Letter Ref. TNT/CONF 268/019 "TY" (50) and made the following submissions-

Mr. Otieno informed the Committee that Kenya has a comprehensive constitutional, legal and institutional framework for the management of public debt, which adequately addresses the concerns raised in Petition No. 10 of 2026 regarding oversight, transparency and intergenerational equity in public debt governance. He submitted that the Constitution and the Public Finance Management Act, 2012 provide a clear framework for parliamentary oversight, transparency, accountability, debt sustainability and regular reporting to Parliament.

The Director-General further submitted that the National Treasury maintains a comprehensive Public Debt Register through the Meridian Debt Management System, which is updated in real time. He noted that the External Public Debt Register is publicly accessible through the National Treasury's website. In addition, the Treasury regularly publishes key public debt documents, including the Monthly Public Debt Bulletin, the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy (MTDS), the Annual Borrowing Plan, the Budget Policy Statement and Debt Sustainability Analysis reports, all of which enhance transparency and public access to information on public debt.

The Treasury further informed the Committee that, as at June 2025, Kenya's public and publicly guaranteed debt stood at Kshs. 11.81 trillion, representing 67.8 per cent of Gross Domestic Product (GDP). The debt stock had increased to Kshs. 12.83 trillion by March 2026, comprising Kshs. 7.15 trillion in domestic debt and Kshs. 5.68 trillion in external debt. While acknowledging that the Present Value of Debt-to-GDP ratio remained above the statutory debt anchor of 55 per cent, the Treasury indicated that the Government was implementing fiscal consolidation measures aimed at achieving compliance with the statutory threshold by October 2028.

The Director-General further explained that the principle of intergenerational equity is already embedded in Kenya's public debt management framework through the statutory debt anchor, annual public participation during the budget-making process, periodic debt sustainability analyses undertaken jointly with the International Monetary Fund (IMF) and the World Bank, and a borrowing strategy that prioritizes concessional financing and longer-term domestic debt instruments.

On parliamentary oversight, the Treasury submitted that the existing institutional framework provides multiple layers of oversight through the National Assembly, the Senate, the Departmental Committee on Finance and National Planning, the Public Accounts Committee, the Parliamentary Budget Office, the Auditor-General and the Controller of Budget. Accordingly, the Treasury maintained that the existing legal and institutional arrangements adequately address the Petitioners' proposals, noting that a Public Debt Register is already in place and publicly accessible, independent technical analysis is available through the Parliamentary Budget Office and international financial institutions, and public participation is provided for under the Public Finance Management Act, 2012. Nevertheless, the Treasury acknowledged the need to strengthen public communication by publishing simplified debt reports and enhancing stakeholder engagement.

The Treasury also outlined ongoing reforms aimed at strengthening public debt management, including the digitization of debt payment systems, enhancement of the Meridian Debt Management System, operationalization of the Registrar of National Government Securities, expansion of retail investment through the DhowCSD and M-Akiba platforms, and the exploration of Sustainability-Linked Bonds. It concluded that Kenya's public debt governance framework is robust and consistent with the Constitution and reaffirmed its commitment to continuously strengthening transparency, accountability, public participation and prudent public debt management.

The National Treasury concluded that Kenya's existing public debt governance framework provides adequate mechanisms for transparency, accountability, debt sustainability and parliamentary oversight. The Treasury nevertheless reaffirmed its commitment to improving public access to information, strengthening stakeholder engagement, enhancing debt management systems and adopting international best practices in public debt governance.

Committee Recommendations

The Committee made the following recommendations, that the National Treasury;

i) Continues to implement fiscal consolidation measures aimed at reducing the debt-to-GDP ratio to the statutory debt anchor of 55 per cent by October 2028 through prudent borrowing, enhanced domestic revenue mobilization, expenditure rationalization, and prioritization of concessional financing.

ii) Maintains a Public Debt Register and publishes periodic public debt reports. The Committee nevertheless recommends that the Treasury enhance public access to debt information by publishing simplified, user-friendly debt reports and maintaining an up-to-date, searchable online Public Debt Registry containing comprehensive information on all public borrowing, including the purpose of the borrowing, creditors, terms and conditions, repayment schedules, and the status of debt-funded projects, subject to applicable legal and security considerations; and

iii) Broadens stakeholder engagement during the preparation of the Medium-Term Debt Management Strategy (MTDS), the Annual Borrowing Plan, and the Budget Policy Statement by ensuring meaningful participation of youth, civil society organizations, county governments, academia, the private sector, and other stakeholders, with a view to promoting transparency, intergenerational equity, and greater public ownership of public debt policies.

MIN./PPC/2026/235: **ADJOURNMENT**

There being no other business, the meeting was adjourned at 2:00 p.m. The next meeting will be held on Tuesday 4th August, 2026.

Sign: ..... **Date** 20/08/26

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 44TH MEETING OF THE PUBLIC PETITIONS COMMITTEE HELD ON TUESDAY, 28TH JULY, 2026 IN COMMITTEE ROOM 25, FLOOR, 5TH BUNGE TOWER AT 11:50 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Maisori Marwa Kitayama, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Peter Irungu Kihungi, M.P.
6. Hon. Paul Biego Kibichiy, M.P.
7. Hon. Edith Vethi Nyenze, M.P.

APOLOGIES

1. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
2. Hon. Patrick Makau King'ola, M.P.
3. Hon. (Eng.) Bernard Nebart Muriuki, M.P
4. Hon. Suzanne Ndunge Kiamba, M.P.
5. Hon. Patrick Ntwiga Munene, CBS, M.P.
6. Hon. John Bwire Okano, M.P.
7. Hon. Peter Mbogho Shake, M.P.
8. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Mr. Victor Weke - Principal Clerk Assistant II
2. Ms. Miriam Modo - Clerk Assistant I
3. Mr. Bernard Toroitich - Clerk Assistant III
4. Mr. Paul Shane - Serjeant at arms
5. Mr. Clinton Sindiga - Legal Counsel II
6. Mr. Pascal Valerian - Hansard Officer II
7. Ms. Nancy Akinyi - Research Officer III
8. Mr. Arkan Mumin - Research Officer III
9. Mr. Collins Mahamba - Audio Officer
10. Ms. Fridah Ngari - Media Relations Officer
11. Mr. Mahlon Kiprono - Intern

CONTROLLER OF BUDGET

1. FCPA Dr. Margaret Nyakango, CBS - Controller of Budget
2. Mr. Mohamed Hassan - Director Planning
3. Mr. Ben Simiyu - Controller of Budget Office
4. Mr. Mark Kipkoech - Director Planning
5. Mr. Theodora Ochichi - Controller of Budget Office

AUDITOR GENERAL OFFICE (OAG)

1. Mr. Isaac Nganga - Deputy Auditor General
2. Mr. Samuel Muchiri - Director of Audit
3. Mr. Ezekiel Omare - Senior Auditor
4. Ms. Edna Mogoka - Principal Auditor
5. Mr. Newton Gichero - Audit Associate

MIN./PPC/2026/226: **PRELIMINARIES**

The Chairperson called the meeting to order at 11:54 am and said a word of prayer.

MIN./PPC/2026/227: **ADOPTION OF AGENDA**

The proposed agenda was adopted hereunder having been proposed by Hon. Joshua Chepyegon Kandie, CBS, M.P, and seconded by, Hon. Paul Biego Kibichiy, M.P

AGENDA

1. Prayer & Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of the Previous Minutes;
4. Matters Arising;
5. **Meeting with Controller of Budget and the Auditor General (OAG) on a public petition No. 10 of 2026 regarding strengthening oversight, transparency and intergenerational equity in Public Debt Governance;**
6. Any other Business; and
7. Adjournment.

MIN./PPC/2026/228: **CONFIRMATION OF MINUTES**

This agenda item was deferred to the next sitting.

MIN./PPC/2026/229: **MEETING WITH CONTROLLER OF BUDGET AND THE AUDITOR GENERAL (OAG) REGARDING P/NO. 10/2026 STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTERGENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE**

i) Meeting with Controller of Budget (COB)

Evidence of the Controller of Budget

FCPA Dr. Margaret Nyakango, CBS, Controller of Budget, appeared before the Committee and made the following submissions –

The Controller of Budget (CoB) stated that, pursuant to Article 228 of the Constitution, the Office is mandated to oversee the implementation of the budgets of the national and county governments by authorizing withdrawals from public funds and submitting reports to Parliament on budget implementation every four months. The CoB clarified that its mandate does not extend to the contracting, negotiation or management of public debt, as these functions are vested in the National Treasury and the Public Debt Management Office under the Public Finance Management Act, 2012.

The Controller of Budget further submitted that the Office contributes to public debt oversight through the preparation and publication of quarterly and annual Budget Implementation Review Reports, which provide independent analysis of public debt servicing and highlight any variances between approved borrowing, budgetary allocations and actual expenditure. The reports are publicly available and serve to promote transparency, accountability and informed parliamentary oversight.

The CoB expressed support for the objectives of the Petition, particularly the proposals aimed at strengthening parliamentary oversight of public debt, enhancing public disclosure of debt information, establishing a Public Debt Registry under the National Treasury, strengthening independent debt sustainability analysis, promoting public participation, and incorporating the principle of intergenerational equity into public debt management. However, the Office emphasized that any legislative or policy reforms should reinforce existing institutional mandates and reporting frameworks, while avoiding duplication of functions or the creation of overlapping oversight mechanisms.

Recommendations to the Committee

The Controller of Budget recommended that the Public Finance Management Act, 2012 be amended to provide for the establishment of a statutory Public Debt Registry. Further, the Office recommended regular reconciliation of the Registry with the Budget Implementation Review Reports, enhancement of the analytical capacity of oversight institutions, clear delineation of institutional responsibilities in public debt oversight, and integration of the principle of intergenerational equity within the existing fiscal responsibility framework.

In conclusion, the Controller of Budget reaffirmed the Office's commitment to promoting transparent, accountable and prudent public debt management through the effective discharge of its constitutional oversight mandate.

Committee Resolutions

The Controller of Budget was directed to submit proposed amendments to the PFM Act of Public debt settlement and any other amendments addressing the prayers of the petitioners.

ii) Meeting with Auditor General (OAG)

Mr. Isaac Nganga, Deputy Auditor-General, who represented the Auditor-General, appeared before the Committee and made the following submissions –

The Office of the Auditor-General (OAG) expressed support for the objectives of Petition No. 10 of 2026, noting that prudent public debt management is fundamental to fiscal sustainability, accountability, effective service delivery and the protection of the interests of future generations. The OAG emphasized that while public borrowing is a legitimate means of financing development, it must be undertaken in a transparent, sustainable and accountable manner, and be aligned with national development priorities.

The OAG submitted that, pursuant to Article 229 of the Constitution, the Auditor-General is mandated to audit and report on public debt and to ascertain whether public resources are applied lawfully and in an effective manner. The Office explained that, through financial, compliance, performance and special audits, it provides Parliament with independent assurance on the management of public debt and the utilization of public resources.

The Office highlighted the country's increasing public debt burden, noting that as at 30 June 2025, Kenya's public debt stood at Kshs. 11.825 trillion, representing a debt-to-GDP ratio of 67.8 per cent. The OAG further observed that approximately 66 per cent of ordinary revenue was being utilized to service public debt. According to the Office, persistent fiscal deficits, hidden liabilities and escalating debt servicing costs continue to constrain fiscal space and heighten the risk of debt distress.

The OAG further informed the Committee that its audit reports have consistently identified weaknesses in public debt management, including unreconciled debt balances, inconsistent debt records, weak internal controls, inadequate documentation, poor project preparation, fragmented debt information systems, and the payment of Kshs. 7.65 billion in commitment fees on undrawn loans during the period between FY 2020/21 and FY 2024/25. The Office noted that these findings underscore the need for enhanced governance, transparency and accountability across the public debt management cycle.

The Office supported the Petition's proposals aimed at strengthening parliamentary oversight of public debt, establishing a comprehensive Public Debt Registry, enhancing public disclosure of debt information, promoting independent debt sustainability analysis, strengthening oversight of debt-funded projects, integrating the principle of intergenerational equity into public debt policy, and enhancing public participation in public debt governance.

Auditor-General's Recommendations

The Office of the Auditor-General recommended strengthening oversight across the entire public debt management cycle, institutionalizing independent technical expertise in public debt decision-making, enhancing the monitoring and reporting of debt-funded projects, improving fiscal discipline and institutional coordination, ensuring compliance with debt sustainability thresholds, and strengthening the implementation and follow-up of audit recommendations.

The Office further informed the Committee that it is finalizing a comprehensive audit of Kenya's public debt, undertaken at the request of the National Assembly's Public Accounts Committee. The findings and recommendations of the audit, once finalized, are expected to provide additional insights to inform Parliament's oversight of public debt management.

The Office of the Auditor-General reaffirmed its commitment to supporting Parliament in promoting transparency, accountability and prudent public debt management through the effective discharge of its constitutional audit mandate.

Committee Observations

i) The Committee observes that effective oversight of public debt should extend beyond loan contracting to encompass project appraisal, disbursement, utilization of borrowed funds, implementation, monitoring and debt repayment.

ii) The Committee notes the recurring audit findings on weaknesses in public debt management, including unreconciled debt balances, inconsistent debt records, inadequate documentation, weak internal controls, fragmented debt management systems and commitment fees paid on undrawn loans, all of which undermine prudent debt management.

Committee Resolutions

i) The National Treasury should establish, through legislation, a comprehensive and publicly accessible Public Debt Registry containing accurate and up-to-date information on all public debt obligations, guarantees, contingent liabilities and debt-funded projects.

ii) Parliament should strengthen oversight across the entire public debt cycle by enhancing scrutiny of borrowing decisions, project implementation, utilization of borrowed funds, debt servicing and repayment.

iii) The Committee recommends that the National Assembly considers the findings of the Auditor-General's forthcoming comprehensive audit on public debt and ensures timely implementation of its recommendations to strengthen transparency, accountability and prudent public debt management.

MIN./PPC/2026/230: ADJOURNMENT

There being no other business, the meeting was adjourned at 2:00 p.m. The next meeting will be held on Thursday 30th July, 2026.

Sign: ..... **Date** 20/02/26

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 41ST SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON TUESDAY, 23RD JUNE, 2026 IN COMMITTEE ROOM 14, FLOOR, 2ND BUNGE TOWER AT 11:50 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Maisori Marwa Kitayama, M.P.
4. Hon. Edith Vethi Nyenze, M.P.
5. Hon. Suzanne Ndunge Kiamba, M.P.
6. Hon. Paul Biego Kibichiy, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
3. Hon. Joshua Chepyegon Kandie, M.P.
4. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
5. Hon. Peter Irungu Kihungi, M.P.
6. Hon. Patrick Ntwiga Munene, CBS, M.P.
7. Hon. John Bwire Okano, M.P.
8. Hon. Peter Mbogho Shake, M.P.
9. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Mr. Victor Weke - Principal Clerk Assistant II
2. Mr. Bernard Toroitich - Clerk Assistant III
3. Ms. Kafuyai Wamae - Clerk Assistant III
4. Mr. Clinton Sindiga - Legal Counsel II
5. Mr. Collins Mahamba - Audio Officer
6. Ms. Felistas Muiya - Public Communications Officer
7. Ms. Fridah Ngari - Media Relations Officer
8. Ms. Rose Njuki - Senior Serjeant at arms

PARLIAMENTARY BUDGET OFFICE

1. Mr. Chacha Machage - Fiscal Analyst

THE FORMER UCHUMI STAFF WELFARE ASSOCIATION

1. Mr. Philomena Oburenyi - Chairperson
2. Mr. Justine Oyagi - Assistant Secretary
3. Mr. Paul Owino Okoth - Member
4. Mr.Reuben Muhia - Member
5. Mr. Aggrey Aturi - Member

6. Mr. Jones Momanyi - Member
7. Mr. Omar Kaje - Member

BUNGE MASHINANI INITIATIVE & KIAMBU COUNTY EMPOWERMENT NETWORK

1. Mr Kamau Prince Brayan - Executive Director
2. Ms. Kimberly Fiona Okiri - President, Cohort at BMSG
3. Ms. Beatric Njeri Waiyaki - Chairperson
4. Mr. Gesimba Atingah - County Director ,Okoa Uhumi
5. Ms. Caroline Mbenya - National Democratic Institiute
6. Mr. John Muchori - Programme Coordinator, Bunge Mashiani
7. Mr. Isaac Wamene - Comminication Officer
8. Mr. Edward Njano - Secretariat, Bunge Mashsinani
9. Ms. Jane Wanjiru - KISANET, Coordinator
10. Ms. Faith Musyimi - Support liason
11. Ms. Loise Waringa Kinyua - Gatundu rep for PWD
12. Mr. Michael Mburu - Executive Director,Bunge Mashinani
13. Ms. Stella Wanjiru - Bunge Mashinani
14. Eric Mutura - Bunge Mashinani
15. Mr. Francis Njorge - Twaweza
16. Mr. Fredric Ajok - Comminication Officer

MIN./PPC/2026/210: PRELIMINARIES

The Chairperson called the meeting to order at 11:50 am and said a word of prayer.

MIN./PPC/2026/211: ADOPTION OF AGENDA

The proposed agenda was adopted hereunder having been proposed by Hon. Suzanne Ndunge Kiamba, M.P and seconded by, Hon. Edith Vethi Nyenze, M.P

AGENDA

1. Prayer & Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of the Previous Minutes;
4. Matters Arising;
5. **Meeting with the petitioners regarding the following Public petitions:**
   i. **Public Petition No.9 of 2026 regarding unpaid salary arrears and terminal dues to the employees of Uchumi Supermarket PLC; and**
   ii. **Public Petition No.10 of 2026 on strengthening oversight, transparency, and intergenerational equity in public debt governance**.
6. Any other Business; and
7. Adjournment

MIN./PPC/2026/212: CONFIRMATION OF MINUTES

This agenda item was deferred to the next sitting.

MIN./PPC/2026/213: MEETING WITH PETITIONERS ON VARIOUS PETITIONS

1. **Public Petition No.9 of 2026 regarding unpaid salary arrears and terminal dues to the employees of Uchumi Supermarket PLC.**

The petitioners appeared before the Committee and submitted as follows-

i. The Petitioners aver that, despite numerous engagements with the appointed administrators, the courts, and processes established under the Company Voluntary Arrangement (CVA), their claims for unpaid salary arrears, gratuity, and other terminal benefits remain unresolved.

ii. The Petitioners further state that commitments made under the CVA to settle staff claims have not been honoured, despite repeated reminders and demonstrations by former employees.

iii. Additionally, the Petitioners allege that lease proceeds from tenants occupying the company's premises, including payments reportedly made by China Square, have been diverted to other projects instead of being applied towards the settlement of staff claims.

iv. The Petitioners also cite a lack of transparency and accountability in decisions affecting staff welfare. They contend that certain directives issued during the last Annual General Meeting by the CVA monitor have not been implemented, and that affected employees have not been adequately consulted.

v. The Petition further highlights the difficult circumstances faced by many former employees, some of whom are unable to provide for their families, meet medical expenses, or support their children's education. It is also reported that some former staff have passed on before receiving their rightful dues.

vi. Finally, in light of the foregoing, the Petitioners seek the intervention of the National Assembly to ensure transparency in the management of lease proceeds and other company assets, and to facilitate the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff claims.

Petitioners' Prayers

The Petitioners pray that the Committee investigates the matter and recommends that:

i. Establish implementation status of the CVA and reasons for non-compliance;

ii. Investigate utilization of lease proceeds and any company income streams;

iii. Direct disclosure of financial reports relating to asset and revenue management;

e) Recommend a structured and time-bound settlement framework for affected former employees;

f) Ensure accountability for decisions that may have prejudiced employee welfare

Clarifications by the Petitioners

The petitioners are concerned of the continued failure by Uchumi Supermarkets Ltd to settle outstanding salary arrears, gratuity, and terminal dues owed to former employees despite the passage of several years, existing court interventions, and commitments previously made under the Company Voluntary Arrangement (CVA).

Uchumi Supermarkets Ltd experienced prolonged financial distress which led to closure of operations, employee redundancies, and termination of employment for numerous staff members across the country

The petitioners further informed the Committee that statutory remittance to NSSF, loan deductions and Sacco contributions were not indicated in there terminal letters.

The petitioners raised concerns regarding reports that revenue generated from tenants occupying company properties, including China Square and other tenants, may not have been applied toward settlement of employee obligations

Committee Observations

The Committee observed that—

i. Members acknowledge the significant financial distress faced by former employees due to unpaid salaries and terminal benefits, which has led to severe personal and family challenges.
ii. There is concern regarding the company's failure to comply with court decisions and commitments made under the CVA, indicating a lack of accountability and transparency in the management of employee claims.
iii. Members emphasize the importance of understanding the status of the CVA and the prioritization of employee claims, as this is crucial for ensuring that former employees receive their rightful dues.
iv. The alleged diversion of lease income raises serious questions about the financial management of Uchumi Supermarkets Ltd. Members stress the need for a thorough investigation into how rental income is utilized and whether it contributes to settling employee obligations.
v. Members note the lack of communication from Uchumi Supermarkets Ltd regarding financial recovery efforts and settlement plans, which has contributed to the frustration and uncertainty experienced by former employees.
vi. There is a strong call for accountability regarding decisions that may have negatively impacted employee welfare, as well as a need for a structured and time-bound settlement framework to resolve outstanding claims.
vii. Members express their support for the petitioners and their request for Parliament to take action to ensure justice and fair resolution of their claims, highlighting the importance of protecting workers' rights and welfare.

Committee Recommendations

The Committee resolved to engage -

i. The Management of Uchumi Supermarket PLC; and

ii. The Office of the Official Receiver.

2. **Public Petition No.10 of 2026 on strengthening oversight, transparency, and intergenerational equity in public debt governance.**

Mr. Chacha Machage brifed the Committee on the_Public Petition No.10 of 2026 on strengthening oversight, transparency, and intergenerational equity in public debt governance as follows:

The petition presented to the National Assembly on June 3, 2026, by citizens and community members, particularly from the Bunge Mashinani Initiative, addresses critical concerns regarding public debt in Kenya. The petition emphasizes the need for enhanced transparency, accountability, sustainability, and public participation in the management of public debt, highlighting the long-term implications of borrowing for both current and future generations. Key points from the petition include:

i. The total public debt of Kenya has reached Kshs. 12.86 trillion, which is 69.4% of GDP, raising alarms about fiscal sustainability and the burden on future generations.

ii. Debt servicing is projected to consume a significant portion of government revenue, limiting funds available for essential services and development projects.

iii. The National Assembly has established the Public Debt and Privatization Committee to enhance scrutiny over public debt management. However, there is a need for more structured oversight throughout the entire debt cycle.

iv. Limited public access to comprehensive and timely information on public debt hampers accountability and citizen engagement.

v. The petitioners call for institutionalized mechanisms for intergenerational dialogue on public debt to ensure that future generations are considered in fiscal decisions.

Observations

i. The National Assembly has made strides in enhancing oversight through the establishment of the Public Debt and Privatization Committee, which has improved scrutiny of public debt matters.

ii. While the National Treasury provides various reports on public debt, there is a lack of a centralized and easily accessible Public Debt Registry, which limits transparency and informed decision-making.

iii. The National Assembly has opened avenues for public participation, but these processes remain ad hoc and could benefit from more structured engagement mechanisms.

iv. There is a reliance on technical support from various institutions, but the absence of independent expert forecasts and long-term sustainability projections remains a gap in the decision-making process.
v. The need for structured intergenerational dialogue on public debt is critical to ensure that the voices of future generations are included in fiscal policy discussions.

Recommendations

i. The National Assembly should consider proposals for more structured ex-ante scrutiny of major borrowing decisions and enhance reporting on the use and outcomes of borrowed resources.
ii. The National Assembly should advocate for the establishment of a comprehensive and publicly accessible Public Debt Registry to consolidate information on domestic and external debt, including terms and repayment schedules.
iii. Develop formal channels for ongoing engagement between Parliament, citizens, and civil society organizations to foster greater accountability and transparency in public debt governance.
iv. Ensure that independent expert forecasts and long-term debt sustainability projections are incorporated into parliamentary scrutiny processes to enhance the quality of oversight.
v. Integrate intergenerational equity considerations into public debt policy formulation and legislative oversight processes to ensure that the burdens of debt do not disproportionately affect future generations.
vi. Consider amendments to the Public Finance Management Act to strengthen the National Assembly's oversight role while preserving operational efficiency in public finance management.
vii. By implementing these recommendations, the National Assembly can enhance its oversight of public debt, promote transparency, and ensure that the interests of both current and future generations are safeguarded in fiscal decision-making.

The Petitioners appeared before the Committee and submitted as follows—

i. The Petitioners state that public debt has emerged as a pressing governance issue with far-reaching implications for Kenya's fiscal sustainability, service delivery, economic opportunity, and inter-generational equity. They express concern over the growing public debt burden and the risks it poses to the country's long-term development.

ii. The Petitioners emphasize the need for strengthened parliamentary oversight over public debt contracting, management, and reporting to ensure that borrowing remains prudent, transparent, and aligned with national development priorities. They note that enhanced oversight would enable Parliament to effectively safeguard public resources and promote accountability in debt-related decisions.

iii. The Petitioners observe that the absence of a comprehensive and regularly updated Public Debt Registry limits effective scrutiny of borrowing decisions and debt sustainability by both the public and parliamentary committees. They note that a centralized and publicly accessible registry would consolidate information on domestic and external debt, including borrowing terms, creditors, and repayment schedules.

iv. The Petitioners further point out that structured mechanisms for inter-generational dialogue on matters of public debt remain insufficient. They observe that discussions on fiscal policy and debt sustainability are often confined to technical or national forums, thereby excluding local communities and future generations from decision-making processes.

Petitioners' Prayers

The Petitioners prayed that the Committee investigates the matter and recommends that—

(i) Strengthen oversight of public debt management;

(ii) Enhance transparency and public access to debt information through establishment of a comprehensive Public Debt Registry;

(iii) Institutionalize the use of independent expert analysis in debt deliberations; and,

(iv) Promote structured inter-generational dialogue; and strengthen engagement between Parliament, citizens, and civil society, while integrating inter-generational equity considerations into public debt policy and oversight.

Clarifications by the Petitioners

The petition presented to the Public Petitions Committee addresses the rising public debt in Kenya, which has escalated from approximately KES 2.4 trillion in 2014 to over KES 12 trillion today. The petitioners, representing the voices of young Kenyans and future generations, express concerns about the implications of this debt burden on their economic prospects and the overall welfare of the nation.

They emphasize the principle of intergenerational equity, which mandates that the benefits and burdens of public borrowing should be shared fairly between current and future generations, as enshrined in Article 201(c) of the Constitution of Kenya.

The petition highlights several key issues:

i. The significant increase in public debt and its impact on national resources, with debt servicing consuming over half of tax revenues.

ii. Insufficient communication and disclosure regarding public debt management and the use of borrowed funds.

iii. Current borrowing practices are seen as transferring the financial burden to future generations without their input in decision-making.

iv. The petitioners urge the National Assembly to take decisive action to address public debt, including implementing a 24-month debt freeze and enhancing oversight and transparency in debt management.

The Committee observed that—

i. The committee acknowledges the alarming rise in public debt and its potential long-term implications for future generations, particularly in terms of economic opportunities and access to essential services.

ii. The committee recognizes the importance of intergenerational equity in public debt management and the need for policies that ensure fair distribution of the burdens and benefits of borrowing.

iii. The committee notes the lack of transparency in public debt management and the need for improved communication and reporting mechanisms to ensure accountability.

iv. The committee appreciates the call for enhanced public participation in debt management discussions, recognizing that citizens should have a voice in decisions that affect their future

Committee Recommendations

The Committee resolved

1. To engage -
   i. The National treasury;
   ii. Controller of Budgets; and
   iii. Office of the Auditor General

MIN./PPC/2026/214: ADJOURNMENT

There being no other business, the meeting was adjourned at 3:15 p.m. The next meeting will be held on Tuesday 30th June at a venue to be confirmed.

Sign: ..... **Date** 30/06/26

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

Our case for intergenerational equity and public debt transparency as promised by our Kenyan Constitution under Article 201(c):

Petition number 10 of 2026

Oral submissions dated 23rd June, 2026 at Parliament Building, Nairobi.

Hon. Chairperson, Public Petitions Committee

Hon. Members of the Committee

Friends of the Committee and the Secretariat.

Thank you for affording time to listen to our oral submissions in support of **Petition No. 10 of 2026- *Petition on Strengthening Oversight, Transparency and Intergenerational Equity in Public Debt Governance*** that was committed to this honourable committee by the Hon. Speaker of the National Assembly on 9th June, 2026.

We come before you Honourable Members who have been bestowed with the solemn duty and mandate to represent the voices of over 50 million Kenyans alive today and the millions more who continue to be born into this motherland. You have been individually entrusted by your constituents through the vote to sit in this 13th parliament as their representatives. In addition to that, a higher national duty has been bestowed on you as members of the Public Petitions Committee- to listen to citizens' petitions and in this case the petition on public debt. This places the committee centrally to safeguard future generations against unfair overburdening of public debt and the harsh economic realities that arise from that. The future generations do not have a voice today- they are the unborn children, the toddlers and our very young children who cannot comprehend the fiscal decisions being made today but will suffer the full impact of those decisions in the near future. We bring to you those voices on their behalf as the youth of today and future parents of those unborn children. We call upon you to listen to those voices today and take patriotic action, however unpopular it may be politically. This is a high national calling.

Our serious discourse on Intergenerational Equity on Public Debt and the oversight role of the national assembly in the management of public debt symbolically started during our day of graduation from Bunge Mashinani School of Governance as community organisers on governance and development. This conversation emerged from a community engagement we had on public debt governance on 17th December, 2025 convened by Bunge Mashinani Initiative, a registered NGO under the Laws of Kenya, with technical assistance from the National Democratic Institute (NDI)- Kenya. The outcome of that vibrant and objective community conversation was the petition currently before you that was supported by 107 signatures from ordinary Kenyans and submitted to the Office of the Speaker of the National Assembly on 7th January, 2026.

This community based engagement lay bare the legitimate concerns from citizens, particularly young people, regarding the rising public debt burden and its long-term implications for future generations who will ultimately be responsible for repaying obligations contracted without their participation in decision-making processes. The petitioners felt that it is the National Assembly that has the constitutional

oversight mandate on the procurement, administration and disclosure of public debt and that is the reason we are before you today.

Hon. Chair, as young people from the community with no solid financial and economic background, we are not before your committee to crack complex ratios, numbers and GDP percentages, we are even not qualified to do so; but we are here to discuss with you what we see as solutions and safeguard measures from our perspective. At least we know that Kenya's public debt has expanded significantly over the past decade, increasing from approximately KES 2.4 trillion in 2014 to over KES 12 trillion today. That should and must be an alarm for all Kenyans, including you the honourable members of this committee in your capacity as citizens of this country.

According to a recently published report titled "*The Peoples' Audit" (2025) by the Okoa Uchumi Coalition,* debt servicing alone absorbed more than half of all tax revenue collected in the 2024/25 financial year, effectively diverting substantial public resources away from development priorities and essential public services. This fiscal dynamic raises fundamental concerns about whether current borrowing patterns are enhancing national welfare or shifting unsustainable repayment burdens onto future generations while constraining their prospects for economic opportunity, quality services, and social protection. We feel that in the procurement and management of public debt, the decision makers have prioritized short-term political interests at the expense of both current and future generations, resulting in negative economic outcomes. Unsustainable and opaque borrowing is basically deferred higher taxation and this is effectively transferring the cost of today's fiscal mismanagement to future generations as characterized by undisclosed loans and loans that are not mapped to actual development projects that could otherwise have been enjoyed by future generations. This is an act of intergenerational injustice that mortgages the welfare of the very young and unborn citizens.

Hon Chair, at the core of this public discourse is the principle of intergenerational equity, which requires that both the benefits and burdens of public borrowing be distributed fairly between present and future generations. This principle is firmly anchored in Article 201(c) of the Constitution of Kenya, 2010, which explicitly provides that ***"the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations."*** This constitutional provision is reinforced by Article 10 on national values and principles of governance, which include public participation, transparency, accountability, and sustainable development, as well as Article 35 on access to information and Article 43 on socio-economic rights such as health, education, housing, food, and social security.

Evidence from key governance and policy institutions underscores the urgency in addressing intergenerational equality and equity concerns. A report published by Oxfam Kenya titled *"Kenya's Inequality Crisis: The Great Economic Divide" (2025)* highlights deep rooted inequalities that lays bare how public debt impacts society. The report notes that the richest 125 Kenyans own more wealth than the poorest 42.6 million Kenyans combined. Critically, the report observes that in 2024, KES. 68 of every KES. 100 collected in taxes was used for debt repayment, an amount twice the education budget and nearly fifteen times the health budget. This is the dangerous trajectory that the country has taken. This pattern, if left unchecked, is dangerously crowding out investments in public sectors that are essential for future generations' wellbeing, including industrial development, education, health, and social protection. The overall result is that future generations will inherit not only accumulated debt obligations but also weakened public systems and reduced state capacity to deliver essential services, thereby compounding long-term inequality and limiting economic mobility.

From a civic space perspective, intergenerational economic injustice in the procurement and administration of public debt is a further risk to the already shrinking civic spaces in Kenya. As responsible and patriotic Kenyans, we choose the route of dialogue and structured engagement to confront the risks of overwhelming public debt. At the moment, we choose the floor of the house over the streets to deliver this message. We call upon the honourable members of the 13th Parliament to choose hard and sober corrective decisions over political interests to address this matter of great national importance. The confrontation of the state with its youth on the basis of economic injustice has recently been witnessed- a confrontation that should serve to hit the reset button on all of us that we have a country to fix together. And dealing with the runaway public debt is one such collective action we must take collectively.

Hon Chair, the central policy question emerging from this body of evidence is whether public debt can be considered equitable when future generations stand to inherit huge repayment obligations, constrained fiscal space, a severely unequal society, reduced access to quality public services, and limited influence over the decisions that generated those obligations. What economic benefits do the future generation accrue from the current KES. 12 Trillion public debt that increases by the day in interests?

This question, Hon Chair, is directly addressed by Article 201(c) of the Constitution, which requires that the burdens and benefits of public borrowing shall be shared equitably between present and future generations, thereby establishing a clear normative standard against which current fiscal practices must be assessed.

This can only happen if the National Assembly firmly exercises its constitutional oversight role on debt transparency on the existing debts and be the people's gate keeper for any other loan that the Government of Kenya seeks to secure. We are already in a debt hole that we cannot keep digging deeper while lamenting. To cure this, we are calling on the National Assembly to take a decision to effect a 24-month debt freeze effective the next financial year 2027/2028 as a legislative measure to correct this mess. That would, in our view, require the National Assembly to demand a zero-deficit FY 2027/2028 budget from the Executive for approval. The just passed FY 2026/2027 budget was approved with a KES. 1.1 Trillion deficit that directly translates to more borrowing. A zero deficit 2027/2028 budget would be supported by dealing with budgeted corruption, austerity and freezing all capital expenditure that can wait- nobody will drop dead if we do not build that highway, that dam, renovate that high office, renovate the airport, etc in the next 24 months. We must normalise living within our means. And that decision would be a great legacy for the 13th Parliament. Future generations must be spared the pain of financing our extravagance, fiscal indiscipline and theft in the future. And we as the people pledge to support parliament in citizens led accountability to that end through vibrant public participation as the holders of the sovereign power.

There can however never be effective oversight without access to timely, accurate and reliable information on the subject matter. That is where it must start. Article 35 is not just a mere suggestion in the Constitution of Kenya; it is a tool given to the citizens and oversight institutions to ensure that accountability in governance is realised.

In light of the foregoing Hon Chair, we affirm our prayers in the petition before you that:

1. The National Assembly strengthens its oversight role over public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments by legislating on a 24-month debt freeze from FY 2027/2028

and a mandatory bi-annual parliamentary address by the Cabinet Secretary Finance on the status of existing public debt in Kenya

2. The National Assembly ensures comprehensive, timely and accessible public disclosure of public debt information in digital formats understandable to the general public. In particular, we propose that the National Assembly amend the Public Finance Management (National Government) Regulations, 2015 to mandate a 30-day publication of all new loan contracts, guarantees and pending bills and digitize historical debt records in accordance with the Access to Information Act.

3. The National Assembly enhances and facilitates direct engagement between parliament, citizens and civil society organisations through public hearings, petitions and feedback mechanisms on debt transparency and accountability

4. The National Assembly integrates intergenerational equity considerations into public debt policy formulation, medium-term and long-term fiscal planning and legislative oversight processes as required by the Constitution of Kenya

This we submit as your humble petitioners.

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1. Okoa Uchumi Campaign (2025). *People's Audit: From Hustle to Hardship.*

2. Oxfam International (2025). *Kenya's Inequality Crisis Subtitle: The Great Economic Divide*

PARLIAMENT OF KENYA

THE NATIONAL ASSEMBLY

ANALYSIS OF PETITION TO THE NATIONAL ASSEMBLY ON STRENGTHENING OVERSIGHT TRANSPARENCY AND INTERGENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE.

By the Parliamentary Budget Office
Macroeconomic and Statistical Analysis Department
(Public Debt Analysis Unit)

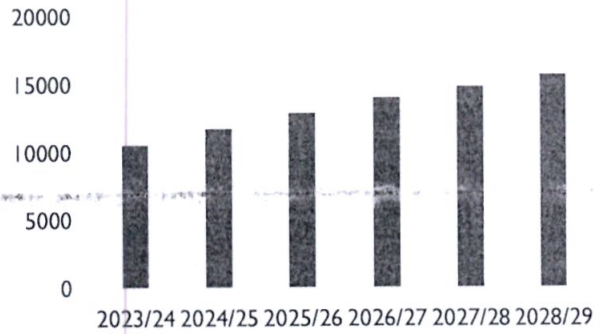
1. Introduction

1. The Petition was laid before the National Assembly on **3rd June 2026**. It was presented by citizens and community members who participated in the **Grassroots Conversations on Public Debt,** together with representatives of the **Bunge Mashinani School of Governance, a program under the Bunge Mashinani Initiative**. The Petitioners raise concerns relating to public debt transparency, accountability, sustainability, public participation, and the long-term implications of borrowing for present and future generations.
2. The Petition was developed with the support and collaboration of the Bunge Mashinani Initiative, the National Democratic Institute, the Institute of Social Accountability, and Odhumo Kenya. These institutions promote civic education, citizen participation, accountable governance, and public engagement in public finance matters, including public debt and fiscal policy.
3. The Petition is presented pursuant to Articles 1, 10, 118, 119, 201, and 221 of the Constitution of Kenya, 2010, the Public Finance Management Act, 2012, and Standing Order 225 of the National Assembly Standing Orders. It calls upon the National Assembly to strengthen oversight of public debt contracting, management, reporting, transparency, public participation, and intergenerational equity.
4. This analysis reviews the Petition against the measures already undertaken by the National Assembly to strengthen oversight of public debt. It examines the institutional and legal framework for parliamentary debt oversight, the outputs and resolutions adopted by the House, the issues and prayers raised by the Petitioners, and the appropriate responses thereto. The analysis further proposes a way forward for the Committee's consideration.

2. Public Debt Stock, Debt Servicing Expenditures & Fiscal Deficit Outlook

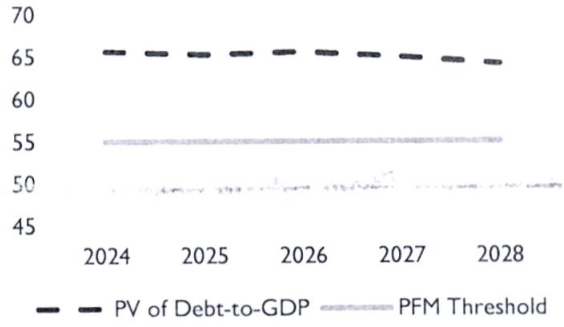
5. As at April 2026, **Kenya's total public debt stood at Kshs. 12.86 trillion, equivalent to 69.4 percent of GDP.** Of this amount, **domestic debt accounted for Kshs. 7.19 trillion (or 56 percent),** while **external debt amounted to Kshs. 5.67 trillion (44 percent)**. In present value terms, the public debt stock was estimated at approximately 65 percent of GDP, which is above the statutory debt anchor of 55 percent of GDP, with a permissible margin of five percentage points, to be attained by October 2028.
6. The continued growth in public debt has largely been driven by persistent fiscal deficits arising from increased expenditure requirements, particularly for infrastructure development, the economic effects of the COVID-19 pandemic, and recurrent revenue shortfalls. These pressures have necessitated continued borrowing to finance annual budget deficits and meet government expenditure obligations. The fiscal deficit for FY 2025/26 is estimated at Kshs. 1.2 trillion and scheduled to increase to Kshs. 1.14 trillion in FY 2026/27.

Figure 1: Public Debt Stock (June 2024-June 2029)



Source: 2026 Budget Summary

Figure 2: PV of Debt/GDP and PFM Threshold



Source: 2026 Budget Summary

2.1. Concerns arising from the growing Public Debt Stock

a. ***Liquidity and refinancing risks:*** A large debt stock may require the Government to access financial markets frequently to refinance maturing obligations. Where investor appetite weakens or market conditions tighten, the Government may face difficulties rolling over debt or may be forced to refinance at significantly higher interest rates.

b. ***Crowding-out of private sector credit:*** Heavy domestic borrowing by the Government may compete with the private sector for available funds in the financial market. This can place upward pressure on domestic interest rates, increase the cost of credit for businesses, and reduce private investment and economic growth.

c. ***Pressure on the budget:*** As public debt rises, interest payments and principal repayments absorb an increasing share of budgetary resources. This may constrain allocations to development expenditure, health, education, infrastructure, social protection, and other priority public services.

d. ***Currency and exchange-rate vulnerability:*** Where a significant proportion of debt is denominated in foreign currencies, depreciation of the Kenya Shilling increases the local-currency value of external debt and raises debt-service costs. This exposes the fiscal framework to exchange-rate volatility and external market conditions.

e. ***Reduced capacity to respond to shocks:*** High public debt limits fiscal space and reduces the Government's ability to respond to economic downturns, climate-related disasters, commodity-price shocks, or revenue underperformance. In such circumstances, additional borrowing may become more expensive, less accessible, or may further increase the risk of debt distress.

3. The Public Debt Management Environment in Kenya

7. Public debt management in Kenya operates within a broader legal, and institutional framework involving several public institutions with distinct but complementary responsibilities. The National Assembly does not exercise debt oversight in isolation. Rather, its oversight role is undertaken within an ecosystem that includes the **National Treasury, the Public Debt Management Office, the Controller of Budget, the Office of the Auditor-General, the Central Bank of Kenya, Ministries, Departments and Agencies,** and other institutions involved in borrowing, budget implementation, reporting, audit, and accountability.

8. The principle of separation of powers under the Constitution requires each institution to perform its designated mandate independently while remaining accountable within the public finance management framework. In this regard, the National Assembly provides the primary legislative oversight and accountability mechanism. Through consideration of debt strategies, debt reports, budget estimates, Consolidated Fund Services expenditures, and audit findings, the House can interrogate the sustainability, affordability, transparency, and development impact of public borrowing.

3.1. Key Institutions in Public Debt Management

i. The National Assembly

9. The National Assembly exercises oversight over public debt through its constitutional role in budget approval, legislation, scrutiny of public finance reports, and review of government expenditure. In particular, the Public Debt and Privatization Committee, established under Standing Order 207A, is mandated to consider matters relating to public debt, public-private partnerships, privatization, and Consolidated Fund Services expenditures.

10. The Committee considers key public debt documents, including the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy, Annual Borrowing Plans, reports on new loans, debt-related fiscal risks, and estimates of debt service expenditure under the Consolidated Fund Services. The Committee also makes recommendations to the House on debt sustainability, borrowing strategy, liability management, utilization of borrowed resources, guarantees, and other debt-related obligations.

11. In addition, the National Assembly undertakes extensive scrutiny during the approval of the Budget Estimates and revenue-raising measures. These processes are critical in determining the overall fiscal framework, including the level of expenditure, projected revenue, fiscal deficit, and the resultant borrowing requirement for each financial year. The process includes public participation and detailed examination of itemized Budget Estimates by the relevant Departmental Committees.

ii. The National Treasury and the Public Debt Management Office

12. The National Treasury is the principal institution responsible for the management of public debt in Kenya. Under the Public Finance Management Act, 2012, the National Treasury is responsible for managing the level and composition of public debt, public guarantees, and other financial obligations of the National Government in a manner that supports sustainable

debt management. Sections 62 to 64 of the Public Finance Management Act establish the Public Debt Management Office within the National Treasury. The Office is responsible for, among other functions: implementing the Government's debt management policy, with the objective of minimizing borrowing costs over the medium to long term while taking account of risk; maintaining reliable and up-to-date debt records for National Government borrowing, county government borrowing, government guarantees, and other relevant debt obligations; preparing and implementing the National Government borrowing plan, including management of debt service obligations; acting as the principal office in the issuance of Government debt securities on behalf of the National Treasury; among others.

iii. The Controller of Budget

13. The Controller of Budget is established under Article 228 of the Constitution. The Office is responsible for overseeing the implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds, including the Consolidated Fund, the County Revenue Funds, and other public funds established by law.

14. In relation to public debt oversight, the Controller of Budget plays an important role in ensuring that withdrawals from the Consolidated Fund are made in accordance with the Constitution, the Appropriation Act, and other applicable laws. The Office also prepares budget implementation reports that provide Parliament and the public with information on expenditure, borrowing, and broader fiscal performance.

iv. The Office of the Auditor-General

15. The Office of the Auditor-General is established under Article 229 of the Constitution and is responsible for auditing and reporting on the accounts of public entities, including the accounts of the National Government. The Auditor-General's role is central to enhancing transparency, accountability, and value for money in the use of public resources.

16. In relation to public debt, the Office of the Auditor-General may examine debt service expenditure, public guarantees, loan-financed projects, use of borrowed resources, contingent liabilities, and compliance with applicable laws, regulations, and parliamentary approvals. Audit findings provide an important basis for parliamentary scrutiny of whether borrowed resources have been used efficiently, effectively, and for their intended purposes.

v. Ministries, Departments, Agencies and State Corporations

17. Ministries, Departments, Agencies, and State Corporations are responsible for the implementation of projects and programs financed through public borrowing. Their role includes project preparation, appraisal, procurement, implementation, monitoring, reporting, and ensuring that borrowed resources achieve the intended economic and social outcomes.

18. The effectiveness of debt-financed expenditure largely depends on the ability of implementing entities to prepare bankable projects, utilize committed funds within agreed timelines, meet counterpart funding obligations, avoid cost overruns and delays, and deliver measurable development returns. Weaknesses at the implementation stage may result in undisbursed loans, commitment fees, project delays, cost escalations, and reduced value for money.

3.2. Legal Framework for Public Debt Management

i. The Constitution of Kenya, 2010

19. The Constitution provides the overarching legal framework for public finance and public debt management. Article 214 defines public debt as all financial obligations arising from loans raised or guaranteed, and securities issued or guaranteed, by the National Government. It further provides that public debt is a charge on the Consolidated Fund, unless an Act of Parliament provides for all or part of the debt to be charged on another public fund.

20. Article 206 establishes the Consolidated Fund, into which all money raised or received by or on behalf of the National Government is paid, except where otherwise provided by law. Public debt service expenditure is charged directly to the Consolidated Fund and is therefore not subject to annual appropriation in the same manner as ordinary expenditure. However, the related estimates are submitted to the National Assembly for review under the Consolidated Fund Services expenditure estimates. The Constitution also establishes key public finance principles under Article 201, including openness and accountability, public participation, prudent use of public money, equitable sharing of burdens and benefits (between present and future generations), and responsible financial management.

ii. The Public Finance Management Act, 2012

21. The Public Finance Management Act, Cap. 412A, is the principal legislation governing public financial management and public debt management in Kenya. The Act provides for the effective management of public finances by the National and County Governments, establishes oversight responsibilities of Parliament and County Assemblies, and assigns roles to various public institutions involved in public finance management.

22. In relation to public debt, the Act requires the National Treasury to manage the level and composition of public debt, public guarantees, and other financial obligations in a manner that ensures sustainable debt control. It also mandates the National Treasury to mobilize domestic and external resources to finance National and County Government budgetary requirements.

23. The Act further sets out fiscal responsibility principles that guide public borrowing and debt management. These principles include the requirement that, over the medium term, National Government borrowing should be used only to finance development expenditure and not recurrent expenditure; that public debt and other financial obligations should be maintained at sustainable levels approved by Parliament; and that fiscal risks should be managed prudently.

24. Section 49 of the Public Finance Management Act provides the legal basis for borrowing by the National Government. It authorizes the Cabinet Secretary responsible for the National Treasury to borrow on behalf of the National Government, provided that the borrowing is undertaken in accordance with the fiscal responsibility principles, the financial objectives contained in the most recent Budget Policy Statement, and the Medium-Term Debt Management Strategy.

4. Issues raised and response

The table below presents the issues raised by the Petitioners, the progress made by the National Assembly, and the remaining gaps or proposed Committee position for consideration.

No.	Issue raised	Strides made by the National Assembly	Comment
1.	**Public debt has emerged as a pressing governance issue with far-reaching implications for Kenya's fiscal sustainability, service delivery, economic opportunity, and intergenerational equity.** Participants highlighted the growing debt burden and the risks it poses to the nation's long-term development. There is an urgent need for enhanced parliamentary oversight over debt contracting, management, and reporting to ensure that borrowing is prudent, transparent, and aligned with national development priorities. Strengthening oversight measures will allow Parliament to perform its constitutional mandate effectively, safeguard public resources, and ensure accountability in debt-related decisions.	- The National Assembly (NA) acknowledges that public debt has become a major governance, fiscal, and development concern for the country. - In response, the House has taken important institutional steps, including the establishment of the Public Debt and Privatization Committee under Standing Order 207A. The Committee provides a dedicated mechanism for parliamentary scrutiny of public debt and related fiscal matters. It has considered key public debt documents, including the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy (MTDS), reports on new loans, and debt-service estimates under the Consolidated Fund Services. - These interventions have enabled the 13th Parliament to exercise more focused and sustained oversight over public debt than under previous parliamentary arrangements.	- While the National Assembly (NA) has substantially strengthened post-borrowing oversight, there remains a need to deepen scrutiny across the full debt cycle, including debt acquisition, contracting, utilization, servicing, liability management, and long-term sustainability. - Further, the existing legal framework under the Public Finance Management Act, Cap. 412A, places significant discretion on the CS-NT responsible for the NA in relation to public borrowing and the management of debt. - The House may therefore consider proposals for more structured ex-ante scrutiny of major borrowing decisions, enhanced reporting on the use and outcomes of borrowed resources, and stronger mechanisms for tracking compliance with approved debt strategies and House resolutions.
2.	**There is limited public access to clear, timely, and comprehensive information on public debt.** The absence of structured, publicly accessible channels for debt data including a comprehensive and regularly updated Public Debt Registry undermines transparency, diminishes public confidence, and restricts meaningful	- The NA has promoted transparency by requiring the National Treasury to submit public debt management reports, borrowing strategies, and budget-related documentation for parliamentary consideration. Committee sittings, public participation processes, stakeholder engagements, and reports tabled before the House have also expanded access to debt-related information.	- The Petitioners have not identified a specific debt document that is unavailable, incomplete, inaccessible, or insufficiently detailed. They may therefore be invited to identify the particular information they consider lacking and make specific proposals on the format, frequency, content, and accessibility of the relevant reports. - While the National Assembly does not generate or publish official public debt statistics, the

No.	Issue raised	Strides made by the National Assembly	Comment
	citizen participation in debt governance. Without accessible data, both the public and parliamentary committees face constraints in scrutinizing borrowing decisions and evaluating debt sustainability.	- Further, the National Treasury publishes a range of public debt and fiscal reports through its official platforms, including the QEBR, monthly public debt reports, the External Debt Register, the Annual Borrowing Plan, BPS, MTDS, Kenya Gazette debt data. The Controller of Budget (COB) and the Kenya National Bureau Of Statistics also publishes reports that provide additional information on budget implementation, borrowing, and public expenditure.	reports of the PDPC, including findings and recommendations on public debt matters, are available online for public reference.
3.	**Current debt deliberations are often conducted without adequate reliance on independent expert forecasts, technical analyses, and long-term debt sustainability projections.** This gap limits informed decision-making and increases the risk of fiscal vulnerabilities. Incorporating evidence-based analyses and long-term projections into parliamentary scrutiny processes would enhance the quality of oversight, enable early identification of fiscal risks, and ensure that debt remains sustainable over time.	- The National Assembly has increasingly relied on technical support from the Parliamentary Budget Office in the consideration of fiscal policy, public debt, and budget-related matters. - The House also receives technical input from key public institutions, including the COB, the Central Bank of Kenya, the Office of the Auditor-General, research institutions, and other subject-matter experts. - The PDPC has further engaged technical stakeholders, including the IMF and the WB, in interrogating debt sustainability. - In addition, the Public Debt Management Office, established under sections 62 to 64 of the PFM, Cap. 412A, provides technical support to the National Treasury on public debt matters, including debt sustainability analysis, debt forecasting, risk assessment, and preparation of debt management reports and strategies for parliamentary consideration.	- The petitioner may specify any other gaps for consideration.

No.	Issue raised	Strides made by the National Assembly	Comment
4.	**The absence of a centralized, comprehensive, and publicly accessible Public Debt Registry significantly limits transparency and informed oversight.** Such a registry would consolidate information on domestic and external debt, including debt terms, borrowing entities, and repayment schedules. Its regular updating would empower Parliament, civil society, and citizens to track debt levels, assess fiscal risks, and participate meaningfully in policy discussions.	- The National Treasury maintains public debt registers and other official debt records in accordance with its statutory mandate. It also publishes debt information through the Annual Public Debt Management Report, the MTDS, budget documents, the Annual Borrowing Plan, external debt registers, and other official fiscal and debt reports. - The National Assembly, through the PDPC, has relied on these reports to scrutinize the public debt portfolio, assess borrowing trends, examine debt-service obligations, and review debt sustainability and related fiscal risks.	- Public debt information is available through various official reports, and the central depository of these reports is the National Treasury website.
5.	**That structured mechanisms for intergenerational dialogue on public debt remain insufficient.** Discussions on fiscal policy and debt sustainability often occur at the technical or national level, leaving local communities and future generations excluded from the decision-making process. Institutionalizing intergenerational consultations and public forums would promote inclusive dialogue, ensure that debt decisions consider long-term societal impacts, and strengthen accountability to future citizens.	- The NA has established avenues for public participation through committee hearings, memoranda, petitions, and stakeholder engagements. - In addition, the House considers the BPS & the MTDS, which are critical in assessing the costs, risks, and expected benefits of public borrowing over the medium and long term. Through its oversight of fiscal policy, borrowing, and development expenditure, the National Assembly has also consistently raised concerns regarding debt sustainability, fiscal space, and the burden of debt service on future taxpayers. - The House has adopted resolutions aimed at containing debt service costs, improving the efficiency of borrowed resources, and protecting or increasing development expenditure to enhance the long-term benefits of public borrowing.	- The intergenerational distribution of the costs and benefits of public debt remains a complex policy challenge. This is because the benefits of expenditure financed through borrowing may accrue gradually and may be difficult to measure over time, while debt obligations are contractually binding and create definite future repayment requirements. There is therefore a need to strengthen analysis of whether debt-financed expenditure generates sufficient long-term economic and social returns to justify the future debt burden.

No.	Issue raised	Strides made by the National Assembly	Comment
6.	**That there is a lack of sustained and structured engagement mechanisms for citizens and civil society in public debt governance.** Current participation is often ad hoc and reactive rather than proactive and institutionalized. Establishing formal channels for ongoing engagement would enable communities to contribute to the formulation, monitoring, and evaluation of debt-related policies, fostering greater accountability, transparency, and trust between the state and its citizens.	- The National Assembly has progressively opened its committee processes to public participation and stakeholder engagement in accordance with Article 118 of the Constitution. Civil society organizations, professional bodies, development partners and technical institutions have increasingly participated in Committee deliberations on fiscal policy, public debt and budget matters.	- Public participation is extensively undertaken by the NA during the budget-making process, which informs both the level of borrowing required to finance the fiscal deficit and the allocation and utilization of borrowed resources. - The National Assembly also facilitates public participation during its consideration of the BPS, the MTDS and other public debt-related reports. - It is further important to note that the scope, standards, and parameters of public participation remain matters of continuing legal and institutional development, with ongoing deliberations within both the Legislature and the Judiciary.

5. Responses to prayers by the Petitioner

25. A review of the petitioners' prayers, it is observed that they have been addressed by House resolutions as indicated below:

No.	Petition Prayer	How House Resolutions have addressed the prayers.
1.	Strengthen oversight over public debt contracting, management, and reporting.	- Current parliament does not have any role in contracting as per the PFM Act, CAP 412A. Although, through resolutions of the House, the Public Debt and Privatization Committee has consistently recommended measures to strengthen parliamentary oversight over borrowing, debt management, and debt reporting. These include proposals for an Annual Loan Financing Bill, requiring National Assembly approval for deviations from approved borrowing strategies, submission of Annual Borrowing Plans, and regular reporting on public debt and Consolidated Fund Services expenditures. - Collectively, these resolutions have sought to expand the National Assembly's scrutiny beyond debt stock monitoring to include borrowing decisions, financing strategy, debt service, and the use of borrowed resources.
2.	Ensure comprehensive, timely, and accessible public disclosure of public debt information.	- The House has passed resolutions requiring the National Treasury to provide more comprehensive disclosure of National Government obligations, including debt service expenditures, guaranteed loans, overdrafts, pension arrears, pending bills, non-performing loans, and other liabilities. - Nonetheless, there are numerous publicly available documents containing debt statistics for reference by the public. These include: the Annual Borrowing Plan, the MTDS, Annual Debt Management Reports, monthly reports on public debt, Gazette notices, QEBR, the Economic Survey by the KNBS, reports by COB.
3.	Establish, maintain, and make publicly accessible a comprehensive Public Debt Registry.	- Although the House has not specifically resolved to establish a single consolidated Public Debt Registry, several resolutions have required the National Treasury to disclose detailed loan-related information. Furthermore, there are numerous publicly available documents containing debt statistics for reference by the public. These include: the Annual Borrowing Plan, the MTDS, Annual Debt Management Reports, monthly reports on public debt, Gazette notices, QEBR, the Economic Survey by the KNBS, reports by COB. - A single debt repository may not necessarily improve accountability. Multiple official sources enable cross-checking, institutional oversight, and verification of debt data. They also allow Parliament, oversight institutions, civil society, and the public to compare reports from the relevant agencies. The focus should therefore be on consistency, timely publication, and ease of access across existing reporting channels.
4.	Institutionalize the use of expert forecasts, independent technical analysis, and long-term debt sustainability projections.	- The House has passed resolutions requiring the National Treasury to strengthen its debt and fiscal analysis. These include requiring the MTDS to address the rising cost of domestic debt, maintain consistency across a rolling medium-term framework, undertake sensitivity analysis, and submit contingency plans in the event of revenue underperformance or loan-related risks.

No.	Petition Prayer	How House Resolutions have addressed the prayers.
		- The House has also required regular macroeconomic reviews to ensure fiscal and monetary policy coordination, as well as improved forecasting to reduce deviations under Supplementary Estimates. These resolutions support a more evidence-based approach to debt sustainability analysis and fiscal decision-making. - The House has also established the PBO to provide technical analysis macro-fiscal policy matters
5.	Facilitate structured intergenerational dialogue on public debt.	- The House has passed resolutions requiring public participation in the preparation of the MTDS in accordance with Article 201 of the Constitution. In addition, resolutions have emphasized increasing development expenditure, prioritizing high-impact capital projects, reducing reliance on debt, and mobilizing alternative financing sources such as grants, climate finance, and concessional financing. These measures seek to protect the long-term productive capacity of the economy and ensure that public borrowing generates benefits that justify the debt burden carried by future generations.
6.	Enhance engagement between Parliament, citizens, and civil society organizations on debt transparency and accountability.	- The House has required public participation in the development of the MTDS and has passed resolutions requiring regular updates to Parliament and other stakeholders on key public finance reforms, including the transition to accrual accounting and establishment of the Treasury Single Account. - The House has also required more frequent public reporting on the Consolidated Fund Services matters that underpin debt service expenditures. Coupled with the public participation undertaken on the Budget Estimates, this These resolutions strengthen the foundation for more transparency, although a law on public participation has not been enacted. - On accountability, the PDPC has observed that there are major weaknesses on the accountability framework related to public debt financed projects leading to slow implementation of projects due to slow disbursement loan financing. There is a House resolution to this end.
7.	Integrate intergenerational equity into public debt policy, fiscal planning, and legislative oversight.	- Through its resolutions, the House has emphasized fiscal consolidation, limits on fiscal deficits, prudent borrowing strategies, protection of development expenditure, improved loan disbursement readiness, ring-fencing of counterpart funding, and the development of a National Liability Management Policy. - These measures seek to reduce the future debt-service burden, preserve fiscal space, improve the economic return on borrowed resources, and ensure that the costs of current borrowing do not outweigh the development benefits available to future generations.

6. Conclusion and Proposed way forward

i. The National Treasury already provides substantial information on public debt through the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy, the Annual Borrowing Plan, debt registers, budget documents, and other fiscal reports. The principal concern is therefore not the complete absence of information, but the need to improve its consolidation, accessibility, timeliness, and usefulness to Parliament, citizens, and other stakeholders.

ii. The Petition substantially reinforces matters that the National Assembly has previously addressed through resolutions of the House. These include strengthening parliamentary oversight over borrowing, improving debt reporting and transparency, undertaking public participation on the MTDS, managing fiscal risks, reducing commitment fees, improving the utilization of borrowed resources, and containing debt service costs.

iii. The Petitioners have raised valid concerns regarding public debt transparency, sustainability, citizen engagement, and the need for stronger technical oversight. However, the National Assembly has already made notable institutional progress through the establishment of the PBO, the PDPC, consideration of public debt reports and strategies, engagement with technical institutions, and expansion of public participation in parliamentary processes.

iv. Addressing the reforms proposed by the Petitioners may require amendments to the Public Finance Management Act, Cap. 412A. Such amendments should be informed by a comprehensive review of existing fiscal policy and public debt management gaps within the Act. Any proposed reforms should complement the current budget process, promote sound fiscal management, strengthen the National Assembly's constitutional oversight role, and preserve the operational effectiveness of public finance management arrangements.

26. The Committee may resolve to:

i. Invite the petitioners and any other relevant stakeholders such as the Controller of Budget, to provide further information on the issues raised by the petitioner;

ii. Invite the National Treasury to submit a response on the concerns raised, including the status of existing public debt management and reporting arrangements; and

iii. Prepare and table a Report to the National Assembly outlining the Committee's findings and any proposed legislative, policy, or procedural reforms for consideration by the House.

REPUBLIC OF KENYA

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SUBMISSION TO THE NATIONAL ASSEMBLY PUBLIC PETITIONS COMMITTEE

ON PETITION NO. 10 OF 2026

(Strengthening Oversight, Transparency, and Intergenerational Equity in Public Debt Governance)

July, 2026

Table of Contents

1. Introduction 1
2. The Controller of Budget's Constitutional Mandate and Its Relevance to the Petition 1
3. The CoB's Existing Contribution to Debt-Related Oversight and Transparency 2
4. Response to the Prayers Sought by the Petitioners 3
5. Recommendations to the Committee 5
6. Conclusion 5

1. Introduction

The Office of the Controller of Budget (OCoB) acknowledges receipt of the invitation from the Office of the Clerk of the National Assembly, Ref. NA/DAA&GPC/PPC/2026/107 of 1st July 2026, to appear before the Public Petitions Committee on Tuesday, 28th July 2026, in respect of Petition No. 10 of 2026 regarding strengthening oversight, transparency and intergenerational equity in public debt governance.

The Petition, presented by Ms. Beatrice N. Waiyaki and others on behalf of the Kiambu County Empowerment Network and the Bunge Mashinani Initiative, in collaboration with the National Democratic Institute, The Institute of Social Accountability, and Okoa Uchumi Kenya, raises legitimate and timely concerns regarding Kenya's public debt burden and the adequacy of existing mechanisms for oversight, disclosure, and generational fairness in debt-related decision-making.

This submission sets out the Controller of Budget (CoB) 's constitutional mandate as it relates to the matters raised, describes the CoB's existing contribution to debt-related transparency and oversight, responds to each prayer sought by the Petitioners, and offers recommendations for the Committee's consideration. The submission is made in a spirit of constructive engagement, consistent with the CoB's role as an independent oversight institution established under Article 228 of the Constitution.

2. The Controller of Budget's Constitutional Mandate and Its Relevance to the Petition

Article 228 of the Constitution establishes the Office of the Controller of Budget. It mandates that it oversee the implementation of the budgets of the national and county governments by authorising withdrawals from public funds. Article 228(6) further requires the Controller to submit a report to each House of Parliament and to the respective county assembly every four months on the implementation of the budgets.

Public debt contracting and management is primarily the mandate of the National Treasury, acting through the Public Debt Management Office established under Part V of the Public Finance Management Act, 2012, subject to parliamentary approval of borrowing under Article 211 of the Constitution. The CoB does not contract, guarantee, or negotiate debt. The CoB's constitutional role in relation to debt is exercised at the point of implementation, namely in authorising and reporting on the exchequer releases used to service debt as budgeted expenditure.

This distinction matters for the Committee's consideration of the Petition. The CoB is well placed to speak to the transparency, accountability and reporting dimensions of the prayers, and to support strengthened institutional coordination. However, matters of debt contracting policy and debt ceiling design properly fall within the domain of the National Treasury, the Central Bank of Kenya and Parliament's own oversight committees.

3. The CoB's Existing Contribution to Debt-Related Oversight and Transparency

The CoB already produces and publishes National and County Governments' Budget Implementation Review Reports on a quarterly and annual basis. These reports capture actual expenditure on public debt servicing against approved budgets and are made publicly accessible, providing a standing and independently verified source of debt service expenditure data.

Where the CoB identifies inconsistencies between approved borrowing, budgeted debt service provisions and actual withdrawals, this is flagged in her reports to Parliament pursuant to Article 228(6) as indicated in the table below.

Public Debt Budget perfomance

Debt Category	Original Estimates (Kshs. Bn)			Exchequer Issues (Kshs. Bn)	Loan Expenditure in the First Nine Months of FY 2025/26 (Kshs. Bn)			Exchequer Issues as % of Original Estimates	Expenditure as % of Estimates
	Loan Principal	Loan Interest	Total		Principal	Interest & other charges - *Including Overdraft* (Kshs. Bn)	Total		
External Debt	**340.19**	**246.27**	**586.46**	**588.85**	**419.70**	**169.15**	**588.85**	100	100
Bilateral	340.19	246.27	586.46	588.85	118.92	39.16	158.08	100	100
Multilateral					48.18	38.09	86.27		
Commercial Banks					109.92	16.71	126.63		
International Sovereign Bond					142.68	75.19	217.87		
Guaranteed Debt	-	-	-	-	-	-	-	0	0
Domestic Debt	**463.51**	**851.42**	**1,314.93**	**763.20**	**200.61**	**562.59**	**763.20**	**58**	58
Treasury Bills)	200.00	90.22	290.22	-	-	-	-	0	0
Treasury Bonds	252.40	744.79	997.19	745.44	185.32	560.12	745.44	75	75
Central Bank of Kenya Overdraft	-	12.83	12.83	2.12	-	2.12	2.12	17	17
Commission to CBK	-	3.00	3.00	-	-	-	-	0	0
Pre-1997 Government Overdraft	1.11	0.58	1.69	0.90	0.55	0.35	0.90	53	53
IMF On-lent loan(s)	10.00	-	10.00	14.74	14.74	-	14.74	147	147
Total	**803.70**	**1,097.69**	**1,901.39**	**1,352.05**	**620.31**	**731.74**	**1,352.05**	**71**	**71**

Source: *National Treasury, NGBIRR*

This existing reporting architecture offers the Committee and the Petitioners a credible, independent data source that can be strengthened and better linked to any new debt transparency mechanisms, rather than replaced.

4. Response to the Prayers Sought by the Petitioners

The table below sets out the CoB's position on each of the seven prayers sought by the Petitioners.

No.	Prayer sought by the Petitioners	CoB position
1	Strengthen oversight over public debt contracting, management and reporting.	Supported. The CoB recommends that the four-monthly Budget Implementation Review Reports under Article 228(4) be formally designated as a standing input to parliamentary debt oversight, alongside National Treasury and Central Bank of Kenya reporting.
2	Ensure comprehensive, timely, and accessible public disclosure of public debt information.	Supported. The CoB already publishes County and National Budget Implementation Review Reports in accessible formats. The CoB recommends that any new disclosure standard for debt data be harmonised with the format and timelines of these existing reports to avoid duplication and confusion among users. The Commonwealth Meridian system plays a significant role in harmonising the management of public debt through the following ways: • Standardisation of Debt Management Practices • Centralised Debt Database • Improved Debt Transparency and Accountability • Better Debt Portfolio Management
3	Establish and maintain a comprehensive, publicly accessible Public Debt Registry.	Supported in principle. Custodianship properly sits with the National Treasury through the Public Debt Management Office, as the entity that contracts and services debt. The CoB proposes a

No.	Prayer sought by the Petitioners	CoB position
		statutory reconciliation obligation, requiring registry figures to be reconciled against actual debt service expenditure captured in The CoB's implementation reports each quarter.
4	Institutionalise independent expert forecasts and long-term debt sustainability analysis in parliamentary debate.	Supported. The CoB notes that credible independent analysis requires adequate resourcing of existing institutions, including the Parliamentary Budget Office and the CoB's own analytical function, rather than the creation of new bodies.
5	Facilitate structured intergenerational dialogue on public debt through national and regional platforms.	Supported in principle. Convening such platforms falls outside the CoB's core mandate but can be done on invitation
6	Enhance direct engagement between Parliament, citizens and civil society through hearings, petitions and feedback mechanisms.	Supported. The CoB welcomes closer coordination with the Committee and civil society organisations on matters of budget implementation and fiscal accountability, consistent with its constitutional public engagement obligations.
7	Integrate intergenerational equity into public debt policy, medium-term and long-term fiscal planning.	Supported. The fiscal responsibility principles already set out in section 15 of the Public Finance Management Act, 2012, embed elements of intergenerational equity. The CoB recommends anchoring this prayer through amendment of the Act, consistent with the ongoing Amendment Bill process to which The CoB has previously made submissions, rather than through new stand-alone legislation.

5. Recommendations to the Committee

- Amend the Public Finance Management Act, 2012 to place a clear statutory duty on the National Treasury to establish and maintain the Public Debt Registry, rather than pursue new stand-alone legislation, consistent with the CoB's earlier submissions on the PFM Amendment Bill process.
- Require a statutory reconciliation between the Public Debt Registry and the CoB's quarterly Budget Implementation Review Reports, so that debt stock data and debt service expenditure data are cross-checked, and any variance is reported to Parliament. The Introduction of Commonwealth Meridian System and Automation of the settlement of Public Debt.
- Resource-independent analytical capacity, including the Parliamentary Budget Office and the CoB, to support long-term debt sustainability analysis rather than establishing a new advisory body.
- Clearly delineate the respective roles of the National Treasury, the Central Bank of Kenya, Parliament and The CoB in debt oversight to avoid duplication of mandates and reporting.
- Anchor intergenerational equity considerations within the existing fiscal responsibility principles in section 15 of the Public Finance Management Act, 2012, supported by regular public participation forums at both national and county levels.

6. Conclusion

The CoB welcomes the objectives of Petition No. 10 of 2026 and shares the Petitioners' concern for prudent, transparent and intergenerationally fair management of public debt. The CoB reaffirms its constitutional commitment under Article 228 to independent oversight of budget implementation and looks forward to a constructive engagement with the Public Petitions Committee.

FCPA Dr Margaret Nyakang'o, CBS
CONTROLLER OF BUDGET

REPUBLIC OF KENYA

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SUBMISSION TO THE NATIONAL ASSEMBLY PUBLIC PETITIONS COMMITTEE

ON PETITION NO. 10 OF 2026

(Strengthening Oversight, Transparency, and Intergenerational Equity in Public Debt Governance)

July, 2026

Table of Contents

1. Introduction 1
2. The Controller of Budget's Constitutional Mandate and Its Relevance to the Petition 1
3. The CoB's Existing Contribution to Debt-Related Oversight and Transparency 2
4. Response to the Prayers Sought by the Petitioners 3
5. Recommendations to the Committee 5
6. Conclusion 5

1. Introduction

The Office of the Controller of Budget (OCoB) acknowledges receipt of the invitation from the Office of the Clerk of the National Assembly, Ref. NA/DAA&GPC/PPC/2026/107 of 1st July 2026, to appear before the Public Petitions Committee on Tuesday, 28th July 2026, in respect of Petition No. 10 of 2026 regarding strengthening oversight, transparency and intergenerational equity in public debt governance.

The Petition, presented by Ms. Beatrice N. Waiyaki and others on behalf of the Kiambu County Empowerment Network and the Bunge Mashinani Initiative, in collaboration with the National Democratic Institute, The Institute of Social Accountability, and Okoa Uchumi Kenya, raises legitimate and timely concerns regarding Kenya's public debt burden and the adequacy of existing mechanisms for oversight, disclosure, and generational fairness in debt-related decision-making.

This submission sets out the Controller of Budget (CoB) 's constitutional mandate as it relates to the matters raised, describes the CoB's existing contribution to debt-related transparency and oversight, responds to each prayer sought by the Petitioners, and offers recommendations for the Committee's consideration. The submission is made in a spirit of constructive engagement, consistent with the CoB's role as an independent oversight institution established under Article 228 of the Constitution.

2. The Controller of Budget's Constitutional Mandate and Its Relevance to the Petition

Article 228 of the Constitution establishes the Office of the Controller of Budget. It mandates that it oversee the implementation of the budgets of the national and county governments by authorising withdrawals from public funds. Article 228(6) further requires the Controller to submit a report to each House of Parliament and to the respective county assembly every four months on the implementation of the budgets.

Public debt contracting and management is primarily the mandate of the National Treasury, acting through the Public Debt Management Office established under Part V of the Public Finance Management Act, 2012, subject to parliamentary approval of borrowing under Article 211 of the Constitution. The CoB does not contract, guarantee, or negotiate debt. The CoB's constitutional role in relation to debt is exercised at the point of implementation, namely in authorising and reporting on the exchequer releases used to service debt as budgeted expenditure.

This distinction matters for the Committee's consideration of the Petition. The CoB is well placed to speak to the transparency, accountability and reporting dimensions of the prayers, and to support strengthened institutional coordination. However, matters of debt contracting policy and debt ceiling design properly fall within the domain of the National Treasury, the Central Bank of Kenya and Parliament's own oversight committees.

3. The CoB's Existing Contribution to Debt-Related Oversight and Transparency

The CoB already produces and publishes National and County Governments' Budget Implementation Review Reports on a quarterly and annual basis. These reports capture actual expenditure on public debt servicing against approved budgets and are made publicly accessible, providing a standing and independently verified source of debt service expenditure data.

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This existing reporting architecture offers the Committee and the Petitioners a credible, independent data source that can be strengthened and better linked to any new debt transparency mechanisms, rather than replaced.

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The CoB welcomes the objectives of Petition No. 10 of 2026 and shares the Petitioners' concern for prudent, transparent and intergenerationally fair management of public debt. The CoB reaffirms its constitutional commitment under Article 228 to independent oversight of budget implementation and looks forward to a constructive engagement with the Public Petitions Committee.

FCPA Dr Margaret Nyakang'o, CBS
CONTROLLER OF BUDGET



AUDITOR-GENERAL'S PRESENTATION TO THE NATIONAL ASSEMBLY'S PUBLIC PETITIONS COMMITTEE ON PETITION NO. 10 OF 2026 REGARDING STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTERGENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE

July, 2026

The Chairperson, the National Assembly's Public Petitions Committee, Hon. Eric Muchangi Njiru Karemba, MP, CBS

Honorable Members of the Committee

A. Introduction

1. I received your letter Ref: NA/DAA&GPC/PPC/2026/108 of 01 July, 2026 inviting me to make submissions before this Committee addressing issues raised in Petition No. 10 of 2026 and suggest specific recommendations to address the prayers sought by the petitioners.

2. The Office of the Auditor-General (OAG) appreciates the opportunity to submit its views on the Petition concerning strengthening oversight, transparency and intergenerational equity in public debt. The petition raises important issues relating to the management of public debt and seeks Parliament's intervention in enhancing accountability, transparency and sustainability in borrowing and debt management. Public debt remains a matter of significant public interest due to its implications for fiscal sustainability, delivery of public services and the economic welfare of present and future generations. Responsible sovereign borrowing and lending are therefore matters of both national and international concern.

3. The Office recognizes that public debt is a legitimate fiscal instrument for financing development, supporting economic growth and addressing budgetary needs. However, prudent debt management requires that borrowing decisions be transparent, sustainable and aligned with national priorities. The Constitution places a responsibility upon all State organs to ensure that public resources, including borrowed funds, are managed prudently and in a manner that promotes public interest and safeguards future generations from excessive debt burdens.

B. Mandate of the Office of the Auditor-General

Honourable Chair

Honourable Members

4. Article 229 of the Constitution mandates the Auditor-General to audit and report on the accounts of the national and county governments, all funds of national and county governments, public debt, State corporations and public entities, and any institution, programme or project funded from public resources. Article 229(6) further requires the Auditor-General to confirm whether public money has been applied lawfully and in an effective manner.

5. In discharging this mandate, the Office undertakes financial, compliance, performance, information systems and special audits. Through these audits, the Office provides independent assurance to Parliament and citizens on the accountability, transparency and stewardship of public resources, including public debt.

C. Relationship Between Parliament and the Auditor-General

Honourable Chair

Honourable Members

6. Article 229(7) of the Constitution requires the Auditor-General to submit audit reports to Parliament and the relevant County Assemblies, while Article 229(8) requires these bodies to debate and consider the reports and take appropriate action. Audit reports are presented to the relevant oversight committees for scrutiny before consideration by Parliament or County Assemblies. These committees therefore constitute the primary audience for the Auditor-General's work.

7. The relationship between Parliament and the Auditor-General is mutually reinforcing. Parliament depends on the Auditor-General for independent and

objective information concerning the management of public resources, while the Auditor-General relies on Parliament to ensure that audit recommendations are implemented and that accountability is enforced. Effective oversight of public debt therefore requires close collaboration between the Office and the relevant parliamentary committees.

D. Background and Nature of the Petition

Honourable Chair

Honourable Members

8. The petition contends that public debt has emerged as a critical governance challenge with significant implications for fiscal sustainability, service delivery and long-term economic development. The petitioners express concern regarding the increasing debt burden and the risks it poses to future generations.

9. Specifically, the petition calls for stronger parliamentary scrutiny of public debt management, establishment of a comprehensive and publicly accessible Public Debt Registry, institutionalization of independent expert analysis in debt-related decision-making, promotion of structured citizen and civil society engagement in debt governance, and incorporation of intergenerational equity considerations in public debt policies and borrowing decisions.

E. General Observations on Public Debt Governance

Honourable Chair

Honourable Members

10. Public debt continues to be a concern. Indeed, one of the key fiscal priorities for the Government has been fiscal consolidation aimed at reducing the fiscal deficit to below 3% of the Gross Domestic Product as recommended by the East African Community Monetary Union Protocol. However, our audit review of fiscal deficits indicates that over the last six (6) years, Kenya has consistently recorded fiscal deficits significantly above this recommended threshold, averaging 6% from

financial year 2019/2020 to 2024/2025. This persistent fiscal imbalance has consequently led to an escalating debt burden, which was Kshs. 11.825T and the Debt-to-GDP ratio averaging 67.8% as at 30 June 2025, which is much higher than the projected threshold of 55% by 2028.The trends are shown below:

Year	Fiscal Deficit To GDP (%)	Debt To GDP (%)	Debt Servicing to Ordinary Revenue (%)
2019/2020	7.8	65.8	41.4
2020/2021	8.13	68.1	50.0
2021/2022	6.06	67.7	47.9
2022/2023	5.7	72.0	58.8
2023/2024	5.1	65.6	68.0
2024/2025	5.9	67.8	66.0

Source: OAG Analysis of the National Treasury Annual Public Debt Reports

11. This escalating debt burden is further highlighted by the debt servicing to revenue ratio, which stood at 66% as at June 2025 constraining the fiscal space. Further, this implies that as high as 66% of revenue mobilized, is channeled towards debt repayment, leaving the government with only 34% of the revenue to finance recurrent and development expenditure needs for that financial year. Consequently, Kenya has been rated at a high risk of debt distress by the International Monetary Fund (IMF) and the World Bank, a classification that underscores the serious challenges to debt sustainability.

12. Further, there are emerging and hidden types of debts such as securitization of revenues, contingent liabilities and pension liabilities which are ordinarily not included in public debt discussions. For instance, as at 30 June, 2025, MDAs had Kshs.261.63 billion in contingent exposures arising from guaranteed loans under the Consolidated Fund Services and substantial court awards.

13. The Office, therefore, observes that effective public debt governance requires transparency in borrowing decisions, adequate legislative oversight, comprehensive disclosure and reporting, strong internal controls, sustainable debt management practices, value-for-money assessments and effective monitoring of

debt-funded projects. As public borrowing arrangements become increasingly complex, the need for robust accountability mechanisms becomes more pronounced.

14. Public debt oversight should not be limited to the contracting of loans. Effective governance requires scrutiny throughout the debt cycle, including project appraisal, loan negotiation, disbursement, utilization of borrowed funds, monitoring of project implementation, achievement of intended outcomes and eventual repayment obligations.

F. Audit Findings on Public Debt Management

Honourable Chair

Honourable Members

15. Financial, compliance, performance and special audits undertaken by the Office have consistently identified significant weaknesses in public debt management and reporting. These weaknesses include unreconciled debt balances, inconsistencies across debt management systems, unsupported adjustments in debt records, inadequate documentation and weaknesses in internal controls.

16. My Office has also conducted various Performance and Special Audits covering issues on public debt management. The audits conducted include a Special Audit Report of the Auditor-General on the Proceeds and Utilization of Eurobonds, a Special Audit Report of the Auditor-General on Utilization of Commercial Loans in Kenya, a Performance Audit Report of the Auditor-General on Public Debt Servicing Activities, Auditor-General's Report on Efficiency in Utilization of Debt Funds by the Ministry of Agriculture and Livestock Development, a Performance Audit Report of the Auditor-General on Deficit Financing Operations by The National Treasury, Auditor-General's Report on Debt Servicing of External Loans in Kenya; Auditor-General's Performance Audit Report on Contracting of External Loans for Public Development Projects, Performance Audit Report on the

Effectiveness in Management of Public Debt in Kenya and Management of Cash and Domestic Debt by The National Treasury.

17. Successive audits have also identified recurring payment of commitment fees on undrawn loans, indicating instances where borrowing commitments were undertaken before projects were sufficiently ready for implementation. Between FY 2020/2021 and FY 2024/2025, the Government has paid Kshs.7.65B as commitment fees. This has exposed public resources to avoidable costs and undermined value for money.

18. Earlier audits similarly revealed inaccuracies in debt records and unexplained variances in public debt statements. These findings point to weaknesses in debt reporting systems and demonstrate the need for stronger controls, enhanced reconciliation processes and improved financial reporting.

19. Performance and special audits conducted over the years have further highlighted broader systemic challenges, including weaknesses in institutional arrangements, inadequate feasibility studies, insufficient evaluation of financing alternatives, gaps in tracing utilization of borrowed funds, weaknesses in project implementation, deficiencies in debt servicing controls and fragmentation of debt information systems.

20. Collectively, audit evidence demonstrates that several weaknesses persist throughout the public debt management cycle, ranging from project preparation and loan contracting to debt servicing and utilization of borrowed resources. These recurring findings suggest a need for stronger governance frameworks, enhanced accountability arrangements and improved coordination among institutions responsible for debt management.

G. Response to Issues Raised in the Petition

Honourable Chair

Honourable Members

21. The Office supports enhanced parliamentary oversight of public debt management. Oversight institutions require timely access to complete and reliable information regarding borrowing decisions, debt stock composition, debt servicing obligations, guarantees, contingent liabilities and the status of debt-funded projects. Effective oversight also requires systematic follow-up on recommendations arising from Auditor-General reports, parliamentary committee reports and debt sustainability assessments.

22. The Office further supports increased transparency and public access to debt information. Transparency promotes public confidence, informed engagement, accountability and investor confidence. Public disclosure should therefore extend to debt stock information, debt servicing obligations, guarantees, fiscal risks and debt sustainability analyses, subject to legal and confidentiality considerations.

23. The Office supports the establishment of a comprehensive Public Debt Registry. Audit experience has demonstrated that the absence of a centralized and regularly updated repository of debt information can hinder verification of debt balances, loan disbursements, implementation status and repayment obligations. A Public Debt Registry would enhance transparency, auditability, parliamentary oversight and public accountability.

24. Such a registry should contain information on loan identification details, creditor information, loan purpose, contracted amounts, disbursements, outstanding balances, interest rates, currency denomination, maturity profiles, debt service schedules, guarantees and implementation status of debt-funded projects. The Office recommends that the registry be established through legislation, assign clear custodial responsibility and be subject to periodic audit and public reporting.

25. The Office also supports the use of independent technical analysis to strengthen debt governance. Significant borrowing decisions should be informed by debt sustainability assessments, fiscal risk analyses, macroeconomic forecasts, cost-benefit analyses, feasibility studies and long-term fiscal projections. Independent technical expertise can improve the quality of parliamentary deliberations and support evidence-based decision-making.

26. Regarding utilization of borrowed funds, accountability should extend beyond confirmation that funds were received. Public institutions should demonstrate that borrowed resources were applied for their intended purposes, that projects were completed efficiently, that expected benefits were realized and that borrowing generated public value. Monitoring and evaluation frameworks should therefore be strengthened, accompanied by regular public reporting on implementation progress and outcomes.

27. The Office recognizes intergenerational equity as an important principle of public finance. Borrowing decisions made today have long-term consequences for future taxpayers and therefore should be informed by assessments of future debt servicing obligations, fiscal sustainability, preservation of fiscal space and the anticipated economic returns of debt-funded investments. Borrowed resources should ideally finance investments that generate long-term benefits and contribute to future productivity and economic growth.

28. The Office supports meaningful public participation and stakeholder engagement in public debt governance. While public participation is primarily a policy matter outside the direct scope of audit work, structured and sustained engagement between Parliament, citizens, professional bodies, academia and civil society organizations would promote transparency, enhance accountability and strengthen public trust in debt governance processes.

H. Additional Measures to Strengthen Public Debt Management

Honourable Chair

Honourable Members

29. Beyond the issues raised in the petition, the Office observes that debt sustainability can be strengthened through reforms aimed at improving institutional arrangements, fiscal discipline and operational efficiency. Government should continue implementing growth-friendly fiscal consolidation measures that enhance revenue mobilization while rationalizing expenditure and protecting priority development and social programmes.

30. The Government should also continue exploring cost-effective financing options, lengthening the maturity profile of public debt where appropriate, optimizing concessional borrowing and deepening domestic debt markets. Debt management operations should focus on minimizing borrowing costs and refinancing risks while preserving macroeconomic stability.

31. There is also a need to strengthen coordination among The National Treasury, the Office of the Attorney-General and implementing agencies involved in the contracting and utilization of borrowed funds. Improved project preparation, appraisal, approval and implementation processes would reduce avoidable costs and enhance the developmental impact of debt-funded investments.

32. The Office further emphasizes the importance of compliance with the constitutional, legal and regulatory framework governing public debt management, including adherence to debt sustainability thresholds and transparency requirements. Where debt thresholds are exceeded, appropriate corrective measures and accountability mechanisms should be activated.

I. Recommendations

Honourable Chair
Honourable Members

33. The Office respectfully recommends, that the Committee consider proposing measures to strengthen parliamentary oversight throughout the entire public debt cycle, from borrowing and utilization to debt servicing and repayment.

34. The Committee may also consider proposing strengthening transparency through timely, comprehensive and citizen-friendly disclosure of public debt information and support the establishment of a comprehensive Public Debt Registry anchored in law.

35. Parliament may further consider institutionalizing access to independent technical and debt sustainability expertise whenever significant borrowing decisions are under consideration.

36. Government entities should strengthen monitoring and reporting frameworks for debt-funded projects to ensure value for money, efficient implementation and realization of intended outcomes.

37. Debt policy formulation and major borrowing decisions should incorporate explicit assessments of long-term fiscal sustainability and intergenerational equity considerations.

38. Parliament should also promote structured and continuous citizen and stakeholder engagement in debt governance and strengthen follow-up mechanisms to ensure implementation of audit recommendations relating to public debt and debt-funded projects.

J. Conclusion

Honourable Chair

Honourable Members

39. The Office of the Auditor-General appreciates the opportunity to contribute to the Committee's consideration of Petition No. 10 of 2026. The Office supports initiatives that strengthen accountability, transparency, sustainability and prudent management of public debt in accordance with the Constitution and the principles of sound public financial management.

40. The Office further wishes to inform the Committee that it is in the final stages of concluding a comprehensive audit of public debt arising from a request made by the National Assembly's Public Accounts Committee. The audit has examined key aspects of public debt management and governance and is expected to provide additional independent assurance and recommendations that may further inform ongoing national discussions and oversight interventions on public debt. The Office looks forward to submitting the final report to the National Assembly upon completion.

41. The Office remains available to provide any additional technical clarification and assistance that the Committee may require in the course of its deliberations.

I thank you.

FCPA Nancy Gathungu, CBS

AUDITOR-GENERAL

28 July, 2026

REPUBLIC OF KENYA

THE NATIONAL TREASURY

SUBMISSION BY THE PRINCIPAL SECRETARY, THE NATIONAL TREASURY, TO THE PUBLIC PETITIONS COMMITTEE OF THE NATIONAL ASSEMBLY ON THE RESPONSE TO PETITION NO. 10 OF 2026 REGARDING STRENGTHENING OVERSIGHT, TRANSPARENCY AND INTER-GENERATIONAL EQUITY IN PUBLIC DEBT GOVERNANCE.

Petition by Ms. Beatrice N. Waiyaki and Others
Kiambu County Empowerment Network & Bunge Mashinani Initiative

JULY 2026

Honorable Chairperson of the National Assembly's Public Petitions Committee,

Hon. Committee Members,

Ladies and Gentlemen,

Good morning,

The National Treasury submits this response to the petition presented by Ms. Beatrice N. Waiyaki and others, representing the Kiambu County Empowerment Network and the Bunge Mashinani Initiative, on the governance of public debt in Kenya.

We treated this petition with the seriousness it deserves and acknowledge the right of access to information by the Petitioners. Furthermore, Parliamentary oversight of public debt is a constitutional responsibility which the National Treasury fully supports and remains committed to facilitating through timely reporting, technical assistance and compliance with the Constitution and the Public Finance Management Law and Regulations

Introduction

The petition raises concerns touching on transparency, the availability of a Public Debt Registry, inter-generational equity, and parliamentary scrutiny. The National Treasury respectfully informs Honorable Members that these concerns are already substantially addressed under the existing legal, institutional and operational framework governing public debt management in Kenya.

Legal and Institutional Framework

Hon. Chairperson

The Petitioners request for enhancement of oversight, transparency, and the integration of inter-generational equity in public debt governance. The Constitution of Kenya provides a comprehensive framework in which the national values under Article 10 demand accountability and sustainability.

- Articles 94, 95, and 96 establish Parliament's and Senate's authority to legislate and oversee borrowing.
- Article 114 requires fiscal scrutiny of all Bills affecting public funds.
- Article 201 enshrines principles of openness and equitable burden-sharing.
- Article 206 secures debt servicing through the Consolidated Fund.
- Article 211 empowers Parliament to set borrowing limits and demand sustainability reports.
- Article 225 mandates the National Treasury to manage public finances under parliamentary oversight.

Together, these provisions ensure that public debt is managed responsibly, transparently, and with due regard to future generations. The National Treasury remains guided by the national values and principles of governance under Article 10 of the Constitution, including transparency, accountability, public participation and the rule of law in the management of public finances.

Hon. Chairperson,

The Public Finance Management Act (Cap. 412A) is the principal statute. Its provisions directly address the concerns raised in the petition:

- **Section 31**: *"The Cabinet Secretary shall, every four months, submit to Parliament a report on all loans raised by the national government. The report shall include the identity of each creditor, the amount borrowed, the currency, the interest rate, the repayment terms, the amounts advanced, and the purpose for which each loan was raised."*
- **Section 32**: *"The Cabinet Secretary shall, at least once every year, submit to Parliament a statement setting out all government guarantees."*
- **Section 33**: *"The Cabinet Secretary shall submit to Parliament, by the 15th of February in each year, a Medium-Term Debt Management Strategy. The strategy shall include the government's actual and contingent liabilities, cost and risk indicators, and a comprehensive debt sustainability analysis."*
- **Sections 62 and 64**: *"There is established a Public Debt Management Office within the National Treasury. The Office shall maintain a Debt Register and perform such other functions as may be prescribed under this Act."*

Regulation 200 (PFM National Government Regulations, 2015): Requires an annual public debt management report covering the financing of the budget deficit, external debt composition, publicly guaranteed debt and debt service payments be prepared and submitted to Parliament

Hon. Chairperson, The Petitioners further observe that the absence of a comprehensive and periodically updated Public Debt Registry impedes effective scrutiny by both the public and relevant Parliamentary Committees. They argue that a centralized, publicly accessible registry-detailing domestic and external debt,

borrowing terms, creditors, and repayment schedules-is indispensable for debt sustainability analysis. The National Treasury respectfully clarifies that the existing constitutional, statutory and institutional framework already provides for the matters raised by the Petitioners.

- A comprehensive Debt Register exists, is maintained in real time, and is submitted to Parliament as required by law. The External Public Debt Register is published on the National Treasury's website on annual basis. The External Public Debt Register contains information on creditors details, outstanding amounts, principal repayments and drawdowns for external debt. The External Public Debt Register also provides information on maturity date, agreement date and loan amount contracted.
- The PDMO currently uses the Meridian debt management system — a web-based platform that permits real-time recording and enhanced operational efficiency. This has greatly improved the timeliness and accuracy of the Debt Register.

Debt Transparency

Hon. Chairperson, beyond the mandatory four-monthly loan reports, the National Treasury issues an extensive suite of debt publications. Together, these reports form one of the most transparent public debt reporting frameworks in the region:

- The Monthly Public Debt Bulletin is a separate public disclosure instrument prepared from the official debt records and published monthly basis to enhance transparency and public access to debt information. The Public Debt Bulletin covers total debt stock, domestic and external debt breakdown, yield curve, new loans contracted and debt service payments

are publicly available on the National Treasury website at www.treasury.go.ke.

- Annual Public Debt Management Report — published annually pursuant to Regulation 200. The Reports are submitted to Parliament and published on the National Treasury's website. The National Treasury is the process of preparing the Annual Public Debt Management Report for financial year 2025/2026.
- The Annual Public Debt Financial Statements which are submitted to the Office of the Auditor General, the Office of the Controller of Budget and the Commission on Revenue Allocation.
- Medium-Term Debt Management Strategy —submitted to Parliament on or before 15th February each year. Sets out the government's three-year debt management strategy including cost-risk analysis and a full debt sustainability assessment.
- Annual Borrowing Plan, Budget Policy Statement, Budget Review and Outlook Paper, and CBK Weekly Auction Results available on the Central Bank's website.
- IMF Article IV Consultation Reports and Debt Sustainability Analyses — published publicly with Kenya's concurrence, providing independent international assessment of Kenya's fiscal and debt position.

The Public Debt Management Office is also subjected to annual audits by the Auditor General, a process that guarantees transparency and accountability.

Current Public Debt Data

Hon. Chairperson, key data as at end-June 2025 and March 2026:

- Total Public and Publicly Guaranteed Debt (end June 2025) was KSh 11,814.5 billion (67.8% of GDP) comprising KSh 6,326.01 billion (36.3 percent of GDP) domestic debt and KSh 5,488.46 billion (31.5 per cent of GDP) external debt.

- Total Public Debt (end March 2026) was KSh 12,832.95 billion of this Domestic Debt was KSh 7,149.72 billion (55.7% of total) and External Debt and KSh 5,683.22 billion (44.3% of total).

- Present Value of Debt/GDP was 63.7% (statutory anchor: 55% of GDP in net present value terms, expected to be achieved by the end of October 2028 in line with provision of the Public Finance Management Act, (Cap. 412A).

- Sovereign Credit Ratings (as at June 2026):

  1. S&P — B/Stable;
  2. Fitch — B-/Stable; and
  3. Moody's — B3/Stable (upgraded January 2026 from Caa1/Positive).

Moody's upgrade in January 2026 — citing reduced default risk, stronger foreign exchange reserves and progress on Eurobond liability management — is an independent international affirmation of the credibility and transparency of Kenya's debt management framework. These assessments provide independent external perspectives regarding Kenya's fiscal position and debt profile and complement, but do not replace, the domestic legal and institutional framework governing public debt management.

Hon. Chairperson, the Petitioners also highlight a deficiency in structured mechanisms for inter-generational dialogue. They note that discourse on fiscal policy remains largely confined to technical and national forums, effectively excluding local communities and the youth who will bear the long-term cost of today's borrowing-from the decision-making process.

- The National Treasury normally, as required by law conducts public participation as part of the annual stakeholder consultation during the Budget formulation and preparation of the Medium-Term Debt Management Strategy.
- The National Treasury jointly with IMF and the World Bank conduct annual Debt Sustainability Analyses. The latest Joint IMF-World Bank Debt Sustainability Analysis assesses our public debt as sustainable, notwithstanding elevated risks that require continued prudent fiscal management.
- In October 2023, Parliament passed amendments to the PFM Act replacing the nominal public debt ceiling of KSh 10 trillion with a debt anchor set at 55% of GDP in net present value terms. The Cabinet Secretary was given five years from the date of the coming into force of the above provision to take measures to ensure that borrowing by the national government complies with the threshold prescribed. This embeds inter-generational equity directly into the statutory debt architecture — future borrowing is governed by Kenya's economic capacity to service it, which is the most fiscally prudent international standard available.
- The National Treasury is actively implementing a multi-year fiscal consolidation programme: reducing the fiscal deficit over the medium term; shifting domestic borrowing toward longer-tenor Treasury

bonds (currently 84 percent of domestic debt) to reduce refinancing risk; and under the 2026 MTDS, targeting 78 percent domestic and 22 percent external net borrowing, with priority on concessional financing over commercial borrowing.

Parliamentary Oversight

Hon. Chairperson, existing oversight mechanisms are fully operational and include:

- Parliament exercises oversight through the constitutional mandates of the National Assembly and the Senate, including consideration of budgetary proposals, public debt reports, audit reports and committee proceedings established under the Constitution and the Standing Orders.
- The National Assembly's Finance and National Planning Committee — reviews the BPS, MTDS, Annual Borrowing Plan and all debt-related budget estimates.
- The National Assembly's Public Debt and Privatization Committee — oversights public debt, guarantees and Consolidated Fund Services excluding audited accounts.
- The Senate's Finance and Budget Committee — oversees public debt affecting county governments and reviews four-monthly loan reports.
- The Public Accounts Committee — reviews the Auditor-General's reports on public debt accounts.
- The Parliamentary Budget Office — provides independent technical analysis on debt sustainability, the MTDS and debt-related legislative proposals.
- The Office of the Auditor-General — audits public debt and issues annual opinions on financial statements of public debt, tabled before

Parliament. In addition, the Office of the Auditor General conducts special audits of Public Debt on need basis.

- Section 31(2) of the Public Finance Management Act (Cap. 412A) allows either House to request a full loans report within seven working days at any time. This right has been exercised on multiple occasions.

Hon. Chairperson, in light of the foregoing, the Petitioners seek the intervention of the National Assembly to:

Request (a): Strengthening the institutional framework for oversight of public debt management;

The institutional framework is robust and fully operational through the PDMO's three-tier structure: Front Office (Resource Mobilization), Middle Office (Debt Policy, Strategy and Risk Management) and Back Office (Debt Recording and Settlement). There exist a comprehensive oversight framework involving Parliament, Auditor General, Controller of Budget and the Attorney General as provided by the Constitution of Kenya.

Request (b): Enhance transparency through the legislative establishment of a comprehensive and mandatory Public Debt Registry;

- A comprehensive and mandatory Public Debt Register already exists, is maintained in real time on the Meridian system, and is submitted to Parliament. The Public Debt Register is published on the National Treasury's website.
- Also, the National Treasury is in the process of operationalization position of the Registrar of national government securities. The position of the Registrar of national government securities has been

created, and the Public Service Commission has conducted interviews the above position.

Request (c): Institutionalizing independent expert analysis during debt deliberations in the House;

Independent expert analysis already informs parliamentary deliberations through the Parliamentary Budget Office, IMF/World Bank DSAs, credit rating agency reports and audit opinions, which are all public documents and are available to Members of Parliament. Parliamentary committees may invite external experts and civil society to give evidence. The National Treasury is ready to provide technical briefings and additional documentation to support informed debate. The existing legal framework does not limit Parliament's discretion to invite expert witnesses or technical resource persons where considered necessary in the discharge of its constitutional oversight mandate.

Request (d): Promoting Structured engagement between Parliament, civil society and citizenry on inter-generational equity is a primary consideration in public debt policy;

- The Public Finance Management Act (Cap. 412A) provides a framework for public participation including stakeholder consultations and Pre-Budget Public Forums during the preparation of the BPS and MTDS. The National Treasury acknowledges that public communication on debt management can be made more accessible and commits to exploring simplified summaries of the MTDS, Monthly Bulletin and Annual Public Debt Report targeting all Kenyans including civil society and county-level audiences. The Petitioners' concern about youth exclusion from fiscal discourse is well-taken as a policy aspiration.

- In addition, the National Treasury has initiated the digitization of the public debt payment process as part of its broader public financial management reforms. The initiative seeks to automate key debt servicing workflows, reduce manual processing, strengthen internal controls, improve payment accuracy and timeliness, and enhance transparency and accountability in the management of public debt obligations

Hon Chairperson, Current reforms further advance the objectives raised in the petition:

- DhowCSD Digital Platform — launched on September 11, 2023. This Central Securities Depository democratizes access to government securities, enabling retail and diaspora investors to participate with as little as KSh 50,000.

- M-Akiba Retail Bond Relaunch — currently being re-engineered for relaunch on the e-Citizen platform, will enable investment from as little as KSh 3,000.

- Sustainability-Linked Bonds — the National Treasury is exploring SLBs as provided for in the 2026 MTDS external borrowing strategy, incorporating inter-generational equity into the very structure of new debt instruments.

- Meridian Debt Management System — ongoing enhancement of the web-based platform to improve real-time data access and cross-agency reporting.

These reforms reflect the National Treasury's commitment to the continuous strengthening of transparency, accountability, debt management and public participation within the existing legal framework.

Conclusion

Hon. Chairperson, The National Treasury respectfully submits that Kenya's public debt governance framework provides a comprehensive constitutional, statutory and institutional architecture for transparency, accountability, parliamentary oversight and prudent public debt management. The National Treasury nevertheless remains committed to continuously strengthening public access to information, stakeholder engagement and institutional capacity in line with constitutional values and evolving international best practice.

Thank you for inviting us to this discussion.

I submit.

Signed..... **Date**24/7/26.....

DR. CHRIS K. KIPTOO, CBS

PRINCIPAL SECRETARY / THE NATIONAL TREASURY