



The National Treasury and Economic Planning

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT OF KENYA FROM 1ST JANUARY 2025 TO 30TH APRIL 2025

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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST JANUARY 2025 TO 30TH APRIL 2025

Section 1- Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, 2012 and covers the period from 1st January 2025 to 30th April 2025. Section 31(3) requires that *“the Cabinet Secretary shall submit a report to Parliament stating the loan balances brought forward, carried down, drawings and amortizations on new loans obtained from outside Kenya or denominated in foreign currency, and such other information as may be prescribed by regulations, specifying—*

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

Section 2 - Details of the new loans.

This section of the report contains eight (8) new loans contracted between Government of Kenya and, multilateral and commercial creditors. Seven of the loans are from multilateral lenders and one is International Sovereign Bond. The total value of the 8 new loans signed is equivalent to Kshs. 291,582,550,262. One of the loans had disbursed by the time of submitting this report. The loans are as follows:

1. Kenya Secondary Education Equity and Quality Improvement Program

i. The parties to the loan

The loan was signed on 14th January 2025 between the International Development Association as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 180,600,000 approximately equivalent to Kshs. 26,627,989,080 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 2,979,900 from 15th December 2029 through to 15th June 2049 and 10 equal semi-annual instalments of EUR 6,140,400 from 15th December 2049 through to 15th June 2054. The interest rate of the loan is 1.25 percent per annum plus the basis adjustment to the interest charge and the service charge is 0.75 percent per annum plus the basis adjustment to the service charge on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To improve equitable access to quality secondary education and strengthen systems.

2. Last Mile Connectivity Project III

i. The parties to the loan

The loan was signed on 11th December 2024 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 101,100,000 approximately equivalent to Kshs. 14,906,365,980 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual instalments of EUR 2,527,500 from 15th March 2030 through to 15th September 2049. The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the: Floating Base Rate; Lending Margin; Funding Cost Margin; Spread Adjustment Rate; and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance. In addition, a front-End fee on the loan amount at a rate equal to 0.25 percent of the loan.

iv. The purpose for the loan

To increase on-grid electricity access for households, social-infrastructure amenities, and MSMEs.

3. Last Mile Connectivity Project III

i. The parties to the loan

The loan was signed on 11th December 2024 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 13,170,000 approximately equivalent to Kshs. 1,941,808,506 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual instalments of EUR 329,250 from 15th March 2030 through to 15th September 2049. The interest rate is at a rate equal to 0.7 percent per annum on the disbursed loan balance.

iv. The purpose for the loan

To increase on-grid electricity access for households, social-infrastructure amenities, and MSMEs.

4. Kenya-South Sudan Road Corridor, Lesseru-Kitale and Morpus-Lokichar Road Upgrading Project-Phase 1

i. The parties to the loan

The loan was signed on 14th November 2024 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 120,520,000 approximately equivalent to Kshs. 17,769,685,736 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 34 equal semi-annual instalments of EUR 3,544,705.88 from 1st March 2033 through to 1st September 2049. The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the: Floating Base Rate; Lending Margin; Funding Cost Margin; and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance. In addition, a front-End fee on the loan amount at a rate equal to 0.25 percent of the loan.

iv. The purpose for the loan

To improve transport connectivity between Kenya and South Sudan thereby deepening regional integration and trade and alleviating fragility.

5. Economic Inclusion and Green Recovery Support Programme (EIGRSP)

i. The parties to the loan

The loan was signed on 15th April 2025 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is UA 45,000,000 approximately equivalent to Kshs. 7,893,180,000 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual instalments of UA 742,500 from 15th April 2030 through to 15th October 2049 and 10 equal semi-annual instalments of UA 1,530,000 from 15th April 2050 through to 15th October 2054. The interest rate is at a rate equal to 1 percent per annum and a service charge of 1 percent per annum on the disbursed loan balance. The commitment charge rate is 0.75 per cent per annum on the undisbursed loan balance.

iv. The purpose for the loan

To objective of the programme are:

- i. Improving economic governance frameworks
- ii. Enhancing budget and debt transparency
- iii. Creating employment opportunities for the vulnerable groups
- iv. Deeping inclusivity of economic growth; and
- v. Enhancing environment and climate resilience

6. Economic Inclusion and Green Recovery Support Programme (EIGRSP)

i. The parties to the loan

The loan was signed on 15th April 2025 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 127,200,000 approximately equivalent to Kshs. 18,754,596,960 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 34 equal semi-annual instalments of EUR 3,741,176.47 from 15th April 2033 through to 15th October 2049. The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the: Floating Base Rate; Lending Margin; Funding Cost Margin; Spread Adjustment Rate; and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance. In addition, a front-End fee on the loan amount at a rate equal to 0.25 percent of the loan.

iv. The purpose for the loan

To objective of the programme are:

- i. Improving economic governance frameworks
- ii. Enhancing budget and debt transparency
- iii. Creating employment opportunities for the vulnerable groups
- iv. Deeping inclusivity of economic growth; and
- v. Enhancing environment and climate resilience

7. Kenya-South Sudan Road Corridor, Lesseru-Kitale and Morpus-Lokichar Road Upgrading Project-Phase 1

i. The parties to the loan

The loan was signed on 14th November 2024 between the African Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is UA 56,000,000 approximately equivalent to Kshs. 9,822,624,000 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 50 equal semi-annual instalments of UA 1,120,000 from 1st March 2030 through to 1st September 2054. The interest rate is at a rate equal to 1 percent per annum and a service charge of 0.75 percent per annum on the disbursed loan balance. The commitment charge rate is 0.5 per cent per annum on the undisbursed loan balance.

iv. The purpose for the loan

To improve transport connectivity between Kenya and South Sudan thereby deepening regional integration and trade and alleviating fragility.

8. International Sovereign Bond 2025

i. The parties to the loan

The loan was signed on 5th March 2025 between the Citi Group Global Markets Europe AG as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 1,500,000,000 approximately equivalent to Kshs. 193,866,300,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 3 equal annual repayments of USD 500,000,000 on 5th March 2034 and 5th March 2036. The interest rate of the loan is 9.5 per cent per annum on the disbursed amount.

iv. The purpose for the loan

To prepay the USD 900 billion amortizing Eurobond maturing in 2027, with surplus to be used to refinance other external indebtedness.

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1 ST JANUARY 2025 TO 30 TH APRIL 2025																	
No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate	Loan Currency	Currency payment	Agreement Date	Maturity Date	Disbursement during the period (foreign currency)	Disbursement during the period in (Ksh)	Outstanding amount as at April 2025	Grace period	Interest rate	Terms of repayment
A. EDUCATION																	
1	Kenya Secondary Education Equity and Quality Improvement Program	To improve equitable access to quality secondary education and strengthen systems.	International Development Association	GOKE	180,600,000.00	26,627,989,080.00	147.44	EUR	EUR	14th January 2025	15th June 2054	Not Disbursed	Not Disbursed	Nil	4.4 years	The interest rate of the loan is 1.25 percent per annum on the disbursed loan balance. The interest rate shall be at a percentage rate per annum to the sum of the Floating Base Rate, Lending Margin, Funding Cost Margin, and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.5 per cent per annum on the undischursed loan amount at a rate equal to 0.25 percent per annum on the undischursed loan balance. The commitment charge rate is 0.5 per cent per annum on the undischursed loan balance.	The loan will be repaid in 40 equal semi-annual repayments of EUR 2,979,900 from 15 th December 2029 through to 15 th June 2049. The loan will be repaid in 15 th December 2049 through to 15 th June 2054.
B. ROADS																	
2	Kenya-South Sudan Road Corridor, Lesero-Kitale and Moropoti-Jakchar Road Upgrading Project-Phase I	To improve transport connectivity between Kenya and South Sudan thereby deepening regional integration and trade and alleviating fragility.	African Development Bank	GOKE	120,520,000.00	17,769,685,736.00	147.44	EUR	EUR	14th November 2024	1st September 2049	Not Disbursed	Not Disbursed	Nil	5 years	The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the Floating Base Rate, Lending Margin, Funding Cost Margin, and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undischursed loan amount at a rate equal to 0.25 percent of the loan.	The loan will be repaid in 34 equal semi-annual instalments of EUR 3,544,016.88 from 1 st March 2033 through to 1 st September 2049.
3	Kenya-South Sudan Road Corridor, Lesero-Kitale and Moropoti-Jakchar Road Upgrading Project-Phase I	To improve transport connectivity between Kenya and South Sudan thereby deepening regional integration and trade and alleviating fragility.	African Development Bank	GOKE	56,000,000.00	9,822,624,000.00	175.40	AUD	EUR	14th November 2024	1st September 2054	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate is at a rate equal to 0.75 percent per annum and a service charge of 0.75 percent per annum on the disbursed loan balance. The commitment charge rate is 0.5 per cent per annum on the undischursed loan balance.	The loan will be repaid in 59 equal semi-annual instalments of UA 1,220,000 from 1 st March 2030 through to 1 st September 2054.
C. ENERGY																	
4	Last Mile Connectivity Project III	To increase on-grid electricity access for households, social-infrastructure amenities, and MSMEs.	African Development Bank	GOKE	101,100,000.00	14,906,365,980.00	147.44	EUR	EUR	11th December 2024	15th September 2049	Not Disbursed	Not Disbursed	Nil	5 years	The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the Floating Base Rate, Lending Margin, Funding Cost Margin, Spread Adjustment Rate, and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undischursed loan balance. In addition, a front-end fee on the loan amount at a rate equal to 0.25 percent of the loan amount at a rate equal to 0.7 percent per annum on the disbursed loan balance.	The loan will be repaid in 40 equal semi-annual instalments of EUR 2,527,500 from 15 th March 2030 through to 15 th September 2049.
5	Last Mile Connectivity Project III	To increase on-grid electricity access for households, social-infrastructure amenities, and MSMEs.	African Development Bank	GOKE	13,170,000.00	1,941,808,506.00	147.44	EUR	EUR	11th December 2024	15th September 2049	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate is at a rate equal to 0.7 percent per annum on the disbursed loan balance.	The loan will be repaid in 40 equal semi-annual instalments of EUR 329,250 from 15 th March 2030 through to 15 th September 2049.
D. ECONOMY																	
6	Economic Inclusion and Green Recovery Support Programme (EIGRSP)	The objectives are to: Improving economic governance frameworks; Enhancing budget and debt transparency; Creating employment opportunities for the vulnerable groups; Deepening inclusivity of economic growth; and Enhancing environment and climate resilience	African Development Bank	GOKE	45,000,000.00	7,893,180,000.00	175.40	AUD	EUR	15th April 2025	15th October 2054	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate is at a rate equal to 1 percent per annum and a service charge of 1 percent per annum on the disbursed loan balance. The commitment charge rate is 0.75 per cent per annum on the undischursed loan balance.	The loan will be repaid in 34 equal semi-annual instalments of UA 742,500 from 15 th April 2030 through to 15 th October 2049 and 10 equal semi-annual instalments of UA 1,530,000 from 1 st April 2050 through to 15 th October 2054.
7	Economic Inclusion and Green Recovery Support Programme (EIGRSP)	The objectives are to: Improving economic governance frameworks; Enhancing budget and debt transparency; Creating employment opportunities for the vulnerable groups; Deepening inclusivity of economic growth; and Enhancing environment and climate resilience	African Development Bank	GOKE	127,200,000.00	18,754,596,960.00	147.44	EUR	EUR	15th April 2025	15th September 2049	Not Disbursed	Not Disbursed	Nil	8 years	The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the Floating Base Rate, Lending Margin, Funding Cost Margin, Spread Adjustment Rate, and Maturity Premium of twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undischursed loan balance. In addition, a front-end fee on the loan amount at a rate equal to 0.25 percent of the loan amount at a rate equal to 0.25 percent of the loan.	The loan will be repaid in 34 equal semi-annual instalments of EUR 3,741,176.47 from 15 th April 2033 through to 15 th October 2049.
8	International Sovereign Bond 2025	To prepay the USD 900 billion amortizing Eurobond maturing in 2027, with surplus to be used to refinance other external indebtedness.	Citi Group Global Markets Europe AG	GOKE	1,500,000,000.00	193,866,300,000.00	129.24	USD	USD	5th March 2025	5th March 2035	1,500,000,000.00	193,866,300,000.00	193,866,300,000.00	9 years	The interest rate of the loan is 9.5 per cent per annum on the disbursed amount.	The loan will be repaid in 3 equal annual repayments of USD 500,000,000 on 5 th March 2034 and 5 th March 2036.
Total						272,827,953,202.00							193,866,300,000.00				
GOKE is Government of Kenya Exchange rate is as at 26th May 2025.																	

