



The National Treasury

**REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY
GOVERNMENT OF KENYA FROM 1ST SEPTEMBER 2025 TO 31ST
DECEMBER 2025**

PAPERS LAID	
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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST SEPTEMBER 2025 TO 31ST DECEMBER 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 September 2025 to 31st December 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 5 new loans contracted between Government of Kenya and, bilateral and commercial creditors. The total value of the 5 new loans signed is equivalent to Ksh. 240,221,538,213. One of the loans has been disbursed by the time of submitting this report. The loans are as follows:

1. Phase III on Establishment and upgrading of Equipment in Technical & Educational training Workshops.

i. The parties to the loan

The loan was signed on 23rd October 2025 between the Export-Import Bank of China 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 CNY 616,109,066.96 approximately equivalent to KSh. 11,595,172,640 and will be repaid in Chinese Yuan.

The amount of the loan is EUR 38,000,000 approximately equivalent to KSh. 5,790,820,000 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in two portions. Portion I will be paid in 5 equal instalments of EUR 276,000 from 15th November 2031 through 15th November 2033 and 60 equal instalments of EUR 277,000 from 15th May 2034 through to 15th November 2063. The second portion will be paid in 43 equal instalments of EUR 392,000 from 15th November 2030 through to 15th November 2051 and 8 equal instalments of EUR 393,000 from 15th May 2052 through to 15th November 2055. The commitment fee is 0.25 percent per annum on undisbursed loan amounts. The interest rate is 0.75 percent per annum for amounts disbursed under portion I and 1.20 percent per annum for amounts disbursed under Portion II.

iv. The purpose of the loan

To finance the liquidity support for MSMEs and consulting services to support the project implementation.

iii. The terms and conditions of the loan

The loan will be repaid in 30 equal semi-annual repayments of CNY 20,536,969 from 21st September 2030 through to 21st March 2045. The interest rate of the loan is 2 percent per annum, a one-time management fee of 0.25 per cent of the total value of the loan and commitment fee of 0.25 percent.

The purpose of the loan

To purchase goods, technology and other services.

2. Digitization for Technical and Vocational Education and Training (Promotion of Technical and Vocational Education and Training (TVET) and Empowerment III and Digitization of TVET)

i. The parties to the loan

The loan was signed on 11th December 2025 between Government of the Federal Republic of Germany as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 28,000,000 approximately equivalent to Kshs. 4,266,920,000 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in two portions. Portion I will be paid in 64 equal instalments of EUR 156,250 from 15th May 2032 through to 15th November 2063 and second portion in 50 equal instalments of EUR 360,000.00 from 15th May 2031 to on 15th November 2055. The commitment fee is 0.25 percent per annum on undisbursed loan amounts. The interest rate is 0.75percent per annum for amounts disbursed under portion I and 1.20 percent per annum for amounts disbursed under Portion II.

iv. The purpose of the loan

To finance measures to support the Kenyan Government in the digitization for Technical and Vocational Education and Training.

3. International Sovereign Bond

i. The parties to the loan

The bond was issued on 9th October 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 bond is USD 1,500,000,000 approximately equivalent to KSh. 193,530,000,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

iv. The first nominal amount of USD 750,000,000 will be repaid in three equal instalments of USD 250,000,000 from 9th October 2031 to 9th October 2033. The interest rate is 7.875 percent per annum of the outstanding principal amount of the notes. The other nominal amount of USD 750,000,000 will be repaid in three equal instalments of USD 250,000,000 from 9th October 2036 to 9th October 2038. The interest rate is 8.80 percent per annum of the outstanding principal amount of the notes.

v. The purpose of the bond

To carry out liability management operations and support the budget.

4. Kenya Nairobi Intelligent Transport Systems (ITS) Establishment and Junction Improvement Project

i. The parties to the loan

The loan was signed on 26th November 2025 between The Export -Import Bank of China 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 CNY 1,330,426,438.50 approximately equivalent to KSh. 25,038,625,573 and will be repaid in Chinese Yuan.

iii. The terms and conditions of the loan

The loan will be repaid in twenty-seven equal instalments of CNY 49,275,053.28. The interest rate applicable shall be 2 percent per annum. Management fee shall be 0.25 percent, whereas commitment fee shall be 0.25 percent per annum.

iv. The purpose of the loan

To establish Kenya Nairobi Intelligent Transport System (ITS) and junction improvement.

5. Supporting Access to Finance and Enterprise Recovery (SAFER) Project

i. The parties to the loan

The loan was signed on 20th November 2025 between Government of the Federal Republic of Germany as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

REPORT ON NEW LOANS CONTRACTED BY THE NATIONAL GOVERNMENT FROM 1ST SEPTEMBER 2014 TO 31ST DECEMBER 2025																	
No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Ksh Equivalent	Exchange rate	Loan Currency	Currency of payment	Agreement Date	Maturity Date	Disbursements during the period (Foreign currency)	Disbursements during the period in (Ksh)	Outstanding amount as at 31st December 2025	Grace period	Interest rate	Terms of repayment
A. ECONOMY																	
1	Supporting Access to Finance for MSMEs and Recovery (SAFE) Project	To finance the liquidity support for MSMEs and consulting services to support the project implementation	Government of the Federal Republic of Germany	GOKE	38,000,000.00	5,796,820,000.00	152.39	EUR	EUR	20th November 2025	15th November 2063	Not Disbursed	Not Disbursed	Nil	5 Years	The interest rate is 0.75 percent per annum for amounts disbursed under portion I and 1.20 percent per annum for amounts disbursed under portion II. The commitment fee is 0.25 percent per annum on undischursed loan amounts.	The loan will be repaid in two portions. Portion I will be paid in 5 equal instalments of EUR 276,000 from 15th November 2031 through 15th November 2033 and 60 equal instalments of EUR 277,000 from 15th May 2034 through to 15th November 2063. The second portion will be paid in 43 equal instalments of EUR 392,000 from 15th November 2030 to 15th November 2051 in 4 equal instalments of EUR 393,000 from 15th May 2052 through to 15th November 2055.
2	International Sovereign Bond	To carry out liability management operations and support the budget.	The Citigroup Global Markets Europe AG	GOKE	1,500,000,000.00	193,530,000,000.00	129.02	USD	USD	9th October 2025	9th October 2028	1,500,000,000.00	193,530,000,000.00	193,530,000,000.00	6 Years	The interest rate is 7.875 percent per annum for 2033 notes. The interest rate is 8.80 percent per annum of the outstanding principal	The first nominal amount of USD 750,000,000 will be repaid in three equal instalments of USD 250,000,000 from 9th October 2031 to 9th October 2033. The other nominal amount of USD 750,000,000 will be repaid in three equal instalments of USD 250,000,000 from 9th October 2036 to 9th October 2038.
B. EDUCATION																	
3	Phase III on Establishment and Training of Vocational training Workshops	To purchase goods, technology and other services.	Export-Import Bank of China	GOKE	616,109,066.96	11,595,172,640.19	18.82	CNY	CNY	23rd October 2025	21st March 2045	Not Disbursed	Not Disbursed	Nil	5 years	The interest rate of the loan is 2 percent per annum, a one line management fee of 0.25 per cent of the total value of the loan and commitment fee of 0.25 percent.	The loan will be repaid in 10 equal semi-annual repayments of CNY 20,536,969 from 21st September 2030 through to 21st March 2045.
4	Digitalization for Technical and Vocational Education and Training (Promotion of Technical and Vocational Education and Training for Employment III and Digitalization of TVET)	To finance measures to support the Kenyan Government in the digitalization for Technical and Vocational Education and Training	Government of the Federal Republic of Germany	GOKE	28,000,000.00	4,266,920,000.00	152.39	EUR	EUR	11th December 2025	15th November 2063	Disbursed	Disbursed	Nil	5.42 years	The commitment fee is 0.25 percent per annum on undischursed loan amounts. The interest rate is 0.25 percent per annum for amounts disbursed under portion I and 1.20 percent per annum for amounts disbursed under portion II.	The loan will be repaid in two portions. Portion I will be paid in 60 equal instalments of EUR 156,250 from 15th May 2032 through to 15th November 2063 and second portion in 50 equal instalments of EUR 306,000.00 from 15th May 2031 to 15th November 2055.
C. TRANSPORT																	
5	Keppa Nairobi Intelligent Transport System (ITS) Establishment and Junction Improvement Project	To establish Keppa Nairobi Intelligent Transport System (ITS) and junction improvement	The Export-Import Bank of China	GOKE	1,310,456,438.50	25,038,635,572.57	18.82	CNY	CNY	26th November 2025	10th January 2065	Not Disbursed	Not Disbursed	Nil	6.33 years	The interest rate applicable shall be 2 percent per annum. Management fee shall be 0.25 percent, whereas commitment fee shall be 0.25 percent per annum.	The loan will be repaid in twenty-seven equal instalments of CNY 49,275,093.28
Total													1,500,000,000.00	193,530,000,000.00			
GOKE is Government of Keppa																	
Exchange rate is as 27th February, 2026																	

