




## THE NATIONAL TREASURY

# BUDGET SUMMARY FOR THE FISCAL YEAR 2026/27 BUDGET AND SUPPORTING INFORMATION AND DOCUMENTS

 THE NATIONAL ASSEMBLY PAPERS LAID	
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TABLED BY: <b>APRIL 30, 2026</b>	<u>Leader of the Majority Party</u>
THE TABLE:	<u>Kanda-T.</u>

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# **BUDGET SUMMARY FOR THE FISCAL YEAR 2026/27 BUDGET AND SUPPORTING INFORMATION AND DOCUMENTS**

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## **I. BACKGROUND**

1. The Constitution of Kenya, 2010 and the Public Finance Management (PFM) Act, CAP 412A, require the Cabinet Secretary responsible for finance to submit to the National Assembly the Budget Estimates of the Government for the next financial year at least two months before the end of the financial year.

2. To comply with legal requirements, the National Treasury has prepared this Budget Summary along with additional information and documents to support the FY 2026/27 and the Medium-Term Budget. This Budget Summary encompasses:

- i) Policy framework for the FY 2026/27 and the Medium-Term Budget;
- ii) A statement outlining the actions undertaken by the National Government to execute the recommendations provided by the National Assembly regarding the budget for prior financial years;
- iii) Highlights of the FY 2026/27 Budget;
- iv) An explanation of how the fiscal responsibility principles and financial objectives are being met over the medium-term;
- v) A memorandum from the Cabinet Secretary regarding the resolutions passed by the National Assembly concerning the 2026 Budget Policy Statement (BPS) and 2026 Medium Term Debt Management Strategy (MTDS);
- vi) Information regarding loans, guarantees and other liabilities;
- vii) Revenue allocations to County Governments from the National Government's share, as outlined in Article 202 of the Constitution, including both conditional and unconditional transfers;
- viii) Estimates of revenue and expenditure for State Corporations for the FY ending 30<sup>th</sup> June, 2027; and
- ix) All estimated revenue by broad economic classification.

## II. POLICY FRAMEWORK FOR THE FY 2026/27 AND THE MEDIUM-TERM BUDGET

### A. Macroeconomic Policy Underpinning the FY 2026/27 Budget

#### Global Economic Outlook

3. The FY 2026/27 and Medium-Term Budget is being prepared at a time of heightened global uncertainty, driven by escalating geopolitical tensions following the outbreak of conflict in the Middle East in late February 2026. The conflict has become a major source of disruption, affecting commodity markets, weakening investor confidence, and tightening financial conditions. These pressures are eroding the foundations of recent global resilience, which had been supported by strong technology-related investment, accommodative financial conditions, including a weaker US dollar, and continued fiscal and monetary policy support.

4. Rising geopolitical tensions are exerting upward pressure on energy and food prices, intensifying inflationary risks and increasing volatility in global markets. The outlook remains vulnerable to further escalation of the conflict, particularly through potential attacks on critical energy infrastructure and disruptions to key transit routes such as the Strait of Hormuz, which could significantly constrain global energy supply. These dynamics, alongside elevated uncertainty and tighter financial conditions, are expected to moderate global economic activity, with growth projected to slow to about 3.1 percent in 2026 and 3.2 percent in 2027, from an average of 3.4 percent in 2024–2025 (**Table 1**).

5. Growth in advanced economies is projected to remain subdued at 1.8 percent in 2026 and 1.7 percent in 2027, with the impact of the Middle East conflict expected to be modest overall, as positive terms-of-trade effects in the United States and policy support in economies such as Japan partly offset weaker outcomes in net energy-importing economies, including the euro area and the United Kingdom.

6. In emerging market and developing economies, growth is projected to moderate to 3.9 percent in 2026 before recovering to 4.2 percent in 2027, reflecting divergent regional trends. Emerging and developing Asia remains the main growth driver, 4.9 percent in 2026 and 4.8 percent in 2027, supported by resilient domestic demand, particularly in India, despite

moderating growth in China. In contrast, the Middle East and Central Asia growth is projected to slow down sharply from 3.6 percent in 2025 to 1.9 percent in 2026 before rebounding to 4.6 percent in 2027, reflecting in part the economic spillovers of ongoing regional conflicts, including disruptions to trade routes, heightened uncertainty, and volatility in energy markets.

7. Growth in Sub-Saharan Africa is projected to maintain broadly stable growth at about 4.3 percent in 2026 and 4.4 percent in 2027, although vulnerabilities remain, particularly among oil-importing economies facing higher import costs. Resource-rich economies continue to benefit from commodity exports, while some face persistent structural constraints, elevated debt levels, and limited fiscal space.

**Table 1: Global Economic Performance**

Economy	Growth (%)			
	Actual		Projected	
	2024	2025	2026	2027
World	3.4	3.4	3.1	3.2
Advanced Economies	1.8	1.9	1.8	1.7
Of which: <i>USA</i>	2.8	2.1	2.3	2.1
<i>Euro Area</i>	0.9	1.4	1.1	1.2
<i>Japan</i>	(0.2)	1.2	0.7	0.6
Emerging and Developing Economies	4.5	4.4	3.9	4.2
Of which: <i>China</i>	5.0	5.0	4.4	4.0
<i>India</i>	7.1	7.6	6.5	6.5
Sub-Saharan Africa	4.2	4.5	4.3	4.4
Of which: <i>South Africa</i>	0.5	1.1	1.1	1.3
<i>Nigeria</i>	4.1	4.0	4.1	4.3

Source: IMF World Economic Outlook, April 2026

8. The growth outlook remains vulnerable to escalating risks in the Middle East and could worsen if the conflict persists.

### Domestic Economic Developments and Outlook

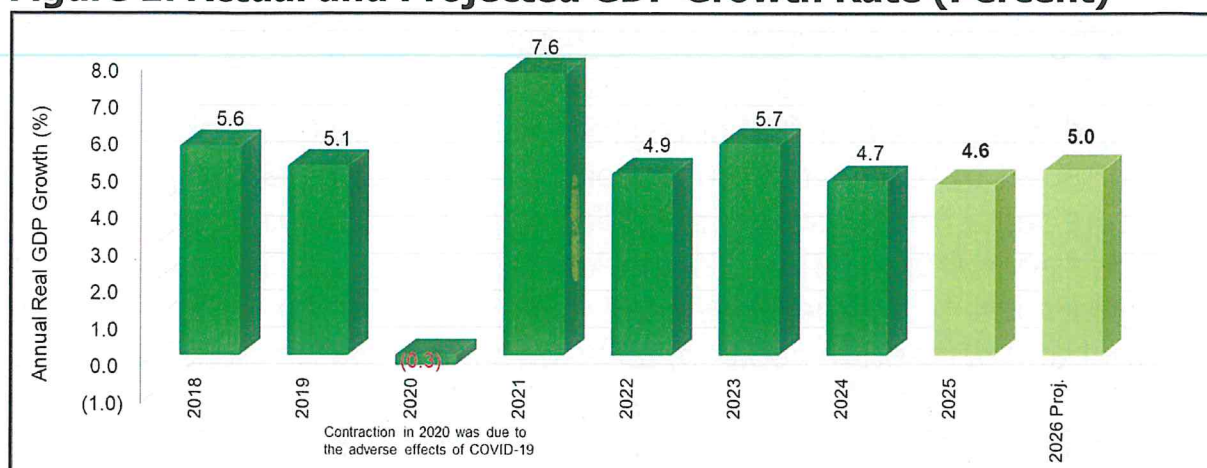
9. The Kenyan economy continues to demonstrate strong resilience amid challenges arising from both the domestic and global environment. Over the period 2022–2025, the economy expanded at an average annual rate of 5.0

percent, outperforming the global average growth rate of 3.4 percent and the Sub-Saharan Africa average of 4.1 percent (**Figure 1**). This robust performance reflects the implementation of sound and deliberate policies, alongside increasing economic diversification, which has reduced reliance on any single sector and strengthened the economy's ability to absorb shocks.

10. In 2025, the economy sustained growth momentum registering a real GDP growth rate of 4.6 percent compared with 4.7 percent recorded in 2024 with all the sectors registering positive growths. The expansion was supported by a strong recovery in construction sector, which rebounded from a contraction of 0.7 percent in 2024 to a growth of 6.8 percent in 2025. The Mining and Quarrying sector also recorded a notable turnaround, shifting from a 7.8 percent contraction to a growth of 14.9 percent over the same period. Other sectors that recorded notable growths in 2025 included Accommodation & Food Service (15.6 percent), Public Administration (8.3 percent), Financial & Insurance (6.5 percent), Information and Communication (4.8 percent), Transportation and Storage (3.7 percent) and Wholesale and Retail Trade (3.6 percent).

11. Growth momentum in 2025 was moderated by a slowdown in the Agriculture, Forestry and Fishing subsector, which accounts for over a fifth of the economy, easing to 3.1 percent in 2025 from 4.4 percent in 2024, largely reflecting varied weather patterns that resulted in mixed crop performance and a contraction of the sector by 1.3 percent in the fourth quarter of 2025 from a growth of 3.3 percent in a similar quarter in 2024. Manufacturing sector also slowed to grow 1.1 percent in the fourth quarter of 2025 from a growth of 4.4 percent in a similar quarter in 2024. Overall manufacturing sector registered a growth of 2.0 percent in 2025 compared to 3.0 percent growth in 2024.

**Figure 1: Actual and Projected GDP Growth Rate (Percent)**



*Source of Data: Kenya National Bureau of Statistics*

12. The growth outlook for 2026 is expected to be affected by emerging external risks, particularly the conflict in the Middle East. These developments are transmitting through higher global oil prices that rose from an average of US dollar 63.06 per barrel in February 2026 to average around US dollar 100 per barrel in April 2026. As a result, the domestic pump prices for Petrol increased from KSh 178.28 per litre in February 2026 to KSh 197.60 per litre in April 2026, while diesel prices rose from KSh 166.54 per litre to KSh 196.63 per litre over the same period. Additional spillover effects also include supply chain disruptions, weaker external demand, reduced remittance inflows, and subdued tourism. The elevated fuel costs are increasing transport and production expenses, thereby weighing on key sectors such as manufacturing, transport and storage, and wholesale and retail trade. The continued disruptions to global supply chains are constraining the flow of goods and services and dampening both exports and import performance particularly from the region under conflict.

13. Against this backdrop, the 2026 growth projection has been revised downward from 5.3 percent to 5.0 percent. This baseline projection assumes that the conflict in the Middle East will be contained in the near term, allowing for partial stabilization of global energy markets. However, should the conflict persist, resulting in prolonged supply disruptions and sustained high oil prices, growth would weaken further relative to the current projection. Looking ahead, growth is projected to strengthen to 5.2 percent in 2027 external pressures abate and global supply chains normalize.

14. Macroeconomic indicators remain broadly stable, although with emerging external pressures. Inflation rate while still remaining within the target range, rose to 5.6 percent in April 2026 from 4.1 percent in April 2025, mainly driven by higher fuel prices following an increase in global oil prices, which raised transport and production costs across the economy. Additional pressure came from elevated food prices due to erratic weather patterns that affected agricultural output. To cushion consumers, the Government in April 2026 lowered the value added tax (VAT) rate on fuel products from 16 percent to 8 percent. In addition, targeted subsidy was implemented through the Petroleum Development Levy Fund with a focus on protecting low-income households that rely on kerosene for cooking and lighting.

15. Short-term interest rates have declined, with the 91-day Treasury bill rate falling to 7.5 percent in April 2026 from 8.5 percent in April 2025. The average commercial banks' lending rates have also declined to 14.7 percent in March 2026, down from 17.2 percent in November 2024 reflecting easing of the monetary policy stance. Lending to the private sector by commercial banks improved to grow by 8.1 percent in the year to March 2026 compared to a growth of 0.2 percent in the year to March 2025 and a contraction of 2.9 percent in the year to January 2025.

16. On the external sector, current account deficit is projected at 3.0 percent of GDP in 2026 compared to the previous projection of 2.2 percent of GDP, reflecting emerging risks of the conflict in the Middle East, including higher international oil prices, lower receipts from services, slower growth in remittance inflows, and reduced exports. Official foreign exchange reserves remain adequate and stood at USD 13,354 million in March 2026, equivalent to 5.7 months of import cover, providing a strong buffer against external shocks. The exchange rate remains broadly stable, averaging KSh 129.4 to the US dollar in April 2026, compared to an average of KSh 129.5 in April 2025.

17. Activities in the Nairobi Securities Exchange (NSE) has improved over the past one year. The NSE 20 Share Index rose by 67.2 percent to 3,570 points in April 2026, up from 2,263 points in April 2025, while market capitalization expanded by 72.9 percent to KSh 3,427 billion from KSh 2,050 billion over the same period. However, between February and April 2026, the NSE 20 Share Index declined by 3.4 percent, as investors become

cautious of the rising global uncertainty caused by the conflict in the Middle East.

### **Policy Priorities of the Government for the FY 2026/27 and Medium Term - Budget**

18. The policy priorities of the Government for FY 2026/27 and medium-term budget will be firmly anchored on the Bottom-Up Economic Transformation Agenda (BETA), which remains the central framework for delivering inclusive growth, expanding economic opportunities, and improving livelihoods. The Government will continue to implement targeted policy, institutional, and structural reforms aimed at unlocking productivity across key value chains, reducing inequalities, and accelerating the transition to a more resilient, competitive, and self-sustaining economy.

19. To scale impact and enhance coordination, interventions are being delivered through a value chain approach, supported by a Whole-of-Government framework that strengthens synergies across Ministries, Departments, Agencies, and County Governments. In this respect, special emphasis continues to be placed on the following priority areas:

- i) **Agricultural Transformation:** Enhancing food security, reducing the cost of living, and raising farmer incomes through crop diversification, expanded irrigation, and modernization of value chains, including operationalization of County Aggregation and Industrial Parks (CAIPs). Efforts also focus on strengthening extension services, improving livestock productivity and disease control, scaling up agricultural insurance, and promoting climate-smart agriculture;
- ii) **MSME Economy:** Strengthening MSMEs as engines of job creation through expanded access to affordable credit under the Hustler Fund and Credit Guarantee Scheme, while promoting enterprise formalization and the establishment of MSME Development Hubs across all County Governments. Youth empowerment remains a key priority, anchored on the NYOTA programme linked to MSEA institutions - Constituency Industrial Development Centres (CIDCs), Enterprise Development Centres, and the Kariobangi Centre of Excellence, which is being modernized into tech-driven incubation hubs for enterprise growth and value chain integration;

- iii) Healthcare: Accelerating Universal Health Coverage through continued strengthening of Primary Healthcare Networks and expansion of community health services, alongside reforms in staffing, sustainable financing, digitization, improved medicine supply chains, and enhanced quality and patient safety;
- iv) Housing and Settlement: Scaling up affordable housing delivery, upgrading informal settlements, promoting planned development, expanding housing finance, and supporting cooperatives, while advancing climate-resilient construction, supporting infrastructure, and stronger housing value chains; and
- v) Digital Superhighway and Creative Economy: Advancing digital transformation through expansion of fiber networks, public Wi-Fi, and digital hubs, complemented by digital skills development, full digitization of Government services, strengthened cybersecurity, and targeted support to the creative economy to drive innovation and job creation.

20. The Government continues to implement complementary cross-cutting policy interventions to sustain macroeconomic stability and accelerate economic transformation. These include, among others:

- i) Maintaining macroeconomic stability through prudent fiscal and monetary coordination, while strengthening governance, peace, and security to support a stable business environment;
- ii) Enhancing fiscal sustainability by expanding domestic revenue mobilisation through policy and administrative reforms;
- iii) Accelerating strategic infrastructure development in transport, energy, and water to reduce the cost of doing business and enhance competitiveness;
- iv) Promoting investment in priority sectors including agriculture, manufacturing, tourism, and the blue economy, while strengthening environmental conservation and climate change mitigation; and
- v) Strengthening human capital development through sustained investment in education, healthcare, and targeted social protection programmes.

21. The Government's next phase of development will anchor on the achievements realized under BETA with a key focus on:

- i) Scaling up investment in human capital through education, technical skills development, research, and innovation;
- ii) Transforming the economy from a net importer to a net exporter of goods and services, with a focus on value addition in agriculture and manufacturing;
- iii) Ensuring access to reliable, affordable, and sustainable energy to support industrialization and economic expansion; and
- iv) Developing efficient transport and logistics systems to connect markets, lower the cost of doing business, strengthen regional integration, and position Kenya as a leading commercial and aviation hub in East and Central Africa.

22. As such this roadmap continues to prioritize long-term industrial planning, large-scale investments in people, expansion of productive capacity, and strategic infrastructure investment to position Kenya for accelerated and sustainable growth.

23. To finance Kenya's transformation agenda, the Government in March 2026 established the National Infrastructure Fund (NIF) following the enactment of the National Infrastructure Fund, Act 2026. The seed capital for the Fund includes the privatization proceeds from the Initial Public Offering (IPO) of the Kenya Pipeline Company (KPC) that was concluded in March 2026 and the proceeds from the 15 percent partial divestiture of the Government's stake in Safaricom PLC to Vodacom.

24. The NIF will serve as the primary vehicle for financing large-scale infrastructure expansion, including roads, railways, energy, and water systems — that underpins industrialization, lowers the cost of doing business, and positions Kenya as a competitive hub for regional trade and investment. The Fund will crowd-in large-scale private sector through domestic resources mobilisation, monetising mature public assets, crowding in private sector investment by leveraging capital markets.

25. Complementing the National Infrastructure Fund, the Government will also establish the Sovereign Wealth Fund (SWF). The Fund will have three

distinct components: the Stabilisation Component, which will provide the Government with a buffer against fluctuations in resource revenues and extraordinary macroeconomic shocks; the Strategic Infrastructure Investment Component, which will channel resource revenues into strategic infrastructure investment priorities, and the Future Generation ('*Urithi*') Component, which will build a long-term savings base for future generations. The Fund will serve as a strategic fiscal anchor, ensuring that Kenya's natural resource wealth is managed prudently, invested productively, and preserved equitably for both current and future generations and in effect, operationalizing Article 201 of the Constitution on intergenerational equity.

## **B. Fiscal Policy Framework for the FY 2026/27 and the Medium-Term Budget**

26. The fiscal policy for FY 2026/27 and the medium term will be anchored on a growth-supportive consolidation strategy that advances the Government's priorities under Bottom - Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan. The policy will also integrate the Government's emerging initiatives in human capital development, agricultural transformation, energy, and transport and logistics. This approach is intended to slow the pace of public debt accumulation, strengthen debt sustainability, and support the implementation of a proactive liability-management framework, while safeguarding the quality of public services. Fiscal consolidation efforts will prioritize enhanced domestic revenue mobilization, rigorous expenditure optimization and reprioritization, and protection of essential government programs and social interventions.

27. In line with the fiscal consolidation plan, the overall fiscal deficit is projected to gradually decline from 5.3 percent of GDP in the FY 2026/27 to 3.6 percent of GDP in the FY 2027/28 to 3.3 percent of GDP in the FY 2028/29. This will boost the country's debt position and ensure the country's development agenda is sustainably funded.

28. In the FY 2026/27 budget, total revenues including Appropriation-in-Aid (A-i-A) are projected at KSh 3,629.7 billion (17.4 percent of GDP) from KSh 3,399.1 billion (18.2 percent of GDP) in the FY 2025/26 (**Table 2**). Of this, ordinary revenue is projected at KSh 2,985.7 billion (14.3 percent of GDP) from KSh 2,784.4 billion (14.9 percent of GDP) in the FY 2025/26.

29. Over the medium term, as a percent of GDP, the Government's total revenue including AiA is projected to increase from 17.4 percent of GDP in the FY 2026/27 to 17.5 percent of GDP in the FY 2027/28 and moderate to 16.9 percent of GDP in the FY 2028/29. Of the total revenue, ordinary revenue is projected to increase from 14.3 percent of GDP in the FY 2026/27 to 14.7 percent of GDP in the FY 2027/28 and moderate to 14.3 percent of GDP in the FY 2028/29.

30. The overall expenditures and net lending are projected at KSh 4,785.2 billion (23.0 percent of GDP) in the FY 2026/27 from KSh 4,638.4 billion (24.9 percent of GDP) in the FY 2025/26. The FY 2026/27 comprises: recurrent expenditure of KSh 3,538.7 billion (17.0 percent of GDP); development expenditure of KSh 749.0 billion (3.6 percent of GDP); transfers to County Governments of KSh 495.5 billion and Contingency Fund of KSh 2.0 billion, respectively.

31. Total expenditure is projected to decrease from 23.0 percent of GDP in the FY 2026/27 to 21.3 percent of GDP in the FY 2027/28 to 20.4 percent of GDP in the FY 2028/29. Of the total expenditures, recurrent expenditure is projected to decline from 17.0 percent of GDP in the FY 2026/27 to 15.4 percent of GDP in the FY 2027/28 and further to 14.5 percent of GDP in the FY 2028/29 while development expenditure is expected to rise from 3.6 percent of GDP in the FY 2026/27; 3.8 percent of GDP in the FY 2027/28 to 4.1 percent of GDP in the FY 2028/29.

32. Consistent with the projected expenditures and revenues, the fiscal deficit including grants is projected at KSh 1,111.8 billion (5.3 percent of GDP) in the FY 2026/27 budget compared to the projected fiscal deficit of KSh 1,199.4 billion (6.4 percent of GDP) in the FY 2025/26. The fiscal deficit in the FY 2026/27 will be financed by a net external financing of KSh 116.2 billion (0.6 percent of GDP) and a net domestic financing of KSh 995.7 billion (4.8 percent of GDP).

**Table 2: Medium-Term Fiscal Framework**

Financial Year	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		FY 2027/28		FY 2028/29		
	Pre. Actual	FY 2024/25	Budget	Sup I	Approved 2026 BPS	Budget	Projections	Pre. Actual	Budget	Sup I	Approved 2026 BPS	Budget	Projections
	KSh Billion												
	As a share of GDP												
<b>TOTAL EXPENDITURE AND NET LENDING</b>	3,605.2	3,975.9	4,269.9	4,638.4	4,715.5	4,785.2	4,931.4	5,241.6	23.1	22.2	24.9	23.0	21.3
1.1 Recurrent Expenditure (1.2+1.3)	2,678.4	2,948.4	3,134.1	3,393.2	3,464.6	3,538.7	3,569.0	3,712.3	17.1	16.3	18.2	17.0	15.4
1.2 Ministerial Recurrent Expenditures	1,693.8	1,776.6	1,831.2	2,061.0	2,054.0	2,077.0	2,146.9	2,256.6	10.8	10.5	11.1	10.0	9.3
o/w wages and salaries	575.3	624.7	657.3	689.3	720.7	702.0	752.4	790.0	3.7	3.7	3.7	3.4	3.3
Government contribution to civil service pension	34.2	34.3	34.4	34.4	39.6	39.6	40.8	42.0	0.2	0.2	0.2	0.2	0.2
1.3 Interest payment and pension	984.7	1,171.9	1,302.9	1,332.2	1,410.6	1,461.8	1,422.1	1,455.7	6.3	6.9	7.1	7.0	6.1
1.4 Ministerial development expenditure	528.9	563.3	649.0	758.4	753.4	749.0	883.8	1,041.2	3.4	3.3	4.1	3.6	3.8
o/w Domestically financed	377.0	397.7	447.5	555.9	529.4	571.1	598.8	699.3	2.4	2.4	3.0	2.5	2.7
Foreign financed	151.9	165.6	201.5	202.6	224.1	177.8	285.0	341.9	1.0	1.0	1.1	0.9	1.2
1.5 Net lending	17.4	19.7	-	-	-	-	-	-	0.1	0.1	-	-	-
1.6 Contingencies Fund	-	-	2.0	2.0	2.0	2.0	5.0	5.0	-	0.0	0.0	0.0	0.0
1.7 County Allocation	380.4	444.6	484.8	484.8	495.5	495.5	473.5	483.0	2.4	2.6	2.6	2.4	2.0
o/w Equitable Share	354.6	418.3	415.0	415.0	420.0	420.0	440.9	450.4	2.3	2.2	2.2	2.0	1.9
<b>2.0 TOTAL REVENUES</b>	2,702.7	2,923.6	3,321.7	3,399.1	3,534.2	3,629.7	4,038.9	4,337.2	17.3	17.2	18.2	17.4	17.5
2.1 Ordinary Revenue	2,288.9	2,420.2	2,754.7	2,784.4	2,901.9	2,985.7	3,390.0	3,658.0	14.6	14.3	14.9	14.3	14.7
2.2 Ministerial AIA	413.7	503.4	566.9	614.6	632.4	644.0	648.9	679.2	2.6	3.0	3.3	3.1	2.8
<b>3.0 GRANTS</b>	22.0	33.3	47.2	39.9	54.4	43.6	58.8	67.1	0.1	0.2	0.2	0.2	0.3
4.0 Adjustments to cash basis	45.4	-	-	-	-	-	-	-	0.3	-	-	-	-
<b>5.0 DEFICIT</b>	(835.1)	(1,019.1)	(901.0)	(1,199.4)	(1,126.9)	(1,111.8)	(833.7)	(837.3)	(5.3)	(4.7)	(6.4)	(5.3)	(3.6)
<b>6.0 Discrepancy</b>	(16.8)	15.1	-	-	-	-	-	-	(0.1)	0.1	-	-	-
<b>7.0 FINANCING</b>	818.3	1,034.2	901.0	1,199.4	1,126.9	1,111.8	833.7	837.3	5.2	6.1	6.4	5.3	3.6
7.1 External Commercial Financing	286.9	253.1	221.2	540.1	145.6	145.6	224.1	140.0	1.8	1.5	2.9	0.7	1.0
7.2 Project Loans	155.8	151.4	211.2	224.6	227.0	191.6	258.8	307.5	1.0	0.9	1.1	0.9	1.1
7.5 Programme and other concessional loans	317.8	113.7	195.3	130.9	191.8	191.8	191.8	191.8	2.0	0.7	0.7	0.9	0.8
o/w P for R Program loans	18.2	15.3	3.5	3.5	-	-	-	-	0.1	0.1	0.0	-	-
Rapid Credit Facility from IMF	135.1	50.2	-	-	-	-	-	-	0.9	0.3	-	-	-
DPO- WB	154.1	21.8	170.5	101.4	170.5	170.5	170.5	170.5	1.0	0.1	0.5	0.8	0.7
DPO-ADB	10.4	26.3	21.3	26.0	21.3	21.3	21.3	21.3	0.1	0.1	0.1	0.1	0.1
7.6 Foreign Repayments	(537.8)	(347.3)	(340.2)	(673.8)	(339.0)	(412.9)	(387.0)	(486.0)	(3.4)	(2.1)	(1.6)	(2.0)	(1.7)
7.7 Domestic Financing	595.6	854.5	613.5	973.6	901.4	995.7	545.9	684.0	3.8	5.1	4.3	4.8	2.7
<b>Nominal GDP (Fiscal Year)</b>	15,633.0	16,904.9	19,272.8	18,642.5	20,947.5	20,916.8	23,126.5	25,649.5	100.0	100.0	100.0	100.0	100.0

Source: The National Treasury

NB. Ministerial Expenditures includes revised ceilings for Judiciary and Parliament

33. Over the medium-term, the Government will continue implementing a combination of tax policy and administrative measures in order to boost revenue collection thereby support fiscal consolidation. This will be through continuous implementation of the National Tax Policy and the Medium-Term Revenue Strategy that targets to raise tax revenue to above 20 percent of GDP. The reforms in the two policy documents will progressively strengthen tax revenue mobilization by simplifying and harmonizing tax laws, rationalizing tax expenditures, and creating a simple, predictable and fair tax system. Further, on Tax Administration side, reforms to strengthen Kenya Revenue Authority will continue and these include, sustained investment in technology to modernize the tax framework, improve compliance, broaden the tax base, strengthen customs valuation, and seal revenue leakages.

34. The Government will also continue with the reforms on enhancing non-tax revenues collections by Ministries, Departments and Agencies to improve service-based revenue performance.

35. Further, the Government will continue advancing expenditure and public financial management reforms to support fiscal consolidation by strengthening discipline, transparency, accountability, and value for money in public spending.

36. These measures and reforms include: full implementation of the e-Government procurement system to all Procuring Entities; implementation of the remaining phases of the Treasury Single Account, including automation of County Government exchequer processes, and integration of State Corporations and SAGAs' daily cash balances to enhance visibility of accounts held in commercial banks; continuous transition from cash-based to full accrual-basis of accounting across the public sector to improve transparency, completeness, and accuracy of Government financial reporting in line with IPSAS standards; continuous consolidation of the public service pension reforms through the digitisation and automation of pension administration under the end-to-end Enterprise Resource Planning; Strengthening implementation of the Human Resource Information System – Kenya (HRIS-Ke), to automate payroll processing and facilitate the simultaneous computation and remittance of pension contributions and other statutory deductions; advancement of state corporations' reforms through structural rationalization to enhance fiscal sustainability, strengthened governance under the Government-Owned Enterprises Act, 2025, and

targeted privatization and divestiture to mobilize resources and enhance efficiency; and continuous use of Public-Private Partnerships framework in the implementation of commercially viable projects.

37. On deficit financing, the Government will continue to mobilize resources from both domestic and external sources to finance the fiscal deficit as guided by the Medium-Term Debt Management Strategy. As part of the process, the National Treasury will explore innovative financing instruments, diversify borrowing sources, prioritize concessional external financing to lower financing costs, and strategically extend the maturity profile of public debt through the issuance of medium- to long-term debt instruments.

38. The National Treasury will also continue to implement more domestic debt market reforms aimed at lowering borrowing costs and enhance the effectiveness of public debt management operations. Measures to address public debt vulnerabilities, including Liability Management Operations, remains a key priority in managing maturing obligations. Collectively, these actions will enhance Kenya's debt management outcomes and support long-term fiscal sustainability.

### **C. Risks to the Macroeconomic and Fiscal Policy Outlook**

39. Kenya's economic outlook faces several downside risks that could constrain growth and challenge macroeconomic stability. Domestically, extreme weather events, such as droughts, floods, and prolonged dry spells, pose significant threats to agricultural output. Disruptions in food production could lead to elevated food prices, fueling inflationary pressures and reducing household purchasing power. Climate-related damage to infrastructure, including roads, bridges, and irrigation systems, could further disrupt economic activities and increase Government spending on emergency response and reconstruction, diverting resources from development priorities.

40. On the external front, rising costs of imported fuel and food, driven by global supply shocks, geopolitical tensions especially the Middle East Conflict, or trade restrictions, could amplify inflation and increase production costs for businesses. Volatility in international financial markets, fluctuations in commodity prices, and tighter global financing conditions may also adversely affect capital flows, elevate borrowing costs, and exert pressure on exchange rate stability.

41. Additional external risks include a slowdown in global growth, which could weaken demand for Kenya's exports, particularly horticulture and manufactured goods, and reduce diaspora remittances from key source markets. Disruptions to global supply chains and logistics could also raise import costs and delay inputs for domestic production.

42. Despite these potential headwinds, there are significant upside opportunities. Accelerated implementation of structural reforms under BETA and the Fourth Medium-Term Plan, including enhanced public financial management, improved expenditure efficiency, governance reforms, and streamlined business regulations, could boost investor confidence, attract private investment, and spur economic activity. A supportive global economic environment, characterized by stable commodity prices, declining oil prices, and robust external demand, could further strengthen export earnings, foreign exchange inflows, and overall economic resilience. Additionally, Kenya's transition to climate-smart agriculture, renewable energy investments, and enhanced disaster preparedness can mitigate some domestic risks, supporting more sustainable and inclusive growth.

43. Sustained coordination between monetary and fiscal policies will remain critical in maintaining a stable macroeconomic environment conducive to investment, savings, and growth. The Government will continue to closely monitor both domestic and international developments and implement timely policy interventions to shield the economy from adverse shocks, while promoting structural transformation and resilience in key sectors such as agriculture, energy, manufacturing, and services.

### **III. STATEMENT OUTLINING THE ACTIONS UNDERTAKEN BY THE NATIONAL GOVERNMENT TO EXECUTE THE RECOMMENDATIONS PROVIDED BY THE NATIONAL ASSEMBLY REGARDING THE BUDGET FOR PRIOR FINANCIAL YEAR(S)**

44. Section 38 (1) (f) of the PFM Act, 2012 requires the National Treasury to submit a statement detailing the actions undertaken by the National Government to address the recommendations put forth by the National Assembly with respect to the budget for the preceding financial year or years. In this statement, we outline several initiatives implemented by the National Government in response to the National Assembly resolutions concerning the FY 2025/26 Budget, and the Supplementary Estimates No. 1 for FY 2025/26.

#### **A. Status of Implementation of the Recommendations by the National Assembly on the FY 2025/26 Budget**

45. Below are the National Assembly resolutions and the current implementation status regarding issues relating to the National Treasury in respect of FY 2025/26 Budget:

**Resolution 1: That, by 31<sup>st</sup> December 2025, the Cabinet Secretary for the National Treasury develops and implements comprehensive guidelines governing office rent for Ministries, Departments and Agencies (MDAs), prioritizing the use of available government office space to reduce rent-related expenditure.**

46. **Action taken:** The National Treasury affirms that the computation of office rent requirements for Ministries, Departments and Agencies (MDAs) is currently undertaken based on duly executed lease agreements, ensuring accuracy, transparency, and alignment with contractual obligations.

47. Further, in compliance with the resolution, the National Treasury, in consultation with the State Department for Public Works, will develop and implement comprehensive guidelines governing office accommodation for MDAs. These guidelines will ensure optimal utilization of available government office space with a view to minimizing rent-related expenditure and enhancing efficiency in the management of public resources.

## **B. Status of Implementation of the Resolutions of the National Assembly on the FY 2025/26 Supplementary Estimates No. 1**

49. During the approval of the FY 2025/26 Supplementary Estimates No. 1, the National Assembly made the following resolutions which we have addressed as indicated in the subsequent paragraphs.

### **a) Policy Resolutions on FY 2025/26 Supplementary Estimates No. 1**

**Resolution 1: THAT, by 30<sup>th</sup> September 2026, the Cabinet Secretary for the National Treasury submits to the National Assembly trends of allocation under Article 223 including the proportion of Article 223 expenditures to the approved budget by Vote or by spending entity for the period FY 2022/23 to date. This information will help the National Assembly address the growing reliance on Article 223 spending which continues to reduce the credibility of the approval annual budget.**

50. **Action taken:** The National Treasury will submit the expenditure trends of allocation under Article 223 by Vote and Programmes for the period FY 2022/23 to FY 2025/26 by 30<sup>th</sup> September 2026 as resolved by the National Assembly.

**Resolution 2: THAT, by 30<sup>th</sup> June 2026, the Cabinet Secretary for the National Treasury, in consultation with the Cabinet Secretary for the Ministry of Public Service and Human Capital Development, develops and enforces accurate personnel emoluments costing, including aligning recruitment to approved budget ceilings and strengthening medium-term wage bill forecasting, with a view to minimizing in-year budget revisions.**

51. **Action taken:** The National Treasury has instituted measures to enhance the accuracy, credibility, and sustainability of personnel emoluments budgeting and forecasting. Central to these efforts is the adoption and utilization of validated data from the Government Human Resource Information System (HRIS) as the primary source for personnel records across Ministries, Departments, and Agencies (MDAs). This ensures that all personnel emoluments' projections are based on up-to-date staffing levels, grades, and compensation structures.

52. Further, the National Treasury, in collaboration with the Ministry of Public Service and Human Capital Development, is enforcing strict alignment

of recruitment plans to approved budgetary ceilings. All requests for recruitment are subjected to verification against available fiscal space and existing establishment data within the HRIS to prevent over-commitment and unauthorized hiring.

**Resolution 3: THAT, the Cabinet Secretary for the National Treasury establishes a dedicated budget line and expand Rural Electrification and Renewable Energy Corporation Appropriations-in-Aid ceilings anchored on the 5% Rural Electrification Programme levy arrears, to support the timely delivery of off-grid electrification.**

53. **Action taken:** The National Treasury has provided a dedicated budget line for the Rural Electrification and Renewable Energy Corporation and has appropriately reflected the Appropriation-in-Aid as projected by the Corporation in the FY 2026/27 Budget.

**Resolution 4: THAT, BY 30<sup>th</sup> June 2026, the Auditor-General, in consultation with the Attorney General, submit to the National Assembly a proposal for amendment to the Public Finance Management Act to introduce enforceable sanction for the non-implementation of audit recommendations.**

54. **Action taken:** The Office of the Auditor General to provide an appropriate response to this resolution.

**Resolution 5: THAT, the Cabinet Secretary for the National Treasury, in consultation with the Clerk of the National Assembly, grants the Parliamentary Budget Office read-only access to the Integrated Financial Management Information System. This access will enable the Office to monitor real-time budget execution and generate analytical reports to support parliamentary oversight.**

55. **Action taken:** The National Treasury recognizes the critical function of the Parliamentary Budget Office in providing professional and technical services in respect of budget, finance and economic information to Committees of Parliament, particularly during budget formulation and implementation. In view of this, and in compliance with this resolution, the National Treasury will liaise with the Parliamentary Budget Office to provide credentials to enable read-only access to the Ledger Module in the IFMIS as resolved by the National Assembly.

**b) Financial Resolutions on FY 2025/26 Supplementary Estimates No. 1**

**Resolution 1: Approved an increase of the current expenditure for FY 2025/2026 by KSh 229,422,326,355 respectively of the Votes contained in the FIRST SCHEDULE**

56. **Action taken:** The National Treasury finalized the FY 2025/26 Supplementary Estimates based on the financial resolutions contained in the First Schedule. The consequent Supplementary Appropriations Act was enacted on this basis.

**Resolution 2: Approved an increase of the capital expenditure for FY 2025/2026 by Kshs.134,460,269,596 in respect of the Votes contained in the FIRST SCHEDULE**

57. **Action taken:** The National Treasury finalized the FY 2025/26 Supplementary Estimates based on the financial resolutions contained in the First Schedule. The consequent Supplementary Appropriations Act was enacted on this basis.

**Resolution 3: Approved an overall increase in the total budget for FY 2025/2026 by KSh 363,882,595,951 in respect of the Votes contained in the First Schedule**

58. **Action taken:** The National Treasury finalized the FY 2025/26 Supplementary Estimates based on the financial resolutions contained in the First Schedule. The consequent Supplementary Appropriations Act was enacted on this basis.

**Resolution 4: Made financial resolutions as contained in the SECOND SCHEDULE.**

59. **Action taken:** The National Treasury finalized the detailed FY 2025/26 Supplementary Estimates based on the financial resolutions contained in the Second Schedule.

**Resolution 5: Approved the expenditure under Article 223 of the Constitution as contained in the THIRD SCHEDULE.**

60. **Action taken:** The National Treasury finalized the FY 2025/26 Supplementary Estimates based on the financial resolutions, especially with regards to expenditures under Article 223 of the Constitution as contained in the Third Schedule. The consequent Supplementary Appropriations Act was enacted on this basis.

## IV. HIGHLIGHTS OF THE FY 2026/27 BUDGET

### A. Proposed Expenditure Estimates for FY 2026/27 Budget

#### a) Overall expenditures in the FY 2026/27 and the Medium-Term Budget

61. The overall total gross expenditure for the FY 2026/27 is projected at **KSh 4,817.8 billion**. The allocations to the three Arms of Government, along with the shareable revenues designated for the County Governments, are summarized in **Table 3**.

**Table 3: Summary of FY 2026/27 Budget (KSh Million)**

S/No.	Item	Approved Estimates	Supplementary Estimates No.1	Approved 2026 BPS	Budget Estimates	Variance Between Budget Estimates and 2026 BPS
		FY 2025/26		FY 2026/27		
1	<b>National Government</b>	<b>2,549,544.0</b>	<b>2,913,426.6</b>	<b>2,878,425.6</b>	<b>2,896,520.7</b>	<b>18,095.1</b>
	Executive	2,473,773.5	2,836,644.5	2,797,201.8	2,817,388.2	20,186.4
	Parliament	47,990.7	48,690.7	50,782.0	48,690.7	(2,091.3)
	Judiciary	27,779.8	28,091.4	30,441.8	30,441.8	-
2	<b>Consolidated Fund Services</b>	<b>1,337,324.8</b>	<b>1,366,598.3</b>	<b>1,450,123.4</b>	<b>1,501,327.1</b>	<b>51,203.8</b>
3	<b>County Government</b>	<b>415,000.0</b>	<b>415,000.0</b>	<b>420,000.0</b>	<b>420,000.0</b>	<b>-</b>
	<b>Total.....Ksh.</b>	<b>4,301,868.7</b>	<b>4,695,024.9</b>	<b>4,748,549.0</b>	<b>4,817,847.9</b>	<b>69,298.9</b>
<b>% Share in the Total Allocation</b>						
1	<b>National Government</b>	<b>59.3</b>	<b>62.1</b>	<b>60.6</b>	<b>60.1</b>	<b>0.4</b>
	Executive	57.5	60.4	58.9	58.5	0.5
	Parliament	1.1	1.0	1.1	1.0	(0.0)
	Judiciary	0.6	0.6	0.6	0.6	-
2	<b>Consolidated Fund Services</b>	<b>31.1</b>	<b>29.1</b>	<b>30.5</b>	<b>31.2</b>	<b>1.2</b>
3	<b>County Government</b>	<b>9.6</b>	<b>8.8</b>	<b>8.8</b>	<b>8.7</b>	<b>-</b>
<i>Notes**</i>						
<i>1.0 Consolidated Fund Services(CFS) is composed of domestic interest, foreign interest and pension &amp;Salaries for State Officers</i>						
<i>2.0 County Government allocation is composed of sharable allocation</i>						

Source: The National Treasury

#### i) Allocation to the Executive

62. In the FY 2026/27 Budget, the Executive Arm of Government has been allocated **KSh 2,817.4 billion**, comprising of **KSh 1,976.8 billion** for recurrent expenses and **KSh 840.6 billion** for development projects.

## **ii) Allocation to Parliament**

63. In the FY 2026/27 Budget, Parliament has been allocated **KSh 48.7 billion**. This comprises **KSh 47.1 billion** for Recurrent Budget and **KSh 1.6 billion** for Development Budget.

## **iii) Allocation to the Judiciary**

64. In the FY 2026/27 Budget, the Judiciary has been allocated **KSh 30.4 billion**. This allocation comprises **KSh 927.4 million** for the Judicial Service Commission (JSC), **KSh 26.9 billion** for Judiciary's recurrent expenses and **KSh 2.6 billion** for development projects.

## **iv) Allocation to Consolidated Fund Services**

65. In this FY 2026/27 Budget, the Consolidated Fund Services (CFS) has been allocated **KSh 1,501.3 billion**. This includes allocations to cater for domestic interest payment of **KSh 986.7 billion** and foreign interest payment of **KSh 267.5 billion**, Pension, salaries & allowances of **KSh 247.1 billion**.

## **v) Allocation to County Governments**

66. The Division of Revenue Bill, 2026 allocates County Governments **KSh 420.0 billion** as an equitable share from the nationally raised revenue. This amount excludes additional allocations, both conditional and unconditional, to County Governments, which total to **KSh 75.5 billion**, including loans and grants.

## **b) Resource Allocation to the Bottom-Up Economic Transformation Agenda (BETA)**

67. The FY 2026/27 and the Medium-Term Budget will continue the implementation of the Bottom-up Economic Transformation Agenda (BETA) as prioritized in the Medium-Term Plan (MTP) IV of the Kenya Vision 2030. The Agenda is geared towards economic turnaround and inclusive growth, and aims to increase investments in the five core pillars envisaged to have the largest impact to the economy as well as on household welfare. These include: Agricultural Transformation and Inclusive Growth; Micro, Small and

Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.

68. The Government will prioritize implementation of strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; Services Economy, Environment and Climate Change; Education and Training; Women Agenda; Social Protection; Sports, Culture and Arts; Youth Empowerment and Development Agenda; Governance; and Foreign Policy and Regional Integration.

69. The budgeting process for priority programmes will be conducted through a value chain approach organized into five clusters: Finance and Production Economy; Infrastructure; Land and Natural Resource; Social Sectors; and Governance and Public Administration. To implement the Bottom-up Economic Transformation Agenda (BETA), the Government has identified nine (9) key value chain areas for implementation, namely: i) Leather; ii) Cotton; iii) Dairy; iv) Edible oils; v) Tea; vi) Rice; vii) Blue economy; viii) Natural Resources (Including Minerals and Forestry); and ix) Building Materials.

70. The implementation of the BETA Priorities will be executed through five clusters. In light of this **KSh 379.5 billion** has been allocated in the FY 2026/27 Budget as indicated in **Table 4** below:

**Table 4: Summary of Allocations to BETA Clusters**

<b>S/No</b>	<b>Cluster</b>	<b>KSh Million</b>
1	Finance and Production Economy	57,806.5
2	Governance and Public Administration	39,853.9
3	Social Sectors	122,500.9
4	Land and Natural Resources	24,530.0
5	Infrastructure	134,767.4
	<b>Total</b>	<b>379,458.7</b>

**c) Allocation to Key Thematic Areas in FY 2026/27**

71. The summary of the allocations under the key thematic areas is indicated in **Table 5**.

**Table 5: Allocations to Key Thematic Areas (KSh Million)**

		KSh Million	%Share of Total
S/No	Thematic Areas	2026/27	2026/27
1	Agriculture and Food Security	62,956.2	2.7
2	Transport	51,781.9	2.2
3	Roads	230,339.2	9.8
4	Energy and Petroleum	27,011.5	1.2
5	Housing & Urban Development and Public Works	135,810.6	5.8
6	Information, Communication and Technology	10,472.5	0.4
7	National Security	566,869.0	24.2
8	Governance and Justice	84,301.5	3.6
9	Education Sector	668,304.2	28.5
10	Health Sector	170,730.5	7.3
11	Manufacturing and Industrialization	19,237.6	0.8
12	Social Protection and Affirmative Action	41,779.3	1.8
13	Equity, Poverty Reduction, Women and Youth Empowerme	109,728.7	4.7
14	Sports Culture, Recreation and Tourism	45,420.5	1.9
15	Environmental Protection, Water & Natural Resources	117,508.6	5.0
	<b>TOTAL</b>	<b>2,342,251.8</b>	<b>100.0</b>

72. The details of the key allocations in the FY 2026/27 budget are provided in **Annex Table 3**.

## V. ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

73. In line with the Constitution, the Public Finance Management (PFM) Act, CAP 412A, the PFM (National Government) Regulations, 2015 and in keeping with prudent and transparent management of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statute as follows (**Table 6**):

**Table 6: Performance of Fiscal Responsibility Indicators**

	FY 2023/24	FY 2024/25	FY 2025/26		FY 2026/27		FY 2027/28	FY 2028/29
	Prel. Actual	Prel. Actual	Budget	Supp I	Approved 2026 BPS	Budget	Projections	
	KSh Billion							
1.0 Total Expenditure & Net Lending	3,605	3,976	4,270	4,638	4,715	4,785	4,931	5,242
1.1 Total Ministerial National Govt Expenses	2,214	2,258	2,447	2,787	2,761	2,801	2,939	3,200
Total Recurrent	2,696	2,900	3,072	3,331	3,395	3,490	3,480	3,619
CFS (Interest & Pensions)	1,036	1,226	1,337	1,367	1,450	1,501	1,463	1,498
Ministerial Recurrent	1,660	1,674	1,734	1,964	1,945	1,989	2,017	2,121
o/w Wages & Salaries	613	663	696	729	765	747	798	837
<i>Wages as % National Government Revenues/I</i>	<i>26.1%</i>	<i>26.5%</i>	<i>24.0%</i>	<i>24.4%</i>	<i>24.6%</i>	<i>23.3%</i>	<i>22.2%</i>	<i>21.5%</i>
Development	555	584	713	822	817	812	922	1,079
<i>Development as % Ministerial NG expenditures</i>	<i>25.1%</i>	<i>25.9%</i>	<i>29.1%</i>	<i>29.5%</i>	<i>29.6%</i>	<i>29.0%</i>	<i>31.4%</i>	<i>33.7%</i>
Domestic	394	417	448	556	529	571	599	699
External	152	166	201	203	224	178	285	342
Contingencies	-	-	2	2	2	2	5	5
1.2 County Allocation	380	445	485	485	495	495	474	483
Equitable share	355	418	415	415	420	420	441	450
Conditional Grants	26	26	70	70	75	75	33	33
2.0 Total Revenues	2,703	2,924	3,322	3,399	3,534	3,630	4,039	4,337
3.0 Total National Government Revenues (Incl. A-I-A)	2,348	2,505	2,907	2,984	3,114	3,210	3,598	3,887
4.0 National Government Domestic Borrowing (net)	596	854	614	974	901	996	546	684

Source: *The National Treasury*

### a. A minimum of 30 percent of the National Government's budget allocated to the development expenditure over the medium-term.

74. The National Government continues to anchor its budget framework on the requirement that development expenditure constitutes no less than 30 percent of total ministerial spending. In FY 2026/27, development spending is projected at 29.0 percent, slightly below the target. This deviation reflects the rigidity of recurrent expenditures, particularly debt service and statutory obligations, together with revenue underperformance, which has constrained fiscal space and necessitated adjustments to development allocations. Over the medium term, development expenditure is projected to rise to 31.4 percent in FY 2027/28 and 33.7 percent in FY 2028/29, remaining above the statutory minimum of 30 percent (**Table 6**).

**b. The National Government’s expenditure on wages and benefits for its employees not to exceed 35 percent of the National Government equitable share of the revenue.**

75. The legal framework stipulates that expenditure by the National Government on compensation of employees including salaries, benefits, and allowances must not exceed 35 percent of the National Government’s equitable share of nationally raised revenues together with other revenues generated under Article 209(4) of the Constitution. In adherence to this requirement, the National Government’s wage and benefits bill is projected at 23.3 percent in FY 2026/27, 22.2 percent in FY 2027/28 and 21.5 percent in FY 2028/29, remaining well within the statutory ceiling of 35 percent (Table 6).

**c. Over the medium-term, the National Government’s borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.**

76. The Government remains fully committed to this fiscal principle and consistently ensures that all borrowing is applied strictly to development outlays and not for recurrent expenditure. In compliance to this requirement, the National Government borrowing will be carried out within the context of the Medium-Term Debt Strategy (MTDS) for the FY 2026/27 approved by Parliament.

**d. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for National Government.**

77. Kenya’s public debt remains sustainable, albeit with a high risk of debt distress. The Present Value (PV) of total public debt stood at 65.3 percent of GDP in June 2025 and is projected to decline gradually to within the approved limit of 55 percent to GDP (Table 7).

**Table 7: Kenya's Public Debt Sustainability**

Indicator	Benchmark	2024	2025	2026	2027	2028	2029
PV of public debt to GDP	55.0	65.7	65.3	65.6	65.0	64.2	63.1

Source: The National Treasury & IMF Country Report

78. To safeguard debt sustainability, the National Treasury will continue to sustain fiscal consolidation measures anchored on expenditures controls and revenue mobilization. As part of the process, the National Treasury will explore innovative financing instruments, diversify borrowing sources, prioritize concessional external financing to lower financing costs, and strategically extend the maturity profile of public debt through the issuance of medium- to long-term debt instruments.

79. The National Treasury will also sustain push for more domestic debt market reforms aimed at lowering borrowing costs and enhance the effectiveness of public debt management operations. Measures to address public debt vulnerabilities including Liability Management Operations, is an ongoing key priority in the domestic debt market and in external debt portfolio. Collectively, these actions will enhance Kenya's debt management outcomes and support long-term fiscal and external stability.

**e. Fiscal risks shall be managed prudently.**

80. The Government continues to manage fiscal risks prudently to safeguard stability amid a more uncertain global environment, including escalating conflict in the Middle East, which is weighing on global growth, increasing oil price volatility, and tightening financial conditions. As an open economy, Kenya remains exposed through higher energy costs, trade disruptions, reduced capital flows, and exchange rate pressures. Notwithstanding these headwinds, the economy remains resilient, with growth projected at 5.0 percent in 2026 and 5.2 percent in 2027, supported by recovery in agriculture, strong services performance, and ongoing reforms. Macroeconomic stability has been sustained, with inflation within target, easing interest rates, a stable exchange rate, and a strengthened external position providing important buffers.

81. However, risks to the outlook remain elevated, including external shocks such as rising oil prices and trade disruptions, as well as domestic pressures from climate-related shocks, fiscal demands, and contingent liabilities. In response, the Government will safeguard stability through measures to cushion energy shocks, maintain adequate foreign exchange buffers, and support export diversification. Fiscal policy will remain anchored on consolidation, strengthening revenue mobilization, enforcing expenditure discipline, and maintaining prudent debt management, while enhancing

fiscal risk oversight, deepening coordination with County Governments, and integrating climate considerations into fiscal planning.

**f. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.**

82. Ensuring stability and predictability in tax policy remains central to the Government's revenue strategy. In this regard, the National Treasury is implementing the National Tax Policy and the Medium-Term Revenue Strategy (MTRS) to guide reforms focused on simplifying and harmonizing tax laws, minimizing ad hoc changes, and rationalizing tax expenditures to promote a transparent and equitable system. To enhance certainty, tax legislation is being streamlined and consolidated, while incentives are being better targeted to reduce inefficiencies, curb leakages, and align with national priorities.

83. On the administrative front, the Government is modernizing tax systems through digitalization and data-driven compliance to broaden the tax base, strengthen customs valuation, and improve compliance, supporting revenue growth without raising tax rates. At the same time, non-tax revenue mobilization is being enhanced by strengthening the capacity of MDAs. Collectively, these measures reinforce a predictable, rules-based environment and support stable domestic revenue mobilization over the medium term.

## **VI. MEMORANDUM ON THE RESOLUTIONS ADOPTED BY THE NATIONAL ASSEMBLY ON THE 2026 BUDGET POLICY STATEMENT AND THE 2026 MEDIUM-TERM DEBT MANAGEMENT STRATEGY**

84. Section 25(8) of the Public Finance Management (PFM) Act, CAP 412A prescribes that the Cabinet Secretary for the National Treasury shall take into account resolutions passed by Parliament when finalizing the budget for a specific financial year. The National Assembly approved the 2026 Budget Policy Statement (BPS) on 10<sup>th</sup> March, 2026 along with the Medium-Term Debt Management Strategy for the FY 2026/27 on 3<sup>rd</sup> March, 2026.

85. Section 38(1) (iii) of the PFM Act requires the Cabinet Secretary to prepare a memorandum explaining how the resolutions adopted on the BPS have been taken into account. In this regard, the following Section provides a brief to Parliament on the extent to which the resolutions of the House on the 2026 BPS and MTDS, 2026 have been taken into account and the reasons thereof.

### **A. RESPONSE/ACTION TAKEN TO ADDRESS PARLIAMENT'S RESOLUTIONS ON THE 2026 BUDGET POLICY STATEMENT**

#### **(a) Financial Resolutions on the 2026 BPS**

**Resolution 1: - Approved the National Government budget ceiling at KShs. 2,878,426,500,000, of which:**

**Of which:**

**i. Executive KSh 2,797,202,700,000**

**Of which: Office of the Auditor General KSh 9,026,300,000**

**ii. Parliament KSh 50,782,000,000**

**iii. Judiciary KSh 30,441,800,000**

86. **Action taken:** During the finalization of the FY 2026/27 Budget Estimates, the National Treasury adjusted allocations for personnel emoluments to address salary shortfalls in MDAs, provisions for emerging critical expenditures as well adjustments on Development Partner Funded Projects to reflect actual commitments. In view of these adjustments, the overall total gross expenditure for FY 2026/27 is projected at **KSh 4,817.8**

**billion** of which the National Government Budget ceiling is provided at KSh 2,896.5 billion, comprising of Executive at KSh 2,817.4 billion. Of which:

- i) Office of the Auditor General is allocated KSh 9.0 billion,
- ii) Parliament is allocated KSh 48.7 billion, and
- iii) Judiciary is allocated KSh 30.4 billion.

**Resolution 2: THAT, the allocation to County Government Equitable Share be approved at KSh 420,000,000,000;**

87. **Action taken:** The National Treasury has prepared the Division of Revenue Bill, 2026 to reflect the County Equitable share of KSh 420,000,000,000 in the FY 2026/27 budget as approved by Parliament.

**Resolution 3: THAT, consistent with the latest audited and approved revenues, the allocation to the Equalization Fund be set at KSh 9,602,170,425;**

88. **Action taken:** The National Treasury has provided an allocation of KSh 9,602,170,425 to the Equalization for the FY 2026/27 budget, as approved by Parliament. This represents the 0.5 percent statutory allocation and forms the basis for the Equalization Fund for FY 2026/27.

**Resolution 4: THAT, the County Government Additional Allocations approved at KSh 75,692,700,182 as per the Third Schedule shall form the basis for the County Government Additional Allocations Bill for the FY 2026/2027;**

89. **Action taken:** The National Treasury has provided KSh 75,692,700,182 in the County Governments Additional Allocations Bill, 2026 as additional allocations to County Governments for the FY 2026/27 budget as approved by Parliament.

**Resolution 5: THAT, the allocation for the public participation initiatives be approved at KSh 4,000,000,000 under Vote 1071 - National Treasury;**

90. **Action taken:** The National Treasury has provided KSh 4,000,000,000 in the FY 2026/27 budget for public participation initiatives.

## **Resolution 6: Resolved THAT -**

- i. Consistent with the resolution of the House of 3<sup>rd</sup> March 2026 on the 2026 Medium Term Debt Strategy, the fiscal deficit be maintained at 5.3 percent of the Gross Domestic Product (GDP);**

91. **Action taken:** The National Treasury remains committed to implement the fiscal consolidation plan by remaining within the approved fiscal deficit ceilings. In line with the fiscal consolidation path, the fiscal deficit is projected to decline from 5.3 percent of GDP in FY 2026/27 to 3.6 percent of GDP in FY 2027/28, and further to 3.3 percent of GDP in FY 2028/29. To realize these targets, the National Treasury will continue to pursue a fiscal consolidation strategy geared towards gradual and sustained reduction in the fiscal deficit over the medium term, anchored on robust revenue mobilization and expenditure rationalization.

- ii. The FIRST and SECOND SCHEDULES form the basis for the ceilings for the FY 2026/27 Budget Estimates;**

92. **Action taken:** The National Treasury issued ceilings to MDAs based on the First and Second schedule of the approved 2026 Budget Policy Statement with adjustments as provided under Financial Resolution No. 1 to comply with the approved fiscal framework. This was done through the issuance of the Treasury Circular No. 6/2026 which is the Circular on "Guidelines for the Finalization of the FY 2026/27 and the Medium-Term Budget".

93. During the review of the submissions from MDAs, the National Treasury has proposed adjustments to address salary shortfalls, emerging Government priorities as well as adjustments in Development Partner Funded projects to align with confirmed commitments.

- iii. The Policy Resolutions (Non-financial recommendations relating to the Budget Policy Statement for the financial year 2026/27), shall form the basis for the FY 2026/27 budget estimates;**

94. **Action taken:** The National Treasury has adhered to this recommendation. The Policy Resolutions relating to the 2026 Budget Policy Statement, has formed the basis for the FY 2026/27 budget estimates.

- iv. The minimal adjustments in the gross ceilings in the SECOND SCHEDULE be accommodated in the revenue yield expected**

**from ongoing tax administration reforms and the enhanced funding to KRA.**

95. **Action taken:** Implementation of the resolution is underway. The minimal adjustments in the gross expenditure ceilings under the Second Schedule will be accommodated within the FY 2026/27 revenue projections through enhanced tax administration and targeted policy measures.

96. In this regard, additional resources have been allocated to the Kenya Revenue Authority (KRA) to strengthen revenue mobilization. This includes **KSh 19.0 billion** provided in the FY 2025/26 and earmarked for digital transformation initiatives to support system upgrades, data integration, and deployment of real-time compliance tools aimed at improving efficiency, broadening the tax base, and sealing revenue leakages. Further, the National Treasury has developed tax amendment proposals with an estimated combined revenue yield of **KSh 120.3 billion**, which are expected to reinforce revenue performance in FY 2026/27 upon approval by Parliament.

97. The estimates incorporate measures under the Finance Bill 2026 proposals, including those initially developed under the Tax Laws (Amendment) Bill, 2026, the Tax Procedures (Amendment) Bill, 2026, the Excise Duty (Amendment) Bill, 2026, and the Miscellaneous Fees and Levies (Amendment) Bill, 2026, as well as the East African Community customs proposals. The estimates also incorporate proposed amendments aligned with the definition of imports under the East African Community Customs Union Protocol, which form part of the overall revenue impact. Collectively, these measures are expected to generate sufficient additional revenue to accommodate the approved expenditure ceilings without necessitating significant adjustments to the overall fiscal framework.

**(b) Policy Resolutions on the 2026 BPS**

**Resolution 1: THAT, the Cabinet Secretary for the National Treasury and Economic Planning expedite the rationalization, merger, and dissolution of non-viable or duplicative State-Owned Enterprises (SOEs) by end of October 2026 to enhance efficiency and ensure prudent utilization of public resources.**

98. **Action taken:** The National Treasury has made significant progress in expediting the rationalization, merger, and dissolution of non-viable and duplicative State-Owned Enterprises (SOEs), in line with the October 2026

timeline. Following Cabinet approval of the State Corporations Reforms, an all-inclusive Multi-Agency Technical Working Committee was constituted, comprising representatives from the Executive Office of the President, the State Department for Public Service, the Office of the Attorney General/State Law Office, the State Corporations Advisory Committee, and the Inspectorate of State Corporations. The Committee is overseeing implementation of the reforms in two phases.

99. Under Phase One, the Committee has substantially completed preparatory and foundational work required to operationalize the reforms. Specifically, the following key milestones have been achieved:

- i) Review of enabling legislation for affected State Corporations and preparation of the necessary draft Bills to provide for amendments, repeals, and a revised legal framework to anchor the reforms;
- ii) Assessment of staff complements and skills, and development of placement and deployment plans to ensure smooth transition of personnel across Ministries, Departments, and Agencies, while safeguarding service delivery; and
- iii) Comprehensive documentation and validation of assets and liabilities of affected entities to facilitate orderly restructuring.

100. In terms of implementation, the merger of the Tourism Fund (TF) and the Tourism Promotion Fund (TPF) has been successfully completed. Additionally, the National Treasury has finalized and submitted to the National Assembly thirteen (13) draft Bills and eleven (11) draft Regulations (Ref: DGIGE/A/I/85/ (20), dated 27<sup>th</sup> March 2026) to facilitate the restructuring of forty-six (46) State Corporations through mergers, dissolutions, and transfer of functions to Ministries, Departments, and other Agencies.

101. Further, following the enactment of the Government-Owned Enterprises Act, 2025, the National Treasury is developing regulations under Section 35(2)(b) to guide merger and dissolution procedures for Government-Owned Enterprises. Enactment of the submitted legislative instruments will enable completion of Phase One reforms and support the timely rollout of Phase Two, ensuring the overall reform programme remains on track for completion within the stipulated timeline.

**Resolution 2: THAT, in submitting of the Budget Estimates for FY 2026/27, the Cabinet Secretary for the National Treasury and Economic Planning ensure the full adoption of the Government Finance Statistics Manual 2014 (GFS 2014) framework in the preparation and presentation of the fiscal framework.**

102. **Action taken:** The National Treasury has aligned the fiscal reporting structure and budgetary classifications with international standards to ensure compliance with the GFS 2014 framework.

**Resolution 3: THAT, the National Treasury, in consultation with the Attorney-General, sets up a comprehensive framework for verification and settlement of court awards across Ministries, Departments and Agencies, and reports back to the House by February 2027.**

103. **Action taken:** Provision for settlement of duly validated court awards is currently made through budgetary allocations to respective Ministries, Departments and Agencies (MDAs) upon verification and clearance for payment by the Office of the Attorney General. In compliance with the resolution, the National Treasury, in consultation with the Office of the Attorney General will develop a comprehensive framework for the verification and settlement of court awards across MDAs.

**Resolution 4: THAT, beginning FY 2026/27, the National Treasury publishes exchequer releases including programmes in line with the programme-based budget. This will enhance quarterly performance monitoring and oversight of expenditure.**

104. **Action taken:** The National Treasury will comply with this resolution.

**Resolution 5: THAT, in the finalization of the Budget Estimates for FY 2026/27, the National Treasury prioritizes funding for key ongoing projects, building priority value chains under the Bottom-Up Economic Transformation Agenda to consolidate the progress towards the attainment of the Medium-Term Plan (MTP) IV.**

105. **Action taken:** The National Treasury, while finalizing the FY 2026/27 Budget Estimates required MDAs to prioritize allocation to ongoing projects to ensure their completion before commencing on any new project. In this

regard, the Government has prioritized ongoing projects nearing completion in the FY 2026/27 Budget. To ensure we consolidate the gains achieved in the priority Value Chains under BETA, the National Treasury has allocated **KSh 379.5 billion** in the FY 2026/27 for BETA priorities.

**Resolution 6: THAT, by 30<sup>th</sup> June 2026, the National Treasury tables report on the progress of implementation of the Electronic Government Procurement (e-GP) system and its integration with other Government systems such as the Integrated Financial Management Information System (IFMIS) and Kenya Revenue Authority (KRA) tax systems.**

106. **Action taken:** To streamline public procurement processes and enhance integrity, the Government has undertaken significant legal, institutional and technological reforms. In part, the Government developed the Public Procurement and Asset Disposal (Amendment) Bill, 2025 to modernize Kenya's procurement legal framework in line with evolving governance, digitization and local content objectives. Key reform areas in the Bill include: enhancement of transparency and accountability through mandatory disclosure and reporting requirements; strengthen the role of the Regulator to enforce standards, compliance and sanctions for noncompliant Procuring Entities; promotion of local content and preference and reservation schemes, especially for youth, women and persons with disabilities; and provision a stronger legal basis for electronic procurement and framework contracting.

107. To operationalize procurement reforms and eliminate manual inefficiencies, the Government has prioritized the rollout of an end-to-end e-Government Procurement (e-GP) System. The system that was officially launched in July 2025, has shifted procurement processes from fragmented and manual processes to a fully digitized procurement platform. The platform has been integrated with core Government systems, including: IFMIS, Business Registration Services (BRS), e-Citizen, and i-Tax, with initial onboarding prioritizing National Government Ministries, Departments and Agencies (MDAs): State Corporations; and County Governments.

108. Next steps will include full rollout to Schools, and other Procuring Entities yet to onboard to the e-GP System; continuous user training and change management to improve adoption and system utilization; and

issuance of manuals and guidelines to assist users of the system. To date 1,543 Procuring Entities have been registered, over 40,000 suppliers registered, over 22,000 staff trained, over 12,000 suppliers/contractors trained, 652 Annual Procurement plans published, 7355 tenders closed, and 1497 contracts published in the e-GP system.

**Resolution 7: THAT, by December 2026, the National Treasury integrates financial literacy in programmes linked to Micro Small and Medium Enterprises (MSMEs) financing including National Youth, Hustler Fund, National Micro Small and Medium Advancement (NYOTA), and other initiatives.**

109. **Action taken:** The National Treasury will incorporate structured financial literacy components into programmes linked to MSME financing, including NYOTA, the Hustler Fund, the Rural Kenya Financial Inclusion Facility, among other initiatives. These efforts will focus on enhancing beneficiaries' capacity in areas such as financial management, credit utilization, savings, and investment decision-making, thereby improving the effectiveness, sustainability, and impact of these financing programmes.

**Resolution 8: THAT, by the beginning of the next budget cycle, the State Department for Industry diversifies the raw materials used in the textile industry; the National Treasury, in collaboration with the Ministry of Trade, Industry and Investment Promotion, domiciles the textile value chain under the State Department for Industry.**

110. **Action taken:** The National Treasury will be closely collaborating with the State Department for Industry to ensure diversification of raw materials used in the textile industry as well as ensuring the textile Value Chain is domiciled under the Ministry of Trade, Industry and Investment Promotion in compliance with this resolution.

111. **Resolution 9: THAT, by 30<sup>th</sup> April 2026, the Principal Secretary for the National Treasury, in collaboration with the Principal Secretary for Energy, separates the current consolidated vote head (115210400 – Electrification of Public Facilities) implemented by Rural Electrification and Renewable Energy Corporation (REREC) into two distinct vote heads, namely: (i) Electrification of Constituencies; and (ii) Electrification of Public Institutions, to**

**ensure transparency, ring-fence resources, and ensure balanced prioritization and timely implementation of electrification projects.**

112. **Action taken:** The National Treasury will decouple the current consolidated electrification funding into separate vote heads for constituencies and public institutions. This transition aims to ring-fence resources and ensure more transparent implementation of energy projects.

**Resolution 10: THAT, by 31<sup>st</sup> December 2026, the Principal Secretary, State Department for Lands and Physical Planning ensure that the National Land Policy is aligned to the definition of land in Article 260 of the Constitution and considers emerging issues in the land sector, in addition to fast-tracking the review of Sessional Paper No. 3 of 2009 on the National Land Policy.**

113. **Action taken:** The State Department for Lands and Physical Planning to provide the status of this resolution.

**Resolution 11: THAT, by 30<sup>th</sup> June, 2026, the Cabinet Secretary for the National Treasury fully implements the resolution of the National Assembly approving the Chief Executive Officer of the National Land Commission as the collector of revenue for the National Government in line with the provisions of Section 76(1) of the Public Finance Management Act, 2012, to enhance collection of Appropriation-in-Aid.**

114. **Action taken:** The National Treasury has not received any request from the National Land Commission requesting approval to be the collector of revenue, and clearly specifying which revenues they plan to collect. The National Treasury will endeavor to engage the National Land Commission on the enhancement of the Appropriation in Aid, as per Section 76(1) of the Public Finance Management Act, CAP 412A.

**Resolution 12: THAT, by 30<sup>th</sup> May 2026, the State Department for Water and Sanitation finalizes regulations under the revised Water Act, 2016, and allows water works development agencies to begin collecting Appropriations-in-Aid from bulk water sales in FY 2026/27. Further, irrigation projects currently administered by Kerio Valley Development Authority (KVDA), Lake Basin Development Authority (LBDA) and Tana and Athi Rivers**

**Development Authority (TARDA) be transferred to the National Irrigation Authority with corresponding budgets. Additionally, the State Department for Blue Economy and Fisheries operationalizes, the Fish Levy Order, 2024 to increase collections of Appropriation-in-Aid (AIA) and reduce reliance on exchequer funding.**

115. **Action taken:** The State Department for Water and Sanitation, and the State Department for Blue Economy and Fisheries to provide the status for this resolution.

**Resolution 13: THAT, by 31<sup>st</sup> December 2026, the Principal Secretary, State Department for Tourism, operationalizes the Tourism Crisis Management Unit and submits a report to Parliament establishing a functional 24-hour tourist assistance and national tourism emergency response system, including adoption of a national tourism emergency response protocol, coordination with security, health and transport agencies, incident resolution and visitor assistance, and annual performance indicators on assistance outcomes.**

116. **Action taken:** The State Department for Tourism to provide the status for this resolution.

**Resolution 14: THAT, by 30<sup>th</sup> June 2026, the Cabinet Secretary for the National Treasury and Economic Planning implement the Cabinet-approved mergers and dissolutions of State Corporations and publishes a clear transition framework and reports to Parliament to ensure continuity of services during restructuring.**

117. **Action taken:** The National Treasury has made substantive progress in implementing Cabinet-approved mergers and rationalization of State Corporations in line with the resolution. Notably, the merger of the Tourism Fund (TF) and the Tourism Promotion Fund (TPF) has been successfully completed.

118. To ensure continuity of services during the restructuring process, the National Treasury has developed and is operationalizing a transition management framework that provides for the orderly transfer of functions, assets, liabilities, and personnel, while safeguarding service delivery across affected entities.

119. In support of the broader Phase One reforms, the National Treasury finalized and submitted to the National Assembly thirteen (13) draft Bills and eleven (11) draft Regulations, through a letter dated 27th March 2026 (Ref: DGIGE/A/I/85/ (20)). These legislative instruments are intended to facilitate the restructuring of forty-six (46) State Corporations through mergers, dissolutions, and the transfer of functions to Ministries, Departments, and other Agencies.

120. Further, following the enactment of the Government Owned Enterprises Act, 2025, the National Treasury is developing regulations under Section 35(2)(b) to guide merger and dissolution procedures for Government-Owned Enterprises. Enactment of the submitted Bills and Regulations will enable full implementation of Phase One reforms and provide the foundation for the rollout of Phase Two reforms.

**Resolution 15: THAT, by 30<sup>th</sup> December 2026, the Cabinet Secretary for Gender, Culture and Children Services develops a Comprehensive National Child Online Protection Framework addressing emerging digital risks and strengthening enforcement mechanisms.**

121. **Action taken:** The Ministry of Gender, Culture and Children Services to provide the status for this resolution.

**Resolution 16: THAT, by 30<sup>th</sup> April 2026, the Cabinet Secretary for the Ministry of Youth Affairs, Creative Economy and Sports concludes the review of the Creative Economy Policy, the Creative Economy Bill, 2026 and the Copyright Act, Cap. 130 and submits them to Parliament.**

122. **Action taken:** The Ministry of Youth Affairs, Creative Economy and Sports to provide the status for this resolution.

**Resolution 17: THAT, within six (6) months of the National Assembly's approval of the report, the State Department for Technical and Vocational Education and Training and the State Department for Basic Education finalize placement policies for learners and commence costing of programmes to support course-based funding.**

123. **Action taken:** The State Departments for Technical and Vocational Education and Training and the State Department for Basic Education to provide the status for this resolution.

**Resolution 18: THAT, within thirty (30) days of National Assembly's approval of the report, the Social Health Authority (SHA) operationalizes a mandatory primary health care services charter and enforcement framework.**

124. **Action taken:** The Social Health Authority to provide the status for this resolution.

**Resolution 19: THAT, by the time of finalization of the Annual Estimates for FY 2026/2027, the Cabinet Secretary for the National Treasury and Economic Planning, in consultation with the Inspector General of Police, adopts a phased and fiscally sustainable police recruitment plan that aligns the intake of new personnel with the availability of operational resources. The recruitment process should be sequenced to ensure that newly recruited officers are adequately trained, equipped, housed, and operationally facilitated to effectively discharge their duties.**

125. **Action taken:** The National Treasury, in consultation with the Inspector General of Police, will adopt a phased recruitment strategy to align new personnel intake with available funding and operational resources. This approach will ensure that all officers are fully trained, housed, and equipped for effective service delivery.

**Resolution 20: THAT, the National Treasury to forthwith cease the allocation of funds for the renovation, partitioning, or structural modification of leased premises, including the premises currently occupied by the Office of the Prime Cabinet Secretary.**

126. **Action taken:** The National Treasury will cease all funding allocations for the renovation or structural modification of leased office spaces to ensure prudent use of public resources.

## **B. RESPONSE/ACTION TAKEN TO ADDRESS PARLIAMENT'S RESOLUTIONS ON THE 2026 MEDIUM-TERM DEBT MANAGEMENT STRATEGY**

### **(a) Policy Resolutions on the 2026 MTDS**

**Resolution 1: THAT, all securitization and commitment of public money be subjected to transparent disclosure and parliamentary oversight, including publication of the fiscal implications of these commitments to future debt sustainability.**

127. **Action taken:** The National Treasury explicitly identifies securitized revenues (e.g., the KSh 7 Road Maintenance Levy component) within the fiscal framework to ensure clarity on earmarked flows. Securitization operations are recorded below the line as financing, with repayments captured as accounts payable, preventing distortion of the fiscal deficit.

128. Full disclosure of the structure, magnitude, and repayment profile of securitization arrangements is provided in budget documents to enable effective legislative scrutiny. The National Treasury evaluates the implications of revenue pre-commitment on liquidity, financing needs, and long-term fiscal flexibility.

**Resolution 2: THAT, to strengthen productive capacity, accelerate growth, and expand future debt repayment capacity, the National Treasury increases the development expenditure above the statutory minimum of 30 percent of all expenditures as set out in Section 15 of the Public Finance Management (PFM) Act CAP. 412A over the medium term.**

129. **Action taken:** The National Treasury is committed to progressively rebalancing expenditure toward development spending to strengthen productive capacity and support long-term growth. Development expenditure is projected to steadily increase from 29.0 percent in FY 2026/27, to 31.4 percent in FY 2027/28 and 33.7 percent in FY 2028/29, remaining above the statutory minimum. This reflects a gradual rebalancing toward growth-enhancing spending, designed to enhance growth multipliers, expand the revenue base, and improve future debt servicing capacity without compromising fiscal stability.

**Resolution 3: THAT, given the declining Central Bank Rate (CBR), the National Treasury should ensure that planned domestic borrowing remains appropriately sized and carefully timed so that Government demand for funds does not unduly crowd out credit to the private sector.**

130. **Action taken:** The decline in the Central Bank Rate (from 13.0 percent in August 2024 to 8.75 percent in April 2026) and corresponding reductions in Treasury bill and lending rates have lowered the cost of domestic financing and supported a recovery in private sector credit growth to 8.1 percent in March 2026.

131. The National Treasury will ensure that domestic borrowing is carefully calibrated and timed, taking advantage of lower yields while avoiding excessive reliance on bank financing. Given increased uptake of government securities by banks, borrowing plans will be aligned to preserve credit flows to the private sector, particularly as demand for working capital strengthens.

**Resolution 4: THAT, the National Treasury provides a risk-mitigation plan for the election-cycle and other unavoidable spending pressures, including safeguards to prevent obvious shocks to the fiscal framework over the medium term, supplementary budgets and in-year reallocations from undermining the Medium-Term Debt Strategy (MTDS) consolidation path.**

132. **Action taken:** The National Treasury has explicitly provided for election-related expenditures through a dedicated budget line for IEBC, with significantly scaled-up allocations to accommodate general elections and by-elections. This upfront provisioning reduces reliance on supplementary budgets and in-year reallocations, thereby limiting disruptions to the fiscal framework.

**Resolution 5: THAT, future MTDS incorporates explicit sensitivity analysis and contingency measures for climate related and growth downward risks, including mechanisms to protect priority spending while maintaining adherence to fiscal targets.**

133. **Action taken:** The National Treasury already incorporates explicit climate-related fiscal risk analysis through the Budget Policy Statement

(BPS), utilizing tools such as Q-CRAFT and KENMod to quantify long-term impacts on growth, revenues, and debt dynamics.

134. Multiple climate scenarios (including droughts and floods) are modeled to assess downside growth risks, fiscal deficits, and debt trajectories, providing a forward-looking sensitivity framework. The analysis demonstrates that climate shocks widen primary deficits, increase borrowing needs, and elevate debt-to-GDP ratios, reinforcing the need for proactive risk mitigation. The National Treasury then integrates these risks into fiscal planning.

**Resolution 6: THAT, the National Treasury outlines expenditure rationalization required to accelerate convergence toward the 55 percent statutory debt anchor (PV terms) under section 50 of the PFM Act, within 6 months.**

135. **Action taken:** The PV of public debt-to-GDP remains above the 55 percent statutory anchor (65.3 percent in 2025) but is projected to decline gradually over the medium term, consistent with a fiscal consolidation path. The National Treasury remains committed to sustained low single-digit fiscal deficits, to support a steady reduction in the debt ratio. The 2026 Budget Policy Statement outlines planned revenue and expenditure reforms which are expected to progressively lower the fiscal deficit. In addition, the reduce debt, new borrowing prioritizes concessional external financing and lengthening of maturities to reduce cost and rollover risks and easing debt service pressures.

**Resolution 7: THAT, the National Treasury ensures that Public Private Partnerships (PPP) securitization and other alternative financing mechanisms are fully integrated into fiscal risk reporting and stress testing, to ensure the total fiscal exposure is transparently captured.**

136. **Action taken:** The National Treasury regularly monitors, tracks, assesses, and recommends mitigation measures for fiscal risks arising from PPPs, securitization, and other contingent liabilities. The analysis involves identification, quantification and provision of mitigation measures to all fiscal risks including those arising from PPP commitments. The fiscal risk analysis is normally published in the Statement of the Fiscal Risks in the Budget Policy

Statements (Chapter 5 of the 2026 BPS) as required by the PFM Act, CAP 412A. This approach strengthens disclosure, risk management, and policy coordination, ensuring that off-balance-sheet obligations do not undermine fiscal sustainability.

**Resolution 8: THAT, in view of the anticipated reliance on commercial borrowing over the medium term, the National Treasury institutes robust reporting mechanisms on the utilization of commercial loans to enhance traceability and accountability, particularly where such proceeds are applied to general budget support.**

**137. Action taken:** Utilization of funds is systematically tracked and reported within fiscal documents to reinforcing accountability and alignment with approved budget priorities.

**Resolution 9: THAT, the National Treasury and relevant institutions sustain structural reforms aimed at raising potential growth and competitiveness, including reforms that strengthen productivity, support exports, and enhance the investment climate, in line with the objective of improving long-term debt sustainability.**

**138. Action taken:** The National Treasury will sustain reforms to raise productivity, exports, and investment competitiveness, thereby strengthening long-term growth and debt sustainability as captured under sectoral priorities in the 2026 Budget Policy Statement. Ongoing value addition in key sectors and services is improving export performance and foreign exchange earnings and supporting external balance stability. Industrial upgrading, infrastructure, and blue economy initiatives are enhancing efficiency, private investment, and job creation.

**(b) Financial Resolutions on the 2026 MTDS**

**Resolution 1: THAT, the fiscal deficit target for the medium term is approved and set at 5.3 percent of GDP for FY 2026/27; 3.6 percent of GDP for FY 2027/28, and 3.3 percent of GDP for FY 2028/29, in line with the fiscal consolidation path.**

**139. Action taken:** In line with the fiscal consolidation path, the fiscal deficit is projected to progressively decline from 5.3 percent of GDP in FY

2026/27, to 3.6 percent of GDP in FY 2027/28, and further to 3.3 percent of GDP in FY 2028/29. To realize these targets, the National Treasury will continue to pursue a fiscal consolidation strategy geared towards gradual and sustained reduction in the fiscal deficit over the medium term, anchored on robust revenue mobilization and expenditure rationalization.

**Resolution 2: THAT, the country's borrowing strategy is approved at 22 percent for net external borrowing and 78 percent for net domestic borrowing as contained in the 2026 Medium Term Debt Management Strategy.**

140. **Action taken:** The financing mix for the FY 2026/27 is broadly consistent with the approved 78 percent domestic borrowing and 22 percent external borrowing framework as approved by Parliament in the Medium-Term Debt Management Strategy, 2026.

## **VII. REVENUE AND EXPENDITURE ALLOCATION FROM THE EQUALIZATION FUND**

141. Article 204 of the Constitution establishes the Equalisation Fund, which requires that half a percent (0.5 percent) of all revenue collected by the National Government each year, calculated based on the most recent audited revenue received and approved by the National Assembly, be paid into the Fund. According to Article 204(2), the National Government shall use the Equalisation Fund to provide marginalised areas with basic services, including water, roads, health facilities, and electricity.

142. The Equalization Fund Appropriation Act 2023 allocated KSh 10.3 billion as conditional grants to the thirty-four (34) eligible counties identified as marginalised under the Second Marginalisation Policy. By the end of the FY 2024/25, the Equalization Fund Advisory Board had received and reviewed 1,593 project proposals from these 34 beneficiary counties. Of these proposals, the Board approved 1,556 projects amounting to KSh 9.8 billion.

143. The Equalization Fund allocation has grown steadily over the years, rising from KSh 6.5 billion in FY 2020/21 to KSh 6.8 billion in FY 2021/22, KSh 7.1 billion in FY 2022/23, and KSh 8.4 billion in FY 2023/24. In FY 2024/25, the allocation was KSh 8.0 billion, comprising KSh 7.9 billion as the 0.5 percent Equalization Fund and KSh 0.1 billion in arrears. For FY 2025/26, the total allocation increased to KSh 10.6 billion, made up of KSh 9.6 billion as the 0.5 percent Equalization Fund and KSh 0.9 billion in arrears.

144. In FY 2026/27, the National Treasury has allocated KSh 9.602 billion as the 0.5 percent Equalization Fund a reflecting the Government's commitment to financing development projects in marginalized areas in accordance with Article 204(2) of the Constitution.

## VIII. REVENUE ALLOCATION TO COUNTY GOVERNMENTS, INCLUDING CONDITIONAL AND UNCONDITIONAL GRANTS

145. The National Treasury proposes that County Governments be allocated an equitable share of revenue raised nationally of KSh 420.0 billion in FY 2026/27, from a base of KSh 415.0 billion allocated in FY 2025/26. The allocation of KSh 420.0 billion in FY 2026/27 is informed by the following:

- i) Trends in the performance of ordinary revenue mobilization, which has been taken into consideration in determining the KSh 5.0 billion increments in the equitable share of revenue to counties in FY 2025/26;
- ii) Increased expenditures by the National Government for purposes of debt servicing and the need to finance other mandatory expenditures under Article 203(1) of the Constitution;
- iii) The Government's commitment to implement a fiscal consolidation plan targeting a reduction of the fiscal deficit to 5.3 percent of GDP in FY 2026/27, designed to slow the accumulation of public debt, improve the primary surplus, and thereby achieve fiscal sustainability;
- iv) Financing constraints arising from limited access to financing in both domestic and international financial markets; and
- v) The National Government continues to solely absorb shortfalls in revenue in any given financial year, whereas County Governments continue to receive their full allocation notwithstanding budget cuts affecting the National Government.
- vi) The Equitable Share for FY 2026/27 of KSh 420.0 billion is equivalent to 20.49 per cent of the last audited and approved actual revenues raised nationally of KSh 2,050.1 billion for FY 2022/23, and is therefore compliant with the minimum 15 per cent revenue-sharing requirement in accordance with Article 203(3) of the Constitution.

146. During FY 2026/27, the National Treasury proposes to allocate additional revenues totaling KSh 75.7 billion to County Governments in line with Article 202(2) of the Constitution (**Annex Table 4**). These comprise:

- i) Conditional additional allocations from the National Government's share of revenue amounting to KSh 16.31 billion;

- ii) Unconditional additional allocations from the National Government amounting to KSh 1.98 billion; and
- iii) Conditional allocations from proceeds of external loans and grants by Development Partners amounting to KSh 57.40 billion.

147. The horizontal allocation of the equitable revenue share of KSh 420.0 billion to counties in FY 2026/27 is based on the Fourth Basis for revenue allocation proposed by the Commission on Revenue Allocation (CRA) and approved by Parliament pursuant to Article 217(1) of the Constitution.

148. The Fourth Basis for revenue allocation, applicable for the period FY 2025/26 to FY 2029/30, takes into account the following parameters: (1) the Baseline Allocation Ratio; (2) Affirmative Action Allocation; and (3) the Fourth Basis indices, namely: (i) Population (45%); (ii) Basic Share Index (35%); (iii) Poverty Index (12%); and (iv) Geographical Size (8%). The disaggregation of County Governments Allocation is summarized in **Table 8**.

**Table 8: Disaggregation of County Governments' Allocation (KSh Million)**

Type / Level of Allocation	Amount (Kenya Shillings)	% of FY 2022/23 Audited Revenues (KSh 2,050.1 billion)
<b>A. Total Sharable Revenue</b>	<b>2,901,874,758,144</b>	
B. National Government	2,471,624,184,440	
C. Equalization Fund	9,602,170, 425	0.50%
<b>D. County Equitable Share</b>	<b>420,000,000,000</b>	<b>20.49%</b>
E. Unconditional Additional Allocations (20% Mineral royalties and court fines)	1,981,388,191	
F. Conditional Additional Allocations (from National Government Share of Revenue)	16,311,546,679	
G. Conditional Allocation (from proceeds of Loans and Grants from Development Partners)	57,399,765,312	
<b>Total County Allocation = (D+E+F+G)</b>	<b>495,692,700,182</b>	

## **IX. OTHER BUDGET INFORMATION AND DOCUMENTS**

149. To accompany the budget documents, the 2026 Medium-Term Debt Management Strategy (MTDS) anchored in the 2026 Budget Policy Statement (BPS) was prepared pursuant to the requirements of Section 33(2) of the Public Finance Management (PFM) Act, 2012 and the guidelines outlined in the Debt and Borrowing Policy. The strategy highlights Government debt management intentions over the medium-term with a view to reducing the cost and risk associated with public debt. The strategy takes into account the existing stock of public debt and the borrowing requirements over the medium-term.

### **A. Highlights of the 2026 Medium-Term Debt Management Strategy**

150. The 2026 MTDS is aligned to the macroeconomic policies and assumptions outlined in the 2026 Budget Policy Statement which focus on fiscal consolidation in order to reduce public debt vulnerabilities and create fiscal space to fund priority social programs. This will be supported by growth-friendly expenditure rationalization and revenue mobilization efforts supported by a combination of administrative and tax policy reforms.

151. The 2026 MTDS aims to reduce debt costs and risks by sourcing 18 percent gross borrowing from external sources and 82 percent from domestic sources over the medium term. From the domestic sources, the strategy is to gradually reduce the stock of Treasury bills while lengthening debt maturity and issuance of medium to long term debt securities.

152. The strategy takes into account outstanding public debt and projected borrowing and debt service aimed at stabilizing the current and future macroeconomic environment taking into account the conditions in the international and domestic capital markets. The Strategy aims at:

- i) **Fiscal Sustainability and Consolidation:** Supports the debt-to-GDP reduction trajectory outlined in the medium-term fiscal framework. Reduces the debt burden by lowering interest payments from 5.4 percent to 4.6 percent of GDP by 2028, freeing up resources for priority spending.

- ii) Risk Mitigation and Macroeconomic Stability: Refinancing Risk; Reduces debt maturing in one year and lengthens the maturity profile across both domestic and external portfolios. Interest Rate Risk; Increases the Average Time to Refixing to 8.6 years, raises fixed-rate debt to 92.5 percent, and reduces Treasury bill exposure to 3.7 percent. Foreign Exchange Risk; Lowers FX exposure from 49.3 percent to 44.6 percent by prioritizing domestic borrowing, thereby reducing potential contingent liabilities.
- iii) Cost Optimization: Minimizes debt costs by maximizing the use of concessional funding and executing strategic Liability Management Operations.
- iv) Financial Market Development: Facilitates the growth of a local investor base, including pension and insurance funds, by emphasizing domestic, long-term issuance to support private sector development.

153. Changes in global economic and market conditions may lead to emergencies such as auction failure, widening of the fiscal deficit or limited access to external funding. These may result in deviations from the optimal strategy during implementation period. As such, implementation will be monitored and appropriate measures taken to align the strategy to policy actions when necessary.

## **B. National Government Loans to State Corporations, Government Agencies, and other Organizations**

154. Total outstanding loans by the National Government to State Corporations, Government Agencies, and other organizations as at 30<sup>th</sup> June 2025 amounted to KSh 1,051.1 billion (**Table 9**).

**Table 9: Statement of Outstanding Loans to State Corporations and Other Agencies as at 30<sup>th</sup> June, 2025**

#	To Whom Lent	Amount Disbursed (KSh)	Amount Repaid (KSh)	Amount Outstanding (KSh)
1	Agricultural Finance Corporation	1,409,500,000	22,104,602	1,387,395,483
2	Agricultural Settlement Fund and Central Land Board	126,326,880	51,865,876	74,461,004
3	Agro-chemical & Food Company Ltd	2,941,884,000	-	2,941,884,000
4	Athi Water Works Development Agency	62,484,523,793	527,217,885	61,957,305,908
5	Kenya Utalii College	140,000,000	18,000,000	122,000,000
6	Central Rift Valley Water Works Development Agency	5,224,596,976	302,290,163	4,922,306,813
7	Coast Water Works Development Agency	16,861,789,176	-	16,861,789,176
8	Co-operative Bank of Kenya Ltd	339,251,907	71,844,560	267,407,347
9	East Africa Portland and Cement Ltd	1,942,945,498	-	1,942,945,498
10	Eldoret Water & Sanitation Co. Ltd	1,058,673,824	848,673,824	210,000,000
11	Equity Bank Ltd	445,321,575	255,643,327	189,678,248
12	Halal Meat Products	27,701,420	-	27,701,420
13	Kenya Airports Authority	2,994,920,728	1,904,409,723	1,090,511,005
14	Kenya Airways PLC	122,951,523,451	-	122,951,523,451
15	Kenya Civil Aviation Authority	2,725,676,018	1,425,948,483	1,299,727,535
16	Kenya Development Corporation	3,879,957,127	198,331,849	3,681,625,278
17	Kenya Electricity Generating Co. Ltd.	133,448,674,389	50,872,673,253	82,576,001,136
18	Kenya Electricity Transmission Co. Ltd.	2,470,484,185	12,386,832	2,458,097,353
19	Kenya Meat Commission	940,241,100	-	940,241,100
20	Kenya Mortgage Refinance Company	30,813,611,262	-	30,813,611,262
21	Kenya Power and Lighting Co. Limited	92,776,924,521	19,372,191,074	73,378,580,926
22	Kenya Railways Corporation	547,378,344,538	-	547,378,344,538
23	Kenya Urban Transport Various Towns	40,706,140	-	40,706,140
24	Kenyatta University	10,774,498,010	-	10,774,498,010
25	Kilifi Mariakani Water & Sewerage Co. Ltd	1,255,831,437	-	1,255,831,437
26	Kwale Water & Sewerage Co. Ltd	1,384,582,517	-	1,384,582,517
27	Lake Basin Development Authority (LBDA)	2,000,000,000	-	2,000,000,000
28	Lake Victoria North Water Works Development Agency	16,191,345,746	35,356,530	16,155,989,216

#	To Whom Lent	Amount Disbursed (KSh)	Amount Repaid (KSh)	Amount Outstanding (KSh)
29	Lake Victoria South Water Works Development Agency	9,691,980,338	5,000,000	9,691,980,338
30	Local Government Loans Authority	7,688,792,480	94,518,760	7,594,273,720
31	Malindi Water, Sewerage & Sanitation Co. Ltd	1,584,270,995	-	1,584,270,995
32	Moi University	250,000,000	18,750,000	231,250,000
33	Mombasa Pipeline Board	63,400,000	40,435,020	22,964,980
34	Mombasa Water & Sanitation Co. Ltd	1,301,373,905	-	1,301,373,904
35	Mumias Outgrowers Company Limited	43,208,440	26,691,040	16,517,400
36	Mumias Sugar Company Limited	3,000,000,000	-	3,000,000,000
37	Nairobi City Council	123,109,580	20,775,820	102,333,760
38	National Irrigation Authority	1,128,486,779	-	1,128,486,779
39	National Water Harvesting and Storage Authority	2,460,874,897	-	2,460,874,897
40	Northern Water Works Development Agency	4,227,362,686	-	4,227,362,686
41	Nyeri Water and Sewerage Company	1,159,592,738	806,673,211	352,919,528
42	Rural Electrification and Renewable Energy Corporation	13,588,909,363	-	13,588,909,363
43	Tana Water Works Development Agency	8,887,198,575	-	8,887,198,575
44	Tanathi Water Works Development Agency	5,375,086,602	-	5,375,086,602
45	Tavevo Water & Sewerage Co. Ltd	963,550,417	-	963,550,417
46	Uchumi Supermarkets Limited	1,200,000,000	-	1,200,000,000
47	Water Resource Management Authority	362,607,995	-	362,607,995
	<b>TOTAL</b>	<b>1,128,129,642,008</b>	<b>76,931,781,832</b>	<b>1,051,176,707,741</b>

### C. Investment Revenue Estimates for FY 2026/27

155. These are investment revenue estimates from state corporations in form of loan redemptions, interest, dividends and other incomes. The estimates are based on the actual receipts for FY 2024/25 and policy direction issued by the Government in the course of the financial year. The projected investment revenue estimates for FY 2026/27 amount to KSh 67.6 billion, from KSh 85.6 billion received in FY 2024/25 as detailed in the **Table 10**:

**Table 10: Projected Investment Revenue Estimates - FY 2026/27**

Item	Actual FY 2024/25 (KSh)	Printed Estimates FY 2025/26 (KSh)	Revised Estimates FY 2025/26 (KSh)	Projections FY 2026/27 (KSh)
Loan Redemption	12,669,645,784	11,905,343,839	11,905,343,839	12,379,373,763
Interest Receipts	3,190,863,711	2,408,654,944	2,408,654,944	2,962,880,496
Other Profits & Dividends	39,740,131,116	62,638,963,239	62,638,963,239	45,766,321,644
Dividends from CBK	30,000,000,000	7,000,000,000	30,000,000,000	6,500,000,000
Privatization	-	149,000,000,000	300,000,000,000	-
<b>TOTAL</b>	<b>85,600,640,611</b>	<b>232,952,962,022</b>	<b>406,952,962,022</b>	<b>67,608,575,903</b>

Source: Government Investments and Public Enterprises (GIPE) Department, The National Treasury

#### D. Other Tables

156. The rest of the Tables in this document are as follows:

- i. Table 11: Internal interest payments from the Consolidated Fund
- ii. Table 12: Summary of interest on internal debt
- iii. Table 13: Internal debt redemption from the Consolidated Fund
- iv. Table 14: External debt redemption from the Consolidated Fund
- v. Table 15: External debt interest payments from the Consolidated Fund
- vi. Table 16: List of publicly guaranteed debt

**Table 11: Internal Interest Payments from the Consolidated Fund (KSh)**

		242000 - INTEREST ON INTERNAL DEBT									
SUB-HEAD	DESCRIPTION				PRINTED ESTIMATES	PRINTED SUPP I	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES
					2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
TREASURY BONDS -	ISSUE No.	PRINCIPAL	DUE YR.	TENOR	KSh	KSh	KSh	KSh	KSh	KSh	KSh
002000203	FXD1/2023/2	94,638,050,000.00	2025/08	2YRS	8,031,126,880.08	8,031,126,880.08	-	-	-	-	-
002000212	FXD2/2010/15	25,199,800,000.00	2025/12	15YRS	1,133,991,000.00	1,133,991,000.00	-	-	-	-	-
002000217	FXD1/2023/3	76,537,950,000.00	2026/05	3YRS	10,889,819,526.00	8,129,103,774.00	-	-	-	-	-
002000209	FXD1/2016/10	79,770,300,000.00	2026/08	10YRS	15,547,423,473.00	15,547,423,473.00	5,998,327,708.50	-	-	-	-
002000204	FXD1/2021/05	48,573,700,000.00	2026/11	5YRS	7,451,373,604.50	7,451,373,604.50	2,727,551,074.50	-	-	-	-
002000220	FXD1/2024/03	91,555,150,000.00	2027/01	3YRS	16,832,780,548.10	16,832,780,548.10	16,832,780,548.10	-	-	-	-
002000209	FXD1/2017/10	65,974,900,000.00	2027/07	10YRS	8,554,305,534.00	8,554,305,534.00	-	4,277,152,767.00	-	-	-
002000212	FXD1/2012/15	90,939,500,000.00	2027/09	15YRS	10,003,389,000.00	10,003,389,000.00	10,003,389,000.00	5,001,694,500.00	-	-	-
002000212	FXD1/2013/15	82,473,250,000.00	2028/02	15YRS	9,278,240,625.00	9,278,240,625.00	9,278,240,625.00	9,278,240,625.00	-	-	-
002000212	FXD1/2013/15	70,859,750,000.00	2028/04	15YRS	8,503,170,000.00	8,503,170,000.00	8,503,170,000.00	8,503,170,000.00	-	-	-
002000213	FXD1/2008/20	58,844,600,000.00	2028/06	15YRS	8,091,132,500.00	8,091,132,500.00	8,091,132,500.00	8,091,132,500.00	-	-	-
002000204	FXD1/2020/05	144,534,300,000.00	2028/07	5YRS	24,345,357,492.00	24,345,357,492.00	24,345,357,492.00	24,345,357,492.00	12,172,678,746.00	-	-
002000209	FXD1/2018/10	40,584,600,000.00	2028/08	10YRS	5,148,562,356.00	5,148,562,356.00	5,148,562,356.00	5,148,562,356.00	2,574,281,178.00	-	-
002000209	FXD2/2018/10	63,820,200,000.00	2028/12	10YRS	7,978,801,404.00	7,978,801,404.00	7,978,801,404.00	7,978,801,404.00	3,989,400,702.00	-	-
002000209	FXD1/2019/10	67,524,850,000.00	2029/02	10YRS	8,398,740,843.00	8,398,740,843.00	8,398,740,843.00	8,398,740,843.00	8,398,740,843.00	-	-
002000209	FXD3/2019/10	68,743,450,000.00	2029/08	10YRS	7,917,183,136.50	7,917,183,136.50	7,917,183,136.50	7,917,183,136.50	3,958,591,568.25	-	-
002000209	FXD4/2019/10	89,972,850,000.00	2029/11	10YRS	11,048,665,980.00	11,048,665,980.00	11,048,665,980.00	11,048,665,980.00	5,524,332,990.00	-	-
002000209	FXD2/2019/10	60,725,300,000.00	2029/04	10YRS	7,469,211,900.00	7,469,211,900.00	7,469,211,900.00	7,469,211,900.00	-	-	-
002000213	FXD1/2011/20	37,029,400,000.00	2031/05	20YRS	3,702,940,000.00	3,702,940,000.00	3,702,940,000.00	3,702,940,000.00	3,702,940,000.00	3,702,940,000.00	
002000209	FXD1/2022/10	80,901,700,000.00	2032/05	10YRS	13,638,133,690.00	10,913,639,330.00	10,913,639,330.00	10,913,639,330.00	10,913,639,330.00	10,913,639,330.00	
002000213	FXD1/2012/20	154,214,200,000.00	2032/11	20YRS	10,474,278,000.00	17,313,921,000.00	17,313,921,000.00	17,313,921,000.00	17,313,921,000.00	17,313,921,000.00	
002000209	FXD1/2023/10	77,177,750,000.00	2033/01	10YRS	10,921,423,402.50	10,921,423,402.50	10,921,423,402.50	10,921,423,402.50	10,921,423,402.50	10,921,423,402.50	
002000212	FXD1/2018/15	133,467,200,000.00	2033/05	15YRS	12,902,974,700.00	16,883,600,800.00	16,883,600,800.00	16,883,600,800.00	16,883,600,800.00	16,883,600,800.00	
002000212	FXD2/2018/15	33,411,700,000.00	2033/10	15YRS	4,259,991,750.00	4,259,991,750.00	4,259,991,750.00	4,259,991,750.00	4,259,991,750.00	4,259,991,750.00	
002000212	FXD1/2019/15	79,096,850,000.00	2034/01	15YRS	10,169,482,004.50	10,169,482,004.50	10,169,482,004.50	10,169,482,004.50	10,169,482,004.50	10,169,482,004.50	
002000209	FXD1/2024/10	124,539,400,000.00	2034/03	10YRS	21,030,800,000.00	19,926,304,000.00	19,926,304,000.00	19,926,304,000.00	19,926,304,000.00	19,926,304,000.00	
002000212	FXD2/2019/15	81,644,750,000.00	2034/04	15YRS	10,396,642,465.00	10,396,642,465.00	10,396,642,465.00	10,396,642,465.00	10,396,642,465.00	10,396,642,465.00	
002000212	FXD3/2019/15	146,279,500,000.00	2034/07	15YRS	6,653,703,320.00	7,509,850,535.00	18,050,890,300.00	18,050,890,300.00	18,050,890,300.00	18,050,890,300.00	
002000212	FXD1/2020/15	168,533,300,000.00	2035/02	15YRS	9,331,817,628.00	21,498,107,748.00	21,498,107,748.00	21,498,107,748.00	21,498,107,748.00	21,498,107,748.00	
002000214	FXD1/2010/25	20,192,500,000.00	2035/05	25YRS	2,271,656,250.00	2,271,656,250.00	2,271,656,250.00	2,271,656,250.00	2,271,656,250.00	2,271,656,250.00	
002000213	FXD1/2016/20	21,972,900,000.00	2036/09	20YRS	3,076,206,000.00	3,076,206,000.00	3,076,206,000.00	3,076,206,000.00	3,076,206,000.00	3,076,206,000.00	
002000212	FXD1/2022/15	185,113,200,000.00	2037/04	15YRS	11,980,242,093.00	20,208,517,464.00	25,808,482,344.00	25,808,482,344.00	25,808,482,344.00	25,808,482,344.00	
002000213	FXD1/2018/20	171,204,100,000.00	2038/03	20YRS	16,312,984,187.50	21,608,354,400.00	22,598,941,200.00	22,598,941,200.00	22,598,941,200.00	22,598,941,200.00	
002000213	FXD2/2018/20	89,198,600,000.00	2038/07	20YRS	11,774,215,200.00	11,774,215,200.00	11,774,215,200.00	11,774,215,200.00	11,774,215,200.00	11,774,215,200.00	
002000213	FXD1/2019/20	148,482,750,000.00	2039/03	20YRS	10,729,645,500.00	10,729,645,500.00	19,114,184,407.50	19,114,184,407.50	19,114,184,407.50	19,114,184,407.50	
002000215	SDBI/2011/30	50,878,500,000.00	2041/01	30YRS	3,377,364,000.00	5,685,972,000.00	6,105,420,000.00	6,105,420,000.00	6,105,420,000.00	6,105,420,000.00	
002000213	FXD1/2012/20	129,934,100,000.00	2041/07	20YRS	10,215,288,960.00	13,841,814,682.00	17,468,340,404.00	17,468,340,404.00	17,468,340,404.00	17,468,340,404.00	
002000214	FXD1/2018/25	214,488,500,000.00	2043/05	25YRS	17,492,038,400.00	22,631,916,000.00	28,741,459,000.00	28,741,459,000.00	28,741,459,000.00	28,741,459,000.00	
002000214	FXD1/2021/25	147,635,800,000.00	2046/04	25YRS	12,599,827,600.00	15,545,209,611.00	20,556,808,792.00	20,556,808,792.00	20,556,808,792.00	20,556,808,792.00	
002000214	FXD1/2022/25	216,157,300,000.00	2047/09	25YRS	6,788,312,446.00	22,773,070,125.00	30,668,397,724.00	30,668,397,724.00	30,668,397,724.00	30,668,397,724.00	
002000207	IFB1/2013/12	16,060,205,597.00	2025/09	12YRS	883,311,307.84	883,311,307.84	-	-	-	-	-
002000205	IFB1/2020/6	10,252,000,000.00	2026/05	6YRS	522,852,000.00	1,045,704,000.00	-	-	-	-	-
002000206	IFB1/2023/7	213,251,600,000.00	2026/07	7YRS	33,772,655,892.00	33,772,655,892.00	27,018,124,713.60	22,965,406,006.56	18,912,687,299.52	18,912,687,299.52	
002000211	IFB1/2014/12	16,631,479,847.00	2026/10	12YRS	1,829,462,783.17	1,829,462,783.17	914,731,391.59	-	-	-	-
002000211	IFB1/2015/01/2	12,180,650,000.00	2027/03	12YRS	1,339,871,500.00	1,339,871,500.00	1,339,871,500.00	-	-	-	-
002000205	IFB1/2022/6	59,213,425,000.00	2028/11	6YRS	5,889,695,889.33	5,861,822,150.63	3,898,590,187.50	3,898,590,187.50	1,949,295,093.75	-	-
002000209	IFB1/2017/01/2	6,249,550,000.00	2029/02	12 YRS	781,193,750.00	781,193,750.00	781,193,750.00	781,193,750.00	781,193,750.00	-	-
002000208	IFB1/2020/9	39,336,500,000.00	2029/04	9YRS	4,284,317,800.00	4,268,010,250.00	4,268,010,250.00	4,268,010,250.00	4,268,010,250.00	-	-
002000205	IFB1/2023/6.5	186,925,000,000.00	2030/05	6.5YRS	33,520,699,475.00	33,520,699,475.00	33,520,699,475.00	16,760,349,737.50	16,760,349,737.50	11,732,244,816.25	
002000210	IFB1/2020/11	80,249,600,000.00	2031/08	11YRS	8,747,206,400.00	8,747,206,400.00	6,560,404,800.00	4,373,603,200.00	4,373,603,200.00	4,373,603,200.00	
002000224	IFB1/2021/02/1	106,742,200,000.00	2031/09	21YRS	13,595,754,014.00	13,595,754,014.00	13,595,754,014.00	13,595,754,014.00	13,595,754,014.00	13,595,754,014.00	
002000212	IFB1/2016/15	30,004,700,000.00	2031/10	15YRS	3,600,564,000.00	3,600,564,000.00	3,000,476,000.94	2,400,388,001.88	2,400,388,001.88	2,400,388,001.88	
002000207	IFB1/2024/8.5	240,334,850,000.00	2032/08	8.5YRS	44,236,032,491.00	44,367,495,653.95	44,367,495,653.95	35,493,996,523.16	35,493,996,523.16	24,845,797,566.21	
002000212	IFB1/2018/01/5	222,103,850,000.00	2033/01	15YRS	5,148,100,000.00	16,455,540,625.00	20,978,516,875.00	20,978,516,875.00	9,873,324,375.00	9,873,324,375.00	
002000226	IFB1/2023/01/7	185,235,400,000.00	2033/02	17YRS	25,407,523,266.13	26,672,045,246.00	26,672,045,246.00	26,672,045,246.00	26,672,045,246.00	26,672,045,246.00	
002000221	IFB1/2019/01/6	71,028,550,000.00	2035/10	16YRS	8,345,854,625.00	8,345,854,625.00	8,345,854,625.00	8,345,854,625.00	8,345,854,625.00	6,259,390,968.75	
002000225	IFB1/2022/01/4	159,470,050,000.00	2036/10	14YRS	22,226,935,569.00	22,226,935,569.00	22,226,935,569.00	22,226,935,569.00	22,226,935,569.00	16,670,201,676.75	
002000221	IFB1/2021/01/6	80,958,350,000.00	2037/01	16YRS	9,923,064,959.50	9,923,064,959.50	9,923,064,959.50	9,923,064,959.50	9,		

**Table 12: Summary of Interest on Internal Debt (KSh)**

C CONSOLIDATED FCND SERVICES									
(1) R50 PUBLIC DEBT									
242000 - INTEREST ON INTERNAL DEBT									
SUB-HEAD	ITEM	DESCRIPTION	PRINTED ESTIMATES 2025/26 KSh	PRINTED SUPP I 2025/26 KSh	PRINTED ESTIMATES 2026/27 KSh	PRINTED ESTIMATES 2027/28 KSh	PRINTED ESTIMATES 2028/29 KSh	PRINTED ESTIMATES 2029/30 KSh	PRINTED ESTIMATES 2030/31 KSh
<b>OTHER LOANS:</b>									
002000401	2420102	Pre - 1997 Govt Overdraft Debt	583,612,671	458,806,095	408,856,095	375,556,095	343,170,757	309,779,555	276,388,322
002000403	2420102	Tax Reserve Certificate	-	-	-	-	-	-	-
002000407	2420102	Short Term Borrowing (T. Bills Interest)	90,216,223,129	98,011,833,765	98,891,433,003	75,475,505,034	75,475,505,034	75,475,505,034	75,475,505,034
002000404	2420102	Miscellaneous ( Advertising )	-	-	-	-	-	-	-
002000405	2420102	SDR- Allocation Charges	-	-	-	-	-	-	-
002000402	2420102	Government Overdraft- Interest Charges	12,830,512,500	10,322,460,000	11,178,339,375	11,737,256,344	12,324,119,161	12,940,325,119	13,567,341,375
002000408	2420102	Commissions to CBK	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
<b>SUB - TOTAL</b>			<b>106,630,348,300</b>	<b>111,793,199,860</b>	<b>113,478,628,473</b>	<b>90,588,317,473</b>	<b>91,142,794,982</b>	<b>91,725,609,707</b>	<b>92,339,234,730</b>
<b>TOTAL INTEREST ON BONDS &amp; OTHER LOANS</b>			<b>851,421,395,591</b>	<b>883,760,434,381</b>	<b>986,725,816,391</b>	<b>992,103,622,234</b>	<b>1,029,412,828,500</b>	<b>1,090,948,968,877</b>	<b>1,143,946,560,748</b>
2420000	<b>GRAND TOTAL INTERNAL DEBT - INTEREST</b>		<b>851,421,395,591</b>	<b>883,760,434,381</b>	<b>986,725,816,391</b>	<b>992,103,622,234</b>	<b>1,029,412,828,500</b>	<b>1,090,948,968,877</b>	<b>1,143,946,560,748</b>

**Table 13: Internal Debt Redemption from the Consolidated Fund (KSh)**

CONSOLIDATED FUND INTERNAL DEBT REDEMPTION														
SUB- HEAD	ITEM	DESCRIPTION	ISSUE No.	DUE YR.	TENOR	PRINCIPAL	PRINTED	PRINTED	PRINTED	PRINTED	PRINTED	PRINTED		
							ESTIMATES	SUPP I	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES		
						2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
						KSh	KSh	KSh	KSh	KSh	KSh	KSh		
002000212	5210201	FXD1/2023/2		2025/08	2YRS	94,638,050,000	94,638,050,000	94,638,050,000	-	-	-	-		
002000206	5210201	FXD2/2010/15		2025/12	15YRS	25,199,800,000	25,199,800,000	25,199,800,000	-	-	-	-		
002000211	5210201	FXD1/2023/3		2026/05	3YRS	76,537,950,000	76,537,950,000	57,134,550,000	-	-	-	-		
002000204	5210201	FXD1/2016/10		2026/08	10YRS	79,770,300,000	-	-	79,770,300,000	-	-	-		
002000212	5210201	FXD1/2021/05		2026/11	5YRS	48,373,700,000	-	-	48,373,700,000	-	-	-		
002000213	5210201	FXD1/2024/03		2027/01	3YRS	91,555,150,000	-	-	91,555,150,000	-	-	-		
002000208	5210201	FXD1/2017/10		2027/07	10YRS	65,974,900,000	-	-	-	65,974,900,000	-	-		
002000204	5210201	FXD1/2012/15		2027/09	15YRS	90,939,900,000	-	-	-	90,939,900,000	-	-		
002000208	5210201	FXD1/2013/15		2028/02	15YRS	82,473,250,000	-	-	-	82,473,250,000	-	-		
	5210201	FXD2/2013/15		2028/04	15YRS	70,859,750,000	-	-	-	70,859,750,000	-	-		
002000211	5210201	FXD1/2008/20		2028/06	15YRS	58,844,600,000	-	-	-	58,844,600,000	-	-		
002000205	5210201	FXD1/2023/05		2028/07	5YRS	144,534,300,000	-	-	-	-	144,534,300,000	-		
002000212	5210201	FXD1/2018/10		2028/08	10YRS	40,584,600,000	-	-	-	-	40,584,600,000	-		
002000213	5210201	FXD2/2018/10		2028/12	10YRS	63,820,200,000	-	-	-	-	63,820,200,000	-		
002000205	5210201	FXD1/2019/10		2029/02	10YRS	67,524,850,000	-	-	-	-	67,524,850,000	-		
	5210201	FXD3/2019/10		2029/08	10YRS	68,743,450,000	-	-	-	-	-	68,743,450,000		
002000209	5210201	FXD4/2019/10		2029/11	10YRS	89,972,850,000	-	-	-	-	-	89,972,850,000		
002000210	5210201	FXD2/2019/10		2029/04	10YRS	60,725,300,000	-	-	-	-	60,725,300,000	-		
002000211	5210201	FXD1/2011/20		2031/05	20YRS	37,029,400,000	-	-	-	-	-	37,029,400,000		
002000212	5210201	FXD1/2022/10		2032/05	10YRS	80,901,700,000	-	-	-	-	-	-		
002000204	5210201	FXD1/2012/20		2032/11	20YRS	154,214,200,000	-	-	-	-	-	-		
002000213	5210201	FXD1/2023/10		2033/01	10YRS	77,177,750,000	-	-	-	-	-	-		
	5210201	FXD1/2018/15		2033/05	15YRS	133,467,200,000	-	-	-	-	-	-		
002000211	5210201	FXD2/2018/15		2033/10	15YRS	33,411,700,000	-	-	-	-	-	-		
	5210201	FXD1/2019/15		2034/01	15YRS	79,096,850,000	-	-	-	-	-	-		
	5210201	FXD1/2024/10		2034/03	10YRS	124,539,400,000	-	-	-	-	-	-		
	5210201	FXD2/2019/15		2034/04	15YRS	81,644,750,000	-	-	-	-	-	-		
	5210201	FXD3/2019/15		2034/07	15YRS	146,279,500,000	-	-	-	-	-	-		
	5210201	FXD1/2020/15		2035/02	15YRS	168,533,300,000	-	-	-	-	-	-		
	5210201	FXD1/2010/25		2035/05	25YRS	20,192,500,000	-	-	-	-	-	-		
	5210201	FXD1/2016/20		2036/09	20YRS	21,972,900,000	-	-	-	-	-	-		
	5210201	FXD1/2022/15		2037/04	15YRS	185,113,200,000	-	-	-	-	-	-		
	5210201	FXD1/2018/20		2038/03	20YRS	171,204,100,000	-	-	-	-	-	-		
	5210201	FXD2/2018/20		2038/07	20YRS	89,198,600,000	-	-	-	-	-	-		
	5210201	FXD1/2019/20		2039/03	20YRS	148,482,750,000	-	-	-	-	-	-		
	5210201	SDB1/2011/30		2041/01	30YRS	50,878,500,000	-	-	-	-	-	-		
	5210201	FXD1/2021/20		2041/07	20YRS	129,934,100,000	-	-	-	-	-	-		
	5210201	FXD1/2018/25		2043/05	25YRS	214,488,500,000	-	-	-	-	-	-		
	5210201	FXD1/2021/25		2046/04	25YRS	147,635,800,000	-	-	-	-	-	-		
	5210201	FXD1/2022/25		2047/09	25YRS	216,157,300,000	-	-	-	-	-	-		
	5210201	IFB1/2013/12		2025/09	12YRS	16,060,205,597	16,060,205,597	16,060,205,597	-	-	-	-		
	5210201	IFB1/2020/6		2026/05	6YRS	10,252,000,000	10,252,000,000	-	-	-	-	-		
	5210201	IFB1/2023/7		2026/06	7YRS	213,251,600,000	-	42,650,320,000	-	-	-	-		
	5210201	IFB1/2014/12		2026/10	12YRS	16,631,479,847	-	-	16,631,479,847	-	-	-		
	5210201	IFB1/2015/012		2027/03	12YRS	12,180,650,000	-	-	12,180,650,000	-	-	-		
	5210201	IFB1/2022/6		2028/11	6YRS	59,213,425,000	29,712,175,000	29,712,175,000	-	-	29,501,250,000	-		
	5210201	IFB1/2017/012		2029/02	12 YRS	6,249,550,000	-	-	-	-	6,249,550,000	-		
	5210201	IFB1/2020/9		2029/04	9YRS	39,336,500,000	-	-	-	-	39,336,500,000	-		
	5210201	IFB1/2023/6.5		2030/05	6.5YRS	186,925,000,000	-	-	93,462,500,000	-	65,423,750,000	-		
	5210201	IFB1/2020/11		2031/08	11YRS	80,249,600,000	-	-	40,124,800,000	-	-	-		
	5210201	IFB1/2021/021		2031/09	21YRS	106,742,200,000	-	-	-	-	-	-		
	5210201	IFB1/2016/15		2031/10	15YRS	30,004,700,000	-	-	10,001,466,651	-	-	-		
	5210201	IFB1/2024/8.5		2032/08	8.5YRS	240,334,850,000	-	-	48,066,970,000	-	57,680,364,000	-		
	5210201	IFB1/2018/015		2033/01	15YRS	222,103,850,000	-	-	-	88,841,540,000	-	-		
	5210201	IFB1/2023/017		2033/02	17YRS	185,235,400,000	-	-	-	-	-	-		
	5210201	IFB1/2019/016		2035/10	16YRS	71,028,550,000	-	-	-	-	-	35,514,275,000		
	5210201	IFB1/2022/014		2036/10	14YRS	159,470,050,000	-	-	-	-	-	79,735,025,000		
	5210201	IFB1/2021/016		2037/01	16YRS	80,958,350,000	-	-	-	-	40,479,175,000	-		
	5210201	IFB1/2018/020		2038/10	20YRS	36,787,300,000	-	-	-	18,393,650,000	-	-		
	5210201	IFB1/2021/018		2039/03	18YRS	81,785,600,000	-	-	-	-	40,892,800,000	-		
	5210201	IFB1/2022/018		2040/05	18YRS	79,827,500,000	-	-	-	-	-	39,913,750,000		
	5210201	IFB1/2022/019		2041/01	19YRS	199,150,300,000	-	-	-	-	-	-		
	5210201	IFB1/2019/025		2044/02	25YRS	16,828,650,000	-	-	-	-	-	50,000,000,000		
002000219	5210201	NEW LOANS												
<b>SUB TOTAL</b>						<b>Kshs</b>	<b>5,983,234,210,444</b>	<b>252,400,180,597</b>	<b>275,647,100,597</b>	<b>440,167,016,498</b>	<b>509,114,324,000</b>	<b>498,708,950,000</b>	<b>482,613,285,000</b>	<b>242,192,450,000</b>
002000401	5210201	Pre - 1997 Gov't Overdraft debt				1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000		
002000407	5210201	Redemption of Treasury Bills - Shortfall				200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000		
	5210201	IMF-On lent Loan				10,000,000,000	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000		
002000403	5210201	Tax Reserve Certificate				300,000	-	-	-	-	-	-		
	5210201	New Loans Redemption				-	60,000,000,000	-	-	-	-	-		
<b>SUB TOTAL</b>							<b>211,110,300,000</b>	<b>268,610,000,000</b>	<b>208,610,000,000</b>	<b>208,610,000,000</b>	<b>208,610,000,000</b>	<b>208,610,000,000</b>	<b>208,610,000,000</b>	
<b>GRAND TOTAL INTERNAL DEBT</b>						<b>Kshs</b>	<b>463,510,480,597</b>	<b>544,357,100,597</b>	<b>648,777,016,498</b>	<b>717,724,324,000</b>	<b>707,318,950,000</b>	<b>691,223,285,000</b>	<b>450,802,450,000</b>	

**Table 14: External Debt Redemption from the Consolidated Fund (KSh)**

CONSOLIDATED FUND SERVICES (1) 1002 - PUBLIC DEBT 5510600 - EXTERNAL DEBT REDEMPTION								
HEAD	CREDITOR	PRINTED ESTIMATES 2025/2026	PRINTED SUPP I ESTIMATES 2025/2026	PRINTED ESTIMATES 2026/2027	PRINTED ESTIMATES 2027/2028	PRINTED ESTIMATES 2028/2029	PRINTED ESTIMATES 2029/2030	PRINTED ESTIMATES 2030/2031
		Kshs	KSh	KSh	KSh	KSh	KSh	KSh
501	GERMANY	6,948,776,006	7,407,506,974	9,162,537,501	5,829,277,898	5,136,226,084	4,711,702,048	3,644,704,460
502	ITALY	12,665,461,114	12,695,668,220	13,716,565,790	14,936,182,486	15,842,343,765	14,472,742,180	5,032,653,316
503	JAPAN	4,275,733,532	3,998,342,289	5,238,627,800	5,662,647,794	5,975,375,081	6,274,353,836	7,027,290,292
504	IDA	51,890,205,764	51,539,220,198	62,460,298,444	72,461,645,218	82,521,959,829	114,858,107,538	115,808,202,784
505	ADB/ADF	13,363,606,078	13,592,241,391	16,337,270,598	25,666,930,931	28,668,705,450	30,653,008,163	35,439,072,560
506	U.S.A	283,037,195	143,561,933	156,822,289	83,026,053	-	-	-
507	DENMARK	86,600,588	12,825,731	27,743,896	21,848,318	-	-	-
508	NETHERLANDS	-	-	-	-	-	-	-
509	OPEC	706,630,819	649,135,707	520,495,829	407,024,686	394,452,606	601,695,001	795,449,682
510	BADEA	515,554,731	456,092,305	655,271,050	620,731,244	651,761,481	654,015,719	604,523,772
511	FRANCE	11,293,017,555	11,644,153,091	12,877,280,090	11,722,120,988	11,424,525,092	12,319,598,476	12,436,670,207
512	EIB	2,084,161,007	2,135,113,867	2,172,880,809	2,578,856,837	3,024,645,653	3,437,492,973	3,609,367,564
513	SAUDI FUND	338,740,971	332,468,699	353,615,076	371,295,830	312,868,564	325,816,637	342,107,469
514	AUSTRIA	226,060,012	234,578,484	253,835,885	266,527,679	279,854,063	293,846,776	197,599,542
512	EEC	259,638,145	262,006,652	226,474,653	191,177,974	91,329,279	134,356,987	-
517	BELGIUM	1,902,640,937	2,025,307,754	2,432,923,097	3,122,526,382	3,259,147,645	3,423,196,462	3,310,568,931
518	FINLAND	251,399,575	130,436,450	282,288,906	296,403,351	311,223,519	326,784,695	343,123,929
519	China	170,641,674	171,680,040	188,793,423	198,233,094	150,326,763	121,417,770	127,488,659
536	EXIM BANK OF CHINA	95,635,460,978	78,061,446,839	71,378,908,676	67,214,955,237	69,668,091,517	79,785,377,075	69,913,969,012
520	SPAIN	1,456,062,936	1,490,605,093	1,609,931,424	1,304,147,113	1,198,193,381	1,214,904,893	1,074,404,221
521	KUWAIT	161,333,419	224,434,022	241,970,335	114,132,190	169,077,363	239,079,038	251,032,990
522	EXIM BANK OF KOREA	212,192,020	213,405,324	226,270,949	445,930,497	711,272,643	746,836,275	784,178,089
526	IFAD	1,216,926,039	1,396,403,390	1,560,812,065	1,796,417,450	1,992,356,718	2,169,857,612	2,350,989,549
527	NORDIC DEVELOPMENT FUND	157,275,951	163,202,478	176,600,363	185,430,381	194,701,900	204,436,995	214,658,845
530	EXIM BANK OF INDIA	1,114,548,230	1,093,664,779	1,163,598,975	1,198,666,950	349,025,990	366,477,290	384,801,154
531	STANDARD BANK -BVR	-	-	-	-	-	-	-
542	2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	-	85,280,033,261	-	-	-	-	-
534	ISRAEL	811,378,202	1,099,072,825	2,316,287,682	1,086,671,149	722,718,504	758,854,429	796,797,151
538	ABU DHABI	188,770,021	185,237,924	197,082,922	188,124,607	197,530,837	207,386,007	5,085,951
540	TDB SYND	56,976,398,104	114,999,637,881	38,367,921,278	16,226,281,707	17,037,595,789	4,425,704,145	4,646,989,352
541	POLAND	126,005,186	115,457,817	129,237,127	135,698,983	142,483,932	149,608,129	157,088,535
542	IBRD	873,663,489	1,319,286,760	1,489,152,042	4,143,802,634	10,240,363,721	10,752,591,907	13,597,958,353
543	IMF	13,325,452,457	34,185,255,716	49,235,028,176	65,647,947,140	91,352,153,109	104,674,283,187	86,604,852,945
544	2019 INTERNATIONAL SVRNG BOND (USD 900 MN)	14,698,692,866	14,488,835,275	-	-	-	-	-
546	STANDARD BANK -SA Syndicated	12,572,249,567	9,393,946,171	10,083,035,393	10,587,187,160	-	-	-
548	AFREXIM BANK	16,553,527,805	14,314,419,643	15,489,542,411	16,264,019,531	-	-	-
535	NEW LOANS-REDEMPTIONS/DSSI	-	135,701,370,000	67,850,685,000	67,850,685,000	67,850,685,000	67,850,685,000	67,850,685,000
549	Exim Bank of USA/PEFCO	16,823,318,041	16,508,097,102	8,781,852,192	-	-	-	-
550	2024 INTERNATIONAL SVRNG BOND (USD 1.5 BN)	-	-	-	-	-	-	-
543	2019 International SVRNG Bond (USD 1,200 Mn)	-	-	-	-	-	-	-
551	2025 INTERNATIONAL SVRNG BOND (USD 1.5 BN)	-	-	-	-	-	-	-
552	Hungary	24,695,103	24,232,388	92,802,550	97,442,677	62,520,411	47,738,953	50,125,901
	2021 INTERNATIONAL SVRNG BOND (USD 1 BN)	-	-	-	-	-	-	-
	2024 INTERNATIONAL SVRNG BOND (USD 1.5 BN)	-	-	-	-	-	-	-
	2025 INTERNATIONAL SVRNG BOND (USD 0.5 BN)	-	-	-	-	-	-	-
	2025 INTERNATIONAL SVRNG BOND (USD 0.75 BN) 1	-	-	-	-	-	-	-
537	China Development Bank	-	-	-	4,834,168,645	302,262,123	-	-
	2019 International SVRNG Bond (USD 1,200 Mn)	-	43,853,670,000	-	-	-	-	-
	2018 INTERNATIONAL SVRNG BOND (USD 1.0 BN)	-	12,219,120,000	-	-	-	-	-
	International Sovereign Bonds	-	-	15,415,321,220	56,327,795,973	79,588,796,687	192,206,943,999	157,943,967,025
		340,189,856,116	673,761,174,472	412,869,765,915	460,105,961,785	499,824,974,501	658,408,900,193	595,346,407,239

**Table 15: External Debt Interest Payments from the Consolidated Fund (KSh)**

CONSOLIDATED FUND SERVICES (1) 1002- PUBLIC DEBT 2410100 - INTEREST ON EXTERNAL DEBT								
HEAD	CREDITOR	PRINTED ESTIMATES 2025/2026	PRINTED SUPP I 2025/2026	PRINTED ESTIMATES 2026/2027	PRINTED ESTIMATES 2027/2028	PRINTED ESTIMATES 2028/2029	PRINTED ESTIMATES 2029/2030	PRINTED ESTIMATES 2030/2031
		KShs	KSh	KSh	KSh	KSh	KSh	KSh
501	GERMANY	628,777,902	763,089,068	729,618,503	743,404,186	672,340,301	618,079,411	562,815,140
502	ITALY	5,346,779,318	3,799,412,279	3,018,073,414	2,667,881,393	2,242,458,557	1,776,373,824	1,413,634,467
503	JAPAN	566,225,366	546,033,336	571,699,560	566,433,210	555,749,179	542,421,873	525,853,065
504	IDA	26,005,108,618	25,993,348,421	27,901,881,486	28,392,531,346	28,077,611,731	27,500,035,827	27,298,348,371
505	ADB/ADF	15,839,545,533	15,115,262,248	16,393,510,194	16,379,995,478	16,013,959,690	15,654,012,122	15,121,942,082
506	U.S.A	14,377,279	9,970,441	5,993,997	1,289,789	-	-	-
516	NEW LOANS/I	22,117,789,174	11,060,000,000	18,396,473,592	59,272,099,248	100,268,625,999	137,278,375,372	174,263,124,744
508	NETHERLANDS	-	-	-	-	-	-	-
509	OPEC	73,079,555	371,514,432	438,613,355	445,408,982	458,813,578	467,076,386	454,268,546
510	BADEA	72,811,392	69,458,547	71,238,023	67,983,947	64,680,453	60,908,199	56,965,845
511	FRANCE	1,781,468,780	2,139,008,665	2,113,972,618	1,993,981,507	1,892,915,627	1,714,880,839	1,589,954,103
512	EIB	616,727,307	739,751,972	737,224,146	724,243,243	691,542,079	645,156,989	588,185,483
513	SAUDI FUND	32,220,004	31,990,316	31,609,758	29,504,299	27,238,609	25,328,896	23,174,266
514	AUSTRIA	18,431,893	20,581,153	24,222,397	23,344,089	22,317,395	21,129,676	20,044,736
515	SWITZERLAND	-	-	-	-	-	-	-
512	EEC	6,778,481	6,797,783	5,481,609	3,431,651	1,782,190	1,295,061	-
517	BELGIUM	150,498,124	153,366,934	147,733,230	124,695,163	108,718,095	90,852,949	71,031,895
518	FINLAND	4,433,644	4,898,108	2,125,165	2,231,423	2,342,995	2,460,144	2,583,152
536	EXIM BANK OF CHINA	34,260,417,521	32,588,310,735	28,611,803,228	26,643,185,203	24,657,636,720	22,616,504,086	19,992,573,978
537	China Development Bank	1,168,398,533	143,308,786	197,835,304	135,748,901	6,145,996	-	-
520	SPAIN	112,051,673	146,455,774	173,616,532	168,199,222	163,351,095	159,423,138	155,502,672
521	KUWAIT	31,471,355	38,079,677	40,502,880	37,002,389	35,981,445	33,504,159	30,204,502
522	EXIM BANK OF KOREA	28,213,153	90,574,740	27,751,271	26,682,925	25,447,060	23,976,793	22,319,460
526	IFAD	310,865,542	364,645,361	354,045,290	357,688,382	359,423,566	359,631,226	356,455,390
527	NORDIC DEVELOPMENT FUND	22,706,715	23,562,357	24,172,175	23,990,055	23,729,293	23,382,482	22,941,664
530	EXIM BANK OF INDIA	249,930,055	250,115,795	207,752,072	172,474,582	143,954,355	145,431,038	146,850,407
531	STANDARD BANK -BVR	-	-	-	-	-	-	-
532	DEBUT INTERNATIONAL SVRNG BOND (USD 2.75 BN)	-	-	-	-	-	-	-
542	2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	21,435,349,590	21,930,337,190	-	-	-	-	-
543	2019 International SVRNG Bond (USD 1,200 Mn)	13,276,364,073	13,027,602,923	-	-	-	-	-
544	2019 INTERNATIONAL SVRNG BOND (USD 900 MN)	2,057,817,001	2,028,436,938	-	-	-	-	-
545	2021 INTERNATIONAL SVRNG BOND (USD 1 BN)	8,712,432,414	8,549,186,310	-	-	-	-	-
534	ISRAEL	48,170,847	203,138,033	315,607,607	234,182,739	191,198,223	163,841,219	133,129,891
538	ABU DHABI	21,229,123	20,831,903	17,236,921	13,042,918	8,756,793	4,009,449	63,575
540	TDB SYND	14,719,579,859	14,497,396,843	7,261,514,861	4,179,460,326	2,274,114,505	809,019,255	306,709,168
541	POLAND	19,005,433	18,730,894	19,034,296	19,074,377	18,962,831	18,849,170	18,676,737
542	IBRD	15,186,049,419	14,784,877,935	14,453,788,008	15,135,112,492	15,595,436,695	15,872,430,921	16,103,327,896
543	IMF	14,661,509,269	10,179,618,567	9,920,824,243	9,549,108,779	8,574,594,051	7,188,647,910	5,611,814,300
548	AFREXIM BANK	3,305,586,028	2,953,873,014	2,021,926,988	892,749,877	-	-	-
546	STANDARD BANK -SA Syndicated	2,300,379,841	2,165,624,386	1,445,128,096	626,018,457	-	-	-
549	Exim Bank of USA/PEFCO	1,133,653,000	1,076,177,826	205,809,069	-	-	-	-
550	2024 INTERNATIONAL SVRNG BOND (USD 1.5 BN)	20,225,289,533	19,846,325,363	-	-	-	-	-
551	2025 INTERNATIONAL SVRNG BOND (USD 1.5 BN)	19,706,692,365	19,340,381,803	-	-	-	-	-
553	2025 INTERNATIONAL SVRNG BOND (USD 0.5 BN)	-	5,597,681,513	-	-	-	-	-
	2025 INTERNATIONAL SVRNG BOND (USD 0.75 BN) 1	-	4,007,431,083	-	-	-	-	-
553	2025 INTERNATIONAL SVRNG BOND (USD 0.75 BN) 2	-	4,478,145,210	-	-	-	-	-
	International Sovereign Bonds	-	-	128,027,887,209	133,296,255,460	136,717,657,234	135,405,637,034	125,905,488,428
	FEES AND COMMISSIONS 1/	-	3,596,086,305	3,596,086,305	3,964,685,151	4,281,859,963	4,624,408,760	4,994,361,461
		246,268,214,714	242,771,420,966	267,511,793,402	306,913,121,186	344,179,346,304	373,847,084,209	395,792,345,423
	1/ Includes fees and commissions for International Sovereign Bond Issuances in line with Sec 2 of PFM on interpretation of financial obligations							

**Table 16: List of Publicly Guaranteed Debt (KSh million)**

Agency	Agreement Date/Year	Project	Creditor	Amount Million	(KSh)
<b>Kenya Electricity Generating Company</b>	1997	Sondu Miriu Hydropower Project	Government of Japan	608	
	2004	Sondu Miriu Hydro Power II	Government of Japan	5,907	
	2007	Sondu - Miriu Hydropower Project Sangoro Power Plant	Government of Japan	2,798	
	2010	Olkaria 1 Unit 4 and 5	Government of Japan	16,107	
	2011	Rehabilitation and Upgrade of the Geothermal Plant Olkaria	Government of Fed. Republic of Germany - GTZ	791	
	2021	DSSI Japan For KenGen Loans	Government of Japan	526	
	2021	DSSI Japan For KenGen Loans Phase II	Government of Japan	655	
					<b>27,392</b>
<b>Kenya Ports Authority</b>	2007	Mombasa Port Development Programme (Mombasa Port A)	Government of Japan	15726	
	2007	Mombasa Port Development	Government of Japan	1,720	
	2015	Kenya Port Development Project	Government of Japan	25,490	
	2015	Kenya Port Development Project	Government of Japan	2,858	
		DSSI Japan Kenya Ports Authority (KE-P25)- Phase II (Principal IIA)	Government of Japan	162	
	2021	DSSI Japan-Kenya Ports Authority (KE-P25) -Phase II	Government of Japan	203	<b>46,159</b>
<b>Kenya Airways</b>	2017	Kenya Airways Guarantee (for Local Banks)	MTC Trust & Corporate Services Limited (Security Agent for Local Banks)	9690	<b>9,690</b>
<b>Total</b>				<b>83,241</b>	<b>83,241</b>

## **E. Annexes**

157. The following are annexes to this report:

- Annex Table 1, and Annex Table 2(a-b) on Macro and Fiscal Framework.
- Annex Table 3 on Key Allocations to Thematic Areas.
- Annex Table 4 on Additional Allocations to County Governments for FY 2026/27

**THE NATIONAL TREASURY  
APRIL 30, 2026**

## Annex Table 1: Macroeconomic Framework

	2023/24	2024/25	2025/26		2026/27		2027/28		2028/29		2029/30	
	Act.	Prel.	Budget	Suppl. I	Approved BPS 2026	Budget	BROP 2025	BPS 2026	BROP 2025	BPS 2026	BROP 2025	BPS 2026
<i>annual percentage change, unless otherwise indicated</i>												
<b>National Account and Prices</b>												
Real GDP	5.2	4.6	5.3	4.8	5.3	5.0	5.3	5.1	5.3	5.2	5.3	5.3
GDP Deflator	4.3	3.1	5.5	4.9	5.5	6.1	5.3	5.8	5.3	5.4	5.3	5.4
CPI Index (eop)	5.2	4.5	4.7	5.1	4.9	5.3	4.7	5.0	4.7	4.8	4.8	4.8
CPI Index (avg)	6.1	4.3	4.7	4.7	5.0	5.5	4.8	5.2	4.7	4.8	4.7	4.7
Terms of Trade (-deterioration)	-1.2	1.6	3.7	3.1	2.7	2.8	3.5	3.2	4.0	3.5	4.5	3.8
<b>Money and Credit (end of period)</b>												
Net domestic assets	-0.2	6.4	13.4	11.6	9.2	10.8	9.9	9.6	9.4	9.4	9.2	9.2
Net domestic credit to the Government	7.9	20.0	6.0	9.5	8.0	8.9	5.4	4.5	5.3	5.4	5.5	5.5
Credit to the rest of the economy	4.0	2.2	8.5	3.9	8.5	9.8	11.1	11.7	10.7	10.9	10.3	10.5
Broad Money, M3 (percent change)	6.8	7.5	10.8	10.3	10.2	11.7	10.4	11.1	10.4	10.9	10.3	10.5
Reserve money (percent change)	18.7	-1.3	8.2	7.8	10.1	11.6	10.3	11.0	10.3	10.8	10.2	10.4
<i>in percentage of GDP, unless otherwise indicated</i>												
<b>Investment and Saving</b>												
Investment	16.5	16.7	15.6	17.2	15.5	17.5	15.6	17.5	15.6	17.8	16.5	18.9
Central Government	4.2	4.2	4.2	4.3	4.2	4.3	4.4	4.4	4.6	4.6	4.5	4.5
Private	12.3	12.6	11.3	12.9	11.2	13.2	11.1	13.0	11.0	13.1	12.0	14.4
Gross National Savings	14.6	15.0	14.1	14.7	12.9	14.8	13.9	14.9	13.9	15.2	16.7	16.4
Central Government	-1.7	-2.1	-0.7	-1.7	-1.2	-1.2	0.4	0.5	0.9	1.0	1.3	1.1
Private	16.3	17.0	14.9	16.5	14.1	16.0	13.6	14.4	13.0	14.2	15.4	15.4
<b>Central Government Budget</b>												
Total revenue	17.3	17.3	17.2	18.2	16.9	17.4	17.5	17.5	17.1	16.9	16.7	16.6
Total expenditure and net lending	23.1	23.5	22.2	24.9	22.5	23.0	21.5	21.3	20.8	20.4	19.8	20.0
Overall Fiscal balance excl. grants	-5.8	-6.2	-4.9	-6.6	-5.6	-5.6	-4.0	-3.9	-3.7	-3.5	-3.1	-3.4
Overall Fiscal balance, incl. grants, cash basis	-5.3	-6.0	-4.7	-6.5	-5.3	-5.3	-3.7	-3.6	-3.4	-3.3	-2.9	-3.1
Statistical discrepancy	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Fiscal balance, incl. grants, cash basis- adj. discrepancy	-5.3	-6.0	-4.7	-6.5	-5.3	-5.3	-3.7	-3.6	-3.4	-3.3	-2.9	-3.1
Primary budget balance	0.0	-0.1	1.0	-0.4	0.4	0.7	1.6	1.6	1.5	1.5	1.4	1.4
Net domestic borrowing	3.8	5.1	3.2	5.2	4.3	4.8	2.7	2.4	2.5	2.7	2.5	2.6
<b>External Sector</b>												
Exports value, goods and services	17.0	16.4	14.9	15.1	14.4	14.5	12.9	14.2	12.3	13.9	13.8	13.6
Imports value, goods and services	23.8	22.7	20.2	21.6	20.3	20.5	17.4	19.8	16.4	19.0	15.7	18.3
Current external balance, including official transfers	-1.9	-1.8	-1.4	-2.5	-2.6	-2.6	-1.6	-2.6	-1.7	-2.5	0.2	-2.5
Gross reserves in months of next yr's imports	3.8	5.0	5.0	4.8	4.8	4.9	5.0	4.9	5.1	5.0	5.1	5.2
Gross reserves in months of this yr's imports	4.1	5.4	5.1	5.1	5.2	5.2	5.3	5.3	5.4	5.4	5.5	5.5
<b>Public debt</b>												
Nominal central government debt (eop), gross	67.7	69.9	66.9	69.8	67.2	67.8	63.1	64.7	60.6	61.6	57.8	58.8
Nominal debt (eop), net of deposits	64.3	66.4	63.8	66.6	64.3	65.0	60.6	62.1	58.3	59.3	55.7	56.8
Domestic (gross)	34.6	37.4	36.5	39.2	38.7	39.8	36.1	38.2	35.2	37.1	34.4	36.2
Domestic (net)	31.2	33.9	33.4	36.0	35.9	37.0	33.5	35.7	32.9	34.8	32.3	34.1
External	33.1	32.4	30.4	30.6	28.5	28.0	27.0	26.4	25.4	24.4	23.3	22.6
<b>Memorandum Items:</b>												
Nominal GDP (in Ksh Billion)	15,633	16,905	19,273	18,642	20,947	20,817	23,126	23,127	25,527	25,650	28,158	28,346
Nominal GDP (in US\$ Million)	113,831	128,009	146,947	144,132	161,987	160,454	179,205	177,365	198,278	196,287	219,156	217,221

*Source: The National Treasury*

## Annex Table 2a: Fiscal Framework (KSh billion)

	2023/24	2024/25	2025/26		2026/27		2027/28		2028/29		2029/30	
	Act.	Prel.	Budget	Suppl. 1	Approved BPS 2026	Budget	BROP 2025	BPS 2026	BROP 2025	BPS 2026	BROP 2025	BPS 2026
<b>TOTAL REVENUE</b>	<b>2,702.7</b>	<b>2,923.6</b>	<b>3,321.7</b>	<b>3,399.1</b>	<b>3,534.2</b>	<b>3,629.7</b>	<b>4,044.3</b>	<b>4,038.9</b>	<b>4,368.4</b>	<b>4,337.2</b>	<b>4,697.1</b>	<b>4,699.5</b>
Ordinary Revenue (Tax+Non-Tax Revenue)	2,288.9	2,420.2	2,754.7	2,784.4	2,901.9	2,985.7	3,387.9	3,390.0	3,655.8	3,658.0	3,955.2	3,957.6
Tax Revenue	2,167.8	2,272.4	2,627.1	2,600.8	2,827.8	2,858.7	3,096.8	3,099.0	3,371.8	3,374.0	3,703.1	3,705.5
Income Tax	1,042.8	1,093.0	1,284.8	1,266.8	1,366.9	1,383.6	1,484.9	1,484.9	1,619.2	1,619.2	1,775.5	1,775.5
Import duty (net)	133.9	157.1	162.9	167.0	186.2	186.2	191.8	194.0	203.2	205.4	217.6	220.0
Excise duty	276.7	292.5	335.5	323.1	356.9	382.2	397.0	397.0	440.5	440.5	488.8	488.8
Value Added Tax	645.5	660.7	771.7	771.7	840.4	829.2	941.3	941.3	1,021.0	1,021.0	1,127.6	1,127.6
Other Tax Revenue	68.9	69.1	72.2	72.2	77.4	77.4	81.9	81.9	87.9	87.9	93.6	93.6
Non-Tax Revenue	121.1	147.8	127.6	183.6	74.1	127.1	291.1	291.1	284.0	284.0	252.1	252.1
Ministerial Appropriation in Aid	413.7	503.4	566.9	614.6	632.4	644.0	656.4	648.9	712.6	679.2	741.8	741.8
Railway Development Levy	32.0	36.8	40.7	47.1	48.5	48.5	49.7	49.7	54.9	54.9	60.7	60.7
African Union & Int'l Subscription Fund	5.4	5.2	6.6	6.6	6.4	9.7	7.0	7.0	7.8	7.8	8.6	8.6
Recurrent	259.5	199.7	231.9	255.6	246.7	270.8	268.8	261.3	295.5	262.1	297.5	297.5
Road Maintenance Levy - Normal		73.3	70.2	70.2	84.1	62.8	88.7	88.7	93.5	93.5	98.5	98.5
NMS - Recurrent	0.0	22.5	25.5	25.5	25.3	22.0	26.6	26.6	28.1	28.1	29.7	29.7
PDL - Recurrent	22.0	42.4	45.1	62.6	58.5	78.8	59.1	59.1	61.9	61.9	60.0	60.0
NMS - Development	0.0	14.1	14.4	14.4	15.1	7.0	15.9	15.9	16.6	16.6	17.5	17.5
PDL - Development	2.3	32.2	32.0	32.0	33.1	32.7	34.9	34.9	36.7	36.7	38.7	38.7
Housing Development Levy	54.2	73.2	95.0	95.0	110.9	110.0	101.6	101.6	113.3	113.3	126.4	126.4
<b>EXPENDITURE AND NET LENDING</b>	<b>3,605.2</b>	<b>3,975.9</b>	<b>4,269.9</b>	<b>4,638.4</b>	<b>4,715.5</b>	<b>4,785.2</b>	<b>4,969.7</b>	<b>4,931.4</b>	<b>5,304.6</b>	<b>5,241.6</b>	<b>5,580.9</b>	<b>5,662.3</b>
Recurrent expenditure	2,678.4	2,948.4	3,134.1	3,393.2	3,464.6	3,538.7	3,607.4	3,569.0	3,775.3	3,712.3	3,946.8	4,018.3
Interest payments	840.7	995.1	1,097.7	1,126.5	1,203.1	1,254.2	1,234.3	1,203.4	1,261.3	1,231.8	1,198.3	1,269.8
Domestic interest	622.5	784.1	851.4	883.8	956.4	986.7	984.4	953.5	1,008.0	978.5	950.8	1,022.3
Foreign Interest	218.2	211.0	246.3	242.8	246.6	267.5	249.9	249.9	253.2	253.2	247.5	247.5
Pensions & Other CFS	143.9	176.8	205.2	205.6	207.5	207.5	218.7	218.7	224.0	224.0	232.1	232.1
Pensions	140.6	172.9	200.5	200.5	202.4	202.4	213.9	213.9	219.3	219.3	227.2	227.2
Other CFS	3.3	3.9	4.7	5.2	5.1	5.2	4.7	4.7	4.7	4.7	5.0	5.0
Contribution to Civil Service Pension Fund	34.2	34.3	34.4	34.4	39.6	39.6	40.8	40.8	42.0	42.0	43.7	43.7
Net Issues/Net Expenditure	1,372.7	1,441.5	1,462.5	1,668.6	1,652.0	1,672.1	1,722.4	1,722.4	1,823.2	1,823.2	2,038.5	2,038.5
O/W: Wages & Salaries	575.3	624.7	657.3	689.3	720.7	702.0	752.4	752.4	790.0	790.0	829.5	829.5
Free Secondary education	70.2	54.6	54.9	54.9	54.6	54.6	79.1	79.1	82.3	82.3	82.3	82.3
Free Primary Education	11.3	30.4	7.9	7.9	7.0	7.0	14.7	14.7	15.3	15.3	15.3	15.3
Junior Secondary School - Capitation	30.5	7.6	30.9	30.9	31.9	31.9	41.5	41.5	43.1	43.1	43.1	43.1
IEBC	4.6	3.9	5.9	5.9	20.7	20.7	16.4	16.4	29.2	29.2	29.2	29.2
Defense and NIS	205.4	231.4	241.0	264.1	283.9	289.8	251.1	291.0	257.4	298.2	263.8	263.8
Others	475.9	465.6	439.0	570.3	502.4	535.2	529.7	489.8	568.3	527.5	737.7	737.7
Ministerial Recurrent AIA	286.9	300.8	334.3	358.0	362.5	365.3	391.2	383.7	424.9	391.4	434.2	434.2
Development and Net lending	546.4	582.9	649.0	758.4	753.4	749.0	883.8	883.8	1,041.2	1,041.2	1,119.7	1,129.7
Domestically financed (Gross)	377.0	397.7	437.9	548.3	514.2	561.5	580.2	580.2	676.7	676.7	759.6	759.6
O/W Domestically Financed (Net)/NMS	250.2	227.3	237.2	323.6	274.0	315.6	349.9	349.9	425.7	425.7	490.7	490.7
Ministerial Development AIA	197.2	170.4	200.7	224.7	236.8	246.0	230.3	230.3	251.1	251.1	269.0	269.0
Foreign financed	151.9	165.6	201.5	202.6	224.1	177.8	285.0	285.0	341.9	341.9	336.9	346.9
Net lending	17.4	19.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equalization Fund	0.0	0.0	9.6	7.6	15.2	9.6	18.6	18.6	22.6	22.6	23.1	23.1
County Transfers	380.4	444.6	484.8	484.8	495.5	495.5	473.5	473.5	483.0	483.0	509.4	509.4
Equitable Share	354.6	418.3	415.0	415.0	420.0	420.0	440.9	440.9	450.4	450.4	476.7	476.7
Conditional Allocation	25.8	26.3	69.8	69.8	75.5	75.5	32.7	32.7	32.7	32.7	32.7	32.7
Contingency Fund	0.0	0.0	2.0	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Fiscal Balance (commitment basis excl. grants)</b>	<b>-902.5</b>	<b>-1,052.4</b>	<b>-948.2</b>	<b>-1,239.4</b>	<b>-1,181.3</b>	<b>-1,155.5</b>	<b>-925.5</b>	<b>-892.5</b>	<b>-936.1</b>	<b>-904.4</b>	<b>-883.8</b>	<b>-962.9</b>
Grants	22.0	33.3	47.2	34.8	54.4	43.6	58.8	58.8	67.1	67.1	77.1	77.1
<b>Fiscal Balance (cash basis incl. grants) Exl. SGR</b>	<b>-880.5</b>	<b>-1,019.1</b>	<b>-901.0</b>	<b>-1,204.5</b>	<b>-1,126.9</b>	<b>-1,111.8</b>	<b>-866.6</b>	<b>-833.7</b>	<b>-869.1</b>	<b>-837.3</b>	<b>-806.7</b>	<b>-885.8</b>
Adjustment to Cash Basis	45.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fiscal Balance (incl. grants) Cash Basis</b>	<b>-835.1</b>	<b>-1,019.1</b>	<b>-901.0</b>	<b>-1,204.5</b>	<b>-1,126.9</b>	<b>-1,111.8</b>	<b>-866.6</b>	<b>-833.7</b>	<b>-869.1</b>	<b>-837.3</b>	<b>-806.7</b>	<b>-885.8</b>
Statistical discrepancy	-16.8	15.1	0.0	-5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL FINANCING</b>	<b>818.3</b>	<b>1,034.2</b>	<b>901.0</b>	<b>1,199.4</b>	<b>1,126.9</b>	<b>1,111.8</b>	<b>866.6</b>	<b>833.7</b>	<b>869.1</b>	<b>837.3</b>	<b>806.7</b>	<b>885.8</b>
Net Foreign Financing	222.7	179.7	287.4	225.8	225.5	116.2	235.9	287.8	225.1	153.3	98.0	148.3
Disbursements	760.5	527.0	627.6	899.6	564.5	529.0	674.7	674.7	639.3	639.3	685.0	634.3
Commercial Financing	286.9	253.1	221.2	540.1	145.6	145.6	224.1	224.1	140.0	140.0	200.7	140.0
of which: External Debt Operations - Refinancing	0.0	188.3	0.0	143.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Project loans (AIA + Revenue)	155.8	151.4	211.2	224.6	227.0	191.6	258.8	258.8	307.5	307.5	292.5	302.5
o/w: Project loans (AIA)	68.3	65.6	86.5	100.5	100.8	75.3	123.3	123.3	140.3	140.3	135.3	145.3
Project Loans Revenue	87.4	85.8	124.6	124.2	126.2	116.3	135.6	135.6	167.2	167.2	157.2	157.2
Use of IMF SDR Allocation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEC Funds	0.0	8.8	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Programme Loans	317.8	113.7	195.3	130.9	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8
o/w: P for R Programme Loans	18.2	15.3	3.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF - EFF/ECF/RSF	135.1	50.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
World Bank DPO	154.1	21.8	170.5	101.4	170.5	170.5	170.5	170.5	170.5	170.5	170.5	170.5
AfDB	0.0	26.3	21.3	26.0	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3
Debt repayment - Principal	-537.8	-347.3	-340.2	-673.8	-339.0	-412.9	-438.9	-387.0	-414.2	-486.0	-387.0	-486.0
Net Domestic Financing	595.6	854.5	613.5	973.6	901.4	995.7	630.8	545.9	643.9	684.0	708.7	737.4
<b>Memo items</b>												
Gross Debt (Stock)	10,582.0	11,810.8	12,711.8	13,010.3	14,078.4	14,122.1	14,596.0	14,955.8	15,465.1	15,793.1	16,271.9	16,678.9
External Debt	5,171.7	5,484.8	5,772.3	5,710.7	5,965.1	5,826.8	6,250.0	6,114.6	6,475.1	6,267.9	6,573.1	6,416.3
Domestic Debt (gross)	5,410.3	6,326.0	6,939.6	7,299.6	8,113.3	8,295.3	8,346.1	8,841.2	8,990.0	9,525.2	9,698.8	10,262.6
Domestic Debt (net)	4,884.1	5,735.5	6,349.0	6,709.1	7,522.8	7,704.7	7,755.5	8,250.6	8,399.5	8,934.6	9,108.2	9,672.1
Financing gap	-62.2	15.1	0.0	-5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Nominal GDP</b>	<b>15,633.0</b>	<b>16,904.9</b>	<b>19,272.8</b>	<b>18,642.5</b>	<b>20,947.4</b>	<b>20,816.8</b>	<b>23,126.1</b>	<b>23,126.5</b>	<b>25,527.4</b>	<b>25,649.5</b>	<b>28,158.0</b>	<b>28,345.7</b>

Source: The National Treasury

## Annex Table 2b: Fiscal Framework (Percent of GDP)

	2023/24	2024/25	2025/26		2026/27		2027/28		2028/29		2029/30	
	Act.	Prel.	Budget	Suppl.1	Approved BPS 2026	Budget	BROP 2025	BPS 2026	BROP 2025	BPS 2026	BROP 2025	BPS 2026
<b>TOTAL REVENUE</b>	17.3	17.3	17.2	18.2	16.9	17.4	17.5	17.5	17.1	16.9	16.7	16.6
Ordinary Revenue (Tax+Non-Tax Revenue)	14.6	14.3	14.3	14.9	13.9	14.3	14.6	14.7	14.3	14.3	14.0	14.0
Tax Revenue	13.9	13.4	13.6	14.0	13.5	13.7	13.4	13.4	13.2	13.2	13.2	13.1
Income Tax	6.7	6.5	6.7	6.8	6.5	6.6	6.4	6.4	6.3	6.3	6.3	6.3
Import duty (net)	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Excise duty	1.8	1.7	1.7	1.7	1.7	1.8	1.7	1.7	1.7	1.7	1.7	1.7
Value Added Tax	4.1	3.9	4.0	4.1	4.0	4.0	4.1	4.1	4.0	4.0	4.0	4.0
Other Tax Revenue	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Non-Tax Revenue	0.8	0.9	0.7	1.0	0.4	0.6	1.3	1.3	1.1	1.1	0.9	0.9
Ministerial Appropriation in Aid	2.6	3.0	2.9	3.3	3.0	3.1	2.8	2.8	2.8	2.6	2.6	2.6
Railway Development Levy	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
African Union & Int'l Subscription Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recurrent	1.7	1.2	1.2	1.4	1.2	1.3	1.2	1.1	1.2	1.0	1.1	1.0
Road Maintenance Levy - Normal	0.0	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.3	0.3
NMS - Recurrent	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
PDL - Recurrent	0.1	0.3	0.2	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.2	0.2
NMS - Development	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
PDL - Development	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Housing Development Levy	0.3	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
<b>EXPENDITURE AND NET LENDING</b>	23.1	23.5	22.2	24.9	22.5	23.0	21.5	21.3	20.8	20.4	19.8	20.0
Recurrent expenditure	17.1	17.4	16.3	18.2	16.5	17.0	15.6	15.4	14.8	14.5	14.0	14.2
Interest payments	5.4	5.9	5.7	6.0	5.7	6.0	5.3	5.2	4.9	4.8	4.3	4.5
Domestic interest	4.0	4.6	4.4	4.7	4.6	4.7	4.3	4.1	3.9	3.8	3.4	3.6
Foreign Interest	1.4	1.2	1.3	1.3	1.2	1.3	1.1	1.1	1.0	1.0	0.9	0.9
Pensions & Other CFS	0.9	1.0	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.9	0.8	0.8
Pensions	0.9	1.0	1.0	1.1	1.0	1.0	0.9	0.9	0.9	0.9	0.8	0.8
Other CFS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to Civil Service Pension Fund	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net Issues/Net Expenditure	8.8	8.5	7.6	9.0	7.9	8.0	7.4	7.4	7.1	7.1	7.2	7.2
O/W: Wages & Salaries	3.7	3.7	3.4	3.7	3.4	3.4	3.3	3.3	3.1	3.1	2.9	2.9
Free Secondary education	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Free Primary Education	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Junior Secondary School - Capitation	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
IEBC	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Defense and NIS	1.3	1.4	1.3	1.4	1.4	1.4	1.1	1.3	1.0	1.2	0.9	0.9
Others	3.0	2.8	2.3	3.1	2.4	2.6	2.3	2.1	2.2	2.1	2.6	2.6
Ministerial Recurrent AIA	1.8	1.8	1.7	1.9	1.7	1.8	1.7	1.7	1.7	1.5	1.5	1.5
Development and Net lending	3.5	3.4	3.4	4.1	3.6	3.6	3.8	3.8	4.1	4.1	4.0	4.0
Domestically financed (Gross)	2.4	2.4	2.3	2.9	2.5	2.7	2.5	2.5	2.7	2.6	2.7	2.7
O/W Domestically Financed (Net)/NMS	1.6	1.3	1.2	1.7	1.3	1.5	1.5	1.5	1.7	1.7	1.7	1.7
Ministerial Development AIA	1.3	1.0	1.0	1.2	1.1	1.2	1.0	1.0	1.0	1.0	1.0	0.9
Foreign financed	1.0	1.0	1.0	1.1	1.1	0.9	1.2	1.2	1.3	1.3	1.2	1.2
Net lending	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equalization Fund	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
County Transfers	2.4	2.6	2.5	2.6	2.4	2.4	2.0	2.0	1.9	1.9	1.8	1.8
Equitable Share	2.3	2.5	2.2	2.2	2.0	2.0	1.9	1.9	1.8	1.8	1.7	1.7
Conditional Allocation	0.2	0.2	0.4	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1
Contingency Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fiscal Balance (commitment basis excl. grants)</b>	-5.8	-6.2	-4.9	-6.6	-5.6	-5.6	-4.0	-3.9	-3.7	-3.5	-3.1	-3.4
Grants	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3
<b>Fiscal Balance (incl. grants)</b>	-5.6	-6.0	-4.7	-6.5	-5.4	-5.3	-3.7	-3.6	-3.4	-3.3	-2.9	-3.1
Adjustment to Cash Basis	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fiscal Balance (incl. grants) Cash Basis</b>	-5.3	-6.0	-4.7	-6.5	-5.4	-5.3	-3.7	-3.6	-3.4	-3.3	-2.9	-3.1
Statistical discrepancy	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL FINANCING</b>	5.2	6.1	4.7	6.4	5.4	5.3	3.7	3.6	3.4	3.3	2.9	3.1
Net Foreign Financing	1.4	1.1	1.5	1.2	1.1	0.6	1.0	1.2	0.9	0.6	0.3	0.5
Disbursements	4.9	3.1	3.3	4.8	2.7	2.5	2.9	2.9	2.5	2.5	2.4	2.2
Commercial Financing	1.8	1.5	1.1	2.9	0.7	0.7	1.0	1.0	0.5	0.5	0.7	0.5
of which: External Debt Operations - Refinancing	0.0	1.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Project loans (AIA + Revenue)	1.0	0.9	1.1	1.2	1.1	0.9	1.1	1.1	1.2	1.2	1.0	1.1
o/w: Project loans (AIA)	0.4	0.4	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Project Loans Revenue	0.6	0.5	0.6	0.7	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6
Use of IMF SDR Allocation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEC Funds	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Programme Loans	2.0	0.7	1.0	0.7	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.7
o/w: P for R Programme Loans	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF - EFF/ECF/RSF	0.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
World Bank DPO	1.0	0.1	0.9	0.5	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6
AfDB	0.0	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt repayment - Principal	-3.4	-2.1	-1.8	-3.6	-1.6	-2.0	-1.9	-1.7	-1.6	-1.9	-2.1	-1.7
<b>Net Domestic Financing</b>	3.8	5.1	3.2	5.2	4.3	4.8	2.7	2.4	2.5	2.7	2.5	2.6
Memo items												
Gross Debt (Stock)	67.7	69.9	66.0	69.8	67.2	67.8	63.1	64.7	60.6	61.6	57.8	58.8
External Debt	33.1	32.4	30.0	30.6	28.5	28.0	27.0	26.4	25.4	24.4	23.3	22.6
Domestic Debt (gross)	34.6	37.4	36.0	39.2	38.7	39.8	36.1	38.2	35.2	37.1	34.4	36.2
Domestic Debt (net)	31.2	33.9	32.9	36.0	35.9	37.0	33.5	35.7	32.9	34.8	32.3	34.1
Financing gap	-0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Nominal GDP</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: The National Treasury

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million)**

<b>S/NO.</b>	<b>Thematic Areas</b>	<b>KSh Million</b>
<b>1</b>	<b>Agriculture and Food Security</b>	<b>62,956.2</b>
	Fertilizer Subsidy Programme	18,000.0
	Sugar Reforms Support	2,470.0
	Seed Subsidy Programme	2,000.0
	Cotton Industry Revitalization	150.0
	National Edible Oil Crops Promotion Project	320.0
	Horticultural Produce Compliance Enhancement Project	300.0
	Food Security and Crop Diversification Project	527.1
	Kenya Cereal Enhancement Programme	460.0
	Pyrethrum Recovery	100.0
	Development of Agriculture Technology Innovation Centres	250.0
	Youth and Women Empowerment in Modern Agriculture	36.0
	Enable Youth Programme	1,320.0
	National Agricultural Value Chain Development Project (NAVCDP)	4,675.0
	Food Systems Resilience Project	5,413.0
	MSME Agricultural Credit	1,000.0
	Resilience for Food & Nutrition Security Program	1,590.0
	Development of Aggregation Centres	262.0
	Integrated Natural Resources Management Programme	2,491.1
	Tea Research Factory Development- Tea Research Institute	300.0
	Revamping GMO Safety Measures in Kenya	200.0
	Seed cane Multiplication and Popularization	300.0
	Livestock Value Chain Support Project	500.0
	De-Risking, Inclusion & Value Enhancement of Pastoral Economie	3,300.0
	Embryo Transfer Project	100.0
	Hides, Skins and Leather Fund	200.0
	Kenya Livestock Commercialization Programme (KeLCoP)	1,323.0
	Towards Ending Drought Emergencies in Kenya (TWEENDE)	178.0
	Kabonyo Fisheries & Aquaculture Training Center	577.6
	Aquaculture Business Development Project	1,938.7
	Kenya Marine Fisheries & Socio-Economic Development Project	1,922.0
	Development of Blue Economy Initiatives- Fish Landing Sites	171.0
	Acquisition of Land Parcel - Kedong Ranch	1,723.6
	Settlement of Landless - Coast Region	5,000.0
	Settlement of the Landles	1,497.9
	Processing and Registration of Title deeds	891.7
	Digitization of Land Registries	387.5
	Construction of Land Registries	291.0
	National Land Value Index	30.0
	Geo Referencing of Land Parcels	99.0
	Development of Inventory for Public Land	76.0
	Final Survey and Vesting of Compulsory Acquired Public Land	150.0
	Compulsory Land Acquisition.	435.0

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

<b>S/NO.</b>	<b>Thematic Areas</b>	<b>KSh Million</b>
<b>2</b>	<b>Transport</b>	<b>51,781.9</b>
	Dongo Kundu Special Economic Zone	4,200.0
	Rehabilitation of The Nairobi - Nanyuki - MGR Branch Line	150.0
	Kisumu - Butere MGR	24.0
	Lesuru - Kitale MGR	42.0
	Gilgil - Nyahururu MGR	33.0
	Kisumu Marine School	51.0
	Safe Roads/ Usalama Barabarani	50.0
	Acquisition of Ferries for Lake Victoria	150.0
	Development of Nairobi Railway City	436.0
	Riruta - Lenana - Ngong Railway Line	2,034.0
	Nairobi Bus Rapid Transport Project	582.2
	SGR:Land acquisition & Construction of Public institutions Phase 1	2,250.0
	Construction of Access Road to Suswa SGR Station & Maai Mahiu SGR	828.0
	Rehabilitation of Longonot - MalabaMGR Phase II	796.0
	Construction of the Maai-Mahiu DK 2 & Passenger Service MGR Link	351.0
	Mombasa SGR-Miritini MGR & railway bridge across Makupa causeway	681.0
	Rehabilitation of Mombasa MGR Station -Miritini MGR Station Link	1,397.0
	Revitalization & Construction of Voi-Taveta of Transshipment facility	1,400.0
	Upgrade of RTI Infrastructure	215.0
	Procurement of 500 SGR flat wagons & 20 SGR Passengers Coaches	616.0
	Construction of Logistics Hub in Athi River	500.0
	Development of SGR Phase 2B and 2C - 369KM	20,843.1
	LAPSSET Corridor Master Plan	300.0
	Construction of SGR Overhaul Workshop	2,396.0
	Promotion of E-Mobility Project	273.0
	Kenya Urban Mobility Improvement Project	432.1
	Supply & Commissioning of Kenya Railways Rolling Stock	822.0
	Acquisition of SGR Locomotives Wheelsets	2,758.0
	Installation of SGR Passenger Ticketing System	450.0
	Flood Mitigation Works	3,805.0
	Dredging of Kisumu Port	500.0
	Kenya Ferry (a Ramp in Mombasa)	550.0
	Ongata Rongai and Ngong Station SGR Access Road	200.0
	Remanufacture of MGR Locomotives - Phase II	1,067.0
	Improvement of Port Reitz Yard (Line 13&14)	175.0
	Kakamega Airstrip	132.0
	Kabunde Airstrip	100.0
	Migori Airstrip	100.0
	Eldas Airstrip	92.6
<b>3</b>	<b>Roads</b>	<b>230,339.2</b>
	Construction of Roads and Bridges	48,100.6
	Rehabilitation of Roads	64,168.5
	Maintenance of Roads	118,070.0
<b>4</b>	<b>Energy and Petroleum</b>	<b>27,011.5</b>
	National Grid System	7,493.3
	Rural Electrification	16,304.5
	Alternative Energy Technologies	3,213.7

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

<b>S/NO.</b>	<b>Thematic Areas</b>	<b>KSh Million</b>
<b>5</b>	<b>Housing &amp; Urban Development and Public Works</b>	<b>135,810.6</b>
	Social and Physical Infrastructure	18,236.8
	Institutional Housing	20,226.0
	Maintenance of Government Pool Houses	820.3
	Kenya Urban Programme (KenUP)	18,636.5
	Construction of Affordable Housing Units	50,675.4
	Construction of Social Housing Units	20,889.0
	Building Climate Resilience of the Urban Poor Programme (BCRUP)	259.0
	Construction of County Headquarters-BETA	535.0
	Regulation and Development of the Construction Industry	2,359.0
	Construction of Ndaou seawall	382.8
	Construction of Foot Bridges	81.4
	Kenya Informal Settlement Improvement Project - Phase II	2,709.5
<b>6</b>	<b>Information, Communication and Technology</b>	<b>10,472.5</b>
	Maintenance & Rehabilitation of Last Mile County Connectivity	1,528.0
	Kenya Digital Economy Acceleration Project	5,338.0
	Konza Data Center & Smart City Facilities	210.0
	Digital Superhighway- Cyber Security	382.0
	Government Shared Services	383.2
	Digital Hubs	689.0
	Maintenance & Rehabilitation of NOFBI II Expansion Cable	900.0
	ICT Infrastructure Maintenance	455.0
	Connectivity to Health Facilities	62.3
	Construction of Konza Complex Phase 1B	175.0
	E-government Procurement	350.0
<b>7</b>	<b>National Security</b>	<b>566,869.0</b>
	National Intelligence Service	58,617.0
	Defence	250,013.6
	Leasing of Police Motor Vehicles	13,012.0
	Police Modernization Programme	7,039.8
	Construction of the National Police Service Hospital(Completion)	768.0
	Stipend to Village Elders Policy	3,960.0
	Construction & Modernization of National Forensic Facilities	1,332.0
	National Police Service	144,361.8
	Prisons Services/Correctional Services	42,719.2
	Internal Security & National Administration	45,045.6

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

S/NO.	Thematic Areas	KSh Million
<b>8</b>	<b>Governance and Justice</b>	<b>84,301.5</b>
	Public Prosecution	6,642.3
	Ethic and Anti-Corruption	5,096.7
	Judiciary	29,514.5
	General and By-elections	24,965.0
	State Law Office	5,836.1
	Electronic ID (3RD GEN)	2,336.0
	Supplies for ID cards materials-BETA	1,530.0
	Supplies for Passport Production	595.1
	Purchase of e-Passport books	2,036.5
	Digitization of Immigration Records	207.0
	e-Citizen Services-BETA	3,227.5
	Unique Personal Identifier Project-BETA	383.8
	ETA Services	1,931.0
<b>9</b>	<b>Education Sector</b>	<b>668,304.2</b>
	Free Day Secondary Education	54,619.5
	Junior Secondary School Capitation	30,918.6
	Free Primary Education- Capitation	7,008.5
	School Examination and Invigilation Fees	9,900.0
	School Feeding Programme	3,000.0
	Secondary and Primary Infrastructure Improvement	3,000.3
	Digital Literacy Programme & ICT Integration in Secondary Schools	75.0
	Kenya Primary Education Equity in Learning Program	7,089.0
	Kenya Secondary Education Equity Improvement Programme	4,654.0
	Assembly of Assistive Devices - KISE	200.0
	Provision for Intern Teachers	8,160.0
	Conversion of 20,000 Intern Teachers to P&P w.e.f 1st January, 2027	4,920.0
	Teachers Service Commission- Salaries for In- Post including Medical Insurance	406,603.7
	Teacher Capacity Development	1,202.3
	Construction and Equipping TTIs and Vocational Training Education Centers(Ongoing)	1,671.1
	Infrastructure Support to National Polytechnics	194.4
	GoK-AfDB Technical, Vocational Education Training & Entrepreneurship	1,544.6
	Kenya - China TVET Project Phase (III)	1,280.5
	Digitalization for Technical & Vocational Education & Training	702.9
	East Africa Skills Transformation and Regional Integration	500.0
	Promotion of Youth Employment and Vocational Training in Kenya I	909.6
	Promotion of Youth Employment and Vocational Training in Kenya II	600.0
	Promotion of Youth Employment thro' Scholarships	300.0
	Promotion of Young People Through Scholarships - Phase V	419.1
	Scholarship for University Students	30,869.2
	Higher Education Loans Board	56,708.0
	CBA- Arrears for Universities and CBA for 2021-2025	6,681.0
	Differentiated Unit Cost(DUC for Universities- Ongoing Students	6,614.7
	Support for Higher Education Science and Technology - Phase II	2,719.0
	University Education- Ongoing Projects	4,783.2
	Research, Science, Technology and Innovation	1,256.1
	Scholarship for TVET Students	9,200.0

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

<b>S/NO.</b>	<b>Thematic Areas</b>	<b>KSh Million</b>
<b>10</b>	<b>Health Sector</b>	<b>170,730.5</b>
	Kenyatta National Hospital-Recurrent	18,817.6
	Moi Referral and Teaching Hospital	11,638.4
	Kenya Medical Research Institute	3,072.0
	Kenya Medical Supplies Authority	20,892.0
	Kenya Medical Training College	11,324.5
	Kenyatta University Teaching Referral & Research Hospital (KUTRRH).	7,111.4
	Mwai Kibaki Teaching & Referral Hospital Othaya	1,428.8
	Jaramogi Oginga Odinga Teaching and Referral Hospital	3,931.3
	Mathari National Teaching and Referral Hospital	1,924.2
	Training for Health Personnel	242.0
	Community Health Promoters- Stipend	3,234.9
	Community Health Promoters- Medical Insurance(SHA)	396.0
	Primary Health Care Fund	19,100.0
	The Emergencies, Chronic & Critical Illness Fund	4,000.0
	Health Insurance Subsidy Program for Orphans Vulnerable Children	430.4
	Universal Health Coverage (UHC Health Workers)- Conditional Grant	8,937.6
	Human Resources for Health Internship	9,316.3
	Global Fund (HIV, Malaria & TB)	18,493.1
	KNH Burns and Pediatrics Centre	487.0
	Renovation/Equipping Buildings-Mathari Teaching & Referral Hospital	200.0
	Renovation & Equipping of National Spinal Injury Hospital	150.0
	Procurement of Equipment at the National Blood Transfusion Services	600.0
	Cancer & Chronic Disease Management Centre- MTRH	72.0
	Construction and upgrading of KEMRI Laboratories( Kirinyaga & Kombewa)	145.0
	Construction of a Cancer Centre at Kisii Level 5 Hospital	1,016.0
	Strengthening of Cancer Management at KNH	300.0
	Research and Development - KEMRI	150.0
	1082102401 Refurbishment/Renovation and Replacement of Obsolete Equipment - KNH	300.0
	Expansion of Comprehensive Cancer Centre - KUTRRH	150.0
	Procurement of Family Planning & Reproductive Health Commodities	500.0
	Vaccines Programme	6,360.0
	Human Vaccine Production	244.0
	EA's Centers of Excel. for Skills & Tertiary Edu. in Biosciences- II	972.0
	Integrated Reproductive Health Programme	1,250.0
	Acquisition of Specialized Medical Equipment CHP	700.0
	Health emergency Preparedness, Response & Resilience Program	700.0
	Reproductive, Maternal, Neonatal Child & Adolescent Health Project	3,800.0
	Infrastructure Upgrade-Jaramogi Oginga Odinga Teaching & Ref. Hos	190.0
	Construction of New 2000 Bed Multi-specialty MTRH	2,000.0
	Mwai Kibaki Referral Hospital - Renovation & Infrastructure Upgrade.	150.0
	Procurement of Anti TB Drugs Not covered under Global fund TB Programme	300.0
	Snake Anti-venom Processing Plant Facility	300.0
	Dietetics Services Improvement	100.6
	Construction and Equipping of Tuition Block and Laboratories at KMTC	317.2
	Infrastructure upgrade at Kenya Institute of Primate Research	105.5
	Central Radioactive Waste Processing Facility- Ololua	107.7
	Building Resilience and Responsive Health System Project	4,773.0

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

S/NO.	Thematic Areas	KSh Million
<b>11</b>	<b>Manufacturing and Industrialization</b>	<b>19,237.6</b>
	Infrastructure and Civil Works Development - KITI	177.6
	Development of SEZ Textile Park Naivasha	504.0
	Flagship Export Processing Zone Hubs (EPZA)-BETA	705.0
	Development of Athi River Textile Hub. EPZA	602.0
	Development of Leather Industrial Park - Kenanie-BETA	200.0
	Establishment of Commodities Exchange Platform	149.8
	Warehouse Receipt System Council	149.0
	Modernization of standards Laboratory	67.5
	Industrial Research Laboratories – KIRDI	500.0
	Enhancement of the Accreditation Programme in Kenya	150.0
	Construction of Constituency Industrial Centers	141.0
	Centre for Entrepreneurship Project	550.0
	Dairy Processing (Powdered Milk)	500.0
	Coffee Debt Waiver	2,000.0
	Coffee Cherry Revolving Fund	1,500.0
	Coffee Industry Revitalization - BETA	250.0
	Modernization of New KPCU- Nairobi Warehouse	532.8
	Modernization and Revitalization of Cotton Ginneries( Homabay & Meru)	178.0
	Rural Kenya Financial Inclusion Facility (RK-FINFA)	1,145.0
	Supporting Access to Finance & Enterprise Recovery (SAFER)	5,386.0
	Establishment of County Integrated Agro-Industrial Parks	3,850.0
<b>12</b>	<b>Social Protection and Affirmative Action</b>	<b>41,779.3</b>
	Cash Transfer to Elderly Persons	25,089.3
	Cash Transfer to Orphans and Vulnerable Children	8,930.7
	Cash Transfers to Persons with Severe Disability	1,503.7
	National Drought Emergency Fund	165.6
	Hunger Safety Net Programme	4,268.0
	National Development Fund for Persons With Disabilities (PWDs)	135.0
	National Fund for the Disabled of Kenya	550.0
	Presidential Bursary	100.0
	Child Welfare Society of Kenya	600.0
	National Autism Support Programme	100.0
	National Albinism Support Programme	100.0
	Street Families Rehabilitation Trust Fund (SFRTF)	237.0

**Annex Table 3: Key Allocations to Thematic Areas in FY 2026/27  
(KSh Million) ... Cont'd**

<b>S/NO.</b>	<b>Thematic Areas</b>	<b>KSh Million</b>
<b>13</b>	<b>Equity, Poverty Reduction, Women and Youth Empowerment</b>	<b>109,728.7</b>
	National Youth Opportunity Towards Achievement(NYOTA)	4,728.0
	Youth Employment Support Programme	2,000.0
	National Youth Service (NYS)	12,478.4
	Kenya Jobs Economic Transformation (KJET)	2,400.0
	Youth Empowerment Centers	80.0
	Youth Enterprise Development Fund	317.7
	Youth Employment and Enterprise (Uwezo Fund)	100.0
	Women Enterprise Fund	410.0
	Sanitary Towels	940.0
	National Government Affirmative Action Fund	4,000.0
	National Government Constituency Development Fund	61,797.7
	Equalization Fund	9,602.2
	Eradicate FGM by 2030	110.0
	Kenya Devolution Support Programme No. II	10,423.9
	East African Regional Statistics Programme For Results	341.0
<b>14</b>	<b>Sports Culture, Recreation and Tourism</b>	<b>45,420.5</b>
	Sports, Arts and Social Development Fund	24,900.0
	Land Compensation for Talanta Stadium	3,800.0
	Tourism Fund	14,187.0
	Pamoja AFCON 2027	1,500.0
	Anti-Doping Agency of Kenya	305.4
	Sports Kenya	442.3
	Kenya Academy of Sports	285.8
<b>15</b>	<b>Environmental Protection, Water &amp; Natural Resources</b>	<b>117,508.6</b>
	Forests Resources Conservation and Management	14,422.8
	Forests Research and Development	1,688.9
	Tree Growing Campaign and Rangeland Restoration	3,720.0
	National Solid Waste Management	2,400.0
	Meteorological Service	1,784.6
	Environment Management and Protection	4,512.4
	Water Resources Management	6,499.9
	Water and Sewerage Infrastructure Development	47,001.3
	Water Storage and Flood Control	2,006.1
	Large Scale Commercial Irrigation Development	1,240.0
	Farmer-Led Irrigation Development	175.0
	Community Managed Irrigation Development	2,552.6
	Public Irrigation Schemes	2,844.0
	Revitalizing Irrigation in ASAL Areas	1,562.6
	Wildlife Security, Conservation and Management	15,058.6
	Wildlife Research and Development	1,152.9
	Kenya Financing Locally Led Climate Action (FLOCA)	8,886.8
	<b>TOTAL</b>	<b>2,342,251.8</b>

**Annex Table 4: Additional Allocations to County Governments for FY 2026/27**

S/NO	Project Description	Implementing MDA	Amount in KSh
<b>I. Unconditional Additional Allocations Financed from National Governments Share of Revenue</b>			
1	Unconditional Additional Allocations from Court fines	The National Treasury/ The Judiciary	148,259,370
2	Unconditional Additional Allocations from 20% Share of Mineral Royalties to County Governments	The National Treasury/ State Department for Mining	1,833,138,821
<b>Sub Total</b>			<b>1,981,388,191</b>
<b>II. Conditional Additional Allocations Financed from National Governments Share of Revenue</b>			
1	Conditional Additional Allocations for the Community Health Promoters (CHPs) Programme	State Department for Public Health and Professional Standards	3,234,930,000
2	Conditional Additional Allocations to Supplement Construction of County Headquarters	State Department for Public Works	523,010,000
3	Conditional Additional Allocations for the County Aggregation and Industrial Parks (CAIPs) Programme	State Department for Industry	3,250,000,000
4	Conditional Additional Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	State Department for Housing and Urban Development	365,991,679
5	Conditional Additional Allocations for the Remuneration of Universal Health Coverage (UHC) Workers	State Department for Medical Services	8,937,615,000
<b>Sub Total</b>			<b>16,311,546,679</b>
<b>III. Conditional Additional Allocations Financed from Proceeds of Loans and Grants from Development Partners</b>			
1	ADF (France) - Kenya Informal Settlement Improvement Project (KISIP) II	State Department for Housing and Urban Development	400,000,000
2	IDA (World Bank) - Building Resilience & Responsive Health Systems (BREHS)	State Department for Public Health and Professional Standards	7,800,000,000
3	KfW - Financing Locally-led Climate Action (FLOCA) Program - County Climate Resilience Investment Grant (CCRI-G)	The National Treasury	1,200,000,000
4	IDA (World Bank) - Financing Locally-led Climate Action (FLOCA) Program - County Climate Resilience Investment Grant (CCRI-G)	The National Treasury	6,187,500,000
5	IDA (World Bank) - Food Systems Resilience Project (FSRP)	State Department for Agriculture	3,900,000,000
6	IDA (World Bank) - National Agricultural Value Chain Development Project (NAVCDP)	State Department for Agriculture	3,560,000,000
7	IDA (World Bank) - Water and Sanitation Development Project (WSDP)	State Department for Water and Sanitation	850,000,000
8	IDA (World Bank) - Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	State Department for Housing and Urban Development	954,734,992
9	IDA (World Bank) - Second Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG)	State Department for Housing and Urban Development	16,703,171,420
10	IFAD - Kenya Livestock Commercialization Project (KeLCoP)	State Department for Housing and Urban Development	378,730,000
11	KfW - Drought Resilience Programme in Northern Kenya (DRPNK)	State Department for Irrigation	853,600,000
13	IDA (World Bank) - Second Kenya Devolution Support Program (KDSP II) - Institutional Grant (Level 1 Grant)	State Department for Devolution	1,762,500,000
14	IDA (World Bank) - Second Kenya Devolution Support Program - Service Delivery and Investment Grant (Level 2 Grant) (KDSP)	State Department for Devolution	7,755,000,000
15	IDA (World Bank) - Kenya Water, Sanitation and Hygiene (K-WASH) Programme	State Department for Water and Sanitation	4,282,086,900
16	IFAD - Integrated Natural Resource Management (INReM) Programme	State Department for Agriculture	812,442,000
<b>Sub Total</b>			<b>57,399,765,312</b>
<b>GRAND TOTAL</b>			<b>75,692,700,182</b>



