



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

*Approved
SWA
30/9/26.*

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026
PUBLIC PETITIONS COMMITTEE

REPORT ON-

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

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



Directorate of Audit Appropriations &
General-Purpose Committees
Clerk's Chambers
Main Parliament Buildings
NAIROBI

SEPTEMBER, 2026

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CHAIRPERSON'S FOREWORD

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

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

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

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

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

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

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1. PREFACE

1.1 Establishment and Mandate of the Committee

- 1) The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:
 - i) considering all public petitions tabled in the House;
 - ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
 - iii) recommending whether the findings arising from consideration of a petition should be debated; and
 - iv) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

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

Chairperson

Hon. Muchangi Karemba, CBS, M.P.

Runyenjes Constituency

United Democratic Alliance (UDA)

Vice Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.

Turbo Constituency

United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.

Mavoko Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Edith Vethi Nyenze, M.P.

Kitui West Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Ntwiga Patrick Munene, M.P.

Chuka Igambang'ombe Constituency

United Democratic Alliance (UDA)

Hon. Maisori Marwa Kitayama, M.P.

Kuria East Constituency

United Democratic Alliance (UDA)

Hon. Joshua Chepyegon Kandie, M.P.

Baringo Central Constituency

United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, M.P.

Dagoretti North Constituency

Orange Democratic Movement (ODM)

Hon. Bernard Muriuki Nebart, M.P.

Mbeere South Constituency

Independent

Hon. Biego Paul Kibichy, M.P.

Chesumei

United Democratic Alliance (UDA)

Hon. Peter Irungu Kihungi, M.P.

Kangema Constituency

Maendeleo Chap Chap Party (MCCP)

Hon. John Bwire Okano, M.P.

Taveta Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Mbogho Shake, M.P.

Mwatate Constituency

Jubilee Party (JP)

Hon. Sloya Clement Logova, M.P.

Sabatia Constituency

United Democratic Alliance (UDA)

Hon. Suzanne Ndunge Kiamba, M.P.

Makueni Constituency

Wiper Democratic Movement-Kenya (WDM-K)

1.3 Committee Secretariat

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

Lead Clerk
Mr. Victor Weke
Principal Clerk Assistant II

Ms. Miriam Modo
First Clerk Assistant

Mr. Benard Toroitich
Third Clerk Assistant

Ms. Kafuyai Wamae
Third Clerk Assistant

Mr. Clinton Sindiga
Legal Counsel II

Ms. Nancy Akinyi
Research Officer III

Ms. Viola Saiya
Research Officer III

Ms. Roselyne Njuki
Principal Serjeant-at-Arms

Mr. Paul Shana
Serjeant-at-Arms

Mr. Pascal Valerian
Hansard Officer III

Mr. Collins Mahamba
Audio Officer III

Ms. Felistus Muiya
Public Communication Officer

Ms. Fridah Ngari
Media Relations Officer III

Mr. Chacha Machage
Senior Fiscal Analyst

PART TWO

2. BACKGROUND OF THE PETITION

2.1 Introduction

- 4) The Petitioners state that the growing public debt burden has emerged as a significant governance and fiscal concern, with implications for Kenya's fiscal sustainability, delivery of public services, economic opportunities and inter-generational equity. They contend that the continued accumulation of public debt poses risks to the country's long-term development and the fiscal burden borne by future generations.
- 5) The Petitioners emphasize the need to strengthen parliamentary oversight of public debt contracting, management and reporting to ensure that borrowing decisions are prudent, transparent and aligned with national development priorities. In their view, effective parliamentary scrutiny is necessary to promote accountability in public borrowing and safeguard public resources.
- 6) The Petitioners further observe that the absence of a comprehensive, regularly updated and publicly accessible Public Debt Registry constrains effective scrutiny of public borrowing and debt sustainability by Parliament and the public. They propose a centralized registry consolidating information on domestic and external public debt, including creditors, borrowing terms, guarantees, maturity profiles and debt-servicing obligations.
- 7) The Petitioners also raise concerns regarding the limited mechanisms for structured inter-generational dialogue on public debt and fiscal policy. They contend that discussions on public debt are often concentrated within technical and national-level forums, with limited participation by local communities and different generations. They therefore call for broader and more inclusive engagement in public debt policy and long-term fiscal decision-making.

2.2 Petitioners' Prayers

- 8) The Petitioners prayed that the National Assembly, through the Public Petitions Committee—
 - i) Strengthens parliamentary oversight of public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments. In particular, the Petitioners propose the enactment of a twenty-four (24) month freeze on new borrowing commencing in FY 2027/28 and the introduction of a mandatory bi-annual address to Parliament by the Cabinet Secretary responsible for the National Treasury on the status of Kenya's public debt.
 - ii) Enhances the transparency and accessibility of public debt information by ensuring comprehensive and timely disclosure of debt information in digital formats that are accessible and understandable to the general public. In particular, the Petitioners propose amendments to the Public Finance Management (National Government) Regulations, 2015 to require publication, within thirty (30) days, of all new loan contracts, guarantees and information on pending bills. They further propose the digitization of historical public debt

- records, in accordance with the Access to Information Act, to enhance public access, transparency and accountability.
- iii) Institutionalizes greater public participation in public debt matters by strengthening engagement between Parliament, citizens and civil society organizations through regular public hearings, petitions, stakeholder consultations and effective feedback mechanisms. The Petitioners contend that these mechanisms would provide the public with greater opportunities to participate in discussions and decision-making relating to public borrowing and debt management.
 - iv) Integrates inter-generational equity considerations into public debt management by incorporating the interests of present and future generations into public debt policy formulation, medium- and long-term fiscal planning, and legislative oversight processes, consistent with the Constitution of Kenya

PART THREE

3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION

3.1 The Petitioners

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

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

- 16) The Petitioners also submitted that the management of public debt has implications for civic engagement and social stability. They emphasized the importance of dialogue and structured engagement between citizens and Parliament in addressing concerns regarding public debt and urged the National Assembly to exercise its constitutional mandate in making difficult fiscal and policy decisions necessary to restore debt sustainability.
- 17) Against this background, the Petitioners posed the question of whether the prevailing public debt position satisfies the constitutional principle of inter-generational equity where future generations may inherit substantial repayment obligations, constrained fiscal space, reduced access to quality public services and limited economic opportunities, while having had no direct role in the borrowing decisions giving rise to those obligations.
- 18) The Petitioners therefore called upon the National Assembly to strengthen its oversight of public borrowing and debt management, particularly with respect to transparency of existing debt obligations and scrutiny of new borrowing. They submitted that Parliament should act as a safeguard against the continued accumulation of debt that may not be consistent with fiscal sustainability and inter-generational equity.
- 19) As a specific corrective measure, the Petitioners proposed a twenty-four (24) month freeze on new borrowing commencing in FY 2027/28. They further proposed that the National Assembly require the Executive to prepare a balanced or zero-deficit budget for FY 2027/28, thereby eliminating the need for additional borrowing during the proposed period.
- 20) In support of this proposal, the Petitioners referred to the approved FY 2026/27 fiscal deficit of approximately Kshs. 1.1 trillion, which would require additional financing. They submitted that achieving a zero-deficit budget in FY 2027/28 would require expenditure rationalization, strengthened measures against corruption, greater fiscal discipline and the temporary deferment of non-priority capital expenditure.
- 21) Finally, the Petitioners emphasized that effective parliamentary and public oversight of public debt depends on access to timely, accurate and reliable information. They therefore called for greater transparency and disclosure of public debt information, noting that access to information under Article 35 of the Constitution is fundamental to enabling citizens and oversight institutions to hold public institutions accountable for borrowing and debt-management decisions.

3.2 Parliamentary Budget Office

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

- 22) The Petition raises concerns regarding public debt transparency, accountability and sustainability, as well as public participation and the implications of public borrowing for present and future generations.
- 23) The Petition was developed with the support of the Bunge Mashinani Initiative, the National Democratic Institute, the Institute of Social Accountability and Odhumo Kenya. These institutions support civic education, citizen participation, accountable governance and public engagement on public finance matters, including fiscal policy and public debt management.

- 24) The Petition is anchored on Articles 1, 10, 118, 119, 201 and 221 of the Constitution of Kenya, 2010, the Public Finance Management Act, 2012, and Standing Order 225 of the National Assembly Standing Orders. It calls upon the National Assembly to strengthen its oversight of public debt contracting, management and reporting, while enhancing debt transparency, public participation and consideration of inter-generational equity in fiscal decision-making.
- 25) As at April 2026, Kenya's total public debt stood at approximately Kshs. 12.86 trillion, equivalent to 69.4 percent of GDP. Domestic debt accounted for Kshs. 7.19 trillion, representing approximately 56 percent of the total debt stock, while external debt amounted to Kshs. 5.67 trillion, or approximately 44 percent. In present value terms, public debt was estimated at approximately 65 percent of GDP, exceeding the statutory debt anchor of 55 percent of GDP, with a permissible deviation of five percentage points, which is required to be achieved by October 2028.
- 26) The accumulation of public debt has largely reflected persistent fiscal deficits arising from expenditure requirements that have exceeded available revenues. Over time, these pressures have been associated with increased infrastructure expenditure, the fiscal and economic effects of the COVID-19 pandemic, revenue underperformance and other emerging expenditure requirements. Consequently, Government has continued to borrow to finance annual fiscal deficits and meet approved expenditure obligations.
- 27) The fiscal deficit for FY 2025/26 is estimated at approximately Kshs. 1.2 trillion. The persistence of sizeable fiscal deficits implies continued reliance on borrowing and, consequently, further accumulation of public debt unless accompanied by sufficient economic and revenue growth, expenditure rationalization and sustained fiscal consolidation.
- 28) The Committee was informed that the continued growth in the public debt stock gives rise to a number of fiscal and macroeconomic concerns, including the following:
 - i) Rising debt-service expenditure: The increase in the public debt stock has translated into higher debt-service obligations. Public debt service expenditure is projected at approximately Kshs. 2.31 trillion in FY 2026/27, absorbing a substantial proportion of ordinary revenue and Consolidated Fund Services expenditure. This reduces the fiscal space available for development expenditure, social services and other priority Government programs.
 - ii) Debt sustainability and vulnerability to shocks: Kenya remains assessed as being at high risk of debt distress, indicating heightened vulnerability of the public debt portfolio to adverse macroeconomic developments. These include exchange-rate depreciation, increases in interest rates, revenue underperformance, refinancing pressures and external economic shocks. Persistent fiscal deficits and elevated debt-service obligations may further constrain the Government's capacity to respond to economic, fiscal or climate-related shocks without resorting to additional borrowing.
 - iii) Crowding-out of development expenditure: As a larger share of Government resources is committed to interest payments and debt redemptions, fewer resources remain

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

- iv) Increased reliance on domestic borrowing: The growing reliance on domestic borrowing exposes the Government to relatively high interest costs and refinancing risks. Sustained Government borrowing from the domestic financial market may also compete with the private sector for available credit, potentially increasing borrowing costs and constraining credit available for private investment.
- v) Refinancing and liquidity risks: A debt portfolio with significant short- and medium-term maturities requires frequent refinancing. This exposes the Government to changes in market interest rates, investor appetite and liquidity conditions. Where maturing obligations are refinanced at higher interest rates, debt-service costs increase and place additional pressure on the fiscal framework.

Institutional Framework for Public Debt Management and Oversight

- 29) Public debt management in Kenya operates within a broad constitutional, legal and institutional framework involving several public institutions with distinct but complementary responsibilities. The National Assembly does not exercise public debt oversight in isolation. The framework includes the National Treasury, the Public Debt Management Office, the Controller of Budget, the Office of the Auditor-General, the Central Bank of Kenya, Ministries, Departments and Agencies, State Corporations and other institutions involved in borrowing, budget implementation, reporting, audit and accountability.
- 30) Consistent with the constitutional principle of separation of powers, each institution performs its respective mandate while remaining subject to the applicable accountability mechanisms within the public finance management framework. The National Assembly provides legislative oversight and accountability through consideration of debt management strategies, borrowing plans, public debt reports, budget estimates, Consolidated Fund Services expenditure and audit findings. These processes enable the House to scrutinize the sustainability, affordability, transparency, risks and development impact of public borrowing.

The National Assembly

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

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

The National Treasury and the Public Debt Management Office

- 33) The National Treasury is the principal institution responsible for public debt management. Under the Public Finance Management Act, 2012, the National Treasury is responsible for managing the level and composition of public debt, public guarantees and other financial obligations of the National Government in a manner consistent with fiscal sustainability.
- 34) Sections 62 to 64 of the Public Finance Management Act establish the Public Debt Management Office within the National Treasury. Among its functions, the Office is responsible for implementing Government debt management policy with the objective of minimizing financing costs over the medium to long term while taking account of associated risks; maintaining reliable and up-to-date public debt records; preparing and implementing the National Government borrowing plan; managing debt-service obligations; and facilitating the issuance of Government debt securities.

The Controller of Budget

- 35) The Office of the Controller of Budget is established under Article 228 of the Constitution and is responsible for overseeing implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds, including the Consolidated Fund and County Revenue Funds.
- 36) In relation to public debt, the Controller of Budget provides an important layer of fiscal oversight by monitoring withdrawals from the Consolidated Fund and reporting on budget implementation. The Office's periodic budget implementation reports provide Parliament and the public with information relevant to expenditure performance and the broader fiscal position.

The Office of the Auditor-General

- 37) The Office of the Auditor-General is established under Article 229 of the Constitution and is responsible for auditing and reporting on the accounts of public entities, including those of the National Government. Its mandate provides an important mechanism for enhancing transparency, accountability and value for money in the management of public resources.
- 38) In relation to public debt, audit processes may examine debt-service expenditure, public guarantees, loan-financed projects, utilization of borrowed resources, contingent liabilities and compliance with applicable laws and approvals. Audit findings therefore provide an

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

Ministries, Departments, Agencies and State Corporations

- 39) Ministries, Departments, Agencies and State Corporations play an important role in the implementation of projects and programmes financed through public borrowing. Their responsibilities include project preparation and appraisal, procurement, implementation, monitoring and reporting, as well as ensuring that debt-financed projects deliver their intended economic and social outcomes.
- 40) The effectiveness of debt-financed expenditure therefore depends partly on the capacity of implementing entities to develop bankable projects, utilize committed funds within agreed timelines, meet counterpart-funding obligations, manage project costs and deliver measurable development outcomes. Weaknesses in project preparation and implementation may contribute to delayed disbursements, commitment fees, project delays, cost escalations and diminished value for money.

The Legal Framework for Public Debt Management

The Constitution of Kenya, 2010

- 41) The Constitution provides the overarching framework governing public finance and public debt management. Article 214 defines public debt as all financial obligations arising from loans raised or guaranteed and securities issued or guaranteed by the National Government. It further provides that public debt is a charge on the Consolidated Fund unless an Act of Parliament provides for all or part of the debt to be charged on another public fund.
- 42) Article 206 establishes the Consolidated Fund into which money raised or received by or on behalf of the National Government is paid, except where otherwise provided by law. Public debt-service expenditure charged on the Consolidated Fund constitutes Consolidated Fund Services expenditure and is therefore not subject to annual appropriation in the same manner as voted expenditure. The related estimates are, however, submitted to the National Assembly for consideration and oversight.
- 43) Article 201 further establishes the principles governing public finance, including openness and accountability, public participation, equitable sharing of the burdens and benefits arising from the use of resources and public borrowing between present and future generations, prudent and responsible use of public money, and responsible financial management.

The Public Finance Management Act, 2012

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

- 45) In relation to public debt, the Act requires the National Treasury to manage the level and composition of public debt, public guarantees and other financial obligations of the National Government within the applicable fiscal responsibility framework. It further provides the framework through which domestic and external resources are mobilized to finance approved Government requirements.
- 46) The Act also establishes fiscal responsibility principles relevant to public borrowing. These include the requirement that, over the medium term, Government borrowing should be directed towards financing development expenditure rather than recurrent expenditure; that public debt and other financial obligations should be maintained at sustainable levels; and that fiscal risks should be managed prudently.
- 47) Section 49 of the Public Finance Management Act provides the statutory basis for borrowing by the National Government. It authorizes the Cabinet Secretary responsible for the National Treasury to borrow on behalf of the National Government subject to the Constitution, the Act and other applicable requirements governing public borrowing and fiscal management.
- 48) The existing institutional and legal framework demonstrates that Kenya has established mechanisms for the management, reporting and oversight of public debt. The National Treasury already provides substantial information through instruments including the Annual Public Debt Management Report, the Medium-Term Debt Management Strategy, Annual Borrowing Plans, debt registers, budget documents and other fiscal reports. The principal concern is therefore not necessarily the absence of public debt information, but its consolidation, accessibility, timeliness, comprehensiveness and usefulness to Parliament, citizens and other stakeholders.
- 49) The Petition also raises matters that the National Assembly has previously considered through resolutions of the House and recommendations arising from scrutiny of public debt reports and strategies. These include strengthening parliamentary oversight of borrowing; improving debt reporting and transparency; enhancing public participation in debt-management strategies; strengthening management of fiscal risks; reducing commitment fees; improving utilization of borrowed resources; and containing the growth of debt-service costs.
- 50) The concerns raised by the Petitioners regarding public debt sustainability, transparency, citizen participation and inter-generational equity are therefore relevant to the continuing development of Kenya's public debt management framework. At the same time, notable institutional measures have been undertaken by the National Assembly, including the establishment of the Public Debt and Privatization Committee, enhanced scrutiny of public debt reports and strategies, engagement with technical and oversight institutions, and increased stakeholder participation in parliamentary consideration of public debt matters.
- 51) The key consideration is therefore how the National Assembly can build upon the existing legal and institutional framework by strengthening implementation of House resolutions, improving the quality and accessibility of public debt information, enhancing accountability for the utilization of borrowed resources and developing a more proactive and integrated framework for parliamentary oversight of public debt.

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

3.3 Office of the Controller of Budget

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

- 53) Article 228 of the Constitution establishes the Office of the Controller of Budget (CoB) and mandates it to oversee implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds. Article 228(6) further requires the Controller of Budget to submit reports to each House of Parliament and the respective County Assemblies every four months on the implementation of their budgets.
- 54) The contracting and management of public debt is primarily undertaken by the National Treasury through the Public Debt Management Office established under the Public Finance Management Act, 2012, within the constitutional and statutory framework governing national government borrowing and parliamentary oversight.
- 55) The CoB does not contract, negotiate or guarantee public debt. Its constitutional mandate in relation to public debt is principally exercised during budget implementation, particularly through oversight of withdrawals from public funds, including withdrawals relating to public debt-service expenditure, and subsequent reporting on budget implementation.
- 56) This distinction was relevant to the Committee's consideration of the Petition. While the Office is well placed to address matters relating to budget implementation, transparency, accountability and reporting, decisions relating to debt contracting, borrowing strategies and the broader public debt management framework fall within the respective mandates of the National Treasury, Parliament and other institutions involved in public debt management.
- 57) The CoB prepares and publishes periodic National and County Government Budget Implementation Review Reports. These reports provide information on actual expenditure, including public debt-service expenditure, against approved budgetary provisions and are made publicly accessible. They therefore provide Parliament and the public with an independent source of information on the implementation of debt-service expenditure.
- 58) Where the CoB identifies material variances or other issues relating to approved budgetary provisions and actual withdrawals for debt-service expenditure, these are highlighted through its budget implementation reports submitted to Parliament pursuant to Article 228(6) of the Constitution, as summarized in the table below.
- 59) The existing reporting framework therefore provides an important source of independent information that may complement initiatives aimed at strengthening public debt transparency and accountability. Rather than establishing parallel reporting arrangements, consideration may be given to improving the coordination, accessibility and integration of

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

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

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

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

61) The CoB therefore recommends that;

- i) The Public Finance Management Act, 2012 be amended to expressly require the National Treasury to establish, maintain and regularly update a comprehensive Public Debt Registry, rather than enact separate stand-alone legislation for this purpose. This would consolidate the proposed reforms within the existing public financial management framework and would be consistent with the CoB's earlier submissions made during consideration of amendments to the Public Finance Management Act.
- ii) The establishment of a statutory mechanism for periodic reconciliation of information contained in the proposed Public Debt Registry with debt-service expenditure reported in its Budget Implementation Review Reports. Such reconciliation would facilitate comparison between public debt stock and debt-service information and enable material discrepancies or variances to be identified and reported to Parliament.
- iii) Continued modernization and automation of public debt recording and settlement processes, including implementation of the Commonwealth Meridian debt management system and greater automation of public debt settlement processes. This would improve the accuracy, timeliness and consistency of public debt information across relevant institutions.
- iv) Strengthening and adequately resourcing existing independent analytical institutions, including the Parliamentary Budget Office and the Office of the Controller of Budget, to enhance long-term debt sustainability analysis and independent scrutiny of public debt, rather than establishing an additional advisory body with potentially overlapping functions.
- v) Clear delineation of the respective responsibilities of the National Treasury, the Central Bank of Kenya, Parliament and the Office of the Controller of Budget in public debt management, implementation, reporting and oversight. This would minimize

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

- vi) Inter-generational equity considerations be incorporated within the existing fiscal responsibility framework under section 15 of the Public Finance Management Act, 2012, and supported through structured public participation at both the national and county levels.
- 62) In conclusion, the Controller of Budget welcomed the objectives of Petition No. 10 of 2026 and acknowledged the concerns raised by the Petitioners regarding prudent, transparent and inter-generationally equitable management of public debt. The Office reaffirmed its constitutional mandate under Article 228 of the Constitution to independently oversee budget implementation and expressed its commitment to continued engagement with Parliament in strengthening transparency, accountability and oversight in the management of public finances.

3.4 Office of the Auditor General

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

- 63) The Office of the Auditor-General (OAG) supported the objectives of Petition No. 10 of 2026, noting that prudent public debt management is critical to fiscal sustainability, accountability, effective public service delivery and safeguarding the interests of future generations. The OAG observed that while public borrowing is a legitimate instrument for financing development, it should be undertaken transparently, sustainably and in a manner that supports national development priorities.
- 64) Pursuant to Article 229 of the Constitution, it is mandated to audit and report on the accounts of public entities and provide independent assurance on whether public resources have been applied lawfully and effectively. Through financial, compliance, performance and special audits, the Office provides Parliament with independent information relevant to the management of public debt, utilization of borrowed resources and associated fiscal obligations.
- 65) As at 30th June 2025, Kenya's public debt stood at approximately Kshs. 11.825 trillion, equivalent to 67.8 percent of GDP, while debt-service expenditure absorbed a significant proportion of ordinary revenue. The Office observed that persistent fiscal deficits, increasing debt-service costs and unreported or inadequately disclosed liabilities may constrain fiscal space and heighten public debt sustainability risks.
- 66) Recurring audit findings relating to weaknesses in public debt management, including unreconciled debt balances, inconsistencies in debt records, weaknesses in internal controls and documentation, inadequate project preparation and fragmented debt information systems. The Office also reported that approximately Kshs. 7.65 billion in commitment fees had been incurred on undrawn loan balances between FY 2020/21 and FY 2024/25.

- 67) These weaknesses may undermine the accuracy and reliability of public debt information, increase the cost of borrowing and reduce the value derived from debt-financed expenditure. It therefore emphasized the need to strengthen governance, transparency, internal controls and accountability throughout the public debt management cycle, from project identification and loan contracting to disbursement, implementation, debt servicing and evaluation.
- 68) In response to the prayers of the Petition, the OAG supported measures aimed at strengthening parliamentary oversight of public debt; improving the comprehensiveness and accessibility of public debt information; establishing a comprehensive Public Debt Registry; strengthening independent debt sustainability analysis; enhancing monitoring of debt-financed projects; incorporating inter-generational equity considerations into public debt policy; and expanding meaningful public participation in public debt governance.
- 69) The OAG further informed the Committee that it was finalizing a comprehensive audit of public debt undertaken at the request of the National Assembly's Public Accounts Committee. The audit is expected to provide further findings and recommendations relevant to parliamentary oversight and the management of public debt.
- 70) The Auditor-General therefore recommends that:
- i) Parliamentary oversight be strengthened across the entire public debt management cycle, including loan contracting, utilization of borrowed resources, debt servicing and evaluation of debt-financed projects;
 - ii) Independent technical and analytical expertise be institutionalized and strengthened to support informed decision-making on public borrowing and debt sustainability;
 - iii) Monitoring, evaluation and reporting on debt-financed projects be strengthened to ensure that borrowed resources are utilized for their intended purposes and generate measurable economic and social returns;
 - iv) Fiscal discipline and institutional coordination among entities involved in public debt management, reporting, implementation and oversight be strengthened;
 - v) Adherence to the applicable public debt sustainability framework and fiscal responsibility requirements be enhanced; and
 - vi) Mechanisms for monitoring and implementing audit recommendations relating to public debt and debt-financed expenditure be strengthened to ensure timely corrective action

3.5 The National Treasury

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

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

- 72) The Constitution of Kenya, 2010 and the Public Finance Management Act, 2012 provide the principal framework governing public borrowing and debt management, including provisions relating to parliamentary oversight, transparency and accountability, fiscal responsibility, debt sustainability and reporting to Parliament.
- 73) Regarding the Petitioners' proposal for the establishment of a Public Debt Registry, the National Treasury submitted that a comprehensive Public Debt Register already exists and is maintained through the Meridian Debt Management System. It further indicated that the External Public Debt Register is publicly accessible through the National Treasury's website.
- 74) Public debt information is regularly disseminated through various reports and publications, including the Monthly Public Debt Bulletin, Annual Public Debt Management Report, Medium-Term Debt Management Strategy, Annual Borrowing Plan, Budget Policy Statement and Debt Sustainability Analyses. These documents collectively provide information on the level and composition of public debt, borrowing strategies, debt-service obligations and associated fiscal risks.
- 75) Public and Publicly Guaranteed Debt stood at approximately Kshs. 11.81 trillion as at June 2025, equivalent to 67.8 percent of GDP. By March 2026, the debt stock had increased to approximately Kshs. 12.83 trillion, comprising Kshs. 7.15 trillion in domestic debt and Kshs. 5.68 trillion in external debt.
- 76) The National Treasury acknowledged that the present value of public debt as a proportion of GDP remained above the statutory debt anchor of 55 percent of GDP. It informed the Committee that the Government was implementing fiscal consolidation measures aimed at bringing public debt within the applicable statutory framework by October 2028.
- 77) On inter-generational equity, the National Treasury submitted that the principle is already incorporated within the existing public debt and fiscal management framework. It cited the statutory debt anchor, public participation undertaken during the budget process, debt sustainability analysis and the Government's borrowing strategy, including the prioritization of concessional external financing and longer-term domestic debt instruments, as measures intended to promote sustainable borrowing and equitable distribution of the costs and benefits of public debt over time.
- 78) Regarding parliamentary and institutional oversight, the National Treasury observed that public debt is subject to scrutiny by several institutions exercising distinct but complementary mandates. These include the National Assembly and the Senate, relevant parliamentary committees including the Public Debt and Privatization Committee and the Public Accounts Committee, the Parliamentary Budget Office, the Office of the Auditor-General and the Office of the Controller of Budget.
- 79) In response to the specific prayers of the Petition, the National Treasury maintained that the existing institutional framework provides the principal mechanisms necessary for public debt management and oversight. It further submitted that a Public Debt Register already exists; independent technical analysis is available through institutions including the Parliamentary Budget Office; and mechanisms for public participation are provided for within the existing public financial management framework.

- 80) Notwithstanding the existing framework, the National Treasury acknowledged the need to strengthen public communication and stakeholder engagement on public debt matters. In particular, it recognized the importance of producing simplified and more accessible public debt information to improve public understanding of debt levels, borrowing decisions, debt-service obligations and associated fiscal risks.
- 81) The National Treasury further outlined ongoing reforms aimed at strengthening public debt management and domestic debt-market infrastructure. These include digitization of debt-payment processes; enhancement of the Meridian Debt Management System; operationalization of the Registrar of National Government Securities; expansion of retail participation in Government securities through platforms such as DhowCSD and M-Akiba; and exploration of alternative financing instruments, including Sustainability-Linked Bonds.
- 82) In conclusion, the National Treasury submitted that Kenya's public debt governance framework is substantially established and anchored in the Constitution and the Public Finance Management Act, 2012. It nevertheless reaffirmed its commitment to continuously strengthening debt management practices, transparency, accountability, public participation and accessibility of public debt information.

PART FOUR

4. COMMITTEE OBSERVATIONS

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

- 83) The Petition raises legitimate concerns regarding the rapid growth of Kenya's public debt and its implications for fiscal sustainability, economic development, and intergenerational equity as envisaged under Article 201(c) of the Constitution.
- 84) Kenya's public debt remains above the statutory debt anchor of 55 percent of GDP in present value terms, underscoring the importance of continued fiscal consolidation, prudent borrowing, and effective debt management to ensure long-term fiscal sustainability.
- 85) Although substantial debt information is published by the National Treasury, the information remains scattered across multiple reports, making it difficult for independent users to access comprehensive and timely debt information. Moreover, the reporting format may not be user-friendly, especially to the youth.
- 86) Rising debt service obligations continue to consume a significant proportion of Government revenue, thereby reducing fiscal space for development programmes and essential public services.
- 87) Kenya remains exposed to debt sustainability risks arising from persistent fiscal deficits, refinancing pressures, exchange rate fluctuations, and increasing debt servicing costs, necessitating prudent borrowing and stronger fiscal discipline.
- 88) The current fiscal space and debt levels have left limited options for government operations and development. A freeze on borrowing would therefore result in massive macro-economic shocks that would be detrimental to the country.
- 89) The target to confine the statutory debt anchor to 55 percent of GDP by October 2028 is geared towards debt sustainability. Fiscal consolidation ought to be sustained by the National Treasury.
- 90) The Petition complements previous House resolutions on public debt governance and highlights the need to strengthen implementation of existing resolutions rather than creating parallel oversight mechanisms.
- 91) The ultimate authority in oversight is the National Assembly, and through its relevant committees, it indeed receives and considers all reports on public debt from the National Treasury, Controller of Budget and the Auditor General.

PART FIVE

5. COMMITTEE RECOMMENDATIONS

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

- i) On the prayer that the National Assembly strengthens its oversight role over public debt contracting, management and reporting, including regular scrutiny of borrowing decisions and debt sustainability assessments by legislating on a 24-month debt freeze from FY 2027/2028 and a mandatory bi-annual parliamentary address by the Cabinet Secretary Finance & National Treasury on the status of existing public debt in Kenya; **the Committee declines to grant the prayer on the 24-month debt freeze, but recommends that the National Treasury ensures strict compliance with the statutory debt anchor target of 55 percent of GDP by October 2028 and sustains fiscal consolidation efforts beyond this target.**
- ii) On the prayer that the National Assembly enhances the transparency and accessibility of public debt information by ensuring comprehensive and timely disclosure of debt information in digital formats that are accessible and understandable to the general public. In particular, the Petitioners propose amendments to the Public Finance Management (National Government) Regulations, 2015 to require publication, within thirty (30) days, of all new loan contracts, guarantees and information on pending bills. And the digitization of historical public debt records, in accordance with the Access to Information Act, to enhance public access, transparency and accountability; **the Committee recommends that within ninety (90) days upon tabling of this report, the National Treasury, submits to the National Assembly amendments to the Public Finance Management Act, 2012 and its attendant Regulations, to expressly require the National Treasury to establish, and maintain an up-to-the-minute comprehensive Public Debt Registry, including matched debt service expenditure.**
- iii) On the prayer that National Assembly enhances and facilitates direct engagement between parliament, citizens and civil society organizations through public hearings, petitions and feedback mechanisms on debt transparency and accountability, and integrates inter-generational equity; **the Committee recommends that the National Treasury enhances public participation and stakeholder engagement during the preparation of the Medium-Term Debt Management Strategy and other key debt policy documents, including use of social media.**

Signed:  Date: 30-09-2026
HON. MUCHANGI KAREMBA, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

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

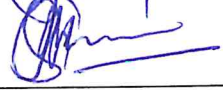
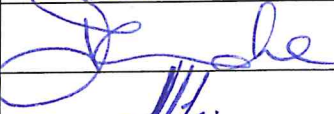
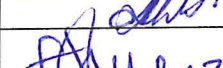
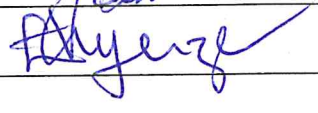
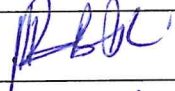
PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

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

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

DATE: 4/9/2026

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

