



## TERMS OF REFERENCE (ToR)

### **Consultancy to Conduct a Reflection Study on the Oversight Role of Parliament in Public Debt Management**

#### **About Mzalendo Trust**

[Mzalendo Trust](#) is a Kenyan non-partisan Parliamentary Monitoring Organization (PMO) started in 2005 and whose mission is to ‘promote open, inclusive, and accountable Parliaments in Kenya and Africa.’ We do so by creating and managing civic tech tools, producing evidence-based research, and leading and facilitating advocacy and partnerships with Parliaments, citizens, and other relevant stakeholders. We believe that success in our work will build more effective and responsive legislation and political processes that ultimately support Kenya’s national development goals. In line with our [Strategic Plan 2021-2025](#), we anchor our work on three main pillars: Openness, Inclusion, and Accountability.

#### **About the Project**

The Royal Norwegian Embassy's grant, titled "**Active Citizens and Independent Public Institutions Re-claiming Kenya's Public Finance Oversight**," is a strategic initiative focused on enhancing transparency, accountability, and citizen engagement in the management of public finances in Kenya. The grant specifically addresses the growing concern around public debt, which has become a critical issue due to the country's rising debt burden. Its overarching goal is to empower active citizens and strengthen the capacity of independent public institutions to effectively oversee how public funds are allocated and used, ensuring they serve the interests of all Kenyans, especially the most vulnerable.

The program is designed to achieve several interrelated outcomes, including improving access to timely and accurate information on public debt, reinforcing the oversight role of independent institutions, and building sustained, citizen-driven advocacy movements that push for greater accountability in public debt management. Emphasizing collaboration, the initiative brings together government agencies, civil society organizations, the media, and local communities to address public finance challenges and promote inclusive participation in decision-making processes.

The implementation of the grant is structured in multiple phases and places a strong emphasis on research, advocacy, and public awareness campaigns.



## **Introduction and Rationale**

Kenya is grappling with an escalating public debt crisis that threatens its economic stability and the welfare of future generations. With over 50% of public revenue now directed towards debt servicing, the burden of public debt has become a central concern for governance, development, and democratic accountability. Despite this, public debt continues to grow at an unsustainable rate rising by over 307% between 2013 and 2021, compared to a 112.8% growth in nominal GDP during the same period.

This sharp increase in public borrowing, especially under the administration between 2013 and 2022, has not yielded proportional economic gains. Instead, it has contributed to heightened fiscal deficits, questionable spending on mega-infrastructure projects, and an overreliance on costly, risky external debt. Kenya's debt-to-GDP ratio surged from 35.66% to 68.22% during this period, while its debt-carrying capacity was downgraded from "strong" to "medium," signaling emerging debt distress.

Parliament plays a constitutionally mandated role in public debt oversight, tasked with approving borrowing, scrutinizing public expenditure, setting debt ceilings, and ensuring compliance with debt management laws. Yet, as the debt crisis worsens, questions abound about the effectiveness of parliamentary oversight. Has Parliament fulfilled its legal obligations? Has it held the Executive to account for excessive borrowing, opaque transactions, and debt sustainability risks? Has it acted in the public interest to ensure transparency, fiscal responsibility, and intergenerational equity?

This reflection study seeks to conduct a comprehensive historical analysis of Parliament's role in overseeing Kenya's public debt from constitutional mandates and legal frameworks to actual practice and outcomes. By tracing key legislative decisions, oversight efforts, and moments of inaction or complicity, the study aims to assess Parliament's performance, identify gaps in legal and institutional frameworks, and generate evidence-based insights for reform. The findings will inform civil society advocacy, policy recommendations, and broader national dialogue on restoring fiscal accountability and democratic control over Kenya's public finances.

## **Purpose and Objectives of the Consultancy**

The purpose of this consultancy is to conduct a Reflection Study that assesses the effectiveness of Parliament's oversight role in public debt management and provides recommendations for strengthening its capacity and performance.

### **Specific Objectives**

To critically reflect on the historical role of Kenya's Parliament in public debt oversight, evaluating its constitutional mandates, legislative actions, and institutional performance, to generate evidence-based insights that inform reforms, strengthen fiscal accountability, and enhance democratic control over public borrowing.

### **Objectives of the Study**

- To analyze the constitutional, legal, and policy frameworks that define Parliament's role in public debt oversight in Kenya.
- To assess the effectiveness of parliamentary actions and decisions related to public borrowing, debt ceilings, and fiscal responsibility between 2013 and 2021.
- To identify key moments of legislative oversight, inaction, or complicity in enabling unsustainable debt accumulation and fiscal mismanagement.
- To evaluate the adequacy of institutional mechanisms, capacities, and accountability systems within Parliament for public debt scrutiny.
- To document the extent of transparency, public participation, and intergenerational equity considerations in parliamentary debt oversight.
- To generate actionable recommendations for legal, institutional, and policy reforms that can enhance Parliament's effectiveness in managing Kenya's public debt.

### **Scope of Work for the Consultant**

The consultant will be responsible for conducting a critical and evidence-based analysis of Kenya's Parliament in relation to public debt oversight. Specifically, the consultant will:

- **Review Constitutional, Legal, and Policy Frameworks:** examine Kenya's Constitution, relevant statutes (e.g., PFM Act, CBK Act), regulations, and policies that define the mandate of Parliament in public debt oversight.
- **Analyze Parliamentary Actions (2013–2021):** Assess legislative decisions, motions, debates, approvals, and rejections related to public borrowing, debt ceilings, and fiscal responsibility.
- **Evaluate the role of key parliamentary committees** such as the Budget and Appropriations Committee, Finance Committee, and Public Accounts Committee.

- Identify Oversight Gaps and Moments of Complicity: pinpoint critical instances where Parliament demonstrated oversight, inaction, or complicity that contributed to unsustainable debt accumulation or fiscal mismanagement.
- Evaluate Institutional Capacity and Accountability Mechanisms. analyze the internal mechanisms and institutional capacity of Parliament for effective scrutiny of public debt: assess the quality and effectiveness of accountability systems in place.
- Assess Transparency, Public Participation, and Intergenerational Equity: examine the extent to which parliamentary processes on public debt involve public participation and transparency.
- Evaluate whether intergenerational equity considerations are factored into debt decisions.
- Develop Evidence-Based Recommendations: propose legal, policy, and institutional reforms to strengthen Parliament's oversight role and improve fiscal accountability and provide practical steps to enhance democratic control over public borrowing.

## Methodology

The consultant will use a qualitative research approach including:

1. **Literature and legal review:** This will include analysis of constitutional provisions, relevant laws (e.g. PFM Act, Public Audit Act), parliamentary Standing Orders, and historical Hansard records. The review will also involve a targeted examination of key oversight reports, including those from the Office of the Auditor-General (OAG) and the Parliamentary Budget Office (PBO). These reports will provide valuable insights into recurring challenges in budget execution, public accountability, and the technical capacity of Parliament in fiscal oversight.
2. **Key Informant Interviews (KIIs):** In-depth interviews will be conducted with Members of Parliament, parliamentary staff, committee clerks, economists, civil society representatives, and legal and policy experts to gather practical insights and validate institutional experiences.
3. **Comparative analysis:** Draw lessons from other Jurisdictions especially in Africa , to identify good practices and institutional models that could inform reforms in Kenya.
4. **Stakeholder validation workshop:** Preliminary findings and recommendations will be presented to key stakeholders for feedback and refinement before finalization of the report.



### **Expected Deliverables**

- Inception Report: Outlining methodology, work plan, and research tools.
- First Draft Report: A comprehensive study report (30–40 pages) for review.
- Validation Workshop: Consultant presents findings to stakeholders for feedback.
- Final Report Revised and formatted report.

### **Timeline**

The assignment will take 30 working days, starting from the date of contract signing.

### **Consultant Qualifications and Experience**

The ideal consultant should have:

1. A Master's degree or higher in Public Policy, Economics, Political Science, Law, or related field.
2. Minimum of 7–10 years' experience in governance, public finance, legislative research, or institutional reform.
3. Proven experience conducting high-level policy or institutional studies.
4. Familiarity with Kenya's budget process, parliamentary system, and PFM framework.
5. Strong writing, research, and analytical skills.
6. Experience working in African political and governance contexts.

### **Tax and VAT Arrangements**

Mzalendo Trust will deduct applicable withholding tax and remit to the Kenya Revenue Authority in accordance with Kenyan tax laws.

### **Ethical Considerations**

Mzalendo Trust is committed to upholding ethical standards throughout this study. The consultant will ensure informed consent, confidentiality, voluntary participation and compliance with Kenya's Data Protection Act. The research will follow a "do no harm" approach, with sensitivity to vulnerable groups. Any ethical concerns or conflicts of interest must be promptly disclosed and addressed in consultation with Mzalendo Trust.



## **How to Apply**

Interested consultants must submit:

1. Technical Proposal: Demonstrating understanding of the assignment, methodology, and relevant experience.
2. Financial Proposal: Including a breakdown of all costs.
3. Updated CV(s) and profile of the lead consultant or team.
4. Applications should be sent to [community@mzalendo.com](mailto:community@mzalendo.com) by 1st July , 2025, with the subject line:
5. "Reflection Study on Parliament's Oversight Role in Public Debt Management"
6. Clarification requests should be submitted by 20th June , 2025 to the same email.