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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FOURTH SESSION – 2025

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON ENERGY AND SELECT COMMITTEE ON PUBLIC DEBT AND PRIVATIZATION

....

JOINT REPORT ON THE CONSIDERATION OF THE SESSIONAL PAPER NO. 2 OF 2025 ON PROPOSED PRIVATIZATION OF KENYA PIPELINE COMPANY (KPC) LIMITED

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 14 AUG 2025	DAY. Thursday
TABLED BY:	Hon. David Gikaria, M.P. Chairperson
CLERK-AT THE-TABLE:	Kanda Tiliter

CLERK'S CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

AUGUST, 2025

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LIST OF ABBREVIATIONS AND ACRONYMS

AG	-	Attorney General
KPC	-	Kenya Pipeline Company
IPO	-	Initial Public Offer
NSE	-	Nairobi Securities Exchange
EABL	-	East Africa Breweries Limited
GoK	-	Government of Kenya
KCB	-	Kenya Commercial Bank
KenGen	-	Kenya Electricity Generating Company
KES	-	Kenya Shillings
ICIFA	-	Institute of Certified Investment and Financial Analysts
CMA	-	Capital Markets Authority
PBT	-	Profit Before Taxation
LPG	-	Liquefied Petroleum Gas
MTCC	-	Morendat Conference Center
FOC	-	Fiber Optic
MIOG	-	Morendat Institute of Gas
ESOP	-	Employee Share Ownership Plan
IEA	-	Institute of Economic Affairs
KPOWU	-	Kenya Petroleum Oil Workers Union

CHAIRPERSON'S FOREWORD

This report contains proceedings of the Joint Committees on Energy and Public Debt & Privatization in accordance with Standing Order No. 202 of the National Assembly on consideration of the Sessional Paper No. 2 of 2025 on the Proposed Privatization of Kenya Pipeline (KPC) Limited through an Initial Public Offer (IPO) on the Nairobi Securities Exchange.

The Sessional Paper No. 2 of 2025 on the Proposed Privatization of Kenya Pipeline (KPC) Limited was tabled in the National Assembly on Tuesday, 5th August 2025 pursuant to Section 23 of the Privatization Act, 2005 and subsequently committed to the Departmental Committee on Energy and Select Committee on Public Debt & Privatization for a joint consideration and reporting to the House. Pursuant to the provisions of Article 118 of the Constitution, the Committees were required to facilitate public participation and make appropriate recommendations to the House on the Sessional Paper.

The proposed privatization aims to raise funds budgeted for in the 2025/2026 budget required to implement economic and social objectives. It will empower Kenyans to own a stake in one of the country's profitable and strategic enterprises, promote inclusive economic growth and strengthen transparency and corporate governance through stock exchange listings and regulatory oversight. The inclusion of an Employee Share Ownership Plan (ESOP) will ensure that staff share in the company's future growth.

An advertisement was placed in the dailies on Wednesday, 6th August 2025 pursuant to Article 118(1) (b) of the Constitution of Kenya, 2010, to facilitate public participation on the Sessional Paper. The Joint Committee received and considered memoranda from forty (40) members of the public by Wednesday, 13th August 2025 as per the ***Matrix attached in Annex 5.***

Further, vide letters REF: NA/DDC/ENERGY/2025/056, REF: NA/DDC/ENERGY/2025/057, REF: NA/DDC/ENERGY/2025/058 and REF: NA/DDC/ENERGY/2025/059 dated 7th August 2025, the Committee invited stakeholders for a retreat at Hilton Garden Inn Hotel, Machakos County to receive their submissions on the Sessional Paper. The Committee met the following stakeholders; —

i. The National Treasury and Economic Planning
ii. Ministry of Energy and Petroleum
iii. Privatization Commotion
iv. Office of the Attorney General
v. Central Bank of Kenya
vi. Nairobi Securities Exchange
vii. Capital Market Authority
viii. Institute of Certified Investment and Financial Analysis
ix. Institute of Economic Affairs
x. Kenya Petroleum Oil Workers Union

The Joint Committee held a total of six (6) sittings, both in-house and stakeholder engagements and recommends that the House **approves** the Sessional Paper No. 2 of 2025 on the Proposed Privatization of Kenya Pipeline (KPC) Limited through an Initial Public Offer (IPO) on the Nairobi Securities Exchange.

The Committees are grateful to the office of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it in the execution of its mandate.

Finally, we express our appreciation to Members of the two Committee and the Secretariat for their patience, sacrifice, endurance and commitment to the assignment, which enabled the Committee to complete the task within the stipulated period.

It is therefore my pleasant duty and privilege, on behalf of the Joint Committees on Energy and the Public Debt & Privatization to table its Report on consideration of the Sessional Paper No. 2 of 2025 on the Proposed Privatization of Kenya Pipeline (KPC) Limited through an Initial Public Offer (IPO) on the Nairobi Securities Exchange for consideration and adoption by the House.

Hon. David Gikaria, C.B.S, M.P.
Chairperson, Departmental Committee on Energy

The. Hon. Abdi Shurie, CBS, M.P.
Chairperson, Select Committee on Public Debt & Privatization

PART I

1.0 PREFACE

1.1 Introduction

1. This is the report of the Joint Committees on Energy and Public Debt & Privatization on its consideration of the Sessional Paper No. 2 of 2025 on Proposed Privatization of Kenya Pipeline (KPC) Limited through an Initial Public Offer (IPO) on the Nairobi Securities Exchange pursuant to Section 23 of the Privatization Act, 2005.

1.2 Establishment and Mandate of the Departmental Committee on Energy

2. The Departmental Committee on Energy is one of the twenty Departmental Committees of the National Assembly established under Standing Order 216 whose mandates pursuant to the Standing Order 216 (5) are as follows:
   i. ***To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;***
   ii. *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
   iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
   iv. *To study and review all legislation referred to it;*
   v. *To study, assess and analyze the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
   vi. *To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary, and as may be referred to them by the House;*
   vii. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
   viii. *To examine treaties, agreements and conventions;*
   ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
   x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
   xi. *To examine any questions raised by Members on a matter within its mandate.*

3. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider the following Subject: Fossil fuel exploration, development, production, maintenance and distribution, nuclear energy, clean energy, and regulation of energy.

4. In executing its mandate, the Committee oversees the Ministry of Energy and Petroleum.

1.2.1 Committee Membership

5. The Committee was constituted by the House on 27th October, 2022 and comprises of the following Members:

Chairperson
Hon. David Gikaria,CBS, MP
Nakuru Town East Constituency
UDA Party

Vice-Chairperson
Hon. Lemanken Aramat, MP
Narok East Constituency
UDA Party

Members

Hon. Charles Gimose, MP
Hamisi Constituency
ANC Party

Hon. Siyad Amina Udgoon, MP
Garissa County
Jubilee Party

Hon. Walter Owino, MP
Awendo Constituency
ODM Party

Hon. Barongo Nolfason Obadiah., MP
Bomachoge Borabu Constituency
ODM Party

Hon. Musili Mawathe, MP
Embakasi South Constituency
WDM - K Party

Hon. George Aladwa Omwera, MP
Makadara Constituency
ODM Party

Hon. Elisha Odhiambo, MP
Gem Constituency
ODM Party

Hon. Cecilia Asinyen Ng'itit, MP
Turkana County
UDA Party

Hon. Gonzi Rai, MP
Kinango Constituency
ODM Party

Hon. Victor Koech Kipngetich
Chepalungu Constituency
CCM Party

Hon. Simon King'ara, MP
Ruiru Constituency
UDA Party

Hon. Geoffrey Ekesa Mulanya, MP
Nambale Constituency
Independent

Hon. Tom Mboya Odege, MP
Nyatike Constituency
ODM Party

1.2.2 Committee Secretariat

6. The Committee is facilitated by the following staff:

Mr. Fredrick O. Otieno
Clerk Assistant I/Head of Secretariat

Mr. Salim Athuman **Clerk Assistant III**	Ms. Brigita Mati **Legal Counsel I**
Mr. Brian Njeru **Fiscal Analyst III**	Mr. Robert Langat **Research Officer III**
Mr. Ambrose Nguti **Media Relations Officer II**	Ms. Viola Saiya **Research Officer III**
Ms. Viola Saiya **Research Officer III**	Ms. Lillian Aluga **Public Communications Officer**
Mr. Anthony Wamae **Serjeant-At-Arms**	Mrs. Rehema Koech **Audio Officer III**

1.3 Establishment and Mandate of the Select Committee on Public Debt and Privatization

7. The powers of each House of Parliament to establish committees and to make Standing Orders for the orderly conduct of its proceedings are provided for under Article 124 of the Constitution of Kenya, 2010. To ensure effective oversight on matters concerning public debt, debt guarantees, public-private partnerships, and the privatization of national assets, the National Assembly Standing Order 207A establishes the Public Debt and Privatization Committee, which is tasked with specific mandates such as:

   i. Oversight of public debt and guarantees, pursuant to Article 214 of the Constitution
   ii. Examine matters relating to debt guarantees by the National government;
   iii. Oversight Consolidated Fund Services excluding audited accounts;
   iv. Examine reports on the status of the economy in respect of the public debt;
   v. Oversight of public-private partnership programs by the national government with respect of the public debt; and
   vi. Oversight privatization of national assets

8. This Committee is therefore mandated, among other functions, to examine the Consolidated Fund Service Expenditures and propose recommendations to the House for adoption.

1.3.1 Membership of the Committee

9. The Public Debt and Privatization Committee as currently constituted, comprises the following Members of Parliament: -

CHAIRPERSON
Hon. Abdi Shurie, CBS, M.P.
Balambala Constituency
Jubilee Party

VICE-CHAIRPERSON
Hon. Njoki Irene Mrembo, M.P
Bahati Constituency
Jubilee Party

Hon. Omboko Milemba M.P
Emuhaya Constituency
ANC Party

Hon. (CPA) Suleka, H. Harun. M.P
Nominated MP
UDM Party

Hon. (Dr.) Irene Kasalu M.P
Kitui County
Wiper Party

Hon. Kipkoros Joseph Makilap M.P
Baringo North Constituency
UDA Party

Hon. Kwenya, Thuku Zachary, M.P
Kinangop Constituency
Jubilee Party

Hon. Chege Njuguna M.P
Kandara Constituency
UDA Party

Hon. Muiruri Muthama Stanley, M.P
Lamu West Constituency
Jubilee Party

Hon. Abdi Ali Abdi, M.P
Ijara Constituency
NAP-K

Hon. Aden Daud, EBS, M.P
Wajir East Constituency
Jubilee Party

Hon. Kirwa Abraham Kipsang, M.P
Mosop Constituency
UDA Party

Hon. (Dr.) Daniel Manduku, M.P
Nyaribari Masaba Constituency
ODM Party

Hon. Letipila Dominic Eli, M.P
Samburu North Constituency
UDA Party

Hon. Barongo Nolfason Obadiah, M.P
Bomachoge Borabu Constituency
ODM Party

1.3.2 Committee Secretariat

10. The Committee is supported by the following Secretariat:

Mr. Leonard Machira
Principal Clerk Assistant II & Head of Secretariat

Mr. Chacha Machage
Senior Fiscal Analyst / Clerk Assistant

Ms. Julie Mwithiga
Senior Fiscal Analyst

Mr. Job Mugalavai
Fiscal Analyst II/ Clerk Assistant

Ms. Loice Olesia
Fiscal Analyst II

Ms. Audrey Ogutu
Legal Counsel II

Mr. Timothy Chiko
Research Officer III

Ms. Edith Chepngeno
Media Relations Officer III

Ms. Mwanaasha Juma
Assistant Serjeant-at-Arms

Mr. George Mbaluka
Office Assistant

Mr. Danton Nirvana
Audio Officer III

PART II

2.0 THE SESSIONAL PAPER NO. 2 OF 2025 ON THE PROPOSED PRIVATIZATION OF KENYA PIPELINE (KPC) LIMITED THROUGH AN INITIAL PUBLIC OFFER (IPO) ON THE NAIROBI SECURITIES EXCHANGE

2.1 ANALYSIS OF THE SESSIONAL PAPER

2.1.1 Overview

11. On 31st July 2025, the Cabinet Secretary submitted to the National Assembly a Sessional Paper proposing the privatization of Kenya Pipeline Company Limited (KPC) through an Initial Public Offering (IPO) on the Nairobi Securities Exchange (NSE). This submission aligns with Sections 23 and 24 of the Privatization Act, 2005, and follows the Privatization Programme approved by the Cabinet in December 2008 and gazetted on 14th August 2009 to support resource mobilization.

12. The Sessional Paper was tabled in the National Assembly on Tuesday, 5th August 2025, and referred to the Departmental Committee on Energy and the Select Committee on Public Debt and Privatization for joint consideration in accordance with Standing Order No. 202 of the National Assembly.

13. An advertisement was published in the daily newspapers on Wednesday, 6th August 2025, inviting Kenyans to submit their responses regarding the Sessional Paper by 5:00 pm on Wednesday, 13th August 2025. The National Assembly invited major stakeholders such as The National Treasury, Privatization Commission, Nairobi Securities Exchange, Capital Markets Authority, Ministry of Energy & Petroleum and its agencies, Attorney General's Office, and civil society representatives to participate. In this regard, the National Assembly conducted public participation on the Sessional Paper, and the related documentation is attached to this report.

14. Privatization is the transfer of government ownership in a State-Owned Enterprise (SOE) to private hands, either fully or partially. In tight fiscal conditions, it helps raise budget funds and shifts investment and operating costs from the government to the private sector. Privatization proceeds are a one-time withdrawal of equity, not an ongoing income. As such, any privatization review should ensure the SOE becomes more efficient and that the proceeds yield strong returns, support long-term growth, and benefit future generations.

15. The National Treasury, which holds 99.9% of KPC shares, has proposed privatizing the company through an Initial Public Offering (IPO) at the NSE. The plan outlined in the Paper would allow the government to retain a stake in KPC while potentially raising approximately Kshs. 100 billion in non-tax revenue for the FY 2025/26 budget. During discussions, the National Treasury stated that no more than 65% of government ownership in the company would be privatized, resulting in the government maintaining 35% control.

16. Listing KPC on the NSE through an Initial Public Offer (IPO) and making the offer available to both local and international investors is anticipated to enhance market diversification, which is currently dominated by commercial banks and major listed companies such as Safaricom and EABL. As a key player in the energy sector, KPC's listing would increase sector representation, broaden investment opportunities, improve capital accessibility, and further develop Kenya's capital markets.

17. The privatization proposal comes at a time when the government is intensifying domestic resource mobilization efforts to contain a widening fiscal deficit and curb the growth of public debt, which stood at over Kshs. 11.6 trillion as of June 2025. For FY 2025/26, the fiscal deficit is projected at Kshs. 923.15 billion (4.8% of GDP). Financing this gap will rely heavily on net domestic borrowing of Kshs. 635.5 billion (3.3% of GDP) and net external borrowing of Kshs. 287.7 billion (1.5% of GDP). However, limited access to external concessional financing due to stricter global credit conditions and reduced multilateral lending has increased reliance on domestic capital markets.

18. The government's revenue shortfall has led to increased efforts to diversify funding, particularly through asset monetization and privatization, to avoid taxing citizens further or incurring costly debt. The privatization program is part of a broader fiscal strategy aimed at closing the budget gap and maintaining economic stability. The National Treasury stated that Kshs. 100 billion from the IPO will help achieve the Kshs. 149 billion as proceeds from privatization as contained in the fiscal framework for the FY 2025/26 budget, with proceeds designated for settling domestic arrears.

2.1.2 The Kenya Pipeline Company (KPC) Limited

a. **Infrastructure**

19. The Kenya Pipeline Company (KPC) was incorporated in 1973 and began operations in 1978 to provide an efficient, safe, and cost-effective means of transporting petroleum products, enhance national energy security, and position Kenya as a regional hub for petroleum distribution. Currently, the KPC is wholly government-owned, with 99.9% of the shares held by the National Treasury and 0.1% by the Ministry of Energy and Petroleum.

20. KPC operates 1,342 kilometres of pipeline infrastructure, including the flagship 20-inch Line 5 (Mombasa-Nairobi, 450km, 1,750 m^3/hour capacity), western Kenya pipelines, i.e., Nairobi to Eldoret (Lines 2&4) and Sinedet to Kisumu (Lines 3&6), plus the 4km Shimanzi spur pipeline. The company maintains 1.128 million cubic meters of storage capacity across strategic locations (Mombasa, Nairobi, Nakuru, Eldoret, and Kisumu), comprehensive road/rail loading terminals, oil jetties, including the ultra-modern KOT[1] 2 offshore jetty (4.0-4.5 million liters/hour capacity), and the Lake Victoria marine facility in Kisumu, among other facilities.

21. As of October 2023, the Kenya Pipeline Company (KPC) acquired Kenya Petroleum Refineries Limited (KPRL) through a share transfer, which included additional infrastructure such as pipelines, storage tanks, and truck loading facilities. This acquisition expanded KPC's operational assets and its capacity for fuel transportation and storage. KPRL's undeveloped land is available for future infrastructure expansion and new projects, potentially supporting long-term development.

b. **Financial Performance**

22. Kenya Pipeline Company (KPC) saw its revenue grow from Kshs. 26.08 billion in FY 2019/20 to Kshs. 35.37 billion in FY 2023/24, driven by increased throughput, tariff changes, and infrastructure projects. Despite a dip in 2021/22, operating surplus rose steadily to Kshs 11.80 billion, thanks to cost controls and efficiency gains. Profit before tax also increased from Kshs 6.14 billion to Kshs 10.01 billion. However, net finance income was negative due to rising finance costs, which reached Kshs 1.80 billion in 2023/24. From FY 2020/21 to FY 2023/24, KPC paid Kshs 13.9 billion in corporate tax.

23. The net profit after tax generally increased between FY 2019/20 and FY 2023/24 but remained below the pre-COVID-19 high of Kshs. 8.18 billion, reaching Kshs. 6.9 billion in FY 2023/24. The drop to Kshs. 1.68 billion in FY 2020/21 was due to reversed tax relief and higher finance costs. Dividend payouts followed a similar trend, with no payment in FY 2021/22. Over the period, government dividend income totaled Kshs. 23.1 billion, averaging Kshs. 5.8 billion annually, highlighting potential losses if the company were fully privatized.

c. **Assets, Liabilities, and Capital Position**

24. From FY 2019/20 to FY 2023/24, Kenya Pipeline Company's total assets dropped by 16%, from Kshs 143.47 billion to Kshs 120.72 billion, mainly due to a decrease in non-current assets like property, plant, and equipment. These fell from Kshs 123.01 billion to Kshs 103.37 billion, likely reflecting minimal new investments, asset depreciation, or disposals. Current assets also declined in FY 2023/24 after a peak in FY 2022/23, driven by lower short-term deposits and trade receivables.

25. KPC's capital and reserves decreased from Kshs 102.36 billion in FY 2019/20 to Kshs 89.09 billion in FY 2023/24, reflecting the effects of dividend payouts, asset revaluations, and fluctuations in retained earnings. Total liabilities declined from Kshs 41.11 billion to Kshs 31.64 billion during the same period. Non-current liabilities fell from Kshs 32.30 billion in 2019/20 to Kshs 19.19 billion in 2023/24, mainly due to repayment of a USD 350 million loan facility for construction of line V from Nairobi to Mombasa. **The remaining significant non-current liability is deferred taxation, which stands at Kshs 19.15 billion.** Current liabilities varied but remained within manageable levels, with the highest point reached in FY 2022/23. However, there were major concerns with **trade and other payables amounting to Kshs 9.88 billion, and** the current portion of the **syndicated loan amounting to Kshs 2.46 billion** as of 30th June 2024.

2.1.3 The Chosen Methodology for Privatizing the Kpc

26. Section 25 of the Privatization Act 2005 provides for the methods of privatization to include:

    i. Public offering of shares;
    ii. Negotiated sales resulting from the exercise of pre-emptive rights;
    iii. Sale of assets, including liquidation; and,
    iv. Any other method approved by the Cabinet in the approval of a specific privatization proposal.

27. The preferred method for privatizing KPC is an Initial Public Offering (IPO). An IPO refers to the first instance in which a company's shares are offered to the public on a stock exchange. The term "public offering" broadly encompasses not only IPOs but also subsequent share sales, such as Follow-on Public Offerings (FPOs) or Secondary Offerings. In this context, the IPO will entail the government divesting a portion of its shares in KPC to the public via the Nairobi Securities Exchange (NSE), with regulatory oversight provided by the Capital Markets Authority (CMA).

28. The committee also considered the following privatization methodologies:
    a) Privatization through Negotiated Sale via Pre-emptive Rights involves selling a stake directly to a chosen investor. This approach can facilitate capital and technology partnerships, but it may also result in limited transparency, non-competitive selection, and the possibility of stock undervaluation.

    b) Privatization through the sale and liquidation of physical and non-core assets, such as idle land or equipment. Benefits of this methodology included raising quick revenue for the government, reducing maintenance and operations costs; however, this may be inappropriate for strategic SOEs and could disrupt energy security, lead to job losses, undervaluation of assets, and does not support long-term development of the sector.

2.1.4 Restructuring of KPC Under the IPO

29. According to the Sessional Paper, to successfully undertake an Initial Public Offering (IPO), the Kenya Pipeline Company (KPC) would undergo a comprehensive restructuring process, both institutionally and operationally. This is essential to meet the regulatory requirements of listing, ensure market confidence, and position the company as an attractive investment to individual and institutional investors.

30. Some of the reforms contained in the sessional paper include:
    i. Amendment of the Memorandum and Articles of Association: These are the Company's governing documents, which will require to be revised to allow free transferability of shares, include shareholder rights and protections, embed board governance provisions in line with the Capital Market Authority's (CMA)

Code of Corporate Governance for issuers of securities, and other necessary changes.

ii. As part of the public offering of shares process, the Company may issue new shares in addition to, or instead of, offering existing government-owned shares. The issuance of new shares serves several purposes:
   - Increase Public Float: Enhances liquidity of the stock post-listing by creating a sufficiently large public shareholding.
   - Enable Broader Ownership: Allows for public participation without immediately diluting the government's existing stake below a strategic threshold.

iii. To facilitate the issuance of new shares during the IPO, KPC must undertake the following specific actions:
   - Board and shareholder approvals: The Board of Directors must pass a resolution to increase the authorized share capital; if the current authorized capital is insufficient.
   - Obtain approval from the National Treasury and Cabinet to issue new shares as part of the IPO structure.
   - Secure shareholder approval (i.e., the government as current sole shareholder) for allotment of new shares.

2.2 LEGAL BRIEF ON THE SESSIONAL PAPER

2.2.1 Background

31. The Sessional Paper proposes the Privatization of the Kenya Pipeline Company Limited through an Initial Public Offer (IPO) on the Nairobi Securities Exchange in line with the broader economic reform agenda of the Government to enhance efficiency, competitiveness and financial sustainability in key state-owned enterprises. The Sessional Paper was prepared in accordance with the Privatization Act, 2005 and subsequently approved by Cabinet. The Cabinet Secretary for the National Treasury and Economic Planning now seeks the approval of the Sessional Paper by the National Assembly.

2.2.2 Legal Provisions Regulating the Process of Privatization

32. The Privatization Act, CAP 485C was assented on 13th October, 2005 and commenced on 1st January 2008. The long title of the Act provides that it is an Act of Parliament to provide for the privatization of public assets and operations, including state corporations, by requiring the formulation and implementation of a privatization programme by a Privatization Commission to be established by this Act and for related purposes.

33. PART III of the Privatization Act contains provisions that regulate the privatization programme.

34. Section 17 of the Privatization Act provides that there will be a privatization programme that shall be formulated by the Commission, published in the Gazette and approved by the Cabinet.

35. Paragraph 1.1. on page 2 of the Sessional Paper states that the Company was included in the Privatization Programme approved by the Cabinet in December 2008 and gazetted on 14th August 2009 to facilitate mobilization of resources for additional investments, enhancement of transparency and corporate governance, broadening of shareholding in the economy, development of the Capital Markets and raising of resources to support the Government budget.

36. Section 17 of the Privatization Act provides that the desired benefits of a privatization programme are: (1) the improvement of infrastructure and the delivery of public services by the involvement of private capital and expertise; (2) the reduction of the demand for government resources; (3) the generation of additional government revenues by receiving compensation for privatizations; (4) the improvement of the regulation of the economy by reducing conflicts between the public sector's regulatory and commercial functions; (5) the improvement of the efficiency of the Kenyan economy by making it more responsive to market forces; (6) the broadening of the base of ownership in the Kenyan economy; and (7) the enhancement and development of the capital markets.

37. **Paragraph 8 on page 11 of the Sessional Paper states that:** (1) the privatization of Kenya Pipeline Company through a public offering of shares is designed to unlock the full potential of the company while ensuring broad national benefits,; (2) to enable the Government to raise funds budgeted for in the 2025/2026 budget required to implement economic and social objectives; (3) to empower ordinary Kenyans to own a stake in one of the country's profitable and strategic enterprises, promote inclusive economic growth and strengthen transparency and corporate governance through stock exchange listing and regulatory oversight. The inclusion of an Employee Share Ownership Plan (ESOP) will ensure that staff share in the company's future growth. (4) the participation of the private sector will enhance operational efficiency and innovation, while the Government retains a strategic role to safeguard national interests and energy security; (5) proceeds from the transaction will support critical development priorities, reduce reliance on borrowing, and deepen capital markets of Kenya; and (6) the proposed privatization balances economic empowerment, national interest, and institutional modernization in a manner that will benefit both the public and the economy at large.

38. PART IV of the Privatization Act contains provisions that regulate the privatization process.

39. **Section 23** of the Privatization Act regulates the privatization proposals by Privatization Commission. The section provides that the Privatization Commission shall make a

specific proposal for each privatization included in the privatization programme. Thereafter, the Cabinet Secretary shall present a report on the privatization proposals for approval by the Cabinet and by the relevant committee of Parliament.

40. **Paragraph 1.1. on page 2 of the Sessional Paper states that** the Company was included in the Privatization Programme approved by the Cabinet in December 2008 and gazetted on 14th August 2009. The Cabinet Secretary for the National Treasury and Economic Planning now seeks the approval of the Sessional Paper by the National Assembly.

41. Section 24 of the Privatization Act regulates the contents of privatization proposal. The section provides that a privatization proposal shall set out the following matters.

42. Section 24 (a)(i) of the Act states that the privatization proposal should contain a statement providing ***the purpose of the establishment or existence of the assets or operations*** being proposed for privatization. **Paragraph 3 on Page 4 of the Sessional Paper contains a statement on** the purpose for the establishment of Kenya Pipeline Company and states that the main objective of setting up Kenya Pipeline Company was to provide efficient, reliable, safe and cost-effective means of transporting petroleum products from Mombasa to the hinterland.

43. Section 24 (a)(ii) of the Privatization Act states that the privatization proposal should contain a statement providing ***the extent to which the assets or operations proposed for privatization have met their purpose including any inadequacies in meeting that purpose.*** Paragraph 6 and 7 on pages 9 and 10 of the Sessional Paper contain a statement on the extent to which the purpose for ***the assets or operations proposed for privatization have met their purpose including any inadequacies in meeting that purpose*** in accordance with section 24(a) (ii);

44. Section 24 (a)(iii) of the Privatization Act states that the privatization proposal should contain a statement providing for ***the rights or other entitlements and resources that have been provided to meet the purpose*** for the assets or operations being proposed for privatization. Paragraph 4 on page 7 **of the Sessional Paper contains a statement on** financial resources that have been made available to Kenya Pipeline Company (KPC) and provides that: (1) the Government of Kenya has provided Kenya Pipeline Company with significant financial resources including initial capitalization, sovereign guarantees for external borrowing, direct capital injections, and tax and duty concessions on infrastructure investments since its inception; (2) the government has facilitated stable revenue flows through supportive policies and strategic project co-financing; and (3) the financial interventions have enabled Kenya Pipeline Company to grow into a critical infrastructure provider in the national and regional energy supply chain.

1998 and Safaricom in 2008 resulted in increased operations and significant growth, particularly for Safaricom in the telecommunications sector.

66. Capital markets provide local and global investors with options to diversify their assets. Listing boosts demand for exchange assets and draws more capital, including foreign investment. Public listings are an important financial reform for Kenya's capital markets. According to Morgan Stanley Capital International, the Nairobi Securities Exchange was Africa's top performer in dollar returns in 2024.

67. Market capitalization stands at Kshs. 2.5 trillion with double-digit growth in key indices for the first half of 2025. This reflects renewed confidence among both domestic and international investors. It was also submitted that historical listings such as the Safaricom IPO in 2008, which was oversubscribed by 500% demonstrate market depth and capacity.

68. The proposed privatization of the Kenya Pipeline Company (KPC) is anticipated to provide significant benefits to the petroleum sector, including enhanced capital allocation, accelerated integration of advanced technologies, and increased flexibility in attracting additional investment. Potential advantages encompass improved access to long-term capital and greater risk diversification, which may impact both investment risks and associated premiums. These strategic changes are designed to further the company's mission of ensuring national energy security and stability.

69. Kenya plays a major geopolitical role in East Africa's petroleum sector thanks to its pipeline infrastructure and location. The Kenya Pipeline Company (KPC) transports oil products from the coast to inland and neighbouring countries, including Uganda, and aims to expand into Rwanda and beyond. KPC requires flexibility to raise capital for expanding pipelines, upgrading storage facilities, and developing its refinery to meet the growing regional demand.

70. The contingent liability is that if the transaction is not completed or executed optimally, it may affect the financing of the FY 2025/26 budget and impact measures aimed at economic stability. The Government is taking an all-Government approach to implement this transaction in accordance with legal requirements.

3.2 Ministry of Energy and Petroleum

Hon. James Opiyo Wandayi, EGH, Cabinet Secretary, Ministry of Energy and Petroleum accompanied by Mr. Mohamed Liban, CBS, Principal Secretary State Department for Petroleum and other senior technical officers from the Ministry appeared before the Committee on Tuesday, 12th August 2025 and submitted on the Sessional Paper as follows:

71. The Kenya Pipeline Company (KPC) is responsible for transporting and storing petroleum products throughout Kenya and into the broader East African region.

Established on 6th September 1973 under the Companies Act (CAP 486), Laws of Kenya, KPC began commercial operations in 1978. The company is fully owned by the Government of Kenya, with 99.9% of shares held by The National Treasury and less than 0.1% by the Ministry of Energy and Petroleum.

72. The principal activity of KPC is to provide efficient, reliable, safe, and cost-effective means of transporting petroleum products from Mombasa to the hinterland. Extensive feasibility studies undertaken prior to the establishment of the Company, had revealed that a pipeline system was the most suitable mode of transporting petroleum products to the hinterland in terms of cost and convenience. KPC commenced commercial operations in September 1978 after construction and commissioning of the pipeline from Mombasa and Nairobi (Line-1).

73. In October 2023, the Kenya Pipeline Company Limited acquired 100% of Kenya Petroleum Refineries Limited (KPRL), which had ceased operations in September 2013. KPC had initially leased the facility as from March 2017. The acquisition aimed at expanding KPC's business operations by utilizing the idle assets, particularly the storage tanks, to enhance storage capacity. Modernization and expansion are imperative which requires substantive capital injection and cannot be achieved sustainably through public funds. Privatization, therefore, presents an opportunity to unlock value.

74. Kenya Pipeline Company reported revenue growth over the past five years, reaching Kshs. 35.4 billion for FY 2023/24, which represents a 15% increase from the previous year. The company's gross profit was Kshs 20.8 billion, resulting in a gross profit margin of 59%. Earnings Before Interest and Tax (EBIT) stood at Kshs 11.8 billion, marking a 53% rise, while Profit Before Taxation (PBT) reached Kshs 10 billion, up 32% from the prior year. The profit after taxation for the period was Kshs 6.9 billion.

75. The Company's primary source of revenue is transport and storage, which accounts for approximately 95% of total income. Additional revenue streams include Fiber Optic (FOC) services, Liquefied Petroleum Gas (LPG), Morendat Conference Center (MTCC), Morendat Institute Of Gas (MIOG), office rentals, and penalties for overstayed products, among others.

76. As of 30th June 2024, the Company's assets were valued at Kshs. 120.7 billion, reflecting a 5% decline in compound annual growth rate (CAGR) over the past five years due to depreciation and asset disposals. No major capital investments were made during this period, and depreciation policies comply with international standards. The Privatization Commission will conduct a business and asset valuation under the Privatization Act 2005 to determine the market value for the privatization process.

77. The company has received unqualified audit opinions for the past two years. The unaudited revenue for FY 2024-2025 is Kshs.39.8 billion, reflecting a 12% increase from

the previous year. Profit before tax for the same period is Kshs.16.5 billion, which represents a 65% increase compared to last year.

78. Privatizing the Kenya Pipeline Company (KPC) through an IPO will boost regional competitiveness, attract investment, and drive economic growth. It will enable Kenyans to become shareholders, promote inclusivity, enhance transparency and corporate governance, modernize infrastructure for greater efficiency and innovation, and increase access to capital for expansion and improved storage capacity.

79. The Kenya Pipeline Company (KPC) remains committed to energy security. Petroleum prices in Kenya are regulated by the Energy and Petroleum Regulatory Authority (EPRA) under a three-year tariff model. Privatizing KPC will not alter the current pricing, as EPRA will continue to oversee fair competition, consumer protection, product quality compliance, and equitable regional access to KPC's products.

80. The ministry does not anticipate any job losses or disruptions to the current staffing levels, and the organizational structure is not expected to require restructuring. Additionally, the Privatization Commission has put forward an Employee Share Ownership Plan (ESOP) as a measure to address concerns regarding job security.

81. The Kenya Pipeline Company (KPC) has no debt liability guaranteed by the government. To address structural and operational challenges, KPC would need to amend its Memorandum and Articles of Association to facilitate the free transfer of shares, enhance shareholder rights and protections, and incorporate board governance provisions in accordance with the Capital Markets Authority (CMA) Code of Corporate Governance. These amendments would also support the issuance of securities and implement other relevant changes.

82. As part of the public participation process in developing the Sessional Paper on the Privatization of the Kenya Pipeline Company (KPC), it was reported that the KPC board has already been sensitized, and staff sensitization efforts are currently underway.

3.3 Office of the Attorney General

The Office of the Attorney General submitted the following written submissions on the Sessional Paper:

83. The Office of the Solicitor General sent a letter to a joint session of the Departmental Committee on Energy and the Public Debt & Privatization Committee. The letter states that the Office was assigned the task of submitting a comprehensive, signed report regarding the privatization of Kenya Pipeline Company Limited (KPC). The report is to address: **(1) compliance with the privatization process as outlined in section 23 of the Privatization Act, 2005; (2) employee concerns about job security and benefits; and (3) evidence of how the national government has**

conducted public participation in developing the sessional paper on KPC's privatization, as required by the Constitution.

84. **Regarding adherence to the privatization process in accordance with Section 23 of the Privatization Act, 2005:**

   i) Paragraphs 1 to 3 of the submission indicate that Kenya Pipeline Corporation, established in 1973 as a state corporation, was mandated to transport and store petroleum products safely and efficiently. Commercial operations commenced in 1978 with objectives including reducing dependence on road and rail transport, lowering fuel costs, and bolstering energy security. Its infrastructure facilitates both domestic and regional petroleum logistics, and it remains wholly owned by the Government of Kenya (99.9% by the National Treasury and 0.1% by the Ministry of Energy and Petroleum).

   ii) Paragraph 4 explains that Section 23 of the Act requires the Privatization Commission to prepare detailed proposals for each privatization, which must then be presented by the Minister—after Cabinet approval—to the relevant Parliamentary committee.

   iii) Paragraph 5 summarizes the contents of a privatization proposal under Section 24, including: the asset's purpose and performance; recommended privatization method; estimated implementation costs; anticipated employee impact and benefits; projected advantages from privatization; work plan; necessary legislative amendments; and provisions for citizen participation.

   iv) Paragraphs 6, 7, and 8 state that the proposal was submitted to the Cabinet Secretary, National Treasury, subsequently approved by the Cabinet, and forwarded to the National Assembly. Upon receiving Parliamentary approval, the Commission will proceed with implementing the privatization.

85. **Regarding how Kenya Pipeline Company has addressed employee concerns about job security and benefits:** Paragraphs 6–8 state that (1) no job losses are expected from the IPO as all staff will be retained, (2) any employee matters will follow Kenyan employment laws, and (3) an employee share option will allow staff to own shares.

86. **Regarding evidence of public participation by the national government in developing the sessional paper on privatization of Kenya Pipeline Company:** Paragraphs 12 and 13 note that during the FY 2025/2026 Finance Bill process, the Cabinet Secretary for the National Treasury presented privatization, including KPC, as a funding method and referenced ongoing consultations with the National Assembly as examples of public participation.

3.4 Nairobi Securities Exchange

Mr. Frank Lloyd Mwiti, Chief Executive Officer, Nairobi Securities Exchange appeared before the Committee on Tuesday, 12th August 2025 and submitted on the Sessional Paper No. 2 of 2025 as follows:

87. Kenya has the potential to strengthen its capital markets and support development initiatives by reducing dependence on costly foreign borrowing. The proposed Initial Public Offering (IPO) of KPC on the Nairobi Securities Exchange (NSE) directly aligns with this objective, facilitating the mobilization of resources for the FY 2025/26 budget. Additionally, the IPO is expected to enhance transparency and corporate governance within the company, expand share ownership, and promote overall market development.

88. Market conditions indicate that the current macro-fiscal environment is stable, with notable investor interest in energy stocks (KenGen +98.4% YTD; Kenya Power +118.4% YTD). The 2025 market turnover is projected to exceed that of 2024. The IPO aims to raise approximately Kshs. 100 billion in non-debt capital, which may help reduce fiscal strain and communicate policy reliability to investors.

89. Kenya has effectively listed entities like Safaricom, KenGen, KCB, and Kenya Power, promoting innovation, regional growth, job creation, increased tax revenue, and financial inclusion. Safaricom's listing spurred M-PESA innovation and expansion, while KenGen advanced geothermal leadership. These listings have improved savings culture, governance, tax revenue, and investor literacy. A similar approach with the KPC IPO could yield lasting fiscal and economic benefits.

90. The proposed privatization of KPC supports the Bottom-Up Economic Transformation Agenda by democratizing access to wealth. NSE reforms now permit purchase of even a single share, eliminating the previous 100 share minimum and enabling participation from all income groups. Inclusive measures such as a dedicated retail tranche with guaranteed minimum allocations, robust investor education, and public participation will ensure fair access and informed decision making.

91. KPC is expected to have access to a range of capital raising options, such as rights issues, infrastructure bonds, commercial paper, and preference shares, without directly involving the exchequer. These mechanisms may also offer features such as lower long-term capital costs, local currency options to mitigate foreign exchange risk, and transparent price discovery.

92. NSE and market ecosystem are prepared to deliver a successful, oversubscribed IPO and a healthy post-listing market. Preparations include national and diaspora investor education campaigns, readiness audits for brokers and intermediaries, robust cyber and operational risk controls, transparent allocation processes, automated refunds and market stability measures such as volatility auctions and circuit breakers. Additionally, coordination among brokers, banks, registrars, custodians, fund managers and regulators will also be managed. Notably, a fully digital, end-to-end e-IPO process will ensure seamless prefunding, allocation, and refund systems with full audit trails. KPC IPO is an opportunity to raise capital without debt. Given favorable market conditions,

proven precedent, and institutional readiness, the IPO can deliver benefits to the economy and to Kenyans.

3.5 The Institute of Certified Investment and Financial Analysts (ICIFA)

93. FA. Diana M. Maina, Chief Executive Officer, Institute of Certified Investment and Financial Analyst appeared before the Joint Committee on Tuesday, 12th August 2025. She submitted the following comments and proposals on the Sessional Paper:

94. ICIFA supports privatizing Kenya Pipeline Company Limited but notes that the Kshs 100 billion target appears ambitious compared to recent major IPOs, and there is no explanation for how this figure was calculated.

95. Section 28 of the Privatization Act 2005 requires that privatization be carried out openly and competitively; consequently, transaction advisers must be engaged through transparent and competitive procurement processes.

96. Incorporating specific dates, rather than projected months, into the work plan for the proposed privatization process would enhance the accountability mechanisms associated with the process.

97. The rationale for privatization should be articulated more clearly, specifying the anticipated benefits to the company as a distinct justification for the listing. Additionally, the description of the use of proceeds, as currently outlined in the sessional paper remains vague and requires further detail.

98. With regards to recommendations for addressing employees impacted by the proposed privatization, additional detail is needed. Prospective shareholders are likely to require specific representations and warranties from current shareholders and should also specify that a legal opinion will be included in the offer document.

99. An Initial Public Listing may take various forms, and different combinations of securities can be issued depending on the specific request for the instrument(s). It is important to assess additional privatization options, considering governance and execution challenges. While an Initial Public Offer (IPO) raises capital, it does not necessarily address governance or execution issues.

100. Regarding the role of the Steering Committee, the Sessional Paper operationalizes the provisions of Part IV of the Privatization Act 2005. Accordingly, it is necessary to elaborate on the specific functions of the Steering Committee for each privatization transaction, as outlined in Sections 27 and 30 of the Act.

3.6 Capital Markets Authority

FCPA Wyckliffe Shamiah, Chief Executive Officer, Capital Markets Authority appeared before the Joint Committee on Tuesday, 12th August 2025 and submitted as follows:

101. On the assessment of micro-fiscal implications of the proposed privatization including potential short-term and long-term impacts on public finances and capital markets development:
    i. The Treasury will raise approximately **KES 100 billion** through the listing, offering which is a significant cash boost to fund public services and infrastructure, and reduce reliance on borrowing. The privatization will therefore alleviate budgetary pressures by approximately Kshs 100 billion
    ii. Privatization through Initial Public Offering automatically transitions a company from government-owned to a publicly listed company oversighted by the Capital Markets Authority (CMA). This new dimension supports improved governance and more transparent financial management, potentially increasing consistent dividend flows. It is worth noting that all listed companies are expected to adhere to the Corporate Governance Code, which buttresses the importance of listing of KPC.
    iii. Private-sector participation brings in incentives for greater efficiency and stronger returns. Safaricom is a case in point, where the 2008 IPO marked the transformation of the company into the giant it is now.
    iv. IPO proceeds offer a more resilient and diverse revenue base compared to traditional, often volatile sources such as taxes and borrowing.
    v. An IPO of a high-profile, profitable Company such as Kenya Pipeline has a huge potential of reigniting investor interest, broaden participation from retail and institutional investors (including pension funds and SACCOs), and increase trading volume on the Nairobi Securities Exchange (NSE).
    vi. A well-structured IPO of the KPC magnitude will ensure significant local and retail investor participation—especially targeting "hustlers" and ordinary Kenyans. Hence supporting broad distribution of wealth and bolster public confidence.

102. On the assessment of the readiness and depths of Kenya's capital markets to support a successful IPO in terms liquidity and market stability, the assessment of the readiness and depths of the Kenyan capital markets to absorb the proposed listing of the KPC through an IPO at the NSE and articulately the effects in terms of market liquidity and market stability focuses on key performance indicators including turnovers, market capitalization, Assets under management (AUM), Trading Volumes, local and foreign participation, indices, market concentration as well as macro-economic environment indicators affecting , including the GDP and national savings levels.

103. Kenya's equities market demonstrates sufficient liquidity, depth, and stability to support the successful listing of KPC. Key performance indicators include rising turnover,

improved liquidity ratios, growth in assets under management, strong foreign investor participation, and a stable macroeconomic environment. These factors create an enabling platform for a large, high-profile IPO, with robust local and foreign demand positioning the market to absorb significant new equity issuance while maintaining overall stability.

104. The listing of Kenya Pipeline Company (KPC) is expected to significantly ease market concentration at the Nairobi Securities Exchange (NSE) by introducing a large-cap, high-liquidity stock into the market. The listing of KPC is expected to attract both institutional and retail investors seeking exposure to a strategic state corporation with stable cash flows. Additionally, it is expected to make NSE more attractive to both local and foreign investors.

105. On the justification for selecting IPO as the preferred mode of privatization of KPL over the alternative methods such as asset sale, strategic investor participation, or public private partnership, an initial public offering (IPO) is the process by which a private company/government entity becomes publicly owned by offering its shares to the public on a securities exchange for the first time. This allows the company to have its shares traded on a formal securities exchange, while enabling it to raise capital by reducing the ownership stake of its original shareholders, ultimately benefiting the public as investors.

106. On the measures to uphold market integrity, including safeguards against insider trading, preferential share allocations, and share price market manipulation throughout the IPO process, the Authority's has a dual mandate, to develop the Capital Markets in Kenya whilst at the same time ensuring investor protection. The Capital Markets Act section 11 (1) (c) states that the principal objectives of the Authority as c) the creation, maintenance and regulation, of a market in which securities can be issued and traded in an orderly, fair and efficient manner and d) the Protection of investors' interest. Part 11 3 (r) further states that for purposes of carrying out its objectives the Authority may exercise, perform or discharge all or any of the following powers, duties and functions; r) Regulate and oversee the issue and subsequent trading, both in primary and secondary markets, of capital markets instruments.

107. **Appointment of a transaction advisor:** The transaction advisors are mandated to ensure compliance with capital markets Act and Regulations thereto. Additionally, they are required to ensure proper disclosure of relevant information and to avoid conflicts of interest. This is stipulated under Regulation 32 (2) A transaction advisor shall take all reasonable and effective measures to prevent or deal with any conflicts of interest that may arise in the discharge of the transaction advisor's duties.

108. **Mandatory Disclosures:** The Authority requires adequate and honest disclosure of all relevant information pertaining to ensure there is no information asymmetry. This includes details of any existing arrangements e.g. debt structuring that may have an impact on price.

109. **Allocation Criteria:** Issuers are required to disclose the allocation criteria for shares in an IPO as part of its offering memorandum. The Authority propose to consider full allocation of retail investors or set a quota for retail e.g. 10-30% to encourage small investors to come to market given that they create market activity due to their speculative behaviour, this will also ensure there is no concentration risk to institutional investors.

110. **Identification of insiders:** The Authority requires the issuer and transaction advisors to determine who are insiders i.e persons with access to relevant non-public information. Once the insiders are identified they have a policy to deal with actions of insiders prior to the IPO and immediately after issuance.

111. **Black out periods:** Individuals deemed to be insiders are not allowed to trade at the IPO without prior approval. The IPO IM could also provide a lockout period for all individuals seen as insiders. This will discriminate them from participating in the IPO and a limit could also be set for Maximum shares they can purchase.

112. **Sensitization and training:** There is a need for all players to be aligned and ensure all systems are connected where possible to avoid manual intervention as much as possible. All agents should be trained on the client handling process, as well as application and registration requirements/process.

113. The Capital Markets Regulations require an issuer to establish and disclose in the information memorandum a fair and equitable allocation policy for the allocation of the securities in a public offer. Furter the issuer must have a mechanism to sensitise the general public on the issuance of the shares.

114. To avoid under subscription there could be provision for underwriter. Alternatively, the issuer may allow bidders from other categories to bid for the shares. In the event of an oversubscription, the issuer may opt to have a green shoe option which would be used to benefit from the demand in the security.

115. The issuer must indicate If there are any securities that are reserved for allocation to any group of targeted investors, this would include offerings to existing shareholders, directors, or employees and past employees of the issuer or its subsidiaries, provided details of these and any other preferential allocation arrangements are disclosed.

116. The Issuer must inform the investing public about the issuance, as well as the allocation criteria. This will ensure that there are no complaints arising from misunderstandings of the allocation criteria. The issuer can use intermediaries as marketing agents to provide a wider reach, as well as through other public or social media channels.

proven precedent, and institutional readiness, the IPO can deliver benefits to the economy and to Kenyans.

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94. ICIFA supports privatizing Kenya Pipeline Company Limited but notes that the Kshs 100 billion target appears ambitious compared to recent major IPOs, and there is no explanation for how this figure was calculated.

95. Section 28 of the Privatization Act 2005 requires that privatization be carried out openly and competitively; consequently, transaction advisers must be engaged through transparent and competitive procurement processes.

96. Incorporating specific dates, rather than projected months, into the work plan for the proposed privatization process would enhance the accountability mechanisms associated with the process.

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98. With regards to recommendations for addressing employees impacted by the proposed privatization, additional detail is needed. Prospective shareholders are likely to require specific representations and warranties from current shareholders and should also specify that a legal opinion will be included in the offer document.

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100. Regarding the role of the Steering Committee, the Sessional Paper operationalizes the provisions of Part IV of the Privatization Act 2005. Accordingly, it is necessary to elaborate on the specific functions of the Steering Committee for each privatization transaction, as outlined in Sections 27 and 30 of the Act.

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101. On the assessment of micro-fiscal implications of the proposed privatization including potential short-term and long-term impacts on public finances and capital markets development:
    i. The Treasury will raise approximately **KES 100 billion** through the listing, offering which is a significant cash boost to fund public services and infrastructure, and reduce reliance on borrowing. The privatization will therefore alleviate budgetary pressures by approximately Kshs 100 billion
    ii. Privatization through Initial Public Offering automatically transitions a company from government-owned to a publicly listed company oversighted by the Capital Markets Authority (CMA). This new dimension supports improved governance and more transparent financial management, potentially increasing consistent dividend flows. It is worth noting that all listed companies are expected to adhere to the Corporate Governance Code, which buttresses the importance of listing of KPC.
    iii. Private-sector participation brings in incentives for greater efficiency and stronger returns. Safaricom is a case in point, where the 2008 IPO marked the transformation of the company into the giant it is now.
    iv. IPO proceeds offer a more resilient and diverse revenue base compared to traditional, often volatile sources such as taxes and borrowing.
    v. An IPO of a high-profile, profitable Company such as Kenya Pipeline has a huge potential of reigniting investor interest, broaden participation from retail and institutional investors (including pension funds and SACCOs), and increase trading volume on the Nairobi Securities Exchange (NSE).
    vi. A well-structured IPO of the KPC magnitude will ensure significant local and retail investor participation—especially targeting "hustlers" and ordinary Kenyans. Hence supporting broad distribution of wealth and bolster public confidence.

102. On the assessment of the readiness and depths of Kenya's capital markets to support a successful IPO in terms liquidity and market stability, the assessment of the readiness and depths of the Kenyan capital markets to absorb the proposed listing of the KPC through an IPO at the NSE and articulately the effects in terms of market liquidity and market stability focuses on key performance indicators including turnovers, market capitalization, Assets under management (AUM), Trading Volumes, local and foreign participation, indices, market concentration as well as macro-economic environment indicators affecting , including the GDP and national savings levels.

103. Kenya's equities market demonstrates sufficient liquidity, depth, and stability to support the successful listing of KPC. Key performance indicators include rising turnover,

improved liquidity ratios, growth in assets under management, strong foreign investor participation, and a stable macroeconomic environment. These factors create an enabling platform for a large, high-profile IPO, with robust local and foreign demand positioning the market to absorb significant new equity issuance while maintaining overall stability.

104. The listing of Kenya Pipeline Company (KPC) is expected to significantly ease market concentration at the Nairobi Securities Exchange (NSE) by introducing a large-cap, high-liquidity stock into the market. The listing of KPC is expected to attract both institutional and retail investors seeking exposure to a strategic state corporation with stable cash flows. Additionally, it is expected to make NSE more attractive to both local and foreign investors.

105. On the justification for selecting IPO as the preferred mode of privatization of KPL over the alternative methods such as asset sale, strategic investor participation, or public private partnership, an initial public offering (IPO) is the process by which a private company/government entity becomes publicly owned by offering its shares to the public on a securities exchange for the first time. This allows the company to have its shares traded on a formal securities exchange, while enabling it to raise capital by reducing the ownership stake of its original shareholders, ultimately benefiting the public as investors.

106. On the measures to uphold market integrity, including safeguards against insider trading, preferential share allocations, and share price market manipulation throughout the IPO process, the Authority's has a dual mandate, to develop the Capital Markets in Kenya whilst at the same time ensuring investor protection. The Capital Markets Act section 11 (1) (c) states that the principal objectives of the Authority as c) the creation, maintenance and regulation, of a market in which securities can be issued and traded in an orderly, fair and efficient manner and d) the Protection of investors' interest. Part 11 3 (r) further states that for purposes of carrying out its objectives the Authority may exercise, perform or discharge all or any of the following powers, duties and functions; r) Regulate and oversee the issue and subsequent trading, both in primary and secondary markets, of capital markets instruments.

107. **Appointment of a transaction advisor:** The transaction advisors are mandated to ensure compliance with capital markets Act and Regulations thereto. Additionally, they are required to ensure proper disclosure of relevant information and to avoid conflicts of interest. This is stipulated under Regulation 32 (2) A transaction advisor shall take all reasonable and effective measures to prevent or deal with any conflicts of interest that may arise in the discharge of the transaction advisor's duties.

108. **Mandatory Disclosures:** The Authority requires adequate and honest disclosure of all relevant information pertaining to ensure there is no information asymmetry. This includes details of any existing arrangements e.g. debt structuring that may have an impact on price.

109. **Allocation Criteria:** Issuers are required to disclose the allocation criteria for shares in an IPO as part of its offering memorandum. The Authority propose to consider full allocation of retail investors or set a quota for retail e.g. 10-30% to encourage small investors to come to market given that they create market activity due to their speculative behaviour, this will also ensure there is no concentration risk to institutional investors.

110. **Identification of insiders:** The Authority requires the issuer and transaction advisors to determine who are insiders i.e persons with access to relevant non-public information. Once the insiders are identified they have a policy to deal with actions of insiders prior to the IPO and immediately after issuance.

111. **Black out periods:** Individuals deemed to be insiders are not allowed to trade at the IPO without prior approval. The IPO IM could also provide a lockout period for all individuals seen as insiders. This will discriminate them from participating in the IPO and a limit could also be set for Maximum shares they can purchase.

112. **Sensitization and training:** There is a need for all players to be aligned and ensure all systems are connected where possible to avoid manual intervention as much as possible. All agents should be trained on the client handling process, as well as application and registration requirements/process.

113. The Capital Markets Regulations require an issuer to establish and disclose in the information memorandum a fair and equitable allocation policy for the allocation of the securities in a public offer. Furter the issuer must have a mechanism to sensitise the general public on the issuance of the shares.

114. To avoid under subscription there could be provision for underwriter. Alternatively, the issuer may allow bidders from other categories to bid for the shares. In the event of an oversubscription, the issuer may opt to have a green shoe option which would be used to benefit from the demand in the security.

115. The issuer must indicate If there are any securities that are reserved for allocation to any group of targeted investors, this would include offerings to existing shareholders, directors, or employees and past employees of the issuer or its subsidiaries, provided details of these and any other preferential allocation arrangements are disclosed.

116. The Issuer must inform the investing public about the issuance, as well as the allocation criteria. This will ensure that there are no complaints arising from misunderstandings of the allocation criteria. The issuer can use intermediaries as marketing agents to provide a wider reach, as well as through other public or social media channels.

117. On the evaluation of the likely effects of the transaction on the financial sector, including the banking sector's exposure to SOEs and potential crowding-in or crowding-out effects on the private sector credit, the KPC Initial Public Offering (IPO) is expected to have several direct and indirect impacts on the financial sector. These effects could span across financial markets, institutions and investor behaviour. The financial sector in Kenya is primarily divided into five large sectors: Capital Markets, Pensions, Insurance, SACCOs, and the Banking sector.

118. The Kenya Pipeline Company (KPC) IPO is expected to introduce new securities to the market, offering investors a fresh and attractive investment opportunity. This is expected to lead to a surge in trading activity, with a significant increase in both trading volumes and overall market liquidity. Currently, the Nairobi Securities Exchange (NSE) has a market capitalization of approximately Kshs. 2,505.07 billion. With the listing of KPC, this figure is projected to rise by at least Kshs. 100 billion, bringing it to around Kshs. 2,605.07 billion, even before accounting for the broader market reaction to such a positive development. If the IPO is successful and investor sentiment remains strong, market capitalization could exceed Kshs. 3 trillion by the close of the financial year.

119. On the Policy recommendations on how to structure and time the transaction to minimize market disruptions, ensure transparency, and align with the broader fiscal and monetary policy objectives, Proper IPO structuring and timing are very critical in mitigating against market disruptions, ensuring transparency, and alignment to broader fiscal and monetary policy objectives.

3.7 Institute of Economic Affairs (IEA)

Mr. Kwame Owino, Chief Executive Officer, Institute of Economic Affairs appeared before the Joint Committee on Tuesday, 12th August 2025 and submitted as follows:

120. The proposal for privatization of the Kenya Pipeline is bound to have substantial benefits for the broad economy, the expected private owners of the facility, and the public sector. The divestiture of KPC aligns with Kenya's Vision 2030 and energy policy by keeping infrastructure and operations primarily in private hands while the government retains regulatory control over pricing.

121. Listing shares on the NSE will significantly boost market activity, representing one of the largest infusions in over a decade. The residual ownership of the asset by the GoK will provide a revenue stream from profits, which could be dedicated towards priority public investments.

122. Post-privatization, KPC will still be regulated by EPRA, with the government benefiting from taxes, and future licensing rights. Parliament should ensure that EPRA and the Competition Authority monitor tariffs to prevent the abuse of market power, with provisions in place for issuing competing licenses if necessary.

123. Although it is commendable that the National Treasury has set a cap of Kshs 100 million on all fees, Parliament should ensure that competitive principles are upheld throughout the sale process and that all expenditure on transaction costs demonstrably delivers value for money. Streamlining the number and scope of transaction advisers could further reduce costs and strengthen accountability.

124. Parliament should ensure a competitive sale process, limit the roles of advisers, and use transparent auctions to avoid undervaluing KPC. Moreover, to protect public interest, the National Treasury must retain the right to reject bids below a set reserve price and ensure that no sale proceeds are made at a discount to the actual value.

125. Section 28 of the Privatization Act requires open and competitive processes; to improve transparency in the valuation process, it is proposed that Parliament establish mechanisms for the Auditor-General to independently verify valuations before any transaction is finalized. This review would include an assessment of the methodology used, an examination of key assumptions (particularly those related to monopoly earnings potential), and a comparison with independent expert valuations. Without such verification, Parliament cannot confirm that the Ksh 100 billion figure reflects fair market value.

126. KPC owns valuable land beyond its pipeline operations, but limited disclosures risk undervaluing these assets. The sessional paper lists the leasehold land at Kshs. $ 15 billion, yet lacks specifics such as acreage and the inclusion of developed sites, including the Mombasa Kipevu Oil Storage Facility and Nairobi Terminal, both with significant real estate potential. Clearer disclosures would help investors accurately value KPC's real estate holdings.

127. The government faces minimal risk to its investment or service provision from a transparent divestiture program. It will keep up to 35% ownership post-divestiture, maintaining substantial influence in corporate decisions to protect shareholder rights. Gradual, full privatisation is preferred, with the government shifting to a regulatory role free from conflicts of interest.

128. The proposed privatisation of the Kenya Pipeline Company, as detailed in the Sessional Paper, is found to be compliant with the relevant legal frameworks. The proposal aligns with the Privatisation Act, 2005, by clearly outlining KPC's establishment objectives, assessing its performance, and recommending an appropriate method for privatisation.

3.8 Kenya Petroleum Oil Workers Union (KPOWU)

Mr. George Okoth, General Secretary, Kenya Petroleum Oil Workers Union (KPOWU) appeared before the Joint Committee on Wednesday, 13th August 2025 and submitted as follows:

129. The Kenya Petroleum Oil Workers Union (KPOWU) opposes plans to privatize or sell the Kenya Pipeline Company Limited (KPC), a vital state-owned asset responsible for fuel transport and storage across Kenya and East Africa. KPC's pipeline network ensures a steady fuel supply, economic stability, and public revenue, while also supporting Kenya's regional influence.

130. The workers' union submitted that privatizing KPC risks undermining Kenya's energy sovereignty by ceding control of this vital infrastructure to profit-driven or potentially foreign interests.

131. If KPC's storage and transportation facilities are privatized, there is a risk that charges may increase significantly. Such changes could lead to higher fuel costs, which would impact production expenses and the overall cost of living.

132. Privatization often results in job cuts, outsourcing, and reduced benefits. KPOWU demands: (i) an immediate halt to KPC privatization or share sales; (ii) transparent disclosure of motives, beneficiaries, and impacts; (iii) thorough public participation and independent review by Parliament and oversight bodies; (iv) legal protection for jobs, benefits, and union status if changes occur; and (v) alternative reforms that maintain public ownership.

133. KPC is a parastatal in Kenya that has historically generated steady revenues for the Exchequer. Selling it would replace ongoing income with a single financial receipt.

134. The privatization process began without meaningful public input, stakeholder consultation, or impact assessment, excluding workers, experts, and civil society. This approach conflicts with constitutional principles of transparency (Article 10) and informed consent (Article 201).

135. SKPOWU was prepared to mobilize its members nationwide, undertake industrial action as permitted under the Labour Relations Act, and pursue legal remedies to protect both workers' rights and national interests in case the Union's demands were not met. Strategic assets like KPC must remain under democratic control to safeguard Kenya's long-term development. While remaining open to constructive dialogue, KPOWU is resolute in its commitment to safeguard the integrity of the country's critical energy infrastructure.

PART IV

4.0 COMMITTEE OBSERVATIONS

136. Arising from deliberations with stakeholders and on submissions, the Joint Committee made the following pertinent observations:

1. **Suitability for privatization of Kenya Pipeline Company Limited:**
   - THAT, Kenya Pipeline Company (KPC) is a strategic state corporation of critical national and regional significance, serving as the backbone for petroleum transportation and storage in Kenya and neighboring countries. Further, KPC's stable operational performance, strong financial standing, and solid market position present an opportunity to unlock net positive wealth transfer to the people of Kenya while attracting substantial investor interest. In view of these attributes, the Committee considers KPC well-positioned and suitable for privatization through an approach that maximizes public value and safeguards national strategic interests.

2. **Government shareholding pre- and post-IPO:**
   - THAT, the Government of Kenya owns 100 percent of the Kenya Pipeline Company Limited. In this regard, the proposed IPO seeks to privatize not more than 65 percent of government ownership in the Company, thus leaving 35 percent under the control of the Government. Through this, the government seeks to derive Kshs. 100 billion from the privatization transaction.

3. **Reasons for privatizing the KPC:**
   - THAT, the privatization would deliver multiple benefits, including providing KPC with access to long-term capital for infrastructure growth and technology upgrades, attracting foreign direct investment, generating employment opportunities, and diversifying investment risk. These outcomes would reduce government bureaucracy, enhance corporate governance, and the Company's ability to meet rising domestic and regional energy needs while broadening the government revenue base without diminishing private sector wealth.

4. **Market conditions of privatization:**
   - THAT, the Current conditions present a more favorable environment for privatization compared to 2009. The market climate is favorable, characterized by a strong performance of the Nairobi Securities Exchange, substantial capital depth in the Kenyan market, stable macroeconomic indicators including interest rates, inflation, and exchange rates, and a high level of market digitalization, which enhances accessibility and efficiency of an IPO transaction. The growing energy demand also necessitates increased investment and access to capital markets to meet future needs.

5. **Overall impact on revenue generation capacity:**
   - THAT, increased capital access, improved financial performance, and operational efficiency following the privatization of KPC are expected to enhance profitability, thereby broadening the tax base and increasing corporate tax contributions and other related economic spillovers, which will strengthen the government's overall revenue capacity and collection.

6. **Strong Regulatory Environment:**
   - THAT, Kenya has a robust and transparent regulatory framework, particularly in the capital markets and energy sector, which is essential for building investor confidence and ensuring the integrity of the IPO process. Effective oversight by institutions such as the Capital Markets Authority, Central Bank of Kenya, Nairobi Securities Exchange, and the Energy and Petroleum Regulatory Authority will promote fairness, mitigate risks, enhance the attractiveness of the privatization process, and contribute to the success and sustainability of the IPO.

7. **Benefits of an Initial Public Offer (IPO):**
   - THAT, listing KPC through an IPO would have the following impact:

     a. Enhance the Company's access to capital via the securities exchange, strengthen corporate governance, and diversify investment opportunities;
     b. Positively influence Kenya's capital markets by deepening market activity, broadening sector representation beyond telecommunications and banking, and improving transparency through public reporting requirements; and
     c. Expand citizen ownership of a strategic national asset, provide a transparent and equitable ownership transfer process, create additional savings avenues for Kenyans, democratize ownership of a profitable state-owned enterprise, and deliver net income to shareholders.

8. **Previous privatization successes and failures:**
   - THAT, Kenya's privatization history presents both significant successes and notable shortcomings, many of which became evident only after the completion of transactions and should therefore be assessed on a case-by-case basis. Successful examples such as Safaricom, KenGen, and KCB demonstrate how privatization can expand domestic savings, improve investor literacy, generate direct and indirect employment, and stimulate entrepreneurship and the growth of new industries nationwide. However, past challenges highlight the need for the government to actively nurture and regulate privatized entities to safeguard their long-term success. This includes ensuring that public interests remain aligned with market dynamics,

improved governance, and broader industrial growth objectives well beyond the privatization transaction stage.

9. **Availability of valuation and transparency:**
   - THAT, there is limited information and transparency in the pre-approval stage of the privatization process due to current weaknesses and lack of specification of the privatization law. To this end, and despite the lack of a regulatory framework;
     a. Transparency is a constitutional requirement that should be adhered to at all times. As such, the valuation of the company should be contained in the prospectus and a separate citizen-friendly IPO valuation report that should be produced and publicized for the general public.
     b. Subject to Section 31 of the Privatization Act, 2005, the Privatization Commission shall undertake a valuation of the actual financial and asset position of the KPC and submit a report to the National Assembly. This should also take future business potential of the business.

10. **Post audit process:**
    - THAT, subject to Article 229 of the Constitution, the Office of the Auditor General plays a key role in safeguarding public resources and ensuring value for money. The post-transaction audit process should be undertaken by the Office of the Auditor-General, and an audit report should be submitted to the National Assembly within six months of the end of the transaction process.

11. **Safeguards for national and energy security:**
    - THAT, given the strategic importance of the Kenya Pipeline Company (KPC) to the country's petroleum supply chain and overall energy security, the privatization process must be designed to preserve the State's ability to safeguard critical infrastructure and ensure uninterrupted fuel supply. This may require embedding provisions in the transaction structure or relevant legislation to protect national security and interests, maintaining State oversight over strategic assets, and ensuring compliance with national energy policy objectives.

12. **Safeguarding affected parties and key stakeholders:**
    - THAT, there are key affected parties, such as KPC employees, who should be carefully considered in the design of the privatization prospectus. To achieve this, affected parties should be included in the ownership structure to ensure their perspectives are represented at the board level, with the national government leveraging its majority stake to safeguard their interests. However, care should be

taken not to constrain the company's ability to independently develop strategies, innovate, or reinvent itself for greater efficiency and allow the new management to focus on maximizing shareholder returns, compliance with domestic and international laws and standards, and enhancing competitiveness.

13. **Ownership limits for stakeholders:**
    - THAT, while the proposed privatization of 65 percent of the Government's stake in the Kenya Pipeline Company (KPC) will broaden ownership and attract diverse investors, it is important to safeguard against excessive concentration of shares in the hands of a single entity or related parties. Setting a maximum ownership limit for any one shareholder will help preserve broad-based ownership, promote market competitiveness, and protect national and energy security interests. Such a cap will also mitigate the risks of undue control, potential market manipulation, or strategic decisions that may conflict with the country's long-term economic and security objectives.

14. **Resource mobilization risk:**
    - THAT, the National Treasury intends to raise Kshs. 100 billion from the IPO to finance the FY 2025/26 budget, representing short-term resource mobilization. While technically feasible within 12 months, experience indicates that IPOs of this magnitude can take up to three years to conclude. Failure to factor in timing risks may undermine fiscal policy objectives. There is therefore a need for a clear mitigation strategy to address potential delays and to make provisions for any shortfall in the projected revenues.

15. **Valuation costs and risks:**
    - THAT, there is a need for all liabilities (debt and credit) and risks affecting the valuation of KPC to be comprehensively assessed, transparently disclosed, and factored into the transaction valuation before proceeding with the IPO. The risks identified include:
      a. Pending lawsuits amounting to Kshs. 5.75 billion and unresolved compensation claims worth Kshs. 3.8 billion by residents of Makueni County due to historical grievances linked to pipeline operations.
      b. Loss of approximately Kshs. 400 million in the Mzima pipeline project due to stalled execution and procurement lapses, a garnishee order of Kshs. 485 million in favour of Zakhem International following contractual disputes over the Line V project.

c. The potential loss of public funds amounting to Kshs. 192.6 million after Asharami Synergy took over the LPG facility despite prior investment by KPC.

16. **Treatment of subsidiaries:**
    - THAT, in 2023, KPC acquired Kenya Petroleum Refineries Limited (KPRL) as a subsidiary. In the engagement with the National Treasury and the Ministry of Energy and Petroleum, it was indicated that the KPRL will be included in the KPC privatization package, and as such, two government entities will be privatized at the same time. As such, this consideration should influence the valuation of the transaction and the percentage of equity to be offered. A clear statement should be included in the prospectus on how this subsidiary arrangement has been financially evaluated and factored.

17. **Procurement of transaction advisors:**
    - THAT, there is a need for the transaction advisers to be procured transparently and competitively, and the cost of the transaction, set at Kshs. 100 million, should not deviate from reasonable market rates. Previous privatization indicated that the cost could increase substantially if not capped. This should therefore be closely controlled through proper planning and assessment of the planning transaction process, and approval from the National Treasury should be sought before any increase in expenses.

18. **Use of proceeds:**
    - THAT, while the Sessional Paper indicates that the proceeds, Kshs. 100 billion will be utilized in either development expenditure, pending bills, or liability management. The Committee observed that due to inadequacies of the 2005 law, there is no clear mechanism that outlines how the proceeds from privatization transactions will be utilized or safeguarded for fiscal sustainability and future generations.

19. **Lack of Policy Synchronization:**
    - THAT, there is a need to increase the synchronization of non-tax and non-debt financing options, such as Privatization and Public-Private Partnerships (PPPs), to ensure coherent policy implementation, optimize resource mobilization, and maximize the economic and long-term fiscal benefits of alternative financing mechanisms.

20. **Increased Public Disclosure and Marketing of the IPO:**

- THAT, while some public disclosure efforts had been undertaken to support the approval process, further substantial and inclusive outreach is required. There is a need to strengthen marketing and communication strategies for the IPO, which should commence immediately after approval of the Sessional Paper. These efforts should aim to increase public understanding of the costs, risks, and benefits of the IPO, and how to participate in the IPO. It should leverage all available communication channels, including public roadshows and diverse media platforms. Such initiatives should also focus on broadening and diversifying market participation while ensuring a fair balance between large, small, and diaspora investors.

21. **Leveraging credit and savings platforms to facilitate participation:**
    - THAT, purchasing shares will require financial outlays by individuals, and therefore, access to financing will be essential to encourage widespread participation. As such, proactive engagement with banks, savings and credit platforms, including SACCOs, commercial banks, and the Hustler Fund, will be necessary to provide financing options that enable Kenyans from all walks of life to invest in the IPO, thereby promoting inclusive ownership and enhancing the utilization of these financial facilities.

22. **Periodic reporting on privatization transactions:**
    - THAT, existing laws provide that the implementation of the listing process requirements shall commence upon approval by the National Assembly, and the Committee observed that there is a need for the submission of periodic progress reports to the National Assembly on each stage of the implementation of the privatization process for continuous oversight and accountability.

23. **Eligibility of Investors:**
    - THAT, Section 29 of the Privatization Act, 2005 provides that both Kenyan and non-Kenyan investors are eligible to participate in privatization. The Committee noted the necessity for the National Treasury, in line with section 29(2) of the Act, to enforce a minimum level of participation for Kenyan citizens in such transactions, ensuring broader local ownership and from all walks of life including the youth, women, persons with disabilities and that the process is aligned with national economic empowerment objectives.

24. **Reforms in the privatization legislative framework:**

- THAT, while the current sessional paper has been submitted pursuant to the Privatization Act, 2005, the Joint Committee is cognizant of the ongoing legislative reforms, including the consideration of the privatization bill 2025. As such, even upon approval, the privatization of the KPC should be undertaken in adherence to the prevailing law, incorporating any consequent statutory amendments or regulatory directives and guidelines.

25. **Safeguarding Competition in the Petroleum Sector:**

- To prevent the emergence of a monopoly, the privatization of KPC should be structured to ensure the entity retains its core mandate of transporting and storing petroleum products and does not venture into the importation or sale of petroleum products without prior approval from the Competition Authority of Kenya, Energy and Petroleum Regulatory Authority, and the National Assembly.

PART V

5.0 COMMITTEE RECOMMENDATIONS

137. In view of the observations arising from the consideration of the Sessional Paper No. 2 of 2025 on the privatization of the Kenya Pipeline Company Limited, the Joint Committee finds the company is suitable for privatization and recommends that:

i. **The National Assembly approves the Sessional Paper No. 2 of 2025 on the privatization of the Kenya Pipeline Company (KPC) Limited;**
ii. **The privatization of the Kenya Pipeline Company Limited be undertaken in line with the observations contained in this report; and,**
iii. **The proposals identified to resolve observations contained in this report should be incorporated into legislation regulating privatization in Kenya.**

SIGNED.. DATE......14/8/25......

HON. DAVID GIKARIA, C.B.S, M.P.
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON ENERGY

SIGNED.. DATE......14/8/25......

THE. HON. ABDI SHURIE, CBS, M.P.
CHAIRPERSON, SELECT COMMITTEE ON PUBLIC DEBT & PRIVATIZATION

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 14 AUG 2025 DAY.
TABLED BY: Hon. David Gikaria, M.P Chairperson
CLERK AT THE-TABLE: Kenda Tillei

ANNEXURES

Annex 1: Adoption List
Annex 2: Minutes
Annex 3: Briefs by PBO and Legal Services
Annex 4: Submissions by Invited Stakeholders
Annex 5: Submissions by the Members of the Public