ANNUAL PROGRESS REPORT

IPF
INSTITUTE OF PUBLIC FINANCE

JANUARY – DECEMBER 2025

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FOREWORD FROM THE CEO

The year 2025 will be remembered as a defining moment for public finance in Kenya. What began as a technical discussion on fiscal consolidation quickly grew into something far more powerful. It became a national conversation about fairness, trust, and the role of citizens in shaping how public resources are raised and spent. Across the country, people paid closer attention, and asked questions that made their voices heard. Public finance conversations went beyond number to reflections on dignity, opportunity, and the confidence people place in the institutions that serve them.

It is an honor to present this report in my first year as the second Chief Executive Officer (CEO) of IPF. This organization is deeply personal to me. I have grown within it, working alongside colleagues, partners, and communities who are committed to making public finance work better for everyone. Over the years, I have seen what is possible when credible evidence meets strong institutions and active citizen engagement. I have seen county governments make better plans because they have better data. I have seen oversight institutions act more effectively when supported with timely analysis. I have listened to young people take ownership of fiscal conversations and turn complex issues into ideas their communities can understand and act on. These experiences have shaped my belief that transparency and accountability are practical tools that can transform how people experience the state in their daily lives.

This report is the result of a shared effort. It reflects the commitment of our staff, the guidance of our Board, the collaboration of our partners, and the trust placed in us by our funders. It also reflects the determination of citizens who continue to demand fairness and accountability in how public resources are managed.

Last year was not without challenges. Funding uncertainties, delays in accessing critical data, and shifts in the political landscape required us to adapt quickly and make difficult choices. Yet, through it all, we remained focused on our mission. We continue to strengthen institutions, support informed public debate, and ensure that fiscal information reaches and empowers the people who need it most.

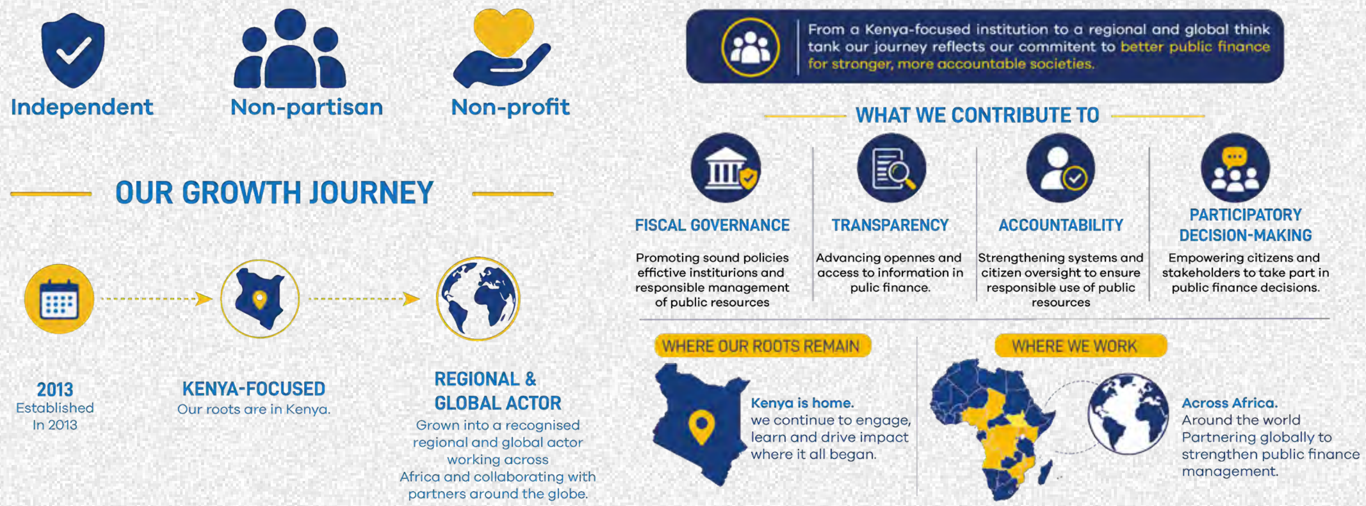
What you will find in these pages is more is a story of impact. How evidence can influence national conversations, how partnerships can unlock reforms, and how informed citizens can shape better outcomes for their communities. Our work with Parliament, county governments, and oversight institutions continues to build stronger systems. Our engagement with communities, youth, and civil society is helping to deepen participation in ways that are meaningful and lasting. Innovations such as Sauti ya Bajeti are opening new pathways for citizens to connect information with action and to see themselves as part of the fiscal process. None of this is possible without the continued belief and partnership of those who invest in our work. To our funders and partners, I offer my sincere gratitude. Your support enables independent analysis and keeps citizen voices at the center of fiscal governance.

As you read this report, I invite you to see beyond the outputs and into the lives that can be changed when public finance systems work as they should. Together, we have an opportunity to build systems that are more transparent, more equitable, and more responsive to the people they serve. I am excited about what lies ahead and deeply committed to advancing this work with you. We move into 2026 with purpose, partnership, and a shared belief that better public finance can help build a more just and inclusive society.

Daniel Ndirangu
Chief Executive Officer
Institute of Public Finance

IPF
INSTITUTE OF PUBLIC FINANCE

WHO WE ARE AND WHY OUR WORK MATTERS



IPF **is an independent, non-partisan, non-profit public finance think tank established in 2013.** Since our inception, we have grown from a Kenya-focused institution into a recognized regional and global actor contributing to reforms in fiscal governance, transparency, accountability, and participatory decision-making. While our roots remain in Kenya, we now work across Africa and collaborate with partners around the globe, reflecting our expanding role as a think tank that works towards strengthening public finance management.

We are guided by a clear vision of public finance systems that are transparent, accountable, inclusive, and responsive to citizens. Our mandate is to strengthen how public resources are raised, allocated, and used in ways that promote equity, accountability, and development outcomes. We pursue this mandate through four interconnected pillars: policy research, technical assistance, capacity strengthening, and advocacy.

Through policy research, we generate rigorous and timely evidence to inform fiscal debates and policy reforms. Through technical assistance, we support governments and public institutions to improve systems, strengthen processes, and enhance the effectiveness of public financial management. Through capacity strengthening, we equip stakeholders with practical skills and tools to engage meaningfully in budgeting, planning, and oversight processes. Through advocacy, we help ensure that evidence and citizen voices inform decision-making and that public resources are managed transparently and responsibly.

Public finance is central to development because it determines how resources are mobilized and how they are translated into services such as health, education, infrastructure, and social protection. Decisions on taxation, budgeting, debt management, and expenditure directly influence whether development is inclusive and sustainable. Weak systems can deepen inequality and reduce public trust, while stronger systems promote fairness, efficiency, and improved service delivery for citizens.

1. PARTNERSHIPS THAT EXPANDED OUR REACH

We have deepened our engagement with significant public institutions, such as National Treasury, Kenya Revenue Authority, State Departments of Arid and Semi-Arid Lands (ASAL) and Regional Development, State Department of Gender, Kenya School of Government, Commission on Revenue Allocation, Kenya School of Government, County Executives, as well as oversight bodies such as the Office of the Auditor General, Office of the Controller of Budget, County Assemblies, and Parliament. These partnerships have played a significant role in advancing our priorities in advocacy, to improve domestic revenue mobilization, strengthen health financing systems, enhance public participation, strengthen fiscal decentralization and gender responsive PFM.

Funders provided the resources, technical expertise, and strategic support needed to advance reforms in public financial management, including participatory governance, health financing, taxation, gender-responsive budgeting, and domestic resource mobilization. Their support enabled IPF to respond to emerging fiscal challenges while maintaining a long-term focus on evidence-based solutions and institutional change. We gratefully acknowledge contributions from Oxfam , Kenya Community Development Foundation (KCDF), Ford Foundation, Hewlett Foundation, Open Society Foundation, Gates Foundation, National Endowment for Democracy (NED), Friends of Lake Turkana (FOLT), Japan International Corporation Agency (JICA), Christian Aid Kenya, USAID Strathmore University Program, Norwegian Agency for Development Corporation (NORAD), Westminster Foundation for Democracy (WFD), African Forum and Network on Debt and Development AFRODAD, and Agriculture Sector Network (ASNET), Center for International Private Enterprise, CIPE, END fund, International Budget Partnerships, Inspire Action, Horn Economic and Social Policy Institute (HESPI),

Civil society organizations extended the reach of public finance reforms beyond government institutions. Through collaboration with organizations such as the Kenya Women Parliamentary Association (KEWOPA) and other civil society networks, we strengthened advocacy, amplified citizen priorities, and promoted accountability in fiscal governance. These efforts helped translate technical evidence into policy action, connect communities with decision-makers, and build coalitions for transparency, equity, and inclusion.

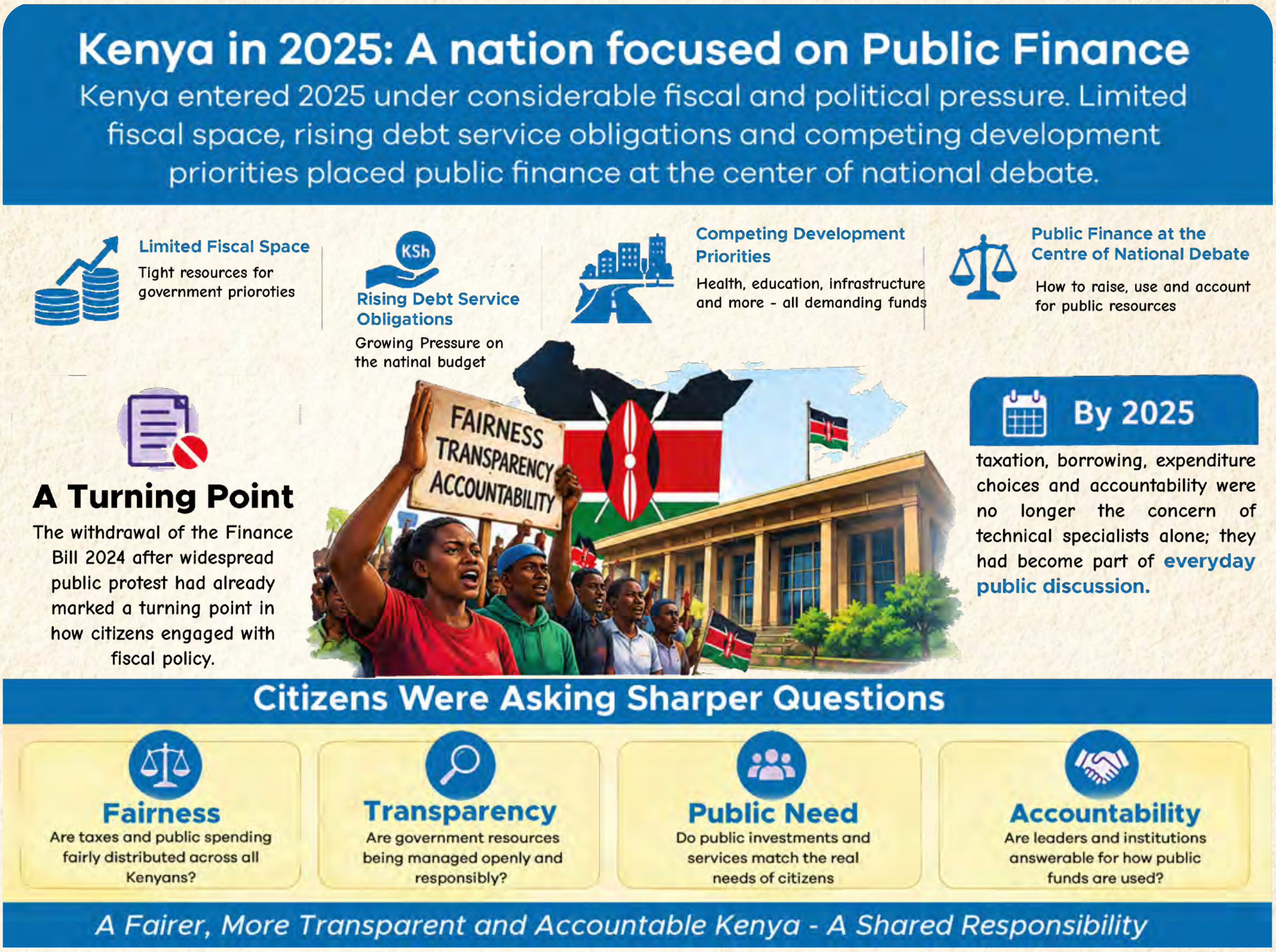
The media helped make public finance issues more accessible and visible. Engagements with journalists and media houses supported evidence-based reporting on budgeting, taxation, debt management, and fiscal policy, broadening public understanding and creating platforms for informed discussion on issues affecting citizens and the economy.

Our Public Finance Management Boot Camp for university contributed to nurturing the next generation of public finance leaders and practitioners. The initiative equipped university students with practical skills in public finance, governance, taxation, and accountability through a training-of-trainers model. Thirty student trainers cascaded this knowledge to 291 peers across 16 universities in Kenya, strengthening young people's capacity to participate meaningfully in public finance processes, promote accountability within their institutions and communities, and champion informed citizen engagement.

At the community level, we worked with grassroots organizations, community leaders, budget champions, social auditors, artisanal miners, women's groups, youth networks, and Communities of Practice to strengthen citizen participation in governance processes. These actors moved beyond passive consultation toward informed engagement, oversight, and accountability through social audits and other forms of evidence generation for advocacy. Their contribution reinforced more transparent and responsive public finance systems.

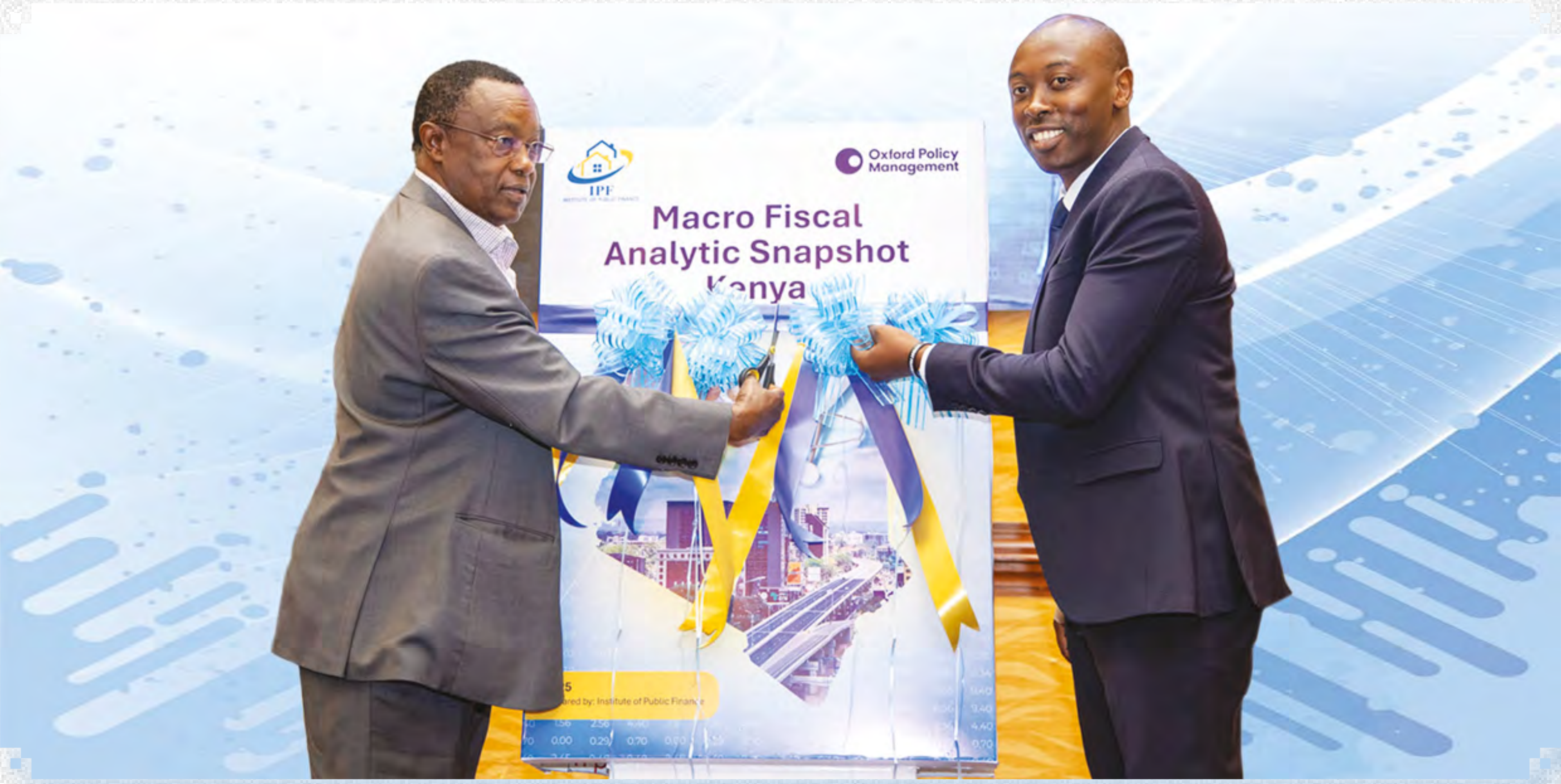
In the global front, we have expanded our reach and impact through partnerships with Addis Ababa University and the Horn Economic and Social Policy Institute (HESPI) in Ethiopia, alongside collaborations with People Powered, Open Government Partnership (OGP), and Mainstreaming Participation Accelerator (MPA) partners including IODP Africa, Fundación Ciudadano Inteligente, Open Mosaic D.O.O, and Kotakita. To drive systemic change, the MPA brought together a global cohort of 21 reformers representing 18 countries. Through this hands-on action learning program, these leaders developed tailored reform strategies to embed public participation within government administrative, policy, and legal structures as a sustainable governance practice.

2. PUBLIC FINANCE CONTEXT IN 2025



This environment shaped the work we undertook throughout the year. Media attention around budget processes intensified, civil society engagement deepened, and social media became an increasingly powerful space for real-time commentary on fiscal proposals. County governments, meanwhile, continued to struggle with delayed transfers, revenue shortfalls and growing expenditure pressures. These conditions made it harder to sustain service delivery, particularly in sectors such as health, infrastructure and local administration. The combination of constrained public resources and heightened public expectations reinforced the need for evidence-informed decisions, stronger institutions and more meaningful public participation.

The wider global and regional environment also influenced Kenya's fiscal outlook. Volatile commodity prices, tightened financial conditions and climate-related shocks, including drought in parts of Kenya and neighboring countries, created additional pressure on public budgets and highlighted the importance of climate-resilient public investment. At the same time, evolving international tax rules, debt relief discussions and regional reforms across the East African Community shaped the broader context in which Kenya's fiscal choices were being made. These overlapping shifts gave the year a distinctive character: it was a year in which technical fiscal decisions were inseparable from wider questions of legitimacy, public trust and social protection.

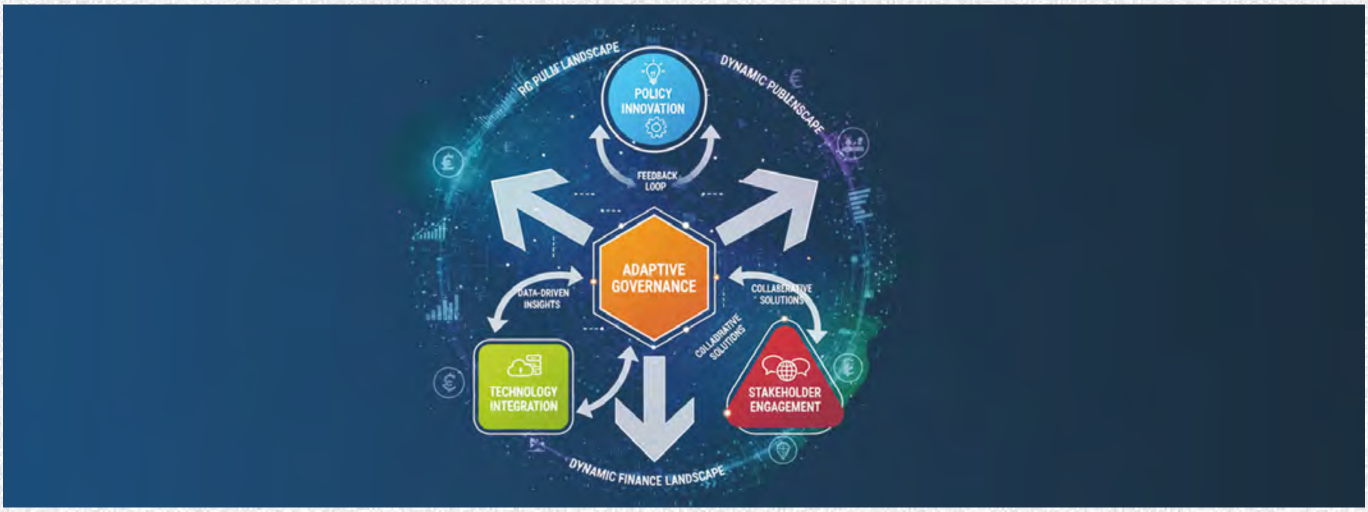


Within this context, IPF's work in 2025 combined immediate policy influence with longer-term institutional and citizen-centred reform. At the national level, our flagship analytical work helped shape public debate on debt sustainability, revenue mobilization, expenditure choices and fiscal credibility. The Macro Fiscal Analytic Snapshot continued to provide timely analysis of macroeconomic and fiscal trends, while the Annual National Shadow Budget offered an alternative lens on spending priorities, equity and value for money. Our analysis of the Finance Bill 2025 and the Budgets contributed to public discussion and policy engagement at a moment when fiscal decisions were under intense scrutiny.

3. OUR MODEL FOR BRINGING ABOUT CHANGE IN A DYNAMIC PUBLIC FINANCE LANDSCAPE

At the Institute of Public Finance, we recognize that improving public finance systems requires more than generating evidence or advocating for PFM reforms. Public finance is political, complex, and constantly evolving, shaped by economic realities, competing interests, institutional capacities, and citizen expectations. Our Theory of Change is therefore grounded in the belief that sustainable reforms happen when credible evidence informs decision-making, institutions have the capacity to implement reforms, and citizens are empowered to participate meaningfully in governance processes. By connecting evidence, institutions, and citizens, IPF contributes to more transparent, accountable, equitable, and responsive public finance systems that improve service delivery and strengthen trust between governments and citizens.

Research and analysis sit at the heart of IPF's work. We generate independent, rigorous, and policy-relevant evidence through our flagship products, policy briefs, and budget analysis. However, evidence alone does not lead to change. We therefore complement research with technical assistance to governments, legislatures, and other stakeholders to strengthen public financial management systems, and translating policy intentions into practical and sustainable reforms.



Capacity strengthening, policy advocacy, and coalition building are central to how IPF turns evidence into action. We invest in building the knowledge, skills, and competencies of public officials, and other constituencies through mentorship, peer learning, and technical coaching. We also engage policymakers, parliamentary committees, oversight institutions, and government agencies to ensure that evidence and citizen priorities inform public policies and budget decisions. Because meaningful reform cannot be achieved by one institution acting alone, we work with coalitions and networks with different constituencies to build collective action, and strengthen advocacy towards public finance reforms.

Strategic communication and digital innovation has also helped ensure that evidence reaches and serves the people who need it most. We have translated complex fiscal information into accessible and actionable knowledge through publications, media engagements, public forums, policy dialogues, podcasts, infographics, blogs, and citizen-friendly products. We have also leveraged technology, including platforms such as Sauti Ya Bajeti, to expand access to budget information, strengthen citizen engagement, and support social accountability initiatives.

4. GENERATING EVIDENCE FOR BETTER FISCAL DECISIONS

We have used our evidence to facilitate policy engagements and as tools of technical assistance and advocacy. In the context of limited fiscal space, rising debt pressures, and growing demand for accountability, credible and timely analysis is essential. Our research helped improve public understanding of fiscal trends and better policy debates and informed policy choices among decision makers.

In advocating for stronger fiscal credibility and debt sustainability, our macro-fiscal analysis showed that, despite a gradual decline in the fiscal deficit since 2020, Kenya's fiscal consolidation continued to be constrained by persistent revenue overestimation, frequent supplementary budgets, rising debt servicing costs, and growing domestic debt rollover risks. Together, these factors weakened budget credibility, constrained fiscal space, and increased fiscal vulnerabilities. We recommended strengthening revenue forecasting, limiting the use of supplementary budgets, and adopting a more prudent debt management strategy to safeguard fiscal sustainability. Through our flagship products, Macro Fiscal Analytic Snapshot (MFAS) and the Annual National Shadow Budget (ANSB), our recommendations informed policy engagement, contributing to national discussions on fiscal consolidation, debt management, and responsible budget planning. Our analysis also informed deliberations on the 2025 Budget Policy Statement (BPS), including the revision of the ordinary revenue target from KSh 3.0 trillion to KSh 2.8 trillion, helping to promote a more credible and realistic fiscal framework.

On the other hand, we also sustain our focus on strengthening health financing in the face of fiscal constraints. Our research found that while counties continued to prioritize health by allocating between 28 and 37 percent of their budgets to the sector, persistent delays in national government disbursements, inadequate funding, and rigid public financial management systems continued to undermine service delivery. Counties relied primarily on the equitable share, complemented by conditional grants, own-source revenue, and Facility Improvement Funds (FIF), while managing funding shortfalls by hiring temporary health workers, procuring medical supplies on credit, and redistributing commodities across facilities. Based on these findings, we recommended reforms to improve the predictability of health financing, including revising Public Finance Management regulations to allow counties to access up to 50 percent of additional allocations at the beginning of the financial year and strengthening Facility Improvement Financing frameworks. The research informed our technical assistance to Laikipia, Kilifi, and Nakuru counties, where we supported the development of guidelines to operationalize the Facility Improvement Fund (FIF) Act, strengthening financial management and supporting more sustainable health service delivery.

In our study; Strengthening Financing for Climate Adaptation and Locally Led Humanitarian Action, we demonstrated that the primary challenge facing county climate adaptation and disaster financing is not the absence of legal and policy frameworks, but the weak implementation of existing financing mechanisms. Research conducted in Marsabit, Tana River, Garissa, and Nairobi found that although counties had established Disaster Risk Management Funds (DRMFs), County Climate Change Funds (CCCFs), and Emergency Funds, these mechanisms largely existed in law but were not functioning as intended. Weak institutional arrangements, limited transparency, inadequate citizen participation, and inconsistent financing undermined counties' ability to respond effectively to climate shocks and disasters.

Based on these findings, we recommended strengthening the governance and operationalization of disaster and climate financing mechanisms by constituting statutory committees, improving transparency and public reporting, integrating climate and disaster funds into county planning and budgeting processes, and strengthening oversight by County Assemblies and oversight institutions. The research shifted the policy conversation from creating new financing instruments to making existing ones functional, accountable, and adequately financed. It also advanced the agenda for locally led humanitarian action by promoting county-owned institutions capable of delivering predictable, transparent, and accountable climate adaptation and disaster response.

5. STRENGTHENING INSTITUTIONS THROUGH TECHNICAL ASSISTANCE

Technical assistance is one of our important pathways for creating sustainable changes in public finance systems. While evidence generation informs policy debates, technical assistance enables institutions to translate knowledge into practice by strengthening systems, processes, and capacities. Throughout 2025, we worked closely with policy makers, and oversight bodies to address practical public finance challenges and support the implementation of reforms aimed at improving efficiency, accountability, and service delivery.

At the national level, we continued to provide technical support to government institutions on key public finance management reforms. Through strategic engagements with the National Treasury and other public institutions, we contributed to discussions on fiscal policy, debt management, revenue mobilization, and public participation. We also collaborated with government agencies to strengthen understanding of fiscal sustainability challenges and support evidence-informed decision-making on budgeting and resource allocation.

Recognizing the importance of linking public expenditure to measurable results, IPF supported capacity-building initiatives aimed at improving the quality of programme design, performance indicators, and results-based budgeting practices within government institutions. This work contributed to ongoing efforts to strengthen planning, budgeting, monitoring, and reporting systems and enhance the effectiveness of public spending

Our advocacy, technical assistance, and evidence-based policy engagement contributed to measurable improvements in budget transparency and accountability at both the national and county levels. At the national level, Kenya's Open Budget Survey (OBS) transparency score improved across the last three survey rounds, increasing from 50 in 2022 to 55 in 2023 and 56 in the 2025 Open Budget Survey, reflecting steady progress towards greater fiscal openness and public access to budget information.

At the county level, sustained support to county governments, civil society organizations, and organized citizen groups contributed to improved performance in the County Budget Transparency Survey (CBTS). Among the 16 counties supported by IPF, five demonstrated notable improvements in budget transparency between 2022 and 2025.

CBTS Scores					
County	**2022**	**2023**	**2024**	**2025**	**Overall trend**
Makueni	75	80	83	89	+9 points
Nakuru	51	62	79	87	+25 points
Busia	39	63	81	85	+22 points
Taita Taveta	53	57	65	66	+13 points
Kwale	74	81	64	71	Recovered significantly from 2024

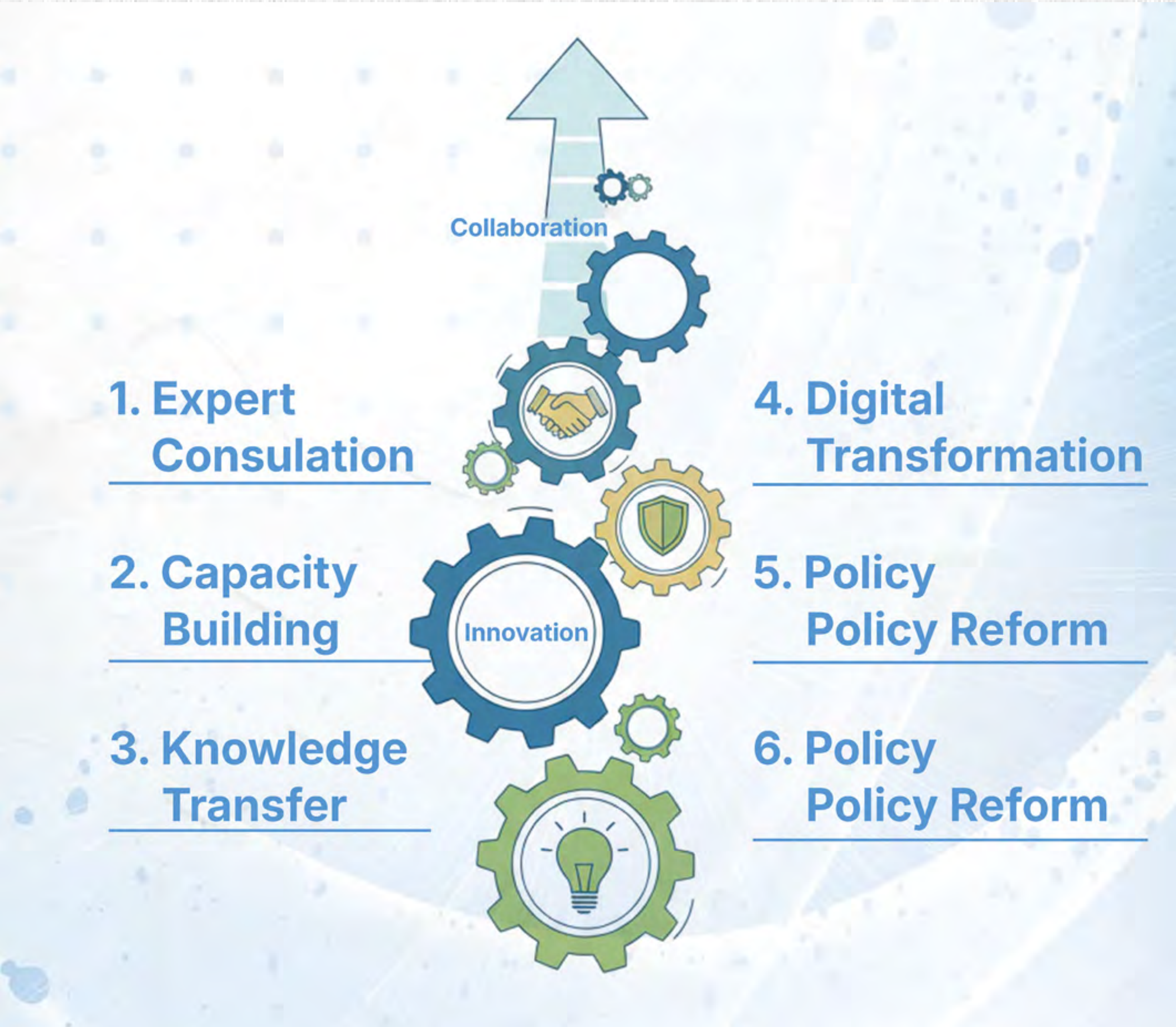
At the county level, we provided extensive technical assistance to strengthen Own Source Revenue (OSR) mobilization and revenue administration systems. We trained more than 110 revenue administration officers from Nairobi City, Laikipia and Kitui counties in revenue forecasting, and equipped an additional 50 officers with policy development skills. A key milestone of this technical assistance was the development of Revenue Enhancement Strategies (RES) for Laikipia and Kitui Counties. These strategies provided policy roadmaps that identified high-yield revenue streams and the reforms needed to increase collections. Following our support, during FY 2024/25, Kitui County recorded 73 percent growth in OSR, Laikipia County achieved 20 percent OSR growth, and Nairobi City County recorded 5 percent OSR growth.

We also continued to support counties in strengthening health financing systems and improving the sustainability of health service delivery. Through analytical work and technical assistance, we supported Laikipia, Nakuru and Kilifi counties in strengthening Facility Improvement Financing (FIF) legal and policy frameworks, while providing targeted support to Nakuru and Laikipia counties in developing FIF legislation implementation guidelines, and improving financial management arrangements for health facilities. To inform these reforms, we reviewed the FIF legislation of 12 counties, identifying good practices, implementation gaps, and opportunities for harmonizing facility-level financing frameworks. At the request of the Council of Governors, the findings were presented to all 47 county governments, providing a national platform for peer learning and informing county reforms. The review also informed our targeted technical assistance to Nakuru and Laikipia in developing their FIF legislation. This work strengthened county capacity to establish robust governance and financing arrangements for health facilities, improve the management of facility-generated revenues, and enhance the sustainability and accountability of health service delivery.

In the area of debt management, IPF contributed to efforts aimed at promoting sustainable borrowing and strengthening public understanding of debt-related issues. Through collaboration with the National Treasury and the Public Debt Management Office, we supported dissemination of the Medium-Term Debt Management Strategy (MTDS), facilitated stakeholder engagement forums, and provided analytical insights on debt sustainability. We developed a citizen-friendly version of the Medium-Term Debt Management Strategy (MTDS) and jointly conducted dissemination forums to publicize the strategy and expand its reach among citizens. These efforts were intended to make debt information more accessible, enabling citizens to better understand the Government's debt management strategy and engage more meaningfully in public discourse and accountability on public debt and borrowing decisions.

Strengthening gender-responsive budgeting remained a key area of technical support during the year. We provided technical expertise to strengthen the integration of gender considerations into budgeting and policy processes. This included developing analytical briefs, supporting budget reviews, facilitating training and mentorship programmes, and strengthening the capacity of legislators to assess fiscal proposals through a gender lens. The targeted technical assistance significantly strengthened the capacity of women parliamentarians to engage in public finance management, budgeting, and evidence-informed policy debates. By combining technical support with practical analytical tools such as the Annual National Shadow Budget and Macro Fiscal Analytic Snapshot, alongside sustained engagement, the Institute enabled legislators to scrutinise fiscal policies more effectively, champion Gender Responsive Budgeting (GRB), and advocate for more equitable and inclusive budget decisions. The support contributed to increased awareness and uptake of gender-responsive approaches within parliamentary and budget oversight processes. Several of the women parliamentarians we engaged used our analytical products to inform their contributions during parliamentary debates and budget formulation processes, demonstrating the practical application of evidence in legislative decision-making.

Parliament has been a critical partner in advancing evidence-informed policymaking and oversight. We provided technical support to Members of Parliament, parliamentary committees, and legislative staff through the preparation of sector briefs, fiscal analysis, and policy submissions. These products enabled legislators to engage more effectively with budget proposals, taxation measures, and broader fiscal policy issues. We also supported parliamentary oversight by providing independent analysis that informed committee deliberations and legislative scrutiny of public finance matters. A key aspect of this support involved the preparation and submission of evidence-based recommendations on major fiscal policy documents, including the Budget Policy Statement (BPS), Finance Bill, budget estimates, and other legislative proposals such as National Infrastructure Fund (NIF). Through these submissions, we provided practical policy alternatives and recommendations aimed at strengthening fiscal credibility, improving equity, enhancing transparency, and promoting accountability in public resource management. The adoption of several recommendations within national policy documents demonstrated the value of sustained technical engagement and evidence-based advocacy.



Through technical submissions and sustained engagement with Parliament and the media, we advanced reforms aimed at promoting a fair, transparent, and accountable public finance system. Our advocacy resulted in the adoption of 36% of IPF's recommendations by the National Assembly's Finance and Planning Committee during deliberations on the Finance Bill 2025. Key reforms included protecting citizens' data privacy, retaining VAT zero-rating on essential goods, safeguarding taxpayer rights in dispute resolution, and allowing greater flexibility in carrying forward business losses. These changes strengthened taxpayer protections, reduced compliance burdens for businesses, and enhanced the fairness and predictability of Kenya's tax system.

We also influenced the 2025 Budget Policy Statement, with 17% of its recommendations incorporated into the final BPS. Notable outcomes included revising the ordinary revenue target from KSh 3.0 trillion to KSh 2.8 trillion to improve fiscal credibility, increasing the education budget to KSh 723.9 billion, committing to greater transparency in reporting pending bills, prioritizing county transfers, and recognizing the need to expedite the costing of devolved functions. These reforms strengthened fiscal transparency, budget credibility, and the implementation of devolution.

We strengthened gender-responsive fiscal governance by enhancing the capacity of women parliamentarians and grassroots advocates to participate effectively in budget processes. Through the dissemination of the Annual National Shadow Budget and Macro Fiscal Analytic Snapshot 2025, Members of Parliament were equipped with evidence-based analysis to scrutinize budget priorities, assess fiscal trade-offs, and advocate for more equitable resource allocation. Technical engagement with parliamentary committees further strengthened evidence-informed legislative oversight and promoted the integration of gender perspectives into fiscal decision-making.

At the county level, we strengthened a network of over 200 Gender Responsive Budget advocates across six counties, enabling them to participate actively in County Annual Development Plan consultations and advocate for gender-responsive priorities. Structured dialogue between women parliamentarians and grassroots advocates strengthened linkages between national and county budget processes, ensuring that citizens' priorities increasingly informed policy and budget decisions.

6. WORKING WITH CITIZENS & COMMUNITIES

At IPF, we believe that effective public finance systems depend on active and informed citizen participation. Throughout 2025, we strengthened citizen voice by equipping diverse groups with the knowledge and skills to engage in public finance processes, influence decision-making, monitor public resources, and hold institutions accountable.

We strengthened Communities of Practice, civil society organisations, and community leaders by enhancing their capacity to analyse budgets, develop evidence-based memoranda, monitor service delivery, and participate effectively in county planning and budgeting processes. IPF strengthened citizen participation in the governance of Kenya's extractives sector by working with women, artisanal and small-scale miners (ASMs), and mining-affected communities in Kwale and Taita Taveta counties through the budget cycle. These engagements supported advocacy efforts towards increased allocation to occupational safety, environmental rehabilitation, skills development, and value addition in the mining sector, strengthening their influence in county planning and budgeting.

on the implementation of Community Development Agreements (CDAs) and convened dialogue forums that brought together county governments, civil society, community representatives, and mining stakeholders to identify reforms for more transparent and equitable management of mineral revenues. The Institute also amplified community voices through platforms such as the Alternative Mining Indaba and Jukwaa la Madini, promoting inclusive and gender-responsive natural resource governance. Collectively, these efforts strengthened community capacity to participate in public finance processes and advocate for more accountable and equitable management of natural resources.

7. INNOVATIONS TO PROMOTE CITIZEN PARTICIPATION, GOOD GOVERNANCE & ENHANCED VOICES IN PUBLIC FINANCE

In an increasingly complex public finance environment, access to information alone is not enough to enable meaningful citizen participation. Citizens must be able to understand public finance issues, relate them to their daily lives, and use information to influence decision-making and hold institutions accountable. Recognizing this, we continued to invest in innovative approaches that make public finance information more accessible, understandable, and actionable for diverse audiences. Through a combination of digital technology, simplified communication products, media engagement, and citizen-centred platforms, the organization strengthened public understanding of fiscal issues and expanded opportunities for citizen participation in governance processes.

We leveraged digital technology to strengthen citizen participation in public finance by developing Sauti Ya Bajeti, an AI-enabled platform that simplifies budget information and enables citizens to engage more effectively in budgeting and accountability processes. By making public finance information more accessible and providing practical tools for citizen oversight, the platform strengthened informed participation and evidence-based accountability. Its Social Audit Module, piloted during the monitoring of a water project in Taita Taveta County, enabled trained social auditors to collect and upload evidence, generate structured reports, and engage duty bearers using credible findings. The pilot demonstrated the potential of digital innovation to amplify citizen voices, improve the quality of social accountability, and strengthen transparency and accountability in the management of public resources. To broaden public access to fiscal information, IPF produced citizen-friendly versions of key publications, including the Medium-Term Debt Management Strategy, the Macro Fiscal Analytic Snapshot, and budget analysis reports. Complemented by infographics and other visual communication products, these simplified resources made complex public finance issues more accessible to citizens, civil society, journalists, and policymakers. As a result, they strengthened public understanding of debt, budgeting, revenue mobilisation, and fiscal reforms, enabling more informed public discourse and evidence-based engagement in fiscal governance.

Recognizing the growing importance of digital storytelling, we strengthened public undgital content translated complex public finance issues into accessible narratives, broadening public discourse on topics such as health financing, taxation, debt management, and governance reforms. The Institute also strengthened evidence-based reporting by engaging journalists and media houses, enhancing the quality and reach of public finance reporting. Together, these efforts amplified our research, expanded public access to credible fiscal information, and promoted more informed debate on key public finance issues.

We also leveraged podcasts, documentaries, and digital storytelling to amplify citizen voices and make public finance conversations more inclusive and accessible. These platforms showcased the experiences of citizens, community leaders, women, youth, and grassroots accountability actors, demonstrating how public finance decisions affect everyday lives while elevating emerging voices in governance. By combining innovative communication approaches with citizen-centered design, the Institute strengthened public engagement, expanded opportunities for participation, and made evidence-based public finance discussions more accessible and actionable.

8. WHAT THE YEAR TAUGHT US.

TIMELY AND DEMAND-DRIVEN RESEARCH CREATES GREATER INFLUENCE:

Research products developed in response to emerging policy debates and stakeholder needs tend to gain greater traction than pre-planned studies. For example, timely review of the Facility Improvement Fund (FIF) legal frameworks across 12 counties, which responded to growing demand for guidance on health financing reforms. At the request of the Council of Governors, the findings were presented to all 47 county governments, creating a national platform for peer learning and policy dialogue. The evidence also strengthened county confidence in IPF's technical expertise, leading Nakuru, Laikipia, and Kilifi to seek technical support to strengthen their FIF legal frameworks and develop implementation guidelines. This experience reinforced the importance of maintaining flexibility to respond to emerging policy windows and stakeholder demand.

Evidence alone does not generate influence:

The reporting period demonstrated that producing high-quality analytical work is only the first step towards influencing policy and practice. Our experience showed that research achieved the greatest impact when it was accompanied by deliberate knowledge translation and sustained policy engagement. Rather than relying solely on dissemination, we translated research into citizen-friendly briefs, infographics, blogs, and digital storytelling products; convened policy dialogues; engaged parliamentary committees, county governments, and the media; and provided technical support to decision-makers during the policy process. These integrated approaches contributed to the adoption of 36% of our recommendations on the Finance Bill 2025 and 17% of its recommendations on the 2025 Budget Policy Statement. This experience reinforced that policy influence is achieved not only through generating credible evidence, but also through continuous engagement, strategic communication, and trusted relationships with decision-makers and other stakeholders.

Technical assistance is a catalyst for sustained policy influence:

Technical assistance significantly strengthened the capacity of women parliamentarians to engage in public finance management, budgeting, taxation, and evidence-informed policy debates. By combining technical support with practical analytical tools such as the Annual National Shadow Budget and Macro Fiscal Analytic Snapshot, alongside sustained engagement, the Institute enabled legislators to scrutinise fiscal policies more effectively, champion Gender Responsive Budgeting, and advocate for more equitable and inclusive budget decisions. This experience reinforced that sustained technical assistance builds confidence, strengthens institutional capacity, and increases the uptake of evidence in policymaking.

Importance of embedding sustainability within capacity-strengthening initiatives:

By strategically engaging Parliamentary Clerks alongside Members of Parliament, we strengthened institutional memory and created a sustainable mechanism for continued policy dialogue, legislative oversight, and budget advocacy in support of the implementation of the National Policy on Women's Economic Empowerment (NPWEE). This approach demonstrated that lasting policy influence depends not only on strengthening individual champions but also on reinforcing the institutions that support them.

Political strategy is as important as technical design:

Our global reformers consistently reported that technical solutions alone were insufficient to secure institutional adoption. Progress often depended on navigating political incentives, leadership transitions, competing priorities, administrative cultures, and coalition dynamics. This was particularly evident in reform contexts across Africa and Latin America, where participatory reforms frequently operate within environments characterized by weak institutional frameworks, limited resources, and reliance on political goodwill.

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9. THE CONSTRAINTS WE FACED & HOW WE OVERCAME THEM

Securing consistent engagement from key government actors has been a challenge in some contexts. Competing priorities, institutional transitions, and changing political dynamics occasionally delayed advocacy efforts and limited opportunities for sustained policy dialogue. This reinforced the importance of building long-term institutional relationships rather than relying solely on project-based engagement.

Timely access to complete and reliable public finance information was uneven across public institutions. Delays in obtaining critical data from institutions such as the Kenya Revenue Authority and Parliament affected the speed and depth of some research taxation, fiscal policy, and budget analysis, reducing opportunities to influence key policy processes. At the county level, citizen groups and civil society organisations also reported that many county websites

were either inaccessible or non-functional, while key budget documents were often unavailable or uploaded late. These challenges limited meaningful public participation, constrained evidence-based advocacy, and weakened citizen oversight of public resources. The experience underscored the continued need for stronger compliance with access-to-information obligations, proactive disclosure of public finance information, and improved digital platforms to support transparency, accountability, and informed citizen engagement.

Successful institutionalization of participatory governance requires more than technical expertise. Reformers are more likely to achieve lasting change when technical support is complemented by mentor ship coalition-building, political navigation, and peer learning tailored to their stage of reform.

Sustaining Coalitions Beyond Project Cycles. While partnerships and coalitions is central to our influence strategy, sustaining collective action beyond the life of specific projects continued to be difficult. Many networks depend on project funding for coordination and engagement, creating risks to continuity once funding ends. This highlighted the need for more durable and self-sustaining coalition models.

Public Awareness in an Environment of Misinformation. Growing public interest in fiscal and governance issues has created opportunities for engagement but also increased the spread of misinformation and simplified narratives around complex policy issues. This challenge highlighted the need for stronger public communication approaches that not only provide information but also help citizens understand and interpret evidence.

10. LOOKING AHEAD: PRIORITIES FOR 2026

The fiscal pressures that shaped 2025 are likely to continue into 2026, alongside new challenges related to climate finance, digital governance, global economic volatility and the continuing demand for more accountable public institutions. Our work in the coming year will build on the lessons, partnerships and results of 2025.

We plan to deepen policy influence in national and subnational fiscal decision-making through stronger research and more targeted engagement with Parliament, the National Treasury and county governments. We will continue strengthening public financial management systems, particularly in relation to revenue mobilization, expenditure efficiency, accountability, programme-based budgeting and health financing. We also intend to expand digital tools such as Sauti Ya Bajeti and the Social Audit Module so that more counties and user groups can access simplified information and accountability tools.

At the same time, we will invest further in partnerships, youth leadership and organizational resilience. Stronger collaboration with government institutions, civil society, media, universities and development partners will remain essential to sustaining impact. We also recognize the importance of investing in our own systems, staff wellbeing and institutional learning so that we remain adaptive, credible and effective in a changing public finance landscape.

We will intensify donor engagement, strengthen proposal development, cultivate new strategic partnerships, and improve grant retention to secure sustainable financing and maintain our programme impact.

The work ahead is substantial, but so is the opportunity. As citizen demand for fairness, transparency and accountability continues to grow, we remain committed to standing at the intersection of evidence, institutions and citizens, working to ensure that public finance serves the public good.

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