

AFRICA RISK CONSULTING

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Kenya Summary 15 September 2025

President William Ruto (2022-present) defends hiring United States (US)-based lobbying and consulting firm, Continental Strategy LLC, to secure trade, security, and diplomatic outcomes in Washington (US). National Treasury tables the Annual Borrowing Plan (ABP) for the 2025/2026 fiscal year on 9 September, which includes a \$1 billion debt-for-food security swap to be executed by March 2026 as part of debt-service relief and food-security investment. Interior cabinet secretary (CS) Kipchumba Murkomen is forced to address concerns over border tensions with Somalia following reports that Somalia's Jubaland Security Forces (JSF) entered Mandera County and clashes between JSF and the Somalia National Army (SNA) reportedly leading to increased displacement pressures.

Ruto hires DC lobbyists while balancing between US and China competition

President **William Ruto** (2022-present) on 27 August publicly [defended](#) his decision to hire **United States (US)**-based lobbying and consulting firm, **Continental Strategy LLC**, on a \$175,000 per month retainer, framing the decision as a method to safeguard trade, security, and diplomatic outcomes in the US. While domestically critics balked at the cost, prime cabinet secretary (CS) **Musalia Mudavadi** [defended](#) the spend as “a standard and legitimate practice by governments worldwide ... [where] competition for visibility is intense and highly structured.” The strategic framing was bolstered by a 19 August [call](#) in which Ruto and US Secretary of State **Marco Rubio** reaffirmed their strategic partnership and discussed opportunities to bolster economic cooperation.

The timing of this is significant and demonstrates Ruto's ability to adapt to US President **Donald Trump's** (2015-2021; 2025-present) more transactional approach to foreign relations. Ahead of Trump's introduction of 10% tariffs on 1 August, Kenya's [exports](#) to the US hit a record KSh 52.6 billion (\$403.8m) in the first half of 2025, a 27.4% year-on-year rise. However, the tariffs and the 30 September expiration of the **African Growth and Opportunity Act (AGOA)** stand to jeopardise trade gains. Local media [reported](#) that the end of AGOA without a bridge arrangement endangers approximately 66,000 Kenyans' jobs in the apparel sector. Continental Strategies, as well as industry stakeholders, are therefore proactively [lobbying](#) in Washington (US) for renewal while also seeking bilateral options.

The deal comes amid growing scrutiny of Kenya's foreign and domestic policies in the US. In a 13 May 2025 [hearing](#), US senate foreign relations committee member **Jim Risch** argued that Ruto's [remark](#) that Kenya and **China** are “co-architects of a new world order” signalled not mere alignment but “allegiance,” and urged a reassessment of the relationship. In August he introduced an [amendment](#) to the **National Defense Authorization Act** for fiscal year 2026, seeking a review of Kenya's designation as a **Major Non-NATO Ally (MNNA)**.

These geopolitical tensions have directly impacted investment - the proposed KSh 468 billion (\$3.59 billion) **Mombasa-Nairobi** expressway project faces new delays due to US financiers rejection of **Portuguese** construction company **Moto-Engil's** proposed stake in the project. The US lenders reportedly objected to Mota-Engil's shareholder ties to **China Communications Construction Company (CCCC)**. CCCC [holds](#) roughly 32.41% of Mota-Engil's equity, underscoring sensitivity to US-China competition at the detriment to project development.

However, balancing ties with China remains central to Kenya's fiscal management and market diversification. Kenya is currently [negotiating](#) with China to convert \$5 billion in Standard Gauge Railway (SGR) loans from US dollars into yuan to lower interest costs and ease pressure on reserves. Additionally the government has [highlighted](#) efforts to expand Chinese private sector investment in Kenya, positioning this as strategic interest and insurance against US uncertainty. On 13 September, Ruto [unveiled](#) a plan to triple tea earnings to over \$2 billion by 2027, anchored on China's decision to lift all tariffs on Kenyan tea, coffee and other farm exports and a pledge to deepen technical cooperation with Kenyan processors.

Ruto is [scheduled](#) to visit the United States in September for the 80th **United Nations General Assembly (UNGA)**. The trip will test the temperature of whether Kenya's pricey lobbying effort in Washington is able to achieve results and whether Kenya can successfully balance geopolitical tensions without compromising its own national interests.

Kenya's \$1 billion debt-for-food security swap

National Treasury tabled the fiscal year (FY) 2025/26 [Annual Borrowing Plan \(ABP\)](#) on 9 September, which includes an innovative \$1 billion [debt-for-food security swap](#) that it set to be executed by March 2026. The swap involves exchanging costlier obligations for cheaper financing with savings ring-fenced to food programmes. Additionally, the ABP targets a \$500m sustainability-linked bond by March 2026 and anticipates **World Bank** loans of \$757m by March 2026 and \$457m by June 2026. Need for government intervention in increasing food security is critical. The [latest Integrated Food Security Phase Classification \(IPC\)](#) analysis estimates that between July and September, 1.8 million Kenyans are in Phase 3+ (crisis or worse), rising to a projected 2.12 million through January 2026.

Although the document does not specify the parties involved, finance minister **John Mbadi** [said](#) in April that Kenya was in advanced talks with the **World Food Programme (WFP)** on a potential arrangement. The plan sits within a tight fiscal environment; in May the World Bank [assessed](#) Kenya as "at high risk of debt distress, with interest payments absorbing about a third of tax revenue." At the end of June, public debt stood at [KSh 11.8 trillion](#) (\$90.58 billion), equal to 67.8% of GDP, with the treasury estimating [gross financing needs](#) of KSh 1.55 trillion (\$11.9 billion), equal to 8% of GDP, for the 2025/26 year, including KSh 901 billion (\$6.9 billion) for the fiscal deficit and KSh 646 billion to refinance maturing obligations. Of the estimated KSh 901 billion (\$4.96 billion) borrowing, the ABP [outlined](#) that 72% will be sourced domestically and 28% externally.

The proposed mechanism mirrors recent [debt-for-nature](#) deals but channels fiscal relief into food-system investments such as irrigation, storage, and nutrition, targeted at reducing post-harvest losses and price volatility. In December 2023, Kenya executed a [debt-for-climate](#) conversion with **Germany**, under which the Kenyan government agreed to provide the equivalent of € 60m (\$70.4m) over several years for projects agreed with Germany.

While Kenya's debt-for-food security swap is unlikely to substantially change the overall debt trajectory, if credibly structured, it could reduce interest costs, smooth maturities and free fiscal space for climate-resilient agriculture, strategic grain reserves, and targeted nutrition, potentially leading to more stable prices for staple goods. However, transparency around swaps is contested. There is an ongoing [case](#) with the **East African Court of Justice (EACJ)** that alleges inadequate disclosure and deficient public participation regarding debt-for-nature and debt-for-food swaps.

Clear key performance indicators (KPI's), independent verification and transparent reporting will be integral in increasing policy and investor support for the success of the swap. However, weak transparency and lack of improvements in food security is likely to invite additional political and legal scrutiny to Ruto's already divisive administration.

Kenya seeks to maintain peaceful reputation despite border tensions

Interior CS **Kipchumba Murkomen** on 3 September publicly [rejected](#) reports that **Somalia's Jubaland Security Forces (JSF)** had entered **Mandera County**, insisting that Kenya is safe and not

under threat from any foreign force. His statement follows renewed tension after 30 July clashes between JSF and the **Somalia National Army (SNA)** in **Bulla Hawa** [triggered](#) conflicting claims about cross-border movements. Bulla Hawa is [situated](#) on Somalia's border with Kenya, approximately 3km from the centre of Mandera town. County leaders [reported](#) school disruption, blocked farm access, stray bullets, and a foreign armed presence while national authorities maintained that fighting remained inside Somalia and security in Mandera was stable.

On 19 August, member of parliament (MP) **Sulekha Harun** [spoke](#) before the **National Assembly's** departmental committee on defence, intelligence and foreign relations stating "*the presence of foreign armed groups and ongoing military activity near our borders is unacceptable.*" She [highlighted](#) (unconfirmed) instances of stray bullets and live explosives crossing from Bulla Hawa into Kenyan territory and warned that such incursions constitute a direct violation of Kenya's sovereignty. Mandera senator **Ali Roba** echoed these concerns on 3 September [stating](#):

"This is a humiliation of our sovereignty. The absurdity of a regional state government fighting its federal government is akin to Mandera County Government declaring war against the Republic of Kenya. Yet, we are now hosting these foreign forces in our own town."

He further [cautioned](#) that if the state fails to act decisively, leaders and locals would be forced to organise for their own defence.

Murkomen has consistently [denied](#) that foreign fighters are active in Kenya, which the **Kenyan Defence Force (KDF)** has backed. However, humanitarian data corroborate displacement pressures. An **United Nations (UN) International Organisation for Migration (IOM)** [assessment](#), carried out between 15 and 17 August in conjunction with the **Kenya Red Cross**, found 492 refugee households (approximately 2,952 people) registered in three temporary sites in **Mandera East**, 59% of whom lacked safe water, 87% lacked enough food, and 76% reported not feeling safe. Kenyan and international media also pushed residents' claims about an incursion with stories reported via [Bloomberg](#) and [Standard](#).

The cleavage between county reporting and the national response of downplaying an incursion is stark and reflects a history of centre-periphery governance frictions. Media scrutiny has amplified this division, which has been capitalised on by Ruto's political opponents. Former deputy president **Rigathi Gachagua** publicly [urged](#) deployment of KDF to "*immediately... flush out foreign troops out of our land.*" The government's position is further complicated by efforts to maintain Kenya as a stalwart regional peacekeeper, having recently [reaffirmed](#) its commitment to the **African Union Support and Stabilization Mission in Somalia (AUSSOM)** on 11 September.

The downplaying of potential border conflict is also likely to be linked to wanting to preserve the nation's international reputation which has seen several hits over the past few years. In February, Nairobi's hosting of meetings with **Sudan's Rapid Support Forces (RSF)** led Sudan to [recall](#) its ambassador and accuse Nairobi of [facilitating](#) a "*parallel government.*" This followed a similar [recall](#) after Ruto [met](#) with RSF leader **Mohammed Hemedti** at Nairobi's **State House** in January 2024. Kenya's concurrent leadership of the UN-authorized **Multinational Security Support (MSS)** mission in **Haiti** has [faced](#) funding and logistics shortfalls and limited progress against gangs with recent casualties among Kenyan officers creating a risk of political embarrassment at home and abroad. If the gap between county experience (and reporting), and the national message continues to widen it may damage Kenya's image of being a beacon of peace in the conflicted **Horn of Africa** region.

Planner

29 Sep – 3 Oct **Nairobi (Kenya) CyberWeek Africa 2025**

25 Oct 2025 **TBA (India) Kenya-India Investment Forum**

28-31 Oct 2025 **Nairobi (Kenya) Africa International Agricultural Expo**

8-12 Dec 2025 **Nairobi (Kenya) United Nations Environment Assembly (UNEA-7)**

11-12 Feb 2026 **Nairobi (Kenya) Africa Tech Summit**

Mar 2026 **Nairobi (Kenya) 11th Our Ocean Conference (OOC)**

2026 **Nairobi (Kenya) Africa-France Summit 2026**

Chronology

14 Sep 2025 **Nairobi (Kenya) Daily Nation**. Nairobi-based **HassConsult Real Estate** indicates property prices are rising faster than those in the **United States** and **United Kingdom**, driven by strong demand in the real estate sector;

12 Sep 2025 **Nairobi (Kenya) Daily Nation**. Government orders mandatory registration and uniforms for boda-boda (motorcycle taxi) operators to curb traffic incidents and formalise the sector;

11 Sep 2025 **Nairobi (Kenya) Daily Nation**. Foreign ministry condemns **Israel's** strike on **Qatar** as a violation of its sovereignty and urges restraint and dialogue;

10 Sep 2025 **Algiers (Algeria) Daily Nation**. Kenya's **National Oil Corporation** signs a memorandum of understanding (MoU) with **Algeria's Sonatrach** to cooperate on oil and gas supply and capacity building;

9 Sep 2025 **Nairobi (Kenya) Wall Street Journal**. **United States**-based **Wall Street Journal** reports that the Kenyan government uses US funded antiterrorism courts to charge protestors with terrorism, drawing criticism from rights groups and U.S officials;

9 Sep 2025 **Nairobi (Kenya) The East African**. President **William Ruto** proposes mediating the **Nile** dam dispute and purchasing electricity from **Ethiopia** following the inauguration of the **Grand Ethiopian Renaissance Dam** on the Blue Nile;

8 Sep 2025 **Addis Ababa (Ethiopia) Financial Times**. President **William Ruto** tells the **Africa Climate Summit** that western leaders have broken a "*climate blood pact*" by failing to deliver on promises to assist poorer countries in financing adaptation efforts;

8 Sep 2025 **Copenhagen (Denmark) Global Maritime Forum**. A **Global Maritime Forum** report highlights Kenya's potential to produce zero-emission e-fuels for shipping and calls for investment to scale projects;

8 Sep 2025 **Nairobi (Kenya) Daily Nation**. Newly released **Agriculture and Food Authority (AFA)** statistics show that earnings from cut flower exports declined by 32.9% in the past five years - KSh72.1 billion (\$554m) in 2024, compared to KSh107.5 billion (\$826.3m) in 2020 - due to shrinking production volumes, rising logistical costs, and tightening regulations from the **European Union (EU)**;

4 Sep 2025 **Nairobi (Kenya) Business Daily**. New disclosures show that the export value of Kenya's vegetables dipped by 53.83% to KSh 23.5 billion (\$180.6m) in the 2024 crop season, revealing the impact of tough restrictions by the key **European Union (EU)** market on produce treated with pesticides;

3 Sep 2025 **Nairobi (Kenya) Daily Nation**. Controller of budget discloses that penalties and interests on delayed state payments increased to KSh 25.28 billion (\$195.58m) in the financial year ending 30 June;

3 Sep 2025 **Nairobi (Kenya) The Standard**. **Wiper** leader **Kalonzo Musyoka** criticises President **William Ruto's** government over the continued plundering of public resources and accuses Ruto of sanctioning scandals that have plagued the country since he took over three years ago;

2 Sep 2025 **Nairobi (Kenya)** *Daily Nation*. President **William Ruto** and **Orange Democratic Movement (ODM)** leader **Raila Odinga** convince Nairobi members of county assembly (MCAs) to suspend plans to impeach **Nairobi County** governor **Johnson Sakaja**;

2 Sep 2025 **Nairobi (Kenya)** *The Standard*. Nairobi members of county assembly (MCAs) seek to impeach **Nairobi County** governor **Johnson Sakaja** on 20 charges, citing corruption, misuse of public funds, misconduct, and service-delivery failures including delayed bursaries and a stalled Ward Development Fund;

1 Sep 2025 **Nairobi (Kenya)** *Daily Nation*. **Agriculture and Food Authority** data shows **Belgium** overtook the **United States (US)** as Kenya's largest export market for coffee in the 2023/2024 crop season;

1 Sep 2025 **Port au Prince (Haiti)** *The Star*. A member of the **Kenyan-led Multinational Security Support (MSS)** mission in Haiti is killed along with a civilian after two armoured vehicles were involved in an accident along a mountaintop road above Port-au-Prince, injuring right other MSS officers, three of them critically;

31 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. **Ireland**-headquartered **Edge Network Services**, a unit of **United States**-headquartered **Meta**, acquires a stake in **Safaricom's Daraja Fibre Optic Cable Project** that aims to enhance internet connectivity;

29 Aug 2025 **Nairobi (Kenya)** *Reuters*. The **Kenya National Bureau of Statistics** announces that annual inflation rose to 4.5% in August from 4.1% in July, driven mainly by higher food and transport prices, while monthly inflation was 0.3%;

29 Aug 2025 **Laikipia (Kenya)** *The Star*. The **United Kingdom** has agreed to pay KSh 517m (\$3.97m) in compensation to Kenyans affected by the 2021 fire at **Lolldaiga Conservancy**, which was allegedly sparked during a British military training exercise;

28 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. Authorities exhume five more bodies in **Kwa Bi Nzaro (Kilifi County)** as part of an ongoing investigation into a suspected cult linked to the **Shakahola** tragedy, where over 400 bodies were previously found;

26 Aug 2025 **Nairobi (Kenya)** *The East African*. National assembly majority leader **Kimani Ichung'wah** introduces a bill that could lead to a tax on air travel, targeting both local and international airline tickets, following a similar move by **Tanzania**, signalling a regional trend of increasing government revenue from the aviation sector;

26 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. Government hires **United States (US)**-headquartered lobbyists, **Continental Strategy**, owned by former US ambassador **Carlos Trujillo**, as US-Kenya relations face scrutiny amid calls by US senate foreign relations committee chairman **Jim Risch** to review ties;

22 Aug 2025 **Nairobi (Kenya)** *The Standard*. Armed men attack former deputy president **Rigathi Gachagua's** convoy, injuring journalists covering his return to Kenya;

22 Aug 2025 **Nairobi (Kenya)** *Reuters*. **United States**-headquartered **S&P Global** upgrades Kenya's long-term sovereign credit rating from 'B-' to 'B', citing reduced near-term external liquidity risks supported by strong export earnings and diaspora remittances;

21 Aug 2025 **Yokohama (Japan)** *Capital FM*. During the ongoing **Tokyo International Conference on African Development**, **Kenya** secures multiple development cooperation agreements with Japan aimed at boosting national development and improving access to critical medicines;

21 Aug 2025 **Nairobi (Kenya)** *Capital FM*. Tourism and wildlife ministry announces new measures to strengthen enforcement of park rules in the **Maasai Mara** after a viral video

raised concerns over visitor safety and threats to conservation during the annual wildebeest migration;

21 Aug 2025 **Nairobi (Kenya)** *Africa News*. Kenya requests **China's** approval to convert a \$5 billion **United States (US)** dollar-denominated loan for its **Standard Gauge Railway** into yuan to reduce pressure on its foreign exchange reserves and alleviate debt serving costs;

20 Aug 2025 **Yokohama (Japan)** *Capital FM*. During a series of high-level engagements ahead of the 9th **Tokyo International Conference on African Development (TICAD)**, President William Ruto urges Japan to ease tariff and non-tariff barriers to allow greater access for Kenyan agricultural exports, pushing for a more balanced trade relationship between the two countries;

20 Aug 2025 **Nairobi (Kenya)** *Business Daily*. Kenya secures KSh 8.3 billion (\$63.8m) in financing from **Germany** and the **European Union (EU)** to redevelop the ageing **Gogo Hydropower Plant in Migori County**, a move expected to boost electricity supply in western-Kenya;

20 Aug 2025 **Nairobi (Kenya)** *The Standard*. The high court issues conservatory orders staying the operations and implementation of President **William Ruto's** proclamation on the establishment of a multi-agency team on the war against corruption;

20 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. **United States (US)** embassy in Nairobi issues a security alert for Kenya, advising caution to US citizens in the country;

19 Aug 2025 **Narok (Kenya)** *People Daily*. Narok Senator **Ledama Olekina** criticises President **William Ruto** for linking members of parliament (MPs) to corruption while failing to address the problem from within his own circle;

19 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. President **William Ruto** announces the creation of a multi-agency team to tackle corruption following allegations that members of parliament are accepting bribes to influence legislation;

18 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. President **William Ruto**, deputy president **Kithure Kindiki**, and former prime minister **Raila Odinga** hold a joint parliamentary group meeting in **Karen**, which ends abruptly due to allegations of members of parliament (MPs) collecting bribes and obstructing justice;

18 Aug 2025 **Nairobi (Kenya)** *Business Daily*. Treasury blocks the **Kenya Revenue Authority (KRA)** from implementing sections of the **Finance Act 2025** that allow businesses and individual taxpayers to offset their tax dues using refunds of excess cash paid to the tax agency;

17 Aug 2025 **Nairobi (Kenya)** *Business Daily*. Auditor General **Nancy Gathungu** flags 223 public hospitals over delays in collecting revenue amounting to KSh 11.4 billion (\$87.6m) during the 12 months ended June 2024;

16 Aug 2025 **Nairobi (Kenya)** *The East African*. President **William Ruto** reshuffles the country's foreign service, bringing back experienced officials, including **Florence Bore**, the former labour cabinet secretary, who has been nominated as high commissioner to **Namibia**;

15 Aug 2025 **Nairobi (Kenya)** *People Daily*. the **Ethics and Anti-Corruption Commission (EACC)** announces an expanded partnership with **South Africa's Special Investigating Unit (SIU)**, aimed at bolstering the fight against corruption;

14 Aug 2025 **Nairobi (Kenya)** *The Star*. Former deputy president **Rigathi Gachagua** cuts short his visit to the **United States** which began on 9 July to join his **Democratic Congress Party** in preparation for the upcoming by-elections set for November;

14 Aug 2025 **Nairobi (Kenya)** *Daily Nation*. President **William Ruto** warns corrupt officials to “*carry their own cross*” and accuses members of parliament (MPs) of watering down an anti-corruption bill that was intended to curb sudden wealth accumulation;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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