

COUNTY GOVERNMENT OF KISUMU

**DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND
ICT SERVICES (E-GOVERNMENT)**

MEDIUM TERM COUNTY DEBT MANAGEMENT STRATEGY

2026

THE COUNTY ASSEMBLY OF KISUMU	
3 RD ASSEMBLY	
DATE: <i>02/02/26</i>	Time: <i>08:00hr</i>
TABLED BY: <i>[Signature]</i>	Day: <i>Wed</i>
CLERK AT THE TABLE	<i>[Signature]</i> <i>Hon. James Omollo</i>

FEBRUARY 2026

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FOREWORD

Through the Constitution of Kenya 2010 and Section 123 of the Public Finance Management Act, 2012, the County Government is required to table before the County Assembly a statement setting out the Debt Management Strategy on the anticipated borrowing to be undertaken over the medium-term clearly showing the county's actual liabilities in respect of loans and its plan for dealing with those liabilities.

The 2026/27 Kisumu County Debt Management Strategy Paper (CDMSP) contains information about the counties liabilities, the debt management strategy as well as recommendations on optimal strategy for the implementation as this will have an impact on future borrowings.

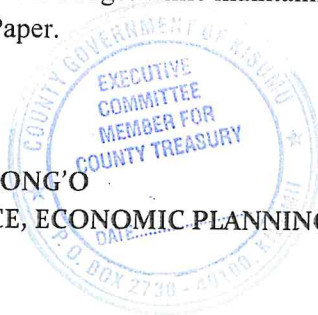
The 2026/27 CDMSP is based on the expenditure priorities outlined in the county strategy Paper and specifies the measures that will assist in the costs and risks reduction in funding the priority projects outlined in the County Fiscal Strategy Paper in line with Article 212 of the Constitution as well as the various provisions of the Public Finance Management Act, 2012.

The CDMS is expected to address the following objectives: -

- Meet the net financing of the county with concessional external financing and domestic financing
- The objective of the borrowing strategy is to allow the county to meet both shortterm borrowing to meet budgetary shortfalls and to provide liquidity in normal operational.
- Allow the county to seek long term funding either locally or internationally in order accelerate economic growth and development
- Consider the possibility of accessing the international capital markets to develop growth and spur development.
- Align development to the CIDP, the Medium-Term Fiscal Strategy (MTFS) as well as to the National Development Strategies.

There is need for continuous enhancement of the county revenue base towards mitigation of any unforeseen budgetary shortfalls. The county is committed to engage among others, the private sector and development partners to complement in the delivery of programmers through the much prioritized economic stimulus, leasing program and treasury bonds as debt instruments. Debt funded expenditures will be for priority projects as highlighted in the budget while maintaining the fiscal principles provided for in the 2026/27 County Fiscal Strategy Paper.

GEORGE OMONDI OKONG'O
CEC- MEMBER FINANCE, ECONOMIC PLANNING AND ICT SERVICES




ACKNOWLEDGEMENT

The Medium Term Debt Management Strategy (MTDS) 2026 is prepared by the County Government under the requirement of the PFM Act 2012. It sets out the debt management strategy for the Government of Kisumu County in the fiscal year 2026/27 and over the Medium Term.

The Kisumu County Debt Management strategy is informed by a fiscal policy supportive of the macro-economic stability and growth. The Strategy highlight strategies to be explored in seeking funding for the enormous financial needs from either internal or external sources to deliver the programmes in the Vision 2025.

I would like to acknowledge the overall guidance provided by CECM Finance, Economic Planning and ICT Services throughout the preparation period of this debt management strategy. The Budget, Accounting Services and Planning team spent a significant amount of time to put together the report. In this regard, I'm grateful for their technical input and commitment to the success of the process. Thank you all for the excellent support and work.



MARTIN OKODE

Ag. CHIEF OFFICER, FINANCE AND ICT SERVICES

LIST OF ABBREVIATIONS AND ACRONYMS

ADB	: African Development Bank
BRICS	: Brazil, Russia, India, China and South Africa
CBAs	: Collective Bargaining Agreements
CBR	: Central Bank Rate
CIDP	: County Integrated Development Plan
C-MTDS	: County Medium Term Debt Management Strategy
CSDF	: County Strategic Development Framework
CSDF	: County Strategic Development Framework
DMS	: Debt Management Strategy
ECDE	: Early Childhood Education
EIB	: European Investment Bank
EU	: European Union
FDI	: Foreign Direct Investments
FY	: Financial Year
GDP	: Gross Domestic Product
GFS	: Government Finance Statistics
ICT	: Information Communication Technology
IDA	: International Development Association
IFAD	: International Fund for Agricultural Development
MTBF	: Medium Term Budget Framework
MTDMS	: Medium Term Debt Management Strategy
MTEF	: Medium Term Expenditure Framework
OPEC	: Organization of the Petroleum Exporting Counties
PFMA	: Public Finance Management Act
SACCOs	: Savings and Credit Cooperative Societies
PPP	: Public Private Partnerships
SDGs	: Sustainable Development Goals
KISIP	:Kenya Informal Settlement Improvement Programme
KUSP	:Kenya Urban Support Programme
BUT	:Build Operate and Transfer
WB	: World Bank

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EXECUTIVE SUMMARY

This County Medium Term Debt Management Strategy (C-C-MTDS) is the sixth formal strategy for County debt management. Prior to 2018, Counties were required to maintain balanced budgets hence little or no debt was accumulated since 2013. In order to finance budget deficits and bridge the gap between resource requirements and allocation, with National Government guarantees, Kisumu County intends to initiate borrowing domestically and externally.

The County Budget Implementation report 2024/2025 and the medium-term projections shown in the CFSP 2025/2026 shows an enlarging financing gap, with the County administration focusing on completing incomplete projects, there is justification for this C-C-MTDS and County borrowing.

PFM County Government Regulations 2015 Sec. 179(1) states that public debts should not exceed 20% of the most recent and audited revenues.

Table 1: County Debt Structure as at 30th June 2025

Department	RECURRENT	DEVELOPMENT	TOTAL
Physical Planning, Lands, Housing and Urban Development	16,881,520	60,768,621	77,650,141
Agriculture ,Irrigation, Livestock and Fisheries	40,483,622	55,514,139	95,997,761
City of Kisumu	150,279,115	461,754,845	612,033,960
County Public Service Board	15,894,133	-	15,894,133
Education, Technical Training, Innovation & Social Service	45,358,482	77,212,855	122,571,337
Infrastructure, Energy and Public Works	66,094,708	400,716,504	466,811,212
Finance, Economic Planning & ICT Services	618,670,482		618,670,482
Trade, Tourism, Industry and Marketing	44,462,703	58,048,849	102,511,552
Medical Services, Public Health and Sanitation	210,759,027	139,410,802	350,169,829
Sports, Culture, Gender and Youth Affairs	76,887,741	20,795,996	97,683,737
Water, Environment, Natural Resources & Climate Change	37,845,728	142,459,642	180,305,370
Public Service, County Administration& Participatory Development	1,739,030,914	14,716,940	1,753,747,854
TOTAL	3,062,648,175	1,431,399,194	4,494,047,369

Source: County Treasury

Table 2: Contingent Liabilities

Description	C-DMS (2025-2026)	C-DMS (2026-2027)
NSSF	558,980,792	748,149,885
Insurance	-	132,781,604
LAPFUND	381,639,221	417,732,330
Legal fees and Court Decrees	2,157,868,820	1,870,363,993
Lease Rentals		134,934
National Museum of Kenya		610,190
CPF		104,651,935
PSSF		6,160,292
LAPTRUST	216,525,571	81,117,216
Total	3,326,834,404	3,257.153,095

Note: The contingent liabilities have captured under the department of Public Service, County Administration & Participatory Development

Expenditure Performance FY 2024/2025

During the Financial year 2024/2025, the County Executive's received 12,491,440,366 as transfers from the CRF. The total payments were 10,544,481,632. The total recurrent expenditure was 8,025,050,328 while the total payments for development was 2,519,431,304.

Table 3: Composition of County expenditure.

Economic Classification	Revised Budget	Actual Expenditure	Performance
Recurrent Expenditure	9,885,391,474	8,025,050,328	81%
Development Expenditure	5,428,940,069	2,519,431,304	46%
Total	15,314,331,543	10,544,481,632	69%

During this C-C-MTDS period, practical options must be identified for the County to implement in order to keep its future financing requirements at prudent levels and a minimum degree of cost and risk as a high priority. However, as the preferred option, the County will continue to exhaust all possible financing requirements from the grant pool fund; as available from our development partners. In terms of feasibility, there are numerous potential sources of debt financing so long as the provisions of the PFMA and its regulation are observed

The strategic advice by the County Executive Committee Member for Finance on advancement of this C-MTDS, for consideration of any borrowings required to finance possible budget deficits and to improve the performance of the debt portfolio will be provided by the County Debt Management Unit under the County Treasury.

There are several borrowing options for the County. These include:

- i. External financing (Negotiated through the National Treasury)
- ii. Negotiated domestic loans, overdrafts and utilization of securities market
- iii. Combined External and Domestic financing. The method combines both external and domestic sources of loanable funds.

Outline of the 2026 Debt Management Strategy Paper

This Debt Management Strategy paper consists of eight chapters.

- ✓ Chapter one gives the Overview of debt management.
- ✓ Chapter two gives the objectives of debt management strategies.
- ✓ Chapter three discusses the macroeconomic environment.
- ✓ Chapter four provides analysis of funding sources of the County Government intends to employ in dealing with debts in future.
- ✓ Chapter five strategies for management of debt in the medium term.
- ✓ Chapter six provides the baseline projections and best practices in debt management.
- ✓ Chapter seven medium term debt strategy implementation, monitoring and evaluation.
- ✓ The chapter eight gives the summary and conclusion of the Kisumu County Debt Management Strategy Paper FY 2026/2027.

LEGAL BASIS FOR THE PUBLICATION OF THE DEBT MANAGEMENT STRATEGY

The PFM Act 2012 under Section 104 cites the mandate of the County Department of Finance and Economic Planning as that of monitoring, evaluating and overseeing the management of public finances and economic affairs of the County Government, including managing the County Government's public debt and other obligations and developing a framework of debt control for the County. To this effect the County Treasury is required under PFMA Section 123 to prepare and submit to the County Assembly a statement setting out the debt management strategy of the County Government over the medium term with regard to its actual and potential liability in respect to loans and its plans for dealing with those liabilities, on or before the 28th February in each year.

As soon as practicable after the statement has been submitted to the County Assembly under this section, the County Executive Committee Member for Finance shall publish and publicize the statement and submit a copy to the Commission on Revenue Allocation and the Intergovernmental Budget and Economic Council.

The information in the statement shall include –

- a) The total stock of debt as at the date of the statement;
- b) The sources of loans made to the County Government;
- c) The principal risks associated with those loans;
- d) The assumptions underlying the debt management strategy; and
- e) An analysis of the sustainability of the amount of debt, both actual and potential.

Other sections that guide on the management of the County debt in the PFMA include:

- i. Section 140 on authority for borrowing by County Governments, requires that borrowing is undertaken in accordance with the debt management strategy of the County Government over the medium term;
- ii. Section 141 on obligations and restrictions to County borrowing, requires that a County Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market that is consistent with a prudent degree of risk, while ensuring that the overall level of public debt is sustainable;
- iii. Section 142 deals with borrowing by County Government entities;

- iv. Section 143 deals with persons who are authorized to execute loan documents at County Government level;
- v. Section 144 deals with issuance of County Government securities

As such maintaining a sustainable level of debt as approved by the County Assembly is highlighted as one of the fiscal responsibility principles, under Section 107 of the Act.

Other documents that inform the preparation of debt management Strategy Are; County Fiscal Strategy Paper (CFSP), County Budget Review and Outlook Paper (CBROP), sector reports and the annual financial statement.

The PFM (County Regulations) 2015 which gave effect to the provisions of the Public Finance Management Act, 2012 stipulates that debt service payments shall be a first charge on the County Revenue Fund. Under Section 41 on budget execution, the County Governments are required to ensure that they don't default obligations to the extent possible. Part XIV of PFM County Regulations is detailed on provisions of the County public debt management as follows;

- i. Section 176 highlights the guiding principles for County Government borrowing
- ii. Section 177 highlights the borrowing powers of the County Government
- iii. Section 178 details the purposes for borrowing

CHAPTER 1: OVERVIEW OF DEBT MANAGEMENT

The County Medium Term Debt Management Strategy (C-MTDS) is a high priority of the County Government of Kisumu, given the increasing gap between development resource requirements and the available allocations.

The County has recognized the need to have a formal and explicit C-MTDS in place to ensure prudent debt management as part of a stronger Medium Term Budget Framework (MTBF) to ensure County finances are placed on a sustainable footing.

The C-MTDS provides directions and benchmarks for managing the County's debt portfolio. This will lead to the 'preferred debt composition', taking into account constraints posed by the economic and market environment.

Government debt or borrowing includes the contracting or guaranteeing of domestic and external (foreign) debt through loans, financial leasing, on-lending and any other type of borrowing, including concessional and non-concessional borrowing, irrespective of the source.

The Debt Management Strategy is a framework that will guide the County Government to ensure that debt levels stay affordable and sustainable, that any borrowing is for a good purpose and that the costs and risks of borrowing are minimized.

Most economies in the world whether developed or developing resort to borrowing in order to address any financing needs. This is a useful source of financing, however; it is worth noting that reliance on debt must be closely monitored and strategized.

Debt can be sustainable or unsustainable. By sustainable debt, it implies that the debt can be serviced without resorting to exceptional financing (such as debt relief) or a major future correction in the balance of income and expenditure while unsustainable debt simply means that debt inflows are exerting severe burdens on the economy in the future.

Unsustainable levels of debt lead to adjustments in expenditure levels, with a view of obtaining additional resources which are then directed towards the repayment of debt and associated interest payments. These reallocations negatively impact on the implementation of priority Programmes, local investment, and poverty reduction initiatives.

CHAPTER 2: OBJECTIVES OF DEBT MANAGEMENT STRATEGY

- i. The C-MTDS provides appropriate guidelines and direction to assist in making sound debt management decisions with strong financial management practices for posterity
- ii. The main objective of the C-MTDS is to meet the County Government's financing requirements at the least cost with a manageable degree of risk.
- iii. The Debt Management Strategy will guide County Government debt management operations in the FY 2026/2027 and the medium term. The Strategy seeks to balance cost and risk of County debt while taking into account the County Government financing needs. In addition, the strategy incorporates initiatives to seek new funding sources, support the County Government development priorities and achieve debt sustainability.

2.1 Scope of the Medium-Term Debt Management Strategy

- i. This C-C-MTDS covers the County Government of Kisumu (CGoK) anticipated debt portfolio which includes external debt, domestic debt, and contingent liabilities of on-lent debt and guaranteed debt with the public and other enterprises.
- ii. External debt is defined as debts denominated in currencies other than Kenyan shilling while domestic debt is defined as debt denominated in Kenyan shillings, even when the creditor is a foreign entity.
- iii. In line with international reporting requirements, CGoK will consider review in future for current reporting of domestic debt (as may be required) to include the outstanding liability for transfer value under the pension scheme for civil servants.
- iv. Although the focus of the C-MTDS is on actual direct liabilities of the CGoK, contingent liabilities (whether explicit or implicit) may have an important bearing on the sustainability of debt and robustness of this strategy. Consequently, it is prudent to consider the potential risk that contingent exposures could materialize under specific scenarios and thus may need to be addressed in the future.

2.2 Goals for the Debt Management Strategy

- i. The aim of the C-MTDS is to support the County Government's strategy in implementing FY2026/2027 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012. In addition, the strategy will; guide the overall debt management strategy of the County Government over the medium term with respect to the actual and potential liabilities in respect of loans and guarantees and the plans for dealing with those liabilities.
- ii. Underscore the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remain sustainable and supports broad-based and inclusive growth.
- iii. Serve as a strategy of financing the fiscal deficit of the County Government over the medium term

2.3 Debt Management Strategy Financing Principles

The debt management strategy will address the County Government's financing requirements at the lowest cost and a prudent degree of risk by adhering to the following principles:

- i. The debt must be for development projects
- ii. The debt must be guaranteed by National Government

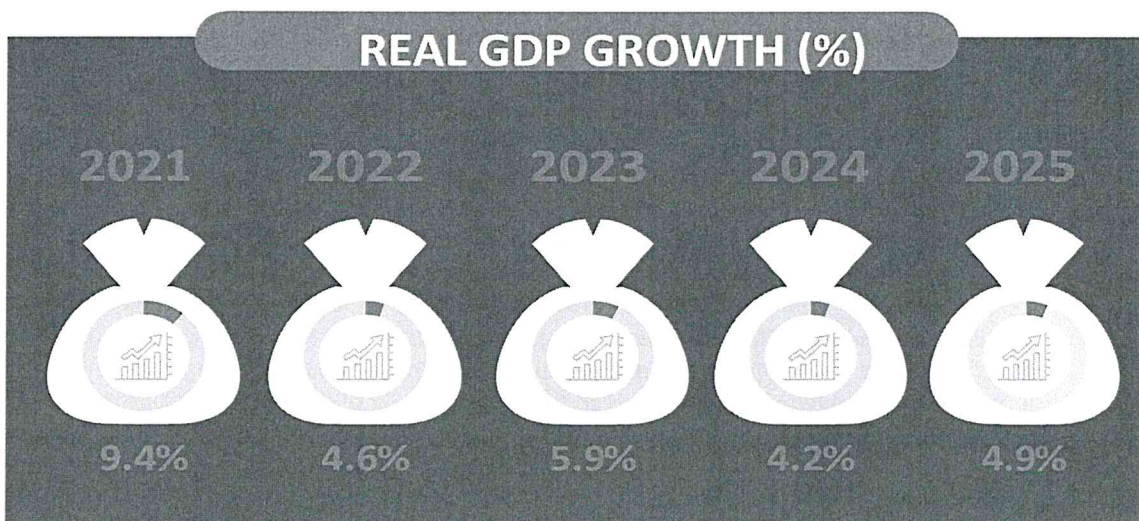
- iii. The debt must be contracted to support expenditure in identified County priority areas that are transformative
- iv. Prudence must be observed when contracting debt, taking into account the cost and risk implications.
- v. Financing must be pegged on debt sustainability over the long term.

CHAPTER 3: MACROECONOMIC ENVIRONMENT

Domestic Economic Performance

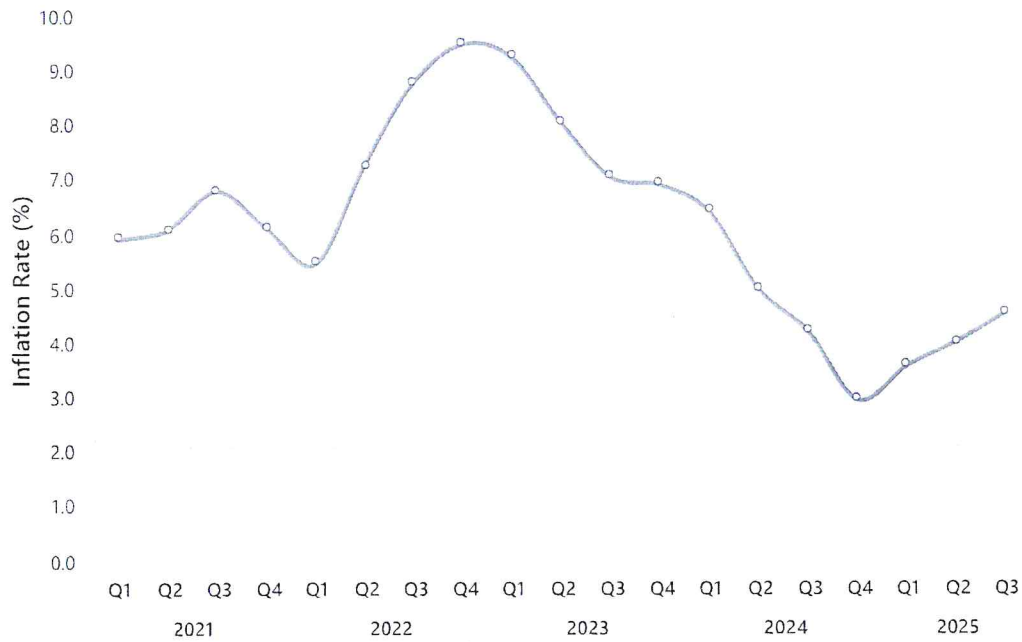
The economy recorded improved performance in the third quarter of 2025 compared to the corresponding quarter in 2024. During the quarter under review, the economy expanded by 4.9 per cent compared to 4.2 per cent in the third quarter of 2024. The growth was mainly supported by accelerated growths in a number of sectors. Notably, Agriculture, Forestry and Fishing sector expanded by 3.2 per cent while the construction sector rebounded from a 2.6 per cent contraction in the third quarter of 2024, expanding by 6.7 per cent in the quarter under review. The Mining and Quarrying sector also recovered from a 12.2 per cent contraction in the third quarter of 2024, expanding by 16.6 per cent in the third quarter of 2025. Other sectors that recorded notable growths include Accommodation & food serving (17.7%), Real Estate (5.7%), Financial & Insurance (5.4%), Transport and Storage (5.2%), Public Administration (5.1%), Wholesale and Retail Trade (4.8%) and Information & Communication (4.5%).

Figure 1: Third Quarter GDP Growth Rates (%), 2021-2025



During the third quarter of 2025, key microeconomic indicators showed mixed performance. The average inflation for the quarter under review rose from 4.08 per cent in the third quarter of 2024 to 4.42 per cent in the third quarter of 2025 mainly driven by rise in prices of items in the Food and Non-Alcoholic Beverages category.

Figure 2: Inflation Rates, 2021-2025



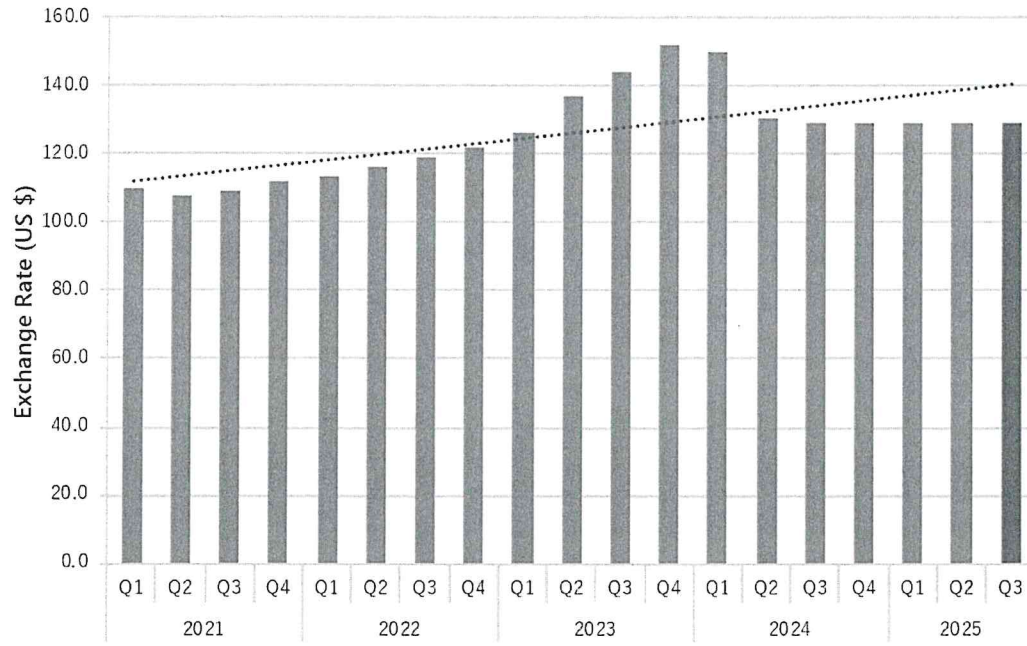
Source of Data: Kenya National Bureau of Statistics

Exchange Rate Developments

During the third quarter of 2025, the Kenyan Shilling appreciated by 0.2 per cent against the US Dollar compared to the corresponding quarter of 2024 but depreciated against all other major currencies. Notably, the Kenyan Shilling depreciated against the Euro, Pound Sterling, the The Central Bank Rate (CBR) was revised downwards from 9.75 per cent in July 2025 to 9.50 for both August and September 2025 compared to 12.75 per cent in September 2024. The NSE 20 Share Index increased from 1,776 points in September 2024 to 2,973 points in September 2025. The Broad money supply (M3) also increased from KSh 5,992.2 billion in September 2024 to KSh 6,443.7 billion in September 2025.

South African Rand and the Japanese Yen by 6.2 per cent, 3.6 per cent, 1.6 per cent and 0.7 per cent respectively. Against the regional currencies, the Kenyan Shilling appreciated against the Tanzanian Shilling and the Ugandan Shilling by 5.8 per cent and 4.1 per cent, respectively.

Figure 3: Foreign Exchange Rate of Kenyan Shilling against US Dollar, 2021-2025



CHAPTER 4: ANALYSIS OF FUNDING SOURCES

Kisumu County Government have relied on three primary funding streams: the **Equitable Share**, **National Government grants** (both conditional and unconditional), and **Own Source Revenue (OSR)**.

While the total available budget has seen only modest growth, the financial pressure from three main spending areas—**Personnel Emoluments (PE)**, **Operations and Maintenance (O&M)**, and **Development Expenditure**—has risen much faster. This imbalance has strained County coffers, making it essential to explore alternative financing. These potential new funding routes are generally classified into two groups: **External Sources** and **Internal Sources**.

External Sources

In Kenya, the power of a County to borrow money is a delicate balance between **Autonomy** (the right to govern itself) and **Oversight** (ensuring it does not go bankrupt). Primarily **Article 212 of the Constitution** and **Sections 140–143 of the Public Finance Management (PFM) Act** governs this.

Here we look at how Kisumu County Government can bring in "new" money from the Private sector, Capital markets, or International collaborates rather than relying on the National Treasury's disbursements.

1. Public-Private Partnerships (PPPs)

This is the most popular form of external sourcing. Instead of the County paying the full cost to build a project (like a modern market or a bus park), a private company provides the capital.

- **The Deal:** The private company builds and manages the facility for a set period (e.g., 15 years).
- **The Return:** They collect fees (like stall rents or parking fees) to recoup their investment.
- **The Benefit:** The County gets the infrastructure immediately without emptying its coffers upfront.

2. Sub-National Borrowing (Loans)

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County Government of Kisumu Debt Management Strategy Paper 2026

It is the process where the County Government takes on debt—either through bank loans—to fund projects that its current "coffers" cannot cover. The bank Loan must be for **Development Expenditure**, not for paying salaries (PE).

Kisumu County cannot simply walk into a bank and take a loan. According to the PFM Act:

- **National Guarantee:** The National Treasury must "co-sign" or guarantee any long-term loan.
- **County Assembly Approval:** The Governor must get the green light from the Kisumu County Assembly.
- **Development Only:** Borrowing is strictly for **Capital Expenditure** (building things like the Kibuye Market or a hospital).
- **Short-term Limit:** For "cash flow" issues (waiting for the Equitable Share to arrive), the county can take a short-term loan, but it must be repaid within a year and cannot exceed **5%** of the County's last audited revenue.

3. Issuing County Bonds

In Kisumu County, **issuing a bond** is like the county asking the public and big investors (like pension funds) for a massive loan to build specific, long-term projects. Instead of a bank loan, the county sells "certificates" (bonds) to thousands of people, promising to pay them back with interest over 5 to 15 years.

As of **2026**, Kisumu is strategically positioned to be one of the first counties to successfully launch a **Green Bond** or **Infrastructure Bond**.

For a bond to be successful, it must fund projects that eventually "pay for themselves" through revenue. In Kisumu, the likely candidates are:

- **The Lakefront Development:** Building piers, promenades, and commercial hubs along Lake Victoria.
- **Climate-Resilient Infrastructure:** Upgrading drainage systems or waste-to-energy plants (often called "Green Bonds").

- **Modern Markets:** Completing massive hubs like the **Kibuye Market**, where stall fees can be used to pay back the bondholders.

4. Development Partner Funding (Direct Support)

In Kisumu County, **Development Partner Funding** is a critical "External Source" that helps bridge the gap between the county's limited budget and its high development needs.

As of 2026, Kisumu is a "darling" of international donors because of its strategic location as a regional hub and its aggressive pursuit of the "Blue Economy" (lake-based growth).

Here is a breakdown of the major development partners currently funding projects in Kisumu:

- **UN-Habitat (Social Housing)**

In late 2025, Kisumu signed a landmark KSh 2.7 billion deal with UN-Habitat.

The Project: Upgrading social housing in informal settlements.

Specifics: Construction of high-rise affordable units in Kibuye Estate began in January 2026.

Funding Model: UN-Habitat covers 100% of the construction costs for the pilot phase, which helps the county provide decent housing without exhausting its own Capital Expenditure budget.

- **European Union & French Development Agency (AFD)**

The "Team Europe" initiative is one of Kisumu's largest financial backers, focusing on water and energy.

Water (LVWATSAN): A massive project co-funded by AFD, the European Investment Bank (EIB), and the EU to increase Kisumu's water coverage to 91% by 2027. This involves 156km of new pipelines and reservoirs in Obwolo and Maseno.

Waste-to-Energy: The EU is currently funding the KijaniBox pilot project. This converts organic waste from markets into clean energy for cooling, which helps reduce post-harvest losses for Kisumu's traders.

- **African Development Bank (AfDB)**

The AfDB is the primary partner for the "Lakefront Transformation."

Lakefront Feasibility: In mid-2025, Kisumu secured a \$750,000 (KSh 97.5 million) grant from the AfDB's Urban and Municipal Development Fund.

Goal: This money is being used to conduct technical and environmental studies for the 46-kilometer lakefront promenade, making the project "bankable" for future large-scale investors.

- **World Bank (Urban Support)**

Kisumu has historically been a top performer in the Kenya Urban Support Program (KUSP).

Urban Infrastructure: World Bank funds have been used to pave roads, install streetlights, and build drainage systems in Manyatta, Nyawita, and Bandani.

Performance Grants: Because Kisumu meets high standards of financial reporting, it often receives "bonus" grants from the World Bank that other counties miss.

INTERNAL SOURCES

While **External Sources** rely on outside investors, **Internal Sources** are all about a County Government looking inward to maximize what it already owns or controls.

In many cases, this is not just about "new money," but rather "smarter money"—finding ways to make the County's current assets work harder.

Own Source Revenue (OSR) Optimization

This is the most direct internal source. It involves the taxes, fees, and charges the County collects directly from its residents.

- **Automation:** Moving from cash to digital payments (like M-Pesa or bank integrations) to reduce "leakage" (corruption or loss).
- **Widening the Tax Base:** Finding businesses or property owners who are not currently paying their fair share, rather than just raising prices for those who already pay.
- **Property Rating:** Valuation roll. If a plot of land was valued in 2010, it is likely worth much more now, meaning the County is missing significant rates.

Asset Monetization

Counties often sit on valuable assets that are not generating income.

- **Leasing Land:** Instead of leaving "public land" idle, the Kisumu County Government can lease it to private developers for agriculture or commercial use.
- **Commercializing Facilities:** Charging for the use of County-owned stadiums, social halls, or machinery (like graders and tractors) when they are not being used for official business.

County Special Purpose Vehicles (SPVs)

A Special Purpose Vehicles are Vehicles owned by the County but run like a Private business.

- **Water Companies:** Most counties already have these. By making them more efficient, they can become self-sustaining and even generate a surplus for the County.
- **Investment Corporations:** Some counties (like Machakos or Mombasa) have created "Investment Agencies" to manage trade and attract investors, acting as a bridge between the government and the private sector.

Inter-County Economic Blocs

Like the **Lake Region Economic Bloc (LREB)**, it is a partnership of **14 counties** in the Lake Victoria basin, Western, and parts of the Rift Valley. These counties share similar ecological zones, natural resources (like Lake Victoria), and cultural histories.

The LREB aims to solve the financial imbalances by;

- **Economies of Scale:** Instead of Kisumu building its own small-specialized hospital or cold storage facility for fish, the bloc can build one large, regional facility that serves all 14 counties, reducing the cost per county.
- **The Regional Bank Project:** One of LREB's flagship goals has been the establishment of a **Regional Bank**. By pooling funds (with each county originally slated to contribute approx. KSh 200 million), the bloc aims to create a financial institution that can provide cheaper credit for county development projects and local farmers/businesses.
- **Joint Infrastructure:** Projects like the "Lake Region Blue Economy" focus on shared transport and maritime communication on Lake Victoria, which boosts trade (OSR) for all member counties simultaneously.

Modernization of Markets

In Kisumu County, the **modernization of markets** is a central pillar of Governor Anyang' Nyong'o's "Building for the Future". These projects are designed to transition traders from the "scorching sun and sewer lines" into organized, high-tech commercial hubs that can generate sustainable **Own Source Revenue (OSR)**.

CHAPTER 5: STRATEGIES FOR MANAGEMENT OF DEBT IN THE MEDIUM TERM

5.1 Debt Management Strategy at the National Level

The 2026 Medium Term Management Strategy Paper published by the National Treasury, states that the goal is to reduce debt costs and risks by sourcing 18% gross borrowing from external sources and 82% from domestic sources over the medium term. From the domestic sources, the strategy is to gradually reduce the stock of Treasury bills while lengthening debt maturity and issuing medium to long-term debt securities. On the external end, the target is a mix of concessional optimisation and minimal commercial borrowing. Gross external financing would be composed of 10% concessional, 2% semi-concessional and 6% commercial borrowing. The expected composition of public debt at the end of the Strategy Period will be 40% external and 60% domestic.

5.2 Debt Management Strategy at the County Level

In both the short and medium term, the County Government of Kisumu intends to use a mix of fiscal measures and policy enactment approach in its debt management.

5.3 Fiscal Approach to Debt Management

5.3.1 Realistic budgetary estimates and targets

In past periods, the approved budgets contained local revenue forecasts that were at a high variance with the audited past actual collections. This allowed room for planning and budgeting for expenditure, which would not be settled at the end of the respective financial years, hence growth of pending bills. The county shall, going forward, prepare a realistic budget estimates over the medium term, which will ease fiscal space and prioritize on key government priority project as captured on CIDP III 2023-2027 and actualization of sector wide incomplete projects.

5.3.2 Enhancing Revenue Collection

In the past periods, the County has reported deficits in its revenue performance. The impact of the deficit performance has been a mismatch between committed expenditure and revenue realized.

To address the revenue underperformance, the County has restructured the revenue collection and commissioned a new Integrated Revenue Management System. The enhanced revenue collection will lead to improved liquidity and enable the gradual liquidation of the debts.

5.3.3 Improving cash flow management

The County Government intends to improve the cash flow management process in line with the cyclical nature of devolved units' cash inflows. This will be further reinforced by the issuance of Authority to Incur Expenditure (AIEs). To ensure strict adherence to AIEs, the County Treasury shall strengthen the expenditure control through the Expenditure Management Unit.

To address the repeated occurrence and growth of pending bills arising out of financing deficits, the County will factor in realistic and achievable local revenue forecasts in the budgets.

5.3.4 Infrastructure Bond Issue

The County Government will develop and enrich the concept on attracting investors who will take up investing opportunities in return take up the infrastructure bond floated based on the potential and unique positioning of the County as a destination for business and a connection hub.

5.3.5 Financial Intermediaries

The County Government will consider negotiating with financial institutions to settle annual levies served to business entities in the County within the first thirty days of the month. The financial institutions will then pursue the settled levies with the business entities at a margin above the County rate.

This will ensure the County levies are collected at the earliest opportunity while at the same time provide a business opportunity to the Financial Institutions.

5.4 Policy Enactment Approach to Debt Management

5.4.1 Debt rescheduling or renegotiation

Part of the debt portfolio of the County are amounts owed to statutory bodies like Kenya Revenue Authority (for various classes of taxes) and staff pension to NSSF, LAPFUND and LAPTRUST.

The County Government will seek to reschedule the owed amounts with a view of getting better or favourable terms like longer repayment period with no interest or penalty levied on the outstanding amounts. This will go a long way in easing pressure on cash flows and thereby free the cash resources to service delivery.

5.4.2 Enforcing prioritization of Recurrent pending bills

In the debt portfolio of the County Government, recurrent pending bills take 68%, amounting to Ksh. 3,062,648,175. The Treasury will issue a policy directive for departments to prioritize payment of recurrent pending bills as a first charge in their respective budgets before procuring any new items.

5.4.3 Debt/assets trade-offs

There are instances where the County has a category of institutions that are debtors and creditors at the same time. It means the County owes the institutions for goods, services or works delivered, and the institutions also owe the County in the form of land rates, business licenses or any other applicable levies.

The County Executive has initiated the process of negotiations with institutions with a view of having a trade-off of the debts.

5.4.4 Debt write-offs

The County, being a body Corporate and a successor of the defunct municipal entities, inherited certain long outstanding debts. A case in point is the debt owed to the National

Housing Corporation (NHC). In such a scenario, the County may opt to enter into negotiations with a view to writing off the debt.

The debt write-off strategy would contribute towards cleaning the County Government's statement of financial position (balance sheet) hence improving its credit worthiness.

5.4.5 Strengthening internal control systems

The internal control environment constitutes a set of procedures and authority levels towards achieving the desired outcome. The County Government will maintain and enhance its control environment in the expenditure section.

The specific enhancement will be in ensuring that the County does not initiate expenditure or procurement without ensuring the availability of funds to support the same. The control environment will continue to host within the IFMIS using the vote book management system.

5.4.6 Other strategies

Developing a procedure manual and other regulatory framework that will define payment terms, reporting requirements, controls at budget authorization, commitment and payment stages and sanctions associated with any breach of those provisions.

Debt Management Strategy Paper will be reviewed annually. Current strategy shall be reviewed to accommodate changing debt status to the current economic trends in internal, external and remote environment in which the county continues to operate.

5.5 Cost and risk characteristics of County Government Debt Portfolio.

The risks associated with the various categories of debt illustrated in the table below:

Table 6: Risks associated with Debt

Debt category	Nature of risk	Level of risk	Step taken to mitigate against the risk identified
Court decrees	Legal and financial risks resulting in penalties and accrued interest. Taxing of outstanding legal fees resulting in higher fees. Instituting legal proceedings against the County government.	High	<ul style="list-style-type: none"> - Negotiation with various law firms and decree holders for an extended repayment period. - Budgetary allocations to cater for settlement of the awards and fees.

Contractors and Suppliers of goods and services	Legal risk through court proceedings to recover owed sums. Reputation risk. Financial risk in the event interest clause in the contracts are triggered.	High	<ul style="list-style-type: none"> - Recurrent pending bills amount to Kshs. 3062648175 to be processed as first charge by the departments - Development pending bills amount to Kshs. 1,431,399,194.
Statutory deductions (NSSF, LAPFUND and LAPTRUST)	Compliance risk. Reputational risk. Financial risk from resultant penalties from non-compliance.	High	<ul style="list-style-type: none"> - Negotiating with these institutions with a view of staggering payments and writing-off interest and penalties. - Includes verification and reconciliation and finally a viable repayment plan. - Possibility of asset swap also under consideration.

N/B: The debts owed NSSF, LAPFUND and LAPTRUST are still contested and no verification has been done to determine the actual outstanding debt.

Table 7: General debt risk analysis table

Debt category	Nature of risk	Level of risk	Mitigation action taken so far
Employee Pension Schemes	Compliance risk	Highly critical	Ensure compliance with the laws and legislation.
Other Employee Benefits	Reputation risk.	High	Increase tangible benefits to employees.
Court Awards/Fees	Legal risks Financial risk	High	Ensure strict compliance with court rulings and decrees. Prompt payment of legal fees.
Other Suppliers and Service Providers	Reputation risks Legal risk	High	Adhere to customer service charter.
Contractors	Legal risks	Highly critical	Timely payment to contractors through the Vote book management system.

CHAPTER 6: BASELINE PROJECTIONS AND BEST PRACTICES IN DEBT MANAGEMENT

6.1 Legal and Policy Framework

This Chapter is prepared in compliance with the Public Finance Management Act (PFMA), 2012, particularly Sections 123–125 on County borrowing and debt management, and is aligned to the National Treasury Medium-Term Debt Management Strategy (MTDS) guidelines for County Governments. The County shall ensure that all borrowing is undertaken strictly for development purposes, with prior approval of the County Assembly and guaranteed by the National Government as required by law.

The County Medium-Term Debt Strategy (C-MTDS) forms an integral part of the Medium-Term Expenditure Framework (MTEF) and the County Fiscal Strategy Paper (CFSP), ensuring that debt levels remain sustainable, transparent, and consistent with macroeconomic stability objectives.

6.2 Fiscal Policy Framework and Baseline Projections

Fiscal policy is anchored on prudent revenue forecasting, expenditure rationalization, and fiscal consolidation measures aimed at maintaining debt sustainability. Baseline projections are informed by realistic own-source revenue performance trends, equitable share projections, conditional grants, and anticipated development partner support.

- Enhance credibility of revenue forecasts through data-driven assessments and automation of revenue systems.
- Contain growth in recurrent expenditure, particularly the wage bill, in line with fiscal responsibility principles under Section 107 of the PFMA (2012).
- Prioritize development expenditure to ensure borrowing supports capital formation and economic growth.
- Maintain adequate liquidity buffers to cushion against exchequer delays and revenue shortfalls.

6.3 Debt Management Objectives (Aligned to MTDS)

The County's debt management strategy shall pursue the following objectives consistent with National Treasury MTDS guidelines:

1. Ensure that the County's financing needs and payment obligations are met at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk.
2. Maintain debt at sustainable levels in line with approved fiscal deficit limits and revenue performance.
3. Reduce refinancing, interest rate, and liquidity risks through structured debt profiling.
4. Enhance transparency and accountability in debt reporting in line with PFMA reporting requirements.
5. Strengthen institutional capacity for debt recording, monitoring, and reporting.

6.4 Institutional Arrangements

- Establish and operationalize a Debt Management Unit (DMU) within the County Treasury as required under PFMA regulations.
- Maintain a comprehensive debt register capturing domestic debt, pending bills, guarantees, and contingent liabilities.
- Undertake periodic debt sustainability analysis (DSA) to assess solvency and liquidity indicators.
- Submit quarterly and annual debt reports to the County Assembly, Controller of Budget, and National Treasury as prescribed.

6.5 Debt Risk Management Framework

- Monitor exposure to interest rate risk and seek concessional borrowing where feasible.
- Minimize refinancing risk through proper debt maturity structuring.
- Manage contingent liabilities, including pending bills and PPP commitments.
- Strengthen cash management practices to avoid accumulation of arrears.

6.6 Key Fiscal Risks and Mitigation Measures

- Underperformance of own-source revenue – Mitigation: automation, enforcement, and diversification of revenue streams.
- Delayed exchequer releases – Mitigation: maintain liquidity buffers and improve cash flow forecasting.
- Wage bill pressures – Mitigation: staff rationalization and adherence to approved establishment ceilings.
- Failure to secure National Government guarantees – Mitigation: strengthen compliance documentation and fiscal discipline.

6.7 Structural and Medium-Term Reforms

- Strengthen Public-Private Partnerships (PPPs) in compliance with the PPP Act and National Treasury regulations.
- Improve SACCO and local credit market oversight to expand access to affordable finance.
- Enhance transparency through integrated financial management systems (IFMIS) and public disclosure.
- Align County Strategic Development Framework (CSDF) priorities with the C-MTDS and MTEF to ensure fiscal sustainability.

CHAPTER 7: MEDIUM TERM DEBT STRATEGY IMPLEMENTATION, MONITORING AND EVALUATION

7.1 Introduction

This chapter provides the process of translating debt management plans into actionable strategies, monitoring, evaluation and learning; for evidence driven decision-making. This is key in maintaining fiscal discipline, financial stability and promotion of sustainable development.

7.2 STRATEGIES FOR MANAGEMENT OF DEBT IN THE MEDIUM TERM

The County Government of Kisumu Debt Management Strategy presents three main plans of action that will be explored in debt management per Fiscal Year. These includes external debt financing (semi and concessional) and some domestic bond financing.

External debt Financing

This refers to loans and grants raised through foreign lenders, such as foreign commercial banks, foreign governments, and international financial institutions. In the case of external debt, all repayments must be made in the currency in which the debt was issued.

Risks Associated with External Debt

There are several risks associated with foreign debt such as;

a) **Affects economic growth as a Risk:** Economic growth occurs when governments and companies incur capital expenditures that boost production and increase output and income levels. If large amounts of external debt need to be repaid, then there is the potential of less money being left out for investment purposes, which in turn hampers future economic growth.

b) **Long gestation period as a Risk:** Gestation period is the interim period between the initial investment in a project and the time the project becomes productive. When external debt is used to fund infrastructure projects, it takes a few years for the project to start giving returns on the investment, and it is likely to take time for the investment to become functional, start production, and earn money or value.

However, debt in this case will need to be repaid, along with interest, within a provided timeframe after receiving the loan. Thus, the government will face the pressure of *repaying* these loans even before projects starts yielding stable returns.

c) **Unexpected devaluation of domestic currency as a Risk:** If the currency of the borrowing country depreciates with respect to that of the lending country, then the real value of interest (as denominated in the domestic currency) will rise.

d) **The Vicious Cycle of Debt as a Risk:** The most crucial disadvantage of external debt is that it often leads to a vicious cycle of debt. The debt cycle refers to the pattern of continuous borrowing, by accumulating payment burden, and eventual default. When a government's expenditure exceeds what it earns in a year, it faces a fiscal deficit, and in order to finance the adverse gap, the government borrows money from another sources. In the next Fiscal Year, with the additional expense of interest loan repayments, the government might face a deficit again and be forced to take another external loan. There might also be a situation where the Government borrows money in order to repay its previous loans.

7.3 Implementation Strategies

Borrowing decisions; will be guided by the need to lower cost and minimize risks, including those related to foreign exchange, interest rates, refinancing and settlement. The County Government of

Kisumu will pursue implementation of sound policies and structural reforms to help in strengthening its credit rating, enhance its access to wider arrays of sources of financing at lower costs and lower risks.

Collaboration with the National Government; the County Government of Kisumu will work in collaboration with the National Government through the National Treasury to effectively implement these strategies by necessary approvals. This process will also include seeking approvals and recommendations from the County Assembly of Kisumu, Intergovernmental Budget and Economic Council (IBEC), Attorney General and the Parliament before while seeking for credit.

The County Government of Kisumu will establish legal and policy frameworks that will be used to facilitate external resource mobilization, among them being, for development of the County Public Private Partnerships (PPP) framework and policies aimed at facilitating the uptake of PPP investments.

7.4 Institutional and Operational Framework

The County of Government of Kisumu Treasury will establish two units to help in operationalization of Debt Management, namely; County Debt Management Unit and County Debt Management Advisory Committee. The composition and the roles of these units will be as follows:

7.4.1 County Debt Management Unit

The primary function of this unit is to provide administrative support to the County Debt Management Advisory Committee (DMAC).

Functions and Responsibilities of the County Debt Management Unit

- i. Ascertaining debt payments by the County;
- ii. Keeping timely, comprehensive and accurate records of outstanding government debt, guarantees, contingent liabilities and new borrowing in a single debt database;
- iii. Timely publishing of monthly (and quarterly) reports showing the status of outstanding debt, debt payments, and projected debt payment obligations;
- iv. Preparing, reviewing and updating the Debt Strategy;
- v. Preparing an annual borrowing plan;
- vi. Assessing the risks in issuing any guarantees, and prepare reports on the method used for each assessment and the results thereof for the attention of the CEC Member for Finance.
- vii. Submitting all debt reports and debt management strategy to DMAC for recommendation and consideration.

7.4.2 County Debt Management Advisory Committee (CDMAC)

The County Debt Management Advisory Committee will play a pivotal role in evaluating and prioritizing proposals/initiatives to the County Executive Committee Members for Finance for considerations and/or approvals.

Composition of the County Debt Management Advisory Committee (DMAC)

The DMAC Members Shall be;

- 1) Chief Officer in charge of Finance and ICT Services (Chair Person)
- 2) Chief Officer Economic Planning.
- 3) Chief Officer Infrastructure, Energy and Public Works.
- 4) Chief Officer Trade, Tourism, Marketing & Cooperatives.
- 5) Chief Officer Medical Services, Public Health and Sanitation.

- 6) Chief Officer, Public Services, County Administration, Participatory Development and Office of the Governor.
- 7) Chief Officer, Water, Environment, Natural Resources and Climate Change.
- 8) Chief Officer Education, Technical Training, Innovation & Social Services
- 9) Chief Officer Agriculture, Irrigation, Livestock & Fisheries
- 10) Chief Officer Physical Planning, Lands & Urban Development
- 11) Director, Finance
- 12) Director, Budget
- 13) Director, Audit
- 14) Director, Monitoring and Evaluation
- 15) Head of County Debt Management Unit.

The County Debt Management Advisory Committee shall:

- a) Evaluate the amount and risk profile of the County debt;
- b) Ascertain that the debt is within the established sustainability, affordability and prudential limits of the establishment;
- c) Verify that the debt originates from a reputable source;
- d) Confirm that the debt serves a worthwhile purpose and the financed project is a top priority in the County Integrated Development Plan (CIDP) III;
- e) Ensure that the project to be financed has a positive Net Present Value or contributes to the objectives set out in the CIDP III and the Sustainable Development Goals (SDGs);
- f) Incorporate the costs and risks of any contingent liabilities and obligations such as tied procurement into the debt analysis;
- g) Secure favorable loan terms and conditions that optimizes the costs and risks outcome;
- h) Align the borrowing with the County Fiscal Strategy Paper.

7.5 Monitoring and Evaluation

Monitoring and Evaluation of the County Debt Management Strategy will be informed by the universally acclaimed framework for Planning, and Monitoring and Evaluation (moving from Input – Activity – Output – Outcome – Impact).

Monitoring and evaluation is an important management tool that helps track progress, enhance transparency and accountability for evidence based decision making. Regular assessments will be conducted to gauge the strategy's performance against predefined objectives and targets. Key performance indicators (KPIs) will be established to measure progress and identify areas for improvement.

The Government will implement the debt management strategy through the Annual Work Plan.

Annual Borrowing Plan (ABP). The implementation work plan is shown in Table 13 below

S/N	Objective	Input	Activity	Output	Output Indicator	Outcome	Impact	Timeframe	Action by	Data/Information source
1	To optimize debt portfolio; To reduce costs and risks	C-MTDS Analytical Tools; Data, departmental reports, personnel	Prepare & submit 2025 C-MTDS to County Assembly	2025 C-MTDS	#	Budget portfolio optimized	Departments have knowledge of C-MTDS initiatives	2024 November - 2025 February	CECM Finance/County Assembly	2025 BPS, 2024 BRP, CS DRMS, CBK 2023, 2024 & 2025 C-MTDS
2	To develop County Treasury Data	Data, department	Print, Circulate, disseminate	Copies of 2025 C-MTDS with	#	County C-MTDS developed	Departments able to develop	February 2025	County Assembly	County Assembly,

S/N	Objective	Input	Activity	Output	Output Indicator	Outcome	Impact	Timeframe	Action by	Data/Information source
	base on C-MTDS	al reports, personnel	2025 C-MTDS to departments; and train on development of C-MTDS	County Treasury Data base			County C-MTDS			Department of Finance
3	To prepare Consolidated Service Debt/Budget estimates paper	Data, departmental reports, personnel	Prepare debt service projection & CFS Budget estimates	Consolidated services Debt) Budget estimates Paper.	#	Service Debt/Budget estimates paper prepared	County with a well-informed Budget paper	Annually as per Budget Calendar & during revision	CECM Finance/ County Assembly	Public Debt Management Office (PDMO)
4	To enhance M&E reporting on C-MTDS	Data, departmental reports, personnel	Technical Fora; Peer review of implementation of C-MTDS	Quarterly M&E report on C-MTDS	#	M&E reporting on C-MTDS enhanced	M&E culture enhanced results	Quarterly	PDMO/CECM-Finance	Public Debt Management Office (PDMO)
5	To improve on fiscal discipline in borrowing & repayment	Data, departmental reports, personnel	Access to domestic & external borrowing & repayment data	Monthly Debt management report	#	Improved fiscal discipline in borrowing & repayments	County Financial Fiscal management in better trajectory	Monthly	PDMO/CECM-Finance	Public Debt Management Office (PDMO)
6	To review County Fiscal performance	Data, reports, personnel	Undertake performance review	C-MTDS ½ yr. performance review report	#	County Fiscal Performance reviewed	Budget making	Every six months after effective date of C-MTDS	PDMO/CECM-Finance	Public Debt Management Office (PDMO)
7	To reduce Fiscal Risks	Data, reports, personnel	Undertake analysis of FCCL and Contingency Liabilities (FCCL) assessment	Fiscal Commitments & Contingency Liabilities (FCCL) report	#	Fiscal Risks reduced	County Fiscal risks controlled	Annually	PDMO/CECM-Finance	Public Debt Management Office (PDMO)
8	To develop issuance Calendar	Stakeholders Reports, Data	Stakeholders Fora to review issuance Calendar	Issuance Calendar	#	issuance Calendar developed	Better planning by stakeholders	Quarterly	PDMO/CECM-Finance	Public Debt Management Office (PDMO)

7.6 TARGETED OUTCOME RESULTS ON THE IMPLEMENTATION OF KISUMU COUNTY GOVERNMENT DEBT MANAGEMENT STRATEGY (2026)

S/No.	Objective	Input	Activity	Output	Outcome	Outcome KPIs	Impact
1	To maintain Fiscal Discipline	Regulatory guidelines; Facilitators /Trainers	Borrowing & repaying; Expenditure reduction; Preparation of Fiscal regulatory documents; Training workshops; Printing &	Policies Paper; Fiscal regulation paper	Fiscal Discipline maintained	Proportion of departments guided by the regulatory framework	No debt crisis; Stable Currency;
2	To maintain Financial Stability	Internal Financing; Domestic Bond Financing.	Borrowing & repaying	Fiscal Policy Documents	Fiscal stability maintained	Proportion of departments guided by the regulatory framework	Positive credit worthiness

S/No.	Objective	Input	Activity	Output	Outcome	Outcome KPIs	Impact
3	To promote Sustainable Development by implementing strategies	Stakeholders; Meeting venues; Facilitators; Training materials; ICT Equipment	Training workshops; Stakeholder engagement and/or social inclusion; environmental protection implementing strategies that balance economic growth ;	Planning Documents; Quarterly training reports; Participatory planning, Implementation, monitoring & Evaluation, & reporting	Social Welfare promoted; Economic Growth promoted; Stakeholder engagement & social inclusion promoted	Proportion of stakeholders adhering to regulatory framework.	Positive Economic Growth; Stable Social Welfare

Promoting sustainable development involves implementing strategies that balance economic growth, social inclusion, and environmental protection, guided by the 17 Sustainable Development Goals (SDGs) established by the United Nations.

CHAPTER 8: SUMMARY AND CONCLUSION

The 2026 Debt Management Strategy (DMS) is a broad framework for prudent debt management. It provides a systematic approach to decision making on the appropriate composition of debt finance taking into account both cost and risk.

There is need for active investor and market consultation to get up to date information on the market. This will help in prior determination of the investor appetite for the various instruments before it is due.

There is need for constant monitoring and review of performance and progress made on the medium-term debt strategy. County debt information will be published more regularly to enhance transparency on debt management in accordance with best international practices.

The recommended plan of action is one that seeks the issuance of medium to long term domestic debt, and contracting of external concessional debt.

As required under the Public Finance Management Act 2012, the Strategy is in line with the County policy objectives. Going forward, the County Government will implement measures aimed at enhancing transparency and accountability in public debt management.