



PRESS RELEASE

(For Immediate Release)

DESPATCH FROM CABINET

HIS EXCELLENCY THE PRESIDENT earlier today chaired a Cabinet meeting at State House, Nairobi. The meeting considered various Bills, Policies, Treaties, Conventions, and Agreements to anchor the implementation of various State Programmes and Projects as set out under the **Bottom-Up Economic Transformation Agenda (BETA)**.

CABINET PAID TRIBUTE to **Kelvin Kiptum, OGW** and his coach **Garvais Hakizimana**, who both perished on the night of 11th February, 2024 in a tragic road accident. Kiptum was a sporting powerhouse whose record shattering achievements inspired millions around the world. **He remains the only human in history to run a marathon under two hours and 1 minute.** With his 2:00.35 time, he set as a new world record in Chicago on 8th October, 2023. This historic feat earned him due recognition from the Government, **including the conferment of a national honour and award - the Order of the Grand Warrior (OGW).**

IN HONOUR OF Kenya's departed world marathon record holder, a true national hero, **the Government will support Kiptum's family in according him a befitting heroic farewell.** Cabinet also noted the ongoing interventions by the Ministry of Sports to better protect the country's sporting icons, and urged all road users to uphold traffic laws and practice safe road use; two of the most important tools for preventing road accident tragedies such as the one that robbed Kenya and the world of Kelvin Kiptum.

THE MEETING WELCOMED the **successful placement of a USD 1.5 Billion Eurobond** and noted that its oversubscription affirms that investors retain a high degree of confidence in the **Administration's economic turnaround strategy.** The successful completion of the transaction **places the country firmly on course to buy back Kenya's existing USD 2 Billion Eurobonds** which are due later this year.



BOLSTERED BY DEVELOPMENTS in the international money markets and in compliance with the statutory timelines outlined in the Public Finance Management Act, Cabinet considered various public finance memoranda. The memoranda anchor the Administration's second budget, and included the **2024 Budget Policy Statement, the Division of Revenue Bill, 2024, the County Allocation of Revenue Bill, 2024, the County Governments Additional Allocations Bill, 2024, and the Medium-Term Debt Management Strategy.**

THE 2024 BUDGET Policy Statement (BPS), themed *"Sustaining Bottom-Up Economic Transformation Agenda for Economic Recovery and Improved Livelihoods,"* reaffirms the priority policies and strategies under **the PLAN** as codified under the Fourth Medium-Term Plan. Overall, the BPS seeks to spur economic recovery and improve livelihoods, while simultaneously fostering sustainable and inclusive economic transformation.

IN STEERING THE nation towards inclusive growth, the fiscal policy stance for the Financial Year 2024/2025 and the medium-term budget aims to support the BETA through **a growth-friendly fiscal consolidation plan.** The consolidation will be supported by enhanced revenue mobilization as well as by **austerity measures underpinned by the rationalization of non-priority expenditure** implemented in a manner that protects essential social and development spending.

CABINET ALSO CONSIDERED and approved the proposed **amendments to the Public Finance Management Act.** Under the current legal framework, a county-level Finance Bill is passed within three months after the Appropriation Bill's approval, a time gap that leads to accumulation of pending bills and other financial lapses. These amendments aim to cure this problem by requiring that the county budget estimates, **county finance bills, and other bills necessary for implementing county budgets be considered and approved** at the same time.

AS PART OF the Administration's plan to steer the turnaround of our State Corporations and other **State Owned Enterprises by unlocking their potential and securing the best value for the public,** Cabinet considered and approved the proposed **privatization of the Development Bank of**



Kenya (DBK). The decision by our nation's apex policy-making organ was informed by the fact that the Bank had fully transitioned into a fully-fledged Deposit-taking commercial bank regulated by the Central Bank of Kenya (CBK).

OTHER DIVESTURES SANCTIONED by Cabinet in non-strategic commercial State Owned Enterprises were as follows:

- I. Kenya Safari Lodges and Hotels Limited (*incorporating* Mombasa Beach Hotel, Ngulia Safari Lodge, and Voi Safari Lodge);
- II. Golf Hotel Limited;
- III. Sunset Hotel Limited;
- IV. Mt. Elgon Lodge Limited; and
- V. Kabarnet Hotel Limited.

THESE DIVESTURES ARE expected to stimulate the expansion of our nation's hospitality industry and grow the individual units through private sector investment. This move aligns with the ongoing **rebound of the tourism sector that has been buoyed by the Visa-Free entry regime in Kenya**, and promises to deliver increased employment and business opportunities in both the divested enterprises as well as across the entire tourism sector.

AS PART OF THE Government's initiatives to address climate change, Cabinet ratified the implementation of the **Financing Locally Led Climate Action Programme (FLLoCA)**. This programme, to be executed in partnership with development partners, will support Kenya's transition to a low-carbon and climate-resilient development pathway. The programme aims to achieve this by **catalyzing integrated climate change mitigation, adaptation, and resilience actions** across the entire economy.

IN KEEPING WITH the Administration's digital transformation agenda, Cabinet sanctioned the **digitization of the entire education system**, spanning from basic education to tertiary and university levels. This **intervention aims to address the governance challenges within our education system** that has led to parallel accounts, charging of unauthorized school fees, diversion of the exchequer releases on capitation and other fraudulent activities that undermine the integrity of the education system, leading to the enrollment of ghost students.



IN SUPPORT OF the livelihoods of millions of farmers **in 33 coffee-growing counties**, Cabinet was briefed on the progress made in implementing ongoing coffee sub-sector reforms. Consequently, Cabinet approved a framework to enhance the sub-sector's access to **subsidized government fertilizer** and expedited processing of farmer payouts through the **Coffee Cherry Advance Fund**.

AS PART OF the agricultural transformation agenda, Cabinet considered and approved the **Kenya Agricultural Business Development Project (KABDP)**. The project will support 29 agricultural value chains, encompassing crops, livestock, and fisheries. This initiative aims to improve incomes, ensure sustainable food and nutrition security through increased productivity, enhance entrepreneurial skills, improve market access, and **strengthen agricultural sector coordination across all 47 counties**.

TO SET THE agricultural sector on an irreversible path to recovery, Cabinet approved the implementation of the proposed **Angololo Transboundary Water Development Project**. This project, situated on the perennial river Malaba, shared between Kenya and Uganda in the counties/districts of Busia and Tororo respectively, aims to increase the land under irrigation and host a Mini Hydropower plant that will support in powering the region through electricity.

TO ADDRESS TRAFFIC congestion in Nairobi and align with international best practices in city management, Cabinet approved the implementation of the **Nairobi Intelligent Transport System (ITS) Establishment and Junction Improvement Project**. The Phase III of this seminal project is expected to revolutionize traffic management in Kenya, **eliminating human interfaces in traffic control**, and streamlining the payment of penalties for traffic offences.

IN AFFIRMING NAIROBI'S status as the preeminent destination for **Meetings, Incentives, Conferences, and Exhibitions (MICE)**, and boosted by the recently implemented **Visa-Free Regime in Kenya**, Cabinet considered and **endorsed the hosting of regional, continental, and global conventions/meetings**. In that regard, Kenya's 2024 MICE Calendar is slated to feature the following additional events:



- I. The Sixth Session of the United Nations Environment Assembly (UNEA-6);
- II. The African Minerals Geosciences Centre (AMGC) Policy Organ Meeting;
- III. Global Innovation and Entrepreneurship Centre (GIEC) events organized in collaboration with the International Telecommunication Union; and
- IV. The Network of Africa Data Protection Authorities (NADPA) Conference, 2024.

EACH OF THESE events holds the promise of **further enhancing our nation's standing on the international stage**. The events are also envisaged to make significant contributions to the transfer of knowledge and skills, as well as the advancement of our extractive industries and our ICT sector.

AS PART OF our nation's global commitments on gender equality and women empowerment, **Kenya will join other nations under the framework of the United Nations Commission on the Status of Women (UN CSW)** for its 68th Session, to be held from 11th -22nd March, 2024. The approval of Kenya's participation by Cabinet was preceded by Kenya's participation in the Africa Region Pre-CSW68 preparatory meetings that adopted Africa's common position.

FOLLOWING THE SUCCESS of the 2023 edition, Cabinet will undertake the **Annual Retreat of the National Executive early next week**. The retreat is expected to review the performance of all Ministries and State Offices and **map-out the priorities for the year 2024** that will be codified in the Ministerial Performance Contracts. This year's retreat has been preceded by a **Ministerial Performance Review (Roadshow)** under the stewardship of the **Ministry of Public Service, Performance & Delivery Management** in conjunction with **Cabinet Office**.

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