



PRESS RELEASE
(For Immediate Release)

DESPATCH FROM CABINET

HIS EXCELLENCY THE PRESIDENT presided over the inaugural Cabinet meeting of the year 2024 this morning at State House, Nairobi. This meeting kicked off the **Cabinet calendar for the year**.

THE YEAR 2024 is expected to be a consequential period in the Administration's tenure in office as the implementation of key flagship programmes and projects under the **Bottom-Up Economic Transformation Agenda (BETA)** begin to take shape; **guiding the nation along a path of national renaissance**. These programmes and projects include Agricultural Transformation, Micro, Small and Medium Enterprises (MSMEs) Development, the Affordable Housing Programme, Healthcare through Universal Health Coverage, the Digital Economy powered by the Digital Superhighway, and the Creative Economy.

A NEW YEAR provides an opportunity for introspection and renewal. In this context, today's Cabinet meeting agenda encompassed various **proposed legislation and policies that seek to accelerate the realization of the desired impacts** of the Bottom-Up Economic Transformation Agenda. The anchor of the BETA is a five-point plan that involves **Food Security, Jobs and Economic Empowerment, Health, Housing, and Social Protection**.

TO HERALD A new paradigm in the management of public resources, and in fidelity to the **principles of public finance management**, Cabinet considered and approved the implementation of a **Treasury Single Account (TSA)** system for government banking. The account will be operationalized in accordance to **Article 206 of the Constitution** and the **Public Finance Management (PFM) Act**.



THE TSA AUGMENTS other state interventions geared towards consolidating the national fiscal management by implementing **more efficient, transparent, and accountable government cash management;** which will result in reduced need for government borrowing.

UNDER THIS NEW financial framework, the Government will have a **consolidated view of the total available cash balances** at any given time across all Ministries, State Organs, State Departments, State Agencies/Corporations, and other government entities. The policy shift also seeks to **strengthen expenditure controls, forecasting, and budgeting** in line with the Administration's commitment to **an open Government that delivers utmost value-for-money to the public.**

THE POLICY DIRECTIVE builds on the automation of government payment through the Integrated Financial Management Information System (**IFMIS**) and Central Bank of Kenya Internet Banking (**CBK-IB**) system. To adopt **a one Government approach** as envisaged pursuant to **Section 119(2) of the PFM Act, and Regulations 95 and 96 of the PFM (County Governments) Regulations, 2015**, the scope of the reforms sanctioned by Cabinet today **includes the operations of County Governments.** The implementation of the **County Single Account system** will be secured through their respective **County Revenue Funds.**

BUILDING ON THE reforms on government cash management and in an effort to enhance transparency as well as accountability in public procurement, Cabinet sanctioned the full roll-out of the **Electronic Government Procurement (e-GP) system.**

THE e-GP SYSTEM is anticipated to increase the ease of bidder participation, translating to savings on public procurement spending realized from lower bid prices due to open competition. Under this framework, it is envisaged that the **internal manual approval procedure will be eliminated entirely.** In that regard, effective 1st July, 2024, all Ministries, State Departments, and County Governments are anticipated to have **fully transitioned to the e-GP system;** while State Agencies/Corporations and County Agencies will be immediately on-boarded as part of the second phase within the financial year FY2023/24.



TO CATALYSE PRIVATE sector investments in the public sector through greater use of **Public Private Partnerships (PPP)** as envisaged in the Bottom-Up Economic Transformation Agenda (BETA), Cabinet considered and approved the **Public Private Partnerships Regulations, 2023**. The Regulations are to be issued pursuant to the Public Private Partnership Act (No. 14 of 2021), and they seek **to provide for the procedural requirements to be followed by contracting authorities** in the initiation, planning, procurement, and execution of PPP projects.

ON PUBLICATION OF the Regulations and their subsequent ratification by Parliament, the Regulations are **expected to fortify the existing legal and institutional framework for PPPs** by promoting certainty, transparency, accountability, and effective partnerships between the public and private sectors; thereby **facilitating timely delivery of high-quality public infrastructure and services**.

TO TAP ON private capital to address the under-investment in the Railway sub-sector, the Cabinet approved **The Railway Bill, 2024**. Besides fortifying Kenya's leadership as a regional logistics hub by **vertical unbundling (separation) of the management of our nation's railway sub-sector** the proposed reforms further seek to repeal the 1978 - Kenya Railways Act, Chapter 397, Laws of Kenya.

UPON THE ENACTMENT of the Bill into Law, the **Railway Regulatory Authority** will be established as the railway and safety regulator, overseeing open access and licensing of operators. **The railway sector will operate under an open access system**, with the expected outcome of generating business spin-offs in the sub-sector.

AS PART OF the Government's comprehensive long-term roadmap for sustainable financing, ensuring a balance of environmental, social, and economic objectives, the Cabinet considered and approved the **Sovereign Green Bond Framework**. The Green, Blue, Social, and Sustainability Bonds present an increasingly attractive mechanism for Kenya to engage non-traditional institutional investors and allocate capital to finance green economic growth.



THE SOVEREIGN GREEN BOND FRAMEWORK provides the missing **nexus between climate action and economic development**. The framework is therefore anticipated to **facilitate the development of new or improved climate-resilient infrastructure**, secure alternative sources of food and water, and catalyze the advancement of new green technologies in climate-vulnerable sectors.

CABINET ALSO CONSIDERED and approved the ratification of the **African Legal Support Facility Agreement**. The African Legal Support Facility (ALSF), as hosted by Development Bank, supports African governments in the negotiation of complex commercial transactions.

BY DINT OF the executive action, **Kenya will join 28 States** that have ratified the Agreement augmenting our nation's public sector legal proficiency in the administration of contracts and agreements relating to: **natural resources, extractive industries, high capital investment, and debt management**.

IN HONOURING OUR global commitments on low emissions, Cabinet considered and approved the **National Green Fiscal Incentives Policy Framework**. The Policy seeks to steer Kenya's economy to a path of low-carbon and climate resilient green development through a variety of fiscal and economic mechanisms.

THE POLICY INTERVENTION accelerates the State's efforts to correct environmental externalities, support national climate change goals, and to promote clean energy investments. **As a consequence, Kenya shall gain by witnessing a shift in consumption patterns** from negative environmental trends to green and sustainable ones, the generation of additional revenues, and the driving of private investments in projects and programs that adopt climate-friendly production mechanisms.

THE POLICY SETS out the guidelines that Ministries, State Departments, and State Agencies will adhere to as Kenya seeks to enhance mobilization of climate finance from all sources, including; private, public, multi-lateral agencies, bilateral, and philanthropic sources to finance Kenya's updated **Nationally Determined Contribution(NDC) to the global climate action**.



IN KEEPING WITH the Administration's commitment on the **National Landscape and Ecosystem Restoration Programme**, which aims to grow an additional 15 billion trees by 2032, Cabinet approved a partnership between the Ministry of Environment, Climate Change and Forestry and AIM Climate. Under the partnership, **AIM Climate will plant, maintain, and grow up to 3 Billion trees** under the 15 Billion trees programme.

AS PART OF the Administration's agenda on enhancing regional cooperation and connectivity through **the Green Economy**, the meeting considered and approved Kenya's subscription to the membership of **Asian Infrastructure Investment Bank (AIIB)**. The Bank seeks to foster regional cooperation and connectivity by **financing sustainable and green infrastructure projects** that are technology-enabled.

TO GIVE EQUITABLE access to our shared prosperity, Cabinet considered and approved the **Kenya Social Protection Policy, 2023** and the **Social Protection Bill, 2024**.

IN FIDELITY TO the constitutional dictates on the realization of socio-economic rights, the policy and the legislative proposal individually and collectively seek to **institutionalize the State interventions that are meant to cushion the vulnerable members of society**. The interventions address the major socio-economic risks and shocks that affect different segments of the population across the life-cycle. The policy also provides the **mechanisms for resilience building and promotion of socio-economic inclusion**.

ON ENACTMENT OF The Social Protection Bill, 2024, the Social Assistance Act, 2023 will stand repealed. The new legal framework will also facilitate the **operationalization of the Social Protection Fund** under Section 24 of the Public Finance Management Act.

IN KEEPING WITH the Administration's **Bottom Up-Economic Transformation Agenda (BETA)**, Cabinet also considered and approved the **Policy on Recognition of Prior Learning** in Kenya. The approval by Cabinet was the last milestone in a process that commenced in the year 2020. By dint of the decision by Cabinet, there is now **a functional and**



credible system for recognition of knowledge, skills, and competencies that have been acquired through practical work but which are not supported by corresponding academic or institutional qualifications.

THEREFORE, THE PRIOR LEARNING POLICY is the bridge to facilitate transition from informality to formality as well as facilitating multi entry/exit between the education system and the labour market. This seminal move is anticipated to **open up a bountiful frontier** of new opportunities for the millions of **Hustlers** who are the **lifeblood of the Kenyan economy**.

AS PART OF the Cabinet Calendar for the year 2024, the **National Executive will convene in early February for its second Annual Retreat**. The retreat featuring **all members of Cabinet, all Principal Secretaries and Members of the Presidential Advisory Team** is positioned as an accountability tool. As such the retreat will review the progress made by all Ministries and State Departments in delivering their commitments as set out under the **Bottom-Up Economic Transformation Agenda(BETA)**. In preparation for the retreat that is envisioned to set out the **Administration's Delivery Roadmap for the Year 2024**, the meeting was briefed on the ongoing **Performance & Delivery Roadshow** as spearheaded jointly by the **Cabinet Office and Ministry of Public Service, Performance & Delivery Management**.

THE DAY'S MEETING concluded with a recognition of the significant contributions made by all Kenyans in **fortifying our national fabric and shaping a brighter future for all**. In that regard, the Government will continue to build upon the foundation laid over the past year, fostering an environment that enables every Kenyan to actualize the aspiration articulated in our national anthem: **THAT PLENTY WILL BE FOUND WITHIN OUR BORDERS IN THE YEAR 2024 AND BEYOND**.

CABINET OFFICE
EXECUTIVE OFFICE OF THE PRESIDENT

Monday, 15th January, 2024