



PRESS RELEASE
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DESPATCH FROM CABINET

CABINET CONVENED today at State House Nairobi for its sixth meeting of the year 2024. The meeting **considered the effects of the** ongoing torrential rains **affecting various parts of the country;** and received updates on the efficacy of the range of State interventions being implemented in response to the national predicament.

THE MEETING noted that since the onset of the current long rains, all regions of the country have experienced precipitation levels exceeding the seasonal average; **resulting in heavy storms that have caused flooding in some areas.** The severity of this heightened rainfall and the resultant flash floods have also led to increased river levels that have regrettably led to fatalities, extensive damage to property and critical infrastructure, and significant displacement of residents across various parts of the nation.

IN RESPONSE to the devastation caused across the country by the above normal rainfall and the resultant flooding and humanitarian crisis situations, it was noted that the **Government continues to work with Humanitarian Aid Partners to scale up responses in affected areas and communities.** Cabinet noted that the most urgent humanitarian needs include shelter, food and non-food items, water, sanitation and hygiene facilities, and transportation for rescue and relocation actions.

AS PART of the assessment of the crisis situation, Cabinet noted that most dams and water reserves in Kenya are at historically high levels, with an example being the **Seven Forks Cascade** where **Masinga Dam has**



surpassed the dam's highest water level holding registered at the height of *El-Nino* Rains experienced on 29th November, 1997. The rising water levels pose a significant risk to the safety of communities in low-lying areas; accordingly, Cabinet urged communities in these areas to move to higher ground for safety.

IN LIGHT of the weather outlook issued by the Meteorological Department, Cabinet further noted that it is expected that the heavy rains will continue for some time; leading to further saturation of the soil, increased groundwater seepage, obstruction of storm water pathways, and expansion of riparian corridors. These factors further intensify the flooding challenges being faced by communities in the affected areas. In that regard, **Cabinet urged all Kenyans to exercise caution on account of the possibility of floods, landslides, reduced visibility, and other adverse effects of the heavy rains.**

CABINET NOTED with approval that as a precautionary measure aimed at mitigating the effects of the flooding and to ensure that the same does not recur, the National Government Administration in collaboration with County Governments has completed the mapping out of all fragile ecosystems around the country, which pose grave danger to public safety and health in the likely event of further precipitation.

THE MEETING authorized action by Government to facilitate persons who are living within the **30-meter riparian land exclusion zone to relocate to a safe area where their lives are not threatened by floods** or at the risk of being marooned within the riparian land.

IN THAT regard, Cabinet called on all persons living within **hot-spot areas being the flash-floods prone areas or in riparian land to move to higher grounds to move out within 48 hours.** The hot-spot zones include areas near dams and other water reservoirs in public or private land, areas prone to mudslides and landslides, and riparian lands along rivers and other water courses across the country.

AS PART of the Government's rapid response to the ongoing crisis situation, Cabinet further approved the framework for the expedited



distribution of relief supplies in the form of food and non-food items to populations across the country. The meeting also authorized the rehabilitation and restoration of damaged or destroyed critical infrastructure including bridges as well as main trunk roads.

TO ENSURE that no Kenyan living in any part of the country is subjected to the indignity of displacement on account of flooding as part of the long-term interventions, Cabinet directed that **the implementation of social housing under the Administration's Affordable Housing Programme** shall prioritize housing for affected households.

CABINET OBSERVED that the recent abnormal weather events are part of the **wider Climate Change phenomenon that poses significant risks to our nation**. As part of the State response to the Climate Change phenomenon, Cabinet also considered various measures on Climate Change action as part of its **consideration of the Financial Year 2024/25 Budget and Medium Term Budget**, as well as proposals to support in the revenue raising measures contained in the Finance Bill, 2024.

THEREAFTER, CABINET considered the state of the economy in the context of the FY 2024/25 Budget. The meeting noted that the Administration's overarching fiscal consolidation policy continues to foster the implementation of the Administration's **Bottom-Up Economic Transformation Agenda (BETA)**. As an affirmation that the Administration's plan on Kenya's economic turnaround is bearing dividends, the meeting noted that the Kenyan economy had continued to demonstrate resilience as shown by a growth performance well above both the global and sub-Saharan Africa average; **a remarkable achievement secured by the Administration despite the challenging environment**.

KENYA'S ECONOMIC resurgence is driven by a rebound in the agricultural sector which grew by an average of 7.0 percent in the first three quarters of the year 2023, as compared to a contraction of 1.8 percent over the same period in the year 2022. As such, the **growth rate for 2024 is projected to remain strong at 5.5 percent**; a strong performance that **Cabinet attributed to the bold measures introduced by the Administration**.



AS PART of the adjustments in expenditure during the Financial Year 2024/25 Budget, **Cabinet approved the following additional measures:**

- I. Rationalization of the Government of Kenya (GOK) grants to State Corporations by Ksh. 52.4 Billion**, in keeping with the ceiling set of not more than 70 percent of the approved budget in Financial Year 2023/24; and
- II. Rationalization of the Recurrent Budget by Ksh. 30.3 Billion** being reduction of non-priority expenditure in the recurrent budget by up to 50 percent, and instituting a freeze on Foreign Travel.

TO SPUR growth as envisaged under the implementation of the Bottom-Up Economic Transformation Agenda (BETA), **Ksh. 257.3 Billion has been allocated in the FY 2024/25 Budget to the BETA Clusters.** To rationalize the expenditure further, Cabinet also considered and approved the Supplementary Budget No. 2 of 2023/24.

TO REFORM the tax system, enhance efficiency in tax administration, and improve tax compliance, the 2024 Finance Bill proposes amendments to various tax laws, including the Income Tax Act, the Value Added Tax Act, the Excise Duty Act, the Tax Procedures Act, and the Miscellaneous Fees and Levies Act.

IN LINE with the administration's plan to fortify the manufacturing sector's contribution to the economy and as part of the Bottom-Up Economic Transformation Agenda (BETA), Cabinet authorized **the imposition of an Export Promotion Investment Levy at a rate of 20% on all imported shoes and leather products.** Further, in support of the export promotion agenda and to aid in value addition for agricultural produce, including tea, the Bill proposes to exempt tea packaging materials from VAT.

TO AUGMENT the ongoing state efforts to address access to and consumption of illegal brews, narcotic drugs, and psychotropic substances, Cabinet **sanctioned the review of the taxation framework for**



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alcoholic beverages based on alcohol content and cigarettes based on nicotine content. As a result of these measures, the excise duty on wines and spirits is expected to increase while that on beer decreases.

CABINET IS scheduled to reconvene within the week to assess the effectiveness of the State interventions **in response to the impact of the torrential floods across parts of the country.**

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Tuesday, 30th April, 2024