



PRESS RELEASE

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DESPATCH FROM CABINET

HIS EXCELLENCY President William Samoei Ruto, PhD, CGH, has today chaired the inaugural Cabinet Meeting of 2025, which was held at the **State Lodge in Kakamega**. The three newly appointed Cabinet Secretaries attended their maiden Cabinet Meeting as part of the Broad-Based Government.

AFTER HIGHLIGHTING the diversity within the reconstituted Cabinet as seen from its **representation of Kenya's full political spectrum**, the Head of State and Government urged Cabinet Members to seize the historic opportunity presented by the **Broad-Based Administration** to lead Kenya into an era of **unprecedented national renewal and transformation** through exemplary discharge of their ministerial duties.

THE MEETING assessed the progress made in accelerating the realization of the national socio-economic agenda, as outlined under the **Bottom-Up Economic Transformation Agenda (BETA)**. The seminal policies and programmes considered included: **harnessing national savings and social security** through the National Social Security Fund (NSSF); achieving Universal Health Coverage through **Taifa Care**; advancing the **Affordable Housing Programme**; investing in **education reforms**; and **revitalizing agriculture and livestock value chains** to improve household incomes.

ENTHUSED BY the enhanced tonnage of sugarcane milled in 2024, Cabinet was apprised of **efforts to revive the sugar sector**, which is a mainstay of western Kenya. These efforts were evident in the **832,000 metric tons of milled sugar**, the highest since independence.



THE MEETING also observed that **earnings from tea production** in 2024 were similarly the highest on record. **To consolidate the gains made in the agricultural sector** in realizing food security, as well as its role as the greatest contributor to our nation's exports, Cabinet considered and approved the **Plant Protection Bill, 2025**. The Bill seeks to strengthen the legal and institutional framework for enhancing crop productivity while safeguarding the environment from pests and diseases.

ONCE THE Bill is enacted into law, Kenya will adopt international best practices established under the International Plant Protection Convention (IPPC) for pest and disease control by **designating the Kenya Plant Health Inspectorate Service (KEPHIS)** as Kenya's National Plant Protection Organization (NPPO). The legislation will also repeal the Plant Protection Act (Chapter 324 of the Laws of Kenya), which was originally enacted in 1937 and later amended in 1979.

IN LINE with His Excellency's **commitment to enhance accountability in the governance of State Corporations** as part of the austerity measures announced in July 2024, Cabinet considered and approved the Memorandum on **Reforms of State Corporations**. These reforms seek to consolidate public finance sustainability by expanding the fiscal space through enhanced revenue generation and better expenditure control.

ADDITIONALLY, THE reforms seek to **complement ongoing fiscal consolidation measures** by addressing operational and financial inefficiencies, enhancing service delivery, and reducing reliance on exchequer support. In that regard, Cabinet sanctioned the immediate implementation of the reforms **through the following measures:**

- I. Merging 42 State Corporations into 20 entities** to improve operational efficiency and eliminate redundancy. The entities are set out in **Annex I;**
- II. Dissolving 25 State Corporations,** with their residual functions being transferred back to their parent ministries. The entities are set out in Annex II & III;



- III. Restructuring six (6) State Corporations** to align their mandates for improved performance. The entities are as set out in Annex IV;
- IV. Declassifying four (4) public funds** currently categorized as State Corporations and transferring their functions back to the relevant ministries. The entities are as set out in Annex V; and
- V. Declassifying 13 professional bodies**, which are currently categorized as State Corporations. The entities are as set out in Annex VI.

TO INSTITUTIONALIZE these reforms, Cabinet issued a moratorium on all affected State Corporations, prohibiting them from hiring additional staff, altering existing staff structures or salary scales, or undertaking major capital projects. In undertaking this process, **seamless delivery of service is expected** and staff in affected institutions will be absorbed into the public service. The transition process is expected to culminate by the end of the current financial year – FY 2024/25.

ADDITIONALLY, AS part of the parastatal reforms, Cabinet considered and approved the revival and commercialization of **Rivatex East Africa Limited** by onboarding non-equity strategic partner(s). This initiative will anchor the government's cotton revitalization plan by securing the uptake of cotton production while also providing alternative lint supplies for local apparel manufacturers.

AS PART of reforms to position **Kenya as an aviation hub** as well as a **premier destination for tourism and international conventions**, Cabinet reviewed the report of its **Working Group on Kenya's Visa-Free Regime**. The Working Group, was tasked by Cabinet in December 2024 to propose measures to enhance the Electronic Travel Authorization (eTA) system in response to the Visa Openness Index for Kenya, with the strategic goal of boosting efficiency and improving the overall travel experience.

CABINET CONSIDERED and adopted the Working Group's recommendations, that included **granting eTA exemptions to 52 African**



countries based on reciprocity and in alignment with the nation's commitment to fostering solidarity and fraternity with all African nations.

TO FURTHER enhance the effectiveness of the visa-free regime, **Cabinet authorized the introduction of an expedited eTA processing option**, allowing travelers to receive instant approvals with a maximum processing time of 72 hours. Additionally, the implementation of an Advanced Passenger Information/Passenger Name Record system will improve pre-screening, strengthen security, and **streamline passenger processing at entry points**.

IN RECOGNITION of the need to enhance the traveler experience at all entry points into Kenya, particularly at airports, Cabinet tasked the Working Group— comprising the Cabinet Secretaries for Interior & National Administration, The National Treasury & Economic Planning, Roads & Transport, and Tourism & Wildlife **with instituting additional measures to improve the traveler experience at all airports**. These additional measures are to be rolled out **WITHIN SEVEN DAYS**.

IN PROMOTING digital economy as an emerging driver of Kenya's expanding services sector, Cabinet considered and approved the **Kenya Cloud Policy**. The Policy seeks to **fortify Kenya's place as a leader in the Information, Communication and Technology (ICT) space** by accelerating the adoption of green cloud computing technologies. These emerging technologies have created a new model of data storage and transmission which in effect has reduced the total cost of ownership of ICT Infrastructure, ensured robust cybersecurity measures on data hosted on cloud; enabled collaboration and interoperability among entities; and promoted data residency and sovereignty.

THE POLICY also serves as a **useful guide to the private sector** as it continues to undertake digital transformation by further **harnessing the cloud-based information Technology (IT) deployment**.

TO CATALYZE the contribution of Micro, Small, and Medium Enterprises (MSMEs) to our nation's development agenda, Cabinet considered and approved the **Credit Guarantee Policy**. To support the



implementation of this policy, Cabinet also authorized the establishment of the **Kenya Credit Guarantee Company**.

THE POLICY complements other ongoing state initiatives aimed at enhancing **access to quality and affordable credit**. The policy proposition forms part of the response to market failures in the financial sector that discourage financial institutions from bridging the financing gap by providing credit to sectors perceived as risky. **The Credit Guarantee Scheme** was the precursor to the proposed **Kenya Credit Guarantee Company** and has been operating under the National Treasury since the year 2020.

THE PROPOSED Company will **support the growth of the existing guarantee scheme** and in keeping with the international best practice will feature minority shareholding by the government, with additional funds sourced from development partners, the private sector, and other investors.

TO PROVIDE a framework for structured cooperation between industry (*including cottage industries by MSMEs*) and training institutions, Cabinet approved the **Dual Training Policy**. The policy seeks to **increase industry involvement** in Technical Vocational Education and Training (TVET) and leverage the latest technologies, equipment, tools, and expertise available in industry to improve the demand-orientation and quality of TVET.

UPON IMPLEMENTATION of this policy, **the country will scale up work-based learning**, which has been ongoing through apprenticeship programs, mostly on a small scale by private sector entities. Under this programme, trainees will spend 50% to 70% of their training in industry and the rest in institutions, ensuring that they acquire the relevant, practical skills. This approach will **enable the production of work-ready graduates** who will not require re-training by the industry.

AS PART of the nation's human capital development and to ensure that our **public sector remains competitive**, Cabinet sanctioned the rollout of a **mandatory continuous personal development program for all staff in the public service**.



THE TRAINING will be in-house under the stewardship of the **Kenya School of Government**, with online modules offered through the **Open University of Kenya**. **The mandatory** training programs include: Strategic Leadership Development Program (**SLDP**), Senior Management Course (**SMC**), Supervisory Skills Development Course (**SSDC**), and an induction course for all staff in the public service.

TO SAFEGUARD Kenya's national interests at home and abroad, the nation's top policy organ considered and approved **the revised Kenya Foreign Policy (2024)**. The policy seeks to **promote and safeguard our prioritized national interests**, which include: Territorial Integrity, Sovereignty, and Security of Citizenry; Economic Prosperity; Socio-Political Stability; National Values and Governance; Constitutionalism and the Rule of Law; Sustainable Development; and Global Influence and Competitiveness.

AS KENYA seeks to play a greater role in international affairs and in recognition of the consequence of foreign relations in furthering our national interests, Cabinet sanctioned the **transmittal of the policy to Parliament** as a **Sessional Paper on Kenya Foreign Policy, 2024**, for consideration and approval.

IN FURTHERANCE of our nation's foreign policy and to strengthen the long-standing ties between Kenya and the People's Republic of Bangladesh, Cabinet approved the **establishment of a resident diplomatic mission in Dhaka, People's Republic of Bangladesh**.

THE DIPLOMATIC mission will provide an opportunity for increased collaboration between the two nations in technology transfer and access to the expansive market for Kenyan goods. It will also foster partnership in the blue economy and address maritime security challenges within the Indian Ocean, as **members of the Indian Ocean Rim Association (IORA)**.

CABINET ALSO considered and approved the **Intergovernmental Authority on Development (IGAD) Protocol on Transhumance**. The protocol seeks to facilitate the exploitation of the social and economic potential of the pastoral production system by enabling **free movement of**



pastoralists and their livestock across the borders in the IGAD region.

UPON ADOPTION by all IGAD member countries, the protocol will foster peace and security within the region by facilitating the sharing of rangeland resources, including water, pasture, and browse. This will help **strengthen cross-border community relations and promote peace.**

IN VIEW of the new realities of the **global coffee sector** and to put the sector back on a growth trajectory, Cabinet sanctioned Kenya's accession to the **Intra-African Coffee Organization (IACO) New Agreement**, subject to the treaty ratification process. The treaty repeals the 1960 constitutive agreement to which Kenya was a signatory. The new agreement brings together coffee-producing countries, consuming countries, and the private sector, and is expected to **spur the expansion of trade in coffee.**

TO STRENGTHEN the arc of governance **between the two levels of government** in the administration of additional allocations to county governments, Cabinet approved the **Public Finance Management (Amendment) Bill, 2024**. The Bill provides a framework for **seamless implementation of conditional allocations/grants to counties** while ensuring that there is no duplication in the processing and management of these conditional allocations.

IN CONCLUDING the day's meeting and in affirmation of the collaboration between the two levels of government, **Cabinet approved the financing framework for the Thika and Githunguri Water Supply and Sanitation Improvement Project**. This initiative underscores the commitment to providing clean, safe, reliable, and affordable water and sanitation services. The project comes as a timely relief to the residents of Thika and Githunguri, **addressing the current 50% deficit in water and sanitation services** within these two towns within Kiambu County.

CABINET OFFICE
EXECUTIVE OFFICE OF THE PRESIDENT

Tuesday, 21st January, 2025



ANNEXURES

REFORMS *of* STATE CORPORATIONS

ANNEX I

FORTY-TWO (42) STATE CORPORATIONS with duplicating, overlapping or related mandates are proposed for mergers to form twenty (20) Entities as detailed below:

| S/NO. | STATE CORPORATION |
|--------------|---|
| 1 | University Fund |
| | Higher Education Loans Board |
| 2 | Kenya Tourism Board |
| | Tourism Research Institute |
| 3 | Export Processing Zones Authority |
| | Special Economic Zones Authority |
| 4 | Anti-Counterfeit Authority |
| | Kenya Industrial Property Institute |
| 5 | Kenya Copyright Board |
| | Kenya Industrial Research and Development Institute |
| | Kenya Industrial Estates |
| 6 | Agricultural Finance Corporation |
| | Commodities Fund |
| 7 | Kenya Forest Service |
| | Kenya Water Towers Agency |



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|-----------|---|
| 8 | Agricultural Development Corporation |
| | Kenya Animal Genetic Resource Centre |
| 9 | National Irrigation Authority |
| | National Water Harvesting and Storage Authority |
| 10 | Kenya Law Reform Commission |
| | National Council for Law Reporting |
| 11 | Tourism Promotion Fund |
| | Tourism Fund |
| 12 | Commission for University Education |
| | Technical and Vocational Education and Training Authority |
| | Kenya National Qualifications Authority |
| 13 | Kenya Rural Roads Authority |
| | Kenya Urban Roads Authority |
| 14 | Kenya Investment Authority |
| | Kenya Export Promotion and Branding Agency |
| 15 | Water Services Regulatory Board |
| | Water Regulatory Authority |
| | Regional Center on Ground Water Resources, Education, Training and Research |
| 16 | Kenya National Trading Corporation |
| | National Cereals & Produce Board |
| 17 | Uwezo Fund |
| | Women Enterprise Fund |
| | Youth Enterprise Development Fund |
| 18 | Kenya Medical Research Institute |
| | Kenya Institute of Primate Research |



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|-----------|--|
| | |
| 19 | Kenya Plant Health Inspectorate Service National Bio-Safety Authority |
| | |
| 20 | Agriculture and Food Authority |

ANNEX II & III [25 State Corporations]

NINE (9) STATE CORPORATIONS whose mandates can be performed under the Ministry are proposed for dissolution after the functions are transferred back to the Ministry or other relevant State Corporations:

| S/NO. | STATE CORPORATION |
|----------|--|
| 1 | Kenya Tsetse Fly and Trypanosomiasis Eradication Council |
| 2 | Kenya Fish Marketing Authority |
| 3 | Centre for Mathematics, Science and Technology Education in Africa |
| 4 | President's Award – Kenya |
| 5 | Nuclear Power and Energy Agency |
| 6 | Kenya National Commission for UNESCO |
| 7 | Kenya Film Classification Board |
| 8 | National Council for Nomadic Education |
| 9 | LAPSSET Corridor Development Authority |

SIXTEEN (16) STATE CORPORATIONS with outdated mandates or the good/service can be supplied by the private sector are proposed for divesture/dissolution:

| S/NO. | STATE CORPORATION |
|----------|---|
| 1 | Numerical Machining Complex |
| 2 | Scrap Metal Council |
| 3 | Kenya Fishing Industries Corporation |
| 4 | Jomo Kenyatta Foundation |
| 5 | Pyrethrum Processing Company of Kenya Ltd |
| 6 | Kenya National Shipping Line |



| | |
|-----------|--|
| 7 | School Equipment Production Unit |
| 8 | Kenya Yearbook Editorial Board |
| 9 | Kenya National Assurance Company |
| 10 | Coast Development Authority |
| 11 | Ewaso Ng'iro South Development Authority |
| 12 | Ewaso Ng'iro North Development Authority |
| 13 | Kerio Valley Development Authority |
| 14 | Lake Basin Development Authority |
| 15 | Tana and Athi Rivers Development Authority |
| 16 | Kenya Post Office Savings Bank |

ANNEX IV

SIX (6) STATE CORPORATIONS are proposed for restructuring to align their mandates for better performance:

| S/NO. | STATE CORPORATION |
|--------------|--|
| 1 | Kenya Utalii College |
| 2 | Postal Corporation of Kenya |
| 3 | Bomas of Kenya |
| 4 | National Syndemic Diseases Control Council |
| 5 | Kenya Roads Board |
| 6 | National Housing Corporation |

ANNEX V

FOUR (4) PUBLIC FUNDS categorized as state corporations need to be declassified and reverted back to the Ministry with a strengthened/more focused governance structure that will apply to all public funds:

| S/NO. | STATE CORPORATION |
|--------------|--|
| 1 | Water Sector Trust Fund |
| 2 | National Environment Trust Fund |
| 3 | Sports, Arts and Social Development Fund |
| 4 | Fish Levy Trust Fund |



ANNEX VI - 13 Professional Bodies and Welfare Society

THIRTEEN PROFESSIONAL BODIES currently categorized as state corporations should be declassified and should not be financed through budgetary allocations.

| S/NO. | STATE CORPORATION |
|--------------|--|
| 1 | Hydrologists Registration Board |
| 2 | Clinical Officers Authority |
| 3 | Council of the Institute of Nutritionists and Dieticians |
| 4 | Kenya Health Professionals Oversight Authority |
| 5 | Kenya Medical Laboratory Technicians and Technologists Board |
| 6 | Kenya Medical Practitioners and Dentists Council |
| 7 | Public Health Officers and Technicians Council |
| 8 | Nursing Council of Kenya |
| 9 | Engineers Board of Kenya |
| 10 | Institute of Certified Investment and Financial Analysts |
| 11 | Institute of Human Resource Management |
| 12 | Kenya Institute of Supplies Management |
| 13 | Child Welfare Society of Kenya |