



REPUBLIC OF KENYA

CABINET NEWS

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STATE HOUSE, NAIROBI

The Cabinet has approved a Comprehensive Framework for Infrastructure Projects Pricing to curb inflated project costs, enhance transparency, and improve value for money in public investments.

The framework seeks to eliminate the irregular, inconsistent, and costly practices that have characterised the pricing of government infrastructure projects. It aims to establish a data-driven system for determining infrastructure costs, ensuring accountability and prudent use of public resources.

The reform will be overseen by the Chief of Staff and Head of the Public Service through a Multi-Agency Technical Working Team, which has already achieved key milestones, including the development of sectoral pricing models, cost derivation criteria, and proposals for establishing a National Infrastructure Pricing Database (NIPD).

Cabinet noted that despite significant infrastructure investments over the past two decades, the country continues to experience cost variability, overruns, and inconsistencies, challenges attributed to reliance on precedent-based estimates and limited market intelligence.

The pricing framework will adopt the First Principles Approach (FPA), successfully applied in countries such as the United Kingdom, Australia, and Singapore, to replace precedent-based costing with data-driven analysis, potentially reducing cost overruns by up to 25 per cent.



At the meeting, the Cabinet endorsed the waiver of interest and penalties on outstanding land settlement loans to ease the financial burden on low-income settlers and advance the Bottom-Up Economic Transformation Agenda. The decision follows recommendations by the Land Settlement Fund Board of Trustees, which noted that many settlers have been unable to repay accrued interest due to economic hardship and challenges affecting agricultural productivity.

The waiver will benefit thousands of settlers in 520 settlement schemes in 26 counties, covering an accumulated portfolio of KSh12.3 billion.

Beneficiaries will now be able to obtain title deeds, use them as collateral for investment, and regularise land accounts that have been in arrears for decades.

The measure aligns with the government's ongoing efforts to resolve historical land injustices, enhance agricultural productivity, and unlock land-based economic value.

Implementation will follow the Public Finance Management Act, with a 12-month moratorium provided to enable beneficiaries to clear their principal balances.

Cabinet also gave the green light to the dualling of the 23.5km Muthaiga-Kiambu-Ndumberi road to ease congestion and improve mobility between Nairobi and Kiambu counties.

The project will expand the existing two-lane highway into a dual carriageway, complete with bypasses, loops, and access roads to increase capacity and reduce travel times.



It will also incorporate non-motorised transport lanes and commuter facilities to enhance road safety and accessibility.

Cabinet noted that the corridor, serving Muthaiga, Runda, Ridgeways, and Kiambu Town, currently experiences chronic traffic congestion, particularly during peak hours.

The dualling is part of the government's broader effort to modernise Nairobi's metropolitan transport network in line with Kenya Vision 2030 and the UN Sustainable Development Goals on infrastructure and mobility.

To further the nation's environmental and conservation priorities, the Cabinet approved the implementation of the Nairobi National Park-Athi-Kapiti Wildlife Corridor to secure critical migratory routes and dispersal areas vital for the survival of Kenya's wildlife.

The decision follows a presidential directive in July 2023, which called for urgent action to curb habitat fragmentation and escalating human-wildlife conflict around Nairobi National Park.

The project will reconnect the park to surrounding conservancies in Machakos and Kajiado counties, restoring vital migratory pathways for species such as zebra, wildebeeste, and gazelles.

Implementation will include land acquisition, wildlife-friendly fencing, and the construction of overpasses and underpasses to enable safe animal crossings.

Portions of public land, including sections of the Export Processing Zone, will be surrendered to the Kenya Wildlife Service for conservation use.



The three-year project, beginning in the 2026/2027 financial year, will leverage partnerships with conservation agencies and innovative financing such as nature bonds and debt-for-nature swaps.

Cabinet affirmed that this initiative aligns with the Wildlife Corridors and Dispersal Areas Report (2016), Vision 2030, and Kenya's commitment to sustainable biodiversity conservation.

To further strengthen devolution and improve service delivery, Cabinet approved the Public Finance Management (Amendment) Bill, 2025, which proposes to split the County Governments Additional Allocations Bill into two separate laws to speed up the disbursement of funds to county governments.

The amendment seeks to resolve delays in enacting the annual Additional Allocations Act, which has, in the past, disrupted service delivery and slowed development at the county level.

Under the proposed reform, Parliament will consider two separate Bills, one for allocations from the National Government's share of revenue, and another for allocations financed through loans and grants from development partners.

This change is expected to enhance efficiency in public finance management, improve service delivery, and strengthen devolution by ensuring timely transfers to county governments.

Meanwhile, Cabinet endorsed the establishment of an Embassy of the Republic of Kenya to the Vatican City to strengthen diplomatic engagement with the Holy See and advance Kenya's global, moral, and development diplomacy.



The Vatican City, home to the Holy See and the seat of the Roman Catholic Church, holds significant influence in global peace, dialogue, and humanitarian affairs. A resident embassy will deepen bilateral relations, enhance collaboration in peace-building, climate action, humanitarian initiatives, and strengthen engagement with the Vatican's global network of faith-based institutions.

The move will also boost cooperation with Catholic development agencies that run more than 7,700 schools and 500 health facilities in Kenya, supporting the Bottom-Up Economic Transformation Agenda through expanded partnerships in education, healthcare, and social welfare.

Additionally, Cabinet further approved the establishment of new embassies in Copenhagen (Denmark) and Hanoi (Vietnam) to expand Kenya's diplomatic footprint, strengthen bilateral and trade relations, and advance the country's strategic interests globally.

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