



PRESS RELEASE

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DESPATCH FROM CABINET

CABINET CONVENED this morning under the stewardship of **His Excellency the President** at State House, Nairobi. The meeting coincided with the two-and-a-half-year mark of the Administration's tenure, a milestone to be marked tomorrow, **12th March, 2025**.

THE SESSION assessed the progress being made in steering national renewal as part of the Administration's economic blueprint - the **Bottom-Up Economic Transformation Agenda (BETA)**. This assessment underscored the **pivotal role of policy, regulatory, and institutional reforms in realizing sustainable economic growth** and fostering financial inclusion.

A KEY focus of the considerations was the economic empowerment of **micro, small, and medium enterprises (MSMEs)**, a sector that constitutes the backbone of Kenya's economy. Recognizing the indispensable role of **Savings and Credit Cooperative Organizations (SACCOs)** in mobilizing resources, facilitating credit access, and enhancing financial resilience, Cabinet reviewed policy and legislative interventions seeking to strengthen their governance, operational efficiency, and financial sustainability.

SACCOS, AS powered by the cooperative movement's principles of economic solidarity and shared prosperity, have been instrumental in driving financial inclusion since the dawn of our Republic. **Kenya currently boasts over 3,000 SACCOs, managing assets exceeding Ksh. 1 trillion.** However, **only 357 SACCOs operate under the direct prudential supervision of the SACCO Societies Regulatory Authority (SASRA)**, exposing a significant portion of the sector to regulatory gaps, liquidity challenges, operational inefficiencies, and financial vulnerabilities.

TO ADDRESS these challenges and fortify the regulatory landscape, Cabinet approved **far-reaching amendments to the SACCO Societies Act**. These reforms are designed to:



- I. **Establish Shared Services and Central Liquidity Businesses –** A centralized liquidity management framework will enhance the financial stability of SACCOs by enabling resource pooling, optimizing liquidity utilization, and **ensuring seamless inter-SACCO transactions**. This mechanism will also provide short-term lending solutions, strengthen capital adequacy, and facilitate SACCOs' integration into the National Payment System; and
- II. **Operationalize the SACCOs Deposit Guarantee Fund –** Modelled on the Central Bank of Kenya's Deposit Protection Fund, this safety net will mitigate legal and financial risks associated with SACCO market failures by safeguarding depositors' funds.

ADDITIONALLY, THE reforms will establish a **centralized data and information repository**, equipping SASRA with real-time, accurate, and comprehensive insights into the performance, risk exposure, and compliance levels of SACCOs across the country. This data-driven approach will strengthen regulatory oversight, enhance transparency, and support evidence-based policy interventions.

THESE STRUCTURAL reforms **mark a new era in SACCOs' governance**, ensuring that the cooperative sector remains a robust pillar of Kenya's financial ecosystem.

AS PART of its review of key drivers of the services sector, Cabinet acknowledged the **robust resurgence of the tourism industry**, which continues on **an upward trajectory following the record-breaking tourist arrival numbers of 2.4 million** in 2024. The meeting observed that the sector has remained a source of foreign exchange earnings and that **new frontiers of growth include Cruise Tourism** and the **Meetings, Incentives, Conventions, and Exhibitions (MICE) industry**.

CABINET FURTHER noted that the scheduled **ground-breaking of Kenya's second International Convention Centre at the Bomas of Kenya—52 years** after the completion of the iconic Kenyatta International Convention Centre (KICC) is a significant milestone in the nation's history. This development will **significantly bolster Kenya's standing** as a premier destination for the **MICE sector**.



TO ENHANCE the long-term sustainability of the services sector and build a robust and **professional public service capable of effectively supporting the implementation of the nation’s development agenda**, Cabinet considered and approved the following:

- I. The Internship and Volunteer Policy** and Guidelines for the Public Service;
- II. The Proposed Public Service Human Resource Management and Development Bill, 2024;** and
- III. The Public Finance (Public Service Training Revolving Fund) Regulations, 2024.**

THE INTERNSHIP and Volunteer Policy introduces a structured framework for coordinating internship placements and volunteer programmes across the public service. The proposed State intervention paves a strategic pathway for career progression and institutional growth. Upon completion of their on-job training, all interns will be awarded certificates to formally recognise their skills development.

UPON ENACTMENT, the **Public Service Human Resource Management and Development Bill, 2024** will introduce a unified legal framework to standardise human resource management across the public service. This will encompass organisational structures, staff establishment, career progression, payroll management, training and development, recruitment practices, disciplinary procedures, and terms and conditions of service.

ADDITIONALLY, THE Public Finance (Public Service Training Revolving Fund) Regulations, 2024 will ensure a predictable and sustainable funding mechanism for human resource development in the public service. This fund will succeed the existing Training Revolving Fund, currently administered by the Higher Education Loans Board.

IN KEEPING with the Administration’s commitment to advance **Universal Health Coverage (UHC)** under **Taifa Care**, Cabinet considered and approved the **elevation of Jaramogi Oginga Odinga Teaching and Referral Hospital to a National Teaching and Referral Facility.**

ESTABLISHED IN 1965, this institution’s upgraded status will further **enhance the country’s healthcare system** by increasing the number of



national referral hospitals from five to six. Current national referral facilities are: **Kenyatta National Hospital (KNH)** in Nairobi; **Moi Teaching and Referral Hospital (MTRH)** in Eldoret; **Mathari National Teaching and Referral Hospital** in Nairobi, specializing in mental health; **Kenyatta University Teaching, Referral and Research Hospital (KUTRRH)** in Nairobi and **Mwai Kibaki Referral Hospital** in Nyeri.

TO FURTHER safeguard the health of the nation by addressing public health risks associated with continued asbestos use, Cabinet **considered and approved a nationwide phased removal of asbestos from all facilities and roofing structures** across public and private sectors.

ASBESTOS HAS long been used in building materials, including roofing and floor tiles as well as water and sewage asbestos-cement pipes. However, the **World Health Organization (WHO) has classified it as a hazardous substance**, linked to several types of cancer, chronic respiratory diseases, and other severe health conditions. **The disposal process will be carried out in strict adherence to guidelines set by** the National Environment Management Authority (**NEMA**).

IN LINE with the Administration's commitment to ensuring that **no Kenyan is left behind**, Cabinet considered and approved legislative proposals aimed at **enhancing inclusivity in the national development agenda for persons living with disabilities**.

THESE PROPOSALS seek to eliminate barriers that hinder persons with disabilities from fully exercising their rights by: enhancing accessibility and promoting participation and inclusion; Increasing respect for their autonomy and dignity; and Raising public awareness and educating society on their rights.

TO FURTHER strengthen ongoing efforts toward achieving gender equity and economic inclusivity of all Kenyans, Cabinet considered and approved the **National Policy on Women's Economic Empowerment**.

THIS POLICY seeks to advance women's economic opportunities while contributing to broader national development objectives by establishing a comprehensive framework for the effective coordination, monitoring, and evaluation of **women's economic participation across various sectors**.



IN RECOGNITION of its significance in shaping national priorities and strategies for women’s empowerment, this policy will be submitted to **Parliament as a Sessional Paper** for consideration and approval by the House.

IN A strategic move to bridge the skills gap in **highly specialised fields of engineering and scientific research**—critical to Kenya’s vision of becoming an industrialised nation—Cabinet has approved the establishment of the **Kenya Advanced Institute of Science and Technology (Kenya-AIST)**.

KENYA-AIST will be a **specialised postgraduate degree-awarding institution**, designed to nurture advanced expertise and innovation. In recognition of its strategic role, the institution will be granted a Charter in accordance with **Section 24 of the Universities Act**.

THE INSTITUTE will offer cutting-edge academic programmes in the following disciplines: **Nuclear Engineering; ICT Engineering; Mechanical Engineering; Electrical and Electronic Engineering; Chemical Engineering; Agricultural Biotechnology and Civil Engineering**.

AS PART of its commitment to **addressing the full spectrum of skills development**, Cabinet considered and approved measures to enhance access to technical training at the county level. While bridging the gap in highly specialised fields, the Government remains steadfast in its policy to establish at least **one National Polytechnic in every county** and a **Technical and Vocational Education and Training (TVET) institution in each constituency**.

IN FURTHERANCE of this objective, Cabinet has considered and approved the establishment of the following institutions:

- I. Siaya Institute of Technology** – Siaya County;
- II. Bumbo Technical Training Institute** – Busia County;
- III. Kipsoen Technical and Vocational College** – Elgeyo Marakwet County; and
- IV. Kisiwa Technical Training Institute** – Bungoma County.

BY EXPANDING access to quality technical education, the Government reaffirms its commitment to fostering a skilled workforce capable of driving Kenya’s socio-economic transformation.



CABINET ALSO considered and approved two flagship projects in the **water and sanitation sector** aimed at **expanding access to clean water for domestic use, increasing land acreage under irrigation, and ensuring sustainable sanitation services.**

THESE STRATEGIC initiatives align with the Government's commitment to addressing critical water and sanitation needs, supporting agricultural productivity. The approved projects are:

- I. **Mokubo Water Supply and Sanitation Project** – Kisii County; and
- II. **Bosto Multi-Purpose Dam Project** – Bomet County.

IN FURTHERANCE of our nation's Space Agency mandate in the field of space science and exploration for peaceful purposes, Cabinet has reviewed and approved the proposed **Memorandum of Understanding between the Kenya Space Agency, the Rwanda Space Agency, and the Egyptian Space Agency.**

AS PART of the institutional framework to strengthen solidarity with our sister nations within the East African Community (EAC), Cabinet also considered and approved a **Defence Co-operation Agreement with the Federal Republic of Somalia.** This agreement addresses the legal obligations outlined in the **Kenya Defence Forces Act, Chapter 199 of the Laws of Kenya.** It specifically governs cooperation in defense matters, **ensuring the legal status of Visiting Forces while in the Republic of Kenya.**

IN ADDRESSING refugee management, a key aspect of the nation's social fabric shaped by regional conflicts— **Cabinet endorsed the Shirika Plan** under the aegis of the United Nations. This initiative will be led by a multi-stakeholder team of development partners including the **United Nations High Commissioner for Refugees,** development partners, NGOs, and faith-based organizations.

THE DAY'S meeting coincided with the **onset of long rains (March – May 2025).** In light of this, Cabinet has called upon all Kenyans to heed the **weather alerts by the Meteorological Department** and to actively participate in the **ongoing tree-planting initiative,** which aims to achieve 30% national tree cover and restore 10.6 million hectares of degraded land by 2032. **THIS NATIONAL** endeavour that is now in its second year seeks to preserve **Kenya's natural heritage and splendour, one tree at a time.**



IN CONCLUDING the day's meeting, Cabinet was briefed on the preparations for **hosting the 2025 edition of the World Rally Championship (WRC) Safari Rally**, scheduled to take place from **19th to 20th March in Naivasha, Nakuru County**.

IN RECOGNITION of the global significance of the **Kenya circuit within the World Rally Championship, Cabinet called upon all Kenyans** to actively participate in and support this annual sporting spectacle, which not only **showcases our nation's rich heritage** but also reinforces **Kenya's** place **WITHIN THE WORLD MOTORSPORT CIRCUIT**.

CABINET OFFICE
EXECUTIVE OFFICE OF THE PRESIDENT

Tuesday, 11th March, 2025