



PRESS RELEASE
(For Immediate Release)

DESPATCH FROM CABINET

CABINET RECONVENED this morning under the chairmanship of **His Excellency the President** at State House, Nairobi. The day's session considered various Bills and Policies that seek to enhance economic productivity through agriculture, investments, trade, and industry.

IN RESPONSE TO THE DROUGHT ravaging parts of the country, Cabinet sanctioned **the scaling-up of the national response to mitigate the impact of the current drought**. The scope of the enhanced response covers 22 affected Arid and Semi-Arid Land (ASAL) counties, with **Marsabit and Turkana counties now classified in the Emergency Drought Phase**; while the 10 ASAL counties of Kitui, Kajiado, Kilifi, Makueni, Mandera, Samburu, Tana River, Wajir and Isiolo remaining in the **Alarm Drought Phase**. The scaled-up national response will continue to cover humanitarian assistance, food assistance, water sector interventions, livestock sector interventions, and Peace and Security Sector building.

TO BUILD RESILIENCE to Climate Change risks, and to guarantee every farmer the full rewards of the sweat of their brow, **Cabinet considered and approved the Agricultural Soil Management Policy**. The policy seeks to transform the agricultural sector by establishing a framework for mapping of soil across the country, so as to address low productivity arising **from declining soil fertility and deteriorating soil health**.

TO ENHANCE ACCESS of Kenyan agricultural produce to more foreign markets, Cabinet considered and approved the **National Phytosanitary Policy**. The policy establishes an effective phytosanitary system that provides a mechanism for preventing the **introduction, spread, and establishment of foreign injurious pests and noxious**



weeds; thereby guaranteeing high standards for plants and plant products exported from Kenya.

BY ADDRESSING THE CHALLENGES of pests to production and biodiversity, the policy is expected to herald a **new growth frontier for our nation's horticulture exports** that are currently worth about **Ksh. 170 Billion**, and also lead to growth of other agricultural produce and plant products.

THE NATION'S POLICY ORGAN also considered the policy on the **development of our nation's leather industry**. The policy is a key plank of the Administration's Transformative Plan for the nation, espoused as the Bottom-Up Economic Transformation Agenda (BETA). The policy positions the leather industry as a key economic driver by unlocking our nation's leather industry potential which has long been **underutilized despite Kenya being home to the third largest livestock herd in Africa**.

THE POLICY SEEKS TO create over 100,000 direct jobs by providing opportunities for **industrial transformation and economic inclusion due to its promotion of strong linkages** between the leather industry in Kenya and other economic activities in rural and pastoralist economies, economic activities in the ASALs, and in the contemporary industries that provide inputs required for leather value addition.

TO SUPPORT THE STATE'S DIVESTITURE from non-strategic sectors of our national life, Cabinet approved the **Privatization Bill**. The revised policy shift seeks to **revitalize Kenya's Capital Markets** through the review of the framework for State divestiture as part of a wider reform process targeting Public Enterprises.

IN ORDER TO CEMENT the place of Nairobi as the **premier centre for International Arbitration on the continent**, Cabinet considered and approved the policy on **Alternative Dispute Resolution (ADR)**. The State intervention also seeks to decongest our Courts and to enhance access to justice by providing high quality, affordable, timely, and effective alternatives to standard judicial processes.



PROVIDING AN EXAMPLE of how Alternative Dispute Resolution can be used to unlock complex disputes, Cabinet considered and approved the resolution of the impasse in the **implementation of the Aror, Kimwarer, and Itare Dam Projects through ADR.**

THE INTERVENTION BY CABINET seeks to address the huge financial exposure facing the Government of Kenya arising from the unfulfilled debt obligations under the Financing Agreements for the Projects. Arising therefrom, the Government of Kenya has sanctioned negotiated commercial settlement for the Commercial Contracts and Financing Agreements for the Projects.

AS PART OF THE ADMINISTRATION'S TAX REFORMS, Cabinet approved the ratification of the **Multilateral Convention to Implement Tax Treaty Related Measures** which aims to prevent base erosion and profit shifting. The framework enhances clarity on taxation of partnerships so as to ensure that loopholes that allow for tax evasion are closed. The framework also improves the dispute resolution mechanisms in place and broadens the tax base by ensuring that multilateral enterprises do not avoid taxation on their activities in our country through avoidance of permanent establishment status.

TO PROMOTE EFFECTIVE JUDICIAL COOPERATION between the Republic of Kenya on one hand and both the People's Republic of China and the Government of Italy on the other, Cabinet considered and approved the **Extradition Treaties between the Republic of Kenya** and the two nations. As a consequence of the ratification of treaties, Kenyans who run afoul of the law in the two nation can be extradited for purpose of carrying out criminal proceedings or executing final custodial sentence in Kenya, and *vice versa*.

AS PART OF THE ADMINISTRATION'S PLAN on enhancing the **equipping the youth with technical skills** to help them better contribute to our national development, **Cabinet rescinded the decision of Cabinet in the last Administration** abolishing the Technical & Vocation Education & Training – Curriculum Development Assessment and Certification Council, re-establishing the same.



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THE RE-ESTABLISHED TVET-CDACC will anchor the development of a learner-centred, flexible, and a demand-driven and industry-led TVET curricula for training institutions. This measure secures examination, assessment, and competence certification as the lynch-pin for the Administration's Transformative Plan for the nation, espoused as the **Bottom-Up Economic Transformation Agenda (BETA)**.

TO STRENGTHEN KENYA'S ROLE as an anchor State in regional, continental, and global affairs; whilst also better positioning the nation for both inward investment and promotion of exports, Cabinet approved the accession of Kenya to the membership of the **Commonwealth Enterprise and Investment Council**.

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Tuesday, 21st March, 2023