



REPUBLIC OF KENYA

CABINET NEWS

JUNE 24, 2025

STATE HOUSE, NAIROBI

Cabinet met on Tuesday under the chairmanship of President William Ruto at State House, Nairobi and approved the Government-Owned Enterprises Bill, 2025 (GOE Bill, 2025), marking a significant step in reforming the governance and performance of commercial State corporations in Kenya.

The Bill establishes a new category of commercial State corporations, now termed Government Owned Enterprises. It aims to address longstanding inefficiencies such as the appointment of unqualified individuals to leadership roles by introducing a structured, merit-based selection process overseen by an independent panel.

The board will elect its chairperson from among the independent members. The Bill explicitly prohibits conflicts of interest for both the chairperson and independent directors, promoting professionalism, transparency, and commercial viability.

These reforms are part of a broader national effort to modernise and professionalise State-owned enterprises, improve economic efficiency, and restore public trust in public asset management.

The Cabinet also approved the proposed dualling of the 20.2km Nairobi Northern Bypass, a key infrastructure upgrade aimed at easing traffic congestion and expanding the road's capacity to handle growing traffic volumes.

The project will convert the current single carriageway into a dual carriageway and include the construction of eight interchanges, overpasses, and underpasses, as well as the development of non-motorised transport facilities, including walkways and cycle paths, improved drainage systems, and enhancements to adjacent roads.



Stretching from Ruaka in Kiambu to Ruiru, connecting with both the Western and Eastern bypasses, the Northern Bypass remains Nairobi's only bypass that is still a single carriageway. It experiences heavy congestion during peak hours, leading to travel delays, higher transport costs, increased pollution, and reduced productivity.

The upgrade is expected to improve traffic flow, enhance road safety, and boost access to economic hubs, industrial zones, and essential services in Nairobi and Kiambu counties.

In support of Nairobi's broader urban transformation agenda, Cabinet gave the green light to implement the Nairobi Railway City Central Station and Public Realm Project, a transformative infrastructure development designed to decongest Nairobi and revitalise the Central Business District. This flagship project, seen as a critical step in attracting private investment to the Railway City, will modernise the outdated Central Station into a state-of-the-art, multi-modal transport hub.

With projected passenger demand rising to 400,000 daily by 2030 and 600,000 by 2045, the new station will feature nine platforms and improved access bridges, allowing for the efficient evacuation of up to 30,000 people per hour. Surrounding public realm improvements will unlock underutilised land, spur economic activity, and increase foot traffic into the city centre.

The project is backed by secured funding for key transport links, including BRT Line 3, several commuter rail lines, and a Standard-Gauge Railway connection to Jomo Kenyatta International Airport. It is expected to drive job creation, urban regeneration, and sustainable growth, establishing the station as Nairobi's premier transport interchange and a symbol of the city's future urban vision.



In another move to promote easy and equitable access to home ownership, Cabinet endorsed the Affordable Housing Regulations, 2024, to operationalise the Affordable Housing Programme, a key pillar of the Bottom-Up Economic Transformation Agenda. These regulations provide the legal framework for expanding access to decent, affordable housing for Kenyans.

A key feature of the regulations is the reduction of the required housing deposit from 10% to 5%, lowering the barrier to entry for low- and middle-income earners. Other provisions include equitable housing allocation across income groups, access to low-interest or low-monthly-payment home loans, and structured deposit assistance for those unable to pay upfront.

The regulations also guide the development, design, and maintenance of affordable and institutional housing across all counties. Additionally, they support long-term financing solutions for both development and purchase, and provide funding for maintenance and essential services within housing schemes.

Cabinet also approved the Public Procurement and Asset Disposal (Amendment) Bill, 2025, which seeks to streamline public sector procurement and disposal processes. The Bill updates the 2015 Act to reflect international best practices and insights gained over nearly a decade of implementation.

A central provision of the proposed amendments is the designation of e-procurement as the primary method for all government procurement. This shift is aimed at increasing transparency, reducing inefficiencies, and combating corruption.



The Bill also aims to empower local contractors and stimulate domestic industry by strengthening provisions for local sourcing. It introduces clear targets and thresholds for local supplier participation in government tenders and proposes measures to lower barriers for small and medium-sized enterprises.

Additionally, it seeks to improve procurement access for disadvantaged groups, including women, youth, and persons with disabilities.

In response to the negative effects of alcoholism and substance abuse on Kenya's social fabric, Cabinet has adopted the National Policy on the Prevention of Alcohol, Drugs and Substance Use (2025).

The policy strengthens the mandate of the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), restricts where alcohol can be sold and advertised, and enhances protection for persons under 21 and those who abstain. It promotes awareness, evidence-based prevention, professional training, and community action, while prioritising support for youth, persons with disabilities, and other at-risk groups.

The policy also establishes a comprehensive, multi-sectoral framework to coordinate and strengthen national efforts in combating this escalating public health crisis.

In yet another strategic investment in Kenya's human capital development, Cabinet approved the Higher Education, Science and Technology Phase II Project, a major initiative to improve the quality and relevance of STEM (Science, Technology, Engineering, and Mathematics) education in Kenya. The project addresses key challenges such as inadequate infrastructure, a shortage of teaching staff, and limited commercialisation of university research, challenges that have contributed to Kenya's low ranking in the 2023 Global Innovation Index.



Key components include upgrading STEM facilities in public universities, establishing a Science and Technology Park, a National Physical Sciences and Research Laboratory, and a Centre of Excellence in Maritime Engineering. The project will also introduce Competency-Based Education and Training at the university level, fund postgraduate training for STEM lecturers, and strengthen partnerships with industry and global universities.

Additionally, the initiative will offer short, skills-based training to improve youth employability in technical fields, with a focus on increasing women's participation in STEM.

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