

**Opening Remarks by Dr. Chris Kiptoo, CBS, Principal Secretary, the National Treasury, During Public Participation Forum on the Privatisation Bill, 2023, on 7<sup>th</sup> February 2023 at KICC, NAIROBI.**

**My Colleagues, Principal Secretaries present,**

**The World Bank Representative,**

**The International Monetary Fund Representative,**

**The Private Sector,**

**Professional Bodies,**

**My Colleagues in Government,**

**All invited Guests,**

**Distinguished Guests, Ladies and Gentlemen.**

It is my greater honour and pleasure to welcome you all to this Public Participation Forum on the Privatisation Bill, 2023.

**Ladies and Gentlemen,**

As you may be aware, the Government published the Privatization Programme vide Gazette Notice No. 8739 dated 14<sup>th</sup> August 2009 comprising entities to be privatized as per the Privatization Act, 2005. The objectives of privatization as envisaged the Privatization Act were: -

- ✓ Improve the development of infrastructure and the delivery of public services by the involvement of private capital and expertise;
- ✓ Reduce the demand for government resources;

- ✓ Generate additional government revenue;
- ✓ Broaden of the base of ownership in the Kenyan economy; and
- ✓ Enhancement and development of the capital markets.

However, **Ladies and Gentlemen**, due to the inhibiting legislative and policy framework provided for in the Privatisation Act, 2005, the implementation of the Privatization Programme encountered challenges and to date only one transaction has been concluded successfully.

As a result of prolonged delay, the value of some of those entities has substantially deteriorated. consequently, these entities are reverting to the National Exchequer for bail out. Further, as the financial and operational performance continue to deteriorate, they create huge fiscal risks to the National Government/National Exchequer due to the contingent liabilities emanating from those entities.

On the other hand, the Government desires to privatise non-strategic performing State-Owned Enterprises to raise additional revenue to finance the much-needed infrastructure in transport & water as well as provision of Government services like health & education.

**Ladies and Gentlemen,**

Premised on this, the Government initiated the repeal of the Privatisation Act, 2005 to provide for a more facilitative legal and policy framework to steward the privatisation process. In this regard, the Government has finalised the draft Privatisation Bill, 2023.

The Bill is currently undergoing public participation and public engagement forums were conducted in Nyeri, Eldoret, Mombasa, Kisumu, Garissa, and Machakos on

Monday 31<sup>st</sup> January 2023. We have received valuable inputs from stakeholders which is currently being considered to be incorporated to the Bill.

Today, we have invited you as our stakeholders to share and get your views & comments towards finalisation of the Privatisation Bill, 2023 in readiness for submission to Cabinet and National Assembly.

**Ladies and Gentlemen,**

While, my colleagues are going to elaborate more on the Bill during the presentation, the key salient provisions that have been amended are geared towards;

- ✓ Aligning the Privatisation Act to the Constitution and other laws that have been enacted upon promulgation of the Constitution in 2010 like PFM Act, and PPADA.
- ✓ Providing clarity and remove ambiguity with respect to the role and functions of the National Assembly and the Executive as envisaged in the Constitution.
- ✓ Enhancing efficiency, transparency and competitiveness of the privatization process, and
- ✓ Providing a framework for alternative dispute resolution other than the court process which takes long to resolve.

**Ladies and Gentlemen,**

As our valued stakeholders, we seek your indulgence and valuable contributions on the Privatisation Bill, 2023 to enhance efficiency, transparency and competitiveness of the privatization process to enable the country unlock the process to achieve the objectives of privatization.

**Distinguished Guests, Ladies and Gentlemen,**

With these few remarks, I now wish to declare the Nairobi Public Participation forum officially launched and request for your fruitful engagement.

*A S A N T E      S A N A*