



REPUBLIC OF KENYA

## THE NATIONAL TREASURY AND ECONOMIC PLANNING

### REQUEST FOR EXPRESSION OF INTEREST PROVISION OF CONSULTANCY SERVICES TO UNDERTAKE AN ASSESSMENT OF NATIONAL GOVERNMENT CONTINUED INVOLVEMENT IN GOVERNMENT INVESTMENTS/FUNDING OF STATE CORPORATIONS AND GOVERNMENT LINKED CORPORATIONS EXPRESSION OF INTEREST: TNT /EOI/004/ 2023-2024

Kenya has a long history of the establishment and operations of State Corporations that dates back to the time of independence. The establishment and operations of State Corporations was founded on the Government's desire to develop capacity for exploitation of resources and natural raw materials for industrial and economic development. The Government policy then, among others, encouraged establishment of State Corporations and Government investments in joint ventures with private capital with a view to: accelerate economic and social development, redress regional economic imbalances, increase Kenyan Citizens' participation in the economy, promote indigenous entrepreneurship, and promote foreign investments through joint ventures. The policy envisaged that the State Corporations would operate efficiently on cost recovery/sustainable basis to guarantee quality service delivery to the people of Kenya and earn reasonable return/profits to the Government and other investors.

The Government continue to use the State Corporations sector as instruments for socio-economic advancement and to positively contribute in improving the standard of living of the population by creating sustainable economic and social benefits. Indeed, the State Corporation sector in particular the infrastructure State Corporations, have led to the transformation of the economy and contributed significantly to achievement of the objectives outlined in various Government policies.

Whereas the Public Finance Management Act (2012) and State Corporations Act (Cap. 446) makes provision for adequate consultation prior to the establishment of State Corporations, this has not been adhered to resulting in the proliferation of State Corporations. This has led to duplication of functions or mandate becoming either obsolete, irrelevant or unviable hence becoming a financial burden to the National Exchequer.

Further, State Corporations have over the years not performed as expected and the Government has taken various reform interventions aimed at aligning State Corporations to emerging national needs and priorities to enhance efficiencies in service delivery.

The Government initiatives to reform State Corporations include:

- i. The policy for a private sector led economy that resulted to substantive divestiture and privatization of state corporations;
- ii. Unbundling of the operations of infrastructure State Corporations to separate

regulatory functions from commercial operations and establishment of independent regulatory institutions;

- iii. Public Private Partnerships intended to mobilize resources from the private sector for public investments especially in infrastructure development; and
- iv. The Economic Recovery Strategy for Wealth and Employment Creation.

Through these policy initiatives, State Corporations continue to play critical roles in the actualization of the intended strategic objectives.

The objectives of the study are to undertake an assessment for purposes of determining: -

- i. The justification and relevance of the GOK's continued involvement in or investment in, or funding of State Corporations and Government Linked Corporations;
- ii. To identify the level of actual and contingent fiscal exposure to the National Exchequer;
- iii. Assess the relevance of each State Corporations' legal mandate to the current development strategy; and
- iv. To identify State Corporations with outdated and overlapping mandates;

### **Scope of Assignment**

The review and assessment will cover all State Corporations, Government-Linked Corporations and regional & international organisations / institutions.

The consultant shall; -

- i. Carry out a review of the legal framework governing the establishment, operations, management and governance of all State Corporations Government-Linked Corporations and regional & international organisations / institutions as well as a review of audited financial statements of all international corporations where GOK has interests;
- ii. Identify overlapping mandates;
- iii. Identify inconsistencies of the enabling legislations with the Constitution of Kenya, Public Finance Management Act 2012 and any other relevant laws;
- iv. Carry out a review of the financial performance of respective State Corporations and Government-Linked Corporations local and international organizations/institutions where government has a stake for the last five (5) years with a view to:
  - a) Determine their financial health (Level of indebtedness, going concern status);
  - b) Identify outstanding financial obligations including loans and statutory deductions;
  - c) Identify contingent liabilities;
  - d) Identify other challenges facing entities including pricing policies; and

- e) ascertain fiscal risk to the National Exchequer and recommend appropriate government policy interventions; and
- f) Carry out any other assignment and instructions that the employer may issue in achieving the objectives of the review and assessment.

### **Qualification Requirements**

The National Treasury invites reputable, experienced Consultant/Consortium firms to submit their Request for Expression of Interest in providing these services, by indicating/demonstrating their experience in similar assignments, availability of appropriate personnel skills, professional capability and implementation methodology in the assignment.

The Consultant/Consortium will be required to have competence and a team of experts with the following disciplines as a minimum: -

- a) Financial Analysis, Accountancy and Economics;
- b) Legal/Governance; and
- c) Public Sector Finance

Completed Expression of Interest documents enclosed in a plain sealed envelope clearly marked “**EOI for Lead Managers**” and addressed to: -

**The Principal Secretary**  
The National Treasury  
Harambee Avenue  
6<sup>th</sup> Floor, room 619  
P.O Box 30007-00100,  
Nairobi, Kenya  
Tel: +254-20-2252299  
Email: [procurement@treasury.go.ke](mailto:procurement@treasury.go.ke)

and be deposited in the Tender Box provided at the National Treasury Building, 6<sup>th</sup> Floor, Harambee Avenue, Nairobi, so as to be received on or before **Thursday 14<sup>th</sup> December, 2023 at 11.00 a.m.**

The Expression of Interest will be opened immediately after the closing date and time in the presence of candidates or their representatives who choose to attend at the National Treasury, Harambee Avenue, Nairobi, Conference Room on 6<sup>th</sup> Floor, Room 603 on before **Thursday 14<sup>th</sup> December, 2023 at 11.00 a.m.**

The Request for Proposals (RFP) document will be sent to the short listed Consultant/Consortium firms thereafter.

**HEAD, SUPPLY CHAIN MANAGEMENT SERVICES.  
FOR: PRINCIPAL SECRETARY / NATIONAL TREASURY**