



# THE KENYA GAZETTE

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THE CONSTITUTION OF KENYA

EXECUTIVE OFFICE OF THE PRESIDENT

EXECUTIVE ORDER NO. 3 OF 2024

GUIDELINES FOR THE MANAGEMENT OF STATE CORPORATIONS

WHEREAS, State Corporations have, since the dawn of the Republic, played a dynamic role in enabling the socio-economic development of the nation;

WHEREAS, the effective and accountable governance and management of State Corporations is vital to fully unlocking their contribution to the national development agenda;

WHEREAS, to strengthen the governance of State Corporations, in November 2004, the Government issued Guidelines on the Terms and Conditions of Service for the Chairperson, Members of the Board, and Chief Executive Officers of State Corporations;

WHEREAS, to steer the management of State Corporations towards becoming the hallmark of excellence in service delivery while also enhancing their standards of corporate governance, in March 2015 the Government issued the Mwongozo Code of Governance for State Corporations;

WHEREAS, to enhance service delivery and in response to the ever-changing operating environment, emerging needs and challenges, as well as global trends; it has become necessary to review the 2004 Guidelines in keeping with international best practices;

WHEREAS, the proposed revisions seek to promote efficient, effective, and prudent use of public resources, fiscal sustainability and performance of State Corporations while also fostering productivity at both the agency and the individual staff level through providing an objective mechanism for evaluating performance, rewarding success, and sanctioning poor performance;

WHEREAS, the revised Guidelines also seek to provide a framework for the establishment of new State Corporations and

subsidiaries, as well as the categorization of existing entities, in a manner that guards against duplication of roles;

WHEREAS, the revised Guidelines do not replace The Mwongozo Code of Governance for State Corporations, but rather seek to augment the provisions of the Mwongozo Code and ensure that lessons learnt during its implementation are infused into the management of the sector; and

WHEREAS, the 2024 Guidelines for the Management of State Corporations have been prepared in consultation with, and have received the concurrence and approval of, all key stakeholders, including the Public Service Commission (PSC) and the Salaries and Remuneration Commission (SRC); and received the grant of approval of the nation's apex policy-making organ, Cabinet, on 23rd April, 2024:

NOW THEREFORE, I, William Samoei Ruto, President and Commander-in-Chief of the Kenya Defence Forces, in exercise of the powers vested in me pursuant to Section 7 of the State Corporations Act (Chapter 446 Laws of Kenya), do hereby:

- I. ORDER that the Terms and Conditions of Service for Board Members and Staff of State Corporations shall be as set out in the 2024 Guidelines on the Management of State Corporations (May 2024);
- II. ORDER that the 2024 Guidelines on the Management of State Corporations shall and do hereby supersede the Guidelines issued in November 2004;
- III. DIRECT all Boards of State Corporations to secure the immediate implementation of the 2024 Guidelines on the Management of State Corporations (May 2024); and
- IV. DIRECT all Cabinet Secretaries to secure the full implementation of this Executive Order.

IN TESTIMONY WHEREOF, I have caused this Proclamation to be issued under my Hand and Public Seal of the Republic, on this the seventeenth day of May in the Year of our Lord Two Thousand and Twenty-Four.

WILLIAM SAMOEI RUTO,  
*President.*