

**THE PUBLIC SECTOR-PRIVATE SECTOR  
ENGAGEMENT BILL, 2025**

*Arrangement of Clauses*

*Clauses*

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**THE PUBLIC SECTOR-PRIVATE SECTOR  
ENGAGEMENT BILL, 2025**

**A Bill for—**

**AN ACT of Parliament to provide for a framework for the engagement of the public sector and the private sector for the purpose of enhancing the investment climate, business environment, to establish the Business Council of Kenya; and for connected purposes**

**ENACTED** by the Parliament of Kenya as follows—

**PART I—PRELIMINARY**

Short title.

**1.** This Act may be cited as the Public Sector-Private Sector Engagement Act, 2025.

Interpretation.

**2.** In this Act unless the context otherwise requires—

“Board” means the Board of the Council constituted under section 8;

“Business membership organisation” means an entity comprising of enterprises which is established for the purpose of promoting, advancing or representing the interests of the enterprises;

“Business operation” means the production of goods or provision of services for economic benefit;

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to investments;

“Council” means the Business Council of Kenya established under section 5;

“enterprise” means an entity which engages in a business operation;

“Private sector” means the part of the economy that is owned and operated by enterprises and is not under the control of the State;

“Public sector” means—

- (a) a state organ;
- (b) a ministry of the national government;
- (c) a state department of the national government;

- (d) an agency of the national government;
- (e) a county government;
- (f) an agency of a county government;
- (g) a department of a county government;
- Cap. 446. (h) a state corporation within the meaning of State Corporations Act;
- Cap. 211. (i) a public school within the meaning of the Basic Education Act;
- Cap. 210. (j) a public university within the meaning of the Universities Act;
- (k) a body that uses public assets in any form of contractual undertakings including public private partnership;
- Cap. 210A. (l) public institution within the meaning of the Technical and Vocational Education and Training Act;
- (m) an entity which renders a service involving the collection or administration of a levy, fee or funds authorized by legislation;
- (n) any entity that uses public money in the delivery of government programmes or services, whether for profit or not; or
- (o) any other office in the public service;

“Public-private engagement” means an interaction between the public sector and private sector to—

- (a) achieve shared goals of the public sector and private sector;
- (b) improve the business environment;
- (c) facilitate business competitiveness
- (d) support business operations; and
- (e) contribute to reforms in economic policies; and

“Public-private engagement framework” means a formal mechanism for effective public-private engagement.

Object of the Act. **3.** The object of this Act shall be—

- (a) to establish the Council;
- (b) to strengthen the capacity of business membership organisations to effectively engage Government for effective policy advocacy;
- (c) to enhance Government coordination for private sector engagements;
- (d) to provide for a public-private engagements framework; and
- (e) to provide for the conduct of public-private engagements.

Application of the Act.

**4.** This Act shall apply to—

- (a) the public sector;
- (b) the private sector; and
- (c) public-private engagements.

## **PART II—THE BUSINESS COUNCIL OF KENYA**

Establishment of the Council.

**5.** There is established the Business Council of Kenya which shall be a body corporate with perpetual succession and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) acquiring or disposing of moveable or immovable property;
- (c) entering into contracts;
- (d) borrowing and lending money; and
- (e) doing such other acts that may lawfully be done by a body corporate.

Functions of the Council.

**6.** The functions of the Council shall be—

- (a) to register business membership organisations as members of the Council;
- (b) to collect and collate the views of the members of the Council on issues affecting the investment climate and business operating environment;

- (c) to review the issues and categorise into cross-cutting and sector specific issues;
- (d) to submit and engage with the Cabinet Secretary on the business issues for administrative, policy and legal interventions;
- (e) to offer technical support and capacity building to the members of the Council on the formulation of issues affecting the business operating environment;
- (f) to organize and host the Presidential Business Roundtable twice a year;
- (g) to conduct research and provide consultancy services in the development of the public-private engagement framework;
- (h) to develop public-private engagement frameworks;
- (i) to create awareness of the public-private engagement framework and all public-private engagements;
- (j) conduct public-private engagements;
- (k) promote international recognition of the Council; and
- (l) collaborate and establish partnerships with their equivalence Councils out of Kenya and relevant stakeholders in the performance of its functions.

Guiding principles of the Council.

**7.** In the performance of the functions of the Council, the Board and members of the Council and any other person charged with a responsibility under this Act shall be guided by the principles of transparency, cohesiveness, inclusiveness, good governance and sustainability.

The Board.

- 8.** (1) The members of the Board shall consist of—
- (a) a chairperson;
  - (b) one person representing business membership organisations in the manufacturing sector;
  - (c) one person representing business membership organisations in the finance sector;

- (d) one person representing business membership organisations in the agriculture sector;
- (e) one person representing business membership organisations in the storage, transport and logistics sector;
- (f) one person representing business membership organisations in the tourism sector;
- (g) one person representing business membership organisations for micro and small enterprises;
- (h) one person representing business membership organisations in the wholesale and retail sector;
- (i) one person representing business membership organisations in the information and communication technology sector;
- (j) one person representing business membership organisations in the building and construction sector;
- (k) one person representing foreign based business membership organisations; and
- (l) one person representing umbrella business membership organisations in cross-cutting sectors.

(2) The chairperson shall be nominated from a business membership organization with the highest number of Micro, Small and Medium Enterprises

(3) members of the Board shall be elected at an annual general meeting by members of the Council.

(4) A member of the Board elected under subsection (2) shall hold office for a term of three years and shall be eligible for re-election for one further term, unless the member of the Board ceases to hold office.

Membership of Council.

**9.** (1) The membership of the Council shall comprise of business membership organisations.

(2) A business membership organisation may be registered as a member of the Council where the business membership organisation—

Cap. 486.

- (a) is a company which is duly registered under the Companies Act;

- Cap. 108. (b) is a society which is duly registered under the Societies Act;
- Cap. 490. (c) is a co-operative society which is duly registered under the Co-operative Societies Act;
- Cap. 233. (d) is an employers' organisation, federation or trade union which is duly registered under the Labour Relations Act; or
- Cap. 108A. (e) is a community group registered under the Community Groups Registration Act.

(3) A business membership organisation which intends to be registered as a member of the Council shall apply to the Council in the prescribed manner.

(4) Upon being satisfied with an application made under subsection (3), the Council shall issue a certificate of registration to the applicant.

(5) A certificate issued under subsection (4) shall be valid, unless—

- (a) the business membership organisation voluntarily withdraws from the membership of the Council; or
- (b) the membership is cancelled upon the occurrence of the circumstances under subsection (6).

(6) The membership of a business membership organisation with the Council may be cancelled where the business membership organisation—

- Cap. 486. (a) is a company whose registration has been cancelled under the Companies Act;
- Cap. 108. (b) is a society whose registration has been cancelled under the Societies Act;
- Cap. 490. (c) is a co-operative society whose registration has been cancelled under the Co-operative Societies Act;
- Cap. 233. (d) is an employers' organisation, federation or trade union whose registration has been cancelled under the Labour Relations Act; or
- Cap. 108A. (e) is a community group whose registration has been cancelled under the Community Groups Registration Act.

Conduct of affairs of the Board.

**10.** The conduct of affairs of the Board shall be as set out in the charter of the Board.

Chief executive officer of the Council.

**11. (1)** There shall be a chief executive officer of the Council who shall be recruited and appointed by the Board through an open, transparent and competitive process.

(2) The chief executive officer of the Council shall hold office for a term of five years on such terms of service as the Board may determine and shall be eligible for re-appointment for one further term of five years, subject to satisfactory performance.

Staff of the Council.

**12.** The Board may appoint such members of staff of the Council that the Board considers necessary for the proper discharge of the functions of the Council on such terms of service as the Board may determine.

Corporation secretary to the Board.

**13.** There shall be a corporation secretary to the Board who shall be appointed by the Board through a competitive and transparent process, on such terms as the Board may determine.

### **PART III—PUBLIC-PRIVATE ENGAGEMENTS**

Submission by members.

**14. (1)** The Board of the Council shall, in every quarter and by notice published in the *Gazette* or any other prescribed medium, invite members to make submissions on proposals to enhance the investment climate and business operating environment.

(2) The notice issued under subsection (1) shall indicate the—

- (a) the manner of making the submissions; and
- (b) the timelines for making the submissions.

Review of submissions.

**15. (1)** The Board shall, within fourteen days of receipt of the submission under section 14, convene a meeting of the members of the Council to review the submissions.

(2) Upon review of the submissions under subsection (1), the Board shall make its recommendations and transmit the same to the Cabinet Secretary.

Consideration of submission by public sector entity.

**16. (1)** The Cabinet Secretary shall, within fourteen days of receipt of recommendations under section 15, transmit the recommendation to the responsible public

sector entity for consideration and notify the Council of the transmission.

(2) Upon receipt of the notification under subsection (1), the Cabinet Secretary shall within thirty days, convene a meeting with the responsible public sector entity and the Council to deliberate on the recommendations made by the Council.

(3) Where there is no consensus on the deliberations made under subsection (2) the Cabinet Secretary shall, within fourteen days, transmit outstanding issues to the Head of Public Service for consideration by the President.

#### **PART IV—MISCELLANEOUS**

Regulations.

**17.** (1) The Cabinet Secretary shall, in consultation with the Council, make regulations for—

- (a) the procedure for becoming a member of the Council;
- (b) the election of the chairperson and members of the Board of the Council;
- (c) the procedure for the collection and collation of the submissions of the members of the Council;
- (d) the conduct of the meetings of the Council;
- (e) the conduct of public-private engagements;
- (f) such other matters that the Cabinet Secretary considers necessary for the better implementation of this Act.

(2) The regulations necessary to operationalize this Act shall be made within one year from the date of commencement of this Act.

Appointment of interim Board.

**18.** (1) Within three months of the commencement of this Act, the Cabinet Secretary shall appoint the following persons as members of the interim Board of the Council—

- (a) a chairperson;
- (b) one person representing business membership organisations in the manufacturing sector;
- (c) one person representing business membership organisations in the finance sector;

- (d) one person representing business membership organisations in the agriculture sector;
- (e) one person representing business membership organisations in the transport and logistics sector;
- (f) one person representing business membership organisations in the tourism sector;
- (g) one person representing business membership organisations for micro and small enterprises;
- (h) one person representing business membership organisations in the wholesale and retail sector;
- (i) one person representing business membership organisations in the information and communication technology sector;
- (j) one person representing business membership organisations in the building and construction sector;
- (k) one person representing foreign based business membership organisations; and
- (l) one person representing umbrella business membership organisations in cross-cutting sectors.

(2) The members of the Board appointed under subsection (1) shall hold office for a single term of one year to register the members of the Council, convene the Annual General Meeting for elections of the substantive members.

Consequential amendment.

Cap. 446.

**19.** Section 2 of the State Corporations Act is amended in the definition “state corporation” in paragraph (b), by inserting the following new subparagraph immediately after subparagraph (viii)—

- (ix) the Business Council of Kenya established under the Public Sector-Private Sector Engagement Act, 2025.

## **MEMORANDUM OF REASONS AND OBJECTS**

The Object of the Bill is to provide for a framework for the engagement of the public sector and the private sector for the purpose of enhancing the investment climate, business environment and establish the Business Council of Kenya.

**Part I** (Clause 1-4) Contains the preliminary provisions which include the short title, interpretation, object of the Act and application of the Act.

**Part II** (Clause 5-13) Provides for the Establishment of the Business Council of Kenya, the functions of the Council, the guiding principles of the council, the establishment of a Board for the council and its composition, the appointment of the secretary to the Board, membership qualifications to join the council, conduct of affairs of the Board, appointment of the Chief executive officer by the Board, appointment of the staff members to the council and a corporation Secretary to the Board.

**Part III** (Clause 14-16) Provides for the submission of proposals to enhance the investment climate and business environment to the council by the members, the review of the submissions by the council and consideration of the submissions by the public sector entity.

**Part IV** (Clause 17-19) Contains miscellaneous provisions which provide for the Cabinet Secretary to make regulations, appoint an interim Board and also provides for a consequential amendment to section 2 of the State Corporations Act (Cap. 446) in the definition of “state corporation” to now include the Business Council of Kenya established under this Bill.

*Section 2 of Cap. 446 which is intended to be amended*

## **2. Interpretation**

In this Act, unless the context otherwise requires—

"Audit-General (Corporations)" deleted by Act No. 2 of 2002;

"Board" means the Board constituted in accordance with section 6(1) or the body or person, by whatever name called, carrying out or empowered to carry out functions relating to the overall direction and management of a state corporation;

"Chief executive" means the person appointed and employed as such under section 5(3) or the person for the time being exercising the executive powers of a state corporation;

"Committee" means the State Corporations Advisory Committee established by section 27;

"Inspector" means the Inspector-General (Corporations) appointed as such under section 18;

"The Cabinet Secretary" means the Cabinet Secretary for the time being assigned ministerial responsibility for a state corporation and matters relating thereto by the President under section 4 and "parent Ministry" shall be construed accordingly;

"State corporation" means—

- (a) a state corporation established under section 3;
- (b) a body corporate established before or after the commencement of this Act by or under an Act of Parliament or other written law but not—
  - (i) the Principal Secretary to the National Treasury incorporated under the Cabinet Secretary to the Treasury (Incorporation) Act (Cap. 101);
  - (ii) a co-operative society established under the Co-operative Societies Act (Cap. 490);
  - (iii) a building society established in accordance with the Building Societies Act (Cap. 489);
  - (iv) a company incorporated under the Companies Act (Cap. 486) which is not wholly owned or controlled by the Government or by a state corporation;  
the Central Bank of Kenya established under the Central Bank of Kenya Act (Cap. 491);
  - (v) deleted by Act No. 2 of 2002, Sch.;
  - (vi) the Financial Reporting Centre established under the Proceeds of Crime and Anti-Money Laundering Act (Cap. 59A).
- (c) a bank or a financial institution licensed under the Banking Act or other company incorporated under the Companies Act (Cap. 486), the whole or the controlling majority of the shares or stock of which is owned by the Government or by another state corporation;

(d) a subsidiary of a state corporation.

“Tribunal” means the State Corporations Appeal Tribunal established by section 22

Dated the ....., 2025.

**LEE KINYANJUI,**  
*Cabinet Secretary,*  
*Ministry of Investment, Trade and Industry.*