



Paper laid by Senr.
Majority Leader on
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**SPEECH BY HIS EXCELLENCY HON. UHURU KENYATTA, C.G.H.,
PRESIDENT AND COMMANDER IN CHIEF OF THE DEFENCE
FORCES OF THE REPUBLIC OF KENYA**

OCCASION: **STATE OF THE NATION ADDRESS**

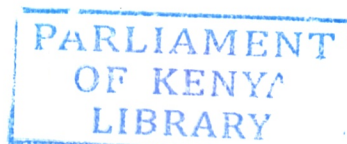
VENUE: **PARLIAMENT BUILDINGS, NAIROBI**

DATE: **31ST MARCH, 2016**



Dear Kenyans,

1. Today, I join you in this honourable House to reflect on the state of our great nation. This occasion is not just important; it lies at the heart of our democracy and **nationhood**. It is in the spirit of accountability and democracy that I have over the last two years addressed the nation to explain what my administration has achieved in fulfilment of the constitutional requirements laid out in **Articles 10, 132 and 240**.



Fellow Kenyans,

2. I want to affirm that our nation is strong: **That** the Nationalist Covenant, negotiated by our Founding Fathers at independence is alive and well. We have **re-imagined it, enhanced it and expanded it**. The spirit of the Lancaster covenant that bound us together as a nation in the **1960s** is still with us. And although we experienced turbulence in the 2007 Post-Election Violence; we re-affirmed our commitment to the Nationalist Covenant in August 2010 when we proclaimed a new

constitution. I am humbled to pioneer the establishment of the Second Republic, as envisioned by our Second Constitution.

3. **To** establish the First Republic, our Founding Fathers sacrificed their years of youth; defended the ideals of the Nationalist Covenant with their very lives; and stayed the course until we were free. Every one of us owes a sacred duty to them and a responsibility to pass on a secure, united and re-imagined nation to future generations.

4. **As** I stand here, there are brave Kenyans in uniform who echo the youthful valour and patriotism of our Founding Fathers. With skill and tireless determination, these young heroes are fighting a cruel enemy who is burning cities and countries across the globe.

5. **Our** soldiers in **Somalia**, their police and intelligence counterparts at home are all keeping their part of the bargain by defending the nation. They are protecting the republic; but more fundamentally, they are securing the broader Nationalist Covenant. **Their** duties have at times demanded the ultimate price. And for this, we owe them gratitude and an eternal place in our hearts.

6. **As** their Commander-in-Chief, I honour them and want to assure their families of our utmost consideration and respect for their service and sacrifice.

7. And while on this, I want to assure this Honourable House that my government has every intent to uphold the dignity of our soldiers. As their Commander-in-Chief, I will not allow them to be subjected to undue harassment.

8. Now I would like to take a moment to salute our fallen heroes from the Defence Forces and the National Police Service. I would also like to ask the House to stand for a minute of silence in their honour.

(MOMENT OF SILENCE)

Dear Kenyans,

Honourable Members,

9. Today I invite you to a moment of national self-reflection with me. And at a personal level, I am compelled to return to the question of our nationhood as crafted by our Founding Fathers and re-imagined by us in August 2010. In discussing this question, I will expound on the Nationalist Covenant.

10. This covenant was crafted as an exchange of promises and guarantees between the communities that make Kenya. It was built as a bond that waxes the 42 communities to one Nation.

11. It defined our Lowest Common Denominator; our Irreducible Minimum as a collection of communities. It was our 'unwritten contract' binding '**one to all**' and '**all to one**'. This is what convinced all of us to join hands and constitute Kenya.

12. But as the country developed, we took this Nationalist Covenant for granted. We assumed it until we saw other nations **losing it** and **falling asunder!** We ignored it until we were faced with the dangers of losing it in 2007. Now it is at the centre of our National Question and we must tackle it head-on!

13. The question we must now pose is this: What is our individual and collective **responsibility** to this Covenant? If it is the base upon which our nationhood is built, how must we engage with it? How do we protect it from ourselves and others? And how do we preserve it for our children and generations to come? I have a few thoughts.

14. The Nationalist Covenant is a bond that brings together 40 Million Kenyans. It is greater than each one of us; but must respect every one of the 40 Million of us.

15. This covenant is **Sacred** and the 40 Million People who created it are **Sacred** too. Administrations will come and go; but the Covenant

and the People remain. Leaders will come and go; but the Covenant and the People remain. If we disagree as leaders, the Covenant does not change. It remains unmoved. It is the embodiment of our collective aspirations; the representative of all of us.

16. This Unity of Intent is our Lowest Common Denominator as a people. It defines us, our Nationhood, and our diversity as Kenyans. To aggress it is to harm yourself because it is part of you.

17. Those in opposition and 'alternative society' have disagreed with our understanding of this Nationalist Covenant. And as a democratically elected government, we have supported their concerns as part of the expansion of citizen expression. In fact, I think from this, we have created the most active and effective opposition and civil society in Africa. And we celebrate this diversity and Kenyan invention.

18. However, our opposition should be reminded that they are the alternative side of the Nationalist Covenant. That they are part of it, and are bound by it through normative law. In their undertakings, therefore, they must remain true to the commonwealth of all.

19. This way, we can go through election cycles without worrying whether the gains of one administration can be destroyed rather built on by the in-coming one.

20. This is why I invite opposition and the 'alternative society' to liberally criticize my government's agenda. But they must not criticize it as a 'sport'. They must criticize it as owners of the Covenant, and provide alternatives. Criticism without alternatives is reckless political 'sport'.

21. Further, and I address myself to the beneficiaries of expanded fields of citizen expression including civil society, the general population and media, they must enjoy the new liberties with conscious responsibility and faithfulness to the covenant.

22. I say so because new-found liberties have a way of promoting reckless abandon. As you enjoy the liberties, we must remain true to the Spirit of our nationhood. We must criticize, then give alternatives; build bridges between divides, instead of digging trenches; build a Culture of Celebration instead of our Culture of Lamentation.

23. In sum, those who enjoy our new liberties must NOT contaminate the spirit of our nationalism. Everything will come and go in Kenya, but the Covenant that binds us is eternal. If we remain true to this Lowest Common Denominator; this historical exchange of promises and guarantees; this unwritten contract that binds 'all to one' and 'one to all', then the State-of-the-Nation will remain unchallenged.

Fellow Kenyans

Honourable Members;

24. I will now turn to a record of the pledges given by my government for the current reporting year, and our achievements. Then I will attempt to tie them to our Nationhood. It must be noted that development is a secondary and supportive aspect of our nationhood.

25. **We** are a nation on the path of progress, a nation on the move that is rapid and impressive enough to attract the attention of the world.

26. **We** continue to dare, to hope in the promise of prosperity for every Kenyan: We hold steady the reigns of a bold and vibrant Constitution that is intended to empower our people, strengthen our nationhood, and advance positive social transformation.

27. **Over the last two weeks** you have heard in great detail the achievements of my administration in the last **12 months**. You have heard from my Deputy President and Cabinet Secretaries the lengths to which we have gone and will continue in order to transform this nation.

28. I want today to give context to the work we have done, what it means to the Kenyan people, and where we are headed in the coming years.

29. Our economy is resilient at a time of global economic and financial turmoil that has seen some of the strongest performing economies in the world stumble into recession. I am glad that the macroeconomic foundations of Kenya are strong and sustainable. Our real GDP grew by 5.8 percent in 2015, and we expect it to hit 6 percent over the next 12 months. Inflation has remained under control and our foreign exchange reserves have improved significantly.

30. Our dreams for decent jobs, more profitable businesses and more taxes to pay for our health and education are dependent on a strong economy.

31. We have joined the realm of middle-income countries, with the consequence that we can now access non-concessional credit from institutions such as the African Development Bank and the World Bank at significantly cheaper cost. We have also seen the continuing confidence of the financial markets in Kenya. The world's most sophisticated financial institutions agree on the strength of our economic fundamentals, our management of the economy and our future growth story.

Honourable Members,

32. My administration is investing not only in the immediate improvement of Kenyans' lives but also in laying the future for true prosperity. That is why we have made such bold investments in security, transport and infrastructure, energy, ICT, mining, and agriculture.

33. Yet we all know that even while the national economy is growing strongly it is still too small to fulfil our peoples' aspirations for themselves and their families. Only transformation will do it. However transformation is not easy. It is full of ups and downs; it is the hard path. Every Kenyan knows this from their own lives.

34. How tough it is to save money for school or to start a small business, how difficult it is to walk miles every morning to get to school and work; how it feels to go without a meal. Yet with undying hope in a better tomorrow, the Kenyan people persist in working hard, in seeking to improve themselves and their families.

35. My job as President, our job as Government, is to walk with you in that path of personal transformation by ensuring that the country is transforming with you. As we transform one individual at a time, we will fulfil the Nationalist Promise.

36. And in time, we will create a collective that is secure, prosperous, healthy and well-educated in line with the Covenant of our Founding Fathers.

37. This Nationalist Promise was not just about inspiration to citizenship. It was also a determination to combat poverty, ignorance and disease. And that we were going to enable our people to make an honest living.

38. These are the reasons that have driven my administration to make it now easier to register a company.

39. Through the overhaul of the Companies Act, we have cut to a minimum the old stringent rules that once made it difficult for sole business owners to register as limited companies. Further reforms such as the passing of the Insolvency Act have improved the processes that are required for one to be in business in the formal sector. They have sought not to fiddle with existing approaches, but instead to transform the business landscape.

40. Evidence of our success is that the World Bank's Doing Business indicators show Kenya to be the third-most improved country in the world. We jumped an almost unprecedented 28 positions in the rankings.

41. Nairobi was named the most attractive destination for Foreign Direct Investment in Africa; and Kenya, alone in Africa, was singled out as one of the seven most promising emerging markets. And this achievement is also part of the Nationalist Promise.

42. I want to thank members of Parliament for taking the time to review and pass the necessary pieces of legislation to enable many of these reforms to be implemented. I would also want to ask for your support in quickly passing other pieces of legislation to support this effort.

Honourable Members,

43. Despite global economic and financial turmoil, the Kenyan economy has shown notable resilience. A strong example of this resilience is the performance of the vital tourism and hospitality sectors. They suffered severe setbacks as a result of terrorist attacks. This meant that their vital role in providing employment — depended on by thousands of families and businesses — was harmed. That is why my administration has laid great emphasis on the full recovery of the tourism industry. We responded robustly.

44. As part of the recovery strategy, my administration has set aside 1.2 billion shillings worth of incentives for charter flights, which have resumed their previous frequency. Visa fees for children under 16 were waived with effect from February 1 this year. The Kenya Wildlife Service reduced park entry fees at \$60 (Sh6, 000), down from \$90 (Sh9, 000).

45. We have also accelerated the construction of the Port-Reitz - Airport Road in Mombasa, as well as the planned Dongo Kundu bypass. Together, they will allow tourists to get from the mainland to the South Coast without using the ferry.

46. Similarly, we have instituted extra marketing effort and strengthened security measures such as the lighting of streets, and providing extra support to our security services. The result has been a rise in the number and quality of hotels in our country. As we speak, many hotels in the coastal region are fully booked through to June.

47. I want to thank the investors in this sector who have shown their faith in Kenya, such as the entrepreneurs who committed to the construction of the English Point Marina in Mombasa, and the new Best Western chain in the same city, and many others across the country.

48. We cannot forget however that the major factor in this rebound is the resilience of Kenyans and their love for our country's outstanding beauty. They have continued to travel and book into these hotels. If we don't believe in our own country, who will? I want to thank you all in a special way for believing in our motherland.

Fellow Kenyans,

49. Every Kenyan knows what a road means to their lives. It is the opening up of numerous possibilities. The instant economic activity that follows their construction is clear to all.

50. That is why my administration is making such a comprehensive and determined effort to open up the country. This is also part of the Nationalist Covenant, whose intention was to physically link all communities to create the Nation of Kenya. The logic here is that infrastructure creates nations.

51. I have emphasised the development of adequate infrastructure because our vision of growth depends on the ability to leverage our competitive workforce, our regional position and the global economy to deliver shared and sustained growth.

52. More than 100 years since the colonial government laid the first rail of the Kenya-Uganda railway, we are constructing our own world-class standard gauge railway. As I stand here today we will complete and operationalise the new railway between Mombasa and Nairobi by June 2017. The construction of SGR project has employed thousands directly and indirectly with over 27,000 jobs created to date.

53. We will extend the SGR to Naivasha, and eventually to the port of Kisumu, then the Border town of Malaba. This will open up more than half of the country to increased domestic and regional trade.

54. Plans are underway to modernise the existing metre-gauge railway line across the country — covering Voi, Taveta, Thika, Nanyuki, Nakuru, Eldoret, Bungoma, Kericho, and Kitale among others. Along these rails will be new industries and business ventures.

55. **Honourable Members,** my immediate predecessor's administration laid great emphasis on road construction, and rightly so. My administration has built on the strong foundation he started.

56. To this end, my priority has been three-fold: first, to complete the road works commenced by President Kibaki's administration; second, to open up major new national trunk routes; and third, to implement the ambitious Roads Annuity Programme that will provide thousands of kilometres of low-volume tarmac roads to Kenya's rural communities.

57. Between 1963 and 2013, we built 11,000 kilometres of tarmacked road. This translates to an average of 220 kilometres per year. In the last three years, my administration has tarmacked approximately 3000 kilometres – or an average rate of 1000 kilometres per year.

58. By 2017, we will have laid almost as much tarmac as happened in the 50 years since Independence. We are also rehabilitating existing roads.

Ladies and Gentlemen,

59. As I address you, road contractors are on the ground working night and day to complete a number of projects. In Marsabit: the road from Merrille River to Moyale. In Taita Taveta County: the road from Mwatate to Taveta. In Kilifi County: the Mariakani-Kaloleni-Kilifi road. In Migori County: the road from Kehancha to Suna to Masara. In Kajiado County: the road from Isinya to Ngong. And, in Nairobi County: the road from South C to Kikuyu town.

60. As part of this comprehensive effort, we have undertaken massive rehabilitation and expansion of our main port. In 2013, Mombasa was the 8th busiest port in Africa with a handling capacity of 890,000 twenty-foot containers. Indeed, in February this year, my Government completed the expansion of two additional shipping berths at Kilindini, doubling our total handling capacity to 1.6 million twenty-foot containers per year. Indeed, in 3 years, Mombasa has now moved to 4th busiest port in Africa from 8th.

Honourable Members,

61. To consolidate our position as the region's transport hub, we opened the newly completed passenger Air Terminal 2 and in addition, we will be commissioning two new terminals — 1A and 1E — by May

2016. These new terminals will increase our passenger handling capacity by 5.1 million new passengers, bringing our total capacity at JKIA to 7.5 million passengers a year.

62. To improve domestic travel there are new airport facilities at various stages of completion in Homa Bay, Isiolo in Isiolo County, Manda in Lamu County, Malindi in Kilifi County, in Lokichoggio in Turkana County, Suneka in Kisii County, Kakamega and Mandera among others. All this is also meant to link the communities of Kenya into a nation as part of the Nationalist Promise.

63. **Mr Speaker**, efficient and adequate supplies of energy remain central to our nation's development agenda. My administration can report significant achievements here.

64. **In the last year, we have brought on-line 634 MW of new power, raising our total installed capacity to 2,282 MW.** We appreciate that taking the power we generate into every Kenyan home is just as important as generating it. That is why we have built more than 10,000 kilometres of high-capacity transmission and distribution lines, which now connect more parts of the country to the national grid

than ever before, some of them for the very first time since Independence. Garissa is a case in point: it will receive its first-ever electric power supply from the national grid next month. That shows our commitment to the **Nationalist Covenant** and the inclusion of all.

65. This has enabled us to connect many more Kenyans to the national grid. In the last twelve months:

- We have connected an additional 1.2 million Kenyans to electricity in their homes and places of work.
- My Government's street lighting initiative will have completed the installation of 26,000 new streetlights across 5 counties by mid-2016. We have extended this programme to another 50 towns across the country.

66. Why are we doing this? It is to improve security and make the 24-hour economy a reality. From Kibokoni to Mtwapa; from Majengo to Kibera, street lighting means better returns for Kenyans, and better service for their customers. As a result, traders like Dominic Ombaka in Mathare; Asha Abdalla and Mabel Barasa in Kisii can keep their businesses open longer because of improved security. Asha and Mabel, have moved from using kerosene to using electricity. This is the 24-hour

economy in practice. It is part of the Nationalist Promise to practically prosper every one.

**Fellow Kenyans,
Honourable Members,**

67. The state of Devolution is a story of rapid implementation. It is profoundly welcome by the Kenyan people, and my administration's dedication to its success. Few countries anywhere have undertaken such a fundamental transformation of the structures of government in such an incredibly short time. Kenya has achieved this. I would like to congratulate every Kenyan for their outstanding and unwavering support for this process. I also thank Parliament, the Council of Governors, the County Assemblies, and the Constitutional Commissions for their commitment to the cause of devolution.

68. In spite of disagreements, and, sometimes, very strong opposing views, we have stayed the course. Today we celebrate the success of reaching this advanced phase of implementation. We can share in a moment of satisfaction knowing that much more work remains to be done.

69. My government has fully supported devolution in the belief that it promises a future of shared prosperity for all of us. We know it

broadens opportunities across the country. We know that it ensures our journey forward will leave no Kenyan behind.

70. My Government's commitment to devolution means that every year of this administration, we have transferred at least double the constitutional minimum of 15% of shareable revenues to the counties. In absolute Kenya Shilling terms, we are talking of transferring:

- One trillion to the 47 county governments as of financial year 2016/17, of which 168 billion has gone directly to arid and semi-arid counties;
- 6 billion as part of the Equalisation Fund targeting previously under-resourced areas;
- 87 billion to the Constituency Development Fund;
- 13.4 billion to youth, women and persons with disability as part of Affirmative Action.

71. Honourable Members, for me this is the biggest demonstration of my administration's commitment to devolution.

72. While applauding the success with which devolution has been firmly established, taking ample resources to the grassroots, Kenyans must remember that these funds come from their hard-earned taxes. It is absolutely critical that every Kenyan demand accountability from those who manage these resources.

73. We need therefore to be frank. A significant proportion of the funds transferred to the devolved units have not met the expectations of the Kenyan people.

74. You must ask, does the one trillion sent to the county governments reflected in what you see? Is there clean drinking water and proper sanitation, efficient garbage collection, medicines in hospitals, and agricultural extension workers visiting your farms.

75. Devolution was meant to be a mechanism that would ensure no areas were left behind. Instead, we see conspicuous consumption, self-aggrandisement, and wastefulness. In some cases, we have seen fleets of vehicles and palaces being acquired to benefit administrators and officials. We have not seen enough of these hard-earned resources being utilised to provide concrete benefits to the people.

76. It is important that we celebrate achievements and also that we face shortcomings squarely.

77. I join the Kenyan people in demanding total accountability and better results. This is your money.

My Fellow Kenyans,

78. While still on the subject of accountability, our Nation has for a long time been involved in a protracted war against corruption. Previous

administrations attempted to eliminate the vice, but with mixed results that did not meet our justified expectations.

79. Last year, I stood here and renewed our commitment to standing against corruption — an action that led to a robust national debate, renewed scrutiny of public officers and strengthened institutional tools against corruption. I pledged that the days of wanton corruption were numbered; and that those who chose the way of graft would be brought to book.

80. Today, there are more than 360 corruption cases before the courts, most of them involving senior public officials. I took the unprecedented step of dismissing a **third** of my Cabinet: a painful but necessary decision.

81. Those, in years gone by, who might have used their positions as a shield against prosecution, find themselves called to account for their actions: Cabinet Secretaries, Principal Secretaries, Governors, and several chief executives of state corporations have been charged for offences related to corruption.

Honourable Members,

82. My message is clear: there will be no sacred cows.

83. To complement investigation and prosecution, we are investing in preventive measures, as well as tracking, seizing, and confiscating the proceeds of corruption. Let me briefly explain our strengthened approach.

- We have put in place a multi-agency institutional framework bringing together all entities responsible for investigation and prosecution. We have set aside a total of 1.6 Billion shillings to support this endeavour. The sharing of information between them is now more efficient, and operational aspects of investigations and prosecution are now being completed without undue delays.
- The Chief Justice has created a specialised division of the High Court to handle corruption and economic crimes.
- The Director of Public Prosecutions has in the last year trained and deployed 90 special prosecutors to try corruption cases.
- The Financial Reporting Centre and the Asset Recovery Agency are now operational. Consequently, we have traced, and are now preparing for seizure, property and assets worth 1.6 billion shillings acquired using proceeds of corruption. We intend to create a fund to which the recovered funds will be deposited with a view to use them for special projects to uplift the vulnerable.
- We have enhanced our cooperation with different jurisdictions through mutual legal assistance agreements. This means that hiding the

proceeds of corruption will get more difficult, here at home and abroad. We will seek to prosecute the corrupt even if they seek refuge outside our borders.

- We have worked with the private sector to develop tools and agreements that will ensure that it does not drive corruption in the public sector.

84. These efforts are bearing fruit. This is demonstrated by the recent quick tracing and seizure of 400 million shillings of assets acquired through stolen National Youth Service funds. There has also been progress in the Jersey and Anglo-Leasing cases.

85. To reduce the temptation and opportunity for corruption, and increase efficiency, my administration has embraced the automation of service delivery.

Fellow Kenyans,

86. I understand the frustrations of those who feel that investigative and court processes have been manipulated by the corrupt in order to escape accountability, and delay and derail justice.

87. It is crucial that the judiciary reduces and eliminate the frivolous exploitation of legal technicalities to defeat the course of justice.

88. Kenyans are justified to demand from the judiciary a tightened regime that is impatient with unwarranted delay. The judiciary has the funding and the requisite leadership. It must therefore play its rightful role. It must not be perceived to be helpless, a bystander, or complacent in this war that is a threat to our development and our security.

89. Following the measures I took last year, I am encouraged by the overwhelming support Kenyans, and our friends abroad, continue to give this fight.

90. Everywhere I have gone the people have spoken clearly demanding that corruption must be eliminated. I believe that the war must, and will, be eventually won.

91. I will be tabling before this House the report showing cases of corruption that are already in court, and another report showing frozen assets acquired using corrupt means.

Fellow Kenyans,

92. Our Founding Fathers fought for independence to use our freedom and sovereignty to fight poverty, ignorance and disease.

93. In fact this was part of the original Nationalist Promise before we re-imagined it under Vision 2030.

94. That is why MR SPEAKER, I am of the firm belief that Kenya must make transformative investments in health, and in education. The proper healthcare of every Kenyan remains a core priority of this administration. Towards this end, we have continued to invest heavily in health care programmes. To date, the free maternity programme has doubled the number of Kenyans who have access to affordable maternal healthcare from 600,000 in 2013 to 1.2 million in 2016. Mothers across the country have benefited greatly from this intervention.

95. We are aware that there is still work to be done. I want to assure the nation that we will remain engaged in the pursuit of better maternal healthcare for all women across Kenya.

Honourable Members,

96. All of us know that the costs of treating major chronic diseases such as cancer, diabetes, and kidney failure have bankrupted families. Many of us have had to endure requests for contributions towards medical costs. That is why my administration initiated the Managed Equipment Services scheme: so that Kenyans can find the care they need, at prices they can afford, in places accessible to them.

97. Our people will no longer have to travel to Nairobi or abroad to find the specialised medical treatment they need.

98. The goal of the program is simple: we are equipping two hospitals, at levels four and five, in each county with state-of-the-art equipment. The intention is to have levels four and five hospitals meet the functions required of them.

99. The four national referral hospitals will also receive the equipment, so that they can diagnose and treat these illnesses. The project is run in close collaboration with county governments.

100. As an illustration of the impact this project will have, in 2013, there were 44 dialysis machines in public health institutions, most of which were in Kenyatta National Hospital and Eldoret Referral Hospital. By December this year, there will be 289. In 2013, there were 58 ICU beds in public hospitals; by the end of the year, there will be 130. In 2013, there were 10 ultra-sound machines; by end-year, we will have over 100.

101. The availability of this equipment in county medical facilities has had great impact on the lives of people such as Mr Japhet Muoki who once had to live near Kenyatta National Hospital to beat the long queues.

102. Thanks to the managed equipment scheme, he has regular and comfortable access to the equipment he needs for his dialysis.

103. We know there are many like him across the country. My promise to them is that, that working together with the Governors, we

shall soon reach each and every single one of you. You will soon receive treatment at prices you can afford, in a hospital close your home.

104. As I speak, Homa Bay Hospital, Nakuru General Hospital, Gucha Hospital in Kisii, Kilifi Hospital, Machakos General, and Moi Teaching and Referral Hospital in Uasin Gishu County have all received major equipment upgrades under this scheme and the rollout is continuing countrywide, including Engineer, Voi, Makueni, Chuka, Kakamega, Isiolo among others.

105. This expansive medical infrastructure and capacity is part of meeting our end of the bargain in the Nationalist Promise.

Mr. Speaker,

106. I now focus on the measures my administration has taken to ensure our Education sector is in tandem with our national social and economic development goals. Before I do that however, let me show you the state of our people's quality of education in comparative terms.

107. The World Economic Forum's Global Competitiveness Report for 2014-15 has this to say: Compared to 144 countries, the Quality of our Education System Kenya is 30th and first in Africa.

108. We are 32nd in Availability of research and training services and First in Africa; and 33rd in the capacity for innovation and First in Africa. These are just a partial reading of the comparative statistics. The conclusion is that Kenya is Number One in Africa in multiple categories.

109. It is a testament to our high standards, reflecting our high expectations as a people, that we want to do more still. It is not enough to be number One in Africa. We must be able to become even better educated, more competitive, more driven to have the ability to attract the world's cutting edge industries and investments in our economy. My administration takes this as a priority.

110. It is also part of our Nationalist Covenant to eliminate ignorance. We cannot compromise or reverse the gains we have made so far. And this is why we have taken swift and stern action against those involved in the corrupting of our examination system.

111. Mr Speaker, I am convinced that technology and the ability to innovate it, and use it to transform business is the bright future of our young people. They must be empowered; we must equip them to be

future-ready. In recognition of this need, we undertook to provide digital devices to Standard One pupils in every public primary school.

112. It has taken time, but we were working on the infrastructure necessary to realize this goal. Today, 22,000 public primary schools in every corner of our country have also been connected to power.

Mr. Speaker,

113. I am pleased to report here today that our promise to roll out the digital learning programme will be fulfilled this year. The learning devices, I am glad to say, are in the country, and are being subjected to tests. Over 1 million class one pupils will have access to a digital learning device, and appropriate curricula. Equally, 60,000 teachers have already been trained to support the digital learning experience.

114. Other key indicators of our ICT master-plan remain on firmly track, in the last three years alone we have seen huge leaps in our mobile phone penetration and subscribers.

115. 2G mobile phone Penetration increase from 75% in 2013 to 94.4% in December 2015. There are only 116 sub-locations left in the country that are not covered by basic mobile voice services this is down from 1,119 sub-locations that had no network in 2013.

116. The total number Mobile Subscribers has increased from 29.7 million in 2013 to 37.7 million in Dec 2015. While Internet Penetration has doubled from 41.6% in 2013 to 82.6% in Dec 2015 with the number internet users increasing by an additional 21 million in last 3 years to hit 35.5 million users in Dec 2015.

117. My administration has created an enabling policy environment for continued investment in ICT which is evidenced by the growth of companies such as M-Kopa.

118. The facts that I have shared today speak to how technology has enlarged the democratic space for all Kenyans, and how it is helped us to "leapfrog" our peers by giving us access to knowledge and information at our fingertips irrespective of where we are in the country. It is testament to how expansion in access to electricity is creating an enabling environment to harness these technologies establishing a virtuous cycle that enables Kenyans take better control of their lives.

119. More connectivity means that every Kenyan has worldwide information at their fingertips.

120. We can learn more, and faster, and feed this knowledge into our lives and enterprises. We are a developing country that is steadily taking on the characteristics of a developed one.

121. As we speak, my administration has already begun consulting stakeholders to gain their assent and support for the proposed changes to the current 8-4-4 system. To maintain the high standards that Kenyans deserve, and to make certain that our qualifications are globally credible and acceptable, we are also working to with them to restore the integrity of the exam system.

122. We expect to announce the result of this engagement and to present to the country a new direction in the education of our youth that will produce all-rounded students with the skills and the values for the Kenya we are building.

123. Education has been the vital pipeline to opportunity in Kenya. We cannot afford to leave any child behind. In 2015, over 925,000 sat for KCPE. This year, when we did the Form One selection, only 759,000 received places in public and private secondary schools. The rest, coming to over 167,000 of our young boys and girls are sitting at home idle and vulnerable to the lure of vices.

124. It is my determination to reduce this gap to zero by 2017. To this end, I will engage with the National Assembly to ensure that by

2017, we build 3000 new classes in secondary schools that are required to achieve a 100% transition. We will also undertake to provide capitation for all students. To attain the full promise of our Nationalist Covenant requires that no child be left uneducated. I will implore Parliament to support this endeavour.

Honourable Members,

125. The focus should now be making our youth employable by equipping them with appropriate technical skills.

126. Our labour market suffers a huge deficit of technical skills. The exploration for oil by Tullow in Turkana has brought home this reality when they had to import welders from other countries. We also need to make technical jobs attractive. We therefore need more technicians, chefs, masons, plumbers, welders and more agriculture related workers. To close this gap, my government has completed 54 new Technical Training Institutes and plan to construct an additional 76. This represents a 100% increase in the number of Institutes in the country since 2013. By September 2016, we expect a student enrolment of 350,000 young men and women.

127. We have also invested in the Kenya Medical Training Colleges. We have added 33 more county campuses to reach a total of 54 across the country. Student enrolment in these KMTCS has increased from 19,000 to over 25,000 in three years. This is in line with our aim to

modernize the health sector – not just through brick and mortar but also by building capacity. This is also part of our Nationalist Promise.

Fellow Kenyans,

128. We have vulnerable Kenyans that deserve a helping hand. We are not a rich country able to afford an extensive welfare system, but we are a kind-hearted people who want to help those most in need.

129. My administration has undertaken to provide uplift to those who most sorely need it. The orphaned children, the elderly, and persons with severe disabilities. In the last year, we have benefited 717,000 households compared to just over 500,000 the previous 12 months. In budgetary allocation, we have transferred just over 18 billion shillings in cash transfers compared with 14 billion the previous 12 months. Today, Mama Jillo from Malindi who is a senior Kenyan citizen has received the helping hand of the Kenyan people through their government. The same for Amina Kazingu from Kilifi who suffers from a disability. They do not need food aid from anyone, their dignity and their wellbeing has been uplifted.

130. When I entered office, there were less than 5 million Kenyans enrolled in the National Hospital Insurance Fund. My administration initiated a recruitment drive that today has increased enrolment to almost 7 million. This means that the costs of medical care have been reduced for millions more Kenyans.

Fellow Kenyans,

131. These are concrete manifestations of our embracing the values of social justice and human dignity articulated in our Constitution.

132. My administration is also working hard to ensure that every sector of the economy is uplifted.

133. We know that agriculture is the mainstay of most of our people. It is from farming revenue that school and health fees are paid. To boost the earnings of our farmers, my administration has undertaken measures to address burdensome licensing fees and levies. These remain a bottleneck particularly in sugarcane, tea and coffee farming.

134. As you will recall, I appointed a Taskforce a month ago to address the challenges to the coffee sub-sector. In line with the preliminary recommendations, I have from today directed that all coffee licensing fees and levies be waived with immediate effect.

135. I expect this to increase the revenues received by the coffee farmer by 4%. I have also directed the Ministry of Agriculture, the Attorney General, and the National Treasury to review sugar and tea levies.

136. We will extend these efforts to regulatory fees in multiple sectors that make it a costly and time-consuming affair to undertake new projects or expand existing ones. To this end, I am directing that the prohibitive levies at the National Environment Management

Authority, National Construction Authority, and the Communications Authority be reviewed with immediate effect.

137. Ours is not to make it difficult for Kenyans to do business. And that is part of our Nationalist Covenant.

138. It is important that County Governments follow suit in undertaking a review of prohibitive licenses and levies under their purview. Once done, you will see the impact on job creation will be positive.

Ladies and Gentlemen,

139. Under my administration, Article 34 of The Constitution has truly been brought to life. Our media is the vanguard of our values as a Nation; they hold a special place in our social and economic life.

140. They form the essential bridge between the different strata of society, they help to convey critical information and shape the opinions and psyche of our people.

141. The media shines light on the misdeeds that must be laid bare to the public. It sings the songs of praise that galvanise our Nation during times of victory.

142. The media is a broadsword that has grown even more potent with the evolution of new social media channels that bring on board the multiplier effect of citizen journalism.

143. For that very reason, I will not tire to remind the Fourth Estate that with great power comes an even greater onus of responsibility. The responsibility to tell the truth, the responsibility to be fair and balanced in their criticism, and praise of those in the public arena, and most importantly the responsibility and sacred duty to safeguard the unity of our nation.

144. These are difficult times. Our country faces potent threats. The terrorists who seek to attack our people are already trying to anticipate your response to their evil acts. It is up to you to frustrate their aims.

145. As journalists you always must remember that the fate of millions of Kenyans hangs precariously on the tip of your ink pen. You can choose to use your platform to burn or to build your country. I urge you to use it for the latter, and I invite you to work with my Government to strengthen and protect our democratic space.

146. In the last year, we have made immense strides in the arena of technology. The first phase of Digital Migration has been successfully concluded. As result, we now have 63 licensed TV Stations as of December 2015 compared to the 14 that we found in 2013.

147. Despite the vehement resistance by a section of the media to the digital migration process, it is clear that their fears were unfounded. A recent study indicates that there has been an 11.5% increase in the proportion of daily television viewers. We have seen a proliferation of exciting local content on our numerous TV channels, from the hilarious comedies like Aunty Boss to the educational entertainment offered by the Shamba Shape UP show. I salute our local producers like Dorothy Bosibori Ghetuba of Spielworks Ltd and Alison Ngibuini of Alison Production who have seized the opportunities brought by digital migration to create new jobs for hundreds of young actors, casting crew, videographers and editors. This is what we always envisaged.

Mr. Speaker,

Honourable Members,

148. The Government's most critical duty is to protect the lives and property of its citizens, and the sovereignty of the Republic. This task is today made more complex by violent extremism, geopolitical rivalries, and organised crimes such as cybercrime, and human and drug trafficking.

149. I will be tabling before this House, the Report of the National Security Council on the State of our National Security where-in I outline specific measures that have been undertaken by my government to secure the people of Kenya.

150. Allow me Mr Speaker to focus on a few important issues that touch on the security of our Nation.

151. We have implemented specific strategies to deal with our security challenges, and have made a number of crosscutting multi-sectoral interventions. These include: review of security related Legislation, Roll-out of a Collaborative approach to counter terrorism, and an Integrated Command and Control Centre.

152. We have also undertaken National Police Service Reforms, Reforms in the National Administration, Reforms in Immigration Services, Correctional Services, Peace building and conflict management, and Citizens' Participation in Security.

153. Other reforms include: the Integrated Population Registration System (IPRS), Operationalisation of the Asset Recovery Agency, Integrated border management programmes, Inter-agency collaboration in investigation and prosecution, Multi-agency team on eradication of Corruption and Regional and international initiatives.

154. Specifically, MR SPEAKER, we have increased the number of police officers by 10,000 in the last 12 months with an additional 10,000 set for recruitment next week.

155. We have also increased the number of patrol vehicles on the streets through the managed lease service framework. We can all testify to a stronger police presence across the country.

156. Modernising our security apparatus has been a cornerstone of our agenda and we have invested billions of shillings over the last year in specialised armoured transport equipment, weaponry, communications, air borne capabilities and personal body armour.

157. The newly launched National Police Service, Communications and Surveillance Command Centre is a noteworthy illustration in this regard. This facility is the nucleus of our strategy to leverage the benefits of technology to improve both the efficiency and effectiveness of our security services.

158. We face a threat of terrorism driven by a globalised ideology that is fanatically opposed to the idea of a multi-cultural and peaceful society. It seeks to destroy our sovereignty, our democracy and annihilate our liberties.

159. This threat is global and we have seen it across the world, most recently in Pakistan, in Belgium, in France, in Nigeria, Mali, and Turkey to mention just a few.

160. One of this country's greatest strengths is our religious and cultural diversity, and I am proud that our people refuse to be divided by the reckless actions of these criminals.

161. I want to pay special tribute to a Kenyan of Muslim faith, **Salah Farah**. He was shot and killed by terrorists near Mandera for shielding Christians from attack. He died defending people who he did not know.

162. This is because he believed in their right to freedom of worship and he knew that every single life — irrespective of faith — is sacred. He is a powerful symbol of our country's ambition to attain the full expression of secure and cohesive nationhood, and he is a costly reminder that we all have a role to play in protecting our freedoms.

163. Salah exemplified the best of who we are as a country: a diverse people, united by our common love for liberty and peace, and above all our brothers' keepers. His actions epitomise the Nationalist Covenant we so desire to live by.

164. I acknowledge Salah's family. I want to tell his children that their father's sacrifice will never be forgotten, and will be long admired.

165. In recognition of his remarkable act of valour, and on behalf of the people of Kenya, I hereby posthumously award Salah Farah the **Order of the Grand Warrior of Kenya...**

Mr Speaker, Honourable Members

166. When my administration assumed office, we promised to provide an answer to the perennial land question. We pledged to address the structural challenges that affect our land tenure systems.

167. This we did because we know how important land is, as a productive resource, to the realisation of our development agenda. Land is the basis of all other economic activities and therefore the sanctity of title deeds should never be in doubt.

168. I am happy to report that in the last one year we have issued an additional 1 million new title deeds, bringing the total number of newly issues ones to 2,405,000 since 2013. We are on track to surpass our target of 3 million by 2017.

169. From Mpeketoni in Lamu, to Waitiki in Mombasa; from Kihiu-Mwiri in Murang'a to the Nyeri colonial villages; from settlement schemes in Taita Taveta to those of Trans Nzoia — in every region of the Republic, substantive solutions to old land disputes have been realised. The progress is there to see for those who choose to do so. We know that much remains to be done, but we are confident that we shall complete this complex task. It remains our firm Nationalist Promise.

170. I commend the National Land Commission for collaborating with the Ministry of Lands.

171. We have been able to undertake thorough audits of the 13 major land registries to facilitate their digitisation and introduce cashless digital payment system for various land-related services. In addition, this collaboration has given birth to a one-of-a-kind digital titling centre that enables advanced security and transparency features. It has also led to the national geo-spatial infrastructure that will come into operation at the end of the year — setting the stage for further development in Geographical Information Systems that will improve service delivery and development initiatives.

Honourable Members,

172. We have taken steps to improve access to Government services, creating Huduma Centres that offer Kenyans a range of vital public services under one roof. The Huduma Centres are offering a wide range of different government services, and serving approximately 35,000 per day. Each of these centres is a visible manifestation of our desire to improve the citizen's experience of government, and to show the Kenyan people that serving them quickly and comprehensively is both our priority and our pleasure.

Mr Speaker,

173. Kenya's international standing continues to improve. We have cemented our role as the champion for regional integration and security. Peace-building, ceasefire and national reconciliation processes in the region are often informed by efforts supported and facilitated by Kenya. Most recently, we have witnessed the product of our persistence and faith in peace in the reconciliation underway in our neighbour South Sudan. Our soldiers are skilled and brave peacekeepers in multiple theatres, particularly in Somalia, DRC, and South Sudan to mention a few.

174. Our medical staff volunteered to go to West Africa to fight Ebola, a testament to their skill and bravery, and our nation's leading place in making the world a better place.

175. Kenya matters on the world stage. Our diplomats led the negotiations that led to the Sustainable Development Goals. We were a crucial player in advancing a World Trade Round that had stalled when we hosted the WTO Ministerial Conference in Nairobi. The first time it has ever been hosted in Africa. We are an important player in multilateral negotiations on trade, environment, sustainable development, and a host of other global challenges.

176. In the past year we have also hosted major international events: the Global Entrepreneurship Summit.

177. I am happy to report to Kenyans that that trend will continue this year, when we host the first Tokyo International Conference on African Development (TICAD) to be held outside Japan. Also, later this year, the UN Conference on Trade and Development will hold its fourteenth session in Nairobi.

178. In 2015, one renowned world leader after another visited Kenya. His Holiness Pope Francis made a very successful three-day visit, choosing Kenya as the first destination of his first African journey.

179. Earlier in the year, President Barack Obama and I hosted the Global Entrepreneurship Summit in Nairobi, and the Italian Prime Minister, Rt Hon Matteo Renzi, made a state visit.

180. Honourable Members, Fellow Kenyans, these visits and conferences, are clear proof of the trust you have placed in the leadership of this country. Kenya is seizing this moment to create economic opportunities, and expand our influence globally. Our international standing is high.

Mr Speaker,

Fellow Kenyans,

181. All these efforts are part of my generation's contribution to the Nationalist Covenant. Just as we have inherited and reimagined the efforts of our Founding Fathers, so shall future generation inherit the fruit of our labour. Thus far, we have kept our part of the bargain in the sacred labour to build a Great Nation.

182. Earlier in my address to the nation, I singled out the heroism of Salah Farah, and our men and women in the frontline. In our own way, let each of us make a sacrifice to make Kenya great.

183. Let's embrace tolerance, and celebrate each other; let's avoid utterances and actions that set one Kenyan against another Kenyan. Kenya is big enough for all of us.

184. This must be our solemn contract with the country and one another. It must be part of our Nationalist Covenant. And if we take this trajectory, we will avoid the pitfall of passing on national challenges to our children. We will enjoy the pleasure of sharing with them the dividends of our covenant in both material and spiritual form.

Mr Speaker

185. It is now my pleasure to submit to Parliament, the Annual Report on the State of National Security and the Report on Measures Taken and Progress Achieved in the Realisation of the National Values;



and to the National Assembly, the report on the Progress Made in Fulfilling our International Obligations.

God bless Kenya.

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