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**STATE OF THE NATION ADDRESS BY HIS EXCELLENCY
HON. WILLIAM SAMOEI RUTO, PhD, C.G.H., PRESIDENT
OF THE REPUBLIC OF KENYA AND COMMANDER-IN-
CHIEF OF THE DEFENCE FORCES, DURING THE JOINT
SITTING OF THE NATIONAL ASSEMBLY AND THE
SENATE**

NOVEMBER 20, 2025

PARLIAMENT BUILDINGS, NAIROBI


STATE
— *of the* —
NATION
ADDRESS 2025

**The Honourable Speaker of the National Assembly;
The Honourable Speaker of the Senate;
Honourable Members of the National Assembly and the
Senate;
The Chief Justice and the leadership of the Judiciary;
Cabinet Secretaries;
Your Excellencies, Distinguished Guests;
Fellow Citizens;
Ladies and Gentlemen;**

1. Two years ago, when I delivered my first State of the Nation Address, I had a vision to sell. Today, I have a story to tell.
2. A story written not in the quiet of offices or the comfort of boardrooms, but out in the blazing sun of our farms; in the dust of construction sites where our affordable homes now rise; and in the grit of our community health workers, doctors, and medical professionals who refuse to surrender in the quest for Universal Health Coverage.
3. It is written in the steady hum of our factories; in the determination of millions daring to dream and finance their vision through the Hustler Fund; in the courage of our young people working on housing sites, in the Climate Worx programme, and in the digital ecosystem; and in the bravery of those who, looking beyond our borders, have sought livelihoods abroad to sustain families back home.
4. A story of sacrifice. A story of sweat. A story of progress that has not come easy.



5. It is a story you can see in the numbers, feel in the homes, and trace in the lives transformed across our Republic; a story whose facts are available for all to examine, except perhaps for the cynical, who have no facts.
6. Today, the evidence is clear, evidence of promises made and promises kept. In just three years, we have built not monuments of words, but foundations of progress.
7. And yet, even with these achievements, I am convinced that this is only the beginning.

Mr Speaker, Honourable Members,

8. As I prepared this address, I reflected deeply on the long road we have travelled as a nation; sixty-two years shaped by struggle, sacrifice, hardship, triumph, and milestones that have affirmed our spirit. From that reflection came one undeniable truth: we have made commendable progress, but Kenya still punches way below its true weight.
9. This nation has the talent, the resources, and the spirit not just to improve, but to leap and to make the transition from a developing country to a developed one within our lifetime.
10. That is why I speak today with full conviction that history has summoned this generation, our generation, at such a time as this, to a higher purpose. Some eras are shaped by events; others are defined by the decisions a nation makes. And today, Kenya is called to make such a decision, to finish the journey our forebears began and finally turn our long-held potential into lived reality.



11. To do this, we must cast off the prevailing mindset of being content with the average; we must step beyond the comfort of the familiar and the ordinary, and reach, with courage, clarity, and conviction, for nothing less than excellence and greatness.
12. Therefore, as we examine the achievements of the past three years, results that have laid a firm foundation for equality of opportunity and a nation where no one is left behind, today I will also place before you not just a vision, but a national project that is realistic, grounded, and entirely within our reach.
13. A vision not just to grow, but to transform. A roadmap not merely to move forward, but to rise. To rise from developing to developed. To rise from potential to reality. To rise from promise to prosperity. To rise from the Third to the First World. To rise, finally, into the Kenya we have long imagined; the Kenya we deserve.
14. For too long, our ambition was held hostage by small thinking and ordinary expectations. But that era must now be consigned to the past. Today, we stand on the threshold of something far greater, a moment in which we can say that what our parents dreamt of and what our children yearn for, we will accomplish in our lifetime.
15. And we know this is achievable because others have done it before.
16. I have often spoken of the Asian Tigers, South Korea, Singapore, Hong Kong, and Malaysia (by the way, the Prime Minister of Malaysia will be here this weekend), countries that, at independence, were our peers in nearly every measurable way. They had no extraordinary resources.



They were not superhuman. They simply had the courage to make bold, disciplined, deliberate choices. They invested in their people, demanded excellence, and refused to be trapped by the limitations of their circumstances. They refused to make peace with mediocrity.

17. Today, they stand as first-world economies. If they could rise, so can Kenya. **IT. CAN. BE. DONE.**
18. Later in this address, I will set out the strategic choices, the reforms we will deepen, the sectors we will unlock, and the investments we will prioritise to move Kenya to the next level.
19. I say all this not as a personal badge of honour, but as a recognition of what we have achieved together, the Kenyan people, the leadership in all arms of government, and across political formations.
20. Honourable Members, the last three years have not been easy. We have agreed and sometimes disagreed, and at times those disagreements have carried a great cost. We have compromised, we have confronted hard truths, and we have endured storms none of us invited.
21. But we all take comfort that it has not been for nothing, for this is how far we have come.
22. At a time like this in 2022, Kenya was in distress. Inflation had soared to almost double digits. A fuel shortage threatened to paralyse our economy as oil marketers struggled to access dollars.



23. The shilling was in free fall. Foreign reserves had hit historic lows. Debt service consumed more than half of all our revenues. Confidence, both local and foreign, had waned. International analysts warned that it was no longer a question of if, but when Kenya would default.
24. Within that context, we acted. We restored fiscal discipline. We eliminated wasteful subsidies. We rationalised public expenditure. We strengthened revenue collection and placed our economy on a path of recovery and sustainability.
25. Inflation, which stood at 9.6% in 2022, has steadily declined to 4.6% as of last month, bringing much-needed relief to households.
26. The shilling, once in a perilous downward spiral, has stabilised at KSh 129 to the dollar for nearly two years, a direct consequence of prudent monetary policy and disciplined fiscal management.
27. Our successful Eurobond redemption signalled to the world that Kenya honours its obligations.
28. Three years ago, Kenya ranked as the 8th-largest economy in Africa, with a GDP of \$115 billion. Today, our GDP has increased to \$136 billion, moving us up to become the 6th largest economy on the continent, according to the IMF.
29. This steep rise is no accident. It is the product of deliberate choices, disciplined execution, and strategic reforms that have strengthened our economy and unlocked its potential.



30. Our foreign reserves have surpassed \$12 billion, the highest in independent Kenya. This has restored certainty, cushioned our economy from external shocks, and restored investor confidence.
31. International markets have taken note. Just this week, 14 of the world's leading financial institutions, including Citigroup, J.P. Morgan, Standard Chartered, and Goldman Sachs, projected that Kenya's economy will expand by between 5% and 5.8% in 2026.
32. This confidence is anchored in solid fundamentals: lower credit costs, rising exports, improved household spending driven by low inflation, and a broadly stable macroeconomic environment.
33. Standard & Poor's has upgraded Kenya's sovereign credit rating from "B-" to a firm "B; our first upward revision in years, signalling renewed international confidence. This upgrade lowers our risk profile, attracts more investment, and reduces borrowing costs for both the government and the private sector.

Fellow citizens;

34. Our foreign direct investment (FDI) has more than tripled from \$463 million (Ksh 60 billion) in 2021 to \$1.5 billion (Ksh 195 billion) in 2024. In the last 36 months, over 300,000 new businesses- including 500 foreign companies - have registered and set up shop in Kenya, reflecting renewed confidence and improved ease of doing business.
35. The Nairobi Securities Exchange has recorded a powerful resurgence, now recognised as one of the best-performing emerging markets globally. Since January, investor wealth has grown by over 1 trillion, driven by a broad share-price rally that has re-established the NSE as a premier asset class.



36. The NSE is on track for its strongest performance in over a decade, building on last year's remarkable gains. This renewed vibrancy is a clear vote of confidence in Kenya's direction and in the reforms we have undertaken.
37. In short, Mr Speaker, the world's most respected economic assessors, and market sentiment, are affirming what we already know: that our economy is strengthening, our prospects are brightening, and confidence in Kenya is rising.
38. Our critics, the high priests of eternal pessimism, who criticise without responsibility and tear down without offering alternatives, will want you to believe that our economy is going in the wrong direction.
39. But while anyone may speak their mind, and that is the beauty of our democracy, no one is entitled to manufacture self-serving falsehoods and traffic them as facts.
40. And facts are exactly what I present today; clear, verifiable, and indisputable.
41. Mr Speaker, one of the greatest contributors to the high cost of living is the cost of food. Kenyans in 2022 marched with empty sufurias, a stark symbol of frustration and the unbearable costs of basic commodities.
42. From the very outset, we made an intentional and strategic decision to subsidise production, and not consumption.
43. We understood that lasting relief would not come from temporary subsidies and price controls, but from strengthening the foundations of agricultural production.



44. We also recognised that agriculture is not merely another sector of our economy. It is the lifeline of our nation. If we were to secure households, stabilise prices, create jobs, expand industry and spur exports, agriculture had to be the fulcrum of our transformation agenda.
45. To organise the sector and improve service delivery, we launched an integrated digital platform to register farmers. In 2022, fewer than 300,000 farmers were on record. Today, over 7.1 million farmers are registered on the Kenya Integrated Agricultural Management Information System, giving us visibility to design scientific, targeted interventions and eliminate extortionists, brokers, cartels and middlemen.
46. This has enabled us to implement the fertiliser subsidy Programme at scale. To date, over 21 million bags of affordable fertiliser have been distributed, reducing the price by nearly two-thirds and saving farmers KSh 105 billion so far. This year alone, we delivered 7 million bags of fertiliser and 35 million kilos of certified seed, and in 2026, we will distribute 12.5 million bags across all 1,450 wards, ensuring every farmer has access to affordable inputs.
47. The impact has been phenomenal. Productivity in all our agricultural sectors has gone up. National maize harvests have risen from 44 million bags in 2022 to 67 million in 2024, setting the stage for a historic harvest of 70 million bags this year.
48. The results are visible in markets and homes. The price of a 2kg packet of flour has fallen from KSh 250 in 2022 to as low as KSh 130 today. For millions of households, this is meaningful, daily relief.



49. The transformation across other value chains is equally compelling. Tea production has grown, with earnings rising from KSh 138 billion in 2022 to KSh 215 billion in 2024; a 56% increase.
50. The coffee sector, once on the brink of collapse, is roaring back. Nearly 50,000 seedlings have been distributed; earnings have risen from an average of KSh 70 per kilo to between KSh 120–150 per kilo; and we are on track to increase exports from 48,000 to 60,000 metric tonnes this year, and projected to reach 150 million tonnes in 3 years.
51. In edible oils, acreage under production expanded by 90% between 2022 and April 2025, cutting the edible oil import bill by KSh 17 billion in one year. By 2027, we aim to halve this bill, saving Kenya nearly KSh 60 billion in foreign exchange.
52. Cotton production has nearly tripled. Cashew nut yields have grown following the distribution of 900,000 seedlings, and so has the Coconut output after the provision of one million seedlings.
53. The sugar sector, long troubled, is stabilising. Area under cane is up by 200,000 acres, production has surged 76% to over 815,000 metric tonnes, and imports are down 70%. To secure this progress, we have leased Nzoia, Muhoroni, Sony and Chemelil factories to competent private sector operators.
54. Our livestock value chain is rising. Leather exports are up 56% to KSh 2.5 billion; local shoe production now exceeds 11 million pairs annually, and meat exports have grown 45% to KSh 12.9 billion.
55. In dairy, milk production has surged to 5.3 billion litres, while exports have nearly doubled to KSh 9.4 billion.



56. Dairy farmer support has been enhanced with the installation of 230 new milk coolers. Nearly 8 million animals have been vaccinated, and KEVEVAPI has produced a record 94 million vaccine doses, which are used locally and also exported to our neighbours in the region. We have reduced the cost of sexed semen from KSh 8,000 per dose to KSh 1,000 for our dairy farmers.
57. The outcome of these reforms is unmistakable: We have enhanced food security, raised farmer incomes, driven agro-industrialisation, and expanded Kenya's export footprint.
58. This is the transformation we promised, now unfolding across our nation, fulfilling the national values and principles of governance, particularly sustainable development, as required under Article 10 of our Constitution. It is in accordance with this constitutional duty that I report to this House today.

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Mr Speaker, Honourable Members,

59. Let me now turn to healthcare, the foundation of human dignity, and the heartbeat of every nation that chooses compassion over neglect.
60. Over the last three years, we have undertaken the most ambitious transformation of our health system since independence; reforms rooted in equity, powered by innovation, and guided by a simple conviction that every Kenyan, wherever they live and whatever their means, deserves quality care.
61. 27 million Kenyans are now registered in SHA, more than triple the number ever reached by the former NHIF. This is a demonstration that leaving no one behind was and is not a slogan; it is a promise on course to fulfilment.



Additionally, more than 10,000 health facilities across the country have signed in to serve under this new system.

62. But, Honourable Members, real healthcare begins long before a patient reaches a hospital. That is why, in September 2023, we deployed 107,000 Community Health Promoters, the largest primary healthcare workforce in our history; trained, equipped, and present in every ward of all our 47 counties.
63. Their impact has been extraordinary. Consider three statistics: 8.9 million households have so far been visited; 9.9 million diabetes screenings have been done, with 134,000 cases diagnosed; 6.5 million hypertension screenings have been conducted, with 305,000 cases confirmed. Millions of lives have been touched, and thousands saved. This is what equity looks like. This is the meaning of universal healthcare. This is leaving no Kenyan behind.
64. Behind these numbers stand the Community Health Promoters, quiet, devoted, tireless heroes of this new era. Today, we honour them. We thank them. And to them we say, Kenya is healthier because of you.

Mr Speaker,

65. When I promised that those unable to pay would be supported by the government under UHC, the cynics scoffed. Today, we are paying premiums for 2.3 million vulnerable Kenyans, including orphans, widows, the elderly, and those without income, because for them, healthcare is not a privilege. It is a right fully secured.



66. We are also modernising hospital equipment through the National Equipment Service Project, replacing the old MES model that burdened counties with heavy upfront costs. Under the new Fee-for-Service system, private partners install, maintain, and run state-of-the-art equipment, and public facilities pay only when they use them.
67. We have overhauled KEMSA to end the chronic crisis of drug shortages, raising medicine availability from 48% today to a projected 90% by the end of this year, and to 100% by March 2026.
68. This is more than healthcare reform. It is a long-deferred promise finally taking shape, a Kenya where every citizen can face tomorrow with confidence, knowing their nation will stand with them in their hour of need. It fulfils our national values of dignity and equity as stated under Article 10 of the Constitution.
69. In this same spirit, the government is strengthening financial protection for Kenyans undergoing cancer treatment. SHA will enhance the Cancer Benefits Package from the current Ksh 550,000 to Ksh 800,000, effective December 1, 2025. This enhancement responds to the rising cost of sustained cancer care and ensures that patients can access quality, uninterrupted treatment without facing financial hardship.

Mr Speaker, Honourable Members,

70. When I assumed office, our education sector was in distress with a strained CBC transition, a chronic teacher deficit, universities on the edge of insolvency, and overstretched infrastructure.



71. We moved quickly to restore education as the great equaliser. Through the Student-Centred Funding Model, scholarships and loans now follow need and merit, placing the learner at the centre. Nearly 500,000 students have already benefited.
72. We then tackled the teacher crisis head-on; we have hired 76,000 teachers, with 24,000 more being brought in by January 2026. That will translate to 100,000 teachers in three years, an achievement unmatched in our history.
73. Together with the NG-CDF, we have delivered 23,000 new classrooms, and 1,600 laboratories are under construction, easing congestion and giving CBC the dignified facilities it requires.
74. TVET has become the engine of practical skills. Enrolment has leapt from 341,000 in 2022 to 718,000 as young Kenyans embrace engineering, ICT, modern agriculture, hospitality, design, and the trades that power a modern economy.
75. In strengthening education at every level, we are giving life to the national values in Article 10, especially equity, human dignity, and sustainable development, ensuring every Kenyan child has a fair chance to rise.

Mr Speaker, Honourable Members,

76. Three years ago, when we said we would deliver affordable housing, the cynics dismissed it as a fantasy. When they realised we were serious, they called it impossible. And when we broke ground across the country, they suggested that the projects would stall.
77. Today, those doubts have given way to a very different question from Kenyans everywhere: How do I get one of those units?



78. Across the country, we are delivering the most extensive housing rollout in our history: 230,000 affordable homes.
79. And meet student needs, 178,000 beds have been packaged for universities, TVETs, and KMTCS, with 74,000 already under construction, transforming a sector where fewer than 10% once had decent accommodation.
80. Additionally, 276 modern markets are taking shape nationwide, providing vital spaces for women and MSMEs, with another 175 underway, expanding the backbone of local commerce.
81. And through the Nairobi River Regeneration Programme, 44,000 youth are restoring the river corridor and preparing sites for 10,000 homes along a renewed riverfront. The programme has created over 428,000 jobs, including architects, engineers, fundis, plumbers, electricians, carpenters, masons, steelworkers, transporters, and thousands of MSMEs in fittings, fabrication, and interior works. At peak next year, it will employ up to 1 million Kenyans.
82. Honourable Members, this programme is far more than housing. It is a national empowerment engine creating jobs, formalising the informal sector, revitalising MSMEs, restoring our environment, and building resilient communities. It advances equity, dignity, and sustainable development, the very values anchored in Article 10 of our Constitution.

Mr Speaker, Honourable Members,

83. Allow me to turn to a sector that carries the hopes of nearly every Kenyan family, our Micro, Small, and Medium Enterprises. MSMEs are the backbone of our economy, the engine room of innovation, and the daily hustle of more than 15 million Kenyans.



84. For decades, access to affordable credit trapped millions in frustration. Without collateral, there were no loans. For the millions blacklisted, every door of opportunity was shut. And when banks refused to take a chance, their dreams simply stalled. As promised, we broke that cycle.
85. The Financial Inclusion Fund, the Hustler Fund, now stands as the largest financial inclusion programme since independence, extending over KSh 80 billion to millions of Kenyans. Seven million once-blacklisted Kenyans have since repaired their credit. Three million small business owners previously locked out of formal finance are now banked. And two million Kenyans are now frequent borrowers.
86. Today, through the Hustler Fund bridge Facility, 800,000 entrepreneurs are accessing up to KSh 150,000 each, without collateral, to expand and grow their businesses.
87. But, Honourable Members, credit alone is not enough. Many young people do not lack ideas; they lack opportunity.
88. That is why we launched NYOTA, the National Youth Opportunities and Transformation Agenda, one of the most ambitious youth empowerment programmes in our history.
89. Over five years, NYOTA will uplift 820,000 unemployed young people through apprenticeships, Recognition of Prior Learning, entrepreneurship grants, digital skills training, and supported savings. When the program is fully implemented, it will have placed 90,000 youth into work or enterprise, certified 20,000 into different skill areas, capitalised 110,000 businesses, matched savings of 190,000 savers, and built the capacity of 600,000 more to undertake government procurement under AGPO.



90. Ladies and gentlemen, over the past three years, our digital transformation agenda has become one of the most powerful engines of renewal, a quiet revolution changing how Kenyans live, work, learn, and do business.
91. We have expanded fibre by 24,000 km, and moved from zero public Wi-Fi hotspots in 2022 to nearly 1,500 today, connecting communities once left behind. We have set up 300 digital innovation hubs, with 400 in the pipeline; gateways where ideas grow and enterprises begin.
92. At the heart of this shift is digital government. From less than 400 services on eCitizen to 22,500, we have delivered one of the fastest digital migrations in the world. Access is easier, efficiency is higher, leakages sealed, and corruption pushed out.
93. And our young people are driving it. Nearly 2 million have been trained in digital skills, and 300,000 now earn a living online through Ajira, Jitume, and our expanding BPO sector.

Mr Speaker, Honourable Members,

94. Having set out the work of the last three years, it would be easy, almost comfortable, to pause, congratulate ourselves, and settle into the warmth of modest progress.
95. But comfort is how nations stall. It is how Kenya once slowed while the Asian Tigers raced ahead.
96. We cannot allow that. We will not allow that. We must not allow it.



97. Because this moment demands more of us, more courage, more ambition, and a refusal to settle for the ordinary.
98. As I said earlier, we often speak of the Asian Tigers with a reverence that makes their rise seem like a miracle from a distant world. We marvel at how they journeyed from poverty to industrial powerhouses, from aid recipients to exporters of world-class goods, and we ask: What secret advantage did they have?
99. History answers us plainly; none. Their rise was not magic; it was intentional, and crafted through leadership, discipline, strategic investment, and an uncompromising rejection of mediocrity.
100. Their stories begin in ruins; the example of post-war Japan, with barely 2,000 kilometres of paved roads, and South Korea, whose GDP per capita was nearly identical to Kenya's at independence. Today, Japan commands over 1.1 million kilometres of paved roads, while Kenya has just 22,000, 62 years after independence.
101. South Korea's GDP per capita now exceeds \$36,000, compared to Kenya's \$2,200. These comparisons are not meant to indict us, but to demonstrate what becomes possible when a nation chooses ambition over resignation.
102. From their journeys, clear lessons emerge. These nations set aside small dreams and integrated boldly with global markets. They built first-world infrastructure in what were third-world environments. They invested obsessively in their people: the engineers, scientists, innovators, and technicians who powered their ascent. They generated electricity from all sources available to power their enterprise, an innovation that led to manufacturing, industrialisation and progress.



103. They simplified investment through institutional reforms that allowed capital, technology, and talent to progress without friction. They prioritised production by planning their industries long before those industries emerged.
104. Critically, they nurtured ecosystems of relentless innovation, giving rise to global giants like Samsung, Hyundai, Toyota, and Sony, companies that began modestly and grew to define modern industry.
105. The task before us, therefore, is unmistakably clear. If Kenya is to grow at scale, we must raise our ambition.
106. It is for this reason, Mr Speaker and Honourable Members, that under my leadership, we are raising the bar of national ambition.
107. And that is why I am today submitting our roadmap to take Kenya to the next level. We are committing to undertake, at a minimum, four major national priorities, whose rationale I shall now explain.
108. First, we must invest relentlessly in our people; in their education, skills development, scientific training, and innovation capacity. We have already set the foundation through major reforms in the education sector. We have increased the education budget from KSh 490B in 2021 to over KSh 700B this year, which has facilitated better infrastructure in our education system, more teachers and trainers, and enhanced funding for our colleges and universities.



109. I have reorganised government departments to establish a dedicated State Department for Science, Research, and Innovation to support the urgent need to scale up STEM courses in our education system, strengthen innovation, promote research, and create a pool of high-level professionals in engineering and science. This structure will also help actualise the 2% research fund needed to make this ambition a reality. We must fund start-ups and deliberately scale up and commercialise innovation to create new companies.
110. We must actualise the national research fund, moving from the current 0.8% of GDP to 2%. This leaves us with a shortfall of about KSh 180B. Progressively, we should grow the fund to KSh 1 trillion over the next 10 years. We will mobilise domestic public resources, private investment, venture capital, and other private-sector financing to drive this effort, because no nation rises above the abilities of its citizens.
111. And we must promote a culture of enterprise so that Kenyan companies can cross borders. The example of Safaricom and M-Pesa, growing from a local solution into a global financial platform serving more than 70 million customers in 170 countries, demonstrates the possibilities we can unlock.
112. Second, we must turn around our economy from a net importer to a net exporter of products, goods and services, the most urgent being imports of agricultural food products that cost us Ksh 500 billion every year. As I mentioned earlier, we have already made interventions to reduce imports of maize, sugar, edible oil, rice, and wheat, but our efforts are undermined by the natural limits of rain-fed agriculture.



113. We can no longer allow the clouds to determine whether our people eat or not. If we are to produce enough for domestic consumption and exports, expanded modern irrigation is now necessary and the only path forward.
114. We are endowed with fertile arable land, yet only 15% of Kenya can support rain-fed agriculture — and this limited area is what we have relied on to feed the entire nation. While 85% of Kenya does not receive sufficient rainfall, if we harvest and store rainwater, we can bring vast arable lands in these arid and semi-arid regions into productive use.
115. With dams, we can transform our arid and semi-arid areas into hubs of agricultural production, even in the absence of rainfall. We must never give up on the potential of these regions simply because they receive little rain, and we must never confuse the lack of rain with the lack of water.
116. This is why we must build at least 50 mega dams nationwide, alongside 200 additional medium and small dams and thousands of micro dams, to collect and store water, not only to secure our supply, but to bring at least 2.5 million acres under irrigation within the next five to seven years.
117. Therefore, the commitment to harvest and store water is not simply about food and water security. It is a strategic, nation-shaping investment, one that underpins our aspiration to be a net exporter of agricultural products; it underpins economic independence, rural prosperity, and sustainable development.



118. The Ministry of Water, Sanitation and Irrigation, alongside all relevant agencies, has already mapped the precise locations of these dams. These projects span the breadth of our Republic; from High Grand Falls, a mega dam on river Daua in Mandera, Isiolo-Barsalinga dam, Yatta in Machakos, Sigly canal in Garissa, Soin Koru in Kisumu, Rumuruti in Laikipia, Thuci in Embu and Tharaka-Nithi, Lowaat in Turkana; Muhoya dam straddling Nyeri and Kirinyaga, Narosura in Narok and Arror in Elgeyo-Marakwet. Others include Ndarugu in Kiambu, Kokwanyo in Homa Bay, Rare in Kilifi, Tongaren in Bungoma, and many more strategic sites nationwide.
119. Mr Speaker, expanded irrigation will also supply the volumes, consistency, and quality of raw materials required for our next economic frontier, which is agro-industrialisation. Irrigation will produce the raw materials, and our SEZs, EPZs, and County Aggregation and Industrial Parks will convert them into high-value products for national, regional and global markets.
120. Honourable Members, energy is the lifeblood of any modern economy. No nation has developed without abundant, reliable, affordable power. This is our third national priority.
121. Although we have an installed capacity of 3,300 MW, the intermittence of solar and wind means our firm capacity is only 2,300 MW — far below what the Kenya of tomorrow will require.
122. To drive domestic electrification, industrial manufacturing, e-mobility, green industrialisation, digital expansion, and a technology-enabled future, we must dramatically expand power generation.



123. Kenya is blessed with diverse, largely underexploited renewable resources, including geothermal, solar, hydro, wind and nuclear. To undertake large-scale value addition, agroporcessing, manufacturing and industrialisation, sufficient, affordable, and reliable energy is a top imperative.
124. Modern technologies such as data centres and artificial intelligence require a large-scale energy supply. To modernise our economy, leverage technology to create new opportunities to turn our agriculture and natural resources into products, manufacturing and industrialisation consume many megawatts of energy. As a result, we have to generate an additional 10,000 MW in the next 7 years, so as to move our country to the next level and undertake the transition necessary for our growth.
125. Our fourth national priority is transport and logistics. As the region's economic and diplomatic hub, home to the UN's largest office in the Global South, and the sixth-largest economy in Africa, Kenya must maintain world-class seaports, airports, highways, and digital corridors.
126. Efficient transport and logistics are the backbone of our competitiveness. They accelerate national development, connect products to markets, move goods and services, lower the cost of doing business, and reinforce Kenya as the aviation and commercial capital of East and Central Africa.
127. History teaches us that nations rise on the strength of transport and logistics. Japan's post-war revival, enabled by strategic road expansion, is a clear example: From only 2,000 roads, they constructed over a million kilometres of paved roads in seven decades, while Kenya has constructed just 22,000 km, over a relatively similar period.



128. To scale up our transport and logistics programme, the Ministry of Roads and Transport have already mapped out a comprehensive network of 2,500 highways for dualing and 28,000km of roads to be tarmaced in the next 10 years.
129. We will also onboard private-public partnership in the modernisation of Jomo Kenyatta International Airport, Mombasa and Lamu ports, and sort out the challenges facing Kenya Airways by next year.
130. This work is already progressing. Next week, I will launch the dualling of the 170-kilometre Rironi–Naivasha–Nakuru–Mau Summit road. On the same day, we will break ground on the dualling of the 58-kilometre Rironi–Maai Mahiu–Naivasha road. The gridlock that paralyses these roads every day—especially on weekends and holidays—will soon be history.
131. Additional roads earmarked for dualing include Muthaiga–Kiambu–Ndumberi; Machakos Junction–Mariakani, Mau Summit–Kericho–Kisumu; Kisumu–Busia; Mau Summit–Eldoret–Malaba; Athi River–Namanga; Karatina–Nanyuki–Isiolo; Makutano–Embu–Meru–Maua; Mtwapa–Malindi; Mombasa–Lunga Lunga, Kericho–Kisii–Migori–Isebania, Nakuru–Nyahururu–Karatina, Kisii–Oyugis–Ahero, the Northern Bypass; James Gichuru Road, Bomas–Karen–Ngong, Bomas–Ongata Rongai–Kiserian, Ngong–Isinya; and Naivasha–Kikuyu, among many other key corridors nationwide.
132. This infrastructure drive will also include extending the Standard Gauge Railway from Naivasha to Kisumu and eventually to Malaba beginning in January 2026.



133. Honourable Members, estimates indicate that achieving these four priorities will require at least KSh 5 trillion. This is undeniably a large sum. Some may see it as unrealistic, even audacious, for a country like ours.
134. But allow me to recall President John F. Kennedy's words in 1962 as he rallied America to reach the moon: "We choose to go to the Moon in this decade and do the other things, not because they are easy, but because they are hard... because that challenge is one we are willing to accept, one we are unwilling to postpone."
135. These four projects are our national imperatives; commitments we must embrace without hesitation. Not because they are easy. Not because they are cheap. But because they are absolutely necessary. Because they are worthy. This is the assignment of our generation; this is the purpose of this administration and this parliament, the 13th Parliament, and this is the moment we must rise up to.
136. Which brings us to the next question: given our fiscal constraints, how shall we finance these transformative projects, and do so sustainably?
137. The answer lies in two key financing vehicles: the National Infrastructure Fund and the Sovereign Wealth Fund.
138. As noted earlier, our development ambitions require sustained, large-scale investment in education, including roads, energy, water systems, logistics, and digital networks. Yet our fiscal space is narrow.



139. We cannot continue funding essential infrastructure through unsustainable borrowing or burdening taxpayers with additional taxes. But neither can we afford to postpone these imperatives without risking our future.
140. There is a need to be innovative in the use of national revenues at our disposal, in the deployment of national assets available to us, and in creating public-private partnerships that will crowd in the enormous pool of private sector resources available regionally and globally.
141. This is why we will establish the National Infrastructure Fund, whose architecture will be underpinned by the reforms in the Government-Owned Enterprises Bill, passed by this August House, that I will be signing into law tomorrow.
142. This fund is the strategic solution that will provide a framework to innovatively scale up our resources to match our ambition. It will fulfil our manifesto commitment to rebuild Kenya's infrastructure while reducing reliance on debt. We will do this by using budgeted resources prudently and introducing a financing architecture that leverages capital markets, diversifies ownership through the unlocking of national assets through privatisation, and uses PPP frameworks to channel private capital into public priorities.
143. For decades, Kenya has privatised major public assets—from Kenya Airways and KenGen, to Kenya Re and Safaricom. Yet we cannot point to enduring national assets built from privatisation proceeds, because the funds were absorbed into budgets and spent.



144. The National Infrastructure Fund will break this cycle. All proceeds from privatisation will be ring-fenced, preserved, and reinvested into new infrastructure and wealth-creating assets. When ownership shifts to the private sector for efficiency, the benefits to the public will not diminish; they will multiply.
145. For every shilling invested from privatisation proceeds, we aim to attract ten shillings from long-term investors, drawn from pension funds, sovereign partners, private equity, and development finance institutions. This multiplier will allow us to build critical infrastructure without adding to the tax or debt burden.
146. This model is proven. Australia's Future Fund, Singapore's Temasek, and the UAE's Mubadala demonstrate that commercially run public investment funds can grow national wealth and deliver transformative infrastructure.
147. The National Infrastructure Fund is therefore more than a financing tool. It is a generational strategy, preserving value, mobilising capital, accelerating delivery, and ensuring Kenya becomes stronger, wealthier, and more competitive.
148. Our Constitution, under Article 201(c), stipulates that "the burdens and benefits of the use of resources and of public borrowing shall be shared equitably between present and future generations." In essence, when we use natural resources or borrow, we must ensure future generations are not left poorer.
149. That is why, alongside the national infrastructure funds, we will be establishing the Sovereign Wealth Fund to give full effect to the constitutional principle of intergenerational equity.



150. A portion of all royalties from natural resources and a portion of the proceeds of the privatisation of national assets will be invested in the fund. This Fund will rest on three pillars:
- a. **Savings:** To be invested for the future, as countries like Norway, Kuwait, and Saudi Arabia have done with trillion-dollar funds.
 - b. **Stabilisation:** A buffer against global shocks, including commodity volatility, pandemics, and geopolitical disruptions, to ensure fiscal stability.
 - c. **Infrastructure:** A carefully managed share will be invested in commercial terms to attract private capital to national projects while growing public wealth.
151. History has already warned us. Along our Coast region, titanium deposits have been depleted, and because we lacked a sovereign wealth framework, future generations will inherit nothing from that resource. We cannot repeat this mistake.
152. Mr Speaker, Honourable Members, that is the scale of our national ambition, and this is the blueprint for financing it prudently and responsibly.
153. To shape this vision, I have engaged sincerely with leaders across the political spectrum, Members of Parliament, governors, community leaders, and with Kenyans from all walks of life.
154. I discussed this vision with the late Rt. Hon. Raila Odinga, who reminded me that no nation has industrialised without roads, energy, and food security. I have also engaged former President Uhuru Kenyatta, who emphasised the necessity of scaling up infrastructure investments.



155. Honourable Members, allow me to express profound gratitude to the 13th Parliament for your outstanding contribution, your foresight, consistency, focus and commitment to what is good for Kenya. The progress made in the last three years would not have been possible without your legislative agility, principled oversight, and commitment to the national interest.
156. When the history of this generation is written, this House, the 13th parliament, will occupy a full and proud chapter. Your decisions are recorded not only in debates or statutes, but in the lived progress of every Kenyan. For this, I extend my deepest gratitude and appreciation.
157. I also extend heartfelt thanks to hard-working Kenyans who have diligently fulfilled their civic duty to the nation, giving life to the constitutional values of equity, social justice, and sustainable development.
158. You have shouldered the weight of nation-building. Future generations will feel the impact of your sacrifice, and they will honour you as the generation that helped change the trajectory of our Republic.
159. As I conclude, I reiterate that those of us in leadership must bear in mind one critical lesson: Leaders are not- ultimately- judged by the visions they carry, or the statements they make, or the mantras they repeat. They are judged by the actions they take, the value they generate, the difference they make and the impact they make in the lives of the people.

Mr Speaker, Honourable Members,

160. Let history record that this generation refused to be timid. That we chose ambition over fear, action over excuses, and progress over the false comfort of low expectations.



Let it be said that when Kenya stood at a crossroads, we reached for the higher path.

161. The work ahead is formidable, but so is the Kenyan spirit. This is our moment to lift Kenya to her next frontier. This is our moment to shape a nation worthy of its promise. This is our moment to rise.

Honourable Speakers,

162. It is now my pleasure to submit to Parliament the following three reports as required by the Constitution:

- I. Report on All Measures Taken and Progress Achieved in the Realisation of National Values;
- II. Report on Progress made in fulfilling the International Obligations of the Republic; and
- III. Report on The State of Security.

163. Now therefore, I hand over the Reports to the Speaker of the Senate and to the Speaker of the National Assembly.

**I thank you.
God bless you.
God bless Kenya.**

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