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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 DURING THE STATE OF THE NATION ADDRESS AT PARLIAMENT BUILDINGS, NAIROBI ON THURSDAY, 26TH MARCH, 2015

Mr. Deputy President,
Speakers of Parliament,
Members of Parliament,
The Chief Justice and Members of the Supreme Court,
Members of the Diplomatic Corps,
Fellow Kenyans,
Ladies and Gentlemen,

1. Today, for the second time, and in line with my constitutional obligation, I address this special sitting of Parliament, to outline the State of the Nation in relation to our values and principles of

governance, as elaborated in Article 10; the state of our nation's security, as provided for in Article 240; and our status in fulfilling our international treaty obligations, under Article 132 of our constitution.

2. As we approach my second anniversary as President, I am pleased to report that the state of our Nation is strong. Our economy is growing robustly. Our nation is more secure, and our place in the community of nations is respected.
3. In the year under review, we, as a nation, have continued to deepen our democracy and the Rule of Law. Public participation in governance has grown at all levels, while institutional measures to secure the basic rights and freedoms of our people continue to take root. The year has been laced with robust debates, and sometimes even strong differences of opinion, between and within

various levels and arms of government. This is a profound reaffirmation of our democratic ideals.

4. Nonetheless, exercising these rights and privileges demands from each one of us, particularly us leaders, to remain conscious of our patriotic duty to nurture a united nation.

Fellow Kenyans,

5. In 2014, Kenya rebased its economy and is now the 9th largest economy on the African continent. With a GDP of USD 53.3 billion with GDP per capita at USD 1,246, Kenya has attained middle-income status. We are also one of the African economies that can boast a diversified and balanced economy.

6. Today, Kenya is one of the fastest growing economies in the world. Despite sluggish global

growth, our economy is steadily expanding at 6 percent, consolidating our position as the largest non-mineral driven economy in Sub-Saharan Africa. We are also making significant progress in the oil, gas and minerals sectors. Following the establishment of a dedicated mining ministry, our royalties have sharply increased from 21 million shillings in 2012, to an expected 1.2 billion this financial year. This on-going economic transformation is drawing attention globally.

7. Last month, a prominent international publication singled Kenya out as one of seven outstanding emerging markets worth investing in. Earlier this month, of the 57 fastest-growing economies ranked by Bloomberg, Kenya was the third fastest growing economy behind China and the Philippines. Additionally, Ernst and Young's Attractiveness Survey for Africa for 2014 placed Kenya among the three top investment

destinations in Sub Saharan Africa, and the most preferred in East and Central Africa. A combination of the government's pro-growth economic policies, a growing middle class, and an educated and skilled workforce has steered Kenya into the ranks of the top emerging market destinations for investment.

8. Inflation has been contained at single digits, capping the prices of basic goods for Kenyans. Interest rates are falling, allowing Kenyans to access credit for their businesses, homes and farms. The exchange rate is stable and the public debt sustainable, reflecting my administration's sound fiscal and monetary management. Furthermore, the implementation of programmes and projects that drive our growth are proceeding apace.

9. We have made significant progress in the energy sector. Since March 2013, we have added 514.9 megawatts of electricity to our national grid, to make available a total of 2,125 megawatts. This represents a 31% growth in total generation capacity. A substantial component of the new additional capacity is geothermal, a clean energy source that increases our resilience to the volatility associated with weather and oil prices. Kenya is now the world's eighth largest geothermal producer with a steam power capacity of 579 megawatts. Notably, our power generation mix is overwhelmingly green, positioning us among the global leaders when it comes to the nexus between climate change and sustainable development. This is especially appropriate given our hosting of the United Nations Environment Programme, the world's leading environmental agency. I call upon all Kenyans to embrace the

promise of green energy for sustainable development.

10. Greater supply of electricity has translated into an average reduction in consumer bills by 25% in the period between August 2014 and February 2015. Costs of electricity to industry have also fallen, making the country a more competitive location for the manufacturing sector.
11. The total number of users connected to electricity grew by over 41% between March 2013 and today, raising the customer base to 3,150,000 Kenyans. This translates to an increase in the national electrification rate from 26% to 37%. In the last three months of this year alone, we have connected 385,000 Kenyans and are targeting a record 1 million by the end of December 2015, more than double the connections last year.

12. Across the country, businesses, large and small, are expanding, creating employment and prosperity. As Government meets its end of the bargain in providing cheaper power, it is my expectation that businesses will pass on these savings to the Kenyan consumer.

Ladies and Gentlemen,

13. When I took office, I pledged to connect all public primary schools to electricity within two years. At the time, only 8,200 out of 21,500 schools had been connected. As I speak today, a total of 18,424 schools have been connected. The remaining 3,076 schools will be done by the end of next month. Ladies and Gentlemen, in the last two years, more primary schools have been connected to electricity than have been since independence.

14. The provision of power further accelerates the already rapid penetration of Internet connectivity, linking our people to knowledge and far-off opportunities. A total of Kenya shillings 1.2 billion has been transferred to 21,458 schools for construction of ICT Hardware storage rooms, and more than 2,500 teachers have undergone ICT training. This action will provide a qualified workforce that guarantees the swift rollout of the Laptop Project.

15. We continue to implement free primary school education, which offers a ladder for our children to obtain employable skills and allow them to become active citizens. To extend this fundamental promise of opportunity to all, the Jubilee Government scrapped examination fees and capped school fees for secondary schools. We have also increased budgetary allocation from 30

billion shillings in 2013/14 to 40 billion this year, with the objective of rolling out free and compulsory primary and secondary school education in the next 5 years.

16. Kenya has migrated 70% of the areas previously covered by analogue TV to digital TV broadcasting. Our target is to migrate the remaining 30% by 30th March 2015. Digital TV has made possible high quality television, enabled more television channels, driven down the barriers to entry, and created more entrepreneurial and employment opportunities from the creation of local content. In line with this endeavour, we are extending television broadcasting to parts of the country, which did not enjoy such services previously.

17. In spite of this positive development, there are sustained persistent claims that the

government's insistence on maintaining the agreed and court-endorsed migration has rolled back Kenya's democratic gains. Nothing could be further from truth. All Kenyans should know that digital migration will unleash the full potential of this medium, expanding the scope of available information to the benefit of our democracy. The misrepresentation to the contrary is irresponsible. It seeks to insulate entrenched interests and close the door to the many Kenyans who will benefit from an open arena. We as government are willing to work with all stakeholders in the endeavour to grow a vibrant and prosperous broadcasting sector. This experience underscores the importance of each sector of our society, appreciating its cardinal responsibility to this country and its people.

18. Kenyans should be proud of our global leadership in mobile money transactions. In 2014,

Kenyans exceeded 2.1 trillion shillings in mobile money transactions. In all, Kenyans made almost 50% of global mobile money transactions. These startling statistics, coupled with the total number of mobile phones, exceeding one for every citizen, means that Kenya is at the global frontier of mobile technology.

- 19.** The construction of the Standard Gauge Railway is progressing according to plan. Close to half of the 609 km track is excavated and ready for sleepers. On completion, the new railway will dramatically reduce cargo transport costs by a further 60%, and decongest our roads, leading to greater road safety. The development of the SGR is an addition to the substantial expansion and modernisation taking place at the port of Mombasa, and that has led to a reduction in freight time by more than 75%. Further gains will

be realised with the imminent completion of Berth 19 and the soon to commence Berth 20 and 21.

Fellow Kenyans,

20. For the last century, the current narrow-gauge railway has driven our economy. The SGR will revolutionise our economy and position it to take full advantage of the opportunities of the 21st century.
21. The LAPSSET Project is another significant investment by our nation. Just like the Kenya-Uganda railway became the artery of the East African economy, so will LAPSSET create a new economic and social reality. In addition to opening up the northern part of Kenya to trade and investment, it will contribute to securing what have been fragile, volatile and insecure parts of our country. In doing this, LAPSSET will transform

the lives of millions of our compatriots, while creating an enabling environment for northern Kenya to contribute strongly to national prosperity.

22. Furthermore, LAPSSET will deepen regional integration and Africa's interconnectivity and trade. Recognising its value, the African Union, at its January 2015 Summit, included LAPSSET in its Presidential Infrastructure Champion Initiative.
23. The administrative infrastructure for this project is complete, and I will, in the next few days, break ground for the construction of the initial three berths of the Lamu Port.
24. To facilitate the expansion of the desired road network, my government has resorted to an innovative model. The annuity-financing model will help tap infrastructural financing.

25. This approach is expected to reduce our construction costs by half and guarantee us an additional 10,000 kilometres of tarmacked roads within the next 5 years.
26. Following the fire disaster of August 2013 at the Jomo Kenyatta International Airport, which at the time seemed to spell doom, we have recovered splendidly. Within ten days, all flights had resumed. By November 2013, we had constructed a new arrivals hall, and by October 2014 had completed terminal 1A, which currently carries 80% of all business at JKIA. In addition, last year, we commenced construction of a new terminal that I expect to commission in the next few days. This upgrade has placed JKIA in the top league internationally.

Ladies and Gentlemen,

27. Even as we pay close attention to infrastructure, my administration has also trained its attention on improving service provision to our people. In the last year, we have sharply accelerated the quality and breadth of public services.

28. Under the HUDUMA Kenya Programme we are delivering more than 35 services under one roof in twenty-three counties. By the end of this financial year, we will have rolled out an additional 23 centres, bringing the total to 41 Huduma Centres. This pioneering programme has attracted numerous commendations including the 2015 winner of the African Association of Public Administration and Management gold medal on Innovative Management in Africa. A number of countries, both in Africa and beyond, are working with our people to replicate this model.

Honourable Members,

29. Earlier this month, I launched the Integrated Population Register System. The single source of truth on population identity. The system, which has been tested for more than a year now, is a comprehensive database of all registered persons residing in Kenya, both citizens and foreigners. The value of the IPRS to planning, service delivery, business processing and security, is revolutionary to not only government but to the banking, telecoms, insurance and other sectors of our economy.

30. On this same platform, the e-Citizen Government Services Portal is progressively migrating services online. These include the renewal of driving licenses, business-name searches and registration of marriages, passport applications, and official land searches in Nairobi.

Other services will be coming on stream in the near future.

31. To attract greater domestic and international investment, my administration, in collaboration with the private sector, has made a concerted effort to improve the Business Regulatory Environment. These efforts, added to the opportunities in our economy and region, are leading to strong growth in Foreign and Domestic Direct Investment, and therefore to jobs and growth.

32. In line with my administration's commitment to improve health care, we have invested 38 billion shillings to roll out the Managed Equipment Services Programme. To effect this, five global suppliers have assessed 94 hospitals in the 47 counties, plus the four national referral hospitals to deliver the necessary equipment starting in

May this year. This capacity is the most sophisticated in the region, enabling access to world-class diagnosis and treatment. Our emphasis is on early detection and prevention, so as to avoid the high costs associated with treatment occasioned by late detection. In these hospitals, the equipment purchased will allow for treatment of diseases such as cancer, while providing advanced dialysis, and intensive care facilities in all counties.

33. With the provision of free maternal hospital services, maternal health has greatly improved. Deliveries in our public health facilities now average 80%. As a result, maternal mortality has decreased from 488 to 360 deaths per 100,000 live births. We have opened many clinics in slum areas such as Mathare in Nairobi through which many Kenyans daily access medical care. Our efforts in this sector are complemented by the

initiatives of the First Lady who I commend for the Beyond Zero campaign, which keeps growing from strength to strength in improving maternal and child health across the country.

34. All these endeavours are geared towards the Jubilee government's commitment to roll out universal health care for all Kenyans. In this respect, I wish to thank the Government of Japan and all development partners who have extended support for this initiative. Beginning April of this year, the new agreed National Health Insurance Fund rates will be in force allowing for In- and Out-Patient treatment. To this end, I encourage all Kenyans to enrol with the NHIF. This will ensure that our objective of universal healthcare will be realised.

35. To promote social justice and inclusivity, my government is assisting 35,000 self-help groups

and continues the promotion of social security to the aged citizens and other vulnerable groups. The Older Persons Cash Transfer Programme covers 164,000 households, cushioning them against life-threatening risks such as sickness, poor health and injuries. In addition, the government continues to fund the Orphaned and Vulnerable Cash Transfer Programme, which currently covers 252,000 households and 27,000 persons with severe disabilities. We have also launched the Health Insurance Subsidy Programme to cover 12,000 households. This programme, which targets the poor, has 30,000 principal beneficiaries registered by the National Health Insurance Fund. The government has also established the President's Secondary Schools Bursary Scheme, which benefits 13,050 orphans and vulnerable children. Overall, close to half a million households are benefiting from the 25 billion shillings in these programmes.

36. We have made significant progress in land reform. The reorganisation and clean-up of the Nairobi and Mombasa land registries is complete. We have launched a new National Land Titling Centre, which has processed close to 400,000 new title deeds, which have been issued. In digitising the process of land ownership, the Nairobi Registry is now complete with citizens able to conduct searches and payment of land rents online. The digitising of the remaining 13 land registries will be complete by June 2015. We are clearly on track to fulfilling our Jubilee manifesto pledge of issuing 3 million new title deeds by 2017.

Fellow Kenyans,

37. In the realm of international relations, for the first time in the history of our nation, we have

launched our foreign and diaspora policies, clarifying our strategic objectives and the values that drive our engagement with the rest of the world and Kenyans abroad respectively. Next week, we will hold a Diaspora conference, to elaborate the role of Kenyans abroad in contributing to the national aspiration for broad and inclusive development.

38. At the bilateral level, we continue to strengthen our relations with friendly nations. I have travelled to China, the United States, Japan and across Africa, seeking new partners, and strengthen our strategic partnerships. We have also opened a number of diplomatic missions, signed a range of bilateral agreements. These efforts leveraged large investment opportunities such as the Standard Gauge Railway, the Power Africa Initiative, as well as opening new trade and investment opportunities for Kenya.

39. Kenya remains a champion of economic integration. I had the privilege to chair the East African Community last year. During that period, the region deepened its integration and concluded a range of instruments to enhance close economic, political and infrastructural development ties. The biggest success has been the initiation and implementation of the Single Customs Territory to facilitate cross border trade within the region. As a result, it now takes three days for goods to transit from Mombasa to Kampala, and four days to Kigali, down from 18 days and 20 days respectively. Another key achievement is the elimination of work permits' fees; the launching of the single tourist visa; travel by identity card; one-stop-border posts; establishing the one area network and thereby reducing cost of cross-border communication in East Africa. These measures strengthen the

stability, resilience and economic opportunities in our region.

40. We also remain a vital actor in the search for sustainable peace and security in both Somalia and South Sudan, and are working with our neighbours and allies to stabilise the Great Lakes Region.
41. At the continental level, Kenya is an anchor state in championing the Africa's agenda. In the aftermath of the Ebola epidemic, Kenya was among the first responders, contributing 1 million US dollars and hundreds of brave, highly qualified medical staff – some of who are still on the ground battling Ebola. We also took a leadership role in the negotiations with the European Union that led to the successful conclusion of the European Union Partnership Agreement.

42. Internationally, we have hosted several high profile events, reflecting the growing stature of Nairobi as a global diplomatic hub where major debates and decisions are made. Later this year, we will host the World Trade Organisation's Ministerial conference and have offered to host the sixth Tokyo International Conference for Africa's Development in 2016. Kenya remains a champion of a rule-based multilateral system that upholds the equality of states. To this end, we continue to lobby for the reform of the United Nations system to reflect the democratic imperatives of our age.

Honourable Members,

43. We continue with the robust implementation of the Constitution. In this respect, Parliament, under its legislative agenda, has passed more than two dozen laws. It is my trust that all fifth-

year Schedule V legislation, and the outstanding fourth-year legislation will be processed in time for the August deadline.

44. Our strong commitment to devolution remains manifest. My administration has funded counties progressively increasing from 190 billion shillings in the first financial year, 226 billion in the current financial year, and projecting 258 billion shillings in the next financial year, well beyond the 15% minimum provided for in the Constitution. Demonstrating my continued belief in the value of devolution, we have also established intergovernmental mechanisms to support devolution through enhanced consultation, cooperation and partnership with the counties. As a sign of the growing understanding and partnership between national and county governments, I am pleased to report that IBEC, under the chairmanship of the Deputy President,

concluded an early and harmonious settlement of the division of revenue negotiations.

45. As the chair of the Intergovernmental Summit, I am continuously engaged with the county governments to ensure the success of the devolution dream. In my travels across the country, I have taken pride in the varied projects undertaken by county governments.

46. I am however concerned by the numerous disruptions of the devolution agenda by political conflicts in a number of counties. This month, I reluctantly established a commission to inquire into the affairs of Makueni County. We have also witnessed intense contestation between leaders in a number of other counties. In Narok, Embu, Mandera, Marsabit and Tana River, among others, ethnicity is being used to exclude, divide and manipulate the people. This trend, unless halted,

has the potential to derail the devolution agenda. The aspiration of the Kenyan people was for grassroots development not for ethnic balkanisation.

47. I therefore call on all leaders at the county level to be guided by these aspirations and not their own narrow self-interest. We must all remember that Kenya is one indivisible nation, and that every Kenyan has a right to live, work and participate in all activities in any part of the country, as guaranteed in our Constitution. In this regard, the National Cohesion and Integration Commission must take seriously its mandate to promote and protect the values of cohesion and devolution.

Fellow Kenyans,

48. I have since taking office, underscored the value of harnessing the capabilities of all

Kenyans. Only by doing this can we unleash the full potential of our nation and create the Kenya of our dreams. In this respect, my government has put special emphasis on the setting up of mechanisms and institutions to guarantee inclusivity. Today, we celebrate nearly 2 years of the Jubilee government's implementation of the Public Procurement and Disposal Act Regulation passed in 2013 that provides access to 30% of government procurement to women, youth and persons with disabilities. This has translated concretely into a total of 9.4 Billion shillings worth of contracts to these groups in the first 2 quarters of this financial year. By the end of the year, these groups will have provided government with goods and services amounting to 30 billion shillings.

49. As I have repeatedly emphasised, all procuring entities must comply fully with this law.

50. In addition, we have also disbursed 5.3 billion shilling of the UWEZO Fund. Our efforts have been lauded at the just concluded 59th Session of the Commission on the Status of Women as an innovative show-case of gender responsive budgeting, and cited as a model that could be exported to other countries in Africa and the Commonwealth.

51. The youth have continued to prove their capability to drive our growth and progress. I have been delighted by the vibrancy of their innovation, energy and commitment. From the innovators at i-Hub, Nai-Hub and the 16 technology hubs, to Equity Bank's Wings to Fly, Kenya's youth are proving repeatedly that they are holding the present and future of our nation in their hands. Kenya is becoming a start-up nation. In the last year, we have witnessed the

growth of homegrown technological innovation of cutting edge global standards. Herein, lies an unprecedented opportunity to leverage relevant technology to respond to our needs, drive our economy, job market, and improve service delivery.

52. I call upon all government ministries and agencies, and the private sector to explore these homegrown innovations and to support these young innovators before turning to solutions from abroad.

53. The National Youth Service has become a significant driver of my transformation agenda. Working alongside communities, the NYS youth have become change agents that catalyse improved living standards for the less fortunate, particularly in informal settlements as demonstrated in Kibera. Similar efforts are

underway in Mathare, Korogocho, Mukuru Kwa Njenga, and Kiandutu in Thika.

54. Beyond the cities, the NYS is also engaged in at-risk regions of the country. For the first time, through the efforts of this institution, Lodwar will soon have access to water on a sustainable basis, reflecting my commitment to drive development across the country.

55. I encourage all young Kenyans to take full advantage of all government programmes laid out to facilitate their productive integration into national economic life.

56. In 2013, I appointed a Taskforce to review the operations of Parastatals with the aim of reforming them to be more efficient in their pursuit of our national development goals and to align their mandates to the Constitution. The

Taskforce made recommendations to transform our Parastatals. The legal framework to guide the envisaged reforms has undergone the requisite stakeholder consultations. Several pieces of proposed legislation, including an overarching law on government-owned entities, that align these institutions to our national development imperatives, will shortly be forwarded to Parliament for consideration.

57. Yesterday, I issued, as part of the Parastatals reform programme, the Mwongozo Code of Governance for State Corporations. I directed that all vacant positions in the Boards be filled. I will personally oversee all appointed and currently serving board members formally sign on to the Code. This will address governance and management challenges in our Parastatals.

Fellow Kenyans, Ladies and Gentlemen

58. I have outlined a number of initiatives that demonstrate the work that the Jubilee government has done to drive the transformation of Kenya. This progress notwithstanding, our country is today faced with a number of daunting challenges that slow our progress, obscure our achievements and chip away at the legitimacy of the state.

59. The most pressing of these challenges are insecurity, disunity and corruption.

60. In the last year, security has improved. I salute the service and sacrifice of our brave men and women in uniform who risk their lives to protect our way of life. They are confronting, on our behalf, a range of security threats. Foremost of these is global terrorism, as manifested in the threat of Al Shabaab, who continue to operate largely from Somalia. The Kenya Defence Forces,

within the ambit of the African Union Mission in Somalia, continue to dismantle the capability of Al Shabaab. However, this terrorist group still poses a significant threat to Kenya, especially in light of the long porous border with Somalia. We are also faced with a sharp growth of radicalisation and violent extremism, threats associated with youth that have returned from Somalia. Other international crimes that threaten us include poaching, human trafficking, drug and narcotic trafficking, and cyber crime.

61. In addition to these international crimes, most of which feed into the funding and resourcing of terrorism and its agents, we are also faced with the challenge of ethnic and inter-communal conflicts, sexual and gender based violence, contraband and smuggling of goods. While we have had a decline in traffic related crimes, there is need for focused attention to reduce our road

carnage, and the threats associated with the proliferation of small arms and light weapons.

62. To counter these security challenges, the government implemented a number of strategies including the setting up of an inter-agency coordination unit; the enhancement of security vigilance; and community sensitisation.

63. We continue to provide resources for the modernisation of the security agencies. This year, we increased the police operational fleet by 1200 vehicles, bringing about a total of 2,400 vehicles made available in the last two years – more than has been provided since independence. We have created a single command structure in counties that has improved command and control. We have also gone a long way to improving our investigative capacity by establishing a Forensic Lab which will be equipped in the coming financial

year. The improvement in our Immigration Department is self-evident. The management of our entry and exit, which have been vulnerable, is improving steadily. In the next fortnight, Kenyans will be enabled to apply for their passports online, and visitors will make online visa applications.

64. Although, we have faced a delay in the recruitment of 10,000 police officers, following a court process, we are determined to complete this recruitment before the end of the financial year. This is in line with my administration's plan to increase the force by 10,000 recruits annually.

65. Further, legislative and policy initiatives over the last few months, including an overhaul of our security framework through the Security Laws (Amendment) Act 2014, and the adoption of a national counter radicalisation strategy, have transformed the legal and policy landscape. We

now have a robust and far-reaching legal framework to counter the current threats relating to terrorism. This will go a long way in safeguarding the lives and property of Kenyans and our visitors. In this respect, I wish to express my gratitude to this House for passing this significant legislation.

66. These efforts have led to an increased tempo in operations. We are detecting, disrupting and preventing attacks on our people and territory.
67. The recent appointment of new leadership in key strategic and operational positions in a number of security organs offers an opportunity to inject new ideas and drive that are much needed for the capacity and morale of our personnel.

68. It is imperative that the synergy and improving performance emerging from the security sector be sustained. The on-going police vetting process has taken too long and is now having a negative impact on the overall reform agenda in the police. It is leading to low morale, affecting command and control and therefore our ability to provide security. For these reasons, I call upon this House to urgently reflect on a more effective way to vet in line with the objectives and spirit of the reform process.

69. The state of the national economy, our public safety and security, and our international standing depend fundamentally on our ability to secure this nation on a sustainable basis. Our vigilance and efforts must, therefore, remain strong. It is for this reason that I have put every security organ on high alert and ensured substantial additional resources to this sector.

70. I, in turn, expect a corresponding commitment by these agencies to secure this nation. I also call upon every Kenyan to take up their civic duty to cooperate with the security actors in the effort to secure our motherland.

Fellow Kenyans,

71. Drawing on our history and recognising the dangers of disunity, our Constitution in Article 10 spells out the value of national unity, inclusiveness and cohesion as fundamental to our national character.

72. As heirs to a great freedom-fighting tradition, bearing the sacred trust of past, present and future generations, we are called to observe and realise these values.

73. We are grateful for the contribution of our forefathers who fought for independence, many paying the ultimate price, and for those who have led our nation for the last half-century. In that time, our economy has grown; we have been an island of peace; a haven for refugees; and our nationhood has acquired ever-deeper roots.

74. Our experience as a people over this time, however, is also laced with moments of pain and suffering. We started our existence as a nation seeking to establish our sovereignty and territorial integrity. In the course of this struggle, lives were lost, property was destroyed and civilians suffered.

75. To this day, we are still plagued by painful memories of unresolved murders, the existence of torture chambers and detentions without trial; events such as the Wagalla tragedy; and violence

against the proponents of expanding our democratic space; and all actions that have at times failed to recognise the civil and human rights of Kenya's citizens. These have shaken the nation, excluded some Kenyans from the full promise of citizenship, and fractured our national fabric.

76. We have been witness to violence linked to elections, which has left many Kenyans dead, maimed and dispossessed. In 2007-2008, this reached its most tragic expression with the post-election violence that left 1,300 Kenyans dead and more than 650,000 displaced from their homes across the country.

77. Collectively, these incidents have disunited us and held our people hostage to this tragic history by providing the foundation and rationale for the

cynical and destructive politics of hate and division.

78. In an effort to confront this past, the Truth, Justice and Reconciliation Commission undertook an inquiry into past injustices. Their report is before this House, and I urge Honourable members to process it without undue delay.

My Fellow Compatriots,

79. The government has made efforts to relieve the plight of victims, particularly those of the post-election violence of 2007-2008. While these efforts have been lauded internationally, most recently by an African Union report that recognised that Kenya has set a positive standard to be emulated, I recognise that it is impossible to fully compensate for the loss of life and the magnitude of suffering.

80. Yesterday, I received the Report on the 2007/2008 Post Election Violence Related Cases from the Office of the Director of Public Prosecutions. A copy of which is annexed to my report on national values. In all, there were 6,000 reported cases and 4,575 files opened. It is the opinion of the Director of Public Prosecutions that there are challenges to obtaining successful prosecutions. These challenges range from inadequate evidence, inability to identify perpetrators, witnesses fear of reprisals, and the general lack of technical and forensic capacity at the time. Nonetheless, the Office of the Director of Public Prosecutions recognises there were victims and recommends that these cases be dealt with using restorative approaches.

81. We must indeed recall our options are not limited to retributive justice. There also exists the promise of restorative justice.

82. In many ways, Kenyans and humanity overall, have benefited from restorative justice, an approach that is deeply rooted in our cultural and historical realities, particularly when such conflicts have a communal and political dimension. Many thousands of Kenyans have reached out to reconcile with one another. My administration was forged from this reconciliation, and is building on the efforts of the last government to advance the resettlement, reconciliation and relief to internally displaced people. I am committed to continuing these efforts as necessary.

83. Notwithstanding the recommendation of the TJRC report, I have instructed the Treasury to establish a Fund of 10 billion shillings over the

next three years to be used for restorative justice. This will provide a measure of relief and will underscore my government's goodwill. I have also established a state department dedicated to strategic initiatives in marginalised and at-risk regions and populations of our country. It is my hope that these measures will go some way to bringing the nation together, as we reach for the prosperity and security that is our common promise.

Fellow Kenyans...

- 84.** The time has come to bring closure to this painful past. The time has come to allow ourselves the full benefit of a cohesive, unified and confident Kenya, as we claim our future.

My Brothers and Sisters ...

85. To move forward as one nation ... I stand before you today on my own behalf, that of my government and all past governments, to offer the sincere apology of the Government of the Republic of Kenya to all our compatriots for all past wrongs...

86. I seek your forgiveness and may God give us the Grace to draw on the lessons of this history... to unite as a people and, together ... embrace our future as one people and one nation...

87. In moving forward to complete the noble work of building our nation, we are reminded of the fundamental principles upon which our prosperity will be built. Our national anthem calls us to reflect on the power of peace; to recall the supreme value of freedom; to believe, once more, in the beauty of service and brotherhood; to aspire each day to the dignity that results from

hard work, and to contend for the hope that justice brings.

Fellow Kenyans, Honourable Members, Ladies and Gentlemen,

88. There is no doubt that Kenya is firmly on the path of transformation. However, my administration and this nation are confronted by both the reality and perception of pervasive corruption. As I have stated previously, and as warrants emphasis, corruption is the greatest threat to our security, fundamental rights and social-economic transformation.

89. I share in the frustration of Kenyans at the slow pace and lack of results from the mechanisms created to help us tackle with this monster.

90. When I spoke to the Nation on the eve of the New Year, I assured Kenyans that in 2015, my administration will deal firmly with corruption.
91. I have continuously engaged with all institutions charged with the responsibility to deal with corruption, and firmly expressed my expectations, and the people's desire, that their respective mandates are executed robustly, urgently and without fear or favour.
92. I pledged my administration's full support, as well as my own personal support, to any actions that will reverse the course of this cancer eating at the soul of our motherland. Rather than unite against this common enemy of our people, these institutions have elected to be mired in personal and institutional conflicts that have chipped away at their legitimacy and brought disrepute to the State.

93. From the commission charged with the responsibility in the fight against corruption, Parliament's premier oversight committee, the corridors of justice, and the security organs charged with the safety of this nation, Kenyans are witness to the betrayal of their trust.

94. When our Treasury was processing our first sovereign bond, this country was forced to settle a foreign court judgement to pay shadowy entities 1.4 billion Kenya shillings. When I addressed the nation on this matter, I pledged that my government would do everything in its power to ensure that we recover all that was due to the Republic. From that moment, I took a personal interest and asked to be briefed on a regular basis of the progress on Anglo Leasing related investigations. My administration also supported the investigating authorities in

obtaining support from a number of friendly foreign governments.

95. These investigations bore fruit. However, obstacles have appeared threatening the prosecution of the perpetrators. The Ethics and Anti Corruption Commission is now embroiled in infighting and finger-pointing, a state of affairs likely to cripple the investigative capacity of the institution with the likely outcome of subverting the course of justice. From reports I have received, I strongly believe that this is a further attempt to subvert the successful prosecution of the Anglo Leasing cases.

96. As I have indicated, constitutional officer holders, State Officers and every public servant, are bound by the values enshrined in our Constitution. They are required to uphold the

highest standards of personal integrity in the discharge of their official functions.

97. In view of the oath of office that I took as the President of this republic, let it be known that today I draw the line. No one will stand between Kenyans and what is right in the fight against corruption and other monstrous economic crimes.
98. I have asked the Attorney General to liaise with the Council on Administration of Justice to focus on coordination within the Justice, Law and Order sector. The Council must ensure the efficient and speedy processing of corruption-related cases, including hearing such cases on a daily basis.
99. I direct the Attorney General to review the legislative and policy framework to ensure the effective discharge of Constitutional imperatives related to integrity.

100. Three weeks ago, I issued Executive Order Number Six (6) on Ethics and Integrity in the Public Service. In it, I directed any civil servants to get in touch with my Office should they receive any pressure to engage in unethical or illegal conduct regardless of the status of person pressuring them to do so. I want to reiterate this personal commitment, which is also provided for in the Constitution.

101. The latest report I have received from the Ethics and Anti Corruption Commission contains a catalogue of allegations of high-level corruption touching on all arms and levels of Government. It is the view of the CEO of the Ethics and Anti Corruption Commission that the institution and especially its Secretariat are under siege because of the nature of the cases they are currently investigating. I know that Parliament is seized of

this matter and urge them to deal with it expeditiously.

(a) Today, I take the extra-ordinary step of attaching the afore-mentioned confidential report from the CEO of the Ethics and Anti Corruption Commission as an annex to my annual report on Values to Parliament.

(b) Consequently, I hereby direct that all Officials of the National and County governments that are adversely mentioned in this report, whether you are a Cabinet Secretary, Principal Secretary, or Chief Executive of a state institution, to immediately step aside pending conclusion of the investigations of the allegations against them. I expect the other arms of Government, namely the Legislature and the Judiciary, to do the same.

(c) The investigating authority must ensure that the Director of Public Prosecutions has received the subject files without delay.

(d) I also want to caution that this should not be an open-ended process, justice must be expeditious, as justice delayed is justice denied. Therefore, this exercise should be concluded within the next 60 days.

(e) Let me reiterate that it is not my place to determine the guilt or otherwise of any of the people mentioned in the said report or any other. However, the time has come to send a strong signal to the country that my administration will accept nothing less than the highest standard of integrity from those that hold high office.

Honourable Members,

102. In view of Parliament's oversight role, and its representation of the people, I would be remiss not to express the disquiet caused by recent events that cast aspersions on Parliament. As a previous Member, I urge you, Honourable Members, to take all measures to urgently restore the dignity and integrity of Parliament. This is essential for an institution whose effective performance is a cornerstone of our democracy.

103. The war on corruption will not be won unless all arms and levels of government play their role and uphold the highest levels of integrity and act decisively against any perpetrator of corruption.


Fellow Kenyans,

104. There is no challenge, no obstacle that is too great for us to overcome. An indomitable Kenyan spirit has seen this Nation secure its freedom and grow from small beginnings to become a vibrant

democratic and multicultural society that is on an unstoppable path towards even greater progress and prosperity, as well as standing bold and strong in the face of seemingly insurmountable challenges.

105. My administration will continue to personify this indomitable Kenyan spirit. Our commitment to Kenya remains the same: to bring about fundamental positive change in all areas of our national life, in a sustainable and irreversible manner, across the length and breadth of the entire Country, without regard to gender, age, religion, colour or ethnicity.

106. Our Beloved Nation is well on the path to greater heights. Through our collective effort, our democracy is growing and maturing while our fundamental rights and freedoms are entrenched and safe. The social, economic, and political gains that have been made are cemented and are now




irreversible. While a lot of hard work still remains to be done we have a lot to be proud of, a lot to be grateful for.



Honourable Speakers, Ladies and Gentlemen,

107. The state of the Nation is strong. Let the love for our Country be our guiding light in all that we do. God bless you and God Bless Kenya.



108. 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.

SPEECH BY HIS EXCELLENCY HON. UHURU KENYATTA, C.G.H., PRESIDENT AND COMMANDER IN CHIEF OF THE DEFENCE FORCES OF THE REPUBLIC OF KENYA DURING THE STATE OF THE NATION ADDRESS AT PARLIAMENT BUILDINGS, NAIROBI ON THURSDAY, 26TH MARCH, 2015

Mr. Deputy President,
Speakers of Parliament,
Members of Parliament,
The Chief Justice and Members of the Supreme Court,
Members of the Diplomatic Corps,
Fellow Kenyans,
Ladies and Gentlemen,

- 1.** Today, for the second time, and in line with my constitutional obligation, I address this special sitting of Parliament, to outline the State of the Nation in relation to our values and principles of governance, as elaborated in Article 10; the state of our nation's security, as provided for in Article 240; and our status in fulfilling our international treaty obligations, under Article 132 of our constitution.
- 2.** As we approach my second anniversary as President, I am pleased to report that the state of our Nation is strong. Our economy is growing robustly. Our nation is more secure, and our place in the community of nations is respected.
- 3.** In the year under review, we, as a nation, have continued to deepen our democracy and the Rule of Law. Public participation in governance has grown at all levels, while institutional measures to secure the basic rights and freedoms of our people continue to take root. The year has been laced with robust debates, and sometimes even strong differences of opinion, between and within various levels and arms of government. This is a profound reaffirmation of our democratic ideals.
- 4.** Nonetheless, exercising these rights and privileges demands from each one of us, particularly us leaders, to remain conscious of our patriotic duty to nurture a united nation.

Fellow Kenyans,

- 5.** In 2014, Kenya rebased its economy and is now the 9th largest economy on the African continent. With a GDP of USD 53.3 billion with GDP per capita at USD

1,246, Kenya has attained middle-income status. We are also one of the African economies that can boast a diversified and balanced economy.

- 6.** Today, Kenya is one of the fastest growing economies in the world. Despite sluggish global growth, our economy is steadily expanding at 6 percent, consolidating our position as the largest non-mineral driven economy in Sub-Saharan Africa. We are also making significant progress in the oil, gas and minerals sectors. Following the establishment of a dedicated mining ministry, our royalties have sharply increased from 21 million shillings in 2012, to an expected 1.2 billion this financial year. This on-going economic transformation is drawing attention globally.
- 7.** Last month, a prominent international publication singled Kenya out as one of seven outstanding emerging markets worth investing in. Earlier this month, of the 57 fastest-growing economies ranked by Bloomberg, Kenya was the third fastest growing economy behind China and the Philippines. Additionally, Ernst and Young's Attractiveness Survey for Africa for 2014 placed Kenya among the three top investment destinations in Sub Saharan Africa, and the most preferred in East and Central Africa. A combination of the government's pro-growth economic policies, a growing middle class, and an educated and skilled workforce has steered Kenya into the ranks of the top emerging market destinations for investment.
- 8.** Inflation has been contained at single digits, capping the prices of basic goods for Kenyans. Interest rates are falling, allowing Kenyans to access credit for their businesses, homes and farms. The exchange rate is stable and the public debt sustainable, reflecting my administration's sound fiscal and monetary management. Furthermore, the implementation of programmes and projects that drive our growth are proceeding apace.
- 9.** We have made significant progress in the energy sector. Since March 2013, we have added 514.9 megawatts of electricity to our national grid, to make available a total of 2,125 megawatts. This represents a 31% growth in total generation capacity. A substantial component of the new additional capacity is geothermal, a clean energy source that increases our resilience to the volatility associated with weather and oil prices. Kenya is now the world's eighth largest geo-thermal producer with a steam power capacity of 579 megawatts. Notably, our power generation mix is overwhelmingly green, positioning us among the global leaders when it comes to the nexus between climate change and sustainable development. This is especially appropriate given our hosting of the United Nations Environment Programme, the world's leading environmental agency. I call upon all Kenyans to embrace the promise of green energy for sustainable development.

- 10.** Greater supply of electricity has translated into an average reduction in consumer bills by 25% in the period between August 2014 and February 2015. Costs of electricity to industry have also fallen, making the country a more competitive location for the manufacturing sector.
- 11.** The total number of users connected to electricity grew by over 41% between March 2013 and today, raising the customer base to 3,150,000 Kenyans. This translates to an increase in the national electrification rate from 26% to 37%. In the last three months of this year alone, we have connected 385,000 Kenyans and are targeting a record 1 million by the end of December 2015, more than double the connections last year.
- 12.** Across the country, businesses, large and small, are expanding, creating employment and prosperity. As Government meets its end of the bargain in providing cheaper power, it is my expectation that businesses will pass on these savings to the Kenyan consumer.

Ladies and Gentlemen,

- 13.** When I took office, I pledged to connect all public primary schools to electricity within two years. At the time, only 8,200 out of 21,500 schools had been connected. As I speak today, a total of 18,424 schools have been connected. The remaining 3,076 schools will be done by the end of next month. Ladies and Gentlemen, in the last two years, more primary schools have been connected to electricity than have been since independence.
- 14.** The provision of power further accelerates the already rapid penetration of Internet connectivity, linking our people to knowledge and far-off opportunities. A total of Kenya shillings 1.2 billion has been transferred to 21,458 schools for construction of ICT Hardware storage rooms, and more than 2,500 teachers have undergone ICT training. This action will provide a qualified workforce that guarantees the swift rollout of the Laptop Project.
- 15.** We continue to implement free primary school education, which offers a ladder for our children to obtain employable skills and allow them to become active citizens. To extend this fundamental promise of opportunity to all, the Jubilee Government scrapped examination fees and capped school fees for secondary schools. We have also increased budgetary allocation from 30 billion shillings in 2013/14 to 40 billion this year, with the objective of rolling out free and compulsory primary and secondary school education in the next 5 years.

- 16.** Kenya has migrated 70% of the areas previously covered by analogue TV to digital TV broadcasting. Our target is to migrate the remaining 30% by 30th March 2015. Digital TV has made possible high quality television, enabled more television channels, driven down the barriers to entry, and created more entrepreneurial and employment opportunities from the creation of local content. In line with this endeavour, we are extending television broadcasting to parts of the country, which did not enjoy such services previously.
- 17.** In spite of this positive development, there are sustained persistent claims that the government's insistence on maintaining the agreed and court-endorsed migration has rolled back Kenya's democratic gains. Nothing could be further from truth. All Kenyans should know that digital migration will unleash the full potential of this medium, expanding the scope of available information to the benefit of our democracy. The misrepresentation to the contrary is irresponsible. It seeks to insulate entrenched interests and close the door to the many Kenyans who will benefit from an open arena. We as government are willing to work with all stakeholders in the endeavour to grow a vibrant and prosperous broadcasting sector. This experience underscores the importance of each sector of our society, appreciating its cardinal responsibility to this country and its people.
- 18.** Kenyans should be proud of our global leadership in mobile money transactions. In 2014, Kenyans exceeded 2.1 trillion shillings in mobile money transactions. In all, Kenyans made almost 50% of global mobile money transactions. These startling statistics, coupled with the total number of mobile phones, exceeding one for every citizen, means that Kenya is at the global frontier of mobile technology.
- 19.** The construction of the Standard Gauge Railway is progressing according to plan. Close to half of the 609 km track is excavated and ready for sleepers. On completion, the new railway will dramatically reduce cargo transport costs by a further 60%, and decongest our roads, leading to greater road safety. The development of the SGR is an addition to the substantial expansion and modernisation taking place at the port of Mombasa, and that has led to a reduction in freight time by more than 75%. Further gains will be realised with the imminent completion of Berth 19 and the soon to commence Berth 20 and 21.

Fellow Kenyans,

- 20.** For the last century, the current narrow-gauge railway has driven our economy. The SGR will revolutionise our economy and position it to take full advantage of the opportunities of the 21st century.
- 21.** The LAPSSET Project is another significant investment by our nation. Just like the Kenya-Uganda railway became the artery of the East African economy, so will LAPSSET create a new economic and social reality. In addition to opening up the northern part of Kenya to trade and investment, it will contribute to securing what have been fragile, volatile and insecure parts of our country. In doing this, LAPSSET will transform the lives of millions of our compatriots, while creating an enabling environment for northern Kenya to contribute strongly to national prosperity.
- 22.** Furthermore, LAPSSET will deepen regional integration and Africa's interconnectivity and trade. Recognising its value, the African Union, at its January 2015 Summit, included LAPSSET in its Presidential Infrastructure Champion Initiative.
- 23.** The administrative infrastructure for this project is complete, and I will, in the next few days, break ground for the construction of the initial three berths of the Lamu Port.
- 24.** To facilitate the expansion of the desired road network, my government has resorted to an innovative model. The annuity-financing model will help tap infrastructural financing.
- 25.** This approach is expected to reduce our construction costs by half and guarantee us an additional 10,000 kilometres of tarmacked roads within the next 5 years.
- 26.** Following the fire disaster of August 2013 at the Jomo Kenyatta International Airport, which at the time seemed to spell doom, we have recovered splendidly. Within ten days, all flights had resumed. By November 2013, we had constructed a new arrivals hall, and by October 2014 had completed terminal 1A, which currently carries 80% of all business at JKIA. In addition, last year, we commenced construction of a new terminal that I expect to commission in the next few days. This upgrade has placed JKIA in the top league internationally.

Ladies and Gentlemen,

27. Even as we pay close attention to infrastructure, my administration has also trained its attention on improving service provision to our people. In the last year, we have sharply accelerated the quality and breadth of public services.

28. Under the HUDUMA Kenya Programme we are delivering more than 35 services under one roof in twenty-three counties. By the end of this financial year, we will have rolled out an additional 23 centres, bringing the total to 41 Huduma Centres. This pioneering programme has attracted numerous commendations including the 2015 winner of the African Association of Public Administration and Management gold medal on Innovative Management in Africa. A number of countries, both in Africa and beyond, are working with our people to replicate this model.

Honourable Members,

29. Earlier this month, I launched the Integrated Population Register System. The single source of truth on population identity. The system, which has been tested for more than a year now, is a comprehensive database of all registered persons residing in Kenya, both citizens and foreigners. The value of the IPRS to planning, service delivery, business processing and security, is revolutionary to not only government but to the banking, telecoms, insurance and other sectors of our economy.

30. On this same platform, the e-Citizen Government Services Portal is progressively migrating services online. These include the renewal of driving licenses, business-name searches and registration of marriages, passport applications, and official land searches in Nairobi. Other services will be coming on stream in the near future.

31. To attract greater domestic and international investment, my administration, in collaboration with the private sector, has made a concerted effort to improve the Business Regulatory Environment. These efforts, added to the opportunities in our economy and region, are leading to strong growth in Foreign and Domestic Direct Investment, and therefore to jobs and growth.

32. In line with my administration's commitment to improve health care, we have invested 38 billion shillings to roll out the Managed Equipment Services Programme. To effect this, five global suppliers have assessed 94 hospitals in the 47 counties, plus the four national referral hospitals to deliver the necessary equipment starting in May this year. This capacity is the most sophisticated in the region, enabling access to world-class diagnosis and treatment. Our emphasis is on

early detection and prevention, so as to avoid the high costs associated with treatment occasioned by late detection. In these hospitals, the equipment purchased will allow for treatment of diseases such as cancer, while providing advanced dialysis, and intensive care facilities in all counties.

- 33.** With the provision of free maternal hospital services, maternal health has greatly improved. Deliveries in our public health facilities now average 80%. As a result, maternal mortality has decreased from 488 to 360 deaths per 100,000 live births. We have opened many clinics in slum areas such as Mathare in Nairobi through which many Kenyans daily access medical care. Our efforts in this sector are complemented by the initiatives of the First Lady who I commend for the Beyond Zero campaign, which keeps growing from strength to strength in improving maternal and child health across the country.
- 34.** All these endeavours are geared towards the Jubilee government's commitment to roll out universal health care for all Kenyans. In this respect, I wish to thank the Government of Japan and all development partners who have extended support for this initiative. Beginning April of this year, the new agreed National Health Insurance Fund rates will be in force allowing for In- and Out-Patient treatment. To this end, I encourage all Kenyans to enrol with the NHIF. This will ensure that our objective of universal healthcare will be realised.
- 35.** To promote social justice and inclusivity, my government is assisting 35,000 self-help groups and continues the promotion of social security to the aged citizens and other vulnerable groups. The Older Persons Cash Transfer Programme covers 164,000 households, cushioning them against life-threatening risks such as sickness, poor health and injuries. In addition, the government continues to fund the Orphaned and Vulnerable Cash Transfer Programme, which currently covers 252,000 households and 27,000 persons with severe disabilities. We have also launched the Health Insurance Subsidy Programme to cover 12,000 households. This programme, which targets the poor, has 30,000 principal beneficiaries registered by the National Health Insurance Fund. The government has also established the President's Secondary Schools Bursary Scheme, which benefits 13,050 orphans and vulnerable children. Overall, close to half a million households are benefiting from the 25 billion shillings in these programmes.
- 36.** We have made significant progress in land reform. The reorganisation and clean-up of the Nairobi and Mombasa land registries is complete. We have launched a new National Land Titling Centre, which has processed close to 400,000 new title deeds, which have been issued. In digitising the process of land ownership, the Nairobi Registry is now complete with citizens able to conduct

searches and payment of land rents online. The digitising of the remaining 13 land registries will be complete by June 2015. We are clearly on track to fulfilling our Jubilee manifesto pledge of issuing 3 million new title deeds by 2017.

Fellow Kenyans,

37. In the realm of international relations, for the first time in the history of our nation, we have launched our foreign and diaspora policies, clarifying our strategic objectives and the values that drive our engagement with the rest of the world and Kenyans abroad respectively. Next week, we will hold a Diaspora conference, to elaborate the role of Kenyans abroad in contributing to the national aspiration for broad and inclusive development.

38. At the bilateral level, we continue to strengthen our relations with friendly nations. I have travelled to China, the United States, Japan and across Africa, seeking new partners, and strengthen our strategic partnerships. We have also opened a number of diplomatic missions, signed a range of bilateral agreements. These efforts leveraged large investment opportunities such as the Standard Gauge Railway, the Power Africa Initiative, as well as opening new trade and investment opportunities for Kenya.

39. Kenya remains a champion of economic integration. I had the privilege to chair the East African Community last year. During that period, the region deepened its integration and concluded a range of instruments to enhance close economic, political and infrastructural development ties. The biggest success has been the initiation and implementation of the Single Customs Territory to facilitate cross border trade within the region. As a result, it now takes three days for goods to transit from Mombasa to Kampala, and four days to Kigali, down from 18 days and 20 days respectively. Another key achievement is the elimination of work permits' fees; the launching of the single tourist visa; travel by identity card; one-stop-border posts; establishing the one area network and thereby reducing cost of cross-border communication in East Africa. These measures strengthen the stability, resilience and economic opportunities in our region.

40. We also remain a vital actor in the search for sustainable peace and security in both Somalia and South Sudan, and are working with our neighbours and allies to stabilise the Great Lakes Region.

41. At the continental level, Kenya is an anchor state in championing the Africa's agenda. In the aftermath of the Ebola epidemic, Kenya was among the first responders, contributing 1 million US dollars and hundreds of brave, highly

qualified medical staff – some of who are still on the ground battling Ebola. We also took a leadership role in the negotiations with the European Union that led to the successful conclusion of the European Union Partnership Agreement.

42. Internationally, we have hosted several high profile events, reflecting the growing stature of Nairobi as a global diplomatic hub where major debates and decisions are made. Later this year, we will host the World Trade Organisation's Ministerial conference and have offered to host the sixth Tokyo International Conference for Africa's Development in 2016. Kenya remains a champion of a rule-based multilateral system that upholds the equality of states. To this end, we continue to lobby for the reform of the United Nations system to reflect the democratic imperatives of our age.

Honourable Members,

43. We continue with the robust implementation of the Constitution. In this respect, Parliament, under its legislative agenda, has passed more than two dozen laws. It is my trust that all fifth-year Schedule V legislation, and the outstanding fourth-year legislation will be processed in time for the August deadline.

44. Our strong commitment to devolution remains manifest. My administration has funded counties progressively increasing from 190 billion shillings in the first financial year, 226 billion in the current financial year, and projecting 258 billion shillings in the next financial year, well beyond the 15% minimum provided for in the Constitution. Demonstrating my continued belief in the value of devolution, we have also established intergovernmental mechanisms to support devolution through enhanced consultation, cooperation and partnership with the counties. As a sign of the growing understanding and partnership between national and county governments, I am pleased to report that IBEC, under the chairmanship of the Deputy President, concluded an early and harmonious settlement of the division of revenue negotiations.

45. As the chair of the Intergovernmental Summit, I am continuously engaged with the county governments to ensure the success of the devolution dream. In my travels across the country, I have taken pride in the varied projects undertaken by county governments.

46. I am however concerned by the numerous disruptions of the devolution agenda by political conflicts in a number of counties. This month, I reluctantly established a commission to inquire into the affairs of Makueni County. We have also witnessed intense contestation between leaders in a number of other counties.

In Narok, Embu, Mandera, Marsabit and Tana River, among others, ethnicity is being used to exclude, divide and manipulate the people. This trend, unless halted, has the potential to derail the devolution agenda. The aspiration of the Kenyan people was for grassroots development not for ethnic balkanisation.

- 47.** I therefore call on all leaders at the county level to be guided by these aspirations and not their own narrow self-interest. We must all remember that Kenya is one indivisible nation, and that every Kenyan has a right to live, work and participate in all activities in any part of the country, as guaranteed in our Constitution. In this regard, the National Cohesion and Integration Commission must take seriously its mandate to promote and protect the values of cohesion and devolution.

Fellow Kenyans,

- 48.** I have since taking office, underscored the value of harnessing the capabilities of all Kenyans. Only by doing this can we unleash the full potential of our nation and create the Kenya of our dreams. In this respect, my government has put special emphasis on the setting up of mechanisms and institutions to guarantee inclusivity. Today, we celebrate nearly 2 years of the Jubilee government's implementation of the Public Procurement and Disposal Act Regulation passed in 2013 that provides access to 30% of government procurement to women, youth and persons with disabilities. This has translated concretely into a total of 9.4 Billion shillings worth of contracts to these groups in the first 2 quarters of this financial year. By the end of the year, these groups will have provided government with goods and services amounting to 30 billion shillings.

- 49.** As I have repeatedly emphasised, all procuring entities must comply fully with this law.

- 50.** In addition, we have also disbursed 5.3 billion shilling of the UWEZO Fund. Our efforts have been lauded at the just concluded 59th Session of the Commission on the Status of Women as an innovative show-case of gender responsive budgeting, and cited as a model that could be exported to other countries in Africa and the Commonwealth.

- 51.** The youth have continued to prove their capability to drive our growth and progress. I have been delighted by the vibrancy of their innovation, energy and commitment. From the innovators at i-Hub, Nai-Hub and the 16 technology hubs, to Equity Bank's Wings to Fly, Kenya's youth are proving repeatedly that they are

holding the present and future of our nation in their hands. Kenya is becoming a start-up nation. In the last year, we have witnessed the growth of homegrown technological innovation of cutting edge global standards. Herein, lies an unprecedented opportunity to leverage relevant technology to respond to our needs, drive our economy, job market, and improve service delivery.

- 52.** I call upon all government ministries and agencies, and the private sector to explore these homegrown innovations and to support these young innovators before turning to solutions from abroad.
- 53.** The National Youth Service has become a significant driver of my transformation agenda. Working alongside communities, the NYS youth have become change agents that catalyse improved living standards for the less fortunate, particularly in informal settlements as demonstrated in Kibera. Similar efforts are underway in Mathare, Korogocho, Mukuru Kwa Njenga, and Kiandutu in Thika.
- 54.** Beyond the cities, the NYS is also engaged in at-risk regions of the country. For the first time, through the efforts of this institution, Lodwar will soon have access to water on a sustainable basis, reflecting my commitment to drive development across the country.
- 55.** I encourage all young Kenyans to take full advantage of all government programmes laid out to facilitate their productive integration into national economic life.
- 56.** In 2013, I appointed a Taskforce to review the operations of Parastatals with the aim of reforming them to be more efficient in their pursuit of our national development goals and to align their mandates to the Constitution. The Taskforce made recommendations to transform our Parastatals. The legal framework to guide the envisaged reforms has undergone the requisite stakeholder consultations. Several pieces of proposed legislation, including an overarching law on government-owned entities, that align these institutions to our national development imperatives, will shortly be forwarded to Parliament for consideration.
- 57.** Yesterday, I issued, as part of the Parastatals reform programme, the Mwongozo Code of Governance for State Corporations. I directed that all vacant positions in the Boards be filled. I will personally oversee all appointed and currently serving board members formally sign on to the Code. This will address governance and management challenges in our Parastatals.

Fellow Kenyans, Ladies and Gentlemen

58. I have outlined a number of initiatives that demonstrate the work that the Jubilee government has done to drive the transformation of Kenya. This progress notwithstanding, our country is today faced with a number of daunting challenges that slow our progress, obscure our achievements and chip away at the legitimacy of the state.

59. The most pressing of these challenges are insecurity, disunity and corruption.

60. In the last year, security has improved. I salute the service and sacrifice of our brave men and women in uniform who risk their lives to protect our way of life. They are confronting, on our behalf, a range of security threats. Foremost of these is global terrorism, as manifested in the threat of Al Shabaab, who continue to operate largely from Somalia. The Kenya Defence Forces, within the ambit of the African Union Mission in Somalia, continue to dismantle the capability of Al Shabaab. However, this terrorist group still poses a significant threat to Kenya, especially in light of the long porous border with Somalia. We are also faced with a sharp growth of radicalisation and violent extremism, threats associated with youth that have returned from Somalia. Other international crimes that threaten us include poaching, human trafficking, drug and narcotic trafficking, and cyber crime.

61. In addition to these international crimes, most of which feed into the funding and resourcing of terrorism and its agents, we are also faced with the challenge of ethnic and inter-communal conflicts, sexual and gender based violence, contraband and smuggling of goods. While we have had a decline in traffic related crimes, there is need for focused attention to reduce our road carnage, and the threats associated with the proliferation of small arms and light weapons.

62. To counter these security challenges, the government implemented a number of strategies including the setting up of an inter-agency coordination unit; the enhancement of security vigilance; and community sensitisation.

63. We continue to provide resources for the modernisation of the security agencies. This year, we increased the police operational fleet by 1200 vehicles, bringing about a total of 2,400 vehicles made available in the last two years – more than has been provided since independence. We have created a single command structure in counties that has improved command and control. We have also gone a long way to improving our investigative capacity by establishing a Forensic Lab which will be equipped in the coming financial year. The improvement in our

Immigration Department is self-evident. The management of our entry and exit, which have been vulnerable, is improving steadily. In the next fortnight, Kenyans will be enabled to apply for their passports online, and visitors will make online visa applications.

- 64.** Although, we have faced a delay in the recruitment of 10,000 police officers, following a court process, we are determined to complete this recruitment before the end of the financial year. This is in line with my administration's plan to increase the force by 10,000 recruits annually.
- 65.** Further, legislative and policy initiatives over the last few months, including an overhaul of our security framework through the Security Laws (Amendment) Act 2014, and the adoption of a national counter radicalisation strategy, have transformed the legal and policy landscape. We now have a robust and far-reaching legal framework to counter the current threats relating to terrorism. This will go a long way in safeguarding the lives and property of Kenyans and our visitors. In this respect, I wish to express my gratitude to this House for passing this significant legislation.
- 66.** These efforts have led to an increased tempo in operations. We are detecting, disrupting and preventing attacks on our people and territory.
- 67.** The recent appointment of new leadership in key strategic and operational positions in a number of security organs offers an opportunity to inject new ideas and drive that are much needed for the capacity and morale of our personnel.
- 68.** It is imperative that the synergy and improving performance emerging from the security sector be sustained. The on-going police vetting process has taken too long and is now having a negative impact on the overall reform agenda in the police. It is leading to low morale, affecting command and control and therefore our ability to provide security. For these reasons, I call upon this House to urgently reflect on a more effective way to vet in line with the objectives and spirit of the reform process.
- 69.** The state of the national economy, our public safety and security, and our international standing depend fundamentally on our ability to secure this nation on a sustainable basis. Our vigilance and efforts must, therefore, remain strong. It is for this reason that I have put every security organ on high alert and ensured substantial additional resources to this sector.

70. I, in turn, expect a corresponding commitment by these agencies to secure this nation. I also call upon every Kenyan to take up their civic duty to cooperate with the security actors in the effort to secure our motherland.

Fellow Kenyans,

71. Drawing on our history and recognising the dangers of disunity, our Constitution in Article 10 spells out the value of national unity, inclusiveness and cohesion as fundamental to our national character.

72. As heirs to a great freedom-fighting tradition, bearing the sacred trust of past, present and future generations, we are called to observe and realise these values.

73. We are grateful for the contribution of our forefathers who fought for independence, many paying the ultimate price, and for those who have led our nation for the last half-century. In that time, our economy has grown; we have been an island of peace; a haven for refugees; and our nationhood has acquired ever-deeper roots.

74. Our experience as a people over this time, however, is also laced with moments of pain and suffering. We started our existence as a nation seeking to establish our sovereignty and territorial integrity. In the course of this struggle, lives were lost, property was destroyed and civilians suffered.

75. To this day, we are still plagued by painful memories of unresolved murders, the existence of torture chambers and detentions without trial; events such as the Wagalla tragedy; and violence against the proponents of expanding our democratic space; and all actions that have at times failed to recognise the civil and human rights of Kenya's citizens. These have shaken the nation, excluded some Kenyans from the full promise of citizenship, and fractured our national fabric.

76. We have been witness to violence linked to elections, which has left many Kenyans dead, maimed and dispossessed. In 2007-2008, this reached its most tragic expression with the post-election violence that left 1,300 Kenyans dead and more than 650,000 displaced from their homes across the country.

77. Collectively, these incidents have disunited us and held our people hostage to this tragic history by providing the foundation and rationale for the cynical and destructive politics of hate and division.

78. In an effort to confront this past, the Truth, Justice and Reconciliation Commission undertook an inquiry into past injustices. Their report is before this House, and I urge Honourable members to process it without undue delay.

My Fellow Compatriots,

79. The government has made efforts to relieve the plight of victims, particularly those of the post-election violence of 2007-2008. While these efforts have been lauded internationally, most recently by an African Union report that recognised that Kenya has set a positive standard to be emulated, I recognise that it is impossible to fully compensate for the loss of life and the magnitude of suffering.

80. Yesterday, I received the Report on the 2007/2008 Post Election Violence Related Cases from the Office of the Director of Public Prosecutions. A copy of which is annexed to my report on national values. In all, there were 6,000 reported cases and 4,575 files opened. It is the opinion of the Director of Public Prosecutions that there are challenges to obtaining successful prosecutions. These challenges range from inadequate evidence, inability to identify perpetrators, witnesses fear of reprisals, and the general lack of technical and forensic capacity at the time. Nonetheless, the Office of the Director of Public Prosecutions recognises there were victims and recommends that these cases be dealt with using restorative approaches.

81. We must indeed recall our options are not limited to retributive justice. There also exists the promise of restorative justice.

82. In many ways, Kenyans and humanity overall, have benefited from restorative justice, an approach that is deeply rooted in our cultural and historical realities, particularly when such conflicts have a communal and political dimension. Many thousands of Kenyans have reached out to reconcile with one another. My administration was forged from this reconciliation, and is building on the efforts of the last government to advance the resettlement, reconciliation and relief to internally displaced people. I am committed to continuing these efforts as necessary.

83. Notwithstanding the recommendation of the TJRC report, I have instructed the Treasury to establish a Fund of 10 billion shillings over the next three years to be used for restorative justice. This will provide a measure of relief and will underscore my government's goodwill. I have also established a state department dedicated to strategic initiatives in marginalised and at-risk regions and populations of our country. It is my hope that these measures will go some way to bringing the

nation together, as we reach for the prosperity and security that is our common promise.

Fellow Kenyans

84. The time has come to bring closure to this painful past. The time has come to allow ourselves the full benefit of a cohesive, unified and confident Kenya, as we claim our future.

My Brothers and Sisters

85. To move forward as one nation I stand before you today on my own behalf, that of my government and all past governments, to offer the sincere apology of the Government of the Republic of Kenya to all our compatriots for all past wrongs.

86. I seek your forgiveness and may God give us the Grace to draw on the lessons of this history to unite as a people and, together, to embrace our future as one people and one nation.

87. In moving forward to complete the noble work of building our nation, we are reminded of the fundamental principles upon which our prosperity will be built. Our national anthem calls us to reflect on the power of peace; to recall the supreme value of freedom; to believe, once more, in the beauty of service and brotherhood; to aspire each day to the dignity that results from hard work, and to contend for the hope that justice brings.

Fellow Kenyans, Honourable Members, Ladies and Gentlemen,

88. There is no doubt that Kenya is firmly on the path of transformation. However, my administration and this nation are confronted by both the reality and perception of pervasive corruption. As I have stated previously, and as warrants emphasis, corruption is the greatest threat to our security, fundamental rights and social-economic transformation.

89. I share in the frustration of Kenyans at the slow pace and lack of results from the mechanisms created to help us tackle with this monster.

90. When I spoke to the Nation on the eve of the New Year, I assured Kenyans that in 2015, my administration will deal firmly with corruption.

- 91.** I have continuously engaged with all institutions charged with the responsibility to deal with corruption, and firmly expressed my expectations, and the people's desire, that their respective mandates are executed robustly, urgently and without fear or favour.
- 92.** I pledged my administration's full support, as well as my own personal support, to any actions that will reverse the course of this cancer eating at the soul of our motherland. Rather than unite against this common enemy of our people, these institutions have elected to be mired in personal and institutional conflicts that have chipped away at their legitimacy and brought disrepute to the State.
- 93.** From the commission charged with the responsibility in the fight against corruption, Parliament's premier oversight committee, the corridors of justice, and the security organs charged with the safety of this nation, Kenyans are witness to the betrayal of their trust.
- 94.** When our Treasury was processing our first sovereign bond, this country was forced to settle a foreign court judgement to pay shadowy entities 1.4 billion Kenya shillings. When I addressed the nation on this matter, I pledged that my government would do everything in its power to ensure that we recover all that was due to the Republic. From that moment, I took a personal interest and asked to be briefed on a regular basis of the progress on Anglo Leasing related investigations. My administration also supported the investigating authorities in obtaining support from a number of friendly foreign governments.
- 95.** These investigations bore fruit. However, obstacles have appeared threatening the prosecution of the perpetrators. The Ethics and Anti Corruption Commission is now embroiled in infighting and finger-pointing, a state of affairs likely to cripple the investigative capacity of the institution with the likely outcome of subverting the course of justice. From reports I have received, I strongly believe that this is a further attempt to subvert the successful prosecution of the Anglo Leasing cases.
- 96.** As I have indicated, constitutional officer holders, State Officers and every public servant, are bound by the values enshrined in our Constitution. They are required to uphold the highest standards of personal integrity in the discharge of their official functions.
- 97.** In view of the oath of office that I took as the President of this republic, let it be known that today I draw the line. No one will stand between Kenyans and what is right in the fight against corruption and other monstrous economic crimes.

98. I have asked the Attorney General to liaise with the Council on Administration of Justice to focus on coordination within the Justice, Law and Order sector. The Council must ensure the efficient and speedy processing of corruption-related cases, including hearing such cases on a daily basis.

99. I direct the Attorney General to review the legislative and policy framework to ensure the effective discharge of Constitutional imperatives related to integrity.

100. Three weeks ago, I issued Executive Order Number Six (6) on Ethics and Integrity in the Public Service. In it, I directed any civil servants to get in touch with my Office should they receive any pressure to engage in unethical or illegal conduct regardless of the status of person pressuring them to do so. I want to reiterate this personal commitment, which is also provided for in the Constitution.

101. The latest report I have received from the Ethics and Anti Corruption Commission contains a catalogue of allegations of high-level corruption touching on all arms and levels of Government. It is the view of the CEO of the Ethics and Anti Corruption Commission that the institution and especially its Secretariat are under siege because of the nature of the cases they are currently investigating. I know that Parliament is seized of this matter and urge them to deal with it expeditiously.

(a) Today, I take the extra-ordinary step of attaching the afore-mentioned confidential report from the CEO of the Ethics and Anti Corruption Commission as an annex to my annual report on Values to Parliament.

(b) Consequently, I hereby direct that all Officials of the National and County governments that are adversely mentioned in this report, whether you are a Cabinet Secretary, Principal Secretary, or Chief Executive of a state institution, to immediately step aside pending conclusion of the investigations of the allegations against them. I expect the other arms of Government, namely the Legislature and the Judiciary, to do the same.

(c) The investigating authority must ensure that the Director of Public Prosecutions has received the subject files without delay.

(d) I also want to caution that this should not be an open-ended process, justice must be expeditious, as justice delayed is justice denied. Therefore, this exercise should be concluded within the next 60 days.

(e) Let me reiterate that it is not my place to determine the guilt or otherwise of any of the people mentioned in the said report or any other. However, the time has come to send a strong signal to the country that my administration will accept nothing less than the highest standard of integrity from those that hold high office.

Honourable Members,

102. In view of Parliament's oversight role, and its representation of the people, I would be remiss not to express the disquiet caused by recent events that cast aspersions on Parliament. As a previous Member, I urge you, Honourable Members, to take all measures to urgently restore the dignity and integrity of Parliament. This is essential for an institution whose effective performance is a cornerstone of our democracy.

103. The war on corruption will not be won unless all arms and levels of government play their role and uphold the highest levels of integrity and act decisively against any perpetrator of corruption.

Fellow Kenyans,

104. There is no challenge, no obstacle that is too great for us to overcome. An indomitable Kenyan spirit has seen this Nation secure its freedom and grow from small beginnings to become a vibrant democratic and multicultural society that is on an unstoppable path towards even greater progress and prosperity, as well as standing bold and strong in the face of seemingly insurmountable challenges.

105. My administration will continue to personify this indomitable Kenyan spirit. Our commitment to Kenya remains the same: to bring about fundamental positive change in all areas of our national life, in a sustainable and irreversible manner, across the length and breadth of the entire Country, without regard to gender, age, religion, colour or ethnicity.

106. Our Beloved Nation is well on the path to greater heights. Through our collective effort, our democracy is growing and maturing while our fundamental rights and freedoms are entrenched and safe. The social, economic, and political gains that have been made are cemented and are now irreversible. While a lot of hard work still remains to be done we have a lot to be proud of, a lot to be grateful for.

Honourable Speakers, Ladies and Gentlemen,

107. The state of the Nation is strong. Let the love for our Country be our guiding light in all that we do. God bless you and God Bless Kenya.

108. 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.