

Honourable Speaker of the National Assembly;

Honourable Speaker of the Senate;

Honourable Members of Parliament;

Fellow Kenyans;

In accordance with Article 132 of the Constitution, I am honoured to report to Parliament the measures taken and progress achieved in the realisation of the National Values set out in Article 10 of the Constitution, as well as the progress made in fulfilling our International Obligations. It is my pleasure to submit the same to this Special Sitting of the Two Houses of Parliament and to the entire Nation of Kenya.

Mr. Speaker,

The state of our Nation is **STRONG!!!**

We remain a country striving and ambitious, taking on our pressing challenges and not avoiding them.

We do this because we know that the path to lasting cohesion, decent jobs for our people, can only be achieved in an environment where fairness, integrity and the Rule of Law are observed by all citizens without exception.

Mr. Speaker,

As President of the Republic of Kenya and Commander-in-Chief of the Defence Forces, I have heard the cries of our people, and their stated hopes and aspirations for a better Kenya.

When they elected me as their President, I committed to strive and unceasingly fulfil the trust and confidence they placed in me. I will not turn back on this commitment.

I am well aware the task ahead of us, no doubt, is enormous. But there is no turning back in our quest to transform our national economy to become truly an engine for creating jobs and opportunities for Kenyans.

There is no turning back on government reforms that are intended to improve service provision to all Kenyans. There is no turning back on fighting all enemies of Kenya, foreign or domestic, so as to ensure that Kenyans and their property are secure.

No turning back on the obligations we have made in the Big Four Agenda, to environmental sustainability, to inter-generational equity and to upholding a strong rules-based international system.

There will be no turning back on the Building Bridges Initiative that assures inclusion, cohesion, unity and respect for all Kenyans. No turning back on the war against corruption as it is a just war, a war to prevent misuse of public resources for selfish interests by those we have entrusted to manage them.

We are not turning back because we are determined to gift our children a better Kenya than the one we inherited. A prosperous Kenya where respect for the rule of law and integrity are the accepted norms.

Mr. Speaker,

Following the Country's first General Election under the New Constitution, I took the Oath of Office as the first President elected under the new Legal Order.

My first term laid the foundation for a better Kenya by building on the promise and aspirations of the new Constitution, as articulated under Article 10, and, therefore, set the stage to propel our country to greater security, health, unity, prosperity, equity and justice.

Mr. Speaker,

The National Values and Principles of Governance epitomize the Vision that Kenyans have for their Nation. The forty-three words are the promise we have made to ourselves and the generations to come. As we reflect on these values, let us ask ourselves as leaders in the public and private sectors as well as ordinary Kenyans, how much we are paying heed to these values and principles in our personal conduct.

Across the length and breadth of this Great Nation, ordinary Kenyans continue to do extraordinary things that show that the flame of our National Spirit burns brighter than ever before.

Our men and women in various disciplines keep the flag of Kenya flying high at international events, bringing glory to our Nation. In this regard, the Nation Salutes Eliud Kipchoge and his compatriots, who have continued to make our national anthem, echo around capitals of the World.

We are proud of Peter Tabichi, who was recently voted the Best Teacher in the World; he has demonstrated our aspiration and potential to deliver world-class education standards.

Our entrepreneurs and business leaders are driving forward our economy, which, I am proud to say, remains one of the largest and most vibrant on the continent. Leading the string of innovators is Roy Allela who garnered global accolades for inventing smart gloves that convert sign language movement into audio speech.

Mr. Speaker,

These Kenyans remind us, what we could achieve, if we remained true to our national values. On behalf of a grateful Nation, I thank all of those Men and Women who serve the Republic in whatever capacity, who uphold our Values and our Way of Life, who, defer to what is right, who show that our Diversity is an Asset; and all those who have paid the ultimate price to secure our Freedoms and Way of Life.

Mr. Speaker,

Devolution remains one of the novelties of our new constitutional Order. Since April 2013, more than 1.7 Trillion Shillings have been transferred to the Counties.

Devolution has received the full and firm support of my Administration, and, together with an enabling and supportive Parliament, we have seen it transform lives, revive local economies, and bring service delivery closer to the People.

There is No Turning Back on Devolution. The System is sound and has proven its value and contribution to national development.

Its potential and value will be greatly enhanced by focus on service delivery, prioritizing development expenditure, unwavering commitment to integrity and anti-corruption, and strict commitment to value for money in procurement. Devolution will, no doubt, transform our Nation.

Mr. Speaker,

Parliament remains a strident defender of our Democracy. I laud Parliament for its steady guiding hand as we implement our transformative Agenda for the Country and its commitment to playing its constitutionally mandated oversight role.

Mr. Speaker, I also wish to acclaim Parliament for its continued diligence. In the period under review, 22 Bills have been enacted into Acts of Parliament, with 2 currently awaiting Presidential Assent. Some of the groundbreaking legislation that has emanated from Parliament over the last year include the Kenya Coast Guard Services Act, which established our Nation's first Coast Guard Service, the Petroleum Act, the Energy Act and the National Youth Service Act.

Mr. Speaker, to facilitate the implementation of our programmes under the Big Four, I urge both Houses of Parliament to fast-track the mediation of the Land Value Index Laws (Amendment)

Bill, the Physical Planning Bill, the Irrigation Bill, the Warehouse Receipt System Bill and Kenya Roads Bill.

Mr. Speaker,

The consideration and approval by Parliament of various Protocols, Treaties and Sessional Papers continue to enhance Kenya's international standing in the community of nations, creating stability and predictability in our Governance Framework.

During the period under review, various Treaties and Protocols have been ratified including the African Continental Free Trade Area Agreement, the Tripartite Free Trade Area Agreement and the EAC Protocol on Cooperation in Meteorological Services.

I am pleased to note that Parliament has also approved the National Housing Policy and the National Policy on Climate Financing, two sessional papers that will have tangible benefits on the day-to-day lives of Kenyans. I look forward to continued positive engagement with Parliament in the quest for a better Kenya.

Mr. Speaker,

The State of our Economy is **STRONG!!!**

Our broad-based economic growth averaged 5.6% over the last 5 years, out-performing the average global growth. In 2018, provisional estimates show the economy grew by 6.1%. This encouraging growth performance was supported by strong public and private sector investments as well as prudent macro-economic policies.

In 2018, economic growth was largely driven by the wholesale and retail trade, real estate, information and communication and tourism.

It is worth noting that, despite the challenges facing the wholesale and retail trade, the sector has attracted new international supermarket chains and continues to support the expansion of domestic players.

In 2019, we expect an even stronger growth of 6.3 percent, reflecting continued improvement in the business environment, momentum associated with execution of the Big Four Agenda, and sustained macroeconomic stability.

Hon Speaker,

In the same reporting Period, inflation averaged 4.6 percent, remaining within the set target. Our official foreign exchange reserves averaged USD. 8.7billion in the review period, representing

5.8 months of import cover. These reserves provide the country with adequate buffer against shocks in the foreign exchange market.

Indeed, the Kenya Shilling held steady against major currencies, with an annual average exchange rate of Ksh. 101 to the US Dollar. This was supported by a narrowing of the gap between our exports of goods and services, from 5.5 percent of gross domestic product in February 2018 to 4.7 percent in February, 2019. Agricultural exports, particularly horticulture, receipts from tourism, and Diaspora remittances largely explain the improvement in our current account position.

In the 'World Bank Ease-of-Doing-Business Index – 2019', Kenya's ranking improved 19 places to position 61 globally. This made our Nation one of the most improved Countries during the review period. It is our intention to build on this success to further improve our ranking to be among the top 50 by the year 2020.

Overall, our economic outlook remains positive; underpinned by the implementation of our transformative development agenda.

Mr. Speaker,

We remain true to our long-term strategy, the Kenya Vision 2030. The Medium Term Plan of 2018 – 2021, is the Big Four Agenda.

During this period, we expect the economy to grow at an annual average of rate 6.6 per cent. Our focus is on socio-economic interventions in critical sectors, that we believe will enhance the quality of life for all Kenyans, in ways that are tangible and measurable.

In Manufacturing, my Administration is prioritizing local motor vehicle assembly and manufacturing of spare parts. This initiative has witnessed Peugeot and Volkswagen assembly lines set up in Kenya.

Since their revival, the two companies have jointly assembled 627 motor vehicles; and by the end of 2019, they will have assembled at least 1,500 vehicles. This is a positive beginning for the sector that is expected to rapidly expand and make Kenya the regional Motor Vehicle Assembly hub.

This will create various opportunities for our people, particularly for the youth.

Mr. Speaker,

Our programme on Universal Health Coverage is expected to ensure a healthier Nation as the basis for social and economic development.

In this regard, we have successfully rolled-out the pilot phase of the programme in the Counties of Isiolo, Machakos, Nyeri and Kisumu.

The programme has witnessed enhanced access to essential health services, with an average increase of 39% reported in the pilot Counties. We are on course for the full roll-out of the universal health coverage in the year 2019/2020 in the remaining 43 counties.

Hon. Members,

Agriculture is the largest employer in the economy, accounting for 60 percent of total employment.

In recognition of its central role, my Administration earmarked the sector as a key pillar of the Big Four, as we seek to ensure Food Security and Nutrition for all Kenyans.

Our reforms are farmer-centric, and are focused on reducing the cost of food, increasing agricultural value-addition and offering incentives for farming.

To enhance food production at household level, over the last year, we have constructed 4,400 water pans under the Household Irrigation Water Project. The pans will store 6 million cubic meters of water, placing an additional 6,000 acres under irrigation.

To address the perennial challenges in the Sugar and Maize sub-Sectors, my Administration commits to decisively act on the recommendations of the two sectoral taskforces that are slated to report their findings later on this month.

I expect that the teams will propose bold and transformative interventions to revive and sustainably grow these important sub-sectors.

Additionally, my Administration has prioritized reforms in the Coffee sub-Sector, and implemented numerous interventions emanating from the recommendations of the Coffee Taskforce. These include the ambitious rehabilitation of 500 pulping stations (factories) in 31 coffee-growing Counties.

Mr. Speaker, with a view to comprehensively resolve the problem of undue delays in the payment cycle, we have set up a Ksh.3 billion Cherry Advance Revolving Fund to be operational from July 1, 2019.

Consequently, all Coffee Farmers across the Country will be able to access the Cherry Advance at a modest interest rate of 3%.

Mr. Speaker,

Access to decent and affordable housing is a basic human right that my Administration is determined and committed to honour. We are fulfilling this through the Affordable Housing Programme. To realize this vision, we have promulgated the Affordable Housing Development Framework Guidelines, providing the enabling policy and financing for the roll out of this transformative Programme.

We are now on track to deliver affordable housing to Kenyans. This life changing programme is being undertaken in partnership with County Governments and the Private Sector. Kenyans have shown that they are ready for this despite court cases and initial delays. Over 175,000 Kenyans have already registered under the voluntary scheme known as “Boma Yangu”. These Kenyans will undoubtedly be first in line for the allocation of houses.

Additionally, the Affordable Housing Programme is expected to create opportunities for the local industry. In this regard, we have ring-fenced the supply of certain components, such as doors and windows, for exclusive delivery by Micro, Small and Medium size enterprises. This will not only put money in the pockets of our local artisans, but also supports formalization of the industry.

Mr. Speaker,

The delivery of the Big Four is on course. We expect the private sector to take advantage of the policies and incentives in place, and turn the four priority areas into mighty engines of wealth and job creation.

Hon. Speaker,

The realization of the Big Four is dependent on critical enablers, including: Energy, Transport, Education, Water and Information, Communication and Technology.

To provide reliable and cost-effective electricity that meets current and future demand, we have put in place measures to accelerate the development of the entire power generation, electricity transmission and supply infrastructure. This will also support the realization of universal access to electricity by the year 2022.

I am happy to report that installed capacity has increased from 1,768 MW in March, 2013 to the current 2,712 MW, with Lake Turkana Wind, Ngong Wind and Garissa Solar Power Plants joining the grid within the last year.

In collaboration with development partners, we have made tremendous gains in scaling-up connectivity over the last six years; with the number of electricity connections rising from 2.264 million in March 2013 to 7.029 million as at March 2019. The tangible impact on the lives and livelihoods of our people, associated with the increased electricity connectivity, cannot be gainsaid.

With respect to Road infrastructure, our Agencies continue to upgrade new roads to bitumen standards, in addition to rehabilitating existing ones. Notable road projects completed in the last year are: 9 Km Dongo Kundu (Mirirtini-Mwache road); 47 Km Kisumu-Kakamega road; 38 Km Chebilat-Ikonge-Chabera road, 35 Km Oljo Orok-Dundori road; 80 Km Kamatira-Cheptongei Road in West Pokot; and 38 km Kisima-Kibirichia-Kina-Ruiru Road in Meru County.

Within our Capital City, we continue to rehabilitate major arteries, including Ngong Road Phase I; Githurai – Kimbo Road (Phase II), Waiyaki-Red Hill Road, among others. Working with the Nairobi County Government, our intention is to position Nairobi to join the league of “First World Cities”. Why Not!

These interventions have facilitated faster and cheaper movement of goods and persons, connecting our people. Better still, the expansion and upgrading of our road network has mitigated traffic congestion and enhanced road safety in our major cities and municipalities. On Rail infrastructure, we are on course to completing Phase 2A of the Region’s most iconic infrastructure project - the Standard Gauge Railway Line from Nairobi to Naivasha, which is now at about 90% completion. I look forward to journeying with Members from both Houses in the inaugural SGR trip from Nairobi to Naivasha.

Hon. Members,

The Madaraka Express remains a story of remarkable success and national pride. It has been listed among the top 13 most magnificent railway tours for 2019.

Two and a half (2.5) million passengers have travelled by Madaraka Express since inception in May, 2018, and, 3.881 million tons of cargo have been transported on the line.

Mr. Speaker,

Air Transport is on a dramatic upward trajectory in Kenya. To facilitate this, we continue to upgrade our Airports and Air-Strips across the country.

In October 2018, Kenya was able to launch direct flights connecting Nairobi to New York. This connectivity is expected to increase the number of tourists to the country whilst opening up a large market in the United States for our export produce.

Today, our transformative agenda is visible to all. These infrastructure developments in addition to supporting the realization of the Big Four, have opened opportunities for Big and Small Businesses and improved the livelihoods of many Kenyans.

Mr. Speaker,

My Administration recognises the role played by micro, small and medium enterprises in spurring the development of our country. The sector, employs approximately 14.9 million Kenyans and contributes an estimated 28 % of our Gross Domestic Product.

To unlock the latent potential resident in the sector, my Administration has been working towards addressing the challenges of access to credit, training and skills development. In this regard, we will be launching an “SME Credit Guarantee Scheme” in few weeks, aimed at deepening their access to credit without being subjected to complex application procedures and collateral requirements.

These interventions are critical to production of competitive goods and services for the domestic, regional and globally markets.

In respect of the Leather Value Chain, a Common Manufacturing Unit at Kariokor Market, in Nairobi, is nearing completion. Once fully equipped, this Centre will provide impetus to the local shoe making industry, to professionalize and standardize manufacture of shoes.

We are undertaking similar initiatives with the Textile Value Chain at Uhuru Market, developing a Centre of Excellence for the modern production of finished textile goods.

Mr. Speaker,

The above interventions are intended to promote the values of Social Justice, Inclusivity and Access for all; ensuring that the benefits of our growing economy are not limited to just a few people.

To facilitate inclusivity and to enable appropriate planning for the needs of all persons, we are rolling out the 2019 National Housing and Population Census later this year.

This Exercise, together with the National Integrated Identity Management System (NIIMS), will ensure that all persons’ resident in Kenya will be enumerated in order to provide accurate data that is required for proper planning at all levels of Government.

Additionally, it is expected that when fully implemented, a comprehensive one-stop shop for all population and national identity records will be in place.

Mr. Speaker,

The National Values are best realized through proactive reform measures in Education. It is in our Schools that we can best embed in our children Human Dignity, Equity, Social Justice, Inclusivity, and all the other Values that we cherish and hold dear.

It is for that reason that my Administration introduced curriculum reforms designed to better align our education system with our National Values.

The reforms are expected to mold a people who embody innovation and excellence. The result will be a globally competitive human capital base, having the tools for success in a fast-paced and dynamic world.

Mr. Speaker,

In fulfilment of the same, in 2018, my Administration adopted the Policy on Universal Access to Basic Education. The Policy seeks to ensure that all our children enroll in Primary School and complete their Secondary School Education, with a 100% transition rate. This measure will go a long way to ensuring that all Kenyans have access to equal opportunities and a chance to further their passions. Our aggressive push of this agenda has this year seen us achieve 100 percent transition rate, the highest on the Continent.

Hon. Members,

To address the pressure on schools facilities across the Country, my Administration has prioritized development of school infrastructure for the Fiscal Year 2019/2020. I call on all Members of Parliament to act in solidarity with our Children and approve the Education Budget as per our request.

Secondly, I urge you to prioritise allocation of the Constituency Development Funds towards school infrastructure.

Mr. Speaker,

There is No Turning Back on our commitment to ensure that No Child is left behind. As part of Tertiary Education reforms, my Administration has implemented a rejuvenation of Vocational Training Institutions, to build on the skills needed to contribute to Nation Building and in particular the manufacturing pillar of the Big Four.

Over the last three years, my Administration has set aside an unprecedented amount of resources towards supporting students joining technical and vocational training institutions.

Mr. Speaker,

We are a country blessed with natural resources, which, if properly managed, will transform in a big way our nation and the welfare of our people.

We, however, must appreciate that these resources are finite. In that context, it must be our solemn duty as a State to manage those resources sustainably for the fair and equitable benefit of both present and future generations.

Mindful of that solemn duty, my Administration has developed and will be presenting during this session of Parliament, the Sovereign Wealth Fund Bill. The Bill proposes creation of a Fund and provides a legal framework to guide the investment of revenues from Oil, Gas, Mineral and other qualifying Natural Resource.

The Fund, as proposed in this Bill, comprises of three parts, notably (i) a stabilization fund; (ii) an Infrastructure and Development Fund; and (iii) a Future Generation Fund.

It is important to underscore that, other than the cost of services of those entrusted to manage the Fund, all the monies in the Fund will be used to finance critical national development programmes in order to ensure sustainability.

Mr. Speaker,

Sustainable Development is a constitutional imperative and one of the National Values. Sustainable Development remains a core consideration within my Government, guiding the outlook and implementation of our Policies, Programmes and Projects across the board. As the Host Nation of United Nations Environment Programme (UNEP), Kenya remains a global leader in Environmental Conservation and Sustainable Development.

My Administration has spearheaded the implementation of various environmental initiatives including: Interventions for the Sustainable Exploitation of the Blue Economy, sustained the ban on environmentally harmful classes of plastic and polythene carrying and packaging materials, enhanced the protection and promotion of our Nation's forests in line with our commitment to achieve a minimum of 10% forest cover by 2020, and interventions with regard to water and air quality.

These interventions not only protect the environment but also create business and employment opportunities through the Green Economy. Indeed, as a result of our interventions, Kenya is a global leader in green energy with 85% of our energy coming from renewable resources.

Mr. Speaker,

I am delighted to update this August assembly on the progress we have made in fulfilling our International Obligations and positioning Kenya as a leader in the region, continent and globally. Kenya has always and will continue to fulfil her international obligations as a responsible Member of the Community of Nations. We do so conscious of the fact that fidelity to international law and commitment to our international obligations is critical to the structured

management of international and diplomatic relations, and will promote our pursuit of common interests with other States.

Kenya is a party to over two hundred and eighty multilateral treaties. In the past one year, we ratified three (3) multilateral treaties. These instruments will enhance market access for Kenyan products in Africa, share critical information and generate wealth and jobs for Kenyans.

Mr. Speaker,

My Government continues to lobby for and participate in senior positions within various international organizations.

Hon. Members,

Kenya's election to the AU Peace and Security Council in 2019 and our strategic decision to vie for a non-permanent seat in the United Nations Security Council for the period 2021/2022 are geared towards affirming Kenya's historical pride as a leader in regional peace and security matters.

During the period under review, Kenya has invested in robust diplomatic engagements at a bilateral and multilateral level, in furtherance of our strategic national interests. These include engagements with regional partners such as Ethiopia, Namibia and Uganda; and globally with the United States of America, Canada, France, China, and the United Kingdom, among other peer jurisdictions.

Mr. Speaker,

Building a better Kenya is the desire of every Kenyan. But we must be alive to the reality that this noble goal cannot be achieved if we are operating in disharmony. Every one of us, Hon. Members, must appreciate the importance of unity and cohesion in this pursuit. We all know the damage that we have suffered in the past, as a result of discord among ourselves. Indeed, it has been and it remains an urgent agenda to bring harmony, unity and civility to the political landscape and discourse in this country. This is what informed the Building Bridges Initiative – the Handshake.

In all our cultures, Mr. Speaker, a handshake is an expression of goodwill, friendship, trust and reconciliation. It is synonymous with peace. Our handshake has been followed by millions of handshakes across the length and breadth of the Republic.

Leaders across the country and at every level of Government have opted for a renewed politics of unity. This has given Kenya a new and stable platform upon which we can rise above individual and sectarian interests, religious divide and partisan politics as we build a better, stronger and more prosperous Kenya.

We know very well, we successfully secured our independence because, as a people, we were united. Unity was our key weapon.

Therefore, Hon. Members, we are not turning back on uniting the country. We have chosen the hard road of building unity and cohesion against the easy road of division. We are a greater people for it.

Already, the Building Bridges Initiative is engaging Kenyans across the entire country and soon will have the opportunity to comment on its findings and recommendations.

Against this background Mr. Speaker, I reaffirm a commitment previously made to this House of designating Ksh. 10 Billion to heal the wounds of historical grievance which have long poisoned by our politics and strained communal relations.

With Parliament's help, and through the affected communities, we will be applying the Fund towards establishing symbols of hope across the country through the construction of heritage sites and community information centers. These will remind us, and our future generation of the journey taken towards reconciliation and healing. My office will manage this initiative as part of building bridges.

Mr. Speaker,

The Unity we are pursuing is not only unity between Brothers and Sisters within our Borders, but also Unity of the Brothers and Sisters that form the East African Community and the Greater Continent of Africa.

The Path to Prosperity for individual African States lies in promoting Intra-African Trade, Integration and building bridges between our Communities and Nations that recognize that we have far more in common than we have as differences.

Mr. Speaker,

His Excellency Yoweri Kaguta Museveni, the President of the Republic of Uganda and a Great Statesman and Pan-Africanist, recently remarked that "the Integration of Africa is centered on three issues: Prosperity, Security and Fraternity. When we talk about integration we are talking about the prosperity of families of Africa, We are talking about Prosperity of Business groups in Africa and creating space for shared prosperity."

Mr. Speaker, Kenya's Prosperity, Security and Fraternity lies in ever closer unity with our Partners in the EAC at the first level, and thereafter wider Regional and Continental alignments. My Administration remains committed to maximizing the Benefits for Kenya by mutually deepening economic and eventual political integration of the East African Community.

In line with the spirit of Pan Africanism, I wish to extend our gratitude to the African Union for appointing one of our own to spearhead infrastructural connectivity across the Continent. This is key to actualizing the shared prosperity of the African people through promoting trade between our brothers and sisters and further strengthening our bond of unity in the great Continent.

Mr. Speaker,

We are not turning back on our quest to unite EAST AFRICA, and AFRICA.

Mr. Speaker

Turning to security, I am proud to say that the state of our National Security is equally strong. As an island of peace in a conflict-prone and fragile region, Kenya nevertheless faces challenges from transnational crimes such as money laundering, terrorism financing, smuggling, narcotics, human trafficking and the trade in illicit small arms and light weapons.

In the past year our country continued to strengthen its alliances and partnerships for security. The skills and capabilities of our Defence, Security and Intelligence Services have grown in leaps and bounds; and, as a Country, we are better prepared to address the threats to our National Security.

We honour the brave men and women who have paid the ultimate price for our security. We thank the individual Kenyans who are willing to speak up bravely against radicalisation and criminality and for standing up to serve their fellow Kenyans. We announce again to our enemies, and the world, that Kenya, as a nation, cannot be stopped by their plots and evils. Our will to greatness, to cohesion and unity, to development and prosperity, and to peace and security, will never be turned back or aside. Our practical efforts reflect this spirit.

Our response to external and transnational security threats has been: determined reforms to our immigration system's integrity, and the strengthening of border security and management. Our border points are better managed, and the establishment and continued expansion of the Border Police Unit is deterring, detecting and disrupting threats to our security. We have effectively adopted a 'follow-the-money' approach to investigations and prosecutions that will continue to be strengthened and applied across the range of serious crimes, including economic ones.

We have seized and destroyed confiscated narcotics, while continuing to interdict smuggled contraband and counterfeit products.

The brave men and women of the Kenya Defence Forces stand tall, protecting the homeland from external threats. They also serve in foreign lands as part of a global commitment to promoting and protecting peace and security.

Within our Borders, our law enforcement and security officers are detecting, deterring, dismantling and destroying threats to the people and the state. They sacrifice selflessly so that Kenyans can live in safety and freedom.

My Administration has continued to encourage participation of our people in promoting national security and in protecting communities. Over 15,000 Nyumba Kumi clusters have been established across the country.

The unique national innovation of County Action Plans to Prevent and Counter Violent Extremism are also being rolled out across the country.

Kenya is a country that believes in giving second chances to those who are genuinely seeking to return to a path of legal conduct and to embrace our constitutional values. In this regard, we are undertaking initiatives to disengage; rehabilitate and reintegrate returnees who had been members of listed terrorist groups.

We will continue to press the war against terrorist groups and networks, and their facilitators. Key to this is continuing to strengthen our legal tools against these groups so that they are unable to take advantage of our democracy and open society, to hide in plain sight while planning to perpetrate their crimes against humanity. Our Nation will not turn back from the path of Democracy and the Rule of Law because of the actions of a few criminals. We remain unshakably committed to our Values; in this, we shall prevail.

Mr. Speaker,

In recognition of the fact that for law enforcement agencies to effectively discharge their duties, they need to be empowered and appropriately capacitated. We are, therefore, undertaking enhanced training and improvements in welfare, more effective use of technology, equipment investments, and far better coordination between and within agencies.

Almost 2000 CCTV cameras are working in Nairobi and Mombasa, offering real time 24-hour security monitoring. This has greatly assisted our police in solving complicated crimes. To foster security, the Government has repossessed 5,050 assorted weapons illegally held by civilians as part of the ongoing firearm verification process.

Mr. Speaker,

Kenya leads the region in developing a vibrant digital commercial sector. In this regard, we have developed a national cyber-security strategy; enacted the Computer Misuse and Cyber Crimes Act, implemented a national cyber security training initiative, and established specialized teams with defensive cyber-warfare capabilities, in an endeavour to protect the economy from cyber-crimes.

Mr. Speaker,

From the foregoing, it is clear that the State of our Nation is strong, vibrant and beaming with promise. However, Corruption and Impunity endangers each and every one of those gains. It compromises on the promise of Devolution, our Economic Growth Targets, the Realisation of the Big Four, Access to Education, Security, Human Dignity, Rule of Law and the very existence of the Republic.

Corruption and Impunity create social distortions and divisions, fuel inequity and poverty, destroy the fabric of society and diminish the vitality of our Nation's upcoming generations by setting the wrong example for them.

There is no community, no religion, no moral code in Kenya that endorses stealing and abusing positions of responsibility. Africans, no matter their heritage or where they are in this continent, have ethical and moral principles as core of their cultures.

The magnitude of the war against corruption we are fighting today is unprecedented, taking place within our core institutions of Parliament, the Executive, Judiciary, County Governments and also in our religious institutions, private sector and professional bodies.

While past administrations made attempts to deal with the challenge, the problem remained enormous and required more determined focus.

Mr. Speaker,

Following my proclamation on Anti-Corruption in 2015, my Administration embarked on a programme to deepen the fight against the corruption monster through strengthening and resourcing the institutions charged with this most noble duty.

Since then we continue to witness the highest levels of engagement and action on this previously taboo subject.

For the first time in our nation's history, eight Cabinet Secretaries and eight Principal Secretaries have stepped aside to give way for investigations and prosecution, a concept previously unknown in public sector management.

Seven current and former Governors and over thirty Chief Executive Officers of State Corporations are under active investigation or prosecution for various corruption related offences. In several cases, banks and other financial institutions have been fined for breach of regulatory duty.

In fidelity with the law, upon institution of any charges against a public or state officer, My Administration has dutifully relieved the office holder of their public duties. Indeed, I have this

morning executed the legal instrument revoking the appointment of a High Court Judge recommended for removal for corruption related offences.

These are the outcomes of a dedicated and resolute government, undertaken within the framework of the rule of law.

Therefore, Honorable Members, to safeguard these outcomes, the institutions charged with this war need to be strengthened and not weakened.

But even with the success we have made, we cannot as yet celebrate. The challenge is still with us and requires more concerted effort to eliminate.

Hon. Members,

Kenyans have spoken loudly and challenged us as leaders to do all it takes to eradicate this cancer. This they did during the National Anti-Corruption Conference held in January this year, where they tasked me, the Speakers of Parliament, the Chief Justice and the Council of Governors to commit to various demands that would entrench and widen the fight against corruption.

Mindful of my cardinal responsibility, which is to serve Kenyans as bestowed upon me by the Constitution, my Administration has opened an all-out assault on Corruption.

In pursuit of this noble endeavor, my Administration has strengthened the investigative, law-enforcement and prosecutorial functions of Government and embraced the multi-agency approach to encourage joint intelligence sharing, investigation and prosecution. These measures have already reaped visible rewards.

Hon. Members,

It is not enough to merely jail and fine those who have looted our public coffers. The wealth they stole from Kenyans must be returned to its owners, the People of Kenya with the clear message being that Corruption does not pay. It is in this context that we have entered into asset recovery agreements with foreign countries in pursuit of a robust restitution strategy.

In the reporting period, the Asset Recovery Agency has investigated 20 cases and preserved assets worth Kshs. 1.1 Billion. Assets worth Kshs. 72 Million were forfeited to the Government. Further, recovery proceedings of corruptly acquired property valued at Kshs. 7.5 Billion were instituted. Additionally, assets worth Kshs. 2.5 Billion were recovered while bank accounts holding Kshs. 264 Million were frozen, pending determination of recovery proceedings.

We have also introduced new accountability measures applicable at all stages of the public finance management cycle as a critical prevention strategy.

Mr. Speaker,

We must accept the truth, that is; one or two branches of Government cannot hope to solve this problem on their own.

That is why we look to the Judiciary to do their part, to apply the law firmly and fairly; and for Parliament to uphold high standards, mindful of the strategic interests of the nation in the exercise of their legislative and oversight mandate.

We need to ensure that Corruption cases are heard and determined on a priority basis. Kenyans are waiting to see more convictions and far less cynical exploitation of court processes to protect the guilty.

I particularly urge the Judiciary not to appear to protect their own or allow the abuse of privilege in cases where their officials are suspected of, or are under active investigation for corruption. On its part, Parliament should seek to selflessly serve in public trust and guard against pursuits of self-interests.

In saying this, I do not presume to direct the Judiciary or Parliament, that is certainly not my constitutional place; but it is my duty, as the Head of State, to remind every arm of Government of their solemn duty and the high expectations of Kenyans as espoused in our National Values.

Mr. Speaker,

I also urge the county governments to work with the national government in this most important task of moral re-awakening.

Equally important, I urge every public and private institution in Kenya to join us in waging this war against corruption and economic crimes. If you love your country, you should reject corruption, and all those who steal the sweat of your countrymen.

This is one war, Ladies and Gentlemen, I am certain we will win.

Hon. Members,

I must, however, caution that the pursuit of the corrupt will be undertaken strictly within the remits of the law – and not through vigilante justice and pitchfork protest. Though media narratives rally our resolve as they should, our actions will not be based on condemnation before one has been heard.

The cornerstone of our democracy is the rule of law, and the principle of due process is a critical anchor.

We must aspire abidingly to this ideal, and ensure that we do not pursue justice in one area through injustice in another. I remain confident in our investigative and prosecutorial institutions to diligently deliver justice on the strength of the evidence and in fidelity to the law.

Mr. Speaker, Honorable Members,

As I have done before, I undertake to act and remove from government any individual who will have a case to answer before court.

Once again Mr. Speaker, I wish to emphasize our place in history and the national endeavor to strengthen rather than weaken our investigating and prosecuting agencies.

Mr. Speaker,

I have spoken at length on what we have achieved in pursuit of our development agenda, and the challenges we still need to confront so as to realise the BETTER KENYA we all desire. But I must once again make it clear we must work together – the Executive, the Judiciary, the Parliament and the Citizens, if we are to deal effectively with the challenges standing in our way and, in particular, the fight against the corruption jigger. I count on all Kenyans in this struggle. There will be no turning back in the War against Corruption and Impunity. There will be no sacred cows, no compromise. The fight against corruption is a fight for the soul of our nation. The values of integrity, hard work and sacrifice must be reinstated and held dear in the eyes of our children. I intend to be the President that delivers this future.

Finally, Mr. Speaker, it is now my pleasure to submit to Parliament the following three Reports as required by the Constitution:

- (a) Report on Measures Taken and Progress Achieved in the Realisation of National Values, 2018;
- (b) Report on Progress Made in Fulfilling the International Obligations of the Republic, 2018;
- and
- (c) Report on the State of Security of Kenya, 2018.

Thank you and God bless Kenya.