REPUBLIC OF KENYA

STATEMENT BY HIS EXCELLENCY WILLIAM SAMOEI RUTO, C.G.H.; PhD; PRESIDENT OF THE REPUBLIC OF KENYA, AT THE 11TH NATIONAL AND COUNTY GOVERNMENTS COORDINATING SUMMIT

DECEMBER 16, 2024

STATE HOUSE, NAIROBI

Distinguished Guests;
Ladies and Gentlemen,

1. Thank you for taking the time to participate in this critical event. I am honoured to be here today as we affirm the strong and universal national consensus that devolution is the most transformative political, social, and economic feature of our 2010 Constitution. As I pointed out at our last Summit, the fortunes of our country depend decisively on how effectively we manage the devolution of national power and resources. Therefore, devolution is fundamental to our political viability, national stability, and the sustainability of our socio-economic progress.

2. With this in mind, I have convened this summit in the spirit of partnership, recognising it as the highest and most consequential forum for intergovernmental consultation and deliberation and our best platform for enriching the national strategic agenda by aligning development policies and accelerating the implementation of transformative programmes and projects.

3. Over the past two years, we have achieved commendable strategic alignment on three key national priorities: achieving food security while lowering the cost of living, creating jobs for our youth on a more ambitious scale, and making deliberate investments in critical sectors to drive rapid, inclusive economic growth that uplifts everyone from the bottom up, leaving no Kenyan behind.

4. To achieve these goals, we agreed to collaborate in supporting strategic programmes in Agriculture and Food Security, Affordable Housing, MSMEs and manufacturing, Universal Health Coverage, and the adoption of Digital Technology.

I am encouraged by the dedication and commitment demonstrated by county governments and Governors in implementing these initiatives. As a result, we have delivered and continue to deliver tangible progress in various crucial sectors.

5. While challenges in national public finances have slowed the pace of implementing key programmes, we must take pride in our achievements both in terms of demonstrable on-the-ground impacts and in the improved coordination and collaboration frameworks we have developed. The immense potential of our completed and ongoing programmes and projects is becoming increasingly clear to all and can no longer be denied. I would like to briefly highlight some of the accomplishments we have made in just under two years.

6. By distributing over 7 million bags of subsidised fertiliser to farmers, we have significantly increased food production, moving closer to sustainable food security and manageable cost of living. Today, Kenya has high national food stocks, including 95 million 50kg bags of maize, 9 million bags of beans, 10 million bags of wheat, and 2 million bags of rice. We are making significant strides towards eliminating famine and reducing dependence on imports. At the same time, we are witnessing improvements in farmer productivity and incomes across key value chains such as tea, sugar, coffee, and dairy.

7. Ladies and gentlemen, I am sure you can attest to the progress of multiple housing projects under the Affordable Housing Programme in your counties. Every county stands to benefit, with 124,000 housing units currently at various stages of development out of a target of 840,000 units over the next four years.

Beyond providing affordable & decent homes for workers and families at the bottom of the economic ladder, the affordable housing programme promotes equity and inclusiveness while creating millions of jobs. To date, the programme has generated 200,000 direct jobs, with thousands more emerging through the building and construction value chain that supports housing development. Given the scale of projects in the pipeline, we anticipate that millions of additional jobs will be created.

8. The growth of MSMEs and manufacturing depends on strategic action to commercialise and industrialise agriculture. Enhancing agro-industrial capacity through value addition and manufacturing for export is key, and our collaborative strategies include mobilising investments for County Aggregation and Industrial Parks and promoting export-oriented production. Despite resource constraints affecting the completion of some County aggregation and industrial park projects, we remain determined to see them through. Additionally, Special Economic Zones (SEZs) and Export Processing Zones (EPZs) are attracting investment, boosting manufacturing, and driving exports. Ongoing and planned projects in Busia, Kirinyaga, Murang'a, Eldoret, Kwale, Nakuru, and the Dongo Kundu and Naivasha SEZs will enhance wealth creation and employment opportunities nationwide.

9. Our redesigned Universal Health Coverage strategy, Taifa Care, is overcoming technological and operational challenges to ensure that every citizen, regardless of status or means, has access to quality, affordable healthcare. The challenges faced in transitioning to the Social Health Insurance Fund and Social Health Authority reforms are due to the scale and ambition of Taifa Care. For the record, the scale, boldness, and ambition of Taifa Care are unprecedented, and we are confident that the challenges will be resolved soon.

The progress we are unlocking under Taifa Care will enable us to achieve a goal that has eluded us for many decades: a functional and inclusive system that delivers universal healthcare as a fundamental entitlement for all Kenyans.

10. Similarly, our digital superhighway and creative economy programmes are mobilising investments and creating jobs for digital workers nationwide, promoting transformation at the grassroots level. This means that every county is, therefore, fully in play as regards the two salient components of our digital economy development strategy.

11. The first component is our accelerated effort to provide 100,000 km of last-mile fibre-optic infrastructure, supported by the establishment of digital hubs in every ward. The second is the concurrent initiative to equip youth with digital skills, which has already benefited 700,000 young people. Education, training, and skill development are being delivered through the Ajira and Jitume programmes in learning institutions, TVETs, and Constituency Innovation Hubs across the country. Thanks to these interventions, more than 180,000 people have secured online jobs. We project that within two to three years, this programme will have the capacity to generate over a million digital jobs.

12. I wish to state that I acknowledge your concerns regarding the disruptions caused by delays in disbursing funds to county governments. The intermittent flow of resources, especially conditional grants and development funds, has undermined the ability of county governments to effectively support the implementation of strategic national programmes and complementary county projects. It is deeply regrettable that our overall development and service delivery outcomes would likely have been much different under a more favourable fiscal environment.

I appreciate your understanding that, due to unavoidable internal and external factors, our recent period has been marked by exceptionally challenging macroeconomic and public financial volatility, compounded by the severe socio-political challenges experienced earlier this year.

13. Nevertheless, I urge you to focus on the silver lining. Through determined efforts, we have stabilised the economy. As a result, inflation has reached a historic low of 2.8%, our currency is strong, and our foreign exchange reserves are robust. In other words, the conditions are now in place for us to achieve a stronger economic outlook and maintain consistency in the disbursement of allocated revenues.

14. That said, three significant challenges remain high public debt, including pending bills, unsustainable public wage bills, and inefficiencies in revenue collection and utilisation. To address these constraints effectively, unity of purpose and sustained collaboration between national and county governments are essential. Our continued cooperation will enable us to expand fiscal space, improve budgetary allocations, and ensure timely disbursements to counties.

15. I must emphasise that devolution is not just a policy or administrative tool; it embodies the fundamental aspirations of our citizens, is a foundational principle of our nationhood, an essential constitutional value and a transformative pillar of governance. For these reasons, devolution is here to stay.

16. Devolution is a critical catalyst in the actualisation of our national values and principles of governance, carrying with it our shared mandate and collective power to guarantee basic rights, empower every citizen, eliminate discrimination, and resolve historical injustices.

As stewards of public authority and resources, it is our collective responsibility to work hard and together to ensure that the devolved system delivers for the people of Kenya effectively, efficiently, and accountably.

17. We understand the constraints within our national fiscal framework, which limit our ability to fully meet county governments' expectations for shareable revenue. This challenge cannot and should not be mistaken for a lack of commitment to devolution. Rather, it is a temporary difficulty arising from inherited fiscal vulnerabilities and the incomplete implementation of devolution. We are taking effective measures to address these issues, and our resolve to consolidate and deepen devolution remains strong. To this end, we will complete the transfer of all devolved functions to county governments without delay.

18. I am pleased to report that the Intergovernmental Relations Technical Committee (IGRTC) has finalised the unbundling, delineation, and transfer of functions in line with my directive during our last Summit. I now direct the committee to take the next step of systematically identifying and transferring the requisite budgetary and other resources tied to these functions in the next fiscal year.

19. Harmonious intergovernmental relations, as outlined in Article 6 of the Constitution, are essential for effective and sustainable devolution and, by extension, the success of our national socio-economic transformation agenda. While the two levels of government are distinct, they are also interdependent. Our relationship must, therefore, be built on consultation and cooperation. It is in this spirit that I have consistently engaged with county governments and their leadership, both formally and informally, consulting Governors to align our strategic agendas.

I remain committed to holding regular engagements through the National and County Government Coordination Summit, which I recognise as a vital platform for advancing our shared priorities.

20. In previous summits, we reached a consensus on establishing fit-for-purpose intergovernmental structures under the Summit. These include the Council of Governors and its Secretariat, the County Assemblies Forum, and the Intergovernmental Relations Technical Committee (IGRTC) as the Summit's technical secretariat. We also agreed to amend the Intergovernmental Relations Act of 2012 and the Public Financial Management Act of 2012 to strengthen these bodies' capacity to fulfil their mandates. I am pleased to note that the necessary measures are on track to achieve these resolutions.

21. Articles 6, 187, and 189 of the Constitution emphasise consultation, cooperation, and coordination between the two levels of government. We should draw inspiration from ongoing collaborative efforts, such as the National Government's support for county-led initiatives like school feeding and bursary programmes, as well as classroom expansion projects. Similarly, counties have partnered with the National Government on fresh produce market infrastructure projects. I commend IGRTC for facilitating these partnerships and formalising them through intergovernmental agreements.

22. In line with the Constitution and the Intergovernmental Relations Act, I urge all ministries, departments, and agencies at both levels of government to hasten the dispute resolution processes by taking advantage of alternative resolution mechanisms. This approach not only saves time and averts costly delays, but it also relieves citizens of the financial burden of legal fees and fosters mutual trust and collaboration. I am encouraged to note that many disputes are now being referred to the IGRTC for

resolution, and I applaud their efforts in preventing disagreements from escalating into disputes.

23. Finally, I sincerely thank each of you once again for participating in this summit and commend the IGRTC for its efforts in organising this event. I wish you insightful discussions, successful engagements, and productive debates, and I look forward to engaging with the outcomes of this summit. Together, let us work hard to fulfil our respective roles in ensuring that devolution delivers for the people of Kenya.

Thank You.
God Bless You.
God Bless Kenya.