

**TALKING POINTS**

FOR USE BY

**H.E. HON. UHURU KENYATTA, C.G.H., PRESIDENT OF THE REPUBLIC OF KENYA AND COMMANDER-IN-CHIEF OF THE DEFENCE FORCES**

DURING THE

**VIRTUAL OPENING OF THE AFRICA BUSINESS FORUM, INNOVATIVE FINANCE TO HARNESS TECHNOLOGY**

TO BE HELD ON THE

**MARGINS OF THE 34TH ORDINARY SESSION OF THE AFRICAN UNION ASSEMBLY OF HEADS OF STATE AND GOVERNMENT**

ON

**8<sup>TH</sup> FEBRUARY 2021**

AT

**14.45 HRS TO 16.00HRS EAST AFRICA TIME**

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**Excellencies, Heads of State and Government,**

**Ms. Vera Songwe, Under-Secretary General of the United Nations and Executive Secretary of the UN Economic Commission for Africa,**

**Business Leaders,**

**Ladies and Gentlemen,**

1. Thank you for giving me the opportunity to engage with you on an issue so close to my heart.
2. *Digital technologies have the potential to impact positively on the economy, expand opportunities especially for our young people, improve service delivery, and transform our societies.*
3. Further, digital technologies can drive “**leapfrog**” by allowing us to circumvent physical infrastructure and institutional capacity barriers. This can lead to a positive and significant shift in the growth trajectory of our countries.
4. Digital technologies have become a **key pillar of our response** strategy to the COVID-19 Pandemic. In the face of containment measures necessitated by the pandemic, technology has kept **governments and businesses running**; and enabled international cooperation and engagements, such as we are involved in today to, be sustained.
5. It has enabled our children to **continue learning** from home. I must hasten to add that, much more needs to be done in this area to **close the very apparent digital divide**. In Kenya, my Administration has seamlessly switched to virtual meetings to **maintain momentum** in key government programmes.

**Ladies and Gentlemen,**

6. **Kenya**, rightly **dubbed** the “**Silicon Savannah**”, can attest to the transformative power of innovation and digital technologies. **We** have a huge ambition to transform into an **industrialized and job-rich economy**.

7. Lacking the financial resources to immediately address deficits in infrastructure, institutions, and human resources, but endowed with a **techno-savvy and entrepreneurial** pool of well-educated youth; we have embraced the digital revolution and its disruptive technological innovations as a “**spear point of our development strategy**”.

8. The strategy is anchored on **five key pillars**, namely: providing affordable, accessible, and reliable **digital infrastructure**; development of **digital government**; **development of digital business**; **development of digital skills and values**; and creation of an **ecosystem** that enables and cultivates innovation-driven **entrepreneurship**. Let me **highlight** each of these in turn.

9. Achieving affordable, accessible, and reliable **digital infrastructure** for businesses and households is a **foundational** requirement for unlocking the potential of the digital economy. **More than 85 percent** of Kenyans have **access to the internet**. **We** have laid down over **6,000 kilometers** of the **National Fiber Optic Backbone Infrastructure (NOFBI) across all the 47 counties**. While we have made significant milestones with respect to the first pillar, we, nonetheless, have an unfinished agenda of completing “**last mile connectivity**” to all schools and to the remote parts of the country.

10. With respect to the **second pillar**, to enable efficient public service delivery, we have established **digital services and platforms** across the country.

11. Currently, the Kenya Government has over **200 digitized services** offered through *Huduma Centres* countrywide as well as an online self-service *E-Citizen platform*. Both platforms, which are widely utilized, offer one-stop access to essential services such as **applying for Passports or National Identification Cards**; and **registering businesses, births, or deaths**.
12. Kenya is also progressively **digitizing core government services** such as filing of tax returns, land registries, court procedures and rulings, and public service records.
13. The **third pillar** of this framework is supporting growth of **digital business**. In Kenya the growth of e-commerce has been underpinned by success in **mobile money payment platforms**, such as M-PESA.
14. About **40 percent** of private enterprises in Kenya are engaged in e-commerce and **70 percent** of all e-commerce payments in Kenya are, settled through various mobile money payment platforms.
15. In **2020**, Kenyans transferred **Ksh.5.21 trillion (US\$ 47 billion)** through their phones, translating to an average of **Ksh.14.27 billion (US\$ 130 million)** daily. The **20 percent** increase from the previous year was spurred by relief measures on mobile phone payments **aimed at curbing the spread of the coronavirus** by lowering the **cost of mobile money transactions as well as the cash transfers to the most vulnerable in our society**.

**16.** The **fourth pillar** is development of **digital skills and inculcation of ethics and values**. To take innovation to the next level and **position Kenya as a technology hub** for both **local and multinational companies**, we are building the technological capabilities of our people on several fronts. The **Digital Literacy Programme** exposes our primary school children to digital technology. The **Presidential Digital Talent Programme** provides **one-year paid internship** opportunities to ICT and engineering graduates.

**17.** The **Ajira Digital Programme** provides up-to-date listings of opportunities in digital jobs **from local and international platforms** and curates a wide range of **training programmes**; thereby empowering young people to earn decent incomes from digital platforms.

**18.** To ensure technology is embraced, holistically by all business sectors we must contain misuse/abuse of technology. We, therefore, in our training pay particular attention on ethics and values as it is key to sustainable adoption of technology.

**19.** **Innovation-Driven Entrepreneurship** is the **fifth and final pillar** of our strategy. **Kenya** boasts a robust innovation ecosystem typified by the more than **40 active tech hubs** in the country, including some that are well known in the region such as **Nailab** and **i-Hub**. The tech hubs provide co-working space for members as well as **support and mentorship for young entrepreneurial Kenyans** as they launch their start-ups. The Government is working with innovation hubs to **lower entry barriers** for **ICT entrepreneurs** and help scale their business in the country and beyond.

**20.** To strengthen our digital technology footprint, we have established several **strategic partnerships**. The **Smart Africa Initiative** is a network of some **30 African countries** seeking to leverage technology to create a single digital market on the continent. Similarly, the UNDP-led **SDG (Sustainable Development Goals) Accelerator Lab** provides a vehicle for partnerships, investments, and business linkages to accelerate local innovations and ideas; including **twinning Silicon Valley** with the **Kenyan tech community**.

21. **Partnerships** with a wide range of **technology giants** such as **Safaricom, Google, Huawei, Microsoft, and IBM** are supporting a nurturing environment for **Startups and Micro, Small and Medium-sized Enterprises** (MSMEs) to thrive.
22. Further, I am leveraging on my role as a **Global Leader** for the **Generation Unlimited Initiative** (GenU) to tap into **useful global experiences** through GenU's connectivity pillar.

**Excellencies,  
Ladies and Gentlemen,**

23. We are beginning to **reap dividends** from a flourishing digital and innovation ecosystem. As earlier pointed out, in Kenya, more than **85 percent** of the population has **access to the Internet**, supported by a **thriving fintech sector**. Vibrant tech startups are producing a steady stream of **creative solutions** to the everyday problems that place a constraint on development.

24. The **digital National Address System** has **spurred e-commerce** and facilitated technology companies such as **Uber to establish a footprint in Kenya**.

25. Simple innovations are improving health outcomes. The **Afya Child Health Information System**, for example, is a mobile phone application for **reporting births and deaths** by the community health workers, which is then uploaded by the Registrar of Persons. In another example, the **mSoS** uses mobile phones to **report disease outbreaks and other health emergencies**, in real time.

26. Digital technologies have also **enriched our democracy** and enabled participatory development. About **3 million Kenyans use Facebook every day**, and many more are on Twitter and other social media platforms. Digital migration from analogue has greatly expanded access to television and radio services, further broadening the **democratic space**.

**Ladies and Gentlemen,**

27. It is notable that **ninety-five (95) percent** of Kenyans now have access to **financial services**. The success that Kenya has achieved in fintech is, attributed, in part, to the unprecedented increase in **connectivity** and the **proliferation** in the use of **smartphones** driven by low-cost devices and low-cost data plans.

28. The Kenyan fintech ecosystem has evolved from a **money-transfer** centric space in 2007 to a robust **integrated fintech ecosystem** today. It has transformed into an integrated payment and banking ecosystem with robust **credit and savings platforms** such as **M-Shwari, M-Pesa** and **Equitel**.

29. **Kenya** has recently implemented a Digital ID – *Huduma Namba*, through which citizens are assigned a unique and verifiable digital identity, from **cradle to grave**. The **National Integrated Identity Management System (NIIMS)** is, intended as a **single source of truth** to validate a person's identity.

**Excellencies,**

**Ladies and Gentlemen,**

30. The real **breakthrough** lies in the way these innovations build on each other and integrate to create **cumulative socioeconomic impacts**.

31. However, for such an **ecosystem to survive and thrive**, we have learnt that it requires **continuous review of a dynamic environment** that supports **a robust digital market**.



32. It is necessary to create an enabling **regulatory environment**, develop a vibrant and **sustainable financial and research support structure** to spur innovation, and to **partner** with a broad range of technology players across the ecosystem.

33. However, we are yet to reap the full benefits of digital technologies in expanding job opportunities or supporting the growth of MSMEs. **Kenya is making digitization central to its post-COVID-19 recovery strategy** and a critical accelerator of the SDGs.

Excellencies,

Ladies and Gentlemen,

34. Trading under the **African Continental Free Trade Area (AfCFTA)** rules has begun in earnest from **1<sup>st</sup> January, 2021**. To accelerate the creation of a common digital market, we need to **harmonize standards** and achieve **interoperability** in our digital platforms.

35. As I conclude, I would like to invite the private sector to harness the **enabling environment** outlined above to **invest in Kenya** and to offer targeted solutions, products, and markets. This will help deepen our digital imprint, spur innovation, and create jobs.

**I thank you.**

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