

KEYNOTE ADDRESS BY HON. ERIC SIMIYU WAFUKHO, THE CHIEF ADMINISTRATIVE SECRETARY, THE NATIONAL TREASURY AND PLANNING: DURING THE 2ND KENYA THINK TANKS SYMPOSIUM ON THURSDAY, 15TH APRIL 2021

Senior Government Officials Present

Representatives from County Governments

Representatives from Kenya Think Tanks

Representatives from Development Partner Organizations and other Partners

Representatives from the Ministries

Board of Directors, KIPPRA

Executive Director, KIPPRA

KIPPRA Staff

Distinguished Guests

Ladies and Gentlemen

Good Morning,

I feel proud having been invited to address the Kenya Think Tanks Forum during its second Symposium. The theme for the symposium “Building Back Better: The Role of Think Tanks in Supporting Recovery from COVID-19”, is timely given the experiences that the country is going through with the pandemic.

The Forum provides an exceptional platform for think tanks to convene and discuss critical public policy issues with a view to making an impact on the welfare of Kenyans.

This is very encouraging.

Ladies and Gentlemen,

As you are aware, the COVID-19 pandemic is a global phenomenon. It has detrimentally affected and impacted several sectors of the economy and resulted in the loss of human lives and disruption

of livelihoods. This has culminated in multiple crises occurring simultaneously including health crisis, social crisis, economic crisis, and for developing countries, debt crisis.

First, it is important to appreciate the various measures that the government put in place immediately the first COVID-19 case was confirmed in Kenya in March 2020. These measures have sought to manage the spread of the pandemic as well as cushion the most vulnerable in the society. That said, some of the containment measures have disrupted socio-economic lives of Kenyans, with the government's top priority being to protect lives.

Kenya has suffered the sharpest contraction of its economy since independence. During the second and third quarters of FY 2020/21, the economy contracted by 5.5 per cent and 1.1 per cent respectively. The IMF predicts that the economy contracted by 0.3 percent in 2020. When KNBS releases its Economic Survey in the month, we shall know for certain the extent of the impact the pandemic has had on the economy.

With the worsened economic situation, the gains made with poverty reduction have been reversed. The absolute poverty was estimated to have fallen from 36.1 percent in FY 2015/16 to 28.9 percent in FY 2019/20. With the pandemic hitting the economy, poverty is estimated to have increased to 41.9 percent with more people slipping into poverty with loss of income. The social protection programme helped to salvage some of the vulnerable households from falling into poverty, but the impact on loss of income was significantly higher than what the social protection could cover.

Ladies and Gentlemen,

When economic activity is down, the government revenue capacity falls. This is however, happening at a time when fiscal injection is required to sustain the economic system. Like many other developing countries, Kenya has benefited from the emergency funds from the IMF through Rapid Credit Facility. Further, just the other day, IMF approved an arrangement with Kenya which will help in addressing both external and internal imbalances.

With the disrupted fiscal consolidation path, Kenya debt has increased. By December 2020, the public debt stood at about Ksh.7.3 trillion. However, government has put measures in place for prudent management of the debt by steadily tilting the composition of debt towards concessional funding away from commercial, which is crucial in slowing the impact of borrowing on the debt burden.

Further, the government has put together an economic recovery strategy in prioritising the areas that require urgent action in stimulating growth. This follows the implementation of the 8-point stimulus package announced by His Excellency the President in August 2020. I welcome all of you to look at the recovery strategy and make your contributions.

Ladies and Gentlemen,

This Symposium is an opportunity to stimulate interdisciplinary and multi-stakeholder dialogue on the recovery path in the face of the COVID-19 pandemic. In our midst are stakeholders

from government, civil society, private sector, academia and international community. In addition, I recognise that the think tanks participating come from diverse backgrounds.

The pandemic is still unfolding, we are now experiencing the third wave and we are not sure how many more waves we shall have to endure before the pandemic is finally controlled. Currently, we are going through a vaccination process; thanks for the discoveries made in a short period of time. However, it is not clear how long it will take for the vaccine to have significant impact on the pandemic. That is why the conversation we are having today is necessary, thus encouraging us to have even more such conversations in the days ahead.

Policy makers are seeking for tangible solutions to protect the lives of Kenyans and spur recovery of the economy. In public policy making process, consultation with the stakeholders is considered crucial in coming up with informed course of actions. What is important for us today is the fact that we are talking with think tanks that tirelessly work to generate evidence necessary for policy making. In the context of the Public Sector Reforms, the Government has embraced evidence-based policy making as a sure way in driving the development agenda.

The Forum not only provides prospects to advocate for coordinated and country-wide responses to COVID-19 pandemic, but also inspires sharing of knowledge, experiences, and best practices that various institutions have adopted under the new normal.

Ladies and Gentlemen,

As policy makers, the Symposium is an opportunity to harness the information in possession by think tanks, government, private sector, civil society, the international community, and academia in their various areas of expertise. Furthermore, encouraging multi-disciplinary deliberations is necessary in developing tangible and all-encompassing strategies for recovery.

Given the dynamic, unpredictable and shifting nature of COVID-19 pandemic, it is critical that we invest in enhancing and promoting cross-sectoral and inter-disciplinary collaboration regarding COVID 19 pandemic. In addition, given the global nature of the COVID-19 pandemic and its impact on several and diverse sectors of the economy, the importance of forging strategic collaborations, partnership and alliances at all levels must be emphasised.

The COVID-19 pandemic has provided the impetus for all sectors to recast their approaches to adopt deliberate strategies in fostering cooperation not disharmony, encouraging partnership not exclusion, and sustaining linkages amongst our various institutions. The importance of collective action to deal with shared challenges is critical at this time of the pandemic, not only at global level but at regional and country level as well.

Ladies and Gentlemen,

Finally, this Symposium has established a clear forum for think tanks and policy makers, including state and non-state agencies to exchange policy views on how to respond, rebuild, reform, revive and design resilient systems.

I therefore have higher expectations on the outcome of the deliberations.

Distinguished Guests, Ladies and Gentlemen, with these remarks, I wish to welcome you to this Symposium and hereby declare the Symposium **OFFICIALLY OPENED.**

Thank You.

Hon. Eric Simiyu Wafukho
The Chief Administrative Secretary
The National Treasury and Planning