

REPUBLIC OF KENYA



THE NATIONAL TREASURY AND ECONOMIC PLANNING

**REMARKS BY THE CABINET SECRETARY, THE NATIONAL
TREASURY AND ECONOMIC PLANNING, PROF. NJUGUNA
NDUNG'U, CBS DURING THE 6TH KIPPRA ANNUAL REGIONAL
CONFERENCE AT PWANI UNIVERSITY, ON 22ND JUNE, 2023**

Your Excellency, the Deputy President of the Republic of Kenya, Honorable Rigathi Gachagua, EGH,

Madam Rebecca Miano, Cabinet Secretary, Ministry of East African Community, the ASALS and Regional Development,

Your Excellency Gideon Mung'aro, Governor, Kilifi County

Principal Secretaries Present

Dr. Benson Ateng', Chair of KIPPRA Board of Management

KIPPRA Board Members

Dr. Rose Ngugi, the Executive Director, KIPPRA

National Government Officials

County Governments Officials

Distinguished Guests

Ladies and Gentlemen

Good Afternoon

1. It gives me great pleasure to address you today at this 6th KIPPRA Annual Regional Conference 2023 which is hosted in partnership with the State Department for Arid and Semi-Arid

Lands (ASALs) and other partners. The theme of this Conference, “**Accelerating Economic Growth and Development for ASALs in Kenya**” reminds us that our combined effort and commitment in exploiting opportunities in the ASAL counties is necessary to propel sustainable development and make the Counties resilient to weather shocks.

2. This theme is aligned to the Economic Pillar of the Kenya Vision 2030 which seeks to improve the wealth of all regions in Kenya. I am happy that the Conference is focused on opportunities to

exploit while supporting sustainable growth of ASALs in the future.

3. Most importantly, the Conference theme is consistent with the key pillars of the Bottom-up Economic Transformation Agenda (BETA) that seeks to achieve inclusive growth and lower the cost of living. The topics selected for deliberation at this Conference advance key priorities in the transformation agenda including climate change, food security, manufacturing and creative economy.

4. The Conference takes place at a time when the Country is on a recovery path from the vagaries of the worst drought experienced in decades. Whereas the drought affected the whole Country, the ASALs bore the brunt of its effects. Further, the long rains caused havoc to an already fragile environment. This necessitating the need for adequate government interventions to spur economic growth and improved livelihoods for the ASALs communities.

Ladies and Gentlemen

5. I want to underline that the potential for economic growth and development in ASALs is enormous. These regions are rich in natural resources for instance titanium in Kwale, wildlife in Tsavo and Marsabit, fossil oil in Turkana and immense renewable energy resources such as solar in all ASALs. All these are key ingredients for accelerating growth and development in the ASALs.

6. Whereas the National and County governments strive to achieve sustainable economic growth and development across counties, the bottom 10 counties in terms of contribution to Kenya's GDP are largely located in the ASALs. These counties include: Isiolo, Samburu, Lamu, Marsabit, Tana River, Mandera, Wajir, Garissa, West Pokot and Taita Taveta. The combined contribution of these counties to GDP is 4.9 percent compared to Nairobi City County with a contribution of 21.7 percent. The economic activities of the 10 counties revolve around livestock, with minimal engagement in key economic activities such as crop

growing, manufacturing, transportation, and real estate development.

7. To achieve convergence in growth across all counties, the national government has allocated about KSh 2.25 trillion as equitable share of revenue to ASAL counties from the onset of devolution in 2013/2014 financial year to date. In addition, most of the counties have received conditional grants, including the Equalisation Fund, which gives funding for basic services such as

water, roads, health facilities and electricity to marginalized areas most of which are ASALs.

8. Currently, the government, through the Bottom-up Economic Transformation Agenda has placed emphasis on the adoption of an integrated development approach that leverages on the strengths of various sectors in the value chains. Specifically, the livestock value chain that comprises of leather and leather products as well as dairy value chain has a significant potential for exploitation in the ASALs.

9. As will be discussed during this conference, the ASAL counties have significant opportunities which if fully exploited would change the economic base of these counties and enhance welfare of the families living in these counties. I urge you to take note and support the transformation of these counties.

Your Excellency, Ladies and Gentlemen

10. As I conclude, let me reiterate that this conference provides a great platform for policy makers, researchers, development

partners and other stakeholders to explore the potential of ASALs and the pathways to accelerating the economic growth and development of the region. I wish you all fruitful deliberations.

It is now my great pleasure and honor to invite the Deputy President of the Republic of Kenya, Honourable Rigathi Gachagua, to make his keynote address and officially open the 6th KIPPRA Annual Regional Conference 2023.

Welcome Your Excellency