TALKING NOTES FOR MR JAMES MUHATI, PRINCIPAL SECRETARY, THE STATE DEPARTMENT FOR ECONOMIC PLANNING DURING THE SWEDISH SIDE EVENT ON "INNOVATIVE FINANCING FOR THE SDGS" TO BE HELD ON 20TH SEPTEMBER, 2023 AT 7.15AM

*Question: Kenya is developing its approach to address fiscal challenges and create a sustainable financial system by advancing equitable tax systems, reducing illicit financial flows, improving tax expenditure transparency, aligning budgets and debt with SDGs, attracting private sector investments to priority sectors. How can transparency and reporting contribute to attracting additional sources of financing for the SDGs?*

Thank you, Moderator / Courtesies,

1. Am deeply honoured to have this opportunity, on behalf of the Cabinet Secretary, National Treasury and Economic Planning whose schedule could not allow him to be with us here today.
2. I would like to express our appreciation for the long and cordial relationship between Kenya and Sweden over the past fifty years.
3. Kenya has made remarkable efforts towards enhancing domestic resource mobilization and attracting foreign direct investment to support effective implementation of the SDGs. We have undertaken measures to improve tax collection and administration and expansion of the tax base.

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1. Our fiscal policy stance over the medium term aims at supporting the Bottom - Up Economic Transformation Agenda of the Government through a growth friendly fiscal consolidation plan designed to slow down the annual growth in public debt and implement an effective liability management strategy, without compromising service delivery to citizens. This is expected to boost the country's debt sustainability position and ensure that Kenya's development agenda honours the principle of inter-generational equity.
2. Regarding private sector engagement, upscaling the use of blended finance through public private partnerships (PPPs) to mobilize resources for bankable projects has been embraced as this is more sustainable.
3. In addressing Illicit Financial Flows, Kenya amended in 2023 its Anti- Money Laundering and Combating of Terrorism Financing Laws which was signed by H.E the President on 1st September 2023, and which is aimed at combating money laundering and enhancing Kenya's financial integrity.
4. The Kenyan Constitution under Article 35 calls for more transparency and information sharing to the public. The Public Finance Management Act 2012 bestows certain reporting responsibilities on the National Treasury especially on budget and debt transparency. This is of interest to investors and boosts their confidence in the country, especially when issuing sovereign bonds. Improved transparency and accountability have enabled issuance of sovereign bonds, which have often been oversubscribed.

Thank you