

SPEECH BY THE PRINCIPAL SECRETARY, STATE DEPARTMENT FOR ECONOMIC PLANNING, MR. JAMES MUHATI DURING THE AFRICA NATURAL CAPITAL ACCOUNTING (NCA) POLICY FORUM AT THE RADISSON BLU HOTEL, NAIROBI, ON 6TH SEPTEMBER, 2023.

Principal Secretary, State Department for Environment and Climate change,
Representatives from the World Bank’s Global Program on Sustainability (GPS),

Representatives from the United Nations Environment Program (UNEP),

Representatives from the United Nations Statistics Division (UNSD),

Representatives from the United Nations Economic Commission for Africa (UNECA),

Representatives from the African Union (AU),

Director General – KNBS,

Distinguished Guests,

Members of the Fourth Estate/Media,

All protocols observed.

Ladies and Gentlemen;

Good morning,

It is with great pleasure that I join you this morning to officiate the opening of the First Africa Natural Capital Accounting (NCA) Policy Forum. The Forum coincides with the first Africa Climate Summit, which is taking place here in Nairobi and that calls for our attention to the universal role of Natural Capital

in development. Natural capital, particularly in our African continent, impacts the lives of peoples across communities, nations and generations.

Natural Capital Accounting therefore, is the process of calculating the total stocks and flows of the natural resources and services in a given ecosystem. The theme of this Forum, “**Using Natural Capital Accounting and Analysis to inform Policies for Development, Climate Change and Natural Protection**”, rightly connects accounting for our natural resources for policy and decision making. The importance of statistics in understanding and using environmental information for planning and policy design cannot therefore be overemphasized.

Ladies and Gentlemen;

Governments around the world are shifting their approach from exclusively focusing on economic growth to a more wholistic strategy that prioritizes human well-being and the sustainability of economic activities. This is done with the understanding that failure to do so will have negative consequences for the current and future generations as there will be no natural capital to support economies.

Like many developing economies, the Kenyan economy is heavily dependent on the exploitation of finite natural resources that if depleted would pose serious challenges to the socio-economic development of the country. The livelihoods of a significant section of the population are based on products from the environment including food, cooking fuel, energy, water, construction materials among others. Therefore, it is imperative that

information regarding natural resources available for use by the various sectors of the economy is produced.

To this end, let me appreciate the international statistical community for developing an international statistical standard for natural capital accounting called the System of Environmental-Economic Accounting (SEEA), which is an integrated framework that shows the relationship between the environment and the economy. SEEA brings together economic and environmental information in an internationally agreed set of standard concepts, definitions, classifications, accounting rules and tables to produce internationally comparable statistics.

By providing a multipurpose view of the interrelationships between the economy and the environment, the SEEA can help uncover trade-offs and synergies across different policy domains. In short, the SEEA reveals society's complex relationship with nature and helps to identify which policies can be implemented to lower environmental pressures, while at the same time continuing to manage the economy effectively. The SEEA therefore plays an important role in governments' desire to look Beyond-GDP and towards an economy that is focused on the promotion of well-being and sustainability.

Ladies and Gentlemen;

High quality, timely data is critical for sound economic management, planning and implementation, monitoring and evaluation of various government programmes. More precisely, data play a central role in the

design of development programmes, informing policy, monitoring and evaluation; and forecasting future trends. Environmental statistics, in particular Environmental Economic Accounts, provides a comprehensive assessment of performance of a country's economy over time. A strong national statistical system with good infrastructure of collection, processing, compilation, analysis, dissemination and archiving for all Environmental Economic Accounts, is vital to the national economy and development.

Kenya started work on SEEA accounts back in 2017 and developed the first pilot Energy accounts in 2018 with assistance from United Nations Statistics Division. The country has since then been producing these accounts on an annual basis. Kenya has also prioritized development of Water, Forest, Mineral and Ecosystem Accounts in the draft national plan, with the current focus being on Water Accounts.

It is worth noting that Kenya's development of SEEA efforts have really benefited from existing collaborations with various stakeholders including the United Nations Statistics Division, and it is our desire to leverage on this to actualize implementation of the proposed plan. Whereas the country appreciates the fact that KNBS will be at the core in this work, it is important to note that the Bureau cannot do this work in isolation. All stakeholders need to be engaged in a candid discussion regarding the plan so that all own it going forward.

Ladies and Gentlemen;

In addition, Kenya is reviewing and updating its National Plan for Advancing Environmental Economic Accounting (NP_AEEA). The country is doing this because it recognizes that for it to proceed with the next phases of developing Environmental Economic Accounts, it is imperative that it secures a buy-in from producers of statistical information that will feed into the SEEA framework. Properly resourced SEEA Accounts will also be able to regularly monitor up to fifty-four (54) indicators in the SDG framework, among other national and international obligations.

Ladies and Gentlemen;

Article 69 of the Constitution of Kenya 2010 declares that the State shall: ensure sustainable exploitation, utilisation, management and conservation of the environment and natural resources, and ensure equitable sharing of the accruing benefits; work to achieve and maintain a tree cover of at least ten per cent of the land area of Kenya; protect and enhance intellectual property in, and indigenous knowledge of, biodiversity and the genetic resources of the communities; encourage public participation in the management, protection and conservation of the environment; protect genetic resources and biological diversity; establish systems of environmental impact assessment, environmental audit and monitoring of the environment; eliminate processes and activities that are likely to endanger the environment; and utilise the environment and natural resources for the benefit of the people of Kenya. All these goals have to be tracked and monitored and natural capital accounting offers such an opportunity.

As you may be aware, Kenya, like indeed many other African nations, endorsed the seventeen (17) Sustainable Development Goals (SDGs) designed to ensure '*peace and prosperity for people and the planet, now and into the future*' by the year 2030. Ninety-two (92) of the 248 SDG indicators are related to the environment.

Similarly, goal 7 of Africa's Agenda 2063 speaks to Environmentally sustainable and climate resilient economies and communities. There are also other international agreements that Kenya is party to; including the United Nations convention on Biological Biodiversity and the convention to combat desertification. In Natural Capital Accounting, we see a big opportunity to track targets and make significant progress in the country.

Ladies and gentlemen;

In conclusion, on behalf of the Government of Kenya, I wish to extend our sincere gratitude to Africa Natural Capital Accounting Community of Practice for choosing Kenya to be the first to host the Natural Capital Accounting Policy Forum, World Bank, United Nations Statistics Division, United Nations Environment Program and all partners who worked together to make this event a success.

My sincere gratitude also goes to all who helped in different ways to make this day a success. Let's work together in solidarity and as a team in order to realize our aspirations and indeed the African dream of becoming a

globally competitive and prosperous continent with a high quality of life for all its people.

It is now my pleasure to officially open this first Natural Capital Accounting Policy Forum and wish you fruitful deliberations.

God bless all of us