

**SPEECH BY PROF. NJUGUNA NDUNG’U, CABINET SECRETARY, THE
NATIONAL TREASURY AND ECONOMIC PLANNING, DURING THE
OPENING SESSION OF THE KIPPRA DAY AND KENYA@60
CELEBRATIONS ON 24TH NOVEMBER 2023 AT THE KENYA SCHOOL
OF GOVERNMENT, NAIROBI**

H.E Musalia Mudavadi, the Prime Cabinet Secretary

Principal Secretaries Present

Prof. Benson Ateng’, Chairperson of KIPPRA Board of Management

KIPPRA Board Members

Dr Rose Ngugi, the Executive Director, KIPPRA

National Government Officials present

County Government Officials represented

Distinguished guests

Fellow Kenyans

Ladies and Gentlemen,

Good morning,

1. I am very happy to be part of this great event where we are celebrating KIPPRA Day and Kenya@60. The choice of the theme ***Kenya@60: Accelerating the National Development Agenda Through Public Policy*** is very material o the required reflections on the role of Think Tanks in Kenya’s development discourse. KIPPRA plays in

providing the analytical capacity to support evidence-based policy making and execution of national development plans.

2. As part of KIPPRA alumni, the Institute holds a special place in my heart. I remember when I was employed as the third staff member in July 1999, we worked hard to ensure KIPPRA was a well-respected public policy research Institute. During my tour of duty, a notable achievement was the development of KIPPRA-Treasury Macro Model (KTMM), which plays a critical role in supporting forecasting and the planning in budget process.
3. I am aware that KIPPRA was part of the team that supported the National Treasury in development of the report on “The Cost of

Hunger: The Social and Economic Impact of Child Undernutrition in Kenya”, (COHA) an African Union Commission (AUC)-led initiative through which countries estimate the social and economic impact of child undernutrition.

4. Today, Kenya is among the 23 African countries that have undertaken the COHA study. With the recently released Kenya Demographic Health Survey 2022, which highlights a steady decline in the prevalence of stunting from 41 per cent in 1993 to 18 per cent in 2022, it is opportune moment to update the cost of hunger study.
5. Currently, KIPPRA is part of the ongoing tax reform work being spearheaded by the National Treasury, that includes research on

public revenue collection Excise tax, VAT system, income tax and tax compliance. Supported by Danish Government the findings are expected to inform the Finance Bill 2024.

6. It is, therefore, an opportune moment to celebrate KIPPRA's contribution to the national development goals through capacity building, policy research and analysis and providing such platforms for policy engagement. It is also a gesture of patriotism for KIPPRA to organize an event to celebrate 60 years of Kenya Independence.

Ladies and Gentlemen,

Let me start by taking us down the memory journey of growth and development of our country.

7. In the last six (6) decades since independence, Kenya has made significant progress in coping with different economic conditions. We have witnessed different economic experiences through the various policy regimes adopted by the government. These regimes were focused by the Sessional Paper No. 10 of 1965 on "African Socialism and its Application to Kenya"; Sessional Paper No. 1 of 1986 on "Economic Management for Renewed Growth; Economic Recovery

Strategy for Wealth and Employment Creation 2003 – 2007 and the Kenya Vision 2030.

8. In the first two decades of independence the economy performed relatively well, witnessing a significant GDP growth rate, averaging 5.5 per cent along with a substantial improvement in living standards. During the structural adjustment period in the early 1980s, the real GDP growth slowed to an average of 3.6 per cent in 1984-1992. Further, economic performance worsened to an average GDP growth rate at 2.3 per cent between 1993-2002. This was attributed to political and policy uncertainty and external shocks as well as incomplete

structural adjustments policies.: Recall: The Volume: Restarting and Sustaining Growth in Kenya (2002).

9. Arising from the implementation of the Economic Recovery Strategy, that supported sound fiscal and monetary policies and strong structural reforms, Kenya's economy grew significantly from virtual stagnation in 2002 when it expanded by 0.6 per cent to 6.1 per cent in 2006 and 6.9 per cent in 2007. This was the first time in two decades for Kenya to record four consecutive years of sustained economic growth.
10. Under the Kenya Vision 2030, The Vision 2030 provides a strong policy commitment of longer period of policy clarity one of the most notable

achievements was the increase of the Gross Domestic Product (GDP) by approximately ten folds from Sh1.3 trillion in 2002 to Sh13.4 trillion in the first quarter of 2023. GDP per capita has risen from Sh27,000 in 2002 to Sh264,076 in the first quarter of 2023.

11. That said, poverty levels remain high measurably the proportion of the population below the poverty line. A notable decline was achieved from 46.6 per cent in 2005/06 to 36.1 per cent in 2015/16. However, the COVID-19 pandemic and prolonged drought in 2021 has pushed more Kenyans into poverty, pushing the rates to 38.0 per cent. Those at the bottom of the pyramid and rural dwellers were the most affected.

Ladies and Gentlemen,

Let me now focus my attention to the Bottom-Up Economic Transformation Agenda (BETA), that has recognized the problems currently being faced by a large proportion of the population.

The recognition comes at a time that a strong empirical analysis that shows that strong growth can eradicate poverty but must be supported by a strong focus on targeted social protection ecosystem. That allows us to focus on 4 areas to support future growth.

1. Human Capital Development – education, health, labour market and Nutrition
2. Support markets and market development
3. The whole structure of Domestic Resource Mobilization to finance development
4. Digital evolution: the 4th Industrial revolution to coordinate our development program.

Ladies and Gentlemen,

Let me now focus my attention on capacity building in the public policy space.

12. The key object of establishing KIPPRA was to develop human and institutional capacities which contribute to the formulation of medium- and long-term strategic perspective for the economic and social development of Kenya. This serving to entrench evidence-informed public policy making process.
13. Most important is building capacity for the youth so that they gain skills that shape their career path and help them effectively participate in the policy process. The Young Professionals' program at KIPPRA offers a great opportunity for MDAs to build their human capacities in the public policy space. I urge all MDAs to take advantage of the same to support the government in strengthening the public policy making

process in the country by allowing and even sponsoring your youthful staff to enroll in the program.

14. KIPPRA has also established a mentorship platform for MDAs to engage with university community in creating awareness on government development agenda, interventions, and initiatives. I thank all MDAs who are participating on the platform as it demonstrates the government is working together to serve the Mwananchi. Impacting skills especially on the students makes it easier for them to become effective in their engagement in the public participation forums where government policies are discussed.

15. Am aware there are ongoing discussions with the State Department for Economic Planning on KIPPRA playing a critical role in building capacity for government officers under the Central Project Planning and Monitoring Units (CPPMUs). This is a step in the right direction in building human and institutional capacities for planning and monitoring implementation of government policies. I urge the State Department for Economic Planning to adequately resource CPPMUs to enable them effectively participate in building capacity for their officers.

Ladies and Gentlemen,

16. As we celebrate Kenya@60 and KIPPRA Day, I wish to thank KIPPRA for holding such a successful event that has brought together stakeholders to discuss the national development agenda. KIPPRA has significantly contributed to evidence-based public policy in the last 26 years and the Government will continue to support it to realize its mandate.
17. In conclusion, let us remember that the journey toward a better Kenya is a collective endeavor. It requires dedication and collaboration from all of us. But above all, a strong lesson is learnt that the economic development agenda relies on clear policy environment that is based on knowledge and strong institutions to implement. Together, we can

overcome our challenges and accelerate our national development agenda.

18. I am now privileged and delighted to invite the Prime Cabinet Secretary of the Republic of Kenya, the H.E Musalia Mudavadi, to give the keynote address.

God bless you. Thank you.