



Permanent Mission of the Republic of Kenya to the United Nations

866 U.N. Plaza, Room 304, New York, NY 10017

STATEMENT

BY

H.E. DR. JOSPHINE OJIAMBO

DEPUTY PERMANENT REPRESENTATIVE

**PERMANENT MISSION OF THE REPUBLIC OF KENYA TO
THE UNITED NATIONS**

**DURING THE HIGH LEVEL DIALOGUE ON FINANCING
FOR DEVELOPMENT**

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UN HEADQUARTERS

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Mr. President,

Hon Ministers,

Excellencies,

Ladies and Gentlemen,

level dialogue to deliberate on this important topic. The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation

and tasks ahead. We believe this is an important opportunity to review the

STATUS OF IMPLEMENTATION

Africa's position among other with the continent, urged by the institutions

representative of Argentina on behalf of the G-77 and China, and the

distinguished representative of the United Republic of Tanzania on behalf of the

African Group.

Mr. President,

Kenya is one of the African countries that were worst hit by the recent global financial and economic crisis. The crisis demonstrated some of the weaknesses

in the functioning of the global economy and the need to urgently reform the

international trade and financial architecture. The crisis posed dire

consequences for global trade, investment and growth. For Kenya and Africa as

a whole, the crisis threatened to reverse progress in economic performance and

management

Kenya emphasizes that various external and often unforeseen events continue to

impeding the global economic development and economic development

These events include international conflicts, natural disasters and a global economic crisis in which key financial markets have lost value and stability.

Kenya stresses that a combination of these elements tends to reverse the progress that has been made in the area of development finance.

Mr. President,

Kenya reiterates that the implementation of the Monterrey Consensus has been slow and progress remains limited in realizing its objectives. Whereas it is true that some progress has been achieved in the area of debt relief and to some

extent external development assistance, overall capital flows and international trade has been disappointing. African countries

are experiencing various capital market, direct investment and growth, and shrinking remittances and FDI flows, which constrain their capacity to meet the Monterrey commitments.

Although the Monterrey Consensus reaffirms the importance of mobilizing domestic resources through taxation, which is the main domestic financial resource for Kenya and most African countries, this has been hampered by the limitations of low taxable capacity. It is important to note that this taxable capacity is fundamentally a factor of per capita income, trade levels and the shares of agriculture and other important sectors of economy.

Mr. President,

Domestic investment in infrastructure and human capital is important to note that the level of domestic savings in many developing countries is still very low mainly due to various factors. This is serious constraint

to economic growth. The challenge remains how to increase domestic savings and channel them into socially productive sectors in the wake of new and emerging challenges such as the recent drought in the Horn of Africa and its attendant humanitarian crisis. Despite such challenges, Kenya has not

forward to explore innovative sources of financing. In this regard, Kenya

has launched the first 10

Excellencies,

Ladies and Gentlemen,

The indispensable role that international capital flows play as a source of

cannot be denied. The FDI has become one of the most important sources of

declining and/or stagnating and remains largely concentrated in the extractive industries. Kenya has created conducive investment environment and urges

particularly in areas that would generate decent employment, lead to transfer of

knowledge and local capacity-building.

Mr. President,

Official Development Assistance (ODA) remains an important source of development finance. While various

countries have met their commitments of 0.7 per cent of their gross national

ward. Kenya emphasizes the urgent need for increased aid effectiveness by

paying particular attention to aid quality, quantity and disbursement in a timely

fashion.

Mr. President,

development. Kenya remains committed to the World Trade Organization (WTO) in its efforts to promote and strengthen a rule-based multilateral trading system (MITS) and the reforms that it has initiated. We emphasize that for the multilateral trading system to remain viable now and in the future, there is urgent need to inculcate political leadership, pragmatism and the spirit of compromise and realism in the process.

In this regard, Kenya reaffirms its commitment to the successful conclusion of

Round of trade negotiations. In fact for almost a decade when these talks have stalled, developing countries, in particular African countries have borne the greatest brunt.

developing countries do not have this option. Our only way to international trade is through the multilateral route. Therefore, Kenya urges parties to resolve all long-standing issues, in particular the disputes over agricultural and non-agricultural market access (NAMAs) trade protectionism among others in order to conclude the negotiations in a timely fashion. Failure is not an option and continued stalemate is worse for developing countries.

Mr President,

to financing for development, it is impossible to achieve internationally agreed development goals, including the MDGs by 2015. Therefore, we reiterate the need for increased political commitment in order to fulfil all the international

Development

1. Introduction