

STATEMENT BY THE REPUBLIC OF KENYA AT THE SEVENTH SESSION OF THE INTERGOVERNMENTAL GROUP OF EXPERTS ON FINANCING FOR DEVELOPMENT 1ST -3RD, NOVEMBER, 2023

Item 3: Delivering development finance to achieve the 2030 Agenda for Sustainable Development: Making development finance contribute to environmentally sound industrialisation

Chair of the 7th Session of the IGE on Financing for Development, Amb. Patriota of Brazil

Deputy Secretary-General of UNCTAD, Mr. Pedro Moreno

Excellencies,

Distinguished delegates,

1. Kenya aligns with the statement delivered by Tanzania on behalf of the Group of 77 and China.
2. To begin with, we would like to congratulate you Mr. Chair together with your Vice Chair cum Rapporteur for your election to preside over this important meeting and thank you for your opening remarks. Kenya assures you of its full support as you steer this meeting to a successful conclusion.
3. We would like to thank the Deputy Secretary General, Mr. Moreno for his remarks which provide key insights and sets the mood for our deliberations on this very important and timely topic about delivering development finance to achieve the 2030 Agenda for Sustainable Development by making development finance contribute to environmentally sound industrialisation.
4. We would also like to thank our key note speakers for their thought- provoking remarks and the Director, Division on Globalization and Development Strategies, Mr. Kozul-Wright for the detailed presentation of the background note.
5. This meeting is taking place at such an opportune time just a head of the UNFCCC COP 28 to be held in UAE end of this month. We therefore, underscore the need for the outcome of this meeting to feed into that of COP 28.

Mr. Chair

6. To ensure industrialisation yields desirable benefits, UN member states agreed to '*promote environmentally friendly industrialisation in developing countries as a high global priority*' under the 2030 Agenda for Sustainable Development Framework. This commitment is closely linked to the 2013 Lima Declaration on Inclusive and Sustainable Industrial Development whose main emphasis is on

economic growth and diversification in a socially inclusive and environmentally sound manner.

7. Similarly, the Addis Ababa Action Agenda provides a global framework for financing development post 2015 and specifically highlights the need to invest in promoting inclusive and sustainable industrial development to effectively address major challenges around growth and jobs, resources and energy efficiency, pollution and climate change, knowledge-sharing, innovation and social inclusion.
8. The 17 Sustainable Development Goals of the 2030 Agenda are interlinked, integrated and indivisible and hence critical in stimulating sustainable development in the identified five areas of focus of people, planet, prosperity, peace and partnerships.
9. However, development gains realized in the journey towards attaining the SDGs have been reversed globally during this decade for action necessitated by cascading crises. The negative impact of COVID-19 pandemic is still felt across the globe, the Russia-Ukraine conflict, high inflation and climate change related emergencies have worsened the situation. The global recovery remains slow and uneven because of these factors with other emerging conflicts also posing a threat to recovery.
10. Most countries particularly developing countries like my own, have experienced very challenging macroeconomic environment ranging from rising public debt, high inflationary pressures, increased interest rates and the adverse socio-economic effects
11. In this regard, there is an urgent need for actions to recover momentum on implementing the 2030 agenda with urgent climate action being essentially an integral part of Sustainable Development and Industrialisation.
12. In the spirit of leaving no one behind, the SDGs provide a framework for development cooperation, however, the current international development system is characterised by inequities in financial architecture, misalignment of fund allocation with development goals at the multilateral development banks and inefficiency in project financing and impact assessments.

Mr. Chair

13. We would like to highlight some of the approaches which may be explored as solutions for mobilizing finances to contribute to environmentally sound industrialisation as follows;

- Replacing the **Grow-now-clean-later approach** to industrialization with **climate-conscious structural transformation** to propel economic development which can be achieved through Green Industrial Policy. The green policies should however be tailored to the needs of a country as opposed to one-size-fits-all approach to tackling the triple planetary crises of climate Change, Pollution and Biodiversity loss.
- Reforming the international financial architecture to promote affordable financing mechanisms in order to address the needs of developing countries amidst global and domestic shocks.
- Enhancing Official Development Assistance as per the Developed Countries' commitment in support of developing countries.
- Incentivising private investment in support of sustainable industrial development through a stable macroeconomic environment and requisite infrastructure.
- Strengthening domestic resource mobilisation through tax reforms, controlling illicit financial flows, Rationalization and prioritization of public sector spending among other initiatives.
- Building an inclusive and effective international tax cooperation architecture to drive sustainable development financing.
- Scaling up debt for climate and debt for nature swaps as innovative financial instruments to expand the fiscal space for climate related investments.
- Operationalization of the Loss and Damage fund as agreed in COP 27 in a just and fair manner to vulnerable countries affected by climate related disasters.
- Simplifying and harmonizing procedures on access to Green Climate Fund (GCF), Global Environment Facility (GEF) and Adaptation Fund (AF). There is need to improve the financing volumes of these facilities as well as corresponding allocations proportionate to the needs of a country.

To yield the desired benefits, environmentally sound industrialization requires concerted efforts from all stakeholders in order to mobilize the requisite means of implementation in a just and fair manner.

To conclude Mr. Chair, the Government of Kenya has stepped up climate adaptation and mitigation efforts including green energy, smart agriculture, decarbonized manufacturing, e-mobility and green building in order to build a more climate resilient economy and attain zero carbon by 2050. **I thank you Mr. Chair**

