

POLICY PAPER ON POST COVID-19 RECOVERY

Towards a Resilient, Climate Aligned Post Covid-19 Recovery in Kenya



POWER SHIFT
A F R I C A

Foreword

Covid-19 disrupted every aspect of our lives and caused an economic shock with far-reaching consequences in 2020. Governments, businesses, and households all over the world were affected by the pandemic characterized by a public health crisis, economic downturn, and human safety challenges. The second and third waves of the pandemic are still being experienced in most countries around the world at the moment.

But there is a silver lining to this dark cloud. Political leaders, corporate executives, and industry titans have had to be innovative during these hard times. They have an opportunity to re-engineer our possible future path for sustainable and inclusive development during the post Covid-19 recovery. The challenge, however, is what form the envisaged recovery should take.



The report “Towards a Resilient, Climate Aligned Post Covid-19 Recovery in Kenya” examines the different challenges the country faces to green recovery and seeks to provide practical recommendations. The report outlines the challenges including the fragile and vulnerable informal economy of the country which is a major employer and requires retooling and reskilling; the limited fiscal capacity and the debt burden; the low investment in healthcare infrastructure and the need to accelerate investments in public health as a matter of priority; the impact of climate change and the need for investments against potential future shocks; the government’s policy of promoting the growth of local and green value chains; and the issue of better governance of water for improved hygiene.

Across Africa, governments have to contend with the challenge of limited fiscal resources, even as they try to inject robust stimulus support into their rebuilding plans. It is a daunting challenge to bridge the socio-economic gaps arising from the pandemic, while remaining productive. To have a sustainable and inclusive recovery, Kenya and the rest of the continent need to boost investments in green infrastructural development, clean energy, and making communities and cities more resilient. Equally there is need to promote green transformation and climate-aligned agriculture to address Africa’s endemic food insecurity. It is anticipated that such investments will make up for the growth and income losses as a result of Covid-19 and put economies on a green, climate-friendly recovery path.

All these issues offer the government and private sector an opportunity to usher in a transformative post-Covid recovery that makes Kenya a more sustainable and prosperous country for the benefit of all. Covid-19 has shown that it is no longer tenable to go back to how we have done things and that there is need to seize the moment to do things differently at individual and institutional levels to create a green, resilient, and climate aligned sustainable future.

Kenya is committed to building back better and working towards people centred, inclusive and a sustainable post Covid-19 recovery.



HON. MOHAMED ELMI, EGH, MBE
CHIEF ADMINISTRATIVE SECRETARY
MINISTRY OF ENVIRONMENT AND FORESTRY

Planning for A Resilient, Climate Aligned Post COVID-19 Recovery in Kenya

Highlights

- Covid-19 has significantly reduced Kenya's GDP growth in 2020 to negative percentage points and exposed structural weaknesses and unsustainability of economic growth & transformation model presently being implemented.
- The national government, county governments, private sector, and other development institutions urgently need to significantly double down on their collective efforts and already proven resolve to expand the scope of response to existing mechanisms to further safeguard lives, economies, and livelihoods across all sectors.
- The optimism that government and development agencies had for 2020 as the 'Decade of Action' in implementing the SDGs has been wiped out by Covid-19 which remains a major threat to local and national development. Its containment measures call for uncharted governmental actions that demand bold action for resilient recovery that is climate aligned yet responsive beyond the health and economic crisis to people centred safeguards.
- COVID-19 pandemic has unleashed unprecedented pressure and threats to domestic revenue capabilities for national budget financing that is already fragile, non-inclusive and debt dependent development and infrastructure financing.
- There is need not only to strengthen the financial architecture to support recovery but also embrace economic and financial discipline. Accordingly, Kenya has to look beyond commercial loans and sovereign bonds to increase liquidity for enhanced healthcare systems strengthening (immediate response), financing growth to kickstart recovery and building back better inclusively by resetting the system for sustainable and climate responsive growth.

Key Findings

- **Fragile informal economy:** Kenya has a large informal economy that is fragile and accounts for over 85% of all jobs. About 1.72 million job opportunities in the formal sector were lost in three months (March- June 2020) with youths and women being the hardest hit. For resilient recovery, improve the investment climate for more and better targeted sustainable investments including creating "Enhancing Liquidity to Businesses Fund" to deepen the growth of SMEs and establish green value chains. There is also need to support reskilling

"If the virus is a shared global challenge, so too should be the need to build resilience against future shocks. Emerging and developing countries are the least prepared for the arrival of Covid-19, just as they are most vulnerable to the effects of climate change."

BAN KI-MOON,
8TH SECRETARY-GENERAL OF THE UNITED NATIONS

of youth and women for quick rebound after the Covid-19 crisis.

- **Limited fiscal capacity:** the ratio of public debt to GDP is firmly unsustainable giving the government limited scope for stimulus packages compared to its peers in other regions. There is need to rethink the capital-intensive mega infrastructure led economic growth with limited legroom for human development initiatives. Additionally, review the G20 debt relief initiative and SDR to finance post Covid-19 recovery, green infrastructure and rebuilding of an integrated economy that is inclusive and “Leaves No One Behind”.
- **Low investments in healthcare infrastructure and systems:** Covid-19 has starkly reminded us but also exposed the enduring lack of interest to sustainably invest in developing capacity and capabilities to manage emergencies. Despite health being a devolved function, pre Covid-19 health infrastructure was in dire straits in nearly all the counties. Tough choices have to be made for accelerated and sustainable investments in public health in the months ahead on priority basis to address critical capacity needs for future pandemics.
- **The digital economy and future of work is no longer for the select few:** work approaches have significantly changed during Covid-19 pandemic. Both the public and business sectors have been forced to redefine the meaning of work and created online/digital platforms for virtual engagements, meetings, and transaction delivery. Chief Change and Culture Officers have to work more closely with Chief Digital Officers to invest more on retooling, reskilling, and training to support organizations align to the new work approaches and provide both necessary and sufficient infrastructure on the long term.
- **Climate Change impacts are Real:** Kenya has suffered advance effects of climate change during the pandemic period which has adversely affected lives and livelihoods of communities. The country has barely recovered from the effects of locust invasion when the COVID-19 pandemic struck. During the pandemic period in 2020, intense rainfall, multiple lakes and waterways in Kenya were at record-high levels, causing displacement and loss of livelihoods for surrounding communities. The double effects of health and climate crisis has drastically affected the country’s fragile and vulnerable economy and communities.
- **Buy Kenya, Build Kenya:** the government’s policy initiative of promoting the growth of local value chains especially for manufacturing SMEs and purchasing of locally assembled vehicles is an immediate low hanging fruit through which to further influence the creation of green value chains, investing in clean energy to advance carbon neutral industry development in Kenya.
- **Sustainable water and sanitation governance:** washing hands with clean running water was identified as one of the three key measures of containing the spread of Covid-19. There is increased public awareness that hygiene is an integral component of public health, it helps to curb the spread of diseases while promoting and maintaining a healthy lifestyle are key focus areas on preventative health interventions. Water is an integral aspect of the ecosystem upon which we rely for survival. How we govern, develop, and distribute water significantly determines the health quotient of a society and its food self-sufficiency or insecurity on the long term.

Section 1

Introduction on Covid-19 Response Situation in Kenya

Kenya recorded first Covid 19 cases in March 2020 and since then the number of cases have risen rapidly compared to its neighbouring countries. The government is undertaking various measures to curb the spread of the virus, including limiting movement in places with reported cases; closure of public spaces with high human traffic, such as schools and public events; dusk-to-dawn curfews; and ensuring basic hygiene and social distancing.

The economic consequences of the pandemic are likely to have a far greater impact on the medium and long-term health, wellbeing, and poverty levels of the population as a whole than the predicted fatalities caused directly by the disease. Sectors worst hit by the virus include the labour force, agriculture, housing, transport, health, trade, and tourism.

Besides the Pandemic, the country is faced with adverse effects of the climate change crisis including locust invasion and floods. The double effects of the crises have had adverse effects on the economy and livelihoods of vulnerable populations particular those in the informal sectors, women, and youth. Covid -19 containment measures and the shift of focus to respond to the pandemic has affected the capacity of the country to respond to the climate crisis.

The Post-Covid recovery plans and related investments presents an opportunity for the country to usher in a transformative people centered and inclusive post-Covid recovery that makes Kenya a more sustainable and prosperous country for the benefit of all. The recovery plan should aim to build the country's resilience to effectively operate during moments of crisis including health and climate crisis.

Structure and Scope

This policy review is structured to assess the key issues that have taken place regarding response to Covid-19, planning processes for recovery efforts and possible economic rebuilding going into the future. The study mainly focuses on the policy and legislative issue areas that have been undertaken to address Covid-19 whether they align with resilience and green, climate related post Covid-19 recovery in Kenya.

We are focusing on generating ideas around possible scenarios that will shape our green recovery efforts in a post pandemic world in Kenya.

Mapping Stakeholders

There are many stakeholders that form part of the essential core within the framework of addressing Covid-19 and sustainable recovery efforts. Among others, we find the following to be significant in the response, recovery, and rebuilding efforts as we go into the future:

1. The National Government's Ministry of Environment and Forestry and The National Treasury and Planning
2. The National Assembly and Senate's committees on Land, Environment and Natural Resources; Energy, Roads and Transportation; Finance and Budget.
3. Private Sector – both Kenya National Chamber of Commerce and Industry and Kenya Private Sector Alliance.
4. County Governments through the umbrella body of Council of Governors
5. The Media
6. Civil Society Organizations
7. Think Tanks, the Intelligentsia and Research Community
8. Development and Donor Partners

Methodology

A large pool of literature and data exists on many different aspects of Covid-19. Most of this material is produced either by government agencies, major research, and management consulting entities, think tanks or development agencies that are engaged with efforts of containing the global coronavirus pandemic.

The policy paper has been produced based on available statistical literature and benefited from reflections and discussions with selected policy and legislative actors who are both concerned with and are working on different programs related to Covid-19 in Kenya. Secondary sources of information and documents review has been used and referenced accordingly.

Section 2

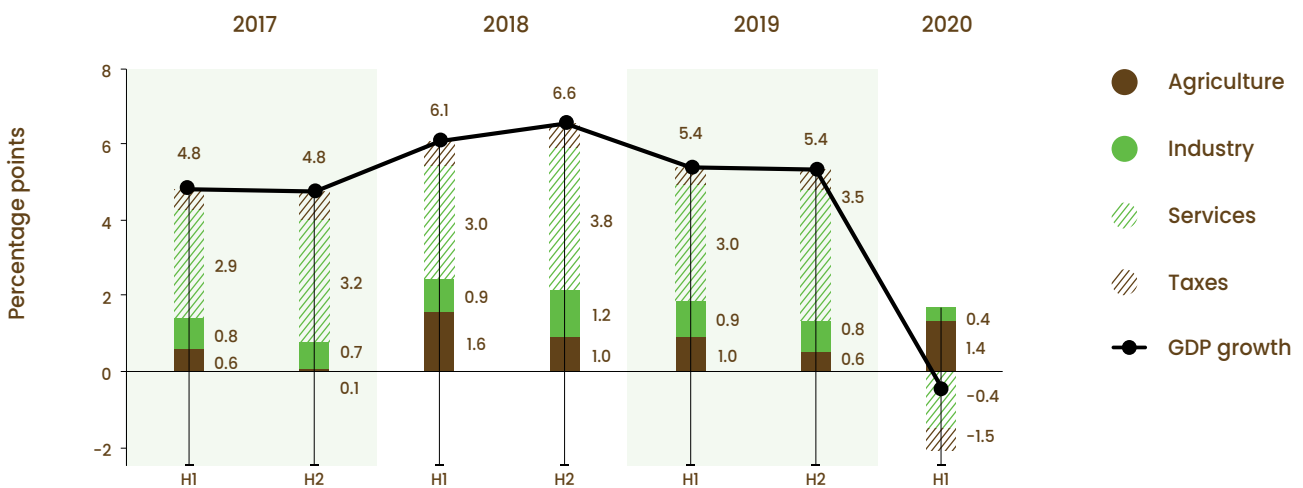
National Context

As of the first week of May 2021, slightly more than 1, 692, 532 people have been tested of Covid-19 in Kenya with 161, 393 confirmed cases. Additionally, about 2,825 people have lost their lives to Covid-19 related complications while 109, 769 have recovered. The public health pandemic has had devastating effects that are not only limited to the health sector. As both the Kenya National Bureau of Statistics (KNBS) and World Bank indicate Kenya’s economy has been hit hard by COVID-19, severely affecting incomes, and jobs. In the Kenya Economic Update, the bank notes:

The economy has been exposed through the dampening effects on domestic activity of the containment measures and behavioral responses, and through trade and travel disruption (affecting

key foreign currency earners such as tourism and cut flowers). Real Gross Domestic Product (GDP) contracted (as shown in the graph) by 0.4 percent in H1 2020 year-on-year (y/y), compared to growth of 5.4 percent in H1 of 2019. This reflects a worse-than-anticipated Q2 GDP outturn (-5.7% y/y), mainly due to a sharp reduction of services sector output, especially education (-56.2% y/y). As a result, the economy is projected to contract by 1.0 percent in 2020 in the baseline scenario, and by 1.5 percent in a more adverse scenario. This revision essentially adopts the adverse scenario outlined in the April 2020 update, reflecting the more severe impact of the pandemic to date than had been initially anticipated, including on the measured output of the education sector following the closure of institutions in March.

THE COVID-19 PANDEMIC TOOK A HEAVY TOLL ON THE THE KENYAN ECONOMY IN H1 2020



Source: Kenya National Bureau of Statistics and World Bank

Recovery is however beginning to take shape given the raft of measures taken by the government to respond to the pandemic for well over the last one year.

Covid-19 has also created more than 2 million new poor people due to loss of incomes, major impacts on livelihoods and employment in the country. Further, this means that pandemic increased poverty among Kenyan households by 4 percentage points. Revenues plummeted by 50% between February and June 2020. Covid-19 has further exacerbated food insecurity, and elevated pain and human suffering when the country was already undergoing serious climate related locust invasion.

Like others in the region and globally, Kenya's economic outlook remains uncertain due in part to the negative effects of the pandemic, economic shocks, business contraction and the resulting recession. Additional risks regarding sovereign debt pressure and unpredictable drought including a weak shilling and the limited monetary and fiscal policy spaces for raising requisite revenue for significantly improving healthcare systems and response measures to Covid-19 and buying vaccines for Kenyans.

Effects of Covid-19 in Kenya

The outbreak and spread of Covid-19 in Kenya from March 15th, 2020 has had unprecedented effects on both lives and livelihoods to the magnitude that calls for concerted national, regional, and global cooperation among governments, international multilateral organizations, development and donor partners, and the private sector. Both multilevel partnerships and multi-stakeholder collaborations need to be strategic enablers and facilitators for unlocking

necessary funding to address the public health pandemic and unfolding economic crisis which threatens gains already made in the sustainable development goals and the Africa Agenda 2063.

The government has constricted fiscal policy space and limited monetary policy tools to effectively respond to the ongoing spill over effects of the pandemic. Presently fiscal policy measures that were taken in early April 2020 to cushion Kenyans from the adverse economic fallout have been retired effective January 1, 2021.

To build back better and achieve a triple dividend – we need an economic recovery strategy whose policy priorities will deliver on containing Covid-19 and related climate investments while addressing social fragility and economic vulnerabilities among the most affected populations. The efforts aimed at sustainable recovery need to be effective in response, recovery, and rebuilding through 2021, 2022 and beyond.

Significant and adverse effects of the pandemic and related containment measures continue to ravage and negatively impact private sector firms, businesses, and livelihoods locally, nationally, regionally, and globally. With the second wave of Covid-19 infections, manufacturing services, commercial production and consumption patterns have further been disrupted – some irreparable while others will recover gradually from the mid-2021 and beyond. Business associations have to do more such as the Kenya National Chamber of Commerce & Industry (KNCCI) which is fully aware of the emergent negative effects the pandemic has caused to its members and is working towards providing strategic support for SMEs to recover from the initial shock and build their resilience and sustainability during and post Covid-19 crisis.

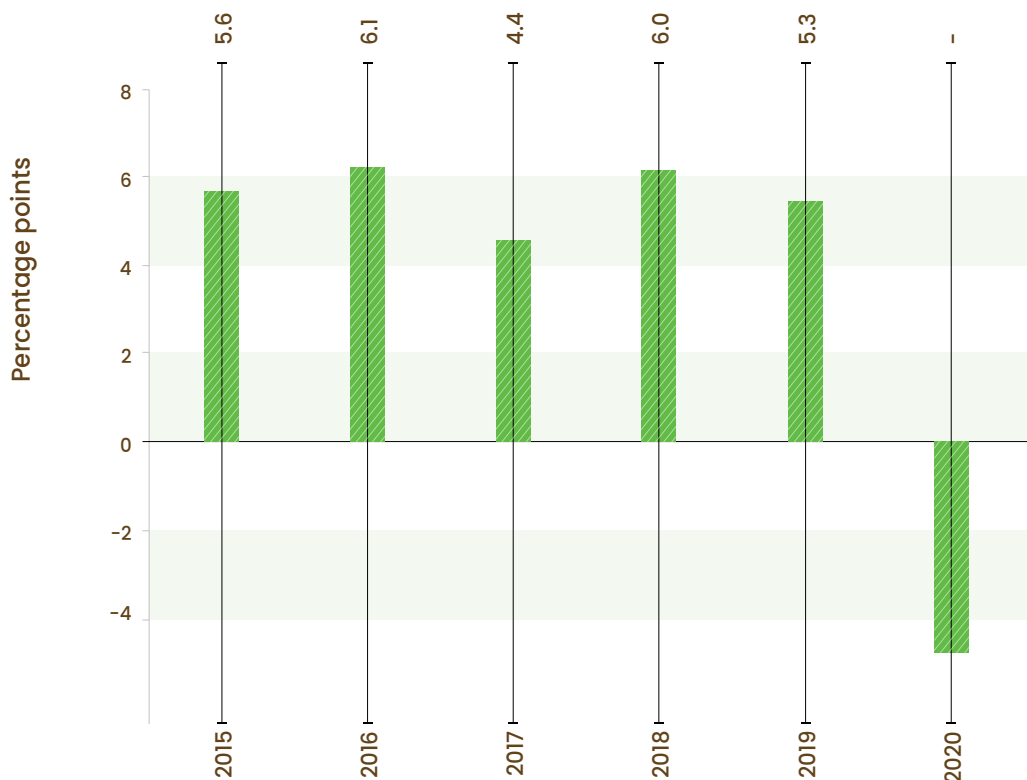


Fig 1: QR2 GDP Growth Rates (%) 2015-2020

Source: KNBS-QGDP Report 2020

Kenya's economy contracted by 11% during Q2 of 2020, for the first time in almost 12 years. This has both short and long-term implications for growth and recovery efforts across all the sectors. The tourism sector was the hardest hit with an alarming 83.3% decline. Summary matrix of the impact GDP on key sectors is given in Table 1.

The pandemic has caused far reaching ramifications exhibited through disrupted financial markets, trade, work and joblessness, media, healthcare systems, transportation and

accommodation, construction, and food services. This awful state of affairs prods governments, firms, and households to accelerate the pace and depth of strategic responses when carrying out resilience and recovery efforts.

While caught in a golden straitjacket of sorts regarding sovereign debt, Kenya's public debt dilemma remains. Tough choices have to be called on whether to increase public borrowing or cut spending¹ with all the emergent realities on either option that is selected.

¹ Michael Spence and Danny Leipziger writing on *Pandemic Public -Debt Dilemma in the East African* December 19th -25th 2020 pg19.

Table 1: GDP and Employment Contribution by Sector

Key Economic Sector	GDP contribution 2019	Employment contribution* 2019	COVID-19 Impact GDP Performance QR2, 2020
Agriculture, forestry and fishery	34.1%	11.5%	6.4%
Manufacturing	7.5%	16.1%	-3.9%
Wholesale and retail trade	7.6%	12%	-6.9%
Accommodation and food services	0.7%	59.8%**	-83.3%
Transport and storage	8.5%	3.14%	-11.6%
Construction	5.6%	5%	3.9%

*Excluding smallholder farming and pastoral activities

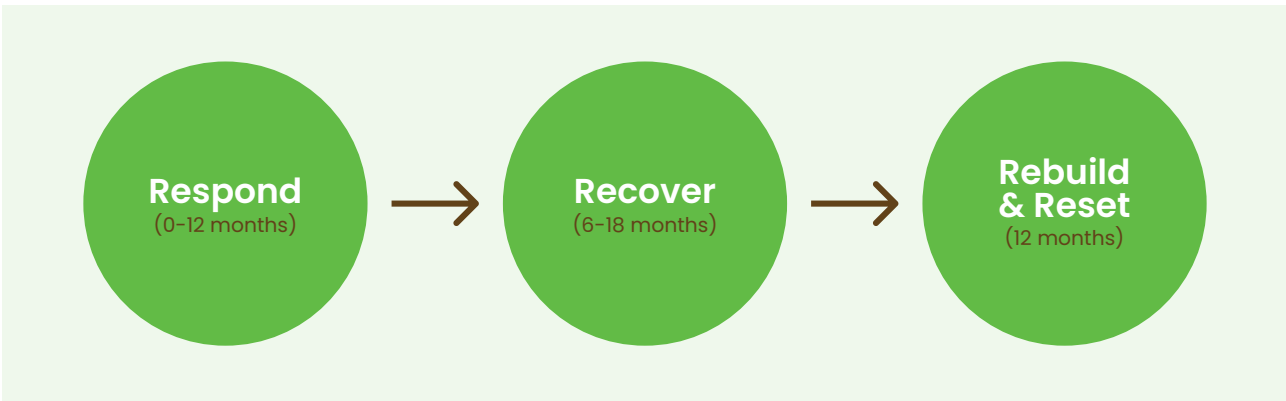
** Includes estimated wholesale and retail services from informal sector

Source: KNBS Quarterly GDP Report, Second Quarter 2020, and Economic Survey 2020

According to KNBS, an estimated 1.7million Kenyans lost their jobs since March 15th, 2020, when the first case of Covid-19 was confirmed in the country. The fact that the informal sector employs over 80% of Kenya's workforce (83.7% in 2019), many people who have been made redundant by the pandemic are likely to go unaccounted for. Similarly, the fact that over 90% of SMEs in Kenya are informal in nature

underscores the urgency with which the proposed KNCCI's intervention is needed to complement the recovery efforts by the government.

Households and firms have been seriously hit by coronavirus effects. Response efforts aimed at addressing the socioeconomic fragility and the pandemic's mitigation and recovery efforts in the fashion of: **Response, Recovery and Rebuilding**

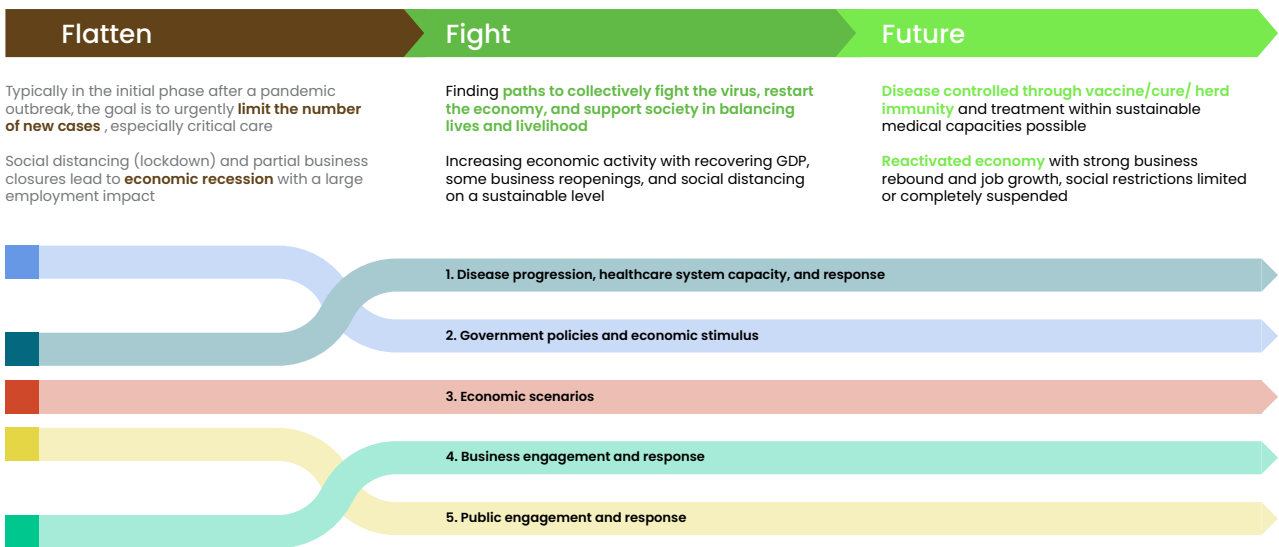


The sequence of addressing Covid-19 from response to rebuilding and projected time period

(The 3Rs) would put people on to the path for long-term agility and versatile recovery that is also sustainable. This sequence will take long based on the available capabilities in both human personnel and financial resources to bank roll green recovery efforts.

This would require targeted community investments in well-developed and selected projects including building the capabilities and capacity of communities within local economic enclaves. These 3Rs can further be appreciated in the context of the 3Fs ² below. Focusing on the five factors will shape the pace of recovery over time.

THE COVID - 19 RECOVERY WILL BE DRIVEN BY DISEASE PROGRESSION, DE-AVERAGED ECONOMIC IMPACT, GOVERNMENT POLICIES, AND BUSINESS AND PUBLIC RESPONSES



All of the above five factors result in specific economic and social outcomes in each phase

Source: BCG; Covid-19 Perspectives, State of the World (December 2020)

² Covid-19: BCG Perspectives; Facts, Scenarios and Actions for Leaders: The State of the World; December 2020

Section 3

Contextualizing Kenya’s COVID-19 Structural Realities/Challenges/ Dynamic Trends

After Covid-19 was confirmed in Kenya in mid-March 2020 several containment measures were adopted by the government including social distancing and heightened restrictions in most non-essential movements, lockdowns in Nairobi and Mombasa, night-time curfew, ban on large wedding and funeral gatherings and suspension of religious convening, encouragement of working from home and online working where possible; establishment of isolation facilities; and limitations on public transportation on passenger vehicles capacity.

The ongoing pan-sectoral economic disruptions occasioned by Covid-19 are not only unprecedented, but also poised to persist for the foreseeable future despite the discovery of vaccines for the pandemic. While business continuity and disaster recovery planning are familiar activities among private sector and public service, planning for pandemics entails additional parameters, not least due to wider scope, non-linear spread and considerable uncertainties around the breadth and depth of impact. The global, dynamic impact of

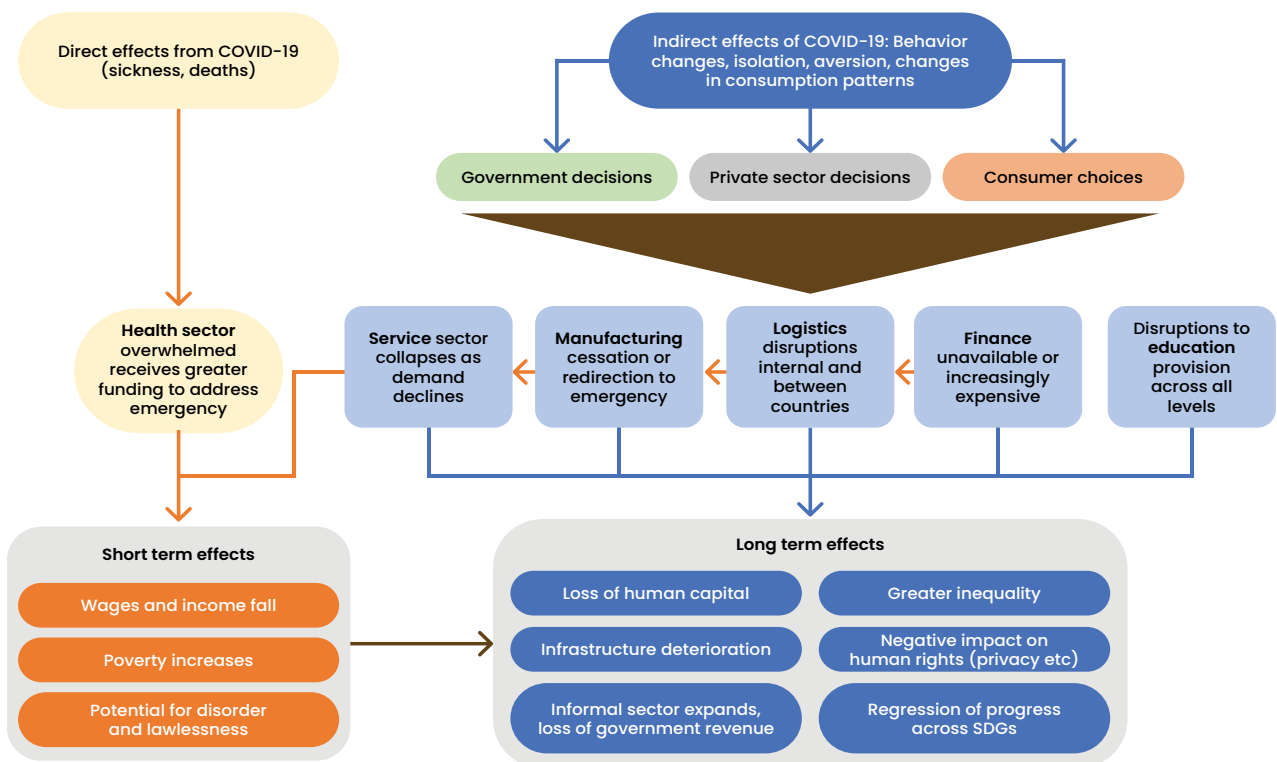


Fig 2. Channels of potential socioeconomic impact of Covid-19 pandemic ³

³ UN Policy brief Issue No: 4/2020- Articulating the Pathways of the Socio-Economic Impact of the Coronavirus (COVID-19) Pandemic on the Kenyan Economy

events such as Covid-19 also require planning for extended recovery times and detailed assessment of potential scenarios in an environment marked by extreme fluidity, and an acute requirement for adaptivity to sudden, often unforeseeable change.

Moreover, the complexity of recovery efforts is compounded by the continued increase in formally diagnosed Covid-19 cases, in addition to a likely high number of transmissions going undetected due to endemically poor, and already strained health infrastructure, along with pre-existing challenges including lack of basic services. The immediate and long-term effects of Covid-19, therefore, are likely to be grave if not sectorally fatal, especially in a developing country like Kenya.

We have seen a second upsurge of Covid-19 cases across the counties with metropolitan ones taking the brunt of the pandemic. This unfolding scenario has been met with growing concern about the country's health system capacity and ability to cope with the crisis. To summarize the pandemic's impact; above is the UN's projection of *"pathways of socioeconomic impact of Covid-19 pandemic in Kenya"*- adapted from World Bank's conceptual and methodological framework used to determine economic impact of infectious disease outbreaks.

The direct and indirect effects of Covid-19 as projected in Fig 2 have already been felt, and associated disruptions to service delivery will

persist, as second wave transmission trends continue across the country this holiday season. Structurally, Covid-19 has deepened inequality and widened the social and economic gap for the new type of poor Kenyans who lost job opportunities. Economic instability calls for additional investments in effective social protection programs. Technology based businesses are thriving while old modelled and traditional businesses have been adversely affected, some to near permanent closure.

Macroeconomic Policy and Legislative Outlook

At the onset of the outbreak of Covid-19 and within the purview of macroeconomic policy and legislation, the National Treasury and Planning got parliament's concurrence to reduce corporate tax from 30% to 25%; individual income tax was also reduced from 30% to 25% and lastly value added tax also reduced from 16% to 14%. Low-income earners got 100% tax relief for those earning Ksh. 24,000 and below to cushion them from Covid-19's effects. The Ministry of Health on the other hand invoked the Public Health Act for purposes of containing the spread of the virus which for many observes becomes a public security pandemic as opposed to health. In this context, the excesses of the police were brought under sharp focus as many people were brutalized in the process of maintaining public health protocols.

"The real impact of the coronavirus crisis on climate will ultimately depend on the choices we make in how we recover. Meeting the Paris Agreement's goals for mitigation and adaptation must be central to this effort to ensure we reduce the likelihood of future pandemics".

ALI BONGO ONDIMBA

PRESIDENT OF GABON AND AFRICAN UNION CHAMPION
OF THE AFRICAN ADAPTATION INITIATIVE

Presently the Council of Governors and the National Treasury and Planning have produced Covid-19 Socio-Economic Re-Engineering Recovery Strategy and The Post Covid-19 Economic Recovery Strategy (ERS) respectively for implementation. Some of the main policy, legal and institutional reform measures that will support economic recovery include:

1. Expediting the amendment of the investment guidelines under the Insurance Act to allow insurance companies to invest 10% of their assets in debt instruments and affordable housing projects;
2. Roll out the implementation of the MSMEs Credit Guarantee Scheme to support MSME businesses and firms;
3. Accessing and utilizing Green Climate Financing mechanisms including carbon offsets. The National Treasury will issue the first "Sovereign Green Bond" in FY 2021 to finance green projects at both the national and county level.
4. Enact legislation on Road Toll fees to facilitate private sector investment in infrastructure construction and maintenance of roads and highways;
5. Implementation of the National Micro-Pension Scheme that will be open to all informal sector workers who constitute 80 percent of Kenya's labour force;
6. Amending the PPP Act (Amendment) Bill 2017 to remove unnecessary approvals and redundant processes;
7. Fully operationalize the Special Economic Zones Act (2015) to attract both domestic and foreign direct investments (FDI);
8. Review the Public Private Partnership Act (2013) to remove unnecessary barriers to facilitate and expedite mobilization of Kshs.200 billion of PPP financing in FY2020/2021; and

9. On debt re-profiling, it is proposed that the necessary fiscal space will be created to provide much needed resources without undermining fiscal sustainability.⁴

The stimulus package program is currently under implementation after a policy and legal framework was created to facilitate it. The government, as part of the FY 2019/20 budget (ending June 30, 2020), initially earmarked Ksh40 billion (0.4 percent of GDP) for Covid-related expenditure, including health sector (enhanced surveillance, laboratory services, isolation units, equipment, supplies, and communication); social protection (cash transfers and food relief); and funds for expediting payments of existing obligations to maintain cash flow for businesses during the crisis. The FY 2020/21 budget includes a Ksh 56.6 million (0.5 percent of GDP) economic stimulus package that includes a new youth employment scheme, provision of credit guarantees, fast-tracking payment of VAT refunds and other government obligations, increased funding for cash transfers, and several other initiatives.

Over the next two fiscal years – 2020/2022, the macroeconomic outlook as envisaged in the ERS will aim at consolidating strong economic rebound based on inter alia the following key policy objectives:⁵

- Containing the annual inflation rate within the range of 5 % + /- 2.5 %.
- Targeting fiscal support to the key sectors of the economy to re-employ 1.8 million Kenyans who have lost their jobs within the period of the pandemic and creating additional formal and informal sector jobs.
- Returning the economy back to a steady and sustainable growth path from a projected growth rate of 2.5 % in 2020 to 5.8 % in 2021 and 6.2 % in 2022.

⁴ Post Covid-19 Economic Recovery Strategy (November 2020)

⁵ Post Covid-19 Economic Recovery Strategy (November 2020), p 12

- Increasing national savings as a percentage of GDP from 14.0 % in 2020 to 18.1 % in 2022
- Increasing investment to GDP ratio from 18.6 % in 2020 to 22 % in 2022
- Increasing private sector financing of infrastructure to at least 2 % of GDP annually
- Lengthening the maturity structure of domestic debt by targeting over 80 % of domestic debt to be held in longer term Treasury bonds.
- Target reduction of stock of Treasury Bills by Kshs 220 billion by end 2022 to reduce refinancing risks and domestic interest bill.
- Reducing the high share of commercial public debt in external debt from the current 35 % and increasing the share of multilateral and bilateral concessionary debt.
- Refinancing international commercial debts to obtain better pricing terms of not more than 5 % and a tenure of 14 years.
- Reducing the fiscal deficit as percentage of GDP from 8.3 % in FY 2019/20 to 5.3 % in FY 2022/23.
- Reducing the fiscal deficit as percentage of GDP from 8.3 % in FY 2019/20 to 5.3 % in FY 2022/23

Public Health and Effects of Covid-19 on Service Delivery by County Governments

Covid-19 exposed the low levels of investments in public health infrastructure and personnel in Kenya. Given that public health is a devolved function, the assessment of capacity gaps of County Health Facilities to cope with effects of Covid-19 was instituted by the Ministry of Health and establishment of global best practices for post-pandemic knowledge sharing and improved



Fig 3. An Emergency framework for Countries and Communities for Covid-19⁶

Source: InterAction Council

⁶ InterAction Council, Pandemic Emergency Response to Corona Virus-Covid-19, April 2020 <https://www.interactioncouncil.org/publications/pandemic-emergency-response-coronavirus-covid-19>

service delivery is important. A benchmark-gap analysis of each of the counties' existing plans, processes, procedures related to services delivery seem to be generally weak to service continuity and emergency response. The analysis should focus on and be done from an emergency response, systems, facilities, workplace safety, and communications perspective and adapted from the emergency response framework shown in Fig 3.

Major challenges remain in the public health sector in Kenya which is affected by national strike of healthcare professionals of all cadres. Medical doctors and nurses including other categories of specialists in the sector usually on strike over a wide range of issues relating to work safety, career growth, health insurance cover and risk allowances during the pandemic.

Beyond being ill prepared for the pandemic and the ensuing economic fallout from Covid-19 related spill over effects, most counties do not seem to have developed agile and versatile health facilities that can successfully withstand the vagaries of Covid-19. The health value chain is riddled with rent seeking tendencies which further calls for taking additional measures for taking bolder, more creative steps to secure supply chains of essential products, contain the health crisis, maintain the stability of financial systems, help businesses survive the crisis, and support households' economic welfare. National Treasury and Planning working with the legislators need to consider an extensive stimulus package to reverse the economic damage of the crisis.

Services delivery impairment has both short- and long-range effects on both national and county governments' ability to deliver service to the public. Changes in consumer behaviour such as financial

actions like emptying bank accounts and reduced savings are immediate. Different counties are also affected at varying levels with the rate of infections and economic vulnerability.

Poor local revenue collection and long delays in the disbursement of shareable revenue from The National Treasury has continued to put counties into a difficult service delivery situation.

Public Debt and Financing for Covid-19 Recovery

2020 has been laced with uncertainty to the extreme with Covid-19 adding immense pressure to already stretched development financing gaps for Kenya. The dilemma remains as to whether the country should increase its borrowing to help bridge funding deficits and address the immediate effects of the pandemic, safeguard lives, protect livelihoods and kickstart recovery efforts after the crisis is contained or cut spending. Given the tight fiscal policy space the country is in, the probable pathway immediately available for addressing this fiscal pressure is to seek debt relief under the Group of 20 (G20) debt service suspension initiative.⁷

The G20 initiative offers a moratorium on poor countries' repayments to official bilateral creditors due from May 1, 2020 to the end of the year. The initiative is available to countries which are classified as Least Development Countries (LDCs) by the United Nations and those qualified for the World Bank's International Development Association (IDA) lending window. While the initiative is deemed not to be as flexible in policy conditionalities compared to commercial financial markets, including the speed with which governments can raise funds, the amount that can be raised and

⁷ <http://www.okoamombasa.org/news/okoa-uchumi-coalition-statement-on-g20-debt-relief-initiative/> accessed on 21st December 2020; Debt relief welcome, but bigger problems loom: https://www.businessdailyafrica.com/bd/sponsored/debt-relief-welcome-but-bigger-problems-loom-3235384?utm_source=traqli&utm_medium=email&utm_campaign=bdafrica_newsletter&tqid=nOK9fiU8HFEB6VWf9PQLi6zMumGWZ28ZChIdDZhSA

total discretion on how to use the money, the G20 offers Kenya a window for reworking its long-term debt financing and sustainability. Institutional commercial lenders will react swiftly now that Kenya has indicated that it is taking up the debt relief initiative. Challenges on transparency issues and real prospects on how the borrowed money is used for well selected development projects.

Kenya plans to defer \$690 million (Sh75 billion) in debt repayments. This comprises about 7 percent of total debt and is just under a quarter of Kenya's foreign debt burden. Whereas the move will offer relief from interest payments to international development partners, the bulk of Kenya's foreign debt, around 63 percent, is owed to commercial lenders. Of that amount, China is the single largest creditor with 28 percent of all foreign debt secured bilaterally, to finance the standard gauge railway (SGR) at rates slightly higher than commercial rates. Domestic debt makes up the largest share of Kenya's debt portfolio at around 54 percent of total debt.⁸

To benefit from the G20 moratorium, countries have to apply and are expected to comply with terms specified in a statement issued by the World Bank:⁹

- to use the created fiscal space to increase social, health or economic spending in response to the crisis. A monitoring system is expected to be put in place by international financial institutions (IFIs) for this purpose.
- to disclose all public sector financial commitments (debt), respecting commercially sensitive information. Technical assistance is expected to be provided by the IFIs as appropriate to achieve this.

- to contract no new non-concessional debt during the suspension period, other than agreements under this initiative or in compliance with limits agreed under the IMF Debt Limit Policy or World Bank Group (WBG) policy on non-concessional borrowing.¹⁰

It will take more than mere rhetoric to organize an effectively harmonized global mechanism for managing debt and its relief to countries currently undergoing major development funding gaps.

Commercial lenders ought to be more alive to the local revenue conditions given Covid-19's effects.

Political Action and Engagements for Sustainable Financing for Better Recovery

Within the purview of recovery, political action and engagement will be necessary not only to benefit from reimagined policy choices and tools that inform national climate action and inclusive growth but also regional efforts for collaborative, green and just actions to drive better recovery. The State remains a key factor in the post Covid-19 recovery efforts and the set of political cum institutional arrangements that will be selected will shape the pace and magnitude of the recovery process. It takes strategic political choice, political sales-work to move in concert while tackling public-private dialogues for purposes of:

1. Focusing on resilient recovery that supports the growth of trust in the government's commitment towards ending economic insecurity especially in the informal sector and among the most vulnerable.

8 Gikonyo Wanjiru, Debt relief welcome, but bigger problems loom: https://www.businessdailyafrica.com/bd/sponsored/debt-relief-welcome-but-bigger-problems-loom-3235384?utm_source=traqli&utm_medium=email&utm_campaign=bdafrica_newsletter&tqid=nOK9fiU8HFEBa6VWf9PQLi6zMumGWZ28ZChldDZhSA

9 The World Bank on Debt Service Suspension and Covid-19: <https://www.worldbank.org/en/news/factsheet/2020/05/11/debt-relief-and-covid-19-coronavirus>

10 See additional notes here on this here - David Ndi: <https://www.osiea.org/afro/afro-the-african-leaders-covid-19-debt-relief-initiative/>

2. Elevating additional funding and role of science in informing policy and efforts to find a viable vaccine, new seeds, new innovative models for anchoring initiatives within policy sciences coherence and learning to guide our individual and collective action for future problem-solving abilities.
3. Solidarity within the region and cross borders is an important political strategy for action for maintaining supply chains. Regionalism as an important aspect for pursuing mechanisms to strengthen economies, deepening recovery, broadening development resilience, and safeguarding institutional capabilities to deliver on green jobs, accelerate green growth, just resilience and fiscal integration and transfers within the East Africa region.
4. Post Covid-19 recovery will significantly depend on broad convergence of both public and business sectors on bold ideas

- for building back better, actions on new trends such as transitioning to renewable energy to reduce energy poverty in many rural and peri-urban communities.
5. The recovery will also be informed by a set of industrial policies required to shift and accommodate new ideation for structural economic transformation including digital innovation, a green economy cycle changes and sustainable human development.

The uncertainty and fear that Covid-19 has caused runs deeper than most analysts appreciate. The global economy is battered with such daunting realities such as industries shutdown and an extended ban on global air travel. The unprecedented effects of Covid-19 are pointer on what needs to be done and reimagined about human resilience and possibilities. It is a political choice for governments to focus on ensuring people stay alive far outweighing the desire for growth.

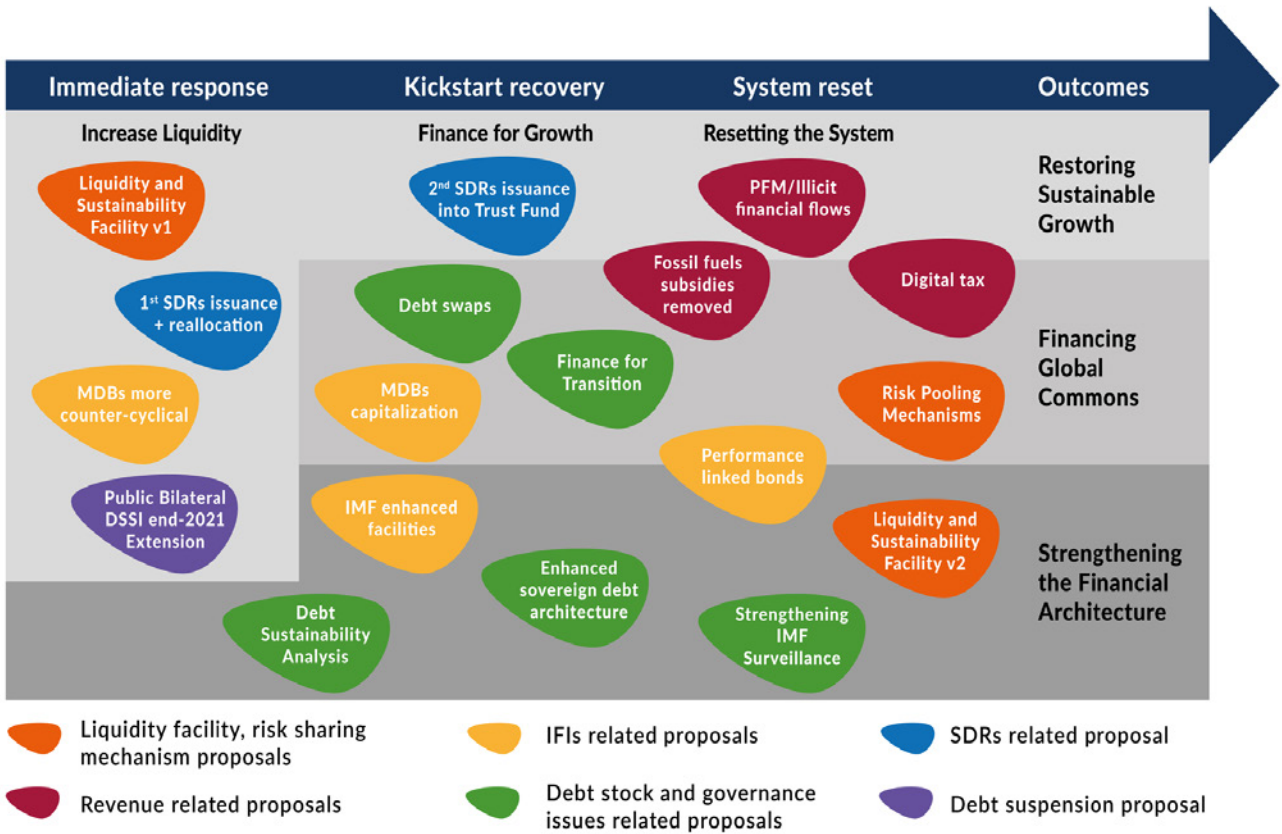


Fig. 4: Financing Process Flow in the Response, Recovery & Reset in Post Covid-19
 Source: UNECA

Further, political action is necessary throughout the value chains for increasing liquidity within the response framework, collaborative institutional responses to kickstart recovery and finance inclusive growth, aim for bold investment options for resetting key economic pillars in post pandemic development for long term economic rejuvenation and sustainable development for the commons. The Fig 4 shows the sequencing of the options across different phases available for governments' political action within the international development financing framework that have been evolving based on the needs of each region/country's liquidity and revenue standing for building back better.

Sustainable and Resilient Infrastructure Development

There is a huge infrastructure financing gap in Africa to a tune of over \$100 billion a year for the next decade.

Like other East African countries, Kenya has been rapidly investing on mega infrastructure development for over a decade now. Infrastructure led growth creates room for major challenges of development inclusivity, equity, sustainable financing, and period it takes to recoup the return on investment (ROI) among others. The African region's "external financing requirements in 2020–2023 are about \$900 billion, with the source of \$130 to \$400 billion of this still unclear"¹¹

Critical investments for resilient and sustainable infrastructure will remain critical in the post Covid-19 jobs and opportunity creation that in inclusive and leaves no one behind. This could also significantly inform the character of Kenya's structural and economic transformation in the decades ahead.



**THE AFRICAN REGION'S
"EXTERNAL FINANCING
REQUIREMENTS IN
2020–2023 ARE ABOUT
\$900 BILLION, WITH
THE SOURCE OF \$130 TO
\$400 BILLION OF THIS
STILL UNCLEAR"**

As the Global Centre for Adaptation notes: "speeding up efforts to end extreme poverty, investment in resilient infrastructure is fundamental. Infrastructure resilience is about delivering services regardless of disruptive events that may occur. The Covid-19 pandemic has amplified calls for infrastructure to be resilient and adaptable so that it can effectively operate during moments of crisis."¹² Resilient infrastructure adds value for long term and future proof resilience while also creating quality and decent jobs for millions of African youths who are skilled in technology advances for sourcing and supporting Kenya and Africa's sustainable progress.

¹¹ IMF (2020); Regional Outlook for Sub Saharan Africa

¹² Integrated responses to building climate and pandemic resilience in Africa (May 2020) pg. 5



Ideas on Climate-Resilient Infrastructure Finance

Attracting institutional investors to African infrastructure projects and bringing that source of financing to scale will require developing new financial instruments that institutional investors are willing to hold. Options include investing directly in Africa infrastructure, increasingly as partners in infrastructure funds, or leveraging Africa's pension funds to invest in resilient infrastructure projects. For instance, Sub-Saharan African pension funds have about \$380 billion in assets under management that could be tapped as a source of investment for infrastructure. Pension funds are already investing in infrastructure projects and service delivery to the poor in countries such as Cape Verde, Kenya, South Africa, Tanzania, and Uganda. By leveraging private and public funds, projects are able to increase both the sources and overall levels of financing. Another promising way of scaling institutional investment is to expand investment options through financial instruments such as resilience bonds. Securitizing an asset pool of African infrastructure and issuing resilience bonds can transform Africa infrastructure projects into low risk, liquid assets that can be attractive to institutional investors. Resilience bonds backed by the credit rating of issuing institutions such as the World Bank Group and the African Development Bank Group further reduces the risk of such bonds.¹³

¹³ Integrated responses to building climate and pandemic resilience in Africa (May 2020) pg. 11; additional references include: <https://www.un.org/en/africa/osaa/pdf/pubs/2017pensionfunds.pdf> and http://www.res4med.org/wp-content/uploads/2018/07/RES4MEDAfrica_Unlocking-Value-from-Sustainable-Renewable-Energy_2018.pdf

GDP Africa (USD Billion)

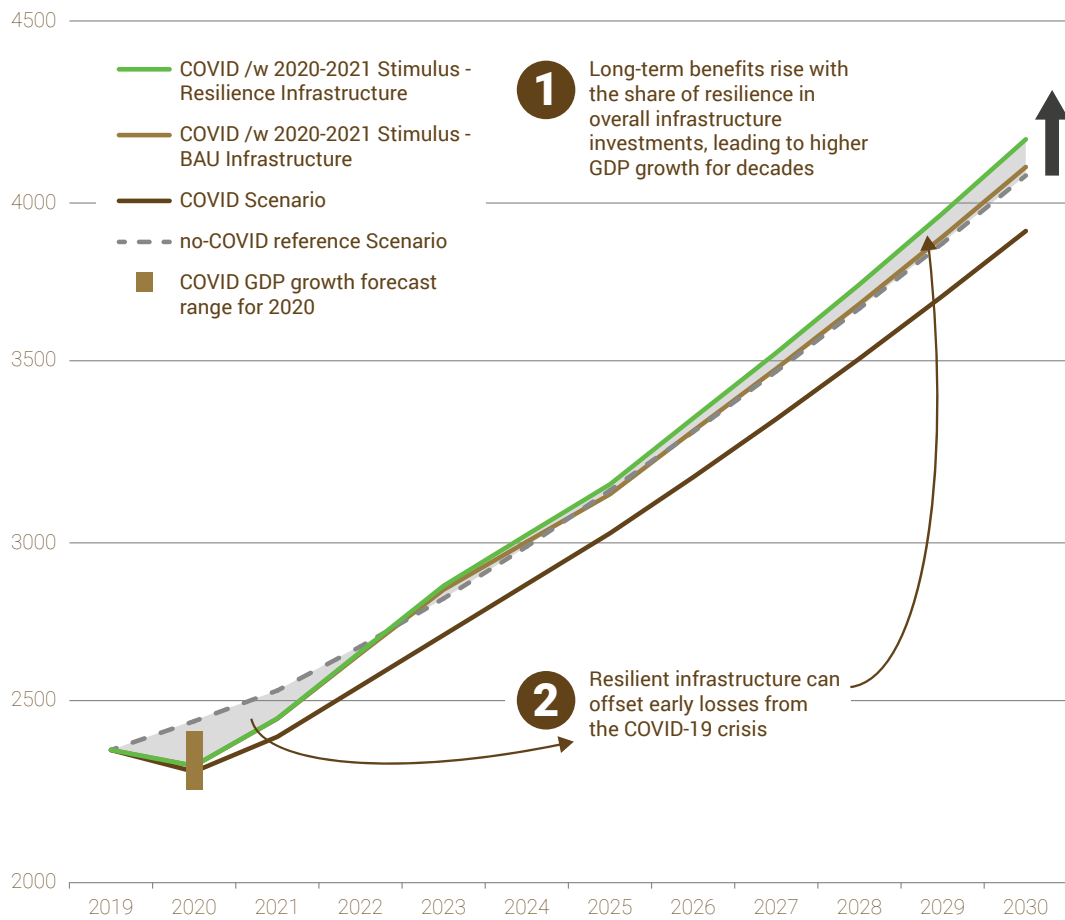
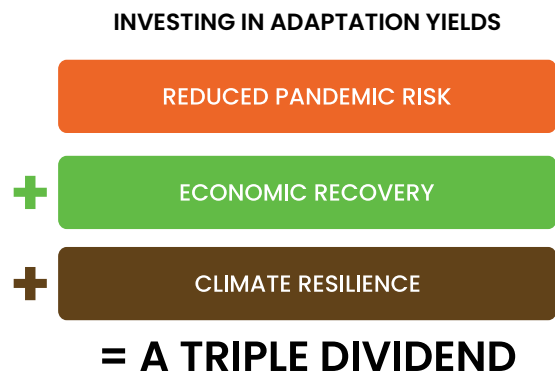


Fig 5: Scenarios for near and long-term effects of Covid-19 crisis and investments in resilient infrastructure

Fig 5 below shows scenario illustrations of near- and long-term effects on GDP of the Covid-19 crisis and 2020-2021 investments in resilient infrastructure throughout the decade. Significant changes are expected premised on the capacity to mobilize alternative funding mechanisms for resilient infrastructure in Kenya but also within the African region as a whole.

Faced with severe fiscal pressure, regional governments have already cut non-essential spending including for travel, entertainment, and capacity building. Some programs have also been suspended to give healthcare systems response priority. For the case of Kenya’s proposed Post



Source: Adapted from ODI, GFDRR, and the World Bank.

Covid-19 Economic Recovery Strategy¹⁴ and the County Social Economic Re-Engineering Recovery Strategy¹⁵ major emphasis is on jump starting economic recovery lead by spending in health, education, agriculture, and tourism which took a heavy hit from the pandemic and infrastructure.

To facilitate clean, green, and resilient growth the ERS proposes to make additional investments for “expanding green economic activity in many sectors...with emphasis on measures that will exploit green economic activities to enable the country make up for growth and incomes lost to Covid-19 and put the economy on a green recovery path.”¹⁶

The quality and range of investments that public and business entities are able to attract and actualize will determine the pace and scope of resilient recovery during the post crisis period. As a disadvantaged region, Africa has to sprint while other regions might enjoy relative ease on fiscal space to raise revenues required for long term implementation of the climate aligned, clean energy powered growth and sustainable development goals. Addressing immediate competitive productivity for recovery in agricultural value chains, tourism and administering elaborate healthcare logistics for vaccines distribution will go a long way towards reshaping local re-engineering processes for resetting and rebuilding economic systems.

THE NATIONAL TREASURY AND PLANNING GOT PARLIAMENT’S CONCURRENCE TO:

1

Reduce corporate tax and individual income tax from

30% to 25%



2

Reduce value added tax from

16% to 14%



3

Cushion low-income earners from Covid-19’s effects, by giving them

100% tax relief

for those earning Ksh. 24,000 and below



¹⁴ Post Covid-19 Economic Recovery Strategy (November 2020)

¹⁵ County Social Economic Re-Engineering Recovery Strategy (September 2020)

¹⁶ Post Covid-19 Economic Recovery Strategy (November 2020), p 20

Section 4

Priorities and Pathways for Building Back Better in Post Covid-19 Recovery

The global public health pandemic has exposed the deep levels of systemic vulnerabilities that people face in local communities but also local authorities that are ever confronted with the need to safeguard and protect those facing grave risks due to Covid-19. National governments, major global corporations and international development and finance agencies have not been spared either as their challenges range from national and global coordination in the search for containment of Covid-19, loss of life and livelihoods, refocusing on addressing climate change crisis, conflicting priorities within stimulus packages for recovery that enhance dirty emissions and rebound back stronger after the pandemic.

To build back better in the post pandemic period will require an action plan that is bold. The pandemic has shaken all fundamentals thus making it necessary for a complete reset and overhaul of economic development models that are discriminatory, non-inclusive and not stakeholder anchored growth.

In principle, important overarching sustainable priority solutions that will help in the resilient recovery efforts include:

1. Sustain the undertaking to maintain a sufficient fiscal stimulus program to support the most vulnerable and businesses. Utmost priority must focus on people, to help alleviate their level of suffering, social trauma, deprivation and contributing towards supporting resilience and economic recovery. Inclusion of women and young girls in the programming is key for maximum impact.
 2. Champion national, local, and global partnership that draw from what has been working to enrich the generation and sharing of knowledge among different communities.
- Partnerships are especially necessary in research and innovation, improving the green value chains and vaccine discovery.
- Civil society and related partner organization in the sector play a vital complementary role besides directly supporting the most vulnerable populations with livelihood opportunities and basic awareness for adapting to Covid-19 responses within the community context.
3. Promote social cohesion by maintaining national and local level solidarity where support services can be used to address fragility and bureaus for data collection can capture the right statistics but also a sense of social solidarity and unity in addressing the pandemic and rebuilding efforts especially at community level.
 4. Provide targeted support to SMEs as an urgent measure for businesses to rebound stronger and contribute towards competitive local productivity but also in re-creating lost opportunities for work. The SMEs type of emergency support fund would go a long way into pooling resources for additional re-skilling, re-training and expanding the digital work platforms for sustaining the creation of decent work.
 5. Education sector was hard hit as all public and private schools, colleges have remained closed for the most part of 2020. Significant support for education will make a major difference given the magnitude of digital and skills inequality that online and home-based learning has been. Sustaining inclusive educational support programs will add value to the creation of decent work for the youth in the years ahead.
 6. Strengthening the international financial

architecture for public finance provision through multilateral development banks (MDBs), IMF and the World Bank is important to among others accommodate resource reserve pooling to help cash fiscal and debt trapped countries access such facilities as Special Drawing Rights at the IMF to remain effective in combating the Covid-19 pandemic.

- 7. Regional integration for Africa is essential for mobilizing and sustaining the flow of goods for trade and seeking support from private commercial sector to enhance business performance and green growth especially for SMEs.

Organizations have been significantly impacted by Covid-19. The disruption caused will lead to long term renewal and a reset on the future of work including working from home. Efforts aimed at supporting the creation of a fairer, sustainable post Covid-19 world of work, will require Chief People and Culture Officers to rethink better workplace and workforce organizational structures for long term investments that drive resilience and sustainable progress.

The great reset on the future of work has imperatives that can successfully be harmonized by firms for driving social responsibility, human solidarity, and dignity for sustainable progress.

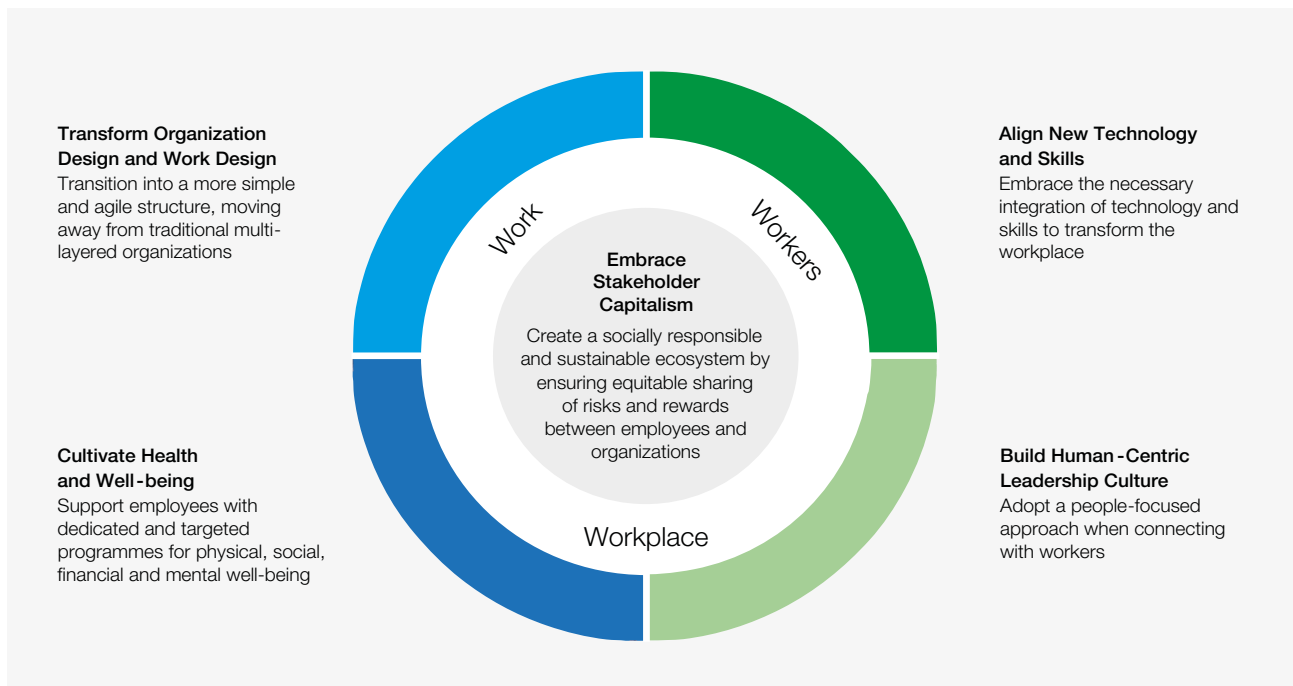


Fig 6: Five imperatives for resetting the future of work agenda
Source: WEF & Mercer, 2020

Actions and Pathways to Resilient Recovery in Post Covid-19: Shaping the Future

Post-Covid-19 recovery plans and investments provides an opportunity to rethink about relationships with the environment and climate systems to ensure the recovery investments aim not only to mitigate the socio-economic effects of the pandemic but also accelerate sustainable and inclusive economic growth. The Covid-19 crisis has shown the importance of adequate preparedness for disaster response and appropriate risk management thus resilient building should be a core pillar of the recovery plan.

Opportunities for green and climate aligned investments with triple wins (reduce pandemic effects, climate resilience and low emissions benefits and economic development) in key sectors are elaborated below.

Agriculture sector

As the economy recovers from the impact of COVID-19, there is a need for a concerted effort to re-engineer the agriculture sector to be responsive to natural disasters, climate change and to be more resilient and sustainable. Key elements for resilient and climate aligned investment in the sector include:

- Adapted value chains for building back better and improving the performance of agricultural value chains. This includes the use of more of renewable energy and less fossil energy through the agriculture value chains and promoting energy efficiency in value addition/processing.
- Accelerate the implementation of the Kenya Climate Smart agriculture strategy.
- Private sector in agriculture sector should Invest in and provide of climate business solutions, services, and entrepreneurship along with the objects of the Kenya Climate SMART Agriculture Implementation Framework (KCSAIF).
- Technologies to increased productivity and profitability and adaptive capacity of farmers with low GHG emissions should be promoted.
- Improve disaster surveillance at county levels to mitigate risks associated with climate related disasters such as floods, droughts, and pest invasion.
- Support use of solar energy and wind power to support irrigation.
- Implementation of measures to support extension services around climate smart agriculture and promotion of value addition to improve longevity of perishables.

Manufacturing Sector

Manufacturing is one of the key sectors for Kenya GDP and employment creation and one of the hardest hit by Covid-19. The sector was critically affected with high concentration of informal firms and dependence on imported raw materials, among others. It is thus essential that the green recovery process targets manufacturing both at national and county levels to provide employment and as a means of livelihoods for many Kenyans.

These include through:

- Training and capacity building to firms and MSMEs to deepen innovation and enhance their competitiveness including on low emissions and climate resilient technologies.
- Buy Kenya build Kenya in sectors initiatives must incorporate sustainable energy and use of renewable energy.
- Supporting MSMEs to set up small recycling facilities for waste management.

Energy Portfolio

Energy integration will be crucially important for post covid-19 economic recovery and sustainable development. The sustainable development of the energy sector that would in turn contribute to ensuring energy security and enhance the country's capacity to respond to the crisis. Key opportunities for green investments include:

- Acceleration of the investments in renewable energy especially for off-grid communities
- Provide and promote alternative sources of clean energy for cooking.
- Provision of fiscal and other necessary incentives for investments in renewables and green energy projects
- Mobilise private sector finance for investments in renewables.

Public Health

There is room for making additional public investments in the sector for sustainably strengthening and coordinating health systems to increase capacities to deal with health climate related disasters.

Water governance and management

Investing in sustainable water supply is an essential element of Post-Covid-19 recovery as well as climate adaptation measures. Through the rural water supply initiatives, construction of key water infrastructure especially for rural communities

Disaster risk management

It is critical that the country takes additional resilience measures including strengthening of institutional capacities around disaster risks

management both health and climate related disasters. This includes through:

- Harmonisation of disaster risk management legal and policy frameworks and finalise disaster management regulations to facilitate effective and efficient disaster response.
- Operationalisation of national disaster risk assessment secretariat that aims to enhance disaster response capacity and build county levels staff.
- Incorporate climate change forecasting and planning for related disasters.
- Building national and county level capacities on climate disaster preparedness

Environmental regeneration

The environment, forestry and wildlife sector not only provide for the livelihood base but also key to the country's growth and development. Thus, is critical that the country's recovery process incorporates protection and conservation of the country's natural resource base. Key priorities include:

- Rehabilitation and proper management of the country's water towers.
- Sustainable waste management and pollution control including provision of better waste collection services at households and facilitate regular waste collection,
- Collaboration better national and county governments to come up with effective solid waste management initiatives.

Responses and actions should enable communities, governments and other stakeholders have to not only be bold but also well targeted and coordinated for maximum impact during recovery and rebuilding stages.

Overall, the key aspects of the triple resilience dividend that all actors have to trail their focus upon under the recovery initiatives include:

- Containing the Covid-19 pandemic
- Meeting basic needs of vulnerable people and strengthening their livelihoods; and
- Providing leadership for addressing climate risks locally, nationally, regionally, and globally.

These three pathways can form a body of specific actions for implementation in the examples of sectors as shown table below.

Recommendations

- Covid-19 has deepened the need to rely more on disaggregated data to advance evidence-based decision making in public policy management. Focus more on organizing local knowledge and skills for solving emerging development challenges beyond Covid-19.
- The tight fiscal policy space that Kenya find itself in to sustainably manage and equitably address development financing and the immediate Vulnerabilities, Uncertainties, Complexities and Ambiguities (VUCA) realities that Covid-19 has

Table 2: Actions to Secure a Triple Dividend

Actions			
ECONOMIC	FOOD	HEALTH	WATER
<p>1. Optimize resilience of stimulus</p> <p>to increase returns and reduce risks of funds deployed while restoring economic activity, jobs and livelihoods faster</p>	<p>1. Develop local markets and value chains</p> <p>to increase efficiency of meeting food supply and demand, reduce food import dependence and obtain more value from agriculture</p>	<p>1. Reinforce public health systems</p> <p>to focus support from fiscal space on enhancing health capabilities and services</p>	<p>1. Promote best sanitation and hygiene practices</p> <p>to support the suppression of community transmission of COVID and climate-sensitive disease</p>
<p>2. Invest in resilient infrastructure</p> <p>to provide a backbone of protection against compounding food-health-water crises and to accelerate recovery</p>	<p>2. Promote disaster resilient agriculture</p> <p>to increase protection of agricultural yields from climate shocks and ensure resilience of local food supplies</p>	<p>2. Promote health insurance coverage</p> <p>to enable populations to benefit from access to treatment despite economic hardship</p>	<p>2. Optimize water management</p> <p>to support the most effective distribution and use of scarce clean water resources</p>
<p>3. Support workforce protection</p> <p>to minimize pandemic, water and food borne disease transmission risks and health and productivity losses from heat exposure</p>	<p>3. Safety nets for food insecure households</p> <p>to deploy social protections to minimize the damage from climate extremes, famine and compounded health crises</p>	<p>3. Leverage digital solutions for awareness and tracking</p> <p>to maximize the power of digital tools to communicate and respond to climate-COVID health risks</p>	<p>3. Enhance water governance</p> <p>to promote cooperation and frameworks to more efficiently manage the supply and demand of water resources to meet critical health and agricultural needs</p>

unleashed upon us and exacerbated including the unpredictable period to recover fairly and justly, collectively lead us to implore both Legislative and Treasury authorities to strongly consider the G20 debt initiative/moratorium and cut the cord that link Kenya with the “casino model” of development financing.

- Emerging information on healthcare systems regarding the level of county preparedness to address Covid-19 is reasonably good to point us towards drawing a roadmap for implementing Universal Health Coverage (UHC) in Kenya as part of the national and local county efforts for realizing the SDG No.3.
- While Covid-19 has further pointed us to the need for building an effective State that is capable of regional, continental, and global cooperation to address such pandemics, it has covertly demonstrated the urgent need to continually review, amend and align existing policies and legislation with emerging realities, circumstances, and priorities to become more responsive and effective within expected results framework to addressing risks, disasters, and pandemics.
- Public health is a social common good that needs tough choices for long term sustainable investments that are also aligned to climate related disasters. Also focus on increased public awareness campaigns for prevention as opposed to curative components only.
- Support and budget for the implementation of new and emerging work approaches and platforms without compromising on standards, quality, and efficiency of results delivery in the digital economy that needs to be integrated as an integral part of the future of work transformation.
- The country’s post -covid recovery plan must aim to build the country’s resilience to effectively operate during moments of crisis including health and climate crisis. We need to use the moment to do things differently at individual and institutional levels to create a green, resilient, and climate aligned sustainable future. The recovery plan should and must be an opportunity to enhance climate ambition in all sectors and through the value chains in sectors.

“The world is about to deploy enormous, gigantic fiscal stimulus and we can do it in a way that we tackle both crises at the same time. If our world is to come out of this crisis more resilient, we must do everything in our power to make it a green recovery.”

KRISTALINA GEORGIEVA,
MANAGING DIRECTOR OF
THE INTERNATIONAL MONETARY FUND

Annex I: COVID-19 and the SDGs



End Notes & References

The Kenya Economic Update: Navigating the Pandemic; November 2020/Edition No.22 (p. v): <http://documents1.worldbank.org/curated/en/957121606226133134/pdf/Kenya-Economic-Update-Navigating-the-Pandemic.pdf>

KNBS Quarterly GDP Report, Second Quarter 2020, and Economic Survey 2020

County Social Economic Re-Engineering Recovery Strategy (September 2020)

Michael Spence and Danny Leipziger writing on Pandemic Public -Debt Dilemma in the East African December 19th -25th 2020 pg19.

Covid-19: BCG Perspectives; Facts, Scenarios and Actions for Leaders: The State of the World; December 2020: <https://media-publications.bcg.com/BCG-COVID-19-BCG-Perspectives-Version20.pdf>
UN Policy brief Issue No: 4/2020- Articulating the Pathways of the Socio-Economic Impact of the Coronavirus (COVID-19) Pandemic on the Kenyan Economy

The National Treasury and Planning: Post Covid-19 Economic Recovery Strategy (November 2020)

InterAction Council, Pandemic Emergency Response to Corona Virus-Covid-19, April 2020 <https://www.interactioncouncil.org/publications/pandemic-emergency-response-coronavirus-covid-19>

<http://www.okoamombasa.org/news/okoa-uchumi-coalition-statement-on-g20-debt-relief-initiative/> accessed on 21st December 2020;

Debt relief welcome, but bigger problems loom: https://www.businessdailyafrica.com/bd/sponsored/debt-relief-welcome-but-bigger-problems-loom-3235384?utm_source=traqli&utm_medium=email&utm_campaign=bdafrica_newsletter&tqid=nOK9fiU8HFEB6VWf9PQLi6zMumGWZ28ZCh1dDZhsA

Gikonyo Wanjiru, Debt relief welcome, but bigger problems loom: https://www.businessdailyafrica.com/bd/sponsored/debt-relief-welcome-but-bigger-problems-loom-3235384?utm_source=traqli&utm_medium=email&utm_campaign=bdafrica_newsletter&tqid=nOK9fiU8HFEB6VWf9PQLi6zMumGWZ28ZCh1dDZhsA

The World Bank on Debt Service Suspension and Covid-19: <https://www.worldbank.org/en/news/factsheet/2020/05/11/debt-relief-and-covid-19-coronavirus>

See additional notes here on this here - David Ndi: <https://www.osiea.org/afro/afro-the-african-leaders-covid-19-debt-relief-initiative/>
IMF (2020); Regional Outlook for Sub Saharan Africa

Integrated responses to building climate and pandemic resilience in Africa (May 2020).

Integrated responses to building climate and pandemic resilience in Africa (May 2020)

<https://www.un.org/en/africa/osaa/pdf/pubs/2017pensionfunds.pdf>

http://www.res4med.org/wp-content/uploads/2018/07/RES4MEDAfrica_Unlocking-Value-from-Sustainable-Renewable-Energy_2018.pdf

World Economic Forum and Mercer, 2020



POWER SHIFT
A F R I C A

Power Shift Africa (PSA)

No: 5, Waridi Court.

Kilimani, Nairobi

+254 731 808 070

02 044 071 113

info@powershiftafrica.org

powershiftafrica.org

May 2021