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UN Sustainable Development Cooperation Framework and national poverty eradication: The experience of Kenya

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1.0 Introduction

Kenya has made important political, structural and economic reforms that have contributed to positive political gains, economic growth and social development over the past ten years.[1] The country ushered in a new political and economic governance system with the passage of a new constitution in 2010 that introduced a bicameral legislative house, devolved county government, a constitutionally tenured judiciary and electoral body. Economic growth averaged 5.7% in 2019, placing Kenya as one of the fastest growing economies in Sub-Saharan Africa.[2] The economic expansion was boosted by a stable macroeconomic environment, positive investor confidence and a resilient services sector. However, growth trajectory was interrupted in 2020 due to COVID-19 pandemic, drought and locust invasion. The economy is estimated to have contracted by 1% in 2020 due to the effect of the COVID-19 pandemic, exacerbating food insecurity and increasing poverty by 4% (or an additional 2 million poor according to the World Bank latest Kenya Economic Update) through serious impacts on livelihoods, by sharp decreases in incomes and employment. Despite the impact, the government and IMF forecast a strong rebound for economy in 2021 and in the medium term, with an expected GDP growth of 6.9%, which is expected to make a dent to poverty numbers.

Even before COVID-19 pandemic and impressive economic growth, the country had been experiencing significant challenges in poverty reduction. The country's key development challenges still include poverty, inequality, climate change, continued weak private sector investment and the vulnerability of the economy to internal and external shocks.

Poverty remains high in Kenya despite a decline in the poverty rate from 46.6% in 2005/06 to 36.1%[3] in 2015/16[4]. While poverty declined, the absolute numbers increased from 16.8 million people in 2005/06 to 19.5 million in 2019. Of the 19.5 million, 14 million live in rural areas, 1.3 million in peri-urban and core-urban has 4.2 million people who are mainly in the informal settlements[5]. Spatially, across the 47 counties, overall headcount poverty (proportion of poor individuals) widely ranges from a low of 16.7% in Nairobi City County to a high of 79.4% in Turkana County. In 2015/16, the poorest four counties were Turkana (79.4%), Mandera (77.6%), Samburu (75.8%) and Busia (69.3%). Conversely, the four counties with least poverty include Nairobi (16.7%), Nyeri (19.3%), Meru (19.4%) and Kirinyaga (20.0%)[6].

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[1] World Bank, Kenya Economic Update, April 2020
[2] Kenya Bureau of Statistics, Economic Survey 2020
[3] World Bank 2018
[4] KNBS, 2018; Kenya Integrated Household Budget Survey (KIHBS), 2015/16.
[5] KNBS, (2019) 2019 Kenya Population and Housing Census Volume I
[6] *ibid*

The Multidimensional Poverty Index (MPI) shows a higher incidence of poverty of 39.9% with 14.5% of the population in severe multi-dimensional poverty[7]. Income inequality levels have not decreased significantly in recent years and achieving inclusive growth remains a development challenge. Kenya's Gini coefficient of 47.7 is above the Sub-Saharan Africa 2013 average of 43.8[8].

The latest Kenya Household Budget Survey 2018 (KIHBS) results show that nationally, more than half (59.4%) of total expenditure is controlled by the top quintile (Q5) while the bottom quintile (Q1) controls the least share of 3.6%. A wide urban-rural gap exists in terms of access to education, electricity, water and sanitation, health and housing services, which exacerbate inequalities in income and livelihood opportunities[9]. The underlying causes of poverty in rural areas include low investment and low agricultural productivity (averaging 4.1% over the period 2012-2017), reinforced by agro-climatic shocks that impact vulnerable communities that rely on livestock and rain-fed agriculture. Furthermore, poverty is feminized. Poverty incidence among women tends to be higher than men in many dimensions that include minimal employment opportunities in the formal sector and earning overall lower wages[10]. The female labour participation rate (75.9%) is lower than the male labour participation rate (79.2%)[11].

2.0 UN and National Development Context

To address development challenges, the UN in Kenya has consistently worked with the government to support realization of national development priorities as per the Kenya's long-term blueprint -- Vision 2030. The overarching goal of the Vision 2030 is to create "a globally competitive and prosperous country with a high quality of life by 2030". It aims to transform Kenya into "a newly industrialized, middle income country providing a high quality of life to all its citizens in a clean and secure environment". The Vision is anchored on three key pillars: economic; social; and political, supported by enabler/foundation and is implemented through a series of successive five-year medium-term plans (MTPs).

The UNDAF (2018-2022) outlines the UN's support to Kenya towards realization of the national development priorities and the SDGs. The current and fifth generation of the UNDAF 2018 - 2022 is aligned to the Medium-MTP III (2018-2022), Big Four, SDGs and Agenda 2063. Guided by the Mainstreaming, Acceleration and Policy Support (MAPS), the UN has strategically positioned itself to support localization, implementation, monitoring and reporting of the SDGs in Kenya.

Through the UNDAF 2018-2022, the UN in Kenya supports the GOK towards achieving universal health coverage, food security and increased efforts for job creation and youth empowerment. In addition, UN's support the government's constitutional priorities and its

[7] Oxford Poverty and Human Development Initiative (OPHI), 2017.
[8] World Bank, 2014; World Bank 2016.
[9] OPHI, 2017.
[10] World Bank, 2014
[11] Kenya National Bureau of Statistics (KNBS), 2018. Labour Force Basic Report.

human rights and adopted Universal Periodic Review (UPR) targets. Gender equality continue to remain one of the top priorities, both as a fundamental right and potential accelerator of development and poverty reduction.

3.0 Experience of Kenya

UN Kenya has been developing its 5-year development corporation frameworks in collaboration and inputs from the government. The framework forms the basis for collaboration and support to the government and other stakeholders. The process of developing the 2018-2012 UNDAF was informed by key lessons and recommendations from Mid-term review and the final evaluation of previous UNDAF and from evidence-based Common Country Assessment (CCA). The UNDAF preparation process involved joint work, consultations and validation with the GOK, development partners and key stakeholders.

The UNDAF has three Strategic Priority Areas that are aligned to the three MTP III Pillars (Political, Social and Economic) of the Government's Vision 2030. The priorities are: 1) Transformational Governance encompassing respect for the rule of law, improved security, and effective implementation of devolution, 2) Human capital development comprised of education, training and learning, health, Multi-sectoral HIV and AIDS response, access to safe water and sanitation, social protection, gender based violence and violence against children, access to adequate housing and strengthening capacities for addressing disaster and emergencies and 3) Sustainable and inclusive growth focusing on a competitive and sustainable economic growth that is increasingly resilient, green, inclusive, equitable, and creating decent jobs and quality livelihoods for all. The outcomes support the government to accelerate the economic transformation of Kenya contributing to an empowered, productive, and healthy nation.

The UN has focused on coordinated approaches, promoting resilience, conflict prevention, prevention of violence extremism (PVE) and sustainable peace building a strong bridge from disaster preparedness to long term social-economic transformation. Additionally, the UN has explored several key innovations to address the programmatic and operational challenges faced especially among the most vulnerable and marginalized communities in hard to reach areas. This include the Marsabit/Moyale Cross-Border and Turkana county integrated area based programmes.

4.0 Socio-Economic Impacts of COVID-19

The impact of the pandemic on the economy has led and is expected to lead to massive job losses pushing large numbers of people below the poverty line. Already, the floriculture and tourism industries, which employ large numbers of people are reported to be operating at 40% and 10% capacity respectively[12]. A recent survey by the Kenya National Bureau of Statistics (KNBS)[13] indicated that labour force participation rate of the population has decreased to 56.8% in the week preceding the survey. About two in three (65.3%) males were in the labour

[12] https://www.policycenter.ma/opinion/impact-covid-19-kenyas-economic-development#.XqhgMqhfhPY
[13] https://www.knbs.or.ke/?wpdmpro=survey-report-on-socio-economic-impact-of-covid-19-on-households

force while slightly more than half (51.2%) of the females were found to be outside the labour force in the reference period. In addition, the data indicated that there has been a 51.7% increase in the cost of transport which will negatively affect prices. Further, in a survey conducted in June 2020, 37.0% of households indicated that they were unable to pay rent for May 2020, with 61.0% of the households that were unable to pay rent citing reduced income as the main reason for defaulting. A third of the households had not put in place any coping mechanisms to counter the effects of COVID-19.

To mitigate the financial distress caused by the pandemic, 41.9% of the households indicated that they had cut on financial spending on non-essential commodities although a notable proportion of individuals (36.7%) did not take any measures to overcome the financial distress caused by the COVID-19. Further, according to another survey done by Mckinsey and Company, the epidemic has also adversely affected the Small and Medium Enterprise (SMEs), which accounts for 83% employment, with reports indicating that 75% of SMEs face collapse.[14]

5.0 UN Support to COVID-19 Response

With COVID-19 pandemic, the UN repurposed US$45 million under UNDAF and reprioritized interventions under the UN's framework on the immediate Socio-economic Response Framework (SERF) to COVID-19. The UN Kenya came up with a 2-year Socioeconomic Recovery Plan (SERP) for implementation which has five pillars; Protect and Strengthen the Health System; Social Protection and Basic Services; Protect Jobs and Economic Recoveries: Macroeconomic Response and Multilateral Coordination; and Social Cohesion and Community Resilience and outlines the UN's support to Kenya to recover and build back better following the COVID-19 pandemic. The heart of the response lies at the national and subnational level, using existing structures to ensure that the UN reaches those that need support and responds to SDGs achievement, which has been severely dented.

The SERP provides an opportunity for UN in Kenya to support the GOK's Socio-Economic Recovery Strategy to COVID-19 which is aligned to the UN SERF and anchored on the 2030 Agenda for Sustainable Development and the 17 SDGs which provide a pathway for Kenya to "build back better." This means recovery policies that would trigger investment and behavioural changes that will reduce the likelihood of future shocks and increase society's resilience to them when they do occur.

The response on protecting health services and systems has focused on maintaining the balance between the demands of responding directly to COVID-19 while maintaining essential service delivery. The UN's support to the overall health systems is to strengthen and 'build back better,' ensuring that Kenya can meet its health targets for SDG 3, SDG 5, SDG 10 and other related SDGs.

[14] https://citizentv.co.ke/business/three-quarters-kenyan-smes-stare-total-collapse-end-june-334045/?utm_source=onesignal&utm_medium=notifications&utm_campaign=onesignal_notifications

The UN Kenya’s response in the economic recovery focuses on protecting and improving the productive sectors, protecting jobs and promoting decent work. The UN contributes integrated, country-specific policy advice and programme support, including the UN policy brief on Articulating the Pathways of the Socio-Economic Impact of the Coronavirus (COVID-19) Pandemic on the Kenyan Economy. The UN is providing immediate response support to highly vulnerable and impacted groups including poor households, informal sector workers and micro-businesses.

In support of economic recovery, the UN is focusing particularly on informal sector workers and MSMEs, which account for the majority businesses in Kenya and about 83% of total employment and make a key contribution to poverty reduction and sustainable development that is linked to SDGs 1, 2, 5, 8, 9, 10 and 15.

Under the Macroeconomic Response and Multilateral Collaboration, the focus is on supporting Kenya to address development finance challenges, assisting the Government at both national and county levels in reprioritizing the national/county SDG targets alongside national/county recovery and development targets, rebalancing public expenditures and ensuring viable development financing options for achieving SDGs. Under the Social Cohesion and Community Resilience, the UN focus is on strengthening social cohesion and community resilience and promotion of inclusive social dialogue, advocacy, and political engagement; empowering community resilience which contributes to SDGs 1, 5, 10, 11, 12, 13, 16, and 17.

In the implementation of the UNDAF, the UN strives to expand public private partnerships for SDG realization; deepen integrated programming, supporting counties and bordering countries going to the furthest first, to enhance the roots of cohesion and socio-economic transformation. Specific focus areas include; development of a comprehensive roadmap and costing to facilitate implementation of the SDGs in Kenya and substantive and regular reporting on the SDGs, with focus on key results achieved at the national and county levels as well as defining solutions to accelerate off-track SDGs.

UN has provided strategic support in mainstreaming SDGs into the MTP III and the Big Four Agenda, second generation County Integrated Development Plans (CIDPs) and public institutions strategic plans, policies, and budgets, which is geared towards achieving the country’s development aspirations and significantly reduce poverty. UN has continued with SDGs advocacy, sensitization and capacity building of key stakeholders and Parliament on the SDGs including supporting National Assembly SDGs open day through the Parliamentary Caucus on SDGs and Business and capacity building especially to the Caucus and Parliamentary Committee on Budget and Planning to ensure SDGs and poverty reduction initiatives are incorporated in government’s budget approvals.

The UN in collaboration with the Government, civil society, private sector, academia and private sector have continued to support SDGs implementation process in the country which is expected to reduce poverty by 2030. UN support to GOK has made substantive contributions to SDGs awareness, capacity building, mainstreaming, monitoring and reporting. Critical success factors include national ownership of the SDGs; strategic relevance through alignment with national development policy and mainstreaming of SDGs; timely response to emerging needs; United Nations system-wide monitoring and reporting through the Delivering as One (DAO) framework.

6.0 Lessons

Working with several sector ministries have provided leadership in the review of policy, legal and institutional frameworks to support poverty eradication and reduce inequality. However, more efforts and resources are needed and to be redirected into implementation. Oversight institutions such as the National/County Assemblies and other relevant agencies will require more support to play their rightful roles with emphasis on monitoring progress on desired policy objectives. This includes ensuring that the resulting policies have appropriate indicators, baselines and targets.

Collection, analysis and dissemination of reliable and timely disaggregated data is critical for strengthening policy, legal and institutional framework and infrastructure for collecting and analyzing data on progress on poverty reduction. The absence of a statistics policy to provide guidance on data collection, analysis and reporting at national and county levels has led to proliferation of all types of data that is contradictory and difficulty to use. There is a challenge of capacity of data generators and therefore the need to build the capacity of key institutions such as KNBS, Monitoring and Evaluation Directorate (MED) and counties on data collection, analysis and reporting.

South South and Triangular Cooperation learning is rarely utilized especially at the local level. There are opportunities to enhance and improve South South and Triangular cooperation and learning to promote win-win situation in which all partners learn, contribute and share responsibilities. Development partners should support and compliment specific South South and Triangular Cooperation and learning initiatives by providing technical, financial and material assistance including learning and scaling up proven innovative initiatives that address inequality and poverty.

Development financing has become a huge challenge especially with the COVID-19 pandemic. Therefore, focusing on the means of implementation is critical and there is need to explore different ways of financing development work and address poverty challenges. The national critical areas which need UN support include accelerating progress on the poverty and inequality, addressing data gaps to support the “Leave No One Behind” principle of the 2030 Agenda, enhancing the application of evidence-driven integrated policy instruments to advance implementation of the SDGs across all the pillars of sustainable development, developing an Integrated Financial Framework (INFF), and enhancing the role of Parliament, County Assemblies and key stakeholders in SDGs implementation, monitoring, evaluation and reporting.

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