



Accelerating progress in poverty eradication post COVID-19: The case of Kenya

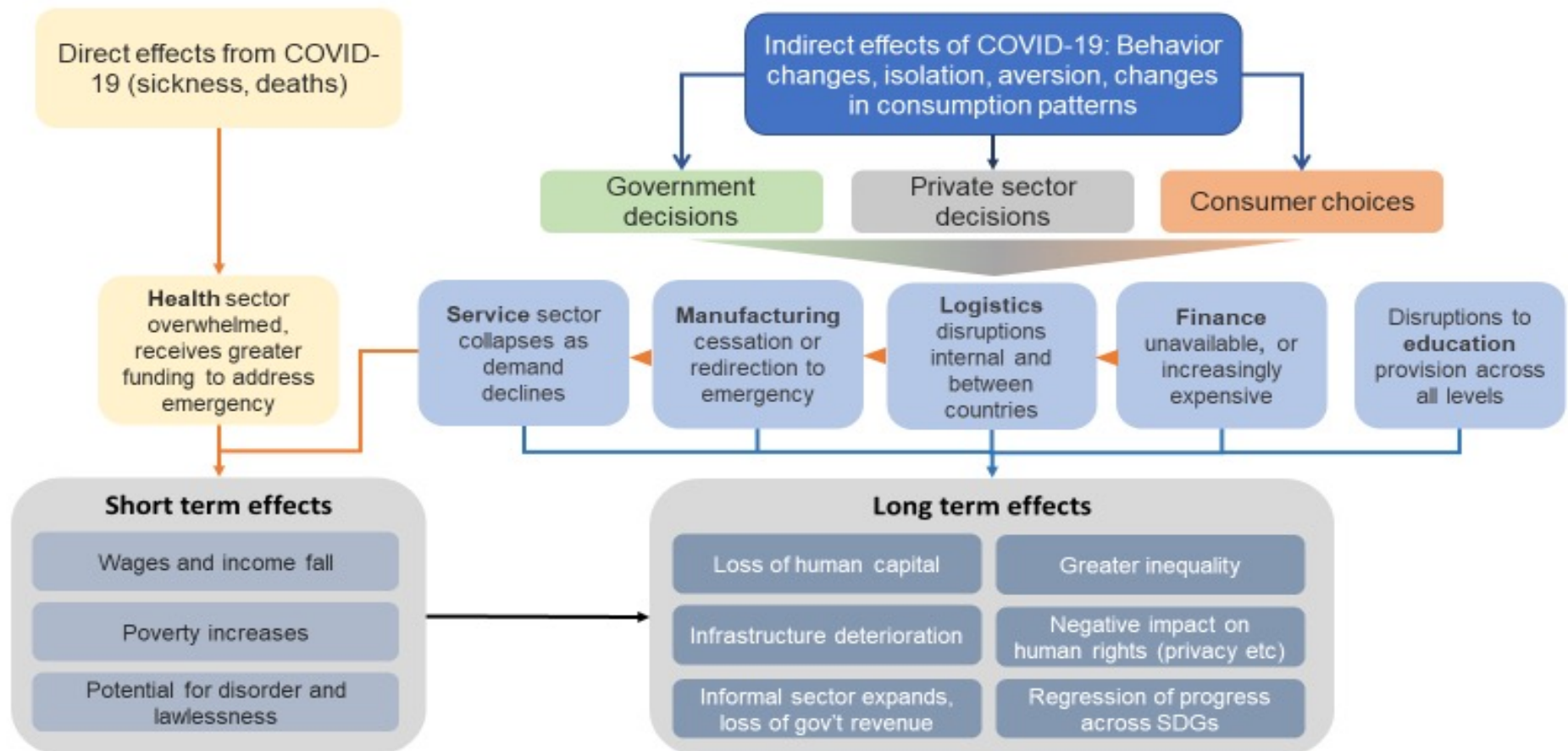
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for
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Implementation of the Third United Nations Decade for the
Eradication of Poverty (2018-2027) under the theme
“Accelerating Global Actions for a World without Poverty”
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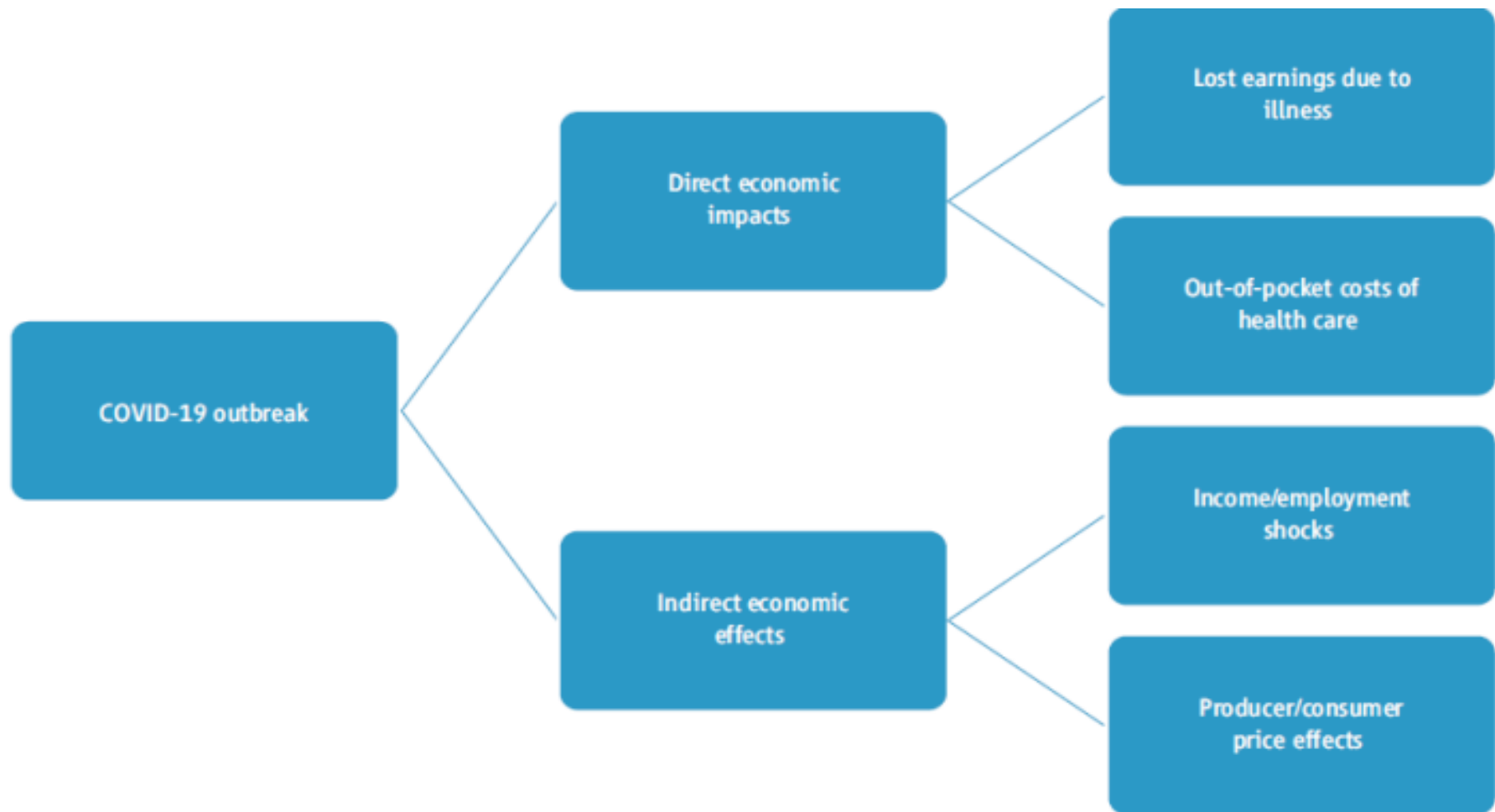
PURPOSE OF THE PRESENTATION

Provide a perspective on how Kenya can accelerate progress in poverty eradication in Kenya post-COVID-19.

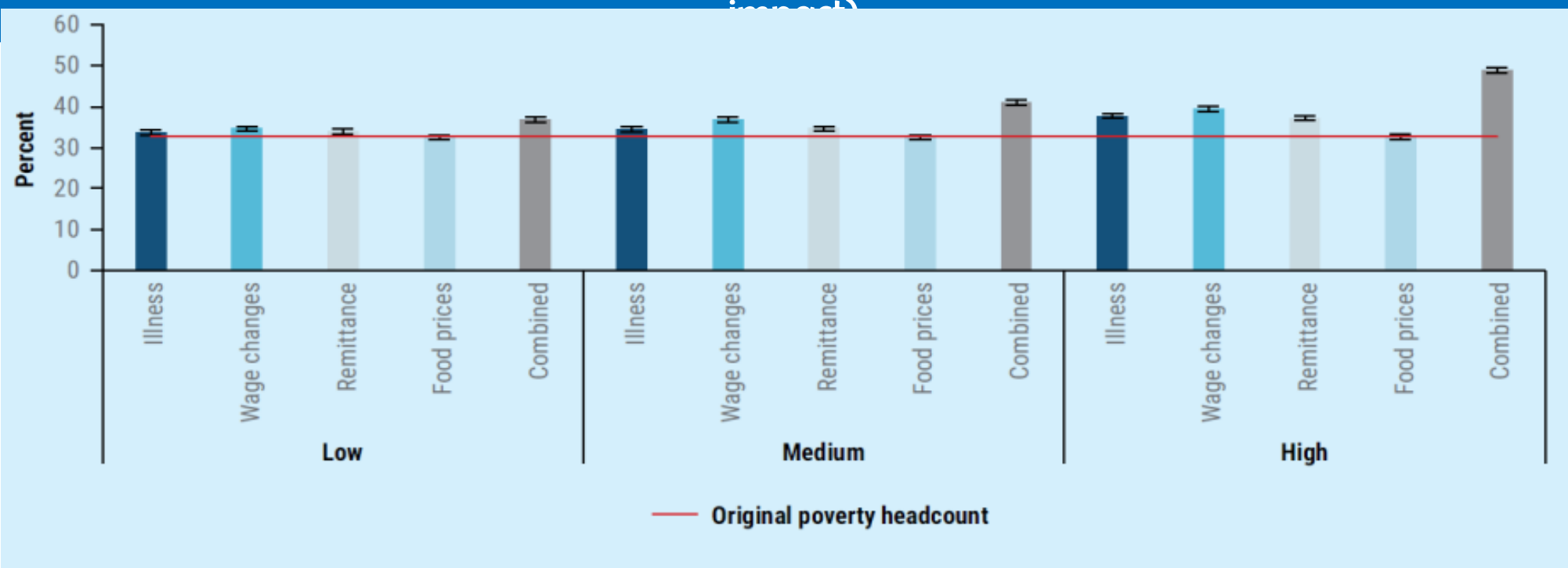
Socio-economic pathways of the effects of COVID -19 in Kenya



COVID-19 IMPACTS POVERTY THROUGH VARIOUS CHANNELS



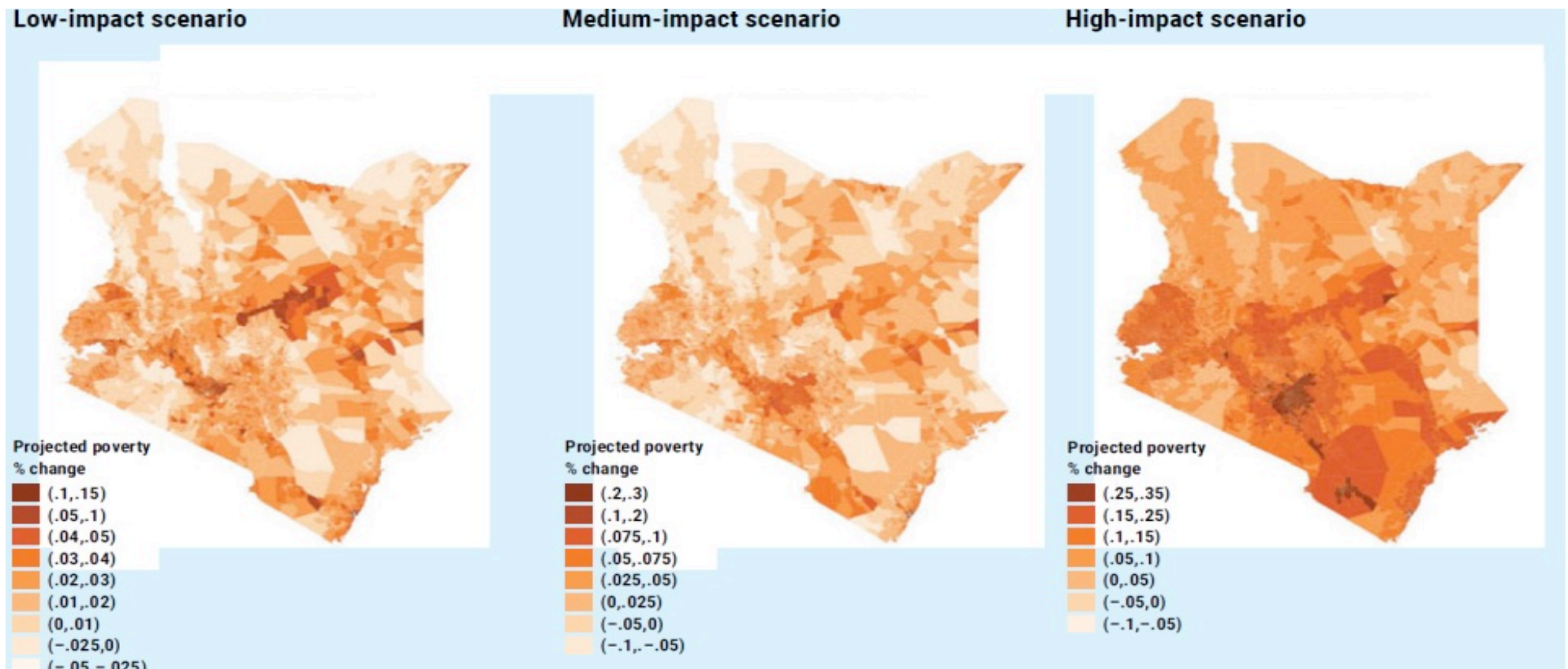
Projected Kenya's poverty headcount rates by scenario (low impact, medium impact, high impact)



COVID-19 may increase the projected poverty headcount of a given area by up to 16 percentage points, depending on severity. The channels of effects from COVID-19 include loss of income due to illness, changes in wage earnings, reduction in remittances, and increases in food prices of highly import-dependent food items. When combined, these channels may increase the projected poverty headcount by 4 percentage points to 16 percentage points, depending on severity.

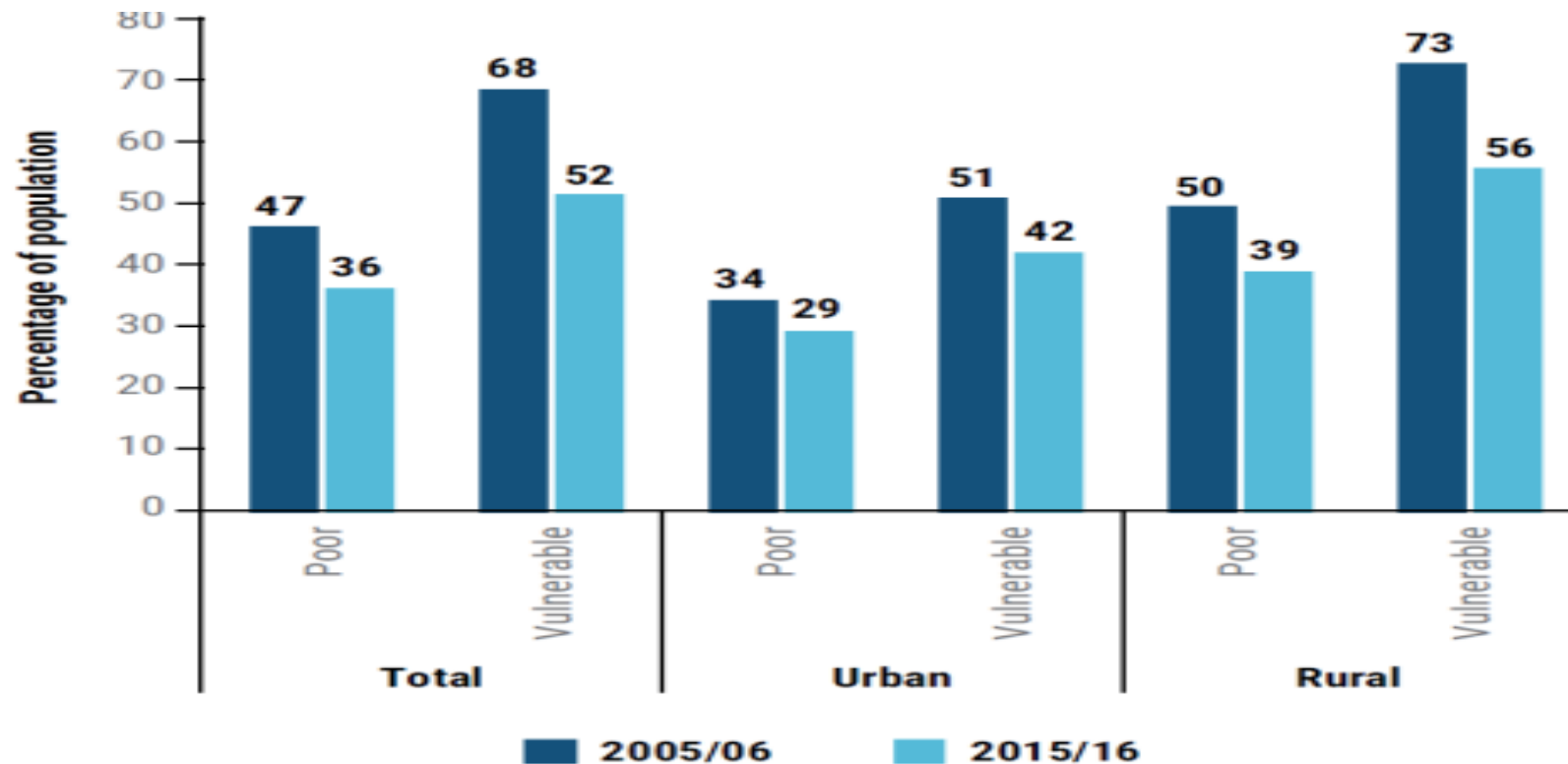
Source: World Bank (2020). COVID-19 Crisis Through a Migration Lens. Migration and Development Brief no. 32. World Bank, Washington, DC.

Kenya's projected poverty change by sub-location



The effect is larger on urban households, often equalizing urban and rural poverty rates in the same sublocation. The most-affected sublocations tend to be in Nairobi and surrounding counties

Kenya's poverty and vulnerability rates, urban and rural



Despite falling poverty rates, more than half of Kenya's population is vulnerable to falling into poverty in the near term. Vulnerability rates fell faster in rural than in urban areas, but the rural vulnerability rate (56 percent) still significantly exceeds the urban rate (42 percent; figure 26a).⁷⁴ Nationwide, more than one-third of nonpoor Kenyans are classified as vulnerable. Vulnerability is most common in households that derive most of their income from agriculture and those with low levels of education

From COVID-19 Crisis Response to Resilient Recovery

The impacts of the pandemic

Sharp deterioration in socio-economic indicators and outlook

- Public health impacts
- Unemployment rising
- Poverty rising
- Declining outlook across SDGs

Shocks across the financing landscape

- Declining public revenue
- Increased spending
- Falling private investment
- Risks of debt distress
- Risks of financial crises

Looking ahead to recovery

Building forward better

- Recovery that emphasises:
 - Inclusivity
 - Resilience
 - Sustainability

Kenya must avoid a K-shaped recovery and invest in resilience for future shocks

Need for a Green Resilient and Inclusive Development (GRID)

- Address challenges of poverty, inequality and climate change simultaneously and systematically.
- Create inclusive opportunities to ensure vulnerable population groups are not left behind

Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development (GRID) Will Accelerate Poverty Eradication in Kenya



Resilient recovery that acknowledges interlinkages between People, the Economy and the Planet is the Big Push to needed Accelerate Poverty Eradication in Kenya

