



# THE 2ND ICPAK RESEARCH

## CONFERENCE 2021

THEME: BUILDING A RESILIENT ACCOUNTANCY PROFESSION  
AND ECONOMY IN A DISRUPTIVE ENVIRONMENT

**DATES**  
**7th - 8th**  
**Dec/2021**

**VENUE**  
**Kenya School of**  
**Government - Nairobi**



# Thematic Area: Sustainable Development

Title: Impact of Covid19 Pandemic on Investments in  
the Water Sector in Kenya

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# OUTLINE



Background



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# Background



- ❑ Covid-19 pandemic started in China in the year 2019 and it was not until early 2020 that the pandemic spread to Africa among other continents (Ezeh, Ragatoa, Sanou, & Emeribe, 2020).
- ❑ The pandemic caused panic and closure of the economy and medics struggled to understand the pandemic and establish different ways of containing it (Ezeh et al., 2020)
- ❑ Among the key measures identified to contain its spread was:
  - Regular hand washing with soap or Sanitize
  - Social distancing
  - Wearing of appropriate masks
- ❑ The requirement for hand washing increased demand for water which called for emergency interventions to ensure increased access to water (OHCHR, 2020)
- ❑ Given the inadequacy of resources, Govts. Had to shift resources within and across sectors (Butler, Pilotto, Hong, & Mutambatsere, 2020)

# Background Cont.



- In the water sector in Kenya, resources were drawn from long-term projects to prioritize short-term emergency projects geared towards ensuring that there is adequate hand-washing water (OHCHR, 2020)
- Several boreholes were sunk in the Nairobi's informal settlements supplying free water to the residents
- While the access to water was enhanced in such areas, the sustainability of the supply cannot be guaranteed because of the associated supply costs and the fact that the water company continues to lose revenue which would otherwise be collected from the consumers of the borehole water (Butler et al., 2020)

# Problem Statement



- Water is a basic human right, it is key to health, agriculture, manufacturing among other sectors (Chitonge, 2010; Martínez-fernández, Neto, Hernández-Mora, Del Mora, & La Roca, 2020)
- It is prioritized under the SDGs, African Agenda 2063, CoK 2010 and Kenya's Vision 2030 (Filho et al., 2020; van Zanten & van Tulder, 2020)
- Long-term plans had been put in place, projects prioritized and funded (van Zanten & van Tulder, 2020)
- Covid-19 required increased access to water for hand washing and for domestic use pushing up the demand
- The high demand laid bare the inadequacy of water infrastructure esp. across Africa



# Problem Statement Cont.



- Scholars concentrated on studies linking Covid-19 and access to water, others focused on influence on the pandemic on revenue earning capacity for WSPs
- There was ltd studies undertaken linking covid-19 to investments in water and sustainability of the same
- There was need to undertake a study to establish the impact of the pandemic on the long-term agenda for water and sanitation

Hypothesis:

- Covid19 pandemic had no influence on investment financing in the water sector in Kenya

# Objective of the study



The objective of the study was to establish the impact of Covid-19 pandemic on investments in the water sector



# Findings



	Approved estimates 2020/21 (GoK, 2016)	Supplementary II 2020/2021 (GoK, 2021)	Budgetary change 2020/2021	% change
Total Capital investment Budget	17,591	23,378	5,787	
Donor Funded budget allocation	13,854	15,526	1,672	29%
GoK Funded Budget allocation	3,737	7,852	4,115	71%

# Findings Cont.



Nature of change	Change in Millions of Kshs
Investment in Covid 19 related projects	1,521
Compensation costs for priority/closing donor projects	4,207
Resources shifted from other projects	(1,612)
Total change for GoK budget allocation	4,115

# Findings Explained



- There was up to Kshs 5.787 Billion increase in capital budget financing (45%)
- Donor funding increment was 29%, GoK 71%
- The net increment included Kshs 1.612 Billion related to funds re-allocated from long-term projects to short-term covid-19 response projects

# Conclusion & Recommendation



- There was increased funds flow to the water sector, including a shift of resources from long-term projects to address the covid-19 related emergency
- The shift is likely to negatively impact on the attainment of long-term goals for the country

## Recommendations

- There is need for proper integration of both long and short term investments and to also ensure that the sustainability of the interventions
- There's need for further research covering the sector as a whole other sectors which are key to the attainment of the SDGs



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