Multidisciplinary Regional Advisory Group

ECA-MRAG MISSION REPORT
ON THE REVIEW OF THE POLICY ANALYSIS, RESEARCH
AND TRAINING PROGRAMMES OF THE INSTITUTE OF
POLICY ANALYSIS AND RESEARCH (IPAR)
NAIROBI, KENYA
19-29 February, 1996

By
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ECA-MRAG
UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA

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EXECUTIVE SUMMARY

Within the framework of the advisory and training services which the United Nations Economic Commission for Africa (UNECA) provides to African member States, intergovernmental organizations and national institutions under the United Nations Programme of Technical Assistance (UNPTA), the Executive Director of the Institute of Policy Analysis and Research (IPAR), Nairobi (Kenya), invited the ECA-MRAG Senior Regional Adviser in Macro-Economics and Policy Reforms to visit the Institute with a view to reviewing its policy analysis, policy research and training programmes and also initiating collaboration in these areas between the institution and UNECA.

To accomplish the objective of the mission, the Regional Adviser examined the relevant background materials and documentation on IPAR's conception and mission, held extensive discussions with the Executive Director and Research Fellows on the policy analysis and research programmes, reflected on the training and capacity building activities of the Institute and held discussions with the Director of Planning in the Ministry of Planning and National Development, with a view to enhancing dialogue between IPAR and the decision-makers and the different stakeholders.

Specifically, with respect the planned research programmes of IPAR, discussions were focused on the research proposals developed by the Research Fellows in the areas of Macroeconomic Analysis, Agriculture Economics, Health Economics, Education and Economic Data Bank. The discussions, placed emphasis on the content, focus and relevance of the research programmes considering the potential role of IPAR in filling the gap between social science research and policy-making in Kenya.
Finally, the possible areas of collaboration between UNECA and IPAR, which were discussed by the mission with the management and staff of the Institute, included the provision of technical in the areas of advisory and training services, networking particularly in the promotion of exchange of documentation and information social science research in Africa, the Institutes access to the data bases available in some Substantive Divisions of UNECA and its participation in the Pan African Documentation and Information Systems Net-Work (PADIS).

On the basis of the issues discussed during the meetings with IPAR's management and staff, the mission recommended that it was important for the Institute to independently decide on its priorities, gradually reduce its dependence on external funding, initiate and sustain dialogue with the users of the outputs of its policy analysis, research and training programmes. These initiatives will in the long-run enhance the viability, relevance and sustainability of the Institution.
I. INTRODUCTION

At the request of the Executive Director of the Institute of Policy Analysis and Research (IPAR), Mr. W. A. Ndongko, Senior Regional Adviser in Macroeconomics and Policy Reforms of the Multidisciplinary Regional Advisory Group (MRAG) of the United Nations Economic Commission for Africa, undertook an advisory mission to Nairobi, Republic of Kenya between 19 and 29 February, 1996.

The purpose of the mission was to hold discussions with the management and staff of IPAR on its Policy Analysis, Policy Research and Training Programmes and to initiate collaboration between the Institute and UNECA. The aim was also to review the planned research and training programmes of the institution with a view to making proposals on the improvement of their content, focus and relevance as major inputs into the policy making process in Kenya.

To achieve the foregoing objectives, the mission undertook the following tasks:

(i) Examined the relevant background material, documentation, and the proposal establishing the Institute for Policy Analysis and Research (IPAR) with a view to having a better understanding and appreciation of the conception and mission of the Institute;

(ii) Arising from TOR 1, provided feedback on possible omissions/flaws in the Institute's conception likely to become impediments in the realization of stated objectives, and recommended possible solutions/modifications;

(iii) Recommended, bearing in mind the Institute's mandates of policy analysis, policy research and capacity building...
and considering the centrality of eventual collaboration between IPAR other policy stakeholders, strategies for interaction with global/continental bodies such as the ECA;

(iv) Discussed with the researchers in IPAR, specific research programmes and to the extent possible, commented on the appropriateness of these programmes and suggested additional policy areas the researchers could address in the short and medium terms within the specific requirements of their assignments and disciplines; where possible, recommended within ECA and other institutions contacts that may be useful to the researchers from the point of view of exchanging material and sourcing policy relevant data/information;

(v) Gave some reflection to training and capacity building as conceptualized in IPAR's documents; provided inputs to the development/refinement of the Institute's internship and other training modules by liaising with the Committee on Training made specific recommendations on the sustainability of these activities;

(vi) Held discussions with the Director of Planning in the Ministry of Planning and National Development, as a further step towards enhancing understanding and dialogue between the different stakeholders, on the issues of policy analysis and research in socio-economic management considered necessary for the improvement of the quality of human life;

(vii) Prepared an Aide-Mémoire and made a brief presentation to IPAR staff highlighting key findings of TOR (i) to (vi) that may require action by the Management of the Institute.
II. SUMMARY OF THE DISCUSSIONS HELD WITH THE MANAGEMENT AND STAFF OF IPAR AND SOME GOVERNMENT OFFICIALS

In order to adequately carry out the various tasks of the mission spelt out in Section I, the Regional Adviser held substantive discussions with the Executive Director, Administrator and the Research Fellows of IPAR as well as the Director of Planning in the Ministry of Planning and National Development. Specifically, the discussions were focused on the conception and objectives of IPAR, the programmed activities of the Institute in the areas of policy analysis, policy research and training. During the discussions with the researchers, the core research programmes in the areas of economic analysis, agricultural economics, health economics, education and economic data bank were rigorously examined with a view to making proposals on their content, focus and relevance of their findings as important inputs into the policy-making process in Kenya.

As concerns the discussions with the Director of Planning, emphasis was placed on the need for collaboration, between IPAR and envisaged Kenya Institute for Public Policy Research and Analysis, on joint policy analysis and research activities, training of IPAR's Interns, IPAR's access to official data in the strategic areas of Socio-economic development and the ongoing macro economic policy reforms. In addition, the need to facilitate of research activities of IPAR in the field and the importance of good will from the Government was necessary to enhance the effectiveness and the contribution of IPAR to the policy making process in the country.

Overall, the discussions enabled the mission to understand and appreciate the objectives of IPAR, the challenges it faces in delivering its policy analysis, policy research and training programme as well as the need for constant Government support to enhance the activities of the Institute with a view to effectively contributing to the policy making process in the country.
III. THE CONCEPTION AND MISSION OF IPAR

IPAR was established to provide a forum for indigenous, objective (data based) policy discourse with a view to enhancing the policy analysis and research capacity and the utilisation of that capacity in the formulation of public policy in Kenya. To effectively address this objective, the Institute was required to:

(i) Undertake social sciences policy research relevant to Kenya's socio-economic development;

(ii) Establish and maintain an intellectual environment conducive to free, non-partisan discourse as well as policy oriented research;

(iii) Develop indigenous capacity in objective policy analysis and formulation; and

(iv) Maintain research talent within the country and reverse the brain drain.

It is the view of the mission that the conception of IPAR was timely particularly as Kenya, like many other African countries, has since the 1980's been undergoing serious socio-economic crisis. Most important, has been the need to fill the gap between research endeavours and policy-making in the country. This is necessary because to be able to diagnose the underlying factors involved in the deteriorating social-economic circumstances or situation and propose feasible solutions, there is need to undertake effective policy analysis.

This will depend on the ability of IPAR to identify and measure the impact of economic policy options, assess the trade-offs, and present well thought-out choices in a well prepared
manner to policy-makers and development managers who have the responsibility for deciding on what policies to adopt.

Consequently, in addition to the stated objectives of IPAR, the Institute should be able to:

(i) Serve as a bridge between the Government, the private sector, academia and the general public so as to highlight the importance of policy analysis and research in the decision making process in Kenya.

(ii) Conduct independent policy analysis and research on the regional dimensions of Kenya's socio-economic development and how they impact on the national decision-making process e.g. Kenya's obligations in regional economic cooperation and integration organisations, the implementation of regional decisions, costs and benefits of the country's participation in the various integration schemes, etc.

As concerns the objective of "maintaining research talent within the country and reversing the brain drain," the mission while agreeing that this is important, it is not obvious from the available documentation on IPAR and discussions with the management and staff of the institution what mechanisms shall be put in place to achieve this objective. Consequently, it is important, therefore, for IPAR to propose alternative "incentive packages" which can be put together by the Government, academic institutions and even the private sector to retain highly skilled manpower in those areas where there are critical shortages in the country.

IV. THE IMPORTANCE OF POLICY ANALYSIS IN THE DECISION-MAKING PROCESS

Although the one of the most important inputs to policy formulation for the socio-economic transformation and sustainable
The development of Kenya is policy analysis and therefore, the raison d'être for the establishment of IPAR, it is necessary for the management and staff of the Institute to bear in mind that the objective of good policy analysis should be uncover the precise cause-and-effect links and to fashion policy recommendations on the basis of these links.

Furthermore, the capacity for effective policy analysis require special abilities to analyse acid synthesize, to weigh various policy alternatives for solving complex problems under conditions of uncertainty, competing interests and limited time. IPAR's policy analysis must also have the skills to explain persuasively and clearly to policy makers the strengths and weaknesses of the various options and then be able to recommend a specific course of action in keeping with the economic and socio-political realities of the country.

In fact, persuasive policy prescriptions depend critically on and are derived from technical competence. However, they also require insight into the practical political and bureaucratic options, creativity, imagination and effective communication skills. All these will go a long way in enhancing the impact of IPAR's policy analysis on the policy choices to be made by the policy-makers in the country.

Most important, the mission maintains that IPAR's policy analysis can improve and influence combinations of policies by:

(a) clearly defining the problems and issues being faced by the policy makers and managers;
(b) setting up the principal policy alternatives available;
(c) clearly defining the major vested interests likely to be affected by the policy changes;
(d) comparing the cost effectiveness of various policies and groups of policies; and
(e) ascertaining the trade-offs among policy choices and hence providing a basis for negotiations among vested interests.

Overall, IPAR must strive to strengthen both the skills of policy analysis and strategies in government officials charged with the various responsibilities of policy formulation, implementation, monitoring and evaluation. For the policy-making process to be effective, IPAR must strive to foster interaction between the policy analysis it carries out and the strategic management and policy makers. This is important because the counterpart of effective policy formulation based on sound policy analysis is well managed policy implementation or strategic management.

To this extent, the strategic managers must be acquainted with the methodology and techniques of policy analysis and programme evaluation. In addition policy makers and strategic managers must be introduced to the process of development and policy formulation having implications for subregional and regional economic cooperation and integration.

V. TRAINING AND CAPACITY BUILDING

As stated in the proposal for the establishment of IPAR, the need to strengthen indigenous capacity in the area of public policy analysis in Kenya has increasingly occupied an important place in the debate on national development in the country. To this end, two of the major objectives of the Institute are to develop indigenous capacity in objective policy analysis and formulation; and to train and maintain research talent in the country with a view to reversing the brain drain. These objectives are to be achieved through a vigorous development of an internship programme of the Institute for trainee policy analysts selected from the public and private sectors of the economy, institutions of higher learning and non-governmental organisations.
During the period of their internship, the trainees will receive practical training on the various aspects of policy analysis including data collection, presentation, analysis, and report writing. Additionally, a significant contribution of IPAR will also be in organising training workshops in policy analysis and methodology for interns, potential researchers and policy analysts from the public and private sectors and NGO's.

Specifically, IPAR's training and capacity building programme for the year 1966/67 shall consists of:

(a) providing short course study programmes to policy analysts and policy implementer's in Government Ministries;

(b) coordinating special graduate training in policy analysis and research for personnel in Government Ministries, parastatals, private sector and local universities;

(c) providing graduate courses in policy analysis and research to post graduate students who have completed the required courses at the Masters Degree and are interested in preparing their research/projects;

(d) developing research proposals and methodology for policy analysis and research for IPAR Interns; and

(e) developing special building capacity for the private sector in the areas of entrepreneurship development management skills, etc.

Considering the extreme importance of the above areas of training and capacity building in filling the skilled manpower gap in the country's economy, the mission is of the view that the overall objective of IPAR should be to contribute to the building of a critical mass of middle to high level national policy makers.
who will be able to design, analyse and manage economic reform policies and programmes of the country.

The specific tasks of IPAR should be:

(i) to provide participants with an understanding of key Socio-economic policies and strategies for resolving the underlying structural deficiencies in the Kenyan economy;

(iii) to enhance inter-institutional dialogue and coordination of national policies and strategies among the various ministries, departments and institutions involved directly or indirectly in economic policy formulation, implementation, monitoring and evaluation; and

(iv) to acquire familiarity with the analytical frameworks used by the multilateral financial agencies and institutions in their stabilisation and adjustment programmes, so that national experts can negotiate adjustment loans and other policy reforms packages more efficiently.

In pursuing the above objectives, the management of IPAR should bear in mind that attracting, retaining and developing appropriate professional staff are critical the success of the activities of the Institute in particular and sustainable training and capacity building for the country in general.

Furthermore, formal training, however good, must be complemented with the on-the-job experience. In fact, substantial experience is usually necessary before even a trained professional can successfully undertake major responsibility for policy analysis and design. The difficult skills of designing studies that will yield policy implications, carrying them out and communicating the
results clearly and persuasively to policy-makers are best learned on the job.

Overall, the mission recommends that three major issues need to be addressed before IPAR can effectively focus on the specific training programmes. These are:

(i) For a better understanding of the training objective, there is need to clearly state the justification for mounting a training programme as a component of IPAR's activities. This should highlight issues such as reversing the brain drain, deterioration of national institutions, such as the Universities, in the provision of adequate skills for policy analysis and sharpening the skills of policy analysts and researchers in the public and private sectors.

(ii) There is need to specify the broad objectives of the training programme so as to highlight what IPAR intends to do. These should include issues such as the purpose of training e.g. capacity building, enhancing the skills of the participants for policy dialogues, policy formulation and policy analysis.

(iii) The broad objectives on retention of policy analysis and research talent and reversing brain drain are not well articulated by the Institute. A major question which arises is how does IPAR intend to do it or specifically what can the training programme do? IPAR needs to be specific on how to implement objective.

During the discussions with the Training Committee, it was felt that these were important large issues which the Institute could not singularly resolve. However, it was suggested that some possible solutions to the problem were:
(a) IPAR should take the initiative to develop sustainable research programmes in which the interns should continue collaborating in on-going activities of the Institute.

(b) IPAR should begin dialogue with the sponsoring institutions to provide appropriate incentives for the retention of trained manpower.

(c) IPAR should monitor the careers of former interns to find out what they are doing and how they are utilising their skills. This can form a good basis for initiating and sustaining dialogue with the sponsoring institutions.

(d) IPAR should address the issue of cost effectiveness of the training programmes before embarking on any specific programmes.

VI. THE PLANNED RESEARCH PROGRAMMES

An examination of IPAR's background documents by the mission revealed that the approach to policy research and policy analysis will be from an interdisciplinary perspective where researchers are required to work in teams in order to overcome the obvious shortcomings of the single discipline approach. However, it is the view of the mission that if research is to focus heavily on Kenyan socio-economic realities and if it is to be basically applied in nature, it must benefit from inputs from academic researchers, Government, private sector, national and international institutions and NGO's.

This is important because the experience of African research institutions in the 1970's shows that exclusive dependence on mainly academic researchers may lead to research activities being de-linked from the concrete preoccupations of the policy-makers. Similarly, when a research institution focuses unduly only the concerns of the consumers of its output, then medium and long-term
issues may be neglected. These are pitfalls which IPAR must strive to avoid in the design and implementations of its research programmes.

To this extent, it is the view of the mission that IPAR must ensure that:

(i) it interacts and dialogues "with the front line troop of development", namely farmers, business people, and local government officials, so as to facilitate micro/macro reconciliations;

(ii) it possesses the capacity to observe the operations and results of Government development programmes and policies systematically, reliably in order to win the confidence of policy-makers; and

(iii) Research undertaken by the Institute, reduces the likelihood of ad hoc responses to socio-economic development problems of the country. In other words, IPAR research results should enable policy makers to identify the key socio-economic problems and issues facing the country, decide on a range of options and to articulate policy responses and their consequences.

In view of the foregoing considerations, the usefulness of IPAR's research will be determined largely by the following:

(i) the existence of or access to a reasonable data-base; the gathering of which need to be cost-effective rather than exhaustive and must be constantly checked;

(ii) a sound theoretical and scientific base rather than ideological orientation of the policy research programmes;
(iii) the rigorous use of or a accessibility technical tools in the testing of alternative policy options;

(iv) the continuous maintenance of its independent institutional base to ensure effective research inputs; and

(v) the constant maintenance of open debate so to subject its research programmes and results to national and possibly international peer review.

Indeed, no matter how good a theory, how strong the data base, how sophisticated the modelling technique; good quality policy research always require good judgement. To this end, the mission proceeded to examine the planned IPAR's research programmes for 1966/67, which cover three broad themes:

(a) **Macro-Economic Analysis** - establishment of a data bank for macroeconomic policy monitoring, economic policy-making process, patterns and effects on outcomes, external and internal trade policy, and industrialisation and private sector development;

(b) **Social-Economic Analysis** - management of administrative and political reforms, health education, energy policies, rural institutions and agricultural policy, and

(c) **Gender and Poverty Alleviation** will focus on cross cutting themes in all the research undertakings of the Institute.

To have a better understanding and appreciation of the thrust of IPAR's planned research programmes, the mission held extensive discussions with the individual in-house Research Fellows on their core research areas and proposals with a view to making suggestions to improve their content, focus and relevance. The core research
areas were Macroeconomic Analysis, Agricultural Economics, Health Economics, Education and Economic Data Bank. Below is a presentation of the contents and focus of research in each core sector and the suggestions made by the mission for their improvement.

6.1 Macro-Economic Analysis

During the discussion with the mission, the Research Fellow indicated that during the 1996/67 period, his research would focus on private sector development, trade and energy. In particular, during the year 1996, he will concentrate on the role of private investment in the economic development of Kenya. To this end, he will attempt to address the following questions: Which firms invest in Kenya? In which sectors are the investments being undertaken? Finally, he will attempt to address the issue of portfolio investment.

Following the brief presentation, the mission advised that in order to effectively undertake policy oriented research in the area of private investment, it will be necessary for the researcher to address the issue of a comprehensive National Investment Code or Investment Promotion Act for Kenya.

Furthermore, the researcher pointed out that macro-economic analysis in general has not been able to lay the foundation for micro-economic policy analysis in Kenya. Although this is to a large extent true in the Kenyan context, the mission was of the view that IPAR's research in the broad area of Economic Analysis, should address both the issues of both Macro-economic and Micro-economic policies, particularly as the success of the latter will largely depend on the former.

To this end, the mission recommended that in the area of Macro-economic Analysis, those policy issues which generally occupy centre stage in the negotiations and design of economic reform
programmes in many adjusting African countries, like Kenya, should be giving adequate attention in the Institutes research programmes. These issues are:

(i) Macro-economics disequilibria (internal and external structural imbalances as symptoms of the Kenyan economic crisis);

(ii) Macro-economic stabilisation and demand management (restoration of internal and external balances);

(iii) Structural constraints of the economic crisis and orthodox adjustment policies (system of protection-industrial incentive policies; government intervention-deregulation, divestiture, privatisation, and public enterprise reforms; monetary accommodation - exchange rate flexibility and financial market structural deficiencies - financial and institutional reforms);

(iv) Analysis of economic reforms (policy and planning models and their applications for the Kenyan economy);

(v) Management of economic reforms (basic definitions and concepts, demand management policies and supply-side incentive policies).

In addition to the broad macro-economic issues spelt out above, the mission recommends that IPAR's research programme should also focus on specific macro economic policy instruments and measures in the areas of fiscal, exchange rate and monetary policies with a view to analysing their impact on the Kenyan economy as well as and providing valuable inputs to the debate on the future development policy agenda for the country.
(a) Fiscal Policy

- Fiscal Deficits and Tight Money: Implications for export-led growth in Kenya
- Measures of Tax Performance
- Fiscal sustainability: Assessing stability
- The Incentive Effects of Tax Policy; marginal effective rates for selected economic sectors
- The Credit Crunch: The consequences of deficits
- Exports and Credit crunch
- The value Added Tax: problems of implementation and adjustment
- Costs of Tax Compliance in Kenya
- Taxation of the Hard to Tax sector: Income from Self-Employment and Informal sector
- Natural Resource Taxation: Priorities and policy
- An Effective Expenditure monitoring system
- Determinants of the level and composition of Government Expenditures
- Debt management policy: a looming debt service crisis?

(b) Exchange Rate Policy

- Operation of the Interbank Market Rate for Foreign Exchange: An Assessment and Recommendations
- Forward Market for Foreign Exchange: Role and benefits of a Forward Market, emergence of a Forward Market, potential demand for forward contracts, institutional and regulatory constraints.

(c) Monetary Policy

Control of money supply in Kenya: Is money supply exogenously or endogenously determined, determinants of momentary base,
effective use of base control mechanisms, analysis and the prediction of the size of the appropriate base multipliers?

To this extent, the focus of IPAR's research on the micro-economic foundations of policy analysis, the mission recommends that the following additional micro-economic and sectoral issues be addressed in the research programme of the Institute:

(i) **Trade, Commercial Policy and Privatisation**

- Anti-Export Bias: Are trade policies a serious obstacle to growth in non-traditional exports?
- The Application of Imports Duties and Sales Taxes: Is it time for a Uniform Tariff?
- The Terms of Trade for Kenya's External Sector: History, Outlook and Implications for Traditional and Non-Traditional Exports
- Significance of State-controlled enterprises in the Non-traditional Export Sector
- The External Environment: The Impact of WTO on the Kenyan economy - future problems and prospects.

(ii) **Financial Sector**

- Public sector influence in the Financial Sector: Are State-controlled Commercial Banks hindering the growth of Financial Intermediation?
- Domestic Savings Mobilisation: The Role of Non-Bank Financial Institutions. What are the internal sources of medium and long-term loanable funds? What happens to the supply of funds to institutions such as pension houses, social security system, insurance corporations, etc? How are the resources currently utilised and what are the returns?
The cost of Financial Intermediation and Margins in Banking: Quantify the effects of mandatory or regulative elements on the profitability of banks; How do banks cover the explicit and implicit costs of banking? Who bears the costs? Explore the relationship between these costs and the size of the spread between deposit and landing rates.

(iii) Labour Market

- Policies affecting the Labour Market: Implications for Accelerated Economic Growth in Kenya.

- Public Sector Employment and Wage - setting policy: Effects on the market for labour in the private sector.

- Public sector wage policy: A controllable source of Government Expenditures?

Finally, in the area of economic analysis, the mission is of the view that IPAR should also initiate research programmes and projects which will analyse the impact of economic policy reforms and recent policy changes on the monetary and real sectors of the Kenya economy. Specifically, research should focus on the following:

(i) Monetary Sector Impact: inflation in Kenya its nature, causes and consequences.

(ii) Trade Sector Impact: Consequences of trade liberalisation - changes in the volume and composition of Exports and Imports; and the supply response, if any, to trade liberalisation in Kenya.

(iii) Impacts on Capital Flows
- Unintended effects of Foreign Assistance to Kenya: appreciation of the Equilibrium of Real Exchange Rate and difficulties with monetary control;
- Capital Flight: Incentives for repatriation;
- Foreign Direct Investment: The size and role of such investment in financing economic activity in Kenya (with emphasis on non-traditional exports);
- Portfolio Flows?

(iv) Domestic Investment

- Impact of policy reforms in encouraging a supply response from domestic investors.

(v) Sources of Economic Growth

- Success of economic reforms in generating economic growth: growth prospects for the Kenyan economy;
- Impact of policy reforms on real output and the need to promote export-led growth in Kenya to satisfy the expanding subregional demand for the exports of the country;
- The potential for various economic sectors to contribute to the growth process in the economy of Kenya.

6.2 Agricultural Economics

The Researcher Fellow highlighted the main research areas in which he intends to concentrate in the next two years. These are:

(i) Pricing and Marketing of Agricultural Commodities

This is a broad area which covers a wide range of agricultural commodities. However, for practical purposes the commodities to be covered are divided into two groups; (i) Export crops which include coffee, tea and horticulture, and (ii) Food stuffs which include
maize and other traditional food crops (sorghum, potatoes etc.) and milk. The main focus of the analysis and research will be on:

- Historical review of the pricing and marketing policies;
- Analysing the structure and performance of the marketing systems for each of the commodities. Analysing the impacts of the pricing and marketing policies on production of the commodities.

There is need for these areas to be addressed in the study because prices and marketing policies play an important role in influencing agricultural production. Besides, there have been a number of policy changes in these areas over the years in Kenya, which necessitate the need to analyze the policies to determine their impact on agricultural production.

(ii) Agricultural and Livestock Inputs

The focus of the analysis and research will be on: (i) marketing of the inputs with a particular attention on fertilizers, and (ii) liberalization and privatization of animal health services. Attention needs to be given to these areas because inputs play a crucial role in agricultural production in particular and agricultural development in general. For many years, the government has controlled the marketing of agricultural inputs and subsidized heavily the provision of the inputs and services to farmers. In recent years however, the government has been emphasizing liberalised marketing of the inputs and a reduction in the subsidies which were offered previously with an overall objective of getting farmers to meet the full cost of the inputs or services.

It is widely known that the use of agricultural and livestock inputs in the production processes is very low in Kenya and accusing fingers have been pointed to inefficient marketing and high prices of the inputs. Besides, some people argue that the
removal of subsidies particularly on animal health services is likely to reduce the use of the inputs leading to reduced livestock production. The questions of interest then are: (a) How efficient is the marketing of agricultural inputs and how does it affect the use of the inputs? and (b) what is the likely impact of liberalizing the delivery of animal health services on livestock production given the economic nature of the goods produced.

(iii) Land Use Policies

This is a broad area which can best be tackled by using a multi-disciplinary approach. From the agricultural economics point of view, the pressing issues are: (a) how do the existing land use policies affect agricultural production, (b) what are the appropriate policies for the development of Arid and Semi-arid lands (ASALs), since the potential of increasing agricultural production in the medium and high potential of agricultural areas of the country has been exhausted.

Following the presentation of the Researcher Fellow, the Regional Adviser suggested that the issues should be looked at from the overall perspective of IPAR's mission of focusing its activities on policy analysis rather than mainstream research as we know it. To this extent therefore, the question is how will one go about analyzing the issues to fill the gaps that exist in policy-making or better still, what are the expected contributions of the analysis to interested parties, particularly policy makers.

During the discussions, the marketing and pricing policies were examined. The first issue addressed was the expected contribution of the analysis to policy making. It became apparent that the main contribution is to provide information on the pay-offs of losses associated with the various policies that have been used. Here one needs to examine of the alternative policies that are used and determine their impact on agricultural production. The information also becomes useful when alternative policies have to
be recommended either by donors or the government. The final goal, of course, is to recommend policies that will increase the incomes of the farmers.

The question of how to go about analysing the policies depend largely on the quality and reliability of the data available. The analysis is likely to be constrained by the amount of data available and this necessitate further research. Fortunately however, there are vast sources of data on the main export crops, major food crops and on marketing and prices which can be used for the analysis.

The mission indicated that the focus of analysis as outlined by the Researcher was appropriate. However, in analysing the impact of the policies, one needs to go further than increased production per se. Other issues that need to be considered include: the impacts of the policies on the farmers' incomes and overall welfare (access to other services such as health and education) on access to credit and on the distribution channels and storage facilities.

As concerns agricultural and livestock inputs, discussions were focused on fertilizers which is a major input in crop production. It became apparent that there are three main questions which need to be examined. Is the importation of fertilizer adequate? Are the distribution channels efficient? Why are farmers not using fertilizers as recommended? By examining these questions one could determine the constraints or impediments to the efficient use of inputs and consequently the policy options which could be used to alleviate the constraints.

Some of the important issues which should be examined are the following:

(a) Importation

- Are imported quantities adequate?
Constraints to importation e.g. Government bureaucracy, delays at ports, licensing, foreign exchange availability etc.

To what extent has the Government addressed importation constraints? and what measures have been used and how efficient are the measures?

What can be done to alleviate the constraints.

(b) Distribution Channels

Are the existing channels efficient? If not, what are the implements? e.g. infrastructure, speculative behaviour of traders, wide dispersion of farms, inability of marketing institutions (coops) etc.

If the distribution channels are efficient, then why the low levels of fertilizers use? This will then need analysis of the farm level constraints.

(c) Constraints of Fertiliser use at Farm Level

- Prohibitive prices
- Accessibility
- Storage problems etc.

The mission further advised that the objective or the analysis should aim at proposing policies which will increase fertiliser use. At the end of each analysis, the policy implications should be clearly spelt out regarding the effect on the use of fertilisers. The focus should be on policies which could eliminate the constraints identified at the importation, distribution and farm levels. The emphasis should also be on what the government is doing to alleviate the constraints, what could be done and the alternative policies which could be used.
As concerns land use policies, there was a consensus, during the discussion, that analysing such policies was complex because of the social, political and economic implications. Therefore, appropriately, a multidisciplinary approach should be used. However, one could still undertake an agricultural economic analysis if specific areas are alienated.

To this extent, three policy issues which could be analysed are:

(a) **Accessibility of Land to Farmers**
- Do farmers have access to land?
- If yes, to what extent do the farmers take advantage of this and utilise the land?
- If not, what are the impediments to access to land use?
- What can be done to improve access to land?
- What are the implications of accessibility to land and rural urban migration as well as rural poverty?
- What are the implications on food security?

(b) **Impact of existing Land Policies on Agricultural Output**
- What is the positive impact on agricultural outputs? and what extent has the impact been exploited?
- What is the negative impact on agricultural outputs? and what can be done to remove the impediments?

(c) **Existing Policies and Patterns of Agricultural Production**
- What are the effects on land resettlement and migration?
- What are the pros and cons of the policies in terms of increased agricultural output?
What effects do the policies have on the mix of activities practised (e.g. emphasis on food crops versus export crops) etc.

Finally, the mission pointed out that the central objective in policy analysis is to bring into focus issues which policy makers are not aware of and to provide information which can be used to formulate appropriate policies. This is important because many policies fail due to the absence of reliable and comprehensive information on the issues to the policy makers.

6.3. Health Economics

During the discussions, the Research Fellow presented the research themes which are presented below.

(i) Improving Access to Health Services Among the Most Vulnerable Groups During Structural Adjustment

The researcher pointed out that many countries in Sub-Saharan Africa (SSA), Kenya embarked on comprehensive structural adjustment programmes (SAPs) in the early 1980s. The SAP policy instruments such as currency devaluation, cost sharing, and reductions in real government expenditure, have had adverse impact on the provision of health care services in many countries including Kenya. This situation has been worsened by the prevailing macroeconomic crises, and the financial constraints facing many African governments in SSA.

Considering the Government of Kenya's (GoK) commitment to the implementation of SAPs, appropriate policies are required to improve access to health services, alleviate poverty and improve the productivity and incomes of the poor. The overall aim of the proposed programme of research is to identify and analyse in detail the policy actions to be taken by the GoK to enhance accessibility
to health services, especially among the most vulnerable groups (MVGs) during the period of adjustment.

To achieve the above objectives, the proposed programme of research will focus on the following four areas:

- Provision of adequate of drugs and dressings
- Alternative financing strategies
- Role of the private sector in the provision of health services
- Management of public health facilities

(a) Provision of adequate Drugs and Dressings

The researcher’s previous work in this area revealed that there were drug shortages in many public RHFs because of, among others, SAP’s which advocate cuts in government expenditure, financial constraints due to adverse economic performance, and weaknesses in the management and distribution of drugs and dressings. Policy makers need to undertake a serious review of the extent to which drug shortages exist in Kenya’s RHFs and, determine ways in which the shortages could be reduced.

Considering GoK’s financial limitations and the intended withdrawal by major donors (SIDA and DANIDA) from Kenya’s Essential Drugs Programme (EDP), policy makers should consider alternative options of sustaining the EDP. These could include: i) seeking assistance from other donors, ii) re-allocating GoK’s drug expenditure in favour of Rural Health Facilities (RHF’s), iii) allocating a specific proportion of the user charges to the purchase of drugs and dressings, iv) providing additional GoK financing directly to the EDP, and v) negotiating for special programmes to sustain the EDP.

From the foregoing analysis, it can be argued that the research area has significant policy implications to Kenya’s health
policy makers. In an attempt to address the question of improving ACCESS to health services, the proposed research seeks to:

- Determine the cost of 'procurement' and 'delivery' of drugs to the RHFs by: documenting and analysing losses arising from: i) issuing expired drugs, ii) donor interference in drug procurement, and iii) selling in privates clinics, drugs meant for the public health facilities;

- Determine the sources of additional financing to sustain the essential drugs programme (EDP) considering the fact that the major donors (SIDA and DANIDA) are scheduled to withdraw from the programmes;

- Re-examine the decentralisation or centralisation of drug shortages and, determine how they could be reduced;

- Re-examine the procurement system and, determine ways in which drug shortages could be managed with the available resources in a more efficient manner;

- Re-consider the UNICEF system of distributing drugs in kits and, suggest ways of improvements; and

- Re-examine the existing EDP training package for those who handle the drugs and dressings with a view to improving efficiency and effectiveness. Thereafter, carry out a pilot study using the improved training package in a few RHFs to assess its impact on the management and accessibility to the drugs and dressings.
(b) Alternative Financing Strategies for Health Care

The implementation of SAPs, combined with severe socio-economic crises, high population growth and financial constraints limit the ability of many African governments to provide adequate health care services. Appropriate policies are thus required to improve on the financial position of the health sector to complement government funding. In regard to Kenya, the proposed research will examine this problem by undertaking the following tasks:

- Examine the trend in government spending on health 'before' and 'during' adjustment and its implications on access to health care.
- Analyse the implementation of cost sharing, and determine its contribution to the health budget.
- Consider appropriate policies for encouraging 'social financing' as opposed to direct government funding for health care and 'community based financing initiatives.'

The proposed financing alternatives to be investigated are:

- **Health Insurance:** Consider the government run National Hospital Insurance Fund (NHIF): document its operations, evaluate its limitations, examine the possibility of eliminating its monopoly, and recommended the policy reforms necessary to extend its coverage and reduce wastage.

- **Increased Community participation:** Examine the extent to which the local communities participate in financing public health facilities, and suggest ways in which the participation could be made more effective.
- Cost Sharing: Consider the collection and utilisation of funds obtained from user charges and retained by the facilities and districts, and also examine the modalities of: i) collecting the user fees, ii) allocating the funds, and iii) approval of the RHF budgets by the Ministry of Health.

In view of the fact that the more vulnerable groups are unlikely to afford health care services, the researcher will examine the various ways of targeting this group. Perhaps, an evaluation of the 'exemptions criteria' may be necessary at this point. In other words, who should be exempted? and from what?

(c) Increasing the role of the private sector

The objective is to consider the various options of dealing with the supply-side constraints to the private sector. For instance, offering some of its public health facilities in a lease agreement to investors, or credit facilities to private investors to establish or upgrade the quality of existing private health facilities.

In addition, the researcher will also examine the legal and regulatory environment so as to determine whether or not it promotes private sector development. If not, suggestions shall be provided on a suitable environment that could provide affordable, safe and quality health care. Finally, the researcher shall examine those areas in which the private sector which efficiently complement those services which provided by the public sector.

(d) Management of Public Health Facilities

Efficiency in the utilisation of health care delivery infrastructure generally improves access to health services. In spite of this, the management of the public health facilities in Kenya has raised considerable concern from the population in general. In view of the fact that the management of the public
health facilities is primarily the responsibility of the District Health Management Boards (DHMBs), and the District Health Management Teams (DHMTs), the proposed research seeks to:

- determine whether or not there exists sufficient capacity within the DHMBs to monitor, evaluate, and generally manage the public health infrastructure;

- determine the problems facing the DHMBs and DHMTs, and further suggest how they can be resolved;

In focusing on the policy issues raised above, the proposed research will initially examine the existing policies as enunciated in GOK policy documents. In addition, the researcher will analyse their appropriateness in dealing with the problems at hand and also assess their implementation. To investigate these issues, the proposed research will rely on the 'before and during' approach, using mainly secondary data. However, before any conclusions are made, several interviews will be held with key policy-makers in the Ministry of Health, the private sector and the donors.

The proposed research falls within one of IPAR's core of activities which is Human resource development/Utilisation - Health, Social and Economic aspects. It is among the first systematic attempt to evaluate the impact of SAPs on accessibility to Kenya's health care delivery system. With so little known in this area, the research will be of considerable value to the main stakeholders in Kenya's health care system, including senior policy makers, health institutions both in the private and public sectors, and donor organisations. Ultimately, the research would benefit individuals and organisations in SSA, and other low income countries who stand to gain from better formulated and implemented health policies for the most vulnerable groups.

The dissemination of research findings shall take the following forms:
Short reports of not more than 5 - 6 pages that summarise main findings and, highlight the main policy implications and recommendations. The reports shall be edited by IPAR and reproduced as IPAR Occasional Papers;

The research results shall be re-written for submission to appropriate local, regional, and international journals. The expected academic reports will be: four research reports, at least two journal articles and a Book on "Improving Access to Health Services in Kenya During Adjustment: Addressing the Missing Links in Kenya";

At least two Project Seminars shall be held in order to disseminate project findings and obtain a feedback particularly on policy recommendations from all stakeholders. A two day Project Workshop shall be organised by IPAR to which will be invited Senior Health Officials and NGO/Private health institutions and leading health policy researchers.

Following a comprehensive presentation of the planned research themes substantive discussions were carried out by the mission with the Research Fellow, in the following areas:

(a) Conceptual Issues

In the opinion of the mission, the question of ACCESS to health services which is the core theme of the research programme cannot be addressed adequately without first considering the conceptual angle and the existing state of art in the area of health policy in Kenya. To this extent, the mission suggested that the following tasks be carried by the Researcher:

- Demonstrate that international financial institutions such as the World Bank and the IMF ignored issue of
gaining increased ACCESS to during the designing of SSA in Kenya;

- Explain the position of the health sector in the public investment policy 'before' and 'during' macroeconomic policy adjustment in Kenya;

- Provide data on the evolution of health spending vis-à-vis other sectors such as defence and education since the implementation of structural adjustment programme, and determine the extent to which the health sector was given priority;

- Determine the changes in the distribution of health spending since the beginning of SAPs (i.e., both capital and recurrent highlight areas of concentration and explain the implications of the patterns of expenditure on effective delivery of health care services in Kenya;

- Examine any attempts to improve the patterns of expenditure with a view to improving the local capacity in human resource development, institutional development, and infrastructural development;

- Examine the distribution of rural health facilities nation-wide and make suggestions for wider coverage;

- Examine the possibilities of having more mobile clinics and rural pharmacies (mobile rural health services) and, ways in which they could be made more effective.

It is only after the above issues have been analysed that the researcher could appropriately address the question of ACCESS to health services.
(b) Alternative Financing Strategies

Under this theme, the mission raised the following questions regarding cost-sharing:

- Is it the most effective way in the rural areas considering the meagre incomes?

- What is the feasibility of 'payments in kind' considering that it is widely practised in many traditional societies in Africa?

- In view of the indigenous people, mostly, in the rural areas may not have adequate funds to pay for drugs and other health services, the mission suggested that alternative strategies such as subsidies for the more vulnerable groups should be sought in order to ensure more effective health care delivery. The problem with such a system, however, would be developing and implementing appropriate exemptions criteria. Noting that exemptions criteria exist in Kenya, the mission recommended that the proposed programme should detail its operations, examine its weaknesses and, provide policy guidelines on its implementation with a view to protecting the most vulnerable groups.

(c) Health Insurance

Regarding the importance of such insurance in enhancing Access to health, the mission proposed that the researcher should examine the possibilities of initiating a workable insurance scheme by the Gok and extending it to the rural areas. For instance, the insurance could cover household treatment at the RHPs and referrals to the District and Provincial hospitals.
(d) Management of Public Health Facilities

The mission pointed out that many governments and/or donors insist counterfunding as a way of encouraging community participation in the management of public rural health facilities. For example, requiring the community to build the Rural Health Facilities (RHF) while the government provides facilities such as health personnel and equipment. The experiences of various countries demonstrate that this strengthens the management of finances and ensures sustainability. To this extent, it was proposed that the researcher should suggest ways in which the indigenous people could be trained to ensure sustainability.

Furthermore, it was revealed to the mission that the District Health Management Teams (technical arm) and the District Health Management Boards (management arm) are not well trained in Health Finance Administration. This perhaps, constrain their effectiveness in preparing appropriate budgets at the facility level and, in utilising the funds generated from cost sharing.

The proposed research programme should, therefore, examine the possibilities of incorporating a training package for the health personnel, preferably, starting with the Medical Officers of Health. Such a measure should focus on fundamental of financial administration with an objective of ensuring an effective health care delivery services. Among others, the training package should include: Accounting, Public Relations, Personnel Administration, Financial Management and Personnel Relations. Before the package is developed, however, any existing training packages designed by the Ministry of Health with the purpose of building capacity should be critically evaluated.

(e) Role of the Private Sector

The mission observed that it was difficult to study the role of the private sector within the given research programme on
improving access to health services. This is mainly because many of
the health personnel either, retrenched from the public sector as
a result of SAP or resigning from the public sector out of their
own volition may not be willing to move to the rural areas where
the bulk of the population (about 80%) lives because of limited or
absence of investment infrastructure.

On the basis of the foregoing discussions, the mission
suggested the following modifications to the research programme:

(i) Drop from the current programme of research, 'the role
of the private sector'. To this extent, the central
research theme on ACCESS to Health Services would come
out more clearly;

(ii) Immediately develop a conceptual framework that seeks to
address the state of the health sector vis-a-vis other
sectors before and during SAPs;

(iii) Re-order the priorities as follows:

- Alternative Financing Strategies (Health Insurance,
  Cost Sharing and Exemptions Criteria);
- Management of Public Health Facilities;
- Provision of adequacy of Drugs and Dressings;
- Improving and Developing a Training Module for the
  Managers of Public Health Facilities and the
  medical personnel who handle drugs and dressings
  and other hospital equipments.

6.4 Education

During the discussions with the mission, the Research Fellow
presented two research proposals in the area of managing cost and
financing of education and one action policy oriented project on
the issue of education and gender. The proposals are summarised as follows:

(i) The Effect of Cost-sharing on the provision of education in Kenya: Dealing with Equity, Quality and Efficiency Issues

The overall goal of the project is to guide policy on the cost and financing of education in Kenya without sacrificing accessibility, equity, quality and efficiency in the provision of primary and secondary education. The tasks will include:

- Mapping out the state-of-the art of education in Kenya;

- Analysing and reviewing of trends in Government recurrent and capital (development) expenditures in education since independence, and their impact on education.

- Evaluating the cost of primary, secondary and university education and patterns of the cost born by the GOK, households and the private sector; and analyze the likely effect of such costs on the provision of education;

- Assessing the cost, financing and impact of boarding schools on school effectiveness;

- Analysing the financial and policy implications of the existing government policies and strategies in Enhancing Education for All (EFA);

- Reviewing the options and mechanisms of costs and financing education in Kenya with the aim of providing basic education for all by 2010.
(ii) Cost and Impact of Government Strategies on the Provision of Education in ASAL Regions of Kenya

According to the Research Fellow, the broad objective of the project is to guide the Government, NGO and beneficiaries, on the alternative viable policy options and mechanisms of enhancing the provision of quality education in ASAL regions, affordable by the Government, households and NGOs. The tasks shall consist of:

- Reviewing the government's existing policies and strategies on enhancing the provision of education in ASAL regions, and their impact on the participation and equality of primary and secondary schools;

- Analysing the financial implications of such strategies on the government and the local households in ASAL regions and their impact on school participation;

- Examining the trends of enrolment, drop-out and completion rate at primary and secondary school levels with the aim of mapping out the viable strategies of enhancing participation in education in these regions;

- Assessing the role of NGOs in the provision of education in the ASAL regions;

- Reviewing the viable options and strategies for enhancing the development of education in ASAL regions.

(iii) Enhancing the Production of Gender Sensitive Educational Materials

The main objective of the project is to build the capacity for gender analysis in education among teachers, curriculum developers, and writers. It also aims at developing a gender analysis tool to
make school textbooks gender sensitive. The tasks shall consist of:

- Reviewing the existing policy in education that address gender issues in education;
- Analysing the gender situation in primary and secondary textbooks and analyze their likely impacts on school children;
- Organizing and conducting gender sensitization workshops and training for teachers, curriculum developers and publishers;
- Reviewing policy options and mechanism on writing and production of gender friendly school textbooks.

Following the presentation of the three research themes, the mission raised two important issues which guided subsequent discussions. These were:

(a) The Chicago School developed the notion of education as an investment in human being. In the African situation, education and training should therefore assist in economic development. Considering the challenges facing Africa today, is the system of education and training in Kenya responding to the challenges of the economic crisis, policy reform programmes and the requirements of the labour markets? If it does, to what extent?

(b) The main objective of IPAR is to influence the policy making process. To what extent can the three research areas influence educational policy in the country?

In responding to the above questions, the researcher explained that:
(a) There is no existing or recent educational policy on cost and financing of education which could guide the government to help household and the private sector provide quality and relevant education for all by the year 2010. The government has already implemented cost-sharing, as a package of the World Bank and IMF SAPs. However, the extent to which this strategy would affect the provision of education for all to different groups has not been systematically analyzes. We need and educational policy based on systematic research to guide and manage the extent and patterns of cost-sharing.

(b) Second, the policy of, for example, school fees or indirect costs of education, has not been formulated despite the ministerial statements on school fees debates. Heads schools and parents have called such guidelines unrealistic. The guidelines were not based on any systematic research and analysis of the extent of affordability vis a vis meeting the school needs.

(c) Third, the issue of efficiency in education in terms of at what level of education, how to invest resources to derive optimum benefits and how to reduce wastage in education has not been addressed systematically.

(d) Fourth, guidelines on options and mechanisms of managing cost and financing of education are needed to help the government and other partners provide quality but relevant educational training to Kenyans.

It was agreed during the discussions that the two research projects will be redesigned to take into consideration the above concerns expressed by the mission.

Finally, the mission suggested that the specific research projects have to be viewed in the overall context of the current
situation of the system of education and training and the socio-economic challenges facing the country. There is therefore the need to review the state-of-the art in education from both the demand and supply side. Furthermore, the two projects should be seen as challenging the status quo with a view to making education respond to the challenges facing the country, i.e. making education more relevant to the needs of the country and cost effective than it has been up to now. The project on the provision of education to the arid and semi-arid regions of the country will have to address the unique factors in those areas. Such factors include religion, cultures and nature of the economy.

6.5. Economic Data Bank

The Research Fellow presented two project proposals in the areas of statistics, savings and financial development. The background, objectives and activities of these projects are summarised below.

a. Background: Current Problems with Socio-economic Statistics

Presently, it is difficult to tell what the status of the Central Bureau of Statistic's (CBS) archive, which holds most of the country's primary social-economic data (household budget surveys, labour force surveys, population census etc) because due care has not always been exercised in the processing, storage and documentation of national surveys.

Because of financial and other institutional constraints, the CBS has not been able to keep up with its program for conducting production censuses. As a result, the sampling frame used to compile the national accounts; new firms and activities that have come up as a result of structural adjustment are not properly captured in the national accounts.
b. Objectives

- **Capacity Building**: To complement the statistical capability in the Central Bureau of Statistics (CBS) providing timely, reliable and easily accessible national socio-economic data to policy analysts and researchers.

- **Training**: To provide a vehicle for researchers and policy analysts to acquire/enhance the practical skills of empirical research design and quantitative policy analysis.

c. Activities

- Collaborate with the CBS in retrieval, further processing, proper storage and preparing documentation for the available national survey datasets.

- To design and implement firm and household level longitudinal survey program.

d. Statistics Project vis-à-vis IPAR's Overall Objectives

- The statistics project is conceptualized as an independent research, training and capacity building activity.

- The main focus of the statistics project is micro-level economic and social data (household and firm level) which is also the main thrust of IPAR research.

e. Possible Areas of Collaboration with UNECA

- **Technical Assistance**: Technical input by a survey statistician to help with activity 2.
Networking/Training. IPAR participation in UNECA's statistical division's activities, particularly workshops/symposium on statistical methodology.

During discussions with the researcher, the mission drew his attention to a number of substantial issues which needed to be addressed in the proposed projects. They included the current problems of access to reliable and adequate socio-economic statistics, broad objectives (capacity building and training), the place of the projects within IPAR's overall mission and possible areas of collaboration between IPAR and the United Nations Economic Commission for Africa.

As a concluding note to this section of the Report, the mission wishes to reiterate that the establishment of IPAR reflects the need to effectively address those major policy challenges which the Government has faced in its attempt to bring out a meaningful and sustained socio-economic transformation and structural changes to the Kenyan economy. The necessary policy measures and policy analysis and research for coping with those challenges are closely interrelated.

However, focusing on the right priorities could achieve a number of objectives simultaneously. Several very useful short, medium and long-term research programmes have been proposed by IPAR's Research Fellows. The major challenge of IPAR is to ensure that these projects are effectively implemented considering the importance of their results as vital inputs into the policy analysis and decision-making process in Kenya.

VII. NETWORKING WITH UNECA AND OTHER INSTITUTIONS

Considering the immense importance of the policy analysis, research programme and training activities of IPAR in the decision-making process in Kenya, the mission recommends the establishment of a comprehensive Computer Network which shall be linked to
national, continental and international research and reference, libraries, training and research centres/institutions which undertake studies on contemporary African development problems in general and on those socio-economic policy issues which fall within the mission of the Institute.

The Computer Network shall provide up-to-date information on recent research activities in other countries in Africa and the World, data on competent skills and experts on Kenyan and African socio-economic development problems and challenges and information on African institutions such as the ECA, OAU and ADB, which are interested in fostering policy analysis, policy research and capacity building in the continent.

Furthermore, the Computer Centre shall enable IPAR to establish horizontal links with policy-making, research and training institutions, the private sector and international institutions operating in Kenya as well as existing African research and training institutes/centres like the African Institute of South Africa, Council for the Development of Social Science Research in Africa (CODESRIA), United Nations African Institute for Economic Development and Planning (IDEP) etc, and such international institutions as the Institute of Development Studies (Sussex), European Centre for Development Policy Management (Maastricht), OECD (Paris), South-South Centre (Geneva), Overseas Development Institute (London), Brookings Institution (Washington, D.C.), Institute of International Economics (Washington D.C.), the Bretton Woods Institutions (Washington D.C.) etc.

Specifically, collaboration between IPAR and the above research and training centre/institutions, including UNECA, could take the form of:

   (i) Exchange of documentation and information on social science research in Africa;
(ii) Acquisition of documentation and information to support IPAR's policy research and training activities;

(iii) Generation and publication of authoritative reference works on Kenya and Africa (e.g. social scientists, institutes, on-going research projects, etc);

(iv) IPAR's institutional participation in the Pan African Documentation and Information Systems Network (PADIS) with a view to promoting the harmonisation and standardisation of documentation and information systems in Africa; and

(v) IPAR's access to the data bases on Africa external debt, socio-economic conditions, trade, financial institutions etc, which are generated and maintained by a number of UNECA's substantive Divisions such as the statistics Division, PADIS, Socio-Economic Research and Planning Division, Population Division and Trade and the Finance Development Division.

VIII. MISSION CONCLUSIONS AND RECOMMENDATIONS

In concluding this Report, the mission wishes to draw the attention of the management of IPAR to the fact that one problem that many research and training institutions in Africa generally face is deciding on their own priorities independently and reconciling these with their sources of funds. The latter is often complicated by the fact there are very few fora for dialogue between donors and the research/training institutions on the setting of policy analysis, training and research priorities in Africa; and the few that exist are characterized by asymmetry.

Equally important, are the difficulties that research and training institutions themselves face in elaborating and
articulating their own priorities. These difficulties may range from political restrictions on policy analysis and research areas, incoherent and hazard announcements by local authorities on what are to be the national development priorities, internal intellectual arrangements within the institutions themselves, etc.

An examination of the background documents by the mission revealed that IPAR has sought to overcome some of these problems by articulating its policy analysis, research and training programme as cogently as possible. Because of the nature of the funding IPAR has so far received and the present intellectual leadership, the Institute should be able to overcome or blunt any negative effects of funding and priority setting. There is no doubt that this will go a long way to ensuring the sustainability and relevance of the comprehensive programmes which IPAR has planned to implement in the areas of policy analysis, research and training.

In view of the foregoing considerations, the mission strongly recommends that IPAR maintains its independence in deciding on its priorities, gradually reduce its dependence on external funding overtime by initiating research, executive development and consultancy programmes for the public and private sectors, NGO's and international institutions within and outside Kenya and, promote and sustain constant dialogue with the users of the outputs of its policy analysis, research and training programmes. This will in the long-run enhance the viability, relevance and sustainability of the Institute.
ANNEX I

List of persons met by the mission

1. Prof. Njuguna Ng'ethe, Executive Director, IPAR.

2. Mr. G. Kioko wa Luka, Administrator, IPAR.

3. Dr. P. K. Kimuyu, Research Fellow, IPAR (Macro-Economics)

4. Dr. H. Nyajito, Research Fellow, IPAR, (Agricultural Economics).

5. Dr. P. Owino, Research Fellow, IPAR (Health Economics).

6. Dr. O. Abagi, Research Fellow, IPAR (Education).

7. Mr. D. Ndii, Research Fellow, IPAR (Economic Data Bank).

8. Dr. Kang'ethe Gitu, Director of Planning, Ministry of Planning and National Development.