KIPPRA
POLICY MONITOR
Improving public policy making for economic growth and poverty reduction
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An Assessment of Kenya's Financial Governance

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POLICY MONITOR

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Vision

To be the leading institute in public policy research and analysis; an international centre of excellence

Mission

To provide quality public policy advice to the Government of Kenya and other stakeholders by conducting objective research and through capacity building in order to contribute to the achievement of national development goals

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from the **Executive Director**

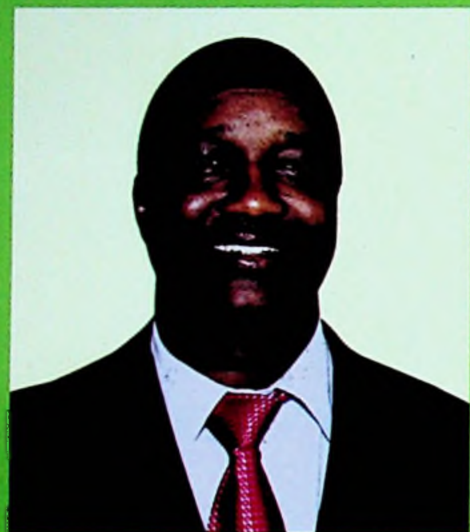
Dear Readers,

Welcome to this edition of the *KIPPRA Policy Monitor*, the second of the year 2012.

As usual, this second half of the year has seen the Institute undertake various activities, some of which are covered in this issue.

For some time now, the issue of transparent and accountable financial governance has been a major discourse. Undoubtedly, this will continue on the limelight especially as the country prepares for a devolved governance system in 2013. But how can we measure good financial governance, or more so how can we tell when financial governance is transparent and accountable? Kenya participated in a pilot exercise towards rolling out the *African Governance Outlook* report, a flagship report on financial governance in Africa. We bring you insights of the report.

Through the *Kenya Economic Outlook*, we also provide a birds eye view of Kenya's economy, based on analysis from the KIPPRA-Treasury Macro Model. The analysis indicates a slow down in growth momentum during the first quarter of 2012, but with improved macroeconomic stability. The economy is projected to grow by between 4.7% and 5.2% in 2012, but predicated on sufficient short rains. On the fiscal front, it is expected that demands for increased salary awards, implementation of the constitution, and also implementation of security related expenditures will not undermine micro-economic stability. Also, the general elections scheduled for March 2013 are not expected to slow down economic growth in 2012, which is perhaps some good news for Kenyans.



Dr Moses Ikiara, Executive Director, KIPPRA

In June 2012, the Institute disseminated results of a pilot study on service level mapping for Mavoko Municipality

In June 2012, the Institute disseminated results of a pilot study on service level mapping for Mavoko Municipality. This study is the first of its kind to be done in the Nairobi Metropolitan, in that it encompasses citizen participation in improving metropolitan governance. The survey, funded through the Rockefeller Foundation, is expected to lay ground for best practice in metropolitan governance, and could be replicated in other municipalities surrounding Nairobi, and especially Ruiru, Kiambu and Thika.

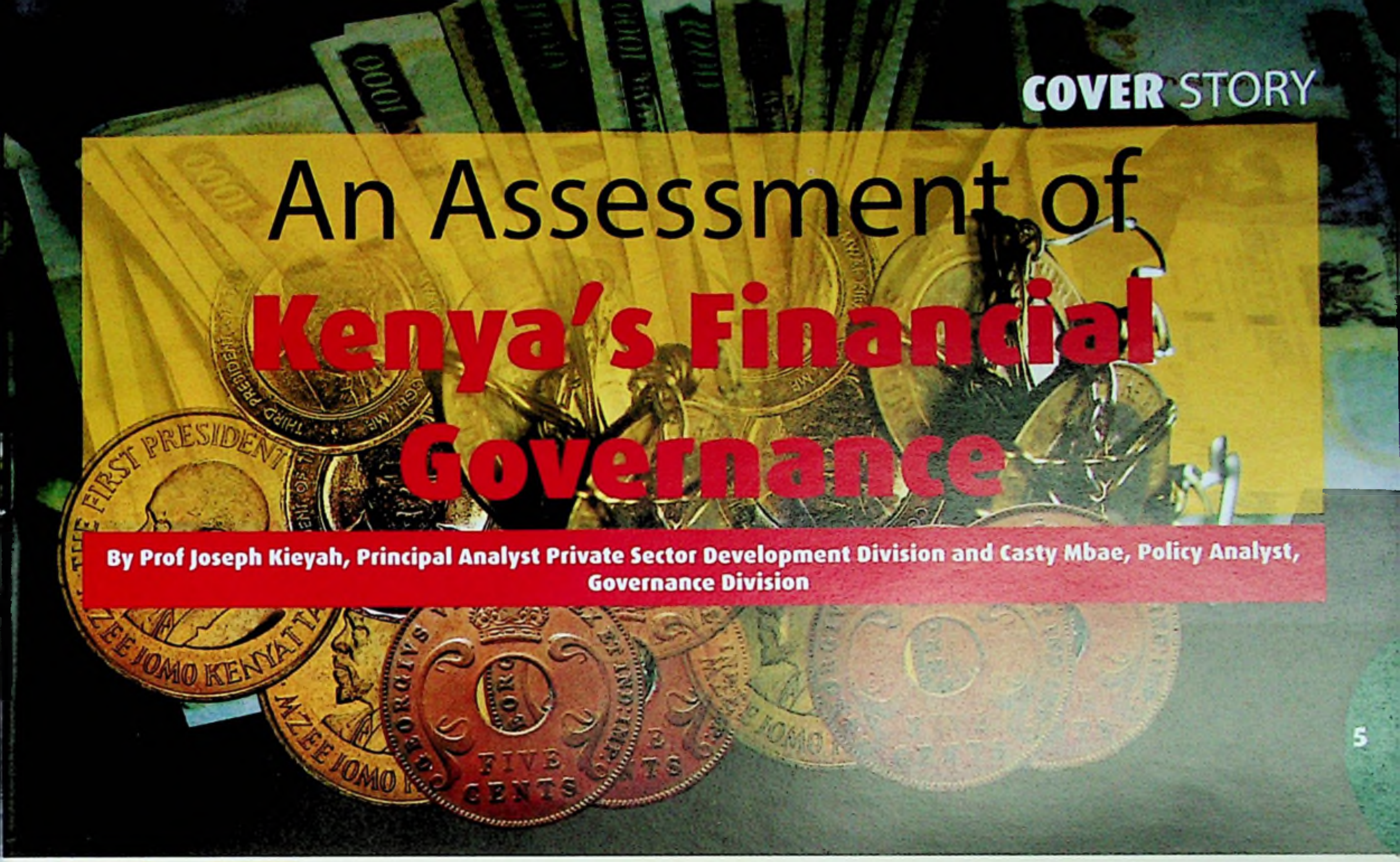
The article on the role of communication in the fight against Malaria again goes to support arguments for the need to integrate communication in research to achieve impact.

The issue of counterfeit goods is becoming a serious concern in the country, leave alone abuse of intellectual property rights. In fact, the issue is likely to reverse most gains made in socio-economic development if not addressed. Many sectors, including the critical health sector, are affected by counterfeits. The Institute has embarked on a deliberate research programme aimed at assessing the impact and extent of counterfeits in the country, and the implications on socio-economic development, as the article in-here illustrates.

Finally, any urban dweller today is aware of the serious challenge of solid waste in all backyards of urban towns. However, research, technology and innovation are coming up with various approaches of managing waste, and in fact turning waste into a potential gold mine. Therefore, kindly read the article on that potential hidden gold!

As usual, there are many other short stories and incisive write ups for short reading and enjoyment.

Read on and at the end, please give us your feedback. ■



An Assessment of Kenya's Financial Governance

By Prof Joseph Kieyah, Principal Analyst Private Sector Development Division and Casty Mbae, Policy Analyst, Governance Division

Kenya participated in a pilot exercise leading to the roll out of the *African Governance Outlook* (AGO), a new flagship report on financial governance in Africa. The report, which is a flagship publication of the African Development Bank (ADB), is aimed at projecting the African voice on issues of financial governance and serving as a tool for measuring governance performance. It will monitor trends over time and support African countries in enhancing their capability, publicness, transparency and accountability in the management of public resources, as well as promote evidence-based policy dialogue, and inform financial governance reforms.

AGO is implemented in a two-step approach: a pilot and policy phase. The pilot phase involved a test run in 10 pilot countries in 2011, under the general management and coordination of the African Capacity Building Foundation (ACBF), which is charged by ADB as the regional implementing agency. The objective of this phase was to develop a consistent approach to data collection, analysis and presentation based on common principles.

The policy phase included background information on the political economy of various countries.

Kenya has been involved in the pilot phase of the project, and this article provides the experiences arising from the piloting.

Political Economy in Kenya

At independence, Kenya inherited a parliamentary system that was introduced in the waning days of British colonial rule. Kenya also adopted a semi-federal system of government as a compromise between the two major political parties, Kenya African National Union (KANU) and Kenya African Democratic Union (KADU). However, operationalization of the new system of government turned out to be unforeseeably complex for the then ruling party, KANU. Consequently, one year after independence, KADU was brought into KANU's political fold and a one-party state was proclaimed, with Jomo Kenyatta as the first president. Subsequently, KANU embarked on thirty years circuitous journey of empowering the executive arm of government at the expense of other branches of government.

Under Jomo Kenyatta, the political system quickly evolved to benign authoritative rule. The new government adopted a policy of "Africanisation" aimed at transferring economic power to Kenyans, which they had been denied by years of colonial policies. However, the well-intended policy would later be used by the executive to monopolize political power through political patronage based largely on ethnicity.

President Daniel Moi succeeded Kenyatta following his death in 1978. Governing with a thin political support, President Moi demanded loyalty, indeed sycophancy, from members of the legislature, unlike his predecessor. Under his watch, Kenya became a classic neo-patrimonial state that increasingly relied on repression, including lack of freedom of speech, to sustain political power. Furthermore, loyalty and ethnicity rather than meritocracy became the basis of presidential appointments of the management of public institutions, resulting to poor macroeconomic performance. The poor performance triggered an internal voice of dissent in opposition of Moi by calling for broad-based constitutional, political and economic reforms.

"Enjoying the political support of major ethnic groups, Kenyatta allowed competitive politics at constituent level as long as the executive was not threatened

This internal pressure coincided with the forceful push for democratic and macroeconomic reforms by international development agencies and the donor community, which led to a constitutional amendment in 1991 that repealed the provisions of one-party state, paving way to proliferation of opposition political parties.

Notwithstanding the strong political opposition, Moi maintained a grip of political power by winning the 1992 and 1997 elections through political manipulation, aided by fractured opposition groups that failed to unite behind one candidate. This would, however, change in the next election. The 2002 election dealt a permanent blow to the lingering culture of a patrimonial state. The opposition led by the National Rainbow Coalition (NARC) won an overwhelming majority in both the presidential and parliamentary elections.

The election of President Kibaki marked a watershed in Kenya's political landscape because it was the first time since independence executive power was transferred through free and fair elections. As various writers have indicated, Kibaki's government was, at the initial stages, able to cash on its popularity and political goodwill to restore Kenya's once vaulted public service while pursuing growth oriented macroeconomic policies with remarkable success. However, due to vested interest of political elites within and outside the government, it failed to fulfill its campaign promise of 'zero tolerance for corruption'. Moreover, political wrangling along ethnic lines prevented the government from achieving another equally important campaign promise of delivering a new constitution. Instead, the government hastily prepared a draft constitution and tabled it for a vote in a national referendum that rejected it with a thin margin, leaving the country ethnically polarized.

If the 2002 election is seen as a boon to democratic transformation, the 2007 election proved to be a bane signifying political transformation as an arduous process. Marred by zealous political rivalry and serious irregularities, the 2007 election resulted in violent dispute over the outcome, with both contending parties claiming victory. Ethnic discord and pent up resentment over historical injustices in land redistribution flared up, polarizing different social and economic sectors and ultimately plunging the country into chaos and destruction. Kenya was brought to near total collapse with thousands killed and hundreds of thousands of people internally displaced. Further calamity was averted by the international community and eminent African personalities that brought the warring factions together through national dialogue and reconciliation.

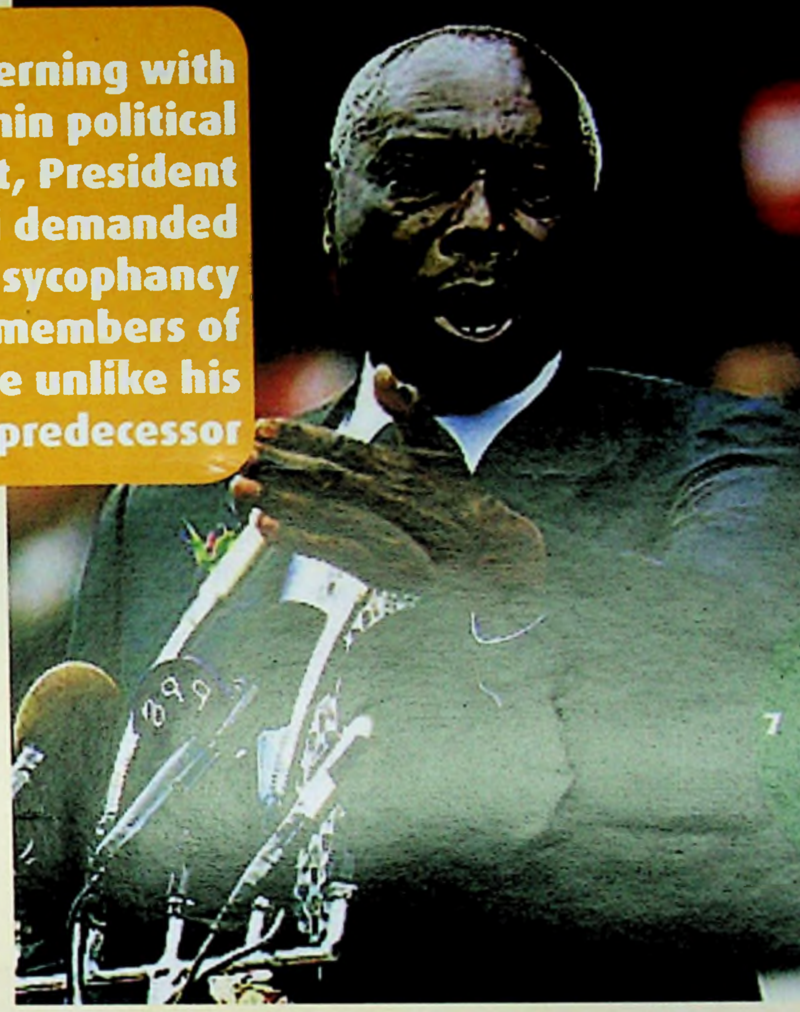
The national dialogue and reconciliation process, which was convened by the African Union and chaired by former UN Executive Secretary, Kofi Anna, led to a power-sharing agreement pursuant to which a Grand Coalition government was formed. Apart from halting the raging hostility and initiating a national healing process, the newly formed coalition government put into motion a reform agenda aimed at creating a system of checks and balances anchored in a decentralized system of governance to rein on the power of the presidency. The result was a new constitution, which was ratified in August 2010 after it was endorsed by nearly 70% of the people who took part in a national referendum. The constitution maintains a presidential system, but devolves power from the centre to 47 semi-autonomous counties as sub-national governance centres. The new constitution will be implemented gradually over a five-year period pursuant to passage of relevant legislations.

In line with the new constitution, the government has taken positive strides in reforming the structures of public institutions. The passing of the constitution marked the climax in improving governance in general, with clear specific provisions on public finance. The implementation of the constitution is expected to profoundly change the landscape of financial governance by minimizing the monopolistic power that executive maintained over budget formulation and implementation process. It has opened up the process to intensive scrutiny by the legislature, whose proposal can no longer be ignored. Also, it provides for institutional reforms that will deepen transparency and accountability in public affairs.

African Governance Outlook: Analytical Framework

The African Governance Outlook report adopts a three-step integrated approach of financial government assessment, which combines quantitative and qualitative analysis covering five public finance management dimensions, each matched against five governance variables (see Box 1). The first step involves quantitative desk research to compile statistics on governance indicators from international secondary sources. These sources include African Peer Review Mechanism, Public Expenditure and Financial Accountability reports, the Afro-barometer surveys, MO Ibrahim

> **"Governing with a thin political support, President Daniel Moi demanded loyalty, indeed sycophancy from the members of the legislature unlike his predecessor**



Dimensions and variables of public financial management

Five public financial management dimensions:

- ***Revenue governance***: The process of determining tax revenue policy and administering tax and non-tax revenue collection, including states' fiscal capacity and citizen's voluntary compliance;
- ***Budget governance***: The process of translating stated policies into annual budgets and medium-term fiscal frameworks, and the quality of budget execution and reporting;
- ***Public procurement***: The policies and systems in place for the acquisition of goods, works and services, including arrangements for regulation and control of public procurement;
- ***Internal control***: It refers to the legislation, regulations, procedures including those safeguarding assets, the internal control standards, reporting and internal audit; and,
- ***External oversight***: The institutional arrangements for independent auditing by supreme audit institutions, the role of legislatures in scrutinizing the government's actual expenditures, and the contribution of civil society and independent bodies in overseeing the use of public resources. This involves all aspects of parliamentary scrutiny.

Five governance variables:

- ***Inclusiveness***: The extent to which stakeholders outside government are able to participate and influence the rules that guide financial governance, set the agenda, policies and shape execution;
- ***Openness***: The extent to which the process of governance is transparent with regard to sharing documents and information that the public need in order to exercise its accountability role;
- ***Rule compliance***: The extent to which government and other public officials adhere to the formal rules, applying to specific financial governance arenas, and how well these rules are being enforced by relevant public bodies;
- ***Oversight***: The effectiveness with which parliament and specific oversight bodies for external audit purposes are able to perform their role; and,
- ***Publicness***: The political will and ability of governments to design and implement public policies for common public good.

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Indexes, the Open Budget Index surveys, the OECD procurement assessment, and the Global Integrity index.

Step two addresses the 'how' question by qualitatively unpacking the political and economic reasons behind the statistics generated. The step encompasses literature review, key informant interviews and focus group interviews in form of consultative workshops.

Step three draws from the above two levels to conduct the trend analysis, which includes demand and supply for reform.

A matrix of 25 governance indicators was developed based on the analysis of the five governance dimensions against the governance variables (Table 1).

Findings

Budget governance

Based on Global Integrity, 62.5% of Kenyans, on average, effectively participated in the budget process from 2006 to 2010. This is reflective of various financial reforms towards improving the budgetary process. Some of the reforms have not been implemented or enforced, implying that the score under-represents the true picture.

According to Open Budget Index, the Openness of budget process is ranked on average at 16.5% based on expert opinion. This low score captures the inaccessibility of complete information on budget process by the citizens, despite the fact that the information on budget is posted online.

Based on 2009 Public Expenditure and Financial Accountability reports, the rule compliance indicator declined from the previous year to 43% following post-election crisis, during which supplementary budgets were passed by parliament with little debate.

On parliamentary oversight that measures adequacy of parliamentary scrutiny of the budget, Kenya was ranked at 14%. This score mirrors the previous institutional impediments that restricted parliament's participation due to late tabling of the budget, and the short time available for discussion.

As to whether the budget is reflective of declared policies, Kenya scored 57%. According to the proceeding of a stakeholder workshop, this score was overstated, given that annual budgets historically did not correlate with development plans.

With the implementation of the new constitution, the trajectory of the budget governance indicator is likely to be positive, given that the budget process is now entrenched.

Revenue governance

On inclusiveness, which measures the level of stakeholders' involvement, Kenya scored 100%. While there is a concesus among stakeholders that Kenya performed well on inclusiveness, the score is an overstatement because

Based on 2009 Public Expenditure and Financial Accountability reports, the rule compliance indicator declined from the previous year to 43% following post-election crisis, during which supplementary budgets were passed by parliament with little debate

> **Also, a 14% score on oversight is attributable to delay in presentation of the annual audit report to Parliament**

availability of communication channels such as the internet in rural areas is minimal.

On openness as an indicator of taxpayers' awareness of liabilities, Kenya scored 71% based on PEFA. Kenya Revenue Authority (KRA) sensitization campaign notwithstanding, Kenyans capacity for paying taxes is below 50%.

Kenya scored 36%, based on PEFA indicators of 2009 on rule compliance, which measures the extent of equity of the rule application. The score is reflective of lack of consideration of fairness and equity in tax policies, and inability of KRA to collect taxes from the informal sector. However, local experts on revenue governance claim that the score understates the performance because it does not capture variables such as improved tax collection and taxpayers' registration.

Kenya scored zero in oversight, which measures the level of legislative scrutiny. This is associated with lack of data. According to local experts, the zero score is misleading because KRA received accolades from Kenya National Audit Office (KENAO) as the best audited public organization in 2009-2010. Furthermore, since 2008, several parliamentary financial committees with an oversight role have been established. Experts propose a range between 30% and 40%.

All indicators of revenue governance project a positive trend due to improved tax administration reforms, increased focus on tax audits, and investigations and tightening of tax law. This trend is expected to improve as the implementation of the reforms progresses.

Procurement governance

On inclusiveness, which measures stakeholder involvement, Kenya scored 33% based on Organization for Economic Co-operation and Development (OECD) data, because a large number of private bidders lacked knowledge of the procurement process. Additionally, there was no procurement manual in place, and the procedures for prequalification were not clear. However, according to local expert opinion, public involvement has improved significantly since 2010, but a framework to assist the public fully in taking part in procurement still lacks.

Table1: Matrix for measuring financial governance

Dimensions	Budget governance	Revenue governance	Internal control	Public procurement	External oversight
Inclusiveness	1. Effectiveness of public participation	6. Public involvement	11. Public monitoring	16. Stakeholders' involvement	21. Level of interaction with the public
Openness	2. Transparency comprehensiveness and user friendliness	7. Awareness of liabilities	12. Availability of information on expenditure	17. Degree of access to information	22. Public access to audit reports
Rule Compliance	3. Orderliness and clarity of rules	8. Equity of rule application	13. Effectiveness and adherence to internal control	18. Compliance with good practice	23. Independence of audit agency
[illegible]	4. Adequacy of the legislative scrutiny of the budget	9. Legislative scrutiny in place	14. Comprehensiveness of oversight activities	19. Effectiveness of oversight activities	24. Scrutiny and follow-up of audit activities
[illegible]	5. Budget reflective of declared policies	10. Effectiveness of revenue administration	15. Action taken against unethical and illegal behaviour	20. Enforcement capacity of regulatory body	25. Independence of oversight and enforcement

Openness measures the extent of the accessibility of information, and Kenya scored 84% based on OECD data, because Public Procurement Oversight Authority (PPOA) maintains a broad source of information, such as websites and local media. Local experts' opinion, however, found that the score was overstated and there are reported cases of unfairness and collusion.

Rule compliance measures the extent of deviation from good practice of open and competitive process from the previous year. The score of the rule compliance was 33% due to reports of lack of transparency in the procurement process in certain institutions, and bureaucratic process of payment attributable to institutional weakness. However, while local experts on procurement matters agree that there has been improvement since 2010 due to introduction of review boards, enforcement still remains a challenge.

Kenya scored 100% on the effectiveness of oversight activities. This is attributed to improved compliance and performance with the introduction of a Procurement Audit review manual, and the continuous procurement reviews and assessments conducted. However, local expert asserted that the score is an overstatement because PPOA is not physically able to oversee all public entities.

On capability, which measures the enforcement capacity of regulatory agencies, Kenya scored 50%. Kenya maintains a well-functioning and independent complaints review and appeal mechanism and the Appeal Review Board decisions were accessible. However, there are no codes of ethics addressing procurement related issues, and no firms with major violations have been debarred. Also, there have been no sanctions to those caught carrying out corrupt practices, such as the so called 'cowboy contractors'.

Kenya scored 67% on openness. According to stakeholders, the Kenyan score was overstated because information on expenditure is not published on time, and it lacks the necessary details.

Oversight indicator registered a positive trend, while there is a negative trend in publicness, and rule compliance did not change. Inclusiveness and openness had only one year data, hence a trend could not be established. The positive trend is associated with ongoing reforms anchored on the 2005 Public Procurement and Disposal Act and Supplementing Regulations that became operational in January 2007. According to the 2007 assessment, a good internal audit mechanism and the independent complaints review mechanism have been established, public involvement in the procurement process has improved, and a positive trend is expected with updated data.

Internal control

The zero score on inclusiveness is attributable to lack of clarity of the legal framework for Public Finance Management and guidance of operations, which is fragmented into different treasury circulars. The stakeholders, however, argued that the zero score on inclusiveness was misleading, since internal audit reports were posted on the Ministry of Finance website, and the General Auditor's office interacted widely with the public. Views from the validation workshop, however, supported the zero score, emphasizing that asset disclosure records for civil servants are treated with a lot of secrecy.

Kenya scored 67% on openness. According to stakeholders, the Kenyan score was overstated because information on expenditure is not published on time, and it lacks the necessary details.

On rule compliance, Kenya scored fairly (74%). Stakeholders, on the other hand, argued that the score did not reflect the real situation in the country. The score should be lower since there are many corruption cases in the civil service and overvaluation of projects, yet those implicated are not held liable.

Kenya scored 23% on oversight due to government delays attributed to institutional weakness. However, it is expected that the launch of IFMIS and Integrated Payroll and Personnel Database (IPPD) will strengthen the commitment control once it is completely rolled out and implemented.

A 33% score on capability/ publicness is reflective of weak and fragmented legal basis of internal audit function, which is based on outdated treasury circulars. However, the constitution (2010) offers opportunities for ensuring accountability is upheld, and this dimension should improve in the coming years.

"Kenya has made major improvements in financial governance, which have mainly been aided by a strong and vibrant civil society that uses diverse advocacy tools to initiate change in laws towards greater democratic, accountable and human rights-based governance

External control

The independence of the audit agency was high (100%). The Kenya National Audit Office (KENAO) is a constitutional office mandated to audit the Central Government, Local Authorities and State Corporations.

There was a score of 42% in openness, which is attributable to delays in submission of reports. Though the audit reports are posted on KENAO, and Ministry of Finance websites, majority of Kenyans did not have access to internet.

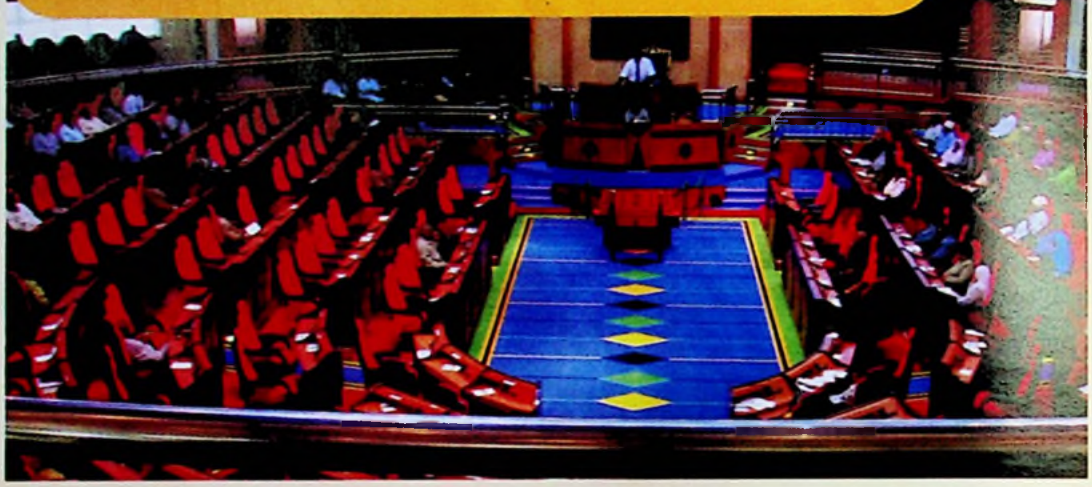
Also, a 14% score on oversight is attributable to delay in presentation of the annual audit report to Parliament. There was discrepancy in relation to international best practice in that KENAO is audited by the Internal Auditor General in the Ministry of Finance, a department which falls under KENAO's audit mandate.

Capability as a measure of independence of oversight and enforcement of Parliament scored 48%. According to PEFA, the slow process and long delays, together with lack of enforcement undermined the value of audit process.

While measuring the level of interaction with the public, Kenya scored zero. According to the proceedings of a stakeholders workshop, the score understates the level of public interaction because KENAO uploads all its audit information to its website and engages in awareness campaigns.

External audit has registered a positive trend in four out of the five variables. The positive trend can be associated with the enactment of the Public Audit Act 2003, which established a more independent Office (KENAO) of the Controller and Auditor General. Thus, the positive trend is expected to be sustained.

"The Constitution provides for principle of openness and accountability including public participation in financial matters. This principle is further reinforced by the principle of public service that includes public participation in the process of policy making



Conclusion

Kenya has made major improvements in financial governance, which have mainly been aided by a strong and vibrant civil society that uses diverse advocacy tools to initiate change in laws towards greater democratic, accountable and human rights-based governance. The emerging competition among political parties has helped strengthen the oversight function. Also, there exists a strong and independent media that is increasingly assertive. Lastly, there is a sizeable and influential middle class that is catalytic to the growth of democratic space, hence improving accountability in public services through vocal demands for services that achieve better governance, economic growth and poverty reduction.

However, the financial governance field in Kenya is still largely shaped by the political development. The supremacy of the ruling clique that has been in power for the past over 40 years has led to decline in government responsiveness to public opinions, loss of accountability and erosion of democratic principles. There seems to be some deliberate weakening of state structures to allow unchecked use of state resources by the executive. Also, there have been extra-judicial killings aimed at curtailing the critical personalities and reducing the freedom of speech, hence affecting participation in public financial management. Finally, impunity has been noted regarding corruption and the political use of violence.

The new Constitution anchors the principles and legal framework of public finance. Thus, if implemented, it will favourably impact the governance variables and consequently improve the overall score of financial governance.

Budget governance

The Constitution provides for principle of openness and accountability including public participation in financial matters. This principle is further reinforced by the principle of public service that includes public participation in the process of policy making.

Revenue governance

The Constitution provides the guidelines on the national revenue allocation, and establishes a Commission on Revenue Allocation that will determine the allocation of national resources. The Revenue Bill will be accompanied by a memorandum setting out an explanation of revenue allocation that is calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly. The Constitution authorizes raising powers to only national government that may impose taxes.

Procurement governance

The Constitution recognizes the importance of public procurement in the economy and states the policy objectives of the public procurement system. Besides, it provides for enactment of legislation that will implement the policy objectives of procurement system that is fair, equitable, transparent, competitive and cost-effective.

Internal and external audit

The report of Auditor-General shall be tabled to Parliament or relevant county assembly and three months after its receipt, there shall be a debate and appropriate action taken. Also, the judiciary independence is enshrined in the Constitution, including the establishment of Ethics and Anti-Corruption Commission, which should ensure compliance and enforcement of anti-corruption policy. ■

KIPPRA's Own Tops Nairobi Award in GIS Mapping

The Virtual Kenya Competition was wrapped up earlier in the year and winners chosen from a pool of immense talent and creativity after a long vigorous outreach campaign.

KIPPRA's James Gachanja emerged among the top three winners with his entry "*Map of land use change from residential to commercial: City of Nairobi 2008-2010.*" The map shows the land area converted from residential to commercial in Nairobi between 2008-2010. It aggregates the analysis into administrative units of sub-locations in Nairobi. This map and methodology can be used by the City Council of Nairobi and the Ministry of Local Government, Urban Development Department, to monitor land, control development, confirm consistency of development to the approved zoning policy, and to audit the approval mechanism and fees/revenue raised. This would ensure better understanding of the intra-urban dynamics in the City.

James Gachanja emerged among the top three winners with his entry **"Map of land use change from residential to commercial: City of Nairobi 2008-2010."**

Students, GIS professionals and mapping enthusiasts participated in the competition. There was no limit to the fields where the submissions were drawn from, but examples included drought, climate and land use change, mapping of special schools facilities, and interactive maps on improved sanitation. It proved a hard task to settle on a winner but in the end, there could only be one winner.

Congratulations James Gachanja!

KIPPRA Participates in the South Africa Foreign Policy Dialogue

KIPPRA participated in a one day conference held in South Africa on 18 January, 2012, which was organized by the South African Institute of International Affairs (SAIIA). The theme of the conference was "*Strengthening cooperation between South Africa and African driver countries.*"

KIPPRA presented a paper on "How South Africa can cooperate more closely with Kenya on the global multilateral agenda". Several key areas of research were identified including:

- Reforming of NEPAD in order to push for intra-regional trade and also negotiate with China
- Peace keeping approaches: The cost of Kenya's interventions in Somalia and sustainability of the mission
- Restructuring of AU to be more proactive on issues relating to Africa, such as the Libya crisis
- Tapping resources and expertise of those in the diaspora for economic development
- Public and private sector partnership and technological transfer to enhance regional integration in Africa

ISO 9001:2008 Internal Auditors Training for KIPPRA Staff

The ISO 9001:2008 Internal Auditor training was conducted on 9-10 February 2012 at the KCB Leadership Centre in Karen, Nairobi.

The two day training was geared to equipping the institute's internal auditors with skills that would enhance compliance with the ISO 9001:2008 standard, as well as improve on the procedures that go hand in hand with the certification.

Young Professionals Take Part in a Course on Presentation Skills

Giving a presentation can be a daunting task for most people, but it is a skill that can be taught and practiced. This is why a Presentation Skills Course was held for KIPPRA's Young Professionals (YPs) on 12 January, 2012 at the Institute's offices.

The skills will go a long way in enabling them to plan and prepare systematically for presentations, and effectively use visual aids to enhance presentations, as well as keeping an audience interested at all times.

The course combined presentations, exercises and practice in a mix that was designed for optimal achievement and allowing a lot of interaction and discussions among the participants.

KIPPRA Welfare Club Riding High

The KIPPRA Welfare Club with a membership of over 80 current and former KIPPRA staff has finally come of age, and is exploring expansion of services to its members.

The club held its Annual General Meeting (AGM) on 9th March 2012, when most members of the 2011 management committee were re-elected for a second term. They included Felix Murithi as Chairperson, Rose Ngara-Muraya as Secretary and James Kagwe as Treasurer. Members of the Credit Committee and the Supervisory Committee were also retained. The committee has developed grand plans for the club, including acquisition of assets such as land for members. This will be a tremendous milestone once accomplished.

> The committee has developed grand plans for the club, including acquisition of assets such as land for members

Several key decisions were also made during the AGM. For instance, members who are no longer KIPPRA staff could serve in club management for as long as they are willing. Office bearers are eligible for a second term of one year unless one opts to resign. The AGM also expanded the mandate of the Management Committee to include review of the constitution. The Management Committee will present the revised constitution at a special AGM, and at the earliest possible date. The reviewed constitution is expected to take the welfare club to the next level. An operational budget that the club executive committee presented was up-scaled to facilitate this constitutional review. Members noted that the constitution should not bog the club down, but should be reviewed if and when need arises.

The clubs core values embrace flexibility, coupled with prudent management. ■

Board Members Trained on Corporate Governance

As part of strengthening corporate governance, the KIPPRA Board approved a Board Charter in December 2011. The Charter outlines the Board's roles, responsibilities, structures, orientation, training and development, performance evaluation, and powers in a way that is expected to support the Board in carrying out its mandate and strategic oversight.

The Charter provides an opportunity for Board members to apply best practices in its leadership and oversight role over the Institute in pursuit of excellence and effectiveness. Additionally, the Charter provides guidelines that will help the Board ensure a strong leadership at Board level, and ensuring that Management focuses on strategic issues, mission, vision and values of the Institute.

The Institute considers Board training and development an essential ingredient of enhanced good corporate governance within the Board structure. Towards this end, the Institute organized a three day training for Board members, between 14-16 March 2012 at Simba Lodge, Naivasha. The training themed "Making Board More Effective", was facilitated by the Institute for Capacity Development (ICAD), KCA University. The training programme covered areas such as Board Effectiveness, The Linkage–Constitution & Vision 2030, Performance Contracting, Institutional Risk Management, Journey from Vision 2030, to KIPPRA Strategy and Performance Review of the Board. The training also touched on the components of the Board Charter, as a point of reference, towards institutionalizing good corporate governance within the Board and Management. The Board also undertook its performance evaluation for the 2010/11 financial year.

The exercise provided the Board with an opportunity to self-examine itself with a view to enhancing its performance. ■

Dr Eric Aligula Appointed Acting Executive Director

Following the exit of Dr Moses Ikiara as KIPPRA's Executive Director, Dr Eric Aligula has been appointed Acting Executive Director with effect from 1st June 2012. Before this appointment, Dr Aligula has been the Programmes Coordinator at KIPPRA (since 2009), and also acting Head of Infrastructure and Economic Services Division.

Macroecomic Impact of Competition in the Mobile Telephone Market

The telecommunications sector in Kenya has experienced significant growth over the years due to introduction of mobile telephone services. The subscriber base reached 28 million at end of 2011, with the sector providing a broad range of services such as voice calls, SMS, data (internet), and mobile money.

Improved internet access in Kenya is largely attributable to the growth in mobile internet subscription, especially with the roll out of 3G. In fact, currently 98% of total internet subscription emanates from Mobile Network Operators.

All said, the growth in the telecommunications sector cannot be wholly linked to a single driver. Competitiveness of the sector, for instance, has improved since it was liberalized. Regulations such as the Mobile Termination Rates introduced by the Communications Commission of Kenya (CCK) for mobile voice calls and SMS have also played a role. The effects of competition on the consumer are evident, with cheaper calls and improved access. However, the effect of competition on the macroeconomy are yet to be appreciated.

The CCK has therefore engaged KIPPRA to carry out a study to assess the impact of competition in the mobile voice market on telecommunications sector and the macroeconomy in Kenya. ■

THINK TANK INITIATIVE EXCHANGE
ÉCHANGE DE L INITIATIVE THINK TANK
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2012

Think Tank Initiative Exchange 2012: Enabling Success, 18-20 June, 2012

KIPPRA participated in the first global meeting of the 49 institutions currently funded by the Think Tank Initiative (TTI), of the International Development Research Centre (IDRC). The purpose of the Exchange was to share ideas and better understand, collectively, what makes a think tank successful and how this success is achieved.

The Institute was represented by Dr Moses Ikiara, the outgoing Executive Director, and Mr Felix Murithi, the Knowledge Management and Communications Manager.

From the perspective of TTI, "the success of policy research organizations (or think tanks) is determined ultimately by their ability to influence public policy, contribute to economic and social development, and meet their institutional needs while wisely using finite resources over the long-term."

The exchange was indeed a very fruitful one for KIPPRA in terms of networking and exchange of ideas on how to raise the profiles of think tanks, especially in African where many young think tanks have emerged. While, these think tanks have potential to play an enormous role in national development processes, most of them also face enormous challenges in making them visible, in developing a reputation, and in ensuring their sustainability.

The two-day discussions centred on the following themes as they define the success of think tanks: Impact; Reputation; Governance; Networks; Quality; and Strategy. The following are some of the plenary sessions that took place:

- Think tanks: Promoting local solutions
- Framing our understanding of success
- On quality research: Think tanks' successes and failures
- Think tanks and successful policy engagement

Several parallel workshops were also held on:

- Enhancing organizational governance and the role of the Board in think tanks
- Strategic outreach and research communication: Tactics for policy impact
- How to attract and nurture quality think tank researchers
- Balancing commissioned work and lon-term research
- How a digital strategy can enhance think tank management, research and communications
- Analyzing and measuring the impact of think tanks
- Effective leadership of think tanks
- Domestic resource mobilization for think tanks

More information is available at www.ttiexchange.org ■

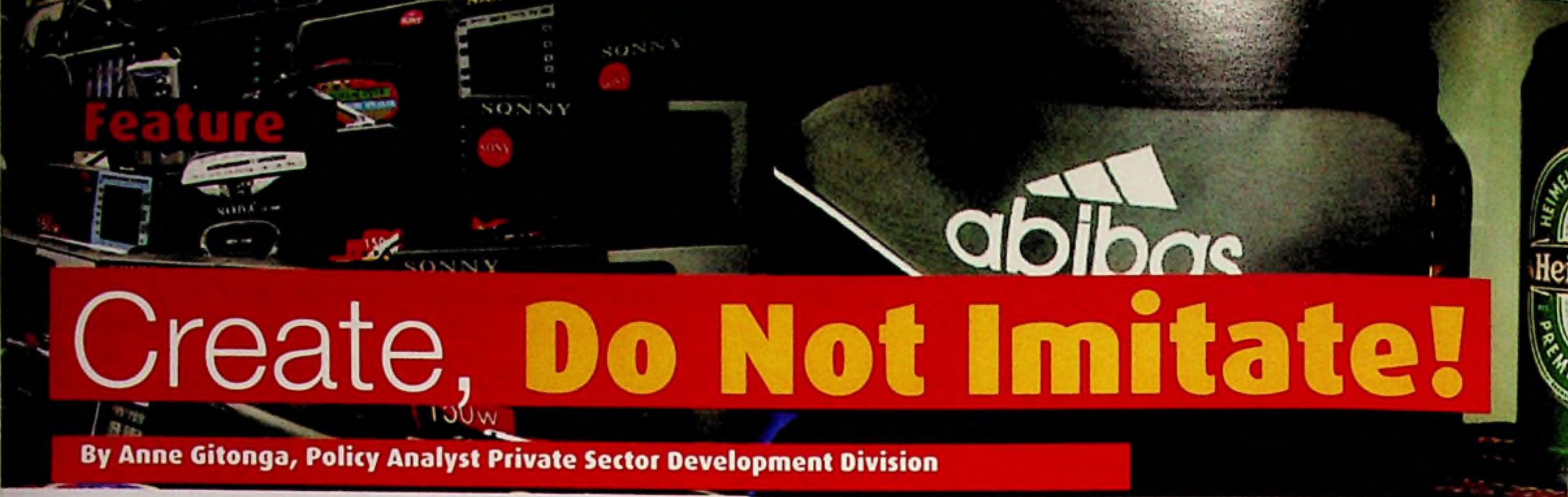
Efforts Towards a Corrupt Free Institute

On 6th and 8th of March 2012, KIPPRA staff underwent a sensitization training on corruption prevention, facilitated by the Ethics and Anti Corruption Commission (EACC) officers.

The objective of the training was to increase awareness to staff on the indicators of corruption, the associated consequences and the individual/collective roles that can be used to tame the vice in line with the existing anti-corruption legal framework.

Moreover, senior management was taken through Corruption Risk Assessment (CRA) methodology with a view to enhancing their skills in identifying corruption risk areas and coming up with an effective plan tailored towards mitigating the identified risks.

The training will go a long way in enabling staff (individually/collectively) to be committed in the implementation of the lessons learnt. ■



Feature

Create, Do Not Imitate!

By Anne Gitonga, Policy Analyst Private Sector Development Division

Every year, a day in the month of June is set aside as the World Anti-Counterfeiting Day to create awareness of the vice internationally. This year, Kenya commemorated the day on June 12th June 2012

Trade in counterfeit products is a billion-dollar industry in many countries, especially among low-income economies. Kenya, in particular, has been inundated with an avalanche of counterfeit goods at an alarming rate.

Trademark protection is critical for brands. In fact, most popular brands are protected by trademarks, which prevent rivals from trading with the same name or logo. Trademarks have proven to be important business assets and marketing tools as they are often identified with a distinctive good, often offering consumer brand recognition. Counterfeiters often try to bank on this brand recognition by packaging or labeling their product in a way that is colourable imitation of substantially similar to the 'genuine' trademark.

Failure to deal with counterfeiting imposes enormous costs to the society, which includes among others, loss of revenue through tax evasion. The costs to the society are borne from the potential health and safety risks brought about by counterfeit goods as they are often sub-standard, or even deadly. This risk is heightened when it comes to counterfeit medicine (Table 1).

Weak enforcement of existing laws, poor coordination amongst relevant institutions, and inadequacies in the existing laws have compounded the situation in Kenya. Prior to 2009, there was no single enforcement institution to combat counterfeits in Kenya. The legal statues that have been utilized to fight counterfeiting over the past include: Customs and Excise Act (CAP 472); Standards Act (CAP 496); Trade Descriptions (CAP 505); Trademarks Act (CAP 506), and Industrial Property Act (2001). These laws have not been effective because they do not directly and effectively address counterfeiting.

According to Schedule 18 (Prohibited and Restricted Goods) of the Customs and Excise Act, counterfeit goods, which are referred to as manufactured goods with a false trademark, are considered to be prohibited goods. A person who imports, unloads, acquires or is in possession of such goods is considered to have committed an offence and is liable to imprisonment for a term up to five years or a fine equal to three times the amount of duty and any other taxes payable on the counterfeit goods (up to a maximum fine of Ksh 1.5 million) or to both the fine and imprisonment. However, this law only applies to imports, yet counterfeiting activity exists even locally.

The Standards Act ensures that locally manufactured and imported commodities meet the Kenya standards. Anyone who fails to adhere is liable to a fine of Ksh 1 million or 13 months imprisonment or both. In the case of a second or subsequent offence, imprisonment can go up to three years and can also attract a larger fine. The main limitation with this Act is that it can only apply to counterfeit goods that are sub-standard; however given that the standards often provide minimum requirements, counterfeiters may comply.

A short history of drug counterfeiting (2000 to 2008)

Cambodia 2000	At least 30 deaths result from counterfeited malaria drugs.
China 2001	The Shenzhen Evening News reports more than 100,000 people died of fake drugs in China this year.
South-East Asia 2001	A Wellcome Trust study revealed that 38% of 104 anti-malarial drugs on sale in pharmacies did not contain any active ingredients.
Nigeria 2002	60% of drugs are either counterfeit, substandard or expired, says the head of the country's drug control agency.
	WHO declares, on average, 10-20% of medicines in developing countries markets are substandard.
United Kingdom 2006	Officials seized 5,000 packets of counterfeit Tamiflu estimated to be worth GB£500 000.
Kenya 2008	16% of anti-malarial drugs in the country were fake.

Source: Global Pharma Health Fund (2004); WHO (2006); and Ngirachu (2008)

The Trade Descriptions Act is another law which touches on counterfeit goods. According to the Act, a person who supplies or is in possession of goods with trade descriptions that are false or misleading with respect to an existing patent, trade mark license or copyright license or the country of origin, has committed an offence. The penalty provided in the Act is a fine of up to Ksh 2 million or imprisonment for a term up to two years, or to both the fine and imprisonment. It is important to note that the penalty was only increased in 2003 (from Ksh 500,000), while the terms 'trademark', 'copyright' or 'country of origin' were introduced in 2002 following amendments introduced to the law in those years. Therefore, prior to 2002, this law would not have been relevant in addressing issues concerning counterfeit goods.

According to the Trademarks Act, importing, making, selling or trading in goods that are forgeries, replicas or representation of a registered trademark or that are likely to deceive or cause confusion are considered to be unlawful acts. Such offences are punishable by a fine of up to Ksh 200,000 or imprisonment for a term not exceeding five years, or both. If a product that is protected by the Industrial Property Act (2001), such as a patent, registered utility model, or industrial design, is reproduced or made without the owner's authorization, then it is considered an infringement. This offence attracts a fine of between Ksh 10,000 and Ksh 50,000 only, or imprisonment for a term between three and five years or both fine and imprisonment. Given that counterfeiters tend to make big profit margins, these penalties are clearly not punitive enough to deter someone engaging in such unlawful activities. And, according to both laws, it is the role of the owner of the intellectual property right to enforce their right incase of infringement. The owner of the intellectual property right can therefore seek legal redress from the court, which is often time consuming and expensive.

There have been some recent developments. In 2009, the Pest Control Act was amended to introduce the concept of counterfeiting into the Act, whereby someone who counterfeits or is in possession of counterfeit pest control products will be guilty of an offence punishable by a fine of up to Ksh 1 million or imprisonment of up to two years or both. In the same year, the Anti Counterfeit Act (2008) came into operation. Groups such as the Kenya Association of Manufacturers (KAM) have been instrumental in the introduction of this Act through lobbying by its members, majority of who have been greatly affected by counterfeiting. The Act establishes an Anti-Counterfeit Agency whose main function is to combat counterfeits.

Data on statistics

Law	Offence	Institute
Trademark Act	Forgeries, replicas or knockoffs	Kenya Industrial Property Institute
Standards Act	Products not meeting 'Kenyan Standards'	Kenya Bureau of Standards
Customs & Excise Act	Misrepresented trademark, name or address	Kenya Revenue Authority
Trade Descriptions Act	Misleading information on existing patent, trademark of copyright, and false advertising	Department of Weights and Measures (Ministry of Trade)
Fertilizers and Animal Foodstuff Act	Imports, manufactures and sale of fertilizer that does not conform to prescribed standards	Ministry of Agriculture
Pharmacy and Poisons Act	Misrepresentation of a drug, for having inactive or wrong active ingredients and false advertising	Pharmacy and Poisons Board
Pest Control and Products Act	Counterfeiting and adulterating of pest control products, labels and packages	Pest Control Products Board
Alcoholic Drinks Act	Adulterating or diluting any alcoholic drink	District Commissioners
Competition Act	False or misleading representation of goods and services	Competition Authority of Kenya
Anti-Counterfeit Act	Counterfeit and pirated goods and medicine	Anti-Counterfeit Agency

Another development is that protection of consumer rights is now a constitutional right. This, in essence, means that all Kenyans have the right to be protected against unhealthy or unsafe goods such as counterfeit goods and can seek for compensation for any loss or injury arising from defected goods. These developments should provide enough impetus in combating counterfeiting.

Protection of consumer rights is now a constitutional right. This, in essence, means that all Kenyans have the right to be protected against unhealthy or unsafe goods such as counterfeit goods and can seek for compensation for any loss or injury arising from defected goods. These developments should provide enough impetus in combating counterfeiting.

Nonetheless, the multiplicity of laws as demonstrated above has introduced a major challenge, where data or statistics on counterfeiting is scattered among several different agencies.

The Kenya Bureau of Standards, which is mandated to address the issue of standards, often receives complaints and carries out inspections on goods through its investigators. Data from the Bureau indicates that they received complaints for 78 items suspected to be counterfeit between November 2008 and March 2011. Data from the Department of Weights and Measures for the last five years (until end of 2011) indicates that over 11,969 pieces of counterfeit goods have been seized (not including over 700,000 pieces of pencils) in Nairobi, Malindi and Eldoret.

The most affected products in Kenya include electrical equipment and electronics, detergents, cosmetics, phones and their accessories, vehicle spare parts, and food and beverages. Fast moving consumer goods that attract considerable margins seem to be the target for counterfeiters. For example, according to data from the Anti-Counterfeit Agency, pencils worth Ksh 20 million were seized in November 2010 and ball point pens worth Ksh 104 million seized in July 2011. Data from the Kenya Revenue Authority (KRA) reveals that between February and August 2010, there were three seizures relating to counterfeit cigarettes of a declared value of Ksh 4.3 million, all from Mombasa Container Freight Station.

What is, however, more troubling is that counterfeiting has also infiltrated sensitive sectors such as medicine and agriculture. According to data from the Pest Control Products Board, 1,462.5kgs of counterfeit pesticides were compounded between 2005/6 and 2009/10. During the same period, the Board had investigated 40 cases on counterfeiting. According to the Kenya Plant Health Inspectorate Service (KEPHIS), maize seeds are the most counterfeited products, yet maize is the main staple food crop in Kenya. KEPHIS has over 37 cases of uncertified and counterfeit seeds in over 23 courts around the country. This indicates that counterfeiting could definitely have an adverse effect on food security in Kenya.

Data on the magnitude and effects of counterfeiting is scanty, thus introducing enforcement challenges and difficulties in developing appropriate anti-counterfeiting strategies. As the country continues combating counterfeits, and as the Anti-Counterfeit Agency goes into its third year of operation, it is important to sensitize the public on the presence and effects of counterfeits. It is also important that the country undertakes a national study on counterfeits to get accurate facts and figures, which would assist the the Anti-Counterfeit Agency in developing effective anti-counterfeiting strategies. It is also critical to encourage local businesses to embrace intellectual property rights to provide them with legal protection, an important step in combating imitations and knock-offs. ■

KIPPRA: A Research Partner in the YouthSave Project

KIPPRA is the Kenyan research partner in the YouthSave project. YouthSave is a consortium project comprising of Save the Children, the Center for Social Development (CSD) at Washington University, the New America Foundation (NAF), and CGAP, with funding from the MasterCard Foundation. In partnership with local financial institutions and researchers, the YouthSave Consortium is developing and rolling out a savings product accessible to low-income youth in Colombia, Ghana, Kenya, and Nepal, and study its uptake and usage. The YouthSave learning agenda intends to inform the design of savings products, services, and policies targeted for youth, and at the same time provide guidance in asset-building strategies for youth and their families.

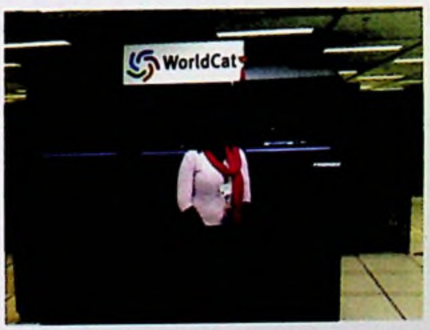
On 15-17 April 2012, Prof. Joseph Kieyah (Principal Analyst, KIPPRA) and Moses Njenga (Policy Analyst, KIPPRA) attended the YouthSave Research Learning Conference and YouthSave 2nd Research Advisory Council (RAC) meeting for the YouthSave Project organized by Center for Social Development (CSD) at Washington University in St. Louis, USA. ■

East Africa Represented in the Jay Jordan IFLA/OCLC Early Career Development Fellowship Programme

In April 2012, Njeri Mungai, KIPPRA's Assistant Librarian, participated in the annual Jay Jordan International Federation of Library Associations and Institutions (IFLA) and Online Computer Library Centre (OCLC) Early Career Development Fellowship Programme.

This programme, jointly sponsored by the American Theological Library Association (ATLA), the International Federation of Library Associations and Institutions (IFLA) and Online Computer Library Centre (OCLC) is based at OCLC's headquarters in Dublin, Ohio, USA. Each year, the programme gives up to five fellows opportunities to meet with leading information practitioners, visit libraries, and explore topics including information technologies, library operations and management, and global cooperative librarianship.

The Fellows visit selected North American libraries, cultural heritage institutions and library organizations. They also observe OCLC's governance structure in action, gaining insight into issues affecting the global library cooperative. Fellows give presentations about their home countries and libraries, meet leading information professionals and discuss real world solutions to the challenges facing libraries today. Fellows then translate their learning and experiences into specific professional development plans that guide their continued growth as well as their personal contributions to their home institutions and country of origin. ■



From these experiences and using the professional development plan and with the support of the management, Ms Mungai will embark on a mission to elevate the KIPPRA information and documentation center to an international level

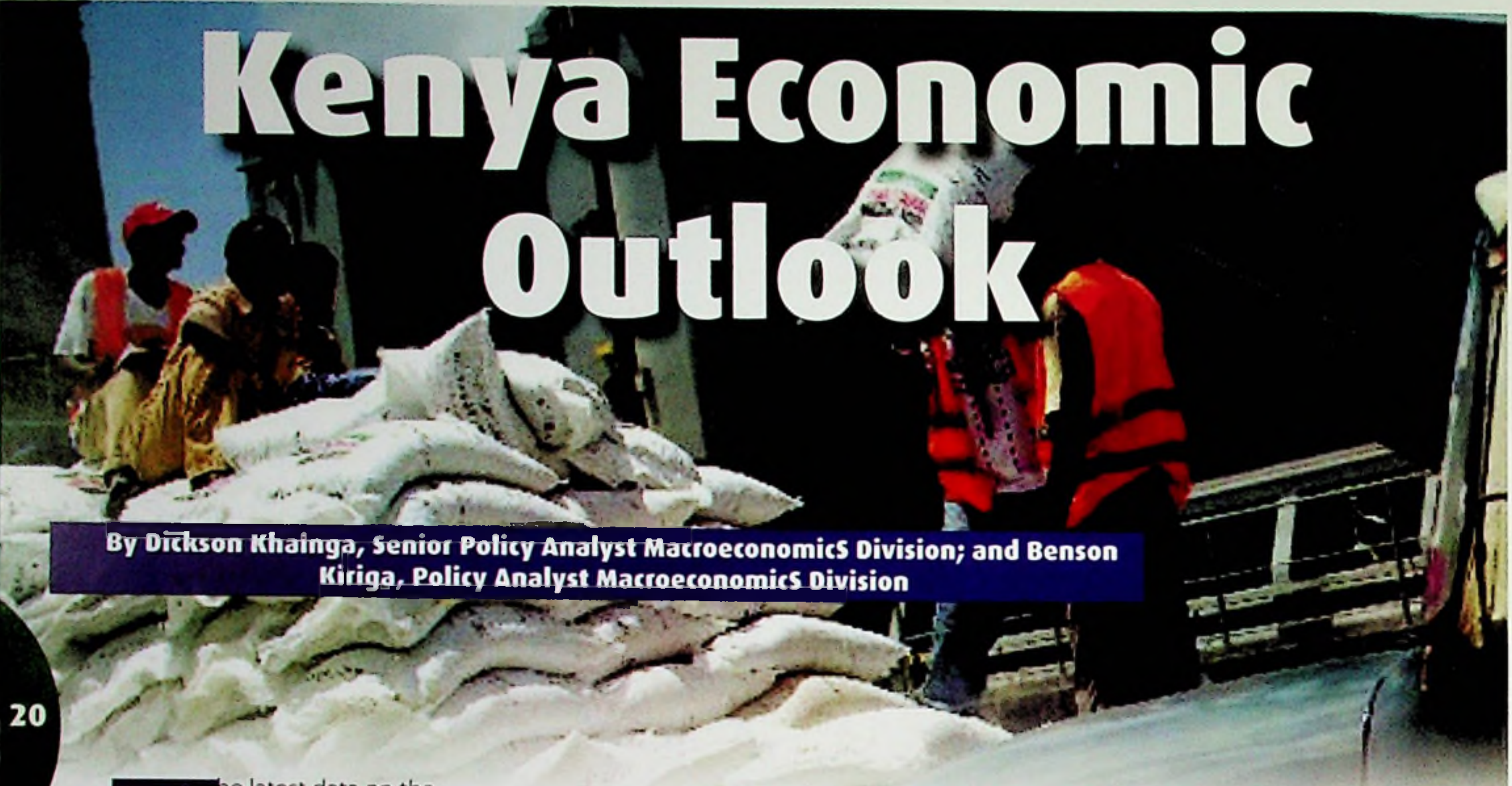
Dr Moses Ikiara Leaves the Institute

After serving as the Executive Director for two 3 year terms since June 2006, in addition to the 6 months he served on acting capacity, Dr Moses Ikiara has exited KIPPRA following completion of his two terms at the end of May 2012.

Dr Ikiara will be remembered for strengthening the institute to be one of the leading think tanks in the country and beyond. Independent global surveys have ranked the Institute among the global 'GO TO' think tanks.

The Board of Directors, Management and Staff wish Dr Ikiara the best in his future endeavours. ■

Kenya Economic Outlook



By Dickson Khainga, Senior Policy Analyst MacroeconomicS Division; and Benson Kiriga, Policy Analyst MacroeconomicS Division

The latest data on the performance of the Kenyan economy indicate that the momentum in economic growth slowed down in the first quarter of 2012, albeit with improved macroeconomic stability. The economy grew by about 3.5% compared to 4.8% in the last quarter of 2011, and 5.1% in the first quarter of 2011. About 60% of growth during the first quarter was from the services sector, which accounts for about 50% of GDP. However, growth in the services sector is estimated to have slowed down to 4.2% during the first quarter, compared to 5.1% in the fourth quarter of 2011.

The key drivers of growth were transport and communication, and wholesale and retail trade. Growth in these sub-sectors is expected to be sustained due to improved macroeconomic stability as inflation continues to fall during the second quarter of 2012. In the industrial sector, food manufacturing, electricity, and water were the main drivers of growth. There was also improved performance in the agricultural sector, which recorded a growth of about 2.3% in the first quarter, compared to 1.8% during the fourth quarter, and 0.2% in the first quarter of 2011. The improvement in agricultural sector would have been higher were it not for the delayed long rains and the frost experienced in January.

Developments during the first half of 2012 indicate that macroeconomic stability is rapidly being restored and will support the recovery process

Developments during the first half of 2012 indicate that macroeconomic stability is rapidly being restored and will support the recovery process. The rate at which the general prices level is increasing continued to fall. Consequently, the rate of inflation fell from 18.31% in January 2012 to 7.7% in July 2012. The Treasury bill rate fell from about 20.6% in January 2012 to about 10.1% in June 2012. The shilling strengthened against major world currencies during the first quarter relative to the last quarter of 2011, and appears to have stabilized. Price stability is also a result of falling international crude oil prices. For instance, Murban ADNOC crude prices fell from US$ 127.0 per Barrel in March 2012 to US$ 97.4 in June 2012. As a result, average fuel prices in Kenya fell during the same

Selected economic indicators: Kenya's medium term projections

	2009	2010	2011	2012	2013
CPI inflation (overall)	9	4	14.0	10	7
Consumption households	5	7.2	2.8	4	6
Investments businesses	1	4	3	6	10
Consumption government	3.8	9.2	10.6	8	7
Investment government	8.2	5	9	12	9
Export of goods and services	-9.3	17.7	6.7	8	7
Import of goods and services	2.8	6.1	15.6	8	10
GDP growth	2.7	5.8	4.4	5.2	6.0
Long-term interest rate	14	14	15.6	16.1	14.1
Short-term interest rate	7.4	3.6	8.7	9.0	7.2

Source: KTMM July 2012 and Kenya Economic Survey 2012

period. Subject to sufficient short rains and prudent macroeconomic management, the rate of inflation is expected to remain at single digit level during the second half of 2012. Price stability is also expected to benefit from 'base effect' due to the high inflation rate registered in the latter half of 2011.

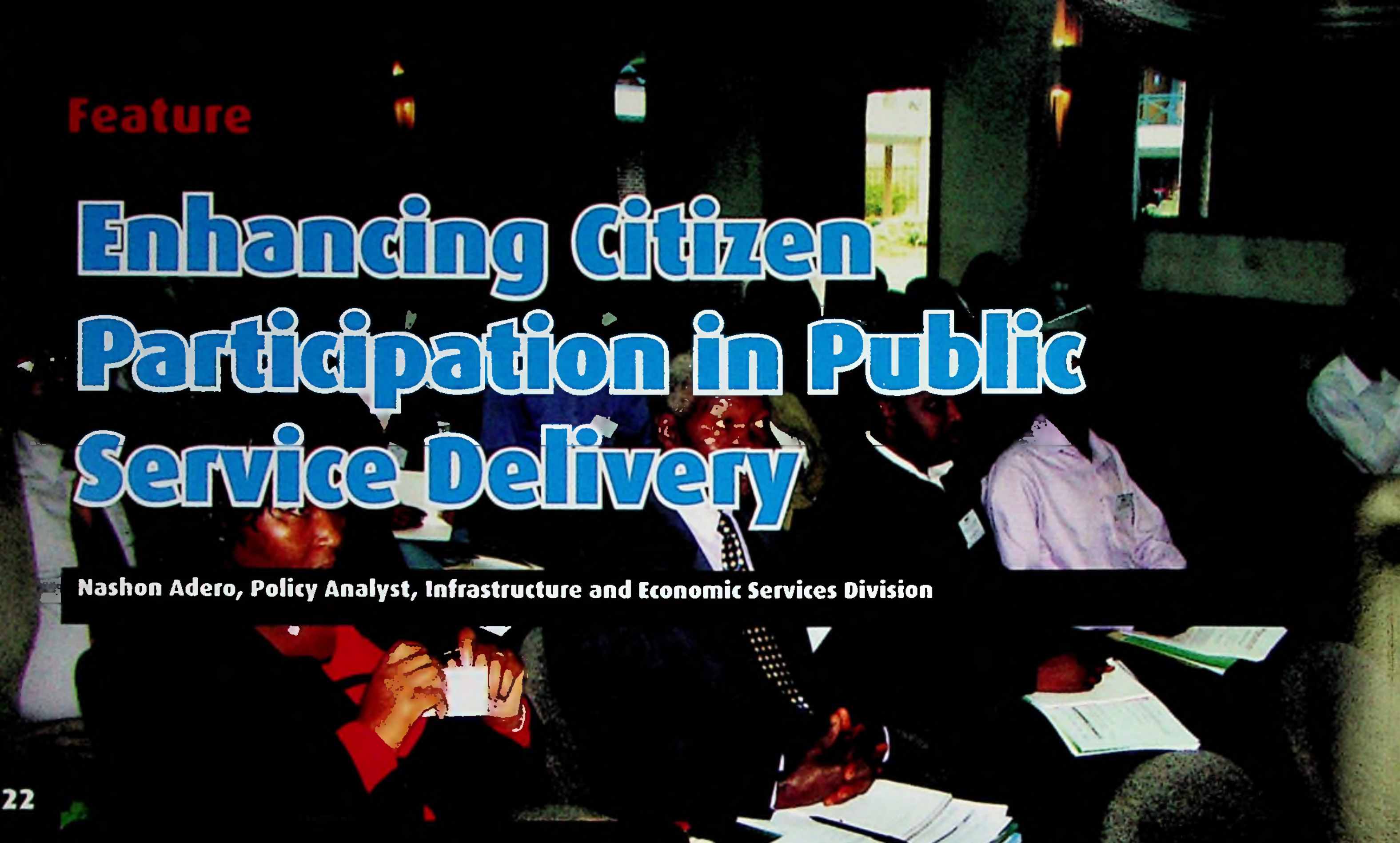
On the international scene, according to the IMF's World Economic Outlook update for July 2012, global economic recovery is expected to be weak mainly due to slowdown in emerging economies such as China, India and Brazil, as well as risks to global financial stability arising due to fears about quality of bank assets in Europe. However, growth in sub-Sahara Africa is expected to remain strong, with growth projected at 5.4% in 2012 up from 5.2% in 2011. In the region, while Tanzania is projected to grow by 6.4%, Uganda is expected to grow by 4.2% in 2012. Strong growth in the region is expected to support growth in Kenya. Although the shilling has stabilized, recent data indicates that the external current account balance is still widening due to faster growth in imports relative to exports.

Projections for some selected economic macroeconomic indicators

Growth is projected at 4.7%-5.2% for 2012, and 6.0% for 2013. Economic recovery is expected to be maintained, at an improved rate. KIPPRA projects that the economy will grow by between 4.7% and 5.2% in 2012. These forecasts are predicated on sufficient short rains to support price stability and growth during the last quarter of 2012. Policy makers are also expected to continue taking appropriate steps to enhance confidence and macroeconomic stability, including prudent fiscal and monetary policy, implementation of the constitution and continued implementation of structural reforms to enhance Kenya's competitiveness. On the fiscal front, it is expected that demand for increased salary awards, constitution implementation and security related expenditures will not undermine macroeconomic stability. The general elections scheduled for March 2013 are also not expected to slow down economic growth for 2012.

Kenyan policy makers are also expected to continue taking appropriate steps to enhance confidence and macroeconomic stability, including prudent fiscal and monetary policy, implementation of the constitution and continued implementation of structural reforms to enhance Kenya's competitiveness

Feature



Enhancing Citizen Participation in Public Service Delivery

Nashon Adero, Policy Analyst, Infrastructure and Economic Services Division

This article borrows lessons from studies conducted on metropolitan governance under KIPPRA's Infrastructure and Economic Services Division. Why the focus on citizen participation? Because it is both a critical and elusive ingredient – capable of tilting the scale towards equitable and sustainable service delivery, or escaping the grasp of decision makers when laying out measures altogether. Citizen participation in the development agenda also identifies entirely with the spirit of the current constitution. The examples cited are part of the key findings from ongoing metropolitan regional modelling studies and a service level mapping exercise that KIPPRA carried out in the Municipal Council of Mavoko between October and November 2011. To get full details on the whole study, contact the Infrastructure and Economic Services Division of KIPPRA.

KIPPRA recently shared with stakeholders the results of a pilot study on metropolitan governance. This took place during the Metropolitan Service Level Mapping and Social Accountability Summit held at the Kenya School of Monetary Studies on 21st June 2012. Stakeholders came from all the 15 local authorities in the wider Nairobi and its neighbouring regions.

The pilot study was conducted in the Municipal Council of Mavoko as part of laying ground for best practice in metropolitan governance in Kenya. This particular study was on service level mapping, a central foundation to the other four project components on effective metropolitan governance, funded through the Rockefeller Foundation.

Enhancing citizen participation: A critical requirement in metropolitan governance

Under Kenya's new constitutional dispensation, citizens' quest for quality, transparency, and equity in access to various county or sub-national services has grown stronger than ever. Over the years, around the globe, public participation has effectively reinforced its prime position in public policy discourse as a critical prerequisite for ownership, successful implementation, and sustainability of development decisions. Building on its predecessor held in 1992, the recent Rio+20 summit served to confirm that collective action is critical to ensuring sustainable development, hence the need for bottom-up approaches in devolved governance, thus moving up the citizen participation ladder from mere tokenism or "placatory" approaches to active participation.

The pilot study on service level mapping involved citizens directly by capturing the opinions of 2,044 respondents on service delivery within the Municipal Council of Mavoko. The survey was conducted at the household level, complemented by key informants at the institutional level and opinion leaders. The service areas surveyed were: water and sanitation, housing, energy, education, health, and ICT services. The rapid population growth rate in the Municipal Council of Mavoko, averaging 11% per year over the last decade, and its socio-economic and ecological diversity, are the major factors that led to its selection for a pilot case study.

A review of citizen engagement models across the world justifies the need to have forums in cities and counties that can reach the lowest levels of public participation. This has important implications for strengthening the Urban Areas and Cities Act, and neighbourhood associations. New methods of reaching people in exciting ways are crucial to breaking away from boring, pedestrian citizen engagement approaches. A major lesson from cross-country reviews is that citizen commitment and affinity to the city is better motivated through creative and locally relevant methods. Different age groups and socio-economic classes must be reached through innovative methods that are most appealing to them, such as social media and other web-based (mobile phones) communication strategies. Addressing attitudes is also crucial. Urban residents need to develop a sense of ownership and gradually move from the mindset of being "transient villagers" who end up giving the city half-hearted attention with little incentive to invest and improve their neighbourhoods.

Under Kenya's new constitutional dispensation, citizens' quest for quality, transparency, and equity in access to various county or sub-national services has grown stronger than ever

Strong civic forums in cities such as London provide lessons for a new civic engagement initiative. The biannual "People's Question Time" of the Greater London Authority, which is used to ask the Mayor questions, can be adopted as a citizen involvement model for greater social accountability. Citizens need to be more involved in county politics and have greater understanding of the inherent procedures and activities. Another example is the annual "State of the City" address in Portland, Oregon, which can act as an opportune occasion to elucidate metropolitan development agenda and involve citizens in city planning and management. There is also a broad view of civic engagement activities adopted in Toronto, Canada, which provides a good lesson on having specific performance indicators for ranking the effectiveness of civic engagement activities to inform metropolitan planning. Through such innovative methods, more people across the entire range of age and socio-economic profiles can identify with, and effectively articulate, metropolitan development visions.

Facing metropolitan governance challenges: A glimpse of worrying statistics

Kenya's urban population is likely to exceed 60% by the year 2030 (KIPPRA projections have approximated a higher figure of 74% urban population by 2030). Provision of services to this population will be a huge challenge.

Metropolitan areas such as Nairobi should already be thinking of land banks to preserve land for important public infrastructure such as housing, water, and solid waste management. Daily water demand is expected to exceed 500 litres per household in Nairobi by 2017.

Towards delivery of spatial justice– Insights from service level mapping in the Municipal Council of Mavoko

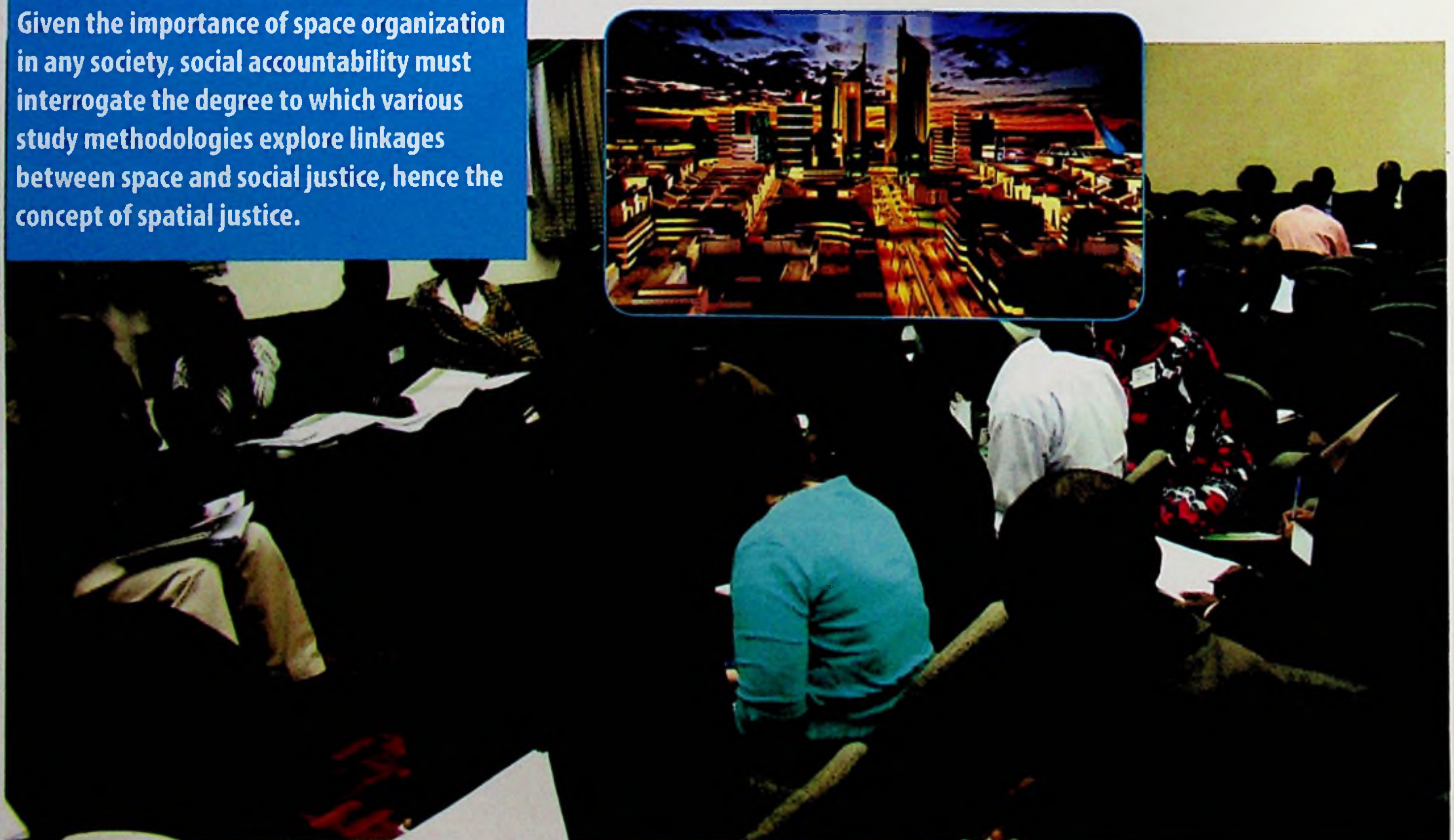
Service levels refer to aspects of quantity or availability, affordability, quality, and timeliness as required for evaluating the coverage of services in a region. The standard way of communicating service levels is through statistical data showing different categories of frequency analysis. Despite their vast geographical scope, countrywide statistics such as the recent Kenya Population and Housing Census of 2009 do not provide deep insights into some implicit, but no less important, aspects of service delivery. The spatial context of service delivery is key, but this important aspect is usually missed out in such statistical analyses. Advances in mapping technologies have opened up a vast array of possibilities to exploit the power of visualization and unlimited scenario modelling availed through Geographic Information Systems (GIS). To ensure effective governance systems, it is necessary to integrate statistical variables with mapping to deliver on spatial justice. Given the importance of space organization in any society, social accountability must interrogate the degree to which various study methodologies explore linkages between space and social justice, hence the concept of spatial justice. Technology in this case holds the promise of effectively addressing governance challenges in a bottom-up approach, being the means to ensuring transparent mapping of inequalities in service delivery, and justifying any affirmative action for deserving regions. Against this background, it can be seen that the spatial component in regional analysis is essential to arriving at an acceptable revenue allocation formula. Spatial analysis technologies that promote interactive discussions guided by common development agenda can accelerate the achievement of the objective of enhanced citizen participation in metropolitan governance and formulation of local policies.

An innovative approach to fieldwork

To close the gap between statistical and spatial analyses, KIPPRA used an innovative approach to carry out the service level mapping study in Mavoko. Satellite imagery was used to pre-identify the settlement clusters to sample in the survey, so that research effort could be directed in proportion to spatial extent and population density. Furthermore, survey assistants from Oakar Services Ltd were engaged to direct research assistants to the clusters using hand-held GPS. Each household or institution at which a questionnaire was administered was captured by GPS coordinates, and coded using a unique identifier corresponding directly to the alphanumeric identifier assigned to the questionnaire. The unique identifiers were used to link the statistical data

Planners and policy makers have a common quest for information on the spatial coverage of key infrastructure and economic services, as well as the sustainability of such services

Given the importance of space organization in any society, social accountability must interrogate the degree to which various study methodologies explore linkages between space and social justice, hence the concept of spatial justice.



Households in Mavoko Municipality according to 2009 population and housing census

Location	Sub-location	Area (km2)	Households	Population density (persons per km²)
Athi River	Athi River Township	39.5	17,596	1,260
	Athi River North	38.3	353	41
		77.8	**17,949**	
Katani	Katani	40.8	2,541	245
	Ngelani	95.0	1,046	36
	Syokimau	37.3	14,332	1,130
		173.1	**17,919**	
Lukenya	Kinanie	129.3	2,140	55
	Muthwani	180.4	4,227	84
	Mathatani	282.6	3,247	37
		592.3	**9,614**	
Mavoko Municipality		**843.2**	**45,482**	165

collected from questionnaires with the GPS points to create a GIS database. Spatial analysis using ArcGIS tools enabled the production of maps on perceived service levels, according to the users of the six services surveyed in the municipality. For ownership of the process, two planners from the municipality were incorporated into the research team. The entire exercise covered all the sub-locations in Mavoko as the basic administrative units, with households as the basic unit complemented by 50 key informants. Out of a target sample of 2,550 respondents, 2,044 or 80% were successful and gave their views on service levels for the six selected services.

Key findings from the service level mapping study

The service level maps displayed the different degrees to which users of the surveyed services are satisfied or dissatisfied, from one location to another. The following were some of the salient findings:

Water and waste management services, as well as housing services, scored below the average user expectations in the entire municipality. Only about half (46%) of respondents stated they were satisfied with water services, and half claimed satisfaction with waste management and housing services.

There was high (70%) satisfaction level with education and health services in the municipality. However, physical access to health services was a significant hindrance due to long average travel distances to health facilities (approximately 13km to dispensaries and hospitals and 8km to clinics).

Interestingly, expectations of better safety and security came out as one of the important factors that attracted immigrants into the Municipal Council of Mavoko. Distance to work, favourable cost of housing and home ownership plans were the other important pull factors mentioned.

Energy consumption patterns in the municipality confirmed the threat of human-induced environmental degradation, given the dominance of charcoal, firewood and kerosene for everyday heating and cooking.

Generally, the results challenged some long-standing assumptions especially on safety and security in the municipality, which was mentioned by 11% of respondents to be a very important pull factor in their decision to migrate into Mavoko – with about 70% of the respondents saying they moved into Mavoko between 2006 and 2011.

The study also revealed salient examples where skewed messages are

Mushrooming buildings in Mavoko Municipality which are yet to be demolioshed due to poor planning

Nashon Adero, Policy Analyst KIPPRA explains some of the maps prepared during the service level mapping of Mavoko Municipality to Hon. Jamleck Kamau, Minister of Nairobi Metropolitan

conveyed by statistics that are not mapped to geographical locations. For instance, the finding that 30% of households in Mavoko could access individual piped water and are also among the most satisfied with water services in the municipality failed to impress when the map showed the individual pipe connections are all concentrated in the western part of the municipality. This served as a fitting illustration of spatial injustice in infrastructure service delivery. Social welfare, therefore, needs to be assessed with strong linkages to geographical distribution in order to inform and justify affirmative action.

Minister's Key Message

Hon. Jamleck Kamau appreciated that becoming a world-class African metropolis is a vision that the Nairobi Metropolitan Region is gradually coming to terms with, "despite a multitude of challenges, some of which are new and acute, and yet some are inherited and persistent". He accentuated this as a strong cause for increased emphasis on adequate and proactive spatial planning informed by integrated approaches, and based on accurate geographical data and inclusive decision making whereby all stakeholders have a say. The failure of fragmented governance systems to deliver efficient and integrated solutions in metropolitan areas has shifted the focus of modern urban planners and policy makers to integrated metropolitan planning.

> **"The failure of fragmented governance systems to deliver efficient and integrated solutions in metropolitan areas has shifted the focus of modern urban planners and policy makers to integrated metropolitan planning**

Modern spatial information technologies come in handy in helping to analyze and understand the close nexus between geography and numerous human activities that change rapidly with time. With such potent tools, large city regions can benefit immensely from innovative technologies for mapping metropolitan service delivery and facilitating effective dissemination of research findings.

He called upon the stakeholders to give due support towards realising the seven Key Result Areas underpinning the Nairobi Metro 2030 Strategy.

Communication in the Fight against Malaria

By Purity Njeru, Assistant Publications Editor

Kenya Vision 2030 aims to transform Kenya into a newly industrializing middle income country providing high quality life to all citizens by the year 2030

Prevention of Malaria infection is one of the preferred means to achieving the 6th Millennium Development Goal (MDG) of combating Malaria. Despite the interventions that have been used to curb Malaria such as use of Insecticide Treated Nets (ITNs), indoor residual spraying, intermittent preventive treatment for pregnant women, and curative measures with Artemisinin based combination therapy, Malaria still claims the lives of millions of people in the world. For instance, an estimated 1.2 million people died of Malaria in 2010 worldwide, most of them from Sub-Saharan Africa. Besides, the economic loss from malaria has been phenomenal. According to Malariaenvoy.com, annual economic loss in Africa due to Malaria is estimated at US$12 billion, representing a crippling 1.3% annual loss in GDP growth in endemic countries.

Kenya Vision 2030 aims to transform Kenya into a newly industrializing middle income country providing high quality life to all citizens by the year 2030. The Vision also aspires to meet the MDGs, including eradicating Malaria by 2015. There have been many interventions to this effect. However, one key element has been missing: the integration of an effective behaviour change and communication, which has previously been attributed to the success in the fight against HIV/AIDS.

As we strive to manage the disease, communication for social change should be integrated into the control mechanisms in order to reduce the costs that would be incurred in the curative measures.

The Malaria interventions in place are yet to be as effective as they ought to be due to lack of adequate knowledge on the disease and information on how to prevent it, which translates to inadequate communication. This has led to Malaria prevention intervention products being misused in Kenya. For example, there are cases where ITNs have been used for fishing and as wedding dresses. A visit to Eldoret (Lessos) in Rift Valley in 2011 revealed that mosquito nets are used to create cages for chicks to prevent predators from attacking them, and as fence for seedbeds.

In 2007, Mwabu and Fosu published a report emphasizing that the place to start in the control of Malaria would be for health communication planners and implementers to understand the existing national Malaria control programmes. This should form a background of what information

> Communication Campaign on Malaria should capture all factors of the individual target audiences such as beliefs, attitudes, gender, finance, age, literacy levels and knowledge of the problem; the societal factors like the networks, peer groups, clubs and associations the target group belong to; and the environmental factors such as organizations with similar interests and the policies at hand

is being passed across, hence build on it and have more effective messages. Information on how households and communities deal with mosquitoes, the people they relate with, gender, and their needs is important so as to come up with appropriate strategies that are culturally acceptable and affordable. Communication for social change should, therefore, be fully integrated into the broad spectrum of Malaria prevention and curative interventions.

About 70% of Kenyan's are at risk of Malaria infection. The pregnant women and children under the age of 5, for example, are at higher risk and need to sleep under ITNs. While coverage of the Malaria fighting mechanisms has increased dramatically over the last few years, usage of ITNs remains low, hence the need for aggressive Malaria communication campaigns with emphasis on the need to sleep under an ITN.

The 2010 Kenya Malaria Indicator Survey reports that only 57% of households owned an ITN in 2010. Almost half (48%) of households have at least one ITN and 24% have more than one. Ownership of ITNs has remained unchanged since 2007 at approximately 48%, but ownership of any net decreased by 9%. The general population that slept under an ITN the night before the survey was 32%. The prevalence of Malaria in children less than five years increased from 4% in 2007 to 8% in 2010.

The low usage may be attributed to inadequate knowledge on the importance of sleeping under an ITN, hence the high numbers of ownership of ITNs but low numbers of usage. The survey notes that there was failure to sustain coverage with interventions, particularly prevention using ITNs.

Communication for social change plays a vital role in any intervention because agents of change are involved in not only the decision making process of an intervention, but also in its implementation. One success story is Uganda's HIV/AIDS strategy of ABC (Abstinence - A, Be faithful-B, and use of Condoms-C) that has attracted tremendous attention and reference in Africa. This programme has a clear message that was being communicated telling individuals to avoid and reduce risk infection of HIV/AIDS. The programme's goal was to reduce HIV prevalence by 25% by the year 2006 from the 1991 prevalence level of 30%. However, by 2001, the infection rates had reduced to 6%, showing that the campaign managed to reduce HIV prevalence by 24% by 2001, yet the target was by 2006. This is an indication that the programme was successful. In 2004, this ABC strategy dominated the 14th International Aids Conference in Bangkok (Thailand), with the majority of participants discussing ways in which it can be adopted by other countries affected by HIV/AIDS.

"When developing health communication messages, campaign implementers should keep in mind that the society and target audiences are heterogeneous

What is it for a Malaria Communication Strategy?

Studies on Malaria communication strategies show that they lack participation and empowerment, which are key ingredients in the success of a communication programme. Allowing the target audience to participate in every stage of the communication process would go a long way in ensuring that Malaria control communication campaigns are more effective. This is because participatory approaches allow the target audiences to identify their needs, appreciate them and create solutions to problems affecting them. This would prevent, for instance, the diversion of ITNs to other uses and instead use them for what they are meant for. Involvement of local communities enables a project to respect local cultural values, orients the project towards the needs of the community and ensures sustainability as the communities take it upon themselves to tackle the problem affecting them.

Communication campaign on Malaria should capture all factors of the individual target audiences such as beliefs, attitudes, gender, finance, age, literacy levels and knowledge of the problem; the societal factors such as the networks, peer groups, clubs and associations the target group belongs to; and the environmental factors such as organizations with similar interests; and the policies at hand. Working on one level alone is unlikely to be effective in producing widespread and lasting change. Sustainability of social change can only take place if the individuals and communities most affected own the process and content of communication. Unless the community accepts that the problem exists and needs to be addressed, efforts to deal with the problem are likely to fail, as they may not reveal all factors that affect them and this will hinder the success of the campaign.

Most of the communication strategies are donor funded, thus creating a culture of dependency. The community does not see the project as its own. Thus, donors should leave the community to identify the problems affecting them. While looking for strategies to address the problem, the community keeps in mind that the individual target audiences do not change behaviour in isolation. Behaviour change is contextual in that individual as well as societal and environmental aspects impact individuals and how they change behaviour. Therefore, the community looks for strategies within their reach. The community ends up owning the project, which goes on over time and is sustainable despite inadequate funding and resources.

When developing health communication messages, campaign implementers should keep in mind that the society and target audiences are heterogeneous. For example, the 2002-2006 Ministry of Health and Population Services International (Kenya) Communication Campaign on Malaria assumed all the target audience were Christians and settled for the umbrella name ***Malaria Ishindwe***. This left out Muslims, Africanists and those sceptical and do not believe in invoking against evil spirits or the devil. This may have affected the success of the campaign.

Also, their choice of the umbrella name ***Malaria Ishindwe*** translates to Defeat Malaria, meaning having victory over Malaria, yet the goal is not merely defeating but destroying or eradicating Malaria completely. The use of ***Angamiza Malaria*** could have been more appropriate. In the Kenyan context, use of vernacular language is likely to relay the right message, unlike English and Kiswahili where one looks for words that are equivalent to what one wants to communicate. Therefore, we should strive to have communication campaign messages that relay the right message.

To eradicate Malaria, communication should not be perceived as an isolated intervention, an afterthought or an add on, but should be included in each stage of the Malaria intervention. An integrated, participatory and empowerment approach to the management and eradication of Malaria is the best option for the successful health communication strategies for Kenya today and in the future.

■

Promoting Innovation at the Micro Level

Very few MSEs are able or even aware of how to effectively commercialize their products

On 10th May 2012, Anne Gitonga (Policy Analyst at KIPPRA) made a presentation on "Establishment of National Innovation Centres in Kenya: A Strategy to Promote Innovation amongst MSEs" during the Science Technology and Innovation Week, at Kenyatta International Conference Centre (KICC). The Micro and Small Enterprise (MSE) sector in Kenya is an important source of employment, and products despite the numerous challenges that limit its growth. These challenges include inefficient market information, poor market access, low technological capability, limited access to finance and capital, and limited awareness or use of Intellectual Property Rights (IPR). Furthermore, very few MSEs are able or even aware of how to effectively commercialize their products.

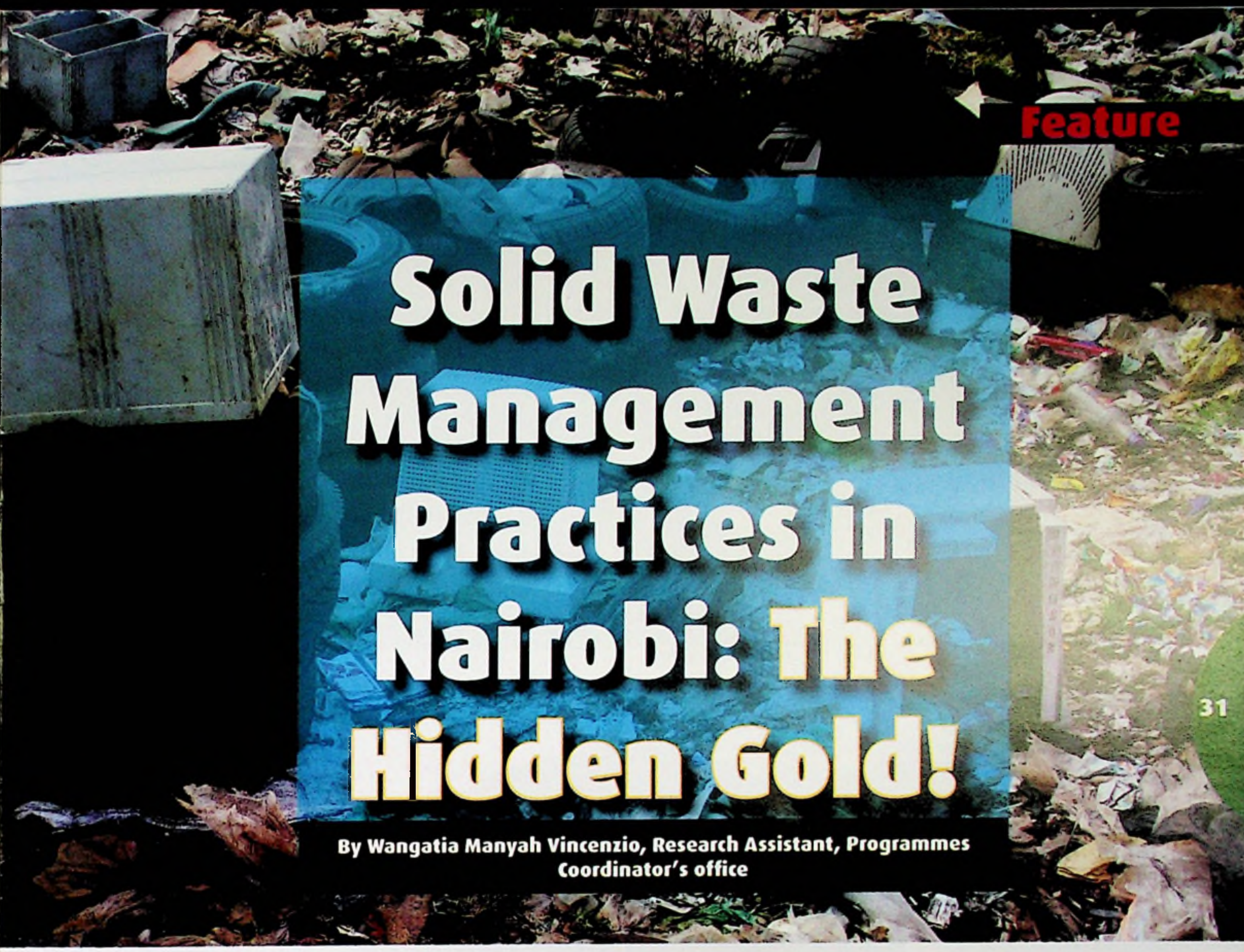
Evidence of innovation in Kenya, though scattered and not well documented, was recognized during the presentation. The presentation identified the need to link MSEs, entrepreneurs and technopreneurs to investors and facilitate the commercialization of MSEs products through National Innovation Centres. Such centres should be mandated to host national inventories, facilitate interactions between investors and inventors, and provide financial solutions to MSEs. The presentation put forward three strategies to achieve these mandates: (i) Inventor-Investor Strategy, where an investor is linked with an innovator and a revenue sharing agreement established; (ii) Inventor-Financier Strategy, where innovative financial solutions for MSEs with innovative products are developed; and (iii) Marketing Strategy, where a database documenting all innovations and products is available from local MSEs and is accessible to the public. The expected outcome, if such mechanisms were established, include improved competitiveness and technological capacity amongst MSEs, who would embrace intellectual property rights and develop, commercialize and promote their innovate products; improved market access for MSEs products; innovative financing strategies; and improved linkages. ■

XXth Standing Conference of Eastern, Central and South Africa Library and Information Associations

The XXth Standing Conference of Eastern, Central and South Africa Library and Information Associations (SCECSAL) 2012 took place in Nairobi from 4th to 8th June 2012. The conference themed "Information for Sustainable Development in a Digital Environment," brought together information science professionals under the auspices of SCECSAL, which explored ways in which African institutions and African individuals can position themselves strategically in the information age.

For Kenya, in particular, this conference had the following benefits:

- It created an opportunity for information science professionals to interact and explore practical ways of partnering with the Kenyan government in its efforts to attain Vision 2030.
- Looked at ways in which meaningful progress in fields such as education, health, agriculture, science and technology can be achieved by information professionals in harnessing, processing and disseminating as well as facilitating access to current and relevant information for all.
- Critically looked at ways of working together with the governments and other development partners towards the provision of access to quality information for all citizens, which is a crucial prerequisite for the attainment of the Millennium Development Goals. ■



Solid Waste Management Practices in Nairobi: The Hidden Gold!

By Wangatia Manyah Vincenzio, Research Assistant, Programmes Coordinator's office

Effective and sustainable Solid Waste Management (SWM) is a huge challenge for both national and local governments due to rapid increase in volume and types of solid and hazardous waste as a result of economic growth, urbanization and industrialization.

The United Nations Environmental Programme (UNEP) Integrated Solid Waste Management plan of 2009 estimated that the total amount of municipal solid waste (MSW) generated globally in 2006 reached 2.02 billion tonnes, representing a 7% annual increase since 2003. In addition, it projected that the global generation of MSW will rise by 37.3%, equivalent to approximately 8% increase per year between 2007 and 2011. Studies have shown that developing countries face challenges in proper management of waste, with most efforts being made to reduce the final volumes and generate sufficient funds for waste management. They argue that if most waste could be diverted for material; and resources recovery, then a substantial reduction in final volumes of waste could be achieved, while the recovered material and resource could be utilized to generate revenue to fund waste management projects. Based on the 3Rs (Reduce, Reuse and Recycle), this would form the premise of Integrated Solid Waste Management (ISWM) principle. With an appropriate segregation and recycling system, a significant quantity of wastes can be diverted from landfills and converted into a useful resource.

Developing and implementing ISWM requires comprehensive data on present and anticipated waste situations, supportive policy frameworks, knowledge and capacity to develop plans or systems, proper use of environmentally sound technologies and appropriate financial instruments to support its implementation.

Rural-urban migration has led to various unplanned settlements in the peri-urban areas of Nairobi with little infrastructure expansion to match the population growth. This urbanization and accompanying industrialization in a state of overstretched infrastructure is one of the major challenges facing the Kenyan government. The benefits of urbanization in Kenya have therefore been accompanied by social, economic and environmental problems, some in overwhelming proportions.

Dandora dumpsite case study

Dandora dumpsite, one of Africa's largest waste dumps covering an area of 32 acres, located about eight kilometers east of Nairobi city, is the main disposal site for most of the solid waste generated by the people living in Nairobi. A visit to the site reveals the unhygienic conditions which the poor living next to the dumpsite are exposed to. The waste from the dumpsite has led to poor sanitation for the people residing in Dandora settlement, a low-income residential area. Majority of Nairobi's high population are low and middle income earners, who run businesses that produce a lot of waste disposed at the dumpsite. The Nairobi City Council (NCC) collects levies from the trucks that dump at the site daily.

Until mid 1970s, the NCC singly collected over 90% of the waste in Nairobi. In the late 1970s, the Council owned 118 waste collection trucks, which still had great difficulties collecting 800 tonnes of waste generated daily. In the year 2002, Nairobi City Council admitted that it was unable to manage waste effectively in the city, especially from the many informal medical facilities located within residential areas. The Council currently has less than 20 trucks, which are expected to collect about 25% of the estimated 2,600 tonnes of solid waste generated daily and dumped at Dandora dumpsite. The rest of the collection has been outsourced to the private sector.

Socio-economic perspective of SWM practices: The hidden gold in waste!

The term "waste" generally refers to "unwanted" for the person who discards it; a product or material that does not have a value any more for the first user and is thus thrown away. However, "unwanted" is subjective because the waste could have value to another person in a different circumstance or even in a different culture. There are many large industries that operate primarily or exclusively using waste materials, such as paper and metals as their industrial feed stocks. Waste can be classified as solid and liquid.

Dandora dumpsite, one of Africa's largest waste dumps covering an area of about 30 acres, located about eight kilometers east of Nairobi city

Majority of Nairobi's high population are low and middle income earners, who run businesses which produce a lot of wastes disposed at the dumpsite run by the City Council of Nairobi which collects levies from the trucks that dump at the site daily

The types of solid waste collected from the household and disposed at Dandora dumpsite are mainly domestic. Relative proportions of various types of solid wastes are generated from households, that is food waste, recyclable paper, textiles, plastic containers, leather, rubber, glass containers, metal containers, ceramic and soil. The mean percentage willingness to pay (WTP) for Solid Waste Management practice is 61%. The mean fee charged is Ksh 250 per month with a minimum of Ksh 40 and a maximum of Ksh 500, while some do not pay for the solid waste management services at all.

Studies in 2011 on the influence of solid waste collection and disposal, solid waste recycling, and solid waste minimization activities on the social and economic lives of riparian community in Dandora revealed variations in the socio-economic contributions of the three practices.

For instance, the mean SW collection and disposal income per participating household is Ksh 15,941 per month. The expenditure pattern showed highest expenses on education, followed by food and housing, while health had the least. Income from SW collection and disposal contributed a significant 79% of the total monthly socio-economic expenses, while the deficit of 21% is covered by other

sources of income. Fifty seven (57) per cent of this income was spent on education, indicating that the households give priority to education in relation to other social and economic needs. Food expenses amounted to 20%, while housing took 19% of the income generated. This implies that solid waste collection and disposal activities had a positive influence on socio-economic lives of Dandora residents. Health expenses made up 4%, though it would have been expected to be higher based on the nature of activities undertaken in solid waste collection and disposal, which pose health risks to participants. This was explained by the fact that there was availability of cheap labour provided by the youth who drop out of school opting for menial jobs. Thus, most families take advantage of the cheap labour as a way of transferring the health risks to members outside their households, and this minimizes health related expenses to participating households.

The mean income from solid waste recycling was Ksh 16,170 per participating household per month, which contributed a significant 93% to the total monthly socio-economic expenses. The expenditure pattern showed a higher allocation to education followed by food and housing, while health had the least. The results agree with those of Japan International Cooperation Agency (JICA) in 1998, which reported that recycling of products such as papers, tyres, plastics, used clothes and metals by community-based organizations (CBOs) managed by women recycling market waste from Korogocho Market near Dandora to produce organic manure for sale from self-help activities of the Mukuru project earned Ksh 1.55 million in 1996, from the recovery of 1,018 tonnes of materials per year.

On the other hand, the mean income from Solid Waste Minimization was Ksh 9,467 per participating household per month. The expenditure pattern showed a higher amount allocated to education, followed by food and housing. Income from Solid Waste Minimization contributed above average (63%) to the total household expenditure. Slightly over half (54%) of this income is spent on education, indicating that the households give preference to education in relation to other social and economic needs. Food expenses amounted to 21% of the total income, while housing took up 21% of the income generated from Solid Waste Minimization.

Combined income versus expenditure patterns

The total income from combined SWM practices contributed a significant 82.9% to the total household expenditure, leaving a deficit of 17.1% only to be covered by other sources of income. This implies that SWM practices had a positive influence on socio-economic lives of participants, leading to improved standards of living. The influence of combined SWM practices on socio-economic lives of residents showed a high expenditure on education, followed by food, housing and health. Fifty five (55) per cent of the income spent on education indicates that the households give priority to education in relation to the other socio-economic needs. Food expenses amounted to 21%, while housing took up 18% of the income. Health expenses make up a mere 5%, though it would have been expected to be higher based on the nature of activities undertaken in SWM, which pose health risks to participants. Despite the low affordability and willingness to pay for Solid Waste Management services and with the requirement to offset the general operational costs, the participants still manage to raise the income used to settle their household socio-economic expenses from the SWM practices.

However, it is important to note that lack of waste generator's awareness towards appropriate waste separation and discharge; low affordability of waste generators to pay garbage fees charged; low frequency of waste collection and transportation; lack of containers to accept discharged waste; lack of collection staff and collection vehicles, thus low capability of waste collectors; weak legal enforcement in form of weak penalty clause provisions in law; and lack of administrator's enforcement capability on inspection and monitoring of solid waste management programmes were found to constrain the successful implementation of solid waste management practices in Dandora.

Conclusion

The income from SW Collection and Disposal for the 30,000 households in Dandora translates to Ksh 478,230,000 for combined participating households per month. Income from Solid Waste recycling is Ksh 485,100,000 for combined participating households per month, while income from solid waste minimization translates to Ksh 284,010,000 for combined participating households per month. These figures add up to Ksh 1,247,340,000 for combined participating households per month. This indeed is Hidden Gold! ■

The income from SW Collection and Disposal for the 30,000 households in Dandora translates to Ksh 478,230,000 for combined participating households per month

SELECTED ONGOING/COMPLETED KIPPRA RESEARCH, 2011-2012

Macroeconomics

1. Decline in Kenya's exchange rate
2. Development of a Threshold 21 model
3. Interest rate margins
4. Green economy scoping study
5. Green jobs evaluation
6. Divisia monetary aggregates in the conduct of monetary policy in Kenya
7. Determinants of inflation policy
8. Sub-national public expenditure review
9. Gender gaps in secondary schools
10. Determining the economic impacts of meetings, incentive travel, conferences and exhibitions (MICE)

Productive Sector

1. Commodity exchange prospects for East Africa
2. Development of a Tourism Forecasting Macro Model for Kenya
3. Evaluating agricultural export performance in Kenya: Drivers of success for vegetables and fruits
4. Food insecurity and markets in Kenya
5. Market characteristics for major food commodities in Kenya: A price analysis
6. Preparation of Africa capacity indicators 2011 and 2012
7. Public expenditure review on agriculture
8. Monitoring African food and agricultural policies
9. Nature and effects of Non-tariff Barriers (NTBs) on regional trade in the East African Community: The case of maize trade

Trade and Foreign Policy

1. A review of institutional and regulatory framework for domestic trade
2. China's foreign policy towards Kenya: The case of infrastructural development
3. Identifying and overcoming domestic binding constraints in the wholesale and retail trade in Kenya
4. Kenya: A company perspective on non-tariff measures
5. Promoting Kenya's economic and diplomatic interests in East Africa via soft power foreign policy
6. Renaissance of honorary consulates: A means towards realizing Kenya's trade centered foreign policy
7. Strategies towards increasing volume of remittances to finance development in Kenya
8. The effect of East African regional integration on economic growth: A panel data analysis

Social Sector

1. An economic analysis of job search decisions in Kenya
2. Cost of access to health services
3. Decentralization and education service delivery
4. Effects of enterprise development in economic development
5. Estimation of health professionals' requirements by county using norms and standards for health service delivery
6. Evolution of inequalities
7. Gender gaps in secondary schools
8. Labour market regulation and employment in Kenya
9. National cohesion and integration policy
10. Role of national heritage and culture in Kenya's economic development
11. The impact of decentralization on Kenya's public health system delivery
12. Vulnerability and targeting in basic education
13. A comparative study on public-private sector wage differentials in Kenya

Infrastructure and Economic Services

1. Comparative analysis of Kenya's physical infrastructure performance
2. Financial viability of constructing an oil pipeline from Nairobi to Nanyuki
3. Infrastructure sector performance, 2010-2012
4. Management of road crash data systems
5. Service level mapping - Municipal Council of Mavoko

Private Sector Development

1. A tool to address historical land injustices
2. Assessment of the factors affecting utilization rating of the constituency development fund
3. Baseline study on counterfeiting, piracy and illicit trade in Kenya
4. Capital market regulation and mobilization of savings
5. Counterfeiting in Kenya: An appraisal of the situation
6. Firm investment behaviour in Kenya: The impact of special economic zones
7. Intellectual property rights and economic growth: Review of patent regulations in Kenya
8. Interface of intellectual property rights and competition in Kenya
9. The regulation of business entry in Kenya
10. Understanding the banking structure in Kenya
11. Value additions in coffee industry in Kenya: Lessons from cut flower sector

Governance

1. A tool to address historical land injustices in Kenya
2. The role of land property rights on household enterprises in Kenya
3. Ndung'u report on land grabbing in Kenya: Legal and economic analysis
4. Assessment of the factors affecting utilization rate of the Constituency Development Fund (CDF)
5. Review of governance performance of the three arms of parliament (Judiciary, Executive, and Legislature)
6. Review of governance issues in the mobile telephony, maize and petroleum sectors
7. African Governance Outlook: Assessing financial governance
8. Ethics and anticorruption policy

ABOUT **KIPPRA**

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) is an autonomous institute whose primary mission is to conduct public policy research leading to policy advice. KIPPRA's mission is to produce consistently high-quality analysis of key issues of public policy and to contribute to the achievement of national long-term development objectives by positively influencing the decision making process. These goals are met through effective dissemination of recommendations resulting from analysis and by training policy analysts in the public and private sectors. KIPPRA therefore produces a body of well-researched and documented information on public policy, and in the process assists in formulating long-term strategic perspectives. KIPPRA serves as a centralized source from which the Government and the private sector may obtain information and advice on public policy issues.

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Other organizations are welcome to contribute to KIPPRA research either as core support, or support to specific projects, by contacting the Executive Director, KIPPRA.

Send to us your comments on the articles published in this newsletter and any other aspects that may help to make the KIPPRA Policy Monitor useful to you. This may include policy issues you would like KIPPRA to prioritize.

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