



Institute of  
Economic Affairs

# Annual Report 2011

Institute of Economic Affairs  
ACK Garden House, 5<sup>th</sup> Floor Block D  
1<sup>st</sup> Ngong Avenue  
P.O BOX 53989 – 00200 NAIROBI  
FAX: 254-020-2716231  
TEL: 254-020-2721262, 2717402  
Email: [admin@ieakenya.or.ke](mailto:admin@ieakenya.or.ke)  
Website: [www.ieakenya.or.ke](http://www.ieakenya.or.ke)

## TABLE OF CONTENT

Message from the CEO.....	4
Governance of the Institute .....	6
About Institute of Economic Affairs.....	8
1. BUDGET INFORMATION PROGRAMME .....	9
1.1 Programme Objectives and Outcomes .....	9
2 Output.....	10
3 Major Activity Highlights .....	10
3.1 Capacity building workshops on budget analysis and advocacy.....	10
3.2 IEA’s Pre-budget Hearings.....	10
3.3 Research.....	11
3.4 Advocacy and Networking.....	11
3.5 Challenges.....	12
2. TRADE INFORMATION PROGRAMME .....	13
2.1. Programme objectives and Outcomes .....	13
2.2. Programme Outputs.....	14
2.2.1. Book .....	14
2.2.2. Trade Bulletins .....	14
2.2.3. Media Notes.....	14
2.2.4. GDN Project Reports .....	15
2.2.5. Other Reports .....	15
2.3. Research.....	15
2.4. Networking- (Conferences, Meetings and Partnerships) .....	16
2.5. Challenges .....	17
3. REGULATION AND COMPETITION POLICY PROGRAMME .....	18
3.1. Programme Objectives and Outcomes .....	18
3.2. Programme Output.....	18
3.3. Submissions .....	18
3.4. Programme Activities.....	19
3.5. Advocacy and Networking.....	20
3.6. Capacity Building .....	21
3.7. Programme Challenges.....	21

4.	FUTURES PROGRAMME.....	22
4.1.	Programme Objectives and Outcomes .....	22
4.2.	Programme Outputs.....	23
4.3.	Programme Activities.....	23
4.4.	Research.....	23
4.5.	Advocacy and Networking.....	23
4.6.	Challenges.....	25
5.	PR AND COMMUNICATIONS DEPARTMENT .....	26
5.1.	Programme Objectives/Outcome .....	26
5.2.	Output .....	27
5.3.	Challenges.....	27
6.	Financial Report.....	28

## Message from the CEO

The Staff and members of the Board of Directors of the Institute of Economic Affairs (IEA-Kenya) present to you the record of activities, research and events during the year 2011. We had a number of achievements, reached significant milestones and built in new lessons for the work in the future. To begin with, our membership continued to grow and we made a 10% increase in members relative to the year preceding that, a reflection of the demand by professionals, for a space in which policy can be discussed, new ideas generated and reform proposals put forth.

At the level of programmes, the Budget Information Programme (BIP) held the long-standing and traditional pre-budget hearings with a variety of private sector associations and non-state actors to generate new ideas for both expenditure management and for tax policy. We also developed the Citizens Alternative Budget and memorandum which was forwarded to the Treasury for consideration into the budget speech and expenditure proposals for the year 2011. Thus the influence in Kenya's budget policy has been maintained in addition to presentation of a platform for calling for accountability and transparency in budget matters in the country. The IEA-Kenya later participated in post-budget analyses of the estimates and budget policy, and presented a succinct report for the legislature to consider in the debate of the bills that accompany the formal presentation of the budget speech.

As an institution that takes pride in advancing the use of futures methodologies in the understanding and discussion of salient policy issues in Kenya, the IEA completed and published Scenarios stories in December 2011. This scenarios project was the culmination of 2.5 years work in trying to understand the implications of youthful population on Kenya's social and economic outcomes in the medium term. Accompanying the stories, was the Youth Research Compendium which outlines policy matters related to Kenya's youth. During 2012, the intention is to utilize the knowledge and the suggestions from the Scenarios stories to drive conversation around the choices that they point at.

The Economic regulation programme of the IEA-Kenya undertakes diverse research and hosts events on the regulatory and topical issues in Kenya's economy. It provides reliable platforms and forums for discussing policy issues with policy makers, the public, academia and other Kenyan professionals. IEA-Kenya participated in the design and implementation of a cross-country study on property markets, which allowed for international benchmarking of the state of property rights protection and recognition in Kenya against four other countries. This was a new way to extend our work at a time when the constitution calls for new ideas for managing property markets in the country. This publication has provided new opportunity for policy influence, and partnerships with other professional associations with an interest in property markets management and development in Kenya.

On the part of the Trade Information programme, the IEA-Kenya completed and published the results of a two-year study on intellectual property rights related to bio-prospecting and traditional

knowledge. This has become a salient issue in the intellectual property rights policy. This publication and research in collaboration with key offices in the public sector ensured that the uptake of the results of the publications is improved and the relevance of the policy research is confirmed.

All the policy research work and the events that we host for policy dialogue work depend to a large extent on the membership and the partnerships that we develop in the country and beyond. We acknowledge the financial and technical assistance provided to us by our partners such as the Ford Foundation, Rockefeller foundation, Danish Development Agency (DANIDA), the International Development Research Centre and the Think Tank Initiative, the Centre for International Private Enterprise (CIPE), the Global Development network (GDN), the International Budget Partnership (IBP), Diakonia and the Canadian International Development Agency (CIDA). Through grants and technical assistance, these institutions have enabled the IEA-Kenya to maintain its place as an influential policy research and dialogue institution. We thank you all for confidence in the IEA-Kenya and for supporting our mission.

**Kwame Owino**

**Chief Executive**

**Institute of Economic Affairs (IEA-Kenya)**

## Governance of the Institute

### Board of Directors

- 1. Ms. Betty Maina (Chairlady)**  
Chief Executive, Kenya Association of Manufacturers
- 2. Mr. Solomon Muturi**  
Managing Director, CMC Motors
- 3. Mr. Charles Onyango-Obbo**  
Executive Editor, Nation Media Group
- 4. Mr. Duncan Okello**  
Chief of Staff – Office of the Chief Justice of Kenya
- 5. Mr. John Kashangaki**  
Principal Consultant, Strategic Business Advisor
- 6. Mr. Anthony Mwithiga**  
Chief Investment Officer, Stanbic Investment Management Services Limited

### The IEA- Kenya Secretariat in 2011

- 1. Mr. Kwame Owino**  
Chief Executive
- 2. Budget Information Programme (BIP)**  
Mr. John Mutua – Programme Officer  
Mr. Raphael Muya – Assistant Programme Officer
- 3. Trade Information Programme (TIP)**  
Ms. Miriam Omolo - Programme Officer  
Ms. Mary Odongo - Programme Officer  
Mr. Stephen Jairo – Consultant
- 4. Regulation & Competition Policy Programme (RCP)**  
Mr. David Owiro - Programme Officer
- 5. Futures Programme**  
Ms. Katindi Sivi Njonjo - Programme Officer  
Mr. Chrispine Odour - Assistant Programme Officer  
Ms. Veronica Nguti – Consultant
- 6. Public Relations & Communication**  
Ms. Irene Kinuthia - Programme Officer  
Mr. Oscar Ochieng - Consultant
- 7. Finance and Administration**  
Mr. Paul Obinge – Finance and Administration Manager  
Ms. Millicent Onsongo - Accounts Assistant  
Ms. Nelly Kamande – Executive Assistant  
Mr. James Ndungu - Office Assistant  
Mr. Mungai Karori - Driver  
Ms. Tandisonia Mwandama - Front Desk Officer/Receptionist

## Abbreviations

AGOA	African Growth and Opportunity Act
APSEA	Association of Professional associations
BIP	Budget Information Programme
CDF	Constituency Development Fund
CEA	Cost Effectiveness Analysis
CIC	Commission for the Implementation of the Constitution of Kenya
CSO	Civil Society Organization
EAC	East African Community
EAC	East African Community
EATUC	East African Trade Unions Confederation
ECSGD	Empowering Communities for Self Governance and Development
ERC	Energy Regulation Commission
EU	European Union
FES	Friedrich Ebert Stiftung
GDN	Global Development Network
HERAF	Health Rights Advocacy Forum
HIS	Urban Development Studies
IBP	International Budget Partnership
IDA	Institute of Defence Analyses
IEA	Institute of Economic Affairs
IPR	Institute of Primate Research
IRS	Indoor residual spraying
ITN	Insecticide treated nets
KAM	Kenya Association of Manufacturers
KCDF	Kenya Community Development Foundation
KEYS	Kenya Youth Scenarios
MUHURI	Muslims for Human Rights
NCST	Council of Science and Technology
NCWTO	National Committee on World Trade Organisation
NEMA	National Environmental Management Authority
NGOs	Non Governmental Organizations
NTBs	Non-Tariff Barriers
PEAP	Post Election Action Programme
PFM	Public Finance Management
PIN	Parliamentary Initiative Network
PPR	Petroleum Pricing Regulations
PRSP	Poverty Reduction Strategy Papers
RCPP	Regulation and Competition Policy Programme
SUNY	State University of New York
TIP	Trade Information Programme
TOT	Training of Trainers
WTO	World Trade Organization

## **About Institute of Economic Affairs**

The Institute of Economic Affairs – Kenya (IEA-Kenya) is a civic forum that seeks to promote pluralism of ideas through open, active and informed debate on public policy issues. The IEA – Kenya is independent of political parties, pressure groups, lobbies and any other partisan interests. The IEA – Kenya is Kenya's first public affairs dialogue forum. It grew out of the 1992 Post Election Action Programme (PEAP), a joint effort by Kenyan professionals and academics.

## **The Vision of the IEA-Kenya**

A Kenyan society with a well managed economy and an informed public in which national interest; justice and dignity for all citizens are upheld.

## **The Mission of the IEA-Kenya**

To facilitate the review of policy and public affairs by Kenyans in order to inform decision making processes, provide just choices and improve the quality of decisions made.

## **Goals of the IEA-Kenya**

The goals of IEA-Kenya are:

- To facilitate economic policy formulation and analysis at the national, regional and global level
- To facilitate effective public participation in economic and related decision making processes
- To develop a sustainable IEA-Kenya institutional capacity

## **IEA-Kenya Programmes**

The IEA-Kenya's activities are organized around the following Programme thematic areas:

- Budget Information Programme
- Futures Programme
- Trade Information Programme
- The Regulation and Competition Policy Programme and
- Special projects

## **Programme Report**

### **1. BUDGET INFORMATION PROGRAMME**

The programme's main goal is to promote transparent and participatory engagement of key institutions in public finance management with emphasis on execution and auditing

#### **1.1 Programme Objectives and Outcomes**

**Objective 2: To strengthen key institutions that engage in public finance management**

##### **a) Improved civil society budget analysis, monitoring and advocacy capacity**

An evaluation of a project on strengthening civil society to promote good governance through increased budget literacy training revealed that the beneficiaries of the training had further engagements with their constituents. These engagements entailed leveraging on the skills and knowledge acquired from the training to undertake budget monitoring and analysis from a gender perspective and use of various tools such as community score cards by organizations such as ABANTU, Muslims for Human Rights (MUHURI) and Health Rights Advocacy Forum (HERAF). Other civil society organizations like Chemi Chemi Ya Ukweli and Kenya Aids NGOs Consortium held meeting to strategize on budget advocacy and convened meetings to transfer skills and knowledge on budget literacy to their members.

##### **b) Increased advocacy for gender mainstreaming in budgeting**

Following the partnership between IEA and Transparency International Kenya on the project of empowering civil society organizations and local authority representatives, IEA trained a number of civil society organizations such as Hawkers Association-Eldoret, Kenya Human Rights Commission outlet offices in Mombasa and Eldoret, student representatives from Mombasa and Eldoret among others on the importance of using gender responsive budgeting to advance gender equality. Following a mid project evaluation, it was reported that some of the training beneficiaries had already started developing projects and activities around enhancing incorporation of gender responsiveness in their various areas of concern like human rights, conflict resolution work and rehabilitation of street children.

**Objective 3: To improve public finance monitoring, evaluation and reporting**

##### **a) Increased awareness and participation in budget formulation**

Through the activities of budget literacy training workshops, pre-budget hearings and post budget forums, a number of civil society organizations from Western and Coast regions who were beneficiaries of the BIP training workshops were able to submit budget proposals to Treasury for the first time. These groups were also able to provide inputs during public hearings organized by the Executive led by the Ministry of Planning and Ministry of Finance at their respective counties in October 2011. These activities met the programme objective goal of deepening knowledge and increased participation in decision making and budgetary processes.

##### **b) Public Finance Management (PFM) reforms**

BIP under the International Budget Partnership (IBP) project of reviewing and analyzing various issues of the PFM Bill 2011 made a number of proposals which reiterated the need for clear disclosures on all financial reports. This proposal on disclosures on all financial reports was incorporated in the published draft in the amended Public Finance Management Bill.

### **c) Providing leadership in network and partnership alliances in public finance management**

IEA has provided leadership and insight on public finance management (PFM) and budget oversight matters as well as engagement with parliament in its capacity as a member of the Parliamentary Initiative Network (PIN). This led to IEA's selection to take over the leadership and coordination of PIN affairs in October 2011, taking over from SUNY-Kenya

## **Objective 4: To develop diverse budget analyses**

### **a) Increased knowledge repository in public finance management**

The production of various publications including a budget analysis titled MPs Guide 2011/12, Citizen Alternative Budget 2011/12, TOT manuals on budget literacy and briefs on public forum has enabled IEA to increase repository of information on public finance management. Most of this information is in hard copy and all of these publications are available on IEA's website. IEA has ensured that this information is disseminated to the IEA members, the public as well as IEA partners and stakeholders.

## **2 Output**

In the year 2011, the programme produced the following publications:

- a. Citizen Alternative Budget memorandum
- b. MPs Guide bulletin – 2011/2012
- c. Thematic Training of Trainers' manuals on;
  - Applied budget work;
  - Existing mechanism for the public to engage in the budget making process and
  - Monitoring and evaluation of public funds utilization and management

## **3 Major Activity Highlights**

### **3.1 Capacity building workshops on budget analysis and advocacy**

Four (4) training workshops were held to empower civil society organizations and local authority representatives on gender responsive budgeting and how they can use that knowledge and skills to advance gender equality in their work and as well advocate for gender mainstreaming. The training workshop was held in partnership with Transparency International – Kenya where IEA provided technical input. 2 of the trainings were held in Eldoret County from the Rift Valley and the other two held at the Coast region.

Three (3) training workshops were held to empower 3 IEA coalition partners on how they can advocate for budget priorities and reforms by training them on social accountability and budget monitoring.

### **3.2 IEA's Pre-budget Hearings**

In its effort to enhance civil society participation in the budget process and influence budget proposals, IEA held pre-budget hearings in early February. As has been the case with other previous pre-budget hearings, various stakeholders from the corporate and social sector attended the meetings. This

particular pre-budget hearing was however unique given that it was the first after the promulgation of Kenya's new constitution and as such elicited excitement from the stakeholders. Similarly one of the civil society organizations made taxations proposals on tobacco consumption which was only common from the corporate sector.

IEA had earlier on mentored a CSO from Rwanda on the benefits of adopting pre-budget hearings in their country as a way of enhancing participation in the budget formulation stage. This group invited IEA at the launch of the Rwanda chapter of the citizen alternative budget.

### **3.3 Research**

- a) Under the Revenue Analysis project whose objective is to promote debate and dialogue on taxation, as well as influence tax policy and transparency, the following research activities were implemented:
  - i. A citizen guide on taxation in Kenya
  - ii. Revenue incidence analysis and
  - iii. Half yearly tax returns
  
- b) GDN Project on public expenditure accountability in social sectors focused in the water sector. Three papers were produced in 2012:
  - i. Programme budgeting,
  - ii. Benefit incidence analysis
  - iii. Draft cost effectiveness analysis (CEA) study, comparing the individual cost of household piped water connection and water kiosks as two water supply interventions in informal settlements, and their impact at the least cost with regard to reducing child diarrhea incidence..
  - iv. Policy Simulation draft to assess the effects of policy changes on public spending in the water sector in Kenya. In particular this simulation looks at two policy alternatives towards increasing water access at an informal settlement.
  
- c) Review and analysis of Public Finance Management Bill, 2011, the Budget Information Programme undertook the review and analysis of various drafts of the PFM Bill, 2011, including an analysis of the published (24<sup>th</sup> November 2011) draft. IEA also submitted written memorandums during a number of consultative meetings organized by the Commission for the Implementation of the Constitution of Kenya (CIC) in the course of 2011.

### **3.4 Advocacy and Networking**

- i. In a bid to answer the question whether the tax exemption regime in Kenya is working or not, BIP held a public forum towards end of the year to discuss the impact of tax exemption regime in Kenya. There were a few journalists from both the print and broadcast media. It was also agreed that the issue be further discussed among fellow members of the East Africa Tax and Governance Network. Within the IBP project, IEA will hold 3 more public forums to discuss topical tax issues in 2012.
- ii. From our analysis of the PFM Bill, 2011 we were able to keep the members of Parliamentary Initiative Network (PIN) and other CSOs abreast on the development of the Bill and its

eventual submission to parliament. Some of the proposals that IEA made in the draft versions of the Bill, included, voicing an objection on the establishment of a Loans and Grants Council since that would usurp powers of the national and county government, the need to adopt strict disclosures for all financial reports among other issues.

- iii. BIP engaged parliaments' Budget Committee during a post budget workshop for Members of Parliament in September 2011. We were also able to present the chair of the CIC and a representative from the Ministry of Local Government with a written memorandum where we shared our concerns on the need to preserve space for public participation, support stronger transparency requirements among other issues.
- iv. BIP published a press statement on the "status of the PFM Bill and the development and engagement process" in the leading Daily Nation newspaper. The article focused on informing the public on the process of developing the Bill and on a number of other issues, namely the entity providing leadership, tight window of public participation during the production of various drafts among other issues.
- v. Launch of training of Trainers Manuals took place on 19<sup>th</sup> May 2011. In attendance were a number of CSOs represented whom we had trained using the manuals, and general public. It is expected that following the dissemination of these manuals, budget literacy among the civil society will be deepened.
- vi. Participation as a member of Public Finance Management Reforms Task Force- BIP represented IEA as the only non state actor in the task force established by the Permanent secretary in the Ministry of Finance to develop the second 5 year PFM Reform strategy. This provided IEA an opportunity to directly influence PFM reforms.

### **3.5 Challenges**

- i. There was a delay in the completion of activities in particular, research and studies for two projects; revenue analysis and public expenditure accountability as per our work plan for the year. The main cause of the delay was data constraints as well as work load as we were trying to dispense with the back log of activities carried over from 2010.
- ii. Capacity constraint following the exit of one officer from BIP early in the year which affected overall timely execution of BIP activities. Despite efforts to seek assistance from support staff for administrative issues as well as engage consultants on a need basis and time management efforts, this was not fully adequate to help in the completion of some activities.
- iii. Striking a balance in meeting the overwhelming demand for IEA expertise on PFM especially brought about by the work around legislations on the Constitutions, invitation to various meetings relevant to BIP and participation in PFM Reforms task force remained a challenge, given time constraints.
- iv. Following some lessons that we have learnt over time, we have for instance in regard to data access, tried to seek and explore other means of obtaining this data. This is in addition to addressing the above mentioned challenges through internal capacity

## **2. TRADE INFORMATION PROGRAMME**

The programme's main goal is to be an influential actor in Kenya's trade negotiations, policy formulation, reforms and impact assessment. The trade programme this year was characterized by a combination of publications, research and networking activities.

### **2.1. Programme objectives and Outcomes**

**Objective 2: To facilitate the participation of media, private sector, civil society and parliamentarians in trade policy debates.**

- a) The workshop on WTO NAMA negotiations on Non-Tariff Barriers (NTBs) brought together private sector and civil society stakeholders to discuss sectoral proposals in order to come up with country positions. The report of this meeting was forwarded to the trade negotiations team in Geneva.
- b) The National Committee on the World Trade Organization Retreat/Pre Ministerial Conference brought together private sector association members such as the Kenya Association of Manufacturers (KAM), Association of Professional associations (APSEA) , state agencies and Ministry of Trade and East African Community to discuss the WTO proposals on Agriculture, manufacturing and services in order to come up with a common position for the Ministerial Conference in Geneva in December 2011.

**Objective 3: To strengthen and sustain partnerships with relevant government departments and ministries and other institutions engaged in the formulation of trade policy**

- a) The paper "WTO Rules and Public Health in Developing Countries: 'The Achilles' Heel or Pillar for Development.'" which was published in the 2011 in the WTO Public forum report "Seeking Solutions to Global Trade Challenges" raised IEA's profile in the international arena given her ability to participate in such a high level international forum.

**Objective 4: To facilitate the development of appropriate trade policies in Kenya based on research**

- a) The book "Biodiversity, Traditional Knowledge and Intellectual Property in Kenya: The Legal and Institutional Framework for Sustainable Economic Development" and Trade Bulletins focusing on intellectual property were used as follows by various state actors who were involved in the project:
  - i. Bio prospecting Strategy in Protected Areas, 2011
  - ii. National Environmental Management Authority (NEMA) National Biodiversity Strategy
  - iii. Biological Resources Management Draft Policy by National Council of Science and Technology (NCST)
  - iv. Bioscience Policy by National Council of Science and Technology (NCST)

- v. Natural Products Industry Initiative Bill by National Museums of Kenya (NMK)/Institute of Primate Research (IPR)
  - vi. NEMA Amendments to the ABS Regulations, 2011
  - vii. NEMA Development of Draft Template PIC, MAT and MTAs for implementation of ABS Regulations
- b) The research paper “Impact of Trade Liberalization on Poverty in Kenya” was used to inform the Kenya Government and the WTO Secretariat during the Trade Policy Review for Kenya which was undertaken during the year 2011.
  - c) The trade remedies research papers on Safeguards, Anti-Dumping and Countervailing Measures and their application in Kenya which were produced in 2008-2009, were used as background information in the EU Technical Assistance meeting to the Government of Kenya , whose main objective was to discuss and agree on the draft domestic law, establishment and operationalization of a trade remedies investigating authority.

## **2.2. Programme Outputs**

During 2011 the following publications were produced:

### **2.2.1. Book**

- (i) Biodiversity, Traditional Knowledge and Intellectual Property in Kenya: The Legal and Institutional Framework for Sustainable Economic Development

### **2.2.2. Trade Bulletins**

- (i) Biodiversity Conservation in Kenya – Issue No. 32
- (ii) Protecting Genetic Resource and Associated Traditional Knowledge in Kenya – Issue No. 30
- (iii) Protecting Genetic Resources and Associated Traditional Knowledge. What a community needs to know. – Issue No. 31
- (iv) WTO Rules and Public Health in Developing Countries: ‘Achilles Heel’ or a panacea for Development’ – Issue No. 29
- (v) Towards an EAC Common Market: Challenges and Opportunities – Issue No. 33
- (vi) Financial and Monetary Reforms for Sustainable Development: Global and Regional Initiatives – Issue No. 34

### **2.2.3. Media Notes**

- (i) Patents and Economic Development in Kenya - Issue No. 7
- (ii) Intellectual and Property Sensitization/Awareness, Kakamega: A Case of the Kakamega Environmental and Educational Programme (KEEP) – Issue No. 8

- (iii) Intellectual Property Sensitization/ Awareness held at KEFRI Research Centre. Gede Forest Station, Malindi – Issue No. 9
- (iv) Institutional Framework for Implementation of National Legislations for Biodiversity Conservations and Bioprospecting – Issue No. 10
- (v) Intellectual Property Awareness: The case of Gwasi Hills and Baringo Communities – Issue No.11
- (vi) Intellectual Property Sensitization/Awareness, Magunga, Gwasi District: A Case of the Friends of Lake Victoria (OSIENALA)/ Lake Victoria Centre for Research and Development.
- (vii) Intellectual Property Sensitisation/Awareness held at the government training institute, Kabarnet. Kerio Valley.

#### **2.2.4. GDN Project Reports**

- The Benefit Incidence Analysis of Health Sector Spending in Kenya
- Cost Effectiveness Analysis of Selected Health Sector Programmes in Kenya

#### **2.2.5. Other Reports**

- Report on the National Committee on World Trade Organisation (NCWTO) Retreat on EAC –WTO Trade Policy Review held in Nakuru at Merica Hotel from 26 – 28 October.
- The Intellectual Property Initiative Project evaluation report
- “WTO Rules and Public Health in Developing Countries: ‘The Achilles’ Heel or Pillar for Development.” Published in the 2011 WTO public forum annual report 2011.

### **2.3. Research**

#### **a) Biodiversity, Traditional Knowledge and Intellectual Property in Kenya: The Legal and Institutional Framework for Sustainable Economic Development.**

The research paper, “Biodiversity, Traditional Knowledge and Intellectual Property in Kenya: The Legal and Institutional Framework for Sustainable Economic Development” examined the legal and institutional framework for biodiversity conservation and intellectual property and its impact on livelihoods and development in Kenya. This study established the laws relating to bioprospecting and biodiversity conservation, how the laws interact with each other i.e. are there overlaps/coherences, and the institutional interactions coherences/overlaps. The results showed that there were overlaps in both the legal and institutional frameworks that resulted in local communities losing resources and giving out knowledge for free that could have been used to generate income.

## **b) The Impact of Trade Liberalization on Poverty in Kenya**

The main objective of this research paper was to examine the impact of trade liberalization under the World Trade Organisation (WTO) multilateral trading framework on poverty in Kenya. A CGE (Computer General Equilibrium) model was used based on the Kenyan social accounting matrix (SAM) for 2003. The main finding of this paper was that trade liberalization had a positive impact on welfare by reducing poverty, however the impacts were quite small and there was need for complementary policies that would result in greater impacts on poverty reduction.

## **c) Cost Effectiveness Analysis of Selected Health Sector Programmes in Kenya**

With funding from the Global Development Network (GDN), the Trade Information Programme took up a study on the Cost Effectiveness analysis of Selected Health Sector Programme in Kenya. The objective of the study was to first establish the unit cost of training primary health facility level personnel versus district level facility personnel and further establish the cost effectiveness of malaria vector control in Kenya, particularly the following interventions: Insecticide treated nets (ITN) and Indoor residual spraying (IRS). Different Malaria vector control interventions on the other hand are commonly used in Kenya and depend on the epidemiological zones. The study found that there was an increase in the use of ITNs following the Abuja declaration by heads of states in Abuja Nigeria in 2000. Using data collected from direct costs associated with ITN and IRS, and using all adult malaria morbidity as the effectiveness measure, it has been found that IRS is more cost effective than ITN.

## **2.4. Networking- (Conferences, Meetings and Partnerships)**

The Trade Information programme took part in several meetings as part of its networking initiatives. The main meetings include:

- a) Workshop on WTO NAMA negotiations on Non-Tariff Barriers (NTBs), 26-27 May 2011, Nairobi. The objective of this meeting was to have the National Committee on the World Trade Organisation (NCWTO) deliberate on the horizontal and sectoral approach concerning NAMA negotiations and come up with country position.
- b) National Committee on the World Trade Organisation Retreat/Pre Ministerial Conference, 26-28 October 2011, Nakuru. The main objective of this meeting was to bring together members of NCWTO to discuss Kenya's trade policy in preparation for the Second Joint East African Community (EAC) –World Trade Organisation (WTO) Trade Policy Review (TPR) scheduled to be released in October 2012. The other objective of this meeting was to discuss the current status of WTO activities including the Doha Development Agenda (DDA) negotiations with the aim of refining Kenya's negotiating position for the upcoming WTO ministerial conference in Geneva, Switzerland 2011.

- c) National Workshop on the Implementation of the WTO Agreements 21- 25 February 2011, Mombasa. The programme disseminated the trade remedies studies during this meeting in order to provide background information for discussions that would aid the drafting of the domestic law, establishment and operationalization of a trade remedies investigating authority.
- d) UNCTAD Public Symposium, that took place on 22-24 June 2011 at the United Nations, Geneva, Switzerland centered on two themes focusing on “financial and monetary reforms for sustainable development” and “Global and regional initiatives and making the transition to a green economy fair and equitable”. TIP contributed to this meeting by writing a paper “Financial and Monetary Reforms for Sustainable Development: Global and Regional Initiatives” which was posted on the UNCTAD website.
- e) ECOMOD 2011 International Conference on Economic Modeling, 29 June-1 July 2011, Sao Miguel, Azores, Portugal. The International Conference on Economic Modeling is a major international forum for researchers and policy makers in the field of economic modeling applied to today’s challenging issues. TIP presented the research paper “The Impact of Trade Liberalization on Poverty in Kenya”. The paper examined the impact of trade liberalization on poverty in Kenya using a CGE (Computable General Equilibrium) model based on the Kenyan social accounting matrix (SAM) for 2003.
- f) Re-Establishment of National Committee on AGOA, 3 November 2011, Ministry of Trade. TIP was invited by the Ministry of Trade to constitute the AGOA national committee in order to have a more organized framework for handling AGOA issues so that the country would be able to exploit the provisions of these preferences in order to improve the benefits that accrue from trade.

## 2.5. Challenges

- a) Delayed completion of research activities due to inadequate research expertise.
- b) Weak institutional support from administration and finance, this particularly hampered decision on engaging consultants and expenditure tracking.

### **3. REGULATION AND COMPETITION POLICY PROGRAMME**

The programme's main goal is to facilitate the formulation and implementation of appropriate economic regulation and competition policy in Kenya.

#### **3.1. Programme Objectives and Outcomes**

The programme achieved the following outcomes under the following objective(s):

**Objective 1: To facilitate the appreciation of the benefits of economic competition in the Kenyan Economy.**

- a) IEA engaged with the Ministry of Local Government through the Nairobi City Council and Mombasa Municipality as well as Ministry of Lands to discuss the findings of the research entitled, *Kenya Property Markets Scorecard: conditions for small enterprises*. The research focused on enhancing business environment by examining how the regulatory framework and property rights regime impact small businesses.

**Objective 5: To prepare Policy Proposals for legal, regulatory and competition policy reforms.**

- a) IEA through RCP contributed to the development of the National Urban Development Policy being formulated under the Ministry of Local Government. Specifically RCP made direct input in the drafting of the chapter on socio-economic development. The exercise culminated in the submission of the National Urban Development Policy to cabinet for adoption and development into a bill.
- b) The IEA through RCP made submissions to the parliamentary select committee on the devaluation of the shilling based on the presentations and discussions at the IEA business roundtable on foreign exchange rate volatility in Kenya.

#### **3.2. Programme Output**

In 2011, the following research reports were produced:

- i. State of Competition Report 2011: Agriculture, Media and Telecoms
- ii. Kenya Property Markets Scorecard: conditions for small enterprises
- iii. Developmental state in Eastern Africa
- iv. Youth employment policies in East African Community Member states

#### **3.3. Submissions**

- i. National Urban Development Policy Submission to cabinet.
- ii. Devaluation of the Shilling Submission to Parliamentary Select Committee on Devaluation of the Shilling

### **3.4. Programme Activities**

#### **a) Research**

##### **i. Research on Youth employment policies in East African Community Member states**

RCP undertook the study on youth employment policies undertaken by the East African Community member states by analyzing their respective Poverty Reduction Strategy Papers (PRSPs) as well as other youth employment strategy documents and policies, with a view to develop a basis of needs and gaps to form a position for the development of the EAC youth charter for the East African Trade Unions Confederation (EATUC).

##### **ii. Research on developmental state in Eastern Africa**

RCP in collaboration with the Friedrich Ebert Stiftung (FES) undertook a series of researches in the Eastern African region with a view to examine whether the states could be considered to be developmental based on the growth experiences of the East Asian economies such as Hong Kong, Singapore, South Korea and Taiwan. The studies assessed **the level of private sector participation in policy formulation, the strength of institutions of economic governance, level of state involvement in productive sectors of the economy, whether the economic policies were export oriented and the extent of implementation by the agencies concerned, amongst other criteria.**

##### **iii. Kenya Property Markets Scorecard: conditions for small enterprises**

RCP undertook research which focused on enhancing business environment by examining how the regulatory framework and property rights regime impact small businesses. It presents the key challenges faced by micro and small businesses when it comes to property rights protection and enforcement in rented/leased commercial property and how that affects access to credit.

##### **iv. State of Competition Report 2011: Agriculture, Media and Telecoms**

The IEA through RCP carried out research on the state of competition in selected markets, namely, bulk milling, processing and storage of cereals in agriculture, print and electronic market in media, and mobile money transfer in telecommunications. The studies highlighted the challenges that hinder competition in the specific markets. This research aimed at enhancing the implementation of competition policy that results in poverty reduction through fair prices, better quality goods and services, and increased choice for consumers.

##### **v. National Urban Development Policy, Draft Chapter on Socio-economic Development, February- December 2012**

RCP contributed in the development of the chapter on socioeconomic development under the thematic group of Socio-Economic Development in the Ministry of Local Government. The policy recommendations served as inputs into the National Urban Development Policy.

### **3.5. Advocacy and Networking**

#### **a) Public forum on impact of Petroleum Pricing Regulations (PPR) on economic development, 24/02/2011**

RCP held a public forum on the above with presentations from representatives of the Energy Regulation Commission (ERC), Independent Petroleum Dealers and the Consumer Federation of Kenya. The objective was to understand the impact that the PPR would have on the economy from the perspectives of the petroleum marketers and distributors, consumers as well as understanding the rationale and intended outcome of the regulation.

#### **b) Roundtable on Foreign Exchange rate volatility 27/10/2011**

RCP held a business roundtable meeting to discuss the volatility of the Foreign Exchange rate in Kenya with a view to highlighting the role of monetary policy in ensuring stability of the currency. It examined the relationship between the current account, interest rates, money supply and exchange rates. The meeting brought together participants drawn from the financial services sector, media academia, among others.

#### **c) Submission to Parliamentary Select Committee on the Devaluation of the Shilling 1/12/2012**

The IEA made submissions to parliament on the devaluation of the shilling. RCP provided its input based on the presentation and discussions from the business roundtable on foreign exchange. The committee prepared a report which it presented to parliament with recommendations based on the public hearings.

#### **d) Regional conference on Industrial Growth Policies, Nairobi, Kenya**

RCP took part in the dissemination of the studies “*Research on Developmental state in Eastern Africa*” for Kenya under the FES collaboration. The study was conducted in Kenya, Uganda, Tanzania, Ethiopia, Sudan and Rwanda. The final studies were then presented at a regional conference on industrialization and growth bringing together participants from all the countries involved drawn from the academia/researchers and policy makers. These included senior government representatives from the Ministry of Planning and Vision 2030, Ministry of Industrialization, Ministry of Trade, and other government agencies.

#### **e) Eastern African Business roundtable on role of state and businesses in economic development, 11/12 November 2011**

The roundtable hosted by IEA in collaboration with the Institute of Defence Analyses (IDA) included business representatives from Kenya, Tanzania, Rwanda and Ethiopia. The objective was to examine the private sector perspective of the role that governments ought to play in formulating and implementing economic development policies. It discussed the challenges of public-private sector dialogue initiatives from the various countries as well as developed recommendations for enhancing the role of governments and private sector in increasing economic development.

**f) Regional conference of trade unions in East Africa, Arusha, Tanzania 23/03/2012**

The research study “*Research on Youth employment policies in East African Community Member states*” was presented at the Regional conference of Trade Unions in East Africa bringing together participants from the EAC member states. It provided a basis for developing EATUC’s position on the EAC social charter, formulation of the Youth policy and development of the EAC strategic plan on Gender, Youth, Children, Social Protection and Community Development 2011-2015.

**g) High level forum on Youth Employment in Kenya, Nairobi, Kenya, 15/16 November 2011**

IEA held a joint forum with FES on Youth Employment policies in Kenya. The meeting provided a platform for exchanging views among the chief governmental agencies, relevant committees of the National Assembly, labour market support institutions and experts, non-governmental organizations, and development partners. Information and data on youth employment was reviewed and policies and programmes in support of youth employability and access to work evaluated. The Minister in charge of Youth Affairs engaged with participants and resource persons on all the issues presented

### **3.6. Capacity Building**

**a) Institute of Housing and Urban Development Studies (IHS) of Erasmus University, fellowship on Land and Housing Economics**

The Programme Officer attended a fellowship on land and housing economics during the year which enabled intensive capacity building in the area of land economics and housing policy management. This training enabled the acquisition of theory and methods in addressing the challenges of land management and urban informal settlements regularization.

### **3.7. Programme Challenges**

- a) Transition challenges at the programme level given that Programme Coordinator in the programme took up a new position as Chief Executive. However the programme managed to deliver on its objectives for the year.
- b) Funding constraints for regulation and competition work remains a key challenge especially in the existing donor environment. However, the programme is continually emphasizing through its funding proposals the impact of regulations and competition policy and practises on economic governance and development especially for developing nations such as Kenya.
- c) Capacity constraints within the programme present a big challenge to programme delivery. Specific training and resources are required to enhance the programmes research output.

## 4. FUTURES PROGRAMME

The programme's main goal is to facilitate increased utilization of futures methodologies in development planning, research, policy formulation and analysis.

### 4.1. Programme Objectives and Outcomes

Activities undertaken in the year contributed towards the programme's overall goal and objectives as well as IEA's vision and strategic objectives of upstream policy influence and downstream public participation.

#### **Objective 1: To initiate the effective use of futures methodologies for long term planning in Kenya**

- a) The Capacity building of CDF Account Managers on strategic planning has led to constituencies such as Amagoro and Baringo East constituencies developing their own strategic plans.

#### **Objective 2: To disseminate and facilitate debate on alternative policy proposals**

- a) People/groups/the media have uploaded our work on various organizations' websites for instance [www.iftf.org](http://www.iftf.org) and [www.fes.de](http://www.fes.de). The work also appears on several blogs and social media like Youtube, zomobo, facebook, reelforge among others.
- b) Numerous newspaper articles have been written using the content in the youth fact book. These include:
  - "Possible scenario: Same-sex marriage in Kenya before political federation". Featured in the East African on 17 December, 2011.
  - "As Kenya's population becomes ever younger, expect conflict." Featured in the East African on 3rd January, 2011.
  - "Youth can seek jobs in EAC to ease pressure on Market." Featured in Business Daily on 31<sup>st</sup> March, 2011.
  - "Casual jobs lock young Kenyans in poverty trap." Featured in Business Daily on 24th November, 2010.
- c) The youth fact book presentation was used to inform Regional youth groups coordinated by Kenya Community Development Foundation (KCDF) on the status of youth in Kenya.
- d) The Youth fact book documentary has had 237 views from 13th April 2011 to January 2012 on YouTube.
- e) The Youth fact book has also helped UNICEF re-programme their work and their funding priorities.

#### **Objective 3: To stimulate and guide change towards the desired goal for different sectors and provide the development of consistent frameworks.**

- a) The youth fact book and the research compendium are already being used for various strategies including 2012 election campaigns and to formulate presidential debates. Individuals, groups and the media have uploaded IEA work on their websites or engaged IEA in media discussions.

- b) The youth fact book has already been used to benchmark Vision 2030 flagship projects and the extent to which its flagship projects respond to issues raised by the fact book. From the presentation made, this work is likely to influence the writing of the 2<sup>nd</sup> medium-term plan.

#### **4.2. Programme Outputs**

In the year 2011, the Futures Programme produced the following publications and documentary:

- a. Economic and Administrative Implications of the Devolution Framework Established by the Constitution of Kenya Research
- b. The Youth Research Compendium
- c. The Kenya Youth Scenarios (KEYS)
- d. The Kenya Youth Scenarios Documentary
- e. Workshop reports on the training of CDF Account Managers on Constituency strategic planning
- f. Workshop report on the Training of Trainers on constituency strategic planning
- g. Kenya Youth Scenarios Regional Workshop Reports

#### **4.3. Programme Activities**

The major activities undertaken by the programme in 2011 included:

##### **4.4. Research**

###### **a) Youth Research Compendium**

The Futures Programme developed the Youth Research Compendium of research papers and data that provided the reader with aggregated data by age, gender, regional and socio-economic status of Kenya's youth, covering 11 thematic areas. These are demographics, un/employment, education (quality and quantity), health, family, youth and politics, vigilante, crime, sports and entertainment.

###### **b) Research on Economic and Administrative Implications of the Devolution Framework Established by the Constitution of Kenya**

##### **4.5. Advocacy and Networking**

###### **a) Training of Trainers on Constituency Strategic Planning: 24-28 January 2011**

IEA trained Trainers of Trainers on constituency strategic planning and decentralised funds in Kenya. The trainers were from Nyanza, Eastern, Central, Western, Coast and Rift Valley provinces. Also trained were the National Council of Churches of Kenya Regional Coordinators. The training aimed at addressing the challenge of lack of factual information to citizens on development resources available and inadequate capacity of citizens to meaningfully participate. Envisaged results from the action included: local community engagement in the mandate, purpose, scope, functions and operational procedures of decentralized funds; Local community participation in the implementation and M&E of decentralized funds particularly Constituency Development Fund.

**b) Training of CDF Account Managers on Constituency Strategic Planning: Between 22<sup>nd</sup> May and 16<sup>th</sup> June**

IEA trained 208 CDF account Managers and 11 staff of the CDF Board's Secretariat on constituency strategic planning. The training aimed at capacity building the fund Account Managers to develop participatory planning processes. The envisaged result is that local communities will participate in project identification, budgeting and action planning at the constituency level. Participants at the training workshops were taken through: participatory and practical training session on the development of constituency strategic plans; decentralized funds in Kenya and; the process of social auditing of CDF funded projects.

**c) Launch of the Langata constituency 2011-2015 strategic plan**

The Lang'ata constituency 2011-2015 strategic plan that was developed by IEA in 2010 was published in February and officially launched on 8 April by the constituency Member of Parliament who is also the Prime Minister of Kenya the Rt. Hon. Raila Odinga. The development of the strategic plan by stakeholders including members of public from the constituency was facilitated by IEA.

**d) County public forums on devolution**

IEA held 7 regional public forums on devolution in Siaya, Kakamega, Uasin Gishu, Nakuru, Makueni, Mombasa and Garissa Counties between July and September. Participants at the fora were taken through highlights of the chapters on Devolution and Public Finance of the Constitution of Kenya 2010 as well as IEA's 2011/12 fiscal year post budget analysis. Through the fora IEA created awareness on the devolved governance system and its structures. IEA also disseminated its research titled: Devolution in Kenya Prospects, Challenges and the Future. The purpose of the fora was to build the capacity of the citizens to exploit the opportunities offered by devolution. Presentation on the Public Finance Chapter of the constitution and the analysis of the 2011/2012 national budget was made by the IEA Budget Information Programme.

**e) Dissemination of the Youth Fact Book**

The programme disseminated the Youth Fact Book launched by IEA in November 2010 and also aired the Kenya Youth Scenarios Stories video at various forums. The dissemination increased understanding among different stakeholders on how empirical data will help shape organizational activities in the future. Some organizations have since been using the facts to re-organize their youth programmes and strategies. The publication was also disseminated to various groups including Narok University, Bellagio Center Italy, Youth Agenda, East African Youth Conference, sixth African population conference, Burkina Faso, Kenya for Peace with Truth and Justice, Vision 2030 Planning, Harmonization and Induction meeting with CSOs, Millennium Project/world future society conference. The programme is using social media, mainly Facebook, Twitter and YouTube to further disseminate the youth scenarios conversations to other young people.

#### **f) The Kenya Youth Scenarios Documentary**

The documentary covers the scenarios building process and the scenarios stories. The process includes highlights of the scenarios building exercise and the journey. The second part is the narration of the four scenarios stories anchored on participation and equity and issues of concern include constitutional implementation, elections and the kind of decisions that people make in the different environments and in terms of choice of leaders among other issues. The stories show the consequences of decisions as they play out in diverse situations.

#### **g) Kenya Youth Scenarios Stories**

IEA felt an urgent need to catalyze dialogue around the possible futures Kenya might face and the role of the youth in shaping this future with the aim of designing appropriate policy interventions for the youth. These interventions would enable us take advantage of the window of opportunity associated with the youth bulge and avert any negative outcomes associated with growing youth populations, hence the scenarios building exercises. The stories were built during 9 regional workshops country wide. The meetings entailed: (i) knowledge sharing – the knowledge gathered in the research phase to be able to enhance understanding on their transactional environment; (ii) testing assumptions; (iii) identifying driving forces; (iv) identifying inescapable; and (v) identifying uncertainties that will shape the future from their perspective/worldview. The conversations held were diverse and prioritized different issues hence interventions should be specific to regional needs as well as sensitive to cross cutting issues. The scenarios stories sought to examine the role of the youth in shaping their future depending on their level of participation (Active versus Passive) and the state of equality or inequality. The guiding question was, “what is the role of the youth in shaping the future of Kenya?”

### **4.6.Challenges**

- a) Delayed implementation of the training of CDF account Managers as the CDF Board had to recruit new fund Account Managers and it was important that they too be part of the training and, unwillingness of the CDF Board to engage with non state actors following release of the National Taxpayers audit report on CDF.
- b) Change of staff implementing the Diakonia 2010/2011 project, Diakonia Bridging Fund project and the EU, ECSGD project leading to delayed implementation of some projects.
- c) Slow pace of legislation around devolution hence delayed analysis of the same under the Diakonia Bridging Fund project.
- d) Lack of a shared vision among consultants in writing the Youth Research Compendium papers. The editor had to return most papers to the researchers to fine-tune thus taking more time than initially anticipated.
- e) Some of the researchers contracted to write papers for the research compendium were too busy with other engagements and gave hurriedly written work. IEA had to revoke two contracts and re-commission one paper.
- f) Access to data for the Youth Fact Book especially in some government offices as the information was deemed sensitive. There was a high level of bureaucracy and information could not be obtained in some cases.

## **5. PR AND COMMUNICATIONS DEPARTMENT**

The department's main goal is to facilitate in the planning, implementation and reporting of communication and knowledge management activities with the aim of informing the institute and public on public policy issues

### **5.1. Programme Objectives/Outcome**

#### **Objective 1: To Coordinate the preparation, editing, publication and dissemination of the Public Policy Journal**

The Public Policy Journal was produced and the soft copy posted on the IEA website and as well sent out to the IEA members. It was however not possible to have the Journal printed due to financial constraints.

#### **Objective 2: To recruit and service the IEA – Kenya membership**

During the year a total number of eleven members were recruited and one current member renewed membership. A total of Ksh. 175,000 was realized from the membership subscriptions.

#### **Objective 3: To plan and implement both internal and external communication and coordinate interactions with the media**

There was wide media coverage of IEA activities, evident in the broadcast and print media mentions of IEA. This to a great extent increased the visibility of the Institute. The department was able to facilitate the editing, design and layout, printing and eventual dissemination of all IEA publications in the year, totaling to about 13 bulletins, 3 books, 2 manuals and 4 researches.

The department was also very instrumental in supporting the programme staff in their communication needs and as well writing of institutional reports like Quarterly and Monitoring and Evaluation reports as well as Annual

#### **Objective 5: To manage all tools of information within the IEA website and the Resource Centre**

Updating of IEA website with latest publication led to increase of hits and visits, and downloading of IEA materials. In addition, updating of events calendar kept IEA members updated on the activities of the IEA.

Dissemination of IEA materials to NGOs, both public and private universities, research and civil society organizations led to demand of IEA publications and frequent visitation of the library by researchers and university students

## 5.2. Output

- a) Dissemination of IEA materials/publications to research organizations, both public and private Universities, IEA members, NGOs, parliamentary Committees and policy makers
- b) Publications - Editing and coordination of design and layout for the following publications: Research papers (1), Bulletins (9), Manual (3)
- c) Cataloguing of IEA publications and new publications from other organizations
- d) Improved Recruitment and retention of membership.
- e) Increased media coverage to IEA events
- f) Editing, proofreading, design and layout of IEA publications/Bulletins
- g) Increased use of resource centre by University students, researchers and the general public
- h) Invitation of members to IEA activities led participation by way of attendance
- i) In 2011, a total of eleven bulletins were published and one research paper.
- j) Increased traffic on the IEA website

## 5.3. Challenges

- a) There was no clear strategy on membership recruitment and retention and this to a great extent affected IEA membership.
- b) Most of the IEA targeted audiences complained that the IEA website is cluttered and not and this reduced the website traffic. There is need to re-design the website in the coming year.
- c) Lack of finances to publish and launch the 2nd issue of the public policy journal.

6. Financial Report

*Institute of Economic Affairs*  
*(A company limited by guarantee)*  
*Financial statements*

**INCOME STATEMENT FOR THE YEAR END 31 DECEMBER 2011**

	<u>Year ended 31st December 2011( Audited )</u>			<u>Year ended 31st December 2010( Audited )</u>		
	<b>Donor funds</b> <b>Shs</b>	<b>General operation</b> <b>Shs</b>	<b>Total</b> <b>Shs</b>	<b>Donor funds</b> <b>Shs</b>	<b>General operation</b> <b>Shs</b>	<b>Total</b> <b>Shs</b>
Donor funds - restricted	22,407,083	-	22,407,083	37,716,634	-	37,716,634
Donor funds - unrestricted	16,576,907	-	16,576,907	17,570,817	-	17,570,817
Other income	-	7,681,862	7,681,862	-	2,258,082	2,258,082
<b>Total income</b>	<b>38,983,990</b>	<b>7,681,862</b>	<b>46,665,852</b>	<b>55,287,451</b>	<b>2,258,082</b>	<b>57,545,533</b>
<b>Transfer to general fund</b>	-	-	-	(661,101)	661,101	-
<b>Administration and establishment costs</b>						
Donor funds						
- Restricted	(11,481,484)	-	(11,481,484)	(8,094,261)	-	(8,094,261)
- Unrestricted	(7,294,363)	-	(7,294,363)	(9,298,837)	-	(9,298,837)
General operations	-	(1,197,177)	(1,197,177)	-	(1,941,820)	(1,941,820)
<b>Total costs</b>	<b>(18,775,847)</b>	<b>(1,197,177)</b>	<b>(19,973,024)</b>	<b>(17,393,098)</b>	<b>(1,941,820)</b>	<b>(19,334,918)</b>
<b>Programme expenditure</b>						

Donor funds							
- Restricted	(31,559,796)	-	(31,559,796)	(16,571,271)	-	(16,571,271)	
- Unrestricted	(7,711,693)	-	(7,711,693)	(9,394,558)	-	(9,394,558)	
Salaries & wages	<u>(5,773,195)</u>	<u>(5,050,412)</u>	<u>(10,823,607)</u>	<u>(11,542,072)</u>	<u>(3,050,000)</u>	<u>(14,592,072)</u>	
<b>Total programme expenditure</b>	<b><u>(45,044,684)</u></b>	<b><u>(5,050,412)</u></b>	<b><u>(50,095,096)</u></b>	<b><u>(37,507,901)</u></b>	<b><u>(3,050,000)</u></b>	<b><u>(40,557,901)</u></b>	
<b>Total expenditure</b>	<b><u>(63,820,531)</u></b>	<b><u>(6,247,589)</u></b>	<b><u>(70,068,120)</u></b>	<b><u>(54,900,998)</u></b>	<b><u>(4,991,820)</u></b>	<b><u>(59,892,819)</u></b>	
<b>Net (deficit) / surplus and comprehensive income for the year</b>	<b><u>(24,836,541)</u></b>	<b><u>1,434,273</u></b>	<b><u>(23,402,268)</u></b>	<b><u>(274,648)</u></b>	<b><u>(2,072,637)</u></b>	<b><u>(2,347,285)</u></b>	

### IEA DONORS IN 2011

1. International Development Research Center (IDRC) - Core
2. Canadian International Development Agency (CIDA) - Core
3. Swedish International Development Agency (SIDA) - Core
4. European Union (EU)
5. Center for Private Enterprise (CIPE)
6. DIAKONIA
7. Rockefeller Foundation
8. International Budget Partnership (IBP)
9. Consumer Unity and Trust Society (CUTS)
10. Global Development Network (GDN)
11. UN Women
12. Ford Foundation
13. Danish Development Agency (DANIDA)

### IEA PROJECTS IN 2011

1. Empowering Communities for Self Governance and Development – *Diakonia*
2. Strengthening Institutions to Improve Public Expenditure Accountability - *GDN*
3. Empowering Communities for Self Governance and Development – *EU*
4. Kenya Youth Scenarios – *Rockefeller Foundation*
5. Gender Responsive Budgeting – *UNIFEM/UN Women*
6. Open Budget Survey - *IBP*
7. Public Revenue Analysis - *IBP (Partnership Initiative)*
8. Empowering Civil Society to Advocate for Budget Reforms - *CIPE*
9. Intellectual Property Initiative Project – *Ford Foundation*