

Kenya

National Household Welfare Monitoring and Evaluation System

IMPLEMENTATION REPORT

I. Introduction

1.1 The Government of Kenya has social as well as macroeconomic objectives. For example, the current Development Plan states that:

The main social concern of Government at the time of Independence was the elimination of the three enemies: poverty, illiteracy, and disease. Government has, therefore, adopted development strategies aimed at achieving a better standard of living for all. Significant progress has been made . . . thereby improving the quality of life of the average Kenyan.

The Development Plan cites a number of administrative statistics (medical personnel, school enrollments) in support of this unquestionably valid statement. Administrative statistics are an essential element of the national information system. However, administrative statistics do have limitations. They reflect only the experience of people who come into contact with the public administration, rather than the entire population. They do not measure poverty, and do not measure the distribution of welfare among the population. In general, the Government's system for measuring progress toward social objectives is less articulated than its system for measuring progress toward macroeconomic objectives.

1.2 In view of the Government's desire to strengthen its system for measuring progress toward the attainment of social objectives, in order to enhance the effectiveness of Government policies and programs toward the achievement of these objectives, a project component on the National Household Welfare Monitoring and Evaluation System (NHWMES) has been included as Part D of the Health Rehabilitation Project planned for IDA financing. Negotiations for the Health Rehabilitation Project were held in February 1991. The substantive negotiations related only to the health components, since, at that time, the welfare monitoring component was still at an early stage of preparation. Presentation of the IDA Credit to the IDA Board is planned for July 1991, subject to the satisfaction of the conditions of Board presentation, none of which relate to welfare monitoring.

1.3 The Credit Agreement includes a condition that no disbursements shall take place under Part D, until the Government has furnished IDA with an acceptable Implementation program for carrying out Part D. The purpose of this Report, is to serve as the basic document describing what is to be done under Part D, thereby satisfying the condition of disbursement. It is recognized that further papers will need to be prepared, during the course of implementation, specifying particular activities in greater detail.

1.4 Part II of this Report provides the context into which the NHWMES project component is intended to fit. Part III describes the content of the project component, while Parts IV and V deal with costs and financing, and implementation arrangements, respectively.

II. Background ¹

A. Ministry of Planning and National Development

2.1 The units of the Ministry of Planning and National Development which are particularly relevant for the NHWMES project component are the Human Resources and Social Services Department (HRSSD), and the Central Bureau of Statistics, which is discussed in the next section. HRSSD was formed in 1990, out of the former Sectoral Planning Department, in view of the Ministry's intention to give more concentrated attention to social issues. Among HRSSD's officially stated responsibilities are the following:

Coordination and management of all sectoral planning work related to human resources and social services development;

Liaison with social services Ministries in the formulation, review, and evaluation of policies, strategies, and programs;

Coordination of planning work for education and training, health and nutrition, and employment.

One of the goals of the NHWMES project component will be to define HRSSD's objectives more specifically and operationally, in the area of welfare monitoring.

B. Household Survey Activity by the Central Bureau of Statistics

2.2 Households to be surveyed are selected from the NASSEP (National Sample Surveys and Evaluation Program) frame. CBS intends to replace the existing NASSEP II frame, which has been in effect since 1985, with a new NASSEP III frame to be formulated on the basis of the 1989 Population Census.

2.3 Survey questionnaires are administered by enumerators operating out of the district offices, which have been established in 36 of Kenya's 42 districts. (The districts without a CBS office are all in the arid, sparsely populated northern parts of the country.) These district offices employ about 650 people, or about 55% of CBS' total work force of approximately 1200 persons.

¹ Sections B and C of Part II draw heavily on a report by K. M. Mwarania, entitled Statistical Production by the Central Bureau of Statistics of Kenya.

- 2.4 During the 1980s, a number of household surveys were conducted by CBS. Review of experience with these surveys reveals that they fall into two categories. Those which were carried out with the benefit of donor financing had the data processed by private contractors, either foreign or local. In these cases, survey results were produced relatively quickly (for examples, the 1985 Contraceptive Prevalence Survey financed by USAID, the Urban Housing Survey financed by the World Bank).
- 2.5 On the other hand, those surveys which were conducted without donor financing, and as part of CBS' regular work program, had the data processed on the mainframe computer of the Government Computer Service, which is under the control of the Ministry of Finance. CBS thus lacked "computing autonomy"; its data processing tasks had to compete for computer time with data processing tasks from the Ministry of Finance and other agencies. Due to noncompetitive salaries and the lack of a Scheme of Service for computer personnel, the Government (both CBS and the Government Computer Service) experienced a continuous drain of trained computer personnel to the private sector. Other weaknesses in the survey program included lack of adequate consultation with potential users, and lack of adequate coordination between subject matter specialists and data processing specialists at the questionnaire design stage.
- 2.6 As a result, tables were typically produced several years after the raw data had been collected. Further delays occurred at the report-writing stage, due to lack of qualified staff, and at the publication stage, due to lack of funds for printing. The consequence of these various delays is that survey results are published years after the survey was conducted, if at all.
- 2.7 Steps are underway to address some of the underlying constraints. Under the UNDP-financed Statistical Information Processing Project (SIPP), to be completed in 1991, micro-computers have been introduced in recent years, and staff trained in their use. The retention of trained computer personnel, however, has remained a severe problem. A plan has been developed, and approved by the Directorate of Personnel Management, for increasing the number of technical divisions in CBS from three to six, which would give the critical functions of data processing, and district office supervision, the more concentrated management attention that they require. It is intended that the new structure will become effective at the beginning of the 1991/92 fiscal year.
- 2.8 Looking to the future, the need is to move away from the "dualistic" experience of the past decade, in which donor-supported reports were produced relatively quickly, while the regular activities of CBS experienced delays of several years. Instead, the need is for CBS to formulate a medium-term work program which fits within the constraints of the resources likely to be made available by the Ministry of Finance and the donors, and which the Ministry of Finance, the donor community, and user sectoral ministries recognize as being a well-prioritized, feasible, medium-term program.

C. Efforts to Strengthen Sectoral Statistics and Policy Analysis

2.9 Education. Over the past decade, the availability of education statistics in Kenya has deteriorated. Previously, a schools census was carried out annually. The last census was carried out in 1987, but the data have not yet been analyzed. The last published annual report of the Ministry of Education is from 1984. The Ministry's statistical base does not include data on the costs of education inputs and outputs other than what is provided in the published budget estimates, and there is little systematic information on aggregate efficiency measures such as school attendance, dropout, and repeater rates.

2.10 Under the IDA Education VI project, microcomputers have been provided, but these have remained unutilized since officers have not been trained to use them. Funds earmarked in Education VI for technical assistance in education policy analysis in the Ministry of Education have gone unutilized.

2.11 As part of the Education Sector Adjustment Credit (being appraised in March 1991), an action plan for enhancing data collection and analysis, and policy analysis, will be prepared by July 1992. Progress in implementing the action plan will be reviewed annually thereafter.

2.12 Health. A Health Information System unit has existed in the Ministry of Health since 1980. In principle, HIS is expected to generate data on outpatient morbidity (new cases of 36 specific diseases, at all institutions), immunizations, and family planning attendance. (What about inpatient morbidity? Mortality?). In practice, HIS has been unable to fulfill its mission, because of poor response rates from the districts, delays in data processing, and budgetary and communications constraints. The most recent Annual Report from HIS is from 1987.

2.13 USAID has been financing an Information and Planning Systems (IPS) project in the Ministry of Health since 1987. This project is scheduled to be completed in September 1991. The project has been particularly successful in training senior managers through workshops. However, there has been inadequate interaction between HIS and IPS staff, giving cause for concern as to whether improvements will be sustained after completion of the project. UNICEF has financed the production of medical forms, and the Child Health and Nutrition Information System (CHANIS) sub-system.

2.14 From the discussion at a senior managers' seminar in January 1991, it is clear that HIS data is rarely used in the design, implementation, monitoring or evaluation of health policies. Managers identified their own inability to use data, and incompleteness of available data, as constraints.

2.15 The Health Rehabilitation Project planned for IDA financing includes, as Part C, a health planning and analysis component which consists of two elements: strengthening of the Division of Planning and Development (DPD) in MOH; and analytical work leading to a reform plan and public investment program for health (and eventually, it is hoped, a sector adjustment program to be supported by an IDA adjustment credit). In view of weaknesses in

the current organization and functioning of DPD, a plan for reorganizing and staffing DPD is being prepared; it should be completed by April 1991, and is expected to be implemented no later than December 1991. The Division has very little expertise in health planning, and no expertise in areas such as health economics, finance, and evaluation and monitoring. USAID is financing long-term and short-term training in some of the relevant disciplines, and the IDA project will complement the USAID support with selected Master's degree programs, and local shorter-term training. The UK Overseas Development Administration has agreed to fund a full-time Health Planning Advisor to assist DPD with its program of operational research, for two years beginning in early 1991.

2.16 **Agriculture.** Progress in building analytical and management capacity has been hampered by deterioration of the database and high turnover of trained staff, who have left for the private sector. In order to strengthen analytical capabilities, the second Agricultural Sector Adjustment Operation (ASAO II) includes a "capacity-building component", under which \$3.8 million will be made available for capacity building in agricultural policy analysis. A training institution, using local advisors to the extent possible, will be engaged to plan training courses in Kenya for policy analysis staff, and design arrangements for improving data collection, in the Ministries of Finance, Agriculture, Livestock Development, and Supplies and Marketing.

2.17 In order to help meet the analytical needs of the agricultural sector adjustment program, a survey of agricultural households, in about twenty districts, will be carried out in the third quarter of 1991. IDA will help finance the costs of carrying out this survey, through the Rural Services Design project. The survey is being prepared by CBS and the Policy Analysis Division of MPND.

2.18 In the area of agricultural statistics, USAID is supporting the Market Information System through its Kenya Marketing Development Program. This effort reflects the view that informing market participants on the prevailing market prices of products in different parts of the country, will help to realize the benefits expected from policy reforms and the rural road construction program. The focus is on wholesale food prices collected by the Ministry of Agriculture, and retail food prices collected by CBS.

2.19 A comprehensive report on the strengthening of agricultural statistics has recently been prepared by a consultant, in recognition of the fact that the effectiveness of the analytical program will depend on the quality of the data, among other factors.² According to this review, data generated in the Ministry of Agriculture and the Ministry of Livestock Development suffer from lack of clear definitions in measurements and classification of units, failure to distinguish between biological and harvested yields, lack of a livestock census for many years, unsystematic estimation methodology, and lack of a Statistical Unit in either ministry. As a result:

² H. Lunogelo, "Requirements for Improving Agricultural Statistics for Effective Policy Analysis" (December 1990)

Lack of consistent data or completed analyses of survey data and routine reports render it difficult to compute plausible statistics on variables such as real rural income index, rural consumer price index, marketable surplus estimates, and farm enterprise mix changes over time. There is no consistent data on farm gate prices, input use statistics, structure and distribution of livestock by type, milk yield and animal feed stocks. Consequently, it is difficult to arrive at coherent or firm policy decisions on food security issues, trend of rural-urban terms of trade, land use and conservation measures, rural-urban migration factors, rural income and input support aspects, and dairy and beef pricing policy.

2.20 The consultant has sketched out the elements of a program to improve agricultural statistics, which takes account of the assistance already being provided by USAID under KMDP. The principal recommendations are that the Agricultural Production Survey, previously carried out at intervals of several years, should be carried out annually, and that Statistical Units should be established in the Ministry of Agriculture and the Ministry of Livestock Development. The Government is presently considering this report.

III. The NHWMES Project Component

3.1 The first section of this part provides an overview of NHWMES, while the subsequent two sections describe the specific activities to be supported by this project component in the two units primarily concerned - HRSSD and CBS.

A. Overview of the System

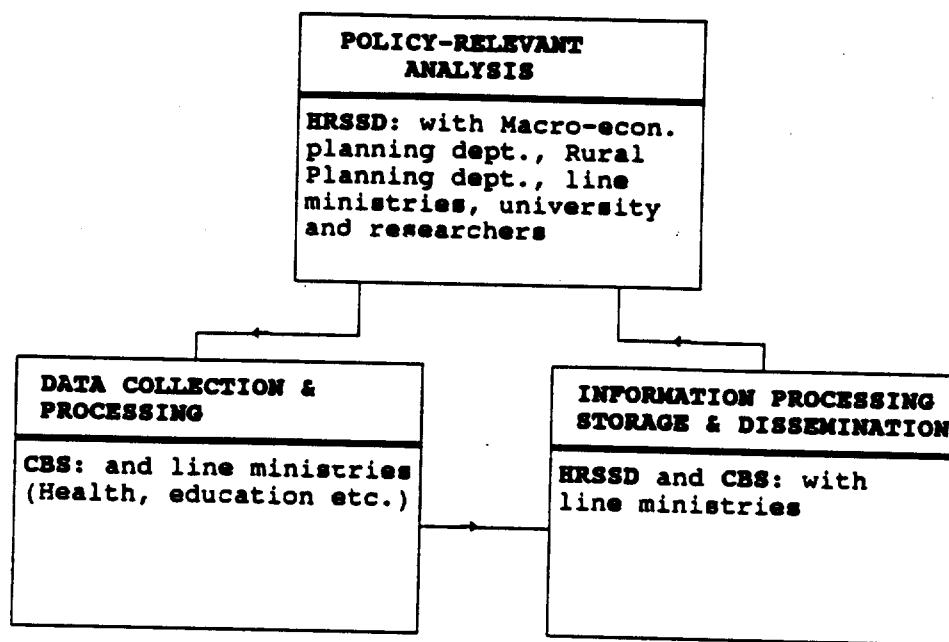
3.2 The objectives of the NHWMES will be to:

Establish an information system that will provide timely indicators on living standards for different population groups;

Monitor and inform policy-makers of changes in living standards, particularly for poor and vulnerable population groups; and

Develop the analytical capability to relate changes in living standards to national policies and programs.

3.3 The complete monitoring system will involve a number of different institutions and agencies engaged in one or more of the following activities: (a) data collection and processing; (b) information storage and dissemination; and (c) policy-relevant analysis. The system may be represented by the following diagram:



3.4 **Policy-Relevant Analysis.** The primary agency responsible for analyzing data from the NHWMES will be the HRSSD, but in this task it will be working closely with other departments in the Ministry such as the Macroeconomic Planning Department and the Rural Planning Department, and the Policy Analysis Divisions. The main objective will be to analyze the effects of the Government's economic and social policies at the household and individual (micro) level. The building up of the Ministry's analytical capacity in this area will be a long-term activity. Initially the analysis will focus on the compilation and review of basic macro and micro socio-economic indicators. Over the medium term, more advanced analytical techniques for exploring the effects of policies at the micro level will be introduced. 3/ Complementary sectoral analysis will be handled by the planning departments of such relevant line ministries as Health and Education. Further analysis will also be undertaken by University and other researchers. Analytical capabilities will be strengthened through the use of a Study Fund, and the sponsoring of periodic workshops.

3.5 **Data Collection.** The provision of relevant and timely information will be an essential part of the NHWMES. The institution that will have the primary, but not exclusive, responsibility for this task will be CBS, whose data collection program will be strengthened as part of this project. An annual Welfare Monitoring Survey (WMS) will be established as an integral part of CBS' survey program. The WMS will provide HRSSD with timely data from which pertinent socioeconomic indicators will be constructed and monitored each year.

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A more complete description of how household and other data can be analyzed to measure the Social Dimensions of Adjustment is given in *Analysis Plans for Understanding the Social Dimensions of Adjustment*, World Bank Report No 8691-AFR1990, Washington D.C.

3.6 Another important category of information to be provided by the CBS will be prices - consumer, producer and factor prices - and wages. The NHWMES will support price collection activities of the CBS and the strengthening of the CPI.

3.7 Information Storage and Dissemination. The key to an effective monitoring system is the establishment and maintenance of a database which can be easily updated and accessed. HRSSD, working in close collaboration with the CBS, will have the primary responsibility for this task.

3.8 The main vehicle for disseminating information on socioeconomic indicators will be an annual report on Social Trends, which will be produced shortly before the Economic Survey each year and will report on the current status and trends in key socioeconomic variables on a sector by sector basis (Health, education, employment etc) at both macro and micro levels. Other vehicles for dissemination of information may include periodic bulletins, and the making available through electronic means (diskettes) of data files for further analysis by authorized users.

3.9 Management of NHWMES. The Director and Chief Economist of HRSSD will be responsible for overall management of NHWMES. In carrying out this responsibility, the Director-HRSSD will be assisted by an NHWMES Technical Committee, which he will chair. NHWMES will be a key element of Kenya's Social Dimensions of Adjustment program, for which an SDA Coordinating Committee chaired by the Permanent Secretary of the Ministry of Planning and National Development has been formed.

B. The Human Resources and Social Services Department Subcomponent

3.10 In implementing the system the HRSSD will have to fulfill a number of functions, which are described below.

3.11 Coordination. A number of departments and institutions will have inputs to make into the system. As mentioned above, HRSSD will coordinate these inputs through the Technical Committee. This committee will consist of representatives from the Macroeconomic Planning Department, Rural Planning Department, CBS, Ministries of Health, Education, and Labour, and such other agencies or departments, including university departments, as may be appropriate. The committee will periodically review the different components of the NHWMES and ensure close technical coordination. It will also administer a Studies Fund which may be used to finance such studies on welfare and poverty related issues as may be suggested to or proposed by the Committee. The fund may also be used to support the collection and processing of such additional information as may be requested by the Technical Committee.

3.12 Socio-economic Database Creation and Maintenance. Information will need to be stored in a format that can be easily updated and accessed. This will be carried out through the establishment, with the collaboration of CBS, of a set of simple databases

on a PC-based system that is easy to operate and maintain. The data will come not only from CBS, but also from other sources such as the Ministry of Education (schools censuses and administrative records), and the Health Information System of the Ministry of Health. The system will be designed so that data files can easily be downloaded onto diskettes to be provided to analysts.

3.13 The services of a database management advisor who would work with the HRSSD for a period of 3 years will be required. The advisor would be responsible for advising on the design and installation of the system, training HRSSD and CBS staff in its operation and maintenance, and assisting with the design and production of reports. Provision is also included for short-term technical assistance to assist with data analysis and with the compilation of monitoring reports.

3.14 Information Dissemination. The HRSSD will be responsible for ensuring that the information generated through the system is swiftly communicated to policymakers and others concerned with national social and economic development plans. Much of this will be handled through routine and ad hoc communications within and between ministries.

3.15 Additionally, the HRSSD will be responsible for producing an annual report on Social Trends to be produced each year before the Economic Survey. Although the HRSSD will have the overall responsibility for this document, inputs will be obtained from CBS and line ministries, and their close collaboration will be required. The production of the report will therefore be coordinated through the NHWMES Technical Committee. This document will initially will be relatively simple, but will be extended and expanded in subsequent years. The database management advisor will assist the HRSSD with the conceptualization and development of the document.

3.16 Provision is also made for short-term assistance in the area of information presentation, report-writing, and the dissemination of information through workshops and seminars.

3.17 Analysis and Policy Advice. The main purpose of establishing NHWMES will be to strengthen HRSSD's ability to analyze the social impact of Government policies and to provide policy advice. The HRSSD, as well as the Macroeconomic Planning Department and the Rural Planning Department, will undertake analysis for the Ministry of Planning and National Development. In addition, HRSSD will propose and coordinate additional analytical activities outside the Ministry, and will suggest studies to the Technical Committee that could be financed through the Study Fund.

3.18 One of the means by which national analytical capacity is to be enhanced is through the sponsoring of periodic workshops to tackle a specific analytical issue and to review potential policy implications. Such workshops may be held over a 1-4 week period and may involve 10-20 participants. They would usually be run by an experienced specialist in the subject area, but the objective would be for the workshop participants themselves to propose and undertake most of the analysis and to generate a

final report. Such workshops would make extensive use of data from the HRSSD's socioeconomic databases but would also draw on other sources as well.

3.19 One of the first proposals is for a workshop to exploit more fully the analytical potential of the 1981/2 and 1982/3 Household Budget Surveys. Although the primary objective of the surveys was to update the weights for the CPI, there is yet a vast unexploited potential to be tapped. In particular, it is proposed that the survey data be used to generate poverty profiles for different socioeconomic groups using analytical techniques described in the SDA Analysis Plans. Although the data are now somewhat dated, this analysis would provide a very useful benchmark against which poverty profiles constructed on the basis of later surveys could be compared. A short-term specialist would be required to work with the HRSSD and the CBS to propose initial computations and prepare for, and subsequently lead, the workshop.

C. Central Bureau of Statistics Subcomponent

3.20 CBS will play a critical role in the delivery of the NHWMES, by ensuring that timely and relevant information is regularly made available to the HRSSD.

3.21 The Bureau is under considerable pressure to meet information needs from a large number of users - both national and international - and, as noted in Part II, has been under constraints which have affected its productivity. It is essential that CBS' work program be consistent with its capacity to deliver. In 1990, CBS formulated a five-year work program 1990-94. This program has, however, been outdated by decisions taken in the context of discussions with a number of donors. CBS will, therefore, be preparing a revised medium-term program which will reflect decisions taken in the context of NHWMES and other donor-supported activities.

3.22 At a time of resource constraints, a relevant policy issue for CBS is the question of cost-sharing. The CBS should be encouraged to provide more services to districts on a cost-sharing basis, as well as to provide technical support and training to district authorities on how to collect and assemble their own data, rather than relying solely on the resources of CBS. The principle of cost-sharing should also be encouraged with regard to CBS' support for statistical work in line ministries.

3.23 The pressure on CBS must be put in the context of a continued and rapid turnover in trained statistical and DP staff. Government officials believe that, over the four-year period during which the NHWMES project component will be implemented, the problem of the imbalance between Government and private sector compensation for experienced computer personnel will persist. The component therefore includes substantial provision for training. It would, of course, be very helpful if a Scheme of Service for computer personnel were to be adopted.

3.24 CBS' revised organizational structure, to take effect at the beginning of the 1991/92 fiscal year, consists of six technical divisions, namely:

Employment, Earnings and Social Statistics;

Macroeconomic Statistics;

Agriculture and Food Monitoring Statistics;

National Sample and District Statistical Offices;

Population Census and Cartography; and

Research and Data Processing.

The divisions most closely involved with the implementation of NHHMES will be the Employment, Earnings and Social Statistics Division, and the National Sample and District Statistical Offices Division, but nearly all the other divisions will also be involved to some extent.

3.25 Under the project component, support will be provided to CBS for both capacity building (support which is independent of the number of welfare monitoring surveys, and which will be useful for surveys other than welfare monitoring), and the operational costs of specific data collection activities. The support to be provided is described below.

C.1 Strengthening the Capacity of the CBS

3.26 Over a four-year period, CBS be assisted to strengthen its capacity in the following areas: (a) NASSEP III sample frame development and maintenance; (b) equipment for data collection; (c) data processing; (d) training in data analysis; (e) report production and printing; and (f) information storage.

3.27 NASSEP III Sample Frame Development and Maintenance. CBS requires funding to complete the NASSEP III sample design. This is needed for completing the cartography, and to cover the operational costs for the quick counts and structure numbering in the clusters, and listing. It is proposed to complete the exercise in two stages. In the first stage, the sample frame for 20 rural clusters needed for the first Agricultural Monitoring Survey (July 1991) would be completed. In the second stage, the sample frame for the remaining rural clusters, and the urban clusters, would be completed (December 1991).

3.28 It is also proposed that the sample details be computerized so as to assist with the drawing of samples for specific surveys, the calculation of household weights, and the eventual computation of sampling errors. A consultant will be needed to design the system and to train CBS staff in its operation and maintenance.

- 3.29 Equipment and Training for Data Collection. Assistance will be provided to train field staff, and to equip the field offices with the necessary vehicles, motorbikes, measuring and weighing equipment to be able to deliver its proposed survey program.
- 3.30 Data Processing, with Emphasis on Decentralized Data Entry at the District Level. The next step towards improving CBS's capacity in the area of data processing will be the decentralization of data entry functions to the district offices. It is planned that a number of the micros acquired for the 1989 census will be made available for this purpose. A decision on this will be taken at the June 1989 UNFPA/UNDP/Government Tripartite Review. This prospective development should, when implemented, help to reduce the lag between data collection and data entry, and improve the quality of the data. Decentralization will need to be undertaken in a controlled and phased manner, initially involving only a few district offices. It will require an extensive training program, and adequate provision for maintenance, spare parts and servicing.
- 3.31 The NHWMES project component will support the development of district data entry capabilities through the recruitment of a data processing specialist. Some attention will also be devoted to further strengthening of DP at CBS Headquarters.
- 3.32 Training in Data Analysis and Report Writing. Selected CBS staff will receive training in this area, in short courses or one-year post-graduate courses.
- 3.33 Report Production and Printing. The capabilities of the CBS with regard to the production and printing of forms, reports and documents are limited. Existing printing equipment is obsolete and, as a result of technical advances in the field of desktop publishing, is in need of upgrading and replacing. The ability to generate and print documents of a high quality is an attribute that the CBS is anxious to enhance, and which will be supported by the project through the acquisition of desktop publishing equipment, and the training of staff in its use.
- 3.34 Information Storage. CBS will establish a library of data files from past surveys, which may be accessed by authorized users and researchers.

C.2 Surveys to be Undertaken for the NHWMES

- 3.35 Welfare Monitoring Survey. The main survey required by HRSSD to establish its monitoring program will be an annual Welfare Monitoring Survey. This survey, will collect a limited number of key social and economic variables at household level. The questionnaire will be short and quick to administer, and will collect limited information on basic needs (education, health, nutrition and food expenditure, and housing), employment and migration, and assets. The design of the survey will draw on the experience of the Kisumu Household Welfare Monitoring and Evaluation Survey as well as on the SDA Priority Survey 4/.

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The Social Dimensions of Adjustment Priority Survey: An Instrument for the Rapid Identification and Monitoring of Policy Target Groups: Grootaert and Marchant, SDA Working Paper No. 12, World Bank, Feb. 1991.

3.36 In the rural areas, there is an existing system of light surveys administered four times annually - two crop area surveys (long rains and short rains), and two crop production forecast surveys (long rains and short rains). It has been agreed that two new annual surveys - the WMS, and an Agricultural Monitoring Survey (AMS) - will build upon this calendar of light rural surveys. In particular, the proposed sequencing of visits is as follows:

1st visit	Apr./May	WMS and long rains area measurements
2nd visit	Aug./Sep.	AMS and long rains crop forecast
3rd visit	Oct./Nov.	Short rains area measurements
4th visit	Jan./Feb.	Short rains crop forecast

At the same time as the rural households receive their first visit, the WMS will also be administered to a sample of urban households.

3.37 Responsibility for preparing the questionnaire, data editing specifications, and tabulation plan will be jointly shared by the CBS and the HRSSD. A workshop will be held with potential users of the data before starting any detailed planning of the survey in order to review the objectives of the survey in the context of the NHWMES and to discuss the list of indicators to be included in the questionnaire. The analysis of the data will be carried out by the HRSSD with assistance from the CBS and the results will be included in the annual report on Social Trends.

3.38 Household Budget Survey. A national Household Budget Survey (HBS) is proposed for 1993/4. This would be a multi-visit survey extending over a full 12 months. In addition to income, expenditure and consumption data, the survey would include supplementary socio-economic data that would allow for a full poverty analysis of the various socioeconomic groups which could be compared with the analysis carried out on the 1982/3 household budget survey. The survey may also be used to provide the basis for the recomputation of weights for the CPI ^{2/}.

3.39 Price Collection. The CBS collects urban consumer prices for the maintenance of the CPI as well as rural market prices for a few select food commodities. Some support is being provided by USAID for the collection of agricultural producer prices. In addition, the strengthening of both the CPI and the market price collection activities will be supported within the framework of the NHWMES and will involve providing the means for more frequent and regular coverage of the regional towns and rural areas.

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There is also currently a proposal for a focussed urban household budget survey to be carried out in selected towns to recalculate the weights for the urban 'consumer basket', which USAID is prepared to provide some funding for. If this survey is undertaken, consideration will need to be given on how to avoid duplication of effort.

[illegible]

Proposal for Additional Funding to Support the National Household Welfare Monitoring and Evaluation System

A. Introduction

The Government of Kenya attaches a very high importance to monitoring the potentially harmful effects that macroeconomic reforms may have on the welfare levels of its citizens. Because these policies are ongoing, it is extremely important that the necessary monitoring systems are put in place as a matter of priority. The Government is therefore determined to implement without delay a series of measures designed both to identify the poorest and most vulnerable groups and to monitor changes in the living conditions of these different population groups.

A World Bank supported programme, the National Household Welfare Monitoring and Evaluation System (NHWMES), was appraised and approved in November 1991 and became effective in July 1992. The overall objective of the NHWMES are:

- i. to establish an information system that will provide timely indicators on living standards for different population groups,
- ii. to monitor and inform policy-makers of changes in living standards, particularly for the poor and vulnerable population groups, and
- iii. to develop the analytical capability to relate changes in living standards to national policies and programs.

The total cost of the program is US\$ 4 million, out of which US\$ 2 million is to be provided by IDA. It is intended that this be used primarily to finance the surveys that will provide the core data for the system. Other donors are being approached therefore to finance the remaining components which focus on building institutional capacity and training in the two main institutions involved in the implementation of the NHWMES. These are the Human Resources and Social Services Department (HRSSD) of the Ministry of Planning and National Development and the Central Bureau of Statistics (CBS). The overall cost of these components amounts to \$1.8 million spread over a 4 year period (see budget summary table). The components to be financed are described below.

B. Component 1: The Human Resources and Social Services Department in the Ministry of Planning and National Development Subcomponent

This component of the project has been budgeted at US\$ 1.02 million (see budget table 2). The Human Resources and Social Services Department (HRSSD) has the primary responsibility for the design, coordination, and implementation of the NHWMES. To implement the system, the HRSSD requires support in the following areas:

Socio-economic Database Creation and Maintenance: Information is to be stored in a format that can be easily updated and accessed. This will be carried out through the establishment of a set of simple databases which will store the information on a PC-based system that is easy to operate and maintain. The project will provide: a database management advisor and short-term consultants who will advise on the setting up of the database system and provide on-the-job training to HRSSD staff. It will also supply computer equipment and vehicles.

Information dissemination: The HRSSD will produce an annual report on "Social Trends" each year before the Economic Survey produced by the CBS. The project will assist with the provision of short-term consultants.

Analysis and Policy Advice: The project will help build up national analytical capacity through having the HRSSD sponsor periodic workshops to tackle specific analytical issues and to review potential policy implications. It will also create a study fund which will be used to finance studies on welfare and poverty related issues. Some fellowships and overseas training will also be financed under this component.

C. Component 2: Central Bureau of Statistics (CBS)

The CBS plays an important part in the delivery of the NHWMES by ensuring that timely and relevant information is regularly made available to the HRSSD. In order to deliver these data, the project aims to strengthen the institutional capacity of the CBS to collect, process and analyze data. The strengthening of the CBS's institutional capacity, which is not specifically covered under the IDA loan, is budgeted at US\$ 0.79 million as detailed in the attached budget table for the CBS subcomponent. It is proposed that, over a 4 year period, the CBS be assisted to strengthen its capacity in the following areas: sample frame development and maintenance; data collection infrastructure and operations; decentralized data entry; and report production and printing.

Sample Frame Development and Maintenance: The CBS will be supported by the project to complete the national sample frame. This will include funding for additional cartography, quick counts and structure numbering in the clusters, and listing. A consultant will be recruited to design the system and to train CBS staff in its operation and maintenance.

Decentralized Data Entry at the District Level: It is expected that a number of the micros acquired for the 1989 census will be made available for decentralized data entry and processing. This will help to cut down the lag between data collection and data entry and improve the quality of the data. Under this project, a data processing specialist will be recruited to assist with the development of district data entry capabilities. The process of decentralization will need to be undertaken in a controlled and phased manner, initially involving only a few district offices. It will also involve an extensive training program which the project will support.

Data Library: Short-term consultants will also be funded through the project to help the CBS organize its computer data files to make them more readily accessible and user-friendly. Training will be made available to make users more aware of how to use these data files for analytical purposes.

Report Production and Printing: The capabilities of the CBS with regard to the production and printing of forms, reports and documents are limited. Existing printing equipment is becoming obsolete and as a result of the technical advances in the field of desktop publishing and is in need of replacing and upgrading. The project will assist with the acquisition of desktop publishing equipment and the training of staff in its use.

D. Budget

Details of the component costs for which additional funding is being sought are given in the attached tables. These provide a summary of the overall requirements over a 4 year period, and a breakdown of the funding needs of the 2 subcomponents.

**PROPOSAL FOR ADDITIONAL FINANCING TO SUPPORT THE KENYA
NATIONAL HOUSEHOLD WELFARE MONITORING AND EVALUATION SYSTEM**

BUDGET SUMMARY

	TOTAL AMT US\$	1993 US\$	1994 US\$	1995 US\$	1996 US\$
PERSONNEL					
Database Manager	360000	36000	144000	144000	36000
Technical Advisor	360000	36000	144000	144000	36000
Short Term Consultants	240000	120000	120000		
Component total	<u>960000</u>	<u>192000</u>	<u>408000</u>	<u>288000</u>	<u>72000</u>
TRAINING					
Fellowships	421000	73000	112000	124000	112000
Group Training	122000	30500	30500	30500	30500
In-Service Training					
Component total	<u>543000</u>	<u>103500</u>	<u>142500</u>	<u>154500</u>	<u>142500</u>
EQUIPMENT					
Expendable Equipment	184600	184600			
Non-Expendable Equipment	105630	28980	17550	33550	25550
Component total	<u>290230</u>	<u>213580</u>	<u>17550</u>	<u>33550</u>	<u>25550</u>
MISCELLANEOUS	<u>12000</u>		<u>4000</u>	<u>4000</u>	<u>4000</u>
TOTAL	<u>1805230</u>	<u>509080</u>	<u>572050</u>	<u>480050</u>	<u>244050</u>

10/15/92

SUBCOMPONENT 1: HRSSD POLICY-RELEVANCE ANALYSIS

	TOTAL AMT	1993	1994	1995	1996
	US\$	US\$	US\$	US\$	US\$
PERSONNEL					
Database Manager	360000	36000	144000	144000	36000
Short Term Consultants	120000	60000	60000		
Component total	<u>480000</u>	<u>96000</u>	<u>204000</u>	<u>144000</u>	<u>36000</u>
TRAINING					
Fellowships	273000	57000	72000	72000	72000
Group Training	122000	30500	30500	30500	30500
In-Service Training					
Component total	<u>395000</u>	<u>87500</u>	<u>102500</u>	<u>102500</u>	<u>102500</u>
EQUIPMENT					
Expendable Equipment	108200	108200			
Non-Expendable Equipment	22200	2550	6550	6550	6550
Component total	<u>130400</u>	<u>110750</u>	<u>6550</u>	<u>6550</u>	<u>6550</u>
MISCELLANEOUS	<u>12000</u>		<u>4000</u>	<u>4000</u>	<u>4000</u>
TOTAL	<u>1017400</u>	<u>294250</u>	<u>317050</u>	<u>257050</u>	<u>149050</u>

SUBCOMPONENT 2: CBS DATA COLLECTION AND PROCESSING

	TOTAL AMT	1993	1994	1995	1996
	US\$	US\$	US\$	US\$	US\$
PERSONNEL					
Technical Advisor	360000	36000	144000	144000	36000
Short Term Consultants	120000	60000	60000		
Component total	<u>480000</u>	<u>96000</u>	<u>204000</u>	<u>144000</u>	<u>36000</u>
TRAINING					
Fellowships					
Group Training	148000	16000	40000	52000	40000
In-Service Training					
Component total	<u>148000</u>	<u>16000</u>	<u>40000</u>	<u>52000</u>	<u>40000</u>
EQUIPMENT					
Expendable Equipment	76400	76400			
Non-Expendable Equipment	83430	26430	11000	27000	19000
Component total	<u>159830</u>	<u>102830</u>	<u>11000</u>	<u>27000</u>	<u>19000</u>
MISCELLANEOUS					
TOTAL	<u>787830</u>	<u>214830</u>	<u>255000</u>	<u>223000</u>	<u>95000</u>