

**THE 2005/06 KENYA INTEGRATED
HOUSEHOLD BUDGET SURVEY
[KIHBS]**

SECOND QUARTERLY REPORT

BASKET FUNDING COMMITTEE

- 1. BACKGROUND**
- 2. FIELD WORK PROGRESS**
- 3. FINANCES**
- 4. CHALLENGES**
- 5. WAY FORWARD**

16th November 2005

1. BACKGROUND

The 2005/06 KIHBS is designed to provide indicators necessary for measuring, monitoring and analysing living standards and poverty in Kenya, the provision of necessary information for updating the urban CPI and establishing the rural one, compiling national accounts statistics and updating employment statistics. The survey is also aimed at providing data on socio-economic aspects of the Kenyan population including education, health, energy, housing, water and sanitation.

The survey is motivated by various aspects which include:

- ✚ The Kenya Government's commitment to the principle of evidence-based policy making.
- ✚ The Government's "Economic Recovery Strategy (ERS) for Wealth and Employment Creation" which provides a framework for national development and poverty reduction and lays out the actions needed to set policy and monitor progress. This entails provision of new and appropriate data to monitor the progress of the implementation of national development goals.
- ✚ The need for improved statistics to provide information on the design, implementation and eventual evaluation of various development programs for economic recovery and national development.
- ✚ Rapidly increasing demand for statistical data to support evaluation of various development programs for economic recovery and national development
- ✚ The urgent need for current statistics on poverty, consumption patterns, and living standards in Kenya.

2. FIELD WORK PROGRESS

The KIHBS field work started on 16th May 2005 and has continued well with a few hitches. A total of 667 clusters (about 6,670 households) had been surveyed by 30th October 2005. There are currently 81 clusters being surveyed in the current cycle which is the ninth cycle. There are two more cycles left for this year and the remaining six cycles will be undertaken next year.

Vehicles

We received 10 new Pajeros on 20th September 2005 and another 10 Nissan Patrols on 27th October 2005. This is a great boost to the current fleet. Some of the Vehicles that had been borrowed from other ministries will now be returned after repairing them. This brings the total number of vehicles to 54.

The Vehicle maintenance budget of Shs 7 million has been exceeded by 4 million. Major repairs have had to be undertaken on vehicles that were available. The arrival of the new vehicles should contribute greatly to the reduction in the repair and maintenance budget. The projected repair and maintenance costs for the next six months is 8 million.

Procurement

- **Flash Disks:** Some of the ones issued to the data entry operators are becoming faulty and replacements are required. In addition the data should ideally be brought to HQ by the coordinators. Thirty (30) of these were purchased as a stop gap by PWC towards the end of September but these have proved to be of very low quality. More are required and arrangements for their purchase are being made.
- **Car Chargers:** Forty (40) of these were finally procured and have proved very useful in those areas where power is not available.
- **Pending Procurement:** The office is still waiting for a Fax Machine, heavy duty shredder, Power Point Projector, water dispenser and Power Point screen. Request was made in early July for the purchase of ten Lap Tops but to date, the procurement has not been done. The current lot

laptops have began breaking down which entails that data entry operators travel to Nairobi for repairs. Spare laptops are key to reducing time lost for entering data in the field.

RE-LISTING

The final phase of the re-listing process for 8 ASAL districts is to take place in November/December in some of the Districts while in others, this may have to be delayed due to security and weather. The Districts are: Turkana, Samburu, Isiolo, Marsabit, Moyale, Garissa, Wajir and Mandera.

DATA

Data for up to cycle 7 has been delivered while that of Cycle eight is trickling in. Data received is being cleaned and analysed and some observations from the data are given in Annex I. Data re-entry for checking purposes is still going on very slowly.

PUBLICITY

Recruitment of a publicity consultant has been finalized and started working on 14th Nov 2005.

3. FINANCES

The funds so far received from the development partners amount to KSh. 429,492,297. A balance of KSh. 210,000,000 is expected from DFID. The breakdown of amounts received is given in the table below with the corresponding expected amounts and total expenditure as by 31st Oct 2005.

Partner	Received	Amount expected (Millions of KSh)
DFID	KSh. 70,677,250.00	280
USAID	KSh. 100 million	100
WB	KSh. 20 million*	37
EU	\$1,100,000**	100
DANIDA	KSh. 59,999,739.00	60
GoK	KSh. 15 million*	30
GTZ	KSh. 2.0 million*	3.7
UNDP	\$30,000**	2.25
TOTAL	KSh. 429,492,297	

*Approximate amounts

**Total amount received EU and UNDP from is KSh. 82,815,308.

The expenses incurred amount to KSh. 190,695,918. These expenses do not include the purchase of 13 vehicles by DFID and equipment provided by USAID. The detailed expenditures are as given below.

Activity	Expenses at Oct. 31st 2005 (KSh.)
Field staff salaries	47,143,333
Field coordination DSA	22,381,328
Materials and equipment	7,683,943
Document reproduction	2,854,000
Technical assistance and study tours	1,440,000
Field preparation	58,299,116
Publicity and dissemination	2,395,692
Insurance and communication	1,567,678
Transport and vehicles	35,798,522
Security for ASAL areas	675,750
PPA IV	2,495,013
Financial management fees	6,347,565
Bank Charges and Miscellaneous	1,613,978
Total expenses	190,695,918

The projected expenses to complete the field work amount to Ksh. 260,483,465. The total expenses as from 1st November 2005 to September 2006 are projected at KSh. 328,523,944 which would be covered by the current bank balances as well as the expected DFID contribution of KSh. 210 million. The cash flow projections for six months starting from Aug 2005 to Jan 2006 are given in Annex II.

4. CHALLENGES

Challenges, as expected, have continued to occur in the implementation of the survey. In particular, we have the following:

	Challenge	REMARKS
1	Disbursement of funds	<ul style="list-style-type: none"> • The process continues to have problems that are being addressed as they arise. Particular cases include delays in secondary banks crediting the accounts. • Expenses are incurred by recipients of accountable funds and this will need to be included in the disbursement. We suggest reimbursement.
2	Personnel	<ul style="list-style-type: none"> • Personnel problems have and will continue to occur and these are being dealt with as they arise. • One RA resigned in October and one was sacked due to drunkenness while on duty and absenteeism without permission.
3	Respondents	<ul style="list-style-type: none"> • The survey continues to encounter uncooperative respondents some of whom go as far as inciting others. Use of all possible means to secure responses continues. • Publicity of the survey through the publicity consultant is expected to counter resistance and some negative publicity through the Daily Nation newspapers.
4	Languages	<ul style="list-style-type: none"> • Some areas require interviewers who can understand the local language. • Interpreters are being used for clusters in question rather than hiring new people e.g Transmara, Nakuru, Narok, Samburu, Marsabit e.t.c. • We request to use KSh. 100,000 from the contingency fund for payment of interpreters.
5	Communication	<p>During October, the Landline was disconnected (the third time since the project began) for about a week. This implied that the mobile phone bill went up considerably. A Kencell line to work along the safari com line has been installed but the direct landline continues to give problems.</p>

6	Security	The security situation in Marsabit and Baringo is still tense. Clusters in risky areas have been put on hold until the situation improves.
7	Rough Terrain	The Nissan Terrano's are being withdrawn from the rough terrain areas and replaced by other vehicles. Their efficiency is very low in such areas

5. WAY FORWARD

The data cleaning and analysis will continue and be enhanced as we enter the second half of the fieldwork. Analysis of the complete data set and release of the basic report is expected by September 2006. Specific analysis on poverty and CPI is expected to start in the next quarter.

Fatigue and interpersonal problems continue to arise but quick interventions will be essential. The availability of vehicles will now facilitate faster monitoring and evaluation of the fieldwork.