The Institute of Economic Affairs in Nairobi was established in 1994 to promote informed debate on public policy issues through research and public policy analysis, capacity building, public forums, evidence-based advocacy, and technical support. The IEA's activities are targeted at policymakers, including members of parliament (MPs), civil society, private sector actors, and the public at large.

The IEA currently works in four major policy areas: 1) the Budget Information Programme seeks to promote transparent and participatory public financial management by engaging key institutions throughout the budget process; 2) the Trade Information Programme plays an influential role in Kenya’s trade negotiations and policy formulation; 3) the Regulation and Competition Programme facilitates the formulation and implementation of competitive economic and regulatory policies; and 4) the Futures Programme promotes the use of futures methodologies in order to stimulate a more inclusive debate on policy options in the present.

The IEA Promotes Responsive Budgeting Through the Budget Information Programme

The Budget Information Programme (BIP) is one of the most significant initiatives of the Institute of Economic Affairs. Through its ongoing work to analyze public finances, assist public policymakers and the private sector through the budget process, and provide forums for all Kenyan citizens to become involved in a discussion on national priorities, the BIP seeks to improve budget policies, oversight, and outcomes.

One clear result of the BIP’s activity is that it has made resources and information available to large segments of the public that would otherwise be ignored by the central government. In anticipation of the increased decentralization of public expenditure, the IEA worked with the World Bank, the Kenya National Commission on Human Rights, the Hans Seidel Foundation, the Kenya Institute of Policy Analysis and Research, and the Institute of Civic Affairs and Development to build the capacity of local governments to effectively manage public resources. These actions have been critical to making sure public funds are spent properly all the way down to the local level.

To further expand the scope of civil society involvement in the formulation of a national budget, the IEA has released a Citizens Alternative Budget each year for the past decade. These proposals often call for progressive budget allocations that take the views of a diverse set of groups into account. The policy alternatives called for in the Citizens Alternative Budget are substantive, and many of them have been forwarded to the Kenyan Treasury for incorporation into the country’s national budget.
To maximize their relevance to policymakers, the Citizens Alternative Budgets take factors such as the effect of the global financial crisis and subsequent fiscal stimulus initiative on Kenya's economic situation into account. The Citizens Alternative Budgets released by the IEA's BIP have become a popular way for many different constituencies to get involved. The most recent Budget release was attended by more than one hundred representatives from government, academic institutions, business and donor communities, civil society organizations, and the general public.

The Gender Budgeting Initiative of the BIP has also had a significant impact on budget and public policy in Kenya. The national budget of Kenya is “gender neutral,” meaning it is difficult to assess whether various budget proposals could have different impacts on men than on women. Research has shown that women are usually hit harder by poverty in Kenya and struggle to take advantage of government services and support. In response to these concerns, the IEA partnered with organizations such as Abantu for Development to promote and teach gendered budgeting.

Innovative new research like the Gender Budgeting Initiative, technical support for governments at all levels of society, as well as the push to make the government more transparent and responsive to its citizens have all helped the Budget Information Programme of the Institute of Economic Affairs become a leader in the East African region in promoting transparent and responsive public finance management.

**The IEA's Participation in the Partnership Initiative**

The Institute of Economic Affairs wants to expand its successes with the Budget Information Programme to other areas of public finance. Kenya has made progress in making its budget processes more transparent in recent years and has implemented a number of reforms to public financial management practices. These changes have created new opportunities for civil society to influence the budget process.

A large amount of work has been done to analyze and inform government expenditures, notably with the IEA’s Citizens Alternative Budget proposals, but there is still a gap in public knowledge regarding the revenue side of the national budget. The Kenya Revenue Authority publishes monthly and quarterly reports on revenue collections and policies, but this information is not produced in an accessible way. For many Kenyans, there is no clear link between government revenue and government expenditures. It is not well known, for example, that there is a widening fiscal deficit in Kenya, and what impact this could have on future budgets.

Through the Partnership Initiative the IEA plans to conduct a more thorough assessment of revenue issues in Kenya. With technical assistance from the International Budget Partnership, the IEA will build its capacity to conduct revenue analysis and will be able to focus public attention on revenue policy and such issues as trends in tax performance, the distribution of the tax burden, and the implications of revenue issues for the provision of public services. The competency acquired through participation in the PI will help the IEA become an important resource to the government and other civil society organizations on revenue policy, while also strengthening the IEA's capacity to take on general public finance issues.

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*The IBP’s Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.*