

# SOUTHERN AND EASTERN AFRICA POLICY RESEARCH NETWORK (SEAPREN)



## Secretariat

Namibian Economic Policy Research Unit (NEPRU)  
P.O. Box 40710 Ausspannplatz Windhoek, Namibia  
Tel: +264 61 277500 Fax: +264 61 277501  
**SEAPREN Coordinator:** Saul Taree Kahuika  
[Saul.Kahuika@nepru.org.na](mailto:Saul.Kahuika@nepru.org.na)

*Mission: Advancement of sound economic policy among Southern and Eastern African countries through informed collaboration by regional research establishments by way of adopting best practices in research development, implementation and administration.*

## SEAPREN NEWSLETTER ISSUE 5 September 2005

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### From The Coordinators' Desk

I wish to congratulate all the institutes, SISERA and CMI for being able to produce key milestones in many of our projects. Admittedly, the desired speed at which projects should have progressed was slower than expected. This can largely be attributed to very busy schedules of the member institutes and their directors. In addition, the fact that the network did not have a permanent coordinator has also contributed to delays in various projects.

At the same time I remain confident that we will be able to maintain the current momentum. As you would notice in the remaining sections of this Newsletter, we are on course, and should be achieving key milestones before the end of the year.

As you are now aware, the SEAPREN Secretariat are in the process of convening network meeting in Cape Town in November, attended by the directors of all member institutes to review the operations of our network and to chart the way forward.

### Appointment of SEAPREN Coordinator



With the increase in activities of the SEAPREN network as a result of seven research projects and other related network activities, it became apparent that a fulltime coordinator would be needed to ensure overall effectiveness of the network. In this context, the network has recruited Saul Taree Kahuika recently.

Saul comes to SEAPREN with wealth of experience in policy research and analysis, particularly in the area of trade policy and regional integration. He has worked on several policy issues, such as, Economic and financial implications of Namibia's participation in COMESA FTA; Small Livestock Development Programme for Namibia, Assessment of Namibia's Trade Negotiation Capacity.

Saul worked as Namibia's Commercial Attaché in Brussels, where he was responsible for commercial matters between Namibia and the Benelux countries, WTO, UNCTAD in Geneva and ACP/EU trade matters.

In 1998 he joined Namdeb, Namibia's largest diamond company and largest employer outside the government, before joining NEPRU as researcher in 2002 until 2003.

### SEAPREN Project Update

Since the Research Project Committee meeting in Windhoek in April 2004, where various project proposals were adopted and approved, significant progress has been made in implementing those projects.

*Budgetary processes and economic governance in Southern and Eastern Africa: A comparative study*

Botswana Institute for Development Policy Analysis (BIDPA),  
**Botswana**

Development Policy Research Unit (DPRU), **South Africa**

Economic and Social Research Foundation (ESRF), **Tanzania**  
Namibian Economic Policy Research Unit (NEPRU), **Namibia**

Economic Policy Research Centre (EPRC), **Uganda**

Institute of Economic and Social Research (INESOR),  
**Zambia**

Institute of Policy Analysis and Research (IPAR), **Kenya**

*of Botswana, Kenya, Namibia, South Africa, Tanzania, Uganda and Zambia*

IPAR has published its country literature review, with INESOR's country literature review to be published soon. In addition, NEPRU has published working paper NWP95, which can be accessed on [www.@nepru.org.na](http://www.@nepru.org.na)

*Comparative poverty reduction strategies in Eastern and Southern Africa: The cases of Botswana, Kenya, Namibia, South Africa, Tanzania, Uganda and Zambia*

This project is making important progress with IPAR again leading the way, as it has produced country report on the state of poverty and the evaluation of poverty reduction policies. All institutes have been able to produce revised approach papers.

*Public Relations in SEAPREN member Institutes*

DPRU is responsible for the coordination of this project, which has now submitted sample brochure, letterhead and business card. In addition, the initial proposal has been revised and new budget proposed. The logo is to be finalized as soon as all member institutes have submitted their comments. A conference is planned for November to discuss the sample logo, business card and brochure and approve them.

*Institutional Efficiency in SEAPREN member institutes*

Terms of reference to engage an external consultant have been drafted and finalized. The work of the consultant will focus on administrative and management problems experienced by member institutes.

*Networking Communication in SEAPREN member institutes*

This project has made significant progress, with only two outputs remaining, creation of joint databases and library systems and training workshop for IT personnel. An extranet was established in July 2005, and website design is now approaching final stages.

*Efficiency and effectiveness of capacity building in economic decision-making: A comparative study of Botswana, Namibia and South Africa*

All participants have finalized survey questionnaires, while NEPRU completed data entry, and are now busy analysing data. NEPRU will complete its first draft by the end of October 2005.

*Poverty alleviation in the rural areas through improving the access to financial services in Sub-Saharan Africa: A comparative study of Botswana, Kenya, Namibia and Tanzania*

*This project is one of the two projects, which were approved last by the PRC.*

Recent research and available literature clearly indicate that financial services are mainly confined to urban areas where generally the share of the working population and average incomes are high.

A number of arguments are given to explain why this is the state of affairs. Among the disadvantages often cited for not providing financial services in rural areas are:

- People are not concentrated in one area;
- Due to low incomes per capita, rural customers transact in small amounts at a time; and
- It is more risky to provide loans and other services to rural customers since they have often no reliable income sources and, hence, have a lower capacity to repay.
- Often rural dwellers have weak attitudes towards repayment of debt. They often look upon borrowing as a gift-receiving exercise.
- Rural communities in Sub-Saharan Africa often lack collateral in the form of land, due to prevailing land tenure forms.

The overall objective of this study is to explore the possible impact that access to financial services can have on poverty alleviation in Sub-Saharan Africa.

Policy makers need a wider perspective than a profit-maximizing banker when addressing poverty issues. The absence of financial services provision might be key obstacle to enhanced development and the alleviation of poverty. Informed thinkers acknowledge that poverty has as many causes as it has solutions. They also accept or at least suspect that access to proper financial services is part of the solution.

## **Planned research projects**

Three projects are in the pipeline and should be submitted to the PRC as soon as the terms of references have been completed. These are:

1. Economic diversification in Southern and Eastern Africa
2. Macroeconomic modelling of HIV/AIDS effects
3. Economic polarisation in Southern and Eastern Africa.

## ESRF: Policy Dialogue Seminars

ESRF presented the following Policy Dialogue Seminars:

**22 September 2005:** Challenges and Benefits for Tanzania from implementing Economic Partnership Agreements with European Union

**22 September 2005:** Policy Measures to making Public Private Partnership Deliver Economic Growth and Poverty Reduction in Tanzania

## Recently produced policy briefs by DPRU and IPAR

DPRU

1. Emergent black affluence and social mobility in Post-Apartheid South Africa
2. Poverty, Inequality and Labour Market in Africa: A descriptive overview
3. Internal migration to Guateng Province

IPAR

1. Prospects for developing a regional bond market in Eastern Africa
2. Kenya's Development Path: The case for Services Sector
3. Capital Market policies in Kenya: Historical Trends and Challenges

## SADC Business Climate Survey Results

The 2005 SADC Regional Business Climate Survey, was carried out with the financial assistance of the Advisory Service for Private Business, an agency of the GTZ based in Johannesburg. Technical assistance was provided by NEPRU. A total of 541 companies responded during the 2005 survey, drawn from all 14 SADC countries.

Businesses were asked the extent to which they perceived challenges to their business activities in other SADC countries. They were asked to rate obstacles as either "no problem", or "minor problem", or major problem" or "not applicable". The responses were used to calculate average scores for these obstacles, with a 0 reflecting "no problem", a 5, "a minor problem" and a 10, a "major problem".



These challenges can be divided into three categories, namely challenges relating to the business environment, cross-border issues and macroeconomic conditions.

This figure displays the average rating ranked by severity. Customs regulations, and bureaucracy was the most severe obstacle, within the cross-border category, with other category issues rated as minor problems.

In general, the survey found businesses in the SADC region to be optimistic, anticipating a good performance for 2005.

## Interesting Events in the Pipeline

30 November - 1 December 2005, Glenburn Lodge, Johannesburg

The Development Policy Research Unit (DPRU) and Trade and Industrial Policy Strategies (TIPS) are hosting a joint annual forum, in association with the World Institute for Development Economic Research of the United Nations University (UNU-WIDER). The event is set to take place at Glenburn Lodge, Johannesburg.

This is an annual event bringing together members of the research, academic and policy communities to discuss economic policy issues of South African and regional interest. The 2005 event promises to continue developing these links and, to further strengthen the flow of relevant research into policy-making

Please contact Trade and Industrial Policy Strategies for all enquiries. See contact details below: [papers2005@tips.org.za](mailto:papers2005@tips.org.za)

GTZ and International Development Research Centre sponsor the event.

Conference entitled "NEPAD AND THE FUTURE OF ECONOMIC POLICY IN AFRICA" is to be held on 10 – 11 November 2005 in Dakar - Senegal.

The conference is organised by The United Nations African Institute for Economic Development and Planning (IDEP) and the African Finance and Economics Association (AFEA).

For more information contact: [bokosh@wfu.edu](mailto:bokosh@wfu.edu)  
Fax: +(336)758-6028

## Portrait of a Member Institute

### Institute of Policy Analysis and Research

The Institute of Policy Analysis and Research (IPAR) were established in 1994 as an independent, indigenous and non-partisan private organisation. It is a non-profit body whose primary goal is to pursue quality research-based public policy analysis and to generate non-partisan discussion focused on Kenya and the region.

Through its training and internship programmes for young promising researchers, it also builds capacity in public policy analysis.

IPAR has four programmes:

- Governance and Development
- Macroeconomic Policy Analysis
- Real Sector: Industry and Agriculture
- Social Sector: Health and Education

The vision of the IPAR is to become a national centre of excellence offering constructive policy ideas to the Government of Kenya and its development partners in order to increase welfare. IPAR's mission is to strengthen the national capacity to develop, implement and evaluate public policy by undertaking independent policy analysis and research and sharing the results of such research and policy analysis with Kenya and its development partners.

IPAR also serves as a resource centre by offering technical, research and informational support for national development. To these ends, it provides

objective findings and articulates them at national and other forums for the benefit of interested parties including government, NGOs, the private sector and the donor community.

Through its competitive Internship Programme, the Institute has become a major contributor to capacity building for young professionals seeking career development in policy research and analysis. The selected interns spend one year of policy training and research in the institute's programmes. IPAR's publications are in high demand among various stakeholders.

IPAR also uses different avenues for disseminating results to promote policy debate and building of a consensus on important policy choices.

The Institute has a dynamic Resource Centre that is building up a wide selection of research materials both in print and electronic formats. In addition, information available from other sources such as the Internet, and other libraries/information centres is made available as required. The Institute's publications are accessed and disseminated from the Centre.

The institute has a very well qualified and experienced permanent research staff of four, two research fellows and four interns, who spend one year with IPAR.

IPAR is a member institute of the Dakar-based Secretariat for Institutional Support for Economic Research in Africa (SISERA) and is a beneficiary of funds for research, capacity building from SISERA/IDRC (SISERA linkages).

#### **For further information:**

Tel. (+254-20) 251179; Fax: 251162. Email: [info@ipar.or.ke](mailto:info@ipar.or.ke)  
Visiting Address: Norfolk Towers, Harry Thuku Road/Kijabe Street Junction, Nairobi, Kenya

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We welcome any comments and / or suggestions you may have on any of the topics discussed, or on the newsletter as a whole. Please write to [Saul.Kahuka@nepri.org.na](mailto:Saul.Kahuka@nepri.org.na) or fax to +264-61-277501