REPUBLIC OF KENYA

MINISTRY OF REGIONAL DEVELOPMENT AUTHORITIES

REGIONAL DEVELOPMENT POLICY

MARCH, 2007

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LIST OF ACRONYMS

ASAL	ARID AND SEMI ARID LANDS
CBOS	COMMUNITY BASED ORGANIZATIONS
CDA	COAST DEVELOPMENT AUTHORITY
CDF	CONSTITUENCY DEVELOPMENT FUND
DDC	DISTRICT DEVELOPMENT COMMITTEE
DDP	DISTRICT DEVELOMENT PLAN
DFRD	DISTRICT FOCUS FOR RURAL DEVELOPMENT
DRD	DIRECTOR OF REGIONAL DEVELOPMENT
ENNDA	EWASO NG'IRO NORTH DEVELOPMENT AUTHORITY
ERSWEC	ECONOMIC RECOVERY STRATEGY FOR WEALTH AND EMPLOYMENT CREATION
ENSDA	EWASO NG'IRO SOUTH DEVELOPMENT AUTHORITY
ERS	ECONOMIC RECOVERY STRATEGY
GDP	GROSS DOMESTIC PRODUCT
GLA	GREATER LONDON AUTHORITY
IRDPs	INTEGRATED REGIONAL DEVELOPMENT PLANS
KVDA	KERIO VALLEY DEVELOPMENT AUTHORITY
LADPs	LOCAL AUTHORITIES DEVELOPMENT PLANS
LATF	LOCAL AUTHORITIES TRANSFER FUND
LBDA	LAKE BASIN DEVELOPMENT AUTHORITY
LHDA	LESOTHO HIGHLAND DEVELOPMENT AUTHORITY
LHWP	LESOTHO HIGHLAND WATER PROJECT
MORDA	MINISTRY OF REGIONAL DEVELOPMENT AUTHORITIES

NEMA	NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY
NGOs	NON-GOVERNMENTAL ORGANIZATIONS
PSRS	PUBLIC SERVICE REFORM SECRETARIAT
RDAs	REGIONAL DEVELOPMENT AUTHORITIES
RD	REGIONAL DEVELOPMENT
RTPCS	RURAL TRADE AND PRODUCTION CENTRES
SRDP	SPECIAL RURAL DEVELOPMENT PROGRAMME
TARDA	TANA RIVER DEVELOPMENT AUTHORITY
TVA	TENNESSEE VALLEY AUTHORITY
UK	UNITED KINGDOM
USA	UNITED STATES OF AMERICA
WMS	WELFARE MONITORING SURVEY

FOREWORD

Since independence the Government of Kenya has grappled with the persistent problem of unbalanced economic development in the country. Through various policies, it has tried to reverse the discriminative effects of the colonial policies that had created wide disparities between regions. However, after decades of experimenting with different macro and sectoral policies, regional disparities in economic and social development still persist. The 2007 report on well-being in Kenya confirmed the existence of these disparities. The report indicated that the proportion of the population living below the absolute poverty line was varied from one region to another. The report also indicated that poverty incidence has been increasing over time in Coast and North Eastern provinces. Wide disparities also exist between the urban and rural areas, with 85% of all poor people living in rural areas while the majority of the urban poor live in slums and peri-urban settlements. The percentage of hardcore poverty in the rural areas declined from 34.8% in 1997 to 21.9% 2005/6, while the percentage of urban hardcore poverty increased from 7.6% 1997 to 8.3% in 2005/6.

In order to provide a lasting solution to this problem, there is need to integrate an alternative approach to development that provides a multifaceted and multi- sectoral framework that will foster a more balanced economic development in the country. The formulation of this regional development policy is therefore the first bold attempt by the government to fulfil its required obligations of maintaining a balanced socio-economic development and growth at all levels as well as eliminating poverty at the grass root levels. This policy provides an overarching framework that will facilitate evenly distributed growth across the country.

The policy revolves around four key pillars namely; the establishment of a sound institutional framework for implementing the policy; the formulation of integrated regional plans; reforms in the legal environment in order to create a more cohesive framework for regional development and a robust monitoring framework that will develop and monitor the achievement of key indicators and milestones of regional development.

The policy recognises that there are various actors in regional development. However, lack of effective coordination mechanisms has resulted into duplication of activities and wastage of resources. To reverse this trend, this policy provides a coordination framework that will ensure that each actor contributes meaningfully towards regional development as well as national development.

The policy also recognises that the provisions of this policy need to be supported by an appropriate legal framework. Accordingly, the various legal statutes governing the Regional Development Authorities will be repealed and in their place a single Act of Parliament for Regional Development will be formulated. Similarly, the financing framework for development activities will be enhanced so as to provide a more sustainable funding framework for regional development activities.

Finally, in the formulation of this policy, the Ministry benefited immensely from the contributions of various experts from both the public and private sector, civil society and other stakeholders. I take this opportunity to thank all the individuals, groups and organizations whose valuable inputs contributed to the inception and finalization of this policy. Through this regional development policy, the government expects to foster a balanced economic growth using an integrated multi-sectoral approach. It is my hope that the policy will trigger faster regional economic growth by providing the desired environment for the Government, private investors, civil society and the community to participate meaningfully in the economic development of the various regions in the country.

Thank you.

HON. MOHAMED A. MOHAMUD, EGH, M.P
Minister, Regional Development Authorities.

PREFACE

The Ministry of Regional Development Authorities was established under the Presidential Circular No 3/2003 on the organization of government and mandated to provide policy guidance, enhance capacity building and support for Regional Development Authorities. However, the absence of a policy framework has impeded the ability of the ministry to fully achieve its mandate. In recognition of this shortcoming, and in a bid to find a lasting solution to this problem, the ministry embarked on a participatory and consultative process with its key stakeholders. The results of the consultative process confirmed that there were serious regional imbalances and other problems relating to regional development that required a deliberate policy intervention. There was stakeholder consensus that the ministry needed to formulate a comprehensive policy framework that would provide direction and focus to the operations of the ministry as well as to the regional development authorities.

This policy therefore responds both to the stakeholder recommendations on the need for an explicit regional development policy, as well as to the overall Government goal of formulating policies that will foster balanced economic growth. The policy articulates a bold goal of 'achieving equitable and balanced national socio-economic development through the promotion of sustainable economic exploitation of natural resources and the promotion of resource based investments in the regions'. The key strategy towards achieving this goal is the entrenchment of the integrated regional development planning concept within the national development planning framework.

In formulating this policy, the ministry drew lessons from other countries which have successfully entrenched the concept of regional development within their national development framework. Experiences from these countries confirmed that the phenomenon of unbalanced regional development growth is not unique to Kenya. However, the development context differs from country to country; therefore, this policy is based on a realistic analysis of the country context in terms of the development challenges that the country is experiencing. The policy takes full cognisance of the diversity in socio-economic, cultural and ecological fabric that exists in the country and seeks to harness this diversity to enhance cohesiveness and co-existence among different communities in the country. Finally, the policy seeks to create a synergy between the national and regional/local level development plans and to even out gaps and disparities in resource distribution and national development.

I am aware that the policy goals and objectives are both ambitious and challenging. However, I am also convinced that with the commitment and support of all stakeholders, they are attainable. I therefore appeal to all agencies involved in regional development activities to work together to achieve the goals and objectives that are articulated in this policy. Finally, I wish to thank all those who participated in the conception, consultations and eventual formulation of the policy.

Thank you.

ENG. DAVID STOWER, CBS
Permanent Secretary

EXECUTIVE SUMMARY

Despite the establishment of Regional Development Authorities (RDAs) in the 1970s, Kenya has not had a clearly defined Regional Development Policy to guide their operations. As a result, the RDAs have continued to draw their operational mandates from their respective Acts of Parliament. However, the functions and mandates prescribed in these Acts are too broad and in some cases ambiguous. In addition, some of their functions overlap with those of other government agencies, thereby creating jurisdictional conflicts.

In order to provide an institutional framework for the RDAs, the Government of Kenya established the Ministry of Regional Development Authorities with a mandate to provide policy guidance, capacity building and support for these institutions. In pursuit of this mandate, the ministry was faced with two key challenges that impeded its ability to meet its objectives. First, it lacked a policy framework that defined the necessary institutional framework for implementing its mandate. As a result, there was lack of clarity about the relationship between the Ministry and the Regional Development Authorities. Second, the Regional Development Authorities operated under six different Acts of Parliament. In the absence of a clear and uniform definition of a core mandate, each RDA interpreted its mandate differently, often pursuing different priorities in their areas of jurisdiction and duplicating the activities of other agencies thus creating conflicts and confusion as to their core mandates.

Due to this fragmented legal framework and the broad mandates, the ministry has not been able to provide effective oversight and supervision for the RDAs as it would have wished to. At institutional level, the RDAs have faced various challenges that have undermined their institutional and operational efficiency and sustainability. These include heavy staff loads resulting into inordinately high salary structures; poor service delivery; weak institutional stability arising from frequent transfers to different ministries and functional overlaps with other ministries and agencies.

In an effort to find a solution to these anomalies, the Ministry embarked on a broad based consultative process with key stakeholders. The main aim of the consultations was to obtain stakeholder views on the broad issues pertaining to regional development as well as the specific issues relating to the Regional Development Authorities. The first phase of the process involved formal and informal consultations with the key ministries of Finance, Planning and National Development, and the Public Service

Reform Secretariat in the Office of the President. In the second phase, the ministry organized stakeholder consultative workshops in the six regions covered by the regional development authorities namely; Lake Basin, Kerio Valley, Ewaso Ngiro North and Ewaso Ngiro South, Tana River and Coast. In the third and final phase the ministry convened a national stakeholder workshop for the final ratification of the draft policy. Following this, the ministry finalized the drafting process and prepared a policy paper for cabinet approval and indeed other actors at regional level.

As regards the broad concept of regional development, the stakeholders noted that despite various concerted efforts by the Government to create balanced regional development, large disparities still existed, both within and among regions. They agreed that in order to address this perennial problem of regional imbalances, it was necessary to integrate a regional development approach in national development. The stakeholders recommended that the ministry formulates a regional development policy, which would provide the required institutional framework for implementing this approach.

The stakeholders further noted that there were too many players involved in regional development, but there was no coordination amongst them. As a result, there was duplication of activities and wastage of resources. They also affirmed that RDAs were still relevant vehicles for regional development and that they should be mandated to provide an institutional framework for coordinating regional development activities. However, there was need to restructure them, redefine their core business and align them to the current Government policy and funding framework. They also recommended that a review of the current legal statutes be undertaken in order to create a unified legal framework for the RDAs.

Stakeholders also noted that regional development issues had not been given adequate attention because of lack of a permanent institutional 'home' for the RDAs. They noted that before the Ministry of Regional Development was established, the RDAs experienced frequent transfers from one ministry to another. Therefore their activities were never mainstreamed into the mandate of any specific ministry. To resolve this problem, the stakeholders recommended the establishment of the office of the Director of Regional Development (DRD). They also recommended that the office of the DRD be entrenched in law in order to give it the necessary legal backing that would ensure its continuity.

As regards natural resource management issues, the stakeholders noted that whereas the management of these resources is vested in various agencies (NEMA, Ministry of Water and Irrigation etc), major gaps still exist. These include lack of comprehensive mapping of the natural resources in the regions, under/over exploitation of natural resources, inability to promote resource based investments to create wealth for the regions, operational conflicts among the agencies including the RDAs, lack of effective participation by regional communities and capital flight arising from resource utilization hence poor development benefits to resource regions. In view of these gaps, stakeholders recommended that RDAs be mandated with the responsibility of regional resource mapping, promotion of resource based investments and formulation of a framework through which communities would benefit from such investments.

As regards financing for regional development, stakeholders recognised that there are various funds going towards development in the various regions. However, the lack of a mechanism to co-ordinate and monitor the utilization of these funds had resulted into wastage of funds and duplication of projects. They noted that a regional development policy would provide a framework for identifying, prioritising and coordinating projects thus leading to rationalization and more efficient utilization of resources.

The regional development policy has therefore been formulated to provide an overarching framework to facilitate regional development. The overall goal of the policy is to achieve equitable and balanced national socio-economic development through the promotion of sustainable economic utilization of natural resources and the promotion of resource based investments in the regions. Through this policy the ministry seeks to entrench the regional development approach in the overall national development framework.

1.0 INTRODUCTION

1. The Ministry of Regional Development Authorities was established by the Kenya Government under the Presidential Circular No 3/2003 on the organization of government with a mandate to provide policy guidance, enhance capacity building and support for Regional Development Authorities. In pursuit of this mandate, the ministry has been faced with two key challenges that have impeded its ability to meet its objectives. Firstly, the Ministry lacks a policy framework that defines the necessary institutional framework for implementing its mandate. As a result, there is lack of clarity about the relationship between the ministry and the Regional Development Authorities.

2. Secondly, the Regional Development Authorities operate under six different Acts of Parliament. In the absence of a clear and uniform definition of a core mandate, each RDA has interpreted its mandate differently, often pursuing different priorities in their areas of jurisdiction and duplicating the activities of other agencies thus creating confusion regarding their core mandates. As a result of the fragmented legal framework and the broad mandates, the ministry has been unable to provide effective oversight and supervision for the RDAs. At institutional level, the RDAs have faced various challenges that have undermined their institutional stability. These include heavy staff loads resulting into inordinately high salary structures; poor service delivery; weak institutional instability arising from frequent transfers to different ministries and duplication of the work of other government ministries and agencies.

3. In an effort to find a solution to these anomalies, the Ministry embarked on an in-depth consultative process with key stakeholders. The main aim of the consultations was to obtain stakeholder views on the broad issues pertaining to regional development as well as the specific issues relating to the Regional Development Authorities. The first phase of the consultations involved formal and informal consultations with the key ministries of Finance, Planning and National Development and the Public Service Reform Secretariat in the Office of the President. In the second phase, the ministry organized stakeholder consultative workshops in the six regions covered by the RDAs namely; Lake Basin, Kerio Valley, Ewaso Ngiro North and Ewaso Ngiro South,

Tana River and Coast. In the third and final phase the ministry convened National stakeholder workshop to ratify the policy.

4. During the consultations, Regional Development issues were grouped into five themes that were assigned to different groups. The groups, under the direction of their chairpersons, were required to undertake the following tasks:

a) Identify the key issues related to their theme about which policy recommendations needed to be made;
b) Identify the policy gaps related to the theme;
c) Recommend the policy intervention for the identified issues.

After the group discussions, each group presented their recommendations to the larger plenary group. The plenary group analysed each presentation and identified those recommendations that had policy implications. Subsequently, all the recommendations were collated and summarized into key policy recommendations. These recommendations formed the basis of the Regional Development Policy.

STRUCTURE OF THE POLICY DOCUMENT:

5. This policy document is organized into five sections. Section 1 introduces the document by stating the need for regional development policy and outlining the policy formulation process. Section 2 presents a situation analysis focusing on the Government efforts aimed at addressing regional imbalances in Kenya and the gaps that have necessitated the formulation of this policy. Section 3 presents the basis of demarcating regions. Section 4 constitutes the main body of the document and sets out the policy framework, comprising of the policy goals, objectives and strategies. Section 5 presents the institutional framework, while section 6 presents the legal framework. Section 7 outlines the financing framework, while section 8 presents the monitoring and evaluation framework. Finally section 9 presents the implementation framework for rolling out the policy.

2.0 SITUATION ANALYSIS

2.1 HISTORICAL PERSPECTIVE

6. Since independence, the Government has adopted various development policies all intended to reverse the effects of the discriminative colonial policies. At independence, the economy was characterised by distinct unbalanced regional development: with the "white highland" regions having relatively modern commercial development whereas the "Native Reserve" areas were characterised by traditional production practices. In addition, the white highlands were also the high potential areas of the country with more favourable rainfall hence better agricultural production potential while the reserves had low rainfall hence poor production potential. The economy was therefore characterised by duality of development with a distinct modern commercial and industrial sector in some regions and a traditional farming and pastoral sector in other regions.

7. In response to these imbalances, the government formulated various policies, which have been articulated in various Sessional papers, special policy reports and commissions. The first major policy document was the constitution drawn out at independence time, which identified various issues to be articulated through policies to guide development at the national, regional and rural levels. Next was the Sessional Paper No. 10 of 1965 on "African Socialism and its Application to Planning in Kenya" which formed the main policy framework for development issues, problems and challenges of independent Kenya. It also defined more clearly the policy options that the Government intended to pursue in order to fast track development. In particular the sessional paper underlined the need to correct the development imbalances inherited from the colonial policies. Emphasis was placed on the need to recognise the role of the regional, local and rural levels of development in the national economy as well as the need to decentralise and redistribute development and planning.

8. Based on the above observations, comprehensive five-year development plans addressing development needs of all sectors were prepared. The national development plans drawn up over the years have tended to reflect changes in policy focus and strategy as

dictated by changing development circumstances and according to the recommendations of the various policy papers, reports and commissions. For example, the 1966-1970 Development Plan helped to establish the basic administrative structure for decentralised planning and development at the Provincial and District levels. This was in the form of development committees and technical personnel responsible for planning, coordination and development administration and extension at the provincial and District levels. During the same period efforts to address integrated rural development programmes at the divisional level and area based regional development planning at the provincial level were initiate and articulated in the Special Rural Development Programmes and the Provincial Physical Development Plans. The Special Rural Development Programmes focussed on rural development, community participation and decentralization of decision-making and coordination.

9. The Ndegwa Commission Report of 1971 examined the performance of the civil service in the process of development administration. The report institutionalised the district planning process, which emphasised decentralisation in planning, administration and participation of the local regional communities in planning and development. This was aimed at enhancing the community's sense of ownership of the planning and development process hence leading to more effective implementation of regional development plans. The need for a spatial guiding framework, for re-distribution of development facilities, infrastructure and services as well as the benefits of development was addressed by the initiation of the growth and service centre policy strategy in the 1970-74 development plan. The 1982 Working Party report specifically reviewed the performance of the public sector in planning and development throughout the country. It was on the basis of its observations and recommendations that the 1983 District Focus for Rural Development Strategy was formulated. This established the District as the focus and basic unit for all local and regional development and planning efforts.

10. The District focus strategy emphasised integrated area based development and planning and the involvement of the local community in the process of planning, project identification, prioritisation and implementation process. The strategy

empowered the District Development Committees (DDCs) in planning, project identification, budgeting, and implementation. Thus the DDCs exercised decision-making power in formulation of plans and project priorities as well as coordinating the management of the resources, finance and personnel in the districts. Introduced in the same period, was the Local Authority Development Programmes which identified investment programme priorities for each local authority in each district. These were then incorporated into the District Development Plans. The 1989-1993 Development Plan embodied most of the policy priorities and changes of the Sessional Paper No1 of 1986, on strengthening the involvement of the private sector, the community and the informal sector in the process of economic development. It also strengthened the District Focus Strategy for Rural Development and the implementation of rural-urban balance strategy through the establishment of Rural Trade and Production Centres (RTPCs), with emphasis on strengthening the linkage between rural growth centres and all urban centres and their rural and resource hinterlands. From 1994 to date, the focus of the policy has mainly been on economic recovery and sustainable development with emphasis on linking project priorities to available resources.

11. Each provincial physical plan provided a spatial framework that was expected to guide the future development of the province towards equitable development. Principal among the issues articulated in the provincial plans was the role of the urban settlement as a centre of development within a defined geographic hinterland. The plans also outlined the way the spatial distribution of both service centres and urban centres within the province would form the most reliable and rational basis for redistribution of development infrastructure, social services and investments of all kinds in relation to the needs of the population of the area. A hierarchical network of growth centres including local centres, market centres, rural centres and urban centres in ascending order was also adopted. A detailed identification of functional development needs of each centre was also carried out showing how this would be planned to grow in response to the changing demands of the local population. This framework proved extremely useful in sectoral decisions and plans for distribution of water supply services, roads and other communication and transport facilities, social services such as health, education,

commercial and administrative services. By the early 1970's the policy to establish growth centres on a hierarchical basis was adopted as a national policy. Besides having the four hierarchical levels of centres (local, market, rural and urban), a few strategic regional urban centres were designated as principal towns to form centres of regional economic growth. These were given priority in the process of national economic investments in industrial, infrastructural, institutional and commercial development. This was to enable them to gradually grow into local regional centres of growth. They were therefore linked to the regional resource hinterlands by a network of communication and transport systems to enable them function effectively as centres for marketing regional produce and diffusion and distribution of development innovation and inputs for resource development.

12. Following the completion of the provincial regional physical development plans, the focus turned to the national urbanization process and how it affected local, regional and national development. The results of the provincial planning studies were used to develop a longer-term perspective of the forces of development and their future impact on national development. In 1978 the study on Human Settlements in Kenya proposed a strategy for "Rural and Urban development", which examined alternative policy models. These were evaluated in the light of their likely implications and impacts on the overall pattern of regional development in Kenya. A strategy for rural-urban balance was eventually adopted and incorporated into the national development plans. This has remained the main policy strategy for regional development in Kenya. It aims at balancing the process of development between rural and urban areas and recognizes the need to integrate the main aspects of development (Physical/spatial, economic and social/human) at all levels of development, (local, regional and national). The rationale behind this strategy is the recognition that although theoretically development can be viewed in sectoral terms, in practice the process of development is integrated, interrelated and interdependent in terms of the physical spatial, economic, social and political administrative requirements.

13 The Sessional Paper No 1 of 1986 on 'Economic Management for Renewed Growth' gave greater emphasis on integrated

development and efficiency of development management for economic growth. The district focus for rural development strategy was strengthened, placing more emphasis on commercial and industrial redistribution and increased community participation in development.

At a more local level, the introduction of the rural trade and production centres was aimed at stimulating local economic development. The Sessional Paper No 1 of 1994 on "Recovery and Sustainable Development to the year 2010" focussed on the need for sustainable development emphasising economic resource utilisation environmental and resource conservation and strong community based development through decentralised action at the local and regional levels. The Sessional Paper No. 2 of 1996 on "Industrial Transformation to the Year 2020" aimed at defining the role of the government in the industrialisation process in support of the private sector. This was to be achieved by establishing a conducive policy environment; sound macro-economic management, investing in physical infrastructure and human resource development and guarding against environmental degradation among other objectives.

14. The foregoing analysis indicates that over time, Government policies have been broad based, focussing on national priorities but without specific mechanisms for translating these national goals into region-specific plans. The initial efforts to establish provincial planning committees were abandoned when the committees were transformed into monitoring and evaluation committees and emphasis shifted to the function of the district as the basic unit for rural planning and development under the District focus for Rural Development Strategy.

2.2 PROBLEM STATEMENT

15 Despite concerted efforts by the Government to realize equitable and balanced development through formulation of various macroeconomic as well as sectoral policies, economic and social disparities still persist among regions. These disparities are evident both between regions, but also more subtly within regions. If these disparities persist, they will impede the attainment of the Government's development agenda for growth and productivity, social justice and environmental sustainability. These disparities

have manifested themselves through spatial inequalities. The most common spatial inequalities in regional development in Kenya include:

i) Inter-regional inequalities;
ii) Intra-regional inequalities;
iii) Urban-rural inequalities;
iv) Inter and intra urban inequalities;
v) Inter and intra rural inequalities.

16 Defining and understanding the underlying causes of these regional inequalities provides a more rational basis for determining appropriate policy interventions to stimulate regional development and achieve regional balance within the national economy. The forces driving the increasingly dynamic and differentiated patterns of regional development include physical spatial, economic, social, environmental and institutional factors. Collectively these factors are reshaping the viability of existing businesses, creating opportunities for new ones and impacting on the survival of many communities.

Rural and regional residents face three potential difficulties: socio-economic disadvantage, incipient marginalization, and adjustment to changing circumstances. These vary greatly in intensity from place to place. These disparities manifest themselves through economic indicators such as, human settlements, industrial development, per capita income, infrastructure, unemployment levels, and social indicators such as infant mortality rates, the number of hospital beds, doctors, schools per capita, access to public amenities like piped water, electricity, literacy rates, drop out rates in education at different levels, enrolment ratios and incidences of infectious diseases.

2.2.1 INTER-REGIONAL DISPARITIES

17. While Kenya is the most developed economy in Eastern Africa, with relatively advanced agricultural and industrial sectors and substantial foreign exchange earnings through agricultural exports and tourism, it is ranked towards bottom in terms of the human development indicators. Poverty has been on the increase in the last thirty years and social indicators of development have either not improved or have declined over the past decade. However, in the last five years, due the improvement in the country's economic

performance, poverty indicators have began to gradually improve. According to the Kenya integrated household survey 2007, the national absolute poverty declined from 52.3% in 1997 to 45.9% in 2005/6. The report indicates that during the same period, the percentage of hard core poverty declined from 29.6% in 1997 to 19.1% hardcore poverty in the rural areas declined from 34.8% in 1997 to 21.9% while urban hardcore poverty increased marginally from 7.6 percent to 8.3%. The national incidence of food poverty declined marginally from 48.3% to 45.8, while food poverty in the rural areas declined from 50.7% to 47.2% and increased from 38.3% to 40.7% in the urban areas. The severity of poverty in the regions was as follows; Central 4.5%, Coast 13.2 5%, Eastern 8.7%, North Eastern 17.8%, 12.3%, Nyanza 8.0% Rift Valley 9.4% and Western 8.6 %. At national level, the poverty gap was 16.2%.

Despite the improvement in the poverty indicators, disparities in economic development are still evident within and among regions across the country. These regional inequalities are evident in all facets of economic development including infrastructure, housing, water and sanitation, health facilities, education, energy, industries etc. Juxtaposed against an economy that has been on an upward growth trend, it is evident that economic growth does not seem to be trickling down in an even manner.

2.2.2 INTRA-REGIONAL DISPARITIES

18 The intra regional disparities are reinforced by acute internal social economic and spatial inequalities resulting in many local and sub-regional communities suffering severe deprivation. This economic divergence is associated with disparities in mortality, housing conditions, health, poverty and educational attainment, which are increasingly polarized between areas within the same region. These regional inequalities are evident in all facets of economic development including infrastructure, housing, water and sanitation, health facilities, education, energy and industries.

19 These disparities arise largely because there is lack of a mechanism that creates an interface between the national level plans and the regional and local plans. Since independence, the country has relied on national development plans to guide the economic

development of the country. National development plans are mostly five-year multi-sectoral and multi-level development policy programmes covering the whole country including all sectors and regions. In the process of preparing national development plans, all districts and all sectoral ministries and agencies are involved in preparing their respective policy programmes and district development plans based on the same policy themes. There was an assumption that the sectoral and District area plans and programmes would help to translate the national policy goals and priorities for development into their operational context respectively. However, with the discontinuation of the provincial development plans, there was no mechanism to deal with cross-cutting themes, inter-boundary issues as well as those extending beyond the districts.

20 Finally, these disparities exist because the other policies which could have filled this gap are largely sectoral or project based and therefore do not address the key cross cutting issues and their regional contexts. To a large extent these policies are not harmonized and there is a lack of an explicit mechanism to arbitrate the tough choices to ensure that the policies collectively and consistently deliver the economic objectives that they were intended to. Cases of delayed implementation of projects due to conflicts in mandates and policy overlaps are common. Thus there is a need for better integration and co-ordination between the sectoral and national policies.

2.3 RATIONALE FOR A REGIONAL DEVELOPMENT POLICY

21 In general, therefore the problems which have constrained regional development and which need to be resolved through policy intervention include:

- Poor coordination among the many players involved in regional development leading to duplication of activities, wastage of resources and weak development impact.
- Poor linkage between national planning and regional planning levels;
- Uneven distribution of resources within and among regions;
- Under/over exploitation of resources for economic development;

- Lack of community participation in the economic benefits of regional resource based investments;
- Weak institutional framework for regional development. As a result, the RDAs which were mandated with promoting regional development have not been able to effectively discharge their mandate.
- Outdated cultural and insecurity features.

22 Evidence from other countries suggests that these problems can be addressed through the formulation of a deliberate policy aimed at fostering regional development. Many Governments, from both the developed and developing countries are becoming increasingly aware that if macro-economic policies are to succeed, they need to be mediated through spatial or territorial management policies at both national and regional scales. They have therefore adopted and implemented region-based development approaches in order to attain balanced economic development of their countries. In the same way, formulation of a regional development policy in Kenya would give clarity and focus to a seemingly complex set of objectives scattered in different policy documents as well as enhancing cohesion among the various policies. The policy would ensure that national policies are cascaded or stepped down to regional and local levels in a consistent and cohesive manner.

23 Overall therefore, the regional development policy will provide an overarching strategic framework for development plans as well as providing a framework to facilitate national and regional socio – economic integration by mainstreaming regions or sub regions to into the national economic activities. The policy will also:

- Facilitate reduction of social economic inequalities between and within regions;
- Facilitate mobilization of resources from central government resources, donor agencies and local communities towards the creation of economic opportunities in different regions;
- To provide a framework to guide developers to where investments can contribute most significantly to overall national and regional development;
- Link different parts of the nation through transport and communications networks thus facilitating social mobility

and enabling people in different parts of the nation or region to take advantage of opportunities in different parts of the nation or region;

- Slow down the migration of people from the rural to urban areas;
- Enhance control of the expansion of metropolitan regions by developing alternative centres of economic growth in different parts of the country;
- Increase incomes and create employment opportunities at local levels thereby stemming rural-urban migration;
- Provides opportunity for people to participate in development and project implementation of projects;
- Facilitate efficient and optimum utilization of the local resources:

The Regional Development Policy will also provide a framework through which the objectives of the Economic Recovery Strategy (ERS) will be achieved. The ERS articulated a multi-faceted strategy to meet economic growth, social equity, and poverty reduction and governance objectives. To generate economic growth, ERS sought to strengthen the macroeconomic framework, assuming a responsible fiscal stance, and providing conducive environment for private sector investment in the productive sectors and in infrastructure development and maintenance. To reduce poverty the ERS focused on universal access to basic social services and finally to enhance governance, the strategy focussed on carrying out reforms in the judiciary strengthening the rule of law and implementing reforms in the public sector.

The ERS articulated the following seven broad goals:

- Creating employment;
- Reducing the poverty level by at least 5 percent points;
- Achieving a high real GDP growth rate;
- Containing average annual inflation rate to below 5 percent;
- Increasing official foreign exchange reserves;
- Containing the current account deficit in the balance of payments to an average of 6.2% of GDP;

- Increasing domestic savings so as to enable higher levels of investment for sustainable development.

The ERS recognized that the regional development authorities formed an important part of the implementation of the economic recovery strategy through their implementation of integrated multi-sectoral programmes. Whereas the ERS did not explicitly cater for a regional development policy, the measures of strengthening the RDAs that it articulates would be best implemented within a regional policy framework. The underlying assumption is that for the macro- economic policies to succeed they will need to be mediated through spatial or territorial management policies at both national and regional levels. Regional level policies will provide the linkage between the national strategy and implementation at local levels (e.g. districts/ local authorities and communities) thus providing a mechanism for stepping down the national development goals and objectives.

Finally, the Regional Development Policy seeks to contribute to the Government's Vision 2030. Vision 2030 aims to make Kenya, 'a globally competitive and prosperous nation with a high quality of life' in the next 25 years, hinged on three key pillars, namely:

I. **Economic Pillar**: This pillar seeks to maintain a sustained economic growth of over 10 percent per annum over the next 25 years.

II. **Social Pillar**: Seeks to achieve a just and cohesive society, enjoying equitable social development in a clean and secure environment.

III. **Political Pillar**: This pillar seeks to develop an issue-based, people-centered, result-oriented and accountable democratic political system.

The achievement of these three key pillars, will lead to a social end that derives a united prosperous community at peace with itself and its neighbours; a society in which no citizen will ever be in danger of starvation or hunger, and where access to adequate shelter, health care and education for all is assured. A society with conscientious observation of democratic governance, freedom of worship, the rule of law, free of corruption; a community in which nobody needs to live in fear that his or her personal liberties and the right to property will be violated. A key tenet of the Vision 2030 is underpinned by the fact that it transcends any government of the day and therefore must be owned by Kenyans of all cultures, races, religions and geographical locations.

The regional development policy will contribute directly to the three pillars as follows:

Economic Pillar:

The main objective of the regional development policy is to enhance the economic performance of the regions. The cumulative effect of this will lead to the projected economic growth rate.

The Social Pillar

The regional development policy seeks to empower Kenyans by enabling them to participate in the planning process, identifying projects and monitoring and evaluating projects. This will ensure that there is equitable social development.

The Political Pillar

Once people are economically and socially empowered, they are able to participate effectively in political processes, thus enhancing the development of a democratic and accountable political system.

With the regional development policy in place, these policies would be mutually reinforcing, ensuring that the objectives and priorities of each are consistent and aligned to foster economic growth in a coherent and sustainable way.

2.4 REGIONAL DEVELOPMENT EXPERIENCES FROM OTHER COUNTRIES

24 The concept of regional development policy is not unique to Kenya. Countries such as USA, UK, India, Australia, and Canada have developed and implemented regional development policies in an attempt to attain balanced development in their countries. The following are some examples of regional development approaches drawn from various countries

2.4.1 TENNESSEE VALLEY DEVELOPMENT AUTHORITY

25 One of the most successful projects was the Tennessee Valley Authority, or TVA in the U.S.A, which was established during the Great Depression of the 1930s. TVA was established to deal with floods, deforestation, eroded land, scarcity of power, prevalence of diseases and inaccessibility in the Tennessee Valley.

26 The agency was provided with administrative freedom to meet the special requirements of its programmes and to adopt methods of administration that would enhance its efficiency and effectiveness. The agency used a coordinated and integrated development framework for improving agriculture and forestry in the river basin. Its integrated water control programme required both proper use of water resources and the conservation and preservation of the land resources of the region. The TVA therefore undertook the interrelated programmes of control and proper use of water resources, conservation and preservation of land resources and availing low-cost hydroelectric power. In carrying out these programmes the authority worked in cooperation with federal and state agencies, including the agricultural extension service agencies and universities.

27 The TVA was a great success almost from the beginning as it helped ease some of the social and economic hardships not only in the state of Tennessee but also in parts of Kentucky, Alabama, Georgia, North Carolina, and Virginia. The effects of this land-use program on the lives of the people were evident. Being a region that was predominantly agricultural, the productivity of the land was critical. The availability of improved phosphates and low cost electricity enabled farmers to improve their farm productivity, reduce drudgery in the home and on the farm, and to enjoy modern social and economic improvements due to enhanced cheap power supply. Now, as the nation's largest system, TVA serves an area of 207,000 square kilometres in parts of seven states with a population of near 6.9 million. The TVA has developed the Tennessee River system into one of the most completely harnessed of any of the world's major river systems. The key lesson from the TVA experience was that the projects transcended state boundaries covering various states and that the US Government recognised

and facilitated the implementation of an integrated regional approach t... ional planning.

2.4.2 England's Regional Development Agencies

28 There are nine regional development agencies in England. The RDAs were established under the Regional Development Agencies Act 1998. The ninth, in London, was established in July 2000 following the establishment of the Greater London Authority (GLA). Their mission is stated as 'Transforming England's regions through sustainable economic development'. Their primary role is to act as strategic drivers of regional economic development in their regions. They were also expected to co-ordinate regional economic development and regeneration thus enabling the regions to improve their relative competitiveness.
Under the Regional Development Agencies Act 1998, each agency has the following five statutory purposes:

- To further economic development and regeneration;
- To promote business efficiency, investment and competitiveness;
- To promote employment;
- To enhance development and application of skills relevant to employment;
- To contribute to sustainable development.

The 1998 Act required the RDAs to develop strategic plans that would guide the development of their respective regions. The ACT also provided statutory and non-statutory guidance to the Agencies on the formulation of the overall plans as well as clear priorities and strategies for improving regional economic performance. The aim was to ensure that regional opportunities are fully exploited and that those responsible for economic decision-taking are working effectively together, with common goals and accepted priorities for regional development. The RDAs are obliged to review their plans to ensure that they remain relevant to the changing demands of the regions.

It is noteworthy that, unlike the case with Kenya's RDAs, Government agencies in the regions in England support and work with the RDAs and other stakeholders to deliver regional and national policy objectives. The Government offices also have the responsibility of being the 'eyes and ears' of Government Departments in the regions, in particular reporting on the performance of the RDAs to parliament through ministers. Mechanisms were also established to ensure that RDAs are responsive to regional issues and that they are fully accountable to the stakeholders.

Key lessons emerging from the England RDAs include:

- Formulation of strategic plans comprising of a clear vision, mission and priorities for each region;
- All agencies work and support RDAs to deliver regional and national policy objectives;
- Government officers monitor and evaluate the RDAs through their ministers in parliament;
- Mechanisms are provided to ensure that RDAs are responsive to regional issues and are accountable to their stakeholders.

2.5 OTHER MODELS OF RIVER BASIN-BASED DEVELOPMENT FROM AFRICA:

1. The Lesotho Highlands Water Project

29 Lesotho is a mountainous, land-locked country completely surrounded by South Africa. The powerful rivers that drain the region had virtual natural flow until the 1990s, as the Eastern Highlands are remote and sparsely inhabited by rural communities, and the rivers flow through deep gorges that provide little opportunity for urban or rural agricultural development. Being one of the poorest countries in the world, the only resource that could be exploited was the abundant water river in the country. Accordingly the Lesotho Highlands Water Project (LHWP) was established by Treaty between the Governments of Lesotho and South Africa in 1986. Its prime purposes were to transfer water from the highlands of Lesotho to South Africa and to generate hydropower for use in Lesotho.

The 1986 Treaty set out provisions for utilization of the water including the amount of water that could be diverted for project development. The Treaty made environmental and social commitments to environmental management, maintenance of livelihoods and compensation for losses.

30 The Lesotho Highlands Water Project (LHWP) is acknowledged worldwide as a remarkable engineering feat. Located in inhospitable terrain and defying nature, the water transfer project comprises of a network of dams and transfer tunnels that store and convey water from the land-locked mountain state of Lesotho to South Africa's industrial heartland–Gauteng. The LHWP has been named the project of the century by the South African Institution of Civil Engineering. The heart of Phase 1A of the LHWP is the Katse Dam, which is one of the most spectacular structures of its type in the world and the highest dam in Africa. With a storage capacity of 1 950-million m^3, it is a double curvature concrete arch dam measuring 185 m in height with a crest length of 710 m. Other key components of Phase 1A are many kilometres of transfer and delivery tunnels, the Muela Dam, with a total storage of 6-million m^3, and the Muela hydropower station, which has three 24 MW turbines. An intensive infrastructure was built to support the dam. This included border crossings; three mountain passes (such as the Mafika pass, which at 3, 090 metres above sea level, is the highest in Southern Africa), 193 km of tarred roads and four large bridges. Social amenities including more than 200 houses in five construction villages, five clinics and a trauma unit were established. In addition, microwave telecommunications were established along with 45 km of power lines.

31 The three principal structures of the project are the Mohale Dam to the south west of the Katse Dam, an interconnecting tunnel that links the Mohale and Katse Reservoirs, and the Matsoku River diversion weir, which diverts water into the Katse Reservoir. The dam has a reservoir storage capacity of over 950 million m^3 of water. It has a crest length of 600 m and is 12 m thick at the crest. Due to the occasional good rains, it filled to its full supply level by early 1998 when nature tested the free-flowing spillway and the performance of the dam under full loading conditions. Since then a balance of good rain and the delivery of water to South Africa have kept the dam at or near to its full supply level. LHWP is a gem in Africa's civil engineering history, one in which local engineers can take extreme pride. The key lessons from this case study are the

use of international treaty for the use and management of resources across national boundaries, benefits of irrigation, power generation and the technical prowess to overcome the physical constraints.

2. Gezira Scheme (Sudan's fertile triangle)

32 The Gezira scheme was founded in 1913 and it became the most important agricultural scheme as well as the largest government farm under one management in Sudan. The Gezira scheme comprises 12% of the total cultivated area in the country and serves an area of 153415 ha. The main crops under production are cotton, sorghum (dura), wheat, groundnuts and vegetables. South of Khartoum the Blue and White Niles form a triangle that stretches for some hundreds of kilometres. This area has been the granary of Sudan since the time of the Pharaohs. Gezira – Arabic for island – has also provided one of the country's major exports, cotton. When the Gezira Agricultural Scheme was set up a century ago, it was probably the largest project of its kind in the world.

At independence, the Republic of Sudan had approximately two million acres under the irrigation canals. With the exception of some pump schemes on the main Nile, all the works had been built to generate export revenues from the sale of long-staple cotton. These irrigation schemes are highly important to the economy of Sudan. Since the opening of the initial 300,000 acres of the Gezira in the late 1920s, cotton has provided most of the country's export earnings, and its irrigation potential was by no means exhausted.

3. The Aswan Dam in Egypt

33 Egypt has always depended on the River Nile for its agricultural production. Before the building of a dam at Aswan, Egypt experienced annual floods from the Nile, which deposited 4 million tons of nutrient-rich sediment, which enabled agricultural production. This process started millions of years before Egyptian civilization began in the Nile valley and continued until the first dam at Aswan was built in 1889. This dam was insufficient to hold back the water of the Nile and was subsequently raised in 1912 and 1933. In 1946, the true danger was revealed when the water in the reservoir peaked near the top of the dam, posing a huge risk of flooding in the region.

34 In 1952, the Government of Egypt, decided to build a High Dam at Aswan, about four miles upstream of the old dam. In order to build the dam both people and artefacts had to be moved. After years of construction, the resulting reservoir formed a large artificial lake. The lake holds 137 million acre-feet of water. About 17 percent of the lake is in Sudan and the two countries have an agreement for distribution of the water. The dam benefits Egypt by controlling the annual floods on the Nile, and prevents the damage, which used to occur along the flood plain. The High Dam provides about a half of Egypt's power supply and has improved navigation along the river by keeping the water flow consistent.

35 The High Aswan Dam effectively converted a highly variable intra-annual Nile flow into a predictable source of a constant water supply. The dam water is available for release any time during the year, so seasonal variability can be manipulated to deliver supplies of water that match the optimal intra-annual demand pattern. The economic benefits of providing a highly reliable and non-flooding water supply to Egypt are as follows:

- It has saved Egypt from devastating floods and the resulting loss of summer harvests, damage to infrastructure, and loss of life;
- The High Dam water has been used in reclaiming about 480,000 hectares;
- Perennial irrigation of about 340,000 hectares has replaced basin irrigation;
- Rice and sugar cane production has increased considerably;
- The High Dam turbines generate an average of 8 billion kilowatt/hour used in industry and the electrification of all towns and villages in Egypt;
- The High Dam has facilitated navigation up and down the Nile all the year round;
- The use of an international treaty for resource utilization across the national borders.

2.6 Relevance of Experiences to Regional Policy

36. The foregoing experiences have yielded some key lessons that will be useful for the regional policy in Kenya. In all the examples there have been specific benefits accruing to the regions. In each case, the projects cover large tracts of land stretching beyond the boundaries of individual administrative units and sometimes beyond the national boundaries. Most of the areas cover sub-national or intermediate levels of regions within individual countries and as well as between two different national territories.
In the case of England, regional development authorities were established to coordinate development activities. The purpose was to transform the regions through sustainable economic development. The RDAs worked through cooperation with national, regional and local government agencies and non-governmental agencies. The RDAs provided guidance to the other agencies in the development of strategic plans for their region. The aim was to ensure that regional opportunities are fully utilised and those responsible for economic decision taking were working effectively together with common goals and accepted priorities for regional development. Finally, Government and other development agencies in the regions supported and worked with RDAs to deliver regional and national development objectives.

In the TVA case, the project made significant contribution towards easing of social economic problems that the region had faced for a long time. The project also improved production and productivity of the land and availed low cost electricity. The TVA system has developed into a completely harnessed river system for social economic development. In Lesotho, the economic benefits included the construction of dams, the extraction and export of water to South Africa, generation of hydroelectric power, irrigation for improved agricultural production and the development of infrastructure and settlements as well as microwave telecommunication system. While for Gezira in Sudan there was increased agricultural production due the establishment of irrigation schemes. Finally in Egypt, the Aswan dam contributed to the control of annual floods, utilisation of the rich alluvial deposits, reclamation of irrigation land, agricultural production, and generation of electricity for industry and electrification of towns and villages.

Overall therefore these experiences from the different countries have demonstrated that if well managed, region resources can yield economic benefits to the specific regions as well as to the country.

3.0 REGIONAL DEVELOPMENT AUTHORITIES BOUNDARIES

38 Regional development policy focuses on efficiency, effectiveness and equitable development patterns across national geographic space through stimulation of sustained economic growth. Regional development policy is a sensitive issue as it affects several local interest groups where certain groups gain while others have their influence reduced depending on the territorial arrangements. Some settlements may lose their previous territorial unity, or they may face new opportunities, which require a degree of adaptation. Changes, which upset the status quo due to the unforeseeable outcome of the process, may provoke resistance from those affected. Therefore, defining the territorial framework for the regional development policy is far from being purely a professional and scientific issue because regional economies are shaped by a mass of independent factors and every region is affected by a different set of conditions and opportunities.

39 Global experience in regional development has revealed that the natural resource criterion, particularly river drainage basins and flood plains, is the most common basis for demarcation of regions. The regions established using this criterion are broad based spanning over several administrative, ethnic and geographical units (e.g. states in USA or local authorities in England). Some even cut across national boundaries (e.g the Lesotho Highland Water Project-South Africa, and Lesotho), and the Aswan High Dam (Sudan and Egypt). These experiences indicate that for regions to be sustainable, they have to:

- Be based on physical, geographical and resource factors such as river basins and catchments or common coastal frontage
- Be large enough to encompass a reasonable variety of resources that guarantees self sufficiency and large scale utilization

- Cut across different social cultural and administrative boundaries due to the scale of the problems associated with resource utilisation.
- Ensure that once the boundaries of the RDAs have been established, they should not be open to frequent changes as this compromises their sustainability.

40 For purposes of this regional development policy, regions will continue to be demarcated on the basis of physical, geographical and resource factors including river catchments and drainage basin rather than either political and administrative or socio-economic criteria due to the following reasons:

- Administrative definition is prone to over fragmentation since it entails reducing sizes of units for effective administration. Community groups may politically wish to lobby for their own regional units. This would increase the cost of managing the regions thus overstretching the meagre resources available for development;
- Other socio-economic criteria (population income levels and poverty indices) are prone to dynamic changes, which are not capable of providing stable and sizeable territorial units for analytical and consistent units for development programmes. This also leads to fluid boundaries which are inappropriate for planning purposes;
- Physical, geographical and resource factors produce more stable and reliable scale of units for policy formulation and implementation purposes. Regions are also more unified within the catchments area through evolving a common purpose for natural regional resource utilisation and development;
- It facilitates the realisation of economies of scale in the utilisation of regional resources for effective development since it will provide a larger unit of planning than the district level or province;
- It serves to empower the local communities as owners of resources and it enhances sharing of the benefits accruing from utilisation and management of local resources;
- It is cost effective given that changing boundary units will demand more reorganisation and legal, financial and human resources for implementation of the process;

3.1 REALIGNING THE REGIONS

41 From the stakeholder workshops it was noted that the main problem affecting the current demarcation of Regional Development Authorities was associated with the existence of overlaps and conflicts especially in areas where the demarcation was not clear, such as the case of Coast Development Authority and Tana and Athi River Development Authority. In addition, some districts fall within two regional development authorities such as; Nyandarua District which lies between Ewaso Ngiro North Development Authority; and Ewaso Ngiro South Development Authority; Nakuru District which lies between Lake Basin Development Authority and Ewaso Ngiro South Development Authority; Elgeyo District which lies between Lake Basin Development Authority and Kerio Valley Development Authority. These boundary overlaps and the resultant conflicts over jurisdictions have often led to delays in the initiation and implementation of projects.

42 The initial stakeholder consultations had indicated that the most significant overlap that needed to be resolved was the one between Coast Development Authority and Tana and Athi River Development Authority. The overlap is outstanding because of the large area covered and the scale of conflicts, which arises in the process of initiating and operating projects over the lower TARDA area and the coast region.

43 However, when the issue was subjected to discussion to the broader stakeholder groups, it was agreed and strongly recommended that the two authorities concerned should develop resource utilization and conflict resolutions charters. It was also agreed that the proposed legal framework would review these boundaries and if necessary realign the regions.

44 Accordingly the stakeholders recommended that the regions remain as per the current demarcations as given in their respective ACTS of Parliament, namely:

1. **Lake Basin** region covering the Lake Victoria drainage catchment basin. It covers an area of about 39,000Km^2, which is approximately 6.8% of Kenya total landmass with an estimated population of 14m. It covers Nyanza and Western

provinces and parts of Rift Valley province, consisting of 27 districts and 72 constituencies;

2. **Kerio Valley** region covering the area drained by and bounded by the water sheds of the Kerio and Turkwel rivers and their tributaries draining into Lake Turkana. It covers approximately 96,285 Km^2, which is approximately 16% of Kenya's total landmass with an estimated population of 2m. It comprises parts of the North Rift Valley province and covers seven Districts and 16 constituencies. The districts are Baringo, Turkana, Koibatek, Keiyo, Marakwet, West Pokot and peripheral Western part of Samburu district.
3. **Ewaso Ngiro North** covering Ewaso Ngiro North river basin and the catchment areas situated within Isiolo, Laikipia, Samburu, Marsabit, Wajir, Garissa and Mandera Districts including parts of Nyandarua, Nyeri and Meru Districts. It covers North Eastern Province, parts of central and Eastern provinces. It covers approximately 209,576Km^2, which is approximately 36.4% of Kenya total landmass with an estimated population of approximately 2.3m;
4. **Ewaso Ngiro South** covering Ewaso Ngiro south river basin and the catchment areas situated within Narok, Kajiado, Nyandarua and Nakuru Districts. It covers parts of lower South Rift provinces and about 14 constituencies. Area covered is 47,000Km^2, with an estimated population of 5 million.
5. **Tana and Athi River** region covering the area drained by and bounded by the watersheds of Tana and Athi rivers and their tributaries. It covers parts of central, and lower Eastern provinces with an approximate area of 167,000 Km^2 with an approximate population of 13 million. It comprises 18 Districts and about 60 constituencies;
6. **Coast region** covering the Exclusive Economic Zone (EEZ) covering 200 nautical Miles into the Indian Ocean; the buffer zone covering 150 nautical miles into the Indian Ocean after the Economic zone, parts of Coast province and parts of North Eastern province. The districts covered are Kwale, Tana River, Taita Taveta, Kilifi, Malindi, Lamu, Mombasa, and Ijara with a total of 22 constituencies. The area covered is 83,681Km^2, with an estimated population of 2.7m.

4.0 POLICY FRAMEWORK

4.1 OVERALL GOAL

45 The overall goal of regional development policy is to achieve equitable and balanced national social economic development through the promotion of sustainable utilisation of resources and the promotion of resource based investment in the regions for the benefit of the communities.

4.2 Specific Policy Goals:

The specific policy goals are to:

a) Promote integrated regional development planning as a tool for enhancing balanced economic growth;

b) Establish an efficient and systematic institutional framework to achieve balanced regional development;

c) Promote sustainable utilization of natural resources and resource based investments in the regions;

d) Promote strategic focus and coordination of regional development activities among the various agencies involved in regional development;

e) Promote community participation in resource utilization;

f) Monitor and evaluate developments in the regions to ensure equitable and sustainable patterns of development that meet the needs of rural communities;

g) Develop and establish an equitable pattern of market centers and towns to facilitate balanced regional development;

h) Develop an effective and sustainable financing system to support regional development activities;

i) Develop and implement a framework for monitoring and evaluating regional development activities;

j) Build and strengthen the capacities of regional development institutions at all levels.

4.3 POLICY OBJECTIVES:

The specific policy objectives are to:

i. Establish mechanisms for integrated planning at regional and local levels;
ii. Formulate and implement policy guidelines for economic utilization of resources in the region in consultation with the relevant agencies.
iii. Develop resource utilization charters for conflict resolution, arising from across regional jurisdictions.
iv. Establish all inclusive mechanisms for mobilizing local communities to participate effectively in regional development and benefit from resource utilization within the regions;
v. Develop and implement a framework for monitoring and evaluating regional development activities
vi. Build and strengthen the capacities of regional development institutions at all levels.
vii. Strengthen infrastructure and service linkages between existing and new market centers and towns.

5.0 INSTITUTIONAL FRAMEWORK

48 Regional development activities are implemented by many agencies including sectoral ministries, local Authorities, NGOs, CBOs, faith based institutions, state corporations and private sector agencies. However, poor coordination and weak monitoring of the activities has led to duplication of projects, overlaps and conflicts, all of which have reduced the impact of these organizations.

49 The solution to this problem calls for establishment of an institutional framework that entrenches regional development in the national development framework as well as providing a coordinating mechanism that will facilitate linkages among the various players. To achieve this, the office of the Director of Regional Development (DRD) has been established. However, the office should be entrenched in the proposed regional development ACT in order to ensure its permanence and continuity. This office will be mandated with the responsibility of ensuring that the goals and objectives of the regional development policy are achieved. Its role will be to:

i. Provide policy direction, oversight and monitor the implementation of regional development activities;

i. Assist RDAs build capacities to ensure that they discharge their mandate;

ii. Synthesise and prioritize regional development plans to reduce inter-regional disparities;

iii. Ensure public accountability in the implementation of regional development activities; Provide guidance and support in the preparation and consolidation of RDA's corporate plans and budgets;

iv. Establish linkages with other sectoral players; Draw the attention of stakeholders to inter and intra- regional disparities.

5.1 The Role of Regional Development Authorities

In line with the stakeholder views and recommendations, the role of the RDAs will be redefined in order to ensure that they become more effective instruments of regional development and growth.

5.1.1 Current RDA Functions:

50 The RDAs were established on the basis of river basins, catchments and coastal resources in Kenya. The main aim for their establishment was to rationalize equitable and balanced sustainable regional and national development in the country. To achieve this objective, the Acts mandated the authorities to perform the following functions:

1. To plan for the development of their areas and initiate project activities identified from such planning;
2. To develop up-to- date long range development plans for their respective areas.
3. To initiate such studies and carry out such surveys of the regions as maybe considered necessary by the Government or Authority and to assess alternative demands within the region on the natural resources thereof, and to initiate, operate or implement such projects as maybe necessary to exploit those natural resources including agriculture (both irrigated and rain fed), forestry, wildlife and tourism industries, electric power generation, mining and fishing and to recommend economic priorities;

4. To coordinate the various studies of schemes within the area such that human, water, animal, land and other resources are utilized to the best advantage and to monitor the design and execution of planned projects in the area;
5. To effect a programme of both monitoring and evaluating the performance of projects within the area so as to improve such performance and establish responsibility thereof and to improve future planning;
6. To coordinate the present abstraction and use of natural resources, especially, water within the area and to set up an effective monitoring of abstraction and usage;
7. To cause and effect the construction of any works deemed necessary for the protection and utilization of the water and soils of the area;
8. To ensure land owners in the area undertake all the measures specified by the authority to protect the water and soils of the area;
9. To maintain a liaison between the Government, the private sector and other interested agencies in the matter of the development of the area with a view of limiting the duplication of effort and to ensuring the best use of the available technical resources;
10. To examine the hydrological and ecological effects of the development and evaluate how they affect the economic activities of the persons dependent on river environments;
11. To consider all aspects of development of the area and its effects on the rivers inflow and outflow.

5.1.2 CONSTRAINTS OF CURRENT REGIONAL DEVELOPMENT AUTHORITIES FUNCTIONS

51 During the stakeholder consultations, there was consensus that the current mandates of the RDAs, as stipulated in their respective ACTS, were very broad and as a result, the RDAs could not define their core mandates. As a result of the lack of clarity on their mandate, RDAs have suffered from operational overlaps and conflicts with national, sectoral, and other statutory institutions and development agencies at all levels. In the absence of a policy framework to guide their operations the RDAs, have been unable to define their core business.

As a result they have diminished strategic focus and have therefore not been as effective in fostering regional development. At institutional level, RDAs are faced with the following constraints:

- Weak institutional support due to frequent transfers to different ministries;
- Insufficient Funding;
- Unclear policies on ownership of assets;
- Poor governance;
- Weak institutional capacities;
- Overlaps and conflicting mandates with other agencies leading to hostility and lack of support for the RDAs;
- Inability to attract investments and funding due to lack of a policy framework

52 In order to resolve these challenges, RDAs will be restructured and revamped with a clearly defined core business, transparent and accountable governance systems, lean management structures and an appropriate financing framework. The rationale for maintaining and strengthening the RDAs is based on recognition that factors driving productivity, such as skills, investment and enterprise and resources vary from region to region and that market failures need to be addressed at the both national and regional levels. There is therefore need to establish a delegated institutional framework which can facilitate a more balanced regional development. In line with the stakeholder recommendations, RDAs will be anchors and foundations on which national development policies can rest as they will provide an interface between national level plans and grassroots plans.

5.1.3 REVISED RDA FUNCTIONS:

53 In order to make RDAs more effective vehicles for development, their primary role will be to act as strategic drivers of regional economic development in their respective regions. In order to do so, they will focus on a clearly defined core business, performing the following functions:

a. Formulation of integrated regional development plans in consultation with other stakeholders. In this role, the RDAs will be charged with drawing up the Integrated Regional Development Plans (IRDPs) ensuring that the plan is owned by the whole region and prudently drawing on the resources of all the major partners in the region;

b. Conducting comprehensive resource mapping, establishment of resource data banks and identifying resource based investment opportunities in the regions;
c. Promotion of resource based investment and conservation of resources in the regions;
d. Act as clearinghouses for resource-based integrated investments in the regions. In this role the RDAs will vet and approve all resource based multi-sectoral and inter-regional investments in the region in order to ensure that such investments meet the priority needs of the region and that mechanisms for community participation in the investments have been established;
e. Monitoring and documenting the levels of development in their regions and disseminating the information to various stakeholders;
f. Initiating and marketing multi-sectoral development projects;
g. Establishing mechanisms and instruments for empowering local communities to participate in regional development activities;
h. Establishing mechanisms for ensuring equitable compensation and benefit sharing for the local communities arising from the economic exploitation of resources in their regions;
i. Establishing mechanisms for coordinating the implementation of national and sectoral policy programs within the region;
j. Establishing an enabling investment climate in the regions.

These functions and the relevant instruments for performing them will be entrenched into the proposed regional development ACT in order to empower the RDAs to perform them effectively.

5.1.4 Governance and Management of RDAs

54 As noted by stakeholders, weak governance systems have impeded the RDAs' ability to discharge their mandates. To address this weakness, the Governance system for RDAs will be strengthened in line with current best practices of corporate governance. The board size for RDAs will be trimmed to a maximum of 13 members, drawn from key stakeholder groups as opposed to the

current number of 24. Some of the governance requirements, which will be entrenched in the law, include:

- The selection criteria- (based on key regional stakeholder representation rather than on regional representation);
- Lean size-(not more than 13 members);
- Functions of the Boards - drawing a line between policy and operational functions (as per the Government Circular No. OP/CAB.9/21/2A/LII/43 entitled "Guidelines on Terms and Conditions of Service for State Corporations" dated November 23rd 2004);
- Mandatory training of board members to enhance their skills;
- Supervision of the boards;
- Board policies and procedures;
- Terms and conditions of Tenure of service for the boards, replacement and appointment of new members.

55 The current system of appointing top managers of RDAs is inconsistent with best practices of good corporate governance. Accordingly, guidelines for the recruitment of top managers will be developed in order to ensure that skilled and competent managers for the RDAs are recruited in a transparent process. The guidelines for recruitment of Boards and managers will be incorporated in the new Regional Development ACT.

5.2 Co-ordination framework for regional development activities:

56 There are a number of Government and non- governmental agencies involved in regional development activities. During the stakeholder consultations, lack of coordination among these players was cited as a major factor that has derailed regional development. Thus there is need to establish an effective coordination mechanism to improve linkages among the players. Effective coordination requires a clear understanding of the role of each of the players involved in regional development. This is necessary in order to avoid duplication of efforts and misallocation of resources. Accordingly RDAs will be mandated to co-ordinate the activities of the various actors in regional development. The RDAs' strategic role will be to mobilise key regional and sub-regional partners to support the achievement of regional economic development priorities as well as to contribute to the integrated regional plans in their respective regions. As authors of the IRDPs

and through their relationships with local economic agents, RDAs should be the logical nexus for leading and coordinating regional development activities.

To facilitate this role, the Regional Development ACT will mandate the RDAs to perform the following coordinating functions:

a. Preparation of Integrated Regional Plans.
   All agencies involved in regional development activities will be required to prepare their plans in line with the objectives and priorities articulated in the the IRDPs. They will also be required to submit their plans to RDAs to for consideration and submission into the integrated plan;
b. Membership to District Development Committees.
   This will ensure that the regional development agenda is mainstreamed into the district development framework;
c. Approve all major multi-sectoral and inter-regional projects;
d. Monitor and evaluate the implementation of the IRDPs in their respective regions;
e. Document and articulate regional issues and effectively disseminate them to relevant stakeholders;
f. Establish regional all-inclusive stakeholder forums.

5.2.1 INTEGRATED REGIONAL DEVELOPMENT PLANS (IRDPs)

57 From the stakeholder consultations, it was noted that there are no mechanisms that provide an interface between national plans and local level plans. This has created a major gap that has contributed to the unbalanced regional development in the country. In order to address this gap, regional development authorities will be mandated to develop Integrated Regional Plans (IRDPs). The Integrated Regional Development Plans are all inclusive multi-sectoral and integrated long term plans for the development of the regions.

The fundamental purpose of the IRDPs will be to improve economic performance and enhance the regions' competitiveness, addressing market failures that prevent sustainable development, regeneration and business growth in the regions. IRDPs are expected to provide a coherent framework for sustainable development in the regions as they will translate national and sectoral policies goals into region specific contexts. The plans will also identify regional resources, investment, opportunities and priorities for development that require government intervention and assistance.

58 In developing the IRDPs, comprehensive consultations and appraisals will be carried out in order to identify how the RDAs and their partners will contribute to sustainable development of the regions. The IRDPs will thus concentrate on the key economic issues for the region and in so doing, ensure that the partners in the sectors in the region agree upon regional priorities. The IRDPs will focus primarily on those areas that justify action at the regional level while also providing the context for sub regional and local economic and social development. Underpinned by a sound evidence base, the plans will set out a vision for the regional economy, which will ensure better strategic focus for, and co-ordination of activities in the region for all the development agencies in the regions. Finally, the IRDPs will be a major tool for policy dialogue between the Central Government and the regions thus ensuring that regional development is recognized and entrenched in the overall Government policy making structure.

6.0 THE LEGAL FRAMEWORK

60 The six Regional Development Authorities were established under six different Acts of Parliament as follows:

i) The Tana and Athi Rivers Development Authority (TARDA); CAP 443; 1974;

ii) Kerio Valley Development Authority (KVDA); CAP 441; 1979,

iii) Lake Basin Development Authority (LBDA); CAP 442; 1979,

iv) Ewaso Ng'iro North River Basin Development Authority (ENNDA); CAP 448; 1989,

v) Ewaso Ng'iro South River Basin Development Authority (ENSDA); CAP 447; 1989,

vi) Coast Development Authority (CDA); CAP 449; 1990.

6.1 PROVISIONS

The ACTS have the following provisions:

Establishment and Powers of the Authorities

- Membership;
- Meetings and procedures;
- Seal and execution of documents;
- Committees;
- Functions of the Authorities

Administration

- Appointment and remuneration of staff
- Sources of Funds;
- Accounts and Audit;
- Annual Audit

Miscellaneous Provisions

- Protection of members of staff
- Exemption from stamp duty
- Regulation

61 All these provisions are common to the five river- basin based authorities (LBDA, TARDA, ENSDA, ENNDA, KVDA), with the exception of Coast Development Authority, which is not river basin- based. An analysis of the legal framework revealed some

inherent weaknesses that have constrained the operations of the RDAs. Generally, the fragmented legal framework' creates a perception that these institutions are autonomous entities, with their own distinct mandates. The RDAs are thus not obligated to pursue a common agenda for development. Indeed a review of the current operations of the RDAs shows that while they may have common interpretations of their mandates, they are all pursuing different priorities. The lack of a harmonized regional development approach by the RDAs has undermined their relevance and impact as important vehicles for regional development.

6.2 Specific areas of weakness in the ACTS are as follows:

6.2.1 Governance

a). **Size of the Board**

The ACTS established a 24 member Board comprising of 8 permanent Secretaries, Provincial Commissioner, Inspector of State Corporations and 12 members drawn from the region, without regard to their qualification or skills.

By any standards, these are very large boards, which have both economic and operational implications on the Authorities. Economically, the Authorities incur high costs of maintaining such large Boards (allowances, transport, accommodation etc). Operationally, the large Boards have been associated with bureaucratic procedures, inability to achieve consensus, divided loyalties and conflicting interests which often leads to operational paralysis.

b). **Appointment of the Board members**

The appointment of the 12 members of the board is vested in the Minister. The Acts do not specify which Minister-thereby creating a legal anomaly that could be challenged. In addition, other than a requirement that ten of the board members must be from the region, the Acts do not specify any other criteria for the appointment of Board members. As a result of this anomaly, political considerations have seemingly overshadowed any other objective criteria. Thus the authorities have operated with top-heavy boards which may have contributed to some of the current problems being experienced by them.

c). **Tenure of the Board**

Boards serve for a fixed term of three years at the end of which, all members must retire. With no guarantee that any member will be reappointed, there is lack of continuity as new boards often bring in new priorities and strategic orientations. Thus the boards are likely to be caught up in perpetual three-year transition cycles that may impede the sustainability of the RDAs.

6.2.2 Administration

The management of the Authorities is vested in the Managing Director, who is an appointee of the Minister. The ACTS do not stipulate any criteria that would ensure the appointment of competent people to manage the Authorities. The RDAs are thus exposed to the risk of having people who are appointed on non-meritorious considerations. The government has recently stepped in by issuing guidelines on appointments that are yet to be institutionalised.

The RDAs were established on the basis of coastal resources and catchments as well as river basin areas. The main aim of creating them was to attain equitable and balanced socio-economic and environmental regional development throughout the country. To achieve this, the ACTS mandated the authorities to promote investments in natural resources-agriculture, livestock, fisheries, forestry, water, wildlife and tourism, minerals, and hydropower generation through the multi-sectoral integrated approach. As previously discussed, these functions are too broad and in some cases seem to overlap with functions of other agencies. In addition, the ACTS do not provide the legal instruments empowering the RDAs to perform these functions. Therefore without a clear legal mandate, the RDAs cannot effectively perform all the functions that require the cooperation of other agencies, such as; developing long range plans, monitoring and coordinating development activities, ensuring landowners undertake measures to protect natural resources such as water and soils and maintaining liaison between the Government, the private sector and other agencies etc.

6.3 REVIEW OF LEGAL FRAMEWORK

63 To overcome these weaknesses, the legal framework will be revised as follows:

- The ministry will embark on a process of repealing the various Acts and in its place a single Act for regional development to be known as Regional Development Act will be formulated;
- The Act will recognize the new institutional framework as proposed by this policy, specifically creating and empowering the office of the Director for Regional Development, redefining the roles and functions of the RDAs and entrenching good corporate governance practices for the RDAs within the legal framework;
- The Act will recognise the role that IRDPs will play in the process of national planning;
- The Act will provide the instruments that will empower RDAs to perform their roles as defined in the policy;
- The Act will obligate all development agencies to submit their development plans for consideration and incorporation into the integrated regional development plans;
- Given that each RDA has its own unique natural resources and unique challenges, each RDA will develop a corporate plan to guide their operations;
- The Act will facilitate participation of RDAs public-private partnerships to guide RDAs in their negotiations with potential;
- The Act will stipulate stiff penalties for non-compliance to its provisions;

6.4 COMMUNITY PARTICIPATION

64 Local communities have often been marginalized in the process of economic exploitation of resources. This has created conflicts between locals and investors, especially where communities are forcibly removed from their homes in order to make way for establishment of projects. In many cases the compensation is inadequate and the communities have no direct stake in the future returns accruing from

such investments. In the absence of a policy and legal framework, such communities have no legal or other ways to seek redress.

65 In order to address this weakness, one of the goals of regional development policy is to facilitate community participation in the regional development process. Accordingly institutional steps will be undertaken to facilitate community participation. The first step is to ensure that the structures existing at local community level (e.g. the community based organizations such as women's groups, farmer's groups etc.) will be used to facilitate community participation in the Integrated Regional Planning Process. Communities will also be involved in monitoring the implementation of projects. Finally, mechanisms and the appropriate instruments will be established to ensure that communities benefit from resource investments in their respective regions. The office of the Director for Regional Development will prepare guidelines for these processes.

6.5 PUBLIC-PRIVATE PARTNERSHIPS

Promotion of resource-based investments in the region has been constrained by a lack of a clear policy and legal framework to guide such partnerships. Each RDA has therefore pursued such partnership in ways that are not always beneficial to the regions. Issues such as ownership of assets, equity participation, sharing in the returns, community participation in future earnings of the projects, proper compensation mechanisms, commissions and fees etc have not been clearly defined.

To address this problem, policy guidelines for Public-Private partnerships will be developed, ensuring that such partnerships are beneficial to the communities, the regions and the nation as a whole. These policy guidelines will be in line with the Government policy on Public-Private partnerships.

7.0 FINANCING FRAMEWORK

68 Stakeholders noted that that there are various channels of funds flowing into the regions for purposes of development activities. The main sources of funding are as follows:

- Central Government through direct budgetary allocation to the various ministries and to the RDAs;
- Local Government;
- Development partners;
- NGOs
- Special Projects Funds (these include; CDF, Roads Levy, Aids Funds etc).

69 However, none of these funds are specifically designated for regional development. Since the implementation of the regional development activities outlined in this policy requires substantial funding, there will be need to enhance the funding levels for these activities. The main sources of funding will be as follows:

(a) **Direct Budgetary Allocation**

The current level of funding to the RDAs and the Ministry of Regional Development Authorities is inadequate to finance the wide array of regional development activities. Given that the Integrated Regional Development Planning will play an important role in the preparation of National Development Plans, the budgetary funding towards RDAs and the Ministry will be increased in line with the budgets that will be submitted. The major activities that require substantial funding are the preparation of integrated regional plans, regional resource mapping and establishment of data banks. The Ministry and the RDAs will be expected to prepare realistic budgets based on the principle of efficiency and cost effectiveness of operations in line with the Government's budgeting framework.

(b) **Service Fees**

In line with current practises existing in other government agencies, the policy encourages RDAs to be innovative in developing services and products on which they can levy fees in order to enhance their financial sustainability and reduce over reliance on funding from the exchequer.

(c) **Private /Public partnerships**

One of the functions of the RDAs will be to identify and initiate resource based multi-sectoral and multi-regional projects. In their new role of facilitators, RDAs are not expected to manage these projects on a long term basis. Instead, they will be expected to attract private investors to manage theses projects within the context of Private/Public Partnerships. It should be noted that the Government is in the process of formulating a policy on Public/Private partnerships and given that RDAs are state corporations, they will be expected to comply with the requirements of this policy. The framework for such partnerships will be developed and incorporated into the proposed regional development ACT. It is envisaged that RDAs will earn some revenue from such partnerships through lease assets or divestiture.

(d) **SPECIAL PROJECT FUNDS**

As noted earlier, there are various special funds within the regions (CDF, LATF, Aids fund and Roads Levy). It is recognised that many of these funds have their own legal frameworks that define the types of projects that they can fund. However, it is expected that these projects will be incorporated within the integrated regional planning framework thus allowing regional development activities to be funded from these special project funds.

(e) **PROJECT-BASED FUNDING**

RDAs will be encouraged to develop projects that are relevant to the development needs of their regions and to seek for funding from development partners through the government, private sector as well as from local communities.

8.0 MONITORING AND EVALUATION:

70 In order for any policy to remain relevant over time, it is essential to record and measure changes as well as the overall performance of the policy. Tracking and monitoring of the policy will be achieved by setting appropriate indicators and targets. Accordingly the Ministry will set indicators and targets and establish procedures and mechanisms to monitor and review the implementation of Regional Development Policy. The monitoring system will provide an early warning of challenges that may hinder attainment of the policy objectives.

71 The monitoring framework will also seek to assess the impact that the policy has had on regional and national outcomes and its contribution to drivers of productivity such as employment, income levels, investments etc. Finally, the monitoring will also seek to enhance the regional evidence base, in order to assist RDAs in developing their forward looking economic strategies based on a better understanding of which interventions work best, how they work and the circumstances that influence their success. The results of the monitoring process will be fed back into the national planning framework. The M & E process will also facilitate periodic reviews of the regional development policy.

9.0 IMPLEMENTATION FRAMEWORK

Goal	*Strategy*	*Activities to action the strategy*	*Responsibility*	*Timeline*
Promote integrated regional development planning	Ensure that the concept of integrated regional planning is adopted as the basis for national planning	Prepare cabinet memorandum on integrated regional planning	MORDA	July 2007
Provide a framework for bridging the gap between national, regional and local planning;	Establish appropriate institutional structures at national and regional levels;	National roll out of the RD Policy	MORDA	July 2007
		Establish Department of regional development	MORDA	March 2008
		Review the RDA ACTS and harmonize them into one Act	MORDA	March 2008
		Restructure RDAs in order to improve their governance and management systems;		July 2008
Promote sustainable economic exploitation of natural resources	Formulate and implement policy Guidelines for economic exploitation of resources	Convene stakeholder workshops to formulate guidelines for resource exploitation	MORDA	-August 2007
Promotion of resource based	Formulate legal framework for private	Convene investor forum for RDAs	MORDA -	December 2007

Goal	*Strategy*	*Activities to action the strategy*	*Responsibility*	*Timeline*
investments in the regions	public partnerships			
Ensure better strategic focus for and co-ordination of regional development activities among the various agencies involved in regional development;	Establish national stakeholder forum	Identify sectoral stakeholders and formulate terms of reference for establishing a national stakeholder forum	MORDA	December 2007
		Establish a data base of all stakeholders	RDAs	July 2008
Promote community participation in resource exploitation;	Develop and promote resource utilization charters	Convene stakeholder meetings and promote the concept of resource utilization charters	RDAs	
	Establish equitable compensation and benefit sharing mechanisms;	Support and coordinate stakeholder participation and inputs into the charters	RDAs	

Goal	*Strategy*	*Activities to action the strategy*	*Responsibility*	*Timeline*
Monitor development in the regions in order to provide feedback on the the process to all stakeholders	Establish a monitoring system comprising of indicators and outputs of development	Develop guidelines & processes systems for monitoring development in the regions	MORDA	February 2008
Strengthening the institutional capacity for regional development at national and regional levels	Develop/review appropriate structures at all levels	Conduct an institutional needs assessment for the regional development agencies at national and regional levels	MORDA	July 2008
		Review the operational departments of the ministry and establish adequate human capacity	MORDA	July 2008
		Establish adequate human resource capacity		
Promote sustainable funding for regional development	Establish mechanisms for tapping into various sources of funding	Identify existing and potential sources of funding Prepare and market funding proposals	MORDA	February July 2008 and ongoing