SOCIAL ECONOMIC BLUEPRINT FOR THE FRONTIER COUNTIES DEVELOPMENT COUNCIL (FCDC) 2018-2030

FCDC

THE WORLD BANK

RIMARKS

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ACRONYMS

AHADI	Agile and Harmonized Assistance for Devolved Institutions
ASAL	Arid and Semi-Arid Lands
CEC	County Executive Committee
CIDP	County Integrated Development Strategy
CRA	Commission on Revenue Allocation
DFRD	District Focus for Rural Development
ERSWEC	Economic Recovery Strategy for Wealth Employment Creation
FCDC	Frontier Counties Development Council
FGM	Female Genital Mutilation
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	Information Communication Technology
IGRTC	Inter-Governmental Relations Technical Committee
KADP	Kenya Accountable Devolution Programme
KDSP	Kenya Devolution Support Program
KDHS	Kenya Demographic Household Survey
KIHBS	Kenya Integrated Household Budget Survey
KOSAP	Kenya Off-Grid Solar Access Project
LAPSSET	Lamu Port -Southern Sudan- Ethiopia Transport
NARC	National Alliance Rainbow Coalition
NDMA	National Development Management Authority
NEDI	North Eastern Development Initiative
NETIP	North Eastern Transport Improvement Project
NFD	Northern Frontier District
NGOS	Non-Governmental Organizations
NPPCM	National Policy on Peace Building and Conflict Management
WDR	World Development Report
WSP	Water Service Providers
SD	Standard Deviation
TARDA	Tana and AthiRiver Development Authority

FOREWARD

The Frontier Counties Development Council (FCDC) was established by Governors of the counties of Mandera, Wajir, Garissa, Marsabit, Isiolo, Tana River and Lamu as a regional grouping to coordinate, facilitate and promote social and economic transformation of the region. These original seven (7) counties occupy 261,491.20 square kilometers equivalent to 46 percent of Kenya's land area and 7 percent of the population. The subsequent entry of Baringo, West Pokot, Samburu and Turkana into the bloc has raised the land mass of the region to 65 percent of the Country and 12 percent of the national population.

The uniqueness of FCDC region is that its member counties have been politically and economically marginalized since the colonial period, and to date, their socio-economic development outcomes lag those of the rest of the country. In 2016, about 20.5 percent of Kenya's poor lived in the region and on average about 64.2 percent of the population is level below the poverty line compared to a national average of 36.1 percent. Similarly, the region experiences high illiteracy rates and poor access to health, water and sanitation, energy and ICT services. Moreover, the region is isolated from the rest of the country due to poor roads and other infrastructure. While greater effort has been directed towards promoting economic development of the region over the last decade, the effort is a long way from achieving its objective. The introduction of the devolved system of governance is however beginning to make a major difference in this area.

This Socio-Economic Blue Print provides a framework for identifying and prioritizing policies and strategic initiatives to promote faster socio-economic development of the FCDC counties. It utilizes an analytical approach that combines an inter-play of economic geography, market forces and government policies to promote economic integration and development. The study establishes that underdevelopment in the region is a result of low density in terms of economic and population concentration; poor infrastructure which leads to long distances to the markets for the goods and services from the region; and, high social divisions arising from insecurity, con icts and negative social and cultural practices. The Blueprint recommends that these challenges be addressed by building institutions, improving connectivity and addressing social and cultural barriers through appropriate interventions and incentives.

The Investment Plan for this Blueprint, to be developed shortly will outline the speci c projects and programmes for implementation. The FCDC counties will also work with the National Government to implement the "Big 4" priorities and other national policies bene cial for our development as a region. We commit to strengthen our collaboration with the development partners and other stakeholders who include, the World Bank, EU, DANIDA, SIDA, AfDB, Arab Banks, USAID, UNDP, the Swiss Government and the National Government currently assisting us with the development of infrastructure and other sector priorities, institutional and human resource development. As a bloc we shall work together for faster economic development of the region by implementing policies, programmes and projects with cross-border bene ts. We shall also lobby as a group to promote the interests of the region, particularly to secure more resources for our counties and to promote peace and security.
The FCDC Secretariat has been tasked to develop the Investment Plan to implement the recommendations of the Blue Print. As the Plan is being developed, however, we have prioritized two critical activities for immediate implementation: development of priority water projects targeted at enhancing food security; and a study to identify and map the natural resources available in the region. These initiatives require substantial resources that the Secretariat does not have, so we will seek support from friends of the region.

In concluding, I wish to thank our Secretariat for coordinating the study; the World Bank for the funding; and Rimarks Consultants for undertaking the work. I would like to appreciate the role of my colleagues, the Governors, and their of cials for contributing to the study through the various levels of public participation and submissions. Their comments and suggestions greatly improved the output of the study.

H.E. CAPT. ALI IBRAHIM ROBA
Chairman, FCDC,
Governor Mandera County

ACKNOWLEDGMENTS

The Frontier Counties Development Council (FCDC) decided to develop this Blueprint (SEB) to provide a framework for fast-tracking social and economic development of the region comprised mostly of former Northern Frontier Districts (NFD). The preparation of this SEB was coordinated by (FCDC) Secretariat. The process of development and preparation of the report was consultative with many stakeholders providing critical inputs at various stages. This was most evident during the multi-stakeholder consultation forums and county consultations on setting the strategic priorities.

Foremost, I take this opportunity to acknowledge the critical role played by the founding Governors of the FCDC Council, namely: H.E. Nathif Jama Adan of Garissa, H.E. Ali Roba of Mandera, H.E. Ahmed Abdullahi of Wajir, H.E. Issa Abdallah Timammy of Lamu, H.E. Amb. Hussein Dado of Tana River, H.E. Amb. Ukur Yatani of Marsabit and H.E. Dr. Adhi Godana of Isiolo who conceptualized and initiated the establishment of region bloc. They also called for the development of the SEB to guide the social and economic transformation of the region. Further, I also thank the current Governors and their administrations who have fully supported and provided the leadership that has seen the economic regional bloc grow from seven (7) to eleven members with the entry of new members, namely, Turkana, Samburu, West Pokot, and Baringo Counties.

Special appreciation goes to the H.E. Capt. Ali Ibrahim Roba, Chairman, FCDC for his visionary leadership and commitment to the SEB development process. The Chairman has tirelesly worked with his colleagues to ensure the information necessary for the production of the report was provided and encouraged meaningful consultative process. I also wish to acknowledge the critical role played by Dr. Idle Farah, the founding CEO of the FCDC Secretariat in initiating the preparation of this SEB. I would like to recognise the role of World Bank and other development partners in the development of the socio-economic blueprint. The World Bank provided financial support for the study and made presentations relevant to the study, in particular on the NEDI project, the KUDP, Peace and Security projects, among others. The World Bank team lead by Margarita Puerto Gomez , Nancy Lozano Gracia, Lisa Schmidt, and Olivia D'aoust provided useful technical support especially in the field of Territorial Development Approaches.

I acknowledge the professional and technical work undertaken by socio-economic policy experts from Rimarks Consultants namely: Dr. Mohammed Isahakia, Dr. Edward Sambili, Dr. Nehemiah Ngeno, Dr. Dickson Khainga and Joel Muema who worked tirelessly to develop this policy document. Together with the World Bank technical team they pioneered the application of the innovative Territorial Approach to Development (TAD) in Kenya that many development practitioners will find insightful. I also thank the Ahadi-USAID Team led by Rosyline Mungai who provided us with much needed financial support to run some of the consultation workshops. I thank Ali Hersi, Abdinur Hashim, Elijah Wachira who played an important role in facilitating the workshops. I also thank officers of various Ministries and Authorities in the National Government who made submissions on their ongoing projects and programmes in the region. We received invaluable input from Vision Delivery Secretariat, NDMA and LAPSSET Authority.

I also thank Members of Parliament, Senators and Members of County Assemblies from the FCDC region and representatives of various NGOs and development organizations whom I cannot mention by name who attended the forums and made worthy contributions that enlightened us on the key issues in the FCDC region.

Simba Gulleid,
Chief Executive Officer,
Frontier Counties Development Council.

EXECUTIVE SUMMARY

The Frontier Counties Development Council (FCDC) is a regional grouping of the counties of Baringo, Garissa, Isiolo, Lamu, Mandera, Marsabit, Tana River, Samburu, Turkana, Wajir, and West Pokot established to accelerate the socio-economic transformation of its members. These counties occupy 377,746.8 square kilometers equivalent to 65 percent of Kenya's land area and 12 percent of the population. They are part of Kenya's Arid and Semi-Arid Lands (ASALs) that comprise 23 of the 47 counties. Since the colonial period the region has been politically and economically marginalized, and to date, their socio-economic development outcomes lags the rest of the country. In 2016, about 20.5 percent of Kenya's poor lived in the FCDC region. On average, about 64.2 percent of the population live below the poverty line compared to a national average of 36.1 percent. Over the last decade, however, greater effort has been directed towards economic development and transformation of the region.

Recent policy and constitutional developments provide hope that the marginalization of the FCDC region may, at last, be a thing of the past. The Kenya Vision 2030 gives priority to the development of ASAL areas. The Sessional Paper No. 8 of 2012 on National Policy for the Sustainable Development of Northern Kenya and other Arid Lands outlines a policy agenda for the realization of the Vision 2030 goals for the ASAL Areas. The system of devolution introduced by the Constitution of Kenya 2010, assigns powers and development functions to the county governments. The Constitution also stipulates that at least 15 percent of all revenue collected by the national government is to be allocated to county governments and another 0.5 percent is paid to the Equalization Fund and allocated to the marginalized areas to finance the delivery of services, including roads, water, electricity and health services.

The FCDC region remains relatively under-developed because policies implemented in the past to promote economic growth in the region were largely inappropriate. Also, resources were spread thinly across many economic activities, and there was no effective community participation in the development process.

Territorial Approach to Development

This blueprint is a socio-economic development strategy for identifying and prioritizing policies and development initiatives for implementation by the FCDC counties over the period 2018-2030. The strategy applies an innovative Territorial Approach to Development that leverages the interplay between economic geography, market forces, and government interventions to promote economic integration and development.

Under the approach, interaction between lagging and leading geographical areas is key to economic growth and transformation and policy attention should be directed to transforming three dimensions of economic geography, namely: density; distance; and division. A geographic area that has low density, costly distances, and deep divisions face development challenges that must be overcome through a combination of policy instruments that involve targeted interventions, building institutions and putting in place connective infrastructure. The problem of low economic density manifests itself in a low concentration of population and economic activities and ultimately low economic growth. The vastness of the FCDC region coupled with low population density and poor infrastructure networks points to distance and density challenges, that conspire to keep productivity low and limit access to national, regional and international markets. Economic development is also curtailed where social, religious and political barriers, such as political conflicts, lack of cohesion and insecurity, hinder communities from benefiting from socio-economic integration. In the FCDC region these barriers include tribal and inter-clan conflicts, conflicts over resources, animal rustling and banditry, radicalization of youth by Al-Shabab and other insurgent groups, and negative social and cultural practices, such as early and forced marriages of the girl child, Female Genital Mutilation (FGM) and low commercialisation of livestock farming.

These challenges are to be addressed through a mix of policies that combine promotion of economic concentration, connectivity and incentives. Economic concentration will benefit from deliberate efforts to build institutions, while the distance challenge is addressed by improving connectivity through infrastructure development. Increased productivity and prosperity from higher economic concentration and improved market access, coupled with improved peace and security and greater economic integration will ameliorate political and social tensions associated with divisions.

Strategic Policies and Priorities of the FCDC Counties

Improving Economic Density through Institutions

The FCDC county governments are committed to a policy agenda which promotes delivery of services and effective governance structures to support sustainable socio-economic development. Some of the service delivery and governance reforms to promote economic concentration (density) in the FCDC counties are outlined below.

Delivery of education services: To improve education outcomes the FCDC county governments will allocate more resources for the delivery of pre-primary education and vocational training. The counties will work with the national government to improve the region's education outcomes by building and equipping of mobile and boarding schools; recruiting teachers to achieve optimal teacher/pupil ratio for primary and secondary schools, and implement the Nomadic Education Policy.

Delivery of health services: The FCDC counties allocate among the highest shares of their budgets to the health sector. They will continue to enhance service delivery towards the attainment of Universal Health Coverage. Also, the FCDC county governments will upgrade at least one referral hospital to level 5 standard in each county and will ensure sub-county hospitals and other health units are well staffed, and medical supplies and medicines are readily available. The counties will work with the national government to achieve the "Big Four" Plan on Universal Health Coverage and to increase the ratio of health workers to the population from 9:10,000 to 14:10,000.

Water and Sanitation: Supply of adequate and safe water remains a key priority for the FCDC counties. Sewerage and solid waste management systems lack in most urban areas in the region. In this regard, sewerage systems will be developed in the incipient urban areas such as Bura, Modogashe, Balambala, Marsabit, Mandera, Moyale, Masalani and Dadaab. The FCDC county governments will strengthen the Water Service Providers (WSPs) to enhance sustainability in the delivery of water and sanitation services. The county governments will also construct more dams and drill more boreholes to increase the supply of water. The FCDC counties will work closely with the national government and jointly exploit the irrigation potential in the Tana River and Ewaso Nyiro water basin catchment areas.

Urban Planning: FCDC counties will promote growth and orderly development of urban areas through spatial and urban planning to regulate land use and provision of basic services. The counties will develop low-cost houses to meet housing shortages in urban areas. This activity will be enhanced by working with the national government in delivering the "Big Four" Plan on affordable housing. The county governments will contribute to the "Big Four" Plan by setting aside land for housing development and by providing water and sanitation, street lights, access roads and energy connections in major urban areas.
Land Reforms: Development of urban areas depends on the security of land tenure and property rights. This is particularly important for infrastructure developers and investors interested in housing and real estate development and other investments. The FCDC county governments will work closely with the national government and National Land Commission to enhance land administration, adjudication and registration.

Urban Roads: to improve the business climate and living conditions of the people residing in urban areas, the FCDC counties will pave all the roads within the main urban areas.

Energy Supplies: the FCDC county governments will ensure adequate energy supplies and street lighting in urban areas. This will be achieved by working with the national government, development partners and private investors to increase connection to the national grid and promote the developmentof wind and off-grid solar power.

Urbanization for Development

Around the world urban areas and cities have been the engines of economic growth because the concentration of population and economic activities in these areas benefit from economies of scale in production and delivery quality economic and social services. In most countries a large share of GDP is produced in cities, pointing to the conclusion that development of urban areas is important for economic concentration and socio-economic development. Although the level of urbanization remains below the national average in the FCDC counties, urban centers which are mostly county headquarters are beginning to experience growth. The FCDC county governments will take the development of urban areas as major policy initiatives to promote increased economic activities for faster socio-economic development. A deliberate effort will be made to allocate substantial resources to improve delivery of services and development of infrastructure in these areas.

Improving Connectivity with Infrastructure Development

The reality that the region is large and sparsely populated compunds the distance problem in the FCDC region. Due to historical marginalization, only about 6.2 percent of the roads are paved while and rest are mainly earth or gravel standard. Some of the paved roads are in poor condition. The distance challenge will be addressed through the development of connective infrastructure, in particular roads, airports, railways, Lamu Port, cross-border infrastructure, and ICT.

Roads: The FCDC counties will continue to allocate substantial shares of their budgets to roads, especially those meant

to reduce distances by linking urban centers, and the urban areas to rural areas. Development of these roads will help to reduce distances within the counties. The counties will also prioritize roads which link the region to the Northern Corridor and neighboring countries to enable the region to access markets in the other areas of the country and the region. The FCDC counties will work with the national government and development partners to develop primary and secondary national trunk roads in the region. The county governments will lobby the national government to enact the Kenya Roads Bill, 2017. This will clarify and delineate the functions and responsibilities of the national and county governments regarding the roads which have not been transferred to the counties in accordance with the Constitution.

The Lamu Port to Southern Sudan and Ethiopia (LAPSSET): The development of this corridor has the potential to address the challenges of economic density and distances faced by FCDC counties. The proposed railway line from Lamu to the Kenya-South Sudan border is planned to branch from Isiolo to Moyale on the Kenya-Ethiopia border. Among the highways planned for development in the corridor, the Nairobi-Isiolo-Moyale section is complete. The 738Km section of the road between Lokichar and Nakodok is under construction. Among the airports planned for rehabilitation and expansion, Isiolo airport is already operational, while Lamu airport is being developed, but the development of Lokichogio airport is yet to start. The FCDC county governments will work with the national government and development partners to ensure the remaining road projects planned for the region are undertaken.

Information Communication Technology: The FCDC counties are connected to the National Fibre Optic Backbone. Further, the county governments have been working with the national government through the County Connectivity Project and the Smart County project to improve internet connections to enhance service delivery in the region. This collaboration is ongoing, and FCDC will seek additional resources to expand internet connectivity and bandwidth.

Fostering Socio-economic Integration in the Region

The problem of divisions in the FCDC counties can be traced to the historical marginalization of the region. The main sources of division are high poverty levels, adverse social and cultural practices, insecurity, ethnic tensions, resource conflicts and negative spillovers from regional conflicts. The counties will address this problem by investing in the people of the region, implementing poverty reduction policies, peacebuilding, developing resilience to climate change, promoting land reforms and encouraging regional cooperation.

Social development to overcome divisions: The FCDC county governments will allocate more resources to enhance the delivery of quality education and health services and provision of social safety nets and social security benefits to the vulnerable groups as a means of addressing the problem of division. Improved education will shift attitudes against negative cultural practices such FGM and early girl child marriages, while enhanced technical and vocational training will promote youth employment. Similarly, improved health outcomes should increase labour productivity, which in turn lead to higher incomes and reduction of poverty.

Poverty reduction through the development of agriculture: Livestock production dominates the agricultural sector in the FCDC counties and there is a high potential for irrigated agriculture along the Tana River and Ewaso Nyiro River basins. The FCDC counties will take policy initiatives to stimulate the growth of the agricultural sector for improved standards of living in the region.

- The counties will target livestock production as a flagship economic activity by promoting the development of modern abattoirs and tanneries. To improve access to export markets, suitable areas will be set aside as disease-free zones and delivery of extension services will be enhanced to carry out disease surveillance, combat trans-boundary diseases, and increased meat and food safety inspections. Development of dams and pans will be allocated more resources, and increased use of insurance will be encouraged to mitigate the effects of climate change on the livelihoods of livestock farmers. Farmers will be encouraged to form cooperatives to promote marketing of their products and increased access to credit. The county governments will also establish model farms for livestock breeding, and hay production and the private sector will be encouraged to invest in similar ventures.

- Agricultural output will be increased through rehabilitation and expansion of the existing irrigation schemes in Hola, Bura, Tana Delta Masalani and Abalatiro. Processing plants will be constructed to add value to produce from irrigated farms. The FCDC counties will collaborate with the national government to achieve the "Big Four" Plan on attainment of food and nutrition security.
- The development of the fisheries sub-sector will be given priority in Lamu, Tana River, Garissa, and Marsabit. The counties will mobilize the local communities, especially the youth into groups and cooperatives to pool their resources and to enhance access to credit. The counties will also organize and support Beach Management Units to facilitate the landing and handling of fish before being delivered to markets. The FCDC governments will develop jetties and small ports and other necessary infrastructure to support the

sub-sector. In this regard, the counties will implement the Fisheries Management and Development Act, 2016.

Peacebuilding for social, political and economic integration: The FCDC counties face persistent security and conflict challenges that constitute a significant threat to the socio-economic development of the region. Measures to mitigate and prevent conflicts have had little impact, and peacebuilding and conflict resolution mechanisms have been weak. The county governments will work with the national government and all the other stakeholders to strengthen the peacebuilding structures at the county level. Measures will be taken to empower vulnerable communities, and in particular, the youth to resist radicalization and peace and security platforms will be created to spearhead resolution of conflicts.

Developing resilience to climate change: FCDC counties are vulnerable to climate change and regularly suffer extensive damages and losses to humans, crops and livestock caused by adverse weather conditions. The counties will continue working with all the stakeholders to combat climate change and its effects. The counties will operationalize the Climate Change Act 2016 by developing Climate Change Action Plans outlining strategies and coordination mechanisms for building resilience to climate change and enhancing capacities for adaptation.

Land reforms: In the past, indigenous pastoral land tenure system in the region guaranteed the pastoralists access to natural resources, but in recent years changes in land use and ownership have limited the movement of the pastoralists. This has become a source of conflicts, especially in dry seasons when pastoralists have to move in search of pasture and water. The FCDC county governments will work with the national government to protect community land rights by fully implementing the Community Land Act 2016. The pastoralists' ecosystem will be protected and they will receive an equitable share of benefits from natural resources such as parks and reserves.

Regional co-operation to reduce divisions: The FCDC region has for many years hosted a large number of refugees who have had a negative impact on the social, economic and environmental status of the region and have also been a source of insecurity. The county governments will encourage and collaborate with the national government to engage the neighboring countries on refugee matters and to promote peace and security in the region.

Exploitation of Natural Resources: Exploitation of the recently discovered oil and gas and other minerals in the region could benefit communities in FCDC counties significantly. The county governments will work with other stakeholders to ensure that appropriate legislation and institutional framework is put in place for equitable sharing of benefits and sustainable utilization of the resources.

Making Devolution Work in FCDC Counties

Since the devolved system of governance came into being in March 2013, the county governments have been establishing institutional and legal frameworks to carry out their mandates. At the initial stages, the staff deployed by county governments lacked the necessary skills and professionalism to deliver the immense responsibilities of the new governments. There has been progress in this area, but county governments continue to face challenges of shortage of skilled workforce. Other challenges include inadequate financial resources, weak inter-governmental relations, and poor working relations between the county executive and the county assemblies. Greater efforts will be made to enhance delivery of services in the counties including:

- **Development of Institutional frameworks:** the human resource challenges facing the FCDC region arise from historical marginalization and insecurity which have led to the low human capital development in the region. The county governments, with the assistance of the national government and development partners, have addressed the problem through training and capacity building. This has improved delivery of services, but more needs to be done to develop work ethics and professionalism in the county public services. This will be addressed through further training and capacity building, and for this purpose, the FCDC counties will seek support for the establishment of a branch of the Kenya School of Government in the region.

- **Development and Implementation of County Integrated Development Plans (CIDPs):** the FCDC county governments are finalizing their second generation CIDPs covering the period 2018-2022 which together with spatial plans, sector plans, urban areas and cities plans, and annual plans are the basis for budgeting and expenditure in the counties. The CIDPs and the annual development plans, in particular, provide short to medium term development priorities. The county governments will set realistic priorities and allocate sufficient resources to facilitate successful implementation of the priorities. Mobilization of more revenues from local sources will be given priority. To promote realistic budgeting, the county governments will ensure that revenue and expenditure estimates are realistic. The county governments will also ensure that the priorities derived from the territorial approach to development outlined in this paper are incorporated in the CIDPs.

- **Developing Capacity of the Frontier Counties Development Council:** The Governors of the Frontier Counties established the FCDC to promote the social and economic transformation of the region. The Council coordinates the development and implementation of policies, projects and programmes which have a bearing on the development of the region. The FCDC county governments will support the work of the Council and will contribute resources to sustain the Secretariat. A Peer Review Mechanism will be developed and institutionalized by the FCDC counties to monitor and evaluate service delivery and governance initiatives in the region. The mechanism will be simple enough to be applied on an annual basis but will be robust enough to maintain credibility with the FCDC citizens and other stakeholders.

- **Improving Intergovernmental Relations:** The FCDC attaches great importance to good working relations between the FCDC county governments and the national government. In this regard, the counties will work with the Ministry of Devolution and Arid Areas and sector ministries on capacity building and sectoral development issues. The county governments will also work with the national government through the intergovernmental organs to ensure that all functions assigned to county governments together with related resources are transferred; equitable share of revenues are disbursed in accordance with the law; and, the meetings of the organs are held as required by law for the benefit of both levels of government.

Investment Plan

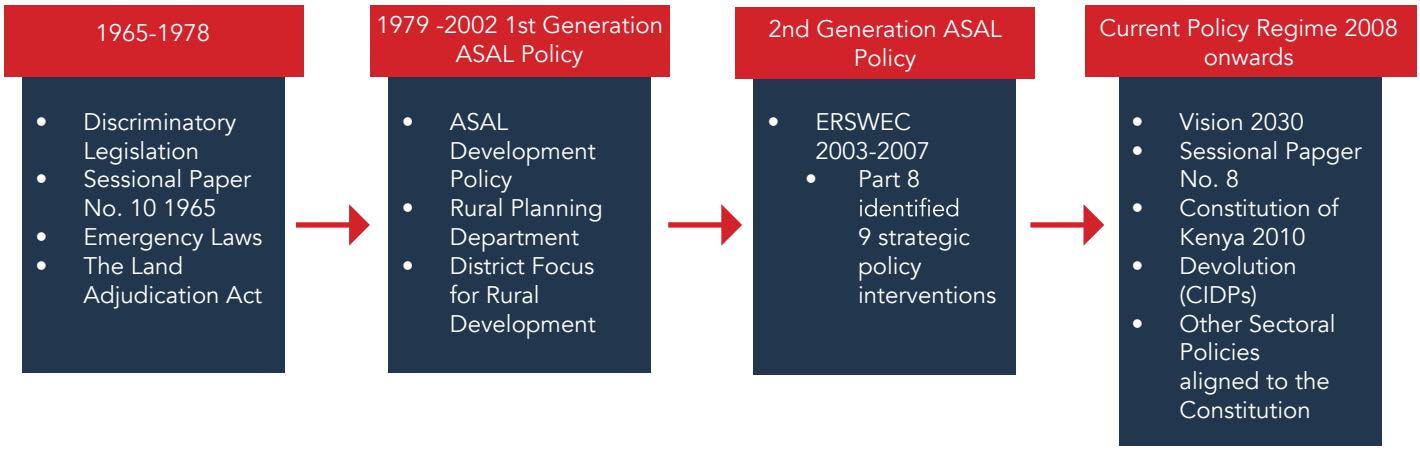
This blueprint is a framework for strategic and policy development and therefore does not provide detailed development projects and programmes for implementation. It is expected to guide the FCDC Secretariat and the county governments in developing an investment plan for the region, and in the mobilization of resources from the national government, development partners and the private sector to finance the plan.

1. HISTORICAL CONTEXT

The FCDC counties have been marginalized since the colonial period when the Northern 'Frontier' Districts (NFDs) that comprise of the present-day Turkana, Marsabit, Wajir, Mandera, Garissa, Isiolo, and Samburu counties were used as a buffer zone against the Abyssinia empire (present-day Ethiopia) and Jubaland to the east that were considered hostile. During this period, civil liberties were suppressed, and the region remained economically underdeveloped, while development was concentrated along the Northern Corridor primarily to serve the interests of settlers in the 'white' highlands.

A review of the implementation of government strategies and policies covering the period starting 1964 to date (Figure 1) suggests that four policy regimes define the socio-economic development of the FCDC counties. These are post-independence period till 1978; the first generation ASAL policy period (1979-2003); the second generation ASAL policy period (2003-2007); and current policy period (2008-to date). The current policy regime has its roots in the period 2003-2008 during the implementation of the Economic Recovery Strategy 2003-2007, the conceptualization of Kenya Vision 2030, and the promulgation of the Constitution of Kenya 2010.

Figure 1: Policy Regimes Relevant for FCDC Counties



After independence, the people of the region continued to feel politically and economically isolated and began agitating for self-determination, consequently the NFD region was ruled under emergency laws until the mid-1990's. The Sessional Paper 10 of 1965 on *African Socialism and its Application to Planning in Kenya* introduced policies which have been considered discriminatory to the region. The policies favoured regions with high agricultural potential. This view has been justified by the Sessional Paper's assertion that *'To make the economy as a whole grow as fast as possible, development money should be invested where it will yield the largest increase in net output.'* The general philosophy seems to have been to concentrate development efforts in the high potential areas by focusing on education, training and health, while encouraging mobility out of the resource deficient regions such as NFD to the well-off areas, thus inadvertently neglecting the ASAL regions.

The post-independence policy environment also supported commercialization and sedentarization of pastoral livestock farming on the presumption that pastoral economy was less efficient. The Land (Group Representatives) Act Cap 287, enacted in 1967 facilitated the creation of group ranches, a process that involved community members coming

together to register customary claims on land and creating group and commercial ranches with financial support from the government. These reforms resulted in substantial changes in land use and limited the movement of pastoralists.

By the late 1970's, the socio-economic development of ASAL regions was notably low prompting the government to implement a policy focusing specifically on ASAL regions. This first-generation strategy and policies was developed in 1979, under the *Arid and Semi-Arid Lands Development in Kenya: The Framework for Implementation, Programme Planning, and Evaluation.* This was implemented through Integrated Rural Development Plans. The policy also coincided with the 4th National Development Plan (1979-1983) that sought to deepen rural development planning. The recognition of the need for an institutional framework to coordinate development of the region led to the creation of Rural Planning Department under the Ministry of Economic Planning and Development.

In a further push to improve the livelihood of rural households, the government launched the District Focus for Rural Development (DFRD) Policy in July 1983. The implementation of the policy was spearheaded by the District Development Committees and all districts, including present-day FCDC counties, started preparing 5-year District Development Plans to guide rural development at the decentralized levels. Although the DFRD policy was a major step towards decentralization of planning and development in Kenya its implementation faced various challenges including lack of local participation and inadequate development capacity (institutional, human and financial resources). Most plans were developed at the national level, and there was limited decentralization of authority and resources to implement them. Further, most of the projects were largely dependent on donor support and suffered significantly in the 1990's due to frosty relationships between the government and development partners.

The National Alliance Rainbow Coalition (NARC) Government that came to power in 2002 formulated a new strategy, *the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) 2003–07* with the aim of reversing decades of slow and stagnant economic growth. The Strategy noted that although the ASAL regions had high economic potential, it experienced highest levels of poverty, poor access to basic social services, and low literacy levels. Among the strategic policy initiatives identified in the ERSWEC for implementation, those considered important to ASAL areas included: livestock development, fishing, mining development, tourism development, trade and industry development, land tenure, improved access to health and education, security and law enforcement, and physical infrastructure development.

The Kenya Vision 2030, the Constitution of Kenya 2010 and various strategy and sector-specific policy papers underpin the present national policy and planning regime. At the County Government level, the Constitution gives the counties powers and functions to develop and implement their policies and plans. Kenya Vision 2030 proposes significant investments in arid and semi-arid (ASAL) areas to address the high incidences of poverty, youth unemployment and the plight of women and other vulnerable groups. Some of the key programs and projects relevant to FCDC counties slated for implementation under the Vision 2030 include: expansion of irrigation projects to support both crops and livestock; construction of medium-sized multi-purpose dams; creation of disease free zones; development of livestock processing facilities to enable Kenyan livestock and livestock products meet international export market standards; construction of a 54 km canal from Tana River to Garissa (The Rahole Canal); rehabilitation of existing irrigation projects in Hola, Bura, Ewaso Nyiro North and the Tana Delta Project (TARDA); development of metropolitan and investment plans for Garissa, Wajir, and Mandera; construction of at least one boarding primary school in every constituency in the pastoral districts; and development of a resort city in Lamu, Isiolo and Lake Turkana.

Decentralization of powers and functions from the national government to the county governments introduced by the Kenya Constitution 2010 expected to have the highest impact in the reversal of thehistorical injustices which the FCDC region has faced. The Constitution provides that revenues raised nationally be shared equitably between the national government and the 47 county governments [1]. The allocation of equitable share of the revenue to the county governments has enabled them to plan, develop and finance their own development priorities independently. The Constitution also established the Equalization Fund whose objective is to bring the delivery of services in the marginalized counties to the level enjoyed by the rest of the country. The services financed by the Equalization Fund are roads, water, electricity and health. The current criteria developed by the Commission on Revenue Allocation (CRA) to define marginalized areas classify all the nine (9) FCDC counties as marginalized and are beneficiaries of the Fund.

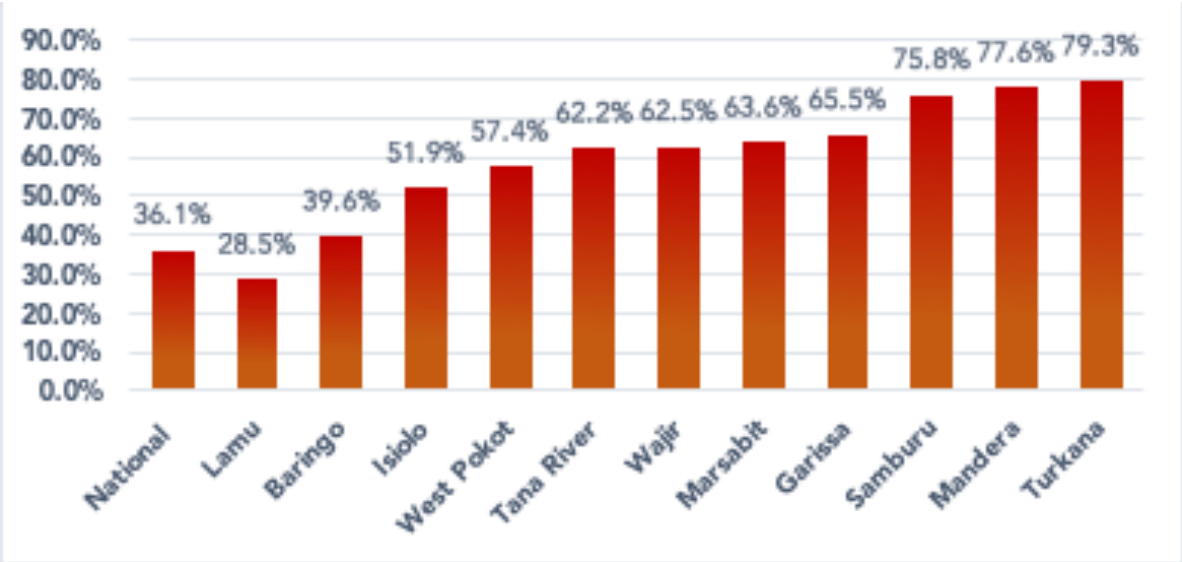
2. SITUATIONAL ANALYSIS

This section reviews the socio-economic indicators of the FCDC counties and compares them to national level indicators. The objective of the analysis is to establish the extent of social and economic development of the FCDC counties vis-a-vis the national performance. The data is based on the findings of the Kenya Integrated Household Budget Survey (KIHBS), 2015/16 and the Kenya Demographic and Health Survey (KDHS), 2014. The areas covered by the review are poverty, education, health, water and sanitation, ICT, access to information and energy supply.

Poverty and Related Indicators

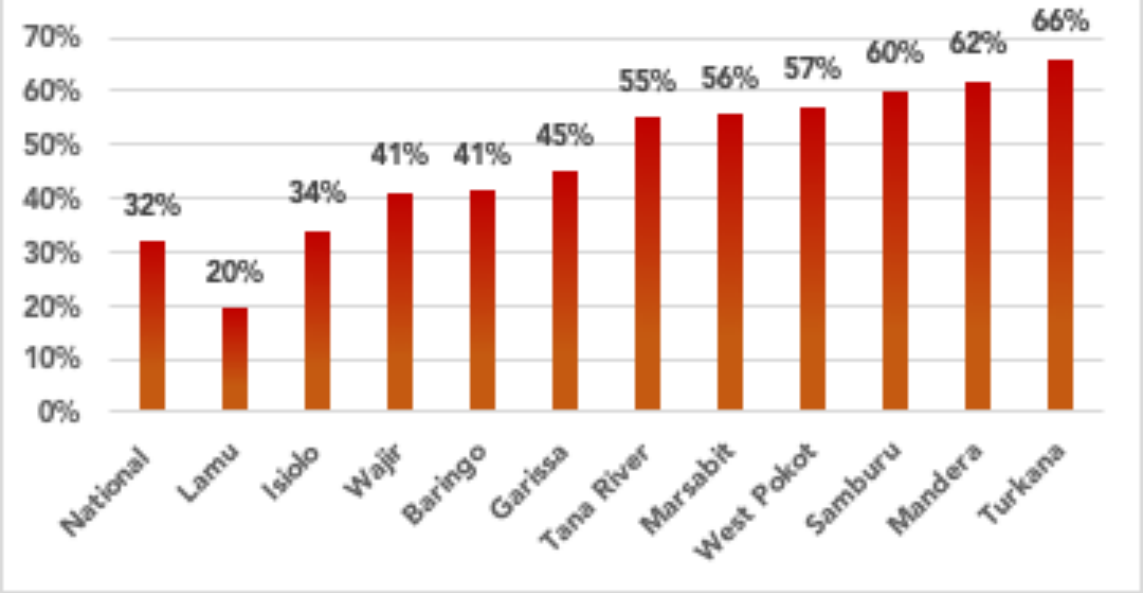
Poverty: Although the FCDC counties account for 12 percent of total Kenyan population they account for about 20.5 percent (or 3.36 million) of the 16.4 million Kenyans who live below the overall poverty line. On average, about 64.5 percent of the population in the FCDC live in poverty though there is a wide variation in the poverty levels ranging from 28.5 percent in Lamu to 79.4 percent in Turkana (Figure 2). Poor households or individuals are those whose monthly adult equivalent total consumption expenditure per person is less than Kshs. 3,252 in rural and peri-urban areas, and less than Kshs. 5,995 in core urban areas.

Figure 2: Overall Poverty 2015/16



On another measure of deprivation, that is, food poverty, all the FCDC counties are above the national average of 32 percent. Food poor households are those whose adult equivalent food consumption is below Ksh. 1,954 in areas and Ksh. 2,551 in urban areas. The poverty gap measure shows how much poorer the poor are relative to the overall poverty level. Table 1 shows that all FCDC counties except Lamu have higher poverty gaps signifying that the severity of poverty is relatively high in the region. Indeed, most of the FCDC counties are aid dependent.

Figure 3: Food Poverty 2015/16



Total Dependency Ratio: It is a proxy measure of the burden borne by the working age population and is measured as the ratio of the dependent population (age 0-14 and 65 and above) to the working age population (15-64). The dependency ratios of all the FCDC counties are higher than the national ratio of 81.6 percent. Wajir had the highest dependency ratio of 139.8 percent. Moreover, all the other FCDC Counties except Lamu and Isiolo had dependency ratio greater than 100 percent.

Table 1: Poverty and Dependency Status

	Poverty Levels	Total Dependency Ratio	The Proportion of Undernourished Children(6-59 Months)-% Below-2SD
	Poverty Gap		
National	10.4	81.6	29.9
Garissa	24.1	124.2	8.3
Isiolo	15.5	93.2	22.8
Lamu	5.5	87.8	30.9
Mandera	32.8	137.2	47.6
Marsabit	23.4	114.7	33.0
Tana River	20.0	103.9	24.6
Turkana	46.0	118.8	25.3
Wajir	16.3	139.8	24.7
Samburu	32.1	125.0	33.1
Baringo	9.7	97.4	30.0
West Pokot	20.1	115.3	41.2

Source: *KIHBS 2015/16*

Child Malnutrition: The indicator of food and nutrition shows that nationally 29.9 percent of children below five years (Table 1) were moderately stunted. These are children who have suffered prolonged deprivation of food making them shorter for their age. Mandera and West Pokot have the highest percentage of undernourished children. On the other hand, Garissa, Tana River, Turkana, Wajir and Isiolo have recorded lower than the average national percentage of undernourished children.

Information and Communication Technology

Use to ICT: At the national level, 68.2 percent of people aged three years and above use mobile phones, while 16.6 percent use the internet (Table 2). In comparison, use of mobiles by residents of all the FCDC counties (except Lamu and Tana River) is below the national average with Mandera having the lowest usage Mobile Phones at 26.2 percent. Use of internet use is below the national average in all the FCDC counties. Wajir County has the lowest level of internet use at 2 percent.

Subscription to mobile money transfers is also below the national average. However, regarding mobile banking, the proportion of the population aged 18 and above with subscription is 13.9 percent at the national level. All the FCDC counties have internet subscriptions that are below the national average save Garissa County. Except for Lamu, the proportion of the population that use television and radio is relatively low, which might suggest low access to information.

Table 2: Use of ICT Equipment and Services

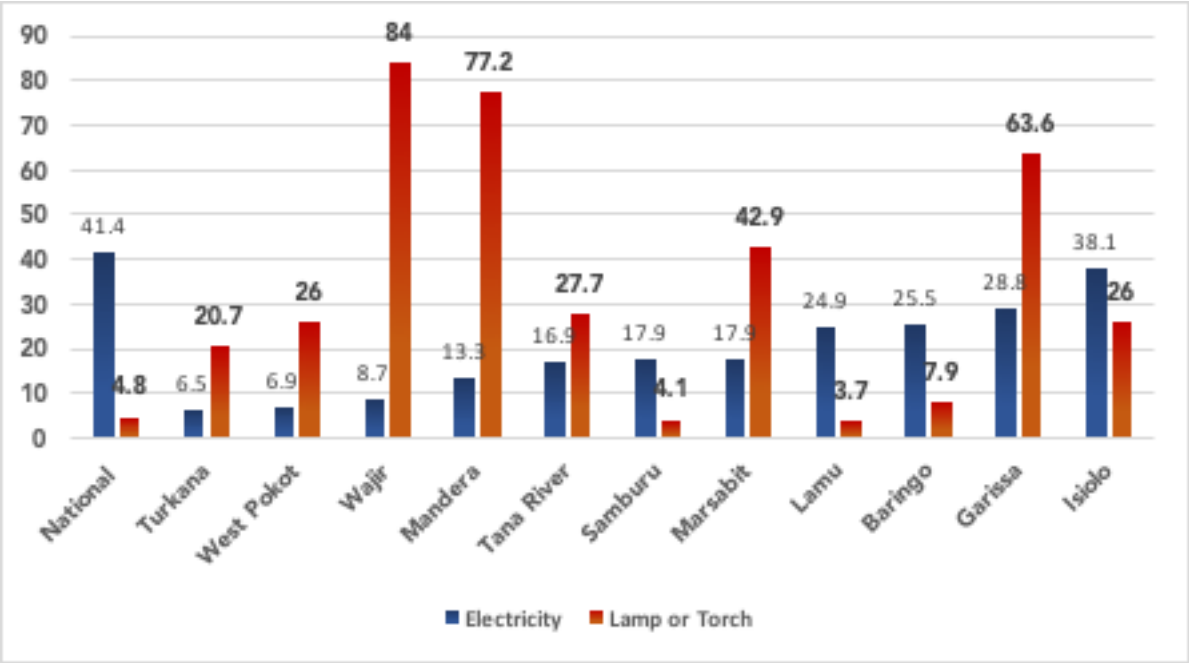
	Use of ICT Equipment and Services				Subscription to Mobile Money Transfer and Banking	
	Television	Radio	Mobile	Internet	Mobile Money	Mobile Banking
National	47.8	79.1	68.2	16.6	74.8	13.9
Lamu	54.1	74.4	81.4	9.9	66.1	13.5
Garissa	15.6	52.7	40.5	3.9	63.8	15.5
Mandera	10.2	20.8	26.2	5.4	48.9	3.0
Tana River	35.4	45.1	71.2	7.4	57.6	4.6
Turkana	23.9	32.0	28.6	8.6	42.8	10.7
Wajir	8.0	37.4	37.8	2.0	56.9	2.0
West Pokot	14.1	42.0	35.2	3.9	39.0	4.9
Samburu	15.8	33.1	31.6	4.2	53.4	23.2
Baringo	46.2	81.6	65.5	12.4	67.4	11.1
Isiolo	29.2	37.4	49.8	10.5	72.3	8.9
Marsabit	14.4	27.7	30.7	4.3	51.6	2.5

Source: *KIHBS 2015/16*

Energy Supply

Electricity connections: Although electricity connections stood at 41.4 percent nationally in 2016, the FCDC counties have much lower connection rates. Turkana and West Pokot Counties have the least connection rate of 6.5 percent and 6.9 percent, respectively. All the FCDC counties except Lamu County have above average use of battery lamp or torch, relative to the national rates (Figure 4).

Figure 4: Sources of Lighting



Data Source: *KIHBS 2015/16*

Education and Health Indicators

Educational attainment: At the national level the population aged three years and above who have ever attended school stands at 89.4 percent, the attainment of all FCDC counties is lower than the national average with Garissa having the lowest 37.6 percent. Table 3 shows that the CPE/KCPE level attainment nationally is 25.3 percent, while those in all the FCDC counties are below the national average. In the case of KCSE/KCE the national attainment is 13.4 percent and for FCDC counties only Isiolo County has attained a level higher than the national average at 13.6 percent. These unfavourable education levels reflect limited access to education in the FCDC counties.

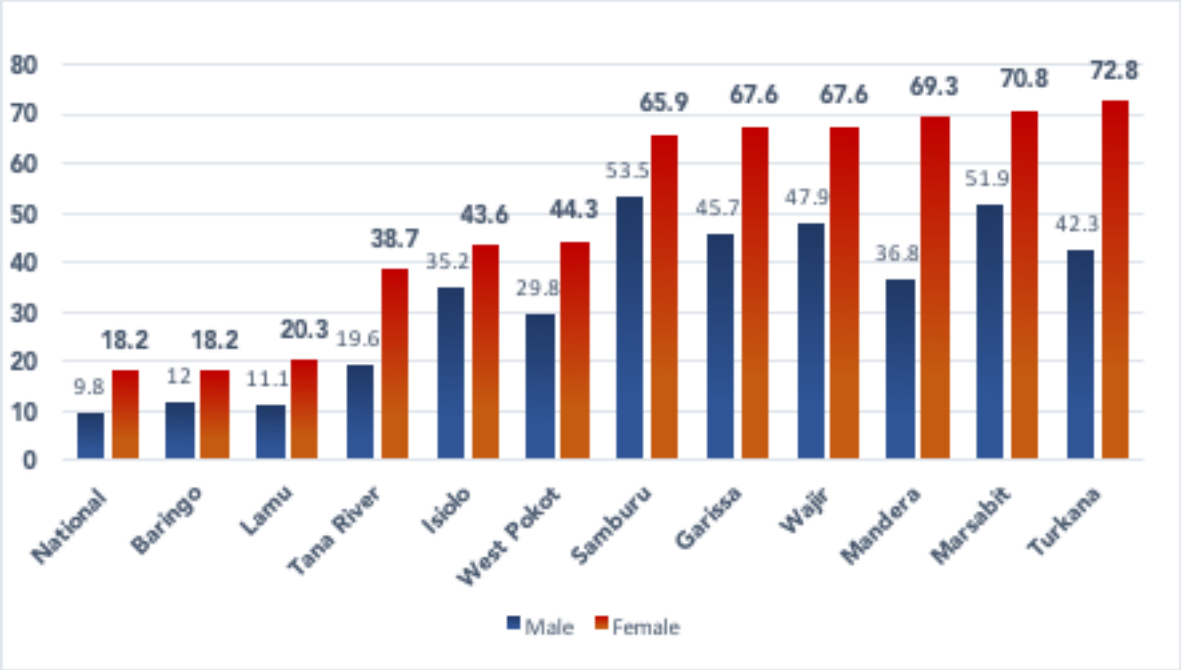
Table 3: Education Indicators

	School Attendance	Highest Education Qualification		Illiteracy Rate		
	Over 3 years old who ever attended school	CPE/KCPE	KCSE/KCE	Overall Illiteracy Level	Women who cannot read at all	Men who cannot read at all
National	89.4	25.3	13.4	14.1	18.2	9.8
Lamu	89.1	24.2	6.3	15.8	20.3	11.1
Garissa	37.6	21.1	7.1	56.8	67.6	45.7
Mandera	47.8	17.4	8.1	52.0	69.3	36.8
Tana River	77.9	19.7	6.5	29.1	38.7	19.6
Turkana	51.7	12.6	4.5	59.1	72.8	42.3
West Pokot	74.2	16.3	6.1	36.9	44.3	29.8
Samburu	55.0	15.3	7.9	59.7	65.9	53.5
Baringo	89.3	24.9	13.0	15.1	18.2	12.0
Wajir	48.6	13.7	3.5	57.5	67.6	47.9
Isiolo	67.3	21.6	13.6	39.6	43.6	35.2
Marsabit	46.1	18.9	9.6	61.2	70.8	51.9

Source: *KIHBS 2015/16*

While education attainment and literacy levels are relatively low, gender disparities are even higher in the FCDC region (Figure 5). The national male illiteracy level is estimated at 9.8 percent. The level ranges from 11.1 percent in Lamu to 51.9 percent in Marsabit. Female literacy is much lower, with more than one third of female in seven FCDC counties lacking ability to read and write. In Garissa, Mandera, Wajir, Turkana and Marsabit, more than two-third of female is illiterate. The overall level of illiteracy in the FCDC is higher than the national average of 14.1 percent but ranges from 15.8 percent in Lamu to 61.2 percent in Marsabit (Table 3).

Figure 5: Levels of Illiteracy



Health indicators: At the national level, 67.2 percent of child deliveries were at a health facility; where a health facility under this context refers to a hospital, health care, maternity home or clinic/dispensary. Deliveries at a health facility are lower than the national average in all FCDC counties with Wajir registering the lowest rate at 19.8 percent. The reverse applies to delivery at home where the national rate is 31.3 percent and all the FCDC counties having rates higher than the national average, with Wajir, Mandera and Marsabit counties registering over 70 percent deliveries at home. All the FCDC counties registered fewer deliveries in hospital and health centre deliveries compared to the national average of 47.2 and 12.6 percent, respectively. Mandera, Wajir and Marsabit had the lowest deliveries in hospital at 12.1, 14.0, and 19.9 percent, respectively. The unfavourable indicators on health for the FCDC counties reflect the lack of adequate This points to the need for renewed effort to enhance access to health services in the region.

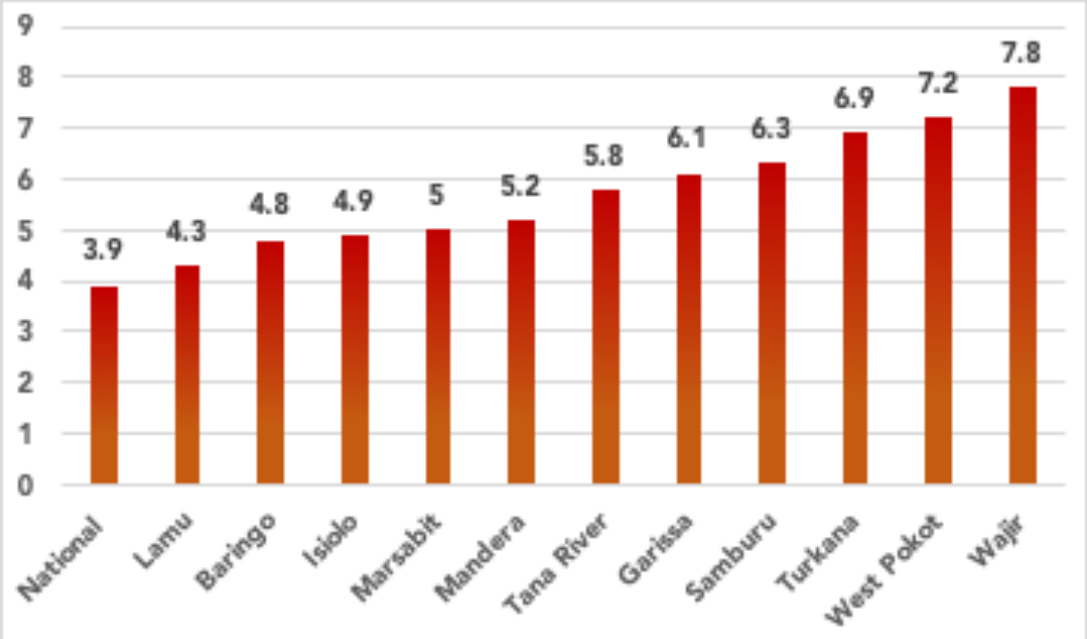
Table 4: Health Indicators

		Delivery at a health Centre			
	Delivery at home	Hospital	Health Centre	Clinic/Dispensary	Total Delivered at Health facility
National	31.3	47.2	12.6	5.5	67.2
Lamu	44.8	47.1	1.9	5.5	54.8
Garissa	54.0	33.5	7.9	1.5	43.4
Mandera	70.8	12.1	7.2	6.6	28.0
Tana River	53.3	28.8	3.0	13.3	45.1
Turkana	68.0	21.1	8.9	0.6	31.2
West Pokot	67.2	18.9	9.1	3.0	31.1
Samburu	72.8	16.4	4.5	5.1	26.6
Baringo	40.5	42.5	11.5	4.6	59.2
Wajir	77.6	14.0	1.5	2.7	19.8
Isiolo	54.8	33.4	7.4	2.6	45.1
Marsabit	70.1	19.9	5.9	3.2	29.0

Source: *KIHBS 2015/16*

Fertility Rates: The Kenya Demographic and Health Survey (KDHS), 2014 established the national fertility rate was 3.9 percent which is lower than that in all the FCDC counties (Figure 6). Wajir County had the highest fertility rate at 7.8 percent, followed by Turkana County at 6.9 percent. It is observable that the high fertility rates reflect high dependence rates and low demographic transition. This suggests that it will take longer for FCDC counties to benefit from the demographic dividend.

Figure 6: Total Fertility rate



Data Source: *KDHS 2014*

Water Supply and Sanitation

Access to water: A comparison of access to improved and unimproved sources of water (Table 6) shows that the FCDC region's access is below the national average. National connection to piped water into household dwellings was 8.2percent with the FCDC counties reporting lower levels of connection, except Lamu County that has a higher connection rate of 16.5 percent. Mandera, Tana River, and Marsabit counties stand out with the lowest connection rates at 0.3, 0.4 and 0.5 percent, respectively.

Table 5: Improved and Unimproved Sources of Water

	Improved Sources of Water-Piped			Unimproved Sources of Water		
	Into dwelling	Piped into Plot/Yard	Public Tap/ Stand Pipe	Unprotected well	Unprotected spring	Surface Water-River, Stream, Pond, Dam, Lake, Canal, Irrigation Channel
National	8.2	16.8	13.1	4.3	6.2	16.5
Lamu	16.5	5.0	31.2	19.8	0.3	4.1
Garissa	4.1	33.9	11.7	34.7	0.0	4.3
Mandera	0.3	0.8	9.6	3.8	0.0	28.2
Tana River	0.4	22.3	19.7	3.0	0.0	27.6
Turkana	3.4	5.4	37.6	7.5	1.1	28.9
West Pokot	4.9	7.0	3.4	4.9	22.5	35.3
Samburu	0.9	11.4	11.5	12.0	0.2	49.2
Baringo	1.1	15.3	4.6	1.4	13.4	38.6
Wajir	4.2	2.9	2.6	21.5	0.0	24.7
Isiolo	6.8	39.5	10.5	5.1	0.0	9.0
Marsabit	0.5	3.6	21.8	22.2	1.8	27.8

Source: *KIHBS 2015/16*

On piped water connections into the plot/yard, connections to households in Garissa, Tana River and Isiolo counties are higher than the National average of 16.8per cent. Similarly, supply of water from public tabs/stand pipes is higher than the nation in Lamu, Tana River, Turkana and Marsabit, but Wajir has the lowest average rate at 2.6 percent.

Sanitation services: At the national level, access to improved sanitation through flush to piped sewer system is 8.0 percent (Table 6). This compares unfavorably with the FCDC counties where access is either zero or extremely low, except Isiolo County where access to sewer system is 7.0 percent, close to the national average. Use of flush to septic tank in the FCDC region is highest in Lamu at 7.3 percent, which is higher than the national average of 4.6 percent. All the other Counties fall below the national average. The use of pit latrines with a slab is at 33.3 percent at the national level and is slightly lower than the usage in Lamu, Mandera and Isiolo. The highest usage is in Baringo at 57.3 percent while the lowest is in Wajir at 0.7 percent. More than fifty percent of individuals in Turkana, West Pokot, Samburu and Marsabit do not have a toilet facility. These statistics reveal that the problem of open defecation is severe in some of the FCDC counties.

Table 6: Sanitation-by type of Main Toilet Facility

	Improved Sanitation Services			Unimproved Sanitation Services	
	Flush to Piped Sewer System	Flush to Pit (Septic Tank)	Pit Latrine with Slab	Pit latrine without slab/ Open pit	No Facility/ Bush/Field
National	8.0	4.6	33.3	29.2	10.6
Lamu	0.0	7.3	36.6	17.8	10.0
Garissa	0.2	1.4	14.5	11.0	46.4
Mandera	0.0	0.0	35.8	9.6	46.3
Tana River	0.6	3.1	38.9	5.1	35.2
Turkana	0.3	1.2	21.5	4.3	64.9
West Pokot	0.1	0.0	14.5	21.7	51.2
Samburu	0.0	0.5	14.5	2.7	73.6
Baringo	0.0	0.7	57.3	0.1	30.9
Wajir	0.5	1.7	0.7	29.9	46.5
Isiolo	7.0	0.0	32.3	8.3	24.8
Marsabit	0.0	0.0	21.0	21.9	52.2

Source: *KIHBS 2015/16*

In summary, most of the key socio-economic indicators show that the FCDC counties' performance is below the national average. This is partly attributed to historical marginalization of the region. The region clearly lags national performance in education and health which are the foundations of human development and socio-economic development. The region also lags in the development of economic infrastructural-ICT, energy supply, and water and sanitation. Attempts to develop these infrastructures are likely to be constrained by the vastness of the region. As a result, this regional blue print seeks to identify some of the most ideal priorities that could yield better returns to the region as a whole than the counties working independently. The limited resources available need to be directed to the highest priority projects to enhance development in a region.

3. EMERGING POLICY ISSUES

The analysis so far indicates that the FCDC counties still lag behind the rest of the country in socio-economic development and continue to face various capacity challenges. On the positive side, there are emerging opportunities arising from the promulgation of the Constitution of Kenya 2010, and especially the implementation of the governance system of devolution and the overall thrust of national development agenda espoused in Kenya Vision 2030. The recent national priorities introduced under the "Big Four" economic Plan, and which are largely aligned to county functions is an important opportunity. This section discusses key emerging policy issues including the real and potential opportunities that the FCDC counties could exploit to enhance their socio-economic development and the challenges they face in their quest for development.

Opportunities

The devolved system of government provides a unique opportunity for FCDC counties to address long-standing disparities in infrastructural development and service delivery. The key strengths of the system include predictable fiscal transfers from the national government to county governments, the anchoring of county governance structures in the Constitution, and the mandatory requirement for public participation in decision making. There is also renewed interest in the ASAL Areas, driven by the new investment opportunities associated with devolution.

The legal framework underpinning devolution requires that county governments develop plans, including County Integrated Development Plans (CIDPs), spatial plans, sector plans and Annual Development Plans to guide socio-economic development in the counties. It is a legal requirement that these plans must reflect the views and priorities of the citizens. More importantly, the plans are also the basis for budgeting by the county governments. The county governments should, therefore, take advantage of these plans to outline their policies, projects and programmes for implementation for the benefit of the residents of the counties.

The devolved system of governance has attracted the attention of development of partners with interest to support the counties with institutional reforms, and development projects aimed at lifting the standards of living of the residents of FCDC. The FCDC county governments should strengthen governance structures to ensure resources from these sources are utilized prudently and in compliance of the fiscal responsibility principles.

The Kenya Vision 2030 outlines key national programs and projects that have the potential of transforming the ASAL Areas. LAPSSET is a major infrastructure investment that aims to open up the region and provide linkages to the region and to major local and regional markets.

The national government has identified four key strategic priorities for implementation over the next five years to accelerate economic growth. The priorities dubbed "The Big Four" aim to: increase the manufacturing sector share of GDP in the economy to 15%; ensure all citizens enjoy food security and proper nutrition by 2022; guarantee access to quality and affordable health care to all Kenyans; and, provide affordable and decent housing for all Kenyans. As most of these priorities are aligned with the county functions, the FCDC should take the opportunity to work with the national government to ensure the policies are implemented for the benefit of the people of the region.

The FCDC provides an opportunity for the County Governments in the FCDC region to promote their socio-economic development by strengthening coordination of policy development and implementation among themselves; and between them and the national government. Previous attempts to establish mechanisms for effective coordination of development initiatives in the region, such the establishment of the ministry for Development of Northern

Kenya and Arid Lands in 2008 and the publication of the Sessional Paper No. 8 of 2012 on National Policy for the Sustainable Development of Northern Kenya and other Arid Lands did not bear much fruit. The FCDC counties will this time proactively engage the national government through the Ministry of Devolution and Arid Areas to ensure the development of the region receives the support of all stakeholders.

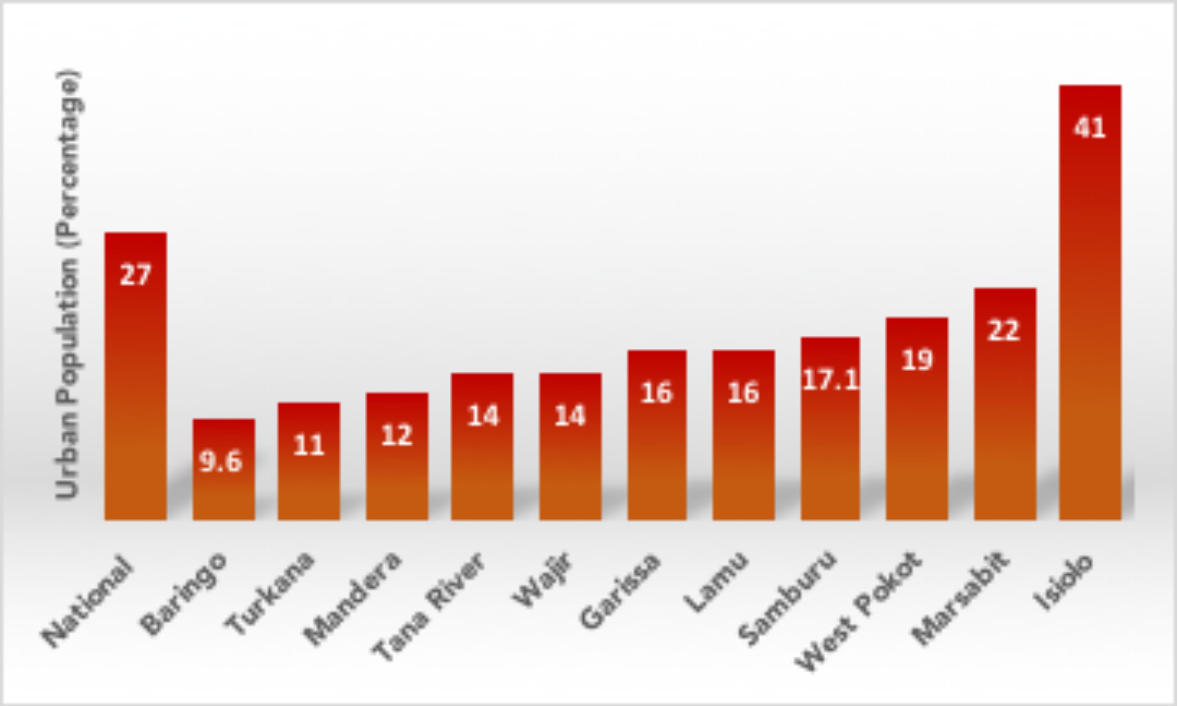
According to the African Union Policy Framework for Pastoralism in Africa, past public policies have been anti-pastoralism and were mainly informed by the discourse of the *tragedy of commons* which point to land degradation and adverse environmental impacts as the likely consequence of pastoralism. This narrative is beginning to change in Kenya with the emergence of devolution and the implementation of Kenya Vision 2030 projects and programs at the national level. The CIDPs of all the FCDC counties emphasize the development of pastoralism not only as a way of life for the county residents but also as a viable economic activity.

Challenges

A review of the implementation of key development initiatives in the region reveals that there have been significant delays and sometimes abandonment of projects. For instance, at the conclusion of implementation of the first Medium Term Plan (2008-2012), some of the key flagship projects that were to be implemented in the region had been delayed. A case in point is the construction of resort cities in Isiolo, Lamu and Lake Turkana which have not taken off. Such failures to implement the flagship projects do not bode well for the development of marginalized regions.

The level of urbanization (Figure 7) in the FCDC counties is relatively low. The exception is Isiolo County whose rate of urbanization at 41 percent is above the national average. The growth of the major urban centers including Mandera, Moyale, Isiolo, Hola, Garissa, Lamu, Marsabit, and Wajir have been held back by poor delivery of basic services such as education, health, water and sanitation, solid waste management and lack of infrastructure. These challenges and the reality that a significant proportion of the population in the region reside in the rural areas means that a major policy shift will be required to promote economic integration.

Figure 7: Level of Urbanization in FCDC Counties



Source: *2009 Population and Housing Census*

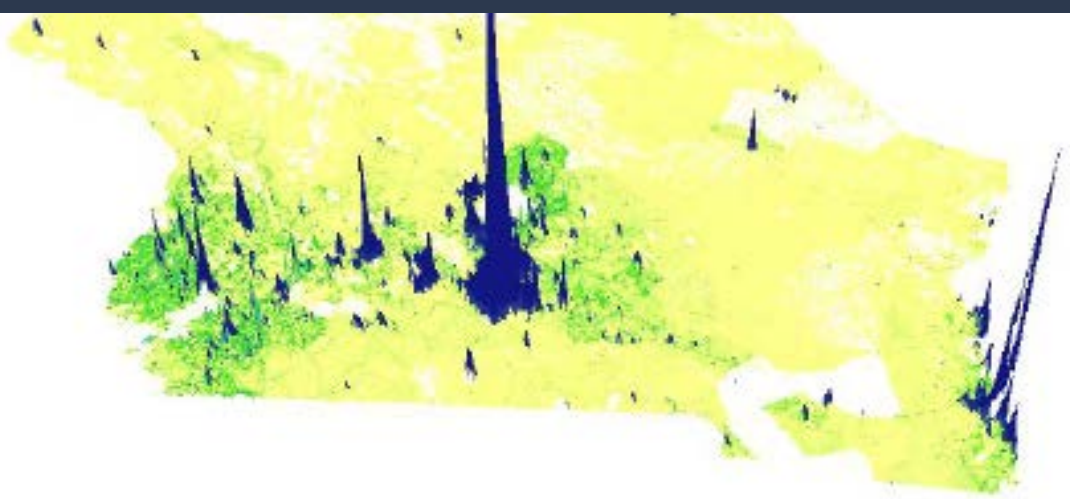
The FCDC region is highly vulnerable to climate change and weather variability, the result of which is usually high prevalence of flooding, and droughts which cause livestock deaths and famines. Further, the region has failed to develop resilience to these challenges and continuously rely on humanitarian relief. This diverts resources in the region away from development into emergency activities at the expense of developing long-term economic resilience.

The FCDC region is largely lacking in physical infrastructure considered as a foundation for development. These include good road networks, sufficient water supply, and sufficient and reliable electricity supply. This makes doing business and delivery of basic and economic services difficult and expensive.

The FCDC counties also lack institutional and human resource capacities to execute the functions assigned them as well as would be expected. This shortcoming is impacting negatively on the delivery of basic services and implementation of development projects.

The next section introduces the development approach, while section 5 uses the approach to outline strategies and policies the FCDC county governments plan to develop and implement to boost the socio-economic development of their counties.

4. A TERRITORIAL APPROACH TO DEVELOPMENT



In the past, many initiatives have been identified and recommended for implementation to promote socio-economic development of the FCDC region, but most have not been successful. Furthermore, past strategic frameworks which were used to guide the development processes in the region have lacked a framework for effective prioritization and sequencing of development initiatives. The Kenya Vision 2030, for instance, proposed the development of resort cities in the FCDC region which ten years later have not been started. Moreover, Vision 2030 development approach appears to be directed at spreading economic activity evenly across the country resulting in little impact due to the dissipation of resources. The proposed approach complements the current planning framework by providing a systemic way to tackle the issue of prioritization of development initiatives at different geographical scales.

This paper adopts a Territorial Approach to Development that emphasizes integration [2] to review the development prospects of the FCDC counties and recommend appropriate pathways for socio-economic development of the region. The approach provides a rational basis for selecting and prioritizing projects and programmes to be implemented in the region. According to this approach, interaction between lagging and leading geographical areas is key to economic growth and transformation. The approach presents policy instruments that should be used to transform three dimensions of economic geography, namely: density; distance; and division to ensure convergence in living standards. Between lagging and leading areas. The approach is premised on three attributes of economic development that have profound implications for public policy, but which are often not given sufficient attention (Figure 7). These attributes are applicable at different geographical scales, namely, area, region, national and international level.

The first attribute is geographical unevenness which is an observable fact that economic development is not spread evenly across geographical space. That is, prosperity does not occur equally in all places at the same time. There are spatial inequalities in the concentration of human settlement and economic activity as such some areas lag in economic development while others prosper rapidly and sustainably. Centuries of development show spatial disparities in economic growth, but successful countries initiate policies that ensure living standards converge between poor (lagging) and wealthy (leading) regions. However, across all countries economic activities are by and large concentrated in towns, cities, and leading regions. The following are indicative of the preponderance of economic concentration: 50 percent of global GDP is produced in only 1.5 percent of the world's land area; and 50 percent of Egypt's GDP is produced on about 0.5 percent of the country's land area. Locally, about 20 percent of Kenya's GDP is produced in Nairobi on less than 1 percent of the country's landmass.

The second attribute of development is the neighborhood effect which refers to the spillover effects associated with geographical proximity. The spillover effects can be positive or negative. Villages, towns or even cities near prosperous areas will prosper (positive spillover effect), while those bordering poor areas are likely to remain poor as well (negative spillover effect). Positive spillovers result from increased access to markets and knowledge, while negative spillovers are caused by the detrimental impacts of pollution, conflict, insecurity, and congestion.

The third attribute of economic development is circular causation which refers to self-reinforcing processes that cause increased economic concentration. As a result of market access, economies of scale, immigration, and specialization, economic density tends to expand in particular locations as growth occurs. Firms are attracted to areas of high population density due to the possibility of serving larger markets and the benefits of economies of scale. Empirical evidence across the world demonstrates that economic activity is highly concentrated. The market forces of agglomeration, trade, specialization, and migration reinforce concentration. At the international level, economic density is high in North America, Western Europe, and Northeast Asia with less than twenty percent of the world's people but account

[2] This approach is advanced by the World Development Report (WDR) 2009 on Reshaping Economic Geography.

for about seventy-five percent of global production. Furthermore, it has been observed that in most countries, capital cities and leading regions account for the largest share of national output. These forces lead to spatial inequalities in development (Figure 8).

The fundamental public policy issue therefore is how to leverage economic concentrations, neighborhood effects and break barriers that create divisions in order to promote economic growth. The territorial approach addresses this challenge by advocating a mix of policies which promote economic development and convergence of living standards between lagging (poor) and leading (wealthy) areas.

The three attributes of economic development are linked to three geographical dimensions: Distance, Density, and Division (the 3Ds). The dimensions represent the policy challenges to be overcome or the spatial dimensions that need to be transformed to achieve economic development.

Density dimension: this is characterized either by high or low concentration of population and economic activity. It is therefore the most important locational dimension. This is because high economic concentration is associated with rising economic growth and convergence of living standards. The policy challenge is how to harness market forces to promote concentration of the population and economic activity, and to foster convergence in living standards between wealthy and poor areas.

Distance dimension: manifests when a geographical scale is associated with costly distances or is far from either internal or external markets. The problem is magnified when poor (lagging) areas are distant from wealthy (leading) areas. The challenge in this case is how to reduce the economic distance between areas of high economic concentration (cities, urban areas and wealthy regions) and areas that are lagging economically (remote areas and most impoverished areas). In other words, the policy question is how to enhance connectivity and remove barriers to mobility of factors of production and trade in goods and services between poor and wealthy areas. One way to address the problem is to reduce the distance between firms and workers from economic density by investing in infrastructure.

Division dimension: arise when trade-related restrictions and political, cultural, social, and religious barriers prevent distinct communities from benefitting from each other even where there are potential opportunities. The policy question is how to remove these barriers to economic integration.

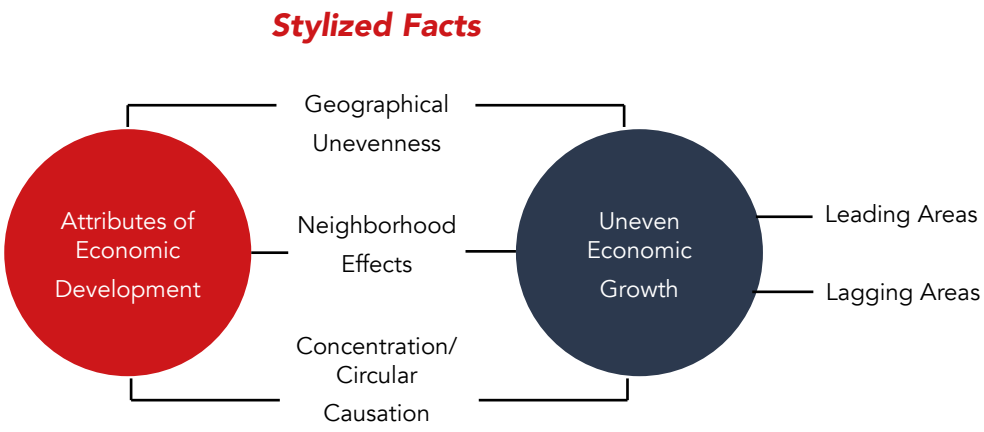
The policy instruments that could be employed to promote economic integration and concentration and to break barriers to divisions are Institutions, Infrastructure, and Interventions (the 3Is).
Institutions: this is shorthand for policies that work in any geographical area and effectively support the deployment of the factors of production (land, labor, capital) and the provision of basic services including education, health, energy, water, housing, and sanitation. Institutions also include the service delivery mechanisms and financing of public services.

Infrastructure: refers to policies and investments that enhance connectivity to address the challenges of economic distance by facilitating the movement of people, goods and services.

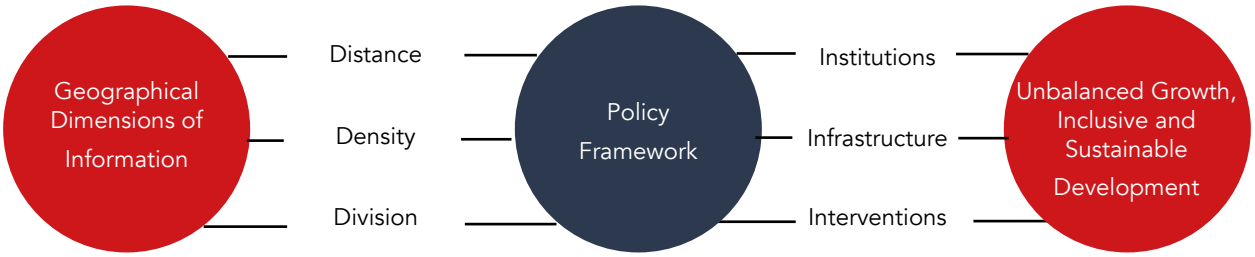
Interventions: these are regulations, incentives and public investments that are area specific and are targeted at increasing density, reducing distance and lowering divisions.

The schematic characterization of the approach to territorial development is given in figure 8 below.

Figure 8: Territorial Approach to Development



Spatial Transformation through Economic Intergration Strategy



Prioritizing and Sequencing of Policies

In the context of the territorial approach, effective prioritization of development policies can help county governments to facilitate inclusive socio-economic development. The prioritization will vary depending on the geographical dimension of the challenge (Table 8). Where a region is sparsely populated and faces a density challenge the policy response should be to develop institutions. In a region where the problem is low economic concentration/density and long distances, a calibration of policies combining institutions and infrastructure to promote concentration and connectivity between poor and prosperous areas is recommended. In circumstances where the challenges include all the three geographic dimensions (low density, long distances and deep divisions) the policy package should combine institutions with infrastructure and interventions. However, the top priority in all cases lies in building institutions that regulate land and transactions, and enhancement of the delivery of services such as education, health, water and sanitation, energy supplies and land reforms in order to facilitate economic concentration.

Table 7: Policy Framework for Sequencing and Prioritization for FCDC Region
Policy priorities for economic integration

Dimension of Policy Challenge	Policy priorities for economic integration			
	Type of Region	Institutions	Infrastructure	Interventions
1-Dimensional (Density)	Lagging and sparsely populated regions	X		
2-Dimensional (Density and Distance)	Lagging, sparsely populated and remoteregions	X	X	
3-Dimensional (Density, Distance, and Divisions)	Lagging, sparsely populated and divided regions	X	X	X

The development approach pursued since independence emphasized spreading of resources thinly across geographical scales with the aim of achieving political and economic equality. But this has failed to contribute to achieving economic integration. In contrast, the territorial approach is intended to stimulate economic growth and promote convergence between poor and prosperous areas. The territorial approach to economic development is thus relevant for transforming the FCDC region. In the context of the FCDC region, the policy challenges the approach addresses is how the national and county governments can achieve convergence in living standards under conditions of spatial inequality. The Constitution provides the foundations for spatially efficient and equitable development. Key among these foundations are the Bill of Rights [3] becomes the framework for social, economic and cultural policies; and that revenue raised nationally is shared equitably between the national government and county governments.

The Relevance of the Territorial Approach to the Social Economic Transformation of FCDC Counties

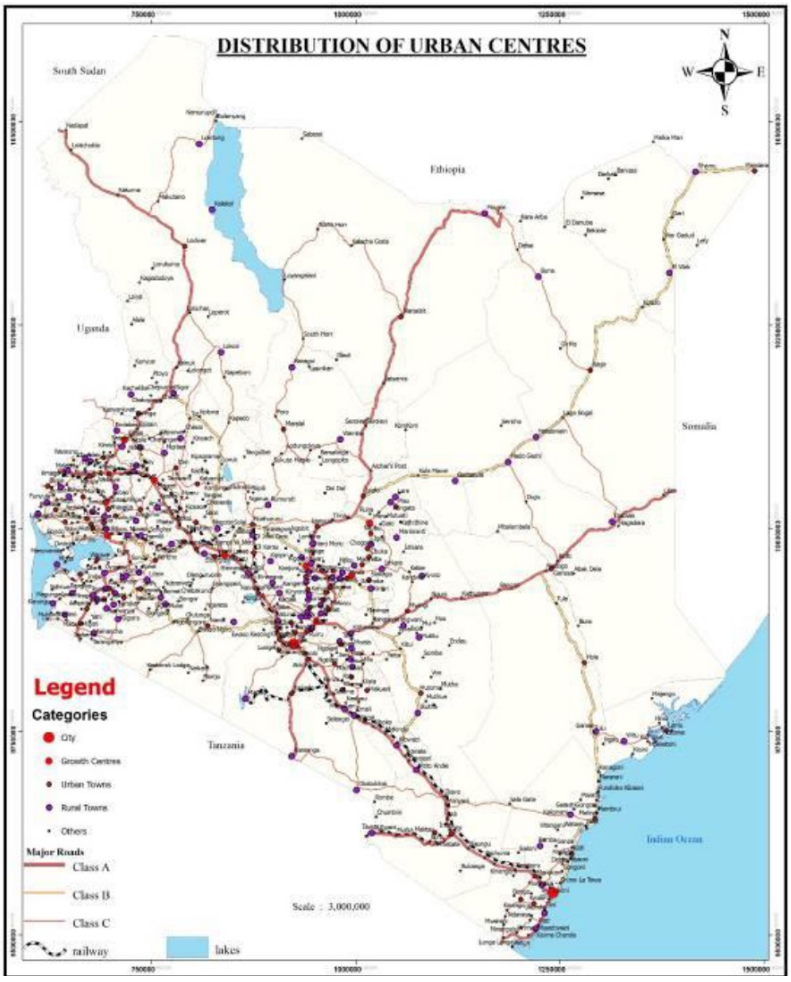
The FCDC counties occupy 377,746.8 square kilometers, an area equivalent to about 65 percent of Kenya's land mass but account for only 11.5 percent of the population indicating the counties are sparsely populated. The region is characterized by relatively high levels of aridity and scarcity of water and pasture; and lags behind the rest of Kenya in various socio-economic development indicators such as education, health, water and sanitation and poverty. On the basis of these characteristics, the territorial approach can explain and help identify policies to address the development

[3] These are the right to: health, housing and sanitation, food (freedom from hunger), clean and safe water, social security and education.

challenges facing the FCDC region. As an example, the approach concludes that when a region is too expansive it is not cost effective to develop all areas at the same time given limitation of resources, in which case it would be necessary to prioritize what to invest in, where to invest and which investments come first.

The low and sparse human settlements in the FCDC counties define the low economic concentration (density) in the region. This is illustrated in Figure 8 which shows that the economic activity and human settlements are located along the northern corridor while there is a very low concentration in FCDC counties. All the major towns in Kenya are located along this corridor, of which Nairobi, Mombasa, Nakuru, Kisumu, Eldoret and Kakamega have the highest population. The FCDC region could benefit by integrating with this corridor through increased transport connectivity and enhanced enabling environment for increased economic density.

Figure 9: Distribution of Urban Centres in Kenya



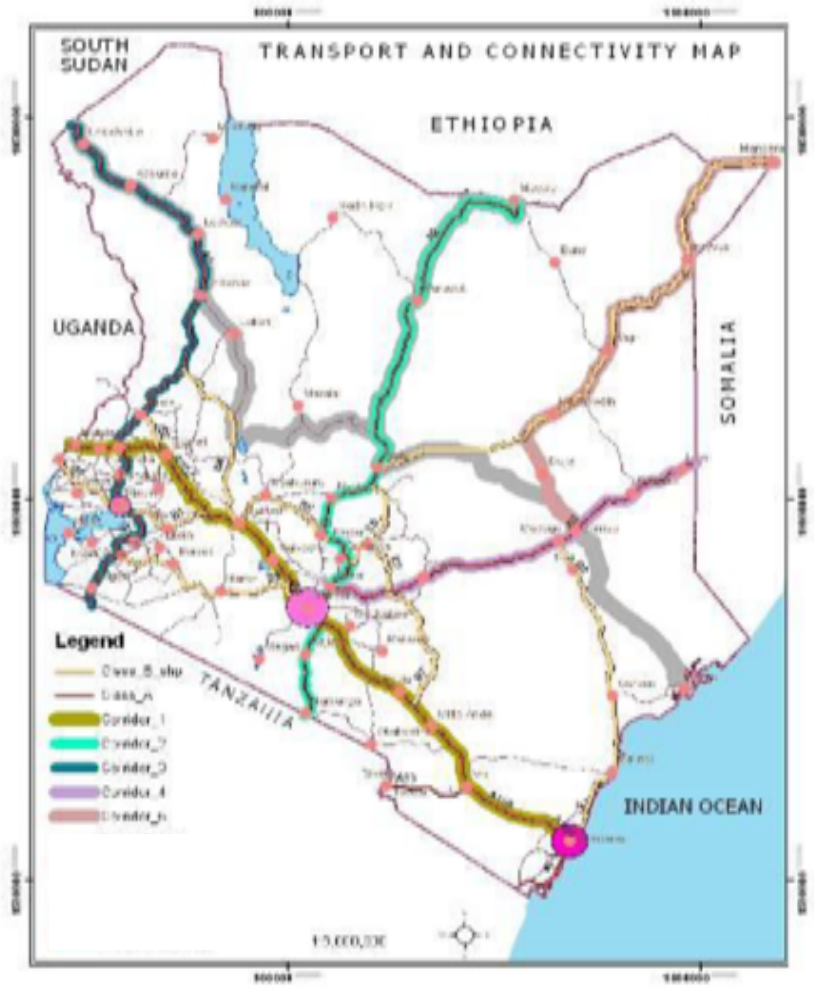
The problem of distance in the FCDC region arises from poor infrastructure leading to poor connectivity between the region and the leading regions of the country. For instance, although Mandera is about 1,000 KM from Nairobi, because of its poor road network it takes on average three days to travel to Nairobi through Isiolo. Furthermore, eighty percent of Mandera County is not well covered by communication networks (Mandera, CIDP 2013). Wajir county has a total of 440 Km graveled roads, but no tarmac road network; leaving the entire road network essentially in bad condition (Wajir, CIDP 2013). In general, the FCDC region is cut-off from the rest of the country during rainy the season because of poor road conditions.

Within the FCDC counties, the mobile nature of the pastoral communities also compounds the distance problem between urban areas and remote pastoral areas. As the pastoralist move between seasonal grazing areas, dictated by the availability of pasture and water, the delivery of essential services such as health, education, and water becomes doubly challenging.

The government has recognized the need to enhance connectivity in the ASAL region and has proposed the development of the LAPSSET project and other road corridors in the region (Figure 6). The LAPSSET project would open up FCDC region to markets in the rest of Kenya and to the regional markets of Ethiopia, South-Sudan and Uganda. The project,

expected to cost $22 billion, is designed to develop a metropolitan region encompassing Garissa, Wajir and Mandera, and resort cities in Lamu, Isiolo and Lake Turkana. The new port in Lamu is also expected to provide enhanced connectivity to international markets for the FCDC region. The other LAPSSET roads meant to improve connectivity in the region are Lamu-Garissa-Isiolo, Isiolo-Moyale and Lamu-Garsen.

Figure 10: Transport Connectivity in Kenya



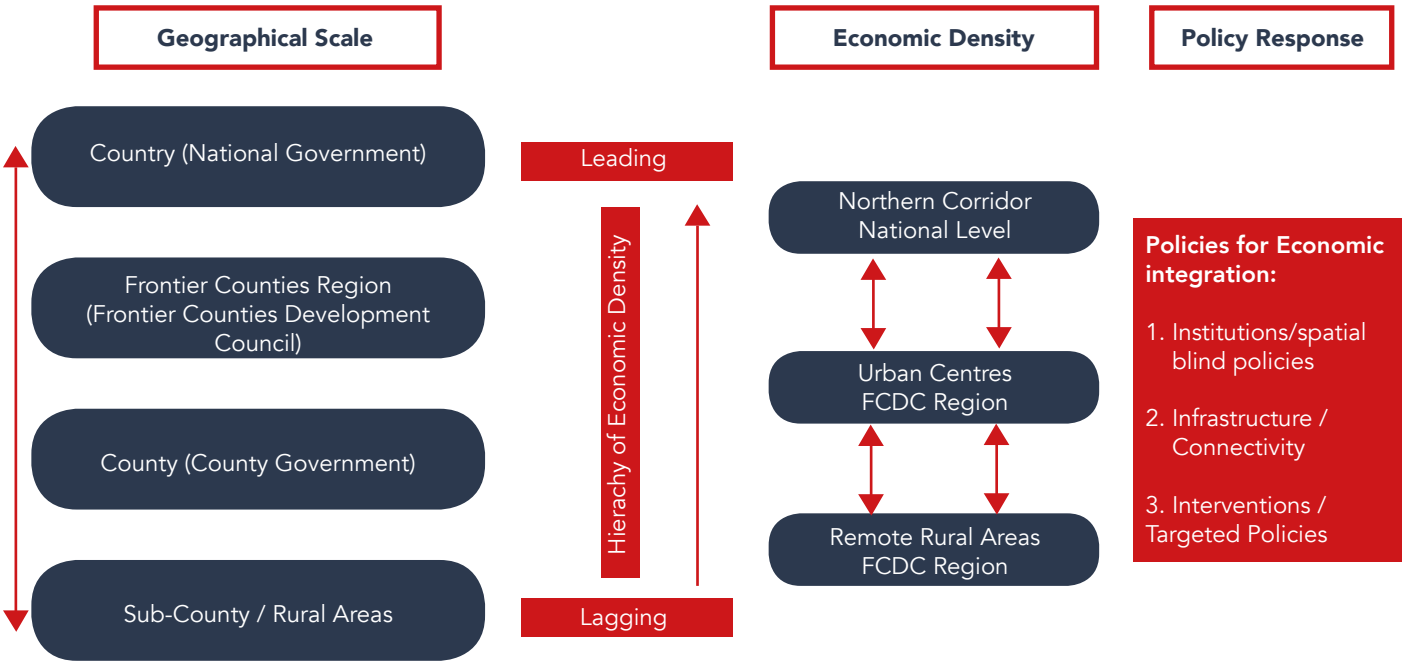
The FCDC counties are faced with major divisions mainly as a result of poor infrastructure and relatively low levels of social, economic development arising from the sad history of marginalization of the region. Further, within the FCDC region, there also exist spatial disparities in living standards which are visible along ethnic lines. The FCDC counties are home to many distinct Somali clans and other ethnic groups that include, Gabra, Borana, Rendille, Burji, Garre, Turkana, Somali, and Orma. In some Counties, clannism represents a major line of division for example between the Degodia, Ajuran, Ogaden, and Masare. Conflicts frequently arise due to sharing of resources mainly water and pasture for livestock. The FCDC region is therefore characterized by sharp divisions caused by inter-clan and tribal conflicts, cattle rustling and banditry thus contributing to an unfavourable environment for development. Insecurity in the region is also related to adverse neighborhood spillovereffects arising from the social and political instability in Somalia, including the recently increased terrorist activities by the Al-Shabaab. Among some of the FCDC communities, cultural practices cause divisions and undermine development efforts. These include early and forced marriages of the girl child, and Female Genital Mutilation (FGM). FGM exposes the girl child to risks such as HIV/AIDs infection, while early and forced marriages deny the girl child opportunity to pursue education. There are other gender concerns related to ownership of land and property and the marginalization of women in decision making.

While some of the territorial challenges overlap at different geographical scales, the most critical challenge at the county level is that of integrating rural and remote pastoral areas with the urban centers. Since economic concentration is an urban phenomenon appropriate policy for effective promotion and management of the urbanization is important for the long-term growth of FCDC counties. The policies should address the poor state of infrastructure and insufficient supply of basic services as the means for promoting urbanization. Currently, the towns with potential for future growth

and urbanization in the FCDC region are Mandera, Moyale, Isiolo, Hola, Garissa, Lamu, Marsabit, and Wajir. All these towns, except Moyale, serve as county administrative headquarters. The rapid growth of these towns under the devolved system of governance means that they are poised to stimulate non-pastoral economic activities in the fields of commerce and industry.

In summary, the territorial approach provides a framework that supports economic integration and convergence of living standards at four geographical scales namely, national, regional (FCDC), county and sub-county levels (Figure 10). The four geographical scales correspond to three levels of economic density, indicating that the urban areas at the county level and rural areas in the sub-counties have the least economic densities. The Northern Corridor at the national has the highest economic concentration. The main problem in the FCDC counties is that they all face the challenges of low economic density, long distances, and high divisions. As shown in Figure 11, the policy response to these challenges requires comprehensive implementation of spatially blind policies (Institutions), connectivity (Infrastructure), and targeted policies (Interventions).

Figure 11: Territorial Approach at Different Geographical Scales



5. STRATEGIC POLICIES AND PRIORITIES FOR THE DEVELOPMENT OF FCDC COUNTIES

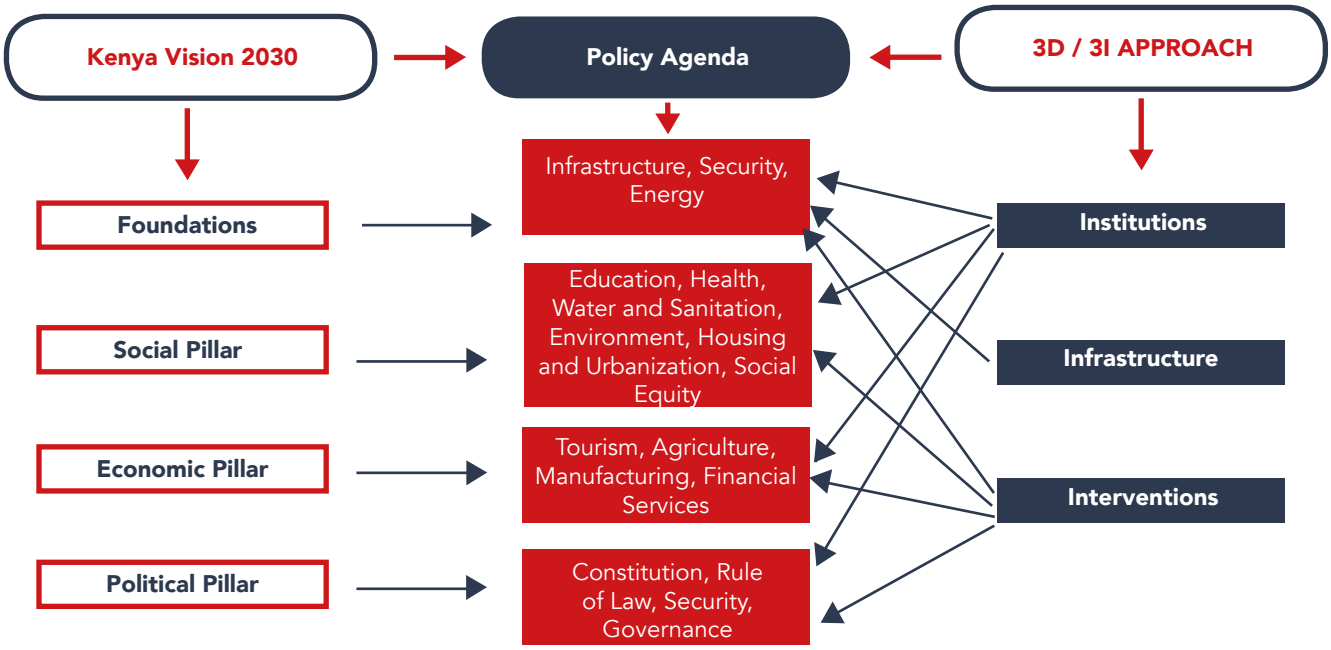
It is evident that the FCDC region faces the three-dimensional challenges of low density, long distances, and deep divisions, thus leaving the region disadvantaged in social and economic development relative to the rest of the country. The region lags behind the rest of the country in levels of income distribution, education and health status, access to water, energy, ICT, and employment. More specifically the problem of economic density manifests itself in a low concentration of economic activities in the region. The region's sparse population, with small urban centers and livestock farming as the primary economic activity, makes it difficult to maximize the use of its abundant resources - land and people. The vastness of the FCDC region coupled with low population density and poor infrastructure networks points to a serious distance challenge. The result is low productivity and poor access to national, regional and international markets. The challenges related to divisions are largely linked to the historical marginalization of the region that has bred political conflicts, lack of cohesion and insecurity. The major issues generating divisions are tribal and inter-clan conflicts, animal rustling and banditry including the recent Al-Shabab menace. Negative social and cultural practices, such as early and forced marriages of the girl child and Female Genital Mutilation (FGM) also play a role in the divisions. The region has also suffered the negative spillovers from its neighbours Somalia, Ethiopia and South Sudan which for many years have had internal conflicts.

These challenges can be addressed using a policy mix which combines Institutions, Infrastructure, and Interventions (incentives). As such promoting concentration would require a deliberate effort to grow towns in the region by ensuring increased access to quality social and economic services such as education, health, energy, property and land rights, water and sanitation, security and housing. The distance challenge can be dealt with by improving connectivity within the region and with other destinations through infrastructure development. Effective resolution of the density and distance dimensions challenges would contribute to redressing the challenges related to the division dimension. Increased productivity and prosperity from higher economic concentration and improved market access will ameliorate political and social tensions associated with divisions. This, however, would have to be supplemented by improved security; which would require that the national government engages with the countries neighbouring the FCDC counties to foster regional peace and security.

5.1 Alignment of the Territorial Approach with the National Planning Framework

It is shown in Figure 12 that the Kenya Vision 2030 policy agenda and priorities are linked to those of the territorial approach to development. In particular, the priorities associated with the Social Pillar (access to education, health, water and sanitation, etc), the Economic Pillar (livestock management, value addition, cooperatives, extension services, land ownership, pasture corridors, security), and the Political Pillar (security, rule of law and governance) are aligned to Institutions and Interventions; while the Enablers/Foundations (physical infrastructure, energy, land reforms, peace and conflict management, drought risk management, and public sector reforms) is aligned to Infrastructure and Interventions.

Figure 12: Relationship between the Territorial Approach and Kenya Vision 2030



The policy instruments for territorial development are also aligned to the National Government's "Big Four" Economic Plan and the World Bank's North and North-Eastern Development Initiative (NEDI). This approach complements the existing approaches by providing a framework for prioritization and sequencing of policies which aim to achieve convergence in living standards between lagging and leading areas of an economy. The approach also calls for the allocation of resources to priorities which directly address the challenges of geographic dimensions. Although this paper does not provide detailed recommendations on specific projects for implementation, some general proposals for key sectors are provided in Appendix A.

5.2 Application of Territorial Approach to FCDC

Promoting Economic Density through Institutions

Around the world towns and cities have been the engines of economic growth as they facilitate economies of scale in the delivery quality economic and social services; this, in turn, leads to higher incomes and consumption and better living conditions in general. There is sufficient evidence that a small percentage of the population in any country generates a large share of the country's GDP and that this is usually in towns and cities. Similarly, for most countries, a large share of GDP is produced on a relatively small proportion of land mass and usually in cities. All these point to the conclusion that development of towns/urban areas is important for socio-economic development.
As already noted urban areas in the FCDC counties are experiencing substantial growth, but the level of urbanization remains below the national average. With the establishment of county governments, these urban centers which are mostly county headquarters are increasingly attracting immigration of people from within the counties and from other parts of the country. This is beginning to exert pressure on the already stretched delivery of services, and the growth of informal settlements is emerging as a major concern.

The FCDC county governments are committed to a policy agenda of providing quality essential social and economic services and effective governance structures to support sustainable socio-economic development. The counties will develop infrastructure, in particular, rural and urban roads and ICT to improve connectivity in recognition that this is critical for economic concentration and reduction of distances between urban and rural areas. The FCDC county governments will put in place governance structures to enhance capacity for urban planning and development, including the development of spatial plans and urban plans. Some of the service delivery and governance reforms to promote economic concentration (density) in the FCDC counties are outlined below.

- **Delivery of education services:** Skilled and educated workforce is key for socio-economic development and especially in promoting economic concentration in urban areas. However, as established earlier, the FCDC counties are behind the rest of the country in educational outcomes notwithstanding that the Constitution and legislation guarantee the right to free and compulsory basic education. The FCDC counties are allocating substantial resources to the delivery of pre-primary education and will increase funding for vocational training. The counties will work with the national government to improve outcomes in primary and secondary schools through building and equipping of mobile and boarding schools; and, training and

recruitment of adequate and qualified teachers to ensure achievement of the optimal teacher/pupil ratio in primary and secondary schools. The FCDC county governments will also collaborate with the national government in the implementation of the Nomadic Education Policy to improve educational standards, particularlyin the rural areas.

- **Delivery of health services:** availability of quality health services not only encourages migration to urban areas but also promotes labour productivity. This is another area of service delivery where outcomes are poorer in the FCDC counties relative to the national outcomes. Since this is largely a county function and the Constitution mandates that citizens have the right to health care services, the county governments are obligated to protect and promote the realization of the right. The FCDC counties already allocate among the highest shares of their budgets to the health sector to enhance service delivery towards the attainment of universal health coverage. The FCDC county governments will enhance the delivery of the services in the sector by upgrading at least one current referral hospital to level 5 standards in each county and will ensure that sub-county hospitals and other health units are well staffed, in good condition and medicines are readily available. The counties will work with the national government in the implementation of the "Big Four" Plan on Universal Health Coverage, by mobilizing the residents to join the NHIF Scheme and will participate in cost sharing with the national government to support the elderly and poor households to enroll in the scheme. The counties will also work with the national government to increase the number of health workers to the population from 9:10,000 to 14:10,000. In this regard, the county governments will work with the national government and the health professionals to address the long-standing issues in the sector.

- **Water and Sanitation:** Kenya Vision 2030's target for the water sector is that water and sanitation is available and accessible to all by 2030. The Kenya Constitution 2010 recognizes access to clean and safe water as a fundamental human right and assigns the function to county governments. Inadequate and quality supply of water remains an acute problem in the FCDC counties both in rural and urban areas, and sewerage and solid waste systems are hardly in existence in most urban areas in the region. The enactment of the Water Act 2016 was meant to deal with these problems by providing a regulatory framework for the development and management of the sector, but the Water Service Providers (WSP) established by the Act have been unable to deliver on their mandates effectively due to operational and financial constraints. The FCDC county governments will strengthen the WSPs to enhance service delivery and strengthen their governance. The county governments will construct more dams and drill more boreholes to increase the supply of water. The counties will take advantage of Kenya Output-Based Aid (OBA) and Aid on Delivery (AoD) programs to finance infrastructure development in the sector. The county governments will also leverage on the Water and Sanitation Development Project under NEDI that is being implemented in Wajir and Garissa counties, to support the supply of piped water, construct and rehabilitate water points and develop water treatment plants. The counties will develop sewerage systems in Bura, Modogashe, Balambala, Marsabit, Mandera, Moyale, Masalani, Dadaab and other urban areas in the region.

- **Urban Planning for Sustainable Development:** To control the growth and orderly development of urban areas in the counties, the Government Act, 2012 provides for the development of spatial and urban plans by the county governments. These plans regulate land use, including designation areas for land development; definition of boundaries of urban areas; designation of areas for conservation and recreation; and, ensuring that developments comply with national housing and building codes. The FCDC county governments will develop spatial and urban plans and will ensure they are complied with to arrest mushrooming unregulated developments, including urban slums. The counties will develop low-cost houses to meet housing shortages in urban areas and to control the growth of slums and informal settlements. In this regard, the FCDC counties will collaborate with the national government in delivering the "Big Four" Plan on affordable housing by facilitating the private sector. This will include setting aside land for housing development and providing the necessary services such as water and sanitation, street lights, access roads and energy connections.

- **Land Reforms for Secure Property Rights:** Development of urban areas depends on the security of land tenure and property rights. This applies particularly to infrastructure developers and investors interested in housing and real estate development, exploitation of natural resources and other private sector activities. Although the Constitution and legislation protect property rights, land administration and management remain weak. The FCDC county governments will ensure land documents are issued to landowners to facilitate an appropriate environment for urban development.

- **Develop and Rehabilitate Urban Roads:** most roads within urban areas in Kenya are in deplorable condition and must be improved if the business climate and living conditions of the people residing in

these areas are to improve. The FCDC counties will pave all the roads within the main urban areas and will simultaneously develop storm water systems to control the perennial flooding in urban areas during the rainy seasons. Solid waste management systems will be developed to improve and protect the environment and to ensure that the drainage systems are not blocked.

- **Energy Supply:** business climate and standards of living will be enhanced in the FCDC region through the provision of adequate energy supplies and street lighting. The counties will work with the national government, development partners and private entities to develop wind and off-grid solar power, to provide local employment and increased power supply to the counties. The counties will ensure all urban areas are connected to reliable sources of power and businesses and households will be encouraged to adopt renewable energy. The counties will provide street lighting in all the urban areas. The FCDC counties are currently benefitting under the Kenya Off-grid Solar Access Project (KOSAP) funded by the World Bank through NEDI that intends to provide energy supply to about 1.3 million households, 380 County Commissioners offices, 784 health centers, 207 schools and 380 water pumping stations. The FCDC county will request for increased support from the World Bank in this area and will engage other donors for similar support.

- **Private Sector Development:** the FCDC County Governments attach great importance to the role the private sector plays in improving socio-economic conditions in the counties. This role will be enhanced by improving the business climate in the counties and by increasing opportunities for public-private partnerships in the provision of goods and services and investments. The private sector will be encouraged to invest in developing affordable housing, infrastructure development, development of agro-industries, development of grain storage facilities, provision of animal health services, and provision of insurance and financial services. In this context, the County Governments will explore the possibility of establishing a Sharia compliant bank to facilitate financing of development projects and promotion of financial inclusion in the region.

Improving Connectivity through Infrastructure Development

The distance problem in the FCDC region is compounded by the reality that only about 5 percent of the roads in the region are paved while rest are mainly earth surface. This makes it difficult for goods and services produced in the FCDC region to access not only the markets within the region but also national and international markets. The appropriate policy to address the challenge is to reduce distance through the development of connective infrastructure, coupled with rehabilitation, reconstruction, upgrading, expansion and routine maintenance of existing infrastructure in the region.

Roads: The Constitution of Kenya 2010 assigns county roads, public road transport and street lighting to county governments, but the governance and institutional framework of the sector has not been aligned to the Constitution. In particular, rural and urban roads have not been fully devolved to county government. The county governments will lobby the national government to ensure the Kenya Roads Bill, 2017 is enacted and that the bill conforms to the Constitution. The legislation should delineate and clarify the functions and responsibilities of the national and county governments by the Constitution and strengthen the inter-governmental mechanisms for coordination in the sector.

The Northern Corridor connects areas with high and growing economic and human density in the country and also links Kenya to the East African Community (EAC) countries and eastern part of the Democratic Republic of Congo. It is vital that this corridor is linked to the FCDC region to reduce the distances between the region and the other regions of the country, and to link the region to the economies of the countries of the EAC, Ethiopia and Somalia.

In undertaking infrastructure development, the FCDC counties will be guided by the density and distance dimensions in prioritizing roads. The FCDC counties will work with the national government and development partners to develop road networks which improve connectivity to the counties. Among the important roads, is the Nairobi-Isiolo-Marsabit-Moyale corridor which was inaugurated after the completion of the 505-km section between Isiolo, Marsabit and Moyale; and has reduced travel time between Moyale in Kenya/Ethiopia border to Nairobi from 60 hours to 8 hours. Other priority roads which are in the process of development are:

- Nairobi-Thika-Mwingi-Garissa-Liboi (border town with Somalia);
- Mombasa-Malindi-Garsen-Hola-Garissa-Modogashe-Wajir-Elwak-Mandera; and,
- Isiolo-Modogashe-Wajir-Elwak-Mandera corridor is being constructed and rehabilitated under the World Bank funded North Eastern Transport Improvement project as part of NEDI; the project will involve the construction of 350 Km of the 704 Km road and reconstruction of the remaining part of the corridor.

The Lamu Port to Southern Sudan and Ethiopia (LAPSSET): This development corridor is one of the most ambitious corridors under development and would address the challenges of economic density and distances faced by FCDC counties. The corridor involves the development of a port, railway, roads, pipeline, resort cities, airports and power and water supplies. The proposed railway line from Lamu to the Kenya-South Sudan border will branch from Isiolo to Moyale on the Kenya-Ethiopia border. Highways will be developed along the railway lines; out of which the Nairobi-Isiolo-Moyale section is complete, while the 738Km section between Lokichar and Nakodok is under construction. The construction of the 112 Km Lamu-Witu-Garsen has also been prioritized. There are plans to rehabilitate and expand Isiolo airport, Manda airport in Lamu and Lokichogio airport in Turkana. Isiolo airport is already operational, while Lamu airport is under development, but the development of Turkana airport is yet to start.

As interested parties, the FCDC counties will seek to be enjoined in the ongoing developments in the LAPPSET corridor and will work with the national government and development partners in the development of the primary and secondary national trunk roads in the region. The counties will continue to allocate large shares of their budgets to roads, especially those that will reduce distances by linking headquarters of respective counties and urban centers to each other, and the urban areas to rural areas. The aim is to upgrade most rural roads from earth to a gravel surface.

Information Communication Technology: is rapidly becoming a critical vehicle for reducing economic distances through information management and dissemination. The FCDC counties have all been connected to the National Fibre Optic Backbone and have been working with the national government through the County Connectivity Project and the Smart County project to improve internet connection and adopt ICT best practices to improve service delivery. This is an ongoing process, and the FCDC will seek additional resources to expand internet connectivity and bandwidth. The fiber optic cable being installed along the Isiolo-Wajir-Mandera road supported by the World Bank under the North-Eastern Transport Improvement Project (NETIP) is expected to further improve information management and dissemination in the region.

Fostering Integration in the Region

The problem of divisions in the FCDC counties can be traced to the historical marginalization of the region. The mainsources of division are high poverty levels, adverse social and cultural practices, insecurity, ethnic tensions, resource conflicts and negative spillovers from regional conflicts. The counties will address these problems by investing in the people of the region, implementing poverty reduction policies, peacebuilding, developing resilience to climate change, promoting land reforms and encouraging regional cooperation.

Social development to overcome divisions: The county governments will allocate more resources to enhance the delivery of quality education and health services and provision of the social safety net and social security benefits to the vulnerable groups as a means of addressing the problem of division. Improved education in general, and particularly for the girl child will shift attitudes against negative cultural practices such FGM and early marriages. Improved technical and vocational training will empower the youth with skills for gainful employment and thus contribute to the reduction of insecurity and conflicts. Similarly, improved health outcomes are expected to reduce divisions by increasing labour productivity, which in turn should lead to higher incomes and reduction of poverty. Safety net provisions to the most vulnerable groups in the society such as the elderly, disabled and orphans will also ameliorate poverty.

Poverty reduction through the development of agriculture: the agricultural sector in the FCDC counties is dominated by livestock production which is a major source of livelihood in the region. Irrigated agriculture also has a high potential in the region, particularly along river basins which have not been sufficiently exploited in the past. For example, out of a total area of the Tana and Ewaso Nyiro North river basins estimated at 566,995 and 151,730 hectares, respectively, only 12% and 6% of the land had been developed by the end of 2013. The growth of the livestock sub-sector is constrained by lack of markets; inadequate water supply and pasture; high prevalence of diseases; limited access to credit; and limited abattoirs and tanneries. Similarly, the potential for increased production under irrigation is limited by poor extension services; lack of credit; high post-harvest losses; and inadequate storage facilities.

The FCDC counties will take proactive policy initiatives to stimulate the growth of the agricultural sector to improve the standards of living in the region. The counties will, in particular, target livestock production as a flagship economic activity. At least one modern abattoir and tannery will be constructed in each county, and to promote access to export markets suitable areas will be designated as disease-free zones. Sufficient resources will be allocated for extension services to enhance disease surveillance in the zones; including combating trans-boundary diseases and increased meat and food safety inspections. The counties will also allocate more resources for the development of dams and pans to increase the supply of water and will support enhanced use of insurance to mitigate the effects of climate change on the livelihoods of livestock farmers. Farmers will be encouraged to form cooperatives to improve the marketing of their

products and access to credit. The counties will also establish model farms for livestock breeding and hay production, and private sector operators will be encouraged to invest in similar ventures.

Irrigation schemes will be expanded and placed under the management of communities as water user groups or individual farmers to promote agricultural production. The horticulture subsector will be promoted by the construction of processing plants to add value to fruits, tomatoes and other produce from irrigated farms. In this area the FCDC counties will work with the national government in the attainment of the "Big Four" Plan on attainment of food and nutrition security. In this regard, small-scale farmers and larger private sector players will be encouraged to produce cereals under irrigation. Existing irrigation schemes in Hola, Bura, Tana Delta, Masalani and Abalatiro will be rehabilitated and expanded.

The development of the fisheries sub-sector will be given priority by those FCDC counties which have the potential for developing the sub-sector, namely - Lamu, Tana River and Marsabit. The counties will sensitize the local community, especially the youth on the importance of fisheries and will organize them into groups and cooperatives to pool their resources including enhancing their access to credit. The counties will also organize and support Beach Management Units to facilitate the landing and handling of fish before being transported to markets. The FCDC governments will develop jetties and small ports and other necessary infrastructure to support the sub-sector. The county governments will work with the national government to promote marine aquaculture through the development of maritime infrastructure, maritime education, and promotion of adoption of aquaculture technology. In this regard, the counties will implement the Fisheries Management and Development Act, 2016.

Peacebuilding for social, political and economic integration: the FCDC counties face persistent security and conflict challenges that constitute a significant threat to the socio-economic development of the region. The National Policy on Peacebuilding and Conflict Management (NPPCM) of 2012 which was meant to mitigate and prevent conflicts has had little impact. The peacebuilding and conflict resolution mechanisms have been weak, and early warning and response mechanisms do not exist in most counties. The county governments will work with the national government and all the other stakeholders to strengthen peace structures at the county level. Measures will be taken to empower vulnerable communities to resist radicalization. The FCDC counties will also form FCDC peace platforms to spearhead resolution of pastoral conflicts. In addition, the following specific actions will be taken:

- Undertake bottom up consultations with identified key stakeholders and come up with priority areas of intervention;
- Formulation of a Regional Agenda and Strategy on security and peacebuilding for the FCDC on the basis of the agreed priorities;
- Develop a framework and build capacity for the implementation, monitoring and evaluation of the strategy and plan of action on security and peacebuilding;
- Work with the National Cohesion and Integration Commission to promote regional and national cohesion in FCDC region; and
- Collaborate with the National Government to ensure youth empowerment and de-radicalization programmes are promoted to dissuade them from joining extreme violent groups.

Developing resilience to climate change: FCDC counties are vulnerable to climate change, and the resulting regular variable weather conditions cause large damages and losses, particularly to humans, crops, and livestock. This has made the region a major recipient of humanitarian aid from the National Government, Non-governmental Organizations (NGOs) and development partners. The National Drought Management Authority (NDMA) was set up in 2011 to ensure that the impacts of climate change are sufficiently mitigated, and drought does not result in emergencies. However, due to lack of timely response to emergencies and inadequate resources drought and famines have remained a challenge. The FCDC counties will continue to work with the National Government and development partners to combat climate change and its effects. The counties will fully operationalize the Climate Change Act 2016 by developing Climate Change Action Plans outlining strategies and coordination mechanisms for building resilience to climate change and enhancing capacities for adaptation. FCDC secretariat will also coordinate the activities of the various players in the drought management subsector to ensure coherence and synergy in the mobilization, use, and accountability of resources.

Land reforms: indigenous pastoral land tenure system in the region combined both shared and exclusive property rights, and guaranteed the pastoralists access to natural resources supportive of the livestock production. However, in recent years, changes in land use and ownership, together with land reforms, population pressure, climate change and the creation of parks and reserves have negated this system. The Land (Group Representatives) Act of 1967, by limiting movement of the pastoralists became a source of conflicts especially during periods of droughts when pastoralists have to move in search of grazing lands and water. Implementation of policies to promote secure land tenure and

property rights is therefore paramount for development of FCDC region. The FCDC County Governments will work with the national government to ensure that the Community Land Act 2016 which provides the legal framework for the protection of community land rights is fully implemented. In this regard, the role of the county governments in the management and administration of community land will be entrenched. The county governments will ensure that community land rights are registered and protected and the creation and delimitation of pastoral corridors are incorporated in county spatial plans. The pastoralists' ecosystem will be protected, and the pastoralists will receive an equitable share of benefits from natural resources such parks and reserves.

Regional co-operation to reduce divisions: The FCDC region has for many years hosted some the largest number of refugees anywhere. These have not only had negative social, economic and environmental effects on the region but have also been a source of insecurity. The region has also suffered from infiltration by bandits and terrorists from the neighbouring countries. The counties will continue to support voluntary repatriation of refugees to their countries of origin. The counties will encourage and collaborate with the national government to seek dialogue with the neighboring countries to engage in regional cooperation on the refugee matters and to promote peace and security in the region.

Exploitation of Natural Resources: The recent discovery and exploitation of oil in Turkana County and increased prospecting for oil and gas and other minerals in the FCDC region has the potential to greatly improve the socio-economic development of the region. While earnings from these resources, if not properly managed, may distort economic activities and negatively impact on the overall economy; appropriate use of the earning for example to finance health, education and infrastructure will have positive impact on the economy and the welfare of citizens. The policy in the proposed bill that the earnings from the resources will be shared equitably among the communities, the counties and national government, could be immensely beneficial if the earnings are used to finance social services and long-term investments. In this regard, the county governments will continue to lobby for an Act of Parliament that will share out the revenues equitably to the beneficiaries.

6. MAKING DEVOLUTION WORK IN FCDC COUNTIES

The governance system of devolution introduced by the Kenya Constitution 2010 came into being in March 2013 with the election of governors and members of the county assemblies in the 47 counties. The first task of the county governments was to establish institutional and legal frameworks to carry out their mandates. This involved establishing the three institutional structures for running the governments, namely the county executive, the county assemblies and the county public service boards. At the initial stages, the county governments began deploying staff of the defunct local authorities, and a few personnel seconded to counties by the Transition Authority to manage these institutions and to deliver public services. The staff however lacked the skills and professionalism to deliver the immense responsibilities of the new governments. Apart from the shortage of skilled human resources, the FCDC county governments have also faced challenges of inadequate financial resources, weak inter-governmental relations, and poor working relations between the county executive and the county assemblies.

6.1 Institutional Development

Institutional frameworks for development in FCDC region: In terms of human resources the FCDC counties have faced unique challenges because historical marginalization and insecurity have led to low human capital development. This meant that from the beginning the counties have faced challenges in designing and implementing development strategies and policies. Recognizing that provision of county services required skilled, ethical and professional staff, the counties sought support for capacity building from the national government and development partners. County staff have received training on public financial management, planning, monitoring and evaluation, human resource management, performance management, civic education, public participation and legal drafting. The result has been improved performance but more needs to be done to develop work ethics and professionalism in the county public services. Going forward, the FCDC county governments will undertake continuous training and staff development in the following areas: financial management particularly expenditure controls and management; revenue administration; risk management and operations of IFMIS; monitoring and evaluation, including performance contracting systems; policy analysis and development; and, planning, especially collection and analysis of data required for the development and implementation of CIDPs and annual plans.

Development partners have played a major role in supporting capacity building in the counties through the Kenya Devolution Support Programme (KDSP), the Kenya Accountable Devolution Programme (KADP), Agile Harmonized Assistance for Devolved Institutions (AHADI) and other projects and programmes. The FCDC county governments appreciate the support and will seek increased support to enhance capacity development. The FCDC will also seek support for the establishment of a branch of the Kenya School of Government in the region to bring the development training competencies closer to the region.

The other county institutions which are essential for the success of devolution are the County Assemblies and the County Public Service Boards. In order to build capacity for county assemblies, members of the assemblies and staff were trained on assembly procedures and practice, standing orders, committees, budget process, public participation, legislative drafting and county planning. It is necessary that capacity building be on a continuous basis and support from the national government and development partners will continue to be required. There should also be a continuous effort to emphasize the separation of powers between the county executive and the county assemblies to minimize unnecessary misunderstanding between the two branches of county governments. The county public and assembly service boards are also important institutions in the counties, and their capacities will be developed. Their functions and independence will be recognized and respected. The role of the two boards in the management of county public service, including the establishment and abolition of offices in the county public service; and, appointment, promotion and disciplinary control over county public servants will be safeguarded.

County Integrated Development Plans (CIDPs): The FCDC county governments are finalizing their second generation CIDPs covering the period 2018-2022. These plans together with the spatial plans, sector plans, urban areas and cities plans and annual plans form the basis for budgeting and expenditure in the counties. The CIDPs and the annual plans, in particular, provide short to medium term development priorities for implementation. The challenge for most of the county governments is that spatial plans and urban areas and cities plans have not been produced. As the CIDPs are finalized and using experiences from the implementation of the first generation CIDPs (2013-2017), the county governments will set realistic priorities and sufficient resources will be allocated to ensure successful implementation of the priorities. In this regard, greater effort will be made to mobilize more revenues from local sources; and to promote realistic budgeting for priority projects and programmes, the county governments will ensure that revenue and expenditure estimates are realistic. The county governments will also ensure that the priorities derived from the territorial approach to development and outlined in this paper are incorporated in the CIDPs.

Public Participation: citizen participation is a constitutional requirement in the management of public affairs by the county and national governments. This applies particularly in relation to policy and decision making and legislative processes. In the counties this usually involves participation by citizens in the development and monitoring of the implementation of annual development plans and budgets; development of other plans e.g. CIDPs, spatial and urban plans; policy formulation; service delivery in all the decentralized levels of the county; and, legislative functions of county assemblies. The effectiveness of public participation in the FCDC counties has faced numerous challenges, among them:- lack of information on the functions and responsibilities of county governments; low public awareness arising from many citizens with low levels of education; social and cultural norms and practices such patriarchy which limits participation by women and clannism which diminish the role of some sections of the society; nomadic pastoralism which limit engagement by the pastoralists who constantly move in search of pasture and water; and insecurity which drives communities apart. The FCDC counties will address these issues by developing legislation and regulations/ guidelines to ensure public participation is inclusive and effective; and will allocate sufficient resources to the process, including civic education.

Frontier Counties Development Council: to strengthen the effectiveness of devolution in the FCDC counties, the Governors of the Frontier Counties,established the FCDC and a Secretariat to promote the social and economic transformation of the region. The Council is responsible for the development and implementation of policies, projects and programmes which have a bearing on socio-economic development across the region. In furtherance of this objective, it will lobby the national and other county governments to jointly develop policy reforms which have a genuine and positive impact on the devolved system of governance. The Council will facilitate the strengthening of governance systems and structures of the FCDC counties for improved service delivery. In this respect, it will develop and institutionalize a Peer Review Mechanism for the FCDC counties whose objective is to ensure best practices are being applied in delivery of services and governance. The mechanism is intended to share experiences and provide support to any member of the FCDC that may need it. The mechanism will simply be enough to be applied on an annual basis, but the results will be robust to maintain credibility with the FCDC citizens and other stakeholders.

The specific responsibilities and functions of the FCDC Secretariat include:

- Support capacity building of the institutions in the FCDC region;
- Develop regional policies, projects and programmes;
- Act as liaison office for FCDC with third parties;
- Institutionalize knowledge management in FCDC (generation, storage, dissemination of data, documents and information)
- Facilitating public participation of stakeholders in the development of the region;
- Develop, implement and report the findings of Peer Review Mechanism;
- Monitoring and reporting on the progress of the implementation of this strategy;

The FCDC county governments will support the work of the Council and will contribute resources to sustain the Secretariat. The Council will also seek support for its work and that of the Secretariat from the national government and development partners.

6.2 Inter-Governmental Relations

Intergovernmental relations is another factor that has great bearing on the success of the system of devolved governance. The county governments deal with the Ministry of Devolution and Arid Lands and the sector ministries on a regular basis. However, cooperation between the two levels of governments is through intergovernmental organs provided by law. These are the Intergovernmental Relations Technical Committee the successor of the Transition Authority, the National and County Governments Coordinating Summit and the Intergovernmental Budget and Economic Council.

The Intergovernmental Relations Technical Committee (IGRTC): The Transition Authority was established to facilitate the transfer of functions from the national government to county governments. The Authority was initially in charge of all the public officers in counties before the Governors and county assemblies were sworn into office and assisted in the setting up of the county governments. The residual functions of the Transition Authority were taken over by the Governors when its term expired in March 2016. The most notable of the residual functions transferred to IGRTC included rural and urban roads. The FCDC counties will lobby for these functions and related resources transferred to the counties as soon as possible to enable them take responsibility of all the functions assigned to them. The FCDC counties will work closely with IGRTC to ensure the relations between the national and the county governments work well for the benefit of the devolved system of governance.

The Intergovernmental Budget and Economic Council: This organ is chaired by the Deputy President and the members include the Cabinet Secretary to the National Treasury, Cabinet Secretary for Devolution, the Attorney General, Chairman of CRA, Chairman of the Council of Governors, County Executive Committee (CECs) for Finance of the 47 counties, and representatives of Public Service Commission and Judicial Service Commission. It is at the Council that budget, borrowing and loan guarantees, planning and financial issues, including related policy and legal frameworks are discussed and agreed. Among the most important issues for consultations by the Council are the recommendations on equitable sharing of revenues between national and county governments and the schedule of disbursements of the equitable share of revenues to county governments by the National Treasury. This is an area where county governments are most concerned; as the equitable share of revenues are considered insufficient to finance the county functions and disbursements are usually not affected as agreed or as provided by law. Unpredictable disbursements introduce risks into the budgeting and expenditure plans of the counties. The FCDC counties will continue to call for increased equitable share of revenue for the counties and will insist that disbursements are done in accordance with the law.

National and County Coordinating Summit: is chaired by the President and the other members are the Deputy President and the 47 Governors. It is a forum for consultation and cooperation between the national and county governments in, among others, evaluating performance of national and county governments; monitoring the implementation of national and county development plans; coordinating and harmonizing development of national and county governments policies; facilitating and coordinating the transfer of functions; and, considering issues relating to intergovernmental relations raised by the public. The summit has not met as often as required by law and met only three times between 2013 and 2017. The FCDC counties will lobby for the Summit to meet as required by law for the benefit of both levels of government, but particularly address issues that may be impacting negatively on the relations between the two levels of governments and the development of the counties.

7. DEVELOPMENT OF INVESTMENT PLAN

This blueprint provides a framework for strategic and policy development in the FCDC region. It deliberately does not provide detailed development project and programmes for implementation but will be used as a basis for developing an investment plan for the region. In this regard, The FCDC Secretariat and the county governments will jointly develop an investment plan outlining viable/bankable county and FCDC regional priority projects and programmes to promote the economic growth of the region. The plan will provide timelines, budgets, and source of funding for each project/programme. In developing the investment plan, the county governments will incorporate best practices from projects currently under implementation in the region.

The FCDC county governments will publish and publicize the Investment Plan and will together with the national government organize an investment conference to solicit funding for the projects and programmes from the development partners and the private sector.

The projects and programmes will cover some of the following areas:

- Human resource development;
- Capacity development for service delivery;
- Peacebuilding;
- Development of spatial and urban plans;
- Development of urban roads;
- Development of rural roads and national primary and trunk roads;
- Improvement of ICT infrastructure;
- Development of sewerage systems;
- Capacity building of Water Service Providers;
- Development of water supply schemes;
- Construction of dams, pans and boreholes;
- Livestock production;
- Development of abattoirs and tanneries;
- Development of low cost housing;
- Construction of schools and provision of supplies;
- Construction of health facilities;
- Development of irrigation schemes;
- Development of fisheries infrastructure;
- Development of off-grid power systems; and
- Implementation of climate action plans.

APPENDIX A SPECIFIC SECTOR INTERVENTIONS

Education	Health	Agriculture and Livestock	Safety Nets
• Use alternative models including Distance Learning (DL) and use of mobile technology to reach the unreachable; • Use ofbursaries to support children from poor and vulnerable families; • Use of conditional grants and feeding programs duringtheperiod of drought. • Increase the number of mobile schools and provide courses for mobile school teachers • Recruitment and deployment of more teachers; • Establish public universities, national polytechnics and middle-level technical colleges in the region • Establish Adult and Continuing Education (ACE) centers in ASALs Counties • Develop a costed implementation strategy for the adult literacy programme for the region; • Establish Teacher Training Colleges in the region • Designate and upgrade TTCs as centers for Nomadic Education • Maintain and expand the school feeding programme • Support the Northern Kenya Education Trust • Mainstream Early Childhood Development Education with three feeder schools in each pastoralcounties.	• Provide health insurance subsidies • Implement targeted emergency nutrition programs to address Under 5 stunting • Establish a teaching and referral hospital • Enhance awareness and promote the use of NHIF in the region • Train community health workers and traditional birth attendants • Provide support to HIV infected persons, orphans and other vulnerable and increase VCT centers • Invest in mobile health services • Develop a telemedicine programme for the region which links referral hospitals with satellite health centers • Establish the UZIMA fund (Uzazi Initiative for safe Motherhood in Arid lands) to improve maternal and child health in the region • Conditional Cash transfers support for orphans and the vulnerable children linked to utilization of modern health care services • At least 3 MTCs in the FCDC counties	• Community-level cooperatives to finance micro-projects: value chain development, alternative livelihoods, vulnerable and marginalized groups, enterprise development - matching grants • Support commercialization of camel milk; • Constructions and rationalization of the construction of abattoirs • Availing credit facilities • Construction of fruit processing plants • Establishment of disease-free zones in Lamu, Mandera, Marsabit, Wajir • Construction of a cotton industrial park in Lamu • Establish model farms for theproduction of animal feeds: • Establish model farms for breeding	• Expansion of the NSNP in the NEDI counties to reach additional number of vulnerable households • Provision of regular cash transfers through electronic payments using two-factor authentication • Expand target group to address specific vulnerabilities in the NEDI counties • Bursaries and scholarships from county governments to deserving children

APPENDIX B SELECTED INFRASTRUCTURE PROJECTS

Water and Sanitation	Infrastructure	Energy
• Efficient use of the Merti Aquifer (Garissa, Wajir, Isioloand parts of Marsabit) • Rain water harvesting through construction of reservoirs with large storage capacities • Bura water supply and sewerage, • Modogashe sewerage, • Balambala water and sewerage, • Masalani sewerage, and Dadaab sewerage; • Wajir Water supply in Wajir County whose scope of works include design and construction of a new water supply system; • Isiolo Dam in Isiolo County involv-ingtheconstruction of dam for water supply; • Marsabit sewerage in Marsabit County; • Mandera sewerage and dam to construct a dam for water supply and construction of a new sewerage system; • Moyale sewerage in Marsabit County; and • Lamu Port and Kizingitini water supply projects. The Vision 2030 and Water Master Plan 2030 projects in the FCDC region include: • High Grand Falls Irrigation – Garissa/Tana River; • Hola Irrigation Expansion – Tana River; • Kora Irrigation – Tana River; • Kom (Wajir) Irrigation – Isiolo County; • Karura Hydro-power development project; and • Construction of a 54Km canal from Tana River to Garissa (Rahole canal).	• Lay fibre optic cable along the NEDI road corridors • Paving of importantClass A roads • Every county within the region to have low volume sealed roads program (such as Rhamu-Moyale (B80), Laisamis-Wajir (B82), Ijara-Liboi (B93), Madogo-Garsen road (B89) and Garbatulla-Bangali (B85). • LAPSSET • Isiolo-Mandera Road (740 km) as a development corridor • Maintenance and Rehabilitation of Airstrips	• Off-grid solar energy investments

APPENDIX C Distribution of functions between National and the County Governments

Part 1—National Government

1. Foreign affairs, foreign policy and international trade.
2. The use of international waters and water resources.
3. Immigration and citizenship.
4. The relationship between religion and state.
5. Language policy and the promotion of official and locallanguages.
6. National defence and the use of the nationaldefence services.
7. Police services, including—(a) the setting of standards of recruitment, training of police and use of police services;(b) criminal law; and(c) correctional services.
8. Courts.
9. National economic policy and planning.
10. Monetary policy, currency, banking (including central banking), theincorporation and regulation of banking, insurance and financial corporations.
11. National statistics and data on population, the economy andsocietygenerally.
12. Intellectual property rights.
13. Labour standards.
14. Consumer protection, including standards for social security andprofessional pension plans.
15. Education policy, standards, curricula, examinations and the grantingof university charters.
16. Universities, tertiary educational institutions and other institutions ofresearch and higher learning and primary schools, special education, secondary schools and special education institutions.
17. Promotion of sports and sports education.
18. Transport and communications, including, in particular— (a) road traffic; (b) the construction and operation of national trunk roads; (c) standards for the construction and maintenance of otherroads by counties; (d) railways; (e) pipelines; (f) marine navigation; (g) civil aviation; (h) space travel; (i) postal services; (j) telecommunications; and (k) radio and television broadcasting.
19. National public works.
20. Housing policy.
21. General principles of land planning and the coordination of planning the counties.
22. Protection of the environment and natural resources with a viewto establishing a durable andsustainable system of development,including, in particular— (a) fishing, hunting and gathering; (b) protection of animals and wildlife; (c) water protection, securing sufficient residual water,hydraulic engineering and the safety of dams; and (d) energy policy.
23. National referral health facilities.
24. Disaster management.
25. Ancient and historical monuments of national importance.
26. National elections.
27. Health policy.
28. Agricultural policy.
29. Veterinary policy.
30. Energy policy including electricity and gas reticulation and energy regulation.
31. Capacity building and technical assistance to the counties.
32. Public investment.
33. National betting, casinos and other forms of gambling.
34. Tourism policy and development.

Part 2—County Governments

The functions and powers of the county are—

1. Agriculture, including— (a) crop and animal husbandry; (b) livestock sale yards; (c) county abattoirs; (d) plant and animal disease control; and (e) fisheries.
2. County health services, including, in particular— (a) county health facilities and pharmacies; (b) ambulance services; (c) promotion of primary health care; (d) licensing and control of undertakings that sell food to the public; (e)

veterinary services (excluding regulation of the profession); (f) cemeteries, funeral parlours and crematoria; and (g) refuse removal, refuse dumps and solid waste disposal.

3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising.
4. Cultural activities, public entertainment and public amenities, including— (a) betting, casinos and other forms of gambling; (b) racing; (c) liquor licensing; (d) cinemas; (e) video shows and hiring; (f) libraries; (g) museums; (h) sports and cultural activities and facilities; and (i) county parks, beaches and recreation facilities.
5. County transport, including— (a) county roads; (b) street lighting; (c) traffic and parking; public road transport; and (e) ferries and harbours, excluding the regulation of international and national shipping and matters related thereto.
6. Animal control and welfare, including— (a) licensing of dogs; and (b) facilities for the accommodation, care and burial of animals.
7. Trade development and regulation, including— (a) markets; (b) trade licences (excluding regulation of professions); (c) fair trading practices; (d) local tourism; and (e) cooperative societies.
8. 8. County planning and development, including— (a) statistics; (b) land survey and mapping; (c) boundaries and fencing; (d) housing; and (e) electricity and gas reticulation and energy regulation.
9. Pre-primary education, village polytechnics, home craft centres and child care facilities.
10. Implementation of specific national government policies on natural resources and environmental conservation, including— (a) soil and water conservation; and (b) forestry.
11. County public works and services, including— (a) storm water management systems in built-up areas; and (b) water and sanitation services.
12. Fire-fighting services and disaster management.
13. Control of drugs and pornography.
14. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation ingovernance at the local level.

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