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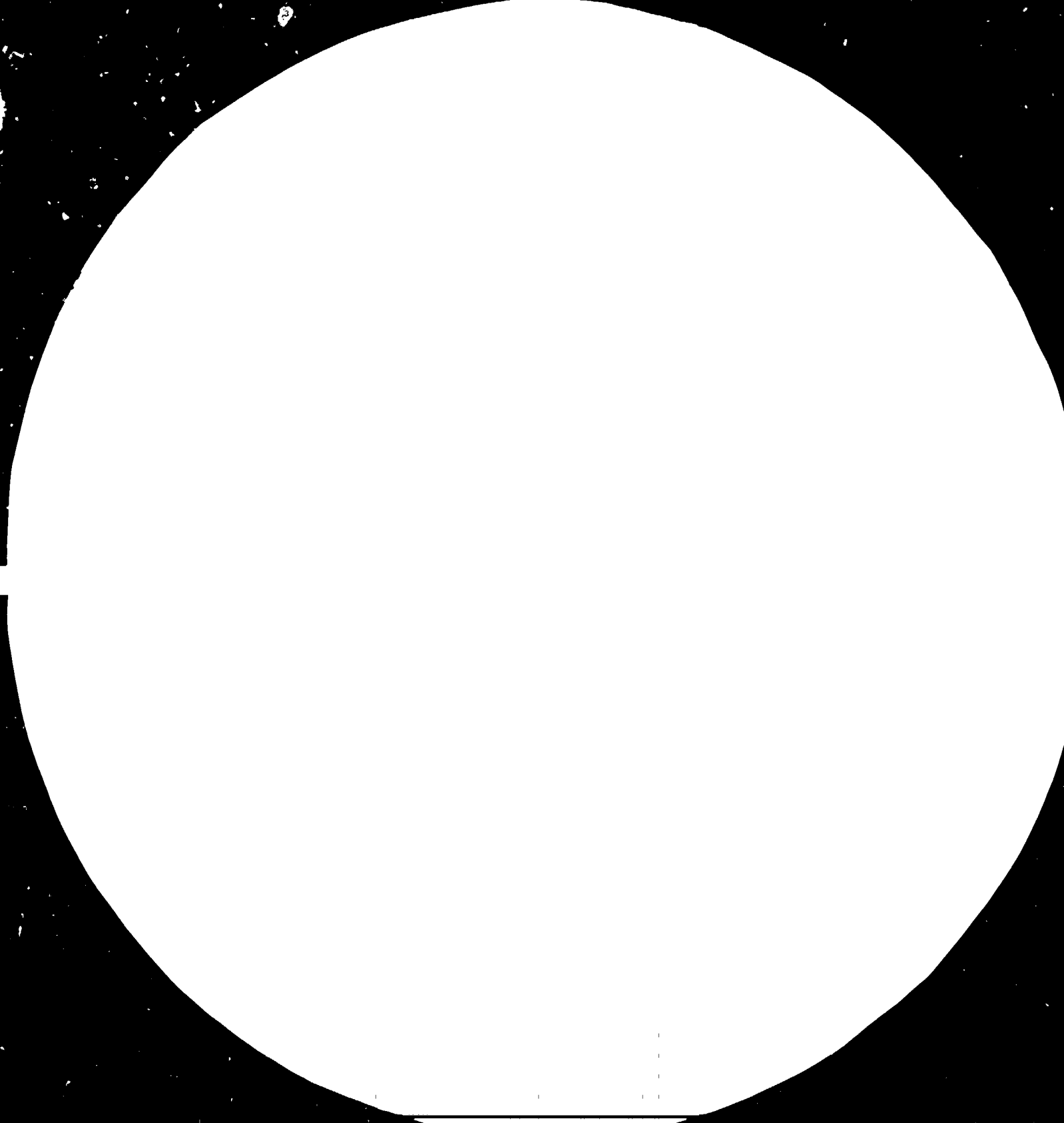
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REPORT ON
UNIDO/DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

NAIROBI 19TH - 29TH NOVEMBER, 1984

T. Abeza

REPORT ON
UNIDO/DEPARTMENT OF INDUSTRIES WORKSHOP
ON REGIONAL INDUSTRIAL DEVELOPMENT

NAIROBI 19TH - 29TH NOVEMBER, 1984

DECEMBER, 1984

REPORT ON
UNIDO/DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

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UNIDO Industrial Economist

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December, 1984
NAIROBI

UNION DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

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REPORT ON THE UNIDO/DEPT OF INDUSTRIES WORKSHOP
ON REGIONAL INDUSTRIAL DEVELOPMENT

19-30 Nov. 1984

PART ONE - ORGANIZATION.

1.1. Venue

The Workshop was held between the 19th and 30th November 1984 at the Kenya Institute of Administration, Nairobi.

The Workshop was formally opened by Mr. J.M. Hungu, Director of Industries, acting on behalf of the Hon. Minister of Commerce & Industry Mr. A.J. Omanga, who addressed the participants & guests. The Hon. Minister's speech is attached as Appendix V.

2.2. Workshop Programme

The programme, which extended over two weeks (10 working days) was framed to cover macro-economic aspects of regional industrial development in Week I and micro-economic aspects in Week II. Three lectures per day were delivered by foreign lecturers on the theory and the experience in other countries on the daily topics, and one lecture per day was delivered by Kenyan experts, in order to give the local perspective on the same topics before the floor was opened to general discussion.

The Workshop Programme appears as Appendix I.

2.3. Participants

41 participants regularly attended the Workshop. They were drawn from the Ministry of Commerce and Industry and other relevant Ministries directly involved in regional industrial development, from Development Finance Institutions, and from local Development Authorities. They were highly placed officers dealing with national and regional planning, area and sectoral studies, industrial promotion, project identification and development, project appraisals, extension service etc.

Appendix II gives full list of participants.

1.4. Lecturers.

UNIDO contacted the Irish Development Authority (I.D.A.) to provide two lecturers for the Workshop to deal with the theoretical and foreign experience aspects. These were:

Dr. William Proshar Ph.D., M. Econ. Sc. (Honours)
B. Com., Diploma in Marketing (Harvard)., Manager Operations with IDA, held various previous managerial positions in IDA. Formerly Director of Economic Services with the Confederation of Irish Industries, Lecturer in marketing and economics in University College, Dublin, and the Irish Management Institute, and College of Business Studies.

Robert D. Cruickshank B.Sc. FINSOM, AMBIM.
Owner/Director of various Consultancy companies in the fields of industrial management manpower entrepreneur and project development, training within industry. Consultant to UNIDO, I.L.O., World Bank, private & public sector industries. Undertook many consultancies in Ireland, UK, Africa, Middle East. Formerly Senior Specialist with Irish Management Institute. Published various papers on Training and on Work Study.

Local lecturers and the respective lectures which they delivered, appear in Appendix III.

1.5. Sponsorship.

The Workshop was sponsored mainly by the United Nations Industrial Development Organization (UNIDO), through its team

of Consultant Economists in the Department of Industries which prepared the programme, and provided a Workshop Director. It also financed the foreign currency component of the cost of organizing the Workshop, namely, through contracting the I.D.A. to provide foreign lecturers.

The Ministry of Commerce and Industry financed all local costs including stationery, transport, meals, local lecturers' fees etc. The Department of Industries provided a Workshop Co-ordinator.

1.6. Documentation

Various documents were distributed to participants including a number of hand-outs by Kenyan lecturers. Appendix IV gives titles of documents.

1.7. Certificate

Certificate of Participation were distributed to participants by Mr. G.N. Mwai, Chief Projects Officer, acting on behalf of the Director of Industries. See Appendix VI.

1.8. Evaluation

In a questionnaire about Workshop Assessment (See Appendix VII), participants were asked the degree of usefulness that the Workshop was to their jobs. The result was:

Very useful	75%
Quite useful	25%
Not very useful	-

Asked about specific parts of the Workshop, most participants agreed with the programme as prepared. A few suggested more time and attention to different subjects, but there was no concentration of similar requests. Most participants commented that they would have liked the Workshop to be of longer duration, and that similar Workshop should be repeated regularly to make it possible for others involved in regional duties to attend. They showed appreciation for the quality of lectures and the documentation which was distributed.

The degree of usefulness to, and interest shown by, participants can also be gauged through the large number of well thought out recommendations which are recorded in Part II which follows.

PART TWO - RECOMMENDATIONS

2. Participants were asked, in the course of the Workshop, to take down notes of suggestions and recommendations which could usefully be adopted with regard to policies, strategies, and administrative measures in order to enhance and expedite regional industrial development. In the last two sessions, they were broken up into groups to discuss such recommendations which were later presented to the full session, which adopted them. At the closing session the Workshop's Recommendations were submitted to Mr. G. M. Mwai, Chief Project Officer representing the Director of Industry, with a request that they be considered for implementation by the Ministry of Commerce and Industry in particular, and by other relevant Ministries in general. Mr. Mwai agreed to pass on the recommendations accordingly.

2.1 Policy Recommendations

Participants recommend:

2.1.1 Definition of Regions

That for the sake of regional industrial development the country be divided into "economic regions", i.e. regions having similar characteristics such as climate, agriculture, and other natural resources rather than in regions with mere political boundaries - and that districts falling within such "economic regions" be asked to coordinate in regional development.

2.1.2 Priority Development Centres

That in order to make the optimum use of scarce available resources, and produce developmental impact, 'priority development centres' should be identified in each economic region in order to concentrate, rather than thinly disperse, resources for development. Such centres would then be developed on a programmed basis with the necessary physical infrastructure and social amenities e.g. roads, rail (where possible), power, water, telephone and other municipal services, housing, schools, administrative services etc.

2.1.3 Serviced Industrial Sites

That bearing in mind that the acquisition of industrial sites is one of the biggest obstacles in rapid implementation of industrial projects, adequate land be acquired immediately, and other land be earmarked (frozen) for future industrial development in the "priority development centres" and in districts in general under the scheme for district focus for rural development. The acquired land should be adequately serviced with main utilities.

2.1.4 One Main Authority

That appropriate steps be taken for the establishment and/or strengthening of one main authority for the promotion of industrial development in the country, such that prospective investors will have no difficulty in knowing which authority to turn to for the setting up of a project from the identification, promotion, approval to the implementation stage, and for obtaining financial and/or fiscal assistance, similar to the Irish Development Authority and equivalent Authorities in other countries.

2.1.5 Investment Promotion

That investment promotion efforts be strengthened to attract export-oriented foreign investment in rural areas, and that special and adequate financial and fiscal incentives be granted to such investors in order to compensate them for extra costs incurred in setting up factories in outlying locations. It was considered that an essential element of assistance to promote rural investment was the construction of housing for workers by municipal authorities, or the granting of special credits to investors to erect such housing.

2.1.6 Forward and Backward Linkages

That an in-depth and adequate survey be made to identify the potential for forward and backward linkage operations through sub-contracting from medium and large scale firms, and to promote identified projects in suitable regions. (The lecturer from the Kenya Association of Manufacturers had stated that large firms would like to farm out operations which do not concern their main activity).

2.1.7 Handicraft and Cottage Industry

That an adequate survey be carried out of handicraft and cottage industry in order to identify their development needs, with a view to the formulation of suitable policies, strategies and incentive schemes. It was suggested that consideration be given to the possibility of setting up a Crafts Council to stimulate the development of handicrafts and to advise government on the matter. It was also recommended that, by way of assisting craftsmen in the sale of their products, crafts villages to include small workshops and shops be set up in Nairobi and Mombasa as a tourist attraction where tourists will be able to see craftsmen at work and directly purchase their wares.

2.1.8 Information Services

That information services, including libraries, be strengthened at district level. Such libraries should contain reference material on the development of enterprise and entrepreneurs, identification of projects, profiles of simple small scale projects etc.

2.1.9 Coordination at District Level

That personnel from the various Ministries and Parastatal organizations involved in developmental activities (e.g. Ministry of Commerce and Industry, Industrial and Commercial Development Corporation, Kenya Industrial Estates, Kenya Institute of Business Training), be better coordinated at district level in order to achieve optimum results.

2.1.10 Activities Reserved for Small-Scale Industry

That adequate machinery be set up for the implementation of the policy in the current Development Plan to reserve various industrial activities to small scale industry at the project approval stage by the new Projects Committee of the Ministry of Commerce and Industry, by the Development Finance Institutions and the Ministry of Finance and Planning (with regard to the issuance of the Certificate of Approved Enterprise).

2.2. Financial and Fiscal Incentives

Participants recommend:

2.2.1 Facility for Working Capital

That suitable arrangements be made for worthy entrepreneurs to obtain adequate working capital facilities from commercial banks by pledging stocks as collateral for overdraft facilities.

2.2.2 Tax Relief

That a suitable package of fiscal incentives including enhanced investment allowances, and tax reliefs be made available to investors setting up industries in outlying districts in order to compensate them for extra costs involved.

2.2.3 Subsidized Connection to Utilities

That, bearing in mind that the cost of connection to infrastructural utilities may be a big deterrent in the establishment of rural industry, suitable subsidies be given to investors setting up factories in outlying locations in the provision and sale of utilities.

2.2.4 Investment Incentives for Local Authorities

That, in order to bring on rates, charges, fees, and high prices for public utilities, Local Authorities be urged to offer special incentive packages to attract investors to their areas so that such investors may be assisted in covering the costs involved in setting up in non-urban areas.

2.2.5 High Interest Rates Charged by Banks

That the Government of Kenya be urged to carry out a survey into the practice of exorbitant interests, charges, and/or late charges by Development Finance Institutions and other banks and to fix reasonable maximum limits for such interests, charges and fees. (It was stated by a lecturer at the Bank that such charges averaged 5% per annum on top of the normal interest rate).

2.3 Regional Development

Particularly stressed that:

2.3.1 Identification of Potential Entrepreneurs

That a systematic approach be organized for the identification of persons who have entrepreneurial qualities through baraza, special district meetings for persons interested in "start your own business", and advertisements on appropriate media at District level.

2.3.2 Development of Entrepreneurs

That once entrepreneurs are identified, specialized programmes for their development be organized on the lines already done by the Kenya Institute of Business Training, but with more frequently and more geographically dispersed courses, which should be better coordinated with the Kenya Industrial Estates Limited and the Internal Trade Dept. of the Ministry of Commerce and Industry which also runs similar courses, through a "coordinating Body" on a national scale.

Future Extension Officers of the Department of Industries should be responsible for such coordination at District Level.

2.3.3 Manpower Survey

That a manpower survey be carried out, and repeated regularly (e.g. every four years) in order to assess future manpower requirements, as a pre-requisite to draw up suitable training programmes for the creation and development of the various cadres of personnel required.

2.3.4 Commercial Subjects in Education Curricula

That Commercial subjects be introduced in the higher primary (Standard 8), in secondary schools and in village polytechnics to make students adopt a business-like attitude in all their future occupations, and as a way to develop entrepreneurial qualities in them. Subjects may include simple book-keeping, commerce, development of entrepreneurs, "start your own business" etc.

APPENDIX I

U.N.I.D.O./DEPARTMENT OF INDUSTRIES

WORKSHOP ON REGIONAL INDUSTRIAL DEVELOPMENT

(K.I.A. - 19TH TO 30TH NOVEMBER, 1984)

WEEK I

Monday 19th November, 1984	Tuesday 20th November, 1984	Wednesday 21st November, 1984	Thursday 22nd November, 1984	Friday 23rd November, 1984
1. Registration Review of Workshop Programme	1. Planning target Orientation and Product/sector Selection (I.D.A.)	1. Comparative economic advantage process of product identification	1. Analysis of Financial Statements (I.D.A.)	1. Promotional Programmes and sources of Enterprise (I.D.A.)
2. Industrial Plan - National Programming (I.D.A.)	2. Opening by Minister for Commerce and Industry	2. Project Identification (I.D.A.)	2. Analysis of Financial Statements/Sample Case (I.D.A.)	2. Incentives for the promotion of small scale industry (I.D.A.)
3. Industrial Planning - small scale industry/regional development and promotion (I.D.A.)	3. District/Regional/ Linkages	3. Regional Planning Methodology, establishment of priorities (M.F.P.)	3. Financial and Technical Assistance required by Entrepreneurs (I. D. A.)	3. Simple book keeping and accounting systems for craftsmen and Entrepreneurs (I. D. A.)
4. District Focus for Development (O.P.)	4. Problems in rural Industrial Development (I.C.D.C.)	4. Promotion of rural small-scale industry (K.I.E.)	4. Financial Constraints in the Development of small-scale industry (K.C.B.)	4. Requirement by banks/KIE regarding project presentation (D.F.C.K.)
5. Discussion (U.N.I.D.O.)	5. Discussion (U.N.I.D.O.)	5. Discussion (U.N.I.D.O.)	5. Discussion (U.N.I.D.O.)	5. Discussion (U.N.I.D.O.)

WEEK II

Monday 26th November, 1984	Tuesday 27th November, 1984	Wednesday 28th November, 1984	Thursday 29th November, 1984	Friday 30th November, 1984
<p>1. Estimation of National Resources for craft Development, Training of Craftsmen in skills and management (I.D.A.)</p> <p>2. Development of Production systems for craft development (I.D.A.)</p>	<p>1. Entrepreneur selection/Tests and Pragmatic Approach (I.D.A.)</p> <p>2. Manpower Development Entrepreneurial Development (I.D.A.)</p>	<p>1. Project Preparation Prototype Design/ Production (I.D.A.)</p> <p>2. Project Preparation Prototype Market Testing (I.D.A.)</p>	<p>1. Project Preparation Production Process Development and Technical Assistance</p> <p>2. Project Preparation Market Planning Distribution Systems (I.D.A.)</p>	<p>1. Management of Extension Service Field Offices: Functions, manning Training of personnel, monitoring reporting (I.D.A.)</p> <p>2. Management of Extension service Headquarters- Functions, manning training of personnel, coordination among field offices, analysis of Field Reports, Action on Reports Back-stopping (I.D.A.)</p>
<p>3. Marketing Craft Products (I.D.A.)</p> <p>4. Assistance to Craftsmen (K.E.T.A.)</p> <p>5. Discussion (U.N.I.D.O.)</p>	<p>3. Manpower Development Development of skills and Management capability (I.D.A.)</p> <p>4. Manpower II Development in Kenya (D.P.M.)</p> <p>5. Discussion (U.N.I.D.O.)</p>	<p>3. Cooperatives for Entrepreneurs- Material procurement/trading (I.D.A.)</p> <p>4. The Cooperative Movement in Kenya (M.C.D.)</p> <p>5. Discussion (U.N.I.D.O.)</p>	<p>3. Appropriate Promotional Programmes/Sample case.</p> <p>4. Constraints for dispersal of Industry (K.A.M.)</p> <p>5. Discussion (U.N.I.D.O.)</p>	<p>3. Evaluation of workshop Recommendations by participants. (U.N.I.D.O.)</p> <p>4. Closing of Workshop (M.C.I.)</p>

UNLO/DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

TIME-TABLE

9.00	-	10.30 a.m.	-	Session No. 1	
10.30	-	10.45 a.m.	-		Tea
10.45	-	12.45 p.m.	-	Session No. 2	
12.45	-	2.15 p.m.	-		Lunch
2.15	-	3.15 p.m.	-	Session No. 3	
3.15	-	3.30 p.m.	-		Tea
3.30	-	4.15 p.m.	-	Session No. 4	
4.15	-	5.00 p.m.	-	Session No. 5	

ABBREVIATIONS

I.D.A.	-	Irish Development Authority
M.C.I.	-	Ministry of Commerce and Industry
D. of I.	-	Department of Industries
M.F.P.	-	Ministry of Finance and Planning
O.P.	-	Office of the President
I.C.D.C.	-	Industrial & Commercial Development Corporation
K.I.E.	-	Kenya Industrial Estates Limited
K.C.B.	-	Kenya Commercial Bank Limited
D.P.M.	-	Department of Personnel Management
K.E.T.A.	-	Kenya External Trade Authority
D.F.C.K.	-	Development Finance Company of Kenya
M.C.D.	-	Ministry of Cooperative Development
K.A.M.	-	Kenya Association of Manufacturers
U.N.I.D.O.	-	United Nations Industrial Development Organization.

APPENDIX II

UNIDO/DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

LIST OF PARTICIPANTS

<u>NAME</u>	<u>DESIGNATION</u>	<u>ORGANIZATION</u>
1. E.M. Onserio	Planning Officer II	Ministry of Finance and Planning
2. K. Kamanu	External Trade Officer	Department of External Trade (KETA)
3. F.O. Okwiri	Cooperative Officer	Ministry of Cooperative Development
4. P. Swanya (Mrs.)	"	"
5. M.M. Lihemo	Industrial Economist	Lake Basin Development Authority
6. J.K. Kimani	Projects Manager	Tana and Athi River Development Authority
7. D.N. Wachira	Agricultural Economist	"
8. O. Kenani	Economist	Office of the President
9. P.I. Muchukuri	Senior Assistant Secretary	Ministry of Agriculture and Livestock Dev.
10. H.M. Ndeto	Planning Officer	"
11. J.L. Alusiola	Administrative Executive	Food Specialities Kenya Limited
12. T.K. Tiampati	Economist/Statistician	Kerio Valley Development Authority
13. A.N. Moseti	Manager Small Projects	Industrial and Commercial Dev. Corp.
14. D.W. Nyanjui	Provincial Officer - Embu	"
15. M.H. Kigame	Provincial Officer - Central	"
16. W.W. Ngoi	Provincial Officer	"
17. J.M. Ndolo	Manager	Kenya Industrial Estates Limited
18. D.A. Edebe	Senior Project Economist	"
19. G.R. Rurua	Regional Manager	"
20. P.G. Kimani	Head - Area Studies	Ministry of Commerce and Industry
21. W.A. Mwamba	Statistician	"
22. J.W. Wachira	Planning Ass. Officer	"
23. D.O. Ong'olo	Economist	"
24. J.W. Ngunjiri	Projects Officer	"
25. N.C.O. Owaga	Head, Industrial Coop. Section	"
26. G.N. Kirori	Economist/Statistician	"
27. M.M. Nzomo	Engineer I	"
28. A.N.O. Muga	Head, Project Monitoring Section	"
29. J.G. Chege	Planning Officer	"

<u>NAME</u>	<u>DESIGNATION</u>	<u>ORGANIZATION</u>
30. M.O.E. Nthenge	Assistant Industrial Dev. Officer	Ministry of Commerce and Industry
31. J.N. Motanya (Miss)	Assistant Librarian/Documentalist	" " "
32. F.L. Pertet	Planning Assistant	" " "
33. C.O. Kamidi	Head, Small Scale Industries Section	" " "
34. F.K. Githaiga	Head, Chemical Industries Section	" " "
35. C.G.M. Omas	Quantity Surveyor	" " "
36. J.A. Obiero (Mrs.)	Industrial Extension Officer	" " "
37. I.E. Indetie	Head, Industrial Administration Section	" " "
38. D.G. Magwano	Head, Agro-Industries Section	" " "
39. G.M. Oketch	Assistant Trade Officer	" " "
40. H.A.S.H. Elkindiy	Chemical Engineer	" " "
41. J.A. Ogola	Senior Projects Officer	Industrial Development Bank Limited

APPENDIX IIILIST OF KENYAN LECTURERS

<u>Name of Lecturer</u>	<u>Status</u>	<u>Organization</u>	<u>Title of Lecture</u>
J.H.O. Kidenda	Chief Planning Officer	Ministry of Finance and Planning	Regional Planning Methodology Establishment of Priority
D. Muriithi	Deputy Secretary	Office of the President	District Focus for Development
F.I. Ojow	Commercial Manager	Industrial and Commercial Development Corporation	Problems in Rural Industrial Development
A.M. Shikhule	Operations Manager	Kenya Industrial Estates	Promotion of Rural Small-Scale Industry
J.G. Chege	Senior Consultant (Business Advisory Services Division)	Kenya Commercial Bank	Financial Constraints in the Development of Small-scale Industry
Kanjala wa Muricho	Chief Staff Development Officer	Directorate of Personnel Management	Manpower Development in Kenya
R.O. Ogana	Assistant Director	Kenya External Trade Authority	Assistance to Craftsmen
M.N. Ndiritu	Investment Manager	Development Finance Company of Kenya	Requirement by Bank/KIE regarding Project presentation
A.M. Miriti	Senior Assistant Commissioner of Cooperative Development	Ministry of Cooperative Development	The Cooperative Movement in Kenya
S.X. Ita	Director/Chief Executive	Kenya Association of Manufacturers	Constraints for dispersal of Industry

APPENDIX IV

U.N.I.D.O./Department of Industries Workshop on
Regional Industrial Development

LIST OF DOCUMENTS FURNISHED BY LECTURERS OF IRISH
DEVELOPMENT AUTHORITY

1. Project Identification (8 pp).
2. Comparative Economic Advantage and Project Identification (10 pp).
3. Industrial Plan (12 pp).
4. Linkages (4 pp).
5. Project Identification and Product Selection (7 pp).
6. Sources of Enterprise (3 pp).
7. Financial Analysis - Case Study (3 pp).
8. Simple Book-keeping Systems for Craftsmen (6 pp).
9. Promotional Programmes and Sources of Enterprise (3 pp).
10. Incentives and Services for the Promotion of Small Scale Industry (3 pp).
11. Specimen Submission for Feasibility Study Grant (12 pp).
12. Product Analysis (2 pp).
13. Project Feasibility Study Contents (3 pp).
14. The Personnel Function (1 p).
15. Project Reshaping (12 pp).
16. Developing Subordinates: Critical to managers and their Organizations (7 pp).
17. Manning and Training of Staff (2 pp).
18. Handicrafts in Ireland (5 pp).
19. The Process of Change (1 pp).
20. I.D.A Information Brief - Small Industries Programme (6 pp).
21. Screening (6 pp).

22. New Business Planning and Implementation Cycle (3 pp).
23. Manpower Training (16 pp).
24. Start Your Own Business Questionnaire (5 pp).
25. A Brief Scoring Manual for Achievement, Affiliation and power Motivation (11 pp).
26. Small Industries - Role in Job Creation (2 pp).
27. Management Development through Task Oriented Programme (6 pp).
28. Technical Aspects of Appraisal (26 pp).
29. The Role of the Training Manager (11 pp).
30. Programme for Adaptation and Training of Rural Workers for Industrial Work (2 pp).
31. Education and Training for Small Business: An Evaluation of Present and Future Prospects (6 pp).
32. The Development of Training Programmes (3 pp).
33. What the Climate Is (Questionnaire about one's Organization) (7pp).
34. The Small Industries Promotion Officer's Role, Characteristics and Function (2 pp).
35. Management of Extension Service Field Offices (2 pp).

HANDOUTS BY KENYAN LECTURERS

36. Export Situation in Kenya (20 pp).
37. Problems in Rural Industrial Development (14 pp)
38. Manpower Development in Kenya (17 pp).
39. Promotion of Rural Small Scale Industry - Role of K.I.E (6 pp).

APPENDIX V

SPEECH BY HON. A. J. OMANGA, E. G. H., M. P. MINISTER FOR COMMERCE AND INDUSTRY ON THE OPENING OCCASSION OF THE UNIDO/DEPARTMENT OF INDUSTRIES HIGH-LEVEL WORKSHOP ON REGIONAL INDUSTRIAL DEVELOPMENT AT KENYA INSTITUTE OF ADMINISTRATION ON 20TH NOVEMBER, 1984.

Ladies and Gentlemen, It is with great pleasure that I address you this morning at the opening session of this High-level Workshop on Regional Industrial Development. As most of you know, Kenya Government's policy on industrialization has been based on equitable dispersion of industries and has been pursued with consistency since Kenya attained political independence in 1963. The now operational District Focus Strategy for Rural Development is the logical culmination of the past policies on dispersion of projects. It is therefore a very opportune time to hold such a workshop in view of the new Government policy on District Focus for Development.

Since I believe most of you are familiar with the new strategy for development I do not intend to dwell on it. However, for the benefit of your foreign guest lecturers, I would like to summarise it as a strategy adapted to ensure wider distribution of the benefits of socio-economic development and to achieve active participation of wananchi in the development process.

This is as it should be, Ladies and Gentlemen, because the process of balanced economic development should encompass all areas of the country and involve all segments of the population and every citizen must contribute his/her share to production and be a beneficiary of development. I cannot over-emphasize the principle that, man, the human being, is the true object of any form of economic and social development.

Noting the list of participants and the workshop programme, I realize that we have assembled quite a high cadre of personnel representing the various sectors of the economy, that is, relevant Government Ministries, Development Financing Institutions, the Private Sector represented by the Kenya Association of Manufacturers - all set to deliberate on matters concerning both

the micro and macro aspects of Regional Industrial Development. I note with pleasure, Ladies and Gentlemen, that some of the Workshop participants are currently involved in the practical aspects and administration of projects at both the Regional and National levels. For those who have not been exposed to practical appraisal of projects this Workshop should be a good starting point. I also note with pleasure, Ladies and Gentlemen, the composition of lecturers, both local and foreign. The local lecturers are drawn from the various sectors of the Kenya economy while those from the Irish Development Authority (I.D.A.) have the Global and Irish experience from which we all stand to benefit. Thus your exchange of experiences will benefit all involved.

Ladies and Gentlemen, the concept of Regional Industrial Development involves an integrated approach in overcoming the obstacles to economic growth in the areas concerned. The integrated approach means that efforts to plan the development of an area is done in such a manner that all sectors will contribute fully to the set objectives. Put into practice, this concept entails as a first step, the analysis of the present situation in order to find out the major bottlenecks. Such bottlenecks must be removed first, whether they are found in Agriculture, Industry, Infrastructure or in other sectors.

On the other hand, Ladies and Gentlemen, Regional Planning involves the determination of the optimal allocation of scarce resources in order to achieve the set objectives for the concerned area. An important parameter commonly known as the per capita income is used as an indicator of the improvement in the people's welfare resulting from development. This is because the levels of income determine the ability for one to obtain privately provided basic needs. The implication of this is that an increase in the level of social welfare could be attained by increasing per capita income and reducing disparities in income distribution in the long-run.

In retrospect, Ladies and Gentlemen, industrial development in Kenya, despite the pronounced policies of industrial dispersion, concentrated in major urban areas like Nairobi and Mombasa. Some of the major reasons for this Dichotomy between policy and reality included well developed infrastructure and availability of qualified manpower in the two areas.

A few years ago, Ladies and Gentlemen, A Leaders' Conference held in this very place resolved that Kenya as a nation should address herself to the hard options because the soft options had been exhausted. In order to implement this resolution, several options and their implementation strategies were studied. Eventually, new options including the expansion and modification of the existings ones were identified. Some of these include the establishment of Development Authorities like Tana and Athi, Lake Basin and Kerio. The three Development Authorities cover a very large portion of the country and have involved themselves with the development of both the Agricultural and Industrial sectors. The impact of the Government's policies on regional dispersion of industries has started to be felt as is evidenced by statistics on employment, which, as we all know is one of the most serious social problems facing the country. Employment in the manufacturing sector in small towns has grown from 37 per cent as compared to 28 per cent in large towns over the 1978 - 1980 period. Highest figures have been recorded in the Nyanza, Coast, Eastern and the Rift Valley Provinces.

As officials charged with responsibilities of the implementation of regional industrial development policies and the new Government policy on District Focus for development - let us all be systematic in our planning and programme activities. Likewise, let us not regard ourselves as individuals or separate agencies, but as one united team with one responsibility and one moral mandate.

As I said earlier, Ladies and Gentlemen, the District Focus for Development which is based mainly on the fact that Kenya is largely an agricultural country, is the appropriate means for the realization of regional industrial development objectives.

Thus, the District Focus for development is to run along-side the national goal of pursuing regional dispersion of industries. In order to attain the objectives set for Regional Industrial Development, the District Development Committees which are charged with the responsibility of conceiving, appraising, implementing and monitoring of programmes and projects must have competent technical staff and adequate logistical support. I am confident that this workshop will provide the participants with the necessary tools and confidence to handle development projects.

My Ministry has in the past been collaborating and liaising with the District Development Committees on matters relating to industrial studies and implementation. This collaboration will be maintained and strengthened in support of the District Focus for development. Consequently, my Ministry is posting industrial extension officers to the Districts and are expected to reinforce the work of the District Development Committees. Their responsibilities will include undertaking pre-investment studies at District and regional level, collection, assembly and analysis of data, provision of advisory services on industrial matters, identification of industrial potential through study of resources, raw materials and markets, preparation of potential project profiles for each area and identification of local entrepreneurs in each area.

As I said earlier, Ladies and Gentlemen, the timing of the workshop is opportune because it will provide the participants and in particular those who will be working at the District level an opportunity to discuss issues that they will be addressing themselves to, and for this, I would like to thank the United Nations Industrial Development Organization (UNIDO) who have combined resources with my Ministry to make this Workshop possible.

With those few words, it is now my great pleasure to declare this Workshop on regional Industrial Development formally open and in so doing, I wish you all good work.

The Republic Of Kenya



Ministry of Commerce And Industry

Certificate of Participation

This is to Certify that

Mr./Mrs./Miss _____

Participated satisfactorily in the Workshop on Regional Industrial Development organised jointly by the United Nations Industrial Development Organization and the Ministry of Commerce and Industry (Department of Industries) in Nairobi, 19th - 30th November, 1984.

*On behalf of the Ministry of
Commerce and Industry
(Department of Industries),
Republic of Kenya*

*On behalf of the United
Nations Industrial
Development Organization.*

UNIDO/DEPARTMENT OF INDUSTRIES WORKSHOP ON
REGIONAL INDUSTRIAL DEVELOPMENT

WORKSHOP ASSESSMENT

1. In terms of usefulness to your job did you find the Workshop to be generally:
Very useful Quite useful Not very useful

2. Which parts or sessions of the Workshop did you find most useful? _____

3. Which parts or sessions of the Workshop did you find least useful? _____

4. Which sessions should have been given more time? _____

5. Which session should have been given less time? _____

6. Have you any other comments? _____

NAME _____ DATE _____

ORGANIZATION _____

SIGNATURE _____

