ATTACHMENT #1

Program Description for Leader Award

LIST OF ACRONYMS AND ABBREVIATIONS

OEG	Office of Economic Growth
GFSA	Global Food Security Act
LWA	Leader with Associate
KIM	Kenya Investment Mechanism
WASH	Water, Sanitation and Hygiene
EDE	Ending Drought Emergencies
GOK	Government of Kenya
NDMA	National Drought Management Authority
GIS	Geographic Information System
M&E	Monitoring and Evaluation
USAID/KEA	United States Agency for International Development/Kenya and East Africa
SME	Small and Microenterprises
CIDPS	County Integrated Development Plans
CIPS	County Investment Plans
CLRR	Community Land Rights Recognition
ASALs	Arid and Semi Arid Lands
REGAL	Resilience and Economic Growth in Arid lands
PREG	Partnership for Resilience and Economic Growth
IGAD	Intergovernmental Authority on Development
WDD	Women’s Dietary Diversity
NRT	Northern Rangelands Trust
ZOI	Zone of Influence
FTF	Feed the Future
HOA	Horn of Africa
EDE CPF	Ending Drought Emergencies Country Programming Framework
DO	Development objective
CDCS	Country Development Cooperation Strategy
SLI	Sequencing Layering and Integration
AOR	Agreement Officer Representative
CLA	Collaboration, Learning and Adaptation
MEL	Monitoring, Evaluation and Learning
STTA	Short Term Technical Assistance
IP	Implementing Partners
SBCC	Social and Behaviour Change Communication
WEAI	Women’s Empowerment in Agriculture Index

SECTION I: FUNDING OPPORTUNITY DESCRIPTION

A. ***Overview of Funding Opportunity***

USAID/Kenya and East Africa's (KEA's) Office of Economic Growth (OEG) is issuing a a five-year, $95 million Request for Applications (RFA) for USAID/KEA's Global Food Security Act (GFSA) Livestock Market Systems Leader with Associates (LWA). This LWA is part of an inter-related suite of activities issued by USAID/KEA under GFSA, using shared approaches in different geographic areas. The suite of activities includes: the Livestock Market Systems Activity (in northern Kenya), the Crop and Dairy Market Systems Activity (in western and eastern), and the Kenya Investment Mechanism (KIM) (in all GFSA counties for agriculture and national in scope for Power Africa). KIM will serve the financial needs of both market systems activities by mobilizing financing for investment in agriculture and livestock value chains, and clean energy. The purpose of this suite of activities is to advance the objectives of GFSA: inclusive and sustainable agriculturally-led economic growth, strengthened resilience among people and systems, and a well-nourished population, especially women and children.

This LWA will support GFSA programming in Kenya's ASALs counties. Its purpose is to enable people, households and communities to escape poverty and chronic vulnerability and strengthen their resilience so they can do so sustainably, in the face of complex risk and recurrent shocks and stresses and by leveraging opportunities in the livestock market system. The *LWA* supports the Government of Kenya's (GOK's) effort to End Drought Emergencies (EDE) in Africa, which is the overarching guide for USAID's Resilience Framework.

USAID/KEA anticipates a ceiling for the Leader of $95 million, including GFSA funding amounts of $15 million for the Leader Award, and $20 million for Associate Award #1, Expanding and Diversifying Economic Opportunities, and $10 million for Associate Award #2, Strengthening Community Capacities for Resilience and Growth. Presently, the LWA is envisioned as including a Leader Award and up to four Associate Awards, two of which are included in this RFA and which USAID intends to issue at the time of award of the Leader. Additional future and unforeseen awards are possible. The currently anticipated awards include:

PARTNERSHIP FOR RESILIENCE & ECONOMIC GROWTH (PREG)

PREG brings together humanitarian and development partners to build resilience among vulnerable pastoralist communities in nine counties in northern Kenya.

PREG partners includes USAID programs and implementing partners, and works with the Kenya National Drought Management Authority (NDMA) and county governments to coordinate resilience and economic growth activities.

With a focus on collaboration, shared learning and collective impact, PREG partners sequence, layer and integrate humanitarian and development assistance and work together to strengthen the livestock value chain, diversify livelihoods, enable access to Water Sanitation and Hygiene service and water sources, increase conservation, improve governance, address conflict, and promote the empowerment of women and youth.

- *Leader Award* will include a range of functions to support other awards, including: (1) support for the Partnership for Resilience and Economic Growth (PREG)[1] and institutional strengthening focused on supporting PREG, National Drought Management Authority (NDMA) and county policy-making and implementation capacities to guide and invest in the development agenda in northern Kenya; (2) a grant facility (described below); (3) a GIS mapping capacity to map both communities and market systems; and (4) learning capacities to

[1] See text box below

facilitate learning across partners working in northern Kenya ; vertical learning among counties, partners and communities, and harmonized learning integrating monitoring and evaluation (M&E), population-based surveys and efforts at tracking systems change and mapping systems and networks.

- *Expanding and Diversifying Economic Opportunities* (Associate Award #1) focuses on developing livestock and related market systems, diversifying livelihoods, improving access to financial services, strengthening the policy environment, institutions and governance for livestock and private sector development, and improving employability and work readiness skills for young men and women.

- *Strengthening Community Capacities for Resilience and Growth* (Associate Award #2), with a community-level focus, aims to strengthen capacities to absorb and adapt to shocks and stresses through rangeland and water management, drought cycle and conflict management, and human capital development (improved health, nutrition, and hygiene practices and literacy, numeracy and life skills).

Other associate awards, including—for example, awards that allow for shock responsive programming—may also be issued by USAID/KEA or other sources as appropriate and as the need arises. The cumulative amount of Associate Awards issued during those five years will not exceed $95 million (i.e., the ceiling of the LWA).

Figure 1: Description of Leader and Associate Awards

USAID/KEA envisions close collaboration, including joint strategizing, work planning, implementation, learning and shared indicators among the various awards. The two companion awards, *Expanding and Diversifying Viable Economic Opportunities* and *Strengthening Community Capacities for Resilience and Growth*, must be closely linked and collaborative. To illustrate, the expected outcomes of Award #2, in terms of governance and rehabilitation of rangeland and water are essential to the success and inclusiveness of Award #1's livestock and other market systems development. In the paper, *Changes in the Drylands of Eastern Africa: Understanding and Mapping Livelihood Dynamics and Resilience within Pastoralist Systems,* Jeremy Lind argues that lack of access to these natural resources has shaped who has benefited and who has not from growth in northern Kenya. Similarly, the Shock Responsive Associate

Award, if awarded, would need to complement the other awards.

Applicants are expected to form consortia of organizations with an array of expertise to meet the complex demands of northern Kenya and the various requirements of the associate awards described above. USAID/KEA envisions the following capacities—among others—will be needed for successful implementation:

- Market systems development (livestock and other related market systems and livelihoods)
- Livelihood diversification (forging linkages with value chains and agribusinesses)
- Inclusive finance (with a focus on access to finance and linking with USAID/KEA's finance activity where appropriate for SME finance)
- Employability and work-readiness skills for youth
- Institutional strengthening and governance, including policies and planning supportive of livestock and private sector
- Rangeland and water resources management
- Drought cycle management
- Conflict management
- Human capital development, including literacy, numeracy and life skills
- Health, nutrition, and hygiene practices and use of social behavior change (SBC) strategies
- Gender and youth integration
- Research, including action research; monitoring and evaluation, including approaches to measuring systemic change; and collaborative learning, including iterative learning and adaptive management approaches

B. Background

Decades of underinvestment have left northern Kenya highly vulnerable to the challenges of climate change, food insecurity, and conflict. From 40 to 60 percent of the region's population has never attended school, and less than 25 percent of the girls who enroll complete their primary education (compared to Kenya's national average of 75 percent). Rates of maternal mortality, infant and child mortality, and acute malnutrition are high, and the average distance to a health facility in the region is 52km, ten times further than the national target of 5 km.[2] Poor infrastructure, land degradation, conflict and political marginalization have left families and communities in northern Kenya highly vulnerable to shocks and stresses, including climate variability and change, price and health shocks, environmental degradation, fragility and outright conflict. These shocks and stresses have perpetuated widespread poverty, undernutrition, poor health and sanitation, and low education and literacy rates, especially for females. Those negatively affected are increasingly trapped in a downward spiral of vulnerability and poverty.

To address these challenges, Kenya enacted a new constitution in 2010, whose implementation came into effect in 2013, and the GOK established the NDMA, mandated with ending drought-related emergencies by 2022. NDMA is meant to ensure that recurrent drought does not undermine Kenya's development objectives. The NDMA's Common Program Framework (CPF) for EDE provides the basis for bringing together the accumulated knowledge of many actors and sets out a single, shared agenda for action may help to ensure coherence and sustain progress at a time of increasingly frequent droughts. At the same time, the new constitution called for the creation of county governments that are still at a nascent stage of development. Development and budgetary priorities are spelled out in County Integrated Development Plans (CIDPs) and County Investment Plans (CIPs). These documents will play an important role in addressing drought emergencies and other challenges in northern Kenya, through expanding economic opportunities and strengthening community capacities for resilience and growth.

[2] UNICEF

In the drylands of northern Kenya, livestock remains central to the economy and in addressing widespread poverty. While the sector is becoming increasingly commercial, many of the benefits are being captured by people with more resources and many traditional actors—including women and youth—are being pushed out. Improvements in roads and concomitantly in transport services (ranging from public buses to lorries and motorbikes) are making markets and basic services more accessible for dryland populations, while also supporting the penetration of outside capital. Infrastructure upgrades and extensions in the drylands are helping to power further expansion of formal livestock exports, particularly from Ethiopia, which has experienced unprecedented growth in exports—including exports of animals coming from northern Kenya (Lind 2016). Food insecurity and food crises have precipitated large-scale settlement, increased sedentarization, growth of small towns, as well as fragmentation of rangeland through processes of excision, privatization, and commodification of rangeland resources. Rangeland fragmentation directly threatens adaptive processes in customary pastoralist systems, as key resource areas are fenced off increasing the difficulty of moving livestock across the rangeland. Sedentarization is contributing to the uptake of land and resource-dependent activities such as dryland farming, charcoal burning and harvesting wood for fuel (EDE, 2015).

Competition for land and problems with land tenure in northern Kenya have been exacerbated by increasing population pressure, climate change, and urbanization. A strong policy and legal framework is needed to empower communities to manage land tenure and land use and protect and conserve natural resources. Pastoral communities do not recognize strict definitions of geographic boundaries; it is, therefore, common for a given natural resource to have multiple households or groups that claim authority to manage it. The confusion in community-based management of pastoral natural resources is worsened by frequent land conflicts due to lack of titles.

The Ministry in charge of lands, with the help of USAID, developed a Community Land Rights Recognition (CLRR) model that establishes clear procedures for recognizing community land rights. The CLRR model contributed immensely to the development of the Community Land Act. However, it is not a legal framework but a sequence of actions to be undertaken by GOK in collaboration with communities in the recognition of their rights to land. It needs to be entrenched into law for effective implementation.

Changes in northern Kenya are also affecting social norms and practices. Pastoralist households and communities are differentiated along gender and generational lines. Key assets and resources, such as land, livestock, water and cash, are generally controlled by older men rather than by women or young people, reflecting the subordinate position of women and youth in society and the cultural limitations placed on their public roles. Some aspects of these social norms are breaking down with urbanization and commercialization, enabling women and youth to take on greater roles in urban-based livelihood activities. Young people with different values and aspirations than their rural age-mates increasingly are moving into urban areas seeking employment. In pastoral social systems, aging is traditionally associated with increasing political authority, but these norms are being challenged. The issues affecting pastoralist youth are not yet being addressed by national youth policies.

C. Aligning with GOK, USAID and Global Food Security Act Frameworks

Following a devastating, three-year drought (2009-11) in Kenya, the Kenyan government committed itself to ending drought emergencies in the country's ASALs by 2022. It established the NDMA, a specialized institution for drought management and development in the drylands, and through a highly consultative process developed a comprehensive framework to guide drought management efforts. The "Common Program Framework for Ending Drought Emergencies" is embedded in Kenya's 2nd Medium Term Plan for the Vision 2030, where ending drought emergencies is now one of the foundations for rapid and sustainable development in Kenya. This Sector Plan recognizes that drought emergencies will not cease until the key foundations for development in drought prone Northern Kenya are effectively addressed. Key among these are infrastructure, education, health, livelihoods, peace and security. It also gives emphasis on strengthening institutional and governance capacities and financing for drought management. USAID's "Resilience and Growth in Arid Lands" (REGAL) activities (2012-2017) were designed to support the CPF for EDE, with a primary focus on livestock value chain development, livelihoods, natural resource and conflict management, and nutrition. They formed the foundation of a collaborative partnership supporting resilience efforts in five arid counties,PREG, that has helped to coordinate and catalyze USAID investment in northern Kenya.

This Leader with Associates (LWA) builds on USAID's REGAL and PREG investments, and deepens the Agency's commitment to Kenya's EDE Framework, with a particular focus on strengthening diverse, viable economic opportunities, human capital, the natural resource base, and institutions that will drive economic development in Kenya's arid lands, while supporting drought risk and knowledge management. The focus areas of USAID/KEA's northern Kenya program align with the GOK's EDE *Common Programme Framework* (see Figure 2) and are based on USAID's Resilience Framework (see Figure 3). The cross-walk table (Figure 4) demonstrates that USAID's framework is aligned with the GOK's EDE framework.

Figure 2: Kenya's Ending Drought Emergencies (EDE) Common Programme Framework (CPF)

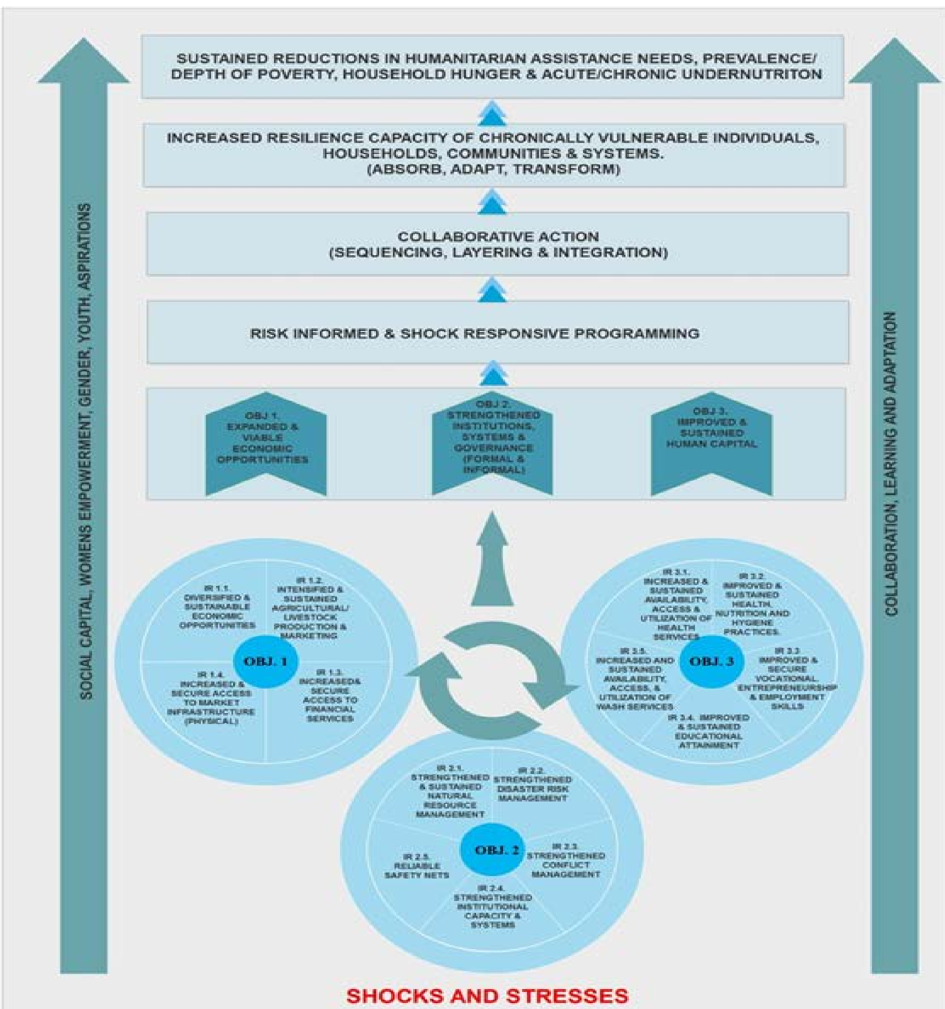


Figure 3: USAID's Horn of Africa (HOA) Resilience Framework

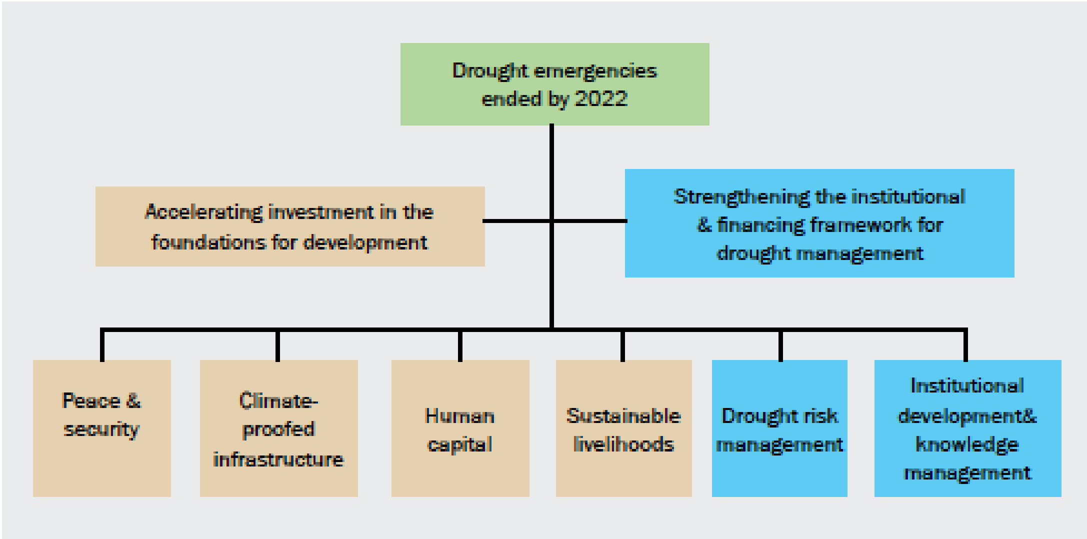


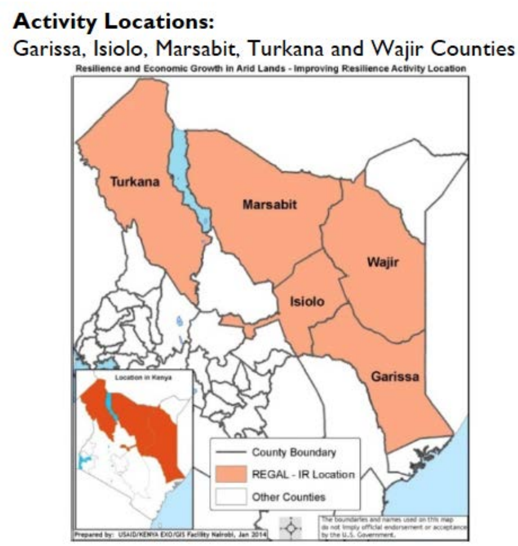
Figure 4: EDE-USAID Cross-walk Table

EDE Framework	**USAID's HOA Resilience Framework**	**GFSA Objectives**
Goal: Drought emergencies ended	Goal: Sustained reductions in humanitarian assistance needs	Goal: Sustainably reduce global hunger, malnutrition and poverty
Objectives: 1. Accelerate investment in the foundations of development 2. Strengthen the institutional and financing framework for drought management	Objectives: 1. Expanded viable economic opportunities 2. Strengthen institutions, systems and governance (formal & informal) 3. Improved and sustained human capital	Inclusive and sustainable agricultural-led economic growth Strengthened resilience of people
Pillars	Intermediate Results (IRs)	
Peace and security	IR2.3 Strengthened conflict management	Strengthened resilience of systems
Climate-proofed infrastructure	IR2.4 Strengthened institutional capacity and systems	Strengthened resilience of systems
Human capital	IR 3.2. Improved and sustained Health, Nutrition and Hygiene Practices IR 3.3. Improved & secure vocational, entrepreneurship and employment skills	Improved nutritional status, especially of women and youth
Sustainable livelihoods	IR 1.1. Diversified, sustainable and resilient economic opportunities IR 1.2. Intensified sustainable and resilient agricultural/ livestock production and marketing	Inclusive and sustainable agricultural-led economic growth

	IR 1.3. Increased and secure access to financial services.	
Drought risk management	IR 2.2. Strengthened disaster risk management	Strengthened resilience of systems
Institutional development & knowledge management	IR 2.4. Strengthened institutional capacity and systems Cross cutting: Collaborative learning and adaptation	Strengthened resilience of systems

D. ***Geographic Focus and Rationale***

Figure 5: Geographic Focus of A. Awards 1 and 2



The GFSA Livestock Market Systems Leader with Associates will focus on households, communities and systems in northern Kenya as well as cross-border areas of Tanzania and Intergovernmental Authority on Development (IGAD) members states. Associate Awards # 1 and #2 will focus on targeted GFSA counties of Garissa, Isiolo, Marsabit, Turkana and Wajir. However, future associate awards may include additional counties or countries.

The rationale for selecting GFSA northern Kenya counties is two-fold. First, each has the potential for expanding and diversifying viable economic opportunities in and beyond the livestock sector. Second, each has a history of recurrent crises that have resulted in lost lives and livelihoods, and impacted the national economy. These counties also have been an area of repeated large-scale humanitarian emergencies.[3]

E. ***Problem Statement: Challenges, Opportunities and Dynamics***

The challenges and opportunities facing pastoralists and their livelihoods in northern Kenya are complex and interrelated. An increasing youth population, combined with high illiteracy, malnutrition, and gender issues, which limit women's contributions to household well-being are further complicated by increasingly frequent cycles of drought, which are putting pressures on rangeland management and traditional governance of rangeland . The resulting conflict over resources as well as the lack of commercialization of the livestock sector and other livelihoods leave households in northern Kenya vulnerable. Addressing these problems as well as taking advantage of the economic opportunities in northern Kenya are expected to addressed the activity purpose: to enable people, households and communities to escape poverty and chronic vulnerability and strengthen their resilience so they can do so sustainably. A further explanation of the problems are articulated below:

- *Population growth and youth bulge*:

Kenya is growing rapidly at a rate of one million people per year, with the highest growth rate occurring

[3] Between 2011 and 2015, USAID spent $236.6 M on humanitarian assistance in Kenya. https://results.usaid.gov/kenya/humanitarian-assistance#fy2015

in northern Kenya, where family sizes are between five to seven people per household. Rapid population growth is creating an enormous bulge in the youth population (age 15 to 35 years) as well as increasing pressure on land, including grazing areas, and on the availability of other resources, such as water. While the "youth" bulge has resulted in high unemployment among youth, improved education (higher literacy, numeracy, and workforce readiness skills) and potentially larger numbers in the workforce have the potential to be a driving force behind economic transformation in northern Kenya. It represents a potential "demographic dividend,"[4]that is, a temporary opportunity to accelerate inclusive economic growth.

- *Literacy and numeracy rates*

Literacy and numeracy rates in northern Kenya are the worst in the country, and enrollment in primary school--particularly for girls also lag far behind national averages. Primary net enrollment rates in 2007 were 33 percent for boys and 21 percent for girls, compared to national averages of 94 percent and 89 percent respectively. Completion rates at the primary level were 56 a percent for boys and 28 percent for girls, compared to national averages of 87 percent and 76 percent,. respectively.[5]

- *Malnutrition and the potential of nutrition-sensitive agriculture*

Communities in northern Kenya face critically high rates of malnutrition. USAID data[6] shows that northern counties have some of the highest rates of wasting (weight for height) and stunting in the country and fewer than 4 percent of children have a minimum acceptable diet. Women's dietary diversity (WDD) index is low at 3.37 (out of nine food groups) and levels of exclusive breastfeeding are 49 percent. While nutrition- specific interventions remain critical, some of the most promising activities to improve maternal and child nutrition and prevent serious malnutrition include nutrition-sensitive agriculture and livelihood activities.

- *Frequent and cyclic droughts*

Northern Kenya is also characterized by frequent and cyclic droughts every three to five years leading to resource-based conflicts and civil instability. In the past, pastoralists responded to drought by migrating to dry-grazing seasonal areas, but with increased human population, land fragmentation, and increasing settlement of communities, coping options remain few and include migration to towns for wage labor, famine relief centers and adoption of dryland agriculture.

- *Diversification and resilience to climate risks*

There is a growing body of evidence that livelihood diversification into activities that are less sensitive to climate risks and have reasonably high returns provides a source of resilience for poor households (Frankenberger et al, 2016).[7] However, this research also makes clear the importance of diversifying into higher-return livelihood activities—even if less climate sensitive— to improved resilience. Second, diversification into livelihoods that share the same or a similar risk profile as pastoralism may do little to strengthen resilience unless they generate returns high enough to enable risk to be managed through income flows or, especially, the accumulation of assets and savings and the ability to purchase insurance. Some forms of diversification, including dryland crop agriculture without irrigation or effective rainwater harvesting, may even increase risk in relation to climate variability. Finally, livelihood diversification as

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[4] The demographic dividend is the larger number of working-age people able to support cohorts outside the working age.

[5] 2007 figures are for Northeastern Province. See Ruto, et al, 2009. Educational Marginalization in northern Kenya. Paper prepared for eFA Global Monitoring Report 2010, Reaching the marginalized. http://unesdoc.unesco.org/images/0018/001866/186617e.pdf

[6] USAID FEEDBACK, Feed the Future northern Kenya 2015 Interim Zone of Influence Report, December 2015.

[7] http://www.fsnnetwork.org/sites/default/files/Report%203%20-%20The%20effect%20of%20livelihood%20diversity_18Feb2016.pdf

a source of resilience must be combined with a broader set of capacities that enable chronically vulnerable people, households and communities to absorb and adapt to shocks and take advantage of new opportunities, as well as the transformative capacities (governance and enabling conditions) that enable systems level change as described in the LWA award and further in the companion Associate Award # 2: Strengthening Community Capacities for Resilience and Economic Growth. Examples include fodder production and marketing, milk processing and production, reducing post-harvest grain loss, and poultry and egg production.

- *Livestock sector commercialization*

Although diversification is important, livestock rearing and marketing are recognized as the most efficient and productive use of the region's dryland ecology. High demand for livestock products and growing investment and trade has spurred commercialization of the sector in recent years and stimulated economic growth. This growth, in turn, is creating the potential for sustainable pathways out of poverty for viable livestock producers and others in related value chains. However, to take advantage of these pathways, a recent World Bank (2016) study[8] stresses the need for better management of livestock and more inclusive governance of and more equitable access to the natural resources upon which both humans and animals depend in northern Kenya. County governments in the North as well as the Northern Rangeland Trust (NRT) are engaging in rangeland management. While NRT has implemented some successful models, the counties also see natural resource management as a public good under their purview.

- *The importance of rangeland and herd management*

While recognizing that the access and use rights of livestock-keeping households is essential to the long-term sustainability, viability, and inclusiveness of the livestock sector, herd management is of similar importance. Commercialization, rangeland fragmentation, and drought dynamics have resulted in herd consolidation and a decline in per capita livestock holdings. As such, a significant proportion of households now have livestock holdings well below subsistence levels or what experts refer to as "minimum viable herd size" (Lind, et al 2016) and many increasingly rely on non-livestock sources of income (Cerrigni and Morris, Ed., 2015). On the other hand, improved herd management alongside resource access and improved rangeland governance can enhance people's resilience in the face of change.

- *The importance of improved governance to equitable growth*

Greater commercialization of the livestock market systems is generating increased wealth in the North. However, cartels, collusion and other predatory behavior is resulting in a concentration of this wealth[9]in the hands of those able to acquire animals, access lucrative markets, and exploit privatized grazing lands, sometimes. These market distortions are leaving poorer pastoralist households with limited access to rangeland and water resources and pushing them to drop out of pastoralism and move into low-return activities. New entrants onto grazing lands, representing herds and flocks often owned by urban families, are increasing pressure on fragile rangelands, exacerbating vegetation depletion and promoting deterioration of the grazing resource with less desirable vegetative species. Efforts to date show that USAID investments in market structures have helped to create greater competition due to the number of traders which frequent, in particular, the larger markets. The resultant competition and the transparency of transactions afforded by the market have also opened up opportunities more broadly.

- Socio-cultural systems and their importance to access to, ownership of, and control over

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[8] *Confronting Drought in Africa's Drylands*

[9] To illustrate, data from the Pastoral Risk Management Project (PARIMA)# show that the wealthiest 10 percent of herd owners control about 46 percent of aggregate tropical livestock units, while the poorest 20 percent control less than 3 percent (with a similar pattern of inequality in control over cash income and total income).

resources

Social systems and cultural values and practices—which determine access to, ownership of, and control over resources and the benefits accruing from them—can affect economic security and therefore vulnerability to economic and environmental shocks and stresses. The subordinate position of women and young people and their limited access to information, education, and training affects their participation in decision-making and public life. Efforts to enhance women's empowerment in northern Kenya through access to economic opportunities and skills training need to be strengthened in order to impact on the Women's Empowerment in Agriculture Index (WEAI).[10] USAID/KEA's work in youth shows the potential opportunities for young people in town-based businesses and wage employment.

F. Lessons Learned from Past FTF Investments in Northern Kenya

Past USAID FTF investments in northern Kenya show that the push/pull approach to building resilience in the northern zone of influence (ZOI), including investments in market infrastructure and business development, are contributing to the creation of a network of buyers, processors and aggregators with the potential to reach back to large numbers of producers. At the community level, these investments combined with livelihood, nutrition, and participatory planning efforts, appear to be laying the groundwork for economic actors to engage in a broader market system and communities to have a voice in new county level governance structures. Continued emphasis on diversification from lower- to higher-return livelihood activities is important for promoting economic growth and expanding income opportunities for pastoralists. But to preserve these gains and enable people to continue to move forward to growth and escape poverty, continued efforts are needed to build resilience capacities that prevent backsliding in the face of shocks and stresses, and better prepare individuals and households to take advantage of new economic opportunities.

RESILIENCE CAPACITIES
USAID (2012) defines resilience as the ability of people, households, communities, systems and countries to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth. This ability is constituted by three capacities:

Absorptive capacity - the ability to minimize exposure to and recover from shocks and stresses, without compromising future resilience and well-being

Adaptive capacity - the ability to make proactive and informed choices about livelihood and other strategies based on an understanding changing conditions to improve resilience and well-being

Transformative capacity – the systems level change in institutions, infrastructure, and governance that create the enabling environment for improved resilience and well-being

Another lesson is that finance remains a critical yet unmet need for achieving FTF and now *GFSA* results in the northern zone. Reducing the high rates of financial exclusion - of men, women, and young people - is needed to build resilience capacities, support market development, and create pathways out of poverty. A 2016 FTF evaluation further found that a more deliberate emphasis on integration of gender and youth in programming is needed to achieve results. Continued emphasis on sequencing, layering, and integration of USAID investments, collaborative learning, and engagement with county governments will further increase the probability of success in achieving of the goals of reduced prevalence/depth of

[10] The WEAI score for the Northern ZOI was .71 at the baseline but could not be calculated for the interim due to missing data (see FEEDBACK). However, disaggregated data from the Northern ZOI shows a negative trend with a drop in the percent of women achieving adequate levels of empowerment in 7 of 9 indicators between 2013 and 2015.

poverty, hunger, undernutrition, and reliance on humanitarian assistance.

G. *Theory of Change and Development Hypotheses*

Theory of Change. A significant and growing body of research (Peter Little, John McPeak, Tim Frankenberger, Jeremy Lind, and ODI) conducted over the last 15 years points to three key focus areas as being effective in helping individuals, households, and communities to sustainably escape poverty and chronic vulnerability. These include: (1) expanding viable and diverse economic opportunities, (2) strengthening institutions, systems and governance; and (3) improving human capital. This research also reveals the multiple pathways through which vulnerable men and women, households and communities can escape poverty and chronic vulnerability in recognition of both the heterogeneity within and between communities and the variable assets, resources and strategies available to individuals and households. This research also underscores the vital role that resilience capacities (see text box) play in enabling and ensuring these escapes to be sustained in the face of complex risks and recurrent shocks and stresses.

Expanded and Viable Economic Opportunities. ***Moving up*** is one pathway for expanding viable economic opportunities. This involves supporting communities to Move up from subsistence to commercial production is enabling households to more effectively move up from subsistence to commercial production within the livestock sector. This includes enabling households with assets, resources and access to markets to adapt and become more commercial and market-oriented, either as producers or other value chain actors. It also includes expanding opportunities with livestock value chains for these and other households by facilitating change and increasing competitiveness in livestock market systems. Increased incomes derived from this adaptive pathway will enable households in Northern Kenya to escape from poverty and chronic vulnerability. It will also strengthen their ability to absorb and manage shocks through the accumulation of assets and savings and the ability to purchase risk transfer products such as insurance.[11] Increased competitiveness (and inclusiveness) in livestock market systems is also an important form of transformative capacity. This 'moving up' strategy is the cornerstone of the sustainable livelihoods pillar in the GOK's EDE CPF. The EDE framework further validates this 'moving up' strategy and the opportunities afforded by investment in and expansion of this pathway.[12]

Branching out and ***Moving Out* -** Other pathways for expanding viable economic opportunities include enabling households to adapt and step a foot out of the livestock sector to increase their income, diversify their livelihood risk, and improve their absorptive capacity and enabling households to move out of the livestock sector altogether to pursue livelihood opportunities that are more viable given the assets, resources and access to opportunities available to them.

Research by ODI (2016) shows that income derived from non-agricultural livelihoods helps to explain why some (more resilient) households sustainably escape poverty, while other (less resilient) households escape poverty only to fall back into poverty in the face of shocks and stresses across a number of contexts.[13] Evidence from the drylands in the Horn of Africa further indicate that branching out or moving out is only effective as an adaptive strategy when households step or move out into high return

[11] http://www.slideshare.net/COREGroup1/measuring-resilience-evidence-from-ethiopia-kenya-uganda-niger-and-burkina-faso-tim-frankenberger

[12] ndma.go.ke/index.php/resource-centre/send/6-ending-drought-emergencies/1230-pillar-4-sustainable-livelihoods

[13] microlinks.org/library/resilience-and-sustained-escapes-poverty-highlights-research-bangladesh-ethiopia-and-uganda

and less climate sensitive livelihoods.[14] As with moving up, expanding livelihood opportunities for those branching or moving out will require facilitating change in market systems, with a focus on sectors with potential for expanding small to medium sized enterprise and employment.

For those ***hanging on*** in the livestock sector and those that have already ***dropped out,*** access to opportunities for moving up, branching out or moving out will be critical. In many instances, the most viable pathway will be branching or moving out, as opportunities to move up are asset and resource constrained. Improved literacy, numeracy and work readiness skills provide new assets and resources that can enable these households to effectively branch out, move out and thus adapt and embark on a new pathway.

Strengthened systems, institutions and governance. Strengthened systems, institutions and governance are critical for enabling and expanding the pathways outlined above and ensuring households on these pathways are resilient in the face of complex risks and recurrent shocks and stresses. Evidence from elsewhere in the HOA makes clear that strengthening market systems, institutions and governance - as well as systems, institutions and governance for rangeland, water, conflict and drought-cycle management – are the foundation of transformative capacity in the drylands. In Ethiopia, for example, access to markets, social cohesion and access to communal natural resources (water and rangeland) helped to explain why some households were more resilient than other households in the face of a moderate drought in the Somali region in 2015 as measured by the impact of the drought on household food security status and assets.[15] The evidence that informed the GOK's EDEs CPF in which peace and security[16] and drought risk management[17] constitute two of the six pillars, and improved rangeland and water management figures centrally in the sustainable livelihoods pillar,[18] further substantiate this focus.

Improved Human Capital, The EDE CPF also substantiates the importance of human capital (pillar 3), both as an enabler of the various pathways described above and a source of absorptive and adaptive capacity in relation to a wide range of shocks and stresses. In addition, improved human capital will help to address the idiosyncratic risk of illness within households, which not only constitutes a significant shock in its' own right, but can derail escapes from poverty and chronic vulnerability and exacerbate vulnerability to other shocks and stresses - including recurrent drought. The aim of the EDE's human capital pillar is to "develop a healthy, skilled, innovative, resourceful and motivated human capital which thus provides a strong foundation to increase resilience to drought.**"**[19] Both the *Expanding and Diversifying Viable Economic Opportunities* and the *Strengthening Community Capacities for Resilience and Economic Growth* will contribute to improved human capital, by focusing on workforce and skills development and basic numeracy, literacy, and nutrition respectively. Other critical aspects of human capital in Northern Kenya - including health and education - are being addressed by other partners in USAID's PREG, as well as other donors and the Government of Kenya.

<u>Development Hypothesis</u>: *If* USAID/GFSA effectively and efficiently supports a multifaceted strategy focused on: (1) <u>expanded and viable economic opportunities</u>; (2) <u>strengthened formal and informal institutions, systems, and governance</u>; and (3) <u>improved human capital</u>, and *if* these interventions are adapted to the distinct characteristics, risks and changing needs and opportunities of different groups of individuals, households, and communities, and if implementation strategies incorporate risk-informed,

[14] fsnnetwork.org/sites/default/files/Report-3-The-effect-of-livelihood-diversity_18Feb2016.pdf
[15] fsnnetwork.org/sites/default/files/Ethiopia%20PRIME%20IMS%202014-2015%20Full%20Report.pdf
[16] ndma.go.ke/index.php/resource-centre/send/6-ending-drought-emergencies/1227-pillar-1-peace-and-security
[17] ndma.go.ke/index.php/resource-centre/send/6-ending-drought-emergencies/1231-pillar-5-drought-risk-management
[18] ndma.go.ke/index.php/resource-centre/send/6-ending-drought-emergencies/1230-pillar-4-sustainable-livelihoods
[19] ndma.go.ke/index.php/resource-centre/send/6-ending-drought-emergencies/1229-pillar-3-human-capital

shock responsive programming, collaborative action, and a deliberate focus on building resilience capacities, then the ability of individuals, households, communities and systems to absorb, adapt and transform in the face of shocks and stresses will be strengthened and the prevalence and depth of poverty, household hunger, and chronic undernutrition will be reduced.[20]

H. LWA Purpose, Objectives, Illustrative Outcomes and Coordination Across Awards

USAID/KEA's *GFSA Livestock Market System* LWA will contribute to USAID/Kenya's DO3 Goal of inclusive, market-driven, environmentally sustainable economic growth as well as the CDCS DO2 Goal of health and human capacity strengthened. It will further contribute to the purpose of USAID/KEA'sFTF project: to sustainably reducing global hunger, malnutrition, and poverty through inclusive and sustainable agriculture-led growth, strengthened resilience, and improved nutritional status of the population. Through efforts to foster a more profitable livestock market system, expand diverse livelihoods, ensure that women, youth and other poorly resourced households can access economic opportunities, nutrition-sensitive commodities and strengthened resilience capacities, the LWA is expected to make substantial contributions to USAID's FTF project as well as GFSA objectives.

Purpose. The overall purpose of the LWA is to enable people, households and communities to escape poverty and chronic vulnerability and strengthen their resilience so they can do so sustainably in the face of complex risk and recurrent shocks and stresses.

Expected outcomes. In so doing, the LWA is expected to attenuate northern Kenya's reliance on humanitarian assistance, decrease household hunger and acute/chronic malnutrition, and reduce the depth and prevalence of poverty.

Objectives. To achieve this purpose, the GFSA Livestock Market System LWA will contribute to the objectives set out by the USAID's Resilience Framework, including;

(1) expanded and viable economic opportunities arising from market forces that create demand for local goods and services;
(2) strengthened institutions, systems, and governance (formal and informal); and
(3) improved and sustained human capital.[21]

An additional objective contributes to the cross-cutting learning theme:

(4) strengthened USAID and implementing partners (IP) systems for layering, collaborative learning and measuring systems change

Within the context of these objectives, the LWA's investments can assist individuals, households and communities in northern Kenya to engage in pathways that can lead to sustainable poverty escapes, including:

- ***moving up*** in the livestock sector value chain, from subsistence to commercial production,
- ***branching out*** into other diverse economic opportunities, while still in the livestock sector, and
- ***moving out*** of livestock sector by means of employment, migration or other higher-return economic opportunities.

There are also individuals, households and communities that are stuck in "poverty traps." For example, asset and resource poor households that are 'hanging in' or 'hanging on' to mobile livestock keeping as a

[20] *Confronting Drought in Africa's Drylands*

[21] Includes improved and sustained health, nutrition and hygiene practices as well as improved and secure vocational, entrepreneurship and employment skills

sole or primary livelihood get trapped in the vulnerability that this pathway imposes. Still others have dropped out of pastoralism and turned to low-return livelihoods that have left them poorer than before. The LWA will consider how to address the needs of these groups and to assist them in getting on a positive pathway out of poverty. For some, productive safety nets such as those offered by World Food Program (WFP) may be first step, while improved literacy, numeracy and work readiness skills may offer others the ability to adapt and embark on a new pathway.

Integration of cross cutting objectives. The GFSA LWA will also integrate cross cutting objectives, including gender and women's empowerment, nutrition-sensitive agriculture, youth integration and empowerment and WASH.[22]

I. GFSA LWA Results Framework

Associate Award #1—*Expanding and Diversifying Viable Economic Opportunities*—focuses on ***Objective 1: Expanded and Viable Economic Opportunities.*** It includes livestock and related market systems development, diverse livelihood development, improved access to financial services, an improved policy environment of livestock market systems development, and improved employability and work readiness for youth. It is meant to create a "pull" effect through market-led and diverse economic opportunities. Associate Award #2—*Strengthening Community Capacities for Resilience and Growth*—focuses on ***Objective 2: Strengthened Institutions, Systems and Governance*** and ***Objective 3: Improved Human Capital.*** Associate Award #2 includes rangeland and water management, drought cycle management, resource-based conflict management, health, nutrition and hygiene practices and literacy, numeracy and life skills. Associate Award #2 is envisioned to have a "push" effect by strengthening communities' capacities for resilience and growth and thus the ability to take advantage of Associate Award #1's economic opportunities. Both Associate Awards #1 and #2 include ***Objective 4: Collective Action and Learning.***

K. Descriptions of Expected Awards

With the anticipated LWA, *The Leader Award* will be responsible for managing all Associate Awards issued under the LWA, ensuring the technical coordination across Associate Awards, the integration of cross cutting objectives, effective sequencing and layering with other GFSA and relevant donor activities, monitoring learning, results and adaptations, as well as reporting to USAID/KEA as stipulated in

[22] Water, sanitation, and hygiene (WASH)

SECTION VI: AWARD AND ADMINISTRATION INFORMATION, and financial management.

The Leader Award's Grant Facility is meant to have an umbrella grants management function, which can be sourced by Associate Awards. For example, Associate Award #1 could potentially use sub-grants—in partnership with private capital—likely in partnership with KIM—to incentivize and buy-down the risks of investment and innovations related to expanding and diversifying economic opportunities. Associate Award #2 may use small sub-grants to match community investments that increase human and social capital, and strengthen the natural resource base. Annex 2 offers a fuller illustrative description of the Grant Facility.

The Leader is likely to play a key role in supporting collaborative learning, including cross learning (across partners), vertical learning (e.g., between counties, IPs and communities) and harmonization of learning (integrating M&E, population-based surveys and efforts at tracking systems change and mapping systems and networks.

The Leader might explore GIS mapping to support program planning and collaborative implementation as well as efforts at mapping and monitoring systemic change.

A key function of the Leader Award is ensuring the collaboration among awards, including sequencing, layering, and integration (SLI). SLI includes the sequencing of interventions, potentially by different IPs and layering to ensure that different IPs interventions are coordinated through joint strategizing, work planning and implementation. Integration includes the integration of gender, youth and other crosscutting concerns across Awards and within interventions. SLI will be particularly important to the effectiveness and linkages between the "pull" effects of Award #1's market-led opportunities, and the "push" effects of Award #2's capacity strengthening. SLI will also be critical to ensuring the complementariness of Awards #1's and Award #2's interventions related to the livestock market systems development. To illustrate, Award #2 will focus on rangeland and water management, which is essential for effective inclusive livestock market systems development. Without access to rehabilitated rangeland and water, herding communities will be unable to participate and benefit from increased commercialization of livestock and livestock products, a goal of Award #1.

DEFINING SEQUENCING, LAYERING & INTEGRATION (SLI)

SLI combines Humanitarian Assistance (HA) and Development Assistance (DA) in new ways to address the underlying causes of recurrent crisis. SLI recognizes:

- The platform created by HA as an opportunity, upon which DA/resilience investments can build
- HA as a means of protecting DA/resilience gains
- DA/resilience investments a means of reducing recurrent HA needs

SLI involves both program and policy actions

- Sequencing of HA and DA interventions to achieve sustainable recovery, rehabilitation and development results
- Layering of complementary interventions (whether HA or DA) to achieve results in a complex system
- Integration of interventions within a given project or program, such as gender, youth or climate-proofing

Illustrative strategic areas of intervention:

The Leader Award will also serve several key functions critical to the success of the *Livestock Market Systems LWA.* These functions include:

- Support to PREG Secretariat (see Annex 3 for details)
- Institutional support and strengthening[23] (see Annex 3 for details)

[23] See Annex 3: Role of Leader in supporting PREG, learning, and institutional support

- Support the alignment and harmonization of PREG activities with county and national government frameworks for resilience (see Annex 3 for details)
- Technical input and support in the management and coordination of a learning agenda for the PREG partnership
- Grant Facility (see Annex 2: Description of Grant Facility for details)
- GIS mapping of communities and market systems networks and nodes
- Monitoring and coordination of sequencing, layering and integration (SLI)

Illustrative outcomes:

- Stronger PREG Secretariat as evidenced by effective management and coordination of learning among PREG partners; well-functioning county-level SLI, and effective cross-county monitoring and learning
- Stronger institutional capacity of NDMA to implement an effective monitoring, evaluation and learning system based on the EDE Framework and on the institutional assessment of NDMA needs
- Effective alignment and harmonization of PREG activities with county and national government frameworks for resilience and greater impact of USAID investments
- An effective learning agenda for PREG that is owned and used by all partners
- Grant Facility and a grants manual to ensuring efficient and effective grant application and implementation process ensuring grants that address market systems constraints and take advantage of opportunities, including matching grants that leverage county-level investments and augment of WFP's food for assets activities
- Effective use of GIS to support joint planning, targeting of communities and market system networks, support evidence-based decision-making regarding interventions, and monitoring of interventions
- Effective monitoring, coordination, and implementation of and reporting on SLI activities among PREG partners

Associate Award #1—*Expanding and Diversifying Viable Economic Opportunities*—is fully described in the attached Program Description.

Associate Award #2—*Strengthening the Community Capacities for Resilience and Growth*—is fully described in the attached Program Description.

Associate Award #3 or others are envisioned to be awarded if and when needed under the LWA which is a flexible mechanism. It is meant to respond to shocks related to climate, politics and other stress events that are perennial features (not anomalies) in northern Kenya and cross-border areas of Tanzania and IGAD member states. Such shocks and stresses can require investments that: 1) reduce and manage risk, build adaptive capacity, and facilitate inclusive growth; and 2) flexibly and proactively respond to mitigate droughts and other shocks. Award #3's shock responsive programming[24] requires *adaptive*

[24] Implementing partners can position themselves to respond through various means. Perhaps the simplest and most readily available approach to adaptive management and shock responsive programming is to use the *annual work planning process* to iteratively adjust activities within the activity's scope. *Crisis modifiers* are another approach. In response to droughts in the past, development programs operating in drought-stricken areas have employed their crisis modifiers to provide relief to protect development gains and, while crisis modifiers have been important tools, they have been insufficient in the face of such a large shock. There is also need for *development programs to 'flex'* as part of a comprehensive approach to shock response (beyond crisis modifier options)by speeding up and expanding implementation as part of a developmental response -- complemented by

management approaches and *shock responsive development approaches* and flexibility within activities at both the design and implementation stages.[25] Advance planning within Associate awards #1 and #2—through flexible work plans that contain contingencies in advance of possible shocks—will improve the possibility of protecting development gains. If and when the magnitude of the shock requires expanded implementation activities and higher levels of human assistance, the LWA allows for a 'contingency' Associate Award to support shock responsive programming.

The LWA allows for potential additional Associate Awards for unforeseen purposes, including those funded by sources other than FTF, as long as these additional Associate Awards do not exceed the LWA's maximum ordering ceiling and fall within the general scope of the LWA as determined by the LWA's AOR. Potential Associate Awards could include, for example, an investment for regional learning and/or regional livestock market systems development.

Coordination Across Awards. The Leader Award is responsible for managing the coordination across awards. Awards #1 and #2 align with the EDE Framework and USAID's HOA Resilience Framework, which includes four objectives and a number of cross cutting objectives. Figure 6 is a cross-walk table that demonstrates the inter-relationship between Awards #1 and #2 in relationship to the objectives articulated in USAID's HOA Resilience Framework.

Figure 6: Cross-walk Table between Award Objectives and USAID HOA Resilience Framework

HOA Resilience Framework Objectives	***Award Objectives***
Award #1	
Objectives 1: Expanded and viable economic opportunities	Objective 1: Expanded and diversified viable economic opportunities *(including improved employability and work-readiness skills for youth)*
Objective 2: Strengthened institutions, systems and governance (***formal and informal***)	Objective 2: Strengthen institutions, systems and governance (***formal***)
Cross-cutting objective: Collaborate, Learn and Adapt	Objective 3: Collaborative action and learning for community empowerment
Cross-cutting objectives: social capital, women's empowerment, gender, youth, and aspirations	Cross cutting objectives: gender, women's empowerment, nutrition-sensitive agriculture, and WASH
Award #2	
Objective 2: Strengthened institutions, systems and governance (***formal and informal***)	Objective 1: Strengthened institutions, systems and governance (***informal***)
Objective 3: Improved and sustained human capital	Objective 2: Improved human capital
Cross-cutting objective: Collaborate, Learn and Adapt	Objective 3: Collaborative action and learning for community empowerment
Cross-cutting objectives: social capital, women's empowerment, gender, youth, and aspirations	Cross cutting objectives: gender, women's empowerment, nutrition-sensitive agriculture, WASH

Award #1 is designed to address the HOA Resilience Framework's objectives 1 and 2 (see Figure 6) as well as the cross cutting "collaborate, learn and adapt" (CLA) objective. In addressing the HOA's objective 1, Award # 1 is meant to enhance the breadth and depth of benefits from the increased competitiveness of the livestock market system and related diverse livelihoods, and to improve the formal policy environment for market systems development. Award #2, on the other hand, will focus on

increasing levels of human assistance as magnitude of the shock becomes apparent. 'Flex' requires proactively planning ahead for likely shocks in drought prone northern Kenya and contingencies to respond quickly and protect development gains.

[25] Adaptive Mechanisms and Streamlining A&A Awards (webinar); Acquisition and Assistance (A&A Lab) launched June2016

strengthening inclusive governance structures (both formal and informal) in order to increase equitable access to the natural resource base. Additionally, Award #2 will contribute to improved human capital through strengthening literacy, numeracy and life skills, while Award #1 will focus on employability and work readiness skills. Award #2 will further complement Award #1 by focusing on social behavior changes related to improved nutritional practices while Award #1 implements nutrition-sensitive agriculture through livestock and other market systems development. Learning, sequencing, layering and integration are applicable across any and all awards made under the LWA. In other words, the Leader Award theory of change will require effective collaboration among the multiple awards envisioned under the LWA.

L. Monitoring, Evaluation, and Learning (MEL) Plan

The Leader will oversee MEL for activities implemented under the Leader Award. It further will take the lead in harmonizing MEL activities across the Associate awards and ensuring alignment with USAID/KEA's Project MEL Plan. The approach to MEL should include functions to monitor progress in achieving outcomes and targets and enable required reporting to USAID. It further should ensure the use of monitoring and evaluation information for adaptive management of project activities, and generate evidence to understand the contribution of USAID interventions to household-, community- and systems-level changes that enable people, households and communities to strengthen their resilience and escape poverty and chronic vulnerability. The MEL system will be most useful if it is part and parcel of the shared indicators and collaborative learning work carried out across PREG and under each of the Associate Awards and other USAID learning activities supported by USAID/KEA.

To encourage the Associate awards to work together towards the higher-level purpose and objectives of the GFSA Livestock Market System LWA and project MEL, the MEL system might include distinct outcome indicators assigned to each Associate that measure progress towards a common objective - to incentivize the two Associates to work together towards the common objective and each get credit for their contribution. This may also apply with KIM.

For example, in working towards the objective of Expanded and Diversified Economic Opportunities, Associate #1 could measure movement of pastoral households into more commercial livestock activities while Associate #2 could measure improved rangeland management in the same communities. In working towards the objective of Improved Human Capital, Associate #1 could measure success of youth in workforce development programs and Associate #2 could measure improved literacy, numeracy, and life skills among youth in overlapping communities/geographies.

Harmonizing M&E, Learning, and the Population-Based Survey (PBS) in Northern Kenya
USAID/KEA's Northern Kenya project includes multiple and layered data collection efforts, including:

- Monitoring activity-level outcomes/results
- Tracking market systems-level change
- Measuring household-level changes using the PBS and other studies
- Developing GIS systems to map community and market systems and networks

Working together, these M&E and learning efforts provide the basis for validating or refining the theory of change, testing the development hypotheses, and understanding the extent to which USAID interventions are contributing to systems change and to enabling people, households and communities to escape poverty and chronic vulnerability.

Draft MEL Plan: The Applicant's submission will include a draft MEL plan that identifies key indicators to track the performance of the Leader Award in achieving outcomes specific to objectives 1, 2, 3, and 4 (above) and its contribution to the higher level results of USAID/KEA's GFSA and resilience investments.[1] The plan should incorporate gender sensitive indicators, youth indicators and sex disaggregated data that demonstrate progress in minimizing age and gender-based constraints or that highlight how to mitigate new or unexpected disparities that may arise affecting either women or youth. The draft MEL plan will include:

a) *Proposed performance monitoring indicators:* The draft MEL plan should include output and outcome indicators to track accomplishments in relation to the goals and objectives of the LWA for northern Kenya. The indicators in the draft MEL plan should align with the illustrative results framework (Figure 2 above). Indicators required under USAID's GFSA and resilience initiatives will be identified during the work plan stage in consultation with USAID AOR and included in the final MEL plan.

b) A proposed strategy for collecting, analyzing, and reporting data: This should include reference to timing, data quality, and budgetary requirements.

c) *A proposed approach to layering performance monitoring activities:* the draft MEL plan should include a strategy for aligning with and/or complementing performance monitoring indicators and baseline and other data collected by Associate Awards under the LWA and other relevant USAID activities in northern Kenya. The successful Applicant will identify opportunities to layer in consultation with the USAID in the completed MEL plan. This will support the objective of effective layering of the Leader and Associate Awards with other USAID activities, improve the efficiency and reduce the cost of data collection efforts across projects, and generate a base of information to assess the combined impact of interventions.

d) *A proposed approach to building upon available data sets:* Given that USAID/KEA has invested significantly in generating baseline, performance, and population based data on resilience interventions and related activities, the draft MEL plan should be informed by these investments.

e) A proposed approach to coordinating with external evaluation and learning activities: Given the size and importance of the Leader and Associate Awards, the activities may include an external USAID funded impact evaluation. The draft MEL plan should include a proposed approach for i) coordinating activities with an external impact evaluation. and ii) identifying what performance monitoring data might be needed to support the impact evaluation (for example, information on the level of 'exposure' of beneficiaries—individuals, households, enterprises, or communities—to activities under this LWA and other USAID supported activities). This type of information would help to evaluate the contribution of the LWA and other USAID investments to higher level change. Successful Applicants will be able to work with the external evaluators and USAID to discuss what indicators best meet both performance monitoring and impact evaluation needs.

f) *Proposed feedback loops to USAID:* The draft MEL Plan should include a strategy to insure the performance monitoring and other evaluation results and learning are used to improve project implementation and impacts.

g) *Proposed approach to developing shared indicators, learning, and methods for measuring systems change:* The Leader's draft MEL plan should propose an approach to harmonizing the M&E with other proposed learning activities that will be carried out under Associate Awards #1 and #2 (see Objective 3 under each Award).

At any time during program implementation, USAID may conduct one or more evaluation(s) to review overall progress, assess the continuing appropriateness of the program design, and identify any factors impeding effective implementation. USAID would use the results of the evaluations to recommend course-corrections in implementation, if needed, and to help determine appropriate future directions. Site visits may occur any time after the initial six-month period. For the life of the activity, USAID/KEA staff will meet at least monthly with the program staff to ensure that start-up and implementation of activities are on track.

Baseline survey: In order to evaluate the overall effectiveness of USAID/KEA support to Associate Awards #1 and #2 under this LWA, the draft MEL Plan should incorporate plans for conducting a baseline and endline survey with clear, sex-disaggregated data. The baseline survey should commence no later than three months after the award, and the end line should commence three months prior to the end of the award.

Performance evaluation: The Mission may also support an outside entity to conduct a mid-term performance evaluation approximately 30 months after the award and a final performance evaluation near the end of the award.

Impact evaluation: USAID will take the lead in planning for and undertaking external evaluation work. This will be in consultation with the successful applicant to ensure a sound design that aligns with the Associate's implementation plan and contributes to improved impact. As mentioned above, the successful Applicant's completed MEL plan should include a strategy for coordinating activities to support the external evaluation activities.

Indicators. Required GFSA[26] and Resilience indicators will be decided upon in consultation with USAID during the work planning stage when the MEL Plan is finalized. Applicants should propose the indicators that they will use to track accomplishments against goals and objectives of their submission.

[26] https://feedthefuture.gov/sites/default/files/resource/files/Feed_the_Future_Indicator_Handbook_Sept2016.pdf

Annex 1: Selected findings from the 2016 FTF Kenya Mid-term Evaluation

Challenges	**Recommendations**
Devolution has revealed the challenges involved in sorting out the roles and responsibilities between the counties and the national level, and in building capacity at the county level to deliver on development. In the resilience zone, the policy-related activities have not yet been addressed.	Partner with county governments. Given the important role counties play in devolution and the positive contributions they can make to agricultural transformation, FTF should provide the following support related to county-specific agriculture and food security investment plans; value-chain specific policies; public-private partnerships; and collaborative learning between USAID IPs and county-level technical staff.
Confusion about how to reduce poverty/beneficiary selection. The MYS Theory of Change posits that poverty reduction requires both growth-oriented "pull" activities (to improve linkages to markets and input access, providing affordable business development and financial services, and promoting greater diversification) and pro-poor "push" activities (to improve nutritional status and access to the knowledge tools, buy down risk, and enhance natural resource management to improve productivity). Yet, an assumption prevailed that IPs were to work in the poorest areas and with some of the poorest households, which may not have the resources to participate in competitive value chains. For farmers with limited resources and market access, a different strategy—focused on improved agricultural productivity for food security, creating diverse nonfarm opportunities, reducing costs, and improving capacities to withstand shocks and stresses— may be needed.	Clarify approach to poverty reduction/beneficiary selection. FTF may need separate strategies/investments for differently resourced farmers. *Pull* strategies may be more appropriate for better resourced smallholders, and push strategies for farmers with more limited resources and access to market. To effectively use resources, FTF activities need to be clear about the needs, capacities and potential or lack thereof of differently resourced farmers and to match investments to farmers accordingly.
An over emphasis on push activities and on the productivity of farmers/herders with limited potential (defined by very small landholdings, reliance on low-value crops, and/or proximity to markets, for example). The observed models for achieving inclusive agricultural growth in HR1/SA2 appear to reflect a bottom-up	Ensure there is both *pull* and *push* to achieve inclusive agricultural/livestock growth that reduces poverty. To achieve poverty reduction on the scale that is needed to have population-wide impact in the ZOI, these "bottom-up" approaches need to be complemented with pull approaches that can have broader systemic impacts that

approach focused on farmers and the "first-level of aggregation."	improve the competitiveness of the market system and through spillover effects—generate nonfarm opportunities so important both to youth and others unable to earn a livelihood from agriculture alone.
Financial services need to be integrated into targeted market systems. Finance is a critical yet unmet need for achieving FTF results in HR1/SA2 and the Northern zones. An evaluation finding is that isolated approaches to financial service provision, particularly in agriculture, will be less successful than those that are firmly anchored in the market system and within FTF value chain activities.	Integrate finance into market systems activities. For market systems activities, integrating a finance component into the design rather than having a stand-alone finance project is essential.
Financial inclusion is critical for smallholder households to participate in and benefit from market development. In addition to value chain finance, access to savings, nonfarm credit, remittance services, and insurance can strengthen the resilience of households by helping to smooth consumption across cropping seasons, deal with shocks and stresses, and diversify livelihoods. These financial services are integral to push pull strategies that bolster the capacity of smallholder households to take advantage of market opportunities.	To effectively promote financial inclusion, USAID should address both supply and demand constraints. Improving the availability and reducing the cost of financial services through alternative delivery mechanisms and channels (for example, digital finance/ICT) can address barriers to the supply. Client education and training, particularly in financial literacy and business management skills, can address barriers to demand and improve the effective use of financial services.
Private-sector driven innovation. Expanding the role and presence of the private sector is critical to achieving transformation that FTF is seeking. However, the process of developing new private sector innovations takes time and relies on multiple variables to succeed.	PSE/innovation activities should be packaged as a separate but complementary from other FTF activities. Because private sector driven innovations are high risk and most likely to achieve results in the medium/long term, they require different milestones and targets. Moreover, the skill set needed is highly specialized and not necessarily required for traditional value chain/market systems projects.
Resilience. The push/pull approach to building	Intensify and expand push/pull investments in the

resilience in the Northern ZOI, including investments in market infrastructure and business development, are contributing to the creation of a network of buyers, processors a aggregators with the potential to reach back to large numbers of producers and, at the community level, laying the groundwork for economic actors to engage in a broader market system. Continued support for diversification from lower to higher return livelihood activities is one approach for preventing backsliding in the face of shocks and stresses.	livestock value chain in the Northern ZOI. Future FTF programs should continue to support – while sharpening the strategy for -- market oriented livelihood diversification. Where feasible, expand and intensify livestock value chain programming beyond the current two counties to layer with community-based livestock and diversified livelihood activities.
The existing resilience theory of change and results framework does not reflect the critical role played by resilience capacities—absorptive, adaptive, and transformative— for mitigating the effects that shocks have on wellbeing outcomes such as poverty, food security and nutrition.	Update the resilience theory of change and results framework to incorporate concepts of resilience capacities, layering, and collective action and incorporate more robust *indicators* and *measures* of resilience – especially with respect to resilience capacities.
Nutrition social and behavior-change communications (SBCC). Each FTF partner appears to be developing their own educational materials and communication approaches without a coherent BCC strategy for the FTF program as a whole and without using state-of-the-art BCC approaches.	Ensure effective SBCC. Given the importance of effective behavior change communications to achievement of FTF nutrition and dietary objectives. USAID/Kenya should identify expertise (either from NHP*plus* or from another USAID partner) to develop a consistent, evidence-based BCC communications action plan/strategy with the FTF partners.
Lack of data on impacts of nutrition-sensitive agriculture and livelihood activities in the North. Some of the most innovative and promising activities to improve maternal and child nutrition and prevent serious malnutrition are nutrition-sensitive agriculture and livelihood activities. Yet, the data being collected by most IPs does not provide adequate information to determine how well the partners are performing in regards to increasing dietary diversity.	Document the impact of nutrition-sensitive agriculture/livelihood activities. IPs should be documenting the impact of nutrition-sensitive agriculture and livelihood activities on dietary diversity of their target populations. Increases in availability of high-nutrient value foods, like milk, do not always translate into increased home or local consumption This information will be critical for designing and scaling up second generation FTF nutrition-sensitive activities.
Approaches to layering and sequencing for	Lessons learned to-date related to layering and

nutrition impact. USAID/Kenya has learned important lessons about how to effectively layer and integrate activities across sectors to improve nutrition. Challenges remain in applying these lessons.	sequencing for nutrition impact should be incorporated into the new FTF program-with a focus on scale and sustainability-going beyond service and input delivery to systems strengthening and capacity building at the country level and resource mobilization and market linkages with the private sector.
Acute malnutrition continues to remain critically high in the Northern zone.	Use a dual strategy in the Northern ZOI to identify, treat and prevent of malnutrition. Support and strengthen all systems (early warning, nutrition screening, outreach to communities, commodity logistics, food and cash safety net programs) that have been put in place to identify and treat malnourished children and buffer families. At the same time, USAID should expand effective nutrition-sensitive agriculture and livelihood interventions to prevent malnutrition.
WASH. Access to water is one of the most serious and underfunded problems in Kenya. The lack of water in USAID-supported livestock markets, poultry production, and sanitation activities in the North is creating health risks.	Ensure the sequencing of WASH activities. USAID should facilitate the approval of the WASH water construction plan so that FTF markets and other activities can have access to water as soon as possible to avoid harmful outcomes from delays.
Gender integration. Despite progress in integrating gender into USAID Kenya's FTF activities, there is still more to be done in addressing gender disparities and constraints to women in the domains of productivity, incomes, asset ownership, leadership and time use.	Take a more deliberate approach to gender integration. USAID staff and IPs should continue to give priority to gender integration through deliberate strategies to empower women. A new guide[1] to assist IPs in selecting and designing evidence-based interventions that are relevant to the priority domains of empowerment in the WEAI – using a market systems and gender-responsive approach –should be used to help focus FTF resources on achieving gender integration. The challenges and lessons learned from implementing the WEAI should be drawn upon to streamline its implementation and improve its usefulness in the future.
Youth integration. A concerted focus on youth	Support the transition of young men and women

integration has been missing to date. Strategic approaches to engaging and benefiting young men and women through FTF investments have not been visible. Research suggests that rural youth are drawn to higher-value opportunities in commercial agriculture as well as in non farm, agriculture related to services and processing.	to higher value and more diversified on- and off-farm activities. Greater emphasis on the creation of multiplier effects in market systems could help to expand nonfarm income and employment opportunities for young people and should be an important component of a youth strategy.
Layering, integration, sequencing, coordination. It is clear that PREG coordination has facilitated layering, integration, and coordination of USAID activities in the Northern ZOI. However, PREG is still facing the expected challenges of communications, documenting the impact of improved coordination, and learning how to assess collective impacts. Activities in HR1 and SA2 have not been coordinated or layered resulting in huge missed opportunities... Finally, coordination around nutrition programming is beginning but more work is needed.	Support, strengthen and replicate PREG-like activities. FTF should continue to support and strengthen PREG in the Northern ZOI and explore the potential for implementing a PREG-like structure in the HR1/SA2 zones, recognizing that it takes time, money, motivation and involvement of senior leadership to work. Moving forward, future solicitations (RFAs and RFPs) should have clear guidance concerning working together with other partners that includes information sharing, collaborative work planning, and joint site visits and review. To strengthen layering and integration going forward, the startup time of critically linked activities need to be aligned.
Missing the indirect results of FTF investments. The PBS survey is based on the assumption that through scale and indirect impacts, FTF will contribute to change at the population level.	Develop methods for tracking the *indirect beneficiaries* of interventions. Articulating a pathway from direct to indirect to population wide impacts and systematically tracking change along this pathway will help to understand USAID's contributions to population wide impact.
M&E is more oriented toward reporting than learning. Performance is being measured in terms of scale of outreach and success at reaching targets. While some of these targets are designed to reflect meaningful results, others create incentives for IPs to engage in activities that are better at generating numbers than meaningful results.	Make M&E more a part of a continuous *learning* process to feed into improving project implementation. Balance proving/reporting with improving in the design and implementation of the system. To this end, develop a management and learning tool that enables stakeholders to analyze progress, evaluate results and quickly adapt activities as required Provide real-time information to allow the management to address any bottlenecks hindering progress or success.

Annex 2: Description of Grant Facility

A Grant Facility is anticipated to support all activities carried out under this LWA, and Associate Awards #1 and #2.

Challenges and opportunities. The northern ZOI has suffered from a lack of investment for many years. As a result, the private sector, infrastructure and public and private services have been woefully underdeveloped. To achieve the development objectives set out by FTF's northern ZOI LWA, investment is needed to catalyze private sector development, to incentivize (buy down the risks of private entrepreneurs and private and public service providers), and to leverage opportunities to strengthen critical community infrastructure. USAID's past investments in the northern ZOI have demonstrated what can be achieved in a relatively short period of time by co-investing with entrepreneurs in businesses that have the capacity to link to large numbers of small producers of livestock, poultry, milk, and hay. Grants to self-help groups and individuals for livelihood activities can not only put poor households on the road to escaping poverty but—if linked to larger businesses—can buy-down the risks of market participation. In addition, matching grants to leverage public and private investment in innovative approaches to strengthening and sustaining critical community assets and infrastructure can underpin efforts to strengthen human capital, sustain productive livelihoods, stimulate private sector development, and better manage the impacts of drought on livestock, people and markets.

Seed grants of different sizes can serve to catalyze new business opportunities for larger businesses with supply chains dominated by small-scale producers, for medium-scale entrepreneurs able to sell products and services to local markets and link to small-scale suppliers, and for small-scale entrepreneurs (e.g., pastoralists and small- and micro-enterprise input suppliers, retailers and traders, and the like) to become valuable suppliers to larger entrepreneurs or to sell profitability into local markets. *Matching* grants, provided to communities or groups, can incentivize innovation and accelerate both public and private investment in critical community assets and infrastructure (e.g. water, rangeland, storage, irrigation, feeder roads, and markets) as well as strengthen institutions (e.g. materials, equipment, vehicles).

Goal. Catalyze new investment in viable economic opportunities and promote innovation through tiered grants that stimulate rather than distort markets.

Illustrative areas of strategic interventions.

- With a "grants under grants" investment and innovation facility, this Associate award might structure grants by size in order to ensure that large, medium and small sized entrepreneurs are able to take advantage of business opportunities. The fund should also encourage linkages among these businesses to the extent that they offer win-win advantages, lowered risks, and/or higher returns.
- For Associate Award 2 this facility would support small to medium sized grants to groups, communities, and institutions investing in innovations and improvements in community assets, infrastructure and/or services. These grants provided could "match" or leverage commitment of investment of each either cash or in-kind resources.

Seed grants might:

- enable access to and foster the adoption of new technologies, practices, or business models to improve, productivity and competitiveness of market systems and to strengthen community capacities for resilience and economic growth.. For women and youth, grants may be used to increase skills and/or buy down the risks of technology adoption.
- enhance access to the equipment, technologies, services, training, trade fairs, and knowledge needed to effectively compete in markets or strengthen community capacities for growth. Grants in some cases such as equipment, will be on a cost share basis, and given with the intention to

demonstrate results. For women and youth, ensuring access to assets to engage in markets will be important

- create incentives for private sector investments to buy down the risks of private sector innovation that promotes inclusive market systems development
- initiate/expand financial innovations such as mobile-based financial services for the livestock sector and/or insurance and/or leasing products
- promote innovative business models that are able to scale impacts vertically (deepening outreach) and/or horizontally (through crowding in)

Matching Grants might

- leverage County/Ward funding for capital investment in water, roads, or other infrastructure
- augment WFP program cash/food for assets activities (water pans, small scale irrigation
- strengthen institutions to improve the quality of and access to veterinary, health, and education services
- enable/incentivize community solutions to infrastructure and access constraints.

While seed grants might be used to strengthen the capacities of entrepreneurs of different sizes, producer organizations, or community-based organizations, the purpose must be to develop business skills, for commercialization of the livestock sector, including business development, and/or to stimulate innovation adoption. For women and youth who lack resources to enable them to enter market-based activities, grants can be used to buy-down the risks of acquiring the assets and skills to participate in markets and develop new ag- or livestock-related businesses. In all cases, these grants will aim to ease market system bottlenecks, enhance the inclusion of women and youth, and pull entrepreneurs/ beneficiaries into more growth-oriented activities.

Matching grants must support investments aimed at strengthening and protecting human and social capital. They should represent a social contract between all parties. Sustainability plans, addressing salaries and staffing, maintenance and upkeep of infrastructure and assets, and/or updating or replacement of materials and equipment will be critical to the provision of all matching grants.

The grant mechanism(s) will be important to the learning processes of the Associate awards they support. For example, for Associate award 1, , whose grants are directly related to the development of market systems, investment might include testing different new technologies, services, or products; approaches to market information; or business models. Innovation grants potentially represent public good investments[27] that could benefit the entire market system or livestock value chain. They might be used to foster public-private partnerships aimed at addressing a major bottleneck or buying down the risks of private sector investments in exploring new technologies, innovative upgrading and service provision approaches, product development as well as expanding low-cost appropriate technologies to the poor households. Grants might also be used to learn about how to effectively expand nutritional outcomes.

While ensuring the effective use of grants will be key, grant management is equally important. Stakeholders must trust in the transparency of the grant-making process and USAID must trust in the effectiveness of its financial management. The total grant funds provided for Associate Awards 1 and 2 will be up to $8 million.

[27] Investments neither the public nor private sector are able or willing to do due to first-mover financial and/or political risks

Expected outcomes.

- Increased ability to leverage real-time investment opportunities and apply learning
- Increased empowerment of women, youth, communities and institutions
- Increased access to critical assets and services
- Increased access to improved technologies
- Increased social capital
- increased number of pastoralists link into and benefiting from market systems/commercial markets
- increased number of youth participating in and benefiting from businesses related to market systems
- increased number of women participating in and benefiting from businesses related to market systems
- increased number of new startup businesses that contribute to market systems development
- linkages among businesses forged that buy-down risks for smaller entrepreneurs
- increased profitability of MSME[28] businesses related to targeted market systems
- increased adoption of new and innovative business models that increase profits and outreach
- increased adoption of new technologies that increase productivity and competitiveness
- increased inclusion of small producers, especially pastoralists, in the commercialization processes

[28] MSME = micro-, small- and medium-sized enterprises

Annex 3: Role of Leader in Supporting PREG, Learning, and Institutional Support

The Leader Award will support the goal of the PREG Institutional Support, Policy, and Learning Activity. This Activity will support the alignment and harmonization of PREG activities with county and national government frameworks for resilience. The Leader Award will contribute to this goal by providing technical input and support in the management and coordination of a learning agenda for the PREG partnership. The Leader will also contribute to the development and dissemination of evidence and case studies for integrated planning and implementation of resilience activities at the county level. This type of county-level collaboration seeks to reinforce political will for and local ownership of integrated resilience planning, as well as improve the performance and sustainability of PREG activities.

The Leader Award will provide facilitation support and guidance to ensure that PREG's learning agenda is well understood, adequately resourced, and coordinated amongst the many partners. Due to the nature of USAID/KEA's role and resources available for support, the Leader Award will not be taking the lead on implementation itself. However, USAID/KEA—with the input of the Leader Award—is adopting an active, steering role to provide direction, technical input, and support to stakeholders in each component so that changes are taking place and that the stated goal of this activity is achieved.

The Leader Award will help capture current successes and accelerate what is already working, while also laying the foundation for models for collaboration and integration for USAID programming going forward. In keeping with this approach, the Leader help to incentivize "quick wins" for collaboration, such as achieving closer coordination and collaboration within county teams, a more focused and systematic approach to capturing lessons learned, and coordinating learning activities through the PREG Secretariat. Other learning activities are targeted at improving program design for resilience activities as USAID is reviewing its FTF Framework. The Leader Award will use active and participatory methods to disseminate learnings via the PREG partnership and coordinate with NDMA Pillar 6 activities so that implementing partners can make use of successful models as an operational approach to county-level decision making and integration.

Finally, the Leader Award will support and reinforce a demand driven approach to policy research which can demonstrate the value of integrated programming of resilience activities (via the EDE framework) to county level decision makers in the target communities. Over the long term, USAID/KEA expects these efforts will reinforce and build capacity at the county level to think/resource/plan in this way, and provide support so that resilience programs and projects are mainstreamed within county structures as called for by the EDE Framework.

Annex 4: Implementation Principles

Market System Approach. The LWA will be grounded in a market systems approach that begins with an understanding of the market system in its totality: (1) the firms and actors that that are part of the system—from input suppliers to buyers, service providers and public sector actors, (2) the strength and efficiency of vertical and horizontal linkages among these actors, including levels of cooperation and competition, (3) the availability and affordability of commercially provided supporting services, including technical, business and financial services, (4) the incentives created by the formal and informal enabling environment in which the market system operates, and (5) the inter-connections among value chains in the market system and other systems such as health and/or the natural environment. The LWA will be sensitive and responsive to the inter-connections between multiple systems, including markets, the household and community, the natural environment and climate change, the empowerment of women and youth, nutrition, and the policy environment

Facilitation[29]*approach*. The LWA will stimulate systemic change without taking a direct role, working through market participants, and ensuring that they are drivers of the change process. Key features of this implementation approach include:

- Using end markets and improvements in the enabling environment to drive transformation and create incentives to invest, upgrade and adopt new practices, while mitigating risks;
- Transforming relationships to allow for effective cooperation and coordination between actors; developing relationships that are commercial in nature for smallholder farmers, women and youth to promote their inclusion in the livestock and other value chains.
- Targeting leverage points in the market and production systems that catalyze wider spillover effects, thereby spreading innovations to both direct and indirect beneficiaries.
- Using innovative approaches to promote, de-risk and incentivize investment and development of critical market infrastructure, technologies and services.
- Fostering partnerships and strategic alliances involving an array of local groups, lead firms, service providers and other market actors to jointly tackle the challenges of transformation, diversification and competitiveness, while unlocking growth, resilience and expanded economic opportunities and within selected market systems.
- Promoting ownership by local actors, and empowering the private sector to innovate and explore new business models and buyer-supplier relationships appropriate to their specific context.

Social Capital. Research shows that social capital – or the ability to lean on others during times of need – is a critical source of resilience across a wide variety of contexts, including northern Kenya.[30][31] All program activities that link groups, strengthen trust and bridge divides have the potential to strengthen both bonding (within group) and bridging (between group) social capital. Rather than hope that this is an unintended byproduct, strengthening social capital should be a core aspect of these activities and an explicit aim. For example, activities linking groups through agreed upon rangeland and water management plans for dry and wet season grazing can also be leveraged to create social connections and networks that facilitate trade, reduce conflict and engender mutual support. Similarly, credit and savings groups can strengthen trust and social bonds between participants, as can activities that facilitate connections in relation to value chain development and actors. Strengthening social capital and expanded social networks also has the potential to expand the risk management benefits associated with the moving

[29] *The principles of facilitation https://www.microlinks.org/sites/microlinks/files/resource/files/Facilitation_Brief.pdf.*

[30] http://www.fsnnetwork.org/sites/default/files/Report%204%20-%20The%20Effects%20of%20Social%20Capital%2018Feb2016.pdf

[31] http://www.ifpri.org/publication/networks-resilience-role-social-capital

up, stepping out and moving out livelihood strategies by extending these benefits of each pathway from individual households to social networks through reciprocal support.

Sequencing, layering, and integration (SLI) of humanitarian and development assistance can further the objectives of each to a greater extent than by programming in isolation. SLI is a means of articulating how USAID is proposing to combine humanitarian and development assistance in new ways to address the underlying causes of recurrent crisis in targeted geographic areas. SLI also includes the sequencing and layering of different but complementary USAID development investments, integrating cross cutting issues such as gender, youth, nutrition-sensitive agriculture and climate-risk management in order to achieve maximum results.

Gender integration and women's empowerment. A core principle guiding the implementation of FTF and resilience investments in northern Kenya is gender integration in the design, implementation, and evaluation of activities. Strengthening community capacities for resilience and growth, and expanding economic opportunities require an understanding of how and why gender affects incentives and behaviors related to managing risks and taking advantage of economic opportunities in the face of recurrent shocks and stresses. Guiding principles to ensure the effective integration of gender the Northern counties include: (1) *evidence-based understanding* of differences between men and women in the risks they face, their coping strategies, and their access to skills, resources, and opportunities to manage risk and to participate in the livestock and other value chains and to diversify livelihoods; (2) *forward thinking* on how gender roles and norms are changing in the context of population growth, climate change, land and resource degradation, urbanization, and emergence of new economic opportunities and how to leverage these changes to support achievement of the purpose and objectives of the LWA; and (3) *deliberate programming* to increase women's empowerment and reduce gender gaps, especially in relevant domains of the WEAI (e.g., inputs into productivity, access to productive resources, control over use of income, community leadership, time use); and (4) *specific focus* on strengthening women's resilience capacities.

Youth integration: Given rapid social and economic changes and high unemployment in the northern counties, strategic engagement of young men and women is critical to achieving the objectives of expanding and diversifying economic opportunities and in building community capacities for resilience and growth. Implementation principles for successfully engaging and integrating young men and women include: 1) start with evidence based programming that grounds an understanding of the challenges and opportunities for youth in northern Kenya to engage in economic activities, access basic services, and participate in decisions that shape their future; 2) recognize the diversity of youth and differences in the challenges and opportunities across sub-groups of young people–i.e., younger vs. older youth, males vs. female, urban vs. rural, different livelihood trajectories (moving up, stepping out, hanging in, and moving out; 3) support the transition of young men and women into higher value and more diversified economic activities in the livestock sector and beyond, 4) acknowledge that a majority of young people will depend on the informal sector for income and employment and invest in making these activities more productive and remunerative; 5) start early in supporting literacy, basic services, and environmental awareness and behavior change for young girls and boys.

Integration of nutrition-sensitive agriculture.[BJ1] Nutrition-sensitive agriculture is a food-based approach to agricultural development that puts nutritionally-rich foods, dietary diversity, and food fortification at the heart of overcoming undernutrition and micronutrient deficiencies.

Climate-risk management as a key resilience strategy. More frequent cycles of drought and shifting rainfall patterns are likely threats to productivity, well-functioning markets, nutrition, and incomes in years to come. In this context, the LWA will place an emphasis on helping market actors and communities prepare for and adapt to climate change by building the resilience of people, places and livelihoods to climate risks. Creating a favorable enabling environment, fostering partnerships, and stimulating the development, deployment and adoption of climate-smart agriculture practices and technologies will be a key tenet of LWA.

Aspirations Successful implementation will depend on an understanding and acknowledgement of changing aspirations in northern Kenya. Rapid population growth, increasing commercialization, and improved connectedness to the outside world is changing aspirations and values in pastoral communities, especially among youth. This is affecting dynamics related to sedentarization, diversification of livelihoods, investment in children's education, gender relations, social norms, and civic engagement . While external factors such as drought can explain the movement of pastoralists from nomadic livestock keeping to living in settlements and peri-urban areas, changing changing aspirations also play a role. Recent research shows that the main aspirations of pastoralists include education (for their children or grandchildren). Young people want choices beyond living from pastoralism and are eager to find jobs/paid employment, start businesses, and pursue more professional futures. With urbanization, more people are interested in entrepreneurship and commerce. Women are increasingly taking on paid work or managing small businesses, moving away from their traditional roles as caretakers of the home and family. Livestock is still important and families will continue to pursue both traditional and non-traditional opportunities but pastoralists want to share in the benefits of new investments and infrastructure and be consulted on governance issues. Communities want rights to information, knowledge, land, equitable development and a voice in planning and policies that support the production systems that communities depend upon.

Collaborative and Iterative Learning and Adaptation under the LWA will enable reflection on what is working and what is not, and incorporates monitoring processes with quick feedback loops that generate iterative learning that implementers can use to adjust activities or tactics in real-time. In testing innovations, new technologies, approaches or practices, the LWA will draw on iterative learning and adaptive management to learn from experiments quickly, hone in on things that are successful, drop those that are not, and move in the right direction toward achievement of outcomes. This approach requires a flexible monitoring system and deliberate approach to real time, iterative learning. Results chains can be used as a tool to to articulate, test, and refine causal pathways that are guiding the LWA activities and track progress in achieving objectives.