USAID | KENYA AND EAST AFRICA
FROM THE AMERICAN PEOPLE

Issuance Date:	June 14, 2017
Due Date for Submission of Questions:	June 22, 2017, 10:00am Nairobi, Kenya time
Anticipated Date for Response to Questions:	June 28, 2017
Closing Date for Submission of Applications:	**July 17, 2017**
Closing Time for Submission of Applications:	**08:00am Nairobi, Kenya time**

SUBJECT: **Notice of Funding Opportunity No. RFA-615-17-000003 – Kenya Feed the Future Livestock Market Systems Leader with Associates**

Ladies/Gentlemen:

The United States Agency for International Development (USAID) is seeking applications for a Leader with Associates from qualified organizations to fund a program entitled the Kenya Feed the Future Livestock Market Systems Leader with Associates. Eligibility for this award is laid out in Section C of this NFO for eligibility requirements.

Eligible organizations interested in submitting an application are encouraged to read this funding opportunity thoroughly to understand the type of program sought, application submission requirements and evaluation process.

Subject to the availability of funds USAID anticipates making one Leader Award as the foundational part of a Leader with Associates (LWA) arrangement to the responsible applicant whose application best meets the objectives of this funding opportunity and the selection criteria contained herein. Through this request for applications, USAID anticipates awarding the Leader and Associate Awards Number One (1) and Two (2) concurrently. An LWA arrangement involves the issuance of a Grant or Cooperative Agreement ("Leader Award") that covers a specified regional or sectoral activity. The Leader Award includes language that allows a USAID Mission or other USAID bureau or office to award a separate Grant or Cooperative Agreement to the Recipient of the Leader Award without additional competition and which supports a distinct local or regional activity that fits within the terms and scope of the Leader Award. This is called an "Associate Award." The competition under this RFA covers the Leader Award, Associate Awards Number One (1) and Two (2) and any subsequent Associate Awards. Separate applications specific to any future Associate Awards to be issued under this LWA will be submitted after the Leader Award is in place, if and when a USAID Mission or other USAID operating unit decides to finance an Associate Award. USAID reserves the right to fund any or none of the applications submitted in response to this notification of funding opportunity.

The estimated life-of-project maximum ordering ceiling for the Kenya Feed the Future Livestock Market Systems Leader with Associates, hereafter referred to as the Livestock Market Systems (LMS) project, is $95 million for the five-year period beginning not later than September 30, 2017, of which the Leader Award will be up to $15 million, Associate Award Number One (1) will be up to $20 million , Associate Award Number Two (2) will not exceed $10 million and the cumulative amount of any future Associate Awards issued during those five years will not exceed $35 million. The Associate Award figures are estimates, and there is no guarantee regarding the number of Associate Awards or the amount(s) thereof. Associate Awards may be for up to five years in duration and, while they must be awarded during the period of the Leader Award, may extend beyond the end of the Leader Award. The Leader Award, and Associate Awards Number One (1) and Two (2) are expected to be made in September 2017.

USAID encourages cost-sharing to the maximum practicable extent, and any proposed cost-sharing (matching) will be assessed by USAID as part of determining which applications offer the greatest value to the US Government.

An applicant under consideration for an award that has never received funding from USAID will be subject to a pre-award audit to determine fiscal responsibility, ensure adequacy of financial controls and establish an indirect cost rate.

Award will be made to the responsible applicant whose application best meets the requirements of this RFA and the selection criteria contained herein. Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. In addition, final award of any resultant agreement cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award.

Any award resulting from the RFA will be administered in accordance with 2 CFR 200, Chapter 303 of USAID's Automated Directives System (ADS-303), relevant U.S. Office of Management and Budget (OMB) Circulars, and the USAID standard provisions for U.S. Non- Governmental Organizations. Further details and internet links may be found in Section A of the RFA.

Any questions concerning this RFA should be submitted in writing to the Agreement Officer, Ms. Caroline Bertolin Hillas, via email at cbertolin@usaid.gov with a copy to the Senior Acquisition & Assistance Specialist, Mr. Ketan Sood at ksood@usaid.gov by the date stated above. Questions sent to any other e-mail address will not be responded to. The e-mail transmitting the questions must reference the RFA number and title on the subject line of the e-mail. The deadline for submitting questions is specified above. Receipt time is when the application is received by the USAID/Kenya and East Africa Internet Server. Responses to questions received prior to the deadline will be furnished to all potential applicants through an amendment to this notice posted to www.grants.gov.

If you decide to submit an application, please note that electronic submission is required. Applications must be sent as e-mail attachments to cbertolin@usaid.gov and ksood@usaid.gov.

Should your organization decide to submit an application, it must be received no later than the time and date set forth above in accordance with the instructions set forth in Section D of the RFA. Applications received after the closing date and time may not be considered, except as described in Section D of this RFA. Applicants should retain a copy of their application, and any enclosures thereto, for their records.

To be eligible for award, the applicant must provide all information as required in this NFO and meet eligibility standards in Section C of this NFO. This funding opportunity is posted on www.grants.gov, and may be amended. Potential applicants should regularly check the website to ensure they have the latest information pertaining to this notice of funding opportunity. Applicants will need to have available or download Adobe program to their computers in order to view and save the Adobe forms properly. It is the responsibility of the applicant to ensure that the entire NFO has been received from the internet in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty registering on www.grants.gov or accessing the NFO, please contact the Grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

The successful Applicant will be responsible for ensuring the achievement of the program objectives. Please read each section of the NFO thoroughly.

Thank you for your interest in USAID programs.

Sincerely,

Caroline Bertolin Hillas
Agreement Officer

Contents

SECTION A – PROGRAM DESCRIPTION 5
SECTION B – AWARD INFORMATION 6
SECTION C – ELIGIBILITY INFORMATION 7
SECTION D - APPLICATION AND SUBMISSION INFORMATION 8
SECTION E – APPLICATION REVIEW INFORMATION 28
SECTION F – AWARD AND ADMINISTRATION INFORMATION 34
SECTION G – AGENCY CONTACTS 37
SECTION H – OTHER INFORMATION 38
SECTION I - ATTACHMENTS 41
ANNEX A: REGISTRATION IN THE SYSTEM FOR AWARD MANAGEMENT 42

SECTION A – PROGRAM DESCRIPTION

ADMINISTRATION OF AWARD RESULTING FROM THIS RFA

The prime award and subsequent sub-awards resulting from this RFA will be administered in accordance with the following:

- Code of Federal Regulations, 2 CFR 200
- Chapter 303 of USAID's Automated Directives System (ADS 303).
- 2 CFR 220 Cost Principles for Educational Institutions (formerly OMB Circular A-21).
- Office of Management and Budget's Grants Management Circular, OMB Circular A-133.
- USAID Mandatory and Required-as-Applicable Standard Provisions for U.S. Non-Governmental Organizations found in ADS-303.

PROGRAM SUMMARY – LEADER

Please see Attachment 1

PROGRAM SUMMARY – ASSOCIATE AWARD #1

Please see Attachment 2

PROGRAM SUMMARY – ASSOCIATE AWARD #2

Please see Attachment 3

[END OF SECTION A]

SECTION B – AWARD INFORMATION

1) ESTIMATED FUNDING: Subject to the availability of funds, USAID intends to provide approximately **$35 Million** in total funding for the **Livestock Market Systems.** Approximately **$15 Million** of this funding will be resources from the USAID/KEA Mission dedicated to the **Leader Award, $20 million** for **Associate Award #1** and **$10 million** for **Associate Award #2.** The maximum ordering ceiling for this activity is **$95 million**. USAID may make one or more award(s) without discussions to responsible applicant(s) whose application(s) offer the greatest value to the U.S. Government. To the extent they are necessary, negotiations will be conducted with the Apparently Successful Applicant(s). Award(s) will be made to the responsible applicant(s) whose application(s) offers the greatest value, cost and other factors considered. **USAID reserves the right to fund any or none of the applications submitted.**

2) PERFORMANCE PERIOD: The anticipated program start date is **September 30, 2017** for a five year period through **September 29, 2022.**

3) AWARD TYPE: USAID anticipates the Leader Award as well as Associate Awards Number One (1) and Two (2) will be **Cooperative Agreements. Substantial Involvement** under the award is expected to be as follows:

    a. Approval of Annual Work Plans. Any significant changes to the approved Work Plan shall require additional approval. The first Annual Work Plan shall be submitted to USAID for approval 60 days after the proposed Award is signed. Subsequent Annual Work Plans should be submitted 30 days prior to commencement of the next Annual Work Plan period. USAID will provide additional guidance on the Work Plan in a post-award conference.
    b. Approval of Key Personnel positions.
    c. Approval of the Monitoring and Evaluation (M&E) Plan as part of the first Annual Work Plan and any subsequent changes to the M&E Plan.
    d. Concurrence on selection of sub-award recipients (see 2 CFR 200.331 for requirements)
    e. Approval of all construction activities in advance and authority to immediately halt any construction activity.

4) AUTHORIZED GEOGRAPHIC CODE: The Authorized Geographic Code is 937 for the procurement of goods and services.

5) BRANDING STRATEGY AND MARKING PLAN: The **successful applicant(s) only** will be required to submit a Branding Strategy and Marking Plan to be evaluated and approved by the Agreement Officer with concurrence from the Agreement Officer's Representative (AOR). A Branding Implementation Strategy and Marking Plan shall be in accordance with USAID Branding and Marking plan as required per ADS 320. Please refer to ADS 320, (**http://www.usaid.gov/policy/ads/300/**) specifically ADS 320.3.3.3 for more information. The Recipient shall comply with the requirements of the USAID "Graphic Standards Manual" available at www.usaid.gov/branding, or any successor branding policy. Pending formal Mission guidance, activity with a government entity will be branded, as appropriate, for the program's stabilization goals (USAID Graphic Standards Manual 4.10).

[END OF SECTION B]

SECTION C – ELIGIBILITY INFORMATION

1) USAID policy encourages competition in the award of Grants and Cooperative Agreements. In response to this RFA, any U.S. or non-U. S. organizations, non-profit, or for-profit entity is eligible to apply.

2) USAID encourages applications from potential new partners.

Applicants must have established financial management, monitoring and evaluation processes, internal control systems, and policies and procedures that comply with established U.S. Government standards, laws, and regulations. The successful applicant(s) will be subject to a responsibility determination assessment (Pre-award Survey) by the Agreement Officer (AO).

The Recipient must be a responsible entity. The AO may determine a pre-award survey is required to conduct an examination that will determine whether the prospective recipient has the necessary organization, experience, accounting and operational controls, and technical skills – or ability to obtain them – in order to achieve the objectives of the program and comply with the terms and conditions of the award.

3) Cost-Sharing (Matching): USAID encourages cost-sharing to the maximum practicable extent, and any proposed cost-sharing will be assessed by USAID as part of determining which applications offer the greatest value. Cost-sharing or matching means that portion of project or program costs not borne by the U.S. Government. Cost-sharing includes cash and in-kind contributions, and is subject to 2 CFR 200.306 and the USAID standard provision for U.S. NGOs entitled "Cost-Sharing (Matching)" which, *inter alia*, requires that cost-sharing be verifiable from the Recipient's records. Cost-sharing or matching is normally associated with contributions from the same prime and sub-recipient sources that also receive USAID funds under an award, but can include contributions from third parties. Failure to meet a cost-sharing requirement can result in the Recipient having to make refunds to USAID or a reduction in future funding.

[END OF SECTION C]

SECTION D - APPLICATION AND SUBMISSION INFORMATION

SUBMISSION AND PREPARATION GUIDELINES

GENERAL CONDITIONS AND INSTRUCTIONS

1) *Definitions*. As used herein:

"Discussions" are negotiations that occur that may, at the Agreement Officer's discretion, result in the Applicant being allowed to revise its application.

"In writing," "writing," or "written" means any worded or numbered expression that can be read, reproduced, and later communicated, and includes electronically transmitted and stored information.

"Application modification" is a change made to an application before the RFA's closing date and time, or made in response to an RFA amendment, or made to correct a mistake at any time before award.

"Revised application/addendum" is a change to an application made after the RFA's closing date, at the request of or as allowed by the Agreement Officer as the result of negotiations.

"Time," if stated as a number of days, is calculated using calendar days, unless otherwise specified, and will include Saturdays, Sundays, and legal holidays. However, if the last day falls on a Saturday, Sunday, or legal holiday, then the period shall include the next working day.

2) *Amendments to RFA*.

(a) If this RFA is amended, all terms and conditions that are not amended remain unchanged. Applicants shall acknowledge receipt of any amendment to this solicitation by the date and time specified in the amendment(s).

(b) As of November 1, 2005, the preferred method of distribution of USAID assistance solicitations (*i.e*., RFAs and Annual program Statements [APSs]) and amendments to such solicitations is electronically via http://www.grants.gov ("Grants.gov"), which provides a single source for USG-wide competitive grant opportunities. Any future amendments to this RFA can be downloaded from that website. In order to use this method, an applicant must first register online with Grants.gov. If the applicant has difficulty registering or accessing the RFA or related documents, the applicant should contact the Grants.gov Helpdesk at 1-800-518-4726 or via e-mail at support@grants.gov for technical assistance. It is the responsibility of the recipient of this RFA and any related documentation to ensure that it has been received from Grants.gov in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes. It is important that interested organizations sign-up for e-mail updates with Grants.Gov so that as changes are posted to this and other USG (including USAID) assistance solicitations, alerts will be received.

3) *Submission, Modification, Revised Applications/Addenda, and Withdrawal of Applications*.

(a) All applicants must have a DUNS number and must be registered in the U.S. Government's System for Award Management (SAM). USAID cannot fund organizations that do not comply. A DUNS number may be obtained at http://fedgov.dnb.com/webform, and is required for registration in SAM. **Per ADS 303.3.5.3, applicants must be registered in SAM before submitting an application.** Please refer to Annex A for further important instructions. Applicants who are not registered in SAM before submitting an application may considered ineligible for consideration.

(b) Applications, application modifications, and/or revised applications/addenda consist of a technical application and a cost/management application which must be submitted in **two separate volumes**, each of which must be organized by the headings set forth below and must include the information described below.

(c) Unless otherwise indicated, applications shall cover the Leader Award as well as Associate Awards Number One (1) and Two (2). Separate applications will be submitted for any future Associate Awards when and if they arise.

(d) Applications, application modifications, and revised applications/addenda must be submitted electronically to the e-mail address noted in Section G of this RFA, and may (but are not required to) be submitted through www.grants.gov. An applicant must first register online with www.grants.gov, and should allow sufficient time to do so. If the applicant has difficulty registering, the applicant should contact the www.grants.gov Help Desk at 1-800-518-4726 or via e-mail at support@grants.gov for technical assistance.

(e) Applications, application modifications, and revised applications/addenda must include a cover letter which, at a minimum, includes: (A) the RFA number; (B) the name, address, and telephone and email address of the applicant; and (C) names, titles, and telephone and e-mail addresses of persons authorized to negotiate and sign on the applicant's behalf.

(f) Applications, application modifications, and revised applications/addenda in response to this RFA must be in English or with accompanying English translations, and in U.S. dollars.

(g) Applicants may submit application modifications at any time before the RFA closing date and time, and may submit application modifications in response to an RFA amendment, or to correct a mistake at any time before award.

(h) Applicants may submit revised applications/addenda only if requested or allowed by the Agreement Officer.

(i) Applications may be withdrawn by written notice received at any time before award. Applications may be withdrawn in person by an applicant or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the application before award. Withdrawals are effective upon receipt of notice by the Agreement Officer.

4) *Late Applications, Application Modifications, and Revised Applications/Addenda*.

(a) Applicants are responsible for submitting applications, and any application modifications or revised applications/addenda, so as to reach the Government office designated in Section 4 this RFA by the following dates and times. If no time is specified, the time for receipt is 5:00p.m.

(i) Any application received at the office designated in the cover letter of this RFA after the exact date and time specified for receipt of applications is "late" and will not be considered unless: (A) it is received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of applications; (B) the Agreement Officer determines that accepting the late application would not unduly delay the award(s); and (C) it is received before award is made.

(ii) Any application modification is subject to the same conditions as described in paragraph (4)(a)(i) above, except that it will be considered "late" if it received after the dates and times specified in paragraph (3)(e) above.

(iii) Any revised application/addendum is also subject to the same conditions as described in paragraph (4)(a)(i) above, except that it will be considered "late" if it is received after the date and time specified in the Agreement Officer's request for the revised application/addendum.

(b) Notwithstanding paragraphs (4)(a) above, a late application, application modification, or revised application/addendum of an otherwise successful application that makes its terms more favorable to USAID will be considered at any time it is received and may be accepted.

(c) If an emergency or unanticipated event interrupts normal Government processes so that applications cannot be received at the office designated for receipt of applications by the exact time specified in cover letter of this RFA, and urgent Government requirements preclude amendment of the RFA, the time specified for receipt of applications will be deemed to be extended to the same time of day specified in the cover letter of this RFA on the first work day on which normal Government processes resume.

5) *Application Expiration Date*.

Applications, application modifications, and revised applications/addenda in response to this RFA will be valid for 150 days unless a different period is proposed by the applicant.

6) *Restriction on Disclosure and Use of Data.*

(a) Applicants that include in their applications data that they do not want disclosed to the public for any purpose, or used by the Government except for evaluation purposes, shall:

(i) Mark the title page with the following legend:

This application includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this application. If, however, a grant or cooperative agreement is awarded to this applicant as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting award. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [*insert numbers or other identification of sheets*];

and

(ii) Mark each page containing restricted data with the following legend:

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application.

(b) Applicants are advised that it is anticipated that the successful technical application, application modification, and/or revised application/addendum will become the Program Description of the grant awarded as a result of this RFA. Pursuant to the Freedom of Information Act of 1981, the public is entitled to request information from Agency award files. As a general rule, information will be disclosed except:

(i) Information submitted in response to this RFA, prior to award of the grant, or modifications or revisions thereto.

(ii) Information properly classified or administratively controlled by USAID.

(iii) Information specifically exempted from disclosure under the Freedom of Information Act.

(c) Upon award of the cooperative agreement resulting from this RFA, USAID will disclose, use, or duplicate any information submitted in response to this RFA to the extent provided in the award and as described in this RFA, and as required by the Freedom of Information Act.

7) *Award.*

USAID intends to award a Leader Award and Associate Awards Number One (1) and Two (2) under this LWA, as described in Section B and respective attachments of this RFA, to the responsible applicant whose application, application modification(s), and/or revised application(s)/addendum(a) is responsive to this RFA and represents the greatest value after evaluation in accordance with the evaluation criteria in Section E of this RFA. USAID may reject any or all applications and may accept more than one application if such action is in USAID's interest. USAID may waive informalities and minor irregularities in applications received. Award is expected to be made in September, 2017.

8) *Responsiveness to RFA and False Statements.*

The applicant shall follow the instructions contained herein and supply all information as required. Failure to furnish all information requested, or to submit an application directly responsive to the terms, conditions, specifications, and provisions of this RFA may disqualify an application. Applicants must set forth full, accurate and complete information as required by this RFA. The penalty for making false statements to the Government is prescribed in 18 U.S.C. 1001.

9) *Pre-Award Audits/Surveys and Discussions.*

USAID reserves the right to perform a pre-award audit/survey which may include, but is not limited to: (1) interviews with individuals to establish their ability to perform award duties under project conditions; (2) a review of the applicant's financial condition, business and personnel policies and procedures, etc.; and (3) site visits to the applicant's institution. However, it must be understood that USAID undertakes no obligation to perform any of the foregoing elements. Accordingly, applicants should submit their best and most complete application initially.

10) *Interviews/Discussions/Oral Presentations in Nairobi, Kenya*

While it is not anticipated, USAID nevertheless reserves the right to request the applicant and the applicant's key personnel to travel to Nairobi, Kenya for interviews, discussions, and/or oral presentations. USAID will not pay any travel costs associated therewith.

11) *Submission of Questions and Explanation to Prospective Applicants.*

(a) Written Questions

Written questions concerning this RFA must be received no later than the time specified on the cover page. Questions must be in writing and should be e-mailed only to the e-mail address specified in this RFA. Please note that all questions, without attribution to the organization, and answers will be posted online at grants.gov as an amendment to this RFA. Sensitive or proprietary information should not be included in the questions.

(b) Contact with USAID Missions

In order to maintain the integrity of the competitive process, USAID Missions and other USAID operating units will be unable to advise or provide information to potential applicants that would be used in preparation of the application. Therefore, applicants are advised not to contact USAID Missions regarding this RFA. Information on Mission strategies and programs can be accessed from Mission websites.

12) *Unnecessarily Elaborate Applications.*

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this RFA are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.

13) *Inconsistencies between this RFA and 22 CFR 226/ADS 300.*

In case of any disagreements or discrepancies between the terms and conditions of this RFA and 2 CFR 200 or ADS 303, the latter shall prevail unless any such conflicting terms and conditions of this RFA are expressly and specifically stated to be an approved deviation from 2 CFR 200 or ADS 303 .

14) *Failure to Conform.*

The USAID evaluation committee may consider any failure to conform to these instructions and rules, and any attempt to evade these specifications and rules on the basis of technicalities, as indications of the kind of behavior that it may expect from the applicant during award performance/implementation. The committee will take this into account when making its evaluation. If an applicant does not understand these instructions, it should follow the instructions in paragraph 11 above.

15) *USAID Obligation.*

USAID is not obligated to make an award or pay for any costs incurred by the applicant in preparation and submission of an application in response hereto.

16) *Authority to Commit USAID.*

The Agreement Officer is the only individual who may legally commit USAID to the expenditure of public funds. No costs allocable to the proposed award(s) will be reimbursed by USAID before receipt of either a fully executed grant or cooperative agreement, or a specific written authorization from the Agreement Officer.

17) *Pre-Award Costs.*

USAID will not reimburse any applicant for pre-award costs unless specifically authorized by the Agreement Officer, who may, at his/her sole discretion, authorize the selected applicant, at its own risk, to begin program implementation and the incurrence of costs prior to a signed award as of a specified date, with no commitment to reimburse costs in the event that the award is not subsequently signed.

18) *ELECTRONIC SUBMISSION OF APPLICATIONS VIA E-MAIL IS REQUIRED.*

Please submit your applications to all of the e-mail addresses below by **the time specified on the cover page.** Receipt by either one of these two addresses by the deadline for submission will constitute timely receipt of your application. **RECEIPT TIME IS WHEN THE APPLICATION IS RECEIVED BY THE USAID/KENYA AND EAST AFRICA INTERNET SERVER.** Paper copies of the applications are not required. The addresses for the receipt of applications are: Regional Agreement Officer, Ms. Caroline Bertolin Hillas, via email at cbertolin@usaid.gov with a required copy to the Senior Acquisition & Assistance Specialist, Mr. Ketan Sood at ksood@usaid.gov. Applications which are submitted late or do not follow the instructions contained herein run the risk of not being considered in the review process.

All applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Applications should take into account the evaluation criteria provided in **Section E** and must include the **Representations and Certifications** provided at the USAID website http://www.usaid.gov/sites/default/files/documents/1868/303mav.pdf which must be signed and dated by the applicant. In the event Representations and Certifications are not submitted with the application, they must be completed before final award is made. **Please note that technical and cost applications should be kept separate.**

Applications must be submitted electronically in MS Word and .pdf (Adobe Acrobat) versions. In case of any conflicts between the MS Word and .pdf versions of the application, the .pdf version will govern as it will be the version presented to the Technical Evaluation Panel.

Applicants are advised that any pages exceeding any of the prescribed limits below will not be considered for evaluation.

Applications must be legible and must not require **magnification** (!). Please be kind to the evaluators and keep the technical application clear, concise, easy to follow, while also in complete compliance with the instructions herein.

Applications will be evaluated by a USAID Technical Evaluation Committee (TEC). Additional discussions with applicants may take place if the applications submitted do not adequately describe the activities to be funded and/or there are one or more points to be clarified or modified based on the recommendations of the TEC.

Technical applications are limited to 40 pages maximum for the leader, 40 pages for Associate Award #1 and 40 pages for Associate Award #2. This includes all information that makes up the technical application including cover page and table of contents. A page in the technical proposal which contains a table, chart, graph, etc., is counted as a page within the page limitation. Information beyond these limits will not be evaluated. The evidence of registration in SAM described in Annex A **does not** count towards the page limit.

Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes must be initialed by the person signing the application. To facilitate the competitive review of the applications, USAID will consider only applications conforming to the format prescribed below.

TECHNICAL APPLICATION INSTRUCTIONS

The Applicant will be expected to ***submit three technical applications***: (1) the Leader Award, (2) Associate Award #1**:** *Expanding and Diversifying Viable Economic Opportunities* and (3) Associate Award #2: *Strengthening Community Capacities for Resilience and Growth.* EACH TECHNICAL APPLICATION HAS A STRICT FORTY (40) PAGE LIMIT. Each technical application should clearly and concisely outline how the Applicant proposes to achieve the activity purpose of the Leader Award, Associate Award #1, and Associate Award #2 and the expected outcomes for each sub-objective. Each of the applications must include a detailed description of the management approach for implementing the proposed activity, which includes specifying the composition and organizational structure of the entire implementation team (including home office support); and describing each team member's role and level of effort.

(1) Application Content

Suggested Format for Technical Application:

- Cover Page: Title, name of organization(s) submitting application, contact person, telephone and fax numbers, address, and e-mail.
- Executive Summary: Briefly describe the proposed technical approach, key personnel and staffing and management plan for how the overall activity will be implemented, organized and managed to achieve the activity purpose and sub-purpose expected outcomes.
- Body of the Technical Application: (1) Succinctly describe the theory of change that underlies the Applicant's technical approach, and how the proposed approach, activities, and/or outputs will lead to activity proposed expected outcomes. (2) Answer the questions and/or address the issues detailed below under *Technical Discussion*. (3) Include a *plan for how to effectively use grants* to achieve the higher-level purpose and/or expected outcomes. (4) Include *narrative related to the MEL Plan* that details how the Applicant will measure systemic change, monitor both the direct and indirect results, apply lessons learned from working collaboratively with other ongoing USAID activities; (5) Describe the technical and managerial resources of your organization that will be brought to bear in implementing this activity. (6) Describe how the overall activity will be managed, including the roles of key and non-key personnel.

- Outline of Each Technical Application

  A. Technical Approach

     2. Technical Discussion
     3. Plan for the Effective Management (Leader only) and Use of Grants
     4. Illustrative First-Year Work Plan
     5. Draft M&E and Learning (MEL) Plan

  B. Key Personnel, Staffing Plan, and Management Plan

     1. Key Personnel
     2. Staffing Plan
     3. Management plan

  C. Past Performance

(2) Application Instructions (for each of the Technical Applications)

This section should include: (a) Technical Approach, (b) Personnel, Staffing and Management Plan, and (c) Past Performance.

(a) **Technical Approach**

Technical Discussion. The Applicant is asked to propose a technical approach for each application that takes into consideration the northern Kenya context, development challenges and opportunities for populations in northern Kenya, an understanding of GOK, northern counties, USAID FTF and other donor strategies and activities, including the past achievements, successes and lessons learned from USAID/KEA's FTF Program.

The Technical Discussion for the Leader Award will be evaluated based on how well it demonstrates an approach that aligns with the Theory of Change, Results Framework, and Implementation Principles (see Section I, Attachments), and contributes to:

1. reduced reliance on humanitarian assistance, depth and prevalence of poverty and household hunger and acute/chronic malnutrition
2. effective sequencing, layering and integration across FTF activities in northern Kenya
3. effective integration of all cross cutting objectives, including empowerment of women and youth
4. strengthened institutional capacities, including NDMA, county governments (for addressing resilience), PREG and the PREG Secretariat
5. cross learning, vertical learning and harmonization of learning, as referenced in the Program Description
6. a strategic, cost-effective and responsive grant facility
7. effective (used where and when needed) GIS mapping of communities and market systems networks and nodes for tracking systems change and improving results
8. effective management of coordination across Associate Awards

The Technical Discussion for Associate Award #1 will be evaluated based on how well it demonstrates an approach that aligns with the Theory of Change, Results Framework, and Implementation Principles (see Section I, Attachments), and that contributes to:

1. competitive, resilient and inclusive livestock and related market systems
2. expanded and diversified market-oriented livelihood opportunities
3. increased access to financial services
4. improved employability and work readiness skills for youth
5. conducive policy environment for livestock and other market systems
6. conducive policy environment for improved governance of rangeland, water, land, and other natural resources
7. gender integration and women's empowerment
8. youth employability and empowerment
9. climate risk management
10. integration of nutrition-sensitive approaches to livestock market systems development and diversified livelihoods

11. strengthened systems for sequencing, layering and integration
12. the development of shared indicators
13. learning related to systems change that contributes to achievement of project results

The Technical Discussion for Associate Award #2 will be evaluated based on how well it demonstrates an approach that aligns with the Theory of Change, the Implementation Principles (see Section I, Attachments), and the Results Framework and that contributes to:

1. strengthened and sustained rangeland and water management
2. strengthened and more inclusive governance of rangeland, water, and other natural resources (that increases equitable access)
3. strengthened drought-risk management
4. strengthened local systems for conflict management and peacebuilding
5. improved and sustained health, nutrition, and hygiene practices
6. improved literacy, numeracy and life skills
7. gender and youth integration
8. strengthened systems for sequencing, layering and integration
9. the development of shared indicators
10. learning related to systems change that contributes to achievement of project results

Plan for Effective Management and Use of Grants. Applicants are asked to propose a plan for how to effectively use grants, while ensuring that it is flexible and will be able to respond to anticipated and unanticipated bottlenecks and opportunities. With a “grants under grants” investment and innovation facility, this 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.

The grants might be used for (<u>but not limited to</u>) the following purposes:

Seed grants might:

- enable access to and foster the adoption of new technologies, practices, or business models. 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. 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 World Food Program (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.

The Applicant should include a plan for managing grants to ensure transparent award procedures and alignment with USAID financial requirements.

Illustrative Year 1 Work Plan. Based on the approach that explains why certain activities will be undertaken (and their expected outcomes), the Applicant should provide three illustrative First-Year Work Plans—one for the Leader Award, one for Associate Award #1, and one for Associate Award #2—of specific activities, timetable and methodology for carrying out proposed interventions. The Work Plans should present a clear, year-one roadmap for implementation of activities or interventions under each of the three awards that translates the Applicant's integrated approach to field-level implementation.

The Work Plans should include a plan for collaborating/coordinating across Associate Awards #1 and #2. As a whole, the three Work Plans should reflect a complementary approach to supporting the purpose and objectives of the LWA and to addressing cross cutting issues -- gender integration, youth empowerment, improved nutrition and WASH. The Work Plans should also include a plan for collaborating/coordinating with other USAID- and GOK activities, possibly including the development of common work plans and shared indicators in order to support the purpose and objectives of the FTF in northern Kenya LWA. Agreements between the implementing partners prior to program implementation can be very important in establishing coordination as a guiding principle. The Work Plans for Associate Awards #1 and #2 should include LOE for participating in PREG activities and layering with one another as well as with PREG partners.

Draft MEL Plan. An MEL Plan will be needed for each of the three Awards. Applications should include a description of the process that will be followed in coordinating with USAID during the first three months of the award period in developing and finalizing the draft MEL Plans. The draft MEL Plans should include a plan for finalizing indicators that will be regularly reported to USAID, obtaining baseline data, and setting targets. Required USAID FTF and Resilience indicators will be selected together with the AOR during the development of the Year 1 Work Plan. The draft MEL Plans should include monitoring indicators as well as custom indicators needed to measure expected outcomes, and learning activities specific to each Associate Award. The draft MEL Plan should also include learning activities that may be carried out jointly with other Associate Awardees or PREG members.. The draft MEL Plans must also propose approaches to assessing outcomes related to nutrition, climate change, women's empowerment, youth integration, and resilience capacities..

The narrative for the MEL Plans will specify the systems that will be established to collect data regarding performance targets and to verify and substantiate data gathered. The Applications shall also describe how environmental compliance will be tracked, measured and reported.

The MEL Plans should include a strategy for coordinating activities to support the external performance and impact evaluations.

The MEL Plans should offer creative approaches to measuring outputs and outcomes and reporting efficiently on the required and custom indicators. The MEL Plans should align with the Results Frameworks for the three respective Awards (that is part of the Technical Discussion) and include the priorities underscored by the Program Descriptions, including (but not limited to) approaches for:

- tracking systemic change, including intended, unintended, positive or negative changes the dynamics of impoverishment and what can be done to reverse it and both direct and indirect results and beneficiaries in order to understand success at scaling; for understanding pathways that contribute to resilience;
- tracking how growth and resilience combine to create sustainable pathways out of poverty;
- assessing the contribution of interventions to women's empowerment
- understanding the incentives and disincentives for behavior change related to resilience capacities, new market-oriented activities, shifts in mindsets toward commercial livestock keeping; improved nutrition practices, improved agricultural and enterprise practices, financial/money management practices, and practices to mitigate climate change;
- ensuring that the Activities in northern Kenya learn over time – in collaboration with others – and use this learning to adapt implementation in order to achieve the expected outcomes and targets.
- harmonizing the MEL activities with FTF's Population Based Survey and USAID/KEA's GIS work in northern Kenya
- collaborating with and leveraging relationships with other USAID and GOK activities

(b) Key Personnel and Staffing and Management Plan

(1) Key Personnel & Staffing Plan

Long-term personnel for each Award are expected to have the requisite skill set to implement the innovative approach called for in the three Program Descriptions, achieve sustainable results, and coordinate and collaborate with complementary FTF and development partners and GOK activities. This skill set should include but not be limited to:

- Market systems development (livestock and other related market systems and livelihoods);
- Market-oriented livelihood development;
- Facilitating access to finance;
- Promoting employability and work readiness skill development among youth;
- Skills in developing local systems and improved governance, including a policy environment for market systems development;
- Facilitating improved governance and management (including rehabilitation) of resources, include rangeland and water;
- 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;

- Market system facilitation approaches, including the use of 'good practice' principles, behavior change methodologies and tactics to address incentives and disincentives in the system;
- Facilitating improved resilience capacities and participation in increased economic opportunities at the community level;
- Gender integration and women's empowerment
- Youth integration
- Resilience programming, including the use of SLI to bridge humanitarian and development assistance and the use of shock-responsive programming;
- Developing programming that addresses gender and youth issues across activities;
- Collaborative learning and adaptive management, including but not limited to collaboration and coordination with other FTF activities;
- Skills in managing and leveraging grants to achieve results and increase benefits to female, male and youth actors; and
- Research, including action research and monitoring and evaluation, including approaches to measuring systemic change; and collaborative learning, including iterative learning and adaptive management approaches

  For the Leader Award, key personnel will include a Chief of Party, a Grants Manager, and up to three others selected by the Applicant. For Associate Awards 1 and 2, key personnel will include a Chief of Party and up to four others selected by the Applicant.

The Chief of Party (COP) (**for each award**) shall have the following skills and experience:

- Demonstrated expertise and a minimum of seven years of chief-of-party experience in managing large (at least $5 million), complex livestock and/or agricultural development programs with a private sector/market systems development and/or livelihoods focus, preferably within an African context
- Demonstrated ability to be collaborative across projects and strong communications and interpersonal skills, with evidence of ability to productively interact with a wide range and levels of organizations (government, private sector, NGOs, research institutions).

The Grants Manager (**for the Leader Award**) shall have the following skills and experience:

- Five years of demonstrated experience and success in setting up and managing grants under grants/contracts, preferably related to value chain/market systems approaches
- Demonstrated knowledge of USAID financial and management systems, regulations and reporting requirements, and evidence of ability to, within those requirements, be creative and flexible
- Strong interpersonal and communications skills

As noted above, the Applicant should: (1) propose a minimum of two and no more than four additional key positions for each Award as part of their proposal; (2) indicate the need and importance of each of these key positions to the successful implementation of the Award; and (3) describe the duties for each of the nominated key positions as well as the minimum qualifications for each position.
The Applicant shall describe the proposed staffing plan for implementing each Program Description -and demonstrate how the entire team - together - meet the technical requirements

laid out in the RFA and under each Award's objectives and sub-objectives. As part of the staffing plan, Applicants should identify the position titles as well as provide an organization chart. Long-term staff with previous regional and Kenyan experience is an added advantage. As part of the staffing plan, the Applicant should provide a supporting narrative that includes (1) all long-term staff positions, their duties, and their respective levels of effort, (2) the roles and/or duties of short-term technical staff and their proposed level of effort, and (3) the selection process for engaging local Kenyan entities as sub-awardees and or partners.

To the maximum extent feasible, Applicants should strive to hire Kenyans in key and non-key positions who demonstrate familiarity with the country's private sector development and agricultural sector as well as language and cultural expertise. In the event that the Applicant proposes Third Country Nationals in long-term positions, there shall be strong justification.

USAID/KEA recognizes the need for short-term technical assistance (STTA) to complement the skills and enhance the work of local staff. It is the preference of USAID/KEA that, to the extent possible, the Applicant engages short-term technical assistance resources available locally (in the East or Southern Africa Region) and actively promotes South-South technical assistance to foster South-South exchange and minimize travel costs.

(2) Management Plan

Factors under this criterion include, but are not necessarily limited to, the following:

a) Suitability of management structure including organization of any and all sub-awards
b) Consortium structure and technical strengths of each organization
c) Appropriateness of positions and staffing including key personnel

Program set-up should be efficient and cost-effective in order to devote as high a percentage of the budget as possible to programmatic activities. After the start-up phase, the Applicant's operations in the primary office should be self-sufficient and able to respond directly to inquiries of various types in English from USAID/KEA and the host-country government. The preference is to have key senior staff who can communicate at a highly proficient level in English. USAID encourages the use of Kenyan nationals where possible.

Applicants should provide an overview of the proposed management of the program, including the number and location of offices, quality and previous experience of the applicant in implementing similar programs in developing countries, especially in Kenya. Technical consortia that bring together organizations with different technical expertise relevant to the proposed program components are strongly encouraged. Gender and youth expertise on the technical team is essential.

Associate Awards: The Applicant should describe how the Associate Awards will be organized and managed to minimize duplication of home office and local office management structures. Applicants should propose a holistic management structure that encapsulates the three awards, while ensuring cost effectiveness, maximizing the skills of staff and minimizing duplication of the responsibilities of the three CoPs. This includes the combined strength of the proposed partners, proposed staff and reporting relationships within and between each of these organizations, and experience in collaborating with other programs in the target areas in implementing complementary activities. Include location where proposed staff will be based.

Applications should include a signed letter of commitment from all consortium partners. They should also describe the staffing and management plan for review, selection and oversight of any sub-awards made to local partners.

(c) Past Performance

Applicants must offer evidence of their technical resources and organizational expertise in addressing relevant problems and issues described in the program components. The Applicant shall demonstrate its ability to field qualified staff, ability to work with host governments, local organizations and ability to coordinate and mobilize resources and manage a broad range of activities within a limited timeframe as well as offer good value for USG funds.

The technical application should include in the Annexes a list of relevant contracts, grants, task orders, etc. implemented by the applicant. The quality of Applicant's past performance on previous RFAs with USAID and other U.S. government agencies will be assessed. The principal factors to be assessed are the following:

- The overall quality of performance;
- Timeliness of performance;
- Cost control performance;
- End-user satisfaction with performance; and
- Performance of key personnel.

The Applicant must provide past performance references for itself and each major sub-implementing partner or grantee. Care should be taken to establish the relevance of past experience to this program and the basis for reliance upon that experience as an indicator of success on this program. Information in this section should include (but is not limited to) the following:

- Brief description of organizational history/expertise;
- Pertinent work experience and representative accomplishments in developing and implementing programs of the type required under the proposed RFA;
- Collaboration, including collaborative learning and cross-project implementation, as well as cooperation with donors and host country governments
- Evidence of a successful record of implementing similar programs. Applicants should describe U.S. Governmental and/or privately funded contracts, grants, cooperative agreements, and others involving similar or related programs received by your organization during the five years before the application, providing further details in Past Performance References in an Annex;
- Relevant experience with proposed approaches; and
- Institutional strength as represented by the breadth and depth of experienced sub-recipient capabilities and expertise.

(3) Required Annexes -

The stated page limitations of the body of the application exclude the following authorized attachments. Applicants should retain for their records one copy of the Application and all enclosures that accompany their Application. The authorized attachments specified below shall not be counted towards the technical application page limit; however, any attachments other than those specified below shall not be read.

a) Draft First-Year Work Plan
b) Draft MEL Plan
c) Organizational Chart: Applicants must submit a detailed organizational chart inclusive of the three Awards for USAID's review. The organizational chart should be both structural and functional. At a minimum, it should clearly define the communication and reporting structure for Key Personnel and all program staff in Kenya. The supervisory responsibility, authority, and accountability for all staff should be included in the chart. Relationship with the home office may be included, as can STTA staff, where appropriate. Functionally, the chart should include bullets to briefly describe job functions and roles of staff. The chart should not exceed three pages in length.
d) Curriculum Vitae of the key personnel: Applicants must submit curriculum vitae of all key personnel, limited to three pages each.
e) Past Performance and Experience References

Past Performance: The Applicant should present up to three contracts, grants, or cooperative agreements, not necessarily with USAID, in which the primary Applicant has implemented similar or related programs during the past three years. This information is to include programs of similar complexity and magnitude involving technical assistance to the education sector. If the Applicant is a consortium, provide information on past experience for all identified partners.

Reference information is to include the contract information for an official point of contact, award or contract numbers, and a brief description of the work performed by the Applicant's partners and/or sub-awardees/sub-recipients. Copies of certificates of Program Completions or any evidentiary documentation should be forwarded as an Annex to the technical application.

Past Experience: Applicants may supply a table showing previous experience by award, not to exceed one page. In the table list, show the following:

- Name of awarding organization or agency;
- Address of awarding organization or agency;
- Place of performance of services or program;
- Award number;
- Amount of award;
- Term of award (begin and end dates of services/program);
- Name, current telephone number, current fax number, and email address (if one is available) of a responsible technical representative of that organization or agency; and
- Brief description of the program

f) Start-up plan in table format
g) Environmental compliance plan

COST APPLICATION INSTRUCTIONS/FORMAT

The cost application is to be submitted via a **separate e-mail** from the technical application. Certain documents are required to be submitted by an applicant in order for the Agreement Officer to make a determination of responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources. The cost application will reflect the proposed costs of the Leader as well as Associate Awards Number One (1) and Two (2). The cost application consists of:

- The **SF-424**, Application for Federal Assistance; **SF-424A**, Budget Information – Non-Construction Program; and **SF-424B**, Assurances – Non-Construction Programs. These forms may be downloaded from the following website: https://www.grants.gov/web/grants/forms.html);
- A summary budget;
- A detailed/itemized budget;
- A budget narrative explaining costs to be incurred. **The budget narrative must explain all proposed costs**; and
- Other administrative documentation as required.

The following sections describe the documentation that applicants for an Assistance award must submit to USAID prior to award. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following.

There is no required budget format for this RFA, but please ensure that your cost application is clear, and that **all** costs are supported.

Figure 1 – RFA Illustrative Budget Template

	Line Item
1	Labor
2	Travel
3	Supplies
4	Other Direct Costs
5	Training
6	Equipment
7	Construction
8	Subcontracts
9	Overhead, G&A, & Sub-handling
	Total Direct Costs
10	Indirect Costs
11	Cost share

Please be sure that the budget includes at least the following elements:

- The breakdown of all costs associated with the program according to costs of, if applicable, headquarters, regional and/or country offices;
- The breakdown of all costs in the program, in the same detail and format as the budget template;
- Potential contributions of non-USAID or private commercial donors to this agreement, including, the breakdown of the financial and in-kind contributions (cost sharing*****) of all organizations involved in implementing this agreement;
- Summary of program vs administrative costs.
- Construction costs, if any, must be included in their own cost category of the budget. Please refer to ADS Help Document "USAID Implementation of Construction Activities" (https://www.usaid.gov/sites/default/files/documents/1868/303maw.pdf) for additional guidance and definitions.

Detailed budgets and supporting notes and justifications should also include the following:

(a) The name, annual salary, fringe benefits and expected level of effort of each person charged to the program.
(b) If not included in the indirect cost rate agreement negotiated with the U.S. Government, specify the applicable fringe benefit rates for each category of employee, and all benefits covered by the rate.
(c) The same information shall be provided for individual consultants as for regular personnel.
(d) Allowances should be broken down by specific type and by person and must in accordance with the applicant's policies. All salaries, benefits and allowances must be based on written compensation policies of the employer organization.
(e) Other direct costs such as visas, passports and other general costs should be separate cost line items.
(f) Travel, per diem and other transportation expenses should be detailed in the financial plan to include number of international trips, from where to where, number of per diem days and rates. Per Diem and other travel allowances must be based on written travel policies of the employer organization.
(g) Details of all home office support to be provided.
(h) Specific budget details and narrative information, in addition to the percentage and total dollar amount of the proposed cost-share contribution.
(i) Cost-share***** (see note below), once accepted, becomes a condition of payment of the federal share.
(j) No profit shall be included in the prime award

*****Note on Cost Sharing: Please note that Applicants should estimate the amount of cost-sharing resources to be mobilized over the life of the agreement and specify the sources of such resources, and the basis of calculation in the budget narrative. Applicants should also provide a breakdown of the cost share (financial and in-kind contributions) of all organizations involved in implementing the resulting Cooperative Agreement.

Also include:

a) Details of sub-award arrangements to the extent they are known at the time of application development. In case there are multiple organizations and partners, please explain as clearly as possible the management structure and how the parties are going to interact. If there are formal legal arrangements such as sub awards or sub contracts please clearly explain how these are to be structured and list past experience between the organizations.

NOTE: If sub-awards are anticipated and not explained in the original application, the Agreement Officer's approval (after award) may be required before the sub agreement may be executed.

b) Certification for compliance:
    a. Certificate of Compliance: Please submit a copy of your Certificate of Compliance if your organization's systems have been certified by USAID/Washington's Office of Acquisition and Assistance (M/OAA). **–or-**
    b. A copy of the self-certification for compliance with USAID policies and procedures for personnel, procurement, and travel.

c) A copy of the organization's US Government Negotiated Indirect Cost Rate Agreement (NICRA), if applicable***** (see note below).

d) Applicants should submit additional evidence of responsibility they deem necessary for the Agreement Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

    1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award.

    2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, non-governmental and governmental.

    3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.

    4. Has a satisfactory record of integrity and business ethics; and

    5. Is otherwise qualified and eligible to receive a cooperative agreement under applicable laws and regulations (e.g., EEO).

*****NOTE on Negotiated Indirect Cost Rate Agreement (NICRA): Applicants must provide a copy of the most recent NICRA negotiated with your organization's cognizant US Government agency, if there is one. If your organization does not have a NICRA with a US Government agency, you may elect **one** of the following options:

1. To charge a *de minimis* rate of 10% as described in 2 CFR 200.414 (https://www.ecfr.gov/cgi-bin/text-idx?SID=ec86cce8b12d73244903878b8eff667c&mc=true&node=se2.1.200_1414&rgn=div8).
2. To charge all costs as direct costs, and not include proposed indirect costs in the proposed budget
3. To submit the following documentation in the absence of a NICRA, where the Applicant seeks to charge an overhead rate other than the 10% de minimus rate noted above:

- Reviewed Financial Statements Report: a report issued by a Certified Public Account (CPA) documenting the review of the financial statements was performed in accordance with Statements on Standards for Accounting and Review Services; that management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and for designing, implementing and maintaining internal control relevant to the preparation. The account must also state the he or she is not aware of any material modifications that should be made to the financial statements; or
- Audited Financial Statements Report: An auditor issues a report documenting the audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS), the financial statements are the responsibility of management, provides an opinion that the financial statements present fairly in all material respects the financial position of the company and the results of operations are in conformity with the applicable financial reporting framework (or issues a qualified opinion if the financial statements are not in conformity with the applicable financial reporting framework.

NOTE: The award will not provide for the reimbursement of pre-award costs.

[END OF SECTION D]

SECTION E – APPLICATION REVIEW INFORMATION

Overview

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, **applicants should organize the narrative sections of their applications in the same order as the selection criteria**.

USAID/Kenya and East Africa intends to evaluate the applications and award an agreement without discussions with the applicants. However, USAID reserves the right to conduct discussions if the latter is determined by the Agreement Officer to be necessary. Therefore, the initial offer should contain the applicant's best terms from a technical and cost/price stand point.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability. To the extent that they are necessary, negotiations will then be conducted with all applicants whose applications, after discussion, presentation and negotiation, have a reasonable chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered.

USAID may request clarification and supplemental materials from applicants whose applications have a reasonable chance of being selected for award. The entry into discussions is to be viewed as part of the review process and shall not be deemed by USAID or the applicants as indicative of a decision or commitment upon the part of USAID to make an award to the applicants with whom discussions are being held.

Awards will be made based on the ranking of applications according to the selection criteria identified below. Applicants will be assessed on the quality of the overall design and the extent of understanding of the Program Description, a technical approach that is comprehensive and feasible, a proposed management plan that is sound, cost effective, and able to implement the project, and a staffing plan that provides expertise covering the full range of skills required to achieve the goal and objectives of this activity.

Review and Selection Process

The Selection Committee will be constituted consistent with ADS 303.3.6.3. Please note that the Agreement Officer makes the final selection.

APPLICATION REVIEW INFORMATION:

I. TECHNICAL EVALUATION

Applicants will submit three applications (for the Leader, Associate Award #1 and Associate Award #2). Each will be evaluated separately. The technical evaluation criteria are tailored to the requirements of this RFA and are set forth below based on a **300 points scale**. Applicants should note that these criteria serve to: (a) identify the significant matters which the Applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants must organize the narrative sections of their technical application with the same headings and in the same order as the selection criteria. There are three criteria against which the Technical Proposal will be evaluated: 1) Technical Approach, 2) Key Personnel, Staffing and Management Plan/Institutional Capability, and 3) Past Performance. The maximum possible points for each of these criteria are outlined in the table below.

	Leader	Award #1	Award #2
(a) Technical Approach	**45**	**45**	**45**
Technical discussion Plan for effective management and use of grants Illustrative first-year work plan Draft MEL Plan			
(b) Personnel, Staffing & Management Plan	**45**	**45**	**45**
Personnel and staffing plan Management plan Institutional capacity			
(c) Institutional Capacity & Past Performance	**10**	**10**	**10**

(a) TECHNICAL APPROACH (45)

Applicants will provide a technical approach for each award (e.g., Leader, Associate Award #1 and Associate Award #2) that will be evaluated holistically, i.e., based on all three applications. The technical approach will take into consideration the Northern Kenya context, development challenges in Northern Kenya, other USAID/KEA activities, including but not limited to, FTF and Title II, GOK, and donor activities, and the past achievements/successes of the USAID/KEA activities that will serve as the foundation for the Activity in Northern Kenya. The Technical Approach will be evaluated based on:

- A technical discussion (defined in Section D) that articulates the Applicant's approach to achieving the three activities' purposes and objectives, as summarized by the Results Framework for each activity. The technical discussion will be evaluated based on its soundness (given the rationale underlying the proposed approach) and appropriateness for achieving the activity's purpose and objectives, including – but not limited to - the integration of women and youth. Further, the proposal will be evaluated on the extent to which the Applicant's problem statement demonstrates a thorough and complete understanding of the context, challenges, needs and priorities for this activity's implementation in Northern Kenya; the approach incorporates contextually appropriate new and existing technologies to achieve objectives and the issues raised in the Program Description regarding approach; the methods proposed are cost-effective and adaptable to a dynamic and varied implementation context. The approach must also demonstrate understanding and the inclusions of facilitation principles referred to in the Program Description.

- Demonstrates an effective plan for managing and using grants to stimulate and support learning as well as planned outcomes. The plan will be evaluated based on its effectiveness for using grants in flexible, strategic and cost-effective ways to buy down risk, stimulate private sector engagement, promote innovative practices and technologies, and stimulate learning and adaptation for ensuring results.
- An illustrative First-Year Work Plan (that further articulates the Applicant's approach). The work plan will be evaluated based on its clarity and appropriateness (given the theory of change) for achieving expected outcomes, layering and collaborating with other USAID- and GOK-funded activities, and building-in sufficient flexibility to learn and adapt.
- A MEL Plan will be evaluated based on the appropriateness of indicators for measuring outcomes (including intermediate outcomes and outputs) and results, cost effectiveness in terms of data collection, effectiveness for managing the activity and learning about what works.

(b)PERSONNEL, STAFFING & MANAGEMENT PLAN (45)

The Applicant's plan to manage the Award and extent to which this plan is appropriate for achievement of the activity's purpose, objectives, and expected outcomes with regard to the Program Description, is largely dependent on the staffing and personnel capabilities. This section will consist of a discussion of the skills required to achieve the technical results defined in the Program Description, an explanation of the staffing approach to ensure these skills are available to the Recipient and resumes of proposed key personnel. Evaluation under this sub-factor includes the overall staffing plan and approach, as well as the capabilities of specific key personnel. Section D elaborates on what is needed under this criterion. Personnel and staffing plan will be evaluated based on:

- The appropriateness of the person proposed for the key personnel positions, including a review of their experience in areas relevant to the successful implementation of the proposed activity, their education, other skills and performance history as shown through references and/or other sources;
- Appropriateness and expertise of other long-term personnel and other specialists or experts that the Applicant proposes to use to perform the award contemplated by the RFA;
- Realism and effectiveness of the overall staffing plan, i.e., the extent to which the proposed team, STTA, sub-awards (if any) and partnership agreements (if any) have the mix of requisite skills and relevant experience to achieve expected outcomes; and
- Effectiveness of the staffing plan to maximize, for purposes of sustainability, the use of staff from Kenya to staff positions.

The Applicant's management plan will be evaluated based on:

- The clarity, feasibility and cost-effectiveness of the plan to manage the geographic scope and complex relationships with local organizations and systems, other FTF activities, the relevant GoE programs, other development partners, and local government authorities;

- A coherent management structure which demonstrates effective organizational and supervisory mechanisms and processes to achieve the targets, goals, and results desired under this activity (the management plan should also include a clear approach for the grants mechanism).

- Demonstrated capacity and experience of the Applicant to start up in a timely fashion (e.g., registration with GOK authorities, effective systems, procurement, post-award administration);

- Communication strategy and procedures that support activity implementation, coordination, and collaboration and achieve participatory and adaptive learning: Among the program management team members, with USAID, GOK and Government Donor Groups, and among local and international partner institutions;

- Plan for collaboration and coordination with other USAID-funded activities and development partners.

(c)INSTITUTIONAL CAPACITY & PAST PERFORMANCE (10)

Institutional Capacity and Performance information will be used for both the responsibility determination and best value decision. USAID may use performance information obtained from other than the sources identified by the Applicant or proposed sub-awardees. USAID will utilize existing databases of performance information and solicit additional information from the references provided in Section D of this RFA and from other sources if and when the Agreement Officer finds the existing databases to be insufficient for evaluating an Applicant's institutional capacity and performance.

(a) The Applicant's institutional capacity will be evaluated based on:

    - Demonstrated capacity and experience of the Applicant to start up in a timely fashion (e.g., registration with GOK authorities, effective systems, procurement, post-award administration), maintain positive customer satisfaction, manage (technically, administratively and financially) a project of similar type, size, and complexity and to deliver the required results; and

    - Demonstrated experience and ability of home- and in-country office to provide full managerial, financial, and technical support and oversight for an award of this type.

    If the performance information contains adverse past performance information to which the Applicant or sub-awardee has not had a prior opportunity to respond, USAID will provide the Applicant an opportunity to comment on it prior to its consideration in the evaluation, and any Applicant comment will be considered with the adverse performance information.
    USAID will initially determine the relevance of similar performance information as a predictor of probable performance under the subject requirement. USAID may give more weight to performance information that is considered more relevant and/or more current. Performance in the Africa region, especially in Kenya, and that relates to the technical areas identified in the Program Description is the most highly relevant types of performance.

(b) The Applicant's performance information determined to be relevant will be evaluated in accordance with the elements below (NOTE – the bullets below are not sub-factors and no specific points or weights are associated with these considerations):

- Quality of product or service, including consistency in meeting goals and targets;
- Timeliness of performance, including adherence to schedules and other time-sensitive project conditions, and effectiveness of home and field office management to make prompt decisions and ensure efficient completion of tasks;
- Business relations, addressing the history of professional behavior and overall business-like concern for the interests of the customer, including coordination among sub-awardees, and with host country partners; cooperative attitude in remedying problems; and timely completion of all administrative requirements;
- Customer satisfaction with performance, including end user or beneficiary wherever possible;
- Effectiveness of key personnel, including appropriateness of personnel for the job and prompt and satisfactory changes in personnel when problems with clients were identified; and
- Cost control, including forecasting costs as well as accuracy in financial reporting, ensuring that unnecessarily expensive technical assistance is not used when lower cost advisors are adequate, and pacing the expenditure of level of effort such that required products/reports and outputs can be produced within budget.

II. COST EVALUATION

While cost is less important than technical and is not weighted, the cost applications of the apparently successful technical applications will be evaluated for cost effectiveness including the level of proposed cost share. Other considerations are the completeness of the application, adequacy of budget detail and consistency with elements of the technical application. In addition, the organization must demonstrate adequate financial management capability, to be measured for a responsibility determination.

The application with the lowest estimated cost may not be selected if award to a higher priced technical application offers a greater overall benefit for the program. All evaluation factors other than cost, when combined, are significantly more important than cost. However, estimated cost is an important factor and the estimated cost to the Government increases in importance as competing applications approach equivalence and may become the deciding factor when technical applications are approximately equivalent in merit.

Cost estimates will be analyzed as part of the application evaluation process. Proposed costs may be adjusted, for purposes of evaluation, based on results of the cost analysis and its assessment of reasonableness, completeness, and credibility.

Cost Sharing

USAID encourages a cost share contribution from the recipient of the award. Leveraged non-USAID resources from private firms and institutions (such as equipment, training, level of effort and any in-kind contributions) may be considered part of cost share. Cost sharing may be also demonstrated either through direct funding, beneficiary contributions, in-kind assistance, or a combination thereof. USAID shall make the final determination and assess whether or not the Applicants cost share contributions (e.g. categories or items) meet the standards set in 2CFR 200.

[END OF SECTION E]

SECTION F – AWARD AND ADMINISTRATION INFORMATION

(1) USAID reserves the right to make awards without discussions. Successful applicants can expect to receive a notice of award signed by the Agreement Office which serves as the authorizing document. Unsuccessful applicants will be notified by letter sent electronically from the Agreement Officer. Notification will be sent electronically to the person indicated on the cover page of the application. Debriefings will be considered if requested in writing within 10 days of notification from the Agreement Officer.

Award of the agreement contemplated by this NFO cannot be made until funds have been appropriated, allocated and committed through internal USAID procedures. While USAID anticipates that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for the award. The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Agreement may be incurred before receipt of either a fully executed Agreement or a specific, written authorization from the Agreement Officer.

(2) This award will be administered in accordance with the applicable Standard Provisions as laid out in ADS 303 (https://www.usaid.gov/sites/default/files/documents/1868/303.pdf). USAID does not anticipate any deviations from the Standard Provisions.

(3) Reporting Requirements - The resulting award will require the following reporting requirements:

a. Annual Work Plans

The Recipient will develop an annual work plan within 60 days of the effective date of the award. The plan will be reviewed and approved by the Agreement Officer's Representative (AOR) within thirty (30) days after receipt of the draft work plan. 60 days before the end of each USAID fiscal year, the Recipient will submit to the AOR an annual work plan for the following fiscal year. The work plans will include proposed activities for the given year, time frame for implementation of annual activities, detailed budget, review of previous year's accomplishments (if applicable), problems, and progress towards achieving award results and proposed annual accomplishments and progress towards achieving results.

b. Monitoring, Evaluation and Learning (MEL) Plan

Within 90 days of award the Recipient will submit a Monitoring, Evaluation and Learning (MEL) Plan for the life of the activity that derives from the activities outlined in the program description. The MEL will outline key program activities, indicators of achievement, and associated annual and life-of-project targets. This plan will be reviewed and approved by the AOR.

c. Quarterly Performance Reports

The Recipient will submit quarterly reports that give insight into the progress of planned activities. The narrative report will include qualitative and quantitative information describing activities carried out and specific results achieved during the quarter. In addition, the narrative report will indicate key implementation challenges encountered and how they were or are planned to be resolved. To the extent that the PMP includes quarterly targets, this should be reflected in the narrative report. Reporting periods will coincide with USAID fiscal year quarters, with reports due no later than thirty (30) days after the end of each quarter (e.g. February 1, May 1, August 1, November 1), or by any other schedule agreed upon with the USAID AOR. The report should also include budgeted versus actual expenditures (along with a brief analysis of any variance) and estimated accruals for the quarter.

d. Quarterly Financial Reporting

The Recipient will submit electronic copies of Financial Reports (quarterly SF 425 and final SF 425) in keeping with 22 CFR 200. The SF 425 must be submitted via electronic format to the U.S. Department of Health and Human Services (http://www.dpm.psc.gov). In addition, copies of all final financial reports shall be submitted to M/FM and the AOR.

e. Annual Reports

Within 60 days after the close of each USAID fiscal year, the Recipient will submit to the AOR a comprehensive annual report that reflects the progress of program activities over the last year. (This report would complement, not replace, the relevant quarterly reports.) The report, based on the approved PMP but not necessarily limited to such, should indicate the results and impact the program is having on the target beneficiaries.

f. Closeout Plan

Six months prior to the completion date of the agreement, the Recipient will submit a demobilization plan for Agreement Officer approval. The demobilization plan shall include a) draft property disposition plan, b) plan for the phase-out of in-country operations, c) delivery schedule for all reports or other deliverables required under the agreement, and d) timetable for completing all required actions in the demobilization plan, including the submission date of the final property disposition plan to the Agreement Officer

g. Final Report

The final performance report is a detailed report which summarizes the accomplishments and impact in relation to the expected results, in accordance with the approved PMP. It should contain a three-page executive summary, an index of all reports and information products produced under the agreement, and should discuss the elements in 2 CFR 328.

The report shall be submitted no later than 90 days after the end-date of the agreement to the Agreement Officer, and the AOR. In addition, an electronic copy must be submitted either:

a) Online: http://dec.usaid.gov
b) By mail (for pouch delivery):

DEXS Document Submissions
M/CIO/KM/DEC
RRB M.01-010
Washington, DC 20523-6100

For questions on DEC submissions, contact:
M/CIO/KM/DEC
Telephone: +1 202-712-0579 E-mail: DocSubmit@usaid.gov

[END SECTION F]

SECTION G – AGENCY CONTACTS

The point of contact for this RFA and for any questions during the RFA process is:

Caroline Bertolin Hillas
Regional Agreement Officer
U.S. Agency for International Development
Kenya and East Africa Regional Mission
United Nations Avenue, Gigiri
P.O. Box 629 Village market 00621
Nairobi, Kenya
E-mail: cbertolin@usaid.gov

[AND]

Ketan Sood
Senior Acquisition and Assistance Specialist
U.S. Agency for International Development
East Africa Regional Mission
United Nations Avenue, Gigiri
P.O. Box 629 Village market 00621
Nairobi, Kenya
E-mail: ksood@usaid.gov

Any prospective applicant desiring an explanation or interpretation of this RFA must request it in writing by the date listed on the cover letter to allow a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a Cooperative Agreement will not be binding. Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment of this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

[END SECTION G]

SECTION H – OTHER INFORMATION

The award resulting from this RFA will be administered in accordance with 2 CFR 200, Chapter 303 of USAID's Automated Directives System (ADS-303), relevant U.S. Office of Management and Budget (OMB) Circulars, and the USAID standard provisions for U.S. Non- Governmental Organizations.

ADS 303 is available at: https://www.usaid.gov/sites/default/files/documents/1868/303.pdf. 22 CFR 226 is available at: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. Applicable OMB Circulars are available at: https://www.whitehouse.gov/omb/information-for-agencies/circulars. Standard Provisions for U.S. Non-Governmental Organizations are available at: https://www.usaid.gov/sites/default/files/documents/1868/303maa.pdf.

Resulting award to Public International Organizations (PIOs, or IOs) will be administered in accordance with Chapter 308 of USAID's ADS including the Standard Provisions set forth in ADS 308.5.15 (ADS 308 is available here: https://www.usaid.gov/sites/default/files/documents/1868/308.pdf).

Potential for-profit applicants should note that USAID policy prohibits the payment of fee/profit to the prime recipient under grants and cooperative agreements. However, if a prime recipient has a subcontract with a for-profit organization for the acquisition of goods or services (i.e., if a buyer-seller relationship is created), fee/profit for the subcontractor is authorized. Additional information is available at: https://www.usaid.gov/sites/default/files/documents/1868/303sai.pdf

Standard Provisions for Non-U.S. Non-Governmental Organizations are available at: https://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf.

The USAID Inspector-General's "Guidelines for Financial Audits Contracted by Foreign Recipients" is available at: https://oig.usaid.gov/sites/default/files/guidelines_for_financial_audits_contracted_by_foreign_recipients_02-09-2009.pdf.

ENVIRONMENTAL COMPLIANCE:

1a) Section 117 of the Foreign Assistance Act of 1961, as amended, requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (http://www.usaid.gov/policy/ads/200/), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities.

1b) In addition, the Recipient must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

2 USAID prepared and approved an Initial Environmental Examination (IEE) for the program funding this grant (***Attachment 1***). The IEE covers activities expected to be implemented under this grant. USAID has determined that a Negative Determination with conditions applies to one or more of the proposed activities. This indicates that if these activities are implemented subject to the

specified management conditions, they are expected to have no significant adverse effect on the environment. The Recipient shall be responsible for implementing all IEE conditions pertaining to activities to be funded under this award.

3a) The IEE contains one or more Negative Determinations with conditions relevant to this program pertaining to sub grants and sub awards. This requires the Recipient to: Complete an environmental mitigation and monitoring plan (EMMP) describing how the Recipient will, in specific terms, implement the management conditions that apply to the above proposed project activities within the scope of the award. The EMMP shall include monitoring the implementation of the required mitigation measures and their effectiveness. The attached IEE has a template EMMP.

4a) A provision for sub-grants is included under this award. The Recipient will be required to use an Environmental Review Form (ERF) checklist found at http://www.encapafrica.org/documents/AFR-EnvReviewForm-20Dec2010.doc to screen grant proposals to ensure the funded proposals will result in no adverse environmental impact, to develop mitigation measures, as necessary, and to specify monitoring and reporting. The Recipient is responsible for ensuring that mitigation measures specified by the ERF checklist process are implemented.

5b) The Recipient will be responsible for periodic reporting to the USAID Agreement Officer's Representative, as specified in this Program Description of this award.

REPORTING OF FOREIGN TAXES

(a) Reports. The Contractor must annually submit a report by April 16 of the next year.

(b) Contents of Report. The reports must contain: (i) Contractor name. (ii) Contact name with phone, fax and email. (iii) Agreement number(s). (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at $500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year. (v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance are to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa). (vi) Any reimbursements received by the Contractor during the period in (iv) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (iv) received by the Contractor through October 31 and for the final report, any reimbursements on the taxes reported in (iv) received through March 31. (vii) The final report is an updated cumulative report of the interim report. (viii) Reports are required even if the Contractor/recipient did not pay any taxes during the report period. (ix) Cumulative reports may be provided if the Contractor/recipient is implementing more than one program in a foreign country.

(c) Definitions. For purposes of this clause: (i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements. (ii) "Commodity" means any material, article, supply, goods, or equipment. (iii) "Foreign government" includes any foreign governmental entity. (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

(d) Where. Submit the reports to USAID/KEA/RFMS at nairobirfmspayments@usaid.gov

(e) Subagreements. The Contractor must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.

(f) For further information see http://www.state.gov/m/rm/c10443.htm.

[END SECTION H]

SECTION I – ATTACHMENTS

- Attachment 1 – Program Summary: Leader
- Attachment 2 – Program Summary: Associate Award #1
- Attachment 3 – Program Summary: Associate Award #2
- Attachment 4 – IEE

[END OF SECTION I]

ANNEX A: REGISTRATION IN THE SYSTEM FOR AWARD MANAGEMENT

IMPORTANT!!

Submission of applications must be accompanied with evidence that the potential Recipient has registered in the System for Award Management (SAM). This evidence may be in the form of a screenshot showing current registration in the system, or an e-mail from the system confirming registration (the page limitations do not apply to this requirement). **Applicants who fail to register successfully in SAM before submitting their applications will not be considered further for funding.**

The requirement for this registration is found at Automated Directives System (ADS) 303.3.5.3(d)(3), which states that each applicant must:

(i) Be registered in SAM before submitting its application;
(ii) Provide a valid DUNS number in its application; and
(iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

Refer to the following link: https://www.usaid.gov/sites/default/files/documents/1868/303.pdf

USAID is not permitted to make a Federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the Federal awarding agency is ready to make a Federal award, the Federal awarding agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

To complete the registration in SAM, a DUNS number will have to be obtained. Please visit http://fedgov.dnb.com/webform to obtain a DUNS number. USAID is not responsible for reimbursing applicants for any costs associated with obtaining a DUNS number. Should you have any questions on the process, please contact the D&B helpdesk at the following for assistance:

+1–800–234–3867 (Monday – Friday from 8 a.m. to 6 p.m. Eastern Standard Time) or e-mail govt@dnb.com

Once you have obtained a DUNS number, please find the detailed steps below in order to register in SAM:

1) Go to https://www.sam.gov/portal/public/SAM/
2) Click on “Create an Account.”
3) Choose an “Individual Account.”
4) Once you complete creating an individual account, a link will be sent to the email address you will provide during registration. Click on that link and log in to activate your account.
5) Once you log in, agree to usage agreement.
6) Click on “Manage Entity” and then click on “Register New Entity.”
7) Follow each of the listed steps and click on submit

Should you have any questions on the SAM registration process, please use the following numbers:

Monday – Friday from 8 a.m. to 8 p.m. Eastern Standard Time

U.S. Calls: 866–606–8220
International Calls: +1–334–206–7828
DSN: 866–606–8220

The process for applying for a DUNS number and registration on the SAM website can be lengthy. **We therefore strongly encourage applicants to begin the process immediately.** If you have already registered in SAM and already have a DUNS number, include this evidence as part of your application.

[END OF ANNEX A]

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.

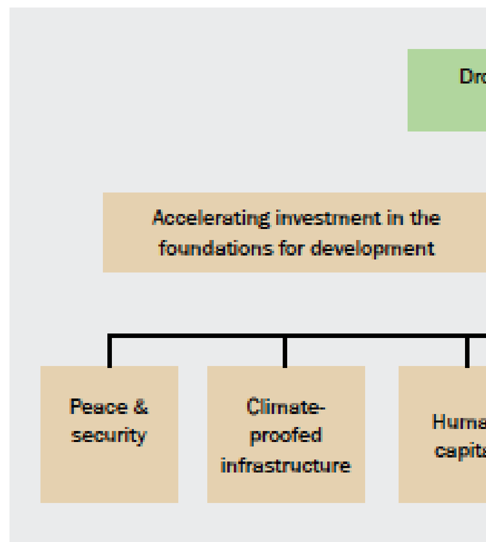
Changes in northern Kenya are also affecting social norms and practices. Pastoralist households and communities are differentiated along gender and generational lines. Key assets and resources, such as land, livestock, water and cash, are generally controlled by older men rather than by women or young 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)



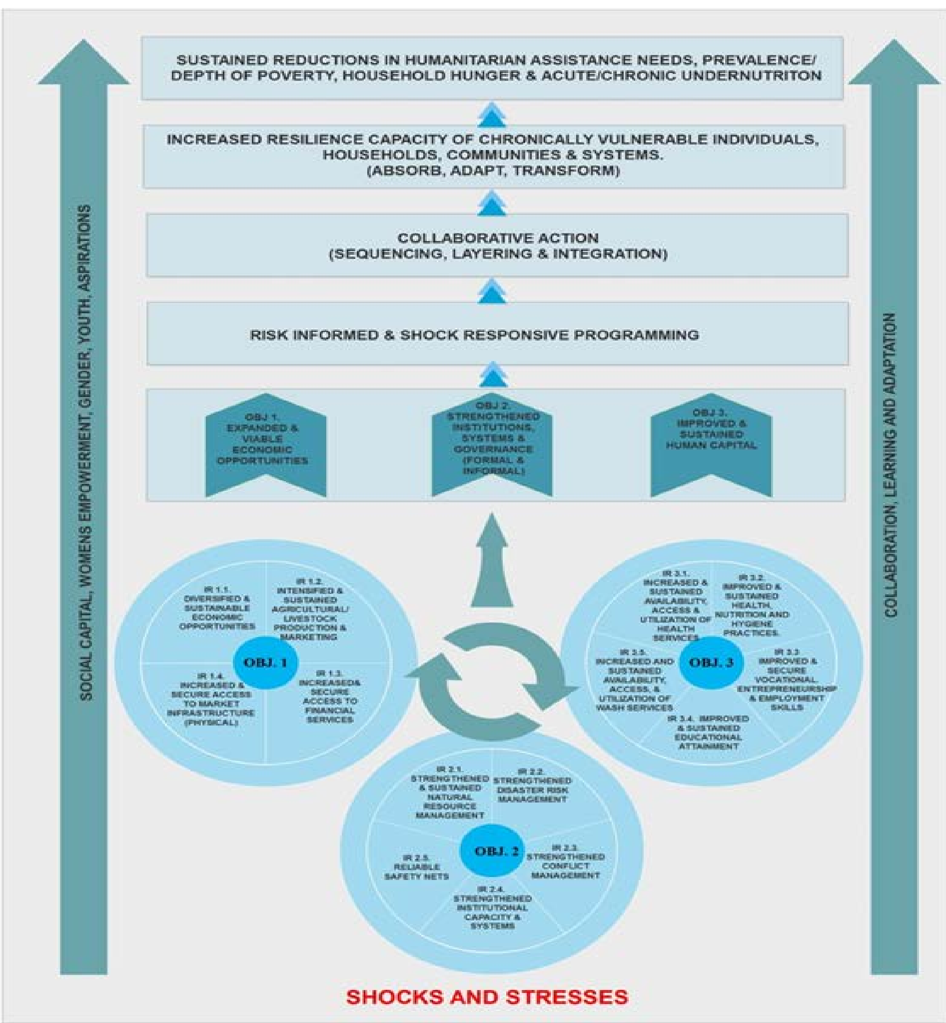


Figure 3: USAID's Horn of Africa (HOA) Resilience Framework

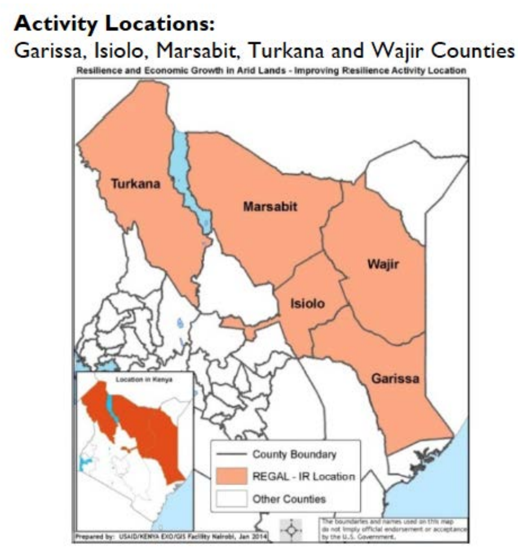
Figure 4: EDE-USAID Cross-walk Table

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	Inclusive and sustainable agricultural-led economic growth

	IR 1.2. Intensified sustainable and resilient agricultural/ livestock production and marketing 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

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

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 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

---

[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.

(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 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

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

[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).

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 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

[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.

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 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.

---

[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

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 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

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

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, 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. <u>LWA Purpose, Objectives, Illustrative Outcomes and Coordination Across Awards</u>

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:

[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

- ***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 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. <u>GFSA LWA Results Framework</u>

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.***

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

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 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.

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

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.

*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)
- 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

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

mitigate droughts and other shocks. Award #3's shock responsive programming[24] requires *adaptive 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	Cross cutting objectives: gender, women's

[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 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

empowerment, gender, youth, and aspirations	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 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

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.

in workforce development programs and Associate #2 could measure improved literacy, numeracy, and life skills among youth in overlapping communities/geographies.

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.

ATTACHMENT #2

Program Description for Associate Award #1

USAID/Kenya and East Africa's Kenya Global Food Security Act (GFSA) - LWA Associate Award for Expanding and Diversifying Viable Economic Opportunities in Northern Kenya

I. Award Description

USAID/Kenya and East Africa (KEA) is issuing this five-year Associate Award under the GFSA Leader Award for northern Kenya. This purpose of this Associate Award, entitled *Expanding and Diversifying Viable Economic Opportunities* with a budget of US $20 million, is to assist individuals, households and communities in northern Kenya to sustainably and resiliently escape poverty through new economic opportunities in a more commercialized livestock market system, through diversification into diverse, non-livestock economic opportunities, and through new employment opportunities. Moreover, strengthened absorptive, adaptive and transformative capacities should increase individual, household and community resilience, enhance livestock and other market systems competitiveness, and improve governance at the market, county, and national levels.

This Associate Award is a companion Award with the *Strengthening Community Capacities for Resilience and Economic Growth.* An explicit aim of both awards is to enable sustainable escapes from poverty and chronic vulnerability and to reduce the humanitarian, development and economic costs of recurrent crises in northern Kenya. Towards this end, the two awards will contribute to USAID/KEA's Feed the Future (FTF) project to sustainably reduce global hunger, malnutrition, and poverty through inclusive and sustainable agriculture-led growth, strengthened resilience, and a well-nourished population. The awards will also contribute to a broader effort of USAID's Partnership for Resilience and Economic Growth (PREG) and the Government of Kenya's Ending Drought Emergencies (EDE) Initiative.

The two Associate Awards are expected to collaborate closely through joint strategizing, work planning, implementation and monitoring. Technically, they are inter-dependent with Associate Award #1: *Expanding and Diversifying Viable Economic Opportunities* Award focusing on the "*pull*" effects achieved through the economic opportunities offered by diversified market systems; and Associate Award #2: *Strengthening Community Capacities for Resilience and Economic Growth* Award focusing on "*push*" effects achieved through community-level interventions aimed at strengthening human capital and systems for rangeland, water, conflict and drought-cycle management. Greater inclusion in the governance of rangeland and water resources will be essential to the creation of equitable and viable economic opportunities for livestock keepers in Northern Kenya.

A deliberate focus on expanding skills, resources, and economic opportunities for young men and women will harness the energy of youth as a positive force for transformative change in the economy of Northern Kenya.

II. Geographic and Market System Focus

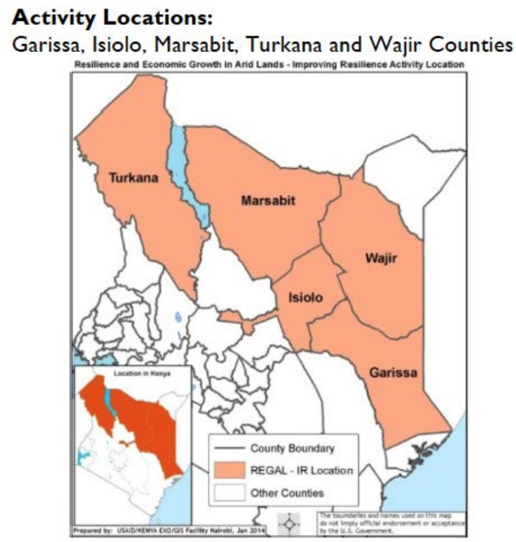
The *Expanding and Diversifying Viable Economic Opportunities* Award will focus on households, communities and systems in five counties in the USAID/Kenya's northern arid lands: Garissa, Isiolo, Marsabit, Turkana and Wajir.

Experience during the first generation of Feed the Future (FTF) has shown the importance of working with a variety of commodities and value chains to foster growth that reduces poverty and improves food security and nutrition. As a result, Associate Award #1 will focus on two tiers of commodities. Tier 1 will include more commercial commodities as well as a private sector-led value chain approach that includes livestock and value chains related to the broader market system such as feed.

Key commodities of the livestock market system include: livestock; poultry; milk; feed and fodder; and seed for pasture rehabilitation and restoration.

Tier 2 commodities will be approached as market-led activities that offer ancillary income, improve household nutrition, stabilize income across seasons, and build resilience by helping farm households diversify risk. These livelihoods—including small-scale poultry and dairy production, small-scale livestock aggregation and fattening, processing of livestock products (skins and hides), and fish farming and processing—will not require a full value chain approach. They will, however, be key to offering employment and enterprise opportunities for those moving out of livestock production, especially youth. Non-livestock livelihoods such as non-timber forest products, eco/wildlife tourism, restaurants, repair services and other informal microenterprises can further diversify economic options and mitigate climate-related risks.

Figure 1: Geographic Focus of Northern Kenya LWA



III. 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 in the ASALs, where family sizes are between 5-7 people per household. Rapid population growth is creating an enormous bulge in the youth population 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,"[1]that is, a temporary opportunity to accelerate inclusive economic growth. Similarly, youth's engagement in town-based businesses and employment opportunities shows what can be achieved with deliberate strategies.

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

- *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 percent for boys and 28 percent for girls, compared to national averages of 87 percent and 76 percent respectively.[2]

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

Moreover, communities in ASALs and specifically northern Kenya, face critically high rates of malnutrition. USAID data[3] 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. 2015, all signaling extreme nutrition deficiencies. 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. Examples include fodder production and marketing, milk processing and production, reducing post-harvest grain loss, and poultry and egg production.

- *Frequent and cyclic droughts*:

ASALs are also characterized by frequent and cyclic droughts every 3 to 5 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).[4] 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 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.

- *Livestock sector commercialization:*

---

[2] 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

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

[4] http://www.fsnnetwork.org/sites/default/files/Report percent203 percent20- percent20The percent20effect percent20of percent20livelihood percent20diversity_18Feb2016.pdf

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[5] 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). 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 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[6]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. USAID investments in market structures to date have helped to create greater competition due to the number of traders who frequent, in particular, the larger markets. The resulting 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 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).[7] USAID/KEA's work in youth

---

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

[6] 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).

[7] 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

shows the potential opportunities for young people in town-based businesses and wage employment.

IV. Theory of Change and Development Hypothesis

Research[8] shows that some households are adapting to these challenges, opportunities and dynamics and some are not. Evidence on households and communities that are adapting point to three successful pathways out of chronic vulnerability and poverty: (1) *Move up* within the livestock sector by becoming more commercial and market-oriented as producers or by seizing opportunities throughout an array of livestock value chains, including as service providers, aggregators and traders; (2) *Step out* of the livestock economy to increase income and diversify livelihood risk as a complement to engaging in activities within the livestock sector; and (3) *Move out* of the livestock economy altogether and into livelihoods that are either more viable for asset- and resource-poor households or more profitable.

For households already pursuing successful pathways within the context of livestock and other market systems, efforts focused on accelerating movement forward and protecting against backsliding into poverty should address constraints, reduce risks, and expand access to diverse economic opportunities. For those who are <u>not</u> adapting but are rather "hanging on" in the livestock sector without the resources to effectively "move up", efforts will be needed to help these populations gain access to resources and diverse opportunities both within and beyond the livestock sector to improve their wellbeing in the near-term. For their children, evidence suggests the importance of helping them to prepare for new opportunities through improved literacy, numeracy and work readiness skills (see Associate Award #2). Evidence also makes clear that hanging on without effectively overcoming constraints or pursuing alternatives to livestock is not only a poverty trap but will eventually lead to a downward spiral of extreme deprivation and reliance on humanitarian assistance (Lind, 2016).

The theory of change for Associate Award #1 is based on a significant body of research cited in the Government of Kenya's (GOK)Ending Drought Emergencies report[9] and argues that expanding and diversifying viable economic opportunities *(in combination with improved governance of and access to the natural resource base and human capital investments* - see Associate Award #2) can accelerate successful pathways out of poverty. It should also address the asset, resource-, market- and livelihood-access constraints that prevent back-sliding into poverty. The LWA theory of change posits that inclusive livestock market systems development that leverages the *pull* of growing end markets,[10] while enabling small-scale producers to upgrade in response to end-market demands, can contribute to transformative capacities that strengthen resilience in the face of shocks and stresses. Newly built and soon-to-be-built primary and secondary livestock markets are pushing market access further "down" towards smallholder herders. The development of vibrant rural economic hubs and towns—resulting from recent investments—are serving as platforms for the delivery of upgrading services and the diversification of economic opportunities.

The theory of change further asserts that market systems development needs to be combined with behavior changes that enable herders to perceive and participate in commercial markets, reductions in predatory practices that leave pastoralists as price takers, and new governance structures that create more equitable access to the natural resource base.

---

women achieving adequate levels of empowerment in 7 of 9 indicators between 2013 and 2015.

[8] Frankeberger, LIttle, McPeak, Lind, etc.

[9] http://resilience.igad.int/attachments/article/243/CPP percent20Kenya.pdf

[10] in local towns, Nairobi, the region and abroad

Development Hypothesis: ***If*** USAID effectively and efficiently supports a multifaceted strategy – focused on: (1) expanded and viable economic opportunities; (2) strengthened formal and informal institutions, systems, and governance; and (3) improved human capital, 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, shock responsive programming, collaborative action, and a deliberate focus on building resilience capacities, ***then*** capacities 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.[11]

V. Purpose, Objectives and Results Framework

USAID/KEA's FTF Livestock Market System LWA will contribute to the USAID/Kenya's CDCS 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's FTF 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, Award #1 is expected to make substantial contributions to USAID's FTF project as well as GFSA objectives.

Purpose. The purpose of the *Expanding and Diversifying Viable Economic Opportunities* Associate Award is to assist individuals, households and communities in northern Kenya to sustainably and resiliently escape poverty through ***moving up*** in the livestock market system, ***branching out*** into other diverse economic opportunities, and ***moving out*** by means of employment, migration or other higher return economic opportunities. Strengthened absorptive, adaptive and transformative capacities should increase individual, household and community resilience, enhance livestock and other market systems competitiveness, and improve governance at the market, county, and national levels.

Objectives. In achieving this purpose, Associate Award #1 can contribute to the objectives set out by the USAID's Horn of Africa 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; and—an additional objective contributes to the cross cutting learning theme; and (3) strengthened USAID and IP systems for layering, collaborative learning and measuring systems change. The *Expanding and Diversifying Viable Economic Opportunities* Associate Award will also integrate cross cutting objectives, including gender and women's empowerment, nutrition-sensitive agriculture, youth and WASH.[12]

These objectives, including cross cutting objectives, and the illustrative results framework (see Figure 3) for Associate Award #1 align with USAID's Horn of Africa Resilience Framework (Figure 2). The results framework suggests a potential set of focus and strategic intervention areas under each objective. It includes three objectives: Objective 1: expanded and diversified viable economic opportunities; Objective 2: strengthened institutions, systems and governance, and Objective 3: collaborative action and learning for market systems change. Objectives 1 and 2 align with USAID's Horn of Africa Resilience Framework (Figure 2) objectives, while Objective 3 is a cross cutting in USAID's Horn of Africa Resilience Framework.

[11] *Confronting Drought in Africa's Drylands*
[12] Water, sanitation, and hygiene (WASH)

Beyond integrating cross cutting issues, Associate Award #1 is meant to collaborate closely with: (1) PREG (see text box); (2) the Leader Award, including its grant facility and GIS mapping and learning functions; and (3)Associate Award #2. Associate Award #1 is designed to enhance the breadth and depth of benefits from the increased competitiveness of the livestock market system and related diverse livelihoods. Associate Award #1 will also work to improve the formal policy environment for market systems development, while Associate Award #2 will focus on strengthening informal governance structures in order to increase equitable access to the natural resource base. Additionally, Associate Award #2 will contribute to human capital development through strengthening literacy, numeracy and life skills, while Associate Award #1 will focus on employability and work readiness skills. Associate Award #2 will focus on social behavior changes related to improved nutritional practices, while Associate Award #1 implements nutrition-sensitive agriculture through livestock and other market systems development. In other words, achieving Associate Award #1's theory of change will require effective collaboration among the multiple awards envisioned under the GFSA LWA. Learning, sequencing, layering and integration are applicable across LWA awards.

These objectives, including cross cutting objectives, and the results framework (see Figure 3) for Associate Award #1 align with USAID's Horn of Africa Resilience Framework (Figure 2).

Figure 2: USAID Horn of Africa Resilience Framework

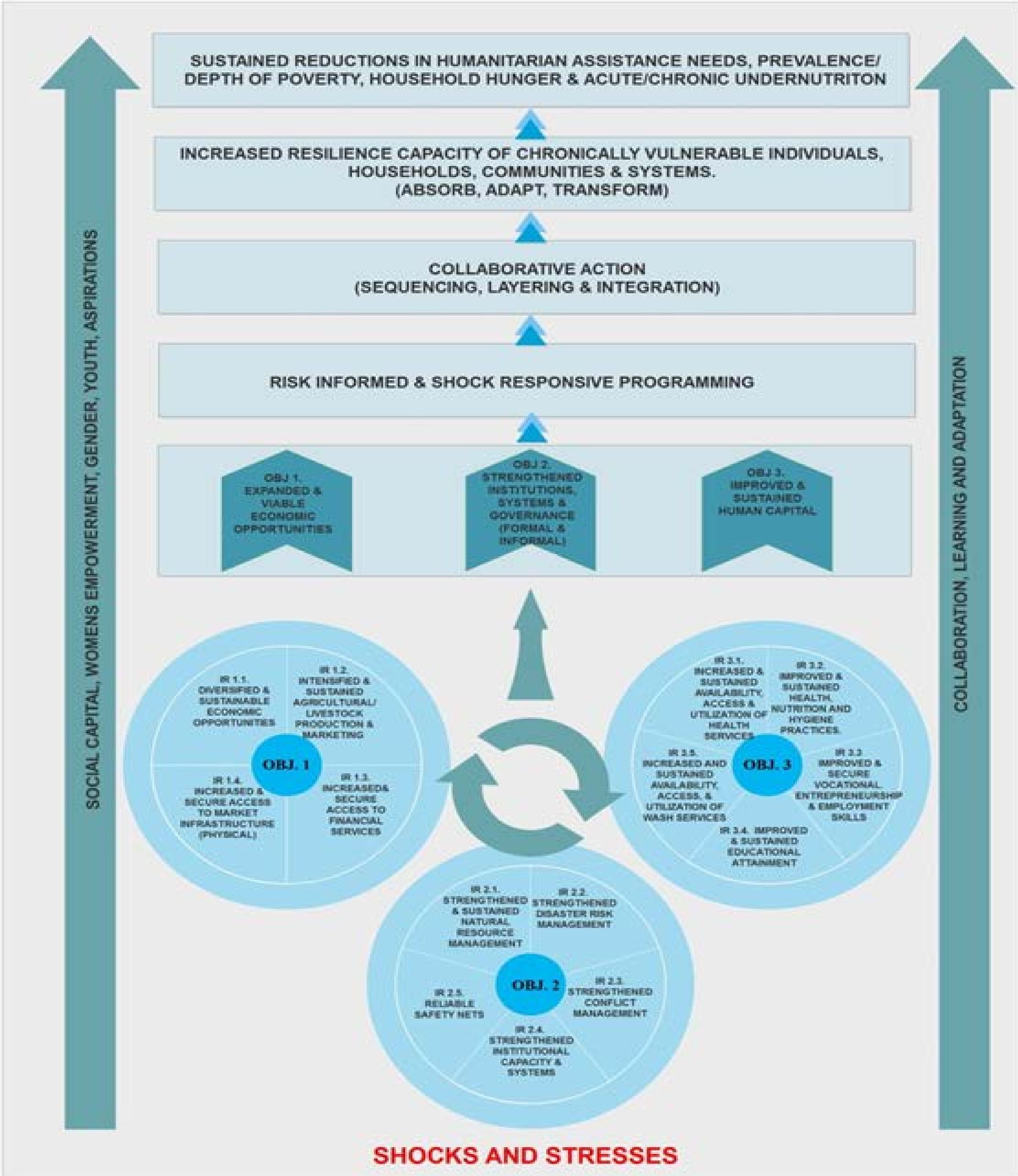
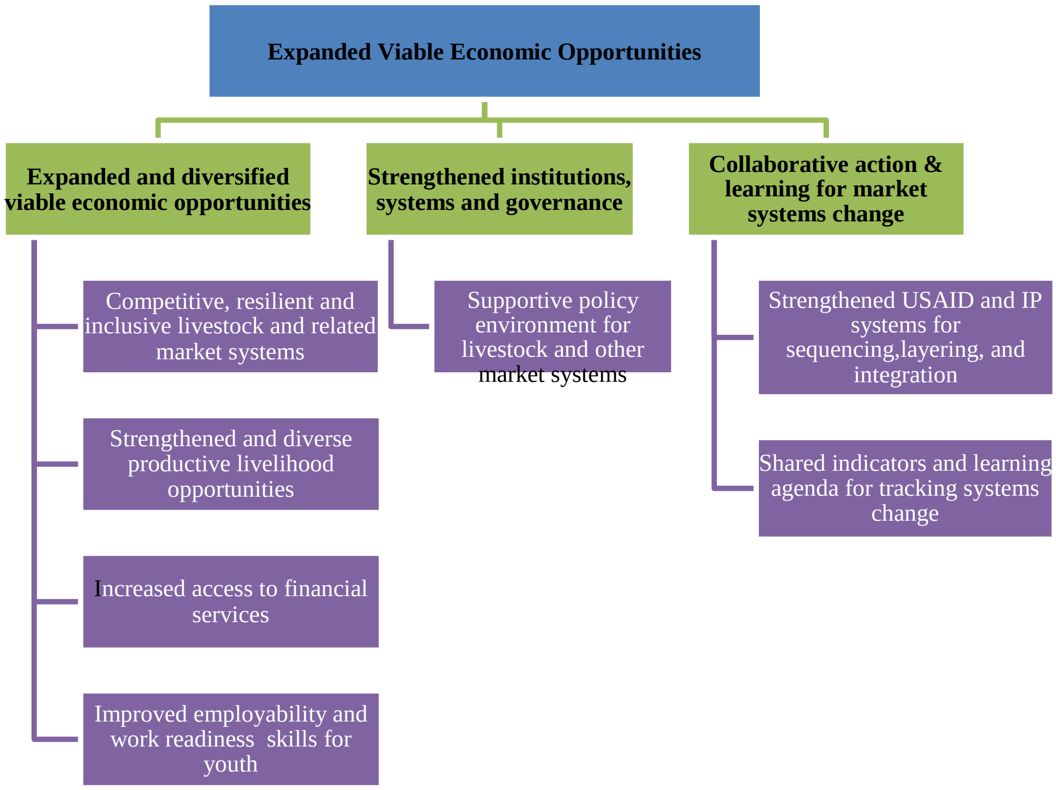


Figure 3: Illustrative Results Framework



<u>Objective 1: Expanded and diversified viable economic opportunities</u>

1.1 Facilitate more competitive, resilient and inclusive livestock and related market systems to leverage end-market opportunities while insuring inclusion and poverty reduction

Challenges and opportunities. The private sector in northern Kenya is emerging but still nascent. While commercialization of the livestock sector has progressed, many pastoralists have been excluded from growth, while others resist a change to a commercial mindset and continue to keep livestock in traditional ways characterized by low off-take rates, little value added, and relatively low earnings from their livestock. Some of these have been pushed out of pastoralism and into lower return activities, leaving them poorer than before.

Illustrative constraints to the competitiveness, resilience and inclusiveness of the livestock and related market systems include:

- limited allocation of resources by county governments in ASALs, for development of the livestock sector
- limited access to water, grazing land, and markets
- lack of infrastructure and high transport costs
- increasing frequency and severity of droughts and other extreme climatic events
- limited access to animal health services and quality drugs for treating animals
- limited access to other services (finance, and/or processing/value addition) that would enable livestock keepers to upgrade and thereby increase their returns
- lack of quality and food safety standards
- limited value-addition, including fattening and meat processing

- policy and governance environment that limit the number of buyers and thus the price competition in markets
- lack of price incentives to motivate investment in improving animal quality
- undeveloped markets for livestock - related products such as fodder, high nutrient feeds and mineral supplements
- undeveloped alternatives for value addition in the livestock value chain

The opportunities that GFSA's new investments in northern Kenya can build upon include past USAID investments in market infrastructure. These new markets have created opportunities for mitigating the cartel-like behaviour, which distort livestock trade in favor of powerful actors, increased access to multiple buyers, and—in the larger markets—expanded access to a whole range of services, e.g., animal health, input supply, transport, and potentially new sources of finance. Where they are successful, new market structures are creating centers (near towns) for a whole array of businesses, where household can trade their livestock and access health services, food and other household products.

While new market infrastructure represents important hardware for improving the livestock market system, this Associate Award has the opportunity to strengthen the software—that is, the market system itself—by leveraging the opportunities of growing end markets, expanding more equitable access to the resources, technologies and knowledge needed to take advantage of market opportunities, and facilitating supply chains linked to local small and medium enterprises (SMEs) that create incentives for quality livestock production. New SMEs have emerged with USAID co-financing and offer opportunities for changing the value chain governance structure of the livestock sector to include standards, improved quality, use of fodder to fatten animals, better herd management, linkages between pastoralists and higher value buyers and expanded market opportunities. Eventually, these businesses may have the resources to invest in supply chains that pay higher prices for quality animals, bypass cartels, and create incentives for more commercial behavior on the part of pastoralists. Expanding the number and profitability of local SMEs—engaged in fodder production, the commercial provision of animal health services and related products, weighing services, seed production for pasture rehabilitation, and processing of milk, meat and feed—can contribute to inclusive market systems and quality service delivery. Additionally, the expansion of animal health services and input supply, including the Sidai franchise network, alongside three training colleges, including one in Wajir, offer youth opportunities to study and intern as professional animal health workers.

The GOK Ministry of Agriculture, Livestock and Fisheries, State Department of Livestock has argued for a roadmap—backed by financial and economic analyses—to help guide the development of the livestock sector in the ASALs and to ensure that it leads to broad-based growth. To inform the development of such a roadmap, evidence is needed to better understand the opportunities and demands of end markets, the potential for upgrading and developing upgrading services to meet market demand, the constraints to adoption of improved technologies, and "who is benefiting, who is not and why" from recent investments in commercialization.

Improving inclusion and addressing predatory behavior will require *transforming relationships.*[13] Strategies for transforming relationships might address effective cooperation and coordination between actors in the system and relationships that are commercial in nature for pastoralists, women and youth. Cooperation of livestock-keeping households under participatory, transparent and inclusive grazing land and water governance structures is fundamental to inclusive and competitive livestock production and marketing systems. Conversion of grazing lands to private tenure, often

[13] https://www.microlinks.org/sites/microlinks/files/resource/files/ML6418_mr_141_facilitating_behavior_change_and_transforming_relationships.pdf

followed by fencing or other control on access, forces livestock-keeping households onto smaller land areas that do not allow for balancing seasonal vegetative growth against livestock reproduction and growth cycles. Private enclosure reduces the available area of land, fragments movement of live animals, and often allocates the best potential (customary) land to private users. These outcomes further undermine the broader customary land-management system and the authority of the institution, itself. The result is degradation of the pasture resource and over-use of seasonal water sources and skewed wealth distribution, which is only exacerbated by increasing rainfall variability, heightened density of people, and reduced functional redundancy in pastoral systems.

Finally, social norms related to gender and age mediate market systems relationships and are important considerations for ensuring inclusion.

Goal. Increase the competitiveness, resilience and inclusiveness of livestock and related market systems.

Illustrative strategic areas of intervention.

- Market systems development—including livestock, poultry, milk, meat, hides and skins, feed, pasture seed and other linked activities and markets—using a nutrition-sensitive agriculture lens
- Capacity development in performance-based supply chain management, inventory and financial management, loyalty- or customer-focused business models
- Integration of pastoral systems with finishing services outside dryland areas of northern Kenya
- Pilots to learn about how to change value chain governance to encourage behaviors that lead to improved quality, system-level cooperation and benefits for an increased number of pastoralists
- Investment plan or roadmap—relevant to ASALs—for upgrading the livestock market system to add value, improve quality, offer good returns for livestock keepers and buyers alike, and compete in local, county, national and—eventually—export markets
- Investments to support the effective use and sustainable management of market infrastructure, including strengthening Livestock Market Associations (LMAs)
- Investments in businesses that can create strong linkages and demand to ‘pull’ the development of producer-dominated supply chains
- Exploration of <u>opportunities</u> for strengthening and scaling (vertically and horizontally) the input supply system and <u>incentives</u> for improved quality
- Exploration of innovative business models that for strengthen the profitability of input and animal health service supply systems
- Behavior-change strategies[14] for increasing trust, breaking down gender and age barriers, addressing “extractive” behaviors, and thereby expanding inclusion, including *shared value*
- Behavior-change strategies that lead to increased offtake rates and increased income from the livestock keeping enterprises
- Intern programs and attachments for youth in businesses in the livestock and related market systems, including those related to animal health services, feedlots, fodder production and meat processing
- Deliberate strategies for furthering nutrition-sensitive agriculture
- Integration of messaging (see Associate Award #2) relevant to water, sanitation and hygiene (WASH), nutrition-sensitive agriculture, animal health, women’s empowerment, and youth integration to reinforce these cross cutting objectives across market development activities
- Improved use of climate, weather, and other early warning information (animal diseases) to help actors in the market system better predict and mitigate risks

[14] https://www.microlinks.org/sites/microlinks/files/resource/files/ML6418_mr_141_facilitating_behavior_change_and_transforming_relationships.pdf

Illustrative outcomes.

- High turnover of livestock from ASALs, reducing the period livestock live in grazing lands before they are sold to markets.
- Increased number of jobs and employment opportunities for the youth (men and women who are less than 35 years old) living in ASALs, along the livestock value chain and in other associated enterprises.
- Improved herd- and flock-productivity that responds to the demands of end-market segments
- Reduced losses, higher weaning weights and increased herd and flock off-take rates
- Increased commercial production and marketing of livestock resulting in higher incomes across pastoral households
- Improved quality and prices of livestock sold (due to better health, fattening and care)
- Increased ***quality*** animal health services and products
- Improved value chain governance that results in win-win relationships between markets system actors
- Improved value chain governance that results in an equitable distribution of benefits perceived as fair by stakeholders
- Strengthened commercial relationships and networks (bridging and linking social capital) among actors in the livestock market system
- Improved and commercially-oriented aggregation of livestock production and/or marketing that benefits livestock-keeping households
- New and expanded value-added livestock-based enterprises, such as fattening, slaughter and sale of meat, etc.
- Increased incomes and revenues of pastoralists, Livestock Marketing Associations (LMAs), Kenya Livestock Marketing Council (KLMC), county and national government from efficient market systems.
- Increased allocation of resources by county governments to support development of the livestock sector in ASALs
- Decreased losses of livestock and performance of herds and flocks due to climate shocks and disease outbreaks

1.2 Strengthen and diversify productive livelihood opportunities, inclusive of men, women and youth

Challenges and opportunities. While the large majority of households in Kenya’s drylands remain engaged in some form of pastoralism or agro-pastoralism, the livelihood systems of Kenya’s arid lands are evolving. Devolution has brought more investment to the North, resulting in significant improvements to infrastructure and services. Improved roads are increasing access to markets, and expanding communications technology is linking northern communities to critical information and financial services. Rural towns and trading centers are growing. Better off pastoral and agro-pastoral households are taking advantage of this growth to invest in new enterprises—with spill-over effects in terms of job creation and increasing demand for goods and services. At the same time, the impacts of decades of underinvestment and marginalization continue to be felt, with widespread illiteracy, a lack of skilled labor, severe degradation of rangeland and water resources, and ongoing shortages of schools, clinics, and veterinary services, posing significant obstacles to transformative and inclusive growth.

Pastoralists are diversifying their livelihoods and assets, but in ways that may increase wealth inequality. Disparity in wealth has significant impacts on how differently resourced households respond to the opportunities for and constraints to livelihood diversification described above—with differently resourced households choosing to diversify in order to spread risks and accumulate additional wealth, and the poorest being forced into alternative livelihoods in order to survive. Households choosing to diversify are generally much better placed to identify and invest in productive opportunities that are less sensitive to climate impacts, while those forced to diversify are more likely to resort to high-risk rain-fed farming and/or environmentally destructive activities such as charcoal making, which can compete with and impact the sustainability of pastoralism itself.[15] Other key determinants of livelihood diversification include gender, household size, and access to finance.[16]

According to Little et al,[17] livelihoods diversification in pastoral areas is: 'the pursuit of any non-pastoral income-earning activity, whether in rural or urban areas." Expanding poor households' access to productive diversification opportunities, and reducing the incentives for adopting high-risk, low-return livelihood strategies will build on previous FTF and DCHA investments in targeted counties, as well as the activities carried out under this Objective's 1.5: i*mproved employability and work readiness skills for youth*. By engaging households in value addition, alternative non-pastoral production systems, service delivery, trade opportunities, etc. interventions can prepare households for potential engagement in activities carried out under sub-objective 1.1: *More resilient and inclusive market systems*.

Previous investments in productive livelihood strengthening and diversification have included activities to increase the productivity and reduce the risk associated with existing climate-sensitive livelihood approaches, (e.g. "drought proofing" smallholder agriculture through small scale irrigation and improved seed) as well as promote innovation and entrepreneurship (e.g. commercial fodder production and small-scale poultry production), and support group self-help initiatives (e.g. the establishment of start-up transportation services). The sustainability and expansion of impacts in livelihood interventions will depend on a thorough understanding of household and community resources and incentives, including access to markets and market demand. Also critical to sustainability is the differentiating between alternative livelihoods that are "regenerative" like agro-forestry and apiculture, and those that "extractive" with potentially harmful environmental impact like charcoal making, basketry, and timber production.[18] Strengthening and expanding livelihood opportunities also requires understanding how gender and age affects incentives and behaviors related to livelihood diversification. Understanding differences between males and females and younger and in access to resources/assets, capacities, time use, risk profiles and opportunity structure is important for strategies to create positive livelihood pathways. For example, highly gendered livelihood patterns are emerging in urban areas may be presenting new opportunities as well as risks for women, especially young women, that are important to understand.

It is expected that this activity will reinforce cross-cutting themes (nutrition, WASH, women's empowerment and youth integration) and be closely coordinated with ongoing WFP capacity building activities, as well as those carried out under Associate Award 2: Strengthening Local Capacities for Resilience and Growth.

Goal. Facilitate poor households' (defined as under $1.90 per day) uptake of sustainable, higher-return, lower-risk livelihood strategies capable of increasing assets and income.

---

[15] McPeak, Little and Doss (2012) https://www.ctc-n.org/sites/www.ctc-n.org/files/128657.pdf

[16] Oluwatayo IB. Poverty and income diversification among households in rural Nigeria: A Gender Analysis of Livelihood Patterns Conference Paper Nº41 Maputo, Mozambique. 2009.

[17] Little, P., McPeak, J., Barrett, C., Kristjanson, P. The Multiple Dimensions of Poverty in Pastoral Areas of East Africa: Overview paper for 'Pastoralism and Poverty Reduction in East Africa: A Policy Research Conference': 27-28t h June 2006, held at the Safari Park Hotel, Nairobi, Kenya. 2006.

[18] Ngugi, R.K. & Nyariki, D.M. Agric Hum Values (2005) 22: 65. doi:10.1007/s10460-004-7231-2

Illustrative strategic areas of intervention.

- Action research on the full diversity of and returns to different livelihood strategies in the zone of influence (ZOI)
- Support to livelihood activities that reduce over-reliance on live animals
- Facilitating market demand for new/alternative economic activities
- Support to business skills development, apprenticeships, internships and experiential learning
- Strengthening commercialization and market linkages of new and existing economic activities
- Facilitating access to savings, loans, and financial literacy
- Activities that buy down the risks of upgrading existing or starting new economic activities (1.1)
- Linkages to basic literacy, numeracy and life skills training (Associate Award 2)
- Investments in “regenerative” livelihoods like agro-forestry and apiculture that reduce climate risk and improve the natural resource base

Illustrative outcomes.

- Diversification into higher return livelihood activities
- Diversification into livelihood activities that do not share the same risks
- Increased engagement of youth in sustainable livelihoods
- Increased options for non-climate sensitive livelihoods
- Increased options for livelihoods that improve sustainable management of natural resources
- Higher return alternative, market oriented livelihood activities for poor households (hanging in or dropping out)
- More regular (less variable) household income flow
- More regular (less variable) consumption, including food consumption
- Increased dietary diversity
- Improved household coping strategies
- Retention of assets in times of stress
- Improved understanding of livelihood choices of men, women, younger and older people on different livelihood pathways (moving up, stepping up, moving out)I

1.3 Increase secure access to a range of financial products and services to support livelihood diversification, livestock sector development, and individual and household finance needs

Challenges and opportunities. Financial services play a critical role in building resilience at the household level and in supporting growth and transformation of the livestock market system. Access to and effective use of savings, credit, insurance, payments, and remittance services helps households manage day to day needs, protect against shocks and stresses (both covariate and idiosyncratic), and take advantage of opportunities to diversify livelihoods, including movement into higher value livestock related activities. Credit and other bank services particularly over mobile platforms in remote areas (e.g. leasing, payments, savings, insurance) also play a critical role in developing a strong and competitive livestock market system by enabling buying and selling of live animals at appropriate times and purchasing of livestock-related services and inputs. Expanded supply of quality animals and demand for goods and services incentivizes the startup and expansion of businesses that provide essential inputs, services and value addition activities (e.g., animal health inputs and services, feedlots, transport services, meat, poultry and milk processing, fodder production, etc.).

Value chain finance[19] can help to forge strategic alliances among market actors to meet end market

[19] Value chain finance refers to financial products and services that flow to or through any point in a value chain that enable investments that increase actors' returns and the growth and competitiveness of the chain.

demand. By creating incentives for livestock keeping households, input suppliers, service providers, processors, and end market buyers to link together in ways that create shared value, finance can increase the competitiveness and inclusiveness of the livestock market system.

Insurance protects producers and others against losses associated with climate variability and other shocks and stresses. Digital finance platforms can have a transformative effect on financial inclusion especially in remote and geographically dispersed areas like northern Kenya. Digital finance platforms (mobile money, agent banking, cards) can reduce the risks and costs of cash transactions, link mobile phone owners to banking services, and, enable males and females in the arid lands to overcome long distances in sending and receiving remittances, buying and selling goods and services, accessing financial services through their phones (save money, repay loans, transfer money to other businesses), expanding business networks (for both buyers as well as for customers), and reducing the delays, costs and risks of transacting in cash.

While financial services are critical to achieving the objectives of GFSA in the northern counties, there is wide acknowledgement that the need for financial services is unmet. The northern counties have the highest rates of financial exclusion in the country, with over 50 percent of the population having no access to formal financial services (compared to one third in Kenya overall). Distance is a significant factor limiting access to a financial service provider – less than 20 percent of the population in the ASALs is within five km of a financial service provider. However, other factors also play a role – women have higher financial exclusion rates than men, younger ages have higher exclusion rates than women, and people with low education are more likely to be excluded. Financial inclusion also varies across counties, with Marsabit and Isiolo showing more progress in financial inclusion than other counties in northern Kenya.

Digital finance platforms have the potential to overcome the challenges of distance, and while Kenya has one of the most developed mobile money systems in the world, most livelihood

THE ROLE OF FINANCIAL SERVICES IN BUILDING RESILIENCE CAPACITIES

Absorptive capacity is the ability to minimize exposure to shocks and stresses (ex ante) where possible and to recover quickly when exposed (ex post). **Savings and remittances** help people minimize exposure to shocks and stresses (ex ante) and to recover quickly when exposed (ex post). **Insurance** can help to protect against loss of assets; **Mobile money** can help to ensure saving, remittances, or cash transfers are accessed quickly following a shock. Encouraging savings among young people can help to instill this as a life-long risk managing behavior.

Adaptive capacity involves making proactive and informed choices about alternative livelihood strategies based on changing conditions. **Savings and credit** can support livelihood diversification by helping people move from lower to higher return activities or into new activities that do not share the same risk profiles. **Financial literacy** can change attitudes and behaviors related to savings, debt management, budgeting, cash flow management and effective use of bank services – critical for managing risk and shifting into new opportunities when they present themselves.

Transformative capacity refers to enabling conditions that foster more lasting resilience. Systems change that creates growth and income opportunities through competitive and inclusive markets is foundational to transformative capacities. **Value chain finance** can help the livestock sector transform in response to changing market conditions by supporting strategic partnerships, entry into new marketing channels, and leveraging new sources of finance. **MSME finance** and **other bank services** can support input suppliers, service providers, value addition activities and climate smart technologies that promote competitiveness in the face of changing market conditions and opportunities.

transactions are still in cash and three quarters of social transfer payments in the ASALs are still in cash. While well over half the population has mobile phones and uses mobile money, people still lack access to digital financial services beyond mobile payments. Banks are reluctant to lend to livestock and livestock related businesses, citing high business risks. Business owners have limited experience and relationships with banks and knowledge of the range of products and services they can provide. Moreover, there is limited experience to date in creating strategic alliances among livestock market actors using value chain finance to link producers/small scale herders, input suppliers, processors, and buyers to meet end market demand. Sharia compliant products and services are also lacking.

Investments to date by FTF—in organizing and financing savings and loan groups to support livelihood activities, providing business development grants to jumpstart the growth and transformation of the livestock market system, linking to Development Credit Authority (DCAs) with accompanying technical assistance in building financial management skills and investing in market infrastructure that provides a platform for animal health service providers, small-scale sellers, agent and banking stalls—provide a basis for building out finance and financial services. USAID investments to support the development of the livestock market system all center on reducing business risks of commercial actors that banks can finance. There is opportunity to raise awareness by local banks about these USAID investments and how they reduce business risks, and to facilitate linkages between beneficiaries and banks.

Goal. Increased access to and effective use of financial products and services to support livestock sector development, livelihood diversification, and individual and household finance needs in targeted counties

Illustrative strategic areas of intervention.

- Market research on financial service needs and preferences—in collaboration with USAID/KEA's Kenya Investment Mechanism (KIM) activity—to support effective product designs and delivery channels that support livestock value chain and livelihood diversification activities, including those undertaken by youth, in the ASALs
- Facilitating linkages between formal financial institutions providing a range of financial services (not just credit) and business development grantees/enterprises that play a critical role in providing inputs, services, value addition, etc
- Facilitating inter-active working/learning relationships between livestock value chain (VC) actors and financial institutions with DCAs
- Value chain finance models that forge strategic relationships and improve the quality and volumes needed to meet end market demand for livestock products
- Value chain finance models that facilitate, promote and strengthen market-oriented households as they "move up" and transition from "hanging on" as livestock-keepers
- Mobile money linked to financial services (savings, credit, insurance, transfers) across actors, including young men and women, in the livestock and other value chains
- Savings and credit/livelihood groups, including those run by youth, linked to financial institutions
- Savings and credit groups inclusive of livestock trading households and small-scale livestock traders
- Financial literacy and financial management programs for young men and women, semi-literate people, small business owners, etc. focused on budgeting and cash flow management, savings mobilization, debt management, remittance management, use of bank services (including insurance), financial negotiations, basic concepts of insurance. Multiple financial literacy delivery channels, e.g., literacy groups, savings and credit cooperative society (SACCOS), banks, community based self-help and savings groups, and schools, mobile phone messages, and other approaches.
- Financial-product development and staffing specific to northern Kenya context (e.g., insurance, Sharia compliant finance).

Illustrative outcomes.

- Livestock-keeping households and enterprises using financial services to manage engagement with input suppliers and buyers Increased access to and effective use of financial services across livestock value chain actors
- Increased access to and use of mobile money, including for business transactions
- Increased numbers of mobile banking agents
- Increased access to and use of financial services by women and youth
- Improved money management knowledge, skills and practices, and informed use of financial services by businesses and households
- Increased capacity of community based groups to form viable, remunerative partnerships with SACCOS and other financial service providers
- Increased linkages of SMEs to credit and non-credit services offered by banks

1.4 Improved employability and work readiness skills for young men and women

Challenges and opportunities: Education has given rise to changing values and aspirations among youth in northern Kenya. Traditional norms that bring status with aging are being challenged and the values and aspirations of young men and women, especially with urbanization, are diverging from their parents and rural age-mates. However, aspirations are often cut short for young people caught between few job opportunities on one hand and limited possibilities of returning to pastoralism on the other. While some young people in the arid lands of northern Kenya want to remain in pastoralism, others aspire for alternative livelihoods. Outside of pastoralism, the bulk of opportunities will involve self-employment in informal activities, while a smaller number will involve formal paid jobs. High unemployment rates and growing poverty—in the context of growth—are critical challenges for young people transitioning to adulthood, and for their families and communities. Many young people are not prepared for formal employment or work roles, nor do they have the capacities or resources to undertake higher return market oriented livelihood activities. Low levels of literacy, lack of work readiness, vocational, and life skills combined with limited exposure to formal settings and commercial practices pose key challenges for youth as they transition to adulthood and take on greater economic responsibilities for their families and communities.

Young men and women face different challenges as they move into their adult work lives. Compared to males, females have lower levels of education, marry at an earlier age, have less mobility, and have greater time burdens associated with household and childcare responsibilities[20]. Males also face challenges, for example, transitioning from pastoral to non-pastoral roles and activities can trigger negative socio-psychological impacts related to loss of male identify and greater dependence on female-based incomes. Attention to these and other socially defined differences between young men and women will be important in identifying effective strategies to build knowledge and skills while reducing the gender gap in human resource capacities in northern counties

Youth are a positive force for transformative change in the economy in northern Kenya. But to harness this energy, young men and women need a variety of skills. Work readiness, vocational, and life skills can help to expand livelihood options and build resilience capacities. Support for the development of workforce skills needs to ensure that a context specific analysis of livelihood risk profiles, particularly climate related risks, are taken into account. It further needs to align with efforts to promote access to ID cards that enable youth to access employment, financial services and education and youth friendly

[20] Demographic and Health Survey (DHS) 2014 data for the targeted counties (Marsabit, Isiolo, Turkana, Garissa, Wajir) show wide gender gaps in 1) literacy with male literacy rates ranging from 52 percent to 87 percent and female literacy rates ranging from 20 percent to 58 percent and 2) median age at first marriage ranging from 24 to 27 years for males and 18 to 19 years for females.

financial services that support their needs and opportunities, (under sub-objective 1.3). USAID's investments in best practice and innovative youth workforce development activities in other parts of Kenya could provide a basis for informing and developing context appropriate strategies for the northern FTF counties.

Goal. Improve the skills and capacities of young men and women to take advantage of opportunities for higher return risk diversified livelihood activities, including wage employment.

Illustrative strategic points of intervention.

- Analysis of workforce options in the northern counties
- Experiential learning through attachments and internships with private sector businesses
- Workforce readiness training (soft skills)
- Literacy and numeracy training
- Business skills training
- Sector/activity specific vocational or technical skills training
- Linking youth to GOK directorates, agencies and programs such as Registration, National Youth Service and Youth Enterprise Development Fund, Women Enterprise Fund for issuance of important documents (ID cards, passports, licences) and resources aimed at promoting the youth and women.
- Linking young men and women to previous USAID investments or organizations developed through prior USAID funding (for example, County Youth Bunges initiated under Yes Youth Can).

Illustrative outcomes.

- Improved knowledge and skills related to work readiness
- Improved sector specific job knowledge and skills
- Increased number of internships/attachments in private sector businesses
- Improved access to jobs (e.g., number of young men and women employed following attachments or internships)
- Increased participation of young women and men in high return market-oriented livelihood activities
- Increased number of youth receiving new employment or better employment (including self-employment) as a result of participation in USG-funded workforce development programs.

<u>Objective 2: Strengthened institutions, systems and governance for livestock and private sector development</u>

2.1 Strengthened policy environment for the development of livestock and other market systems

Challenges and opportunities. Devolution has created both opportunities and challenges related to governance and policy to guide governance. Counties are still in the process of adapting national level policies to the county level in areas related to the livestock sector, natural resource management, disaster management, and the social sectors. With assistance from USAID/KEA, county governments are in the process of developing or implementing County Integrated Development Plans (CIDPs), County Investment Plans (CIPs), civic engagement structures , and planning and budgeting mechanisms. The *Expanding and Diversifying Economic Opportunities* Award can build on these past USAID investments to further create a robust policy, regulatory and management framework and strategic investment plans for the livestock sector in the five targeted counties. The USAID-funded market infrastructure provides further opportunity to build participatory processes for co-managing the markets with county governments and to provide a focus for improving systems to support the competitiveness, resilience and inclusiveness of the livestock market system.

Goal. Partner with five targeted counties to create a robust policy, regulatory and management framework and strategic investment plan for the livestock sector

Illustrative strategic areas of intervention.

- Partnerships that strengthen county level capacities to develop and implement policies that support livestock sector productivity (including rangeland management).
- County-level partnerships to translate national livestock-related policies and regulations to the county level
- Facilitation of joint policymaking and implementation across counties
- Capacity building and advocacy for county executive and assemblies to prioritize and budget for better services and investment in the productive sectors of the economy
- Partnering with counties to explore the feasibility (financial and economic analyses) of regional strategies and investment plans for livestock development, including joint processing facilities, cold storage, and transport
- County-level capacity building to advance quality and food safety standards and quality service delivery for the livestock sector
- Assessment of the feasibility of a regional livestock strategy (inclusive of multiple counties) that integrates climate adaptation, rangeland management and governance systems that includes a roadmap for increased commercialization, competitiveness and inclusiveness
- Policies that contribute to the governance of pastures, water points, and other natural resources that contribute to animal production
- Partnership focused on the development of a legal framework and implementation modalities related to livestock production, rangeland management, animal health, marketing and distribution, insurance, market management etc.

Illustrative outcomes.

- National livestock-related policies devolved to the county level
- Policies, legal frameworks and regulations governing rangeland management on a regional basis
- Improved policy environment for livestock production, marketing and distribution, animal health, livestock insurance, and livestock transport
- Policies, CIDPs and CIPs that contribute to making the ASALs counties a preferred supplier of live animals to local, national and regional markets
- CIPs that support investment in inclusive livestock and other market systems and diversified livelihoods
- Policies and CIDPs that incentivize pastoralists to aggregate buying and selling when and where it leads to reduced costs and improved benefits for pastoralist households
- Financially sustainable co-management (between LMAs and county governments) systems for the livestock markets
- Increased budgetary allocations for public goods and services that create a favorable business environment

<u>Objective 3: Collaborative action and learning for market systems change</u>

3.1 Strengthened USAID and Implementing partners (IPs) systems for sequencing, layering and integration (SLI)

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.

Challenges and opportunities. A key finding from USAID investments in Partnership for Resilience and Economic Growth (PREG) is that collaborating and layering across sectors and humanitarian and development activities in the FTF northern ZOI is key to addressing the full scope and complexity of constraints to ending drought emergencies. Another key finding is that bringing together multiple activities will only work if the activities are linked geographically, programmatically, and temporally. Under the Livestock LWA, there will be multiple awards focused on different pillars of the GOK's Common Programme Framework for Ending Drought Emergencies and USAID's Horn of Africa Resilience Framework (see Figure 1). Effective Sequencing, Layering, and Integration (SLI) among these investments of USAID/KEA, the counties, and other donors will be key to achieving the goals of the EDE Common Programme Framework in the northern region[21]. Collaborative action among USAID partners further improves communication and coordination with County governments and the efficiency and effectiveness of programs and joint learning in support of expanded economic opportunities.

Past efforts under the PREG in applying the SLI model have demonstrated the importance of establishing systems that support joint work planning, joint implementation, joint Monitoring Evaluation and Learning (MEL), synchronized timing of activities and budget allocations to support the active participation of USAID/KEA IPs in collaboration/harmonization of activities and learning.

The Livestock LWA will offer a platform and systems for Associate #1, Associate #2 and other USAID supported activities in the ASALs to engage in joint work planning, joint implementation, and joint MEL. Each associate award should include resources to enable active participation in these critical processes.

Goal. Strengthened IP structures and systems for SLI improve the effectiveness and efficiency of programming.

Illustrative strategic areas of intervention.[22]

- Joint problem analysis and objective setting
- Coordinated strategic planning around resilience
- Coordinated and joint work planning and implementation, including synchronized timing of complementary activities
- Information flow both up (to USAID and county government) and down (to partners and partner staff) defining win-wins for collaboration and what each partner wants to get out of it
- Defining the principles of collaboration: "where do we connect, where do we disconnect, and how do we define the boundaries"
- GIS mapping to increase awareness and information about partner activities and help identify geographies for collaboration

Illustrative outcomes.

---

[21] 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 includes 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

[22] These illustrative interventions were identified in a recent assessment conducted by Africa Lead for USAID/KEA.

- Shared understanding of and commitment to collaboration along (within useful boundaries)
- Effective joint problem analysis, work planning, and implementation of SLI
- Successful layering of activities such as nutrition-sensitive agriculture, WASH, market infrastructure, access to financial services, access to quality inputs and services, and new businesses and livelihoods.
- Achievement of shared outcomes—e.g., reduced poverty, improved nutritional status, and greater resilience
- Budget allocations for implementing SLI
- synchronized activities
- Platform in place for collaboration and learning among EDE stakeholders
- Timely evidence base generated for addressing real-time problems facing Associate Award #1 in achieving its objectives
- Stronger culture of learning embedded in Associate Award #1
- Learning products produced that identify specific strategies for improving market systems approaches
- Learning products produced that measure indirect and spillover effects of interventions

3.2 Shared indicators and learning to support expanded economic opportunities

Challenges and opportunities. Another lesson learned from USAID's past efforts associated with PREG include the importance of shared indicators and collaborative learning. Shared indicators are thought to reduce competition and improve trust, coordination, among IPs in working towards results, and enhance the results through better coordinated, sequenced and complementary investments. A key lesson from USAID/KEA's FTF mid-term assessment is the importance of measuring systemic changes related to the theory of change. While the FTF Project MEL Plan and required indicators remain essential, measuring systemic changes allows IPs and USAID to gauge progress toward achieving the theory of change and/or to identify the need for adjusting the theory and adapting interventions accordingly. Collaboration, learning and adaptation (CLA) applies both within and across Associate Awards and is integral to USAID operations and a guiding principle of PREG. Associate Awards should plan and budget for engaging in collaborative learning activities based on the theory of change of USAID's Horn of Africa Resilience Framework and of USAID/KEA Livestock LWA.

CLA within the Associate Award might include a focus on key questions or areas of systemic change at both the market system, and household levels. At the market system level, CLA questions might relate to specific systemic changes that would be expected if interventions are achieving the expected outcomes (related to the theory of change). Under objective 3, these systemic changes could be tracked iteratively as a means of learning about what is working and adapting strategies to improve impacts where and when needed based on learning. At the household levels, CLA questions might relate to progress of households on the livelihood pathways laid out in the theory of change or the emergence of gendered livelihood patterns in urban areas that may be presenting new opportunities or risks for women. They may further explore the role of various interventions in helping households and communities move forward or in protecting them from falling back. Recent work in developing approaches and tools for capturing and measuring indicators of systemic change suggest best practice/cost effective approaches that could be incorporated into CLA and related M&E efforts (e.g., outcome harvesting, social network analysis, sentinel indicators e.g., information flows, churn rates, financial flows). Learning related to household and systems level changes under Associate Award #1 should integrate relevant learning from Associate Award #2 on changing social norms in communities and/or improved management of communal assets (Award #2).Because resilience is dynamic concept, it is important to understand processes that mediate impact, for example, shock responsive programming, collaborative action, or processes related to building resilience capacities.

Testing relationships between enhanced management of natural resources and increases in productivity, income diversification and human capital development could contribute to this understanding. The processes through which these increased capacities will lead to reduced poverty and improved nutrition at household levels is also important for verifying the Theory of Change (TOC) and development hypothesis guiding this Associate Award. Testing and evaluating the impact of different types of interventions to learn which have more impact, for example, different types of diversification strategies; different types of women's empowerment strategies, different social behaviour change strategies, different VC finance strategies is also a gap to address through collaborative learning.

Goal. Improved development outcomes accruing from collaborative learning and adaptive management (enabled by shared indicators, tracking systemic changes (possibly through outcome mapping), and making mid-course corrections as needed).

Illustrative strategic areas of interventions.
- Partner (and beneficiary) engagement in developing shared indicators
- *Active* learning activities which promote exchange and collaborative learning
- Introduction of MEL systems for effectively operationalizing SLI
- Development of a MEL framework that captures enables measurement of system change, including the key elements of pastoral livelihood systems, the drivers and dynamics of change, the role of program interventions in leveraging systems change and intervention processes that mediate impact, e.g., shock responsive programming, collaborative action, or processes related to building resilience capacities.
- Development of an M&E system that enables testing of relationships between enhanced management of natural resources in the face of increasing climate variability and change leading to increases in productivity, income diversification and human capital development.
- Development of an MEL framework that can test and evaluate the impact of different types of interventions to learn which have more impact, e.g., different types of diversification strategies, women's empowerment strategies, SBC strategies, value chain finance strategies.
- Track systemic changes expected under each objective

Illustrative strategic areas of intervention.
- An M&E framework and indicators able to track progress against the theory of change
- An ability to track progress made toward key expected outcomes (systemic changes)
- An ability to monitor the direction, momentum and scale of system changes throughout implementation
- An M&E framework and indicators that track what is working and what is not to inform adaptive management
- Knowledge management processes and reporting frameworks that ensure sharing of lessons learned both horizontally among IPs and vertically with beneficiaries and county governments

Illustrative expected outcomes.
- Evidence to track progress against the theory of change
- Evidence to track progress made toward key expected outcomes and (systemic changes)
- Evidence to monitor the direction, momentum and scale of system changes throughout implementation
- Indicators and evidence on what is working and what is not to inform adaptive management

VI. Use of Grant Facility

Associate Award #1 - *Expanding and Diversifying Viable Economic Opportunities* will use grants to create incentives, buy-down risks, and leverage other private or public resources to achieve its objectives. See the Leader Award Program Description for illustrative uses of grants.

VII. Approach to Monitoring, Evaluation and Learning (MEL)

The approach to MEL should include functions to enable required reporting to USAID, to monitor progress in achieving outcomes and targets, to use monitoring and evaluation information for adaptive management of project activities, and to understand the extent to which (and how) USAID interventions contribute to systems level changes that enable people, households and communities to escape poverty and chronic vulnerability and strengthen their resilience in the face of complex risk and recurrent shocks and stresses. The MEL system will be most useful if it is part and parcel of the shared indicators and collaborative learning work carried out under sub-objective 3.2 (above) and other USAID learning activities supporting the northern ZOI.

HARMONIZING M&E, LEARNING, & POPULATION-BASED SURVEYS (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
- Developing GIS systems to map community and market systems and networks

To get the most out of learning and M&E, efforts should consider 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 should include a draft MEL plan that identifies key indicators to track the performance of the Associate Award for *Expanding and Diversifying Viable Economic Opportunities in Northern Kenya* 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 investments[1]. The plan should incorporate gender indicators and sex disaggregated data.

The draft MEL plan should include:

a) *Proposed performance monitoring indicators:* The draft M&E plan should include indicators to track accomplishments in relation to the goals and objectives of the Award #1. The indicators in the draft MEL plan should align with the illustrative results framework (Figure 2 above). Indicators required under USAID's FTF and Resilience initiatives will be identified during the work plan stage in consultation with the USAID AOR and included in the final MEL plan.

b) *A proposed draft strategy for measuring the systemic changes articulated in the theory of change:* The draft strategy should articulate the systemic changes to be tracked related to Award #1's theory of change, objectives and expected outcomes.

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

d) *A proposed approach to layering performance monitoring activities:* the draft M&E plan should include a strategy for aligning with and complementing performance monitoring indicators and data collection with other Associates under the LWA and other relevant USAID activities in Northern Kenya. The successful Applicant will identify these opportunities in consultation with the AOR in the completed

MEL plan. This will support the objective of effective layering of this Associate Award 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.

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

f) A proposed approach to coordinating with external evaluation and learning activities: Given the size and importance of the Award #1 it will 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 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 Associate Award and other USAID supported activities disaggregated by sex, age, and other relevant characteristics. This type of information would help to evaluate the contribution of this Award #1 and other USAID investments to higher level change. Successful Applicants will be able to work with the external evaluators and the USAID AOR to discuss what indicators best meet both monitoring and evaluation needs;

g) *Proposed feedback loops to USAID* (Collaborative Learning for Scaling and Sustaining Livelihood Pathways): The draft M&E plan should include a strategy to insure the performance monitoring and other evaluation results and learning are used to improve project implementation and impacts.

h) *Proposed approach to bringing together the MEL plan with sub objective 3.2* (the development of shared indicators and learning and methods for measuring systems change to track progress toward improved resilience based on the theory of change): The draft MEL plan should propose an approach to harmonizing the M&E with other proposed learning activities.

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 first six months, USAID/KEA staff will meet at least monthly with the program staff to ensure that start-up activities are on track.

Baseline survey: In order to evaluate the overall effectiveness of USAID/KEA support to this Associate Award, the Draft M&E and Learning plan should include plans for conducting a baseline and endline survey. The baseline survey should commence no later than 3 months after the award, and the end line should commence 3 months prior to the end of the award.

Performance evaluation: The Mission will 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 LWA applicant and Associates 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 M&E plan should include a strategy for coordinating activities to support the external evaluation activities.

Indicators: Required GFSA 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.

ATTACHMENT #3

Program Description for Associate Award #2

USAID/Kenya and East Africa's GFSA Livestock Market Systems Associate Award
Strengthening Community Capacities for Resilience and Growth

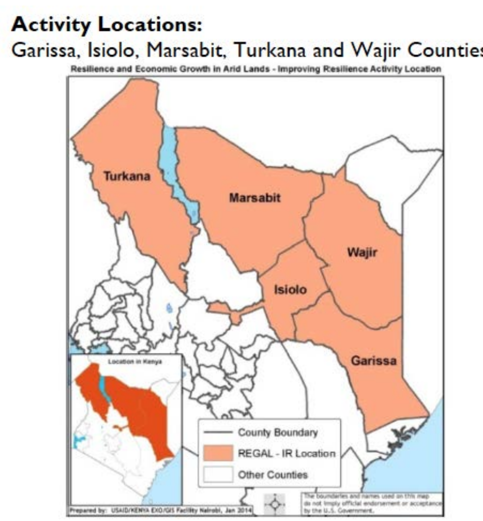
I. Award Description

USAID/KEA is issuing this five-year Associate Award with an expected $10 million budget under the GFSA Leader Award. While the overarching purpose of the Leader With Associate (LWA) award is to enable sustainable escapes from poverty and chronic vulnerability and to reduce the humanitarian, development and economic costs of recurrent crises. This purpose of this Associate Award, entitled *Strengthening Community Capacities for Resilience and Growth*, is to increase community capacities necessary to achieve growth that is both inclusive and sustainable. It is a companion to the "*Expanding and Diversifying Viable Economic Activities"* Award. The two awards will contribute not only contribute to the overarching LWA purpose but also to the broader effort of USAID's Partnership for Resilience and Economic Growth (PREG) and the Government of Kenya's Ending Drought Emergencies (EDE) Initiative. Moreover, the two awards are expected to collaborate closely; the *Strengthening Community Capacities for Resilience and Growth*, Award #2 focuses on "***push***" effects achieved through community-level interventions aimed at strengthening human capital and systems for rangeland, water, conflict and drought-cycle management, while the *Expanding and Diversifying Viable Economic Opportunities*, Award #1 focuses on "***pull***" effects achieved through diversified market systems.

II.Geographic Focus

The *Strengthening Community Capacities for Resilience and Economic Growth* Activity will focus on households, communities and systems in five GFSA counties : Garissa, Isiolo, Marsabit, Turkana and Wajir. The rationale for selecting these 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, impacts on the national economy, and repeat, large-scale humanitarian emergencies and humanitarian spending.[1]

Figure 1: Geographic Focus of Northern Kenya



III.Problem Statement and Key Challenges

Several challenges and opportunities face pastoralist livelihoods in northern Kenya. These include:

- *Population growth and youth bulge*:

Kenya is growing rapidly at a rate of one million people per year, with the highest growth rate occurring in northern Kenya, where family sizes are between 5 to 7 people per household. Rapid population growth is creating an enormous bulge in the youth population 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,"[2]that is, a temporary opportunity to accelerate inclusive

---

[1] Insert data on costs

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

economic growth. Similarly, youth engagement in town-based businesses and employment opportunities shows what can be achieved with deliberate strategies.

- *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 percent for boys and 28 percent for girls, compared to national averages of 87 percent and 76 percent respectively.[3]

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

Moreover, communities in northern Kenya and specifically northern Kenya, face critically high rates of malnutrition. USAID data[4] 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. Examples include fodder production and marketing, milk processing and production, reducing post-harvest grain loss, and poultry and egg production.

- *Frequent and cyclic droughts*:

Northern Kenya are also characterized by frequent and cyclic droughts every 3 to 5 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).[5] 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 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.

---

[3] 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

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

[5] http://www.fsnnetwork.org/sites/default/files/Report percent203 percent20- percent20The percent20effect percent20of percent20livelihood percent20diversity_18Feb2016.pdf

- *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[6] 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). 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 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[7]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. USAID investments in market structures to date have helped to create greater competition due to the number of traders who frequent, in particular, the larger markets. The resulting competition and the transparency of transactions afforded by the market have also opened up opportunities more broadly.

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

Social systems and cultural values and practices—which determine access to, ownership of, and control over resources and the benefits accruing from them—influence vulnerability. 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 has had an impact on the Women's Empowerment in Agriculture Index (WEAI). Similarly, youth's engagement in town-based businesses and employment opportunities shows what can be achieved with deliberate strategies.

---

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

[7] 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).

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 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 in promoting growth and escaping 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.

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

IV. Dynamics, Theory of Change and Development Hypothesis

Dynamics. Broad dynamics that are affecting the development context in northern Kenya include: (1) economic growth and commercialization are progressing as the region's remote margins become increasingly tied into wider systems of market activity, trade and investment; however, among the pastoral poor, vulnerability and poverty seem to have worsened; (2) climate change, characterized by increasing temperatures and an increase in the frequency and severity of climatic shocks resulting in resource degradation and livelihood shocks; and (3) devolution in the national government has yielded both power and resources to newly established counties, thus affecting governance systems linked to communities, at one end, and the national government, at the other.

Theory of Change. Change occurring at a household level is intrinsically linked to the groups and communities in which it is occurring. And, while development interventions and assessments of resilience usually focus on household resilience,[8] approaches to fostering positive resilience outcomes at a household-level often rely on fostering change at the community level. This is particularly true when addressing cultural norms (e.g. herd size vs. herd quality, gender roles, and dietary customs and practices) and the management of communal assets (e.g. rangeland and water).

Research on household and community resilience carried out in Ethiopia found that more resilient communities responded to crisis in ways that strengthened community bonds, resources, and the

[8] Frankenberger, T. R., & Nelson, S. (2013a). Background paper for the expert consultation on resilience measurement for food security. Paper presented at the Expert Consultation on Resilience Measurement Related to Food Security. Rome, Italy: Food and Agricultural Organization and World Food Programme. Retrieved from http://www.fsnnetwork.org/sites/default/files/resilience_measurement_background_paper_2.12.2 013.docx

community's capacity to cope.[9] They shared the following attributes:

- Positive attitudes toward change, including investment in human capital
- Organizational capacity, including the ability to respond to shocks in a collective manner, and to use both traditional social capital mechanisms and external organizational structures to achieve their objectives.
- Effective management of internal and external resources-including the management of communal resources and the strategic leveraging of external resources to meet objectives.
- Decision making processes that enable equitable planning and participation for the achievement of shared goals and objectives.

In northern Kenya, extremely poor communities facing multiple deprivations may be less able to absorb and/or respond positively to change, and more hesitant to embrace new practices or endorse investment in new opportunities. USAID's own experience in northern Kenya validates the importance of intensive community engagement and community-supportive approaches to strengthening resilience, including facilitating processes to identify community aspirations, supporting community planning, and strengthening linkages between communities and the services and governance institutions on which they depend. These approaches have been integral to fostering collective action, reducing resource-based conflict, strengthening the community asset-base (including water and rangeland resources, supported by land policies) and accelerating social behavior change in support of investments in human capital (e.g. nutrition and education).

Associate Award #2 builds on previous USAID investments, and contributes to a vision of a resilient and economically thriving drylands region by supporting community capacities "to absorb change, seize opportunity to improve living standards, and to transform livelihood systems while sustaining the natural resource base."[10] Specifically, the Award will support community-led efforts to develop, restore, protect, and sustain water and rangeland assets necessary to support inclusive growth throughout the livestock sector, and community mobilization to strengthen the human capital necessary for a healthy and productive workforce. In doing so, Associate Award #2 contributes to, strengthens, and protects the economic drivers that are the focus of Associate Award #1.

This Award will contribute to three critical objectives of USAID's Horn of Africa's resilience framework, namely:

- Strengthened Institutions, systems and governance
- Improved and sustained human capital
- Strengthened systems for collaboration and learning

Development Hypothesis. ***If*** investments are made at a community level to (1) enable collective action and voice for improved development, governance and management of rangelands and water resources in ways that anticipate climate variability and change, especially drought shocks, while reducing incentives for conflict; (2) facilitate the uptake by men, women, and young people of behaviors, practices, knowledge, and skills capable of protecting and strengthening human capital, and (3) foster collaboration and shared learning within and between communities, partners, and institutions; ***then*** community capacities to absorb, adapt and transform in the face of shocks will be strengthened, and the dynamics for economic growth in northern Kenya will be sustained.

---

[9] *ETHIOPIA: THE PATH TO SELF-RESILIENCY* Volume I: Final Report http://www.cangoethiopia.org/assets/docs/(2) percent20Self-Resiliency percent20Report percent20- percent20CANGO-CHF percent20(08.08.07).pdf

[10] Walker, B., Sayer, J., Andrew, N. L., & Campbell, B. (2010). Should enhanced resilience be an objective of natural resource management research for developing countries? Crop Science, 50, 10.

V. Goal, Purpose and Objectives

USAID/KEA's GFSA Associate Award focused on *Strengthening Community Capacities for Resilience and Growth* will contribute to USAID/Kenya's CDCS 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's Feed the Future (FTF) 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 expand diverse livelihoods, ensure that women, youth and other poorly resourced households can access economic opportunities, nutrition-sensitive commodities and strengthened resilience capacities, the *Strengthening Community Capacities for Resilience and Growth* Award is expected to make substantial contributions to USAID's FTF project as well as GFSA objectives.

Purpose. The purpose of this *Strengthening Community Capacities for Resilience and Growth* Associate Award (#2) is to increase community capacities necessary to achieve growth that is both inclusive and sustainable.

Objectives. To achieve this purpose, Award #2 should align with the Ending Drought Emergencies (EDE) Common Framework and USAID's Horn of Africa Resilience Framework (see Figure 2), particularly the following objectives:

- strengthened institutions, systems, and governance (formal and informal); and
- improved and sustained human capital.

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

- strengthened USAID and IP systems for layering, collaborative learning and measuring systems change

Strengthening Community Capacities for Resilience and Growth (Award #2) will also integrate cross cutting objectives, including gender and women's empowerment, nutrition-sensitive agriculture, youth and WASH.[11]

Associate Award #2 objectives, including cross cutting objectives, reflected in the illustrative results framework (see Figure 3) align with USAID's Horn of Africa Resilience Framework (Figure 2). The results framework suggests a potential set of focused and strategic intervention areas under each objective. It includes three objectives: "strengthening institutions, systems and governance" aligns with Objective 2 of USAID's Horn of Africa Resilience Framework (Figure 2), while improved human capital aligns with Objective 3 from this framework. The third objective of collective action and learning is a cross cutting in USAID's Horn of Africa Resilience Framework.

Figure 2: USAID's Horn of Africa Resilience Framework

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

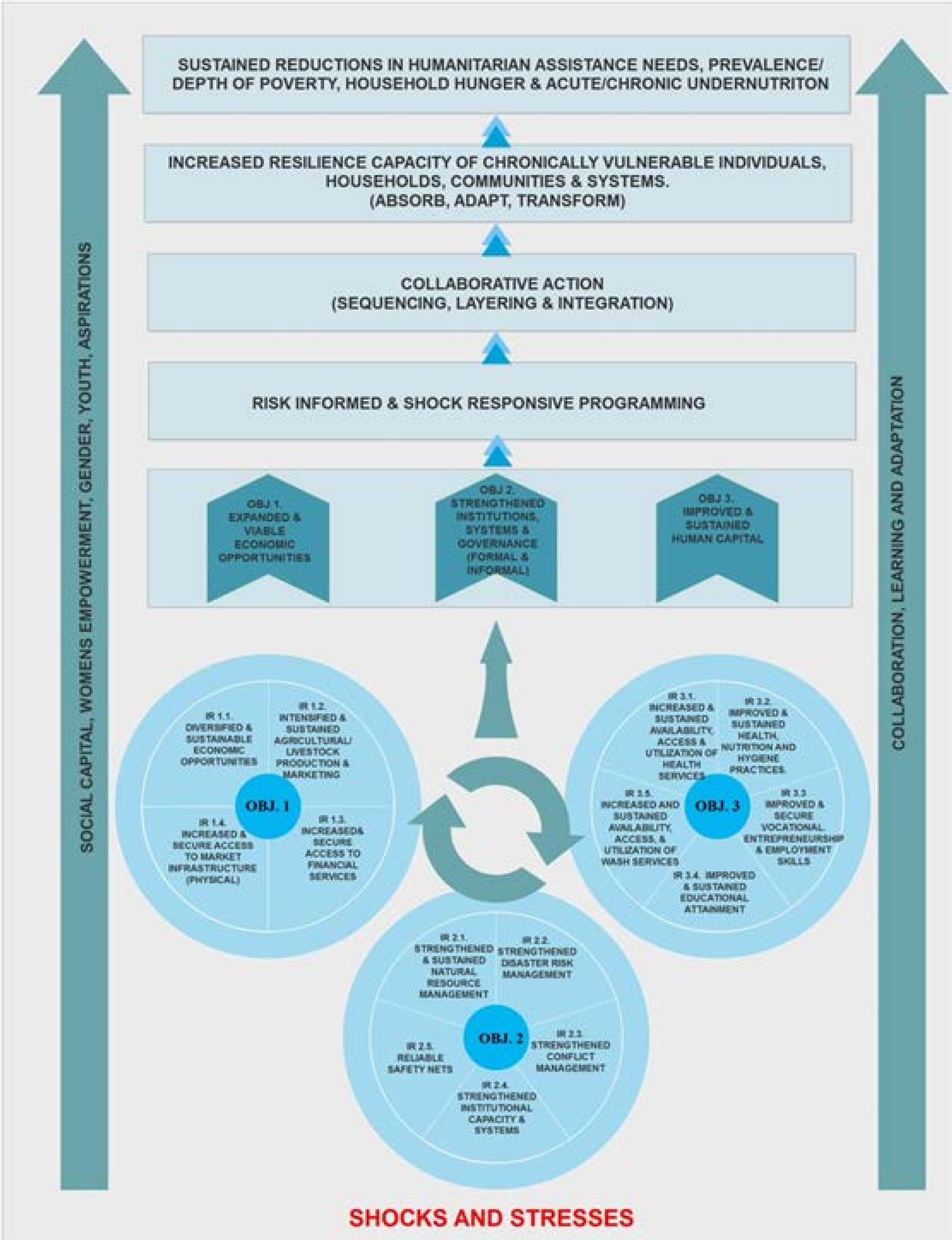
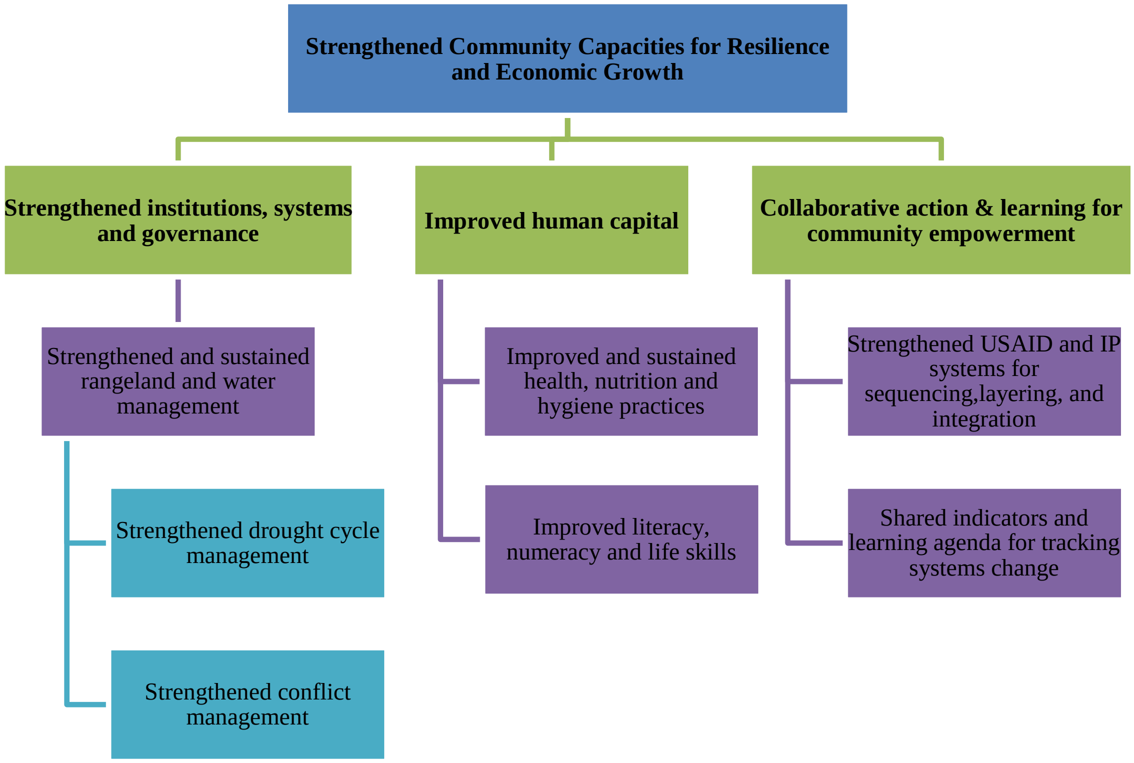


Figure 3: Results Framework for Strengthening Community Capacities for Resilience and Growth



Cross cutting: gender, women's empowerment, nutrition-sensitive agriculture, youth, & WASH

Associate Award #2 is meant to collaborate closely with: (1) PREG (see text box); (2) the Leader Award, including its grant facility and GIS mapping and learning functions; and (3) Associate Award #1. Award #1 is designed 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 strengthening informal and inclusive governance structures in order to increase equitable access to the natural resource base. Additionally, Award #2 will contribute to human capital development 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. In other words, achieving Award #1's theory of change will require effective collaboration among the multiple awards envisioned under the GFSA LWA. Learning, sequencing, layering and integration are applicable across LWA awards.

Objective 1: Strengthened institutions, systems and governance

Underpinning the success of the livestock market system and associated livelihoods throughout northern Kenya is the sustainable use and management of rangeland and water, and governance structures that protect access for traditional users, including women and young people. Periodic droughts have long been risks that must be managed in pastoral systems. However, increasing populations, degrading natural resources, and an increasing frequency and severity of droughts owing to climate change is undermining traditional resilience strategies, including governance structures for managing natural resources. These trends have undermined the capacity of households and communities to recover from climate shocks.

Climate change, in the form of higher temperatures, more variable precipitation, and more extreme events, such as droughts and floods, will increasingly stress natural, social, economic and governance systems. As climate change disrupts seasonal patterns of rainfall and the frequency and intensity of severe weather events, communities are faced with new challenges in managing and governing key resources. These challenges may require flexible governance structures that can take this variability into account. Kenya's EDE framework highlights the inter-related importance of natural resource management, drought cycle management, and conflict management in herding communities, and Objective 2, "Strengthened local systems for improved governance of natural resources" assumes that improved conflict and drought cycle management will be integrated throughout efforts to strengthen the sustainable management and use of the region's water and rangelands.

1.1 Strengthen sustainable governance of rangelands and water resources at the household, community, and county level

Over the last two decades, increased frequency and intensity of droughts and floods have resulted in a deteriorating cycle of reduction in herd-size and insufficient time for herders to restock or the rangeland to recover before the next drought. In addition, deforestation of water catchment areas has increased flash runoff and erosion, and reduced groundwater recharge, and invasive species such as *Prosopis juliflora* have overtaken rangelands and further degraded livestock productivity[12]. At the same time, an increasing trend towards agro-pastoralism, as well as the movement of farmers into the region from the overcrowded higher-potential areas are causing changes in land use, privatization of communal land, and increasing pressure on land resources[13]. Climate change, in the form of higher temperatures, more variable precipitation, and more extreme events, such as droughts and floods, will further add further stress. Land pressure and environmental degradation bring additional impacts on women and girls as they increase the pressure of providing water and fuel-wood for the household. Addressing both policy and infrastructure challenges, and ensuring the provision of key ecosystem services through addressing traditional land- and water-use rights (e.g., embracing traditional land and water use governance systems and merging them with more formal ones of the State) and improved management of rangeland, forests and water is essential for maximizing productivity, ensuring human and livestock health, and increasing resilience to drought and floods.

There is much to build on. Kenya has a long history of Community-based Rangeland Management (CBRM) models-- including community-based management of rangeland and wildlife supported by the Northern Rangeland Trust, African Wildlife Foundation, and other institutions. There is also significant experience with other, less structured, models for community management of resources such as Environmental Development Committees that develop and enforce rules regarding the use and management of trees, water and other resources, and water management associations that maintain water infrastructure. And with devolution, County Integrated Development Plans and Community Development Plans have provided frameworks for prioritizing and resourcing critical infrastructure and services.

There is also much left to do. Scaling up the reclamation and regeneration of degraded rangeland remains a critical challenge, as does the strategic development of water points across counties. Also, while Kenya has a new "Community Land Act", it has yet to be translated into county-level regulations, procedures and processes. Yet, there is an urgent need to develop land and water-resource policies that assist communities manage resources effectively and to provide them recourse in the event of abuse. Consistent

12

Zeraye H. Mehari: *The invasion of Prosopis juliflora and Afar pastoral livelihoods in the Middle Awash area of Ethiopia;* Ecological Processes, 2015

13 www.fao.org/nr/land/sustainable-land-management/farmer-field-school/agro-pastoral-ffs-project-home/ffs/en/

with the emphasis on strengthening community capacities in this Award, identifying and supporting mechanisms that allow for effective dialogue within and between communities and between communities, local, and county authorities on matters of land and resource rights will be essential.

Assisting communities to achieve sustainable productivity in arid zones will require strategic targeting of investments based on water, soil, and land-cover data. It will also require indigenous knowledge of local landscapes, a thorough understanding of customary/traditional resource management institutions, and governance structures that assure equitable access to grazing land and water. Governance structures will need to include flexible dispute resolution mechanisms to address lack of agreement related to the implementation of laws such as the Community Land Act, new regulations related to resource use and management, and/or conflicts that arise from changes in the availability of water or vegetation due to climate change.

Goal: *Strengthen sustainable governance of rangelands and water resources at the household, community, and county level.* Increased community capacities can strengthen and protect the water and rangeland resources necessary for sustained resilience and economic growth in the drylands.

Illustrative strategic areas of intervention.

- Strengthening institutions at local community and county levels for improved management of grazing lands and water resources
- Support to improved enabling environment for sustainable utilization available grazing and water resources
- Community and county mapping of natural resources and resource challenges (e.g. degraded rangeland) that take into account climate variability and change
- Assessment of existing Community Based Rangeland Management (CBRM) institutions and needs
- Technical training for women, men, and youth on monitoring and management of rangeland health (holistic rangeland management, bunched grazing, forage banks)
- Scaled access to and demand for appropriate seed material
- Development, deployment and adoption of climate-resilient practices and infrastructure (water harvesting and storage, water pans, shallow wells, sand dams, drip irrigation), including identifying and addressing formal and informal barriers to uptake
- Developed/strengthened platforms for community-county policy dialogue inclusive of women and youth
- Strengthened community-based organizations (CBO) involved in rangeland management, water resources management, and ecosystem management (financial management, internal controls, transparency, advocacy, negotiating skills) inclusive of women and youth
- New market-based models for the provision of water and/or rangeland management services.
- Improved availability and use of climate, weather, and other early warning information (animal diseases) combined with local knowledge and structures to help actors better predict and mitigate risks
- Improved governance of pastures, water points, and other natural resources that contribute to animal production
- Improved real-time land-cover data collection and dissemination to pastoralists

Illustrative Outcomes.

- Restored rangeland and water resources
- A responsive and accountable governance framework is in place and operational at county government level that ensures sustainable provision of water and pasture;
- Replicable and scalable business models for sustainable Water Sanitation and Health (WASH) and livestock service delivery have been developed and operationalized; and,

- Communities have increased access to sustainable WASH services and improved rangeland management.
- Strengthened CBRM and water-users associations effectively advocating for the needs of their communities
- Community-based associations demonstrate enhanced negotiation skills of women and men members in defining contracts and other legal agreements
- Increased access to and use of climate, weather, and early warning information through formal and informal structures
- Increased adoption of climate-smart practices and technologies
- Parliamentarians, county governors, assemblies, and ward councils understand and advocate for the needs of constituents, including women, men and youth, in arid lands
- Increased number of public/Community-Based Organizations (CBOs)/private sector providers of extension and/or advisory services for male and female smallholders

1.2 Strengthen systems for drought-risk management at the household, community, and county level

Challenges and opportunities. Drought is the most extensive and damaging hazard in the drylands. Kenya's Post-Disaster Needs Assessment of the 2008-11 drought period estimated total losses and damages of US$12.1 billion, of which the livestock sector accounted for 72 per cent[14]. Economic growth slowed by an average of 2.8 per cent per year. [15] Other studies estimate that existing climate-related shocks cost Kenya as much as US $0.5 billion per year, or equivalent to around two per cent of GDP.[16]

The severity of drought risk is determined by the interaction between levels of exposure and levels of vulnerability to drought. [17] In Kenya's arid and semi-arid lands both exposure and vulnerability are high, with the former a product of degraded natural resources and increasing climatic variability and change, and the latter a product of long-term underinvestment in critical public goods. However, any benefits from such an increase in rainfall is likely to be outweighed by the negative impacts of increasingly unpredictable precipitation, more rain falling in large events, and increasing temperatures. The latter two are likely to result with greater frequency and possibly with more severe droughts. Furthermore, some of the climate variability in Kenya is driven by the El Nino/La Nina cycle, which can allow predictions of drought a few months in advance.

However, dramatic change is occurring in Kenya's drylands. Devolution has resulted in a surge of investment in critical infrastructure (roads and water) and services (education and health) which, in turn, are generating increased demand for these investments. And there is a sea-change—promoted through the EDE initiative —in the way both donors and the Kenyan government are approaching investment in drought-prone regions. Drought risk management—which calls for anticipating and planning for the occurrence of drought as a natural part of the program environment -- is gradually replacing an approach to programming which has long equated drought with disaster.

Kenya's National Development Management Authority (NDMA) manages Pillar 5 "Drought Risk Management" of the EDE. The Pillar has three components: drought risk and vulnerability reduction, drought early warning and early response, and institutional capacity for drought and climate resilience. The emphasis of its work is on early response and on measures that build resilience, including social protection and climate adaptation instruments, as well as mechanisms that facilitate the scalability of

[14] 9 Republic of Kenya, 2012. 'Kenya Post-Disaster Needs Assessment for the 2008-11 Drought'.
[15] Key statistics on the drylands of Kenya, Uganda and Ethiopia, REGLAP Secretariat, October, 2012
[16] Ibid
[17] UNDP, 2011. 'Mainstreaming Drought Risk Management: A Primer'. Nairobi, UNDP.

systems, services and social protection in line with drought peaks and troughs. For the purpose of this Award, partners are encouraged to focus on drought risk management in the context of community management and use of water and rangeland resources, and on the livelihoods that these resources support. Livestock mobility—moving according to where and when fodder becomes available— remains an efficient and effective risk-management mechanism. To have maximum impact, approaches to drought-risk management will need to reinforce the local governance structures and information flows that enable this mobility to continue. Partners are encouraged to explore possible linkages between restoring degraded rangeland with incentivizing community-based land-use agreements.

As with all other components of Associate Award #2, it is critical that partners understand the gender implications of existing, emerging, and/or proposed drought risk management strategies to ensure that the community as-a-whole benefits from these interventions. There is a wealth of experience both to build upon and to leverage, including that of a multitude of donors working in close coordination with NDMA.

*Goal***.** Strengthen systems for drought cycle management at the household, community, county and national level. Increased community and county capacities to anticipate, adapt to, and mitigate the impacts of drought will help to protect the resources on which the resilience and economic growth of Northern Kenya depends.

Illustrative areas of strategic intervention.

- Strengthen the coordination by NDMA at county level, in clarifying the roles and responsibilities of county and national Governments in disaster mitigation as a shared function
- Strengthening community-county dialogue around drought preparedness and planning, including the facilitation of NDMA drought contingency planning at community, ward, and county level
- Advocacy, strengthening of systems and structures at county level, for efficient drought cycle management
- Increasing county and community access to, and application of, Early Warning, Weather, and Climate Information, while leveraging existing local knowledge and practices
- Strengthening of local institutions for sustainable utilization of available resources, such as traditional grazing areas and water resources
- Institutionalization of best practices for sustainable community-based resources utilization e.g. land/water use agreements
- Work with Award 1 and other partners to increase access to livestock market information and establish transparent commercial off-take mechanisms

Illustrative outcomes.

- Effective partnerships established between NDMA and/or local institutions and communities to develop disaster preparedness plans and implement mitigation and response efforts
- Strengthened mechanism for male and female community member input into county early warning/hazard surveillance systems
- Increased use of Early Warning, Weather, and Climate Information by counties and community to inform drought preparation and management and long-term planning
- Development of infrastructure that increases communities' resilience to drought (water storage, water harvesting, etc.)
- Cross-border, cross-county and inter-community agreements to water and pasture access in coordination with Community Based Natural Resource Management (CBNRM)
- Commercially oriented drought-related livestock offtake
- Streamlined and timely communication of national and international rain monitoring and early warning

1.3 Strengthen local systems for resources-based conflict management and peacebuilding at the household, community, and county level

Challenges and opportunities. Drought and conflict are mutually reinforcing. The scarcity of water and pasture experienced during drought periods, and the inter-communal competition over natural resources that results, whether within the pastoral system, between pastoralists and farmers, or between people and wildlife, increases insecurity between communities and across borders. Insecurity, in turn, increases vulnerability to drought, by impeding migration, curtailing access to services and resources, destroying assets, and damaging inter-communal relations.[18] This dynamic is overlaid on other drivers of conflict, such as the subdivision and commercialization of rangelands, or boundary disputes exacerbated by ethno-political competition for power, and/or the discovery of new resources. Poverty and youth unemployment, traditional norms of payment of cattle upon marriage, radicalization, transnational crime, terrorism, and the proliferation of small arms and light weapons are additional factors. Furthermore, where climate change affects the frequency and magnitude of droughts, groups (e.g., pastoralists, farmers, and town populations) may modify their patterns of resource use, bringing competing groups into greater conflict over resources that were previously dealt with under traditional governance structures.

In many herding communities in northern Kenya, socially-embedded institutions responsible for both rangeland and conflict management exist in the form of clan elders and customary law. However, the authority of these institutions has been eroded to varying degrees, and the challenges posed by a burgeoning population of unemployed youth increases pressure on these institutions. In addition, although directly impacted by the management of communal resources and conflict, women and youth remain largely excluded from these institutions[19].

“Peace and Security” is Pillar 1 of Kenya’s EDE framework. It includes three components: 1) strengthening the infrastructure for response, 2) reducing the risk of inter-community conflict, and 3) mainstreaming peacebuilding and conflict management within the development process. Devolution, and the establishment of more robust systems of local county governance, has helped catalyze efforts in each of these areas. It has also contributed to a reframing of the relationship between customary institutions and state actors from one perceived as competing to one that is complementary. This has required an explicit acknowledgement by local state actors of the long-standing role of customary institutions in conflict management. It has also increased pressure on customary institutions to adapt to the modern state context, including ensuring that they are more representative of and accountable to all members of the community (including women and youth). An example of this evolution is currently seen in some of Kenya’s rangeland conservancies, which have developed strong partnerships and governance linkages with county government.

As discussed above, conflict management is intimately linked to rangeland and other natural resource management issues and – institutionally – is likely to involve many of the same actors. The intent of this sub-objective is not to create new structures or undertake a set of stand-alone activities, rather (as reflected in EDE Pillar 1) it signals the importance of mainstreaming/integrating conflict management across all rangeland and drought risk management efforts.

Goal. Strengthen local systems for resource-based peacebuilding at the household, community, and

[18] Republic Kenya: Ending Drought Emergencies: Common Programme Framework for Peace and Security, 2014

[19] Women, Natural Resources Management and Peacebuilding in Turkana, International Peace Support Training Centre Nairobi, Kenya Women, Natural Resources Management and Peacebuilding in Turkana County, 2015

county level. Increased community and county capacities can mitigate and help manage inter-communal conflict over access to resources for economic opportunities.

Illustrative areas of strategic intervention.

- Support to activities that build trust, confidence and peaceful co-existence among different ethnic northern Kenya communities that share grazing and water resources
- Improved flow and utilization of information that is critical for sustainable peace among different northern Kenya communities living in the target areas
- Strengthening systems and institutions that create equity in utilization of available grazing and water resources
- Conflict mitigation and resolution is incorporated in all CBNRM capacity building efforts
- Dialogue and information exchange on CBRM and conflict mitigation and resolution between affected communities and between communities, civil society, and local government
- CBRM activities that support community-based conflict early warning systems, including community watch programs for rangeland resources prone to conflict
- Efforts to ensure the voice and participation of women and youth in customary institutions and civil society addressing CBRM and conflict mitigation and management
- Incorporation of 'peace dividends' in successful CBRM and conflict mitigation and resolution efforts
- Coordination with other actors (i.e. other donor-funded programs) to reduce the likelihood of perceived inequity in investment
- Conflict mitigation and resolution to ensure sustainable management of the grazing and water resource base under changing climatic conditions

Illustrative outcomes.

- Peaceful co-existence of northern Kenya communities sharing grazing and water resources equitably
- Enhanced conflict mitigation and resolution capacity/authority of communities, customary institutions and civil society
- Increased inclusion of women and youth in CBRM and conflict management
- Improved dialogue and coordination between customary authorities, civil society, county, and state institutions.
- Improved coordination and synergy between county and state institutions, customary institutions and civil society in conflict mitigation and resolution for grazing and water resources
- Increased access to grazing and water resources, particularly for ethnic minority pastoralist communities
- Reduced incidence of resource-based conflict
- Timely and lasting resolution of resource-based disputes and conflicts

Objective 2: Improved human capital

Kenya's Common Framework for Ending Drought Emergencies (EDE) defines human capital as "the resources and capabilities that help people be economically and socially productive". Education, training, health care, and improved nutrition underpin human capital, which in turn provides a foundation for sustainable and resilient livelihoods and economic growth. The link between human capital and drought resilience in Kenya is clear, with illness being most commonly cited as contributing to household poverty, and education being linked to food security[20] and improved nutritional outcomes in northern Kenya.[21]

---

[20] Mango, N., J. Cheng'ole, G. Kariuki and W. Ongadi (2004), "Social Aspects of Dynamic Poverty Traps: Cases from Vihiga, Baringo and Marsabit Districts, Kenya" BASIS CRSP research report.

[21] Malnutrition and Climate Patterns in the ASALs of Kenya: A Resilience Analysis based on a Pseudo-panel Dataset Technical

Devolution has resulted in increased investments in education and health care in Kenya's arid lands, and Kenya's 2014 Demographic Health Survey (DHS) tracked improvements in health, education attainment, and nutrition across the northern Kenya. However, the northern Kenya lag well behind the rest of Kenya, and access to basic services remains limited. The structural and social reasons identified in the EDE include: the acute lack of trained and experienced professionals; services that may be ill adapted to the social and cultural context (particularly that of pastoralism); and planning for basic services does not adequately accommodate or prepare for drought and other hazards—for example the ability to cope with increases in malnutrition and disease and pressures on school attendance.

2.1 Improve sustainable, nutrition, sanitation and hygiene practices.

Challenges and opportunities. The EDE cites several factors contributing to the poor status of health and nutrition in the Northern Kenya, including: poor access to quality health care due to lack of awareness among communities; inadequate number of health facilities for the size of population; poor attitude of health workers; long distances between communities, settlements and health facilities (in places between 50-100 kms), compounded by poor infrastructure; scarcity of potable water—which comprises sanitation and hygiene; chronic food insecurity; depreciation of services during periods of crisis; lack of referral mechanisms for complicated cases and poor road network. There is also an acute shortage of skilled human resources.[22] Many of these challenges are likely to be exacerbated by an increase in the frequency of drought.

Women and children are particularly affected. According to Kenya's 2014 DHS, fertility rates in the arid counties are far higher than the Kenyan average—standing at 6.9 percent in Turkana, vs 3.9 percent for Kenya as a whole. And in Turkana less than 1 percent of women report having access to doctor during birth. Vaccination rates, and appropriate infant and young child feeding practices lag behind national averages, and while stunting hovers just above the national average of 26 percent, wasting (low weight for height) ranges from 11.4 percent in Garissa, to 22.9 percent in Turkana.

Wasting in the in northern Kenya represents a serious resilience deficit in communities and households in the north because it renders children vulnerable to even minor shocks, and makes them particularly sensitive to the impacts of drought, when animals are sent further afield, and access to meat and milk for those left behind is significantly reduced.

A related challenge is that posed by poor sanitation and the lack of access to clean water in northern Kenya. In 2012, access to improved sanitation ranged from 1 percent in Garissa, to 34 percent in Marsabit, with access to adequate safe water about half that of the national average[23] Increasing evidence points towards the importance of environmental hygiene, and the deleterious relationship between malnutrition and disease that creates a vicious and downward spiral; immune-deficiencies associated with malnutrition increasing vulnerability to diseases and diseases associated with poor sanitation and access to clean water sources increasing nutritional vulnerability. This helps to explain why acute malnutrition remains elevated even in non-drought seasons and years. It also underscores the fact that acute malnutrition in northern Kenya is not only a problem of food access.

In the face of these challenges, progress is being made. United Nations Children's Education Fund (UNICEF) and other partners are working with the Ministry of Health to expand surveillance and treatment of acute malnutrition, and access to ready-to-use therapeutic food has increased. There is evidence that the scale up of nutrition specific and nutrition sensitive approaches being in implemented in

---

[22] 16 Ministry of Health (2013) 'Services Availability Readiness Assessment (SARAM)'

[23] WHO/UNICEF (2012) Joint Monitoring Programme for the MDGs

USAID and other donor programming are having an impact, with the recent midline survey providing evidence of reductions of hunger and stunting, increased diet diversity, improved child feeding, and increased access to safe water.

Strengthening Community Capacities for Resilience and Growth is not intended to directly augment the "hardware" of health, nutrition and WASH in assisted communities, rather it aims to strengthen community-level health seeking behaviors, encourage diet diversification, promote improved water, sanitation, and environmental hygiene practices. It is also meant to reinforce the various "agriculture-to nutrition pathways" created by strengthened and diversified livelihoods and expanded market opportunities, with a particular focus on insuring that increases in productivity translate into improved household consumption as well as increased income. By strengthening community capacities to support nutrition and WASH, and reinforce change at a household level, community social and human capital will be improved and sustained, despite inevitable shocks.

Social and behavior change (SBC) and community mobilization will underpin these efforts, requiring a thorough understanding of the social and gender norms that influence food consumption, child feeding practices, health-seeking behaviors, family planning, and demand for services. Leveraging already perceived needs, and mobilizing community awareness and support for better health, nutrition, and hygiene will necessitate including a wide range of community members (e.g., village leaders, wives, husbands, youth), identifying behavior "champions", and engaging existing structures (like village savings and loans groups) as entry platforms for SBC. Facilitating community advocacy for, and linkage to, resources and services will be a critical to this objective, as will the introduction of concepts of social accountability and understanding of rights to services. Partners in Northern Kenya have had success partnering with the Ministry of Health, community health workers, extension agents, local government and the private sector in social behavior change efforts.

Goal. Improve sustainable nutrition, WASH and hygiene practices. Increased community engagement in and support for behaviors and services will strengthen and protect its members' nutrition and productivity.

Illustrative Areas of Strategic Intervention.

- Participatory community planning for better nutrition, sanitation and hygiene, considering existing community resources as well as resource gaps, and building on community and county development plans
- SBC strategies addressing individual, household, and community behaviors and practices that affect nutrition and health outcomes across the life cycle, with a focus on adolescent girls and women, and the 1,000 days between conception and a child's second birthday
- Support for existing community health strategies and community health workers, with an emphasis on addressing constraints to sustainability
- Promotion/expansion of kitchen, school and community gardens
- Social media promoting the consumption of healthy foods
- Partnering to harness private sector engagement for better nutrition —particularly in the dairy and poultry sectors, to encourage small-holder producers to consume as well as sell their production.
- Environmental hygiene strategies, including penning of chickens and small livestock
- Improved handling and storage linked to crop and fodder production
- Continued promotion of handwashing, point-of-use water treatment, and latrines
- Advocacy for and facilitation of improved WASH infrastructure
- Community-exchange visits

Illustrative Outcomes.

- Improved knowledge of nutrient- and calorie-dense foods and their contribution to dietary quality

- Improved knowledge of appropriate water sanitation and hygiene practices
- Increased access to meat, milk and other micronutrient dense foods among target populations
- Improved consumption of meat, milk and other micronutrient dense foods
- Decreased diarrhea prevalence
- Decreased prevalence of acute malnutrition (wasting) among children under 5 controlling for season and drought intensity

2.2 Improved education, numeracy, and life skills

Despite improvements in access to and enrollment in primary and secondary education in the northern Kenya, education indicators demonstrate a wide gap between the northern Kenya and the rest of Kenya, as well as a deep gender disparities. While 84 percent of the overall female population (aged 15-49) in Kenya is literate, in Marsabit, Garissa, and Turkana the rates are 36 percent, 26 percent, and 25 percent respectively. While the rate of males in northern Kenya reporting “no education” is high—ranging from 11 percent in Isiolo to 38 percent in Wajir, in those same counties the rates for females were 40 percent and 77 percent respectively.[24] According to Kenya’s EDE, northern Kenya’s poor educational indicators are a reflection of an education system which is both inadequate and remote. Uptake is low due to the poor quality of education, disappointing results, and few employment prospects. Social and cultural factors continue to play a significant role, but with increasing trends towards sedentarization, and use of education for later non-herding employment as a risk management strategy, perceptions towards education are changing. Newly devolved county governments are attempting to address these dynamics, and demand for schools and qualified teachers is increasing as the region’s urban hubs and rural towns expand. With clear evidence of the high correlation of education for girls and women with positive health, nutrition and broader socio-political outcomes, ensuring that the education system develops in an inclusive way that addresses the deep-rooted cultural constraints to girls’ participation remains a significant hurdle.[25] [26]

Given the status of primary and secondary school infrastructure in northern Kenya, it is not surprising that opportunities for adult literacy and numeracy are limited. According to the EDE, there are very few adult literacy centers in northern Kenya, and those that do exist are generally in urban hubs. Reflecting broader staffing constraints for social services (reluctance by qualified staff from outside the region to work in remote areas with poor infrastructure and social amenities), the distribution of adult literacy teachers is not equitable, with fewer teachers assigned to areas where literacy rates are lowest. There is also a need for basic ‘life skills” training to support households adapting to, and benefiting from, the counties’ rapidly changing social and economic dynamics. For the purposes of this objective, life skills training refers to a range of activities aimed at supporting the aspirations of women, men, and youth and increasing their abilities to improve and protect their social and economic well-being. These could be seen as reinforcing the activities of Objective 3.1, but could also include promoting personal savings and linkages to both formal and informal financial institutions, education, and the workforce development activities envisioned in the companion award, *Expanding and Diversifying Viable Economic Opportunities.*

Working with mother’s groups, livestock and farmers’ associations, youth groups, and village savings and loans groups, USAID partners have witnessed first-hand the strong demand for youth and adult literacy and numeracy skills—both as part of a desire for improved business skills (financial literacy) and as a tool

[24] 2014 Kenya DHS http://dhsprogram.com/pubs/pdf/FR308/FR308.pdf

[25] 6 Kipuri, N. and Ridgwell, A. (2008) ‘A Double Bind: The Exclusion of Pastoralist Women in the East and Horn of Africa’, Minority Rights Group

[26] Alemayehu, W. (2012) ‘Financing for a Fairer, More Prosperous Kenya: A Review of the Public Spending Challenges and Options for Selected Arid and Semi-Arid Counties’, Brookings Institution Working Paper 6

for navigating services and supporting their children's own education. Literacy, numeracy, and life skills programs keyed to supporting the specific nutrition, health, work, and financial challenges faced by communities, (adapting the work of Brazilian educator Paulo Freire) have been widely used elsewhere, and may form the basis of a ramp-up of effective remedial and adult literacy and numeracy efforts in unserved communities;[27]however, partners will coordinate their approaches with those of the Kenyan Ministry of Education and County governments.

It is envisioned that Objective 3*.2 Improving literacy, numeracy, and life-skills* will contribute to community capacities for improved resilience in growth in three ways. First, it will promote access to enrollment in, and demand for primary and secondary education. Second, it will increase community members' literacy, numeracy and life skills, better equipping them to seize economic opportunity and manage risk. Third, by keying literacy, numeracy, and life skills programming, to the skills and capacities being developed throughout Associate Awards One and Two, this activity will reinforce and accelerate the dynamics of change they are designed to support. Activities will facilitate the engagement of women and youth.

Goal. Increase household and community access to, engagement in, and demand for education, learning, and skills development

Illustrative strategic areas of intervention.

- Promote access access to, and attitudes towards education for boys and girls for SBC and community mobilization
- Adapt functional literacy and life-skills activities
- Functional literacy and numeracy training
- Functional literacy for livelihoods (financial literacy, livestock-keeping, agriculture, other)
- Life skills training for women and youth and promote of community mentors
- Creation or strengthening of key support/empowerment groups (e.g. youth groups, women's groups, village savings and loan groups)

Illustrative outcomes.

- Improved life-skills for employment
- Increased awareness and demand for social services
- Increased empowerment of women and youth
- Increased engagement in income generating activities and savings
- Increased social capital

Objective 3: Collaborative action and learning

3.1 Strengthen USAID and Implementing Partners (IP) systems for Sequencing, Layering, and Integration (SLI) of natural resource and rangeland management

Challenges and opportunities. A key finding from of USAID investments in PREG is that collaborating and layering across sectors and humanitarian and development activities in northern Kenya is key to addressing the full scope and complexity of constraints to ending drought emergencies. Another key finding is that bringing together multiple activities will only work if the activities are linked over time, geographically, and programmatically. Under the GFSA LWA, there will be multiple awards focused on different pillars of the GOK's Common Programme Framework for Ending Drought Emergencies and

[27] See the "REFLECT" model: http://pubs.iied.org/pdfs/G01582.pdf? and http://www.unesco.org/uil/litbase/?menu=4&programme=99

USAID's Horn of Africa Resilience Framework (see Figure 1). Effective sequencing, layering, and integration (SLI) among these investments of USAID/KEA, the counties, and other donors will be key to achieving the goals of the EDE Common Programme Framework in the northern region[28]. Collaborative action among USAID partners further improves communication and coordination with County governments and the efficiency and effectiveness of programs and joint learning in support of expanded economic opportunities.

Past efforts under the Partnership for Resilience and Economic Growth (PREG) in applying the SLI model have demonstrated the importance of systems that support joint work planning, joint implementation, joint M&E, synchronized timing of activities and budget allocations to support the active participation of USAID/KEA IPs in collaboration/harmonization of activities and learning.

The GFSA LWA will offer a platform and systems for Associate Award #1, Associate Award #2 and other USAID supported activities in northern Kenya to engage in joint work planning, joint implementation, and joint Monitoring, Evaluation, and Learning (MEL). Each Associate award will include resources to enable active participation in these critical processes.

Goal. Strengthened IP structures and systems for SLI to improve the effectiveness and efficiency of programming.

Illustrative strategic areas of intervention.[29]

- Joint problem analysis and objective setting
- Coordinated strategic planning around resilience
- Coordinated and joint work planning and implementation, including synchronized timing of complementary activities
- Information flow both up (to USAID and county government) and down (to partners and partner staff) defining win-wins for collaboration and what each partner wants to get out of it
- Defining the principles of collaboration: "where do we connect, where do we disconnect, and how do we define the boundaries"
- GIS mapping to increase awareness and information about partner activities and help identify geographies for collaboration

Illustrative outcomes.

- Shared understanding of and commitment to

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.

---

[28] 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 includes 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

[29] These illustrative interventions were identified in a recent assessment conducted by Africa Lead for USAID/KEA.

collaboration along (within useful boundaries)
- Effective joint problem analysis, work planning, and implementation of SLI
- Successful layering of activities such as nutrition-sensitive agriculture, WASH, market infrastructure, access to financial services, access to quality inputs and services, and new businesses and livelihoods.
- Contribution to the achievement of shared outcomes—e.g., reduced poverty, improved nutritional status, and greater resilience
- budget allocations for implementing SLI
- Synchronized activities
- Platform in place for collaboration and learning among EDE stakeholders
- Timely evidence base generated for addressing real-time problems facing the GFSA LWA in achieving its objectives
- Stronger culture of learning embedded in the GFSA LWA
- Learning products produced that identify specific strategies for improving market systems approaches
- Learning products produced that identify specific strategies for improving community capacities for resilience and growth market systems approaches

3.2 Develop shared indicators and learning agenda for tracking systems change related to grazing and water resources

Challenges and opportunities. Another lesson learned from USAID's past efforts associated with PREG include the importance of shared indicators and collaborative learning. Shared indicators are thought to reduce competition and improve trust, coordination, among IPs in working towards results, pursuing while enhancing the results of better coordinated, sequenced and complementary investments.

A key lesson from USAID/KEA's FTF mid-term assessment is the importance of measuring systemic changes related to the theory of change. While FTF required indicators remain essential, measuring systemic changes allows IPs and USAID to gauge progress toward achieving the theory of change and/or to identify the need for adjusting the theory and adapting interventions accordingly. Collaboration, learning and adaptation (CLA) applies both within and across Associate Awards and is integral to USAID operations and a guiding principle of PREG. Associate Awards should plan and budget for engaging in to be part of for collaborative learning activities based on the theory of change of USAID's Horn of Africa Resilience Framework and of USAID/KEA LWA for northern Kenya. These activities should be seen as integral to the overall monitoring, evaluation, and learning (MEL) system.

CLA within Associate Award #2 might include a focus on key questions at the community level related to changes that would be expected for interventions to achieve the expected outcomes in the areas of water and rangeland management, drought risk management, conflict mitigation, improved health, nutrition and sanitation practices, and enhancing literacy and numeracy skills. Under objective 3, community level changes could be tracked iteratively as a means of learning about what is working and what is not, and adapting strategies to improve impacts where and when needed based on learning. CLA questions could also focus on the Theory of Change, testing assumptions about the role of various interventions in contributing to behavior change or improved management of communal assets. CLA might also focus on changes at the community level that support household level resilience (as per the TOC for Associate Award *Strengthening Community Capacities for Resilience and Growth*) for example, how changing social and cultural norms regarding gender or youth might empower women and young people to take advantage of expanded economic opportunities.

Because resilience is dynamic concept, it is important to understand processes that mediate impact, for example, shock responsive programming, collaborative action, or processes related to building resilience capacities. Testing relationships between enhanced management of natural resources and increases in productivity, income diversification and human capital development could contribute to this understanding. The processes through which these increased capacities will lead to reduced poverty and improved nutrition at household levels is also important for verifying the Theory Of Change (TOC) and development hypothesis guiding this Associate Award. Testing and evaluating the impact of different types of interventions to learn which have more impact, for example, different types of diversification strategies; different types of women's empowerment strategies, different Social Behaviour Change (SBC) strategies, different Value Chain (VC) finance strategies is also a gap to address through collaborative learning.

Goal. Improved development outcomes accruing from collaborative learning and adaptive management (enabled by shared indicators, tracking systemic changes and making mid-course corrections as needed).

Illustrative strategic interventions.
- Partner engagement in developing shared indicators
- Active learning activities which promote exchange and collaborative learning
- Effective MEL systems for operationalizing SLI
- An MEL framework that captures the key elements of pastoral livelihood systems, the drivers and dynamics of change, and the role of program interventions in leveraging systems change
- Explore indicators of intervention processes that mediate impact, e.g., shock responsive programming, collaborative action, or processes related to building resilience capacities
- An MEL system that enables testing of relationships between enhanced management of natural resources leading to increases in productivity, income diversification and human capital development
- An MEL framework that can test and evaluate the impact of different types of interventions to learn which have more impact, e.g, different types of diversification strategies, different types of women's empowerment strategies, different SBC strategies, different value chain finance strategies
- Shared indicators to track processes or systemic changes related to objective 2 and 3

Illustrative expected outcomes.
- Evidence to track progress against the theory of change
- Evidence to track progress made toward key expected outcomes and systemic changes including closing identified gender and age gaps
- Evidence on the direction, momentum and scale of system changes throughout implementation
- Indicators and evidence on that tracks what is working and not to inform adaptive management

VIII. Use of Grant Facility

Associate Award #2 may use sub-grants for a number of purposes (see the the Leader Award Program Description for illustrative uses of grants), including but not limited for leveraging County/Ward funding for capital investments, augmenting WFP program food for assets activities, and strengthening institutions to improve the quality of and access services and enable/incentivize community solutions to infrastructure and access constraints.

IX. Approach to Monitoring, Evaluation and Learning (MEL)

The approach to MEL should include functions to enable required reporting to USAID, to monitor progress in achieving outcomes and targets, to use monitoring and evaluation information for adaptive management of project activities, and to understand the extent to which (and how) USAID interventions contribute to systems level changes that enable people, households and communities to escape poverty and chronic vulnerability and strengthen their resilience in the face of complex risk and recurrent shocks and stresses. The MEL system will be most useful if it is part and parcel of the shared indicators and collaborative learning work carried out under sub-objective 4.2 (above) and other USAID learning activities supporting the northern Zone Of influence (ZOI).

Draft MEL Plan: The Applicant's submission will include a Draft Monitoring, Evaluation and Learning (MEL) plan that identifies key indicators to track the performance of the Associate Award for Expanding and Diversifying Viable Economic Opportunities in northern Kenya 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 investments.[1] The plan should incorporate gender indicators and sex disaggregated data.

The draft MEL plan should include:

a) Proposed <u>performance monitoring</u> indicators: The draft MEL plan should include indicators to track accomplishments in relation to the goals and objectives of the Associate Award for Expanding and Diversifying Viable Economic Opportunities in 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 the USAID Agreement Of Representative (AOR) and included in the final MEL plan.

b) A proposed draft strategy for measuring the systemic changes articulated in the theory of change: The draft strategy should articulate the systemic changes to be tracked related to Award #2's theory of change, objectives and expected outcomes.

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

HARMONIZING M&E, LEARNING, AND 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

Developing GIS systems to map community and market systems and networks

To get the most out of learning and M&E, efforts should consider 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.

d) A proposed approach to layering performance monitoring activities: the draft MEL plan should include a strategy for aligning with and complementing performance monitoring indicators and data collection with other Associates under the LWA and other relevant USAID activities in northern Kenya. The successful Applicant will identify these opportunities in consultation with the AORs in the completed MEL plan. This will support the objective of effective layering of this Associate Award 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.

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

f) A proposed approach to coordinating with external evaluation and learning activities: Given the size and importance of the Associate Award for Expanding and Diversifying Viable Economic Opportunities in northern Kenya, it will 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 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 Associate Award and other USAID supported activities, disaggregated by sex, age, and other relevant characteristics. This type of information would help to evaluate the contribution of this Associate Award and other USAID investments to higher level change. Successful Applicants will be able to work with the external evaluators and the USAID AOR to discuss what indicators best meet both monitoring and evaluation needs;

g) Proposed feedback loops to USAID (Collaborative Learning for Scaling and Sustaining Livelihood Pathways): 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.

h) Proposed approach to bringing together the MEL plan with sub objective 4.2 (the development of shared indicators and learning and methods for measuring systems change to track progress toward improved resilience based on the theory of change): The draft MEL plan should propose an approach to harmonizing the MEL with other proposed learning activities.

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 first six months, USAID/Ethiopia staff will meet at least monthly with the program staff to ensure that start-up activities are on track.

Baseline survey: In order to evaluate the overall effectiveness of USAID/KEA support to this Associate Award, 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 will support an outside entity to conduct a mid-term performance evaluation approximately thirty 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 LWA applicant and Associates 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 and Resilience indicators will be decided upon in consultation with USAID during the work planning stage when the MEL plan is finalized. Beyond the required indicators, the draft MEL plan should include proposed indicators that the Applicant would use to track accomplishments against goals and objectives of their submission.