

KENYA LIVESTOCK MARKET SYSTEMS ACTIVITY

SUSTAINABILITY ASSESSMENT FINAL REPORT



Prepared for:



Prepared by:



June 2024

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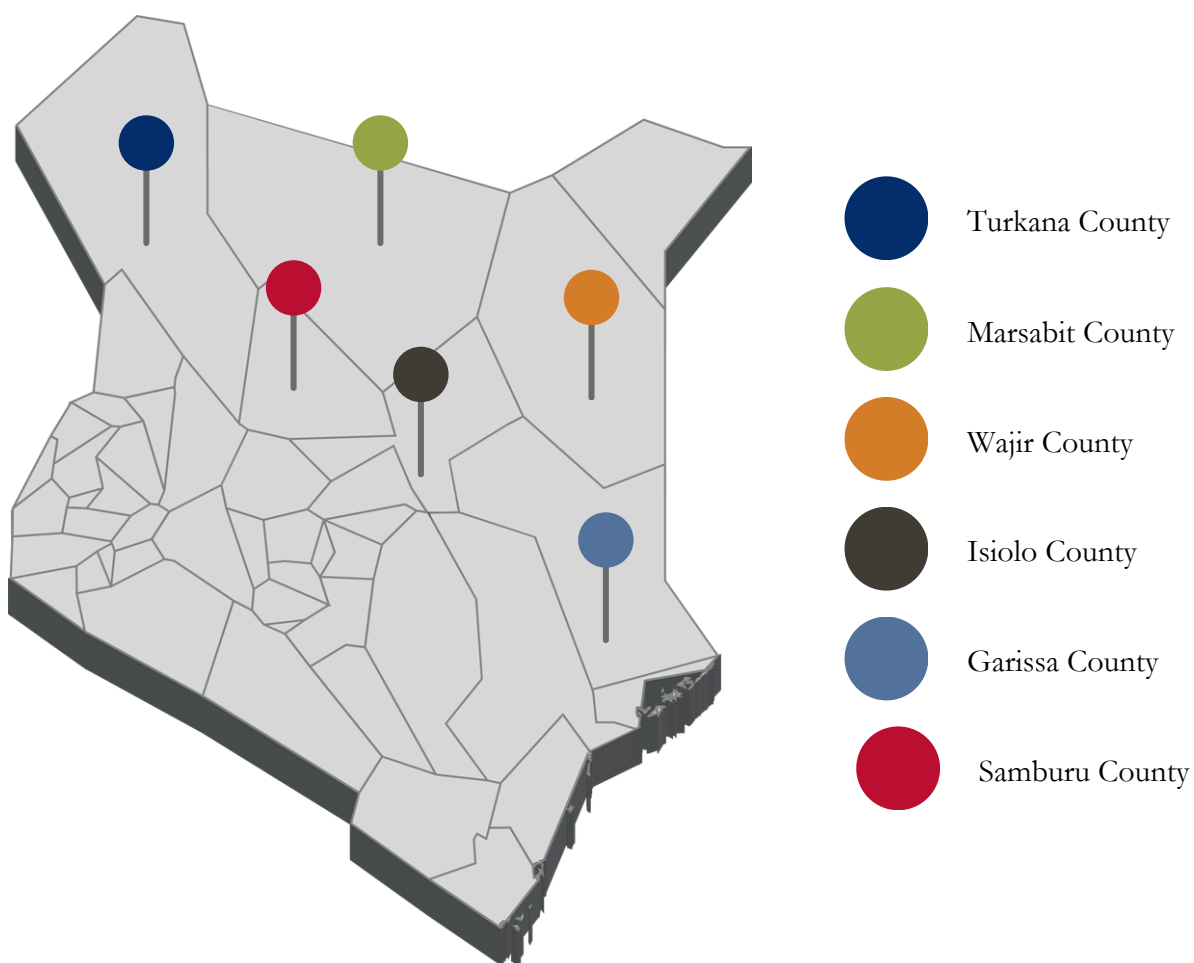
ABBREVIATIONS AND ACRONYMS

ABBREVIATION	DESCRIPTION
AA1	Associate Award 1
AA2	Associate Award II
ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
AFC	Agricultural Finance Corporation
AGMs	Annual General Meetings
ASAL	arid and semi-arid lands
CARE	Cooperative for Assistance and Relief Everywhere
CRRTs	county-designated rapid response teams
CRT	County Resource Teams
EMMPs	Environmental Mitigation and Monitoring Plans
FGD	Focus Group Discussion
FH-Kenya	Food for the Hungry Kenya
FY	Financial Year
GARWASCO	Garissa Rural Water and Sewerage Company
GIRL	Girls Improving Resilience through Livelihoods
HPRD	Horn Population Research & Development
ICT	Information Communication Technology
KEA	Kenya East Africa
KIIs	Key Informant Interviews
KNCCI	Kenya National Chamber of Commerce and Industry
KUSSCO	Kenya Union of Savings & Credit Cooperative
KWFT	Kenya Women Trust Fund
LMA	Livestock Marketing Association
LMS	Livestock Market Systems activity
MCAs	Members of County Assemblies
MSMEs	Micro, Small, and Medium Enterprises
NAWASCO	Nakuru Water and Sanitation Services Company
NDMA	National Drought Management Authority
PRM	Participatory Rangeland Management
RACIDA	Rural Agency for Community Development and Assistance

REAP	Rural Entrepreneur Access Project
RUA	Resource User Association
SACCO	Savings and Credit Cooperative Organization
SBC	Social Behavior Change
SMEs	Small, and Medium Enterprises
STAWI	Sustainable Transformational and Accessible Water Interventions
USAID	United States Agency for International Development
WASCOS	Water Utility Companies
WASH	Water, Sanitation and Hygiene
WDF	Ward Development Fund
WPC	Ward Planning Committees
WUAs	Water User Associations

EXECUTIVE SUMMARY

The Feed the Future Kenya Livestock Market Systems Activity (USAID's LMS) is a USAID-funded initiative aimed at enhancing resilience against shocks and stresses in Northern Kenya. Implemented from October 2017 to September 2022, and extended through June 2023, this activity focused on six counties in the arid and semi-arid lands (ASAL) region: Samburu, Garissa, Isiolo, Marsabit, Turkana, and Wajir. The program sought to reduce poverty, hunger, and undernutrition by fostering collective action, expanding economic opportunities, strengthening institutions and governance, and improving human capital. Implementation of the activity was done through three interconnected awards namely, Associate Award 1 (AA1), Associate Award II (AA2), and the Leader Award. AA1 was led by ACDI VOCA and aimed at expanding and diversifying economic opportunities, strengthening institutions, and fostering market systems change. Separately, AA2 was led by Mercy Corps and focused on enhancing community capacities for resilience, improving human capital, and promoting community empowerment through governance, nutrition, WASH, and literacy initiatives. Lastly, the Leader Award was implemented by ACDI VOCA and was purposed to provide a management platform to maximize the impacts of AA1 and AA2 awards through coordinated actions. This sustainability study was commissioned by USAID's LMS Activity to evaluate the longevity and enhancement of the project's interventions and outcomes realized through the three awards.



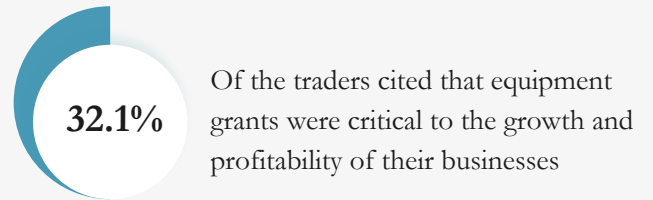
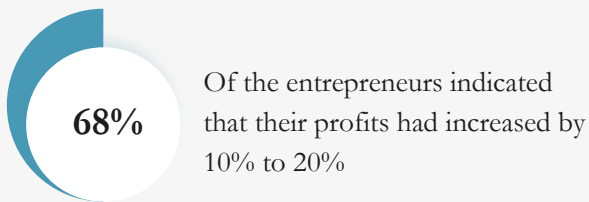
The USAID's LMS implementation approach addressed the contextual challenges through institutional strengthening supported by a flexible grants' facility. Associate Award 2 (AA2) employed "push" strategies to provide individuals and communities who were either "hanging in" or "dropping out" with the necessary skills, resources, and awareness to actively participate in and benefit from Associate Award 1 (AA1) activities. AA1 concurrently pulled individuals and communities into a competitive livestock value chain (those "moving up") and offered diversified livelihood opportunities (those transitioning or branching out).

The study employed the MultiCapital Scorecard methodology, which involved three phases: Scoping and Materiality, Areas of Impact (AOI) Development, and Scorecard Implementation. Data collection entailed compilation of secondary data from various project reports, including the Outcome Harvest report and the Impact of COVID-19 on MSMEs report. This data helped to map the sustainability variables to stakeholders, forming the basis for Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs). Primary data was collected from 83 KIIs, 79 FGDs, and 56 one-on-one interviews with entrepreneurs distributed proportionately across the six targeted counties. The Scorecards key performance areas for assessment included finance and resourcing, employment opportunities, access to services, information and markets, institutional infrastructure, resilience to climate change, behavior change, relationships, and inclusivity. This system was based on indicators reflecting the principles of USAID's LMS approach, such as economic empowerment, market integration, resilience, inclusiveness, gender equality, and environmental stewardship. The system also considered context-specific factors like conflict, climate change, and governance that affect the sustainability of the interventions.

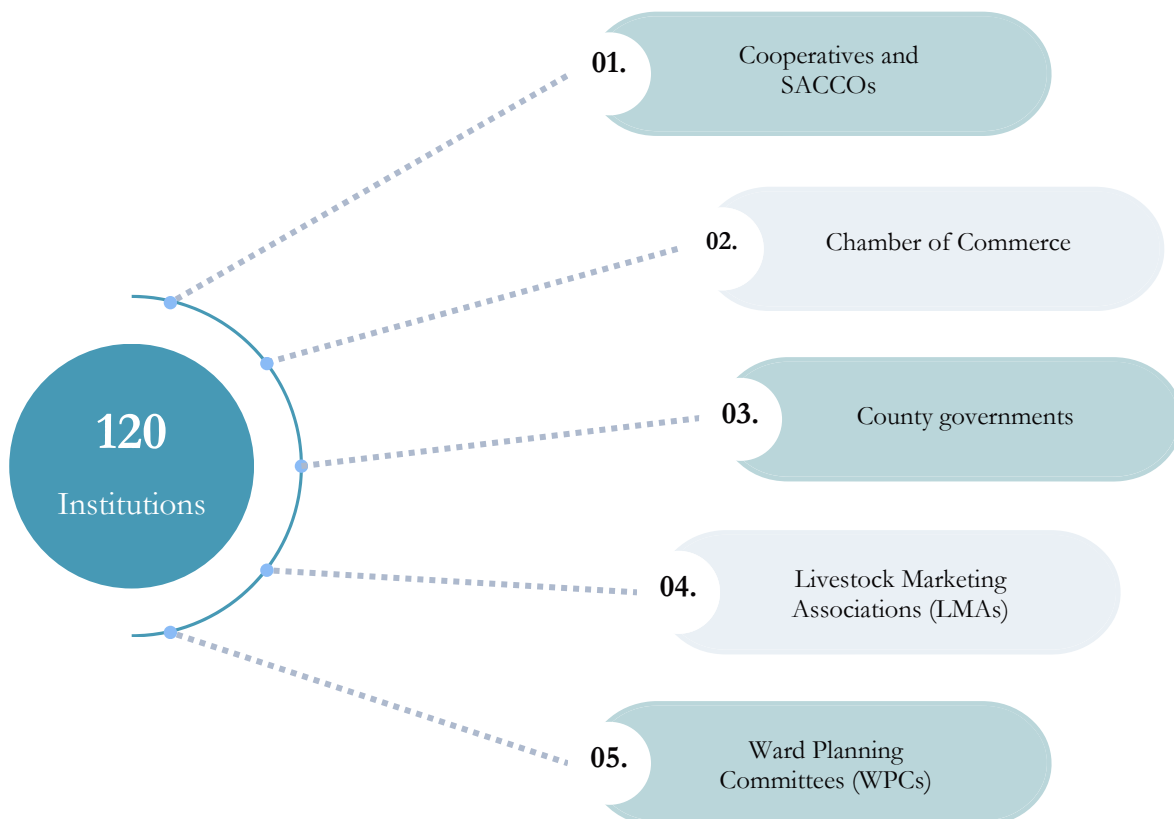


The finance and resourcing, as well as the institutional infrastructure and capacities areas of impact were rated the highest (5 - Very Important) for USAID's LMS to achieve its goal. This is because entrepreneurs need strong institutions to create an enabling environment for their businesses to thrive.

USAID's LMS facilitated the development of Micro, Small and Medium-sized Enterprises (MSMEs) and provided them with technical assistance to grow their businesses, including building their capacity to access finance. The majority of the entrepreneurs (68%) indicated that their profits had increased by 10% to 20% with the rest indicating an over 20% profit increment. The 60.7% of the respondents attributed their business growth and profitability to the USAID LMS support through cash transfers during the period the businesses were at the verge of collapse. The business owners appreciated USAID LMS business stimulus grants as a unique intervention to revive businesses as opposed to conventional household cash transfers. However, they were concerned that this support would be unavailable after the end of USAID LMS. The cash transfer to traders was exclusively being done by USAID's LMS with most other development partners directing such support directly to households. Further, 32.1% of the traders cited that equipment grants were critical to the growth and profitability of their businesses. However, their main concern was that post USAID's LMS, linkages to technical support for maintenance and repair of the equipment would be a challenge.



USAID's LMS recognized that weak institutions and systems do not provide sufficient protection to resources thus investing heavily in strengthening the capacity of over 120 institutions comprising cooperatives and SACCOs, Chamber of Commerce, County governments, Livestock Marketing Associations (LMAs) and Ward Planning Committees (WPCs). This aimed to provide skills and opportunities for local institutions to lead sustainable local development for poverty reduction and strengthening resilience. LMAs are key in ensuring proper management, hence the sustainability of livestock markets. The majority of the LMAs interviewed indicated that they were not concerned that any of the services offered to them would end post USAID's LMS due to the important network linkages created through the business forums and exchange visits. Additionally, they were very confident that the services they provided in the markets would continue; the only concern being the enactment of the saleyards bill which was still pending in all counties.



Access to finance is key in ensuring sustainability of business operations. USAID's LMS monitoring data indicated that only 9% of its participants accessed credit facilities from the mainstream commercial banks which were majorly constrained by lack of guarantors, collateral, and proper business records. The low rate of credit access through mainstream commercial banks bore the need for establishing new and enhancing the management of existing Savings and Credit Cooperative Associations (SACCOs) that could ease access to financial credit to the MSMEs at more favorable terms. Additionally, USAID's LMS training on savings to the REAP and GIRL model participants led to the formation of savings groups which provided a platform for saving and credit for the group members. These savings groups are gradually transitioning into cooperatives and SACCOs broadening the membership base to other community members. So far, 7 new SACCOs have been established from 701 savings groups and continue to increase as more savings groups mature into SACCOs.



9%

Of USAID LMS participants accessed credit facilities from mainstream banks

Mainstream commercial banks were constrained by lack of guarantors, collateral, and proper business records

7 new saccos established from 701 saving groups and continue to increase as more savings groups mature into SACCOs



701

Savings groups have been established



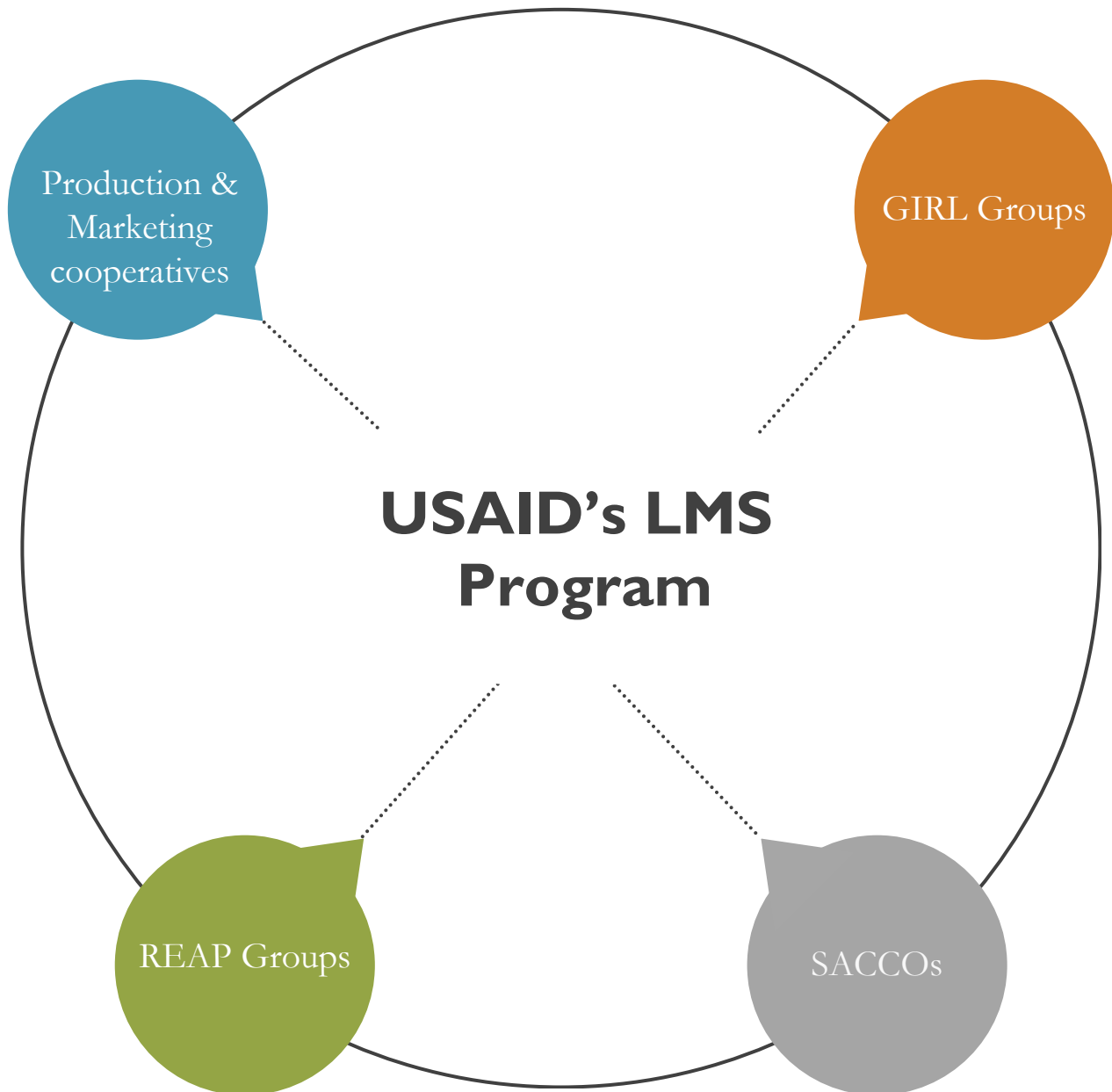
70

Cooperatives have been established

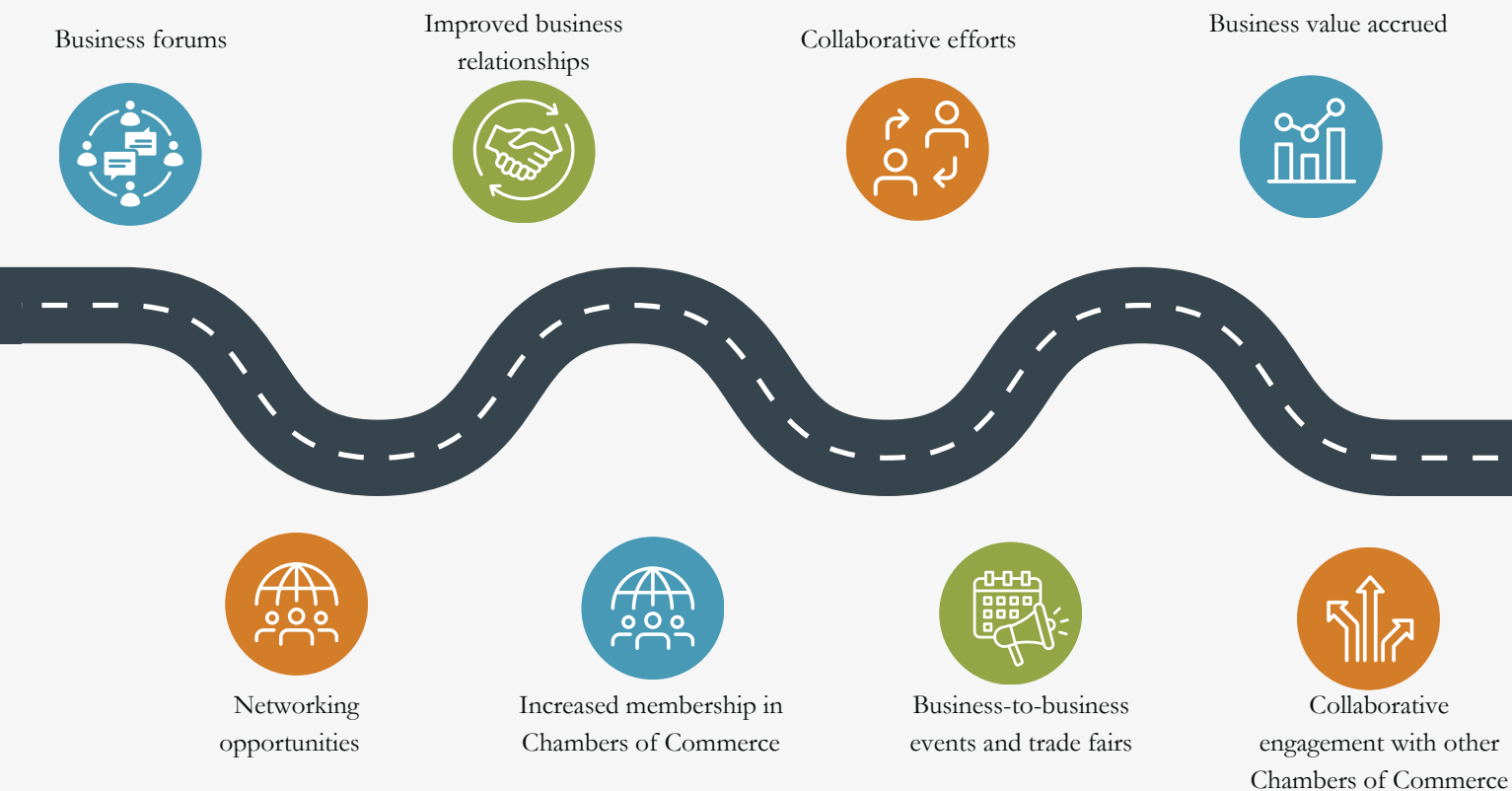
USAID's support has been instrumental in the formation and capacity enhancement of 70 cooperatives and SACCOs

A key outcome of the USAID's LMS support to SACCOs was a shift in pastoralists behavior to embrace savings and credit activities. This has contributed to the growth of cooperatives and SACCOs where they can borrow credit and invest in other businesses to reduce over-reliance on livestock as their sole source of income. However, SACCOs are considered sustainable when they are able to reward active SACCO members with dividends from the institution's surpluses gained through interests on loans disbursed and other business investments. While encouraging savings is critical for the growth of SACCOs, more expedited development could be observed if the institution itself had viable business opportunities and investments that bring more income. Though the SACCOs were benefiting from the County departments on a range of services these services are expected to be continued but at a reduced scale with the exit of USAID's LMS.

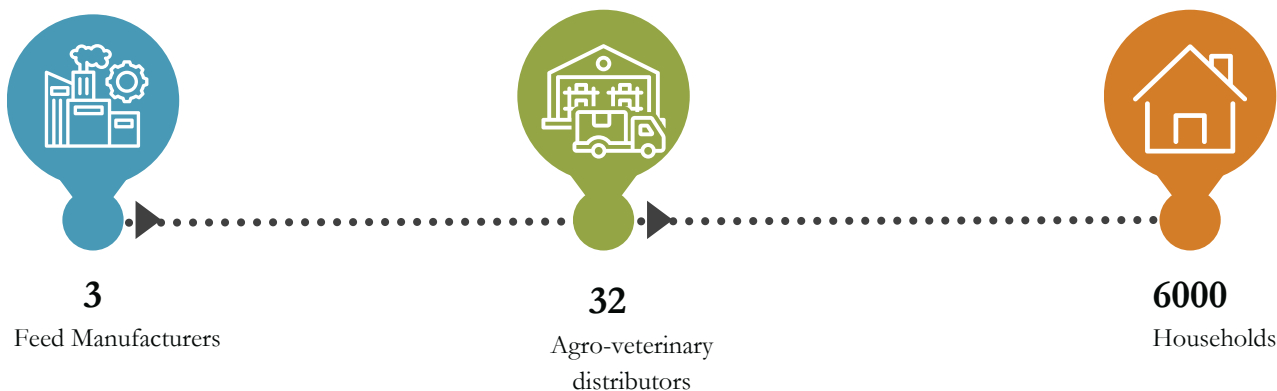
Sustainable social practices that promoted inclusion and building strong relationships were demonstrated in all USAID's LMS interventions across the Awards (Leader, AA1 and AA2), an aspect that was crucial in closing gender gaps for equitable outcomes. There was also a notable increase in participation of women, youth and even the elderly in market activities. The USAID's LMS program also built a strong network and social capital in groups with common interests such as production and marketing cooperatives, GIRL and REAP groups, and SACCOs in the local communities. Through the capacity building exercise, the members bonded more and built more trust amongst themselves which ensured sustainability of their activities.



There was also marked improvement in business relationships that were created through the business forums and further strengthened through other networking opportunities such as trade fairs and market linkages, thereby incentivizing more business members to join the Chambers of Commerce. Through the collaborative efforts between the Chamber of Commerce, the business community, and the County's Trade Department will continue to host and fund business-to-business events and trade fairs as they appreciate the business value accrued from such events. Turkana Chamber of commerce has developed a collaborative engagement with Uasin Gishu and West Pokot Chambers of commerce thus enhancing business linkages.



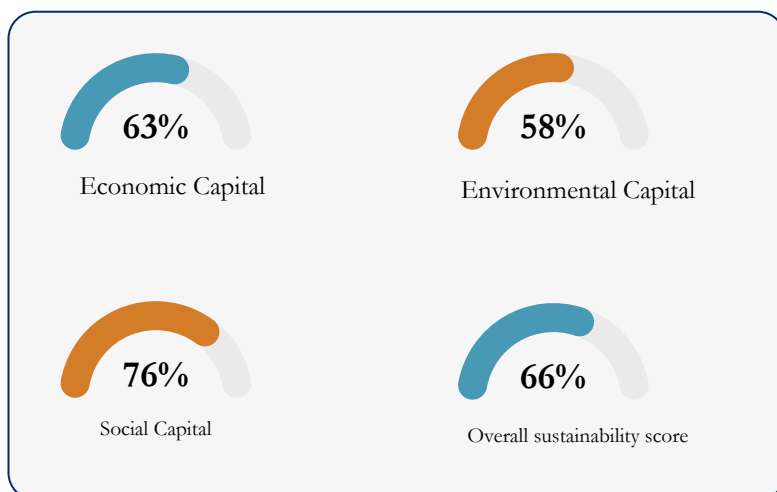
USAID's LMS created strong linkages between pastoralists and input suppliers, thereby improving access to extension services, feeds, and drugs. Pastoralists indicated that the knowledge gained on best livestock keeping practices, fodder production etc. has improved the quality of their animals, while the livestock markets that are now closer to them are attracting external traders who offer better prices hence increasing income from their livestock. Additionally, through the LMS facilitated Social and Behaviour Change (SBC) communication campaign, pastoralists embraced improved livestock management practices such as use of livestock supplements and feeds increasing business between them and the input suppliers. To ensure sustainable supply of essential inputs and services related to livestock management, beyond the project, distribution of supplemental feeds during the life of USAID's LMS was made through the normal market channels, thereby linking three (3) feed manufacturers to 32 agro-veterinary distributors and the distributors to over 6,000 households. This has created market linkages between the input suppliers and manufacturers.



USAID's LMS facilitated nutrition training, promoted kitchen gardening, conducted social behavior change campaigns, and improved access to affordable, nutritious foods through vendors at LMS-assisted livestock markets. These efforts, combined with increased incomes, have significantly influenced LMS participants' dietary habits. The sustainability of this impact depends on the availability of nutritious food, which relies on the continued operation of livestock markets. Improved security in these markets will enable traders to keep selling their products, assuming fuel and food prices remain favorable. While the LMS approach was facilitative, nutrition training by Community Health Volunteers will continue beyond LMS. Additionally, practices like kitchen gardening, poultry rearing, and beekeeping will persist even if the markets close, as they are not primarily dependent on market sales.

The influence of different USAID's LMS interventions on livestock producers, aimed at promoting a shift towards embracing livestock keeping and pastoralism as a commercial endeavor, is gradually becoming evident. An important observation is that pastoralists are increasingly selling their livestock and moving away from the traditional practice of maintaining large herds for cultural status. There is a slight trend towards heeding early warnings about droughts and welcoming livestock traders in rural areas who source livestock to sell in established markets.

Putting all the above factors into consideration, the economic capital scored at 63%, environmental at 58% and social capital at 76% with an overall sustainability score for USAID's LMS at 66%.






Activity Background




About the Kenya Livestock Market Systems Activity

The Feed the Future Kenya Livestock Market Systems Activity (USAID's LMS) is a United States Agency for International Development (USAID)-funded activity designed to strengthen resilience in the face of shocks and stresses in Northern Kenya. The USAID's LMS activity was implemented from October 2017 to September 2022 and extended through June 2024]. USAID's LMS was implemented in six counties in Northern Kenya – Samburu, Garissa, Isiolo, Marsabit, Turkana, and Wajir – the arid and semi-arid lands (ASAL) region. USAID's LMS was based on the premise that through collective action; expanded viable economic opportunities; strengthened formal and informal institutions, systems, and governance; and improved human capital, the Activity will strengthen people's resilience in the face of shocks and stresses and reduce the prevalence and depth of poverty, household hunger, and chronic undernutrition. USAID's LMS consisted of three agreements working in tandem – Associate Award 1 (AA1), Associate Award II (AA2), and the Leader Award.

Associate Award 1(AA1), Expanding and Diversifying Economic Opportunities, led by Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), facilitated (i) the pull for a more competitive livestock value chain for pastoralists positioned to move up in the sector (ii) viable, diversified livelihood opportunities for those moving out; and (iii) an improved enabling environment for inclusive economic growth. The objectives of AA1 were as follows:

-  Expanded and diversified viable economic opportunities.
-  Strengthened institutions, systems, and governance.
-  Collaborative action and learning for market systems change.

Associate Award (AA2), Strengthening Community Capacities for Resilience and Growth, led by Mercy Corps, offered push strategies to strengthen institutional and community governance, equipping more marginalized individuals and communities with skills, resources, and awareness to benefit from AA1-facilitated opportunities. AA2 was aimed at strengthening community capacity to equitably manage their resources, resulting in increased resilience to shocks and stresses to households and communities. In addition, AA2 strengthened complementary skills in nutrition, water sanitation, and hygiene (WASH), and basic literacy to create a population that can take advantage of increased stability and consequent economic and livelihood opportunities. The objectives of AA2 were as follows:

-  Strengthened institutions, systems, and governance.
-  Improved human capital.
-  Collaborative action and learning for community empowerment.

The Leader Award established an effective management platform that maximized the capacity of local actors and the collective impact of complementary associate awards (AA1 and AA2). On this platform, the associate awards created mutually reinforcing push-pull opportunities through collective, sequenced, and layered actions.

In October 2022, USAID/Kenya East Africa (USAID/KEA) awarded USAID's LMS a 9-month extension to June 2023 and another 12-month extension to June 2024 with increased funding of \$15 million. The purpose of the extension period is to enable the mission to respond to the devastating effects of four consecutive failed rainy seasons, the COVID pandemic, and food shortages resulting from the Ukraine crisis—as well as civil disruptions resulting from the upcoming national elections in August 2022. The USAID's LMS mechanism will enable USAID/KEA to assist communities to mitigate the impact of severe drought conditions in affected areas of Kenya, save development gains made by existing USAID activities, and stimulate market-based solutions to protect livelihoods and micro, small, and medium enterprises (MSMEs). This led to the consolidation of three USAID's LMS awards into the Leader Award only.

9

**MONTH COSTED
EXTENSION**

From October 2022
to June 2023

12

**MONTH COSTED
EXTENSION**

From June 2023 to
June 2024

\$15M

**INCREASED
FUNDING**

Increased funding of
\$15 million

USAID's LMS Extension Strategic Objectives:

- 1 Promote access to water, sanitation, and hygiene.
- 2 Promote market-based solutions to avail food commodities in the target counties.
- 3 Build local capacities.

Background & Purpose of the Study

In late 2022, ACDI/VOCA conducted an Outcome Harvest Study to uncover and validate significant positive and negative outcomes of USAID's LMS. The study provided evidence for 36 outcomes that cut across the four strategic objectives. The majority of these outcomes (24) revolved around the first strategic objective; Expanding and diversifying viable economic opportunities which was demonstrated through improved markets systems that are inclusive. Through the Push-Pull Mechanism, women, and youths, who's financial and life skills were improved, were able to participate in economic activities in the market systems sustainably. Seven outcomes were harvested around the second objective whose goal was to provide skills and opportunities for local institutions to lead their local development for poverty reduction and strengthened resilience. Under the improved human capital objective, ten outcomes were harvested with the push pull mechanism well demonstrated and proved.

USAID's LMS commissioned the sustainability study in March 2024 to assess the sustainability of USAID's LMS outcomes. USAID's LMS sustainability study provided valuable insights into the long-term viability of its project outcomes. By identifying gaps and offering targeted recommendations, the study aims to enhance the sustainability of current and future projects, ensuring continued progress towards the project's objectives.

The assessment focused on measuring the extent to which the project's outcomes have been sustained or enhanced after the end of the implementation period, and the factors that influenced the sustainability of the project. Specifically, the study focused on the results of USAID's LMS interventions within a sustainability framework that includes the continuation of changes in behaviors/norms, profitability/assets, relationships, finance/resourcing, institutional infrastructure/capacities, agency & roles, and access to services, information, and markets.

This sustainability assessment will contribute to an end-of-project learning event scheduled for June 2024.

Approach and Methodology

The sustainability assessment of the USAID funded LMS project was conducted in six counties where the USAID's LMS project was implemented: Turkana, Samburu, Marsabit, Isiolo, Wajir and Garissa. These counties are in the arid and semi-arid regions of Northern Kenya, where they face challenges such as poverty, insecurity, drought, and low literacy rates. The study employed a blended methodology, that integrated both quantitative and qualitative approaches to ascertain the enduring and cross-generational results and achievements stemming from USAID's LMS initiatives. Additionally, the study team developed a sustainability measurement scoring system that was used to evaluate USAID's LMS interventions along all the sustainability framework dimensions which include economic, social, and environmental. The scoring system was based on a set of indicators and criteria that reflected the principles and gains of the USAID's LMS approach, such as economic empowerment, market integration, resilience, inclusiveness, empowerment, gender, and environmental stewardship. The scoring system also considered the context specific factors that affect the sustainability of USAID's LMS interventions, such as the level of conflict, fragility, climate change, and governance.

The following dimensions were applied to measure the sustainability of USAID's LMS interventions, using the MultiCapital Scorecard methodology:



Economic capital

- How have the USAID's LMS project activities improved the capacity and performance of the participants and stakeholders in terms of knowledge, skills, attitudes, and values?

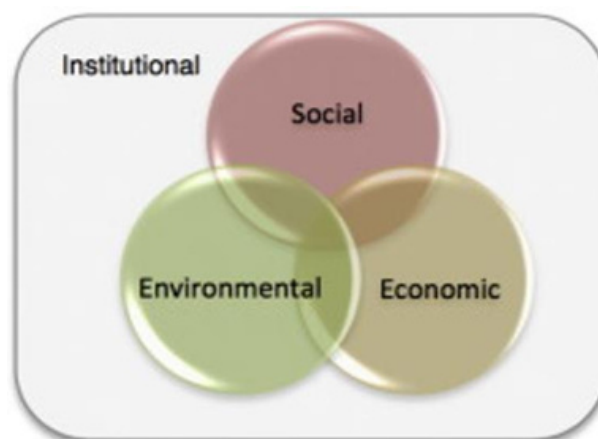


Figure 1: Sample Sustainability Measurement Criteria

- How sustainable are the financial resources and mechanisms that support the USAID's LMS project activities and outcomes?
- How have the USAID's LMS project activities strengthened the organizational structures, processes, systems and culture of the beneficiaries and stakeholders?



Social capital

- How has the USAID's LMS project influenced the social relations, networks, norms and trust among the beneficiaries and stakeholders?



Environmental capital

- How have the USAID's LMS project activities reduced the environmental impact and enhanced the environmental awareness of the beneficiaries and stakeholders?

The study has adopted a participatory and learning-oriented approach to measure the sustainability of USAID's LMS interventions by involving the project teams and other relevant stakeholders in the design, implementation, and validation of the sustainability measurement scoring system.

The use of the Multicapital scorecard followed the criteria's three step process;



Scoping and Materiality



Areas of Impact (AOI) Development



Scorecard Implementation

In the Scoping and Materiality phase, the sustainability aspects to be evaluated through the MultiCapital Scorecard were established. These were defined as Economic, Social, and Environmental aspects.

In the second phase, the relevant and significant Areas of Impact (AOIs) to be assessed were identified. The AOIs comprise the core units of interest within the MultiCapital Scorecard, focusing our attention on the discrete impacts of the USAID's LMS Activity to the community.

KIIs with selected USAID's LMS project staff were conducted to establish the weights for each of these AOIs. Importantly, not all performance dimensions within an organization were viewed with equal importance. Consequently, certain AOIs were deemed more critical in achieving the objective of USAID's LMS, thereby necessitating a proportional adjustment in their influence on overall scores. Recognizing these varying importance levels enabled the assignment of different weights to different impact areas through a straightforward rating scale of a 1–5 scale, where 1 signified the lowest priority and 5 the highest priority to the USAID's LMS. This is a consistent practice with deployment of the MultiCapital Scorecard whereby organizations are compelled to make discerning decisions regarding relative weights, discouraging the inclination to assign uniform high importance across all areas.

The third phase entailed apportioning progression performance Score. This was calculated based on the averages derived from the respondents' insights during the KIIs, FGDs and one-on-one structured interviews. The respondents rated the achievements for each of the AOIs on a scale of 1 to 3 with 1 being low sustainability and 3 being the highest. Additionally, weights were allocated, with a rating of "5" assigned to Finance and Resourcing, Access to Services, Information and Markets, Institutional Infrastructure and Capacities, and Inclusivity of Project Activities AOIs, indicating their high priority for USAID's LMS.

Subsequently, a "Weighted Score" for each AOI was computed, for instance, the Finance and resourcing is 12.5 (Progression Score of 2.5 multiplied by a Weight of 5). This was done for all AOIs. Next, the maximum possible "Fully Sustainable Score" for each AOI was determined, which for the Finance and Resourcing was 15. Comparing the Weighted Score with the Fully Sustainable Score enables us to assess the gap between them, if any.

Beyond providing scores for each AOI, the MultiCapital Scorecard also calculated performance scores by Bottom Line and for the project as a whole. By totaling weighted and fully sustainable scores separately and expressing them as a quotient, we derived quantitative performance scores for each Bottom Line and the project overall.

Data Collections Approaches



Review of documents

The initial step involved gathering secondary data from project reports including the Outcome Harvest report, Impact on food systems report, Impact of COVID-19 pandemic on MSME report, annual reports among others.



Mapping of Sustainability Variables to Stakeholders

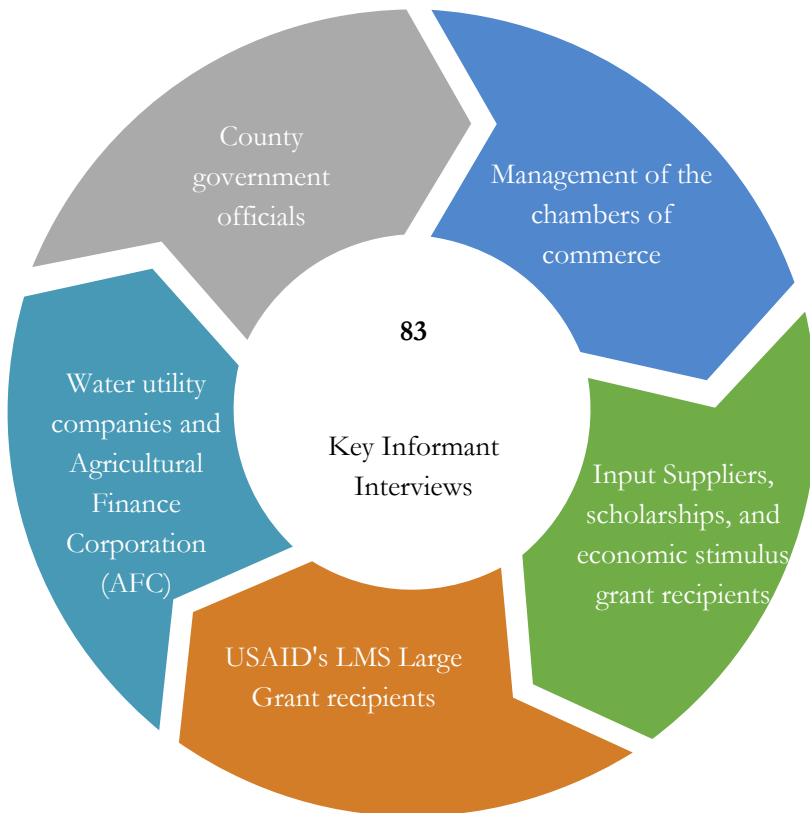
Horn Population Research & Development (HPRD) team in consultation with USAID's LMS team used the above-mentioned sustainability framework to map variables to examine in the qualitative survey, to better understand the sustainability of outcomes by the respective stakeholder groups. These variables were used to develop FGD and KII guides for each key stakeholder group.



Qualitative data

This information was gathered by HPRD through a variety of methods designed to corroborate and validate the results obtained from the quantitative survey while delving into the underlying factors and mechanisms shaping the sustainability of USAID's LMS impacts. The study team conducted 83 key informant interviews with selected County government officials, management of the chambers of commerce, water utility companies and Agricultural Finance Corporation (AFC), USAID's LMS Large Grant recipients, Input Suppliers, scholarships, and economic stimulus grant recipients. Focus group discussions with 79 groups including Rural Entrepreneur Access Project (REAP) and Girls Improving Resilience through Livelihoods (GIRL) Model participants, Cooperatives/ Savings and Credit Cooperative (SACCO's), Ward Planning

Committees (WPCs), Livestock Market Associations (LMAs) and Pastoralists were conducted. Representation by geographic regions and inclusion (gender and youth) were considered during the selection. These qualitative data collection efforts were guided by checklists that were developed in line with the sustainability measurement scoring system.



Key Informant Interviews

The study team conducted 83 key informant interviews with selected County government officials, management of the chambers of commerce, water utility companies and Agricultural Finance Corporation (AFC), USAID's LMS Large Grant recipients, Input Suppliers, scholarships, and economic stimulus grant recipients.

Focus Group Discussions

Focus group discussions with 79 groups including Rural Entrepreneur Access Project (REAP) and Girls Improving Resilience through Livelihoods (GIRL) Model participants, Cooperatives/ Savings and Credit Cooperative (SACCO's), Ward Planning Committees (WPCs), Livestock Market Associations (LMAs) and Pastoralists were conducted.

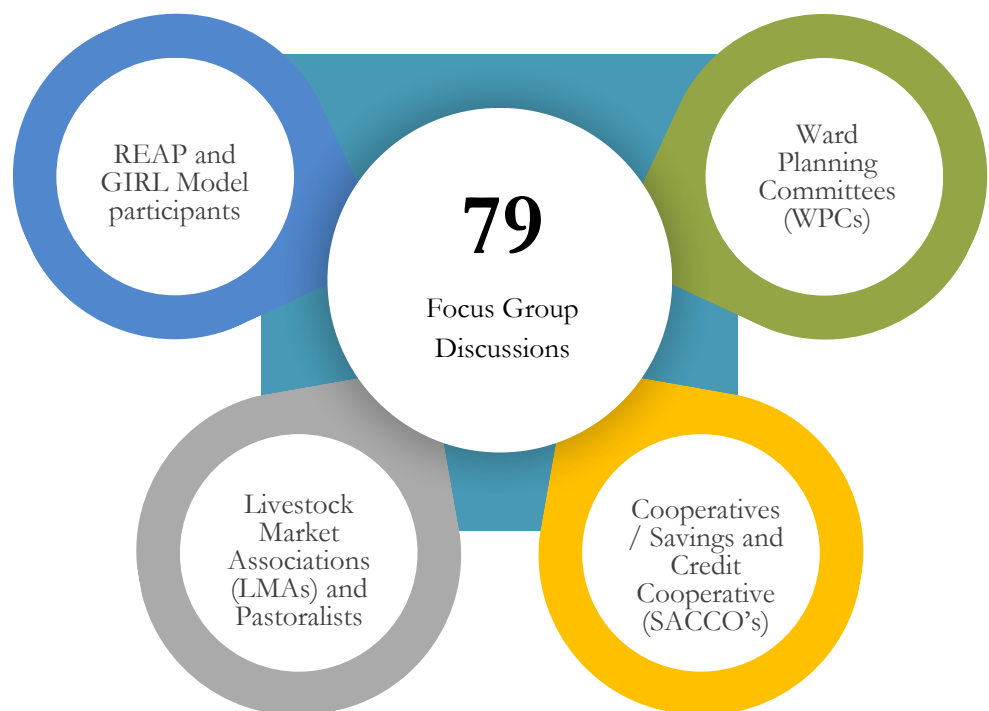


Table 1: KII and FGDs Distribution by County

KII							
	Garissa	Wajir	Isiolo	Marsabit	Turkana	Samburu	Total
County government	2	2	2	2	2	2	12
chambers of commerce	1	1	1	1	1	1	6
Water utility companies	1	1	1	1	1	1	6
Financial institutions				1			1
Large Grantees	2	2	2		2		8
Input Suppliers	2	2	2	2	2		10
Scholarship	1	1	1	1	1		5
Traders- Economic stimulus	5	5	5	5	5	10	35
Total	14	14	14	13	14	14	83
FGDs							
	Garissa	Wajir	Isiolo	Marsabit	Turkana	Samburu	Total
REAP Model	2	2	2	2	2		10
GIRL Model	2	2	2	2	2		10
Cooperatives/SACCO's	3	3	4	4	3	2	19
Ward Planning Committees	2	2	2	2	2		10
Livestock Market Associations	2	2	3	3	3	2	15
Pastoralists	2	2	3	3	3	2	15
Total	13	13	16	16	15	6	79
Grand Total	27	27	30	29	29	20	162

Quantitative data



To complement the secondary data and qualitative data, quantitative data was collected from 56 small grantees (out of the 218 supported during the life of USAID's LMS) using a structured questionnaire that incorporated variables for examination per the sustainability index mapping exercise, including income and profitability, social behavior change and financial inclusion among others (Table 1).

Table 2: Distribution of sample by County

	Garissa	Wajir	Isiolo	Marsabit	Turkana	Total
Small grantees	11	9	17	9	10	56

Limitations of the study

There were no major challenges encountered during the study execution due to the cooperation of the main stakeholders and particularly the USAID's LMS team in coordinating the whole exercise. Initial delays resulted from lags in communication and securing interviewees commitment and scheduling of the Key Informant Interviews (KIIs) since the data collection period coincided with the last week of Ramadhan. However, an issue on record keeping was noted with all the stakeholders and specifically,

-  The counties and LMAs were not forthright on providing revenue sharing data.
-  Most entrepreneurs were not keeping elaborate records of their operations and had to rely on recall to provide profitability data.

Study Findings

Sustainability of Entrepreneurial Outcomes

Capacities and Skills of Entrepreneurs.

USAID's LMS provided training in life skills, financial literacy, WASH and Nutrition to 22,431 vulnerable women and adolescent girls. This led to over 11,000 individuals transitioning to business with 1,985 businesses (1,820 REAP and 165 GIRL) benefitting from the USAID's LMS grants to start or expand their small businesses. This resulted in women who were previously idle engaging in economic activities as reported in a Focus Group Discussion (FGD) that,



“Before USAID's LMS other girls used to stay at home and others were school dropout ...We were staying at home doing house chores and wait for our husbands to provide”.

A GIRL participant remarked that,

“At first, I knew nothing about business. Now we are confident in ourselves. We know about boutiques, making of detergents, selling of uunsi (frankincense), and how to do tailoring. We are the people who distribute goods to other parts within our constituency”.

 **22,341**

Vulnerable women and adolescent girls trained

 **11,000**

Individuals transitioning to business

 **1,985**

Businesses benefitting from the USAID's LMS grants

Entrepreneurs expressed satisfaction with the knowledge gained, emphasizing its significant contribution to effective management of the businesses. The training sessions not only equipped them with practical skills but also empowered them to develop comprehensive business plans. This enabled them to monitor and enhance the performance of their enterprises over time. Furthermore, participants learned valuable techniques for value addition to their livestock products and were educated on risk assessment and management. Importantly, the traders were encouraged to foster a culture of information sharing, both internally among themselves and externally with counterparts in other towns and counties. Notably, 67% of the entrepreneurs had adopted new practices and behaviors due to USAID's LMS assistance, this included record keeping (97%), finance management (47%), sales and marketing (34%), new product development (13%) and digital marketing 13% and product branding (8%). 76% and 24% of the entrepreneurs were very confident and somewhat confident respectively that they will continue applying new practices, processes, and behaviors. The skills acquired have enabled them to maintain records that they are using to determine profitability of the different ventures that they diversify to as indicated in some of the interviews that,



“Well informed and trained records keeping enhances accuracy and transparency... Helps to calculate probability and track expenses... I will use knowledge I received to run my business.”

Additionally, some employed youths to do online marketing which has expanded their clientele base.



67%

Of the entrepreneurs had adopted new practices and behaviors due to USAID's LMS assistance

New practices and behaviors adopted



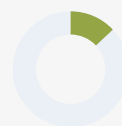
97%

Record keeping



47%

Finance management



34%

Sales and marketing



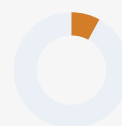
13%

New product development



13%

Digital marketing



8%

Product branding

Entrepreneurs confidence in applying new practices, processes and behaviors



76%

Very confident



24%

Somewhat confident

Relationships strengthening

The USAID's LMS program also built a strong network and social capital in groups with common interests such as production and marketing cooperatives, GIRL and REAP groups, and SACCOs in the local communities. Through the capacity building exercise, the members bonded more and built more trust amongst themselves which ensured sustainability of the group activities. Furthermore, the groups were linked to other financial institutions such as Kenya Women Trust Fund (KWFT), Uwezo fund, Women Fund among others who also offered trainings on group dynamics and cohesion. This has promoted financial inclusion for the vulnerable community members by providing platforms for them to save and access loans to start and grow businesses. Indeed, results indicated that most groups had established relationships with other groups in the locality as confirmed in an FGD that,



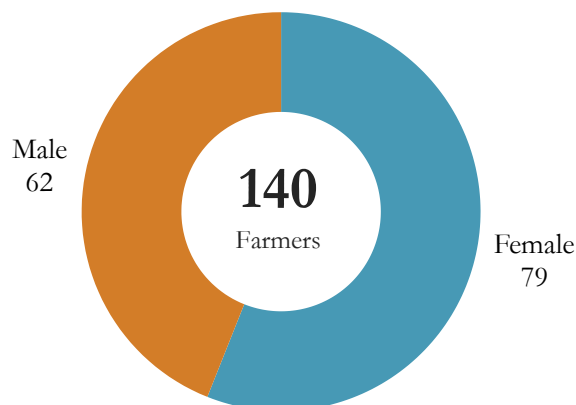
Strengthened Relationships



"We have established good working relationships with other USAID's LMS supported groups like Dalata, Angasu and Tokuma".

As a result of the strengthened relationships between the groups, some groups were even borrowing money from each other in case of financial crises.

These businesses vary by size and type, and it is evident that SMEs are engaging in more than one business to cushion themselves in the event of a shock. For example, after the Moyale Animal Feeds factory in Marsabit County started operating, Malaba Hills Beekeepers, an USAID's LMS-supported honey production company in Wajir County began rearing poultry as a cooperative group with 140 farmers (78 female and 62 male). A respondent in an FGD cited that,



"When USAID's LMS started interacting with us we were trained to take the shocks as opportunities e.g. during Covid we were sensitized to buy mask and sell, and this generated income. During drought we buy goats at throw away prices and sell later".

The training, technical assistance, and capacity-building initiatives have only reached a small number of entrepreneurs, and these efforts have not yet achieved the critical mass needed for full adoption in the area. Consequently, there is a need to expand capacity-building activities to engage more entrepreneurs in the region. While the current GIRL entrepreneurs will continue to use their skills and apply these technologies and practices, there remains a gap in service providers who can offer ongoing capacity building, training, and technical a

assistance. This is particularly crucial for reaching more vulnerable groups, such as women and adolescent girls, by forming new groups or extending these services to other livestock enterprises in Northern Kenya.



Members of the Ogorji Women's Cooperative in Wajir County which started as a GIRL group under USAID LMS

Entrepreneur Behavior Change



Behavior
Change

Selling livestock during droughts followed by restocking, and embracing of non-traditional enterprises such as poultry farming, bee keeping were some of the practices that the respondents applauded that they were confident that would continue to be practiced even beyond the term of the project. This is because such enterprises are not capital or labor intensive, are gender friendly, and have a short maturity period hence less prone to shocks. USAID's LMS has also supported regional production of farm inputs through infrastructure for feed processing using locally available materials and storage. This is encouraging cross-border trade with neighboring counties for both livestock inputs and livestock products and strengthens social ties needed to sustain the businesses post USAID's LMS.

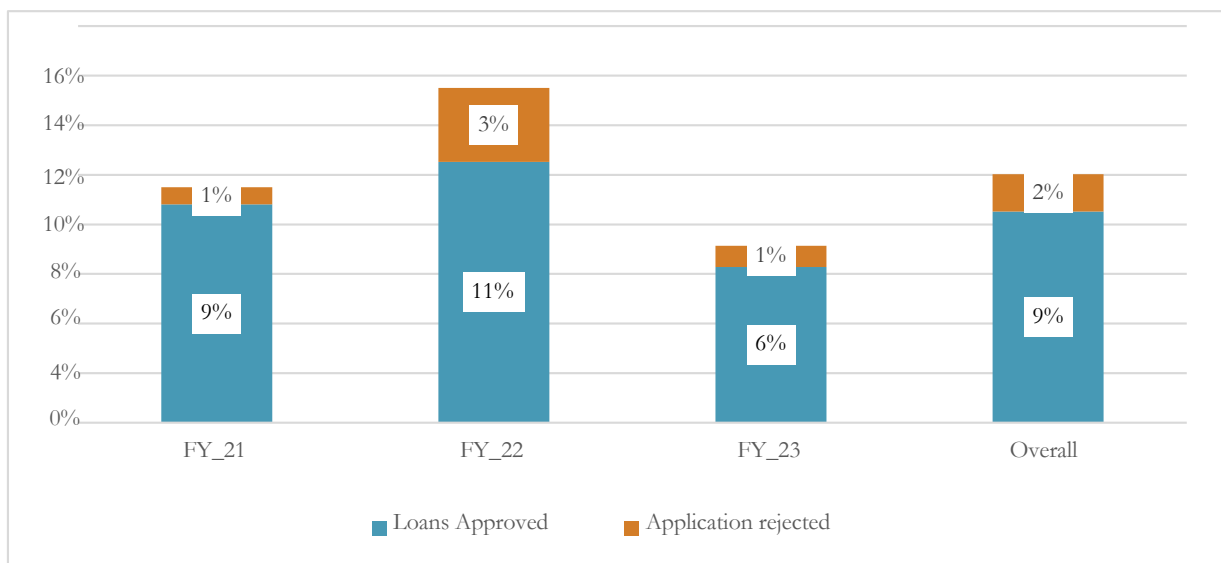
Access to Financing

The USAID's LMS program also built a strong network and social capital in groups with common interests such as production and marketing cooperatives, GIRL and REAP groups, and SACCOs in the local communities. Through the capacity building exercise, the members bonded more and built more trust amongst themselves which ensured sustainability of the group activities. Furthermore, the groups were linked to other financial institutions such as Kenya Women Trust Fund (KWFT), Uwezo fund, Women Fund among others who also offered trainings on group



Access to
Financing and
Resources

Figure 2: Loans approved Vs Loan application rejected



AFC, a finance institution established by the government of Kenya focuses on stimulating agricultural development through provision of affordable financing to farmers in Kenya. Understandably, AFC was the best suited financing partner to work with the USAID's LMS project in the development of the livestock value chain in the target counties. However, amongst the six counties, only Marsabit County had an AFC branch that had been closed for several years. The absence of a dedicated AFC branch in Marsabit County underscored an institutional gap in financial access by pastoralists. Often, pastoralists and other farmers grappled with the logistical hurdle of traveling over 300 kilometers to access essential AFC services at the Meru Branch. However, the inauguration of the AFC Marsabit Branch through USAID's LMS support presented a positive shift, in terms of improved accessibility to financial services. Furthermore, the injection of KES 50 million into the AFC Marsabit branch by USAID KUZA, increased the circulatory funds available for lending.

300KM+

DISTANCE TRAVELLED

Pastoralists and farmers travelled over 300 kilometers to access essential AFC services

KES50M

FUNDING PROVIDED

Injection of KES 50 million into the AFC Marsabit branch by USAID KUZA

The key informant from AFC was very confident about the continuity of services post USAID's LMS, who indicated that,



“Because the farmers that AFC continues to interact with are very positive to keep working with AFC to increase the amount of loans they can borrow. There is a great chance for prosperity in Marsabit with the prospect of opening more branches to towns like Moyale”.

The seed capital that was advanced to AFC has since grown to KES 73 million, a testament of the continued uptake of credit facilities by pastoralists as their savings and credit culture continues to be influenced. Importantly, the bank’s sustainability in provision of credit facilities was highly rated with the KII highlighting that, “

KES73M

SEED CAPITAL GROWTH

The seed capital that was advanced to AFC has since grown to KES 73 million



“The performance of the loan book is good and the people that are borrowing are not defaulting. The clients that are being onboarded are vetted to ensure they have good credit ratings, to ensure that they have good credit records and will repay the funds they borrow. The loans that are being given out are secured with collateral and the chances of the fund being sustainable are high due to the onboarding and lending policies.”

Further, there was an observation of bank customers offering a buy-out of their loans from other commercial banks as they considered the AFC credit rates and products more favorable since they also lend to groups. Indeed, AFC had advanced credit to several MSMEs operating at different nodes along the livestock value chain including producers, processors, traders, and even microfinance lenders.

Cooperatives & SACCO’s

Communities in northern Kenya are largely pastoralist and are excluded from mainstream financial systems. USAID's LMS worked on diversifying sources of credit to promote financial inclusion through support to favorable lending platforms targeting MSMEs. Over the past five years, USAID's LMS, in collaboration with the Departments of Trade and Cooperatives in the target counties has played a pivotal role in the establishment of several new SACCOs and enhancing the management of existing ones. The cooperative model has become a key building block for the livestock markets since they ensure continued interaction amongst members through sharing of market insights and accessing financial services.



Behavior Change

A key outcome of the USAID's LMS support to SACCOs was a shift in pastoralists behavior to embrace savings and credit activities. This has contributed to the growth of cooperatives and SACCOs where they can borrow credit and invest in other businesses to reduce over-reliance on livestock as their sole source of income. Cooperatives encourage an inclusive economic culture as revealed in an FGD that,



“The SACCO is boosting sustainability, we do encourage livestock traders to save and women to start small scale businesses and grow them through loans”.

Advancing of loans will continue in the cooperatives as long as majority of the members are not defaulting and there is more trust as elicited in an FGD that,



“Yes, we will continue advancing loans...Yes, as far as the member will refund the money, the cooperative will advance.”

The vulnerable members are more comfortable accessing credit facilities from cooperatives as stated by a respondent in an FGD,



“We already have funds to lend to members and we expect this to multiply due to interest on loan and members normal contribution. Borrowing from banks may not be possible because of the huge interests they charge and complicated processes.”

Through the savings and credit services from the savings groups, cooperatives, and SACCOs, the resilience and coping mechanisms of the MSMEs was strengthened and made them more resilient to shocks and stresses.

Seventy SACCOs and marketing cooperatives were established and strengthened through training sessions for cooperative leadership in governance, financial management, business, and organizational development. The training followed a training manual that had been developed by USAID's LMS in collaboration with the Cooperative University of Kenya, focusing on leadership and integrity for cooperative board members. The manual was developed through a participatory approach with board members and cooperative groups across USAID's LMS counties, resulting in a user-friendly training manual and online modules. These resources are designed to be easily accessible for participants with basic education levels and digital literacy.

These efforts also included exchange visits, member training, education days, membership drives, and policy work aimed at improving cooperative governance. This resulted in the streamlining of their operations, with some automating their systems, thereby significantly enhancing efficiency and accountability.

The capacity-building exercises for the cooperatives by USAID's LMS in collaboration with the county departments of trade and cooperatives and other NGOs were helpful in entrenching saving behavior within the targeted communities as indicated in one of the FGDs,



MORU SACCO has automated its operations thereby improving service provision and operations



“We cooperate with the County Government department of Co-op to adhere to the set rules and guidelines in running of the Co-operative, doing audit annually, updating our records, using the recommended books of accounts from Kenya Union of Savings & Credit Cooperative (KUSSCO), and involving them during AGMS. We are encouraging members to register in the Chamber to benefit from the support. We are also writing proposals to other development partners for further support.”



Capacities/Skills

Through the capacity-building exercises, most cooperatives developed financial policies on loans that guide their operations as mentioned in one of the Cooperatives FGDs,



“USAID's LMS conducted training sessions where the SACCO members were educated on loan policies. As a result, the SACCO formulated their own loan policies, including emergency loans, school fee loans, normal loans, development loans (three times the member's own savings), and a credit policy guide for loan issuance”.

The policies ensure sustainable credit and saving behavior of current and future generations of members. The training also educated the management of the cooperative on risk management procedures, cooperative leadership, and governance.

As a result, loans totaling \$1,131,946 were disbursed to 4,744 individuals, with loan amounts varying based on the size of the cooperative and their credit policies. The majority of the cooperatives believed that the average loans provided to their members were sufficient to have a long-term impact on their businesses. This is reiterated by a respondent in an FGD that,

“Almost all of the members requesting for loan were given according to their business plan hence will bring impact.”



\$1,131,946
LOAN AMOUNT
DISBURSED

4,744
INDIVIDUALS THAT
GOT LOANS

Cooperatives reported better access to government services that resulted in enhanced service delivery to their members as indicated in one of the FGDs,

“Our cooperative has gained better access to government services, particularly in departments related to agriculture, cooperative, and community development.”

The FGDs further indicated that most of the cooperatives were very confident while only a few were somewhat confident of continued services after USAID's LMS project comes to an end because of the relationships that have been formed between them and the county government officials. In one of the FGDs, the participants indicated that,

“Our cooperative has built strong foundations and networks through the USAID's LMS project, and we have developed sustainable practices and partnerships that will continue to benefit us even after the project concludes. We are committed to maintaining and nurturing these relationships independently to ensure the continued growth and success of our cooperative.”

So far, 7 new SACCOS have been established from 701 savings groups and continue to increase as more savings groups mature into SACCOs. The loan amount varies depending on the group size and member's business ranging from Kshs. 15,000- Kshs. 100,000.

 **701**
Saving Groups

Mature into



 **7**
New Saccos established

Kshs. 15,000- Kshs. 100,000

The loan amount varies depending on the group size and member's business ranging from Kshs. 15,000- Kshs. 100,000

Through the GIRL model, several other groups that were not reached by the USAID's LMS intervention were also impacted, and they co-opted the operational methods of the USAID's LMS-supported GIRL groups. This observation was reinforced by a GIRL FGD where participants indicated that,

“

“There are a lot of groups which have been formed and have copied our way of work. Before, these groups were collecting their savings monthly but now have borrowed a leaf from us and they are doing their savings weekly like us. Just like us, they are buying as one group and selling the same products we sell. Lately, they have also started growing crops around the water pan. They have also enforced the laws like fines on late attendance or remittance of savings as we do.”

The majority of the SACCO's indicated that the loan amount given was adequate for their members businesses as highlighted by a respondent that,

“

“The loan amount is enough because the individuals receiving the loan have already continuing business thus this will act as booster the business”.

However, the loan in circulation varies by age of groups where young groups have low amounts available compared to older ones thus a mixed sentiment from another FGD that,

“

“The group has no enough savings to give loans to the willing member, we have only Kshs. 80,000 savings in our account, that's why we give only 3 group members per month.”

All the FGDs conducted revealed that members were confident to continue giving loans with some planning to increase the loan base as indicated in Garissa that,



“we are in the plan of increasing from 100k to 500k”.

Further, the groups were optimistic of future growth as narrated in Isiolo,



“We will continue advancing loans in future because members contribution are significantly increasing due to increased savings from their business hence the loan repayment rate is high hence the money will continue revolving within the members.”

However, the sustainability of the SACCOs was cited to be dependent on the loan-repayment behaviors of the SACCO members as opined by a Cooperative FGD respondent that,



“as long as the members will repay their loans, the cooperative will advance.”

Importantly, the capacity of the SACCOs to withstand shocks and stresses was significantly enhanced through USAID's LMS support on member education and zoning dubbed 'know your client'.

SACCOs are considered sustainable when they are able to reward active SACCO members with dividends from the institution's surpluses gained through loan interests and other business investments. While encouraging savings is critical for the growth of SACCOs, more expedited development could be observed if the institution itself had viable business opportunities and investments that bring more income. Though the

SACCOs were benefitting from the County departments on a range of services including assistance with registration, compliance with SACCO Society Regulatory Authority (SASRA) guidelines, trainings on group dynamics, entrepreneurship, market linkages, supervision of Annual General Meetings (AGMs), audits, and staff training among others, these services are expected to be continued but at a reduced scale with the exit of USAID's LMS. As a result, the average sustainability score for the LMS supported SACCOs was averaged at 1.7 out of 3 (1 being not sustainable, 2 Sustainable, and 3- Fully sustainable). Therefore, in addition to member drives for more members to join these SACCOs, there is also still a need for further capacity building of the SACCO management to identify viable businesses along the existing value chains or niche markets. This would not only create more employment but bring better returns to the members. Reliance on savings alone in shock-prone areas without encouraging loaning out the cash and other investments results in an unstable SACCO at risk of collapsing. The sustainability of a SACCO can be proxied by the extent of the amount lent out and recovered as the interest on loans is their main source of income. These SACCOs also need to be linked to the ongoing national government De-Risking, Inclusion and Value Enhancement (DRIVE) project that is targeting to build the capacities and enhance the ICT infrastructure of all livestock-based cooperatives in the arid and semi-arid areas of Kenya.

Cash Transfers. USAID's LMS support has transitioned livestock saleyards into market hubs as more providers of non-livestock related commodities and services mushroom within and around these markets. This has created livelihood-earning opportunities for more people in the community, including non- the vulnerable i.e. pastoralists, women, youth, and the elderly. This has resulted in increased access to diverse food commodities including fruits and vegetables. To cushion these businesses from collapse during the COVID-19 pandemic and the prolonged drought, USAID's LMS supported these small-scale traders with cash transfers. However, 60.7% of the entrepreneurs raised concerns that this service would come to an end post-USAID's LMS. The cash transfer to traders was exclusively being done by USAID's LMS with most other development partners directing such support to households. These came at a time when their businesses were at the verge of collapse due to the rising food and commodity prices as a result of the Ukraine crisis. However, more civic education to entrepreneurs to join the various chapters of chambers of commerce and linkages to relevant government departments that offer support in cases of emergencies is still required.



Cash grants to traders in Samburu County enabled them to boost their businesses

Grants. USAID's LMS implemented gender-focused strategies that aimed at enhancing equity and inclusivity in all its activities, creating positive impacts on the lives of women and girls in the targeted areas. This is a sustainable social practice and an aspect that is crucial in closing gender gaps for equitable outcomes. Over 70% of all USAID's LMS grants were awarded to enterprises that were women owned.

Furthermore, 32.1% of the entrepreneurs indicated that equipment grants were crucial for the growth and profitability of their businesses. However, their primary concern was that, after the USAID's LMS program end, obtaining technical support for equipment maintenance and repair would be challenging. Although connections have been established with the equipment suppliers, the services including spare parts are not available locally and will be quite expensive to access from Nairobi. Some of the businesses will be able to afford accessing these repair services while others will not. Therefore, it is necessary to encourage other implementers and future projects to focus on business support to enhance local availability of such equipment repair services in future.



70%

Of all USAID's LMS grants were awarded to enterprises that were women owned



32.1%

Of the entrepreneurs indicated that equipment grants were crucial for the growth and profitability of their businesses

Increased Sales & Profits of Enterprises.



Incomes & Profits

Participation in USAID's LMS activities such as training through the REAP and GIRL models and provision of grants, led to an increase in household incomes as brought up in all the FGDs conducted on REAP and GIRL participants. One FGD participant shared,

“The groups income has increased because through the grant we received we have been able to boost our business and this has resulted to increased income and now we can be able to save, pay loan comfortably. Additionally, due to record keeping training we are able to track our business performance”.

The additional income is being used to improve their livelihood conditions through construction of houses, paying school fees and improving feeding habits. Profit margins from business activities in a month varied by group activities ranging from Kshs 3,000 to Kshs. 12,000. A quote from an FGD indicated that,

“it varies depending on the season, for instance in poultry production, usually we get KES,7000 monthly on average...On weekly basis the girls save from 200/- to 1000/=, savings for this year so far is around KES 1Million and interest of KES 267,000 from individual businesses income.”

The REAP and GIRL participants are very confident that they will continue with their activities even after the exit of USAID's LMS as indicated in an FGD that,

“We believe that we will continue as a group with our activities because the business that we started is still running up to now, and those loans that we take, we buy stock, sell and repay the loan and through that our funds continue growing and increasing.”

The trainings, which included numeracy, literacy, financial literacy training, life skills training, and livestock management among others empowered the beneficiaries, especially women, by making them aware of the importance of forming groups, saving, and doing business which led to sustained entrepreneurial activities that will continue post USAID's LMS as voiced in an FGD,

“

“We will continue with our businesses because we have seen the benefits and through the income we get we can cater for family needs and we can acquire loans from our saving group.”



Narumu Lekeriya, a camel trader at the Merille livestock market in Marsabit County

On average, the entrepreneurs were making profits of KES 15,600 (equivalent to \$115) per month from the USAID's LMS supported enterprises with a range of between KES 5,000 to KES 50,000 (equivalent to \$37 to \$370). Approximately 68% of the entrepreneurs reported their profits to have increased by 10% to 20% while 32% reported profit increased of beyond 20%. Approximately 66% of the entrepreneurs were very confident about the continuity and sustainability of their businesses within the foreseeable with one of the traders remarking that,

“

“Very confident because my mind is open through the LMS trainings, and I will continue going ahead with my business.”

A further 29% were somewhat confident with one trader indicating being *“in need of more cash to boost the business.”* This was attributed to the training and capacity building efforts that have made them realize the need to form or join cooperatives since they provide a platform for savings and access to finance and credit. Only 5% of entrepreneurs expressed a lack of confidence in the sustainability of their enterprises. These individuals had only been able to access the County Government through the project's activities and were unsure if this support would continue after the project's closure, as noted by a trader.

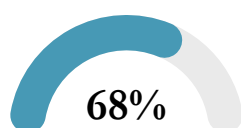
KES 15,600

Average profit that the entrepreneurs were making per month from the USAID's LMS supported enterprises

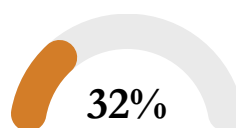
KES 5,000 TO KES 50,000

Range of profit that the entrepreneurs were making per month from the USAID's LMS supported enterprises

Reported Profit

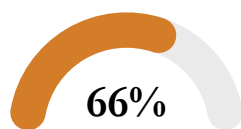


Of the entrepreneurs reported their profits to have increased by 10% to 20%

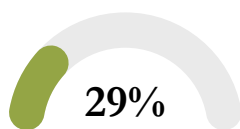


Of the entrepreneurs reported profit increased of beyond 20%

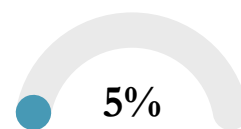
Confidence about the continuity and sustainability of business



Very confident



Somewhat confident



Not confident

Agencies & Roles

The life skills, power dynamics, and business trainings offered to the vulnerable community members in REAP and GIRL models led to a significant shift in their social status and demeanor, fostering a sense of trust within the community. Some of trainees have been entrusted with local leadership roles, such as serving on the school boards of management as remarked in an FGD that,



"Yes, our social status has changed, we can now be respected and recognized in the community through participation in community meetings and other engagements. This is because we are role models in the community through our participation in growing the economy"

and separately by another FGD that



“we have been trained by USAID's LMS to keep records hence we are given leadership position in the village groups as secretaries to do book-keeping.”



Agencies and Roles

Participants in the GIRL and REAP model activities reported feeling empowered to make decisions at the household and community levels, especially regarding incomes and production, unlike prior to the USAID's LMS intervention. A respondent in an FGD stated that,



“We can make decisions at household and community level in terms of income and production decision making something which was not possible before USAID's LMS intervention.”

Notably though, the main risk is the culture which is still very patriarchal and prohibits women from making their contributions publicly during meetings where men are in attendance, making it impossible even to have gender mixed FGDs during the data collection. This was still being addressed as part of social behavior change communication and some progress was noted with women taking leadership positions such as school board members.

The training offered through the REAP and GIRL's models alongside those offered to SACCOs, LMAs, WPCs, and county governments on gender sensitization, and implementation of gender policy such as one-third rule led to women's involvement in leadership thus participating in decision-making in WASH, LMA, Cooperatives and even Chamber of commerce. All the FGDs and KIIs confirmed that participation of women and youth in the different groups and sectors have changed over time. To ensure that this inclusion is considered post USAID's LMS, the groups have developed constitutions with by-laws that clearly define the considerations and composition of youth, women, and persons with disabilities, thereby recognizing their unique strengths and contributions as indicated in one of the FGDs that,



“Previously we had one woman who was part of the committee but later on we wrote our by-laws, then had election and women are well represented.”

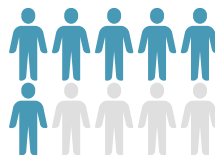
These considerations have become ingrained in institutions' practices, indicating a potential for lasting impact beyond the duration of USAID's LMS intervention.

In the Chambers of Commerce, gender mainstreaming was lauded as a key outcome of USAID's LMS support whereby gender considerations in terms of participation, decision-making, and leadership roles evolved to be more gender inclusive. In the management boards of the Chambers of Commerce Charters in the various counties, women participation improved, and women and youth were co-opted in the leadership roles as a result of the capacity building by USAID's LMS. The board members also understood their roles

within the Chambers better. In terms of sustainability, there was commitment through strategic plans & governing laws towards continued promotion of women’s participation in leadership roles within the chambers. This sentiment was echoed in the Chambers of commerce KIIs who indicated that after USAID’s LMS trainings the Chambers’ Board is now more inclusive noting that, *“the current Board has 5 women out of 12 and across gender the youths are 60% of leadership.”*



Current Board has 5 women out of 12



Youth are 60% of the leadership

Improved Institutional Capacity of Chambers of Commerce




Capacities/Skills

USAID’s LMS supported the Kenya National Chamber of Commerce and Industry (KNCCI) by training its board members in the target counties on governance and leadership, management, and advocacy. The Chamber of commerce plays a pivotal role in protecting the interests of the business community through ensuring that a favorable enabling environment for business growth and development is cultivated. The KNCCI also conducts capacity building programs for its members, establishes market linkages and routinely conducts business surveys to understand business challenges encountered by its members. In FY 22, KNCCI – Turkana chapter linked its

members with financing through MasterCard Foundation that was offering loans at 0.83% to support their activities. Additionally, security being a key factor in the safe practicing of business activities, KNCCI works closely with the security teams in the counties to ensure the safety of businesspeople, particularly in urban centers, and regularly holds workshops and training sessions to equip its members with the necessary skills and knowledge.

KNCCI – Turkana chapter members offered loans at 0.83% by MasterCard Foundation

0.83%



The USAID’s LMS project supported the development and launch of strategic plans across the six Counties, benchmarking visits, training on business development services. These plans focus on the Chamber’s strategy training, promoting business linkages and partnerships, resource mobilization, Information Communication Technology (ICT) and physical infrastructure development. A KII indicated that,

“Through USAID’s LMS, there has been benchmarking visits to other counties, governance, and leadership training to the board of directors, training on business development services. There has been training of trainers (ToTs) certified in business development services with support from USAID’s LMS. The USAID’s LMS is using the trained staff to train the SMES.”

40%



Membership increase attributed to USAID's LMS support

This has led to an increase in membership with one of the Chambers' Chapters reporting a membership increase of 40% attributable to the support received from USAID's LMS.

Interviews with officials from the Chamber of Commerce indicated an increased membership attributable to USAID's LMS support resulting in improved advocacy by the Chambers of commerce for its members' business interests. There was also marked improvement in business relationships that were created through the business forums and further strengthened through other networking opportunities such trade fairs and market linkages, thereby incentivizing more business members to join, thereby continually increasing their social capital. The expansion of business networks within and beyond the counties enabled the businesspersons to trade amongst themselves and even access new markets at reduced transaction costs.

When queried about concerns on the sustainability of services, networks, and relationships post-USAID's LMS, 83% of the KIIs from the Chambers of Commerce affirmed that they would continue undisrupted. One KII echoed that,



"There is a strategic plan that will guide us for the next 5 years. Because of the Strategic plan, we have received support from other partners such as USAID-Nawiri and Impact that will help us carry on with the activities."

To sustain these services, Chambers of Commerce chapters in the target counties are keen to implement the strategic plans as well as building strong relationships with their members, the county governments, and non-governmental partners. All (100%) of the KNCCI Chapters were very confident that these relationships and networks would continue given that they had been supported to establish strong structures that would ensure sustainability with an official opining that,



"The chamber has increased membership as a result of USAID's LMS, and keen is to recruit more members. There is good will from the County government to continued support to the chamber."

To further entrench sustainability of the services and relationships however, there was a feeling that continued exchange visits for peer-to-peer learning with *"counties that are doing very well such as Uasin Gishu and Turkana"* would be greatly helpful in assisting the *"board members to understand better what they are required to do."* However, a few challenges that could hinder sustainability were also highlighted by the officials including the high costs of convening AGMs, financial and human resources for implementing the strategic plan. This could hinder their operations because they were only dependent on fees collected through membership subscriptions.

To sustain these services, Chambers of Commerce chapters in the target counties are keen to implement the strategic plans as well as building strong relationships with their members, the county governments, and non-governmental partners. All (100%) of the KNCCI Chapters were very confident that these relationships and networks would continue given that they had been supported to establish strong structures that would ensure sustainability with an official opining that,



“The chamber has increased membership as a result of USAID's LMS, and keen is to recruit more members. There is good will from the County government to continued support to the chamber.”

When probed about USAID's LMS influence in building their ability to withstand shocks and stresses, the majority of the KIIs rated USAID's LMS influence as largely positive with a few rating it somewhat positive.

From the KIIs, the average sustainability score for KNCCI was 1.7 which is attributable to the challenges that could hinder their operations including the high costs of convening AGMs, financial and human resources for implementing the strategic plan. KNCCI operations were only dependent on fees collected through membership subscriptions. However, shocks such as droughts negatively impact heavily on businesses which results in reduced collections of membership fees.

Sustainability of Pastoral Community Outcomes

Improved Institutional Capacity of Livestock Market Associations (LMA's).

Livestock markets are managed by the LMAs. USAID's LMS facilitated a range of activities including leadership and management training and exchange tours aimed at improving the management of these markets. Further, the infrastructural development of these livestock markets greatly facilitated livestock trade and economic prosperity in these counties resulting in more empowered communities. Besides trade, the markets were regarded to have reduced conflicts with a respondent in a KII stating that,



Capacities/Skills



“Because of the USAID's LMS support, people have realized the importance of peace because it is not possible to do livestock trade without peace. The community is now maintaining peace in the markets and along the highways to ensure safe passage of traders. Any suspicious persons are reported immediately to the security agents, peace committees and others to network and work together.”

Before USAID's LMS, review meetings and Annual General Meetings (AGMs) were uncommon for the LMAs. USAID's LMS, in collaboration with the County government, facilitated formation and training of LMAs for a total of 36 livestock markets that were supported across the target counties of Garissa (5), Isiolo (5), Marsabit (12), Samburu (3), Turkana (9), and Wajir (2) as tabulated in Table 3.

Table 3: USAID's LMS supported markets by County.

Garissa	Isiolo	Marsabit			Samburu	Turkana		Wajir
Afwein	Biliqo	Dabel	Karare	Olturot	Kisima	Kaaleng	Lokichar	Griftu
Balambala	Duse	Dukana	Korr	Oropoi	Lekuru	Kakuma	Lokichogio	Habaswein
Garissa main	Isiolo	Forole	Loglogo		Maralal	Kalemngor	Lokitaung	
Masalani	Merti	Illaut	Merille			Kalobeyei	Lokori	
Modogashe	Oldonyiro	Jirime	Moyale			Lodwar		

There was evidence of deliberate efforts by the County governments to replicate USAID's LMS intervention model in livestock markets not reached by USAID's LMS. This was through efforts to form and build the capacities of LMAs to manage those markets. Projects like the Nawiri Project have been actively involved in providing training to LMAs. The County governments were also offers complementary support in renovation of markets, creating market linkages with other counties, and providing security to the markets. As a result, a KII indicated that,



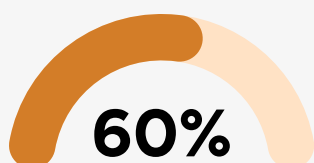
“the activities are becoming almost the same between the supported and non-supported markets. The markets that were not reached have picked good ideas from the supported markets.”

Approximately 60 percent of the LMAs interviewed indicated that they were not concerned that any of the services that they offered would come to an end after USAID's LMS ends, with 83% being very confident that the services would continue. They attributed the confidence to the increase in knowledge gained through the USAID's LMS activities as indicated in an LMA FGD,



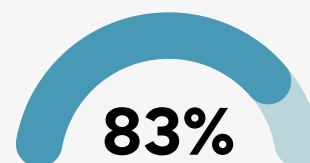
"We have knowledge on how to proceed with services offered. The county government will also take some responsibility once co-management model is fully implemented."

Confidence about service continuity after USAID's LMS ends



Of LMAs interviewed indicated that they were not concerned that any of the services that they offered would come to an end after USAID's LMS ends

83% of the LMAs were very confident that the services would continue. This was attributed to the increase in knowledge gained through the USAID's LMS activities as indicated in an LMA FGD.



Additionally, the interventions created important linkages through the business forums and exchange visits creating important channels for networking and knowledge sharing.

Revenue sharing is critical because this provides the finances to manage and maintain these markets. The study observed that the county government revenue department was collecting revenues from most of the USAID's LMS-supported livestock markets. However, sharing the collected revenues with the LMAs was discretionary and based on informal agreements between the counties and the LMAs and not anchored in law. Consequently, the revenue sharing formulas differed widely across the supported livestock markets, with Wajir county not sharing the revenues at all with LMAs in Griftu and Habaswein markets. Specifically, an LMA official in Korr remarked that,



"The County collects revenue but does not share with the LMAs".

This also applied in Moyale Livestock market. Alternately, in Merille market in the same county, LMAs received 30% of the collected revenues. This was however expected to be formalized through the enactment of the Sales Yard bill as put forward by a Marsabit County government official,



“USAID's LMS has put a lot of resources to ensure that the business done in the markets is legalized and ensure that the revenue sharing is in the law. The Bill has proposed 40% goes to the community and 60% to the county. This is to ensure that the communities own the market, the communities are vigilant on the market sites to take care of the markets.”

Notably though, the enactment of the bill was still pending in all counties and there were tensions from LMA officials that the bills were likely not to be passed as highlighted by an LMA official in Wajir that,



“Our main concern is the bill, if USAID's LMS comes to end then we expect the bill not to go through but still external buyers, transporters, pastoralists and LMA committee will be cooperating to make sure there is good management.”

Information on the exact revenues collected during the market days was only obtained in Oldonyiro market in Isiolo county. The market is managed by a market manager appointed to the market by the county government of Isiolo. On average, one market LMA collects KES 86,000 per month which is then shared with the county government on a 60:40 ratio as indicated during an FGD with LMA officials in Isiolo county,



“approximately, Kshs. 15,000 is collected from the market every week, Kshs 26,000 is collected from market stalls on monthly basis, and we also share with county government”.

The shared revenues to the LMAs are used to maintain the market as well as support vulnerable students in the community through bursaries.



KES 86,000

Average revenue collected by one market LMA per month



60:40 RATIO

Ratio of sharing revenue collected between LMA and county government

Majority of the LMAs interviewed indicated that the services they facilitate in the markets for the pastoralists would continue post USAID's LMS due to the relationships that have been established directly between the LMA's and the market actors. An FGD participant described that,



“All relationships will be available even after USAID's LMS exit because we have built a strong working relationship-we have the database of all market actors, we do follow up if any trader does not turn up in the market for more than 2 weeks.”

To ensure these services continue beyond USAID's LMS, the LMAs have been promoting ownership by offering employment opportunities to the locals, collaborating with chief and security officers to provide security during markets, as indicated in one of the FGDs that,



"We sustain the relationships by compensating our traders in case of any livestock loss, we refund half the number. We also conduct meetings with traders to address issues in the market."

Additionally, they have brought market actors together through the formation of SACCOs where traders save and access credit to expand their businesses.

However, the livestock bills/policies that will ensure co-management are yet to be passed and implemented in all the USAID's LMS targeted counties. Despite the efforts by USAID's LMS to develop these bills, LMAs expressed concern that the government process is taking too long to pass, implement, and institutionalize them which is key to sustainability of the markets. It is expected that as the LMAs wait for the enactment of the livestock policies, specifically the saleyard bills that stipulates the revenue sharing formulas they would continue sharing the revenues through the informal agreements. This is expected to last until the livestock policies are enacted, and in the event that they are not enacted, thus scoring 2 out of 3.

Increased Access to Markets

Having markets closer to pastoralists has created a sense of ownership and made it easier for pastoralists to sell their livestock. All the pastoralists interviewed indicated that they will continue selling their livestock at the USAID's LMS supported livestock markets. This is because these markets are closer to them, eliminating transport costs as cited by an FGD pastoralist that,



Increased access to markets



"No expense is incurred to access the market e.g. transport, accommodation, food etc. The livestock also do not lose weight during transportation hence better prices."

Additionally, the prices offered there are better than the ones offered at farmgate resulting in higher profits from their animals as indicated by a pastoralist in an FGD that,



"Because it has both internal and external suppliers and customers hence fair price...The market is easily accessible and also very safe."

There has been notable increase in participation of women, youth and even the elderly in market activities that is attributable to USAID's LMS support. The proximity of the markets has made it easier for pastoralists to sell their livestock as highlighted during an FGD with pastoralists that

“Pastoralists who was unable to go too far distance is now coming to sell their livestock in this market.”

Furthermore, more women are engaging in livestock trade as well as in provision of auxiliary services in the livestock markets. A key informant remarked that,

“Women are taking a leading role in the USAID's LMS project, and they have greatly benefited from the livestock trade. Merille market now has a big percentage of women livestock traders. They can buy livestock from the local markets and trade with others from Nyeri, Meru, Isiolo, and Nairobi.”

The proximity of these markets has also enabled pastoralists to procure goods and services from vendors within their localities. This has promoted community ownership of the markets due to the perception that they are promoting their local enterprises and the incomes are channeled back within the community as stated in an FGD with the pastoralists,

“Because the market belong to this community’, pastoralists are buying their product from the women who do their business near the market, the income is coming to our community and we will continue selling our livestock in this market.”

However, this access might be at risk if certain livestock markets stop operation due to stresses such as droughts that drive pastoralists away to search for pasture and water for their livestock. As evidenced by the outbreak of Covid-19 that occasioned the closure of livestock markets, any future pandemic outbreaks could potentially result in the closure of livestock markets again. Similarly, outbreaks of zoonotic diseases that would necessitate the quarantining of livestock could also result in the restriction of livestock movement and closure of markets as preliminary measures of containing the spread.



Activity at the Merille livestock market in Marsabit County

Behavior Change

Adoption of technologies

The USAID's LMS initiative endeavored to promote demand for herd health services by showcasing the benefits of quality inputs and qualified staff on livestock health, production, and productivity. Its goal was to shift pastoralists' attitudes towards routine herd health practices, particularly vaccination and deworming. The project therefore rolled out a coordinated campaign to raise awareness among pastoralists, animal health service providers, and input suppliers about the importance of routine vaccination and good herd health practices. The initiative sought to prevent livestock illnesses during droughts while also fostering new businesses and employment opportunities along the livestock value chain. Through the Social and Behaviour Change (SBC) communication, pastoralists embraced improved livestock management practices such as use of livestock supplements and feeds increasing business between them and the input suppliers. An input supplier related that,



Behavior Change



“Pastoralists have benefited from USAID's LMS behavior change campaigns aired on local radios, leading to a significant improvement in their understanding of animal drugs and their proper usage. As a result, there has been an increase in the purchase of animal feeds and drugs.”



Sinai Agrovet in Garissa County. USAID's LMS created strong linkages between pastoralists and input suppliers thereby increasing access to extension services, feeds and drugs

Additionally, USAID's LMS created strong linkages between pastoralists and input suppliers thereby improving access to extension services, feeds and drugs as confirmed by an input supplier during a KII that,



“There are pastoralists who are far from the livestock market, when you met with them, you educate them on animal production and management best practices that would increase the health and value of their livestock. Engaging with them has greatly increased our sales.”

To ensure sustainable supply of essential inputs and services related to livestock management, beyond the project, distribution of supplemental feeds during the life of USAID's LMS was made through the normal market channels, thereby linking three (3) feed manufacturers to 32 agro-veterinary distributors and the distributors to over 6,000 households. This has created market linkages between the input suppliers and manufactures as observed by a KII input supplier,



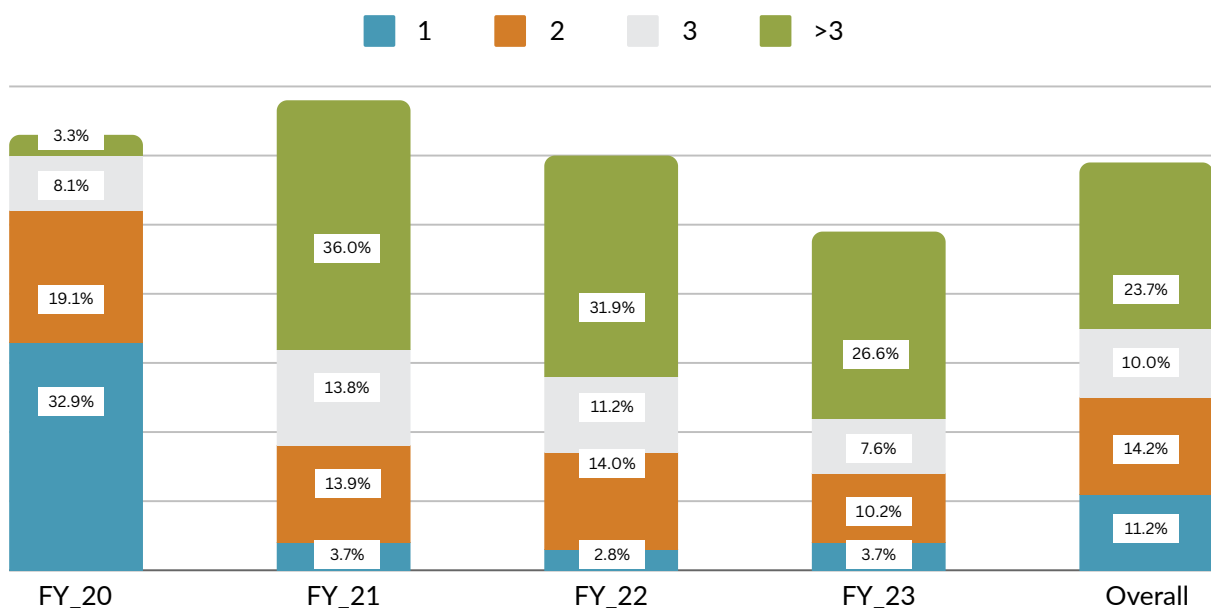
“We have a link and good relationship with large input suppliers in Nairobi so in case of any opportunity with or without payment we are able to procure commodities. This has greatly contributed to our business growth.”



Through social behavior change, pastoralists embraced improved livestock management practices such as the use of livestock supplements and feeds increasing business between them and input suppliers

The adoption of technologies and effective management practices plays a pivotal role in enhancing livestock yields and product outcomes. However, an analysis of five years' worth of data gathered from USAID's LMS participants reveals a concerning downward trend on application of improved technologies and management practices (refer to Figure 3), largely attributed to various shocks and stresses. These include prolonged drought, desert locust infestation, the COVID-19 pandemic, and the Ukraine Crisis, all of which have significantly impeded household incomes. Consequently, households have had to reprioritize their expenditures, with a focus on immediate needs such as food, education expenses, and healthcare, rather than investing in technological advancements for livestock management.

Figure 3: Adoption of promoted Technologies and management practices by community members.



Despite the shocks experienced during the USAID's LMS implementation period, efforts to raise awareness among the pastoralists on the need to adopt promoted animal health technologies have borne positive behaviour changes as remarked in a pastoralists FGD that,



"We can now buy quality feeds for our livestock to keep them healthy. We also vaccinate our animals to prevent them from getting diseases."

Sale of Animals Based on Early Warning Signs

Communities in the USAID's LMS target counties seem to adhere to norms that perpetuate discrimination and impede development through community-imposed restrictions. Capacity building for livestock producers and traders was undertaken as a routine activity to ensure continuous impartation of knowledge and skills that can further lead to behaviour change and enhance livestock trading. The training therefore not only targeted the livestock market association officials to enhance their capabilities in the management of the livestock markets but also the livestock producers to drive behavioral change towards embracing of livestock keeping and pastoralism in general as a commercial activity. Evidence of behavioral change was well manifested as remarked by a KII respondent that



"pastoralists are now following an early warning system and selling animals in time. This behavior change will continue post-USAID's LMS as it has become a part of the pastoralists' routine and it has proven to be beneficial in terms of timely selling of animals, thereby preventing losses during droughts or other adverse conditions."

A key observation made is that pastoralists are now much more willing to sell their livestock and detach from the long-held practice of keeping large livestock herds for cultural prestige. Instead, there is a marginal shift towards adherence to early warnings on droughts as well as embracement of livestock traders in the rural areas sourcing for livestock to sell in the established markets as noted by an FGD participant that



"some pastoralists are now following early warning systems and selling animals in time." through the National Drought Management Authority (NDMA)."

Increased income due to livestock market activities



Incomes &
Profits

The USAID's LMS project made significant contributions to job creation by establishing a self-sustaining market ecosystem. This ecosystem enabled various participants to create jobs for themselves and for other community members through the enterprises they manage.

By facilitating the operationalization of the livestock markets, USAID's LMS provided the community with controlled open spaces and stalls to sell their products. This has led to the emergence of various employment opportunities in and within the vicinity of the USAID's LMS-supported livestock markets as confirmed in one of the FGDs with the market actors,



“USAID's LMS has played a crucial role in job creation by facilitating the operationalization of the market, thereby providing the community with easy access to market spaces to display and sell their products. As a result, various employment opportunities have emerged within the market ecosystem. Bodaboda (motorcycle) operators, food vendors selling soft drinks, "mama mbogas" selling fresh produce, and vendors offering cooked foods have found employment opportunities. Also, the markets have created jobs for security guards tasked with ensuring safety and orderliness, and market cleaners responsible for maintaining cleanliness and hygiene standards. Overall, the operationalization of the market has not only enhanced economic activity but has also contributed to livelihood improvement within the community through job creation.”

In addition, the market has created jobs for the youths working as clerks, record keepers, cleaners and security guards curbing idleness as reiterated in an FGD with the LMA,



“We have employed someone to take charge of record keeping, security personnel, cleaners, and other essential employees. We have a total of 23 casual employees. The salaries which are paid timely enable these people to cater for their household needs, school fees for their children and medical bills, we also give loans to employees.”

Furthermore, the easy access to market spaces for their products has also opened up entrepreneurship opportunities for the youth.



Livestock markets have increased employment opportunities for youth who provide services including animal loading and transportation

Evidence of creation of new employment opportunities in the LMAs, Water User Associations (WUAs), and WPCs was also constantly cited. Within the production and marketing cooperatives, USAID's LMS facilitated the establishment of self-sustaining businesses among pastoralists as highlighted in one of the cooperative FGDs,

“

“We employ someone who is selling animals and slaughtering. We have rented a place to keep six freezers where we pay 10,000 shillings every month.”

All pastoralist FGDs reported a large positive impact of USAID's LMS influence on their household incomes and their ability to withstand shocks and stresses. This was attributed to the knowledge gained and resource support via the USAID's LMS initiative as remarked by a pastoralist in Isiolo county,

“

“we have been trained on best livestock keeping practices, fodder production to improve the quality of our animals hence increased income.”

However, the sustainability of the income from these jobs is dependent on the continuation of the livestock markets. As discussed above; different factors will influence whether these markets will continue to operate optimally as the guarantee now is on informal agreements on sharing revenues to maintain the markets.

Improved availability and accessibility of nutritious foods

Nutrition training, social behaviour change campaigns and the increased incomes impacted greatly on the feeding habits of USAID's LMS participants. The FGDs revealed a positive shift in dietary habits and livelihoods among pastoralist communities. For instance, in Isiolo, participants asserted that,



"We have changed the type of food we consume, before we were eating only livestock products but right now, we buy fruits and vegetables to supplement our diet to improve the nutrition."

This change indicates a growing awareness among the pastoralist communities of the importance of diversified sources of diets for improved health and well-being.

The USAID's LMS nutrition module also promoted kitchen gardening thus increasing production and availability of nutritious foods at the household and community level. An FGD participant shared,



"Yes, our mindset has changed, I can be able to decide what to cook for my family and also I can host visitors at home, make decision on what to cook for them because I have my own income. Before USAID's LMS, I could only wait for my husband to provide money and make decisions on what to buy. I can also make decision on what to plant on our farm, where we grow food crops."



By training residents in the Activity counties on kitchen gardening, USAID LMS has supported the consumption of nutritious foods

The analysis further indicates an increase in the mean food group consumed by women from 2.9 at baseline to 3.2 as of September 2023. This varied significantly across years and counties because of the different livelihood set-up and drought situation in these counties. (Table 4). For example, in 2019, Marsabit consumed the highest food groups while Wajir consumed the lowest; while in 2020, Isiolo consumed the highest while Turkana consumed the least. The results show positive shifts in food consumption even in times of shocks and stresses like COVID 19 and the prolonged drought over the life of USAID's LMS. This is attributable to the behaviour change, after nutrition trainings, which saw the beneficiaries more informed to make better nutrition choices during massive humanitarian responses by government and humanitarian agencies which distributed a lot of money through cash transfers. The social behavior change resulting from trainings and campaigns saw the stability of food groups consumed in FY22 and FY23.

Table 4: Mean food groups by county and year

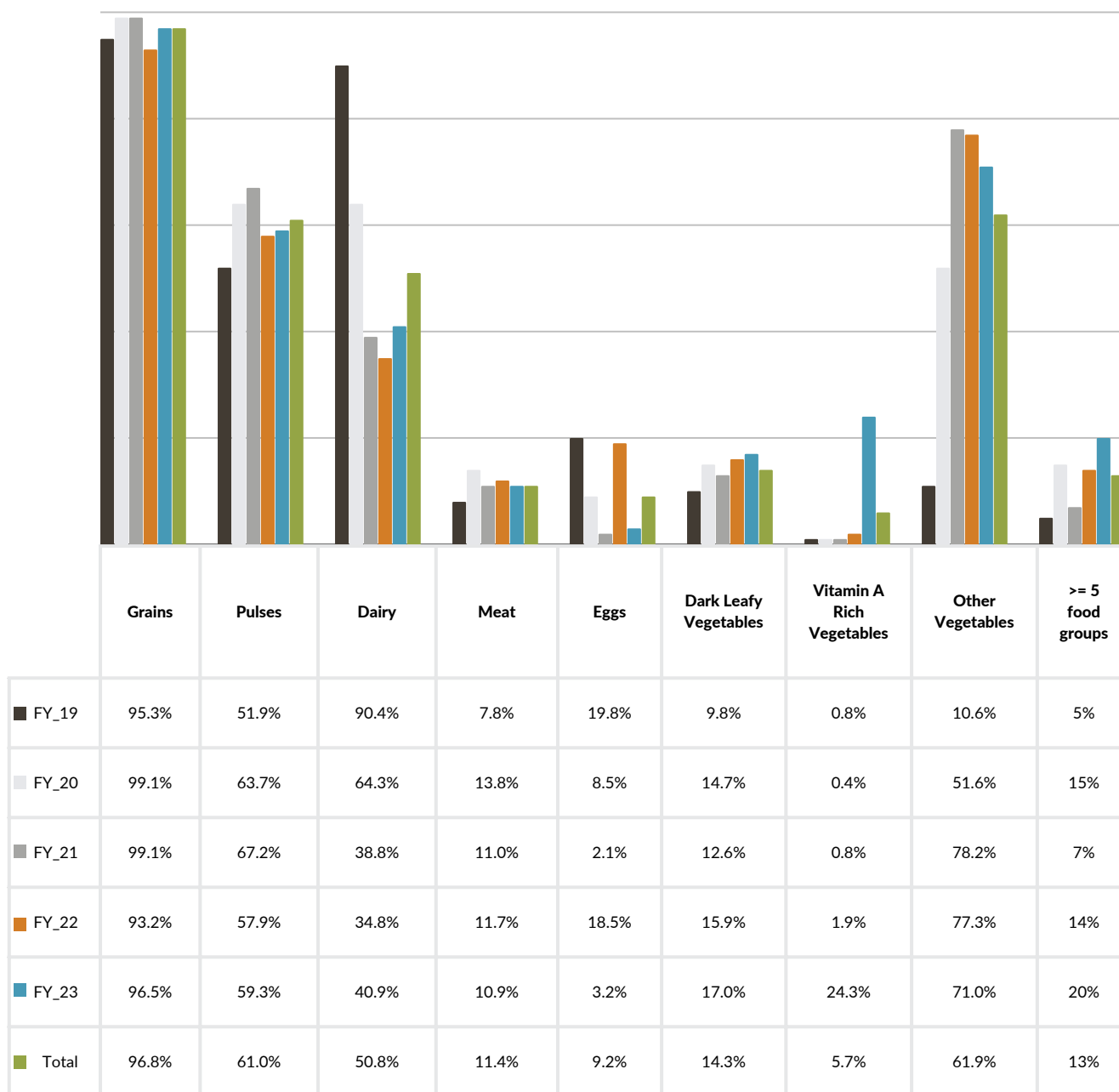
	Garissa	Isiolo	Marsabit	Turkana	Wajir	Samburu	Overall	F
Baseline	3.6	3.4	2.8	2.3	3.2		2.9	36.65***
FY_19	3.3	2.9	3.5	2.6	2.4		2.9	18.55***
FY_20	3.7	3.9	2.7	2.1	3.5		3.2	143.55***
FY_21	3.5	3.2	3.2	3.1	2.7		3.1	14.40***
FY_22	3.6	3.9	3	3	3.2		3.3	22.14***
FY_23	3.3	3.3	3.3	3.2	2.8	4.5	3.3	17.04***
Overall	3.5	3.5	3.1	2.7	3	4.5	3.2	78.77***

Overall, the percent of women consuming more than five food groups has been on the rise since 2021. There is a notable improvement in the percent of women consuming diets of minimum diversity from 9.7% in 2018 (baseline) to 20% in 2023. The analysis also revealed that the consumption of dark leafy vegetables has been on an increasing trend over the years attributable to promotion of kitchen gardening and grants that supported entrepreneurship development increasing business incomes among the GIRL and REAP beneficiaries.



Said Abdi tends to spinach at his farm in Bulapesa Ward in Isiolo County

Figure 4: Consumption levels of different Food Groups



Behavior Change

Additionally, prevailing beliefs viewed chickens solely as birds rather than viable sources of community sustenance for food and income. This perception is gradually shifting, particularly with the involvement of women, who traditionally were not allowed to own livestock, now engaging actively in the poultry value chain. This is a critical addition to the incomes of women when they sell the poultry, but also for the household’s nutritional status when they are consumed. In response to the growing importance of poultry farming in the region, entrepreneurs have established poultry businesses at various scales signaling good signs for sustainability of the enterprises in the long term.

The LMS approach was facilitative and therefore did not offer the training directly but rather supported Community Health Volunteers. This is expected to continue beyond LMS. The sustainability of this outcome will be influenced by the availability of nutritious food commodities which is dependent on continued operation of the livestock markets. Enhanced security in the livestock markets will ensure that traders continue to sell their products at these markets provided the fuel and food commodity prices remain favorable. However, the participation of females in kitchen gardening and the chicken value chain has scaled and will continue even without the existence of these markets as the markets are not where they primarily sell their goods.

Improved Institutional Capacity of County Government

The USAID's LMS project has indeed played a critical role in enhancing the capacity of county governments to deliver services to the community. The program worked closely with relevant government departments and built their capacity to deliver more effectively. This was done through training to county government staff in strategic planning, organization development, resource mapping, and governance to improve service delivery to the communities. Staff from departments of livestock production, fisheries, nutrition, and agriculture benefited from training to equip them with skills on poultry production, honey production, camel milk production, hygiene handling, and processing.

Similarly, the program supported the county governments to establish County Resource Teams (CRT) across key sectors such as livestock, natural resources and rangelands management, peace building, community managed disaster risk reduction, and the County Development Information System. These resource teams were trained and linked to community-based structures such as Ward Planning Committees. This provided county governments with highly specialized technical teams to work closely with communities and community-based institutions to build their capacities.

USAID's LMS mobilized the county-designated rapid response teams to address emergency situations at water point installations, especially in regard to restoration of boreholes. The team revived 42 previously non-functional boreholes, benefiting more than 10,000 community members and over 50,000 livestock. These interventions were instrumental in ensuring water access, sparing community members from reliance on costly water vendors due to surging fuel prices. Additionally, county governments developed contingency plans for the continued management and rehabilitation of these vital water projects.



42

Previously non-functional boreholes revived



10,000

Community members benefitting from revived boreholes



50,000

Livestock benefitting from revived boreholes

Collaboration between the County government and LMAs, cooperatives, entrepreneurs and pastoralists will continue beyond the project due to the impact that the trainings and capacity building efforts has had on them as indicated in the KIIs that,



“The collaboration will continue because there has been an improvement in the mindsets of the stakeholders, everyone has learnt a lot, have built own capacity to handle issues in the livestock markets.”

The officials were very confident that those collaborations will continue beyond USAID's LMS project. Policy work is very crucial in enhancing these relations as indicated in all the KIIs that,



“we are very confident that these services will continue after USAID's LMS ends. Once the pending bills are enacted into laws, regulations will be developed that will enhance and improve services provided.”

It was anticipated that the project's sustainability would be bolstered through the passage of supportive policies. However, respondents acknowledged that policies require a lot of resources to bring stakeholders especially public participation and debate at the county assembly. USAID's LMS has influenced policy development in the targeted Counties to a very large extent raising the confidence with the County officials interviewed who indicated that they were



“Very confident that the livestock bill will be enacted and supported by government and non-state actors. For the Rangeland management bill, there are contentious issues around management of the community land. The bill gives more power to the community, but the political class are opposed to this arrangement.”

Improved water, sanitation, and hygienic practices at household & community level

To safeguard the impact on USAID's LMS project interventions on the environment, Environmental Mitigation and Monitoring Plans (EMMPs) were developed for all projects to ensure that grant activities adhered to environmental compliance requirements. The EMMPs provided details on the mitigation measures and their costs for all environmental impacts, both negative and positive, that emanated from the implementation of the USAID's LMS project. These provided details as to whether the activities were expected to cause any environmental threats or impacts, with a section incorporating systems for monitoring appropriate mitigative measures into project or activity design. One of the mitigation measures was training as indicated in one of the FGDs that,



“Training on range land managements, environmental conservation, climate change initiated by USAID's LMS has significantly reduced impact associated with disasters like flooding and drought. Application of early warning system is applied.”

Weak institutions and systems do not provide sufficient protection to communal resources. To address these challenges, USAID's LMS adopted a Participatory Rangeland Management (PRM) model. The PRM model helped to establish rangeland governance units considering an ecosystem approach which incorporates and strengthens relationships between government and customary institutions. This was used to strengthen community engagement for effective rangeland management as well as strengthen the capacity of county and national government bodies for rangeland and water management. USAID's LMS also supported the development of risk-informed development plans through an inclusive community participatory process involving the CRT, National Drought Management Authority (NDMA), and WPCs.

The project collaborated with the county government to address water access challenges in the targeted counties through rehabilitation of boreholes and water pans, involving repairs, extensions, and improvements to ensure sustainable access to safe water in the region. Additionally, the project conducted training for water officials from water users' associations (WUAs) in collaboration with the county government's Ministry of Water and Environment. The training focused on sustainable water systems and covered various important topics such as group dynamics and equal representation, elements of WUA Constitutions and Bylaws, roles of WUA in community water management, and appropriate water tariffs for community-managed water supply projects. The objective of this training was to enhance participants' understanding of WUA constitutions in managing water systems and the roles of committees in water management. This knowledge has led to increased community responsibility towards their assets such as institutions, water sources, and grazing lands. Through community sensitizations by the WPC, the community has become more responsible, understanding that the ownership and responsibility of all community assets is everyone's responsibility. This sense of ownership and responsibility is expected responsibility's, ensuring the continued care and maintenance of community assets as highlighted in one of the FGDs with the WPCs,



"Before we started the WPC, the community neglected their assets, assets like institutions, water sources, grazing lands were neglected, through community sensitizations by the WPC the community is now more responsible, they know that the ownership and responsibility of all community assets is everyone's responsibility"



Susan Lemirian fetching water at the Lchoro Leleraï water kiosk_Samburu County

Overgrazing and degradation would be most noticeable in the immediate vicinity of the boreholes or wells while poor timing in the use of rangeland can damage the soil. As part of the ward-based development planning approach, the program has supported the WPCs to map natural resources in their respective wards. In particular, the mapping focused on the identification of rangelands, grazing lands for wet and dry seasons, migratory routes for livestock in relation to resource-based conflicts, drought and conflict hotspots, and water points. The resource maps are critical for decision making in relation to development priorities by the communities as well as in the development of grazing plans and identification of potential community rangelands for protection and gazettement.

The CRT on rangeland management worked closely with WPCs, rangeland management committees and the forestry department on the gazettement of rangelands as protected areas as well as discouraging the ongoing deforestation in the rangelands by promoting afforestation and protection of indigenous trees. As shown in figure 7 on the right, the initiative ensured Gazettement of Bute Malaba hills in Wajir covering an area of 19,171 square kilometers as a protected and a dry season grazing area. In Wajir county, land laws have been established to manage grazing land. These laws provide a structured approach to land management, preventing overgrazing and ensuring sustainable use of land resources. The existence of these laws post-USAID's LMS will be guiding the community in managing their grazing lands effectively as indicated in a KII with one of the WPC,



“We have established land laws that will be used to manage grazing land.”

The USAID's LMS initiative supported multiple WASH activities through the GIRL model. Precisely, the initiative delivered training on safe hygiene practices at an individual and household level, focusing specifically on aspects such as household cleanliness, childcare, menstrual hygiene, and safe disposal of used sanitary towels.

In Northern Kenya, where arid and semi-arid conditions prevail, access to water for domestic, animal, and agricultural use remains a critical. Especially, availability of clean water for both human and animal consumption continues to pose challenges. However, there have been notable improvements in community-level sanitation and hygiene practices, particularly through the implementation of proper waste disposal methods and the maintenance of cleanliness in public facilities.

The USAID's LMS intervention sought to enhance access to clean water and improve local hygiene by developing water infrastructure across the target counties. The intervention encompassed a range of impactful measures that could improve water access including repairing broken components of borehole systems, installing new pipelines, rehabilitating, or constructing water kiosks, introducing solar-powered borehole pumping systems, and desilting water pans. These interventions not only enhanced the availability of clean water but have also contributed to the building of social capital in terms of improving health, productivity, stronger community connections and collective action. The support received was much appreciated by the community as indicated by a WPC FGD,



"We have benefitted with more water infrastructure, connection of water from the borehole to the markets, an extra two 10,000 liters water tank. We also given a public address system by USAID's LMS."

The deployment of water trucking services during severe drought demonstrated a proactive approach to water management in times of crisis. Water trucking services provided a lifeline during severe droughts by ensuring access to water for drinking, cooking, and basic hygiene. This was crucial for the health and well-being of the communities and fostered stronger social ties, especially between pastoralist and host communities that had to share the trucked water in some counties.

The USAID's LMS project also facilitated the Departments of Water to conduct training targeted at empowering the communities to better manage their water resources and improve their resilience to drought. They also supported formation of sub-committees within the WPCs to manage water resources referred to as the Water User Association (WUA). This required different members of the community to cooperate, a likely avenue for further collaborative efforts and initiatives within the community and even reduce conflicts between members in the community as indicated by a WPC FGD that,



"Through reduction of conflicts over the resources due to availability of several water points availed by USAID's LMS and establishments of water management committee."

WPCs are community structures formed at the ward level to encourage community participation in planning development. The community is mobilized in a participatory manner to elect representatives from their villages to the committee. USAID's LMS supported these committees with trainings on leadership, resource mapping, proposal writing, conflict resolution, animal health, feed preservation, and planning for development and capacity building through exposure visits to other counties and countries to learn best practices. They were also supported to develop constitutions whose bylaws promote inclusion by clearly stipulating the one third gender rule, performance-based membership, and rotational leadership so as to embrace diverse perspectives and voices of all community members for effective governance as indicated in one of the FGDs that,



“WPC conducts elections after two years, the election will be conducted by the community and they will make sure the slot for women and youth are reserved.”

Through USAID's LMS linkages, the WPCs are already receiving training, capacity building activities and platforms to share Ward priorities and lobby for financial support from other partners like Nawiri and the County governments. During the interviews, some FGDs expressed concerns on the continuity of the services offered to them as alluded in one of such FGDS that,



“We are concerned about the capacity of the incoming WPC after the exit of the current committee because they may not get an opportunity to be trained after USAID's LMS exit.”

Over 80% of the respondents were confident that they will continue offering services to the community post USAID's LMS. One interviewee shared that



“We are working very closely with County governments in sustaining the various projects, additionally we have been trained on monitoring of the ongoing projects to ensure quality work is done for sustainability.”

However, some were of a contrary opinion indicating that,



“The WPC is young hence difficult to sustain itself without any support. These committees have no political good will from the Members of County Assemblies (MCAs) due to conflict of interest hence need to bring the team together for MCAs to understand the roles of WPCs.”

The average sustainability score for the WPCs was rated at 1.6 out of 3.



1.6 Out of 3

Average sustainability score for the WPCs

Just like any other institution, WPCs require financial resources to fund their operations. As a result, the passing of the Ward Development Fund (WDF) Bill is key for the sustainability of the WPCs as indicated in an FGD that,



“We have the support of other partners and the County Government who are committed to continuing their assistance. Furthermore, we remain optimistic about the passage of the bill, as it will enable revenue sharing with the County Government to facilitate ward development initiatives. This collaborative effort is crucial for advancing our shared goals and enhancing community welfare.”

The WPCs also support and facilitate community-based peace-building initiatives.

To address issues of water, the USAID's LMS project worked with the water utility counties in the counties and supported them with assorted equipment including construction of elevated steel tanks, establishment of water kiosks and capacity building for water management committees. USAID's LMS supported water utilities in the six counties with training and capacity building of the Board of Directors as well as exchange tours for benchmarking with other organizations that supply water such as Nakuru and Nanyuki Water Sanitation and Supply Companies. These interventions have enabled them to gain information on best practices for efficient and effective management of their institutions as lamented in one of the KIIs that,



“USAID's LMS facilitated training and benchmarking for Garissa Rural Water and Sewerage Company (GARWASCO) staff to Nakuru Water and Sanitation Services Company (NAWASCO) which has improved revenue collection and service delivery.”

During these interactions, different water utility organizations learnt different skills such as proposal writing and development of water strategies. USAID's LMS also mobilized county-designated rapid response teams (CRRTs) to address emergency situations at water point installations to restore boreholes. The team revived 42 previously non-functional boreholes, benefiting more than 10,000 community members and over 50,000 livestock. These interventions were instrumental in ensuring water access, sparing community members from reliance on costly water vendors due to surging fuel prices. However, these institutions felt that with the exit of USAID's LMS, such services may come to an end. One participants opined in one of the KIIs that



“The budget to the water department was reduced by 200 million and therefore at the moment, the department is unable to facilitate the WASH forum.”

due to limited financial resources to provide allowances for these teams even though they were supported to develop contingency plans for the continued management and rehabilitation of these vital water projects.



Mamasco exchange visit group

The respondents were very confident that they will continue to provide the services to the community; with the knowledge gained from trainings and exchange tours, they now have other avenues of raising funds such as charging for water and utilizing the cash collected for repairs and maintenance to ensure continuity as indicated in one of the KIIs that,



“Once the board is trained on its mandate, it will be able to run things well for the three years that it will be in place, I’ve also learnt that I can ask for help from other organizations by writing proposals.”

They have also enjoyed linkages to other institutions and projects for funding and capacity building and indicated in a KII that,



“For funding we have partners like Sustainable Transformational and Accessible Water Interventions (STAWI), Water Trust fund and the County Government, Cooperative for Assistance and Relief Everywhere (CARE), Food for the Hungry Kenya (FH-Kenya) Rapid Kenya which supports in construction of water storage unit and Kiosks, Concern international. Rural Agency for Community Development and Assistance (RACIDA) and water sector trust fund. Notably USAID’s LMS model was the best in supporting the company activities.”

These institutions indicated that the impact that USAID's LMS have had in influencing the ability of Water Utility Companies (WASCOs) in ASAL regions to grow and operate in the long-term was large and positive stressing the fact that,



“USAID's LMS took us for benchmarking at Nanyuki and Nakuru water corporations and we have adopted the high-quality water systems from those water companies, rehabilitated our water infrastructures, supported our rapid response team to repair and maintain our infrastructure.”

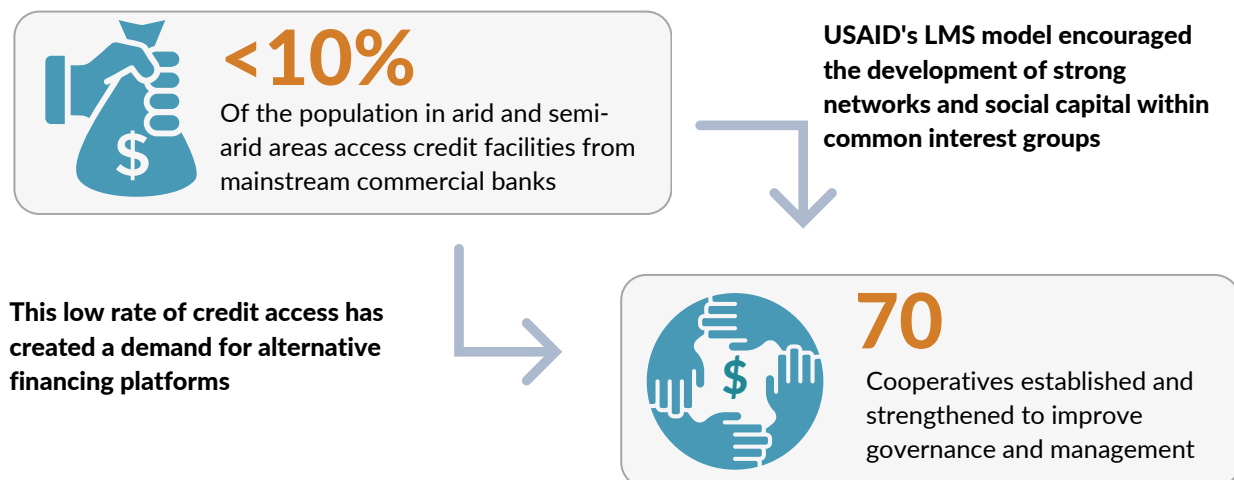
Sustainability Scoring



USAID's LMS has successfully expanded and diversified economic opportunities in its targeted counties, with strong community uptake. Through leadership and management training, as well as exchange tours with Livestock Market Associations (LMAs), USAID's LMS improved the management of livestock markets. Consequently, LMAs strengthened their relationships with livestock traders and local communities, enhancing market safety and resilience. However, without legislation to formalize the sharing

of market revenue between county governments and their respective livestock markets, LMAs must anticipate challenges in funding market maintenance and management. In areas where revenue is not shared, communities have shown a reluctance to pay livestock market fees, leading to reduced revenue for government entities. Similarly, for MSMEs to operate optimally, they need an enabling environment. Currently, weak institutions and systems fail to provide adequate protection for communal resources. This underscores the necessity of advancing policies to the implementation and institutionalization stages, ensuring decisions are policy-driven rather than influenced by changing government regimes.

Additionally, USAID's LMS operates in areas prone to shocks, which poses a risk of business collapse. Access to both start-up and working capital is crucial to reduce dependency on donors. Less than 10% of the population in arid and semi-arid areas access credit facilities from mainstream commercial banks. This low rate of credit access has created a demand for alternative financing platforms, such as SACCOs and Savings Groups, which offer more favorable terms for financial credit. USAID's LMS model encouraged the development of strong networks and social capital within common interest groups. Members formed closer bonds and built greater trust among themselves, reinforcing social accountability and ensuring the sustainability of group activities. As a result, 70 cooperatives were established and strengthened by enhancing their capacity, conducting membership drives, and implementing policy work to improve governance and management. However, these SACCOs are still in their infancy, relying primarily on member savings and repayments to provide loans, and have not yet extended their reach to the broader community.



Therefore, they require further capacity building to shift this mindset and explore investment options that generate more income for the institution. Expanding these efforts to include more community members is also essential.

The MSMEs in and around LMS-supported livestock markets significantly contributed to job creation, helping establish a self-sustaining market ecosystem. These enterprises not only created jobs for their owners but also generated employment opportunities for other community members. The sustainability of income from these jobs depends on the continued operation of the livestock markets and MSMEs. Various factors will influence whether these markets can continue to operate optimally, as their current functionality relies on informal agreements for revenue sharing to maintain the markets, with formal legislation still pending.

USAID's LMS facilitated nutrition training, promoted kitchen gardening, conducted social behavior change campaigns, and improved access to affordable, nutritious foods through vendors at USAID's LMS -assisted livestock markets. These efforts, combined with increased incomes, have significantly influenced the dietary habits of LMS participants. The sustainability of this result hinges on the availability of nutritious food commodities, which relies on the ongoing operation of the livestock markets. Improved security in these markets will ensure traders can continue selling their products there, assuming fuel and food commodity prices remain favorable. However, as the USAID's LMS approach was facilitative, nutrition trainings provided by Community Health Volunteers will persist beyond LMS. Furthermore, practices like kitchen gardening, poultry rearing, and beekeeping will endure even if the markets cease to exist, as these activities are not primarily reliant on market sales.

Putting all the above factors into consideration, the economic capital scored at 63%, environmental at 58% and social capital at 76% with an overall sustainability score for USAID's LMS at 66% (see Table 4 below).

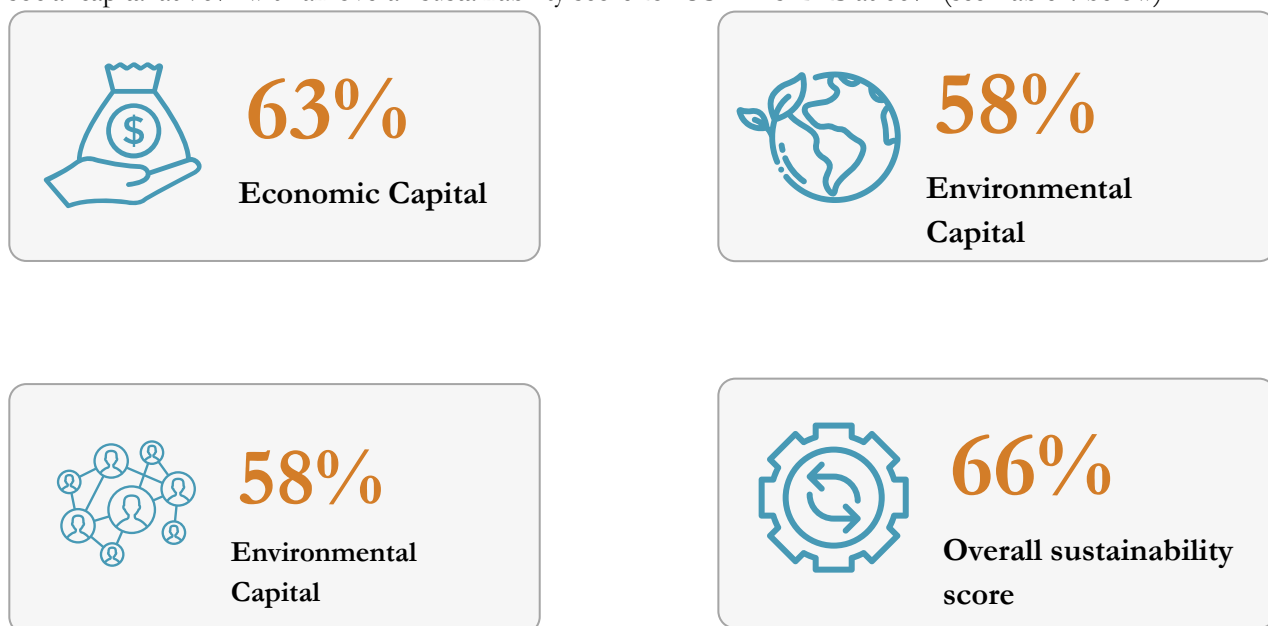


Table 5: Sustainability Score Card for USAID'S LMS

Sustainability Aspect	Areas of Impact	Progression performance Score (A)	Weightings (1 - 5) (B)	Weighted Scores (A*B) = C	Fully Sustainable Score B*3 = (D)	Gap to Fully Sustainable (D-C)	Triple Bottom Line Scores
Economic Impacts	Finance and resourcing	2.05	5	10.27	15	4.73	63%
	Employment Opportunities	2.26	4	9.05	12	2.95	
	Changes in Agencies and Roles (Women and Youth taking leadership roles)	1.15	3	3.45	9	5.55	
	Access to services, information, and Markets	2.13	5	10.65	15	4.35	
	Institutional Infrastructure and Capacities (LMAs, County Govt, AFC, Water Utilities, Chambers of commerce)	1.68	5	8.42	15	6.58	
Environmental	Resilience to Climate Change	1.55	3	4.65	9	4.35	58%
	Behaviour Change	1.91	4	7.63	12	4.37	
Social	Relationships	1.98	4	7.9	12	4.1	76%
	Inclusivity of project activities Women and youth inclusion in economic activities	2.55	5	12.74	15	2.26	
Overall Score				74.76	114	39.24	66%

KEY OBSERVATIONS

- Increased youth and women inclusivity in decision making in the supported institutions and livelihood activities.
- Most vulnerable community members do not access credit through the mainstream banks mainly due to inadequate formal education affecting record keeping, lack of collateral, and/or inadequate savings.
- Increased trust among group members through participation in capacity building activities, making the groups more resilient and fast-tracking formation of SACCOs and marketing cooperatives.
- Enhanced savings culture among the stakeholders including pastoralists and entrepreneurs increasing their likelihood of accessing credit facilities in cases of shocks and stresses.
- Young savings groups are at risk of collapsing if not supported due to small amounts of circulatory funds available for credit facilities, thus hampering their growth.
- A gradual shift by pastoralists towards utilization of early warning systems i.e. shift of perception from holding livestock for cultural prestige irrespective of unfavorable climate conditions.
- Pastoralists are accessing a wide range of food commodities through the markets and their own production thereby diversifying diets.
- The participation of former vulnerable community members to the local economy has minimized stigmatization, increased self-confidence leading to a change in their social status.
- Thousands of jobs, both direct and indirect jobs, have been created in different nodes of the livestock value chain and non-livestock related sector that provide other basic services.
- The establishment of market days, provision of security and cleanliness in the markets has led to an increase in the number of prospective external traders and easing access to better prices for the local community.
- Increased rapport within the business community due to strengthened social capital and linkages to the Chambers of Commerce
- Establishment of resource users' associations and involvement of the community as key stakeholders creates more ownership and need to manage the communal resources such as rangelands and water systems among others.
- Government commitment to avail resources to institutionalize policies was questionable. Sustainability of LMAs and WPCs is dependent on the institutionalization of policies such as livestock, saleyards, and Ward Development Fund bills.
- The implementation of USAID's LMS was more efficient and effective with in-kind support in form of physical materials was extended to the communities compared to direct cash support that has high likelihood of diversion of funds.

RECOMMENDATIONS

- 1 Linkage of institutions formed as a result of USAID's LMS support to other stakeholders to lobby and oversee the enactment of policies.
- 2 Need to scale up REAP and GIRL group formation and capacity building to empower the community to tap on the existing social capital.
- 3 Aggregation and dissemination of market information such as demand, and prices in different markets (feeder, main and terminal markets) through locally accessible channels to pastoralists and traders.
- 4 The county government, private sector through the established coordination forums to support the LMS initiatives as they get fully sustainable.
- 5 The LMAs and Cooperatives to be supported to integrate into the county level associations for continuous cross learning.
- 5 Ward planning committees to be supported to formalize and conduct general elections as stipulated in law for continuous support to communities.