



USAID KENYA RESILIENCE AND ECONOMIC GROWTH IN THE ARID LANDS-ACCELERATED GROWTH (REGAL-AG)

QUARTERLY PROGRESS REPORT: FY 2012 QIV



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RESILIENCE AND ECONOMIC GROWTH IN THE ARID LANDS-ACCELERATED GROWTH
(REGAL-AG) JULY-SEPTEMBER 2012 QUARTERLY PROGRESS REPORT

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The authors' views expressed in this report do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Acronyms and Abbreviations

ADESO	African Development Solutions
CAHW	Community Animal Health Worker
CFO	Chief Financial Officer
COP	Chief of Party
DCOP	Deputy Chief of Party
FY	Fiscal year
IEE	Initial Environmental Examination
KCA	Kenya Camel Association
KLMC	Kenya Livestock Marketing Council
LOAs	Letters of Authorization
M&E	Monitoring and Evaluation
MIS	Management Information System
PACIDA	Pastoralist Community Initiatives Development Assistance
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PMEP	Performance Monitoring and Evaluation Plan
REGAL-AG	Resilience and Economic Growth in Arid Lands-Accelerated Growth
REGAL-IR	Resilience and Economic Growth in Arid Lands-Improved Resilience
SIDEP	Samburu Integrated Development Programme
USAID	United State Agency for International Development

I.REGAL-AG EXECUTIVE SUMMARY

On July 30, 2012, USAID awarded ACDI/VOCA a contract to implement the Resilience and Economic Growth in the Arid Lands-Accelerated Growth (REGAL-AG) project, USAID contract No. AID-623-C-12-00002. REGAL-AG is a \$20 million, five-year project, which will increase economic growth in the rural communities of Marsabit and Garissa by building a more inclusive and competitive livestock value chain. Through project activities, REGAL-AG will foster a vibrant livestock value chain that generates opportunities for those all along it, including pastoralist livestock keepers. REGAL-AG will encourage growth by improving market access, increasing the availability and affordability of inputs and services needed to benefit from market participation, and working with livestock keepers to help them better manage risk.

This report summarizes the activities implemented in the first start-up period of project operations under REGAL-AG, otherwise the 4th calendar quarter. Upon signing of the REGAL-AG contract between United States Agency for International Development (USAID) and ACDI/VOCA, the program team quickly began to mobilize staff, subcontractors, and the planning of activities.

Qualitative Impact

During the quarter, the REGAL-AG team made outstanding efforts in consulting project partners in Nairobi and Marsabit County. These consultations strategically obtained relevant stakeholder input in the development of the fiscal year (FY) 13 project work plan and Performance Monitoring and Evaluation Plan (PMEP). The consultations also allowed the REGAL-AG team to explain to partners about the project's theory of change and the facilitative implementation approach. Following partner consultations and engagement, REGAL-AG submitted a (draft) work plan of the project's anticipated year one interventions and PMEP in accordance with the terms of the project contract. The plans are being reviewed by USAID and approval is being awaited after a stakeholder's workshop that will further inform the workplan according to the USAID's new way of implementation.

ACDI/VOCA conducted value chain training for all its REGAL-AG partners. The training was facilitated by Value Chain Specialist Olaf Kula who took the team through a participatory understanding of the livestock value chain mapping, the value chain actors and the regulatory environment with special reference to Marsabit and Garissa counties. The acquired skills helped the REGAL-AG team and its partners prepare year one work plans drawing on the value chain approach and the business facilitation model. Additionally, REGAL-AG conducted a value chain analysis of the livestock sector. The findings of the report recommended the need for pastoralists to diversify their economic activities as part of managing risk across pastoralist groups.

Quantitative Impact

ACDI/VOCA headquarters and East Africa regional staff trained 14 REGAL-AG staff and partners (9males, 5 females) on procurement and financial management in addition to the value chain training that 21(2 females, 19 males) representatives from all partners attended. In addition, a total of 12 (2 females; 10males) REGAL-AG staff and partners' representatives were trained on environmental compliance. These three training areas provide a strong foundation for the project in ensuring resource stewardship and successful project implementation approaches as captured in the theory of change.

Given that this report covers the first two months of project implementation that was principally the start-up period, during this quarter the program worked on developing a PMEP that establishes quantitative targets, which will be reported against in future reports.

Subsequent Quarter's Work Plan

In the next quarter covering the period October-December 2012, the REGAL-AG team will finalize most of the administrative project start-up activities. The REGAL-AG team, in collaboration with the REGAL-IR, will also carry out a stakeholders' mapping, which will culminate in the planning and execution process of the stakeholders' consultative workshop for Marsabit County, the project will conduct a gender assessment, and start the process of analyzing feedlot feasibility in addition to setting up the monitoring and evaluation (M&E) system. Staff and partner training will be inducted on M&E including environmental monitoring and reporting. It is our expectation that USAID will have approved the year one work plan and PMEP to allow the REGAL-AG team to initiate the baseline survey or USAID will facilitate by permitting the start of the baseline survey. Additionally, the team will hold a strategic management committee meeting and host a stakeholder meeting to review the progress made so far in addition to validation of the FY13 work plans enable all the stakeholders to develop a common vision in the development and execution of the value chain project activities. Part of the activities of the next quarter will include commencement of the grass root community consultations on REGAL-AG' s participatory policy analysis initiatives, as well as mapping key actors in land use planning and advocacy.

II. KEY ACHIEVEMENTS (Qualitative Impact)

START-UP, ADMINISTRATION, PLANNING AND REPORTING

Progress with subcontractors: During the quarter, ACDI/VOCA signed Letters of Authorization (LOAs) with all subcontractors. These LOAs authorize the subcontractors to begin spending funds in accordance with critical activities within their scopes of work.

Key and Technical Staff: All key staff have signed contracts with ACDI/VOCA. As of the end of September 2012, the Chief of Party (COP), the Deputy Chief of Party, the Chief Financial Officer and the Monitoring, Evaluation, Reporting, and Learning Advisor were on board. The policy & Advocacy Advisor in addition to the Office & Logistics Manager are scheduled to report on 1st October 2012. The Value Chain Competitiveness and Inclusiveness Advisor will be on board by November 1st, and REGAL-AG leadership targets to have all staffing completed by the end of October 2012.

Office Space, Nairobi: The REGAL-AG team is now operating in office space identified within the Lavington green area. The office space is being shared with other USAID-funded projects for better coordination and optimum use of resources.

Work Plan: ACDI/VOCA submitted to USAID the REGAL-AG year one project activity work plan and Performance Monitoring and Evaluation Plan (PMEP). The work plan was compiled in collaboration with all subcontractors and it details the activities and important milestones that the program is expected to accomplish by the end of year one (FY13). The submitted PMEP describes how REGAL-AG shall establish and maintain a monitoring and evaluation (M&E) system of project implementation efforts and ensure that they achieve desired results. The PMEP will allow the project management team to plan and manage the process of assessing; adapting and reporting progress towards achieving REGAL-AG's targeted results.

Value Chain Training and Analysis: ACDI/VOCA conducted value chain training for all its partners. The training was facilitated by Value Chain Specialist Olaf Kula who took the team through a participatory understanding of the livestock value chain mapping, the value chain actors and the regulatory environment with special reference to Marsabit and Garissa counties. The acquired skills helped the REGAL-AG team and its partners prepare year one work plans drawing on the value chain approach and the business facilitation model. Additionally, REGAL-AG conducted a value chain analysis of the livestock sector. Although the REGAL-AG team will continue to refine the analysis' findings in the upcoming quarter, initial recommendations included improvement of water harvesting, strengthening disease control, infrastructural development and more involvement of strategic partners like ranches in breeding, finishing and marketing livestock.

Gender Assessment: ACDI/VOCA has initiated the process of conducting a gender assessment with the identification of consultants to lead the process. By the end of the quarter, the REGAL-AG team had agreed on the scope of work for the gender assessment and begun the process of developing the tools and the methodology for the assessment. It is expected that the findings and recommendations of the assessment will be ready for stakeholder discussion by the end of November 2012.

Environmental Assessment: ACDI/VOCA, in collaboration with E-Noetec, carried out an environmental assessment in the program's target areas of Marsabit County. The process resulted in the development of an Initial Environmental Examination (IEE) report for the project, an Environmental Monitoring, and Mitigation Plan (EMMP) and Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP). The products of the environmental assessment process have been shared with USAID for their review and feedback. The PERSUAP highlighted project activities related to pesticide training, promotion, or use on supported beneficiary livestock activities. REGAL-AG will incorporate training around the safe use of pesticides into all relevant project trainings and capacity building sessions. E-Noetec held training for relevant REGAL-AG staff on the PERSUAP and environmental monitoring, so that the staff can ensure environmental compliance and in turn train project beneficiaries. Topics like best practices for sourcing and using inputs including integrated pest management, preventive tools, and curative pesticides and drugs for treating livestock will be discussed in all relevant project activities.

The report highlighted environmental risks associated with REGAL-AG activities which included a) risks associated with climate change and global warming b) risks from development along rivers, flood plain and swamps c) risks from overgrazing d) animal health and veterinary risks and e) risks from slaughter houses and processing among others. Specifically, the report recommended the implementation of 13 conditions that constitute good agriculture practices for any assistance to farmers that might include training on, discussion or promotion of the use of pesticide inputs. It was also during this quarter that the planning for conducting feedlot fattening feasibility study was completed. The study will seek to determine whether feedlot fattening approach is a viable model for expanding opportunities for pastoralist upgrading within the livestock value chain in Kenya

Marking and Branding Plan: A marking and branding plan was developed and submitted to USAID for review and approval. During the reporting period, the REGAL-AG COP met with Robin Johnson, the USAID officer for communication, to discuss broad communication issues and collaboration moving forward. The marking and branding plan was reflective of this discussion and

outlines how REGAL-AG will recognize USAID and the American people in project reports and activities.

Lessons Learned

During the quarter, the project set up the PMEP which established procedures to ensure that lessons learned are captured throughout REGAL-AG, and adjustments to project implementation are made appropriately.

The REGAL-AG team will identify a number of specific learning questions on which the project will focus over the five years of implementation. The initial REGAL-AG analyses, including the value chain assessment, gender analysis, environmental assessment, baseline study, stakeholder workshop, and initial community stakeholder meetings will inform the formation of this learning agenda. Once developed, the learning agenda will focus on inputs, processes, resource efficiency, effectiveness, and sustainability of project interventions.

III. PROGRAM PROGRESS (Quantitative Impact)

During the quarter, REGAL-AG prepared its year one work plan and PMEP and submitted to USAID for approval. The two documents clearly outline the targets that the project plans to achieve in the first year of implementation including bench-marking of the indicators. Our future reports will analyze and report on the indicators as captured in the PMEP and the work plan.

However, as part of the project set up, the project trained 21 (2 females, 19 Males) REGAL-AG staff and partners on using a facilitative value chain approach and a total of 12 (2 females; 10males) REGAL-AG staff and partners' representatives were trained on environmental compliance; additional training on finance and procurement was conducted for staff and representatives of subcontractors, with the attendance of 9 male and 5 female participants. The finance training covered compliance issues, contractual obligations, cost principles, procurement procedures, geographical codes, restricted goods and services, and audits, among others. The participants appreciated the training and expressed its usefulness in the implementation of the REGAL-AG program.

IV. PERFORMANCE MONITORING

During the quarter, REGAL-AG established the foundation for project monitoring activities; these included the development of project reporting templates for weekly and monthly updates; development of training participant attendance sheets and discussion on managing M&E challenges, like double counting and beneficiary profiling. Additionally, data quality issues around each of the

indicators were captured in the indicator reference sheets in the PMP, which will alert staff to key challenges when collecting data. The goal of REGAL-AG's PMP is to promote data quality and learning throughout the life of the project.

In future, monitoring data shall form the basis of learning agenda with REGAL-AGs dynamic learning system centralized around the Strategic Management Committee, comprised of the leadership from the ACIDI/VOCA REGAL-AG technical team and implementing partners, as well as representation from REGAL-IR. The committee will meet quarterly to review project progress on indicators and objectives, assess project approaches, discuss ongoing observations and learning, and adapt activities and project design assumptions, if needed, to meet changes in the external environment.

V. PROGRESS ON LINKS TO OTHER USAID PROGRAMS

As soon as ADESO was announced as the implementer for REGAL-IR, ACIDI/VOCA began collaborative meetings with the ADESO team as a step towards working for the joint success of the wider REGAL Feed the Future program. As a result of the meetings, REGAL-AG and REGAL-IR agreed to share resources including office spaces in Marsabit and Garissa. The offices will be identified in the upcoming quarter for Marsabit and will be identified for Garissa if USAID approves REGAL-AG to implement activities in that county. Both ACIDI/VOCA and ADESO also shared their work plans to help staff identify areas of collaboration and avoid the overlap of activities.

VI. PROGRESS ON LINKS WITH KENYAN GOVERNMENT AGENCIES

During the quarter, the REGAL-AG team introduced the project to key government departments that included the Ministry of Development of Northern Kenya, the Department of Veterinary Services and the Ministry of Livestock Development. During the introductory meetings, plans were developed for more discussions on further engagement of government ministries as partners in the project. Also developed was a plan for REGAL-AG key staff, led by the COP and DCOP, to formally introduce the project to the county commissioner of Marsabit and other government departments.

VII. PROGRESS ON USAID FORWARD

REGAL-AG is composed of both local and international partners working to achieve the project's target of increasing economic growth in the rural communities of Marsabit and Garissa counties by building a more inclusive and competitive livestock value chain. During the reporting period, ACIDI/VOCA built the capacity of its local partners—Pastoralist Community Initiatives and Development Assistance (PACIDA), Samburu Integrated Development Programme (SIDEPA), Kenya

Livestock Marketing Council (KLMC), VETAID and Kenya Camel Association (KCA)—in the area of value chain and financial management. The project is using a multi-tiered approach to capacity building, which includes working with the larger local partners, like VETAID, KLMC, and KCA to in turn build the capacity of regional implementing partners (PACDIA and SIDEP) who already have relationships with the local communities. It is expected that continued engagement with the local subcontractors and additional local organizations as the project expands will help to build effective and long-term partnerships that will make the local institutions stronger and more competitive.

VIII. SUSTAINABILITY AND EXIT STRATEGY

ACDI/VOCA's approach to REGAL-AG, as demonstrated in the proposal and work plan, aims at facilitating changes along the livestock value chains to bring about sustainable results. During the quarter, key studies were undertaken that will help the project ensure sustainability. The value chain analysis, for example, identifies critical constraints in the project's target value chains and the actors with the incentives to invest in positive change and growth. The gender assessment will look at the role of women in the value chains and opportunities to increase their participation, so that families and communities as a whole are involved in the development process. The continuous monitoring of the environmental management plan will ensure that REGAL-AG's activities will be sensitive to the need for environmental sustainability. REGAL-AG's sustainability and exit strategy will be evaluated on an ongoing basis, and will be critically re-examined during the year two work planning process.

IX. GLOBAL DEVELOPMENT ALLIANCE

The REGAL-AG project is not part of Global Development Alliance (GDA).

X. SUBSEQUENT QUARTER'S WORK PLAN

REGAL-AG does not anticipate any deviation from the draft work plan in the next quarter. The team will implement the draft plan as it awaits USAID approval. Major activities in the next quarter will include mapping of project stakeholders, conducting the gender assessment and planning for the baseline survey exercise. The following are REGAL-AG's planned activities for the October-December 2012 implementation period.

1. Map project focus areas and identify key value chain actors
2. Design Innovation Fund manual and procedures
3. Undertake capacity assessment of local partners and develop local partner capacity strengthening plan(s)
4. Conduct gender assessment

5. Finalize value chain strategies
6. Support pastoral participation in the policymaking process by reviewing existing processes through desk review and field work in addition to training trainers on policy analysis
7. Support initial community-level consultative meetings
8. Undertake review of existing and pending bills, customary laws and mobilize and sensitize community and stakeholders on land use and land tenure policies
9. Undertake initial discussions with county representatives and value chain actors on the development of county-level livestock marketing plans
10. Undertake sensitization for producers and traders on livestock movement
11. Take an inventory of the existing and proposed primary markets to increase market access
12. Organize and hold stakeholder meetings to understand the situation of community animal health workers (CAHWs) and develop a CAHW training sustainability model
13. Identify viable transport and information technology options for expanding agency banking
14. Assess training needs of targeted women and youth groups within the value chain
15. Develop and vet training and capacity building plan linked to a participatory competitiveness strategy for the camel milk value chain
16. Provide training and support for M&E staff in the use of ACIDI/VOCA's management information systems (MIS)
17. Plan and begin baseline survey

The following table summarizes what had been planned for the period August-September 2012 and their status:

Planned Activities from Previous Quarter	Actual Status this Quarter	Explanations for Deviations
Signing of contract agreements and project start up	ACDI/VOCA and USAID signed agreements fully operationalizing the award	None
Meeting with subcontractors and signing letters of authorization	All subcontractors held meetings with ACIDI/VOCA and signed letters of authorization	Signed LOAs to be fully executed beginning October 2012
Setting up office base both in Nairobi and counties of Marsabit and Garissa	Nairobi office fully operational. Plans underway to secure an office in Marsabit while activities for Garissa put on hold due to prevailing security conditions	Due diligence in securing appropriate office location in Marsabit delayed the process. Until approval given, activities for Garissa put on hold including sourcing of offices.
Complete project staffing and mobilize staff to Nairobi and regional offices	Key staff fully mobilized to the project	One key staff will report in November 2012 owing to an ongoing assignment that she has to complete.
Train staff and partners on value chain and financial management	Value chain training done but financial management training to be done in FY13, quarter I (October 2012)	Training delayed to allow REGAL-AG and subcontractors' staff be on board and participate in the training

Preparation and submission of FY13 work plans and PMP	Work plan and PMP submitted as planned	Approval awaited from USAID to kick start other processes, including the baseline survey.
Identify dairy cooperative/producer groups for strengthening/market linkages	Delayed	Delayed, awaiting completion of stakeholder mapping of project's focus area in Marsabit.
Participate and showcasing value added camel milk in agricultural shows, exhibitions and trade fairs	Delayed	Delayed, awaiting completion of stakeholder mapping of project's focus area in Marsabit.
Training and support for M&E staff in MIS use	Delayed	Delayed awaiting approval of PMP.

Annexes & Attachments

Annex I: Schedule of Future Events

Date	Location	Activity
22 October 2012	Marsabit	Stakeholder mapping
22-31st October 2012	Marsabit	Gender assessment
November 2012	Marsabit	Grass root community consultations on land use policy and advocacy
27-28th November 2012	Marsabit	Stakeholder meeting
November 2012	Nairobi	Strategic Management Committee meeting
November 2012	Marsabit	M&E capacity assessment of partners
December 2012	Marsabit	Training of staff and partners on M&E system, data collection and data quality

Attachment II: List of Deliverable Products

The deliverables submitted this quarter include the following;

1. Performance Monitoring and Evaluation Plan
2. FY13 work plan
3. Environmental assessment report, including the IEE and PERSUAP
4. Value Chain Training Report

The 4th deliverable is attached to this report while the first 3 deliverables are already submitted to USAID



VC training report-
Nyeri, Sept 2012.pdf