



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

QUARTERLY PROGRESS REPORT: FY 2014 Q1

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**Resilience and Economic Growth in the Arid Lands-Accelerated Growth
(REGAL-AG)**

FY 2014 Q1 PROGRESS REPORT

(01 October – 31 December 2013)

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Acronyms and Abbreviations

CAHW	Community Animal Health Worker
CCF	Community Contracting Fund
COP	Chief of Party
DCOP	Deputy Chief of Party
DVO	District Veterinary Officer
DVS	Director of Veterinary Services
EMC	Environmental Management Committee
FY	Fiscal year
JCP	Joint Cell Planning
KLMC	Kenya Livestock Marketing Council
LMA	Livestock Marketing Association
M&E	Monitoring and Evaluation
MERL	Monitoring, Evaluation, Reporting and Learning
MKU	Mount Kenya University
MOA	Ministry of Agriculture, Livestock and Fisheries
NDMA	National Drought Management Authority
NGO	Non-Governmental Organization
PACIDA	Pastoralist Community Initiatives Development Assistance
REGAL-AG	Resilience and Economic Growth in Arid Lands-Accelerated Growth
REGAL-IR	Resilience and Economic Growth in Arid Lands-Improved Resilience
SME	Small & Medium Enterprises
ToTs	Trainer of Trainers
USAID	United State Agency for International Development
WFP	World Food Program

I. EXECUTIVE SUMMARY

Resilience and Economic Growth in the Arid Lands-Accelerated Growth (REGAL-AG) is a five-year project that will increase economic growth in rural communities in Kenya 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 reduce their vulnerability.

This report summarizes the activities implemented in the first quarter of FY 2014, spanning the period October –December 2013.

Qualitative Impact

During this quarter, the project made significant progress towards its goal of achieving increased economic growth in rural communities in Isiolo and Marsabit counties by supporting activities that help build a more inclusive and competitive livestock value chain. Under component one, which aims to create a business enabling environment that leads to behavior change throughout the pastoral livestock value chain, the project completed many activities during the quarter. The project supported target pastoral communities in Isiolo and Marsabit counties to participate in the policy-making process in addition to supporting the county governments in the development of land use and land tenure policies. This was pursued through support to county governments in the development of technical training materials, the identification of trainer of trainer (ToT) candidates for pastoral policy analysis, and the completion of training for 41 people (39 community members, two government staff and one representative of a local NGO) on community-based advocacy on land use and land tenure policies.

Additionally, the Pastoral Policy Advisor developed Terms of Reference (ToRs) for a proposed situational study that would build on REGAL-AG's value chain analysis and result in the development of "County-Specific Livestock Development Strategies/Master Plans." The idea for developing these master plans was driven by the Marsabit and Isiolo County governments, and was an appropriate area where both REGAL-AG and REGAL-IR could provide technical guidance and limited financial support to assist the governments. Once the TOR is finalized, REGAL-AG will provide technical assistance and strategic input into the development of these county-specific livestock sector plans.

Under component two, REGAL-AG aims to improve pastoralists' access to markets, strengthen livestock value chains in the pastoral regions, and diversify end markets for Kenyan livestock and meat. During the quarter under review, the REGAL-AG team conducted community forums to establish the investment needs for market infrastructure in Marsabit and Isiolo, undertook mapping of camel milk trading routes, and supported the Marsabit County government in holding an investor's forum to stimulate private sector activity in the county.

During the reporting quarter, the REGAL-AG team, led by the Chief Financial Officer with support from other technical staff, conducted market assessments in Isiolo and Marsabit counties. The purpose was to visit the markets that were identified as the most active through REGAL-AG's value chain analysis and initiate consultations with the communities regarding their critical infrastructure development priorities and any additional constraints facing the market's development (including land titles, management capacity, etc.). During the exercise, 14 markets were identified for the assessment (7 in Marsabit County and 7 in Isiolo County). In Marsabit, the assessment team visited

Moyale, Turbi, Kalacha, Dirib Gombo, Illaut, Korr, and Merille markets, while in Isiolo the assessment team was able to visit Isiolo Central, Duse, Eskot, Belgesh, Merti, Bisan Biliqo and Oldonyiro markets. As a result of the assessment, a total of six markets were identified for the first phase of funding under the CCF, namely: Korr and Merille in Marsabit County and Eskot, Merti, Duse and Oldonyiro in Isiolo County

The REGAL-AG program has identified commercialization of the camel dairy value chain as a priority in order to increase incomes of pastoral families, and particularly women and youth. Building on the camel milk value chain mapping completed previously, during this reporting period the REGAL-AG team worked to more deeply understand and begin to leverage the dynamics around camel milk aggregation, bulking, value addition and marketing. The project team established rural camel milk collectors, the volumes they handle per day and existing linkages with urban camel milk aggregators. The identified camel milk market actors were sensitized by REGAL-AG staff on potential ways to engage in organized business opportunities, such as value addition, forward linkages with processors and possibly incorporating agency banking with camel milk business.

As a key partner in the implementation of project activities in Marsabit, REGAL-AG participated in the Marsabit Investors' Conference held at the Marsabit County headquarters within the Marsabit township. During the two-day event, the team set up an exhibition stand and gave presentations to over 100 participants who visited the REGAL-AG stand. The event provided an opportunity for REGAL-AG to create awareness around the program's work in the county by distributing program leaflets and providing program briefs in addition to creating strategic networks with livestock sector development actors.

Under component three, REGAL-AG seeks to increase livestock productivity by increasing access to animal feed in all seasons, improving the affordability of feed, and improving herd management and health. In an effort to support land reclamation and pasture rehabilitation, during the first quarter of FY 2014, REGAL-AG supported the establishment of 11 fodder demonstration plots as community learning sites and models for scaling-up. The plots are located in Marsabit County, specifically in Milima Mitatu, Kiwanja Ndege, JACOFA, Turbi, Hurri Hills, Adadi, Dabel, Kinisa, Goro Rukesa, Dirdima and Karbururi and managed by fodder groups. The support to the fodder groups included training for 40 farmers (nine males, 31 females) who are members of the fodder groups (15 from Milima Mitatu, five from Kiwanja Ndege, and 20 from JACOFA) on pasture seed harvesting and baling. As of the end of the quarter, the three groups had started baling 450 bales of hay estimated at 5,400 kgs.

During the period from October to December 2013, REGAL-AG's animal health team identified and supported linkages between animal health service providers, quality drug suppliers such as Sidai and livestock producers. Successful actors that demonstrate impact in their businesses will be recruited as champions of change to promote the adoption of the new business models among animal health service providers and throughout their communities. This was partially achieved through a roundtable discussion held with nine professional agro-vet owners that expressed interest following the animal health service provider workshops that were held in the previous quarter in Marsabit County. The nine agro-vet owners will roll out their outreach in the next quarter (January-March 2014).

Following the workshop held in Isiolo for animal health service and input providers in July 2013, REGAL-AG conducted follow-up visits on the action plans developed during the workshop. During the reporting period, one community animal health worker (CAHW) who operates an agro-vet shop was selected to pilot the customer-oriented service and input provision model, where the service provider proactively reaches out to potential clients, promotes their services and then

obtains the client's buy-in to establish lasting customer-service/input provider relationships. The strategy resulted in increased visibility, sales, and volumes of transactions, for the CAHW, and provided her an opportunity to provide advisory services and extension messages to pastoralists during the quarter. Through her market outreach events she has been able to reach out to 166 pastoralists (over her improved drug sales) who would otherwise not have reached out for her services. Furthermore, the tent that she obtained through REGAL-AG's support does not only increase her visibility in the market but also provides a cool environment that ensures the drugs are kept in a cool place to maintain the quality.

The REGAL-AG project recognizes the critical role that women and youth play in the livestock sector, and recognizes that any efforts aimed at increasing the competitiveness of the sector require an inclusive approach that builds the capacity of women and youth and supports them to access critical resources and services. During this quarter, REGAL-AG's Gender Advisor and the entire team focused on key activities that are expected to lay the foundation for the inclusion of women and youth in the project, aimed at creating awareness and building the capacity of women and youth to take advantage of existing and/or new livestock and livestock-related opportunities.

The value chain-based gender assessment was completed during the quarter and the report, which contains the project's gender strategies, is being finalized as of the time of preparing this report.

As part of the gender integration and inclusiveness strategies, the REGAL-AG Gender Advisor worked with the Pastoral Policy Advisor to conduct the Community-Based Advocacy training described under component one. The 41 participants were taken through basic concepts in gender, such as an explanation of why gender and inclusiveness is important in grazing management given the diverse roles that women, youth and elders play. By the end of the training, the participants, including men, were cognizant of the different power dynamics among men and women and the vulnerability effect this has on women.

Quantitative Impact

During the period of October-December 2013 the majority of the project's quantitative achievements relate to trainings on community-based land tenure and land use advocacy. Under component one, the project identified Community Advocacy Champions and trained 41 persons in Merti Sub-county on community-based advocacy. Additionally, 40 members of fodder groups were trained on hay baling and fodder seed harvesting, resulting in the baling of 450 bales of hay estimated at 5400 kilograms. In total, 81 individuals were trained during the quarter. Within the livestock productivity component, 166 individuals were reached by animal health service providers. The following table summarizes the project metrics this quarter.

Table I: Summary of quantitative progress for FY 2014, Q1

Indicator	Unit of measure	Contributing Activities	Targets this quarter	Achieved	Variance Explanations
Number of rural households benefiting directly from USG	Number of rural households	Commercial fodder production, training on community based advocacy on land use and land tenure	2,859	248	Many activities were delayed due to the ongoing discussions

interventions		systems and dissemination of commercial pastoralism messages			with USAID regarding contract modifications, however REGAL-AG began to make significant progress towards achieving indicators this quarter.
Number of REGAL-AG assisted livestock-related businesses that have upgraded	Number of businesses	Agro-vet business upgrade with commercial pastoralism messages increased visibility and mobile drug sales	10	2	
Number of individuals who have received USG supported short-term agricultural sector productivity or food security training as a result of REGAL-AG	Number of individuals	Training on commercial fodder production and on community based advocacy on land use and land tenure systems	530	81	
Volume of fodder harvested	Bales/Kgs	Setting up of fodder demonstration plots and training on hay baling and seed harvesting	300 bales	450 bales	More groups were interested in getting involved in fodder production due to the predicted drought in the coming months

Subsequent Quarter's Work Plan

REGAL-AG's upcoming activities are captured in detail at the end of this report and include an appraisal of proposals for the implementation of market development activities under the CCF, conducting a market feasibility for the Isiolo abattoir, support in the development of livestock sector county master plans for Marsabit and Isiolo county governments, developing commercial pastoralism messages using local songs and plays, development of policy briefs and kick-starting the baseline survey exercise.

II. KEY ACHIEVEMENTS (QUALITATIVE IMPACT)

A. Cross-Cutting Activities

Year 2 Work Plan and PMP Revisions

At the beginning of the quarter, the REGAL-AG team submitted the Year 2 annual work plan and revised performance monitoring plan (PMP) to USAID. In the preparation of these plans, the project team took a participatory approach to work planning to ensure complementarity with other initiatives within the counties of Isiolo and Marsabit. The work plan involved the participation of representatives from the county governments of Marsabit and Isiolo, National Drought Management Authority (NDMA), Northern Rangeland Trust (NRT), Sidai, Resilience and Economic Growth in the Arid Lands-Improved Resilience (REGAL-IR), Pastoralist Community Initiatives Development Assistance (PACIDA), Rehabilitation of Arid Lands Trust (RAE Trust) and Mt. Kenya University (MKU).

After submitting the work plan to USAID on October 1, 2013, USAID reviewed and provided feedback in December 2013. As of the writing of this report, the REGAL-AG team responded to these comments and an additional round of feedback from USAID, and believes the work plan is now in the final approval stage with the COR.

REGAL-AG Project Launch

On November 15, 2013 REGAL-AG participated in the launch of USAID's Resilience Programs in Kenya's Arid Lands. The launch was held in Isiolo with the REGAL-AG, REGAL-Improved Resilience and the KALDRR-WASH programs, and was officiated by Karen Freeman, USAID/Kenya's Mission Director. During the launch, REGAL-AG, REGAL-Improved Resilience and KALDRR-WASH program teams put up display stands at Lowangila village grounds to showcase their activities. At the REGAL-AG stand, various communication materials were disseminated. These included the program's brochure, investment prospectus leaflets on the camel dairy and meat and live animal industries, roll-up banners illustrating the program's components, and 'Talking Walls' (involving livestock posters and a human interest story on fodder production to stimulate discussion). The stakeholders invited by REGAL-AG who participated in the event included representatives from the national and county governments, PACIDA, Mt Kenya University, and Resource Advocacy Program (RAP). A total of 122 visitors came to the REGAL-AG stand.

After the launch event, the USAID team held a meeting with the governors from Isiolo, Marsabit, Garissa, and Wajir counties and a deputy governor from Meru County. REGAL-AG was represented by the COP, DCOP and Gender Advisor, and the meeting focused on the following issues:

1. Drought preparedness and the need to position the drought modifier fund under REGAL-IR as an integral part of development programming; there was also discussion on how each program is preparing for the impending drought, including the mitigation plans each program is putting in place to ensure they support the communities they are working with in 2014
2. Transparency, accountability and the need for development actors to share budget information to allow for joint programming and activity integration into County Integrated Development Plans (CIDPs)

3. Sharing plans and co-funding between the county governments and the various USAID programs as part of the effort to achieve coordination and a shared vision among development projects within the counties

Going forward, it was agreed that the county government would take the lead in coordinating the development of sector-specific county master plans to guide the integrated planning and implementation of development projects in each of the counties. In FY 2014, REGAL-AG will be supporting the efforts in Isiolo and Marsabit to put together master plans for livestock sector development through technical assistance.

Implementation of Community Contracting Fund (CCF)

The REGAL-AG team, led by the CCF Manager, actively prepared during the quarter for the launch of the CCF mechanism, anticipated for the second quarter of FY 2014. In response to feedback received from USAID, the REGAL-AG team revised and re-submitted the CCF Manual to USAID. The revised manual clarifies the process of engaging communities in the design, selection and implementation of CCF projects, and clarifies the construction and granting procedures that ACDI/VOCA will follow. The team also met with the USAID Environmental Officer to clarify the USAID and NEMA environmental requirements, successfully obtaining information on both processes that will need to be followed throughout the program's construction efforts under the CCF.

As the implementation of CCF-supported activities will involve the construction of small-scale market infrastructure projects that require the expertise of a civil engineer, the REGAL-AG project began the process of selecting an engineering firm that will advise the project on a retainer basis. In the quarter under review, the CCF Manager prepared and circulated a request for proposals for engineering services to 49 engineers/engineering firms that expressed interest to an earlier advertisement posted in the Kenyan Daily newspapers. The request for proposals provided for a deadline for the engineers/engineering firms to submit questions on the RFPs and the REGAL-AG team responded to all questions raised. These proposals will be reviewed in the upcoming quarter.

B. COMPONENT 1: Improving the Enabling Environment

Improvement of the business enabling environment (BEE) surrounding the livestock sector is a core component within the implementation framework of the REGAL-AG program. During this quarter, the project supported target pastoral communities in Isiolo and Marsabit counties to participate in the policy-making process in addition to supporting the county governments in the development of land use and land tenure policies. The REGAL-AG team identified communities for project support based on market opportunities and the potential for creating high impact. The project initiatives are expected to contribute to the creation of a BEE that facilitates behavior change by all actors along the pastoral livestock value chain, through private sector investment that accelerates economic growth in the target counties.

Key achievements under this component during the reporting period are summarized in the sections below.

Protect Land Use Rights and Mobility of Pastoral Communities

In order to support pastoral participation in the policy-making process, the Pastoral Policy Advisor, in close collaboration with the Director of Livestock Production in the Isiolo County Government, identified community-based groups to engage in community-based policy and advocacy efforts on land tenure and land use in Merti sub-county in Isiolo County. Similar efforts will be undertaken in other sub-counties and in Marsabit County going forward. The table below summarizes the outputs of this work.

Table 2: Community groups identified for policy and advocacy work in Isiolo County

Stakeholders identified	Area of collaboration	Contact person(s) & Mobile No
Merti Integrated Development Program (MID-P)	Community mobilization and participatory policy analysis activities	Tatane (0720 267212 Shandey (0721109171))
Rangeland User Association (RUA)	RUA manages several strategic bore holes in Merti sub-county and the association is active in the area of water resource management, especially during the dry season	Jardesa Tadicha (0711930742)
Merti Grazing Committee (GC)	-Assess & identify advocacy capacity of the GC -Train the GC on land tenure, land use, pastoral mobility and grazing management -Identify community champions among the trained GCs members	Osman Abdi (0713065946) Hakulu Halkano 0713373660)
Biliqo-Bulesa Grazing Committee		
Korbessa Grazing Committee		
Markagalla Grazing Committee		
Basa Grazing Committee		
Bulesa-Biliqo Community Conservancy	Work with NRT in the management of the conservancy	Roba Diba (0708 872326)
Ministry of Agriculture & Livestock Development in Merti sub-county	Take lead in community mobilization for grass root policy and advocacy engagement on pastoral mobility and grazing management, including livestock disease control	Adan Halake (0723607030)

Advise on Development of Land Use and Land Tenure Policies

During the quarter, REGAL-AG initiated activities in Isiolo County to build understanding among local actors of land use and land tenure policies and to build capacity for advocacy in these areas. To

begin outreach in this area, REGAL-AG's Pastoral Policy Advisor consulted with Mr. Abdullahi Wario, the Isiolo County Director of Livestock Production, on the following:

- The governance challenges facing the LMAs/DLMCs and how the program will work together with the directorate to ameliorate these challenges
- The relevant actors/stakeholders that could be included in a ToT training on participatory policy analysis,¹ as well as policy and county legislative processes on land tenure, land use, pastoral mobility and grazing management in Isiolo County

The training process, developed by the REGAL-AG technical team, aims to:

- Introduce REGAL-AG components one and four to Merti grazing management committees, women and youth representatives as well as the locational administration
- Support communities to carry out a SWOT analysis and enumerate the challenges, experiences, and lessons learned by local dedha/grazing management committees
- Highlight the importance of inclusiveness in land tenure and natural resource management
- Assist participants in appreciating the steps in land tenure and land use advocacy processes as well as the importance of pastoral land advocacy
- Assist participants in developing Community Action Plans (CAPs) for community-based land tenure/land use advocacy for the period January to July 2014

Engaging the participants recommended by Mr. Wario and otherwise identified by REGAL-AG staff, the Pastoral Policy Advisor and the Gender Advisor conducted the community-based advocacy training for 41 participants drawn from nine locations in Merti sub-county. At the community level, there were four representatives from each of the nine locations (nine chiefs, 11 community leaders/grazing committee members, eight women and nine youth representatives). In addition, there were two representatives from the Ministry of Livestock and two participants representing the Merti Integrated Development Program (MID-P). The locations represented included: Korbasa, Malkagalla, Merti North, Dadach Bassa, Bulesa, Yamicha, Merti South, Bisan Biliqo, and Matta-arba (see table below for the breakdown in gender and age of the workshop participants).

Table 3: Community-based advocacy training participant disaggregation

Category	Elderly ² men	Young men	Elderly Women	Young women	Total
Community participants	19	10	3	5	37
Ministry of Livestock	2	0	0	0	2
MID-P	1	0	0	1	2
Total					41

¹ Pastoral Policy Analysis involves examination of the existing formalized processes of land use, pastoral mobility, and structures and institutions with the purpose of 1) harnessing and promoting best practices, e.g. using community-based advocacy approaches, where selected community members are trained to take the lead in community-based advocacy; 2) reviewing lessons learned like involving women and youth in enhancing pastoral land use practices

² Elderly participants are those aged over 35 years

Throughout the training, the grazing committee participants highlighted some of the key challenges they face, which REGAL-AG will consider (in collaboration with the Isiolo County government) for areas of possible future interventions. These include:

- Intra- and inter-county migration: migration of herders both within the sub-county (e.g. from Garbatulla to Waso-Boranas) and from outside the sub-county (e.g. Somalis from Garissa and Wajir), which is the biggest challenge in enforcement of the existing grazing by-laws
- Insecurity: especially around the dry/wet season, insecurity due to conflict, such as between Samburu and Borana herders, disrupts grazing management
- The disconnect between those targeted for training by development agencies and those who merit the training: many development agencies target the communities settled along the road rather than in the hinter land, despite the need to reach those grazing animals in the fora
- Limited consultations on land use in the conservancy: communities around the conservancies that utilize resources within the conservancy are neither consulted nor given an opportunity to understand the operations of the conservancy and its benefits
- Unrealistic community demands and expectations: many pastoralists have the expectation that conservancies are income-generating avenues for communities, and do not realize their core purpose of conservation

“No one has the right to instruct us on how to utilize our pastures, you can only lay claim on the conserved grass and not the land it grows on because soil on which it grows belongs to God.”

- Quote of a Somali herder to Merti Elders, showing the varying perceptions of resource use that result in conflict; the Somali herders believe that access to land is the right of every human being, irrespective of ownership arrangements.

As a way forward, REGAL-AG will facilitate the various grazing committees from the nine locations, organized into three cluster areas, to implement the mutually agreed community action plans (CAPs) that were developed during the training.

Develop County-level Livestock Sector Development Strategy/Master Plan

During the quarter, the Pastoral Policy Advisor developed Terms of Reference (ToRs) for a proposed situational study that would build on REGAL-AG’s value chain analysis and result in the development of “County-Specific Livestock Development Strategies/Master Plans.” The idea for developing these master plans was driven by the Marsabit and Isiolo County governments, and was an appropriate area where both REGAL-AG and REGAL-IR could provide technical guidance and limited financial support to assist the governments. The TORs were shared with REGAL-IR for input and to define the roles of the two projects. They were also shared with Patrick Lesengei and Dr. Aokhe Akiboran, the Ministers of Agriculture, Livestock and Fisheries Development in Isiolo and Marsabit Counties, respectively.

Once feedback is received from the above partners, REGAL-AG will provide technical assistance and strategic input into the development of these county-specific livestock sector plans.

Develop Plan for Policy and Governance Strengthening in Livestock Markets

The Pastoral Policy Advisor participated in the CCF assessment of seven markets in Isiolo County. Some of the key findings related to policy and governance at the market level are highlighted in the table below.

Table 4: Isiolo County markets assessed for policy and governance strengthening

Sub-County	Market	Status of LMAs and Market Governance Structures	Remark(s)
Garbatulla	Duse	<ul style="list-style-type: none"> - Some form of LMA exists - Duse market is not one of the markets earmarked for the implementation of the co-management model by Isiolo County government 	<ul style="list-style-type: none"> - REGAL-AG will carry out a review of the constitution/by-laws of the LMAs in the markets targeted for the CCF activities to strengthen governance and help the associations become more organized - Based on results, work in collaboration with the County Directorate of Livestock Production to carry out capacity building activities to address the challenges/gaps identified related to governance issues
	Eskot	<ul style="list-style-type: none"> - LMA does not exist in this market - Need to urgently support formation of an LMA 	
	Belgesh	<ul style="list-style-type: none"> - An LMA exists - A constitution exists but is not followed - LMA needs capacity on management issues 	
Merti	Merti	<ul style="list-style-type: none"> - Total absence of a formal market - LMA does not exist in this market - Need to urgently support formation of an LMA 	
	Bisan Biliqo	<ul style="list-style-type: none"> - A formal market exists - LMA does not exist - Need to urgently support formation of an LMA 	
Isiolo	Oldonyiro	<ul style="list-style-type: none"> - A vibrant LMA, with a well-trained membership exists - Opportunities exist for the program to assist in graduating the LMA into a business-driven enterprise 	<ul style="list-style-type: none"> - LMA is hoping to start a community-based credit scheme revolving fund with their part of the cess proceeds

These specific findings will be addressed through mentoring from staff and other stakeholders as part of the program's holistic market development efforts that will accompany CCF grants. The assessment again made it clear that in order to make the markets operational, the program will have to go beyond the market infrastructure improvements and assist the communities in addressing governance issues, as well.

C. COMPONENT 2: Expanding End Market Opportunities and Catalyzing Commercial Investments

Under this component, REGAL-AG aims to improve pastoralists' access to markets, strengthen livestock value chains in the pastoral regions, and diversify end markets for Kenyan livestock and meat. During the quarter under review, the REGAL-AG team conducted community forums to establish the investment needs for market infrastructure in Marsabit and Isiolo, undertook mapping of camel milk trading routes, and supported the Marsabit County government in holding an investor's forum to stimulate private sector activity in the county.

Improving Access to Markets

During the reporting quarter, the REGAL-AG team, led by the Chief Financial Officer with support from other technical staff, conducted market assessments in Isiolo and Marsabit counties. The purpose was to visit the markets that were identified as the most active through REGAL-AG's value chain analysis and initiate consultations with the communities regarding their critical infrastructure development priorities and any additional constraints facing the market's development (including land titles, management capacity, etc.). During the exercise, 14 markets were identified for the assessment (seven in Marsabit County and seven in Isiolo County). In Marsabit, the assessment team visited Moyale, Turbi, Kalacha, Dirib Gombo, Illaut, Korr, and Merille markets, while in Isiolo the assessment team was able to visit Isiolo Central, Duse, Eskot, Belgesh, Merti, Bisan Biliqo and Oldonyiro Markets.

Below is a description of the findings of the assessment team regarding various critical factors that impact successful market development. The specific circumstances of each market were considered in identifying the priority markets for the first round of CCF grants. The details of the market assessment are contained in the full report submitted with this quarterly report.

i. Land

The majority of the land currently occupied by the markets in Isiolo and Marsabit counties belongs to communities with no legal document of ownership and no demarcation of boundaries. Rather than formal documentation, there is a common understanding among communities and stakeholders that the land is allocated to the market. This means that the CCF project will need to follow due diligence so that market infrastructure is built in areas that have been earmarked for market development by the community or county government, where there is evidence of a formal understanding (e.g. MOU) between the LMA and the local community with the approval of the county government.

ii. Livestock Marketing Associations (LMAs)

In Isiolo and Marsabit counties, there are only four registered LMAs. The presence of an LMA signifies some form of institutionalization of market management. LMAs' roles and responsibilities in regard to market management are as follows:

- Community sensitization and mobilization
- Protection of market; avoiding distortions/diversions
- Tracking of market activities and scheduled market days preparations
- Liaising between traders and producers
- General market-related communication
- Compliance with legal revenue collection procedures
- Control and coordination of market proceedings
- Providing or sustaining security at the market and along animal travel routes
- Conflict mitigation and resolution
- Mobilizing local communities to create an enabling market environment by provision of essential services, e.g. security and water
- Advocacy aimed at market promotion

Both Marsabit and Isiolo County Governments signed an MOU with KLMC³ in which a few market management issues, such as the co-sharing of revenues in the markets, were addressed. This has not yet been implemented, however, and meanwhile all revenue in the Isiolo County markets is collected by the county government with the exception of Oldonyiro where there is co-management in place. In Marsabit County, the LMAs that have been established (Merille, Jirime and Illaut) are still negotiating with the local county government on a revenue sharing agreement. The MOUs signed between the two county governments and KLMC are likely to create conflict between the LMAs and the county governments if the proportion of revenue sharing is not agreed upon. This is because the LMAs have always enjoyed 60% of the market revenues while the MOU states that LMAs will receive 30% of the market revenues with 70% going to the county government.

iii. Market Activity

The volume of livestock sold in any market determines the level of revenues collected in the market. In most of the markets visited, the CCF assessment team witnessed enthusiasm from the community members to make their markets a successful with higher levels of activity. The actual volume of sales, however, varied greatly between each market. This is partly due to the long distances between the catchment areas and the markets, which makes it difficult for pastoralists to access.

The income levels of the communities are also low. The community respondents suggested that if the income levels of the community were raised through financial assistance, then this would enable the community to trade in the market and hence increase the levels of sales. This was particularly highlighted in the Eskot Market. Given the facilitation approach of the REGAL-AG project, the project team will clarify the role and methodologies used by the project in relatively newer areas like Eskot in the coming quarters of FY 2014.

Water was the most serious constraint to market activity in the majority of markets visited by the assessment team. In Duse, for example, the community members said that the Chief deserted the

³ KLMC is a local NGO that advocates on behalf of pastoralists and other livestock value chain stakeholders in Kenya. KLMC is headquartered in Nairobi and has 18 branch offices throughout Kenya. The organization specializes in market infrastructure development, market information services, disease control, range management, camel milk production, capacity building and public-private partnerships. Recently KLMC has entered into an MOU with county governments of Isiolo and Marsabit to share revenue from livestock markets with little participation from local livestock marketing Associations (LMAs).

area because of lack of water. REGAL-AG will therefore plan to coordinate closely with other partners that implement activities focused on water, sanitation and hygiene.

iv. Security Issues

Security factors were carefully looked at during the assessment, since many of the markets are in zones of active or potential inter-ethnic conflict. In Marsabit County, the security issues are in fact characterized by banditry activities, while in Isiolo, the security concerns are related more often to wildlife, such as lions, snakes, and elephants that can harm people and cattle.

v. Environmental Factors

The assessment team found evidence of environmental destruction, including the indiscriminate cutting of trees so as to put up market stalls, in all markets in Isiolo and Marsabit. REGAL-AG has been working directly and through partners such as environmental management committees and NRT to improve environmental management by building the capacity of community champions and local governing bodies.

vi. Existing Market Infrastructure

Not all markets in Isiolo and Marsabit have any formal infrastructure. Of the seven markets visited in Isiolo County, three do not have any infrastructure (these are Eskot, Merti and Bisan Biliqo). Given that many of the markets that do have some infrastructure were already supported by USAID or other development agencies, these three markets provide an opportunity for REGAL-AG to implement interventions without duplicating efforts and resources.

As a result of the assessment a total of six markets were identified for the first phase of funding under the CCF, namely: Korr and Merille in Marsabit County and Eskot, Merti, Duse and Oldonyiro in Isiolo County. The reason there are fewer markets in Marsabit County is because of the recent conflict in many parts of this county, making certain markets inaccessible.

Increased Commercialization of Camel Milk

The REGAL-AG program has identified commercialization of the camel dairy value chain as a priority in order to increase incomes of pastoral families, and particularly women and youth. The program's strategy to achieve this includes providing technical assistance to producers to shift production from informal camel milk channels to more formalized, commercial channels. Building on the camel milk value chain mapping completed previously, during this reporting period the REGAL-AG team worked to more deeply understand and begin to leverage the dynamics around camel milk aggregation, bulking, value addition and marketing.

Specifically, the REGAL-AG team in Marsabit supported the creation of linkages between one urban camel milk collector with two rural aggregators to explore business opportunities. The team also identified an individual who was commercially sourcing 40 liters of camel milk from six camel-keeping households (located about 25 km from Kalacha), and supplying the milk by motorcycle to 20 households in a rural, low-end market. The team identified him as a potential community champion, and provided mentoring in milk hygiene and appropriate containers for collecting, storing and transporting camel milk. Lastly, the Marsabit team met with another 4 rural collectors/producers from Dub Tune in Saku sub-county who were supplying 190 liters of camel milk daily to 6 households in Marsabit. The REGAL-AG staff talked with them about potential ways to engage in organized business opportunities, such as value addition, forward linkages with processors and possibly incorporating agency banking with camel milk business.

The program team in Isiolo made initial contacts with four Isiolo Township-based camel dairy groups, namely Fariya, Tawakal, Defe and Anolei. The end market for the milk bulked by these groups is the Eastleigh market in Nairobi, which has a large population of ethnic Somalis, who account for the majority of the camel milk market in Kenya. Apart from profiling the groups, the REGAL-AG team held informal discussions with these potential partners on how best to improve the efficiency of milk collection and bulking. Two of these groups (Fariya and Tawakal) are also significantly involved in the processing and marketing of small quantities of camel meat popularly known as nyiri nyiri, in the same end market of Eastleigh. Given the unmet demand for this product, the program is looking for potential private sector partners to invest in this unique market niche that could work with youth and women to scale-up the industry.



Figure 1: Situation of camel milk transportation in Marsabit Central sub-County

The Isiolo staff also mapped out two camel milk supply routes in the catchment areas of Burati/Mlango and Shaba/Kulamawe. During the camel milk mapping exercise, two challenges stood out that particularly hinder the upgrading of the industry within the counties of Isiolo and Marsabit. First, there were significant losses due to camel milk spoilage in the aggregation and bulking stages, especially among the milk collectors in Burati/Mlango, Shaba/Kulamawe, Turbi, Kalacha and Saku. This was a result of poor milk handling and hygiene practices, and a general lack of cold chain storage. Second, the scale of commercialization is low due to the collectors' limited capacity to handle large volumes of camel milk and the absence or poor organization of the camel milk traders.

In the next quarter, the REGAL-AG team intends to alleviate some of the immediate constraints outlined above. Specifically, REGAL-AG will support a training of trainers (ToTs) under the facilitation of experienced personnel from the Kenya Agricultural Research Institute and Private camel milk processors like Vital Milk, which will be provided for camel milk actors in the area of milk handling and hygiene. The private milk processor will train the TOTs on consumer market standards for camel milk. Thereafter, the trainees will further mentor producers at the five locations mentioned above to produce high-quality camel milk that meets consumer market standards and most importantly fetches higher prices.

REGAL-AG Participation in Marsabit County Investor's Forum

On October 11-12, 2013, REGAL-AG participated in the Marsabit Investors' Conference held at the Marsabit County headquarters within the Marsabit township. During the two-day event, the team set-up an exhibition stand and gave presentations to over 100 participants who visited the REGAL-AG stand. They were drawn from the national and county governments of Marsabit and Isiolo, Sidai Africa, faith-based organizations, Equity Bank, a local radio station (Star FM), NGOs present in Marsabit (World Vision, Care Kenya), Kenya Agricultural Research Institute, and community members. The objective of REGAL-AG's participation in the event was to create awareness on REGAL-AG's work in the county by distributing program leaflets and providing program briefs. It was also to share key information generated by the project so far regarding investment opportunities in the county's livestock sector. Lastly, REGAL-AG aimed to generate buy-in to a vision for vibrant and efficient livestock markets in Marsabit, including through Community

Contracting Fund investments. This was aptly brought out by REGAL-AG banners and brochures that provided a snapshot of the livestock sector in Marsabit including constraints, opportunities and the desired vision for a livestock-driven market economy in Marsabit County.

Overall, the REGAL-AG Marsabit office provided planning and logistical support to the governor's office before and during the event to make sure the event was a success. REGAL-IR also participated in the event and set-up a stand adjacent to REGAL-AG's. County Government Officers complimented REGAL-AG's stand, saying it was among the best owing to the high level of organization, and the most relevant to the county's economic situation. The County Governor also thanked REGAL-AG and the Marsabit Regional Manager, Dr. Arero, specifically, for the support in logistics and planning for the event. REGAL-AG was among the County Government's partner organizations that were singled out for an award from the governor for their support and for being the most market-driven project focusing on the livestock sector. The Deputy Chief of Party received the award on behalf of the team.



Figure 2: Fridah Gacheri, REGAL-AG Community Investment Specialist, explains the livestock marketing opportunities to Mr. Omar, the Marsabit County Deputy Governor during the Investor's Forum

D.COMPONENT 3: Improving Livestock Productivity

Under component three, REGAL-AG seeks to increase livestock productivity by increasing access to animal feed in all seasons, improving the affordability of feed, and improving herd management and health. During the first quarter of FY 2014, the following progress was made under this component:

Support Land Reclamation and Pasture Rehabilitation

In an effort to establish fodder production demonstration plots as community learning sites and models for scaling-up, REGAL-AG supported 11 fodder groups to each develop a demonstration plots. These groups are located in Marsabit County, specifically in Milima Mitatu, Kiwanja Ndege, JACOFA, Turbi, Hurri Hills, Adadi, Dabel, Kinisa, Goro Rukesa, Dirdima and Karbururi. The support to the fodder groups included training for 40 farmers (nine males, 31 females) who are members of the fodder groups (15 from Milima Mitatu, five from Kiwanja Ndege, and 20 from JACOFA) on pasture seed harvesting and baling. As of the end of the quarter, the three groups had started baling 450 bales of hay (Milima Mitatu baled 300, Kiwanja Ndege 50, and JACOFA 100) estimated at 5,400 kgs. Additionally, REGAL-AG's Fodder Specialist conducted a fodder assessment in Isiolo County and identified eight potential groups to partner with the project in commercial fodder/forage production and marketing. During the assessment, 12 new individuals trained during the ToT in Isiolo County were identified to serve as commercial fodder champions who will support their communities in fodder-related activities.

The details are contained in the following table:

Table 5: Groups involved in fodder production in Isiolo County

Location	Name of Fodder Group	Membership		
		Total	Male	Female
1. Rapsu	Halche Self Help Group	18	14	4
2. Gubadinda	Nagale Self Help Integrated Group	16	7	9
3. Barambate	Barambate fodder group	17	9	8
4. Kinna	Women fodder conservation group	12	0	12
5. Kinna	Kinna Self Integrated Fodder Group	15	8	7
6. Garfasa	Garfasa Fodder Group	40	19	21
7. Garfasa.	Bidii Farmer Self Help Group	20	9	11
8. Muchuro	Muchuro Self Help Group	40	35	15

Support Improved Animal Health Care at the Community Level

MKU during the quarter compiled a report of their baseline survey that was carried out. The recommendations and way forward in the report were informed by the activities carried out last quarter. Based on the Marsabit County stakeholders' consultative workshop and baseline survey, MKU has suggested the following objectives and deliverables as a way forward:

1. Tailor-made curriculum and training program, as well as facilitative structures in animal health and production, and business and development studies should be prepared and implemented to suit the needs of the county and community
2. Awareness campaigns should be carried out through various modes and means to encourage students to participate in the training program and increase the percent of the student population that transitions from secondary schools to universities; awareness campaigns should also encourage students and the broader community to embrace the commercialization of livestock
3. MKU will identify one of the existing learning institutions in the county to begin piloting the training using appropriate modes of study identified in the baseline assessment
4. A pilot project should be initiated to recruit students to undertake courses and achieve a diploma or degree in animal health services; this will enable the community to see the benefits of training and capacity building in animal health production

During the period from October to December 2013, REGAL-AG's animal health team identified and supported linkages between animal health service providers, quality drug suppliers (such as Sidai) and livestock producers. Successful actors that demonstrate impact in their businesses will be recruited as champions of change to promote the adoption of the new business model among animal health service providers and broadly within their communities. This was partially achieved through a roundtable discussion held with nine professional agro-vet owners that expressed interest following the animal health service provider workshops that were held in the previous quarter in Marsabit County. The workshops from last quarter had the following objectives:

- a. Discussing targets for clinical services that the agro-vets expect to deliver, including volumes of drugs to be sold
- b. Establishing the number of potential commercial pastoralists that each agro-vet aims to recruit and support
- c. Sensitizing the agro-vets and champions on suggested commercialization messages to be delivered in the market events and how that will assist them in improving service delivery (and thus expand business)
- d. Identifying the contribution from the champions of change and the facilitation support that will be provided by REGAL-AG
- e. Identifying the duration required for each of the agro-vets and champions of change to achieve the above targets
- f. Defining the support required by the champions to train pastoralists in commercial approaches during and after the market outreach events



Figure 3: Agro-vets talk with potential customers

The nine agro-vet owners who will serve as champions of change will begin rolling out their outreach in the next quarter.

During the roundtable this quarter, 250 leaflets with commercialization messages were delivered to three of the agro-vets to pre-test and determine how well and clearly the messages were received and acted upon. In this case, the agro-vet owners were to disseminate the commercialization messages to pastoralists and recruit them for support to become commercial pastoralists; three agro-vet owners (from Ramata, Merille, and Maikona) were able to deliver messages to 250 pastoralists over-the-counter at their shops and at the market. As a result, the three agro-vet owners were able to recruit 180 potential commercial pastoralists.

During the quarter REGAL-AG also saw positive outcomes from the workshop held in July 2013 in Isiolo and attended by 35 animal health service and input providers (CAHWs, animal health technicians, veterinarians, agro-dealers, etc.) on positioning animal health services as a purveyor of economic growth through strategies of making the inputs and service delivery customer-oriented. One CAHW who operates an agro-vet shop was selected during this quarter to pilot the customer-oriented service and input provision model, where the service provider proactively reaches out to potential clients, promotes their services and obtains the client's buy-in to establish lasting customer-service/input provider relationships. The strategy resulted in increased visibility, sales, and volumes of transactions, and provided an opportunity for the

Lucy says, "Since I adopted the customer-oriented model my business profit margins have tremendously gone up by a big margin since. "I used to sale between US \$ 90 to 100 per week at my shop, but now my sales margin have increased to US \$ 500- 650 per day at the Kipsing market, between US \$ 300 - 400 per day at Oldonyiro market, and between US \$ 180- 200 per day at Sere market. The success has prompted me to request REGAL-AG to link me to the source of the tents so that I procure for myself. I would also like them to help me think about transportation challenge since as of now I depend on them for transport".

CAHW to provide advisory services and extension messages to pastoralists during the quarter. Using the tent she obtained through support from REGAL-AG, the CAHW operated in three livestock markets to reach out to livestock keepers: Kisping (Friday), Oldonyiro (Tuesday) and Sere (Saturday). The model provides an opportunity for the program to embed advisory services such as the promotion of best practices and behavior change messages while service and input providers promote their services.

Through her market outreach events she has been able to reach 166 pastoralists (over her improved drug sales) who would otherwise not have reached out for her services. The tent not only increases her visibility in the market but also provides a cool environment that ensures the drugs are kept in a cool place to maintain the quality.

Establishing Agency Banking Business for Youth and Women with Financial Institutions

REGAL-AG is supporting pastoralists to diversify their asset base through cash savings and transfers as a risk mitigation strategy through the promotion of agency banking, which is a new banking model that allows businesses to operate as satellite branches for banks, offering services such as cash withdrawal and deposit, school fee payments, utility payments, balance enquiries and mini-statements.

During the quarter, 20 youth and women, including 9 agro-vet owners, were recruited as agency banking agents from the following markets/locations in Marsabit County: Merille, Illaut, Korr, Kalacha, Turbi, Sololo, Laisamis, and Loglogo. These individuals participated in a one-day roundtable meeting with three financial services providers (specifically Equity Bank, Co-operative Bank and Kenya Commercial Bank) in Marsabit County. Each financial institution presented its requirements and terms for agency banking during the meeting, and the group held a broader discussion of the role of women and youth in promoting a savings culture, especially among pastoralists.

In the upcoming quarter, the REGAL-AG project and the three commercial banks in Marsabit County will follow-up with those interested to partner with private investors (e.g. input suppliers) in the agency banking opportunity. The REGAL-AG team is excited about the potential of this initiative to open up remote areas to financial services.

E. COMPONENT 4: Promoting the Inclusiveness of Women, Youth and Local Groups

The REGAL-AG project recognizes the critical role that women and youth play in the livestock sector, and recognize that any efforts aimed at increasing the competitiveness of the sector require an inclusive approach that builds the capacity of women and youth and supports them to access critical resources and services. During this quarter, REGAL-AG's Gender Advisor and the entire team focused on key activities that are expected to lay the foundation for the inclusion of women and youth in the project, aimed at creating awareness and building the capacity of women and youth to take advantage of existing and/or new livestock and livestock-related opportunities. Key achievements under this component include the following:

Assessments and Strategy Development



Figure 4: Women's group discussion (pictured left) and youth group discussion (right)

The value chain-based gender assessment was completed during the quarter and the report, which contains the project's gender strategies, is currently being finalized. The document will be ready by the end of quarter two of FY 2014 to be shared with USAID. REGAL-AG's approach to inclusiveness was also defined and integrated throughout the year two work plan.

As part of the gender integration and inclusiveness strategies, the REGAL-AG Gender Advisor teamed up with the Pastoral Policy Advisor to conduct the Community-Based Advocacy training mentioned under component one. The 41 participants were taken through basic concepts in gender, such as an explanation of why gender and inclusiveness is important in grazing management given the diverse roles that women, youth and elders play. For example, elders make all decisions about grazing (where, when and how the livestock is to be grazed) while the actual grazing of livestock is the responsibility of the youth and to some extent women and girls when it comes to shoats. Women and youth cannot challenge the elders' decisions; as one female participant said, *"as a woman, I am the shoulder while my husband (or male relative) is the head; there is no way the former will be ahead of the other."* This power dynamic was also evident in the training on the first day when the youth and women representatives' participation was the most limited. The facilitators used a combination of methodologies such as having different groups of men (including elders), women and youth to provide more comfortable environments for them to express themselves and articulate the issues affecting their particular group.

The group's understanding of gender became evident when the Bisan Biliqo secretary who was absent during the gender training presented an overview of the conservancies and said *"this year we are lucky, we have 2 genders in our 12 member board!"* by which he meant that they have two women on their board. This caused an uproar among the other participants who understood the correct meaning of gender.

The group was also taken through a practical session on empowerment using the *"Take-a-Power Step"* tool. The objective of the tool was to help participants visualize how often some categories



Figure 5: Participants doing role play during the "take a power step" session

(especially the most vulnerable) of community members are excluded when designing development programs in the community or implementing community interventions even though development programs are often designed to assist the very same vulnerable groups. The practical session was an “aha” moment for most participants who agreed that often those with the most power in the community are men, and those with the least are women. By the end of the session, the participants, including men, were cognizant of the different power dynamics among men and women and the vulnerability effect this has on women. As the Merti chief said, *“the power step tool showed us there is a big vulnerability gap between men and women due to exclusion, this is a reflection of the community that we live in and if we want to reduce poverty, we must come up with strategies of reducing this vulnerability gap and exclusion as a community and civil societies”*.

Identify Business Opportunities for Women and Youth

During the quarter, the Gender Advisor was part of the market assessment team and identified key market opportunities for women and youth in upgrading markets and establishing model markets.⁴ Key business opportunities across the three value chains and input service sectors have been identified and well-documented in the gender assessment report as well as in the gender strategy. Progress in supporting women and youth to take advantage of these opportunities has been highlighted above throughout the other components.

F. Lessons Learned

Throughout the quarter, REGAL-AG continued to monitor critical risks that the project is exposed to. Key among them is the security situation in Marsabit County and the impending drought in Northern Kenya. As a result, the project team has developed disaster risk reduction (DRR) contingency plans in collaboration with other resilience projects in Isiolo and Marsabit counties and the two county governments. REGAL-AG is also closely monitoring the security situation in Marsabit County in order to engage the local peace partners (who include local NGOs, CBOs, peace committees and the government security team), if needed, in the areas relevant to the REGAL-AG project. In the meantime, REGAL-AG staff will explore how to strengthen conflict-sensitive programming following the principles of Do No Harm (DNH) and strengthening local capacity for peace during project interventions.

⁴ Model markets are livestock market facilities with additional small-scale enterprises aimed at creating employment for women and youth.

III. PROGRAM PROGRESS (QUANTITATIVE IMPACT)

The following table provides an overview of the quantitative impact achieved on the indicators that are due for tracking this quarter. Despite the fact that targets have not been achieved in all areas, significant progress has been made that lays the foundation for achievement of project results in subsequent quarters. Table 5 below shows the indicator performance for quarter one, FY 2014.

Table 6: Performance Data Table

INDICATOR TITLE: NUMBER OF RURAL HOUSEHOLDS BENEFITING DIRECTLY FROM USG INTERVENTIONS									
INDICATOR NUMBER: 4.5.2-13									
<i>UNIT:</i>		<i>DISAGGREGATE BY:</i> Location and gender of beneficiary							
Number of rural households	<i>Geographic Location</i>	<i>Activity Title</i>			<i>Date</i>	<i>W</i>	<i>M</i>	<i>Sub-total</i>	
	<i>Marsabit</i>	<i>“Commercial fodder production”</i>				31	9	40	
	<i>Isiolo</i>	<i>“Training on community based advocacy on land use and land tenure systems”</i>			4-6/12/2013	9	32	41	
	<i>Isiolo</i>	<i>“Dissemination of commercial pastoralism messages”</i>			25-30/Nov 13, 5-10/Dec 13	16	151	167	
<i>Totals</i>						56	192	248	
<i>Results:</i>									
Additional Criteria		<i>Results Achieved Prior Periods</i>	<i>This Reporting Period</i>	<i>Reporting Period</i>	<i>Reporting Period</i>	<i>Reporting Period</i>	<i>FY 2014 Target</i>	<i>FY 2014 Target</i>	<i>End of Project Target</i>
<i>If other criteria are important, add lines for</i>	Baseline		31/Dec/13	31/Mar/14	30/Jun/14	30/Sep/14			

setting targets and tracking	Achieved		Target		Achieved		Target		Target		Target		Target		Target		Target		
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	
Gender: Women (W), Men (M)	-	-			1144	1715	56	192											
Marsabit County					686	1029	31	9											
Isiolo County					458	686	25	183											

INDICATOR TITLE:											
NUMBER OF REGAL-AG-ASSISTED LIVESTOCK-RELATED BUSINESSES THAT HAVE UPGRADED											
INDICATOR NUMBER: OP (REGAL-AG-9)											
UNIT:	DISAGGREGATE BY: Location and gender of business owner										
Number of businesses	Geographic Location			Activity Title				Date	W	M	Sub-total
	Isiolo			"Agro-vet business upgrade with commercial pastoralism messages"					2	0	2
	Totals								2	0	2
Results:											
Additional Criteria	Baseline	Results Achieved Prior	This Reporting Period	31/Dec/13	Reporting Period	Reporting Period	Reporting Period	FY 2014 Target	FY 2014 Target	End of Project Target	

If other criteria are important, add lines for setting targets and tracking			Periods						31/Mar/14		30/Jun/14		30/Sep/14							
			Achieved		Target		Achieved		Target		Target		Target		Target		Target		Target	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
Gender of business owner: Women (W), Men (M)	-	-			4	6	2	0												
Marsabit County	-	-	N/A	N/A	2	4	0	0												
Isiolo County			N/A	N/A	2	2	2	0												

INDICATOR TITLE: NUMBER OF INDIVIDUALS WHO HAVE RECEIVED USG SUPPORTED SHORT-TERM AGRICULTURAL SECTOR PRODUCTIVITY OR FOOD SECURITY TRAINING AS A RESULT OF REGAL-AG

INDICATOR NUMBER: 4.5.2-7

UNIT:	DISAGGREGATE BY: Location and gender							
Number of individuals	Geographic Location		Activity Title		Date	W	M	Sub-total
	Marsabit		"Training on commercial fodder production"			31	9	40
	Isiolo,		"Training on community based advocacy on land use and land tenure systems"		4-6/12/2013	9	32	41
	Totals					40	41	81
Results:								

Additional Criteria <i>If other criteria are important, add lines for setting targets and tracking</i>	Baseline		Results Achieved Prior Periods		This Reporting Period 31/Dec/13				Reporting Period 31/Mar/14		Reporting Period 30/Jun/14		Reporting Period 30/Sep/14		FY 2014 Target		FY 2014 Target		End of Project Target	
			Achieved		Target		Achieved		Target		Target		Target		Target		Target		Target	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
Gender: Women (W), Men (M)	-	-	105	345	212	318	40	32												
Marsabit County	-	-	92	324	127	191	31	9												
Isiolo County	-	-	13	21	85	127	9	32												

IV. PERFORMANCE MONITORING

Project Data Quality Assessment

During this quarter, REGAL-AG was among the USAID-funded projects that were selected for a data quality assessment. The exercise was structured to allow discussions and a review of the project's M&E system beginning at the head office (Nairobi) and following the data trail to the field sites (Marsabit Regional Office) and eventually to the service delivery points. As part of the process, the MERL Advisor led two meetings (in Nairobi and Marsabit) with the USAID team regarding the quality of the project's reported data. The initial meeting held in Nairobi was attended by REGAL-AG's COR, Isaac Thendiu. The Marsabit DQA exercise was led by Mr. Thendiu, assisted by USAID M&E Specialist, Albert Waudu, Environmental Specialist, Wilkister Makangi, WASH Specialist, Martin Mulongo, and a consultant from MSI, Dr. Jennifer. The field exercise was jointly conducted for REGAL-AG, REGAL-IR and Millennium Water Alliance. The debrief meeting that followed was held at the joint REGAL office in Marsabit, and highlighted areas of strengths and noted gaps for the three partners. Among the strengths discussed for REGAL-AG were the following:

- a) There was consistency in what was reported in the project's head office in Nairobi and what was found in the field
- b) All partners visited had the list of indicators
- c) The project is preparing and submitting reports regularly
- d) There are staff identified specifically to do M&E activities
- e) There are forms developed to capture data
- f) Indicators are defined and there is some form of data verification

The following gaps were also noted for REGAL-AG:

- a) Field staff did not seem to clearly understand the indicators
- b) There was a missing database for storing data and back-up systems⁵
- c) It is not clear how much support the field staff get from the Nairobi team

Details of the key findings and recommendations will be captured in a USAID report of the exercise. Meanwhile, REGAL-AG will continue to strengthen its M&E systems in preparation for the baseline and establishment of ki-projects.

The REGAL-AG project currently awaits the details of the key findings and recommendations from USAID to inform project improvements in as far as data quality is concerned.

At the close of the quarter, the Chief of Party held a review meeting to reflect on project progress since inception through the first quarter of FY 2014 (October-December 2013). The meeting was attended by all REGAL-AG staff and provided an opportunity for each component lead to highlight the key achievements of their project component and receive feedback and clarification questions from the rest of the team. The feedback sessions were used by the component leads to guide and refine FY 2014 quarter two internal work plans.

Other monitoring-related activities during the quarter included the following:

⁵ The ki-project system will be set-up during and after the baseline survey

- 1) During the quarter under review, REGAL-AG staff undertook several monitoring field trips to assess progress towards achieving project results. The trip reports and photographs taken will continue to form the basis for future performance monitoring, especially in tracking the project's quantitative indicators.
- 2) During the reflection meeting with REGAL-AG staff, the MERL Advisor used the opportunity to train all the staff on the project's M&E system, which included an explanation of the relationship between the PMP and the work plan, the project's indicators (and their definitions and targets), potential data quality issues, and reporting and documenting lessons learned in the field. Following the training, it is expected that the level of monitoring of project performance among field staff will greatly be enhanced.

V. PROGRESS ON LINKS TO OTHER USAID PROGRAMS

In addition to the project launch, described above under “Administrative and Cross-Cutting Activities,” REGAL-AG participated in the Joint Planning Cell (JPC) meeting organized by USAID in Nairobi. The JPC sought to look broadly at USAID's efforts across the Horn of Africa to see how the programs are impacting the overall problems they were intended to address, to determine whether the efforts are positioned to lead regional change and identify what actions are needed to scale-up progress to make a larger lasting impact. Given that the JPC in East Africa was primarily established to coordinate U.S. government responses to the persistent drought and economic insecurity in the region, there were significant discussions on the changes needed to ensure disasters are responded to and managed in a more effective way.

During the JPC conference, REGAL-AG put up a stand to disseminate information about the project activities to the participants who were representatives of various local and international organizations, NGOs, government agencies and partners. Out of approximately 75 participants who attended the event, a total of 40 visitors came to the REGAL-AG stand. The conference was structured to allow two days of field trips, and the group split into two in order to visit different USAID-supported programs in Turkana and Isiolo. The REGAL-AG team accompanied the group that went to Isiolo given that the program does not have operations in Turkana. In Isiolo, REGAL-AG was advised by USAID representatives from Washington to look into opportunities for using the Development Credit Authority (DCA) to ensure that the abattoir in Isiolo becomes operational. This was viewed by all participants as a “game changer” and transformative opportunity for REGAL-AG to influence the livestock markets.

During the quarter, the REGAL programs (REGAL-AG and REGAL-IR) collaborated closely through joint reviews and regular discussion on the progress of the wider REGAL efforts. One of the main areas of collaboration during this quarter was in the development of TORs for livestock sector master plans for both Isiolo and Marsabit counties. Other discussions were held regarding how the REGALs can hold joint planning for conducting baseline surveys, collecting GIS information and implementing gender strategies. The programs also worked to further define partnership opportunities with Northern Rangeland Trust (NRT) and WFP, which will be further developed in the upcoming quarter. The two programs have plans to continue working closely in quarter two, especially in addressing disaster risk reduction interventions and implementing drought contingency plans in the face of the drought predicted in the coming months of 2014 in Northern Kenya.

VI. PROGRESS ON LINKS WITH KENYAN GOVERNMENT AGENCIES

REGAL-AG has continued to engage with the government of Kenya both at the county and national level. During the reporting quarter, the following collaborative activities took place:

- 1) REGAL-AG's Pastoral Policy Advisor developed the Terms of Reference (ToRs) for the proposed situational analysis study and the development of "County-Specific Livestock Development Strategies/Master Plans" and shared these both with REGAL-IR and the Ministers for Agriculture, Livestock and Fisheries Development from Isiolo and Marsabit Counties.
- 2) The DCOP and Gender Advisor held a meeting with the Kenya Leather Development Council, a quasi-governmental organization, to define opportunities for collaboration. During the discussions it emerged that clear opportunities exist for synergizing and working together to develop the hides and skins sector. Going forward, KLDC will put together a concept note for proposed collaborative efforts for review and feedback by REGAL-AG, which will be developed into an MOU and specific methodology for collaboration.
- 3) REGAL-AG supported the Marsabit County government in the planning and implementation of the Marsabit Investors' Conference. The main objective of this conference was to identify and publicize key investment opportunities for investors from within and outside the county in an effort to improve the economic situation of the people of Marsabit County. REGAL-AG's role in the conference is described above under component two.
- 4) REGAL-AG's Livestock Productivity Specialist, Community Investment Specialist and Regional Manager in Marsabit County met with the Marsabit County Executive for Agriculture, Livestock and Fisheries. The objective of the meeting was to discuss the department's proposed livestock fattening model for Marsabit County, which targets the Livestock Marketing Associations, new cooperatives, the private sector and livestock marketing and fattening camps. Specifically, the REGAL-AG staff discussed ways of setting up holding grounds with feedlots and screening centers in Sololo, Kalacha, Loglogo and Shuurra.
- 5) In Marsabit County, the REGAL-AG Regional Manager participated in the launch of the Government implemented Regional Pastoral Livelihoods Project, which is funded by the Intergovernmental Authority on Development and implemented through the county department of livestock production. The project focuses on four priority areas including natural resource management, conflict resolution, market access and trade, livelihood support and basic social services. Given that REGAL-AG is also working to improve market access and trade, the project teams proposed during the launch to arrange further discussions around identifying areas of complementarity and managing the risks of duplication of activities. Additionally, the Marsabit County Manager attended an Agricultural Sector Development Support Program (ASDSP) meeting focused on sector-wide coordination, natural resource management and value chain development. The ASDSP program, which is funded by the Swedish International Development Agency and implemented by the government of Kenya, supports the three value chains of goat meat, camel milk, and kale. Following this meeting, the ASDSP team requested that one of their project representatives be considered for an upcoming REGAL-AG value chain training that is being organized for staff.

- 6) In Isiolo County, REGAL-AG continued to work closely with the office of the governor, especially throughout the livestock market assessment and the development of terms of reference to conduct a feasibility study for the Isiolo abattoir. The county government proved valuable in providing input into their priorities for market infrastructure development and assisting REGAL-AG staff in mobilizing and meeting with key community leaders throughout Isiolo.

VII. PROGRESS ON USAID FORWARD

REGAL-AG has continued to work with and build the capacity of local partners, such as the Pastoralist Community Initiatives and Development Assistance (PACIDA), the Resource Advocacy Program (RAP), and community institutions like the LMAs, environmental management committees, and grazing committees among others. REGAL-AG is also in the process of identifying a local partner in Isiolo using a capacity assessment framework that the team prepared.

Going forward, the project will greatly expand efforts to build the capacity of local institutions through the CCF. REGAL-AG expects to form two CCF Committees: Community/County Supervisory Committees and the Community Contracting Fund Evaluation Committee. The project staff will build the capacity of the CSC in managing procurement processes and monitoring construction projects, while enhancing transparency of CCF processes and grantee operations. This is expected to improve the business capacity of the local community leadership in addition to other institutions that are affiliated to such individuals.

VIII. SUSTAINABILITY AND EXIT STRATEGY

ACDI/VOCA's approach to REGAL-AG is to bring about behavior change among market actors—both women and men—all along the meat, dairy, and hides and skins value chains; drive investment in critical upgrades that eliminate value chain constraints or mitigate risk; and identify and build the capacity of change agents within pastoral communities capable of driving investments, upgrades and increased economic competitiveness.

REGAL-AG in its pursuit for market information dissemination and other outreach messages for pastoralists will be collaborating with government extension services and institutions to develop appropriate and sustainable efforts. The participation of local groups in developing messages in local languages through songs, theatre and dissemination via local radio is expected to result in local ownership of the commercial pastoralism messages.

In the upcoming quarter, REGAL-AG will also ramp up activities focused on private sector-driven opportunities. These will include a closer examination of the Isiolo abattoir and the potential for private investment and management, as well as scaling-up the outreach of Kenyan companies already involved in the livestock sector.

Details of REGAL-AG's sustainability plan are elaborated in the project's revised strategy and will be evaluated on an ongoing basis.

IX. SUBSEQUENT QUARTER'S WORK PLAN

REGAL-AG's upcoming activities are captured in detail by the quarter II activities within FY 2014 work plans. A summary of the project's planned activities for January-March 2014 is listed in Annex I.

ANNEXES AND ATTACHMENTS

Annex I: Schedule of Future Events

The following list highlights the major upcoming events/deliverables for the period January-March 2014 disaggregated by component:

Component 1:

- a) Carry out manyatta-based policy advocacy forums on pastoral mobility and grazing management, through EMCs and other advocacy groups/institutions
- b) Facilitate the trainees of the ToT to conduct county-based participatory policy analysis trainings for selected members of the county agriculture sector in Isiolo and Marsabit in order to develop a critical mass of policy trainers
- c) Create awareness on the role of the community land boards in the administration and management of land tenure and land use, including pastoral mobility and grazing management, through community-based institutions/groups e.g. EMCs
- d) Develop issue-specific policy briefs for legislative consideration, including constraints specific to women and youth
- e) Provide technical support for the development of county-specific policies and legislation for animal health care delivery
- f) In collaboration with REGAL-IR, engage local experts and carry out a county-specific livestock sub-sector assessment to inform the development of the County-Specific Livestock Development Strategies/Master Plans

Component 2:

- a) Engage the LMAs from the selected markets on market investment plans
- b) Provide coaching, mentoring and training to LMAs on livestock markets management
- c) Provide capacity building support to producer and trader groups on business skills
- d) Hold forums for traders/pastoralists, processors and other lead firms on livestock trade linkages and investments
- e) Work with REGAL-IR to develop a scope of work on the feasibility and operationalization of the Isiolo abattoir
- f) Identify and support women's groups involved in camel milk and meat processing
- g) Identify and select appropriate livestock market(s) for sales methodology piloting
- h) Work with REGAL-IR to provide capacity building for hides and skins groups to improve aggregation and access to inputs

Component 3:

- a) Hold ToT for 12 Isiolo fodder producers in Baringo and develop and roll-out action plans

- b) Hold meetings and recruit private and public sector representatives to financially support the pasture rehabilitation week (seeds, promotional materials, awards etc.)
- c) Provide technical assistance to county government representatives and champions to develop consumer communication strategies on commercial pastoralism and input quality/safety using traditional songs and dance as appropriate
- d) Identify viable options for supporting agency banking in community structures such as LMAs

Component 4:

- a) Provide gender training to selected members of community-based institutions/organizations as gender champions
- b) Develop gender-related quarterly case studies
- c) Work with PACIDA to participate and create awareness on issues facing women, girls and youth and international women's day
- d) Identify relevant business opportunities in livestock and livestock-related products for youth and women

Community Contracting Fund Implementation

- a) Finalize CCF Manual with USAID and begin implementing identified infrastructure development projects in targeted markets
- b) Finalize the selection of a pool of engineers and environmental experts to provide necessary expertise on the implementation of CCF projects
- c) Establish Community/County Supervisory Committees that will serve as a forum for the communities to drive the monitoring and oversight of the CCF projects, and will also serve as an avenue for REGAL-AG to build the capacity of selected grantees

Communication

- a) Finalize and share the REGAL-AG communication strategy

Monitoring & Evaluation

- a) Finalize the sampling frame for baseline survey
- b) Undertake M&E field visits
- c) Prepare the baseline survey design and draft tools
- d) Follow up on M&E Training and Learning Agenda for REGAL-AG staff

Annex II: List of Products

The REGAL-AG Market Assessment report and a success story are submitted to USAID as significant outputs for the quarter covering October-December 2013.