



## WORKING WITH COMMUNITIES TO IMPROVE THEIR LIVES

**Introduction of livelihoods diversification activities to boost household incomes of vulnerable communities in Northern Kenya**

### THE CARE KENYA –ELMT PROJECT



#### BACKGROUND

The Enhanced Livelihoods in the Mander Triangle (ELMT) Program is part of USAID's broader Regional Enhanced Livelihoods in Pastoral Areas (RELPA) Program that aims to support a more effective move from emergency-relief dependency to resiliency and sustainable actions that promote long-term economic development in pastoral areas.

ELMT is the field-based component of RELPA and is being implemented by a Consortium of six actors with extensive experience in the region and is led by CARE Somalia together with CARE Kenya, CARE Ethiopia, Save the Children/US (SC/US), Save the Children/UK (SC/UK) and Vétérinaires Sans Frontières-Suisse (VSF-S), who also work with more than 20 local partner-organizations and international resource agencies.

There are six expected results for ELMT:

- ✓ Livestock based livelihoods protected in the event of an emergency;
- ✓ Livelihoods enhanced through improved livestock production, health, and marketing;
- ✓ Natural resource management enhanced;
- ✓ Livelihoods enhanced by strengthened alternative and complementary livelihood strategies;
- ✓ Strengthened capacity of customary institutions in peace building, civil governance and conflict mitigation;
- ✓ Pastoralist area 'voice' in dry land policy formulation and implementation



CARE INTERNATIONAL IN KENYA  
Mucai Drive, Off Ngong Road  
P.O. Box 43864-00100 GPO  
Nairobi-Kenya  
Tel +254 20 2710069 / 2712374  
Fax + 254 20 272 8493  
Email: info@care.or.ke  
Website: www.care.or.ke

ELMT employs three strategies that build on the field -experience of consortium members and other skilled actors in the region:

- ◆ Review, verify and consolidate the evidence base, (i.e. best-practice),
- ◆ and scale up the evidence-base or 'best-practice', and
- ◆ based on strategies 1 & 2, develop policy 'roadmaps' or guidelines that inform ongoing and developing policy initiatives in the RELPA program area, as well as help guide investment in the Horn of Africa.

ELMT collaborates closely with stakeholders at all levels including communities, local, national and regional governments, development organizations, research centres and the private sector, and also works directly with customary institutions, women, youth and other vulnerable and marginalized groups in its operational area.

#### **IMPLEMENTATION BY CARE**

CARE International in Kenya implemented the ELMT Project from September 2007 to February 2010 in various locations of Northern and North Eastern Kenya. These locations included Garissa, El Wak, Mandera, Wajir and Marsabit.

The implementation was done directly by CARE Kenya and also through Sub-grantees (four local partners) as follow:

- ◆ IR2 - The Kenya Camel Association (KCA) undertaking Camel promotion
- ◆ IR3 – Community Initiative Facilitation Assistance (CIFA) on enhancing NRM
- ◆ IR4 – Emergency Pastoralists Assistance Group (EPAG) in livelihoods diversification and marketing
- ◆ IR5&6 – OXFAM GB in strengthening customary institutions involved in peace building and also enhancing pastoral voice in policy decision making

Direct implementation involved livelihood groups and local stakeholders as follows:

- ◆ Supported to over 60 livelihoods groups in 10 enterprise areas
- ◆ Worked locally with 5 key local partners including ALRMP, District Livestock Production Office

District Agricultural Office, Millennium Village Project

- ◆ Applied guidelines to identify, select and support alternative enterprise opportunities
- ◆ Business skills training used as entry point to support livelihood groups

#### **SUMMARY OF ACHIEVEMENTS AS PER THE INTERMEDIATE RESULTS**

##### **IR1**

- ◆ The 15 early warning desks established in the Greater Wajir brought about rapid responses to conflict mitigation, (Four recorded so far). The early warning information centres linked to the national peace building and conflict mitigation centre, an indicator of formal recognition of the structure
- ◆ Three (3) contingency plans developed have led to early preparedness and in some instance have been used to leverage emergency funds
- ◆ Enhanced knowledge and preparedness on the part of the pastoralist production groups in terms of early offtakes and market linkages

##### **IR2**

- ◆ The mainstreaming of the camel and peace in the national livestock policy and Kenya Camel Forum respectively were direct results of lobbying through the annual gatherings
- ◆ Enhanced knowledge and skills on camel husbandry and health through the Annual Kenya Camel Forum in Moyale
- ◆ Added value to the knowledge and skills of the community animal health workers (CAHWs) thus the concept and practice of Camel Service Providers (CASPROs)

##### **IR3**

- ◆ Linkages were established between the traditional and conventional NRM approaches earlier marred by suspicion/mistrust
- ◆ Similar linkage established between the Water Users Associations (WUAs) and the Environmental Management Committees (EMCs). The same critical water resources were managed without synergy from either institution

##### **IR4**

- ◆ The BDS focus benefitted over 600 individuals and had the cascading effect of over a dozen confirmed individuals starting up petty trading/ small businesses. Generally increased confidence in undertaking business.



icy, among others, in establishing a livestock marketing authority.

## LIVELIHOOD DIVERSIFICATION FOR IMPROVED LIVES

The main aim of this technical brief is highlight some of these diversified livelihoods methods, provide insights into the logistics and efficiency of the activities in regard to improving the quality of life for the affected populations in North and Northeastern Kenya.

### A) Beekeeping: Harvesting Liquid Gold

Bee keeping is one of the most prominent activities being undertaken by the CARE– Kenya assisted groups along the river in the target area. Most groups involved in the bee keeping ventures average about 30 members.

This means that about 30 households are being positively affected by the livelihood diversification and therefore are seeing much improvement in the quality of life.

CARE Kenya contracted Honey Care Africa to provide training and professional advice to the various bee keeping groups in the region. Langstroth bee hives were introduced to the groups, some of whom had only the traditional log hives. This has ensured higher production, as the langstroth hives are colonized by bees much faster than the traditional type of hives.

- ◆ The next level of training (over 900 individuals), technical in nature and according to particular enterprise, enhanced over all knowledge and skills for bee keepers, mat weavers, 1st generation agriculturists, milk vendors and hides and skins groups. Anecdotal evidence point to increase in income among the bee keepers and agriculturalists.
- ◆ Critical asset (modern in some instances) support to some enterprises supplemented well the knowledge and skills acquired earlier. There was more effective utilization of the inputs following appropriate training on the same
- ◆ The pilot group savings and loan methodology was a first in the region. The 77 individuals within 5 groups loaned each other about USD 1,300 while saving ~ USD 700.
- ◆ Recent exposure of some livelihoods group members in certain enterprises is expected to stimulate production, hence income, through appropriate market linkages

### IR5

- ◆ Arguably, the Alfataah Council of Elders in Wajir initiatives demonstrated how a well coordinated and rapid responses can timely forestall conflict. The 4 documented rapid responses underscored the merit of strengthening customary institutions to manage conflicts.
- ◆ The establishment of three new peace committees in Greater Wajir and eventual adoption of the conflict sensitive lens was well received by both the provincial administration and local players. **IR6**
- ◆ CARE Kenya has supported the Ministry for Northern Kenya with private sector linkages in key areas of education, investment and promotion & ecotourism
- ◆ A Regional Livestock Marketing Symposium for the Horn of Africa attended by over 160 participants aimed at learning from good practice as well as influence pol-

### **Outcomes**

- ✓ 210 individuals from 15 groups in Garissa, Mandera and El-Wak trained on bee keeping by Honey Care
- ✓ Gargar group in Mandera moving to next level in Value Chain by obtaining centrifuge for honey processing.
- ✓ All groups use profits to start up other ventures.

The groups learnt that hives should be hung up higher in trees rather than lower, thus reducing the chances of other insects and unwanted debris falling into the hives.

The bee keeping training has also demonstrated safety and security aspects to the bee keepers by emphasizing on the need for more modern and safer bee keeping uniforms. The fabric used to make the older uniforms was permeable and was often the cause of stings and other injuries to the bee keepers.

Having learnt more sustainable methods of honey harvesting, the groups can now retain the bee colonies and open the hives without disturbing the queen bee.

From this venture, the group members are now able to save enough money at home to ensure that their families are well taken care of, educated, and treated in case of sickness. The groups also have the opportunity to market their honey to different institutions like Honey Care.

**'We have done so well with the honey harvesting that we are now moving a step up and are soon going to get a centrifuge to process the honey', Gargar members.**

The involved groups are extremely grateful to CARE and Honey Care Africa for showing them that it is not only the honey that is profitable but there other honey products such as beeswax which can be used to make candles .

Honey is also traditionally used by many communities around the world as a medicinal therapy. More recently, pharmaceutical companies have increased their use of honey in their products.

The money earned from the bee keeping has assisted not only the groups to diversify their enterprises but also individual members in improving their life standards. Examples of this include the fact that most groups now have a member's kitty that all members contribute to on a monthly basis.

In case of a calamity or emergency befalls any member, the kitty is used as financial assistance for that



particular member

**A member of Sharaf group in Manderu extracts a comb from a langstroth hivephoto/ Lucy Wangare**

The venture into bee keeping has not always been a smooth ride for the groups involved. Access to markets, transport and storage facilities still remain a huge challenge for all the bee keeping groups.

It is often hard to transport the honey on foot from the farms to the towns, as the distance is quite significant and the honey containers are quite large. Often times the only option is hiring a donkey cart, as vehicles are expensive to hire.

Storage is also a challenge as the women cannot always take the honey to the towns. They requested assistance with storage facilities to be built on the farmland. consortium to the affected populations.

**"This liquid gold has made us prosper, today we are opening our own shops with the profits we made! one day our honey will be in shops in USA and the rest of the world' Burrow Farm beekeeping group**

## **B. Milk Marketing and Improved Hygiene**

Milk marketing is an economic activity for women. Two of the women groups supported by CARE Kenya are in Garissa while one is in Mandera. The groups average between 15 and 20 members, and the assistance provided covered 60 households in the Mandera Triangle.

Previously, all groups were collecting milk from various pastoralist groups, buying the milk and re-selling after boiling with rudimentary techniques.– use of plastic jerry cans to package oiled milk as they are more affordable and accessible.

However, recent studies have shown that these plastic containers can be very harmful to health, especially when they heat up due to extreme temperatures such as those in the Mandera Triangle. When heated, they emit chemical toxins into the stored liquid that, when consumed, can then cause cancer. Further to this, the plastic containers would heat up quickly and cause the milk to spoil by the afternoon resulting to big losses for the group members as they had invested in buying the milk from a primary party.

CARE Kenya and the ELMT Program intervened to train the women on healthier techniques of boiling and storing the milk. The women have noted that their children are falling sick less often as a result of using the newer boiling techniques that they have learned. The group in Mandera was provided with aluminium milk storage containers that are healthier as they do not emit any toxins, and they keep the milk cool so it does not get sour by the end of the day thus minimizing losses for the group.



One of the aluminium milk containers provided by CARE Kenya ELMT Program to the Mandera women's group / photo/Reshma Khan

The challenges faced by all these groups include lack of adequate transportation and natural calamities such as droughts which affect the livestock, in turn affecting the quality of milk being produced.

The Mandera group also requested for assistance with construction of more viable storage structures, as the present ones do not keep the heat out and do not have spaces where the women can rest during the day. Despite these challenges, the women are grateful to ELMT for giving them hope.



The Mandera women's group with metal milk containers provided by the CARE Kenya ELMT Program photo/Reshma Khan

***'Today we have KES 54,000 in our bank accounts, and we are able to cater for our family needs and childrens' education as well as health. Our men have even become more supportive of us, and it is all thanks to the success of our milk marketing enterprise!' , says Makkah Kassim from the Galbet group.***

### C. Mat Making: Weaving away poverty

Mat and handicraft making is an important part of the Somali culture. On average, there are between 20 and 30 members in the four groups in El Wak, Garissa and Mandera.

CARE Kenya through ELMT has provided the groups within the three locations with mat making training. Previously, the groups had been using a few designs and colours in their handicrafts. Through the training they have been able to diversify the patterns and colours that they use. This has automatically improved production quality and has meant that there are more profits for the sale of the mats and handicrafts as the groups now have an edge over competitors. One of the groups in El Wak has been able to turn around environmental degradation and haphazard waste disposal into a profit-making venture. They started collecting plastic bags that had been causing an eyesore around El Wak and converting them into multi-purpose ropes based on traditional rope designs. This has been a very efficient process and they now sell each metre of the 'plastic rope' for KES 10.

The creativity exuded by these women has thus not only given them an extra source of income, but has allowed for the clean-up of El Wak and the preservation of a clean environment. The mat making and handicraft has also been a means of emancipation from harsh life realities, especially with

El Wak, but the mat making has allowed them to change their destinies. The group also undertakes various activities including dramas and skits to educate the neighbouring communities about HIV and AIDS. The group consists of women as old as 80 years.



**Mat making is a tradition that even some of the oldest members of the Groups have taken it up. Photo Reshma Khan**

There are a few challenges that plague the women's groups, including lack of adequate storage space for the weaving material. However, the biggest problem is the import of Chinese mats made from plastic, as they are cheaper, more durable and more aesthetically appealing. Consumers now opt for the Chinese version due to these reasons, resulting in great losses for the local artisans. This situation can only really be overcome if the government sets import duties on the Chinese goods or gives incentives such as subsidies for the sale of local products.



**'plastic ropes' being made out of recycled plastic bags. photo/Reshma Khan**

the members of the Umoja Cultural Group in Mandera. Some of the members were once the poorest in all of

### **Outcomes**

- ✓ CARE Kenya contracted an individual with VSO to train 46 individuals from various groups in Garissa, Mandera and El Wak on better mat weaving methods and designs.
- ✓ The products have improved in quality, resulting in better profits.
- ✓ Naam group in Garissa makes about KES 10,000 per month for special orders of mats, and this has been a great help to them.

## C. Capacity Building: Other Trainings

### ***Business Development Services (BDS) Training***

All groups that sought assistance from the ELMT consortium had to go through the compulsory BDS training, organized by CARE Kenya. This training was aimed at providing the groups with business skills that will help them improve their livelihoods.

This was especially useful in showing the groups how to calculate profits and losses, record all their transactions, how to market products and improve their output.

It was noted by all groups that this has definitely been the most useful and helpful limb of assistance provided by CARE Kenya. Most groups would also like refresher courses and further BDS training.

### ***Group Savings and Loans (GSL) Training***

A few groups in the Mandera Triangle have been provided with GSL training. The groups have benefited in that they are now able to save better and have members' kitties that are used for emergencies, school fees, medical bills and other expenses.

## ***Adult Literacy Classes***



**Rukeiha Ali Noor, a member of the Mwan-gaza Literacy group/ Natasha Wissanji.**

### ***Institutional Capacity Building (ICB) Training***

All groups went through the ICB training before they could be assisted in material for their livelihood activities. This training was aimed at providing the groups with ample knowledge on how to deal with the dynamics of a group of individuals in regard to conflicts and benefits to every member and the hierarchical arrangement of the group.

The groups say that this has also been very useful to them. As a result of the ICB training, all groups are now better organized and have a chairperson, secretary and treasurer at the very least. This ensures that the group activities are not conducted in a haphazard manner. Additionally, each group has a record of its legal frameworks, including a constitution and by-laws.

The bylaws deal with issues such as conflict resolution, penalties for non-contributing members, monthly contributions, and assistance to members in need. Conflict resolution techniques especially are very efficient and combine traditional methods with more conventional arbitration boards. By ensuring that non-contributing members and dissidents are dealt with appropriately, all groups can undertake their activities with the highest levels of efficiency and therefore highest levels of benefit to all individuals.

In the implementation of the ELMT program, it emerged that many of the target groups had no working knowledge of either Swahili or English to be able to conduct their businesses with the highest level of efficiency. This was especially true of women, who were marginalized by male siblings in families in regard to education. As is often the case in many parts of the world, if there are male and female children to be educated in a poor household, the male will take priority as it is believed that he will be of more use to the family in the future unlike the female who will probably be married off.

As a result, Paul Gachie of CARE Kenya led a pilot program whereby functional business literacy was taught to a group of about 30 students, mostly women, in Garissa town. The aim was to provide women who did not really get the chance to pursue or complete their primary and high school education earlier on in life to catch up and become competent with especially business literacy.

The classes provide practical learning of issues that affect daily life rather than idealistic examples. During the time of our visit, the adults, mostly women, were being taught about having a lack of water in the body, and its implications for health of the communities. The lesson was being taught in Somali, Swahili and English.



Most students are mothers who wanted to improve their standards of living through the education they receive and thus educate their children. The simple act of signing for a bank slip, something that we take for granted, was considered impossible before the literacy classes.

The women used to feel degraded as all they could do before was provide a thumb print instead of a signature that they did not know how to provide. Today many of the women attending the classes are able to walk into a bank and sign their own names onto a cheque; a feat that they never thought possible before.

However, the literacy classes have been marred by various challenges. Paying the teacher's school fees and paying the rent has been difficult, but CARE supported with part of the cost to enable the low income persons to attend the classes after paying for a small fee.

Traditionally, women were not always allowed to pursue their education, and thus these women are still looked upon with some disapproval not only from the husbands, but also the male children. Despite this, the women continue for their

**With a strong determination and the willingness to face all challenges in their way, these women are dedicated to becoming literate and joining the rest of the world./photo/Reshma Khan**

rights to education and attend their classes. By mid-December 2009, 5 women graduated from their business literacy classes at a major graduation and launching event held at Garissa and presided by the Minister of Northern Kenya and other Arid Lands. There are plans to expand this program in the near future through other CARE Kenya Programs. The group members all agree that literacy will help them prosper more in their entrepreneurial endeavour. Some groups such as Al-Hamdu in Garissa claim that currently the classes are too expensive, but if the cost is reduced, they will definitely join the classes. .

The Gargar group in Mandera has used a different approach, and uses its kitty money to send some members to a regular school. As a result, the treasurer, Saida Abdullahi, has been able to complete her Kenya Certificate of Primary Education where she scored a total of 191 points out 500. She desires to pursue secondary education. The treasurer of the Galbet group in Garissa, Makkah Kassim, represents the results of an individual who has worked hard to change their own lives and the lives of those around them. Makkah participates in the milk marketing with her group during the day, but she teaches English and Swahili literacy from 8pm to midnight every night to a group of local men. She only gets paid KES 2000 by the Government of Kenya to do this, but she would rather teach the local community than have them left behind

***"I could only speak my mother tongue (Somali) and because of this I lost out on many opportunities. I could not even sign for money at the bank or use ATM machine. I used my thumb print as a signature because I could write my own name! Then CARE Kenya initiated the literacy classes in my community and today I proudly walk to the bank and sign my slips. My business skills have also improved. Thank you CARE Kenya!" ...Habiba Ali Noor (A beneficiary of the ELMT Program)***



## **OBSERVATIONS**

### **STRENGTHS**

One of the biggest strengths of the ELMT program has been the fact that it was based on the evidence - that previously vulnerable groups and individuals were now self-reliant and able to change their own destinies through entrepreneurial endeavour. Most NGOs today look to so-called 'band aid solutions' such as provision of food, shelter and finances directly to the affected populations who then decide what to do with the assistance.

However, these strategies only serve to make the populations more dependent on NGO hand-outs, thus making them less willing to endeavour for their own selves in regard to livelihoods. This has especially been the case in north-eastern and Northern Kenya and the larger Mandera triangle, which has been the base for hundreds of NGOs over the past twenty years, including CARE and the other consortium members.

For this reason, CARE International is now moving towards a new era of assistance whereby NGOs can assist peoples living in daily poverty come out of their dire situations by initiating entrepreneurial ventures. As the great motivational speaker, C.K. Prahalad, *the 'base of the pyramid' or the poorest people are often marginalized even in microcredit ventures and enterprises*. CARE aims to find viable solutions for this cohort by assisting with the value chain without really getting involved.

The attempts to change the aid culture in the area are bearing some fruit, but it will be long before we can be assured that the communities are completely self-reliant or at least moving in that direction. In the meantime, CARE Kenya can best try to engrain the idea of self-reliance versus constant hand-outs in the communities. At a recent meeting for Program Managers involved in ELMT and other projects in Kenya, the CARE Kenya Country Director, Stephen Gwynne-Vaughan, clearly stated that CARE International is moving towards aiming programs at the emancipation and enhancement of the lives of especially women and children. Based on the observations in Garissa, El Wak and Mandera, this stands true. Most ventures implemented and supported by CARE Kenya have improved the lives of women in the region. Most group members in the entrepreneurial endeavours are women, and in areas where there are men such as in transport groups, women are positively affected by extension.

CARE Kenya has also been successful in implementing the ELMT program on the field particularly by hiring mostly local staff in the Mandera Triangle. This has not only reduced overhead and relocation costs and thus left more money for the program, but also allowed for a better rapport between the target groups and CARE Kenya. The target groups place more trust in the organization because the people they interact with on a daily basis are part of their own community. Also, this has meant that more local people are employed, therefore assisting with improvement in quality of life for more people. This is a good model for other organizations to follow when planning the human resource strategies for field operations.

As previously mentioned, the BDS and ICB trainings have been extremely essential and useful to every single group targeted under the ELMT project. They have given the groups the necessary knowledge to improve livelihood diversification and quality of life. Furthermore, the implementation of adult business literacy classes has also helped individuals improve their own situations, and run their ventures in better ways. They can now look to markets further away as they are sure that they can communicate the necessary 'Language of Business'.

The technical trainings have given the groups a competitive edge over others, and have allowed the groups to use 'Best Practice' methods in their daily activities. This has led to higher quality output. Finally, the Group Savings and Loans Schemes have taught the groups how to save their money in case of emergency. Taking all the above into account, the ELMT programme has made a big difference in the Mandera Triangle, allowing for improvements in the quality of life of most individuals. Results include education of all children in households, better health conditions, better nutrition, and more support for women by the men in the communities.

## **WEAKNESSES**

One of the biggest weaknesses of the ELMT project has been the time period over which the goals have been implemented. While ELMT was meant to be a two-year project, CARE Kenya had only been implementing assistance in the field for less than a year by the official end of the project. It took more than a year to sort out logistics, administration and human resource issues.

More target groups could have been reached during that period. Administration and logistics should not take more than a few months. While there is evidence that ELMT has changed lives, it could have done a lot more if the time was managed well. No baseline survey was conducted before the commencement of the project to ascertain the condition of the groups before ELMT's intervention. A rapid assessment was carried out but seems to have been unsubstantial.

Even though there are various members in the ELMT consortium, it seems that they all work in vacuum. For instance, while talking to poultry farmers in El Wak, it was found that training on livestock health is often lacking in the town, and CARE does not have the appropriate knowledge to train the target groups. However, Vétérinaires Sans Frontières (VSF) is an ELMT consortium member and focuses specially on animal health. An arrangement could have been made for VSF to train the poultry keepers on the necessary, therefore ensuring that they are fully able to carry out their ventures.

While not directly related to the target groups, there seem to be many challenges facing the CARE Kenya staff in the field, particularly in Garissa and El Wak. Even though Garissa is the base for CARE Kenya's activities in the surrounding areas, the CARE teams often have to travel up to 200km away to Mbalambala or Burra to visit target groups. During these travels, service on mobile phones loses signal, and there is no other means of contact with the base in Garissa. In case of emergency the staff do not even have a satellite phone either with them or in the vehicle to contact the base. Luckily, there have not been any major incidents to date, but it is still important to take care of staff safety and security.

## **RECOMMENDATIONS**

- ◆ The no-cost extension is absolutely necessary to ensuring that target groups are well taken care of and are made completely self-reliant.
- ◆ Longer period of programming for pastoralist-based intervention is needed. Short time frame run the risk of being scuttled by droughts and other shocks . In addition, there must be a proper exit strategy that does not leave the groups feeling as if they have been abandoned. It is extremely important to explain to them that ELMT is coming to an end and to let them know if there are any future plans to support them in their ventures. It is agreed that the eventual aim is to make the communities completely self-reliant, but in the meantime, they still require support in terms of refresher courses, further training and other non-monetary grants and incentives.
- ◆ The partnerships created within ELMT need to be re-examined and greater efforts must be made by all consortium members to work in synchrony. The various partners can work with the same groups in different arenas, so VSF can train on livestock health, CARE Kenya can train on BDS, and so on.
- ◆ Finally, having seen the importance of adult literacy, business functional literacy should become a compulsory component of the BDS training provided to all groups. If CARE truly wishes to emancipate the women of the world from their harsh realities, it can start with these small steps.
- ◆ Many elements of CARE Kenya's program including the BDS training and functional literacy approaches, it's experience in animals health, support to the Ministry of Northern Kenya and discussions on eco-tourism are likely to be continued well beyond the ELMT project. This is a good indicator of sustainability. CARE Kenya's Livestock Purchase Fund to continue capacity building the PPGs while OFDA-funded Arid and Marginal Land Recovery Project (ARC) will continue with the livelihoods groups and CAHWs/CASPROs under ELMT; It is strongly proposed that areas of greatest potential for demonstrating impact in the future include the functional literacy program, bee keeping and the camel milk sub-sector;

## **Alternative Livelihoods Development: ELMT's Engagement with Ministry for N. Kenya and other Arid Lands.**

### **Overview of the Ministry on Northern Kenya**

The ministry of Northern Kenya and Other Arid Lands in Kenya was created in April 2008 during the launch of Kenya's Grand Coalition Government. This was in recognition by Kenya's President Mwai Kibaki on the neglect, inadequate resources and the poor infrastructure that the region has suffered in the past. This ministry was thus formed to focus on and address the unique challenges facing the area. Communities in the arid east and north-east areas of Kenya base their livelihoods on the sale of livestock including cattle, as well as some camels, sheep, and goats. The livestock sector accounts for 10% of Kenya's overall GDP, 30% of the agriculture sector's activity, and employs about 3 million people or 50% of the agriculture labor force. Although livestock keeping is a key element of rural livelihoods in Kenya, most of the government's livestock services and policies are aimed at benefiting large scale livestock production rather than small-scale farmers in remote areas like in Northern Kenya. As a result, these livestock keepers in Kenya lives below the national poverty line of less than a dollar a day and are exposed to major challenges including drought, inadequate watering facilities, land degradation, diseases, low-levels of animal husbandry knowledge, and lack of market information and contacts. The ministry's work revolves under three pillars which include: Coordination – The ministry is in charge of coordinating all development policy in Northern Kenya and other arid areas; provides clear & coherent leadership across government; complements & amplifies efforts to make sum total of government's work more effective. Being located in Office of Prime Minister gives it necessary convening power. Ministry is time-bound.

Implementation – Although delivery of government plans in target areas is for most part still done through line ministries, this ministry will implement selected flagship projects and piloting new approaches which add value to the work of others. Policy, Legal and Institutional Reform – The ministry has finalised the draft policy for the arid and semi-arid lands and submitted to Cabinet for approval. Ministry is systematically working to remove any policy, legal or administrative impediments to development in the north of Kenya. It will also strengthen key institutions, both formal and customary, which are critical to planning, Natural Resource Management and peace-building.

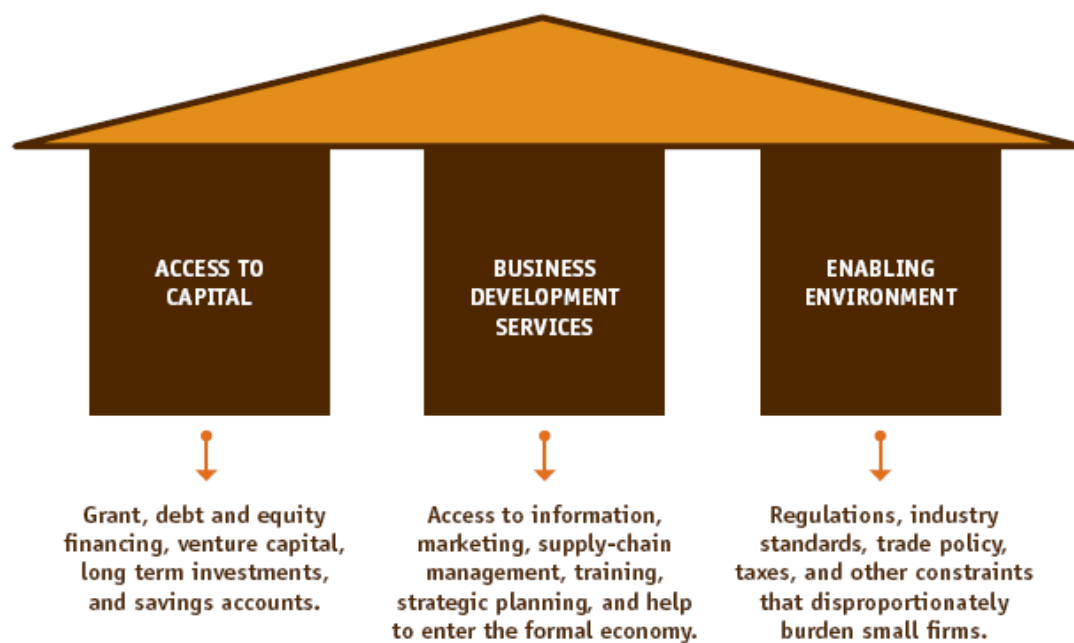
### **ELMT's Engagement with Ministry for N. Kenya and other Arid Lands:**

Kenya under the Enhanced Livelihoods in the Mandera Triangle (ELMT) program has started engagement with the ministry of N.Kenya in the following areas in order to improve the lives of the people in the region.

*Investment:* CARE Kenya recently undertook an Eco-Tourism assessment in the region. Focusing on the analysis of two key existing ecotourism industry models in Northern towns of Laikipia and Isiolo, the purpose was to provide the Kenyan government policymakers and private sector investors with a deeper understanding of the eco-tourism industry already established in the region. Key dimensions of the assessment included funding, legal & financial counsel symmetry, ownership, environmental impact, social impact, viability, community dividends and elite capture. The findings of the assessment were shared with 35 eco-tourism sector stakeholders at roll-out event: These were Eco-Tourism Board of Kenya, Ministry for Tourism, Ministry for N. Kenya, private sector, some donors, among others. In addition, a brief was presented to the ministry for N. Kenya to be reviewed for inclusion in Vision 2030 (Kenya's Development Plan) Annex. This initiative also helped start the conversation within CARE Kenya about its position on eco-tourism.

**Northern Kenya Investment Fund (NKIF):** Discussions are underway to set up a Northern Kenya Investment Fund (NKIF). This would be a regional social venture fund model (as opposed to private equity or sectoral fund) modeling the Atlantic Canada Opportunity Agency (ACOA) set up to stimulate investment & job creation in economically & geographically marginalized Maritime Provinces of Canada and drawing also on experience with setting up CARE Enterprise Partners (now \$100 million Africinvest) and as IFC investee. This initiative has been receiving ad-hoc guidance from other financial institutions like Enblis, Acumen Fund, IFC-BPI, GroFin, etc. Also MRRD Afghanistan. Consensus has already been reached that NKIF will operate outside of the Government of Kenya and would be managed by independent professional fund managers. Current debates are on the mechanism and modalities on Business Development Services for broader market vs. deal flow development for NKIF. Also, an agreement is nearly reached on importance of 'Blended Value' or 'Hybrid' Capital (grants & debt streams for capitalization of NKIF).

## THE THREE PILLARS OF ENTERPRISE



### NKIF Progress so far;

Phase of implementation of the NKIF is already complete. Activities under this phase included; consultative meetings with key organizations across the financial services sector – these include Micro Finance Institutions (MFIs), Commercial Banks, Social Venture Funds, DFIs (and eventually donors).

Consultative meetings were also held with selected Business Development Service providers – IFC, TechnoServe and also with businesses (Small and Medium size enterprises) in N. Kenya or those interested in investing in the region. These meeting have provided a good opportunity to raise awareness of N. Kenya needs and Ministry in the financial sector. Under phase II, the following activities are underway; work is going on to develop a Northern Kenya Investment Fund (NKIF) Framework and this has generated considerable interest among financial sector stakeholders.

During phase II of the project, a Market assessment was conducted CARE Kenya has been supporting the Ministry of State for the Development of Northern Kenya and other Arid Lands to establish a Northern Kenya investment fund. During this reporting period, CARE Kenya contracted consultants to conduct market assessment of expanding investment finance to the target area. The objective of the survey was to inform the design of NKIF financing and technical assistance on products, fund profile and size. The consultants looked at the environment for doing business, carried out a quick survey of entrepreneurial situation and outlined key investment opportunities.

TABLE 1.1  
Doing Business in Kenya—where is it easiest?

Locality	AGGREGATE RANK
Narok (easiest)	1
Malaba	2
Thika	3
Kisumu	4
Mombasa	5
Nyeri	6
Garissa	7
Eldoret	8
Kilifi	9
Nairobi	10
Isiolo (most difficult)	11

Note: The aggregate ranking index is calculated as the ranking on the simple average of locality percentile rankings on each of the 4 topics covered in *Doing Business in Kenya 2010*.  
Source: *Doing Business* database.

### Business Environment in the target area

As reflected on the table 1.1 on the left, Garissa is ranked 7 out of 11 locations which are most difficult to do business in Kenya.

Overall, Isiolo is the most difficult locality to do business in Kenya. Garissa is ranked 7th out of 11. It is also important to note the following: Local business regulations and their enforcements differ across localities, Narok's performance (e.g. building permits) is comparable to developed countries, Indicators, however, do not account for macroeconomic conditions, infrastructure, workforce skills, quality of financial services or security. As regards starting a business, Garissa was ranked the most difficult (11 out of 11) while it is relatively easy to start a business in Isiolo (4 out of 11). Reasons for delays were outlined as follows:

- Filing the deed with the Registrar of Companies in Nairobi
- Stamping memorandum, articles of association and nominal capital statement
- Getting a municipal business permit

Municipal business permit fees: KES 12000 in Garissa (and Isiolo) compared to KES 5000 in Nairobi  
The report also looked at the difficult in implementing construction contracts, registering property and enforcing contracts. It lays down recommendations on how the bottlenecks could be overcome as follows:

### ***Steps recommended improving the business environment***

Some simple steps that may improve the business environment in Northern Kenya in cooperation with other Government authorities (including for example, the Business Regulatory Reform Unit of the Ministry of Finance):

- ◆ Open local branches of the Registrar of companies, Ardhi House etc.
  - ◆ Set up one-stop-shops for business registration and promote online start ups, set up specialized commercial courts
  - ◆ Sensitize local authorities for the need to simplify procedures, reduce costs and minimize delays:
  - ◆ Make business permits affordable and transparent
  - ◆ Consolidate required clearances for building permits and allow for online applications for building plan approvals
  - ◆ Publicly display information about the construction permit process
- Address land use and urban planning constraint

### ***Enterprise Survey***

The survey aimed at getting a better sense of the needs of entrepreneurs in the region. A total of 17 companies interviewed on Organization, Technology, innovation & growth, Finance and Capacity

Although the Survey was not statistically rigorous due to time constraint, but provides some useful insights such as:

- Access to finance, the level of competition, municipal regulation and energy supply are major concerns for local entrepreneurs
- Most respondents consider themselves innovative and are optimistic about growth.
- Most entrepreneurs use internal funds or loans from friends and family rather than bank loans. Only 24% of respondents ever applied for a loan.
- Asked about external sources of financing for future investments, however, entrepreneurs appear open minded.
- Concerns about insufficient collateral and high interest rates are the key limiting factors for debt financing
- Concerns about external interference and lack of understanding are the key limiting factors for equity finance
- Almost half of the respondents have in the past experienced a shortage when hiring personnel
- Entrepreneurs rely mainly on (informal) business networks and associations as support service
- A large percentage (47%) did not identify any operational weakness that may put the growth of their organization at risk.
- Respondents are not aware of innovative, risk taking start up entrepreneurs

Entrepreneurs identified access to finance, project development support, municipal business regulation & security/infrastructure as priority areas for government intervention.



ELMT is funded by USAID and implemented by a consortium of six members in partnership with 20 local organizations:

CARE Somalia

CARE Kenya,

CARE Ethiopia,

Save the Children/US (SC/US),

Save the Children/UK (SC/UK)

Vétérinaires Sans Frontières-Suisse (VSF-S),

**Partners contact persons:**

Doris Kaberia: Livelihoods Sector Manager (CARE Kenya) , Email, [Kaberia@care.or.ke](mailto:Kaberia@care.or.ke)

**This Brief was produced by the CARE Kenya ELMT Project.**

