I. Introduction and Context

Country Context
Background

Pastoralism, the extensive, mobile grazing of livestock on communal rangelands, is the key production system practiced in the world’s Arid and Semi-Arid Lands (ASALs). Recent estimates indicate that there are about 120 million pastoralists / agro-pastoralists worldwide, of which 50 million reside in Sub-Saharan Africa (SSA). In the Horn of Africa (HoA) the ASALs represent more than 60 percent of the total area with a pastoral population estimated, depending on definition of pastoralism and sources of data, at between 12 and 22 million. Worldwide, pastoralists constitute one of the poorest population sub-groups. Among African pastoralists the incidence of extreme poverty ranges from 25 to 55 percent. In the HoA, the percentage is estimated at 41%. The arid and semi-arid districts of Ethiopia, Kenya and Uganda are among the poorest in these countries.

In the ASALs, livelihoods are dominated by pastoralism and agro-pastoralism, which are a major source of food, cash income, employment and social status. It is also practically the sole source of
livestock exports. Nutritional aspect of livestock production is crucial as livestock provides the population with high quality nutrients and proteins. This is particularly true for children and the local consumption of milk. Livestock’s role in food security through sales of specific products (i.e. meat and dairy) is also important as it allows households to purchase specific commodities such as cereals. Although African pastoral ecosystems are the ancestral homeland to a substantial portion of the population, for whom pastoralism is a traditional way of life, pastoralism is far from static. Pastoralists in many areas are adapting to trends such as new economic opportunities and better access to modern means of communication. However, despite significant contributions to national economies and to the maintenance of ecosystem, pastoralist communities are socially, economically and politically marginalized. Pastoralist communities have limited voices in policy debates compared to more settled agricultural groups.

Drought & Poverty in HoA.

Livelihood systems in the drought-prone arid lands of the HoA have historically been under-resourced, leaving their populations more vulnerable to stress. Funds have been more readily available for emergency response as against for preparedness and sustainable development. This is despite the fact that the amount of resources required to respond to crises far outweighs those needed to mitigate their effects. Over the last decade, the HoA has been hit by drought emergencies of varying severity and increasing frequency. These perennial drought crises have caused a severe impoverishment of the natural resource base, forcing a large number of communities throughout the HoA to move as they lose their traditional means of livelihood. This is even more critical given that climate change is likely to intensify the frequency and magnitude of both droughts and floods in the region.

The recent severe drought and subsequent food security and refugee crisis in the HoA has again raised concerns about pastoralist livelihoods in this region. In 2011, twelve million people in the IGAD region, predominantly pastoralists and agro-pastoralists, were affected. Suffering from hunger and malnutrition due to drought has been further compounded by severe conflicts. As a result, all IGAD member countries except Djibouti are considered to be in a protracted crisis situation. Thus, being in a constant state of recovery leaves communities, countries and the region as a whole, unable to make significant steps toward long-term development.

In Kenya, the recently conducted Post-Disaster Needs Assessment (PDNA) states that 3.7 million people were affected by the 2011 drought, with the economic impact of the drought totaling more than US$ 12 billion. The impact on the livestock sector, in particular, amounted to about US$8.5 billion. Further, Ethiopia’s ASALs were hit hard, with approximately 3.2 million people still in need of relief food assistance due to lingering effects of the drought. What is clear from all these drought assessments is that pastoralists and/or the livestock sector have been the most directly affected.

The current food security crisis in the region is a stark reminder that addressing the root causes of vulnerability in the ASALs has not been given sufficient attention. What is apparent is that it is not drought, but rather vulnerability during drought that has thrown the region into repeated food crises. Too often in the past the international community has lost focus on longer-term resilience building initiatives, after recovery and reconstruction objectives have been achieved, and media attention lost. However, following the 2011 drought, there has been a strong commitment from the international community to focus more seriously on interventions that will strengthen medium- and
long-term resilience to drought and ensure that the next drought does not result in another food security crisis.

Sectoral and Institutional Context

As referenced above, livestock and agriculture are the main sources of livelihood for pastoral and agro-pastoral communities in the ASALs. This leaves many communities exposed, as these livelihoods are very vulnerable during periods of drought. While there have been many interventions in the sector that focus on national level issues related to building resilience to drought, there is a profound need for well-coordinated interventions that also address issues at the regional level. Towards strengthened commitment and increased resources from the international community, the project will ensure that regionally focused interventions are included in this renewed approach. Regional priority issues identified through a broad stakeholder consultation process led by IGAD include market access and trade (including transport and market development, trans-boundary animal disease, pastoral mobility for trade, etc.), trans-boundary natural resource management (including water and land access), trans-boundary migration and livelihood strategies, and trans-boundary conflicts and disaster risk management. Key regional interventions would include policy work, infrastructure development, institution building and capacity development.

Rationale for Regional Project.

In light of the 2011 Horn of Africa drought, the proposed project fits well within the institutional contexts set at both the regional and national levels to which the Bank actively participated. During the Nairobi Heads of State Summit in September 2011, IGAD was given the mandate to coordinate regional interventions to build resilience to drought in the HoA. Under this mandate, IGAD convened a series of technical and high-level consultations where a consensus emerged among partners (governments, regional economic communities, civil society organizations, development partners, research institutions and academia) about the need to move forward with a comprehensive investment program for the pastoral areas in the HoA.

Based on these various technical and high-level consultations, six major outcome areas with core interventions were determined to be central in advancing the long-term development of the ASALs in the Greater Horn of Africa. The following are a list of the key outcomes and corresponding types of interventions that the HoA countries and development partners agreed to support in the abovementioned forums:

a) Make national and regional pastoral policy frameworks operational - define and elaborate ASAL programs within the umbrella of the CAADP investment plans that are consistent with the AU policy framework for pastoralism and other regional initiatives (i.e. regional policy on animal health, trade, cross-border movement of pastoralists/livestock, etc).

b) Sustainable ecosystem management - integrate local knowledge through participatory action research so as to ensure that strategies fit with local and regional perspectives and priorities (i.e. agricultural research, land-use planning, environmental services, etc).

c) Secure regional trade - inter-regional financial systems; product standardization linked to SPS measures, branding at regional level; enhanced negotiation capacity; reduced non-tariff trade
barriers; niche market development; and improved road, market, water and communication infrastructure.

d) Institutionalize disaster-risk management and response - enhance early warning systems and response frameworks at country and regional levels.

e) Empower pastoralist communities - strengthen producer associations; conflict resolution, including trans-boundary conflicts, related to mobility and access to grazing land, and environmental services; strengthen traditional NRM strategies; increase awareness of improved coping measures, social fund for cost-shared community-driven investments; among others.

f) Improved and alternative incomes - effective community-based animal health services; effective veterinary epidemiology program; competitive private input supply; secure access to land and water; development of irrigation; savings-driven credit schemes; among others.

Regarding sub-regional trade institutional context, Kenya and Uganda are members of the East Africa Community (EAC) in which both a Custom Union and a Common Market have been established. The three countries are also members of the Common Market for Eastern and Southern Africa (COMESA) where a Free Trade Agreement (FTA) has been signed, although Ethiopia does not participate actively. Currently, and despite the important non-trade barriers affecting it, many on-the-hoof animals are traded illegally between these 3 countries, and between these countries and Somalia and Sudan. The authorized but not controlled mobility of pastoral communities with their herds as a coping mechanism to the erratic rainfalls make the trade even more complicated to regulate.

Government and Donor Coordination.

As a result of these consultations and agreed outcomes, IGAD launched the Regional Disaster Resilience and Sustainability Platform (abbreviated as, the Platform), that assembles all relevant stakeholders, to promote investment planning, information and knowledge sharing, and to coordinate/harmonize interventions. In this regard, Country Programme Frameworks (CPF) have been drafted by each country and a draft Regional Programme Framework has been elaborated under the overall leadership of IGAD and close support by various development partners. Further, a regional common programming framework is being developed under the platform, which will be integrated into the regional Comprehensive Africa Agricultural Development Programme (CAADP) Compact, currently also under preparation.

While IGAD has been mandated on behalf of the Heads of States to lead the development of a coordinated response, several development partners (Finland, Germany, FAO, AfDB among others) have already embarked on capacity building activities to strengthen IGAD. Moreover, USAID has supported the establishment of a Technical Consortium led by ILRI and including the various CGIAR centers, FAO, among others, to provide technical assistance to IGAD and HoA countries in the preparation of investment plans.

At the country level, there are several institutional and policy frameworks in place. The following is a brief summary from each country:

• In Ethiopia, the proposed project will fit into the Policy and Investment Framework (PIF)
2010-2020 which provides a strategic framework to drive Ethiopia’s agricultural growth and development. The project is in line with the four major themes of the PIF, namely: (i) productivity and production; (ii) rural commercialization; (iii) natural resource management; and (iv) disaster risk management and food security. Additionally, the government is about to launch the new Disaster Risk Management Policy, which will also feed preparation of the project. Ethiopia also has several programs that are relevant to the project, including the Sustainable Land Management Programme and the Food Security Programme. This Project would be coordinated with the ongoing Pastoral Community Security Development series of projects to avoid duplication.

• In Kenya, the proposed project is consistent with the Medium-Term Investment Plan (MTIP) for Growth and Food Security through Increased Agricultural Productivity and Trade 2010-2015 which includes several proposed investment areas that are relevant to the project. These include: (i) promoting sustainable land and natural resources management; (ii) increasing market access and trade; and (iii) ensuring effective coordination and implementation. Further, the project will also align with Kenya’s specific intervention framework for drought, which is currently under finalization. The project would incorporate lessons from the past Kenya Arid Lands Resource Management Projects and the current Western Kenya Community Driven Development and Flood Mitigation Project.

• In Uganda, the proposed project will align with the Agriculture Sector Development Strategy and Investment Plan (DSIP): 2010/11-2014/15. The project fits with the four sub-programs of the DSIP, namely: (i) production and productivity; (ii) market access and value addition; (iii) enabling environment; and (iv) institutional strengthening. Further, the DSIP places emphasis on the importance of pastoral issues, as well as climate change, which are directly relevant to the project.

Relationship to CAS

This project is fully aligned with the Regional Integration Assistance Strategy (RIAS) and its three strategic pillars, as: (i) it will improve the sub-regional infrastructure network, including regional rural roads and transhumance corridors, the markets for regional trade of livestock and shared water points - this will directly contribute to increasing livestock productivity in the sub-region and decreasing vulnerability to climate-related events among pastoral communities in the three countries; (ii) it will build capacity for regional collaboration/coordination to better prevent and manage shocks that affect livestock in the region, such as droughts or epizootics; (iii) it will promote increased collaboration with, and involvement in, the African Union (AU) and IGAD by the three targeted countries and build institutional capacity in the countries, better preparing the aforementioned regional institutions to respond to reoccurring shocks; and (iv) it will tackle constraints related to regional public goods, including water availability for humans and livestock, and trans-boundary and zoonotic animal diseases such as Foot-and-Mouth Disease (FMD) or Rift Valley Fever (RVF).

Additionally, the project is aligned with the Country Assistance Strategies (CAS) of the three countries. In Ethiopia, the project aligns with the CAS’s objectives of reducing Ethiopia’s vulnerability to help improve prospects for sustainability. In Kenya, the project aligns with the Country Partnership Strategy’s view to deepen regional integration, among others. In Uganda, the project is aligned with the four strategic objectives of the CAS: (i) promote inclusive and
sustainable economic growth, an outcome of which is ‘improved interconnectivity for regional integration;’ (ii) enhance public infrastructure; (iii) strengthen human capital development; and (iv) improve good governance and value for money.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

To develop and implement regional approaches to enhancing livelihood resilience to weather shocks and long term climate change for pastoral and agro-pastoral communities’ in drought prone areas in selected countries in the Horn of Africa.

Key Results (From PCN)

The project will aim at mitigating droughts’ impact at the national levels by introducing regional interventions in complement to existing national initiatives. It will build capacities in the respective governments of the three countries and among pastoral and agro-pastoral communities from ASALs to increase resilience to medium- and long-term climate-related vulnerabilities, including to droughts, and to increase resilience of livelihoods, with a focus on livestock-related livelihoods. For this, it will build and strengthen linkages between regional institutions, such as the IGAD and the AU, and the Ethiopian, Kenyan and Ugandan Governments to better tackle issues that affect communities in the ASALs, with a specific focus on sub-regional issues, including those related to livelihoods, pastoral risk management, natural resources management and access to market and trade.

The core project-level results would focus on measuring changes in livelihood resilience for pastoral and agro-pastoral communities in the ASALs. The proposed project results would be measured using the following key indicators (some of which will be further defined during preparation):

- A regional early warning system that is linked to national systems
- A regional drought response framework for IGAD and the proposed three countries
- Harmonized policies on pastoral access and management of lands and natural resources
- Improved surveillance and/or control of trans-boundary animal diseases
- Economic benefits from enhanced access/services from local and regional markets
- Enhanced livelihoods of women-headed pastoralist households

III. Preliminary Description

Concept Description

Project Concept

The proposed project design intends to embrace and build upon the key outcomes identified and agreed to by member states and development partners as outlined above. The 2011 drought in the greater HoA has been a stark reminder that insufficient attention has been given to addressing the root causes of vulnerability in the ASALs of this region. It is also apparent that it is not drought but rather vulnerability during drought in the ASALs that has thrown the region into repeated food crises. For these pastoral and agro-pastoral communities, livestock and agriculture remain the main source of livelihood.

Targeting
While any country in the greater HoA region could participate in the initiative, three countries have requested for IDA assistance to support them in embarking on a regional investment program, namely Ethiopia, Kenya and Uganda.

Project Description

A World Bank scoping mission was undertaken in Addis Ababa and Kampala in February 2012 with relevant government officials and development partners which facilitated the emergence of a conceptual framework for the proposed project. This framework drew heavily from the 6 outcome areas and was agreed that the regional dimensions of interventions and gender issues will receive priority attention from the project as pastoral livelihoods are often defined along rather distinct gender differentiated roles, responsibilities, benefits and areas of control. In order to achieve the six priority outcomes outlined above, it was envisaged that the proposed project would have the following four components:

(i) **Component 1: Livelihood Support**: Investments under this component may include trans-boundary issues related to improved livestock productivity (fodder/feed production, animal health, and breed improvement) and diversification (processing, non-livestock products, etc). This component will disseminate across participating countries existing and tested approaches and/or technologies developed through research for the dry lands (e.g. by KARI in Kenya).

(ii) **Component 2: Pastoral Risk Management**: Investments under this component will strengthen existing national early-warning and response systems (EWRS) and link them with a sub-regional one that could be established under the IGAD platform. It will address the discrepancy between early warning and early responses/actions including strengthening the contingency plans and crisis/disaster preparedness capacity at IGAD, national and local level. It will aim at helping pastoralists buffering for drought, with actions such as accelerated destocking and the creation of grazing reserves. This component will harmonize the response to disasters in communities and other stakeholders, including public institutions in charge of drought management, at the sub-regional level. This could be done by organizing joint sub-regional training and disseminating recognized tools for drought response such as the “Livestock Emergency Guidelines and Standards” (LEGS). Other types of interventions will be the introduction of ICT weather forecasting technologies, as presented in the WB ICT Sourcebook. Finally, this component will also support conflict management with particular focus on cross-border issues, as livestock and access to natural resources (water and pasture) is one of the major drivers behind conflicts and security in the pastoral areas.

(iii) **Component 3: Natural Resource Management**: At the national and sub-regional levels, this component will support the mapping of major natural resources (water resources, rangelands), their full embedding in the policy design/review process and a better planning of interventions related to them. It will rehabilitate natural resources that are crucial for livestock productivity and resilience to droughts, such as major water points and pasture. Among participating countries, this component will also help share and upscale good practices in community empowerment for natural resources management that showed some success, notably in the Ethiopia Pastoral Community Development Project (PCDP) and the Kenya Arid Lands Resources Management Project (ALRMP). It will help introducing sustainable collective rangelands management systems.

(iv) **Component 4: Market Access and Trade**: This component will support market infrastructure
with a focus on those that support regional trade and export. The objectives are both to facilitate intra-regional trade of animals within the agreed frameworks of the EAC and COMESA, and to allow the three countries to supply the strong demand coming from the global market and especially the Gulf States. The demand is currently covered by countries outside of the region (Australia and New Zealand) and to a lower scale by Somalia and Sudan. It will also support participating countries and IGAD in undertaking coordinated institutional and regulatory reforms to increase access to financial services. Capacity building in the national veterinary services, as well as promotion of increased collaboration among them, will be undertaken to improve the surveillance and control systems of trans-boundary animal disease (TADs) such as FMD, PPR and RVF that negatively impact trade. The component will finally assist the three countries and IGAD in: (i) harmonizing their animal health and food safety standards (as part of Sanitary and Phytosanitary Standards - SPS) in compliance with international ones (set up by the World Organization for Animal Health – OIE and Codex Alimentarius); (ii) strengthening the national and regional market information systems; and (iii) establishing and improving regionally recognized animal identification and traceability systems.

(v) Component 5: Policy and Institutional Support: In addition to supporting overall project implementation and management at the country and IGAD level, this component will also support fostering enabling environment, knowledge creation and/or management, strengthening & empowering pastoral organizations, and strengthening national and regional institutions.

IV. Safeguard Policies that might apply

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