

# **ESTABLISHING LIVESTOCK MARKETS AND LINKAGES TO FINANCIAL SERVICES FOR PASTORALISTS**



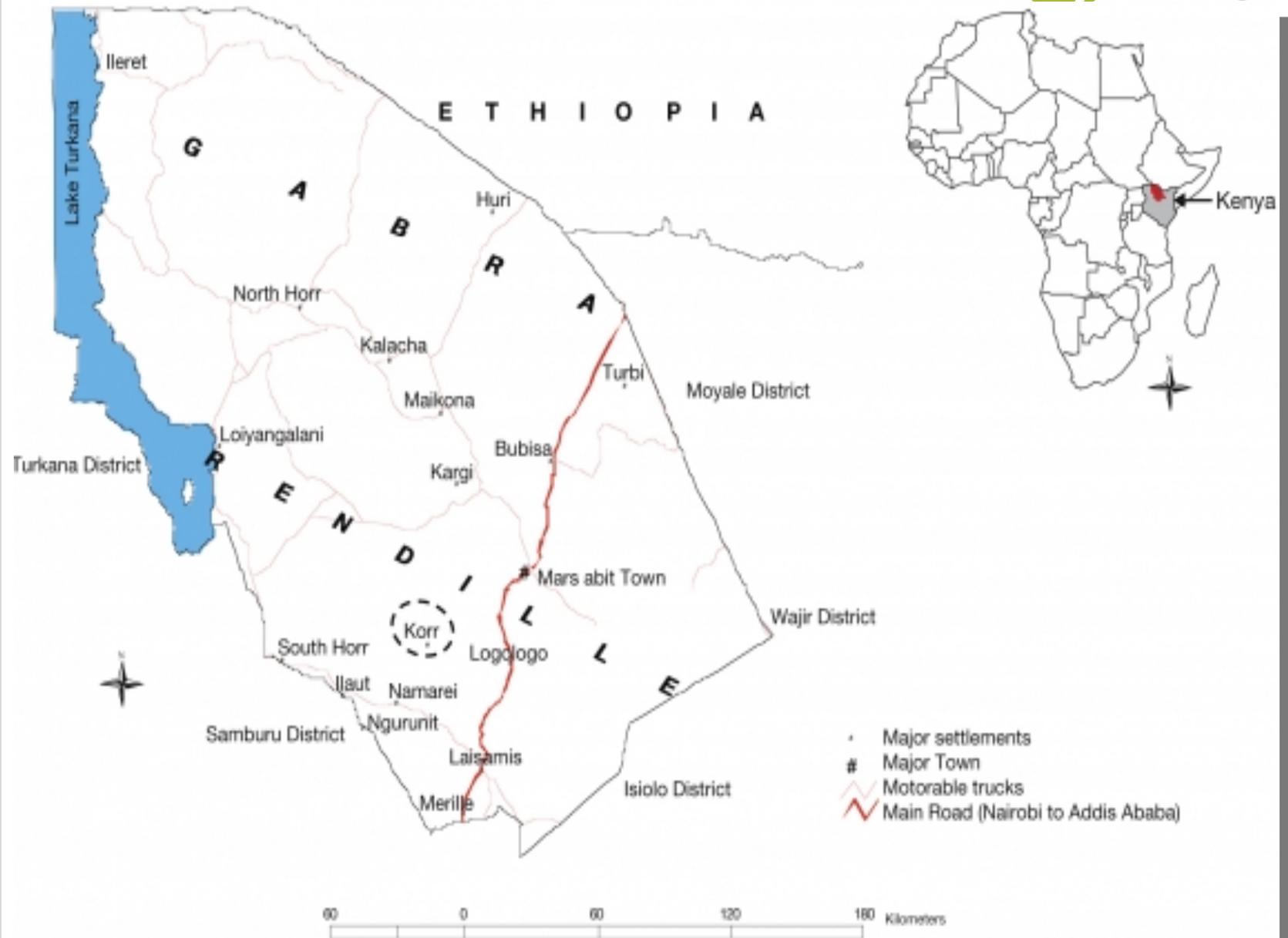
**Diida Karayu** – FH Kenya Pastoralist Livelihoods technical advisor

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# FHK operation overview- introduction



- ✘ FH Founded in 1971 - operates relief and development programs in 18 countries
- ✘ FH Kenya's goal is eradication of poverty among the most vulnerable communities in 5 counties namely; Kirinyaga, Meru, Tharaka Nithi, Isiolo and Marsabit.
  - **By connecting marginal communities and regions with opportunity** through economic empowerment, livelihoods development and education.
  - **Strengthening the resiliency of the most vulnerable** through program implementation in HIV/AIDS; health ;and nutrition; water sanitation and hygiene; disaster risk reduction including natural resource management, conflict mitigation and leadership development .
- ✘ Core sectors of intervention:
  - Health and nutrition
  - Education,
  - Livelihoods
  - DRR
- ✘ FHK has major operations Marsabit County which has divided 4 sub-counties:- Saku (Marsabit Central), Laisamis (Laisamis and Loiyagalani Districts), North Horr(North-horr and Chalbi districts) and Moyale (Sololo and Moyale Districts)



# FHK operation overview- introduction..



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- ✗ County statistics- population of 291,166 ; Has 56,941 HHs ; sits on 70,961.3 KM2.
- ✗ The county is home to Borans, Gabras, Rendilles, Samburus, Burjis, Somalis, Turkana, Dasenach and Meru's with 80% of the inhabitants being pastoralists hence deriving their livelihood from livestock. 10% practice Subsistence agriculture, these are Burjis and Merus, 7% are involved in commerce and trade, the remainder, (3%) are salaried.
- ✗ Livestock is the main source of livelihoods for pastoralist in Marsabit County- 80% of the population directly depending on them.
- ✗ Livestock marketing in northern Kenya is not highly developed to meet the demand of the pastoralist - System is founded upon a complex chain involving nomadic pastoralists who are producers, traders, intermediaries and other players.
- ✗ In the past apart from few terminal livestock markets like Moyale and Nairobi, the pastoralist had no access to the market. Livestock market information is also scanty and the pastoralist continue to suffer poor livestock prices and exploitation.
- ✗ FHK has supported and established 13 livestock markets which offers a platform where herders, traders, government and private sector interact for mutual benefit of all parties.
- ✗ Markets are connectors and acts as podium for peace, economic access and linkages.

## FHK Overview- Historical context

✘ FHK found livestock market an appropriate intervention for pastoralists in ASALs to increase economic potential for the pastoral communities in Northern Kenya.

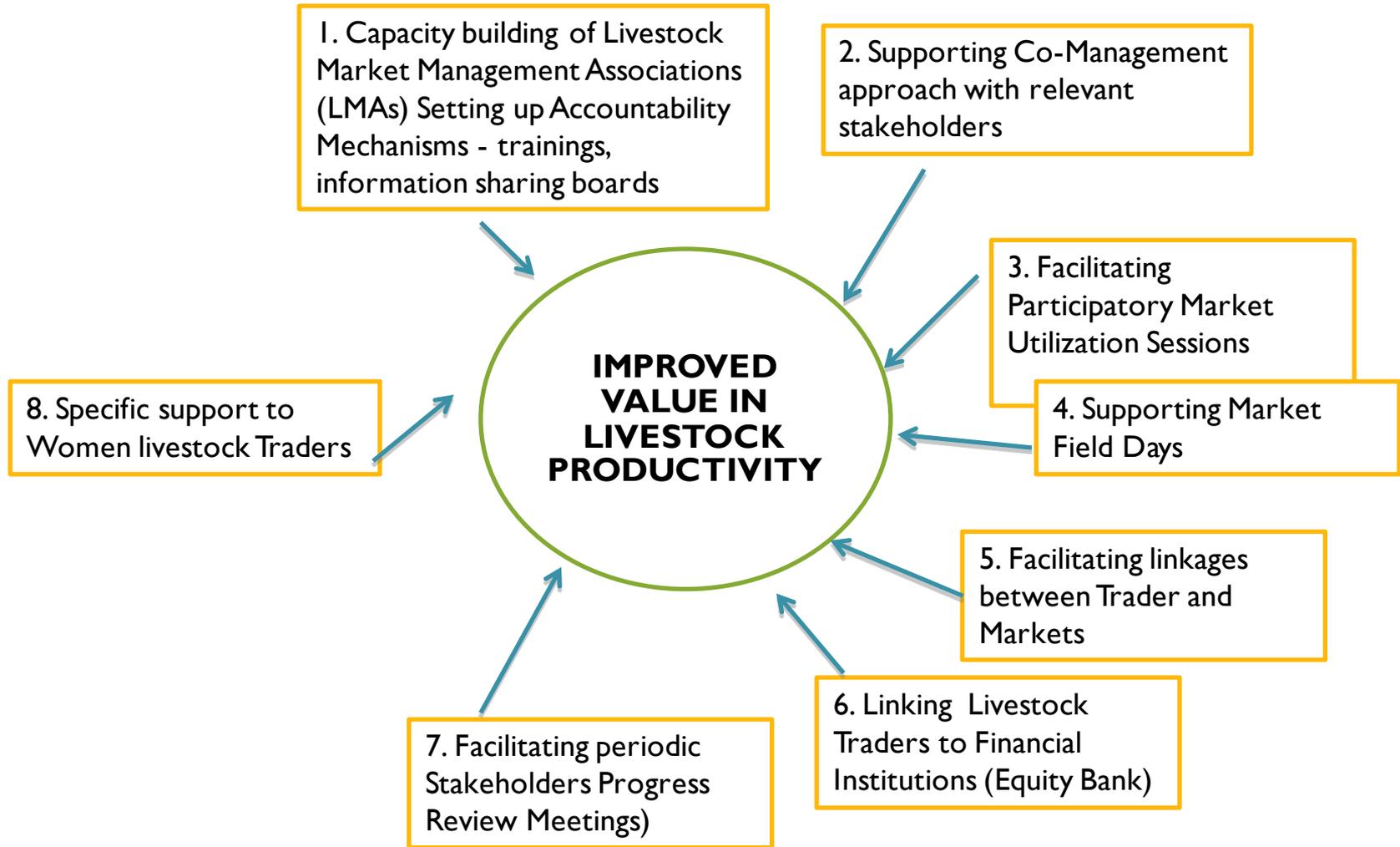
✘ Concept begun with development of rudimentary livestock market structure in pastoralist areas with the market day set by the community

✘ FHK pivotal role:

- i. Initiating trade linkages between producers and traders,
- ii. livestock market (16) set ups in Marsabit and Isiolo,
- iii. Software support to 3 markets after the phase out of ARC and infrastructure improvement in highly performing market e.g. Merille & Moyale
- iv. linkages to financial services – FHK partnered with Equity Bank to explore the possibility of tailor made loans for livestock traders (at a lower interest rate than the market price). 33 (6-female, 27-male) traders are receiving loans as a result of this arrangement.

✘ Partnerships – the livestock markets concept in Northern Kenya has now attracted many other players owing to important contribution the market makes in improving socioeconomic lives of pastoralists e.g. REGAL-AG has put up a multimillion dollar state of the art livestock markets in Marsabit County all targeting the markets started by FH.

# INTERVENTIONS AREAS



# ACHIEVEMENTS

✓ **Increased Household income for pastoralists .**

Quantitative and qualitative surveys show that the improved market mechanisms and community engagement have increased household income (exceeding milestones). 87.5% (92%M, 86%F) of the household interviewed felt that pastoralists' income had increased as a result of increased livestock sales in their respective markets. Household surveys showed that income from livestock sales had increased from £477 p.a. (M £483, F £472) to £696 p.a. (M£ 748, F £686). Approximately 39,000 beneficiaries have been impacted in the market catchment area.

✓ **Women traders empowerment**

64 women are now traders in the three markets (milestone target 44). Exchange visits were organized to allow women traders in the three markets to learn from one another and exchange ideas on how to engage in trade. 351 women traders participated in training on business development and financial literacy (milestone target 250).

✓ **Increase pastoralists benefitting from improved markets**

Total sales in the three markets have increased from £155,000 per month at baseline to £485,000 in March 2015, well above milestone targets. We estimate this has benefitted over 39,000 pastoralists in the market catchment areas. Pastoralists have benefitted from opportunities for increased income, as they are able to more easily sell their livestock. Here is a graphical representation of the trade.

✓ **Increased revenue generated by the county**

The county government of Marsabit has been collecting revenue through taxes from all livestock sold in the markets.

# ACHIEVEMENTS



# ACHIEVEMENTS....

## ✓ Improved Market structure

The livestock markets of Merille and Turbi where have received facelift from different stakeholders by making the structures more permanent . Illaut is also earmarked for improvement.



## ✓ Involvement of many stakeholders

Many more stakeholders are currently focusing on developing livestock markets for pastoralist as FH interventions have been seen as a best practice. This will contribute to improving the standard of living for pastoralist as a result of commercializing their livestock.

## ✓ Successful implementation of Co-management

FH initiated and introduced the concept of Co-management in the markets. This is a model where market management is managed by the county government and the local community through Public Private Partnership (PPP). In this arrangement the County government of Marsabit and LMAs share revenue at the ratio of 70:30 respectively.

## ✓ Improved security

The government of Kenya came in and beefed up security at the markets. In the past traders were even robbed at the market in broad day light. By extension, the security along the highway has also greatly improved. The presence of Police posts near Merille market is credited for enhancing peace along the main road.

# CHALLENGES

- ✓ The LMA are in charge of managing the livestock markets on behalf of the community. Apparently, there is no legal basis to guarantee their continuity. They are just managing the markets under the auspices of the county government and in some instances there has been political interference .
- ✓ With so much money changing hands on every market day, transparency and accountability of the LMAs is an issue. In most cases traders may want to evade paying Cess hence attempting to bribe some members so that they do not disclose the number of animals sold. This denies the county government and community the revenue they should have received.
- ✓ Competition between different partners who want to be associated with the good achievements. Many players would wish to participate in the livestock markets because they are thriving.

# FUTURE PLANS

- ✓ Use of improved technology at the livestock markets. Improve on livestock management e.g. through privatization or managed by a professional manager.
- ✓ Development of a market management policy at the County level with recognition of the LMAs as a legal entity in the management of the livestock markets.
- ✓ There is a need to draft a bill on management of livestock markets where co-management is included in the act.
- ✓ need to introduce adult literacy program for the market management committees. This will improve management skills of the LMAs.

**Questions ??**



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**GALATOMA !!**

**ASHEY OLENG !!**

**ASANTE SANA!!**

**THANK YOU**