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**Kenya Country Programme  
2016–2020**

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**Thematic Programme for Green  
Growth and Employment**

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**Development engagement  
document**

**Improving Community  
Resilience and Rangeland  
Management**

**(Northern Rangelands Trust –  
NRT)**

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Dev. Engagement GGE 3	Outcome	Outputs
Community resilience and rangeland management	Enhanced performance of community conservancies that transform lives, secure peace and conserve natural resources	<ul style="list-style-type: none"> <li>• Enhanced resilience of pastoral livelihoods</li> <li>• Improved rangelands productivity</li> <li>• Improved governance of community conservancies</li> </ul>
Budget	DE Partner	<ul style="list-style-type: none"> <li>• Enhanced peace and security among pastoral communities</li> </ul>
Denmark's contribution is DKK 40 million drawn from the Danish Climate Envelope.	Northern Rangelands Trust (NRT), a registered Trust and a member-based umbrella organisation for community conservancies.	<ul style="list-style-type: none"> <li>• Increased area under conservancies</li> <li>• Conservancy enterprises established</li> <li>• Improved conservation of biodiversity</li> </ul>
<b>Management arrangements</b>		
Denmark will contribute core funding to NRT and hence support all the interlinked goals and outputs of the organisation. An executive team led by a Chief Executive Office and working under the guidance and directions of a Board of Trustees representing community, government and professional interests manages NRT. The organization has an overarching governance structure with a council of elders comprising all chairmen of the 27 member conservancies. Joint donor meetings are held twice a year to discuss workplans, progress, impact and audits. Denmark participates in these meetings.		
<b>Description</b>		
Denmark has since 2012 supported NRT under the special climate envelope initiative. Under the thematic programme, NRT will seek to enhance pastoral livelihoods in the harsh ASAL in Northern Kenya. It will address the key challenges that undermine the resilience of marginalized and vulnerable communities in this region created by lack of water and pastureland. With support from Danida, this engagement aims to improve rangelands management under the land use of pastoralism and wildlife conservation, diversify livelihoods by creating new enterprises, establish lasting peace and security among Northern Kenya communities, and contribute to the long-neglected human capacity development by investing in health, education and water infrastructure and services. Complementary to this, structures for good governance of conservancies will be established and efforts made to expand coverage of conservancies.		

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## **Abbreviations**

AFD	French Agency for Development
AMG	Aid Management Guidelines
ASAL	Arid and Semi Arid Land
CEO	Chief Executive Officer
CIDP	County Integrated Development Plans
CoMMS	Community Based Monitoring and Management System
CSO	Civil Society Organisation
Danida	Danish International Development Assistance
DKK	Danish Kroner
DP	Development Partner
EU	European Union
GGEP	Green Growth and Employment Programme
DKK	Danish Kroner
FSCCP	Fast Start Climate Change Program
GESIP	Green Economy Strategy and Implementation Plan
GGEP	Green Growth and Employment Programme
GoK	Government of Kenya
HRBA	Human Rights Based Approach
HQ	Head Quarters
KSH	Kenya Shillings
LAPSSET	Lamu Port–South Sudan– Ethiopia Transport Corridor
Ltd	Limited
M&E	Monitoring and Evaluation
MoFA	Ministry of Foreign Affairs (of Denmark)
MoU	Memorandum of Understanding
NCCRS	National Climate Change Response Strategy
NGO	Non Government Organisation
NRCL	Northern Rangelands Company Ltd
NRT	Northern Rangelands Trust
PCF	Pooled Conservancy Fund
PANT	Participation, Accountability, Non-corruption, Transparency
RDE	Royal Danish Embassy, Kenya
RNE	Royal Netherland Embassy, Kenya
TNC	The Nature Conservancy
TP	Thematic Programme
USAID	United States Agency for International Development
USD	United States Dollars

## Development Engagement Document: Improving Community Resilience and Rangeland Management (Northern Rangelands Trust)

### 1. Introduction

- 1.1 The present development engagement document details the objectives, expected results, implementation framework and management arrangements for the development cooperation concerning the Northern Rangelands Trust (NRT) 2016–2020 as agreed between the parties specified below. The development engagement document is annexed to *the Bilateral Agreement with Implementing Partner* and constitutes an integrated part hereof together with the documentation specified below. The Danish support is provided within the framework of the thematic programme on Green Growth and Employment, one of three thematic programmes under the Danish country programme for Kenya 2016–2020. This engagement document is also available to the External Grant Committee of Danida.
- 1.2 The development engagement entails Danish support in the form of core funding to the Northern Rangelands Trust of DKK 40 million for the implementation of NRT's Strategic Plan 2012–2017 and its successor document. The support covers the period January 2016 to June 2020.

### 2. Parties

- 2.1 The Danish Embassy, Nairobi and the Northern Rangelands Trust.
- 2.2 Signatories will be the Danish Ambassador representing the Government of Denmark, and NRT Board Chairman representing NRT.

### 3. Documentation

- 3.1 The main reference document is the NRT Strategic Plan 2012–2017, which is annexed to this document.

### 4. Brief description of NRT

- 4.1 NRT is a **member-based umbrella organization** for Community Conservancies (community-led conservation initiatives) established in 2004 and located in the arid and semi-arid lands of Northern Kenya. NRT currently has 33 member conservancies covering a population of over 250,000 people over an area of about 32,000 km<sup>2</sup> within eleven counties (Baringo, Garissa, Isiolo, Laikipia, Lamu, Marsabit, Meru, Tana River, Samburu, Turkana, and West Pokot). The arid rangelands of northern Kenya are in the front-line of climate change impacts, with increasingly frequent and severe droughts that are likely to bring hardship and conflict to communities in competition over resources.
- 4.2 Each **Community Conservancy** is an autonomous and legally registered institution, with elected leadership from a self-defined community (of ethnicity, of interest, of traditional land ownership), who live in an agreed area of community land. Some conservancies are multi-ethnic, some are built on traditional elders institutions, and all have a common interest in developing a

community-led institution that can govern land, bring peace and development, and manage natural resources in the interests of the defined community. Each conservancy's elected board appoints a manager, a rangeland coordinator and team of rangers, and the boards form representative committees on e.g. security, tourism, rangelands and finance.

- 4.3 NRT's mission** is to develop resilient community conservancies that transform people's lives, secure peace and conserve natural resources. It does this in a number of ways, including (i) fund raising for the conservancies, (ii) empowerment and providing advice on the management of their affairs, (iii) resolving conflicts through dialogue and trust-building, (iv) training in governance, natural resource management and security, (v) developing livelihoods and enterprise programmes (vi) brokering agreements with investors and partners, (vii) monitoring performance and providing donors with oversight and quality assurance. NRT has completed its first strategic plan (2008–2012) and it is mid-way through the second (2012–2017).
- 4.4 The vision** of the conservancies is to build resilient communities that are better able to cope with an uncertain future of droughts, economic shocks and political change, by strengthening governance and social development, diversifying economies, improving management of water, rangelands and wildlife, and building peace and security.
- 4.5 Specific examples of NRT support to the conservancies** include building institutions with high governance standards, developing the infrastructure of the conservancies, supporting livelihood enhancing activities, income security and generation, planning of resource use, conflict resolution, and brokering investments in tourism facilities which generate conservancy income. NRT coordinates and collaborates with different sponsors of support to people and wildlife in the conservancies, and assists the conservancies in securing the financial resources for the implementation of their plans. NRT has the capacity to source financial support and technical assistance from development partners and sponsors. NRT also provides policy leverage for the community conservancies with local and national government, and NRT is a forum for the local communities to collaborate and to reduce conflict.
- 4.6 NRT is a registered Kenyan trust** with a board of trustees, and the Northern Rangelands Company Ltd (NRCL) is the registered, limited liability, not-for-profit company implementing the mandate of NRT, providing the services of facilitation, training, fund-raising and mentoring for the member conservancies. The Board of NRT and NRCL comprises political and community leaders, business professionals, conservation practitioners, and local government and Kenya Wildlife Service institutional members. NRCL is managed by an executive team led by a CEO and team of specialists.
- 4.7 The overarching governance structure of NRT is the Council of Elders**, comprising all chairpersons of the 33 members conservancies, with institutional members including county governments, Kenya Wildlife Service, Kenya Forest Service, the Kenya Police, and local conservation organizations. The Council's principal roles are (i) to provide strategic direction to NRT's development, (ii) to ensure high governance standards in the member conservancies, (iii) to broker peace with a conflict resolution team as required, (iv) to ensure the equitable distribution of benefits arising from conservation and development initiatives, and (v) to review and approve applications from new community conservancies that wish to join the Trust.

- 4.8 NRT organization** comprises a staff of 86 people, including a senior management team of Chief Executive, Finance and Operations Officers, technical staff with expertise in governance, livelihoods, security, peace, natural resource management and enterprise development, a 30-member rapid-response security team, and support staff in finance, logistics, field operations and administration. NRT has three regional offices, in Isiolo County (NRT-Centre), in Lamu County (NRT-Coast), and in Turkana County (NRT-North Rift). NRT has an annual budget of Ksh 371 million. The 33 conservancies across 11 counties (in 2015) employ 873 staff in management, technical programmes, administration and security, with a total budget of Ksh 397 million.
- 4.9** NRT receives support from different **development partners** and other donors. In addition to Danida, NRT receives support from United States Agency for International Development (USAID), the French Development Agency (AFD), the Royal Netherlands Embassy (RNE), The Nature Conservancy (TNC) and from a range of private sector collaborative agreements.
- 4.10 Still more conservancies** in Northern Kenya are requesting to join NRT as members. NRT has just expanded with six new conservancies into West Pokot and Turkana Counties to meet demand, working in close partnership with the oil and gas industry there. County governments in Samburu, Isiolo and Marsabit Counties are starting to support the establishment of new conservancies that could also be potential future members.
- 4.11** Key elements of the **sustainability plan** for NRT are graduation, and diversification of income of conservancies. Mature conservancies will get to a point of graduation from reliance on NRT's support, through strong leadership, good community buy-in, and a steady income stream. The current M&E system measures a governance index, which will guide readiness for graduation. To diversify conservancy income and move away from donor-dependence, NRT has developed NRT Trading Ltd as a commercial company to drive new businesses and commercial revenues in the conservancies. More commerce will contribute to more sustainable conservancies. Strong engagement with the new county government will yield more support from government, and regular donor support will be reduced by establishing an Endowment Fund to yield a steady revenue stream to support conservancy operations. The Endowment Fund is at an advanced stage of development and should be established by end 2015, looking for USD 50 million initially. Contributions are expected from philanthropic donors and from some bi-lateral donors. Some of the contributions are at an advanced stage of negotiation.

## 5. Background and Theory of Change

### 5.1 Context

NRT operates predominantly in the arid and semi-arid lands (ASALs) of Northern Kenya. These drylands are home to the **poorest counties** in the country, which are characterised by heavy dependence on mobile livestock production and other forms of natural resource utilisation. Poverty in the ASALs is very high with an average poverty index of 70%.

The **economy and current land uses** of the arid areas are dominated by pastoralism, while in the semi-arid areas, the land uses are a mix of pastoralism, rain fed and irrigated agriculture, small-scale businesses based on dryland products, and conservation or tourism-related activities. These areas support 70 % of the country's livestock and 90 % of its wild game. Many economic activities in the

pastoral livestock sector and other sectors, including various forms of trade and service provision, take place informally, without recognition or regulation by the local authorities. The provision of services in the ASALs, including water supply, education, markets and financial services requires service providers to cover large geographical areas, reaching populations that are frequently mobile, and operating under conditions of insecurity. At present, the dominant livestock production in the ASALs is notably a green sector with relatively low carbon and water footprints that provide livelihood to large sections of the population.

The Kenyan Government has **policy targets on developing the ASAL** region including improved livelihoods for the approximately 20% of the population living in the 80 % of the area of the country that is arid and semi-arid. This includes drought management and relief as well as the development of economic sectors, such as livestock but also wildlife and tourism, to enhance the resilience of communities in Northern Kenya and improve their livelihoods. The ASAL is well recognised as a policy priority by the Government.

Kenya is very vulnerable to climate change due to the significant economic dependence on natural resources sectors such as agriculture, livestock, wildlife and tourism. The vulnerability is pronounced in the ASAL where the effects of frequent and severe drought events are already felt. **Climate change and variability** hit the livestock production in the ASALs particularly hard by reducing the availability of forage during droughts, increasing the incidences of disease and leading to breakdowns in the marketing infrastructures, which have pushed many families into poverty. Changing and declining availability of forage has impacted pastoral movement of livestock leading to increased conflicts between different resource users and negative impacts on vulnerable ecosystems. Growth in the economy and the population will, over the next decades, increase demand for land and natural resources and can further increase the vulnerability to climate change.

In the ASALs local and physical **drivers of environmental degradation and poverty** have been compounded by other forms of socio-economic marginalization, including political marginalization, increasing inequality, insecurity, lack of human and institutional capacities, basic education, communications and investments. Land grabbing in the ASALs has increased with negative impacts on local production systems. Systems for regulating access to land and resources in the ASALs especially impacting mobile livestock production has been increasingly eroded leading to degradation of resources and undermining the productivity in the sector. However, local knowledge and resource management regimes emphasizing social organization and efforts driven from the community level with impacts on wider levels are recognised as providing the opportunity to reverse the downward cycle of interacting drivers of negative change in the drylands.

NRT aims to support the conservancies and other community driven **rights based natural resource management** organizations, including Community Forestry Associations and Water Resource User Associations, where opportunities for claiming rights by communities to manage the natural resource capital and benefit from the economic returns exist. Conservancies are reinforcing customary systems for regulating access to resources and promoting resilience. The ASALs have a range of productive resources that, with a rights based approach to management, can contribute to an inclusive green growth trajectory.

Following the introduction of the new constitution for Kenya in 2010, **devolving considerable autonomy to the Counties**, drivers of positive change in the ASALs have included growing political

mobilization of local leaders from the ASALs, public participation in democratic processes, decentralization of budgetary and administrative powers and new thinking about community resource management. Emerging policy and institutional arrangements at national and county levels have been designed to transform many of the relationships between the interconnecting drivers of change in the ASALs. ASAL communities now have opportunities for a stronger voice in their local economic and environmental decision-making, and in the national government. County Integrated Development Plans (CIDPs) have been formulated by the ASAL county governments, outlining strategies to integrate local economic development and environmental management. Input to land use planning, management of conflicts, and coordination on the use of the natural resources including access and rights by the conservancies are opportunities that NRT promotes. This has been the practice to date by NRT and with their experience and knowledge thus far they can coordinate and collaborate well with the Counties.

## 5.2 Justification

**Promoting poverty reduction, rights, green inclusive growth and sustainable management of natural resources** are key objectives of the Strategy for Danish development cooperation ‘The Right to a Better Life’. These objectives are also central in the mission of NRT, and NRT has proven that it can effectively contribute to their realisation. The work of NRT is organised in seven different goals, which are linked to each other, and which promote inclusive green growth in the ASALs. The Strategic Plan of NRT identifies strategies that are in line with the Green Economy Strategy and Implementation Plan (GESIP) and contributes to the objectives of the Danish Green Growth and Employment Thematic Programme (GGEP) in Kenya. A strategic collaboration with NRT, supporting all the interlinked goals of the organisation is considered an effective and efficient way of supporting inclusive and green development in the ASALs.

The NRT approach **targets poor communities** in the poorest counties of Kenya, namely the ASALs in Northern Kenya. The ASALs are faced with significant problems of poverty, marginalisation, poor governance, degradation of natural resources, drought and insecurity. Improving livelihoods requires a strong focus on working with locally adapted systems for management and production. Although ASAL problems are fundamentally difficult to address, the NRT approach of working with community conservancies to enhance their performance and their contribution to local livelihoods while securing a sustainable natural resource base for resilience and productivity, has shown to produce important results in terms of promoting productivity, improving socio-economic conditions and reducing poverty. These are results that need to be scaled up.

The conservancies supported by NRT have developed stronger systems of management of grazing around customary held land with planned areas for grazing and procedures for negotiating access. Conservancies are **promoting mobility**, have regional strategies for grazing access, and recognize **negotiated access**, in line with grazing plans, to resources within conservancies for communities outside of the conservancies. Conservancies discourage unsustainable patterns of sedentarization, seek to maximize productivity and avoid open access to resources without concomitant responsibilities for good land husbandry. The strategy of the conservancies is in many ways in line with proven customary systems for management of grazing, systems that have proven sustainable, but also systems that have been eroded in many places. The conservancies can contribute to strengthening of such systems. Conservancies cannot solve all problems of access in the rangelands and there will in times of stress be continued problems and conflicts in terms of access to resources. This is unavoidable, but developing

and enhancing conservancies is considered among the better options available for promoting sustainable socio-economic development and productive use of the drylands.

This engagement and the NRT approach have a focus on securing **rights to lands** to the customary owners of the land, the pastoral communities being the indigenous peoples of large part of the ASALs. Although rights to land are crucial, the conservancies do not own or privatise the land, but build on common property regimes practised in the ASALs — a type of land ownership vested in the communities and supported by the new Community Land Bill.

**Governance** issues in the ASALs are many, and ensuring the framework for community voice and self-development is crucial in order to improve governance. The NRT conservancies are a response to the need for improving governance. The conservancies and their management are organised as democratic organisations representing the communities. PANT principles are being promoted through focus on participation by people in conservancy decision-making, with promotion of accountable and transparent management structures, and with proven anti-corruption measures in place. This, together with the focus on securing land rights, rights to peace and security, rights of indigenous peoples and rights to food, indicates that this engagement addresses key problems in the ASALs following a Human Rights Based Approach (HRBA).

**Security** is a major problem in the ASALs, impacting negatively on people's livelihoods and on the prospect for improving production and green growth. NRT has a major focus on peace and security in its operations; it builds on community driven initiatives to address the problems, and although security problems are still significant in a number of the conservancies, the approach is contributing to peace building and fewer conflicts. The peace work involves dialogues with communities outside conservancies and includes the important aspects of agreeing on access to range and water resources inside and outside of conservancies.

Ensuring sustainable utilisation of **natural resources** in the ASALs is a key priority to address in the future development of the ASALs. NRT has sustainability in natural resource management as one of its key goals, and the NRT approach with community conservancies has proven to contribute positively to better and more sustainable land and resource management.

Development of **enterprises** in the ASALs that effectively increase productivity and market products from the drylands is not an easy undertaking. Still, NRT is directly supporting business development in the conservancies, and with NRT Trading having been developed as a separate commercial entity to drive commercialisation, create jobs and incubate new businesses linked to good land and natural resource management, good potential for **green growth** in a number of value chains has been created. Most specifically, this is done in livestock enterprises, where NRT Trading has facilitated higher prices for livestock marketed from conservancies. Buying of small stock might add to the relevance of enterprise to poorer households in the conservancies. With NRT Trading effectively venturing into the livestock business, there are unresolved problems with county governments also seeking to support livestock marketing. Further opportunities for a more coordinated approach with county governments could be identified.

The pastoral societies in the ASALs are, like other areas of Kenya, faced with challenges in terms of **gender equality**. This engagement has been developed so as to promote gender equality. NRT in its operations has a focus on developing initiatives that are geared towards improved gender equality.

Hence, specific activities such as micro-credit schemes and small business development are targeting women more so than men. Specific minimum quotas for women representation (30%) in conservancies management and employment have been applied in the various conservancies and NRT employment also seeks to ensure better representation of women. In education bursaries, supported in the conservancies, there is an equal distribution to boys and girls, constituting a better equality than in the education system at large. Women’s voice in pastoral societies, addressing early childhood marriage of girls, and female genital mutilation, are all being supported in the NRT operations and including in the support to conservancies.

The devolved **county governments** represent an opportunity to bring development closer to people, however county governments, and especially in the ASALs, also face serious constraints in term of capacity. NRT works with county governments in relation to the conservancies and increasingly county governments see the conservancies as an opportunity, with county governments bringing policy and political support, promoting establishment of more conservancies and, in some cases, bringing funding to the conservancies. Further and more close work with county governments including capacity building support and planning support is part of NRT strategies, and it is important to ensure that the role and capacity of the local government structures are being promoted. Further integration with the CIDPs is especially important, thereby bringing conservancies planning into the county and local development planning process.

The proposed Danida support to NRT represents good **value for money**. There is high level impact for the scale of financing proposed; the reach of NRT is very extensive, currently covering 32,000 km<sup>2</sup> and 250,000 people in remote ASAL areas; the NRT model of community conservation is now proven to have impacts on peace, livelihoods and natural resources<sup>1</sup> — this support will extend that impact; there are few other proven, cost-effective, sustainable approaches to holistic development in the ASALs; and there are few if any other organisations providing this kind of community support at this scale in the ASALs.

This strategic partnership with NRT will sustain and broaden the momentum started through the Danida Fast Start Climate Change Programme (2011–2014), consolidating the institutions and practices developed so far, expanding the programme to support new conservancies and other ecosystems than rangelands, i.e. forests, coastal and marine zones and the resources in these ecosystems (e.g. the cluster of conservancies in the NRT Coast Regional Office covering Lamu, Tana River and Garissa Counties) and development of a sustainability plan to guide graduation of mature conservancies that no longer require support from NRT. It will also develop new dimensions to the programme including institutional developments, the application of innovative technology, the development of new markets and value chains for conservancy products through the recently established NRT Trading business incubator, and strong working partnerships with county governments in promoting green growth and resilience. Finally, it will assist NRT’s engagement with the newly developing oil and gas industry in northern Kenya (e.g. the newly emerging conservancies in West Pokot and Turkana Counties, where commercial oil development is well under way and where opportunities exist to work with sustainability strategies of the involved companies).

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<sup>1</sup> The recently released NRT State of Conservancies Report 2014 provides data and impact that NRT has in securing peace, transforming lives and conserving natural resources (NRT 2014 awaiting publication)

### 5.3 Lessons learnt

Danida has supported NRT from 2012–2015 as one of four components of the 2012 Fast Start Climate Change Programme (FSCCP). The support was for the initial implementation of the NRT Strategic Plan (2012–2017) and in particular, Productive Rangelands (Goal 4) with emphasis on enhanced resilience to climate change for the pastoralist communities. The progress and lessons of the FSCCP were assessed in October 2014 and showed better than expected results with 12,000 households benefitting and 1.8 million hectares brought under improved grazing management.

The main lessons NRT learned from NRT recent growth and from the Danida FSCCP support, which have been used to inform the development of this engagement, are:

- Stabilizing grazing practices is starting to solve the single biggest challenge facing pastoralists in the face of climate change. The impacts relate not only to grass and livestock, but to the building of peace between competing and conflicting communities; developing wider economic impacts such as livestock health and markets, and new grass seed businesses; and environmental impacts through reversing land degradation and improving water retention.
- The conservancy institution lies are the heart of this success. Such an institution is vital (i) for providing a representative voice for pastoralists, (ii) for enabling links to other land management and community development challenges such as unplanned settlement, water management, building peace, and planning other economic land uses such as tourism, and (iii) for building links to other conservancies so that grazing practices can be better regulated across a wide landscape.
- Progress is accelerating. Progress in conservancy development, and with recruitment, training, planning and implementing new practices, is exceeding expectations. There is widespread demand and ownership of community conservancies and new practice because it is structured, relevant, participatory and easily understood. The approach is gaining ground across conservancy boundaries, and in the case of security and rangeland management, encouraging new regional institutional structures are emerging (e.g. Regional Rangeland Committees with representation from clusters of conservancies linked across traditional livestock migration routes).
- The programme is generating significant engagement of youth and outsiders. Conservancies are realizing that peace and grazing committees comprised only of elders and livestock owners are not enough, that the herders (young men in the warrior classes) must be brought into planning, ownership of the process and sharing benefits from the changes. The same applies to herders and pastoralist migrants from areas outside the conservancies. The institutions are adapting and developing to accommodate this learning.
- Graduation of conservancies from NRT support is vital. The need for a more structured approach to development and graduation of conservancies is becoming more important, to ensure that growth can be sustained, and the support from NRT is not stretched too thin. More and more conservancies are generating commercial and government income independent of NRT, and managing their own affairs without NRT support. This needs to become a central plank of the NRT sustainability strategy, driven by strong local leadership and good communication within communities about the benefits of conservancies.
- A diversified local economy creating jobs and businesses needs to be driven by commercial skills and incentives. To achieve this NRT has established NRT Trading Ltd as a 100% owned commercial trading company to run businesses with high social impact and strong commercial

discipline, and to incubate new businesses within conservancies. The commercial skills, incentives and investment finance to achieve this are not typically available in NGO or government agencies.

- Engagement with county government is crucial to sustain impact, secure policy and financial support, and support growth. The newly devolved county governments are paying increasing attention to community conservancies as a model of success in the ASALs in northern Kenya, and should increasingly be taking a stronger political and financial role in the growth of conservancies and their impact on jobs, business and sustainable natural resources management. NRT will work more and more closely with county governments.

#### 5.4 Narrative for Theory of Change

The long-term goal of NRT and its members is captured in the mission statement: to develop resilient community conservancies that transform lives, secure peace and conserve natural resources. To achieve this, pastoral communities need to overcome several major challenges, including:

- Increasing frequency and severity of **drought** from climate change;
- Historical **conflict between ethnic communities**, with a culture of cattle-rustling;
- Long-standing **marginalisation from government** services and investment;
- Many **illegal firearms** that fuel wildlife poaching, road banditry and cattle-rustling;
- A long-term trend of **environmental degradation**, lack of grass productivity and soil erosion;
- A **lack of voice** due to the decline of traditional institutions and the authority of the elders; and
- A **political culture** that promotes ethnic division and incites conflict.

These challenges are inter-related, and have led to persistent poverty, conflict and marginalisation. The experience that has been generated by NRT and the community conservancy movement to date is that a number of key things need to change. These are set out in the seven goals of the Strategic Plan (2012–2017), and include:

- Well-governed, **community-led institutions** that can represent the voice of communities in building peace, development and good rangeland management;
- New or improved **livelihood investments** in health, education, water and infrastructure that can build human capacity to meet the challenges of the harsh ASAL environment;
- Strategies and capacity to provide **peace and security**, which are essential pre-requisites for inward investments and business development in these marginalised areas;
- Knowledge, practice and institutions that can reverse environmental degradation by **managing the rangelands** for greater productivity and diversity – the grassland are the backbone of the pastoralist economy, and need an approach to management that builds on the best pastoralist traditions with new technologies and knowledge;
- Seeing **wildlife** as a major economic asset that can be developed for tourism, jobs and income, rather than a threat to be eliminated or poached to fuel criminal networks;
- Incubation of **new or improved businesses** with investment and business skills, to create jobs and small or larger enterprises that both grow and diversify the local economy — there are few economic opportunities outside livestock markets. Hence, while there is scope to build on existing pastoral assets and improve livestock markets and value chains, it is also essential to diversify business to build resilience in the drought-prone ASALs; and

- Improving **the enabling environment** for the above changes to develop, including supportive community land, wildlife and county government policies; good measurement and communication of impacts; and effective partnerships and investor relations with conservancy communities.

These changes all need to work together **to effect the transformations needed**. The conservancy institutions lie at the heart of this change, bringing strong community leadership and ownership, the demand for better livelihood investments, and the platform for building peace between communities and investing in security. Peace and security in turn bring financial investments and new business opportunities that create jobs and income, and create the stability needed for planned management of the rangelands and other natural resources. And a supportive policy environment creates the positive cycle of stability, investment, socio-economic and ecological impacts which generate sustainable change and resilience.

There are a number of **key assumptions and risks** in this theory of change. While the NRT community conservancy model is largely proven, with the history of NRT's success over the past decade, the key continuing assumptions underlying the model are that local leadership will continue to rise to the challenges, that county governments and other partners will see the opportunity and work through conservancies, and that conservancies can generate enough finance to sustain the momentum. A large part of NRT's role is to work through these assumptions.

There are some risks in the wider environment (addressed in section 8) relating to industrial oil and gas developments in the northern ASALs, to the continuing culture of political ethnic incitement, to extreme drought and planned grazing systems as populations grow, and to regional political instability e.g. in Somalia or Ethiopia which could spread into northern Kenya. The conservancy movement can significantly mitigate some aspects of the first three of these risks.

## 6. Development Engagement Objective

- 6.1 The overall vision for the partnership is to support the Government and people of Kenya in implementing their Vision 2030 to create **'a globally competitive and prosperous country with a high quality of life by 2030'**.
- 6.2 The Green Growth and Employment thematic programme aims to support Kenya's transition to **"inclusive greener growth with higher employment"**. Implementation of the programme will translate to (i) increased sustainable growth and jobs from investment and trade especially for women and youth, and (ii) improved community resilience and sustainable utilisation of natural resources for better business and improved livelihoods. The objective of this Development Engagement is to support NRT's contribution to the GGE thematic programme objectives through a strategic partnership between the parties that advances the mission and vision set out in the NRT Strategic Plan (2012–2017).
- 6.3 The outcome of this Development Engagement as expressed in NRT's mission statement, is **"enhanced performance of community conservancies that transform lives, secure peace and conserve natural resources across the rangelands of northern Kenya"**.
- 6.4 The outputs are expressed in the corresponding seven goals of the NRT Strategic Plan (2012–2017) and its successor document:

- Output 1 Well governed conservancies “all NRT conservancies will show representative, transparent, equitable and accountable conservancy governance, and be legally registered institutions”.
- Output 2 Livelihood resilience improved “all NRT conservancies will help to improve the education, health and infrastructure of their constituent communities, to complement peace-building, economic development, good governance and natural resource management as cornerstones of resilient pastoral livelihoods”.
- Output 3 Improved peace and security “all NRT conservancies will build peace between and within conservancies, and increase safety for people and wildlife”.
- Output 4 More productive rangelands “all NRT conservancies will improve the condition of rangelands and other natural resources through development and implementation of land use plans and practices that ensure the sustainable management of natural resources”.
- Output 5 Better wildlife protection “all NRT conservancies will host key wildlife populations that are stable or increasing, and when necessary, individual species that are re-established in unoccupied areas within their historic range”.
- Output 6 Growing conservancy enterprises “all NRT conservancies will develop increased wealth, jobs and diversified economic opportunity to their communities”.
- Output 7 Sustainable and expanding conservancies “NRT will expand the number of community conservancies in a stable growth path, reduce the burden of NRT support, and increase the ability of conservancies to meet their operational costs and provide community benefits”.

## 7. Results framework

**7.1** NRT is responsible for monitoring and reporting on the progress and achievements of the development engagement using its own Strategic Plan (2012-2017) results framework and M&E system, as detailed in Section 12 below. The parties have, however agreed that the Danish Embassy will use the results framework presented below, with a limited number of outcome and output indicators, for reporting to the Danish constituency. Data to inform the reporting will be supplied by NRT as part of the routine monitoring of the engagement.

**7.2** This development engagement will also support an evaluation of the Strategic Plan (2012–2017) and the preparation and early implementation of the following Strategic Plan (2018–2022). During this process, some of the targets may be adjusted, and some additional indicators may be developed, but the parties have agreed to measure progress and performance in this engagement using the following key outcome and output indicators, which are unlikely to change in the new Strategic Plan.

Outcome		<b>Enhanced performance of community conservancies that transform lives, secure peace and conserve natural resources</b>	
Outcome indicator		% of community members reporting improved socio-economic status (includes measures of voice, peace and security, financial and non-financial benefits and income reliability)	
Baseline	Year	2014	Baseline to be determined in year 1 through Social-COMMS
Target	Year	2020	25%

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Outcome indicator		Proportion of communities in conservancies that feel safe and secure.	
Baseline	Year	2014	55%
Target	Year	2020	80%
Outcome indicator		Proportion of rangelands highly degraded	
Baseline	Year	2014	70%
Target	Year	2020	50%
Output 1.		<b>Well-governed conservancies</b>	
Output indicator		Average governance index of all member conservancies (composite index designed for measuring individual conservancy performance on e.g. board performance, financial management and operational capability, partner relations etc)	
Baseline	Year	2014	46.2/100
Target	Year	2020	65/100
Output 2.		<b>Resilient livelihoods</b>	
Output indicator		Proportion of Conservancy revenues committed to education, health and water	
Baseline	Year	2014	36%
Target	Year	2020	65%
Output 3.		<b>Improved peace and security</b>	
Output indicator		Number of security incidences	
Baseline	Year	2014	95
Target	Year	2020	20
Output 4.		<b>Productive ecosystems</b>	
Output indicator		Area of land under improved management	
Baseline	Year	2014	1.8 million ha
Target	Year	2020	4.0 million ha
Output 6.		<b>Growing enterprises</b>	
Output indicator		Increase in amount of (i) conservancy income, and (ii) conservancy related household income	
Baseline	Year	2014	(i) Ksh 58 million, and (ii) Baseline to be established in first year of project implementation
Target	Year	2020	(i) Ksh 200 million, and (ii) 5% increase per year

## 8. Risk Management

The main risks to the achievement of the expected outputs and outcomes within a five-year period are related to political and security risks, institutional risks related to user rights and resource development, and economic development of infrastructure. The risks are summarized in the table below.

Risk Factor	Likelihood	Background to assessment of likelihood	Impact	Background to assessment of potential impact	Risk response	Residual risk
<b>PROGRAMMATIC RISKS</b>						
1. Violence or political interference during the national and local elections in 2017.	Unlikely	Northern Kenya not a hot-spot for political violence	Medium	History of election-related disruption and violence in Kenya, with severe but very localized impact	Strong governance - empowered communities in conservancies less likely to be subject to political incitement.	Minor
2. Unplanned and un-negotiated access by migrating pastoralists and their livestock.	Likely	No exclusion practiced, migration is the norm in pastoralist communities	Major	Unplanned and un-negotiated grazing has negative impact on rangeland production in conservancies	Regional grazing plans and committees. Dialogue with non-NRT livestock herders.	Medium
3. Conflicting claims of land tenure	Unlikely	Livestock Marketing Division, Military, irregularly privatised land create uncertainty over tenure	Medium	Outside interests create counter-incentives to good land management, in limited specific areas	Collaboration with county governments on legal status and regulation of land use.	Minor
4. Drought events impacting livelihood of people in and around conservancies	Likely	Increasing frequency of droughts related to climate change	Major	High livestock numbers and degraded rangelands result in serious drought impacts on livestock and people	Planned grazing, rangeland rehabilitation, increased livestock trade and economic diversification to build resilience	Medium
5. Large-scale infrastructure development (e.g. LAPSSET, oil and gas development).	Likely	Part of Vision 2030 flagship projects and developments are on-going	Medium	Land acquisition and oil infrastructure impacting access for people and livestock movements, in limited locations	Communities empowered, better able to negotiate fair compensation and access to economic benefits. Some funded by the oil industry	Minor
6. Unplanned and uncoordinated development, e.g. of water resources.	Likely	Developments motivated by short-term political gain and uncoordinated actors	Major	Incorrectly sited boreholes (e.g.) disrupt settlement and grazing plans and lead to overgrazing	Strong conservancy management plans, with good county government coordination on development priorities	Minor
7. Insecurity and cross-border violence	Likely	Insecurity major problem in ASALs. Spill over and radicalisation from Somalia into northern Kenya	Major	Economic, political and social disruption caused by violence and extremism	Conservancies address security and peace. Government programme on disarmament. Regional and	Major

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Risk Factor	Likelihood	Background to assessment of likelihood	Impact	Background to assessment of potential impact	Risk response	Residual risk
					local planning, dialogue and coordination.	
<b>INSTITUTIONAL RISKS</b>						
8. Other donors funds cease	Unlikely	NRT is a multi-source funded institution with commitment from a range of partners	Major	High donor dependency until commercial and local government support is developed	25-year partnership with TNC; 5-year commitment from USAID; strong support from GoK and county governments	Minor

## 9. Inputs

- 9.1** NRT’s Strategic Plan (2012–2017) is supported by a range of donors, with some contributions directly to member conservancies from Government of Kenya and commercial revenues. Some funding is restricted to specific technical or programme areas of work, or specific conservancies, but Danida funds will be unrestricted to cover all areas of support needed for effective delivery of NRT’s mission.
- 9.2** NRT’s budget includes all programme delivery staff and associated costs, vehicles and associated costs, capital and administration costs. Programme costs are associated with specific goals, for expenditure through the conservancies, delivered using core operational budgets. NRT’s core operational capacity includes facilitators, trainers, peace-makers, technical specialists all of whom are essential to the front-line delivery of effective support to the conservancies. A small administrative staff supports these core operations. Programme expenditure covers a range of non-salary and non-operational costs, such as training in security, peace and rangeland skills, partnerships with other organisations, strategic planning and consultation costs, peace meetings, essential capital costs, business feasibility studies, communications, and M&E development.
- 9.3** The Pooled Conservancy Fund (PCF) is an NRT-managed basket fund for supporting NRT’s member community conservancies. There are two windows, one for operations and one for livelihood projects delivered through the conservancy — water, education bursaries, infrastructure, anything prioritized by the community for building resilience or supporting enterprises. Conservancy managers apply to the PCF each year, thus building project management skills, ownership and accountability, while maintaining NRT’s strong oversight. Livelihoods development is also supported under the Goal 2 and Goal 6 programmes, building partnerships with relevant support organisations in health, education and water, supporting micro-finance for small enterprise, building business skills, incubating new businesses.
- 9.4** The Danida engagement budget commits DKK 40 million over five years to NRT, which will cover approximately 25% of the five-year budget.
- 9.5** The other major sources of finance are USAID, AFD, RNE, TNC and Tullow /Africa Oil Ltd, supplemented by a large group of smaller foundations, zoos, private philanthropists and conservation trusts. USAID (NRT core support, \$20m) and Tullow (in the oil development areas of Turkana County, \$US 11.5 million) are committing to new major five-year support programmes to NRT (2015-2020), AFD’s funding (\$US 2 million) for NRT in Marsabit County runs until 2018, and NRT has a 25-year partnership with TNC with annual joint-fundraising targets from philanthropic foundations (\$US 1 million per year). RNE funding (\$US 3.2 million) finishes in December 2015. The commitment from a range of donors to NRT is thus strong and long-running, with low cancellation risk.

Donor	Budget (in \$US millions)					Total
	2016	2017	2018	2019	2020	
USAID	4,0	4,0	4,0	4,0	4,0	20,0
Afd (Marsabit County only)	0,6	0,6	0,6			2,0
TNC	1,0	1,0	1,0	1,0	1,0	5,0
Tullow Oil Turkana County only)	2,3	2,3	2,3	2,3	2,3	11,5

9.6 NRT five-year overall output-based budget (excluding some restricted capex and conservancy programmes) with budget for Danida engagement contribution is presented below.

<b>Engagement KSH (Millions)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Output 1: Well Governed Conservancies	63,800,000	66,990,000	70,339,500	73,856,475	77,549,299	352,535,274
of which DANIDA	10,000,000	10,500,000	11,025,000	11,576,250	12,155,063	55,256,313
Output 2: Livelihood resilience improved	28,200,000	29,610,000	31,090,500	32,645,025	34,277,276	155,822,801
of which DANIDA	10,000,000	10,500,000	11,025,000	11,576,250	12,155,063	55,256,313
Output 3: Improved peace and security	103,000,000	108,150,000	113,557,500	119,235,375	125,197,144	569,140,019
of which DANIDA	15,000,000	16,000,000	17,050,000	17,152,500	19,310,125	84,512,625
Output 4: More productive rangelands	83,600,000	87,780,000	92,169,000	96,777,450	101,616,323	461,942,773
of which DANIDA	30,000,000	32,000,000	34,100,000	36,305,000	38,620,250	171,025,250
Output 5: Better wildlife protection	21,200,000	22,260,000	23,373,000	24,541,650	25,768,733	117,143,383
of which DANIDA	5,000,000	5,250,000	5,512,500	5,788,125	6,077,531	27,628,156
Output 6: Growing conservancy enterprises	54,800,000	57,540,000	60,417,000	63,437,850	66,609,743	302,804,593
of which DANIDA	11,000,000	12,000,000	13,050,000	15,152,500	15,310,125	66,512,625
Output 7: Sustainable and expanding conservancies	16,900,000	17,745,000	18,632,250	19,563,863	20,542,056	93,383,169
of which DANIDA	5,000,000	5,250,000	5,512,500	5,788,125	4,591,680	26,142,305
NRT Pooled Conservancy Fund - Operations and Livelihoods	80,000,000	84,000,000	88,200,000	92,610,000	97,240,500	442,050,500
of which DANIDA for PCF	20,000,000	21,300,000	22,665,000	24,098,250	25,603,163	113,666,413
<b>Total NRT</b>	<b>451,500,000</b>	<b>474,075,000</b>	<b>497,778,750</b>	<b>522,667,688</b>	<b>548,801,072</b>	<b>2,494,822,510</b>
<b>of which DANIDA</b>	<b>106,000,000</b>	<b>112,800,000</b>	<b>119,940,000</b>	<b>127,437,000</b>	<b>133,823,000</b>	<b>600,000,000</b>
<b>Total DKK</b>	<b>7,066,666.67</b>	<b>7,520,000.00</b>	<b>7,996,000.00</b>	<b>8,495,800.00</b>	<b>8,921,533.33</b>	<b>40,000,000</b>

## 10. Management Arrangements

- 10.1 The overall principles for management of the present development engagement are described in the implementing Partner Agreement to which this development engagement document is annexed.
- 10.2 NRT’s highest governing body is the Council of Elders. The chairpersons of the conservancies make up the majority of the council, and are joined by several institutional members. The Council guides NRT policy and is responsible for drawing up the by-laws for its operation and administration. It also appoints eight of the 15-member Board of Trustees of NRT, to whom the chief executive officer is answerable.
- 10.3 The daily management of the present engagement is undertaken by NRT, which already has an established management structure with technical and administrative staff and headed by a Chief Executive. NRT is a registered Kenyan trust and the Northern Rangelands Company Ltd (NRCL) is a registered not-for-profit company implementing the mandate of NRT, providing the services of facilitation, training, fund-raising and mentoring for the member conservancies.
- 10.4 Each conservancy also has its own elected Board of Directors and management staff responsible for developing and implementing its conservancy programmes. Funds are raised from donors, commercial revenues and government sources, and operational and community accounts are audited annually.
- 10.5 NRT management reports to the NRT Board as part of all NRT implemented activities under the strategic plan. The NRT Board endorses annual work plans, and financial and progress reporting. The NRT Board meets biannually in January/February and July/August. This Development Engagement will be aligned to the NRT organisation, accountability and annual audit processes.
- 10.6 There will be no dedicated steering committee for the Danida support. There will be two annual NRT joint donor meetings. One annual meeting could be in Nairobi and the other at the NRT HQ in Lewa. The meetings will brief on workplans, progress, impact, and audit and will follow on closely from the two semi-annual NRT Board meeting. The meetings will be provided with reports on progress and other relevant material. The meetings are for reporting and not for decision-making. The joint donor meetings have been agreed with AFD, TNC, USAID, RNE, and Danida.

## 11. Financial Management and Audit

- 11.1 Both parties will strive for full alignment of the Danish support to NRT’s rules and procedures.
- 11.2 Accounting and auditing of the Danish funds will include accounting and auditing of the whole organisation, and will be undertaken by NRT as part of its statutory annual audit and in accordance with the standard Danida guidelines “General Guidelines for Accounting and Auditing”. <http://amg.um.dk/en/technical-guidelines/financial-management/accounting-and-auditing/>
- 11.3 NRT will prepare an annual work plan and budget for the Strategic Plan for approval by the NRT Board and forwarded for information to RDE. The financing agreements will be in DKK, but the

transfers, accounting as well as financial reporting will be conducted in KSH. Transfers in DKK will be converted into KSH at the time of the transaction at the current exchange rate.

- 11.4 Accounting records shall be available for control by the Embassy of Denmark, by a representative appointed by the Embassy, or by the Danish Auditor General.
- 11.5 The annual audit and accounting will follow the NRT Finance and Procurement Manual. This implies that accounts are kept in accordance with international standards. The audit will also test compliance with the institution's accounting manual and examine the procurement function. The audit reports must show the Danish grant as income.
- 11.6 The transfer of funds to NRT is on the basis of a written request to the RDE with information on the amount and the bank account into which the money is to be deposited. A copy of the bank statement with a reconciliation of the bank account must be attached to the requests for transfer. A receipt should be submitted by NRT to the RDE as soon as funds have been received.
- 11.7 Procurement will be applied according to the NRT Finance and Procurement Manual. NRT can decide on the contracting of possible technical support as required. The requirement is that NRT ensures value for money and use appropriate and transparent procurement of equipment and services.

## 12. Monitoring and Evaluation

- 12.1 NRT is responsible for monitoring and reporting on the progress and achievements of the development engagement using its own results framework and M&E system.
- 12.2 NRT has an institutional M&E system to assess overall progress and results of the NRT Strategic Plan. NRT has already developed a devolved Conservancy Management and Monitoring system (CoMMS) for wildlife, rangeland vegetation, and socio-economics. Participatory monitoring of livelihoods and natural resource management are being developed to supplement the existing CoMMS systems. In addition, Conservancy level M&E systems track administration, management, employment and other impacts. NRT has also developed a comprehensive Governance Index, which tracks Conservancy performance and informs NRT support around transparency, accountability, financial management, and community engagement. NRT plans to further develop a remote sensing baseline including land cover and potential carbon assessment in cooperation with **International Center for Research in Agroforestry (ICRAF)**. Risks and assumptions are monitored as part of the M&E system.
- 12.3 The M&E system informs the actual management of NRT activities and guides management of each of the conservancies. It also provides information for reporting on progress achieved in relation to the seven strategic goals of NRT. The results from the M&E will be utilised for sharing in dialogues with partners including semi-annual joint donor meetings.
- 12.4 Progress reports for overall progress on the NRT strategic plan will be produced semi-annually to the NRT Board for its meetings in January/February and July/August each year and will as well be used for progress reporting to Danida. Reporting on progress should be on results and on milestones towards achieving impacts.

- 12.5** NRT will disseminate selected impacts and cases to ensure results are made available to other conservancies, to development partners and the public. The results shall be available in the public domain through the NRT website and material for the media. NRT from 2015 will also prepare the annual “State of Conservancies Report”.
- 12.6** The end-of-program completion report will be prepared after the component activities are completed by end of 2020. The simple Danida Aid Management Guidelines (AMG) format for program completion reports shall be used and can be supplemented with NRT publications.
- 12.7** The Danish Embassy shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme.
- 12.8** The Danish Embassy will contract a strategic monitoring support for the entire country programme and all DED partners including NRT will provide data needed to measure progress.
- 12.9** Danida Copenhagen will carry out Real Time Evaluation during the implementation period covered by this agreement and Danida will, also after the termination of the programme support, reserve the right to carry out additional evaluation in accordance with this article.

### 13. Prerequisites

Not Applicable

### 14. Signatures

On behalf of  
Northern Rangelands Trust

On behalf of  
The Danish Embassy, Nairobi;

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Chairman of the Board  
Northern Rangelands Trust

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The Ambassador

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Date

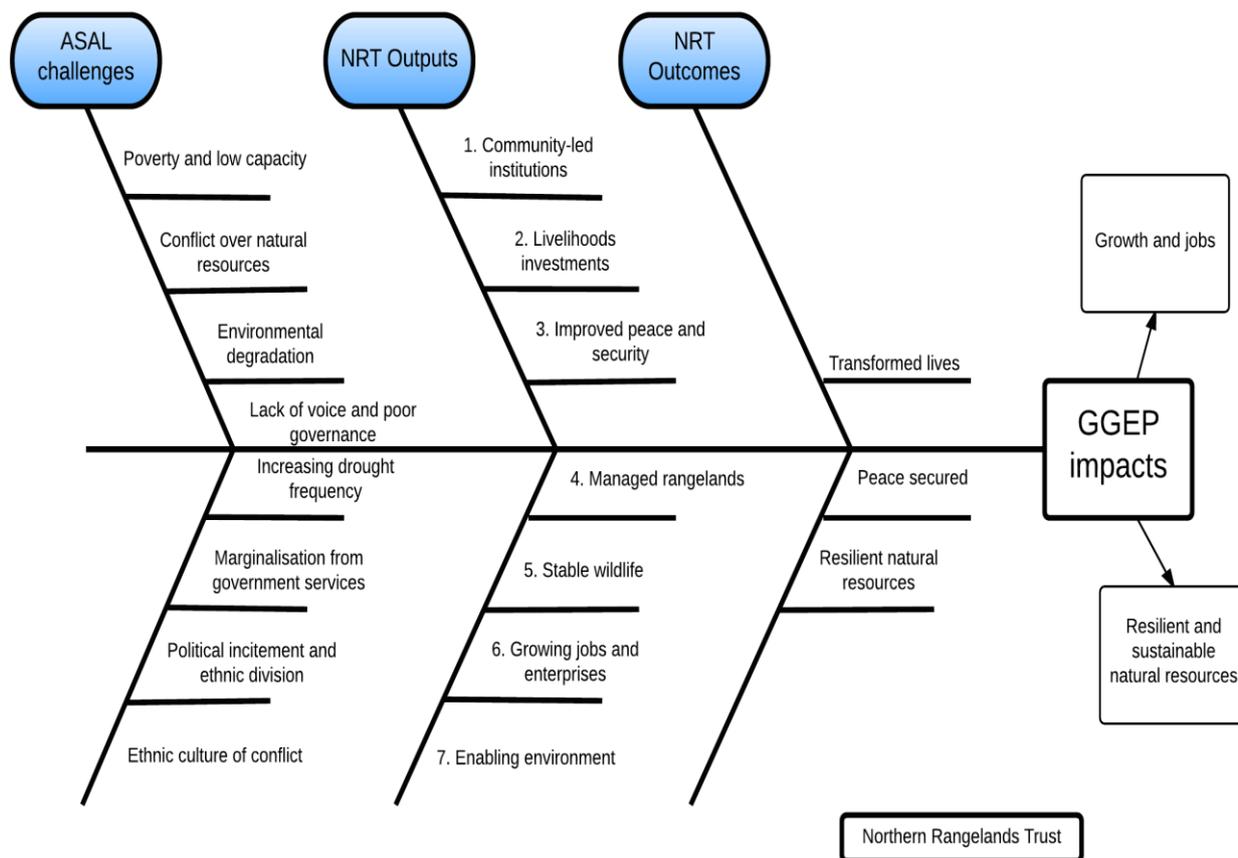
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Date

## Annex 1 ToC Northern Rangeland Trust

The nature of the challenges addressed in this engagement by NRT and the outputs/strategies applied are integrated to a significant extent. All challenges to some extent are addressed by all the outputs and their associated change strategies and they are all leading to the different aspects of the outcome for NRT and for the engagement.

### Theory of Change



**Annexe 2: NRT Strategic Plan (2012-2017) (attached under separate cover)**