



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

LABOUR MARKET ASSESSMENT REPORT MANDERA CLUSTER



Market day in Mandera County. Livestock is the mainstay for the people in the Mandera cluster as they survive on animal products.

DISCLAIMER

This report was produced at the request of the Cross-Border Community Resilience (CBCR) Activity implemented by Chemonics and ACDI/VOCA through funding from the United States Agency for International Development (USAID). The report was prepared independently by Kasmodev. The views expressed in this report do not necessarily reflect the views of the USAID or the United States Government.



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FOREWORD

This labor market assessment (LMA) explores the existing and potential economic opportunities in the Mandera cluster. Within this context, the LMA reviews the main labor and wage employment sectors across the cluster, identifies the key sectors of growth and potential, the available skills and skills in demand by the labor market, and the formal and informal barriers in the labor market, participation for various groups of people (especially women, youth and traditionally marginalized groups). Further, the LMA analyses of the major value chains and the potential for private sector development in the Mandera cluster.

While agro-pastoralism continues to be the dominant labor sector among the cross-border communities in the Mandera cluster, the impacts of climate change have placed considerable constraints on this source of livelihood. Hence, there are recent shifts towards other forms of labor and wage employment in the cluster (such as agriculture, small-scale businesses, formal employment, etc), albeit with considerable levels of gender disparities, skills mismatch and lack of adequate opportunities (inn business, self-employment, etc). These are some of the issues that the CBCR Activity will have to deal with in the Mandera cluster, in addition to low levels of development in the value chains and the cooperative sector.

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CONTENTS

FOREWORD	i
ACKNOWLEDGMENTS	iii
ACRONYMS	iv
EXECUTIVE SUMMARY	vi
1. INTRODUCTION	1
1.1. Contextual Background	1
1.2. RESEARCH QUESTIONS.....	3
1.3. GEOGRAPHICAL SCOPE	4
2. METHODOLOGY	6
2.1. REVIEW OF EXISTING DATA	6
2.2. PRIMARY DATA COLLECTION APPROACHES	7
2.3. LIMITATIONS TO THE STUDY	7
3. FINDINGS.....	9
3.1. GENERAL RESPONDENT CHARACTERISTICS.....	9
3.2. MAIN LABOR SECTORS	9
3.3. BUSINESS AND SELF-EMPLOYMENT IN THE MANDERA TRIANGLE.....	11
3.4. LABOR SECTOR EMPLOYMENT	17
3.5. LIVESTOCK KEEPING	22
4. CONCLUSIONS AND RECOMMENDATIONS	39
RECOMMENDATIONS	40
<i>POLICY RECOMMENDATIONS</i>	42
5. KEY AREAS OF PROGRAMMING/ POTENTIAL ACTIVITIES	44

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ACRONYMS

AMISOM	African Union Mission to Somalia
BORESHA	Building Opportunities for Resilience in the Horn of Africa
CBCR	Cross-Border Community Resilience
CIDP	County Integrated Development Plan
Coopi	Cooperazione Internazionale
DRC	Danish Refugee Council
FEWSNET	Famine Early Warning Systems Network
FGD	Focus Group Discussion
FSNAU	Food Security and Nutrition Analysis Unit
IBLI	Index-Based Livestock Insurance
GDP	Gross Domestic Product
ICT	Information and communications technology
IDDRSI	IGAD Drought Disaster Resilience and Sustainability Initiative
IGAD	Inter-Governmental Authority on Development
ILRI	International Livestock Research Institute
ILO	International Labor Organization
IMF	International Monetary Fund
IT	Information Technology
KDF	Kenya Defense Forces
KII	Key Informant Interviews
KLIP	Kenya Livestock Insurance Program
KPHC	Kenya Population and Housing Census
LMA	Labor Market Assessment
NCIC	National Cohesion and Integration Commission
NRM	Natural Resource Management
SME	Small and Medium Enterprise
SWALIM	Somalia Water and Land Information management
SomRep	Somalia Resilience Program
TVET	Technical and Vocational Education and Training

LIST OF FIGURES AND TABLES

Figure 1: Respondent Displacement status	11
Figure 3: Business Type	13
Figure 4: Market chain analysis. Source VQ internal analysis	14
Figure 5: Length in Business vs existence of similar business venture	15
Figure 6: Sectors of formal employment	19
Figure 7: Mode of finding new employees	20
Figure 8: Skills requirements for female employees	21
Figure 9 Livestock Trade Routes in the Horn of Africa (Kenya, Somalia, and Ethiopia)	24
Figure 10: Shocks experienced in the last six months	25
Figure 10: Pastoralist that sought financing vs % that received the financing	27
Figure 11: Challenges facing livestock producers	30
Figure 12: Crops with highest demand	32
Figure 13: Average Annual Crop Income	33
Figure 14: Extension services provided	34
Figure 15: Community Social Safety nets	35
Figure 16: Sources of loans	38
Figure 17: CBCR Indicator table	41
Figure 18: Key Drivers of SME Growth and productivity. Source: Ben Baruch (ACCA)	43
Table 1: Challenges facing the business sector	18
Table 2: Sector likely to employ in the future	23
Table 3: Current versus past prices of livestock	28
Table 4: Challenges facing farmers/reasons for farming	30

EXECUTIVE SUMMARY

This report provides an assessment of the labor market in the Mandera cluster, which consists of the borderlands of Kenya, Somalia, and Ethiopia. Specifically, the report assesses the existing and potential economic opportunities in the labor market, reviews the main labor and wage employment sectors, identifies the key sectors of growth and potential, the available skills and those in demand by the labor market, and the formal and informal barriers in labor market participation for various groups of people (especially women, youth, and traditionally marginalized groups). The report also analyzes the major value chains and the potential for private sector development in the Mandera cross-border cluster.

The study adopted a cross-sectional design with data collected from crop and livestock producers, traders, youth, local authorities' line ministries, humanitarian agency representatives, and displaced persons. Using a mixed methods approach, the assessment was conducted through a series of literature reviews and primary assessments with community members. A total of 46 key informant interviews (KIIs) and 22 focus group discussions (FGDs) were conducted to derive the qualitative data, while the survey sampled a total of 670 respondents selected from across the triangle. The consultant reviewed existing empirical data to understand the labor market landscape, factors that influence the sector, and opportunities that exist in the labor market. Among those interviewed, 47.2 percent (316) were male and 52.8 percent (354) were female. The age group interviewed ranged from 18 to 75 years of age, with the average age being 37 years. The average household size was 6.5 members. Other characteristics represented were disability at 10.8 percent, internally displaced persons (IDPs) at 8.7 percent, and refugees as 2.5 percent of the respondents.

The main labor sectors identified were employment (the professional and non-professional skill sectors) (34.5 percent of the population surveyed), pastoralism (28.3 percent), business and service delivery (26.7 percent), and agriculture (12.2 percent). Fifty percent of business owners were running wholesale and retail shops. Other popular businesses identified included the microservices (e.g., hairdressing, tailoring, barber shops, self-employment, the *jua kali* sector) at 14.6 percent, agribusinesses at 8.8 percent, and livestock trade at 5.3 percent. Only 2.3 percent and 0.6 percent reported investments in information and technology (IT)/ tele-communication and electricity, and gas and water supply, respectively.

Mandera town emerged as a critical hub in goods and service delivery within the triangle, receiving and supplying goods and services to the rest of the triangle and beyond. The interviews revealed that communities leaned towards skills that would improve their business acumen. Overall, wholesale/ retail business skills (60.9 percent), and microservices/self-employment (50.8 percent) were considered as skills for the future. The findings were the same across age groups. There was no difference among age categories who answered that wholesale/retail business skills are considered as skills in the future ($P=0.342$) and those who stated microservice/self-employment ($P=0.654$).

Men dominate the labor market at 51.4 percent, while women make 48 percent of market actors. However, within the different categories of labor market, in most cases, there was a difference in men and women, though not significant. Some of the key significant differences are as follows:

- In general, significantly more men were employed ($P=0.000$) than women.
- Under the business category, more women were in agribusiness, wholesale, and microservices, while men dominated the other sectors.
- Men had operated businesses for a longer time than women.

- Women paid young women employees better, with an average of \$116.6, compared to \$97.08 paid by men. However, men paid young male employees better at an average of \$147.39, compared with \$113.10 paid by women.

The local communities, humanitarian actors, and the government were considered as critical players in the labor market. The humanitarian community was perceived as leading in absorbing educated youth into the job sector followed by the government.

Secondary data showed clan politics played a critical role in the labor market by influencing political decisions, employment, and awarding of tenders.

The labor force was largely between the ages of 26-30 years. Ninety-four percent of workers are under the age of 40. Only 19 percent of the business owners reported having absorbed new workers in the last six months. The work opportunities were mainly casual - linked to manual labor within business premises. This was in contrast with the formal and government sector where respondents reported a lack of employment opportunities. There was generally a shift from white collar to self-employment within the business sector. The focus of business (wholesale and retail) is mainly within consumable goods and services that support livestock and agriculture production.

The study established that current graduates have professional and technical skills but lack the required adaptation for the market. For example, some youth either have degrees not relevant to the market or lack the experience that is required in the job sector. Most employers preferred soft skills over technical qualifications as these were deemed as better supporting self-reliance. Observations from key informants revealed that the formal education system equipped professional graduates for formal employment, while the market demanded skills adapted to creating the employment instead. At least 70.4 percent of employers wanted someone who can speak the local language and has communication skills. Another 60.3 percent of employers preferred the capacity to work as a team as one of the skills required to employ women. Understanding of the job sector (technical competence) came a distant third with 31.3 percent and general education taking 24.6 percent of the responses. The skills required for men were like those for women. However, given that the readily available jobs were manual and labor intensive and in wholesale/retail, men were preferred over women. The research team observed that a combination of technical skills and soft market adapted skills will be required both now and in the future.

The skills considered to have the highest demand for the future were marketing (84.4 percent); the ability to speak the local language (42.5 percent); financial management skills (40.2 percent); and basic literacy (35.2 percent). Wholesale/retail business skills (60.9 percent) and microservices/self-employment (50.8 percent) were considered as the skills sectors for the future. Education featured strongly as a skill for the future in Somalia (47.7 percent) and Ethiopia (39.4 percent). KIIs reported that the processing and artisan industry was a gap that could generate employment.

Gender and the lack of soft skills were found to be major barriers to accessing work. Within the employment sector, men had higher chances of getting jobs compared to women (ratio of 3:2) and women faced harder working conditions. Out of the employees interviewed, 79.3 percent reported that women employees did not have maternity leave protection, 76.5 percent of the employers did not provide breastfeeding facilities and most toilets were not gender disaggregated, hence not friendly to women employees. On contracting terms, 21.8 percent reported biased terms of service against women. These included lack of contracts or casual arrangements with no job security. Other challenges

identified included high tariffs, stiff competition, lack of financing services (43 percent), availability of labor (31.1 percent), lack of raw materials (30.2 percent), low purchasing power by the community (26.3 percent), among others.

The lack of road infrastructure and physical spaces for local industries, popularly known as *jua kali*, also featured as some of the barriers to markets and employment creation. Chronic drought and insecurity were identified as major shocks affecting crop and livestock producers. In crop income, male respondents earned significantly higher average crop sales (\$287.42) compared to females (\$153.59).

It was established that there were opportunities for capacity enhancement despite them being limited. At least 25 percent of the traders reported participating in skills enhancement training. The main training providers were the government (53.8 percent), NGOs (19.2 percent), private actors (11.5 percent), religious groups (3.8 percent), and online courses and friends (11.5 percent). One of the private actors that had conducted open training was Equity Bank. Financing remained extremely limited but desired. Hitherto, the limited opportunities in technical training were mainly provided by humanitarian agencies and the Government of Kenya.

This study's validation workshop pointed to Mandera Training Institute, which offers technical courses such as mechanical engineering, dress making, hairdressing, among other skills. The institute admits students from across the triangle, and offers an opportunity for needs-based training.

On cooperatives and micro, small and medium enterprises (MSMEs), the study established the presence of various associations among producers and traders such as village savings and loans associations (VSLAs), farmer producer groups, natural resource management associations, matatu associations, traders' associations etc. On the Kenyan side of the Mandera triangle, it was established that some of the associations were well established, legally registered, and with bank accounts. It was also established that 270 cooperatives which have since become redundant could be revived for greater impact. In Somalia and Ethiopia, most of the associations were driven by humanitarian agencies.

The major changes and shifts in the labor market, as gathered through FGDs and KIIs, showed that three key factors that have affected and are changing the labor market. The first factor was the push to get into productive work for fresh graduates and school-leaving youth. Under this category, it was reported that the youth were looking for opportunities to earn income and were willing to set up new enterprises as well as turn existing enterprises into profitable opportunities. The second factor was the increasing investments by humanitarian organizations, government, and international agencies in resilience activities and support to combat climate change. As a result, more people are turning traditional labor sectors into profitable ventures. The third and final observation in the shifts in the labor markets was the drop-out from traditional livestock keeping and embracing trade as a lifestyle and source of income. Within this sphere, it was observed that there was the birth of investment in the various market chains, including in transport, and in technical skills such as mechanics and driving, and financial literacy and services.

RECOMMENDATIONS: The Mandera triangle labor market is driven primarily by the business sector. It is, therefore, important to train actors in financial literacy, business management, and marketing. It is recommended that the CBCR Activity and partners tap on vocational training, which can increase opportunities for self-employment, the processing industry (including leather, artisanal, construction), and the micro services industry. The CBCR Activity could also influence the governments to set apart spaces for small-scale industries and provide tax incentives to innovators and industrialists who take up

processing and new businesses. Humanitarian agencies and governments in the area should consider financial inclusion programs to provide capital for the growing business environment. The financial inclusion programs should conduct thorough business feasibilities to avoid saturation in the market.

Producers should consider enhancing extension services. Respondents recommended infrastructure development as primary to business growth. Lessons from the survey show that early warning and appropriate mitigation measures could save livestock from impacts of cyclic diseases and other shocks and increase productivity. Farmers could be engaged in mitigative measures aimed at protecting their crops and livestock. Generally, greater investments on the Ethiopian side of the triangle should be considered, with a focus on crop protection, gender inclusion, and financing. Social safety nets across the triangle should be enhanced to protect farmers and traders from severe impacts of shocks as a timely intervention.

The CBCR Activity should advocate for partnerships between government and private investors, and encourage investments in innovative businesses, diversified portfolios, and opportunities complementary to existing businesses. For instance, it was observed that there was a preference for food-linked wholesale and business enterprises. On the Ethiopian side, diversification to capture value addition of local produce such as maize milling and leather processing and linked investments in the value chain may boost local production and support job creation. Further partnerships with potential employers could also promote the concept of apprenticeship and mentorship. At policy level, the CBCR Activity should consider advocating for job security for women, including maternity protection, and incentives for private investors. The target for this advocacy is the government (regional/county and national/federal) and businessmen, who are major sources of employment in the area.

1. INTRODUCTION

Labor Market Assessment focused on labor markets in the Mandera cluster. The cluster is characterized by a nearly homogenous population scattered over the vast Somali speaking area. The area is underdeveloped with limited physical infrastructure, such as roads, electricity, water, and sewerage. The main economic features in the cross-border cluster include pastoralism, agropastoral livelihoods, and trade across the region and beyond.

This assessment is based on Deliverable 2 of the CBCR Activity where technical assessments are conducted to understand context-specific priorities. It lays the foundation for co-creation activities in which the stakeholders establish the challenges and needs within the labor market and set resilience goals that will be pursued in the next phase of the activity.

To assess existing and potential economic opportunities in the labor market, the assessment reviewed the main labor and wage employment sectors, identified the key sectors of growth and potential, the available skills and skills in demand by the labor market, and the formal and informal barriers in labor market participation for various groups of people (especially women, youth, and traditionally marginalized groups). The study also analyzed the major value chains and the potential for private sector development in the Mandera cluster.

1.1. Contextual Background

The Kenya-Somalia-Ethiopia border has long been prone to recurrent external shocks, humanitarian disasters, poor economic conditions, chronic underdevelopment, and the resultant aggravation of extreme poverty by all these factors. Frequent disruptions in the peace of the region, whether in part or whole, have had serious implications in the attraction of major investors.

There is a free border between the three countries, and no visa barriers between Kenya and Ethiopia. While the Kenya and Somalia side of the cross-border has visa requirements, there is no enforcement of the requirements among the local communities. The Kenya-Somalia-Ethiopia border as prone to fragility, recurrent external shocks and humanitarian disasters, poor economic conditions, chronic underdevelopment, and the aggravation of extreme poverty¹. There are tariffs charged on goods and services across the triangle but they are not harmonized. The tariffs across the area are a barrier to business development.

Clan and dialect affiliations have strong influences on political decision-making. The main Somali clans in Kenya include the Garre, Murulle, Ogaden, Ajuran, Harti, and Degodia. As the dominant clan in Mandera County, the Garre have dominated the county's elective positions since the promulgation of the constitution in 2010. The devolution of governance has further intensified competition for political positions and has strongly shaped the political outcomes on the Kenyan side of the triangle.

¹ Hangman, T. (2005). Beyond clannishness and colonialism: understanding political disorder in Ethiopia's Somali Region, 1991-2004. *Journal of Modern African Studies* 43(4), 509-36. <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.626.928&rep=rep1&type=pdf>

Social cohesion is strong within the sub-clan but there is tendency to exclude those that are from “outside”. The National Cohesion and Integration Commission (NCIC) and Interpeace² argue that although the population of Mandera is homogenously ethnic Somali, conflict between the various Somali clans has often led to internecine violence. The conflicts, traditionally fueled by competition over resources, have been exacerbated by new trigger factors such as competition between clans for political influence, disputes over land, and constant attacks by Al-Shabaab militants from Somalia. The contestation over political posts has emerged as a critical point of concern for residents in Mandera as well as those in the neighboring Juba and Gedo states of Somalia, and has often caused concerns over the security of key actors within the contestation.

The Darood, Hawiye, and Dir are clans inhabiting the other side of Somalia border while the Ogaden sub-clan is spread between Ethiopia and Somalia. Historically, even within the Darood, the three main sub-clans, namely the Ogaden, Marehan, and Harti, do not have a history of peaceful coexistence³. This implies that representation, shared governance, and coexistence among the many clans are vital for the sustainability of the local administration and its contribution towards federalism in Somalia⁴.

While the Ethiopian side seems politically calm and stable, there is a picture of political disorder characterized by political domination, institutional instability, and patronage relation by the Federal government over the Somali region⁵.

Violent extremism and radicalization are rampant in the Mandera triangle and fringe neighborhoods and have affected the peace and security of these areas. Penetration of the Al-Shabaab has created instability in the region and formed alternative governance on the Somalia side of the Mandera cluster. Kenya and Ethiopia previously created buffer zones through direct military presence and the 2012 Intergovernmental Authority for Development’s (IGAD) Grand Stabilization Plan for South Central Somalia, which sought to establish the rule of law, local administration, and promote reconciliation⁶.

The key factors that contribute to the insecurity and lack of peace within the triangle are as follows⁷:

- lack of sustainable social reconciliation processes
- weakened capacities of local peace actors
- manipulation of clan identities and stereotypes
- easy mobilization for violent conflict and the challenge of demobilization
- weakened influence of community elders
- population transfer and the “expansionist” vs. “expansionist” perceptions
- nepotism and favoritism along clan lines (including in the job market)

² Reliefweb. (2013). Tensions over the Jubaland process in Somalia could embolden Al-Shabaab. <https://reliefweb.int/report/somalia/tensions-over-jubaland-process-somalia-could-embolden-al-shabaab>

³ NCIC and Interpeace, supra n 2.

⁴ Botha, A., & Abdile. M. (2014). Radicalization and al-Shabaab recruitment in Somalia. <https://gsdrc.org/document-library/radicalisation-and-al-shabaab-recruitment-in-somalia/>

⁵ XLS Form is a form standard created to help simplify the authoring of forms in Excel.

⁶ MOKatch, M., King’oro, S., Otieno, J. Kabiru, M., Mulu, N., & Shitukhu, C. (2022). *Towards a violence-free 2022 elections: Conflict hotspot mapping for Kenya*. National Cohesion Integration Committee (NCIC). https://cohesion.or.ke/images/docs/downloads/hotspot_mapping_ncic.pdf

⁷ Republic of Kenya. (2019). *Kenya Population and Housing census*. <https://housingfinanceafrica.org/documents/2019-kenya-population-and-housing-census-reports/#:~:text=The%20first%20volume%20of%20the,average%20household%20size%20is%203.9.>

The newer challenge of ideological influencing adopted by the Al-Shabaab remains a painful sore in the flesh within the triangle. Studies show that economic circumstances have been a prominent reason for joining the Al-Shabaab while other reasons included finding a sense of belonging and responsibility⁸. Thus, while there seems to be a raft of explanations why the youth may join Al-Shabaab, there seems to be no clear way out based on the data reviewed. Engagement of the youth in productive economic activities is seen as a clear pathway to peace and stability in the region.

1.2. RESEARCH QUESTIONS

Following the inception phase of the research, the research team categorized the guiding question and linked the same to the various objectives of the CBCR Activity as shown in the table below.

Assessment area of focus and indicator	Broad key assessment questions
<p>I. Community livelihood and food security opportunities within the Mandera triangle are assessed and documented.</p> <p>Indicator number 12,13, 14</p>	<ul style="list-style-type: none"> ● What are the main sources of livelihood in the area? ● Do you have a secondary source of livelihood (other investments, support from government, humanitarian agencies, relatives, or diaspora)? ● What was the production like in the most recent season? ● Are you able to have surplus for sale? ● Are you making any form of savings? ● How many meals per day is your family able to access? ● Do you have any other source of livelihood apart from the one stated above? ● What are some of the livelihood opportunities do you think you can explore?
<p>Social safety nets through which community livelihoods are established, strengthened, and protected/cushioned are established. Indicator number 12</p> <p>Indicator 13, Indicator 14, 16</p>	<ul style="list-style-type: none"> ● Have you received any social support (cash-for-work, non-conditional cash support, seeds and tools, inputs or other cash assistance within the last six months)? ● Who gave you the support? ● Were you able to use this support to boost your livelihood source? ● What other support have you received to strengthen your source of livelihood? ● How has this support increased your income/food security?
<p>II. Established market chain analysis to establish the extent to which market opportunities have been utilized, existing gaps, and barriers. Identify the various actors within</p>	<ul style="list-style-type: none"> ● What are the main sectors of labor and wage employment in the cross-border area (disaggregated by age and gender)? What are the formal and informal sectors of high demand (disaggregated by age and gender)? How has the labor market changed in recent years? What new opportunities are available, and which specific groups have benefited or stand to benefit from these new opportunities? ● What are the skills available in the market system and what skills are in high demand by the market?

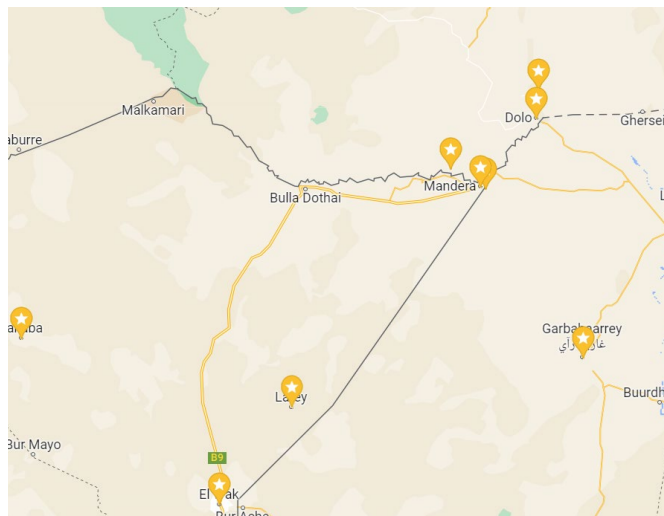
⁸ Government of Ethiopia. (2001). *Ethiopia demographic and health survey*. <https://www.statsethiopia.gov.et/wp-content/uploads/2019/06/Ethiopia-Demographic-Health-Survey-Report-Key-Findings-2016.pdf>

<p>the value chain and establish how those chains have been useful in promoting or hindering fair markets, business opportunities and participation of all.</p> <p>number 12 Indicator 13, Indicator 14, 15, 16</p>	<ul style="list-style-type: none"> ● What are the high potential growth sectors in the cross-border area? How do these differ by gender and age-related aspects? ● What are the formal and informal barriers for individuals/communities in accessing labor, wage employment, and entrepreneurial opportunities? What are the main constraints that individuals face (based on gender, educational status, social, economic, and others) in accessing wage employment? How do underlying inequalities (e.g., gender, social standing etc.) influence differentiated access to these opportunities? ● What opportunities exist in the cross-border area for training, access to finance, and other labor-related needs? Who provides these and who can access these? What are the related barriers and opportunities in accessing training, access to finance, entrepreneurship, and wage employment? ● What is the landscape of cooperatives and micro, small and medium enterprises (MSMEs)? What are the barriers faced by individuals (disaggregated by age and gender) in establishing MSMEs? What opportunities exist for the responsive and relevant promotion of MSMEs? ● What potential exists for engagement with the private sector in promoting inclusive economic opportunities in the area? ● How can intersectional, equitable, and transformative approaches harness the labor and economic potential available? ● How can public-private partnerships contribute to the livelihood and economic opportunities in the area?
<p>III. Identify internal and external triggers and barriers to a functional labor market and suggest ways to address the same.</p> <p>Indicator 15, 16</p>	<ul style="list-style-type: none"> ● Are there opportunities for loans accessible to you? ● How is the road and market infrastructure to the markets? ● How much time does it take to access your markets? ● Are there levies charged on your sales? How are these levies used to improve the market? ● How has the government supported the improvements in your incomes/markets/livelihoods in the last year? ● Are there extension services being offered to farmers? ● Are there any skill enhancement opportunities available to you and market actors? ● Any policies in place to support farmers/producers and traders to access better prices and or reduce losses?

1.3. GEOGRAPHICAL SCOPE

This study focused on Mandera County in Kenya; Dolo Ado, Dolo Bay, and Filtu areas in Ethiopia; and Beled Hawo, Dholow and Elwaq in Somalia. In Mandera County, the assessment covered the seven sub

Source: Google Maps



products around the Manderla cluster.

The key findings showed that Manderla town in Kenya is a critical trading hub that marks the shift in the labor sector from traditional pastoralism to trade and business. The hub serves the entire cluster and beyond, thus signaling opportunities for growth as a major economic hub in the Horn of Africa (HoA). The cluster is characterized by heavy importation of food, clothing, and electronics imports while it supplies the rest of the HoA and Middle East with livestock and meat. The balance of trade is tilted against the Manderla economy, creating a poverty gap where production and export do not meet the import demands. It is this change in the economic context that is influencing changes in the Manderla cluster's labor market, and it will influence areas of humanitarian intervention in resilience building.

counties namely, Kotulo, Manderla North, Manderla East, Central Manderla, Lafey, Banissa, Manderla South, and Luuq.

The assessment was undertaken at a time when the area was experiencing recurrent yet severely disruptive cycles of drought that heavily impacted on the labor market and the traditional mechanisms of production. Drought had driven livestock to the north of the Dolo Ado in Ethiopia, Dhusamareb in Somalia, and towards Wajir in Kenya as pastoralists sought better grazing conditions for their livestock. The impact of such movements was shortage of fresh milk and milk

2. METHODOLOGY

The study adopted a cross-sectional participatory design with data collected from pastoralists and farmers, traders, youth, and internally displaced people (IDPs). The research team used a mix of purposive and probability sampling to identify the sampling units. The non-probabilistic sampling involved the selection of individuals based on the target groups (employed, businesspeople, farmers, and livestock keepers) to form the first strata of the sampling methodology. In the second stage of the sampling, the groups were clustered according to their localities i.e., country and districts. The probabilistic method involved the selection of number of individuals for sampling per region based on probability proportionate to size. The final units were subjected to quantitative interviews on issuance of informed consent.



Focus group discussion among farmers in Rhamu Kenya. Photo Credit: VisionQuest consultants

2.1. REVIEW OF EXISTING DATA

A review of existing empirical data was conducted to understand the landscape of the Mandera triangle in view of the employment (formal and informal) sector, the factors that influence the sector, and opportunities that exist for all categories of labor market actors.

Data reviewed included economic and development data from the governments of Kenya, Somalia, and Ethiopia, particularly specific to the area of study, NGO reports and other publications from both academia and other research institutions. Different levels of literature availability were found across the three countries. Kenya has a high level of data across the triangle with details being broken down to the sub-county level and enjoyed most recent studies. Somalia, on the other hand, has scanty official data and lacks a consolidated repository on employment and labor statistics. In Ethiopia, data was available, but it is mainly at the regional level. The data provided critical snapshots of the labor market and has been triangulated with primary data as presented in the finding section of this report.

2.2. PRIMARY DATA COLLECTION APPROACHES

Primary data was collected from a cross-section of labor market actors right from producers, crop farmers and livestock keepers, traders, youth, and IDPs. The assessment purposefully identified members of the community with disability, women, and IDPs to establish the extent to which markets are inclusive and how the various outcomes affect such categories of people considered to be more vulnerable.

The tools used were designed to establish constraints, capabilities, and potential for expanding labor opportunities within a local market system.

The primary data deployed quantitative survey tools of focus group discussions (FGDs) and key informant interviews (KIIs) across the three countries. A total of 670 people were interviewed (308 in Kenya, 155 in Ethiopia, and 207 in Somalia) under the quantitative survey. A further 220 were targeted in gender segregated FGD interviews (10 FGDs in Kenya and six FGDs each in Somalia and Ethiopia). Seven KIIs with local business people, 22 KIIs with respondents representing different government support structures, eight KIIs with local political leaders, and nine KIIs with humanitarian actors were conducted.

Overall, 11 KIIs were from the Ethiopian side of the cluster, seven from Somalia, and 26 from the Kenyan side of the cluster. This included KIIs with regional officials from humanitarian agencies. The team then went on to interview key informants from different support structures that exist within the sampled locations. The aim of the interviews was to establish the type of support that exists to develop community members to engage meaningfully in the labor market sector. Further scrutiny was conducted to establish the extent these support structures were focused on developing an atmosphere where individuals could strengthen their capacity to engage in self-employment.

Data collection used the Kobo toolbox, an online form builder that was loaded with the survey tool in the form of xls⁹ document. The Kobo tool allowed offline data collection and could be synced as soon as the enumerators had access to internet services. Consequently, the consultants analyzed data as was uploaded and were able to provide feedback on a continuous basis through the data collection period. The CBCR Activity was also granted access to the data to review and provide feedback through the collection and analysis phase of the survey.

2.3. LIMITATIONS TO THE STUDY

The study took place during the 2022 Kenya general elections. The period preceding the elections was characterized by extensive human movements to registered polling stations, ahead of the elections. The Kenya election drew wide interest from the region, including in the triangle where hundreds of young people, some of whom were eligible to vote, hold dual nationality. Security reports within Kenya identified Mandera as having a moderate risk of election-related violence¹⁰ and, therefore, it was considered unsafe to engage enumerators during the period preceding the elections. Consequently, the assessment was delayed until the period after elections and vote tallying.

⁹ Boresha consortium, supra n 1.

¹⁰

Internet connectivity in Ethiopia was extremely weak resulting in delays in downloading of KOBO collect tool and data transmission. Therefore, the team had to split the training to accommodate those enumerators that had limitations in internet connectivity.

On secondary data, there is a general lack of comprehensive data on the target *woredas* and districts in both Ethiopia and Somalia, respectively. As such, data gathered from the field was relied on considerably to frame the analysis, with triangulation of data obtained from other humanitarian agencies, where applicable.

3. FINDINGS

This section presents the findings of the study giving analysis of the labor market analyzed and categorized by the livelihood sector. The report narrows down to the general labor characteristics of the respondents, then categorizes the business sector, employment sector, pastoral labor markets and income, crop markets, and financial services. The report further analyses the micro and small enterprises sector. It highlights the labor market operations, the constraints within each of the sectors mentioned herein, and opportunities for growth and development. The report goes further to give recommendations for strategic interventions and policy engagements. The analysis was done both by country and gender, and its presentation is based on the most significant observations by gender or country.

3.1. GENERAL RESPONDENT CHARACTERISTICS

The study covered 670 respondents where 47.2 percent (316) were male, and 52.8 percent (354) female. The age group interviewed ranged from 18 to 75 years of age, with the average age of respondents being 37 years. The average household size was 6.5. This is higher than the Kenya household population size which is estimated at 3.9¹¹, and 4.6¹² in Ethiopia. From the study, there were no major variations in household sizes across the triangle. Data captured showed that the average household was 6.4 in Ethiopia, 6.3 in Somalia, while Kenya recorded the highest household size with average of 6.6 members.

Among those interviewed, 72 of 670 were disabled. Somalia had the highest percentage of the disabled at 31 people (43 percent), followed by Kenya with 24 people (33 percent), and Ethiopia with 17 (24 percent) of the total disabled population interviewed. Among those interviewed, refugees represented 2.5 percent while IDPS were 8.7 percent. Most of the IDPs were domiciled in Somalia.

As shown in the figure below, 88.8 percent of the labor market are residents of the Mandera triangle. Figure 1 below shows the livelihood sources of the respondents as analyzed from the data obtained.

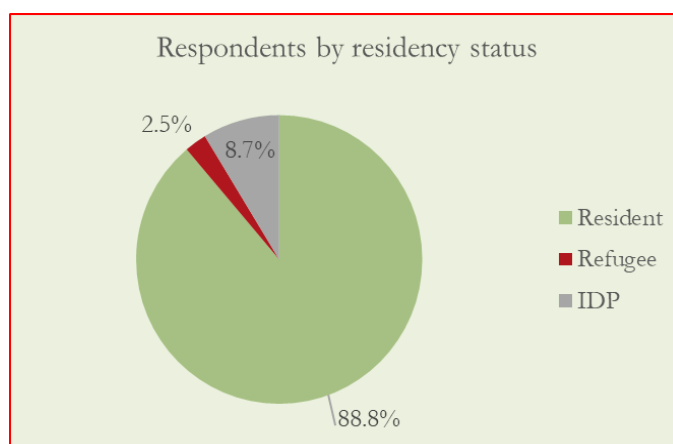


Figure 1: Respondent resident status

3.2. MAIN LABOR SECTORS

The main labor sectors in the triangle are employment (both formal and informal), pastoralism, business/trade, and agriculture. While pastoralism remains the main source of livelihood in the area,

¹¹ County Government of Mandera. (2017). Mandera County Integrated Development Plan, <https://mandera.go.ke/download/county-integrated-development-plan-2018-2022/>

¹² Ibid

this study established that the youth are increasingly seeking alternative employment, whether in the formal or informal sectors. As such, employment as a source of livelihood stood significantly high (35.4 percent) across the three countries compared to other sectors.

Following drought and the biting loss of livestock, many young people have offered themselves for cheap labor, especially along River Dawa and in marketplaces. There were some cash-for-work activities taking place in some of the areas during the period of assessment.

Those formally employed accounted for 23 percent of those interviewed (55 people) and those in informal employment accounted for 77 percent (182) of those interviewed. Formal employers consisted of the government, non-governmental organizations (NGOs), and banks. The graph below presents the sources of livelihood as reported across the triangle by country and gender.

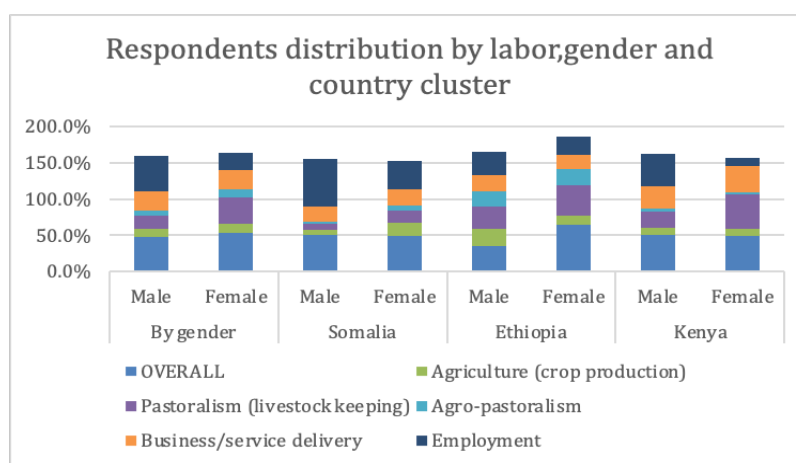


Figure 2: Market sectors (livelihoods)

On employment as a source of livelihood, the survey data showed skewed status in favor of men (48.7 percent) against women (23.5 percent). A further distinction linked to the time of the study was on pastoralism as a source of income. According to the analysis, 18.7 percent of males reported ownership of livestock compared to 37 percent of women. As of the time of the study, there was a severe drought and most of the men had migrated with their livestock in search of better pastures. Most of the women that reported pastoralism as a main source of livelihood owned small stocks of shoats that are usually left behind for family needs.

The Mandera County labor force is estimated to be 36 percent according to the 2017 County Integrated Development Plan (CIDP). The formal employment rates across the three countries are as follows: Kenya - 3,990, Ethiopia - 5,183, and Somalia - 3,022.¹³ However, it was also observed that there are low employment rates across the area under investigation.

While other economic ventures are increasingly gaining prominence, pastoralism remains the main source of livelihood across the tri-border. For example, the Mandera CIDP estimated that the main economic activity in Mandera County is pastoralism, contributing 72 percent of total household income¹⁴. Cross-border trade, artisanal mining, beekeeping, and irrigation-aided agriculture are the

¹³ Boresha consortium, supra n 1.

¹⁴ International Labor Organization. (2020). Report on employment in Africa (Re-Africa): Tackling the youth employment challenge. https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/documents/publication/wcms_753300.pdf

other viable ventures¹⁵. The CIDP goes on to document that beekeeping is gaining popularity in most parts of the county, while irrigated subsistence agriculture is practiced along River Dawa.

3.3. BUSINESS AND SELF-EMPLOYMENT IN THE MANDERA TRIANGLE

Diversification of income opportunities has become a wide phenomenon in the Mandera triangle following chronic shocks that have greatly hindered reliance on traditional sources of income. The devolved governance system has been a major driver of economic development in Mandera County as devolved funds have increased business opportunities and turnover, especially in urban areas, contributing to rural-to-urban migration¹⁶.

Somalia is gradually becoming more peaceful, creating support systems for urban migration and alternative livelihoods. The presence of the Federal Government, African Union Mission to Somalia (AMISOM), and the Kenya Defence Forces (KDF) in the area were linked to active trade because of peace initiatives and the demand created in the opening markets. Many pastoralists have also moved to towns to seek alternative livelihoods after losing livestock because of droughts. In Ethiopia, the government has recently opened space for the urban private sector¹⁷. Peace efforts under IGAD and Kenyan mediation have been credited for increased business and opening of trade routes within the triangle according to the FGD and KII data obtained.

Data from KIIs and FGDs pointed to the fact that the Mandera triangle lacks investments and development that spur formal employment opportunities. However, emerging major traders have turned Mandera town into a business hub. Somali’s business acumen is seen in how they have made business-based livelihoods work for them and drives the region’s economy. The chart below shows the types of businesses that were sampled during the survey.

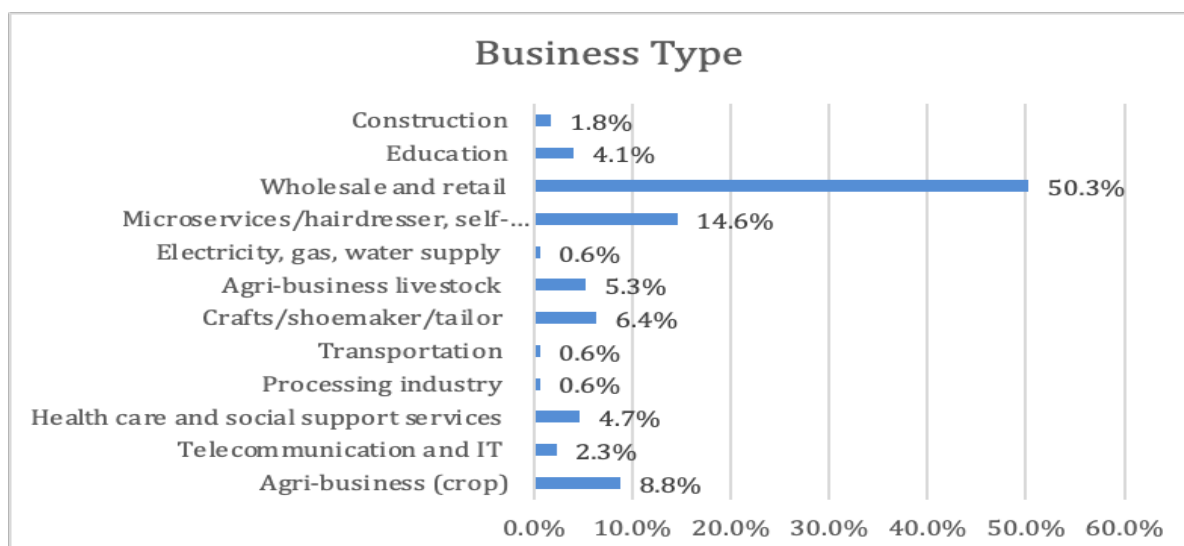


Figure 3: Business type

¹⁵ Ibid.

¹⁶ The World Bank. (2022). Somalia’s economy expected to grow despite significant shocks. <https://www.worldbank.org/en/news/press-release/2022/11/29/somalia-s-economy-expected-to-grow-despite-significant-shocks>

¹⁷ The World Bank. (2022). Kenya economic update (KEU). <https://www.worldbank.org/en/country/kenya/publication/kenya-economic-update-keu>

Fifty percent of those in business reported owning shops, either retail or wholesale. An additional 14.6 percent reported having microservices such as hairdressing and housekeeping, while 8.8 percent had agribusiness investments. The processing industry and transportation were the least reported, with 0.6 percent each.

3.3.1. MARKET VALUE CHAIN ANALYSIS

Mandera plays the vital role of being the capital of the triangle. It is the central business location supplying services and goods to the rest of the triangle and beyond. Somalia, on the other hand, is a major import market, bringing in dry cereal (rice and wheat products), canned milk, and oil. Kenya provides essential services in education, health care, and banking services, and also supplies the region with skilled workers.

While there was overwhelming evidence of movement of goods and services into Mandera town followed by redistribution into the periphery centers, there was little observed on value addition and processing within the hub and the triangle in general.

The humanitarian community provides a major job market for the youth. The youth across the cluster who have been educated in Kenya and in the English language are perceived to be better off in the market. The figure below represents the community view of the Mandera triangle labor and market chains.

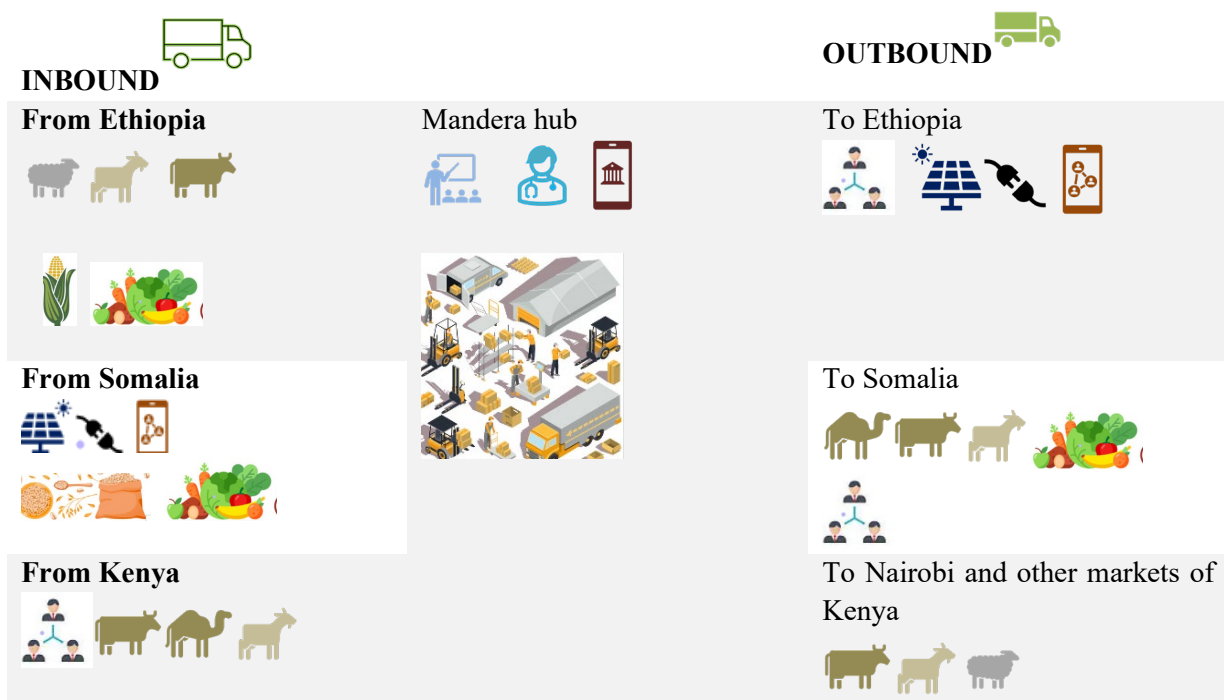


Figure 4: Market chain analysis
Source: Author's analysis

Decentralized governance in Kenya seems to have boosted the growth of the Mandera hub. According to key informants, the establishment of county and sub-county functions has resulted in the rapid growth of infrastructure, stable basic service provision, and support to the markets. As such, the place attracts local investors who have put up new housing and businesses both within the hub and at the county subheads.

3.3.2 MAIN ACTORS WITHIN THE LABOUR MARKET

According to the survey, men dominate the labor market at 51.4 percent of the respondents while women make 48 percent of market actors. In Somalia, however, women make up 60.6 percent of labor market actors and men make up 39.4 percent. In the Ethiopian and Kenyan sides of the cluster, women are 40.9 percent and 48 percent of the market actors, respectively. Men make up 52.1 percent and 52 percent in Ethiopia and Kenya, respectively. The main stakeholders were local citizens (74.9 percent) followed by local citizens (48 percent). The government and the local council formed 19.6 percent and 17.8 percent of the labor market actors, respectively.

The local community, humanitarian community, and the government are considered critical players in the labor market. The humanitarian community is perceived as absorbing educated youth into the job sector, followed by the government. Youth that have been educated in Kenya sought jobs within the humanitarian community in Somalia, Ethiopia, and Kenya. Education is perceived as giving an edge in formal employment. Secondary data showed clan politics plays a critical role in the labor market by influencing political decisions, employment, and awarding of tenders. KII data showed that the heavy clan influence in political representation is rewarded by business contracts and thus government processes are not competitive but negotiated.

According to the assessment, 99.4 percent of all the businesses in the study are owned by locals. There was evidence of growth, with a total of 24 percent of business owners who were interviewed having started their trade in the last 12 months. A substantial 24 percent of the business owners had been in business for more than four years.

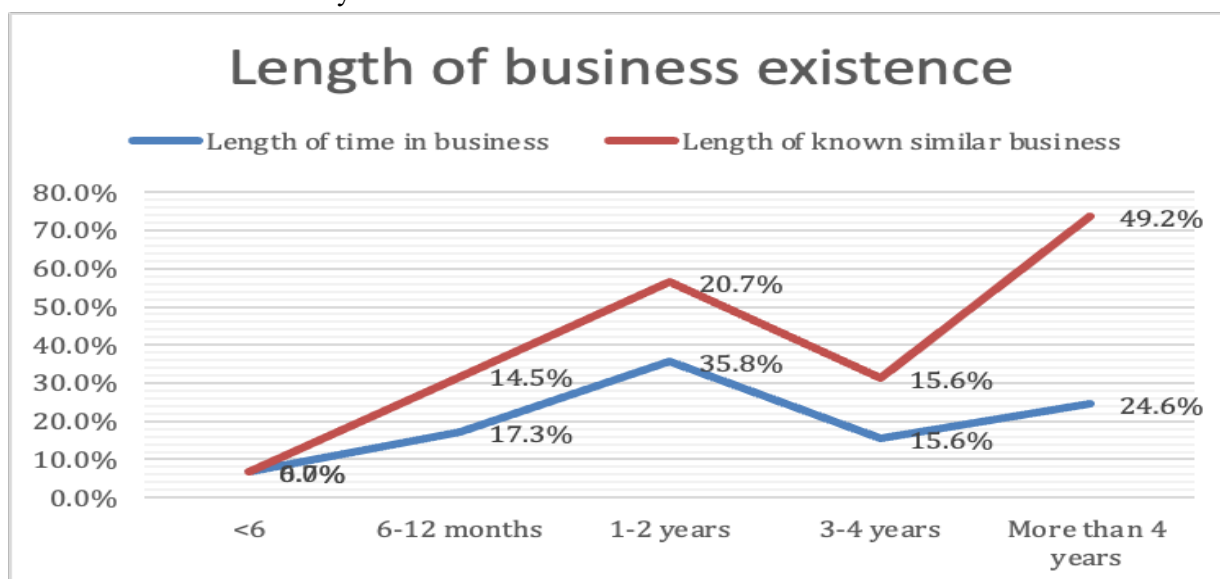


Figure 5: Length in business vs. existence of similar business venture

Engagement in business remains a crucial source of livelihood as job creation in the white and blue-collar industries continues to be limited across the triangle. All the respondents in business had observed

a similar business in the market that was slightly older than theirs. Over 49 percent of respondents in business reported that there were businesses like theirs that had existed in the market for more than five years. There was no significant difference in the age of a business between those owned by men or women.

Moreover, people started businesses that they have seen work in the area, and this applied to both men and women. While this is good, there is room for innovation and pioneering of new business ideas that can work if they are informed by a needs and feasibility analysis. The lack of innovation and diversified business ideas may lead to market saturation over the course of time.

Business owners reported that most of their customers (83.2 percent) are from the local community. An additional 44.7 percent of buyers were smaller businessmen and traders. In other words, the markets fed other tributary shops/ businesses within the triangle and neighboring regions.

The research team sought to establish whether those owning business had changed their business type over the last six months. The purpose of this information was to establish the dynamics and challenges within the sector. It was observed that 91.1 percent of business owners remained in the same business sector while 8.9 percent had changed business sectors. For those that changed their business sector, 50 percent went into agribusiness while the other 50 percent reported diversifying into livestock trade. The main reason for change of business was reported to be failure of the previous business endeavor (75 percent).

Agribusiness (both livestock and crops) was seen as an in-demand sector due to the ongoing drought triggering higher demand for farm products. According to KIIs and market observations, investment in farm products during the period of assessment was a viable option as demand outweighed supply.

3.3.3 BUSINESS LABOUR FORCE

According to the International Labor Organization (ILO), the African labor force is young and growing rapidly¹⁸. In 2020, young people aged 15–24 years comprised under a quarter (23.6 per cent) of the world's working-age population¹⁹. While the data from ILO covered a wider study population, it mirrored the situation in the Mandera triangle.

Overall, 94 percent of workers were reportedly under the age of 40 years. Findings from the study showed that most workers in the business sector were between the ages of 26-30 years. The age characteristics are remarkably similar across the triangle, but only Kenya reported workers above the age of 56 years and above.

On opportunities for employment over the previous six months, 19 percent of the business owners reported that they employed new workers within their premises. Eighty-one percent of respondents did not employ anyone in the preceding six months. The main reason advanced for not hiring was low business returns and, therefore, inability to sustainably pay extra staff. For those business owners who had employed within the last six months, 64.7 percent had employed 1-2 new workers, while 32 percent had employed between 3-10 men in their businesses. A relatively smaller number (44.1 percent) had

¹⁸ The World Bank. (2022). *GDP growth (annual %)*. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

¹⁹ International Labor Organization, supra n 18.

employed women. Overall, 33 men were reportedly employed over the last six months compared to 22 women. The analysis showed that men had higher chances of getting employed compared to women.

Secondary data revealed that Somalia²⁰, Kenya²¹, and Ethiopia²² reported robust economic growth except for when the COVID-19 decimated the tangent. Despite the sustained growth between 2016-2020, which was widely observed in Africa, per capita growth has been subdued and the number of jobs created are insufficient to absorb the fast-growing labor force²³. Across Africa, there is economic growth- employment parity. For example, from 2000-2014, a 1 percent increase in GDP was associated with only a 0.41 percent increase in employment, meaning that the employment elasticity of the current economic growth is too low to create a meaningful number of jobs²⁴. This is critical in understanding the labor market in the Mandera triangle and on a wider scale. Self-employment remains critical in the face of rigid white-collar opportunities.

3.3.4. BUSINESS INCOME

There is a significant difference in monthly sales ($P=0.00$) among countries, with Kenya earning the highest on average at US\$ 248.26, followed by Somalia at US\$ 237.5, and Ethiopia at US\$ 103.36. In general, there were no significant ($P=0.00$) differences in average monthly sales among men (\$215.42) and women (\$221.91).

Disabled respondents earned less on average monthly sales (\$158.45) compared to those with no disabilities (\$223.63). However, this difference was not significant ($P=0.299$).

3.3.5. TRADERS' ASSOCIATIONS

Qualitative data showed that there are traders' associations across all areas of the study. In Kenya, the associations were well established and registered, with some having bank accounts. These associations include livestock traders' groups, and *jua kali* and *matatu* associations. Mandera County has 270 registered cooperatives that, over time, have become redundant.

The cluster lacks a zoned space that could support the growth of smallholder industries. The lack of organized and functional cooperatives in various sectors has resulted in the loss of the collective voice and bargaining power of SME actors. In both Somalia and Ethiopia, most of the associations had been initiated by humanitarian agencies in the form of village savings and loans associations (VSLAs), famer field schools, natural resources management associations, as well as trader associations.

Some of the VSLAs across the triangle were spontaneously formed entities that served social and financial purposes. They contribute money to members when they are going through difficult times and participate in occasions such as weddings, making them critical for social cohesion. Respondents felt

²⁰ Ibid

²¹ Rouleau, M, Coletti, M, Bassett, J, Atesmachew B, Gulden, and William G. (2009). Conflict in Complex Socio-Natural Systems: Using Agent-Based Modeling to Understand the Behavioral Roots of Social Unrest within the Mandera Triangle, <http://mars.gmu.edu/handle/1920/8744>

²² Ibid

²³ Little, D. Peter (2015). Unofficial Cross-Border Trade in Eastern Africa. https://www.researchgate.net/figure/Livestock-Trade-Routes-in-the-Horn-of-Africa-Kenya-Somalia-and-Ethiopia_fig2_255573660

²⁴ FEWSNET. (2022). *A multi-agency drought alert*. https://fews.net/sites/default/files/Multi-Agency%20Drought%20Alert%2030%20May%202022%20FINAL%20%281%29.pdf?utm_source=SWALIM+Mailing+List&utm_campaign=db4aec91e0-Somalia_Rainfall_Forecast_13_11_2017_COPY_01&utm_medium=email&utm_term=0_24f1202523-db4aec91e0-57683769

that the groups gave individual members collective bargaining power hence protecting the individual as well as the groups.

3.3.6. CHALLENGES FACING THE BUSINESSES

Challenges affecting potential businesses varied widely depending on the country. The lack of skilled labor force (45.5 percent), lack of raw materials (36.4 percent), lack of tools and equipment (30.3 percent), and low purchasing power of the communities (33.3 percent) were major challenges in Ethiopia. In Somalia, the biggest challenges were lack of financial services (45.5 percent) and lack of raw material (34.1 percent). Kenya reported lack of financial services as the greatest challenge (46.1 percent), followed by a lack of skilled labor (43.1 percent), business competition (29.4 percent) and poor weather conditions and high costs of labor (27.5 percent each).

Limited availability of raw materials and access to financial services were among the cross-cutting challenges faced by all the countries in the cluster. The table below presents various challenges with key challenges per country highlighted.

Challenge	#	Average	Somalia	Ethiopia	Kenya
Access to technology	31	17.30%	20.50%	30.30%	11.80%
Appropriate skilled labor force	47	26.30%	22.70%	45.50%	21.60%
Availability of labor	56	31.30%	20.50%	9.10%	43.10%
Availability of raw materials	54	30.20%	34.10%	36.40%	26.50%
Availability of tools/equipment	31	17.30%	22.70%	30.30%	10.80%
Availability of seeds for farm inputs	8	4.50%	0.00%	18.20%	2.00%
Poor weather conditions	43	24.00%	20.50%	18.20%	27.50%
Financial services	77	43.00%	45.50%	30.30%	46.10%
Labor costs	40	22.40%	25.00%	3.00%	27.50%
The low purchasing power of community	47	26.30%	22.70%	33.30%	25.50%
Operating costs	19	10.60%	4.50%	6.10%	14.70%
Inadequate infrastructure	24	13.40%	11.40%	21.20%	11.80%
Security concerns	17	9.50%	11.40%	0.00%	11.80%
Competition	35	19.60%	6.80%	6.10%	29.40%
Market information	21	11.70%	9.10%	21.20%	9.80%
Other (gender, debts)	2	1.10%	2.30%	0.00%	1.00%

Table 1: Challenges facing the business sector

Additional challenges identified by key informants included high taxes and financial market instability. As a regional hub, Mandera conducts trade in several currencies including the U.S. dollar, Kenya shilling, and Ethiopian birr. Though the Somalia shilling may be accepted by some traders, it was observed that it is not commonly used except within Somalia. The lack of access to financial services

has led to mushrooming of unlicensed forex exchange services that remain largely self-regulated. Even though this was not seen as a major challenge, key informants felt that it created a loophole for money laundering and, therefore, needed to be regulated.

3.4. LABOR SECTOR EMPLOYMENT

A close examination of the employment environment, both within the business environment and formal employment opportunities showed that most employees (79.3 percent) did not have access to maternity protection. 23.5 percent of the employers provided breastfeeding facilities for working mothers. Employers interviewed reported that they were looking forward to employing new workers in the next six months.

According to the FGDs and KIIs, the informal employment sector is unregulated and lacks appropriate benefits for women. The reason is because providing such benefits includes costs that impact the profitability of the business. Therefore, employers in informal sectors opt not to explore opportunities to support female employment and retention. However, 81 percent of the respondents indicated that they would consider women for future positions.

Employers on the Ethiopian side of the triangle were more willing to hire women (90.9 percent) compared to Kenya (61.5 percent) and Somalia (67.7 percent). When probed further, employers reported that the nature of jobs would determine the gender employed. For example, heavy, manual jobs were more likely to be occupied by men while service jobs requiring less energy would be given to women.

3.4.1. FORMAL AND INFORMAL EMPLOYMENT SECTORS

The formal employment sector represented only 23 percent of those that reported being in a formal workplace with a contract, clear terms of reference, and associated benefits within the labor law. Of 237 people that reported being employed, 182 worked in the informal sector and were either informally employed or self-employed, with no clear terms of employment and/or clear benefits.

The main informal employment sectors included crop farming (and agribusiness), pastoral farming and trade, the sector, businesses, and other private small enterprises. This study did not distinctly separate formal and non-formal waged labor, as it captures the issues across the sector. The graphic below presents the formal employment sector within the triangle.

Sector of Enterprise		COUNTRY			Total
		ETHIOPIA	KENYA	SOMALIA	
Accommodation and food service activities	Count	6	18	43	67
	% within Country	1.9	5.2	12.5	6.7
Administrative and support service activities	Count	2	0	8	10
	%	0.6	0.0	2.3	1.0
Agriculture, Forestry, Fishing	Count	9	8	29	46
	%	2.8	2.3	8.5	4.6
Arts, entertainment	Count	6	13	2	21
	%	1.9	3.7	0.6	2.1
Construction	Count	5	25	13	43
	%	1.6	7.2	3.8	4.3
Education	Count	5	15	6	26
	%	1.6	4.3	1.7	2.6
Electricity/gas	Count	16	17	12	45
	%	5.1	4.9	3.5	4.5
Financial and insurance activities	Count	1	11	3	15
	%	0.3	3.2	0.9	1.5
Human health and social work	Count	9	21	13	43
	%	2.8	6.0	3.8	4.3
Information and communication	Count	10	4	3	17
	%	3.2	1.1	0.9	1.7

Figure 6: Sectors of formal employment

Source: Boresha Consortium, 2018.

Internships are critical in developing skills for employees. However, 70.9 percent of employers were not willing to provide internship opportunities. The reasons for not giving internship opportunities were various, including limited space, lack of capacity to train the interns, and the inability to pay stipends. It is worthwhile engaging with businessmen and employers in Mandera triangle to sensitize them about internships as a way of creating a pool of skilled labor that is reportedly lacking.

3.4.2. PROCESSES FOLLOWED IN HIRING NEW EMPLOYEES

Different employers exercised different approaches to finding new employees. The most common means practiced across the triangle was referrals through relatives and friends (77.7 percent of the responses). Job advertisement was popular in Ethiopia (69.7 percent) and so were referrals from education/training institutions (51.5 percent). The figure below shows the various approaches used to identify new employees.

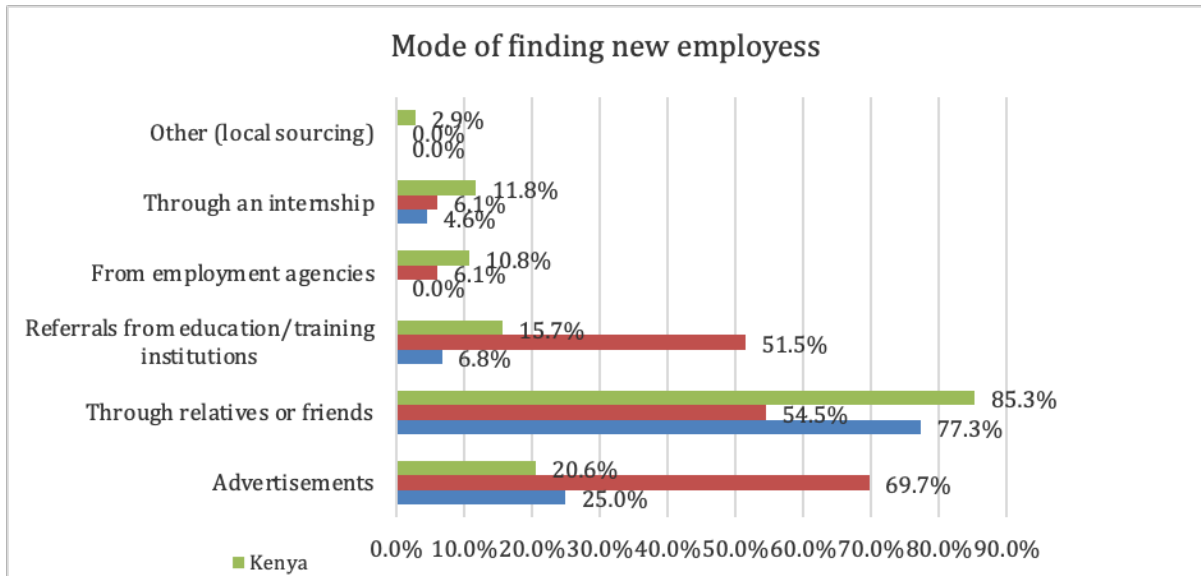


Figure 7: Mode of finding new employees

Most of the employees hold daily casual contracts (52.5 percent) while those that have monthly contracts stand at 39.1 percent. The law does not demand staff on casual contracts to have employment benefits such as maternity/paternity benefits or insurance. These findings explain the high number of employees that lack maternity benefits.

3.4.3. GENDER PREFERENCE IN EMPLOYMENT

Of all the employees interviewed, 21.8 percent reported different employment arrangements between males and females. The differences were reflected in the terms of employment and were biased against women. All the respondents in Somalia reported that women only had casual contracts while Ethiopia and Kenya reported 45.5 percent and 50 percent, respectively.

Respondents from Ethiopia further reported that 36.4 percent of women held monthly contracts, while an estimated 18.1 percent held seasonal contracts. Kenyan employers reported 50 percent monthly contracts and, therefore, maintained an even number of women in casual and monthly contracts.

3.4.4. SKILLS REQUIRED FOR FEMALE EMPLOYEES

According to data collected, 60.3 percent of employers preferred the capacity to work as a team as one of the skills required to employ women. The skill to work as a team far outweighs all other skills, with understanding and knowledge in the sector coming a distant second (31.3 percent). The ability to work as a team ranked high across both men and women employees. A minority (1.1 percent) of employers stated categorically that they did not employ women.

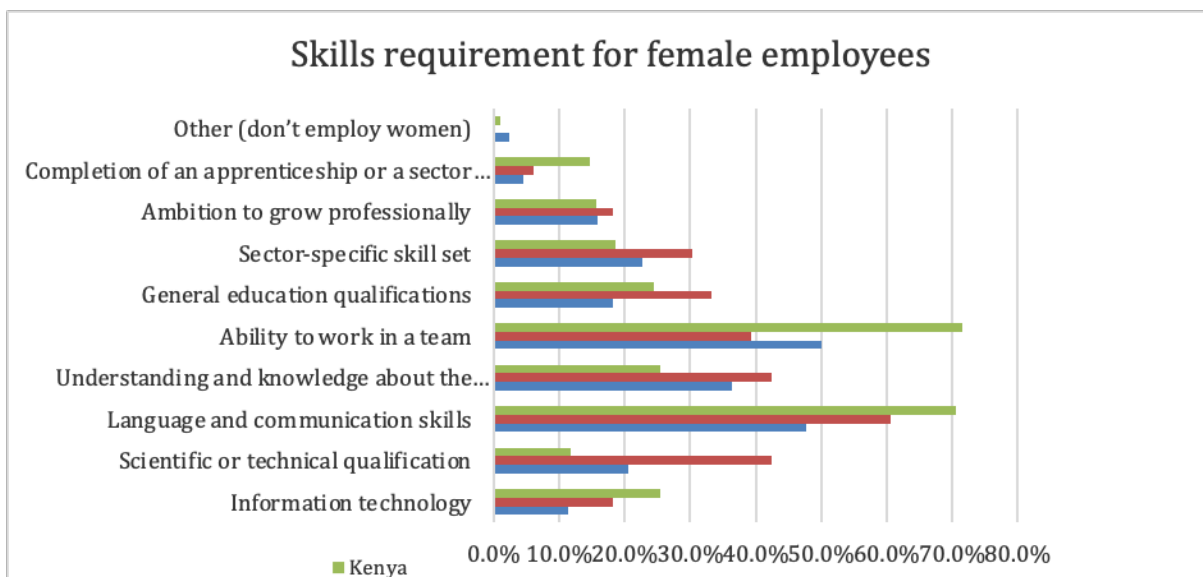


Figure 8: Skills requirements for female employees

3.4.5. WAGES ACROSS MEN AND WOMEN

While most employers were found to be paying the same salaries for both men and women, some employers (10 percent) paid women differently than men. Ethiopia was found to be the most discriminatory (21.2 percent), followed by Somalia at 18.2 percent, while Kenya seemed to be the fairest with only 2.9 percent reporting discriminatory salaries between men and women.

Eighty-eight percent of respondents in Kenya reported that men earned higher wages than their female counterparts. On average, women across the cluster earned around \$107.6. Women in Kenya are paid the highest on average (\$142) compared to Somalia (\$76.1) and Ethiopia (\$42.8).

3.4.6. EMPLOYERS' PREFERENCES ON JOB CHARACTERISTICS AND SKILLS

Job experience was the most important characteristic that employers looked for in employment, with 40.2 percent preferring employees whose experience matched what is required in the opportunity available. There was not much variation in this requirement across the three countries. Notably, though, was the fact that 10.8 percent of Kenyan employers considered religion as a critical factor in employment.

When comparing skills demand for women and men, more employers (49.9 percent) would prefer women with previous related job experience. Stiffer skills requirements for women only worked to reduce the chances of equal employment between men and women. As indicated previously, given that employers were not considering internship opportunities, women stood far lesser chances of gaining employable experience.

In terms of skills, 72.1 percent of employers preferred employees with marketing skills. This was an important observation as most employers had outlets for goods and services. Therefore, business returns were based on volumes sold.

The ability to speak the local language was also an important skill as reported by 49.2 percent of the respondents. Other skills considered critical were basic literacy (36.9 percent), financial management (33.3 percent) and interpersonal skills (33.3 percent). Having secondary education was preferred among most employers. Given that not all countries have a mandatory basic education policy, it would be

critical for the CBCR Activity to consider lobbying governments to consider education as important for employability. Employers also preferred to employ unmarried staff.

3.4.7. SKILLS SETS/SECTORS CONSIDERED CRITICAL FOR EMPLOYMENT IN THE FUTURE

Across the cluster, the skills set with the highest demand is marketing, as reported by 84.4 percent of the respondents. The ability to speak the local language followed closely (42.5 percent,) followed by financial management skills (40.2 percent) and basic literacy (35.2 percent).

Knowledge of the Somali language is critical as it is the primary language in the area and the language of trade across the area. The preference for financial literacy skills, specifically the ability to accurately account for transactions, was dominant in business owners (both retail and wholesale).

When asked to mention the skills sector likely to employ in the future, respondents cited wholesale/retail business skills (60.9 percent) and microservices/self-employment (50.8 percent). The service industry, which also includes self-employment and wholesale/retail was more popular in Kenya. The scenario was replicated across the age categories. There was no significant difference among age categories who answered that wholesale/retail business skills are considered as skills of the future (P=0.342) and those who stated microservice/self-employment (P=0.654). The trend was similar in the neighboring countries of the triangle indicating a growing business environment.

Educations was cited as a skill of the future in Somalia (47.7 percent) and Ethiopia (39.4 percent). Additionally, fishing was reported to have greater prospects among 30.3 percent of Ethiopian respondents. Primary data from KIIs identified fish-based cuisine as a new but growing trend among the pastoralists, thus creating a new demand. At the same time, River Dawa was identified as a substantial supply of river-based livelihoods, including fishing.

When responding on the sectors likely to employ in the future, education and health care scored higher in Somalia and Ethiopia, while the construction and crafts industry scored highest in Kenya (see the table below). Currently, education and health services are better on the Kenyan side of the border. Importantly, IT and telecommunications are not considered important sectors for the future. IT-related opportunities could be explored further as possible employment avenues for the youth.

Sectors likely to employ in the future				
Sector	Average	Somalia	Ethiopia	Kenya
Microservices/hairdresser, self-employed, maid	50.8%	38.6%	42.4%	58.8%
Public administration and defense	12.3%	18.2%	9.1%	10.8%
Wholesale and retail	60.9%	61.4%	42.4%	66.7%
Education	27.9%	47.7%	39.4%	15.7%
Construction	21.8%	20.5%	12.1%	25.5%
Agriculture, forest, and fish production	20.1%	11.4%	30.3%	20.6%
Telecommunication and IT	7.8%	4.6%	6.1%	9.8%
Health care and social support services	21.8%	25.0%	27.3%	18.6%
Processing industry	11.2%	4.6%	33.3%	6.9%
Transportation	7.8%	6.8%	6.1%	8.8%
Crafts/shoemaker/tailor	22.3%	11.4%	15.2%	29.4%

Finance and insurance, real estate activity	7.8%	9.1%	18.2%	3.9%
Culture, entertainment, and recreation	4.5%	0.0%	0.0%	7.8%
Tourism	3.9%	2.3%	12.1%	2.0%
Electricity, gas, water supply	6.7%	9.1%	12.1%	3.9%

Table 2: Sector likely to employ in the future

3.4.8. INCLUSIVITY AND FEEDBACK MECHANISMS IN EMPLOYMENT

On access to feedback mechanisms, 63.6 percent of employees from the Ethiopian side of the triangle reported that they had access to complaints and feedback mechanisms. Kenya and Somalia performed dismally with only 29.4 percent and 11.4 percent, respectively, reporting the existence of feedback mechanism.

Only 17.6 percent of employees assessed had access to separate toilets for men and women. A whopping 85.5 percent of employees worked in spaces that did not have facilities for the physically impaired, meaning that the workplace is largely unfriendly to persons with disabilities (PWDs).

3.5. LIVESTOCK KEEPING

The Mandera triangle is the traditional home for several well-established nomadic herding groups²⁵. Land use is a largely self-regulated socio-natural system developed over countless generations but in most recent days, supported by government and humanitarian agencies' development plans and natural resource management plans²⁶.

Livestock is considered the main source of livelihoods among the Somali people. The average livestock holding per household was 20 heads of cattle, 17 sheep, 36 goats, 18 camels, and 13 chicken. Camels are considered a sign of wealth and are resilient to drought. Thus, households with camels were considered more resilient. Livestock keepers embraced different approaches to selling their animals. When it comes to selling livestock, 43.4 percent of the respondents sell their livestock to second parties while 47.4 percent take their livestock to established markets within the triangle. Another 5.7 percent reported that they take their livestock to big markets.

Overwhelming evidence has been presented on the live livestock trade as opposed to livestock products. Most of the borderlands are characterized by arid and semi-arid environments, mobile pastoral populations, and weakly integrated domestic markets that often provide inadequate outlets for their livestock and livestock products²⁷. The livestock market occurs across established routes as shown in the figure below.

²⁵ SomREp (2021). Annual Resilience Measurement report. On file.

²⁶ Ibid

²⁷ Mandera County Government. (2017). Mandera County Integrated Development Plan, <https://mandera.go.ke/download/county-integrated-development-plan-2018-2022/>

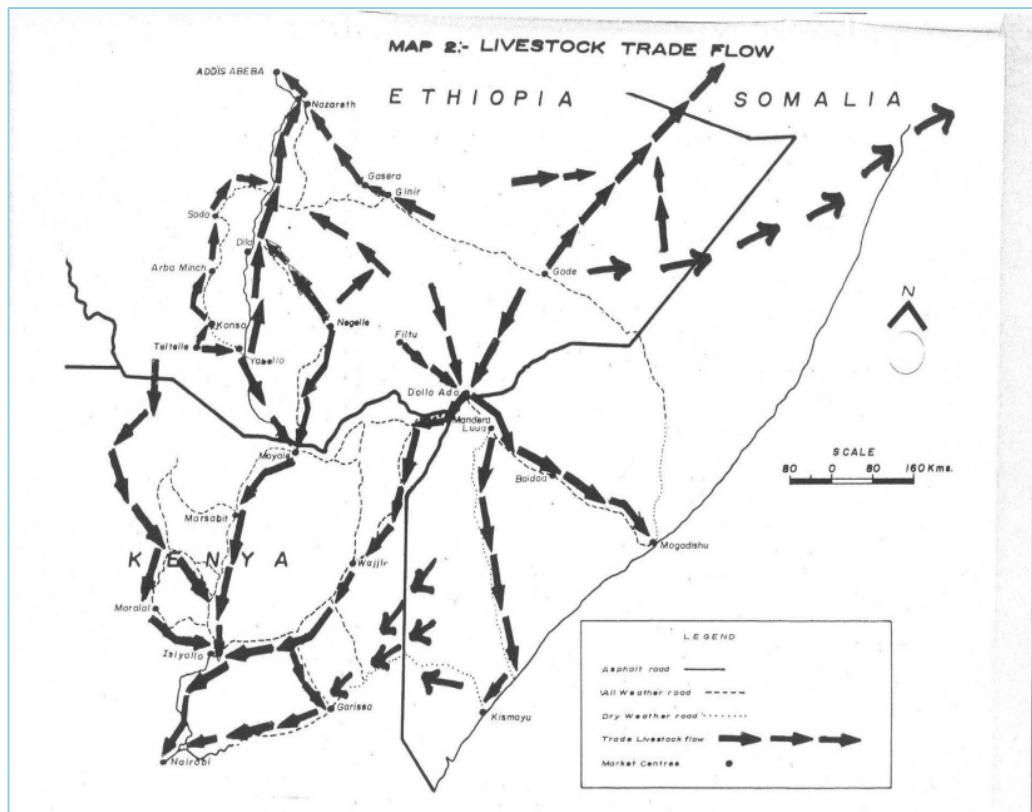


Figure 9: Livestock Trade Routes in the Horn of Africa (Kenya, Somalia, and Ethiopia)

Source: Peter D. Little, 2015

The study established though that within the local market, there was the trade of livestock products such as cow milk, camel milk, eggs, hides and skins, and wool. There was reported sale of processed livestock products during the survey.

3.5.1. DEALING WITH SHOCKS IN THE LIVESTOCK MARKET

A significant 90 percent of respondents reported that their livestock number had decreased over the last year. This decrease in livestock was linked to poor weather conditions. According to a multi-agency drought alert released on May 30, 2022, the then extreme, widespread, and persistent multi-season drought that had affected Somalia, the arid and semi-arid lands (ASALs) of Kenya, and Ethiopia’s *Belg*-receiving and eastern and southern pastoral areas, was unprecedented. Four consecutive rainy seasons had failed, a climatic event not seen in at least 40 years²⁸.

The alert noted that an estimated 1.5 million livestock had died in Kenya and 2.1 million in Ethiopia. In the worst-affected areas of Somalia, FEWSNET/FSNAU estimate that 1 out of 3 livestock has perished since mid-2021.

Drought remained the top threat to pastoral livelihoods within the Mendera triangle. Linked to the drought was the lack of water as reported by 59.1 percent of respondents. Ethiopia faced an acute water

²⁸ Kimani, J. (2019). Novel Kenyan insurance programs recognized for helping women as well as men pastoral herders. <https://ibli.ilri.org/2019/08/21/novel-kenyan-insurance-programs-recognized-for-helping-women-as-well-as-men-pastoral-herders/>

shortage, as reported by 76.9 percent of respondents. The figure below shows the various shocks experienced within the triangle as reported by the respondents.

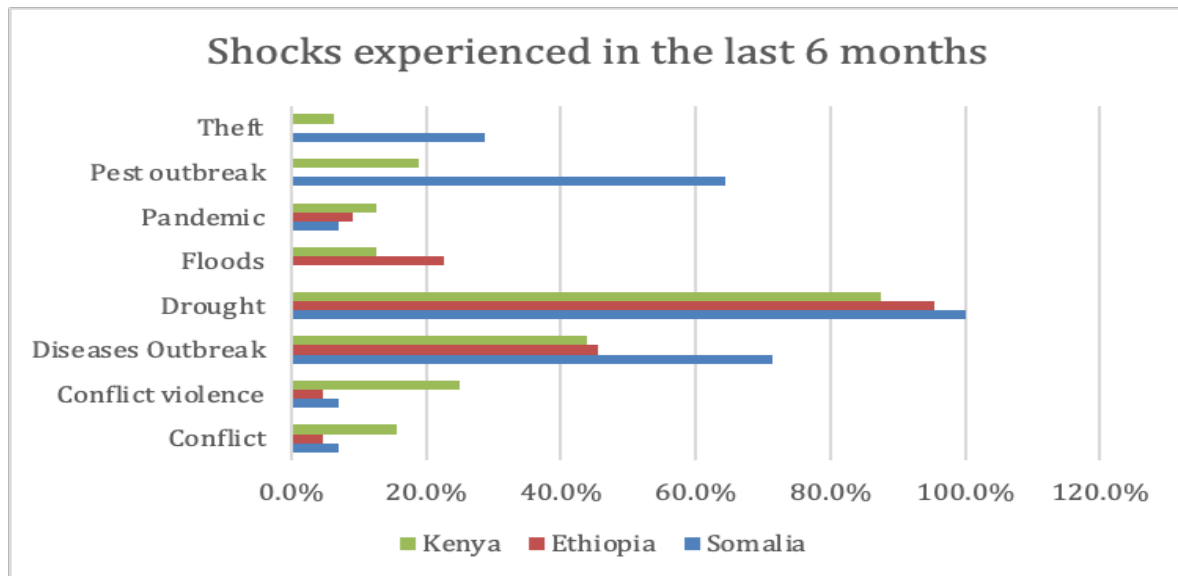


Figure 10: Shocks experienced in the last six months

Despite the shocks, 9.6 percent of respondents reported increasing their livestock numbers. Good livestock management practices were attributed to the increased livestock numbers. These practices were fodder preservation/ fodder availability (81.8 percent), availability of water (59.1 percent), and pest and disease control (18.2 percent). Other factors were proper housing, restocking, and timely vaccination each accounting for 9.1 percent of the responses.

3.5.2. LIVESTOCK RELATED COSTS

During drought, pastoralists are likely to buy fodder to supplement livestock feeds. During the time of the research, 84.6 percent of respondents reported buying livestock feeds, while 77.6 percent of respondents reported buying livestock drugs. Additionally, 11.8 percent of the livestock keepers have hired support teams to support the management of their livestock. Thus, livestock keeping was not a major source of employment except for the owners. Over 50 percent of the respondents reported that they could find livestock feeds and drugs in their local markets.

In Somalia, livestock treatment is largely provided by community animal health workers²⁹ with the support of humanitarian agencies³⁰. In Kenya, the county Department of Agriculture, Livestock Development, and Fisheries provides farmers with the support required for livestock development³¹. Data on the Ethiopian side was not available and, therefore, it was not possible to establish the extent to which livestock drugs were available.

²⁹ Ethiopian Ministry of Agriculture and International Livestock Research Institute. (2013.) Livestock extension vision and strategy for Ethiopia. <https://core.ac.uk/download/pdf/132677452.pdf>

³⁰ Pousga, S., Moumoni, I., Dayo, G., Kanet., S., & Boqvist, S. (2022). Extension services for livestock keepers in low-income countries—a low priority? <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8944549/>

³¹ Ibid

It is the observation and recommendation of this report that continued support to pastoral livelihoods should also include measures to ensure basic health services and resource management are available and coordinated in conjunction with the local authorities within the countries of the region.

3.5.3. LIVESTOCK INSURANCE

Humanitarian programs consider livestock insurance a great opportunity in protecting pastoral livelihoods, both as a labor segment and as a livelihood source.

In Kenya, the government's Kenya Livestock Insurance Program (KLIP), in partnership with the International Livestock Research Institute (ILRI) and the World Bank, launched a pilot livestock insurance program for vulnerable pastoralists in 2015 called Index-Based Livestock Insurance (IBLI). The program has steadily but slowly been scaled up to 12 pastoral counties of Kenya, including Mandera. These 'index-based' insurance schemes are aimed at reducing the impacts of livestock losses due to severe dry spells by compensating livestock keepers when the forage in an area becomes depleted by drought³². Insurance payouts are pegged to measurements of forage conditions made via satellite data on vegetation cover to derive an index of seasonal forage availability/scarcity. Pay-outs to insured herders are made not when their animals die but rather when the forage in their area is shown to fall below a certain productive threshold.

The uptake of the insurance has been a slow and painful process with pastoralists wanting pay-outs against dead livestock as opposed to forage conditions. Despite the slow uptake, the Kenya government and humanitarian community continue to promote IBLI insurance as a way of cushioning the pastoralist and ensuring resilience during drought-related shocks. In this assessment, it was established that only 6.1 percent of respondents had insured their livestock.

As a market sector, livestock insurance still needs greater levels of advocacy and awareness creation. Perhaps with greater awareness, livestock farmers may be cushioned and protected from the cyclic droughts.

3.5.3. LIVESTOCK FINANCING

The success of livestock-based livelihoods and businesses is dependent upon the capacity of the farmer to turn them into a profitable economy. Acquiring financing when needed and destocking and restocking on a timely basis is a challenge faced by Mandera triangle pastoralists and the greater pastoral community within the Horn of Africa.

The study established that 49 percent of respondents owning livestock sought financing for livestock purposes. Ethiopia showed a higher demand for livestock financing (75.5 percent), followed by Kenya (37 percent) and Somalia (30 percent). Only 12.3 percent of the respondents that sought financing got positive feedback. The graph below shows the proportion of those that sought financing versus those that received financing by country.

³² Ibid

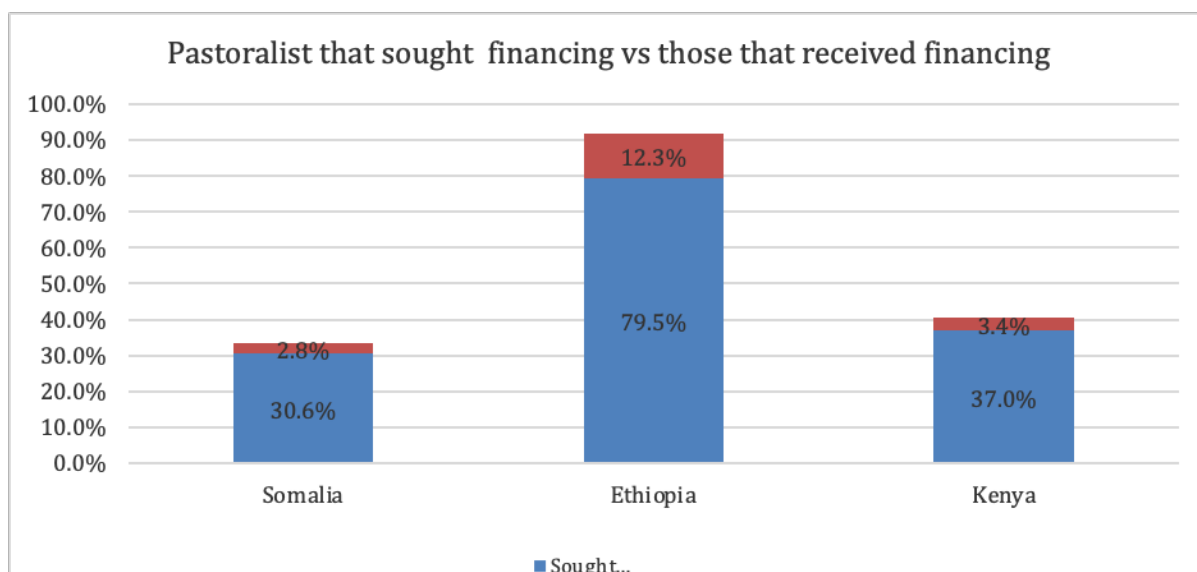


Figure 11: Pastoralist that sought financing vs those that received the financing

Two of the major reasons pastoralists did not get financing were poor credit scores (38.5 percent) and the lack of collateral/security (5.5 percent). The rest did not know the reason as to why the financing/loan failed to be approved. It was not established why these respondents did not get explanations to why their loans applications/requests were not granted.

3.5.4. PASTORAL BASED INCOMES

The average annual livestock income across cross-border communities in Somalia, Ethiopia, and Kenya is 3,807.9, 1,053.7, and 3,321.2, respectively. There was no significant difference between income and shocks in Somalia ($P=0.611$), Ethiopia (0.271), and Kenya ($P=0.862$).

There was no significant relationship between respondent sex and livestock income in Somalia ($P=0.611$). However, male respondents earned more (\$778.85) compared to female respondents (\$295.70). In Ethiopia there was a significant difference ($P=0.003$), with men earning an average of 23,286 Birr compared to 7,910 Birr for women. In Kenya, men earned more on average (KES 392,892) compared to women (KES 57,540). In general, there was no significant difference between disability and livestock income ($P=0.671$).

The table below shows the sale value for the various livestock species in the current and previous season.

		Somalia (\$)	Ethiopia (\$)	Kenya (\$)
Average prices in current season Currency translated to USD \$	Cattle	110	334.15	397.88
	Sheep	23	36.31	135.95
	Goat	91.7	97.01	177.68
	Poultry	11.8	6.00	8.33
	Camels	650	493.75	590.08
Average prices in previous season	Cattle	130	274.35	674.81
	Sheep	28	35.75	115.58
	Goat	52	61.67	128.37

Currency translated to USD \$	Poultry	3	1.35	9.29
	Camels	583	397.44	1004.12

Table 3: Current versus past prices of livestock

The price of camel had dropped to half during the period due to drought. At the same time, the price of chicken had increased significantly in Ethiopia from US\$1.35 to US\$ 6 at the time of the study.

3.5.5. LIVESTOCK EXTENSION SERVICES

Extension is an instrument to facilitate development, and it ranges from the transfer of technology to participatory problem-solving educational approaches which aim at reducing poverty and enhancing community involvement in the processes of development³³. Agricultural extension is important for building capacity among livestock farmers in low-income countries³⁴. It includes the transfer of information and technology from the global knowledge base and local research to farmers, enabling them to identify their own goals and possibilities, helping them to improve their productivity and profit, and stimulating agricultural development³⁵. Targeted agricultural extension can be a way to increase sustainable food production and improve livelihoods in such settings. Both Kenya and Ethiopia have well-established ministries of agriculture and livestock development services, with policies in place to guide extension services.

While Somalia’s extension service is extremely weak, many humanitarian agencies working within Somalia’s livestock sector were found to invest in supporting service delivery within the country. Among them were several consortia working in resilience such as SomRep and BRiCs.

In Kenya, agriculture, livestock development, and fisheries are devolved functions with additional resources (human and financial). However, it was established that only an average of 13.6 percent of respondents were receiving extension services.

Extension services were higher in Ethiopia (15.1 percent), followed by Kenya (14.3 percent) and Somalia (13.6 percent). The main service providers were the government in Kenya (76.5 percent), private veterinary services in Ethiopia (63.6 percent), while in Somalia there was an even distribution of service providers between government, humanitarian agencies, and private veterinary services (33.3 percent). In Somalia, it was established that the extension services were primarily driven by the humanitarian agencies who partner with both the private vets and the government to deliver services.

The findings do not in any way attest to strong government efforts in ensuring livestock farmers access the required services. The report recommends the reinforcement of extension services as established within agriculture development policies, particularly within Kenya and Ethiopia.

Qualitative data showed that extension services to farmers (livestock and crops) were weak both in terms of the latest information and knowledge and the physical presence of the extension workers in

³³ Intergovernmental Authority on Development. (2018). The annual resilience knowledge share fair: Strengthening cooperation in IGAD clusters. <https://icpald.org/wp-content/uploads/2021/02/IGAD-Resilience-Share-Fair.pdf>

³⁴ The aim of the share fair was to contribute to an increased understanding of the operational context in IGAD clusters and enhance the integrated cluster approach in the implementation of the IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI).

³⁵ Intergovernmental Authority on Development. (2021). Program to build resilience for food and nutrition security in the Horn of Africa (HoA) region. https://www.afdb.org/sites/default/files/esmf_main_report_final_21_september_2021_ethiopia.pdf

the field. Extension departments were weakly resourced in human capacity and the latest information and technologies³⁶. As result, they risk losing relevance to the private service providers.

3.5.6. CHALLENGES FACING LIVESTOCK PRODUCERS

Poor flow of market information on livestock markets and prices is the biggest challenge facing farmers across the triangle, according to 83.3 percent of all responses. Lack of market infrastructure such as roads and physical market space also ranked high at 40.8 percent of responses. Other identified factors include unhealthy market competition, particularly in Kenya. The countries experience different degrees of challenges as shown in the chart below.

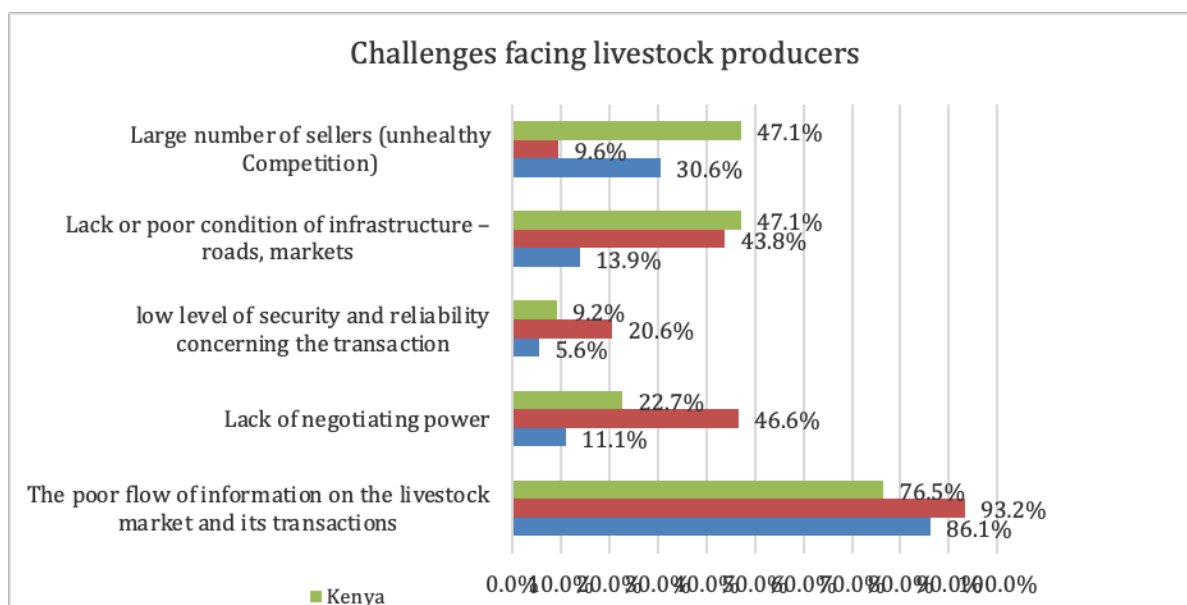


Figure 12: Challenges facing livestock producers

3.5.7. LIVESTOCK AND GENDER

The survey sought to establish specific challenges faced by women in livestock and livestock product trade as a labor market segment. Across the triangle, livestock ownership and livestock trade were largely perceived as a male domain (58.8 percent). Qualitative data showed that women can own goats and chicken. While they can sell chicken without anyone’s permission, they need the permission of their husbands or male authorities to sell goats. Cows and camels are the preserve of men.

Lack of capital is a major reason hindering women from investing in livestock. On the Ethiopian side, lack of capital accounted for 87.7 percent of responses, while Somalia and Kenya reported 50 percent and 58.8 percent of responses, respectively. The table below highlights the challenges facing women livestock keepers and reasons for engaging in livestock trade.

Description	Overall	Somalia	Ethiopia	Kenya
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³⁶ Food Security and Nutrition Analysis Unit. (2016). Dashboard linking early warning early action in Somalia. <https://fsnau.org/downloads/fsnau-dashboard-linking-early-warning-early-action-somalia>; Kenya Meteorological Department. (2022). Seasonal rainfall alert, <https://meteo.go.ke/>

What are the specific challenges facing women in livestock and livestock product trading?	Livestock trading is considered as men only activities	58.80%	52.80 %	48.00%	67.30 %
	Lack of capital	66.70%	50.00 %	87.70%	58.80 %
	Harassment in markets	14.50%	8.30%	20.60%	12.60 %
	Low capacity for negotiation	23.20%	8.30%	31.50%	22.70 %
What is the main reason for your farming?	For individual/household food production only	43.20%	51.40 %	50.90%	25.00 %
	For the sale of products (mean of income)	18.90%	14.30 %	8.80%	37.50 %
	Both food production and sale of products (Income)	37.90%	34.30 %	40.40%	37.50 %

Table 4: Challenges facing farmers/reasons for farming

3.6. CROP PRODUCTION

Crop production as a source of livelihood and employment was reported by 12.2 percent of respondents. In Ethiopia, 16.8 percent of respondents engage in agriculture as a source of livelihood. In Kenya and Somalia, 9.7 percent and 12.7 percent engage in agriculture, respectively. In Somalia, women dominate crop production (18.6 percent) compared to men (6.7 percent). There were no major differences between men and women farmers in Kenya and Ethiopia.

Farming in the Mandera triangle is concentrated at River Dawa which cuts across Ethiopia, Kenya, and Somalia. While drought and the drying up of River Dawa are considered a major hindrance to crop production, support programs from the government and humanitarian and intergovernmental organizations in the triangle have increasingly focused on drought resistant farming, boosting crop production, according to key informants. To grow the capacity of River Dawa as a major source of livelihood for the Mandera triangle, IGAD's Drought Disaster Resilience and Sustainability Initiative (IDDRSI) launched an initiative for the management of the river and discussed the possibility of establishing a dam to boost agricultural (crop and livestock) activities in the triangle³⁷. IGAD has since decentralized and established sub-offices in Mandera where resolutions from the 2018 fair share³⁸ are being implemented.

The Ethiopian side has made significant efforts through the IDDRSI project³⁹. While the survey did not establish whether the success of this program on the Ethiopian side was linked to ongoing production, qualitative data collected showed that Ethiopian farmers from Suftu and uplands along River Dawa were the biggest suppliers of fresh farm products to Kenya and Somalia.

³⁷ Georgieva, K. (2022). Emergency meeting of African Ministers of Finance and Ministers of Agriculture on the looming food security crisis in Africa. <https://www.imf.org/en/News/Articles/2022/05/19/sp051922-emergency-meeting-on-the-looming-food-security-crisis-in-africa>

³⁸ Intergovernmental Authority on Development. (2014). Rationale for regional infrastructure policies. file:///C:/Users/HP/Downloads/4_1_infrastructure_ppt_for_edf_workshop_igad_june_02_2014.pdf

³⁹ Little, supra n 27.

Most communities in the triangle farm for household consumption (81.1 percent) while others farm for sale/income generation (18.9 percent). The average period respondents had been farming was approximately 6.1 years, and the average land size under cultivation is estimated to be three acres. According to the Mandera County Government, 4000ha is exploited under irrigation, though the potential area is 15,000 - 20,000ha.

3.6.1. CROPS AND MARKET DEMAND

The main crop grown in the areas is maize as reported by 81.8 percent of the respondents. Other cereals grown are millet (9.1 percent), wheat (11.4 percent), and beans (7.6 percent). Wheat is more popular on the Ethiopian side of the triangle, which has a suitable climate for wheat farming. Besides cereals, other crops grown are onions (9.8 percent), bananas (11.4 percent), lemons (12.9 percent), and vegetables (10.6 percent).

Across the three countries, maize is considered to have the highest returns. In Somalia, onions are also reportedly in high demand, while in Kenya there is a fair demand for bananas and lemons. Except for maize and wheat, Ethiopia ranked low in all other crops as shown in the table below. This trend in Ethiopia may be linked to higher productivity across households as Ethiopia has a more suitable environment for crop productivity compared to Somalia and Kenya.

As observed among livestock keepers, most farmers produce crops first for their own household consumption. The figure below shows crop demand by country.

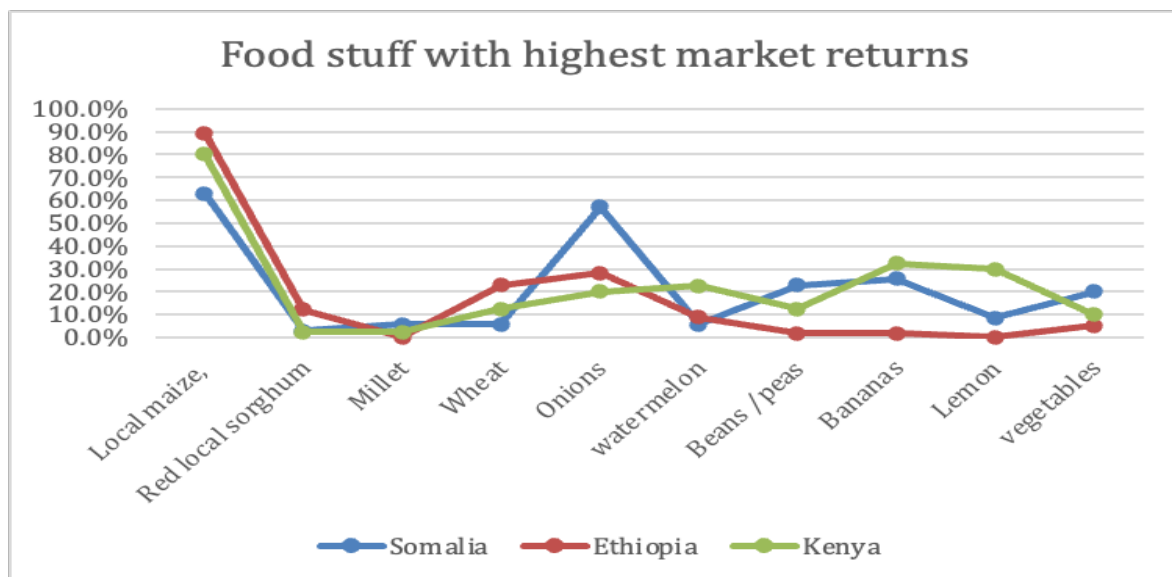


Figure 13: Crops with highest demand

3.6.2. CROP INCOMES

The study sought to establish the average annual household income among crop farmers. The study, therefore, enumerated the crops produced within the last two seasons and any off-season production, and listed amounts produced against the market value at the time of production. The average income differed strongly between locations. The annual average crop income was reported to be US\$ 209.35.

Ethiopia, which is a significant source of agricultural products, reported far lower income worth US\$ 55.25 against Kenya’s US\$ 238.31 and Somalia’s US\$ 427.22. This is shown in the figure below.

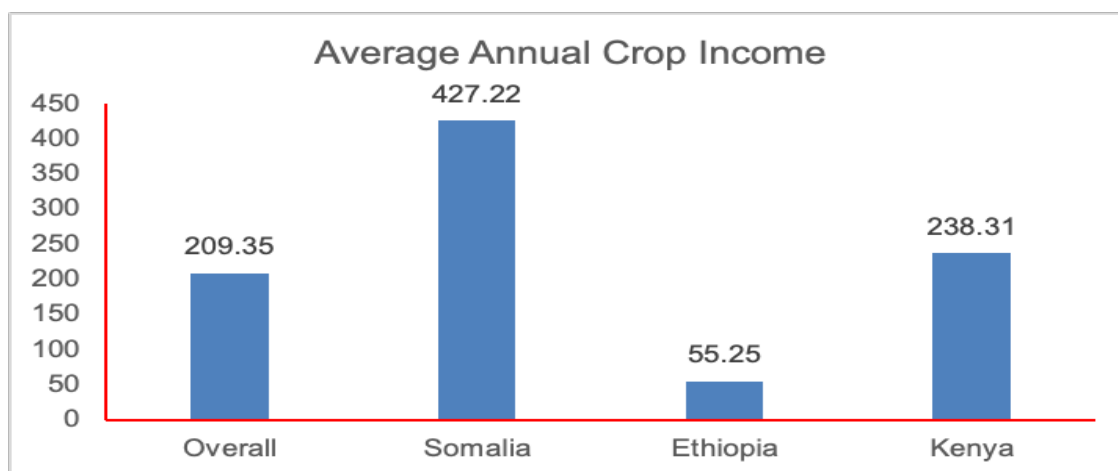


Figure 14: Average annual crop income

Data from all FGDs in Ethiopia showed widespread flooding had caused damage to crops and farms, decimating the previous year’s harvest. Somalia, on the other side, reported a much higher income, a factor that was linked to irrigation and support from other resilience actors working in the area, including the Danish Refugee Council (DRC) and Coopi. There was a significant difference in crop income by country, as shown in the figure above. It was observed, however, that male respondents earned significantly higher average crop sales (\$287.42) compared to females (\$153.59). However, this was not significantly different (P=0.207). There was no significant difference between disabled and non-disabled respondents (P=0.830).

3.6.3. SHOCKS AND SHOCK IMPACTS ON CROPS AND CROP AGRICULTURE

The Mandera triangle has experienced a series of shocks over the last couple of years. Weather analysis from Somalia’s Food Security and Nutrition Analysis Unit (FSNAU) and Kenya’s Meteorological Department have reported below average rainfall for the last three consecutive years⁴⁰. Shocks identified included drought, which was experienced by at least 96.3 percent of respondents, conflict and violence (14.7 percent), disease outbreaks (39.1 percent), pest outbreaks (18.4 percent), floods (12.6 percent), while pandemics and theft accounted for 5.7 percent each.

The area had experienced flash floods that destroyed crops on the Ethiopian side, with devastating effects on the low-lying parts of River Dawa and other plain lands of the triangle. The impact of the cumulative shocks was the decimation of community livelihoods.

The survey showed that 39.9 percent of respondents experienced complete crop loss, 58.6 percent lost part of the crops, and 3.4 percent reported that the shocks had affected market prices. At country level, 53.9 percent of respondents in Kenya reported total crop loss, while 36.1 percent and 24 percent of respondents in Ethiopia and Somalia, respectively, reported the same.

⁴⁰ Oxfam. (2016.) The future is a choice: The Oxfam framework and guidance for resilient development. <https://policy-practice.oxfam.org/resources/the-oxfam-framework-and-guidance-for-resilient-development-604990/#:~:text=Oxfam%20defines%20resilience%20as%20'the,shocks%2C%20stresses%20and%20uncertainty'>.

Following the acute impacts of the shocks the International Monetary Fund (IMF) called an emergency action on looming food shortage among other discussed impacts on markets within the Horn⁴¹. Thus, drought ranks as the most significant reason for food hunger. Actions that are oriented toward enhancing the management of drought impacts are strongly recommended. These include, but are not limited to, livelihood diversification, strengthening and increasing irrigation farming, planting of drought-resistant crops, strengthening natural resource management, and the use of technology in information sharing.

3.6.4. CROP FARMING EXTENSION SERVICES

As with livestock extension, the crop farming extension services were limited with only 17.4 percent of the total beneficiaries reporting that they received extension support. However, for crop farming, the government was the main extension service provider across the three countries (Somalia 50 percent, Ethiopia 61.5 percent, and Kenya 50 percent). Other service providers are humanitarian agencies and private service providers.

The type of extension services provided include capacity building on crop management (73.9 percent), crop disease monitoring and response (47.8 percent), farmer field school services (26.1 percent), and marketing (30.4 percent). Generally, extension services were weaker in Somalia. The figure below shows the types of extension services provided.

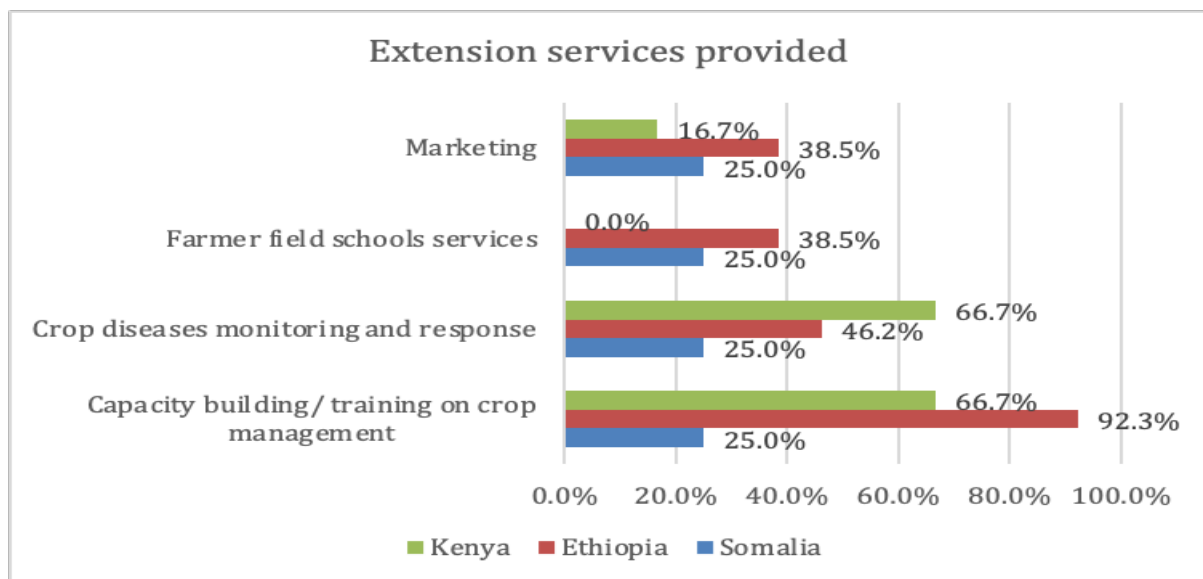


Figure 15: Extension services provided

3.7. MARKET LEVIES AND IMPACTS ON AGRI-BUSINESS SECTOR

On marketing, 38.9 percent of respondents reported paying levies. Of those who reported they paid levies, 63 percent were from Ethiopia, 31.5 percent from Kenya, and 27.5 percent from Somalia. FGD and KII data showed that only those who sold in the markets paid levies, while selling at the farm/home attracted no charges whatsoever. Asked if the levies were used to improve the market infrastructure, 54.5 percent of respondents answered in the affirmative. Of those who believed the levies were used to

⁴¹ Larissa, P., Edward, C., & Baumholtz, T. (2011). Natural disasters: What is the role for social safety nets? Social Protection Discussion Paper;1102. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/27374> License: CC BY 3.0 IGO

improve the markets, 88 percent were Ethiopian respondents, and 35.1 percent and 14.8 percent were from Kenya and Somalia, respectively.

Traders reported limited skills enhancement opportunities linked to improved markets and incomes in the previous year. Nevertheless, 25 percent of the traders reported participating in skills enhancement training in the previous year. The courses these traders participated in were offered by the government (53.8 percent), NGOs (19.2 percent), private actors (11.5 percent), and religious groups (3.8 percent). Other sources were online courses and friends at 11.5 percent each. Some of the private actors that had conducted business-related training and awareness campaigns for their products were banks in Mandera town.

3.7.1. MARKET INFRASTRUCTURE AND IMPACTS ON THE AGRIBUSINESS SECTOR

Road infrastructure is critical to market access and profitability. Road infrastructure in the Mandera triangle is in a sorry state, contributing significantly to poor market growth and the lack of industrialization⁴². The average distance to the nearest market was established to be 2.25 kilometers, according to the survey.

While settlements are culturally centralized around water points and markets, it was observed that livestock could be hundreds of kilometers away as part of the cultural practice of nomadism. Due to the long distances the livestock trek to seek fodder, distances to markets are longer, leading to long treks and treacherous journeys to the markets for livestock and their herders⁴³. The results of the lack of infrastructure, according to IGAD, are missing links and connectivity, high transport costs, and burdensome trade logistics due to non-physical barriers.

3.7.2. MARKET SHOCKS

Over the last year, 31.2 percent of respondents reported that there were times they were not able to access markets. The reasons for not accessing markets included droughts (68.9 percent) and floods (49.3 percent). Sudden price changes (36.8 percent) also disrupted market activities, impacting negatively on access to markets.

Kenya and Ethiopia reported an increase in the impacts of shocks compared to the year before, while Somalia reported decreased impacts of the shocks. Overall, 58.1 percent and 65 percent of Kenyan and Ethiopian respondents, respectively, reported worse conditions, compared to 8.3 percent of Somalis. According to qualitative data, a humanitarian agency on the Somalia side of the triangle was reportedly supporting livelihood recovery programs that cushioned the community from the impacts of five consecutive poor rainfall seasons.

3.7.3. CUSHIONING COMMUNITIES FROM EXTREME IMPACTS OF SHOCKS

⁴² Nina, E. (2019). *Somali culture-family*. <https://culturalatlas.sbs.com.au/somali-culture/somali-culture-family>

⁴³ Georgieva, supra n 41.

The ability of women and men to realize their rights and improve their well-being despite shocks, stresses, and uncertainty depends on the choices they make⁴⁴. The importance of understanding resilience is to give social safety nets a place during shocks. The use of safety nets is advocated both *ex-ante*, to prevent and mitigate the impact of natural disasters, and *ex-post*, to cope with the impacts of natural shocks⁴⁵. The case for social safety nets is for improving the design and implementation of interventions that either prevent natural disasters and shocks or help people to recover from them.

Studies of the Somali culture reveal deep family connections that act as a social safety net, especially during times of crisis. Families often pool their resources and wealth so that everyone can meet collective needs. Relatives in more fortunate economic positions often feel a particularly strong sense of responsibility to support others⁴⁶. However, prolonged and chronic conflict and shocks have depleted the community’s productive assets, therefore, demanding extra external support for communities to remain resilient.

Despite the extreme drought hazard at the time of the study, the study noted very low cushioning of the local community. Only 21.0 percent of Ethiopian respondents reported to have received support, as shown in the table below.

Across the three countries, much of the support received is from family, making the immediate and extended family member the most critical unit in family and community resilience. In addition to family support, 28.6 percent of respondents from Somalia reported being supported by humanitarian agencies, while 52 percent of Ethiopian and 40 percent of Kenyan respondents reported receiving support from the government. All Somali respondents that received aid reported to have used it for food. This means that the community needs emergency support and risk engaging in negative coping mechanisms. The table below presents an analysis of support received, source, and how that support was used.

Question	Responses	Somalia	Ethiopia	Kenya
Have you received any support to boost your business/ production	Yes	7.1%	21.0%	4.3%
	No	92.9%	79.0%	95.7%
If yes from who?	Family members living within	85.7%	48.0%	60.0%
	Remittance from Diaspora	14.3%	12.0%	0.0%
	NGOs	28.6%	4.0%	10.0%
	Government	0.0%	52.0%	40.0%
	Private sector	0.0%	28.0%	0.0%
	Local Political leaders	0.0%	4.0%	20.0%
	Businessmen	0.0%	24.0%	10.0%
	Well-wishers	0.0%	0.0%	30.0%
	Purchased more farm inputs	28.6%	52.0%	20.0%

⁴⁴ Moore, D. Niazi, Z., Rouse, R., & Krame, R. (2019). Building resilience through financial inclusion: A review of existing evidence and knowledge gaps. <https://www.poverty-action.org/publication/building-resilience-through-financial-inclusion-review-existing-evidence-and-knowledge>

⁴⁵ Refer to SoMrep and BriCs NRM plans already being implemented in various parts of Somalia.

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How has the support helped you?	Purchased additional livestock	28.6%	44.0%	40.0%
	Purchased livestock inputs (veterinary medicine, fodder etc.)	0.0%	24.0%	30.0%
	Purchased food	100.0%	76.0%	50.0%
	Paid school fees	14.3%	12.0%	20.0%
	Paid for health care/family or others	28.6%	16.0%	10.0%

Figure 16: Community social safety nets

According to the IMF, the current drought requires progress on reforms that could rapidly and sustainably boost food production. These reforms would significantly help African economies become more resilient to shocks, more peaceful, and more prosperous⁴⁷.

3.8. ACCESS TO LOANS AND SAVINGS SERVICES

Evidence suggests that well-designed financial products and services can play a vital role in increasing low-income families' resilience by helping them be prepared for risk, reduce risk, increase investment in the face of risk, and respond when a shock occurs⁴⁸. For this reason, the study sought to establish the extent to which communities in the Mandera triangle have access to loans and savings services.

Observations revealed that most of the periphery centers have no conventional banks. Mandera town, however, serves as a financial hub attracting both commercial banks, *hawala*, and a horde of business individuals who lend at fair interest rates and with flexible terms, according to the respondents. From the survey, only 8.2 percent of respondents had access to loans and savings services. Of those who reported accessing loans, 21 percent were in Ethiopia, 2.5 percent in Kenya, and 6.1 percent in Somalia.

From a gender perspective, only 9.4 percent of women had access to savings and loans services. On the Ethiopian side of the triangle, 22.8 percent of women had access to loan facilities, compared to 8.2 percent in Somalia and 2.2 percent in Kenya. Compared to 65.4 percent of women, 72.7 percent of men found it possible to access loans and savings services.

The main sources of loans are the banks (59.5 percent), traders (21.6 percent), family members (27 percent), and friends (10.8 percent). The chart below shows the sources of lending by percentage. As a way of addressing resilience, it is recommended that the CBCR Activity works with the traders and banks towards increasing financial inclusion among the community members.

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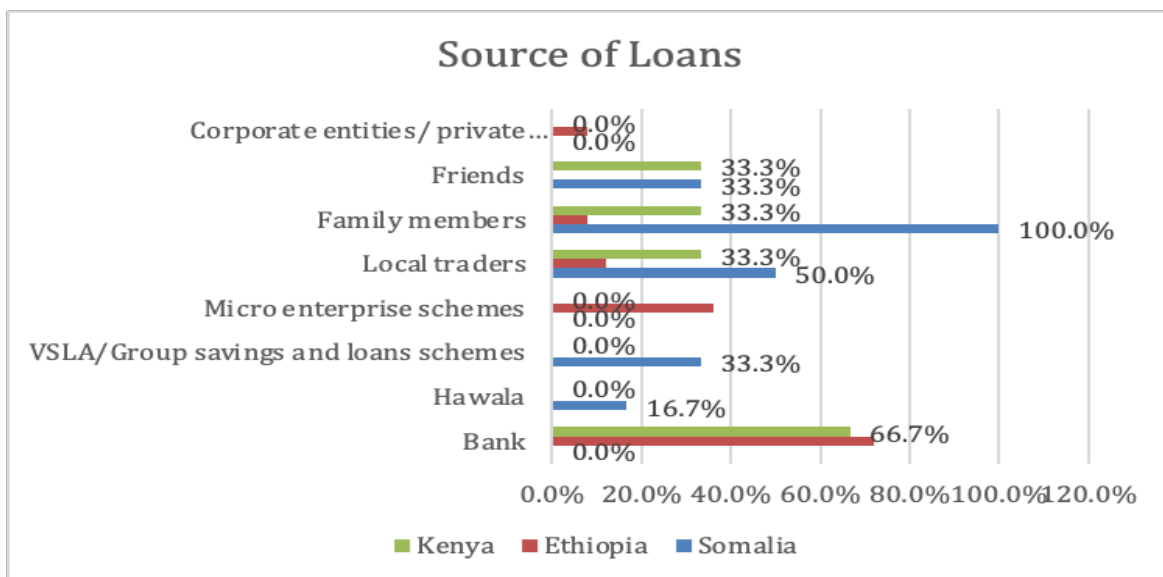


Figure 17: Sources of loans

3.8.1. SAVINGS BEHAVIOR AMONG RESPONDENTS

Approximately 36.7 percent of respondents reported that they save from their business/work. The practice of savings was stronger in Ethiopia (49.6 percent) and Kenya (40.4 percent), compared to Somalia (12.2 percent). There was a significant difference among those who saved across the country ($P=0.00$). On the amount of money saved, Somalia had the highest value at US\$ 218.75, followed by Kenya at US\$ 118.80, while Ethiopia had the lowest value at US\$ 39.5.

3.9. OPPORTUNITIES FOR SKILLS ENHANCEMENT AND TRAINING

Data generated from the validation workshop participants pointed to the Mandera Training Institute, which offered technical courses such as mechanical engineering, dress making, and hairdressing, among other skills. The institute admits students from across the triangle, and offers an opportunity for needs-based training.

The Government of Kenya was singled out for its efforts to increase vocational training for the youth, but it was noted that there are no similar initiatives in the neighboring regions. This limits the participation of interested youth that cannot afford training costs on the Kenyan side.

Other than the Mandera Training Institute, there are several other training centers, both private and public, that offer intermediary skills essential for transitioning to jobs. However, the institutions are not seen to offer essential soft skills required to succeed in the job market.

3.10. RECOMMENDED SUPPORT/INTERVENTION FOR THE COMMUNITY

Eighty percent of all beneficiaries preferred cash injections to strengthen their current enterprises or initiate a business. Categorized by country, 94.1 percent of Ethiopians preferred cash injections, compared to 84.7 percent of Somalis and 71.1 percent of Kenyans. In addition, 41.4 percent of respondents wanted to receive information on business and markets, with majority of that percentage coming from the Kenyan side (50.6 percent, compared to Somalia's 33.7 percent and Ethiopia's 29.4 percent).

At least 48.5 percent of respondents preferred to have skills enhancement. Other responses included support to diversify business/ source of livelihood (24.3 percent), access roads (27.2 percent), value addition (21.7 percent), and extra support in running businesses/enterprises (12.6 percent). This report recommends that the CBCR Activity and other humanitarian actors consider these as areas for further investments in building resilience.

The table below presents the aspirations of youth categorized between ages 18 to 29.

Support	Frequency (N=167)	Percentage	Somalia	Ethiopia	Kenya
Cash injection to strengthen enterprise/business	80	79.2%	84.7%	94.1%	71.1%
Information on markets	33	32.7%	33.7%	29.4%	50.6%
Access roads	18	17.8%	8.2%	29.4%	34.0%
Value addition	15	14.9%	17.4%	16.0%	26.4%
Support to diversify the business/enterprise	25	24.8%	9.2%	36.1%	24.7%
Skills training	53	52.5%	31.6%	53.8%	52.8%
Get extra personnel to support in running the enterprise/business	17	16.8%	5.1%	21.8%	11.1%

3.11. MAJOR SHIFTS IN THE LABOR SECTOR

The major changes and shifts in the labor market, as gathered through FGDs and KIIs, showed that three key factors have affected, and are changing, the labor market.

The first factor was the push for fresh graduates and school leaving youth to get into productive work. It was reported that the youth were looking for opportunities to earn income and were willing to set up new enterprises and turn existing enterprises into profitable opportunities.

The second factor was the increasing investments by humanitarian organizations, governments, and international agencies in resilience activities and support to combat climate change. As a result of these activities, more people are turning traditional labor sectors into profitable ventures.

The third factor was seen as the drop-out from traditional livestock keeping and embracing of trade as a lifestyle and source of income. Within this sphere, it was observed that there was the birth of investment in the various market chains such as transport, and technical skills such as mechanics and driving, financial literacy, and financial services. The community sees technology as a critical enabler but not an end by itself. This view was supported by the survey, which ranked IT and telecommunication low as a labor market sector. It was noted that technology had enabled efficient flow information of markets and prices, which was an enabling factor in trade and in determining trade routes.

3.12. ASSESSING THE OBJECTIVES OF THE CBCR ACTIVITY

Following the analysis of the data, this report recommends the adoption of the following baseline data:

Assessment indicator	Recommended baseline	Comments
Indicator Number 12: Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income, or employment) (GNDR-2)	0	We did not find harmonized information of USG assisted program that could be attributable to direct income change
Indicator Number 13: Value of annual sales of smallholder producers and firms receiving USG assistance [IM-level] (EG.3.2-26)	<u>Business income</u> Kenya US\$ 248.26, Somalia US\$ 237.5 Ethiopia US\$ 103.36 <u>Livestock income</u> Somalia, US\$ 3807.9, Ethiopia US\$ 1053.7, Kenya US\$ 3321.2 <u>Crop income</u> Ethiopia US\$ 55.25 Kenya US\$ 238.31 Somalia's 427.22	This is data before USG intervention and can be used as baseline
Indicator Number 14: Percentage of participants who are youth (15-29) in USG-assisted programs designed to increase access to productive economic resources [IM-level] (YOUTH-3)	0%	There was no data that could be directly attributed to the indicator. We recommend you keep baseline at zero (0)
Indicator Number 15: Number of USG engagements jointly undertaken with the private sector to achieve a U.S. foreign assistance objective (PSE-1)	0	None found, keep baseline as zero (0)
16: Number of individuals participating in USG-assisted group-based savings, micro-finance, or lending programs (EG 4.2-7)	0	None found, keep baseline as zero (0)

Figure 18: CBCR indicator table

4. CONCLUSIONS AND RECOMMENDATIONS

From the study’s findings, there was no evidence pointing at unique businesses (investments) within the target areas. All the business owners (100%) sampled had known a similar business that was a year old or more. The lack of unique and different businesses may point to the possibility of duplication and market saturation, hence diminishing returns for new business entrants.

The ratio of men to women that were employed in the last six months was 3:2. Thus, while there was an improvement in women’s employment, women were still less likely to get jobs compared to their male counterparts. There was a job market skewed toward men, with women getting fewer employment opportunities, stiffer job conditions and, therefore, reduced chances of employment.

Livestock insurance was considered critical in the pastoral labor market and bore the potential of reducing losses related to climate change and disease outbreaks. However, livestock insurance has demonstrated a low uptake in the pastoralist area. There are few financing solutions for livestock, particularly in the Ethiopian market. Working with financial institutions and the government to increase financing options for pastoralists will breach the gap between demand and supply. On support to farmers (crop and pastoralism), extension services to farmers were weak both in terms of information sharing and physical presence of extension workers in the field. Extension departments were weakly resourced in human capacity and the latest information and technologies. As a result, they risk losing relevance to private service providers.

Observations revealed that most of the periphery centers have no conventional banks. Mandera town, however, serves as a financial hub attracting both commercial banks, *hawalas*, and a horde of business individuals who lend at fair interest rates and on reasonable terms, according to the respondents. From the survey, only 8.2 percent had access to loans and savings services. Of those who reported access to loans, 21percent, 2.5 percent, and 6.1 percent were in Ethiopia, Kenya, and Somalia, respectively. The main source of loans was the banks, while traders, family members, and friends remain significant lenders. The table below presents recommended investments to improve the market in Mandera triangle.

What type of support would you require to improve your source of livelihood/business?	Frequency	Overall	Somalia	Somalia	Kenya
Cash injection to strengthen enterprise/business	362	80.1%	84.7%	94.1%	71.1%
Information on markets	187	41.4%	33.7%	29.4%	50.6%
Access roads	123	27.2%	8.2%	29.4%	34.0%
Value addition	98	21.7%	17.4%	16.0%	26.4%
Support to diversify the business/enterprise	110	24.3%	9.2%	36.1%	24.7%
Skills training	219	48.5%	31.6%	53.8%	52.8%

Across all crop and business income categories, Ethiopia ranked lower compared to Kenya and Somalia. Ethiopia also reported higher impacts of shocks compared to Kenya and Somalia. As such, Ethiopia is more vulnerable compared to the rest of the countries.

RECOMMENDATIONS

BUSINESS INNOVATION AND SMEs: Support innovation and unique investments among the youth. This could include increasing their access to practical business skills such as hairdressing, beauty care, tailoring, mechanical and auto maintenance services, cobbler services, and livestock-based services. In so doing, the CBCR Activity should partner with the governments to set apart spaces for the sector. On this note, the study participants proposed deliberate targeting of vulnerable youth and women in skills development and employment initiatives. The CBCR Activity should provide targeted support to assist SMEs in better utilizing these internal drivers of productivity.



Figure 19: Key drivers of SME growth and productivity. Source: Ben Baruch (ACCA)

The CBCR Activity should advocate for partnerships between government and private investors to encourage investments in innovative businesses, diversified portfolios, and opportunities complementary to existing businesses. The aim of encouraging these private investors is to create employment for the youth and to provide diversity in the market. The three governments should focus on areas that create employment such as the processing industry (particularly for leather and prosopis-based products), ICT, and transport. Innovation in such industries can be rewarded with tax incentives.

At the CBCR Activity level, advise traders on existing tariffs and taxes so that they can make an informed decision on markets, provide market price monitoring services, and channel the information to farmers. This can be done in liaison with local radio stations, word-of-mouth, telephone-based messaging, and extension services.

The traders recommended removal of trade barriers across the borders and within the markets. Thus, the CBCR Activity should advocate for the revision of tariffs imposed on cross-border traders to boost trade and access to markets for both big and small traders. It is recommended that the CBCR Activity engages IGAD and other resilience actors on mapping tariff barriers and possible ways of addressing them. For example, KIIs observed that during the Covid period, both Kenya and Somalia waived taxes, therefore, providing relief to traders and lowering costs of certain commodities.

YOUTH AND EMPLOYMENT: Although 70.9 percent of employers are unwilling to provide internship opportunities, it was observed that there was preference for personnel with experience in all sectors of employment. As such, it may be worthwhile engaging with big businessmen in the triangle to sensitize them about the value of internships in creating a pool of skilled labor, which is reportedly missing among the youth. With employers in the region emphasizing working as a team as the most important skill for both men and women, the CBCR Activity should also focus on the inclusion of soft skills in teamwork across TVETs and other tertiary institutions of higher learning.

LIVESTOCK SECTOR: The CBCR Activity could lobby the host governments and private stakeholders to consider offtake programs aimed at supporting pastoralists to sell their livestock as part of livelihood and environmental management programs. The introduction of fattening programs and private ranching may provide markets for livestock traders across the regions. Support to private livestock associations linked to natural resources management (NRM) would promote sustainable livestock and resource management. Some of these interventions are already in place through humanitarian organizations but the governments are better placed to bring this to scale⁴⁹.

Interventions that promote NRM revitalization should be prioritized, and the establishment/revival of pastoralist associations both at the regional level and at country level should be supported. Consider linkages of these plans to government plans such as established in the Mandera County Integrated Development Plan (CIDP) and other actors such as SomRep and BORESHA consortia. Partnerships and coordination between the various humanitarian actors should be encouraged to avoid duplication and strengthen existing interventions.

EXTENSION SERVICES: Crop and livestock farming will remain critical for food security. Host governments, the CBCR Activity, and other interested agencies should invest more in extension services, farmer field schools, and post-harvest management. This is in a bid to reduce crop losses and boost the food security of the area. The CBCR Activity should promote farmer training in improved management technologies and lobby the governments as duty bearers to continue facilitating extension work.

SOCIAL SAFETY NETS AND MANAGEMENT OF SHOCKS: Include crisis modification packages in resilience programming to cushion beneficiaries from cyclic shocks. Partner with governments to inject support in cash transfers that give dignity to farmers and inject cash into the markets. The CBCR Activity and partners should proactively engage the community in hazard mitigation measures to reduce the impacts of shocks on community livelihoods and incomes. Continuous awareness creation and early warning will go a long way in saving productive community resources. With drought ranked as the most significant reason for food hunger, actions that are oriented toward enhancing the management of drought impacts are strongly recommended. These include, but are not limited to, livelihood diversification, strengthening and increasing irrigation farming, planting of drought-resistant crops, strengthening natural resource management, and use of technology in information sharing.

WOMEN'S EMPLOYMENT AND INCLUSIVITY: Focus should be given to women finding their niche in the market. While supporting skills development so that they can be attractive in the job market, there should be a level of awareness created among employers to reduce gender discrimination and provide a suitable working environment for women. Simple actions such as construction of gender

49

disaggregated toilets and changing bays for babies will encourage more women to participate in market activities.

LIVESTOCK INSURANCE: Consider demand-driven solutions for livestock insurance. Partnerships with ILRI and CGIAR, who are still doing research on the efficacy of index-based livestock insurance (IBLI), may help understand community dynamics and how that affects livestock insurance uptake.

INFRASTRUCTURE DEVELOPMENT: Across FGDs, it was recommended that governments invest in improving road infrastructure to make markets accessible. Rudimentary transportation modes such as the use of donkeys are not effective in mitigating post-harvesting losses, especially for vegetables and fruits. Investments in infrastructure will encourage businesspeople to invest in modern road transport. In Suftu, the CBCR Activity should engage IGAD and governments of Kenya and Ethiopia to invest in a bridge that links the two countries. This will be useful in facilitating trade and ease movement of goods and services across the two countries.

The construction of dykes along the identified flooding zones should be considered to protect farmers and boost crop production. While working with the government to set apart physical and planned spaces for the sector, consider the construction of shelters for artisans as a way of boosting SMEs. For fresh produce markets, continue to support the construction of market shades with storage facilities for traders to increase and stimulate market activities and reduce losses linked to the value chains. At the community level, consider the investment of grain storage facilities to support farmers' associations to safely store cereals and reduce post-harvest losses. The CBCR Activity should invest in training farmers on post-harvest crop preservation and management.

FINANCIAL INCLUSION: Support existing VSLAs and support the formation of new ones to boost financial inclusion for vulnerable communities. The CBCR Activity could consider providing block grants that can be used as rotating startup capital for organized groups. It is recommended to link the VSLAs and associations with traders and banks to increase financial inclusion among the community members as a way of addressing resilience.

Cooperatives are functional vehicles for financial inclusion and are self-regulating. Given the reports of 270 redundant cooperative societies on the Kenyan side of the cluster, it will be useful to work with the government and the banks to revive the cooperative movement in Kenya and extend the same to Somalia and Ethiopia. The revival of cooperatives will boost producers' voices and support alternative self-resilience pathways. Finally, advocate for financial inclusion programs within the government and the humanitarian sector.

POLICY RECOMMENDATIONS

- Support the development of an investment policy that encourages investors, particularly those in the Manderu hub. Such businesses are likely to diffuse within the town and beyond spurring greater economic growth.
- Government subsidies for livestock insurance in Kenya may remain unsustainable unless the pastoralists themselves have greater buy-in. It is recommended that the government reviews the lessons learned from previous KLIP interventions and draw learnings that can inform future policy.

- On job security for women, a robust conversation on how employed women can enjoy their maternity leave without risking their jobs should be held. Employers are averse to the financial risks associated with the employment of women in their reproductive age. The government should encourage tax incentives for employers engaging women so that they can maintain women employees and retain their pay when on maternity leave.

5. KEY AREAS OF PROGRAMMING/ POTENTIAL ACTIVITIES

Following the analysis of the findings as presented in this report and the objectives of the program, the following activities are recommended as priority areas of intervention for the CBCR Activity.

- a) Increased investments in value chain development focused on enhancing existing livelihoods and creating job opportunities. Under this activity, it will be recommended that CBCR continues to support:
 - Direct production mechanisms in crop and livestock sectors
 - Support agribusiness endeavors and market developments
 - Enhanced value chains with clear investments in value addition within the value chain

- b) Development of employability skills and support for employment opportunities. The CBCR Activity could engage with employers (businessmen, formal and non-formal) to enhance skills development for school-leavers and graduates. This initiative may be accompanied with business startup and scale-up grants for apprentices that complete a specific period of training. The activity will include direct investments in the apprentices and creation of awareness on the part of potential employers on the benefits and the need for opening opportunities for apprenticeships.

- c) The CBCR Activity has great potential to influence policies and advocate for better natural resource management (NRM), trade facilitation and support to pastoral livelihoods on all sides of the border, especially in partnership with Boresha, SomRep, and BRICs. While there is significant engagement with the Kenya and Somalia sides of the cross-border cluster, Ethiopian engagement remains limited. The gains and learnings from resilience consortia in Kenya and Somalia could be replicated on the Ethiopian side of the cluster.