

The DRIVE Project

Kenya Development Corporation (KDC) in partnership with the State Department for Livestock (SDL), ZEP-RE (PTA Reinsurance Company), and the World Bank group (funders of the project) are spearheading the De-risking, Inclusion and Value Enhancement (DRIVE) project in Kenya.

The DRIVE project has emerged as a beacon of hope for the region's pastoral communities, with a budget of \$360.5 million. The project objective is to de-risk pastoral systems at the primary level through an integrated package of financial services that includes drought index insurance, savings and at value chain level through de-risking private sector investments that include provision of financial support. The project is expected to have a positive impact on enhancing climate resilience of pastoral communities, addressing climate change, strengthening commercialization of livestock production, and ensuring the inclusion of the marginalized and vulnerable groups such as women and youth. DRIVE is a regional project, implemented in 4 Horn of Africa (HOA) countries (Djibouti, Somalia, Kenya and Ethiopia).

The project aims to impact more than 1.6 million pastoralists drawn from 2,500 pastoralist groups over a five-year period. Anchored on pillars 2 and 3 of the Horn of Africa Initiative (HoAI). Objective of project DRIVE is to intervene to protect pastoral communities against drought shocks by:

- ✓ Increasing their financial inclusion
- ✓ Connecting them better to markets

Component 1 Package of Financial Services for Climate Resilience (\$179 million)

Objective: Designing a sovereign climate insurance policy to be acquired by Djibouti for the government to provide protection to its population, including pastoralists.

Mechanisms: Designing and provisioning pastoralists in Kenya, Ethiopia, and Somalian integrated package of financial services

Building the capacity of the countries' stakeholders and drought insurance awareness

Component 2: Livestock Value Chains and Trade Facilitation (\$181.5 million)

Objective: To facilitate livestock trade across the HOA countries and upgrade livestock value chain by mobilizing private investments

Mechanisms: Upgrading quality infrastructure to ensure compliance of livestock and livestock products with international standards

Supporting trade facilitation and trade logistics of livestock and livestock products

Establishing a facility to de-risk private investment in the livestock value chains and to support local productive capacities

Component 1: Project Targets

- **1.6 million** pastoralists and their dependents covered by financial services
- **2,500 pastoralists** groups supported and connected to markets
- **80%** of pastoralists in target areas who receive training to understand the financial products
- **\$72 million** private capital mobilized through the facility to de-risk private investments

Component 2: Project Targets

- **\$ 40 million** private capital to be mobilized into private sector-led investments.
- Over **1,200** pastoral groups and at least **800,000 pastoralists** to be supported.
- Value of Livestock and livestock products traded by pastoralists as a result of the project - (Amount USD 115,000,000.00).
- **37%** of pastoral women supported under the project to own and operate bank accounts.

Our Role as Kenya Development Corporation (KDC)

Focus on addressing gaps in the economy

KDC mandate aligns with DRIVE to catalyze livestock trade as a nascent sector holding great economic promise.

Expertise in commercial viability assessment

Sustainable growth of Kenya's earnings from livestock trade is key. KDC ensures projects invested in are commercially viable.

Experience in growing enterprise

Successfully grown entrepreneurial endeavors into blue chip companies listed on the NSE with some trading regionally.

Technical support to business

Management advisory services provided to commercial ventures financed to ensure their sound management and longevity.

Ability to mobilize private sector resources

Ensures partners invest own funds alongside KDC funds for growth and success of enterprises.