



Sustainability Forest Sector Action Plan



1 INTRODUCTION

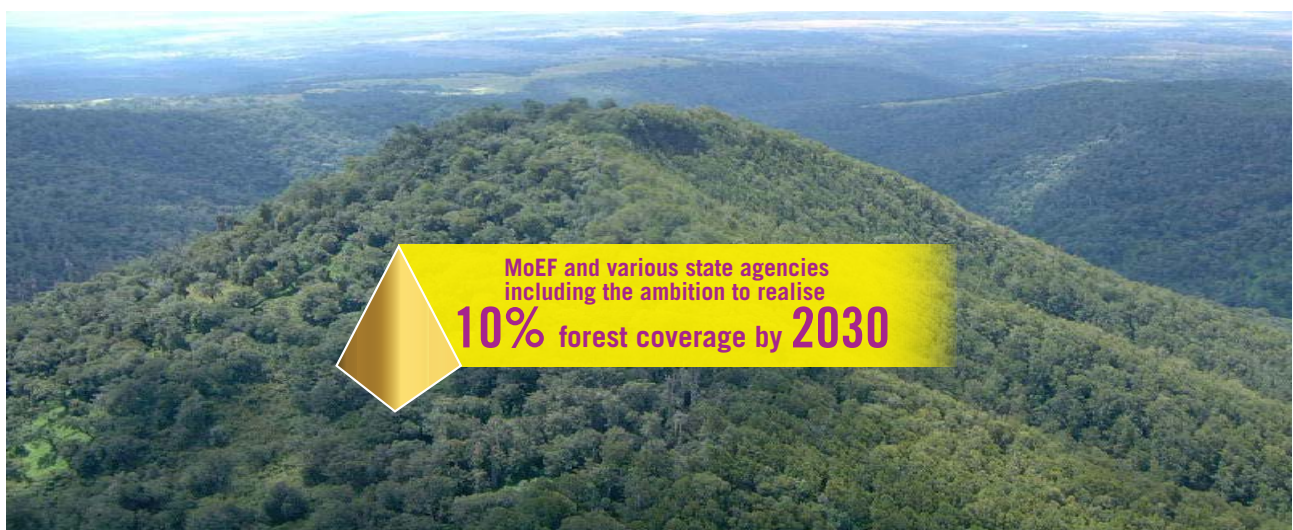


1.1 Rationale

The forestry sector in Kenya provides multiple benefits for the state as well as non-state actors across the sector value chain. The sector is a fundamental source of raw materials critical to the social and economic development of the country in the form of timber and Non-Timber Products (NTPs). This is in addition to vital environmental benefits such as protecting the soil, preserving the quality of air and water, enhancing quality of life value especially around burgeoning urban settings, and carbon sequestration. The relationship between forests and the continued sustainability of biological diversity is of great importance.

This plan is developed based on the rationale that interdependences of the sector and other economic sectors are fundamental for socioeconomic development as well as for the preservation of the ecosystems. The forestry sector can provide the varying products and conservation roles, functions, and outputs with continued and virtuous protection and management. The action areas provided in this action plan are meant to guide interventions and investment of resources over the next ten years. It is built on an understanding that forests are long-term investments needing near to long term actions that contribute to the ambitions provided for in Kenya's policy and legislative framework as well as the variety of programmes developed by the Ministry of Environment and Forestry (MoEF) and various state agencies including the ambition to realise 10% forest coverage by 2030.

The forestry sector business sustainability plan is informed by an analysis of gaps and challenges that engulf the sector at a policy and programmatic level, identification of opportunities that can be capitalized on, review of lessons learnt and good practices on Sustainable Forest Management (SFM) that can be domesticated in the Kenyan context, and a robust stakeholder engagement process that led to the consolidation of practical recommendations.



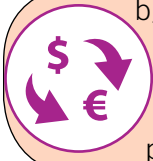
1.2 Key Activates

The forestry sector in Kenya is marred by an array of challenges and threats, which this action plan seeks to address. These have been identified through a collaborative approach as well as a detailed literature review process. These are discussed below.

- a) **Unprecedented demand.** As the population in the country grows, the increasing demand for wood and non-wood products has continued to place undue pressure on our forests. The never-ending need for building materials, firewood, furniture brought about by the population surge is unstoppable.



- b) **Weak market structure.** Weak market structure and organisation have so far limited an open and efficient market. Inadequate access to credible wood valuation services and market information by small-scale producers has also contributed to the distorted economic valuation of timber. Timber middlemen have exploited the ill-informed and desperate small-scale wood producers through unfair pricing.



- c) **Forest land encroachment.** Environmental degradation and encroachment have become a common phenomenon. Between the period 1990 and 2010, Kenya lost 2.8% of its natural and indigenous forest cover, despite a logging ban. Increasing illegal timber trade contributes to deforestation as well as loss of biodiversity. Illegal timber trade revenue worth millions of dollars is lost every year.



- d) **Political interference.** Currently, the Government of Kenya (GoK) has imposed a moratorium on timber harvesting in all public and community forests to allow for reassessment and rationalization of the entire forestry sector in the country. This was however a hasty action made without consultation of the key players in the sector, and especially private actors in the value chain. Most actors within the value chain are operating within the scales of survival, with production ranging between 30 to 50% to ensure factories are running.



- e) **Corruption.** Corruption remains a central vice that continues to cripple the forestry sector. Partiality in the award of licenses among other forms of corruption, which result in higher cost of doing business and adversely affects competitiveness of products in the market.



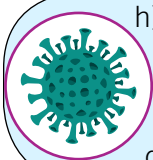
- f) **Low quality imports.** Recent years have seen an increase in the diversity and magnitude of forest products coming into the country. However, the quality of this products is questionable and the price way too low for local manufactures to compete. With high cost of production vis-à-vis value addition, and the need to maintain the quality of products, operational continuity is becoming unbearable.



- g) **Poor coordination among actors.** The GoK has established various state agencies including the Kenya Forestry Research Institute (KEFRI) and Key Forest Services (KFS), all of whom have unique mandates and responsibilities. Further, private sector organisations such as the Kenya Private Sector Alliance (KEPSA) and Kenya Association of Manufactures (KAM) provide the required support to private actors along the forest value chain. However, required levels of cooperation and coordination towards SFM are yet to be attained. This has resulted in a ripple effect of major gaps such as poor knowledge management, inadequate mechanisms for access and benefit-sharing arrangements to support SFM and strained relationships amongst state agencies and between the private sector and government agencies.



- h) **The Covid 19 pandemic.** Like in other economic sectors, the pandemic has had detrimental effects in the operations of actors in the value chain. It is almost impossible to predict how soon the economy will bounce back. Fluctuations in demand for the various wood and non-wood products limits actors' capacity to optimally function. Some of the changes that have been deployed within the various processing and production units are presumed to be permanent.



1.3 Strategic Intent

This Sustainability Action Plan envisions a forestry sector that makes a maximum contribution to human well-being through the supply of timber and NTPs and services, and the creation of revenue and livelihoods for communities that are dependent on forestry, while conserving the forest biodiversity, and maintaining and developing forest ecosystem services on a sustainable basis, all within the context of a changing climate.

The action plan describes how key stakeholders in the sector can contribute to SFM through a coordinated approach. It promotes mechanisms that have been successfully applied in other nations towards efficient use of forestry resources and equitable engagement of all stakeholders across the value chain. The plan also proposes key action areas both at a policy and programmatic level, while infusing lessons learnt and good practices. It seeks to trigger necessary interventions and provide a foundation for activities that address the various gaps and challenges identified while contributing to SFM. It therefore provides propositions that can be implemented autonomously as well as through coordinated and collaborative approaches. These solutions are driven by the need for.

(a)

Sustainable funding mechanisms that enable sustainable forestry actions by businesses in the value chain.

Realistic SFM solutions by key stakeholders including state and non-state actors.

(b)

(c)

Policy recommendations that catalyse a sustainable forestry environment for businesses in Kenya requiring engagement with national and county governments.

SMART actions relevant for SFM Kenya with clear roles and commitments of each stakeholder in the forestry value chain.

(d)

ACTION PLAN

2



2.1 Guiding Principles

The action plan is guided by the key recommendations made in the research report. These are coined around the thematic areas of **knowledge management, forestry smart development approaches, forest cover, innovation for sustainable use of forestry resources, standardization of timber and other wood products,** and **coordination and inclusivity**. To address the concerns within these thematic areas, it is critical that the action plan is aligned to key principles of SFM underscored by the policy and legislative framework and sector development plans and strategies. These include:

- a. SFM is a collaborative agenda that can only be realised and sustained through partnership models that bring together all relevant stakeholders across the forestry sector value chain. As such, there should be active participation of stakeholders in decision making process. Such input should be reflected in key outputs at the policy and programmatic level and should be seen to be implemented.
- b. SFM requires that forestry resources, to the best extent, are effectively and efficiently utilised while reducing waste, recovering, reusing and recycling forestry resources as much as possible. Products and resources from forestry should therefore be consumed where it is demonstrable that such resources are managed sustainably.
- c. SFM must contribute to the preservation of the forestry ecosystem while contributing to the mitigation of climate change by sequestering carbon in forests and forestry products, and by substituting renewable wood-based products and fuels for non-renewable products and fuels.
- d. Governance of the forestry sector should be based on evidence-based decision making, transparency of processes and procedures, accountability and regular monitoring of progress towards SFM.

2.2 Key Focus Areas

The action plan constitutes of six Key Focus Areas (KFAs) which are reflective of the thematic areas. Each of the focus areas has a specific goal to be attained between the period 2021 and 2030. This is illustrated in Figure 1 below.

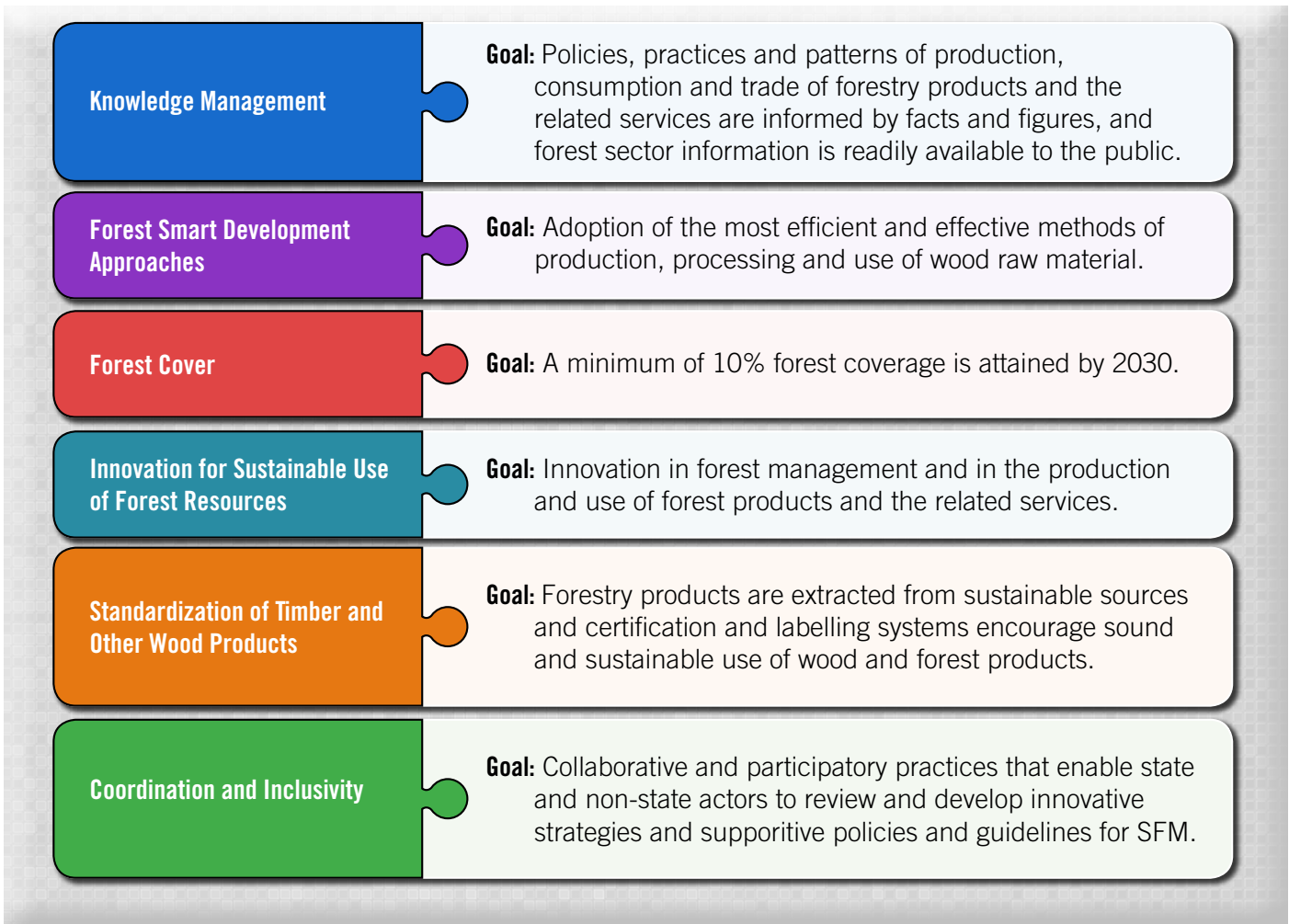


Figure 1: Key Focus Areas and Goals



KFA 1: Knowledge Management

Goal: Policies, practices and patterns of production, consumption and trade of forestry products and the related services are informed by facts and figures, and forestry sector information is readily available to the public.

Objective 1: To establish and maintain a system and mechanisms that informs development of SMART and sustainable solutions for the sustainable use and management of forestry resources.

	Actions	Responsibilities	Timelines
A.1.1	Establish an inclusive task force to monitor and analyse developments in SFM towards establishing baselines, trends, and lessons learnt, that can inform decision making by policy makers and planners in the sector.	KAM, MoEF, Relevant State Departments, Development Partners	2021 -2022
A. 1.2	Develop and continuously maintain a data hub that provides accurate data necessary for development of realistic SFM strategies while informing decision making on production, consumption and trade of forestry products.	KAM, MoEF, Relevant State Departments	2021 -2023
A.1.3	Undertake a trends analysis to ensure that production, consumption, and trade of forestry products is based on scientific facts and that responses of the sector to emerging trends are prompt, sufficient and effective.	MoEF, Relevant State Departments, Development Partners	2021 - 2025
A.1.4	Undertake research on existing opportunities to increase the potential for sustainable supply of timber and NTPs. This should encompass a social and economic assessment of the catalysts for consumption of timber and NTPs.	KAM, MoEF, Relevant State Departments	2023 -2024
Objective 2. To ensure that SFM information on the economic value of forestry goods and services is readily available to the public to enhance appreciation of SFM.			
A.2.1	Undertake a study on the valuation of forestry goods and services, especially around policies, programmes, strategies, partnerships, and the incorporation of values of SFM, and create databases and online platforms for exchange, cooperation, and data dissemination to the public.	KAM, MoEF, Relevant State Departments, Development Partners	2022 - 2025
A.2.2.	Conduct two national research studies on the value of forestry products with the participation of KFS, researchers and consumers of forestry resources with a view of enabling forestry investments.	KFS, Research Institutions, Academia	2022 – 2028
A.2.3	Promote the disclosure on the economic value of forestry resources to actors across the value chain.	MoEF, Relevant State Departments	2022 - 2023
A.2.4	Convene multisector forums with interlinked sectors such as health, energy, agriculture, and business, including the insurance sector, to exchange knowledge on economic value of forestry resources as well as sustainable use of the resources, including areas of collaboration.	KAM, KEPISA, MoEF, Relevant State Departments, Development Partners, NSAs	2021 - 2023

KFA 2: Forestry SMART Development Approaches

Goal: Adoption of the most efficient and effective methods of production, processing and use of wood raw material.

Objective 1: To enhance innovation in SFM and in the production and use of forestry products towards establishing a complete forestry sector in the supply of renewable and sustainably produced goods and services.

	Actions	Responsibilities	Timelines
A.1.1	Assess the current trends in production, processing and use of wood raw material and ensuring continued comparability with global good practices.	KAM, KEPISA, Development Partners	2024 -2025
A. 1.2	Establish conditions and approaches which promote innovation in production, processing and use of wood raw material among small- and large-scale actors in the sector, at the policy and programmatic levels as well as in change of Knowledge, Attitude and Practices (KAPs).	KAM, MoEF, Relevant State Departments	2022 -2030
A.1.3	Support Small and Micro Enterprises (SMEs) in developing and rolling out innovations intended to improve efficiency in the use of forestry resources in the manufacturing and processing of forestry products, as well as enhancing competitiveness of the sector.	KAM, KEPISA, Development Partners, MoEF	2023 - 2028
A.1.4	Hold exhibitions to promote innovative uses of wood and forestry by sector-reliant actors as well as interlinked sectors.	KAM, MoEF, Relevant State Departments	2023 -2024
Objective 2. To ensure that the supply of Timber and NTPs from Kenya's forestry is sustainably sufficient to meet the current and growing demand, locally and for export.			
A.2.1	Adopt lessons learnt and good practice on sustainable production and management of forestry products from countries that have successfully implemented SFM strategies at both a policy and programmatic level.	KAM, MoEF, Relevant State Departments, Development Partners	2022 – 2030
A.2.2.	Assess and document data to support effective forestry planning, including through national forestry inventories.	KFS, Research Institutions, Academia	2023 – 2025

KFA 3: Forest Cover

Goal: A minimum of 10% forest coverage is attained by 2030.

Objective 1: To attain a minimum of 10% forest cover by 2030 through collaborative multistakeholder approaches

	Actions	Responsibilities	Timelines
A.1.1	Develop multistakeholder afforestation and reforestation programmes with state and non-state actors.	KFS, KAM, KEPISA, Development Partners, Academia	2023 -2029
A. 1.2	Create incentives for tree planting including contributing to the development of a climate change regime that provides appropriate incentives to increase the forest cover.	MoEF, Relevant State Departments	2021 -2030
A.1.3	Provide incentives for carbon sequestration for forest owners and industries in the sector to encourage tree planting.	Policy makers, KFS, MoEF	2022 - 2025
A.1.4	Enhance forests management to promote increased forest cover as well as transparency in processes and practices while ensuring the sustainability and multifunctionality of forests at all levels.	KAM, MoEF, Relevant State Departments	2023 -2024
A.1.5	Ensure optimal species-site matching and concentration of planting to high productive forestlands where the probability of successful establishment is not put at risk by external factors.	KFS	2021 -2023

Objective 2. To refocus restoration and conservation efforts using priority areas and working multisector actors and community groups

A.2.1	Prioritize activities based on mapped priority areas for afforestation and reforestation. This should include collaborative activities with key sector actors including Community Forest Associations (CFAs) and the Kenya Timber Manufacturers Association (KTMA).	MoEF, KFS, KTMA, KEFRI, CFAs	2022 - 2024
A.2.2.	Coordinate with forest conservation stakeholders to design and implement complementary actions that support overall forest conservation and restoration strategies at the county as well as national level.	MoEF, KFS, KEFRI	2023 - 2027
A.2.3	Develop land use rules that support sustainable forest management, a viable resource-based economy, and conservation of priority forests in coordination with county governments and local communities.	MoEF, KFS, KTMA, KEFRI, CFAs	2022 - 2023
A.2.4	Efficiently produce high quality yet affordable forest tree seedlings to support afforestation, reforestation and restoration needs on public and private lands, and increase local source seed collection in partnership with conservation and community organizations.	KEFRI, KFS, CFAs	2021 - 2030

KFA 4: Innovation for Sustainable Use of Forestry Resources

Goal: Innovation in forestry management and in the production and use of forestry products and the related services.

Objective 1: To promote innovation in forestry management and in the production and use of forestry products and the related services.

Actions		Responsibilities	Timelines
A.1.1	Work with landowners to prepare, implement, and monitor SFM plans, and tailoring technical assistance to local needs and partner capacity.	KAM, KFS, Development Partners	2023 -2029
A. 1.2	Support adoption of small to medium scale technologies for wood processing, including systems for production of wood-based energy systems.	MoEF, KEPASA, KAM, Relevant State Departments	2022 -2030
A.1.3	Promote the inception of a conducive business climate for supporting the establishment of a cost-competitive wood processing industry harmonized with the available harvesting volumes.	Policy makers, KFS, MoEF	2022 - 2023
A.1.4	Encourage adoption of innovations intended to improve efficiency in the use of forestry materials in the manufacturing and processing of forestry products.	KAM, KTMA	2021 -2030
A.1.5	Support growth and expansion of forestry-based markets and products, and ensure a balance between new and existing utilization infrastructure.	MoEF, KAM, KTMA	2021 -2030

Objective 2. To enhance effective and efficient SFM through Research and Development (R&D) as well as integration of lessons learnt and good practices.

A.2.1	Undertake a survey on the consumption of various forestry resources including their impact in terms of employment and need for value addition for purposes of competitiveness.	KAM, Academia, Research Centres	2023 - 2024
A.2.2.	Conduct research on current and foreseeable socioeconomic drivers of the forestry sector products and services including R&D, globalization, and trade dynamics.	KAM, KEPASA, Academia, Research Centres	2023 - 2027
A.2.3	Develop pilot projects with a sound research basis to explore product viability, value-added products, new markets, and income options to support the development and expansion of diverse and innovative markets for sustainable forestry products.	MoEF, KAM, KEPASA, Academia, Research Centres	2022 - 2026
A.2.4	Periodically collect and analyse data pertaining to timber consumption and usage, industrial output, and business trends for improved SFM.	KTMA, KAM, KEPASA,	2022 - 2028

KFA 5: Standardization of Timber and other Wood Products

Goal: Forestry products are extracted from sustainable sources and certification and labelling systems encourage sound and sustainable use of wood and forestry products.

Objective 1: To promote certification and labelling systems that encourage sound and sustainable use of timber and forestry products.

Actions		Responsibilities	Timelines
A.1.1	Develop a policy framework for coordinated labelling and certification systems for forestry products.	MoEF, KFS	2022 -2023
A.1.2	Develop standards and guidelines at a national and county level which may satisfy the requirements of more than one certification system attributable to demand and supply as well as other factors.	MoEF, KFS, Relevant County departments	2022 -2030
A.1.3	Introduce systems and structure for certification and labelling through participatory approaches and further monitor their performance and impact within the market space to track progress.	Policy makers, KFS, MoEF	2023 - 2025
A.1.4	Assess KAPs on roll-out of certification of private forest owners and stakeholders throughout the value chain to determine key considerations for improvement.	KAM, KTMA	2024 -2026

Objective 2: To enhance effective and efficient SFM through Research and Development (R&D) as well as integration of lessons learnt and good practices.

A.2.1	Undertake a survey on the consumption of various forestry resources including their impact in terms of employment and need for value addition for purposes of competitiveness.	KAM, academia, research centres	2023 - 2024
A.2.2.	Conduct research on current and foreseeable socioeconomic drivers of the forestry sector products and services including R&D, globalization, and trade dynamics.	KAM, KEPISA, academia, research centres	2023 - 2027

Objective 3: To provide, and ensure impartiality in the application of guidelines, policies and legislations guiding the sector across all stakeholders in the forestry value chain for SFM.

A.3.1	Ensure equal and informed participation of all forestry sector stakeholders in the development and review of guidelines, policies and legislations that affect their operations, including incorporation of their views and perspectives.	MoEF, KFS, Relevant National and County Government Departments, Policy makers	2021 - 2030
A.3.2	Develop guidelines on the standardization of timber and wood products towards ensuring businesses in the sector value chain are in a position to offer products and services through processes that are cost-effective and time-efficient, commercially viable, credible and safe.	MoEF, KFS, Relevant National and County Government Departments, Policy makers	2022 - 2023
A.3.3.	Introduce the establishment of Forest Associations accompanied by simplified procedures for members of such associations including the commitment to eradication of unlawful practices.	MoEF, KFS	2021 -2022

KFA 6: Coordination and Inclusivity

Goal: Collaborative and participatory practices that enable state and non-state actors to review and develop innovative strategies and supportive policies and guidelines for SFM.

Objective 1: To participatorily develop and communicate ambitious and realistic strategies for governance and monitoring of the forestry sector.

Actions		Responsibilities	Timelines
A.1.1	Assess the effectiveness and short- to long-term impacts and consequences of legislations, policies, and guidelines - such as the moratorium on harvesting of timber on all public and community forests on the sector - through the participation of all stakeholders affected by such guidelines towards a better and informed decision on sustainable production and use of forestry resources.	MoEF, KFS, CSOs	2021 -2022
A. 1.2	Review national forestry sector governance and the adequacy of available supporting information toward SFM.	KAM, KEPASA, MoEF, Academia, CSOs	2022 -2024
A.1.3	Undertake periodic reviews and produce and disseminate regular fact-based reports on SFM across the 47 counties based on national criteria and indicators.	KFS, MoEF, CSOs	2023 - 2025
A.1.4	Provide periodic information to landowners, county governments, investors, and entrepreneurs on <i>inter alia</i> ; technical and financial assistance programmes, value-added uses of forestry resources, their role in helping forestry-reliant communities thrive, and public awareness of new opportunities in SFM.	MoEF, CSOs, KAM, KEPASA, Academia, Research Institutions	2023 - 2025
Objective 2. To enhance the capacity of both state and non-state actors for coordinated and effective implementation of strategies, policies and guidelines on SFM.			
A.2.1	Build the capacities, technical skills, information access and institutional capacity of all stakeholders (state and non-state) to implement SFM strategies, guidelines, policies and legislations.	MoEF, KFS, KAM, Academia, Research Centres	2023 - 2026
A.2.2.	Promote SFM among rural communities including forestry-based entrepreneurship, capacity building and innovation through existing CFA structures.	MoEF, KFS	2022 - 2025

3 IMPLEMENTATION PLAN



The implementation of the KFAs proposed herein will require robust models that are participatory in nature, while taking into considerations key commitments by the government towards SFM. This action plan has been developed based on the premise that SFM is long-term process, more so, realisation of the ambitious 10% forest cover. However, it proposes short- to long-term action areas which collectively, and if successfully implemented, will contribute to SFM in Kenya by 2030.

The proposed timelines are indicative and can therefore be used by the entities responsible to identify yearly priorities and actions, since capacity gaps and unavailability of resources may constrain all actions to be pursued concurrently or simultaneously. Unexpected inhibiting as well as catalysing factors of SFM may manifest themselves over the implementation process and hence the need for flexibility to adapt to such scenarios. For instance, technologies are fast developing, hence, requiring actors in the sector to adopt more efficient and effective forestry resource use mechanisms. In the same breadth, a review of the FCM Act, 2016 is bound to introduce changes that may affect one or more of the stakeholders in the sector value chain.

Concerted efforts will be needed in realizing SFM in Kenya. Specifically, greater attention should be driven towards the maintenance and diversification of forestry products markets, often the most compelling incentive for keeping private forests and a resource that can enable SFM. Additional action areas have been recommended for increased outreach and education for forest owners and businesses, including SMEs. Greater involvement in and allocation of resources for sub-national governments for coordinated effort is also needed.

Recognizing that resource constraints are anticipated; it is proposed that coordination and cooperation in the implementation of proposed KFAs is paramount. It is, therefore, important that partnerships among various stakeholders in the forestry sector are established and maintained and mechanisms for pooling resources are established.



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