



**Report on the Sustainable  
Forestry Business Sector,  
June 2021**



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# List of Abbreviations



<b>CoK</b>	Constitution of Kenya
<b>FGDs</b>	Focus Group Discussions
<b>GDP</b>	Gross Domestic Product
<b>GoK</b>	Government of Kenya
<b>HRBA</b>	Human Rights Based Approach
<b>KAM</b>	Kenya Association of Manufacturers
<b>KEFRI</b>	Kenya Forestry Research Institute
<b>KFS</b>	Kenya Forest Service
<b>KIIs</b>	Key Informant Interviews
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KTMA</b>	Kenya Timber Manufacturers Association
<b>KWS</b>	Kenya Wildlife Service
<b>MoEF</b>	Ministry of Environment and Forestry
<b>NCCRS</b>	National Climate Change Response Strategy
<b>NEMA</b>	National Environment Management Authority
<b>NFP</b>	National Forest Policy
<b>NTFPs</b>	Non-Timber Forest Products
<b>SDG</b>	Sustainable Development Goal
<b>SFM</b>	Sustainable Forest Management
<b>SMART</b>	Specific, Measurable, Attainable, Realistic and Timely
<b>TMA</b>	Timber Manufacturers Association
<b>ToR</b>	Terms of Reference
<b>UNCBD</b>	United Nations Convention on Biological Diversity

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# Foreword

The current discourse on the need for sustainable practices in the country calls on all of us, as producers and consumers, to put in place mechanisms that ensure we realize this agenda. This means examining our daily activities and how they impact the community, environment, natural resources and future generations.

Sustainable forest management is a key aspect on this front. This entails the management of forests in accordance with the principles of sustainable development. It is, therefore, central to the various social, environmental and economic sectors that are reliant of forest resources for their sustained growth as well as contribution towards the country's economic development.

Forests play a significant role in Kenya by sustaining water catchments, supporting biodiversity and wildlife resources. Additionally, they promote economic well-being of rural communities who depend on woodland and bush resources to provide firewood, charcoal, and other forest products.

The forestry sector is currently a significant contributor to the country's economy as it supports value chain sectors including manufacturing, tourism, water, energy and agriculture. The sector value chain encompasses all economic activities that depend on the production of goods and services from forests, including production, processing, manufacturing, use and end-of-life stages of the chain.

Kenya is making its own steps towards the sustainable management of forests, albeit slow. This is demonstrated through the government's initiatives anchored on policy and legal framework and programmatic approaches. On the other hand, non-state actors continue to work with the government towards sustainable use of forest resources.

We have a long way to go in realizing our ambitious plans that seek to increase our forest cover to 10% through an aggressive afforestation and restoration programme; protect major water catchment areas; and climate change mitigation and adaptation efforts. The question remains, how do we realize these goals without negatively impacting businesses along the forestry sector, as witnessed through the moratorium on timber harvesting in all public and community forests?

This report seeks to shed more light on the policy and legislative framework guiding the forestry sector value chain in Kenya, its adequacy, gaps and challenges that exist within it. It also provides insights on the extent to which forestry sector strategies and programmes have been implemented, and level of sector-actors collaboration and coordination towards enhancing sustainability of the forestry sector, and what should be done better. Most importantly, it aims to provide key lessons learnt and good practices from global and regional forest sector sustainability strategies, plans and commitments and how these can be tailored to inform the sector's sustainability in Kenya.

KAM acknowledges the role of the forestry sector and the need for both state and non-state actors to actively advocate for a nexus between the sector and other economic sectors. This must also be reciprocated to the communities that rely on forests for their socio-economic wellness.

I speak for the Association in saying that we are committed and are at the forefront of conserving and restoring our environment.



**Mucai Kuniya**  
**KAM CHAIRMAN**

# Executive Summary

## Introduction

The research on Business Sustainability Action Plan for Kenya was commissioned as part of an inquiry into seeking ways to enhance the sustainability of Kenya's forestry sector through a multi-stakeholder approach. The overarching objective of the research was to develop a Kenya Forestry Sector Business Sustainability Action Plan. The process and outcome mirror global and regional best practices, with the main intent of guiding sector-interlinking businesses to develop tailored sustainable actions that support the forestry sector in Kenya. This comes in the wake of the realization that forests should be managed sustainably to yield social, economic, and ecological goods and services for the current generation without compromising similar rights of future generations.

Specifically, the research looked at the extent to which the policy and legislative framework guiding the forestry sector value chain in Kenya is adequate, including the gaps and challenges that exist, the degree to which forestry sector strategies and programmes have been implemented, including recommendations from various reports such as the national logging moratorium taskforce report, the level of sector-actors collaboration and coordination towards enhancing sustainability of the forestry sector, what should be done better and key lessons learnt and good practices from global and regional forestry sector sustainability strategies, plans and commitments and how these can be tailored to inform the sector's sustainability in Kenya.

The study adopted a mixed methods approach that included a review of policies and guidelines on sustainable forestry in Kenya as well as published information globally, regionally and locally on best practices on forestry management. Additionally, primary data was gathered through key informant interviews, dialogues, and focused group discussions with stakeholders in the forestry sector. The study culminated in the development of an Action Plan on Forestry Sector Business Sustainability capturing the commitments and roles of actors in the value chain.

## Key Findings

The study established that Kenya has a well-advanced legal and policy framework, which is anchored on a progressive constitution. The country has also ratified most of the major international conventions related to forestry such as the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification, and the African Convention on the Conservation of Natural Resources, among others. However, practice has a long way to go to fully respond to the policy intentions and put the country on a true path to reverse deforestation and degradation of forest resources while also catalysing sustainable utilization of forest resources for socioeconomic development.

There is a general appreciation of the role forests play interactively with other economic sectors in the country. Both state and non-state actors appreciate that forests play vital social and economic functions in the country. The forest, agriculture, energy, water, and land nexus provide immense economic interdependences. As such there is a great need for a common platform for dialogue as well as policy provisions on the implication of other sectors on the forest sector and vice versa. Consequently, there is a need to consider harmonising policies across all production sectors to achieve sustainable development in the country.



The study adopted a mixed methods approach that included a review of policies and guidelines on sustainable forestry in Kenya as well as published information globally, regionally and locally on best practices on forestry management.

As the government pursues continued improvement of the policy and legislative framework to mirror global and regional Sustainable Forest Management (SFM) agendas, it is fundamental that time, effort, and resources are dedicated to the implementation of the policies and legislations. Policies on taxation and public finance should promote and not constrain Sustainable Forest Management. The policy and legislative framework should also be seen to encourage investments in the forest sector, which, will in the long-term, increase tax revenues for the government.

The programmatic framework brings into perspective the fact that Sustainable Forest Management provides the right concept, principles, planning approaches and the techniques to design management towards the production of multiple values on a sustainable and equitable basis, without jeopardizing the health and integrity of the forests. Well-managed forests and woodlands are a renewable resource, producing essential raw material for multiple industries with minimum waste and energy use.

Economic development and population growth are increasing the demand for forest products and lands, hence the potential for conflicts, particularly in forested regions. This demand is projected to grow exponentially in the coming decades along with uncertain climate scenarios that would put additional pressure on people and forests. Overall, demand for wood and wood products continues to rise and exert pressure on natural forests. The forest sector in Kenya, however, has the potential to foster the transition to a greener and more sustainable economy that can bring economic, social and environmental development, through the sustainable management and conservation of forests and the sustainable utilization of the diversity of products and services they provide.

Contribution of the sector to a sustainable economy, therefore, requires the consistent support of both state and non-state actors towards advocacy for and support of the wider use of forests and trees in biomass energy, green infrastructure and building and as carbon sinks and other forest-based solutions for water and risk reduction. As Kenya looks towards the establishment of a free market-based timber economy, a key factor that needs to be considered is the standardisation of practices in the sector. Standardisation should be steered through a participatory process with all stakeholders and anchored in the policy framework.

## Good Practices

Programmes that catalyse integrated sustainable forest management approaches are becoming popular good practices. Countries such as Finland, North Korea, Papua New Guinea, Congo Brazzaville, Surinam, Guyana, Norway, and Gabon have as much as 70% of their land under closed canopy forest. Yet they do not consider themselves as over-forested. The degree of forest cover is, however, subject to an array of factors, including socio-economic conditions and ecological circumstances. Kenya remains committed to attaining a minimum forest cover of 10%, which, although is a low target, will go a long way in addressing looming deficits in the demand for wood and non-wood products.

Research is a critical element of sustainable forest management. Regionally, countries such as South Africa have rolled out an elaborate research and development plan for the forestry sector. This is all in a bid to ensure continued development of mechanisms necessary for the management of constraints that inhibit development of the forestry sector, including aspects such as biodiversity management, sustainable harvesting of timber and non-timber products and fuelwood. Kenya can learn from the South African model, which involves growing of trees by small scale farmers, with government support through research on improved planting material.



Certification of timber and timber products provides the required control mechanism for forests use, in addition to enhancing Sustainable Forest Management. Procurement of legally certified timber is an emerging practice that has greatly contributed to sustainable use of forest resources in countries such as Gabon, Ghana, Côte d'Ivoire, Cameroon, and the Democratic Republic of Congo. This has been achieved through the Voluntary Partnership Agreement that requires signatory countries to the agreement to ensure legality of tree felling and procurement of certified timber.

## Gaps and Challenges

The forestry sector in Kenya is encumbered by numerous challenges which continue to stifle programmatic and policy and legislative efforts towards sustainable management of the resource. Some of these gaps have been cited in other reports and appear to be recurrent and which have been reemphasised by key stakeholders engaged in this study. To realise effective Sustainable Forest Management, a participatory approach that coagulates key state and non-state actors is indispensable. Some key gaps and challenges identified in the study include unprecedented demand as the population in the country grows, weak market structure and organisation which have so far limited an open and efficient market, forest land encroachment and political interference. This has led to decisions without wide consultations, corruption which remains a central vice and continues to cripple the forestry sector, low quality imports and poor coordination among actors. Furthermore, COVID-19 pandemic has had detrimental effects in the operations of actors in the value chain.

## Conclusions

Harmonising the increasing demands for land and forests through Sustainable Forest Management and Forest Landscape Restoration will be critical for ensuring remaining and new forests are managed effectively to steady multiple objectives pertaining to timber production, social outcomes and environmental concerns. This will require that the government adopts locally supportive structures and systems to support Sustainable Forest Management and Forest Landscape Restoration planning and implementation, incorporate local needs and enforce regulations, and the proactive engagement of the private sector and blended Sustainable Forest Management finance from development partners and impact investors.

Global transformations in the forest sector are revealing the need to morph from a market-centred economy to a collaborative and inclusive wellbeing strategy for all stakeholders; from a competitive-driven economy to a collaborative and inclusive one. Practical and sustainable collaborative engagements based on shared interests, commitments, and responsibilities are important for the realisation of Sustainable Forest Management in Kenya. Consequently, it is critical to converge the various sectors and institutions within and outside the forestry sector towards modelling of a unified approach on Sustainable Forest Management.

With the growing movement on integrated landscape management, land restoration and integrated value chain approaches, there is a growing appreciation of the need to develop more effective governance systems that could foster collective impact from multiple stakeholders working together under a shared vision. This then calls for the development of model forests that harmonise stakeholders, natural resource users and land use sectors, and help create a common vision of Sustainable Forest Management and constructive dialogue involving all stakeholders.

Application of taxes on wood and wood products, including allocation of taxes, should be differentiated. For instance, for forest resources meant for private consumption by local communities, no tax should be applied. However, for wood products that meet a moderate magnitude, for instance 500m<sup>3</sup>, which



applies for Small and Medium Enterprises, a reasonable tax should be applied. Similarly, large actors with huge operations and those with renewable forest concessions for forest exploitation dedicated to an industry, should have taxes applied commensurate with magnitudes of extracted forest resources. Aligned to this, revenue derived from forest harvesting should be adequately allocated to natural resource management through the various legal entities in the country, including Community Forest Associations.



## Recommendations

- Knowledge management in the forest sector should be fostered as it has the potential to increase the efficient use of forests through the creation or adoption of new products, manufacturing processes, and business models. Further, there is urgent need for the adoption of efficient data collection and management systems and effective dissemination mechanisms in all forestry operations.
- Fostering forest smart development approaches that recognize forests' significance for sustaining economic growth across many sectors, including agriculture, energy, infrastructure, and water is fundamental. Smart development approaches are vital for the transformation of how sectors operate, by identifying opportunities for mutual benefit and creating practical solutions that can be implemented at scale.
- As Kenya continues to pursue expansion of the forest cover to a minimum 10%, it is vital to acknowledge that the state cannot realise and even surpass this ambition single-handedly. The private sector has a fundamental role to play. Plantations have over time emerged as effective complements of natural forests vis-à-vis production of wood and wood products. They can act as quick accelerators of the country's ambition to realise the over 10% forest cover while addressing the growing shortage of wood.
- For the existing forests to continuously provide adequate wood and wood product needs, there is need to reform forestry practices. This can be achieved by adopting innovations that increase the efficiency of the production and management systems and enhancement of productivity of the existing plantation forests. Together with this, it is critical that the drive towards afforestation and reforestation is rekindled and sustained.
- Standards are essential to trade in increasingly competitive markets. Standardisation of timber and wood products will ensure businesses in the sector value chain are in a position to offer products and put in place processes that are cost-effective and time-efficient, commercially viable, credible, and safe. This will ensure that Kenyan brands are not only eco-branded but are able to compete in global markets.
- Successful realisation and continuity of sustainable forest management require a coordinated approach that brings together various stakeholders across the value chain, including *inter alia* national and county governments, state agencies, private sector actors, civil society organisations, academia and members of the community. Policy review and development as well as implementation of programmes geared towards sustainable forest management should be guided by participatory approaches as well as the inclusion of the views and concerns of all stakeholders.
- The drive towards lifting the ban on logging by the government should be informed by the need for sustainable use of forests resources. There should be a deliberate move towards ensuring that products are extracted from forest resources where it is demonstrable that such resources are managed sustainably.

**Phyllis Wakiaga**  
**KAM CHIEF EXECUTIVE**

# 1. INTRODUCTION



## 1.1 Background

The primacy of the forest sector is a global regional and national concern. It is central to the ongoing transition to a low-carbon and circular future, rooted in renewable, natural resources. With its multiple benefits, it provides the promise of renewable solutions that can substitute non-renewable and fossil-based materials in products such as paper, packaging and personal care, to more innovative bio-fuels and bio-materials for inter alia, construction, chemical and textile sectors. For this reason, sustainable management of the sector is underscored by global as well as national development plans and strategies. Notably, the Sustainable Development Goal (SDG) 15 on Life on Land aims to *protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*.

Kenya is home to an array of forest ecosystems that take the form of among others, rainforests, savannah woodlands, dry forests, coastal forests, and mangroves. The Forest Conservation and Management Act, 2016 defines a forest as “land which is declared or registered as a forest, woody vegetation growing in close proximity in an area of over 0.5 hectares including a forest in the process of establishment, woodlands, thickets”. There are six forest classes identified in Kenya including, private plantation forests, public plantation forests, open forests, open woodlands,

indigenous mangroves, and indigenous closed canopy. According to NEMA report in 2015 open woodlands represent approximately 59% and closed canopy 33% of the forest area. The forest cover is under threat because 80% of Kenya population relies on its biomass for their energy needs and also represents a source of income.

There is collective appreciation by state, non-state actors as well as communities that these ecosystems serve fundamental ecological, social, cultural, and economic functions. The Kenya National Bureau of Statistics (KNBS) Economic Survey, 2020, estimated that the forestry sector contributes 1.3% to the country’s Gross Domestic Product (GDP), with an approximate economic output estimated at KES 125.6 billion.

The contribution of forests in water catchment is critical to Kenya’s rural and urban water supplies. Approximately 70% of power in the country is hydro-generated. Further, much of Kenya’s biodiversity and wildlife resources depend on forests, woodlands, and dry land forest, and are a major factor in attracting tourism. The forest coverage in Kenya is a critical source of economic wellbeing for rural communities across the country. A significant rural population critically depends on woodland and bush resources to provide firewood, charcoal, and other forest products. The plantation resources make a substantial contribution to economic development in the country and are an important source of raw materials for economic development in the wider region.

## 1.2 Policy Framework

Recognised within the legal framework, forests play a vital role in the stabilization of soils and ground water, thereby, supporting the conduct of reliable agricultural activity as well as playing a crucial role in protecting water catchments in Kenya and moderating climate by absorbing greenhouse gases. The Constitution of Kenya (CoK) 2010 demarcates a minimum of 10% national tree cover target.

Forest governance and legal trade have always played a key role in the sector and are foundational elements to sustainability. Although illegal activities continue to undermine the country's efforts towards sustainable use of forest resources, there exists enforcement mechanisms and regulations to improve forest management and governance. Key policies and legislations that advocate for conservation, protection and sustainable management of forests include:

- a. The Forest Conservation and Management Act, 2016
- b. Environmental Management and Coordination Act, 2013
- c. National Forest Policy, 2016
- d. County Governments Act, 2012
- e. National Land Policy, 2009
- f. Land Act, 2019
- g. Land Registration Act, 2016

Sustainable management of forests in Kenya is echoed by Section 41 of the Forest Conservation and Management Act, 2016, which provides that *all indigenous forests and woodlands shall be managed on a sustainable basis for the purposes of, Conservation of water, soil and biodiversity, Riverine and shoreline protection, Cultural use and heritage, Recreation and tourism, Sustainable production of wood and non-wood product, Carbon sequestration and other environmental services, Education and research purposes, and Habitat for wildlife in terrestrial forests and fisheries in mangrove forests.*

Propagating the realisation of the policy framework, the programmatic framework, through Vision 2030, aims to protect the five major water catchment areas in Kenya and increase the forest cover to 10% through an aggressive afforestation, reforestation and restoration programme. The National Climate Change Response Strategy (NCCRS) also flags the forestry sector as a strong vehicle for undertaking both mitigation and adaptation efforts.

While the sector has been identified as central to the country's development, there is no clarity appertaining to the roles of the various actors in the sector towards sustainable management of forest resources. The interdependencies of the forest sector with other sectors is also not adequately demystified, which inhibits a multisector approach towards suitable management of forests in the country. Further, economic dependencies on the forest sector are diverse and of varying complexities. As such, the role of ensuring sustainability of the sector cannot be left to the state and state agencies alone. Risks related to water scarcity, biodiversity loss, ecosystem degradation, competition for natural resources and climate change are shared by various actors across productive areas. To effectively address such risks, the concept of shared efforts by businesses, policy makers, communities and other actors in the forest landscape is inevitable.

## 1.3 Sustainable Forest Management

Sustainable forest management is central to the various social, environmental and economic sectors that are reliant of forest resources for their sustained growth as well as contribution towards the country's economic development. For this reason, both state and non-state actors are actively advocating for a nexus between the forest sector and other economic sectors including agriculture, finance, energy, and water, as well as continued engagement with local communities that are reliant on forests for their socioeconomic wellness.

The forestry sector is currently a significant contributor to the Kenyan economy by supporting value chain sectors including manufacturing, tourism, water, energy and agriculture. The sector value chain encompasses all economic activities that generally depend on the production of goods and services from forests, from production,

processing, manufacturing, use and end-of-life stages of the chain as illustrated in Figure 1 below.

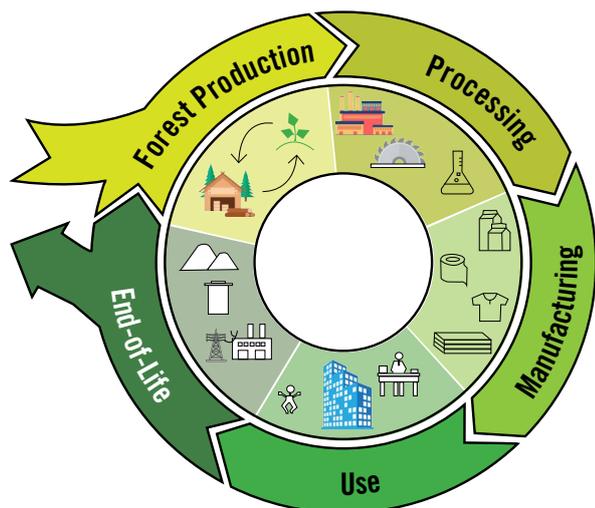


Figure 1: Forest Sector Value Chain  
(Source: WBCSD Forest Sector SDG Roadmap)

The Government of Kenya (GoK) has made significant effort towards sustainable management of forests, anchored by the policy and legal framework as well as programmatic approaches. Aligned to this, other non-state actors including the private actors and CSOs in the sector have been

working with the government towards sustainable use of forest resources. While this is the case, the sector is currently facing several disruptive and transformative challenges including the rapidly increasing population, agricultural expansion, unsustainable wood utilization levels, high energy demand, and over-grazing.

To address some of these challenges and particularly, deforestation, the GoK declared a moratorium on harvesting of timber on all public and community forests in 2018, which was further extended to November 2020, with the intent of reassessing and rationalising the entire forest sector in the country. The process brought to light glaring loopholes in the sector among them, institutionalized corruption, illegal harvesting of indigenous trees, weak enforcement and compliance, mismanagement of plantations and unfair allocation of forest resources, which the government has and continues to address through a set of recommendations provided<sup>1</sup>. It is estimated that over KES. 40 billion would be lost in revenue as a result of the moratorium. Moreover, over 300 sawmills were closed down with 50,000 direct and 300,000 indirect jobs lost, in addition to creating timber scarcity, which greatly affected sectors such as construction.

<sup>1</sup> Kagombe J. et al (2020) Technical Report Socio-Economic Impact of Forest Harvesting Moratorium in Kenya. Kenya Forestry Services (KFS)



## 2. RATIONALE OF THE ASSIGNMENT



### 2.1 Purpose of the Assignment

Set against the above background, KAM seeks to enhance the sector's sustainability through a multi-stakeholder approach. With support from the Confederation of Danish Industry, KAM is implementing a sustainability programme that seeks to support the growth of the forestry sector. This report provides a basis for the development of a sustainable action plan for industries that have linkages to the sector including the timber, wood, furniture and paper sectors. Action planning also focused on other industries that have interlinkages and dependencies on forestry such as the manufacturing sectors.

The overarching objective of this assignment was therefore to develop a *Kenya Forest Sector Business Sustainability Action Plan*. The process and outcome mirror global and regional best practices, with the main intent of guiding sector-interlinking businesses to develop tailored sustainable actions that support the forestry sector in Kenya. This comes in the wake of the realization that forests should be managed sustainably to yield social, economic and ecological goods and services for the current generation without compromising similar rights of future generations<sup>2</sup>. As such, a practical framework that captures the concerns of key stakeholders in the sector is required for

the conservation, management and sustainable development of all types of forests in Kenya.

The action planning process entailed interrogation of the sustainability of the forestry sector from a three-pronged perspective, as illustrated in Figure 2 below.

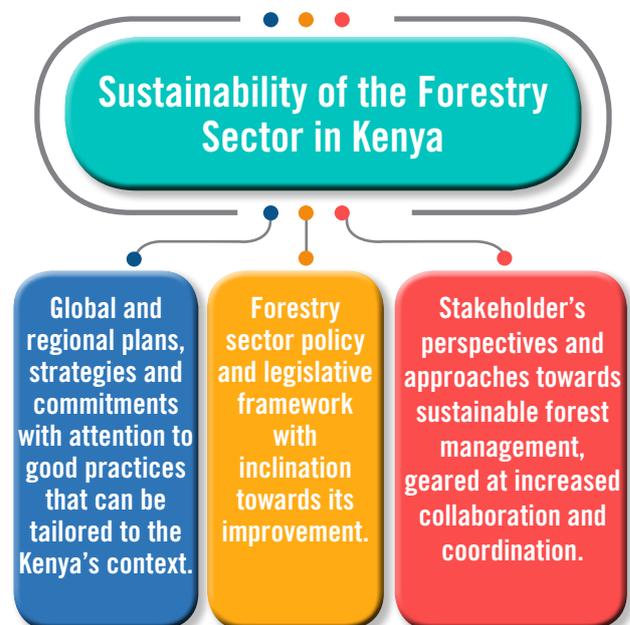


Figure 2: Forestry sector assessment focus areas

<sup>2</sup> National Forest Policy, 2016

## 2.2 Specific Objectives

The specific objectives of this action planning process encompassed:



- a.)** Undertaking literature review to determine:
- The extent to which the policy and legislative framework guiding the forestry sector value chain in Kenya is adequate, including the gaps and challenges that exist.
  - The degree to which forestry sector strategies and programmes have been implemented, including recommendations from various reports such as the national logging moratorium taskforce report.
  - Level of sector-actors collaboration and coordination towards enhancing sustainability of the forestry sector, and what should be done better.
  - Key lessons learnt and good practices from global and regional forest sector sustainability strategies, plans and commitments and how these can be tailored to inform the sector's sustainability in Kenya.

- b.)** Conducting research through interviews and dialogues with key stakeholders to gather their opinions and views.



- c.)** Generating a draft and final research report capturing key findings, conclusions and recommendations that will inform action planning. This marks the current stage of the assignment.

- d.)** Development of an Action Plan on Forest Sector Business Sustainability capturing the commitments and roles of forest cover players in the value chain. The action plan will entail:
- Solutions on sustainable funding mechanisms to enable sustainable forest actions by businesses in the value chain.
  - Realistic Sustainable Forest Management (SFM) solutions by stakeholders including actors across the plastic supply chain.
  - Policy recommendations that shall 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 forest value chain.



# 3. KEY FINDINGS



The study established that there is a general appreciation of the roles forests play interactively with other economic sectors in the country. Both state and non-state actors appreciate that forests play vital social and economic functions in the country. They provide goods and services such as food, income and employment, that are necessary conditions to advance inclusive and sustainable economic growth. They also provide ecosystem services that are critical for the wellbeing of all of humanity. Accordingly, renewed, inclusive and coordinated efforts have to be directed towards sustainable use of forest resources. The study findings have been clustered in a manner to inform decision making by relevant stakeholders in the sector while informing next steps through a component on good global practices.

## 3.1 Policy and Legislative Framework

The CoK reflects a robust legislative framework in the management of natural resources by the national and county governments. It provides for the devolution<sup>3</sup> of forest management functions, highlights guidelines for equity in benefit sharing of forest resources and sets a target of a minimum 10% tree cover. Critical to this context is the provision for sustainable exploitation, utilisation, management and conservation of the environment

<sup>3</sup> Article 174 provides for the objects of devolving national government functions while schedule 4 provides for the devolution of forestry functions.

and natural resources, as equitable sharing of the accruing benefits<sup>4</sup>.

Cropped from the CoK is the Forest Conservation and Management (FCM) Act, 2016 - the principal forestry legislation. Aligned with the Act is the draft National Forest Policy (NFP), 2020. This policy is guided by the CoK, the national development agenda, as well as emergent issues including the call for renewable energy and climate smart development. The policy framework, in particular, seeks to identify innovative measures for countering as well as reversing deforestation and degradation of forest resources while also catalysing sustainable utilization of forest resources for socioeconomic development.

The FCM Act classifies the country's forest into three categories. These encompass public, community and private forests. Their definitions are adopted from Article 62 (1) (g) of the Constitution in light of three main aspects - ownership, management and control. Community forests are defined to include forests on ancestral land and land traditionally occupied by hunter-gatherer communities. Private forests are defined as those on privately-owned land.

The NFP aims to promote and facilitate good governance in the protection, restoration, conservation, development and management of forestry resources, and equitable, sustainable and

<sup>4</sup> GoK (2010) Constitution of Kenya, Article 69(1) e

climate smart development. Given the context of this study, the draft NFP 2020, specifically, seeks to promote equity, ecological sustainability and economic growth for the overall goal of poverty reduction in tandem with other government policies and pronouncements, as well as endorsing innovation and appropriate technologies for sustainable utilization of natural resources. On SFM, the policy provides that all forest resources should be managed sustainably to yield social, economic and ecological goods and services for the current generation without compromising similar rights of future generations.

As the government pursues continued improvement of the policy and legislative framework to mirror global and regional SFM agendas, it is fundamental that time, effort and resources are dedicated to the implementation of the policies and legislations. Policies on taxation and public finance should promote and not constrain SFM. The policy and legislative framework should be seen to encourage investments in the forest sector, which, will in the long-term increase tax revenues for the government. Further, ease of consumption of the latter among the various stakeholders should be explored through development of popular versions and guidelines that acquaint the stakeholders with policy provisions and requirements.

A shift towards taxation of specific wood products such as charcoal and twigs used for firewood is bound to encourage unsustainable exploitation of such resources. This would eventually lead to increased deforestation, a counter to the government's ambition to realise a minimum 10% forest cover. Forest-reliant communities should be allowed to consume forest resources such as wood fuel and charcoal at a zero fee. This is because controlled use of such resources has negligible impact on the sector. Further, the government needs to consider alternative sources of affordable energy that would reduce overreliance on charcoal and firewood.

It is vivid that the forest sector highly interacts with other economic sectors. Consequently, there is a need to consider harmonising policies across all production sectors to achieve sustainable development in the country. The forest, agriculture, energy, water and land nexus provide immense economic interdependences. As such there is a great need for a common platform for dialogue as well as policy provisions on the implication of other sectors on the forest sector and vice versa.

## 3.2 Institutional Framework

The MoEF is responsible for national policy making in the forest sector. It bears the key mandates of national environment policy and management; forestry development policy and management; development of reforestation and agroforestry; restoration of strategic water towers; protection and conservation of the natural environment; pollution control, conservation and protection of wetlands and climate change affairs.

The FCM Act establishes KFS as a governmental agency with the mandate of conserving, protecting and managing public forests. The ownership, management and control of the forest products that defines the value chain are all indicated on the various permits issued by the KFS, coupled with the CESS fees paid to the various counties of origin. At the community level, the GoK has made significant effort towards establishment of mechanisms for instituting effective tenure reform and for the participation of indigenous peoples and local communities in forest ownership and management through Community Forest Associations (CFAs). CFAs play a critical role in SFM. However, their potential is yet to be maximized.

## 3.3 Programmatic Framework

Kenya has been active in taking definite steps to reduce forest degradation and deforestation in addition to aligning itself to global commitments advocating for SFM. The GoK has increasingly participated in international forest dialogues and has embraced international approaches and domesticated key strategies, such as the SDGs, to enhance SFM at national and local levels. Sustainable development of the forest sector is anchored by the Kenya Vision 2030, which seeks to increase forest cover to 10% through adoption of effective conservation measures for existing forests and planting of more trees in areas with low tree cover. The programme also calls for rehabilitation of the five major water catchment areas (Mt. Kenya, Aberdare's Range, Mau Escarpment, Charangani Hills and Mt. Elgon) which are of closed canopy forests commonly referred to "water towers" as well as coordinated land use mapping.

The programmatic framework brings into perspective the fact that SFM provides the right concept, principles, planning approaches and

the techniques to design management towards the production of multiple values on a sustainable and equitable basis without jeopardizing the health and integrity of the forests. Well-managed forests and woodlands are a renewable resource, producing essential raw material for multiple industries with minimum waste and energy use. Interaction of the forest sector with other sectors is illustrated in the Figure below.

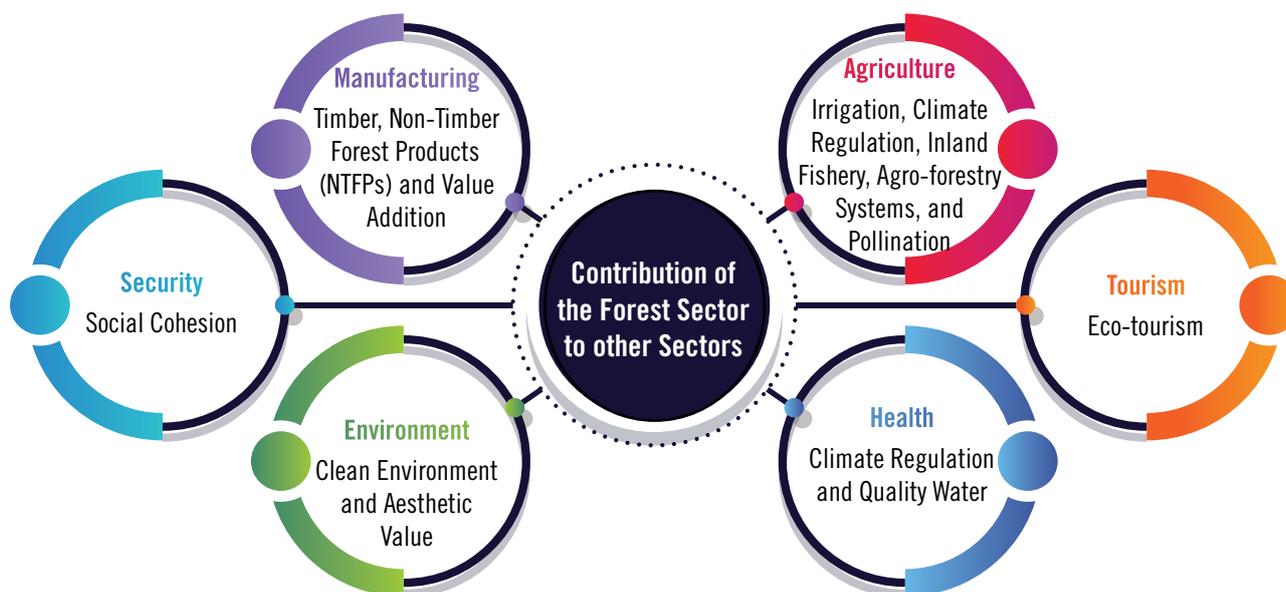


Figure 3: Interaction of the Forest sector with other development sectors

Aligned to Vision 2030 and morphing from the Forestry Master Plan of 1995, the National Forest Programme 2016-2030 was developed through an inclusive and participatory approach that is cognisant of the interest of various stakeholders along the forest value chain. The programme was developed based on the principles of SFM including enhancing forest value chains, competitiveness, job creation and tapping market potential. It seeks to specifically realise five strategic intents. These include, increasing tree cover and reverse forest degradation through sustainable forest management; enhancing forest-based economic, social and environmental benefits, by, among others, improving the livelihoods of forest-dependent people; enhancing capacity development, research and adoption of technologies to increase value adding to forest products; creating an enabling environment for mobilizing resources and investment to spur forest development; and inculcating good forest governance through integrating national values and principles of governance in forest development<sup>5</sup>.

Key forest products in the country constitute of timber, poles and fuel wood. NTFPs include among others gums, resins, honey, and fodder. All of these provide substantial economic inputs for large and small-scale enterprises as well as being a critical source of livelihoods for rural communities. Similarly, medicinal trees and forest plants play a vital role for communities that are reliant on forests. Cognisant of the need for SFM, the country's programmatic framework acknowledges that profitability of tree-growing and forest industries requires an enabling environment for business, access to markets and efficient value chains that provide a fair share of value addition to all key actors along the value chains.

Towards SFM, it is important to acknowledge that forest form the basis of incomes and livelihoods. The forestry sector has both a potential and an obligation to contribute to the creation of job opportunities, both directly and indirectly, as well as feeding into the country's economic development. For this reason, the private sector has an obligation to align itself with the county's programmatic framework through continued sustainable use of forest resources and job growth within forestry sector. As such, a conducive environment for private forest investments should

<sup>5</sup> Kenya, Ministry of Environment and Natural Resources. (2016). National Forest Programme of Kenya. MENR, Nairobi, Kenya.

be provided and a strong coordination mechanism with the state and state agencies established.

Development of strategies, plans and guidelines that affect stakeholders along the forest value chain should be participatory. The moratorium to ban logging for instance, while amply implemented by the government, did not take into consideration the detrimental economic effects on private actors. Companies such as Homa Lime consume a tonne of fuelwood from their forest to produce a tonne of lime. However, the company does not have the

capacity to produce a tonne of fuelwood within the required timeline and what is sourced from private producers is grossly inadequate. This has seen the company's production capacity reduce to a meagre 30%. Similarly, timber processors have been negatively affected. For instance, timber has an optimal age for harvesting, depending on the type of tree plant, if quality is to be observed and value obtained. Further, the GoK has a lot of Eucalyptus trees in the commercial forest that need harvesting. Late harvesting of the tree crop would result to poor regeneration.

### 3.4 Forest Sustainability Framework

Economic development and population growth are increasing the demand for forest products and lands, hence the potential for conflicts, particularly in forested regions. This demand is projected to grow dramatically in the coming decades along with uncertain climate scenarios and other sort of disruptions that would put additional pressure on people and forests. Forest products such as timber and paper are already a major economic undertaking in the country. Overall, demand for wood and wood products continues to rise and exert pressure on natural forests. The National Forest Programme estimates that the wood deficit in the country is predicted to rise to as high as 34.4 million cubic meters by 2030. It further provides projections for projected demand for firewood, charcoal, timber and poles for 2011/12 and 2031/32 as illustrated below.

Table 1: Projected demand (million m<sup>3</sup>), supply and projected surplus (+) or deficit (-) of wood products

	Firewood	Charcoal	Timber	Poles	Total
<b>DEMAND</b>					
2011/12	18.7	16.3	5.3	1.4	41.7
2031/32	21.7	19.2	7.6	2.2	50.7
% change	16	18	43	58	22
<b>SUPPLY</b>					
2011/12	13.6	7.4	7.4	3.0	31.4
2031/32	14.9	8.1	9.0	3.7	35.7
% change	10	9	22	23	14
<b>DEFICIT</b>					
2011/12	-5.0	-9.0	+2.1	+1.6	-10.3
2031/32	-6.8	-11.1	+1.4	+1.5	-15.0

Source: National Forest Programme 2016-2030

The forest sector in Kenya, however, has the potential to foster the transition to a greener and more sustainable economy that can bring economic, social and environmental development, through the sustainable management and conservation of forests and the sustainable utilization of the diversity of products and services they provide. Contribution of the sector to a sustainable economy, therefore, requires the consistent support of both state and non-state actors towards advocacy for and support of the wider use of forests and trees in biomass energy, green infrastructure and building and as carbon sinks and other forest-based solutions for water and risk reduction.

Sustainable management of forest resources including forest-based inclusive and sustainable economic growth is nonetheless affected by two main issues. These include insecure land tenure and unequal benefit sharing among forest users. As such, contextualization of forest use and management rights is critical in tracking environmental, social and economic development, and hence in strengthening the contribution of forests towards an inclusive and sustainable economic growth trajectory that also includes the generation of decent jobs and employment.

Clear ownership and management rights are vital for good governance and sustainable management of forests, including access to markets and better prices by accessing the formal economy, incentives, Payment for Ecosystem Services (PES), credit and other sources of financing. Secure forest tenure and rights promotes capital investment by governments and the private sector, including communities and smallholders, and influencing the arrangement of incentives that motivate the sustainable use of forest resources<sup>6</sup>.

As Kenya looks towards the establishment of a free market-based timber economy, a key factor that needs to be considered is the standardization of practices in the sector. Standardization should be steered through a participatory process with all stakeholders and anchored in the policy framework. A comprehensive standard for Kenyan timber and wood products will support the manufacturing of wood and wood products as well as trade of products and services, which better meet consumers' expectations for safety and fitness for purpose, environmental protection needs and other qualities while considering the cost of production.

### 3.5 Good Practices

Countries such as Finland, North Korea, Papua New Guinea, Congo Brazzaville, Surinam, Guyana, Norway and Gabon have as much as 70% of their land under closed canopy forest. Yet they do not consider themselves as over-forested. Finland and Norway, for instance, have economies currently so dependent on forest industries that the percentage, if reduced to ten, would result in a complete change in the economic landscape. The degree of forest cover is however subject to an array of factors including socio-economic conditions and ecological circumstances<sup>7</sup>.

Kenya remains committed to attaining a minimum forest cover of 10%, which will go a long way in addressing looming deficits in the demand for wood and non-wood products. To achieve this, the government can adopt acceleration programmes as is the case in South Africa through the National Protected Area Expansion Strategy. Through this

strategy, more than 4, 000 hectares of protected areas have been created, with a further 8,000 hectares to be added in the medium- to long-term. Engagement of communities is also fundamental in the restoration and expansion of forests. This is through the provision of support structures to CFAs and good leadership. The emergence and growth of forest producers' cooperatives in Sweden and smallholder tree farmers in Bangladesh, India and South Africa are good examples<sup>8</sup>.

Research is a critical element of SFM. Countries such as South Africa have rolled out an elaborate research and development plan for the forest sector. This is all in a bid to ensure continued development of mechanisms necessary for the management of constraints that inhibit development of the forestry sector, including aspects such as biodiversity management, sustainable harvesting of timber and non-timber products and fuelwood. Further, it informs the development of coordinated approaches for addressing the potential impact of climate change on productivity in the forestry sector. Presently, Brazil has 3.5 million hectares of Eucalyptus plantations for charcoal, pulp fibre, energy and construction. The government is encouraging plantation by small scale farmers. These measures are steered by continued research towards improving the planting material.

Programmes that catalyze integrated SFM approaches are becoming popular good practices. For instance, the Government of Angola is in the process of implementing a forest recovery programme for the wood industry, with a view to relaunch extraction activity and timber processing, increased domestic production of goods and services, economic diversification and the reduction of imports<sup>9</sup>.

Certification of timber and timber products provides for control mechanisms for forest use in addition to enhancing SFM. Procurement of legally certified timber is an emerging practice that has greatly contributed to sustainable use of forest resources in countries such as Gabon, Ghana, Côte d'Ivoire, Cameroon and the Democratic Republic of Congo (DRC). This has been achieved through a Voluntary Partnership Agreement (VPA) that requires signatory countries (to the agreement) to ensure legality of tree felling and procurement of certified timber.

6 Arce José J. Campos (2019). Background Analytical Study Forests, inclusive and sustainable economic growth and employment. United Nations Forum on Forests (UNFF)

7 Ogwen D.O., Opanga P.S. and Obara A.O. (eds 2009). Forest Landscape and Kenya's Vision 2030. Proceedings of the 3rd Annual Forestry Society of Kenya (FSK) Conference and Annual General Meeting held at the Sunset Hotel, Kisumu. 30th September - 3rd October, 2008

8 FAO (2020). The Sustainable Forest Management Framework for Africa (2020-2030)

9 FAO (2015). Southern Africa's Forests and People. Investing in a Sustainable Future: Successes, challenges and ways forward

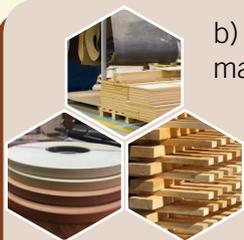
Generation of waste is common in the many logging operations. However, deliberate effort has been directed towards improved silviculture and the dubbed low impact logging. Key measures encompass better mapping and planning of harvesting, and post-harvest treatments. As a result, damage to the residual stand is reduced by half, natural regeneration is improved, and the recovery time before the next harvest is also halved. In Surinam for example, post-harvest treatments have increased growth in commercial timber by a factor of at least four (4), from about 0.5 to 2 cubic meters per hectare per year<sup>10</sup>.

### 3.6 Gaps and Challenges

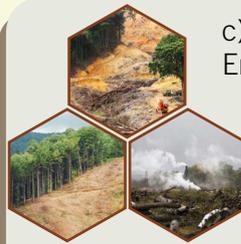
The forest sector in Kenya is encumbered by numerous challenges which continue to stifle programmatic and policy and legislative efforts towards sustainable management of the resource. Some of these gaps have been cited in other reports and appear to be recurrent vis-à-vis sentiments from key stakeholders engaged in this process. To realise effective SFM, a participatory approach that coagulates key state and non-state actors is indispensable. Key gaps and challenges identified include:



a) **Unprecedented demand.** As the population in the country grows, the growing demand for wood and non-wood products continues 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 revenues worth millions of dollars are lost every year through tax evasion. Tree growers also lose value owing to unregulated weak structures and systems that are exploited by informal actors.



d) **Political interference.** Currently, the GoK has imposed a moratorium on timber harvesting in all public and community forests to allow for reassessment and rationalization of the entire forest 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%, all to ensure factories are running.



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



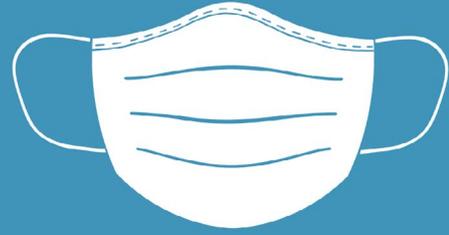
f) **Low quality imports.** Recent years have seen an increase in the diversity and magnitude of forests products coming into the country. However, the quality of this products is questionable and the price way too low for local manufactures to compete. With high cost of production vis-à-vis value addition,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

<sup>10</sup> WWF. (2006). Forests in the 21st Century. WWF's Forests for Life Campaign. United Kingdom.



g) **Poor coordination among actors.** The GoK has established various state agencies including KEFRI, KFS, and FSK, all of whom have unique mandates and responsibilities. Further,

private sector organisations such as KEPSA and 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.



# 4. CONCLUSION AND RECOMMENDATIONS



## 4.1 Conclusion

Harmonizing the increasing demands for land and forests through SFM and Forest Landscape Restoration (FLR) will be critical for ensuring that remaining and new forests are managed effectively to steady multiple objectives pertaining to timber production, social outcomes and environmental concerns. This will require that the government adopts locally supportive structures and systems to support SFM and FLR planning and implementation, incorporate local needs and enforce regulations and the proactive engagement of the private sector and blended SFM finance from development partners and impact investors.

Global transformations in the forest sector are revealing the need to morph from a market-centred economy to a collaborative and inclusive wellbeing strategy for all stakeholders; from a competitive driven economy to a collaborative and inclusive one. Practical and sustainable collaborative engagements based on shared interests, commitments, and responsibilities are important for the realisation of SFM in Kenya. Consequently, it is critical to converge the various sectors and institutions within and outside the forestry sector towards modeling of a unified approach on SFM.

With the growing movement on integrated landscape management, land restoration and integrated value chain approaches, there is a growing appreciation of the need to develop more effective governance systems that could foster collective impact from multiple stakeholders working together under a shared vision. This then calls for the development of model forests that harmonize stakeholders, natural resource users and land use sectors, and help create a common vision of SFM and constructive dialogue involving all stakeholders.

Application of taxes on wood and wood products, including allocation of taxes, should be differentiated. For instance, for forest resources meant for private consumption by local communities, no tax should be applied. However, for wood products that meet a moderate magnitude, for instance 500m<sup>3</sup> which applies for SMES, a reasonable tax should be applied. Similarly, large actors with huge operations and those with renewable forest concessions for forest exploitation dedicated to an industry, should have taxes applied commensurate with magnitudes of extracted forest resources. Aligned to this, revenue derived from forest harvesting should be adequately allocated to natural resource management through the various legal entities in the country, including CFAs.

## 4.2 Recommendations

1. **Knowledge management.** Knowledge management in the forest sector should be fostered as it has the potential to increase the efficient use of forests through the creation or adoption of new products, manufacturing processes, and business models. For instance, forest lignocellulose is an important part of the renewable energy mix under exploration. Further, there is urgent need for the adoption of efficient data collection and management systems in all forest operations and adoption of effective dissemination mechanisms. Innovative SFM practices and approaches should be informed by current facts and figures rather than from meagre estimations.
2. **Forest smart development approaches.** Fostering forest smart development approaches that recognize the significance of forests in sustaining economic growth across many sectors, including agriculture, energy, infrastructure, and water is fundamental. Smart development approaches are vital for the transformation of how sectors operate, by identifying opportunities for mutual benefit and creating practical solutions that can be implemented at scale. For instance, the government can allow private actors in the sector to establish and maintain tree plantations for multiple use, while setting aside a percentage of the land for indigenous trees towards continued improvement of the ecosystem. This form of arrangement can be extended to other stakeholders who are reliant on forests.
3. **Forest cover.** As the GoK continues to pursue expansion of the forest cover to a minimum 10%, it is vital to acknowledge that the state cannot realise and even surpass this ambition single-handedly. The private sector has a fundamental role to play. Plantations have over time emerged as effective complements of natural forests vis-à-vis production of wood and wood products. They can act as quick accelerators of the country's ambition to realise the 10% indicator while addressing the growing shortage of wood. This is with the condition that the right species are planted in the right environment and that proper management practices are put in place. Further, the development of commercial plantations can be pursued through private sector concessions or in joint ventures between a strategic partner such as KAM and the government. Realizing the intended forest cover will also require that the GoK increasingly promotes the use of alternative sources of energy to minimize overreliance of firewood and charcoal.
4. **Innovation for sustainable use of forest resources.** For the existing forests to continuously provide adequate wood and wood products, there is need to reform forest practice. This can be achieved by adopting innovations that increase the efficiency of production and management systems and enhancement of productivity of the existing plantation forests. Together with this, it is critical that the drive towards afforestation and reforestation is rekindled and sustained. This can be done through policy provisions requiring a certain percentage of private land to be demarcated for tree planting only. This move can be further intensified through tree planting and management programmes coordinated by both state and non-state actors. Considering that tree production is a long-term undertaking, the GoK should also consider providing concessions.

5. **Standardization of timber and other wood products.** Standards are essential to trade in increasingly competitive markets. Standardization of timber and wood products will ensure businesses in the sector value chain are in a position to offer products and put in place processes that are cost-effective and time-efficient, commercially viable, credible and safe. Forthwith, there is a need for a standardization mechanism within the policy framework as well as establishment of clear guidelines. This will ensure that Kenyan brands are not only eco-branded but are able to compete in global markets. Compliance with participatorily developed standards will also encourage local manufactures to adopt innovative and efficient technologies thus reducing waste as well as the cost of production. Other more proactive approaches need to be introduced to reduce the time for inspection, issuing of harvesting and transport permits among others. In this respect, one option may be to introduce establishment of Forest Associations accompanied by simplified procedures for members of such associations including the commitment to eradication of unlawful practices. This would result in reduced workload on KFS and reduced unlawful practices.

6. **Coordination and inclusivity.** Successful realisation and continuity of SFM requires a coordinated approach that brings together various stakeholders across the value chain including inter alia national and county governments, state agencies, private sector actors, CSOs, academia and members of the community. Policy review and development as well as implementation of programmes geared towards SFM should be guided by participatory approaches as well as the inclusion of the views and concerns of all stakeholders. A coordinated approach towards SFM will also provide a neutral platform that will annihilate corruption in the sector in addition to putting in place a framework for discourse on continued improvement. For instance, a coordination framework will enable development of parameters for certification of timber and timber products including the levying system.

7. **Lifting of the ban on logging.** The drive towards lifting the ban on logging by the government should be informed by the need for sustainable use of forests resources. There should be a deliberate move towards ensuring that products are extracted from forest resources where it is demonstrable that such resources are managed sustainably. Further, the government needs to put in place measures that ensure that timber and NTPs are effectively and efficiently utilized, while reducing waste and promoting recovering, reusing, and recycling resources to the best extent possible. This should be done in consideration of most appropriate species and provenances for a future extended forest cover and plantations. Additionally, the government needs to ensure that it takes into consideration the socioeconomic implications for all actors in the value chain, including SMEs, as well as alignment to key requirements such as licensing. To sustain effective extraction of forest resources, it is necessary to improve the seedling production capacity while ensuring that, to the appropriate extent, planning of planting sites is combined with management planning. Lastly, rolling out of the plan should be sequential while tracking impact and change over the short- to long-term.

# 5. ANNEXES



## 5.1 Methodology

### Contextual Framework

The action planning process adopted a five-pronged approach, banked on the proposed tasks recommended in the ToR. Each phase was undertaken sequentially while maintaining constant engagement with KAM to ascertain that all deliverables are produced and shared within agreed timelines and are of quality standards. These phases will encompass, *situational analysis, execution, data analysis, reporting, and action planning and dissemination*. This is further elaborated in the conceptual framework in Figure 4 below.

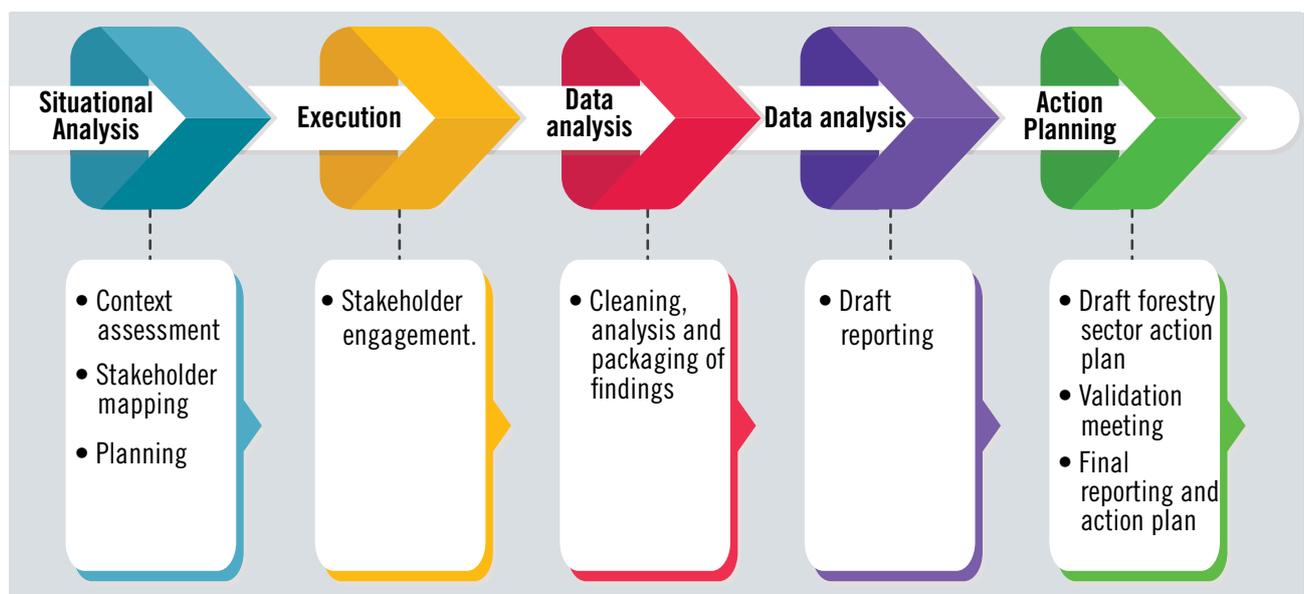


Figure 4: Conceptual Framework

## Approach

### Situational Analysis

This was a preparatory phase of the assignment and sought to realise three things.

- a. Context assessment.** This entailed an in-depth review of the global and regional plans, strategies and commitments to tease out good practices that can be tailored to the Kenya's context, the policy and legislative framework including existing gaps and key national strategies and plans on forest management and the extent to which they have been implemented and the impact thereof.
- b. Stakeholder mapping.** This was fundamental in identifying key stakeholders in the value chain, including mode and level of engagement throughout the action planning process.
- c. Assignment planning.** This entailed the development of a detailed inception report comprising of a comprehensive methodology and approach, data collection tool and work schedule. The work plan was developed in coordination with the KAM team.

### Execution

**Stakeholder engagement.** Here, focus was channelled towards two main agendas. **One**, collectivizing stakeholder's perspectives and approaches towards sustainable forest management, and **two**, identifying mechanisms for increased collaboration and coordination towards sustainability of the forestry sector, including key roles and responsibilities of each actor in the value chain. To achieve this, a participatory process was adopted in engaging key stakeholders.

Data collection process. The intended data was qualitative. The data was collected through Key Informant Interviews (KIIs) with critical stakeholders including government agencies, non-state actors, development partners and other key actors who are directly and indirectly linked to the forest value chain. These included:

- a) Kenya Forestry Research Institute (KEFRI)
- b) Kenya Forest Service (KFS)
- c) Kenya Timber Manufacturers Association (KTMA)
- d) Kenya Wildlife Service (KWS)
- e) Ministry of Environment and Forestry (MoEF)
- f) National Environment Management Authority (NEMA)
- g) Timber Manufacturers Association (TMA)
- h) Private sector actors in the value chain including, manufacturers of lumber, pulp, paper, packaging, personal care products and bio-products.
- i) Private actors in the plastics value chain
- j) Development partners in the sector

**Stakeholder Participation.** Stakeholder inclusivity and participation was enhanced through stakeholder mapping at the onset of the assignment, development of a stakeholder engagement plan and use of interactive and participatory methods. Further, the Consultants held feedback sessions with KAM at all levels – assignment planning and design, including development of the data collection tools; execution process; action planning, validation process; and results dissemination. This allowed us to optimise the comprehensiveness of the process as well as ensuring usability of the action plan to various businesses that are reliant on the forestry sector.

## Data Analysis

The qualitative data was analysed through content analysis and further triangulated with information gathered from the literature review process to enhance validity of the findings. We further identified **one**, emerging lessons learnt resulting from forestry sector actors' interventions, driven towards sector sustainability, **two**, unique approaches and best practices employed by key actors that can inform action planning process, **three**, suitable recommendations that can influence the forestry sector policy and legislative framework, and **four**, feasible coordination and collaboration mechanisms required for increased sustainability of the sector, including key action areas for each stakeholder.

## Reporting

There was continuous dialogue between the team of Consultants, and the KAM technical and steering committee during the entire action planning period to provide all parties with the opportunity to identify and clarify key issues before the final report was drafted. In developing the draft and final reports, we synthesized the findings for each assessment area into easy-uptake recommendations. The Consultants also develop an abridged version of the report capturing key findings and recommendations for dissemination to relevant stakeholders.

## Action Planning

Recommendations from each of the stakeholders informed the action planning process, including demarcation of Specific, Measurable, Attainable, Realistic and Timely (SMART) plans. The key action areas for state, non-state actors, and development partners have been allocated subject to jurisdiction, capacity, and level of commitment. The draft action plan will be subjected to a validation process and subsequently, adjustments made to reflect comments from each of the stakeholders. The plan will also suggest action areas that require pooled effort as well as high-level coordination.

## Monitoring and Study plan

The assignment process entailed regular tracking, reporting and review to ascertain that the outlined assignment objectives are achieved. The following were the key activities under monitoring.

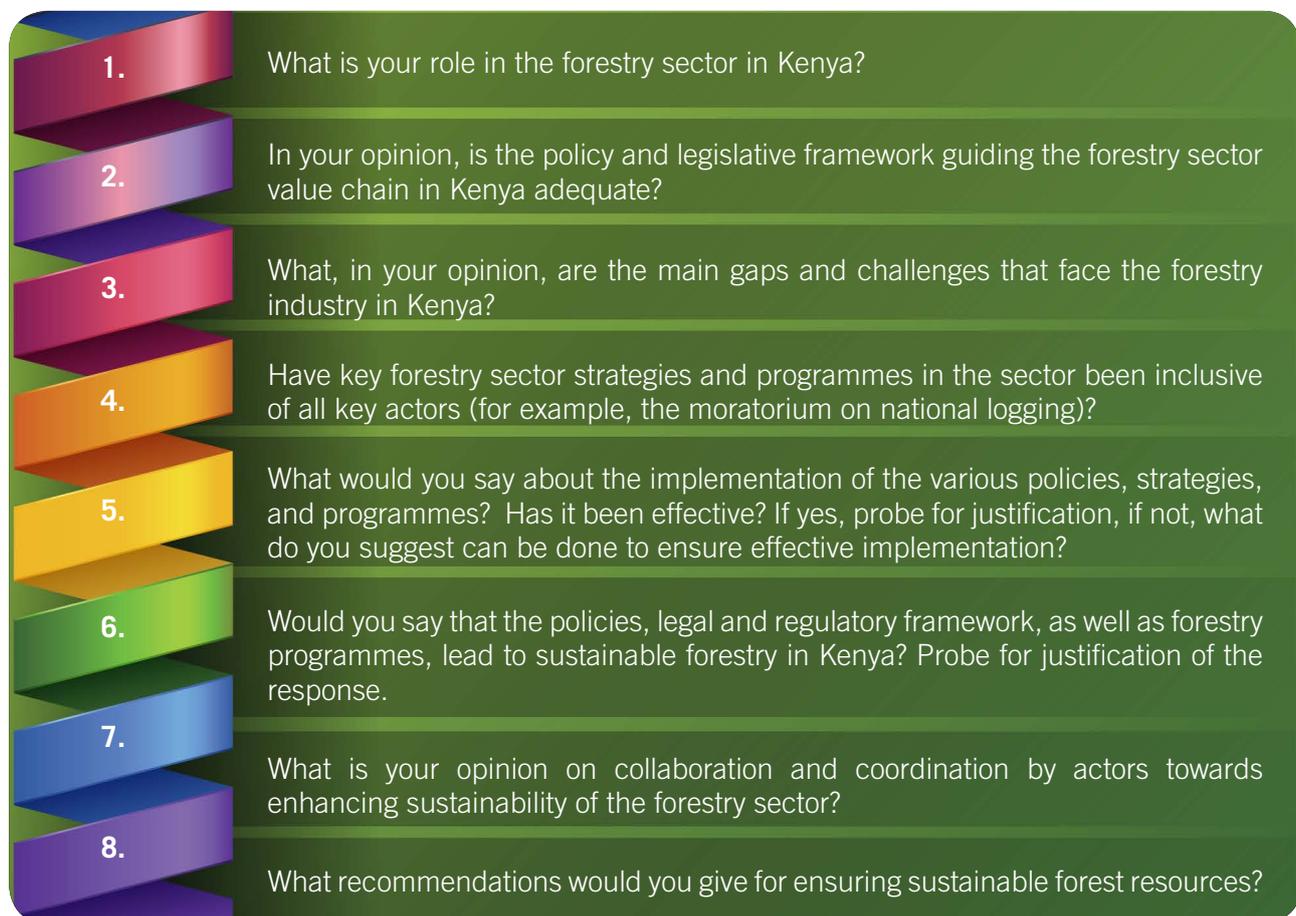
- I.** **Validation of research information:** The consultants liaised and worked closely with the KAM technical and steering committee to ensure the desired information on the forestry sector's landscape, as proposed in the ToR, was generated and validated.
- II.** **Periodic updates to client:** The Consultants ensured periodic updates on the assignment progress and achievements posted in each deliverable are properly documented and submitted to KAM, in conformity with the assignment reporting requirements as agreed upon at the inception stage. These periodic updates were submitted by the assignment team lead.
- III.** **Quality Assurance:** Team members progressively undertook this role at different stages up to finalization of the report. The team leader however had the overall responsibility for quality control. The Consultants ascertained quality by ensuring, *usefulness to the intended audience, independence of the process, inclusiveness, timeliness, respect to stakeholders, credibility* of the team of Consultants and the action planning process, *transparency and adherence* to the KAM Policy and Code of Conduct.

## 5.2 Data Collection Tools

### *Interviews Guiding Questions (Target all Key informants)*

In virtually every country in the world with forest resources, forest industries (both wood and non-wood) have played and continue to play a key role in overall socio-economic development. Large and small-scale enterprises produce forest products for domestic consumption in most countries. The annual value of fuelwood and wood-based forest products to the global economy is estimated to be more than US\$400,000 million, or about 2 percent of gross domestic product (for Kenya it is 1.3% of GDP). Wood is the most used renewable raw material; for the many applications to which it lends itself, there are no cost-effective alternatives that are also potentially environmentally benign. Forest industry converts the resource into economic and social values which are available to society at large, thus, justifying forests as a land-use alternative, that is, in competition with others.

Yet the development of the forest industry has often been portrayed as a major destructive force rather than an essential element in the process of sustainable development. Concern over the destruction or degradation of forests, and the related loss of environmental benefits, biological diversity and physical and cultural habitats has led to calls for the reduction or even curtailment of forest industries.



1. What is your role in the forestry sector in Kenya?
2. In your opinion, is the policy and legislative framework guiding the forestry sector value chain in Kenya adequate?
3. What, in your opinion, are the main gaps and challenges that face the forestry industry in Kenya?
4. Have key forestry sector strategies and programmes in the sector been inclusive of all key actors (for example, the moratorium on national logging)?
5. What would you say about the implementation of the various policies, strategies, and programmes? Has it been effective? If yes, probe for justification, if not, what do you suggest can be done to ensure effective implementation?
6. Would you say that the policies, legal and regulatory framework, as well as forestry programmes, lead to sustainable forestry in Kenya? Probe for justification of the response.
7. What is your opinion on collaboration and coordination by actors towards enhancing sustainability of the forestry sector?
8. What recommendations would you give for ensuring sustainable forest resources?

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