USAID | KENYA
FROM THE AMERICAN PEOPLE

KENYA FOREST AND COASTAL MANAGEMENT PROGRAMS

MID-TERM EVALUATION

OCTOBER 30, 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by Richard Swanson of SECID and Karen Menczer and Greg Michaels of PA Government Services, Inc. Contract No. EPP-I-00-03-00015-00, Order No. 2

KENYA FOREST AND COASTAL MANAGEMENT PROGRAMS

MID-TERM EVALUATION

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Table of Contents

LIST OF ACRONYMS

AS	Arabuko-Sokoke
AWF	African Wildlife Foundation
CAP	Community Action Plan
CB	Community Based
CBNRM	Community-Based Natural Resource Management
CBO	Community-Based Organization
CDA	Coastal Development Authority
CFA	Community Forest Association
COP	Country Operational Plan (also Community Operational Plan of CFA plan)
CORE	Conservation of Resources through Enterprise
CRC	Coastal Resources Center
CTO	Cognizant Technical Officer
DCMA	Diani-Chale Management Area
DCMC	Diani-Chale Management Committee
DDC	District Development Committee
DEO	District Environment Officer
EEZ	Exclusive Economic Zone
EMCA	Environmental Management & Coordination Agency
EIA	Environmental Impact Assessment
FAT	Focal Area Team
FD	Forestry Department
FiD	Fisheries Department
FORREMS	Forest/Rangeland Rehabilitation & Environment Management Strengthening
GoK	Government of Kenya
GIS	Geographical Information System
ICAM	Integrated Coastal Area Management
ICM	Integrated Coastal Management
INRM	Integrated Natural Resource Management
IR	Intermediate Result
IUCN	World Conservation Union (International Union for the Conservation of Nature)
IWRM	Integrated Water Resources Management
JKPB	Jomo Kenyatta Public Beach
JKPBSHG	Jomo Kenyatta Public Beach Self Help Group
KAHC	Kenya Association of Hotel-keepers and Caterers
KCMI	Kenya Coastal Management Initiative
KCMP	Kenya Coastal Management Program
KEFRI	Kenya Forestry Research Institute
KMF	Kenya Marine Forum
KMFRI	Kenya Marine and Fisheries Research Institute
KWS	Kenya Wildlife Service
LMMA	Locally Managed Marine Areas
LUP	Land Use Planning
LWF	Laikipia Wildlife Forum
M & E	Monitoring and Evaluation
MCM	Municipal Council of Mombasa
MoU	Memorandum of Understanding
MTR	Mid-Term Review

NBE	Nature-Based Enterprise
NEMA	National Environmental Management Authority
NGO	Non-Governmental Organization
NK	Nature Kenya
NMK	National Museums of Kenya
NRM	Natural Resources Management
OCA	Organizational Capacity Assessment
PFM plan	Participatory Forest Management plan
PILS	Project Implementation Letters
PMP	Performance Monitoring Plan
PRA	Participatory Rural Appraisal
SO5	Strategic Objective 5
SOW	Scope of Work
TD	Tourism Department
TIST	The International Small Group and Tree Planting Program
TTF	Tourism Trust Fund
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
URI	University of Rhode Island
USAID	United States Agency for International Development
WRM	Water Resources Management

Executive Summary

This report presents the results of the Mid-Term Review (MTR) of the USAID Kenya Forestry and Coastal Management Programs, undertaken between August 5 and September 8, 2006. The review focused on two of USAID/Kenya's three natural resource management (NRM) program sub-sectors, namely the Forestry Range Rehabilitation and Environmental Management Strengthening (FORREMS) program (2003-2008) and the Kenya Coastal Management Program (KCMP, 2004-2007). The programs are being implemented through nine different grant agreements – either project implementation letters with specific Government of Kenya (GoK) institutions or cooperative agreements with an NGO or private sector group.

The scope of work for this assignment called for a 'robust review' of FORREMS and KCMP activities focusing on six project elements that we present as a major section of the Technical Discussion chapter of this report. Implementation of these activities has involved a partnership among government agencies and non-government organizations (NGOs) working closely with community-based organizations (CBOs) to address economic, policy, cultural and human resource capacity challenges of conserving significant biologically diverse areas within Kenya. The review team identified a number of priority issues:

- Inadequate level of devolution of authority to CBOs necessary to achieve the biodiversity conservation and joint management objectives desired.
- Need for strategic approach to bring stakeholders of specific landscape systems together for common conservation and management goals.
- System structures for program management, grants administration and oversight impede effective implementation. Specifically, existing systems delay field-based implementation and hinder the development of harmonized work plans and empowerment of community members who are most directly linked to the natural resources needing protection and improved management.
- Independence has not been sufficiently fostered in nature-based enterprises (NBEs) and CBOs. GoK and NGO partners have been involved on a long-term basis supporting the development of these organizations and have not developed the clear exit strategies that would require establishing this independence.
- Need to revise indicators for better monitoring of results and impact assessments.

FORREMS and KCMP programs have benefited from capable and committed field program personnel from both GoK and NGOs. The level of public-private partnership involvement has been significant; field teams composed of GoK support personnel, community leaders and NGOs are working together to solve complex problems linked to biodiversity conservation, with socioeconomic benefits for communities beginning to appear. Both programs have also operated under constraints that have limited on-the-ground impact. As a result, the real benefits to communities have yet to be fully realized. With some refocus and change in overall program management and coordination, significant benefits and impact should be possible by FY 2010.

Findings and Conclusions

Linkages to Biodiversity Conservation

Achieving biodiversity conservation goals and objectives is a long-term endeavor and must include the direct participation of all major stakeholders within an identifiable, geographically limited area where common interests can be developed and maintained over time.

While USAID has managed KCMP and FORREMS as two distinct programs, they are in essence one biodiversity conservation program in which: 1) biodiverse landscapes should be targeted; 2) biodiversity threats should be identified using a threats analysis; 3) interventions should be designed to respond to the threats; 4) interventions should be implemented at a scale where biodiversity results can be achieved; and 5) biodiversity conservation should be monitored using appropriate indicators. Currently the programs are not being managed this way. Furthermore, some FORREMS and KCMP activities fail to fulfill the biodiversity earmark criteria.

Sustainable Nature-Based Enterprise (NBE) Development

NBEs are being developed under FORREMS and KCMP without a consistent analysis of their compliance with USAID's requirements for biodiversity programming and without an assessment of their sustainability or the scale of their impact relative to threats being posed to biodiversity. While various NBEs being supported by USAID are making valuable contributions, the benefits in terms of biodiversity conservation or livelihood are unclear, because:

1. they have not been quantified (e.g., lack of biodiversity monitoring),
2. they are not projected (e.g., business plans were not developed in beginning),
3. they are not considered (e.g., biodiversity impacts of NBEs were not explicitly considered in the formulation of the enterprise) or
4. they have not yet been realized (e.g., NBE has not yet been fully launched).

The scale of NBEs and the benefits they generate may be small relative to the threats posed to biodiversity conservation and/or the funding provided. Therefore, questions regarding NBE effectiveness as part of conservation efforts remain unanswered.

A threats-based approach would focus the NBE approach since the NBE interventions could be designed to minimize those threats. Use of a landscape systems approach will help to ensure that critical biodiversity areas are captured and interventions are designed to keep the landscape intact and to maintain or rehabilitate landscape linkages. Awareness-raising about biodiversity conservation is an important supporting role that NGOs can continue to play.

NBEs are being developed without a clear definition of their ownership structure and therefore without a clear foundation for the long-term enterprise governance. This ambiguity can reduce the effectiveness of partnerships between beneficiaries (such as producers and communities) and sponsoring organizations (NGOs and government entities). It can also sow the seeds for conflict over the distribution of any surpluses created by an NBE once it becomes successful. When the primary partners do not have a clear understanding of the ownership of the enterprise they are building, there can be conflicts in their respective interests about how to manage the enterprise and its direction. Ownership structure defines not only who receives what percentage of any surplus but also defines who has the authority to make decisions regarding the fate of the business. Clarifying the ownership structure of an NBE from the very beginning creates transparency, gives clearer incentives to each of the stakeholders and provides the framework for an effective partnership. As such, a well-defined ownership is part of the formula for creating successful NBEs.

Additional business analysis and technical advice are needed, such as, applying a value-chain perspective; developing business plans and offering business management advice. Better analysis and expanded business services would strengthen the efforts to create viable NBEs that generate added value. First, bringing a "value chain" perspective to an existing or proposed NBE provides the means for understanding better the challenges and opportunities that face the NBE. Specifically, a value chain perspective considers all of the factors that, linked together,

form the basis of creating value in a particular market. In simplified terms, the value chain is composed of the following linkages: Input Suppliers → Producers → Processors/ Packagers → Marketers/Retailers→Consumers. These links can be examined both individually and collectively to see where value can be created -- by eliminating obstacles (e.g., lack of technical expertise for better modes of processing); by reducing constraints (e.g., inadequate capital financing) or by pursuing opportunities (e.g., links to domestic and international buyers and markets). Furthermore, a value chain perspective helps promote a market-driven orientation to the NBE.

Champions of the new NBEs have emerged in a number of cases. A more systematic approach could be taken to identifying and encouraging champions, organizing the NBE venture to take advantage of their contributions and, as appropriate, putting more resources at their disposal. These steps could enhance the chances for success in the NBE and can create a basis for scaling up the enterprise.

Policies Related to Biodiversity Conservation

Forestry Policy: participatory forest management (PFM) pilots are in line with the new policy; however, if PFM interventions are not supported during this interim period (before the Forest Act is fully operationalized), the momentum to implement PFM will be lost.

Coastal Policy: USAID has supported policy development in the coastal/marine sector without significant results.

Cross-Cutting Issues

Many of the activities already initiated with women and youth groups within the prioritized landscapes deserve continued support but should be scaled up to a level sufficient to become financially feasible and can also have an impact on the threats to biodiversity within the landscape.

The landscape systems approach is the ideal model to achieve results in many cross-cutting themes within specific ecologically important and threatened areas. Major conflicts among stakeholders competing for the same natural resources may be prevented or significantly diminished through building consensus and a common vision for their landscape.

Monitoring and Evaluation Mechanisms, Indicators, and Reporting

Current SO 5 indicators for FORREMS and KCMP should be significantly revised or administered differently. This revision includes a greater focus on biodiversity conservation goals (i.e. reduced threats to biodiversity as well as better defined, expected impacts for target communities who will benefit from community-based natural resource management (CBNRM) engagements (for example, PFM) and NBEs. The implicit program hypothesis is that activities being undertaken will lessen threats to both protected areas and other natural resources, including forest and marine reserves. Current indicators provide little useful information of this kind

FORREMS and KCMP indicators fail to relate their impact on biodiversity conservation. Possible biodiversity indicators are: (1) a flagship/keystone species that can be monitored annually and that gives an indication of overall ecosystem health; (2) one or more species of fish that gives an indication if fishermen's improved practices (net size) are having positive effects on fisheries; (3) the state of coral along the coast and (4) the number of encroachments/illegal activities reported in target protected forests.

To develop revised indicators, beneficiaries should be involved in a participatory process to identify indicators that have meaning for local people and that are realistic and measurable. Future assessments and decision making with respect to indicators should include reviews with local community leaders within the target landscapes. If local people, who are the focus of better and more sustainable NRM practices, do not see improvement or change for the better, then positive impacts will not occur. Program leaders need to understand how local landscape stakeholders will recognize 'improvement' to their resources base and the benefits they receive. Laikipia Wildlife Forum (LWF) has already begun a process of this kind with Mukogodo Forest group ranch communities that could be adapted to other program areas in the future.

Program Management and Implementation

FORREMS and KCMP use the same general approach. Both programs are working with communities to operationalize the policy and regulatory framework of specific CBNRM/PFM co-management activities to generate employment, increase incomes and conserve biodiversity in critical forest and marine areas.

The mechanisms used to finance activities under these two programs have inhibited program performance. Neither USAID/Kenya's "Advance System" nor "Reimbursement System" of financial accounting has worked well with GoK institutions – though KWS and KEFRI have managed better than FD. GoK partners have been trying to provide on-the-ground support to both the FORREMS and KCMP program partners but have been seriously compromised by funding delays and logistic constraints. Furthermore, it was very difficult, sometimes impossible, for all partners to prepare and execute joint work plans within common sites of intervention. For example, while PACT Kenya received its funds through the Coastal Development Authority (CDA), Nature Kenya and LWF both had cooperative agreements directly with USAID that permitted implementation of their own activities but FD did have access to funding during the past twelve months.

In contrast, future funding should flow though a central program unit for FORREMS and KMCP that will be responsible for overall coordination of activities, including managing sub-agreements for clearly agreed' upon services from GoK agencies (FD, KWS, KEFRI, NMK, Marine Service, CDA, Fisheries Department), NGOs and yet-to-be identified private sector enterprise development agencies and experts. This outcome can be accomplished by either enlarging cooperative agreements with current program partners or by issuing a competitive procurement for an overall program leader. Such a procurement should result in more efficient management of the combined activities and reduce USAID's management burden. Under this arrangement, it is important that the central program unit ensure that each relevant partner is involved in applicable work plan preparation so that funds can be appropriately allocated by program leaders.

An existing NGO could serve as a management entity to provide overall coordination for a FORREMS and KCMP program unit, rather than rely on USAID's direct management or on GoK management. The Review Team considered Nature Kenya and Laikipia Wildlife Forum as the institutions in the best position to coordinate USAID funding and activities within their respective areas, if a two-pronged approach were to be adopted for future combined FORREMS and KCMP activities. Ideally, however, overall program coordination for a combined FORREMS and KCMP program would be led by a single organization.

Numerous pilot studies, general resource management plans and inventories of biodiversity resources have been completed within both FORREMS and KCMP but no clear business or

marketing plans exist and efforts to operationalize existing management plans have barely begun. Doing so must be a priority for future efforts.

Recommendations

Links to Biodiversity Conservation

Use a landscape, threats-based approach, concentrating efforts to achieve greatest impact, and targeting the following landscapes:

1. Mt. Kenya Forest: Meru *or* Nyeri District;
2. Mukogodo Forest and four group ranches;
3. Arabuko Sokoke Forest, expand to include Mida Creek (including mangroves), Watamu and Malindi Marine Park, and associated private and public stakeholders and
4. One additional landscape, depending on resources available and ability to fulfill landscape approach criteria: Wasini-Shimoni-Vanga: including Wasini Island, Kisite Marine Park and Mpunguti Marine Reserve and Shimba Hills NR; Diani-Chale landscape: including Kaya Diani fishing community and Diani-Chale Marine Reserve; or Mombasa coastal landscape, including Jomo Kenyatta Public Beach (Nyali-Bamburi-Shanzu), Mombasa Marine Reserve and Park.

A landscape should be targeted based on the following criteria: (1) its biodiversity value; (2) potential for creating a forum of stakeholders willing to engage and work as partners towards a common goal and (3) potential to address threats to biodiversity conservation and produce results. Local partners would define landscape boundaries in a participatory fashion.

Ensure interventions fulfill the biodiversity Congressional earmark language.

Continue to raise awareness of biodiversity conservation, especially to ensure that those involved in NBEs have the information they need to build sustainable use into their enterprises.

Sustainable Nature-Based Enterprise (NBE) Development

Apply a more strategic vision and more systematic evaluation of candidate NBEs in USAID investment decisions in order to assure highest "return".

Each NBE should be evaluated in terms of its actual or projected performance relative to the following criteria:

a. Contributes to biodiversity conservation;
b. Improves livelihoods of poor communities (especially those who live near biodiversity resources and/or use them);
c. Can be sustained by given date without outside subsidies and
d. Is replicable.

Clarify ownership of NBE (and therefore, profit-sharing) earlier in the establishment of the business. Ideally this should be done right at the beginning to create transparency and give clear signals to all stakeholders. Long-term roles of sponsoring organizations (NGOs) need to be specified in the business plan for each NBE to define whether they are interim facilitators or long-term partners.

Expand business services to new and existing NBEs (identification of markets; linkages with domestic and international buyers and enterprise management).

Find "champions" – entrepreneurs - and assist them to scale up.

Policies Related to Biodiversity Conservation

Give priority to completing Community Action/Operational Plans and signing PFM agreements between CFAs and the FD so that Action/Operational Plans are ready to be *implemented* once FD finalizes Forest Act implementation guidelines.

Support development of a "forum" as an outgrowth of the landscape approach in the coastal/marine environment (AS Forest expanded landscape); and once empowered, depending on resources and capacity, facilitate the forum to promote the development of a coastal-marine policy.

Approach to Performance Monitoring

Completely revise or administer differently the 13 indicators currently being used by the FORREMS and KCMP programs under SO5 to provide clearer guidance to assess success of field activities in meeting program objectives.

Revise current SO5 indicators to reflect more impact upon target communities who are to benefit from the program's CBNRM engagements (for example, PFM plans) and NBEs.

Review indicators with community leaders within the target landscapes.

Document success stories.

Create at least one biodiversity indicator per landscape that addresses key threats.

Program Management/Coordination and Contract Administration

Reformulate institutional arrangements with partners to improve program management, coordination and contract administration.

OPTION #1 (RECOMMENDED): Establish one program management unit for FORREMS and KCMP with a commitment to engage in the landscape systems approach using a *membership forum of stakeholders* to develop a common vision and work plan along the lines of the approach applied by LWF.

.

This proposed institutional reformulation would significantly reduce USAID SO5's management burden. Ideally, there should be one program management unit for both FORREMS and KCMP that will coordinate one overall work plan for each landscape system, monitor, report, disburse funds, and liaise between USAID and partners in various field programs. This organization would have funds specifically committed to support GoK institutions at the field implementation level, as well as funds for making grants or subcontracts for specific tasks to NGOs and private sector entities identified to accomplish specific tasks within a common vision for specific landscapes, as recommended above. This option could be implemented in one of two ways:

OPTION #1A: Expand an existing Cooperative Agreement to assume responsibility for overall program coordination.

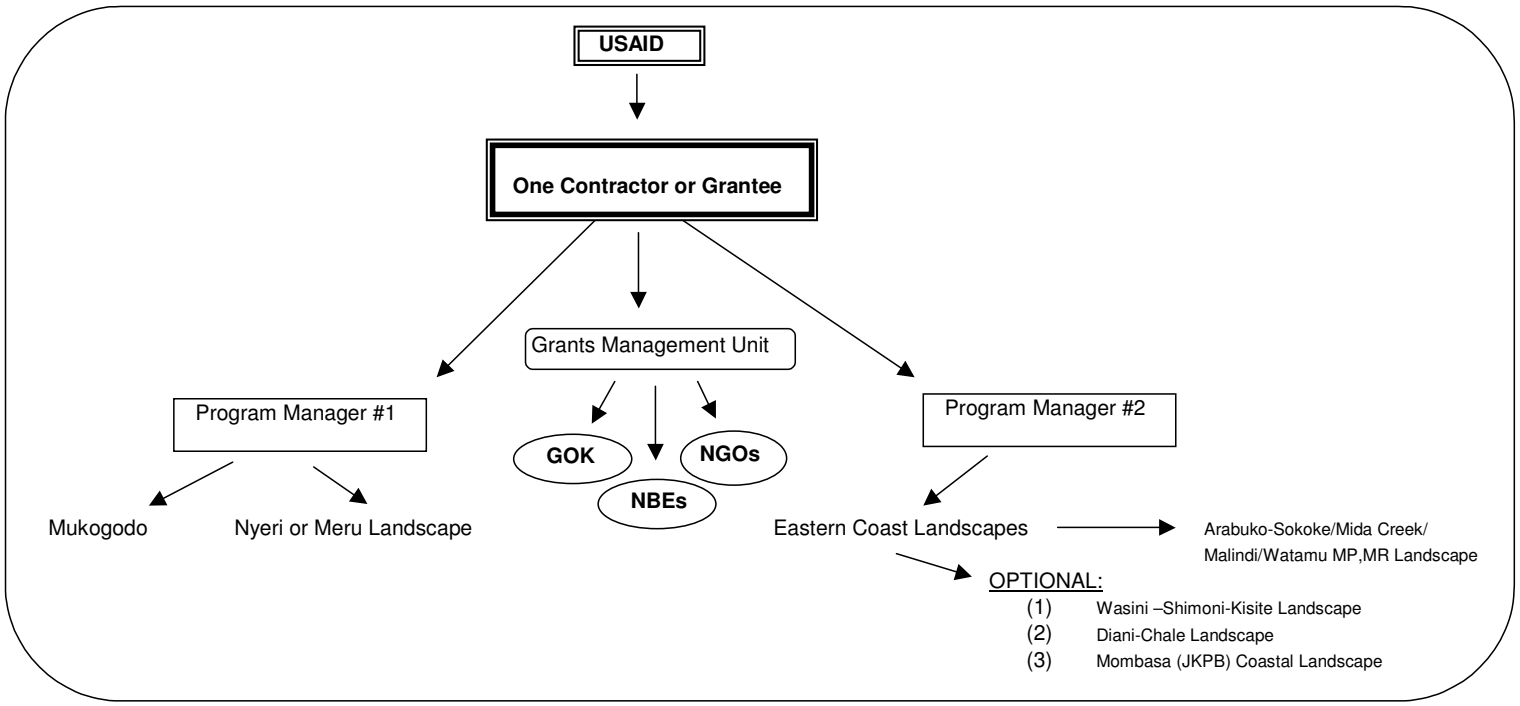
OPTION #1B: Solicit competitive proposals from national and international organizations.

Expanding an existing grantee's mandate to become the overall program coordinator offers several advantages, including ease of startup (by virtue of having a program already in place) and a record of relevant experience. The MTR Team noted attributes of the LWF program that could be adapted to other landscapes, which would reinforce and support the work of Nature Kenya and other existing grantees. The objective of having one program manager, as is

proposed under this option, is to retain the current set of grant activities while also better organizing their collective results.

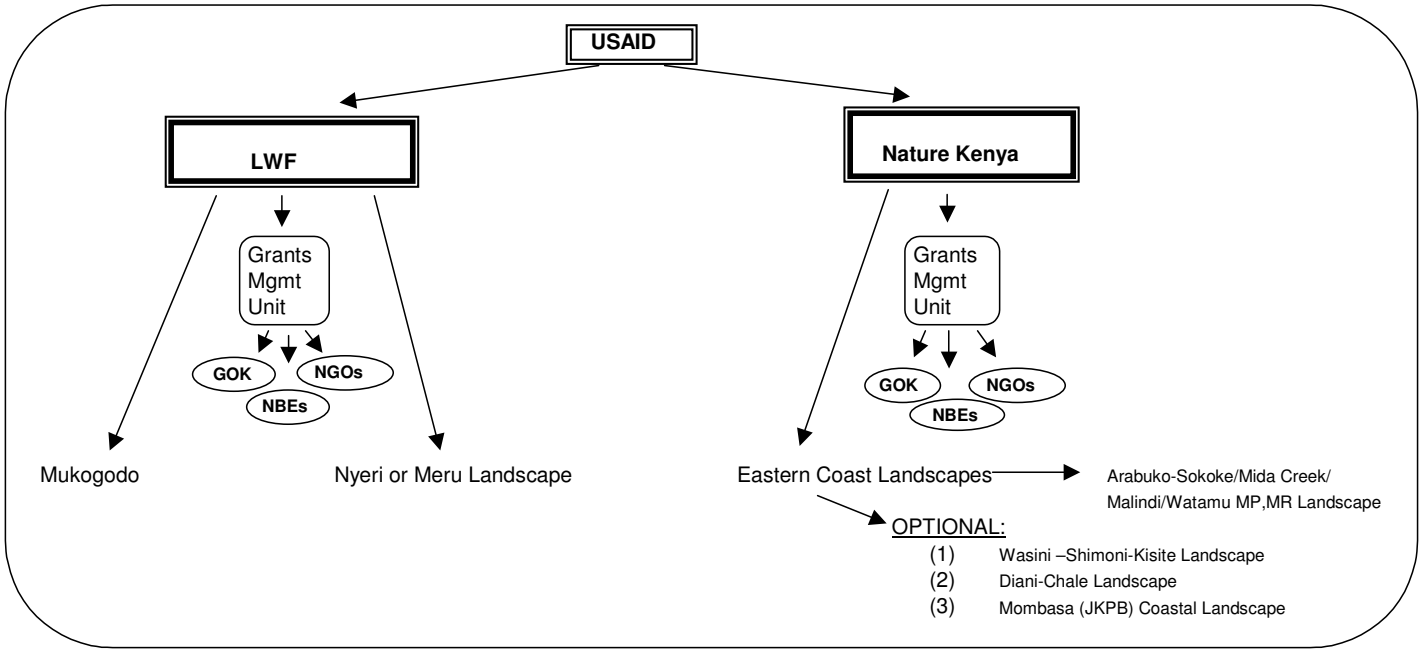
Soliciting competitive proposals, as proposed under Option #1B, opens up more options for obtaining program management expertise. It would, however, require more time and processing than the option of expanding an existing Cooperative Agreement.

Figure 1: Option #1



OPTION #2: Channel all combined FORREMS/KCMP funding activities through one institution in and around Mt. Kenya area (including Laikipia) and another at the coast. In this scenario, the most appropriate institutions would be LWF and Nature Kenya; with a commitment by all to engage in the landscape systems approach being implemented by LWF – using a '*membership forum of stakeholders*' to develop a common vision and work plan.

Figure 2: Option #2



Under either option:
LWF and NK currently have Cooperative Agreements with USAID and both have developed accounting/financial systems that are sound but that would need to be expanded.

A separate source of funding for GoK institutions would be necessary, and managed directly by USAID, for any central level support USAID might wish to provide these institutions. Such funds would not be for field-based implementation activities.

A grants management unit or units would be established under the cooperative agreement holder(s) and would serve GoK, NGO and other grant recipients using separate pools of funding, with the objective of getting funds as close to 'ground level' as possible so that they can be accessed faster, when needed, as part of one work plan for each landscape system.

Use local expertise whenever possible and provide increased opportunities for local people whose capacity has been developed through the program as a first option before bringing in outside expertise. Increased responsibilities for local individuals give the opportunity to expand their roles as leaders within their communities, as well as extend their expertise more regionally.

Within specific geographic areas of effort – focus, focus – rather than continue to support so many partners and so many activities. Focus on a few programs that have real promise of impact by the end of the project (FY 2010). Build on best work accomplished to date and move from planning phase to implementation.

Continue funding capacity building in GoK, where a clear service can be defined, and where it is specifically linked to CBNRM or a NBE. A special pool of funding should be available at the national level for GoK logistical support targeted to specific outputs within the landscape approach. Priority support should be given to fast-tracking FD ability to operationalize

existing PFM plans. This support could perhaps be channeled through the soon-to-be recruited USAID-supported transaction advisor who will be supporting FD's transition to a parastatal.

1.0 Introduction

The timing of this review is significant from several points of view. The Government of Kenya (GoK) has recently passed new policies, which could significantly impact the relationship between the Forest Department (FD) and local communities – with an emphasis on decentralization and local community empowerment to manage natural resources. The FD is in transition to a parastatal mode much like that of the Kenya Wildlife Service (KWS), using a service-oriented approach with the ability to charge for its services. The Kenya Forestry Research Institute (KEFRI) and the Kenya Wildlife Service (KWS) each have new five-year strategic plans, which need to be taken into account in future FORREMS and KCMP activities. Finally, USAID itself is undergoing a new relationship with the U.S. State Department.

While USAID Kenya's SO #5 strategic framework continues to be a foundational and guiding vision for overall NRM and biodiversity conservation program development, recent directives from the newly created Office of the Director of U.S. Foreign Assistance (S/F) in Washington D.C. will lead to new changes – including changes to the USAID Kenya's new Country Operational Plan (COP) and overall Strategic Framework for Africa, completed in September 2005 and described below.[1] The new Director has charged USAID missions to frame all future program activities within a new paradigm, which is still evolving. Five priority objectives have been defined,[2] and USAID/Kenya's biodiversity/NRM program activities may be placed under the overall label of "*Investing in People*". Natural Resource Management and Biodiversity conservation programs will be integrated within the program. Before this, USAID had completed a newly developed Strategic Framework for Africa in 2005. New five-year strategy statements and corresponding three-year operational plans being developed are now on hold until these new directions are further clarified. This review will provide new information and recommendations which we hope will assist USAID as it establishes priorities for future NRM and biodiversity conservation efforts within Kenya. Coming changes will provide new opportunities and directions, some of which are explored in Annex 4.

1.1 USAID Strategic Framework for Africa

In September 2005, USAID presented its new thinking about the role of foreign assistance for Africa.[3] First of all, U.S. strategic and foreign policy interests are placed "*front and center, in keeping with USG recognition that U.S. economic development is one of the three tools of foreign policy*".[4] Foreign aid would be provided within a new framework with recognized countries in "transformational development" and countries in "fragile states". Approaches would be different for each. USAID/Washington would also, in the future, provide a more directional role to country-level USAID missions 'to ensure that funds would be allocated where the greatest likelihood of significant impact' could be realized. Kenya is a 'transformational

[1] This new office will serve as an 'umbrella leadership structure for aligning and coordinating all foreign assistance policy, planning and oversight', with the USAID Administrator reporting to State. This brings USAID and the State Department together in a new relationship intended to reduce duplication, ad hoc decision making, fragmentation of activities and approaches and bring greater coherence, strategic impact, and accountability among programs, policies, and goals (State Department cable dated May 13, 2006).
[2] (1) Peace and Security, (2) governing justly and democratically, (3) investing in people, (4) economic growth, and (5) humanitarian assistance (Ambassador Randall Tobias, Director of U.S. Foreign Assistance, Administrator of USAID, "Focusing U.S. Foreign Assistance to Support Transformational Diplomacy", May 2006.
[3] Strategic Framework for Africa, USAID, Washington DC, September 28, 2005.
[4] Strategic Framework for Africa, page 1, 2005.

development' country. Among the priorities: supporting the effectiveness of African institutions to promote 'a vibrant private sector and democratic governance'. Crosscutting issues such as governance, gender, urbanization, youth, and lessening the impact of HIV/AIDS must be addressed, as appropriate, in all programs. Use of indigenous expertise is strongly encouraged and efforts to leverage private sector involvement and donor harmonization and coordination considered critical. Finally, key U.S. foreign policy goals for Africa were defined to include: (1) improved human rights and good governance, (2) expanded trade and investment though the private sector, (3) counter-terrorism, (4) conflict prevention and mitigation, (5) HIV/AIDS prevention, and (6) natural resource protection.

1.2 USAID Kenya Country Operational Plan

USAID/Kenya's most recent Strategy Statement, submitted to USAID/Washington in December 2005, covers the period 2006-2011. The Mission's Operational Goals are to: (1) foster a healthier, better-educated, and more productive population and (2) increase the effectiveness of Kenyan institutions in promoting a vibrant private sector and democratic governance. While Kenya has the foundation for sustainable development, it also demonstrates elements of fragility. The country is surrounded by fragile states and has porous borders; many of its citizens have been marginalized politically, socially, and economically over a sustained period of time; it has significant populations that are food insecure; and there is a history of localized conflicts over resources. Conflict mitigation, humanitarian assistance, and support to marginalized and vulnerable populations are therefore integrated into the Kenya country program. The Strategy Statement identified a number of development constraints.[5]

1.3 Biodiversity Earmark

The FORREMS Program and KCMP are entirely funded through the Congressional earmark for biodiversity. With the increasing scrutiny of funds attributed to the biodiversity earmark (including a possible audit by the General Accounting Office, as earmarks in the health sector have experienced), USAID/Kenya will be held to a more stringent definition of activities that fall under the earmark.

---

[5] (1) Democracy and Institutions of Governance: Kenya's democratic promise has been tarnished by the reality that personal rule within the executive continues to eclipse the rule of law.
(2) Weak Governance and Corruption: Kenya has experienced moderate economic growth over the past two years and it has adopted a number of economic reforms. Nonetheless, the country continues to suffer from an economic malaise, caused in part by mismanagement and corruption.
(3) Low Levels of Investment: The levels of new foreign and domestic investment have not increased as much as expected following the 2002 elections; low productivity-low income is directly related to low labor productivity, which is correlated with the educational and health status of the population.
(4) HIV/AIDS: HIV/AIDS affects the well being and productivity of the individual, the human resource losses weaken governance and national institutions, and the need to treat those affected, including orphans and vulnerable children, results in the re-allocation of public and private resources away from productive investment.
(5) Rapid Population Growth: Each year more than a half million young Kenyans enter the labor force, and the formal sector is only able to absorb a small percentage of this growth with most people finding employment either in the informal sector or on increasingly small parcels of agricultural land.
(6) Gender: While progress is being made in addressing gender inequities as evidenced by the efforts to expand educational opportunities for girls and the debate over women's rights associated with the recent constitutional referendum, there is much to be done.
(7) Environment: Kenya's extraordinary biodiversity and its habitats are under continual threat from the pressure of rapidly increasing human populations and the illegal exploitation by loggers, fishing trawlers, and poachers. The quality of many agricultural, grazing, migratory, and forested areas is declining due to overuse and encroachment. Farming continues to expand into marginal areas, resulting in decreased yields, degradation of land, and increased conflict among resource users.

A process is being put in place whereby operating units will self-certify that their biodiversity attributions meet the code and regional bureaus will be held responsible for assuring this standard and for maintaining documentation.[6] The USAID geographic Bureau Environmental Officer will be required to review and concur that activities attributed to the biodiversity earmark are appropriate. According to FY 2006 USAID/EGAT/B guidance, to be considered a biodiversity program, the following criteria must be met (emphasis added):

- The program must have an explicit biodiversity objective. It is not enough to have biodiversity conservation result as a positive externality from another program.
- Activities must be identified based on an analysis of threats to biodiversity.
- The program must monitor associated indicators for biodiversity conservation.
- Site-based programs must have the intent to positively impact biologically significant areas.

1.4 Mid Term Review (MTR): Purpose, Methodology, and Scope of Work

1.4.1 Purpose:

As described in the original Scope of Work (SOW) for this mid-term review, USAID/Kenya has requested that the review team:

(1) *Review the relevance of USAID's forestry and coastal management activities and results relative to programming changes in USAID's NRM sector. USAID/Kenya NRM program will focus on conservation of biodiversity.*
(2) *Provide recommendations for re-orientation and modification of approaches, and priority activities, as necessary, so that the Mission's forestry and coastal management programs optimize their effectiveness during the remaining years and fit within the biodiversity guidelines and the new Africa Bureau Strategic framework; and*
(3) *Review the effectiveness of the overall implementation approach, including use of several partners to implement the FORREMS and KCMP programs; potential means for enhancing overall program implementation effectiveness, including identification of activities that can be integrated; and at the same time achieve the Mission's overriding objective of conservation of biodiversity.*

This review is therefore expected:

> *"To revisit the assumptions, parameters, and expected results to be achieved under (USAID's) on-going programs, with a view to revising the activities as appropriate to effectively respond to emerging issues and opportunities*".[7]

1.4.2 Methodology:

The PA Consulting, Inc. review team used a participatory and collaborative approach, through four phases. **Phase 1** consisted of developing an understanding of the overall program under review through developing an operational work plan at a joint meeting with USAID and program stakeholders, leading to a Schedule and Work Plan (cf. Annex 6).[8] **Phase 2** involved two weeks of data gathering and identification of key issues among stakeholders and community level

[6] April 2006 NRM sector council meeting minutes, USAID.
[7] USAID/Kenya Forestry and Coastal Programs Mid-Term Review Scope of Work, August 2005, p. 6.
[8] Initial meetings were held in Nairobi with program leaders of government departments (Forest Department, Kenya Wildlife Service, Kenya Forestry Research Institute, National Museums of Kenya, NEMA, CDA), NGO partners (African Wildlife Foundation, Laikipia Wildlife Forum, Nature Kenya, PACT/Kenya), and USAID/Kenya SO 5 program management about overall initial strategic directions and future plans. An initial version of the proposed Draft Report Table of Contents was prepared, with each section assigned to specific members of the team to take the lead in drafting and coordinating input from the other members of the team. A proposed schedule of meetings and field visits was discussed jointly with USAID and major stakeholders.

project beneficiaries at each of the field implementation sites of both FORREMS and KCMP programs along the coast, near Mombasa, and at sites around Mt. Kenya.[9]

Week four initiated **Phase 3**, which involved analysis of lessons learned and the preparation of the Draft Report. **Phase 4** began with the review team's PowerPoint presentation and discussions of key conclusions and recommendations from the Draft Report with sixteen program leaders of USAID and stakeholder groups managing and implementing FORREMS and KCMP. Those present included key representatives from USAID, Forest Department, Kenya Wildlife Service, Nature Kenya, Laikipia Wildlife Forum, KEFRI, PACT Kenya, and TIST Kenya.[10] The Draft Report was submitted to USAID for review.

1.5 The Mid Term Review (MTR) Team

The evaluation team consisted of three US professionals with extensive development experience, backstopped by PA Consulting support in draft reviews and final document formatting. No team member had any direct prior experience with either the FORREMS or KCMP programs in Kenya. As such, the team was able to conduct a truly objective examination of the program and its performance and impact to date. The team members brought the following expertise and had the indicated roles:

- Dr. Richard A. Swanson, economic anthropologist, project management specialist and review team leader, focused on overall monitoring and evaluation/assessment methodology, with a secondary focus on institutional and organizational capacity building needs and internal USAID management of this program.
- Ms. Karen Menczer is the MTR Team's biodiversity specialist with the primary focus of assessing the links and contributions of FORREMS and KCMP to biodiversity conservation; and a secondary focus of assessing the programs' support to GoK's enabling environment for biodiversity conservation.
- Dr. Greg Michaels, environmental economist and business management specialist focused on constraints, opportunities, and models for enhancing competitiveness of nature-based enterprises and economic analysis of natural resources use and management.
- Mr. Walter Weaver of PA Consulting provided technical review and quality control from the home office. Mr. Rick Thibault served as the branding specialist to provide deliverables that are fully compliant with USAID branding and accessibility requirements.

This team collectively brought to this review many years of professional experience with 'what works' and best practices learned in CBNRM programs and NBE development activities from many parts of the world, but specifically in Africa. It was through this prism that FORREMS and

[9] One team member visited ICIPE's activities in Kakamega to bring in new ideas from programs there. To assess impact, document performance, and develop recommendations, the team sought to corroborate its information base by using multiple data sources to develop conclusions and recommendations. The team obtained its primary data though reading of available project documentation (cf. Annex 3), interviews with both key individuals and focus group discussions (cf. Annex 5), and direct field observations (cf. field notes). The team compiled extensive information from these meetings.

[10] At this meeting, we sought to build ownership of the final product through verbal and written comments, reviews, and questions from participants. Requests were made to participants for elaboration or modification of issues of concern so that they might be considered and possibly integrated by the Team Leader into the Final Report in Phase 4. The draft report was given to USAID/Kenya, who furnished electronic copies to the above key partners for their review. With the subsequent departure of the team from Kenya, the Team Leader received continuing input from team members who by this time had returned to their home bases, via – email communications - particularly with respect to core conclusions and recommendations. USAID and other program stakeholders also sent comments on draft and debriefing meeting issues.

KCMP activities were observed and conclusions and recommendations drawn. Annex 8 provides a brief summary of these 'best practices' as background.

2.0 USAID/SO 5 Program

USAID Kenya's Strategic Objective # 5 program includes three natural resource management program sub-sectors – a continuing wildlife program (with PACT USA as a lead contractor) plus the current FORREMS and KCMP programs. This Mid-Term Review focuses on the latter two programs.

USAID Kenya has been a long-term supporter of Kenya's rich biodiverse resource areas, through both GoK wildlife management programs and NGOs work with local communities in improved natural resource management systems associated with wildlife (e.g. ZEBRA and COBRA, and then CORE programs). Until FY 2001, the focus remained on wildlife. However, beginning in FY 2003, USAID Kenya initiated the FORREMS and KCMP initiatives, following lessons learned from the CORE project. These programs were intended to '*impact forest-based enterprises and empower constituencies to implement the Environmental Management and Coordination Act* (EMCA)' of 2000.[11]

USAID initiated support to forestry and biodiversity conservation initiatives in Kenya in FY 2002, under both FORREMS and KCMP, to an increasing number of both public and private (NGO) institutions through its Strategic Objective #5: "*Improved Natural Resources Management in Targeted Biodiverse Areas by and for Stakeholders*". Geographic focus was in:

(1) Jomo Kenyata Public Beach activities, Fishermen and Boat Associations (KCMP)
(2) Diani Chale: Mwaepe Fishing Group (KCMP)
(3) Wasini Island, Woman's Board Walk, with Shimoni and Kisite (KCMP)
(4) Arabuko-Sokoke Forest Reserve (FORREMS)
(5) Mukogodo Forest (FORREMS)
(6) Mt. Kenya Forest Reserves (selected)(FOREMS)
(7) Laikipia-Samburu (FORREMS)
(8) Taita-Taveta (FORREMS)

The current SO 5 framework (cf. Figure 3 below) specifies funding from FY 2001 through FY 2010, with the end date of September 30, 2011. In developing its recommendations, the Review Team therefore assumed this four-year future time frame to undertake possible modifications and reorientation of current program activities. Beginning in the current fiscal year, funding levels were requested at about $6 million/year within this Strategic Objective. This funding would support the on-going efforts of FORREMS, KCMP, as well as on-going activities within the wildlife sector (with KWS, and others), and provide a 'transaction advisor' within the Forest Department to assist in their evolution into a parastatal, along the KWS model. Current future projections, within this SO, for FORREMS and KCMP are about $1 million/year (about $700,000 for FORREMS, and $300,000 to KCMP).[12]

All GoK institutions on both FORREMS and KCMP have received their funding through Project Implementation Letters (PILS), which initially were based on a 3-month revolving fund system, but were then changed to a reimbursement system (based on receipts). Nature Kenya and LWF had cooperative agreements directly with USAID, while TIST received Global Development Alliance funding.

Long-term expected impacts of the current SO 5 include (1) an increase in the number of hectares benefiting from sustainable natural resource management practices in targeted areas,

[11] Forestry Report, USAID Kenya Activities, (undated).
[12] Actual funding levels received by USAID Kenya can be very different from those requested or anticipated, depending on annual appropriations by Congress and changing socio-political realities.

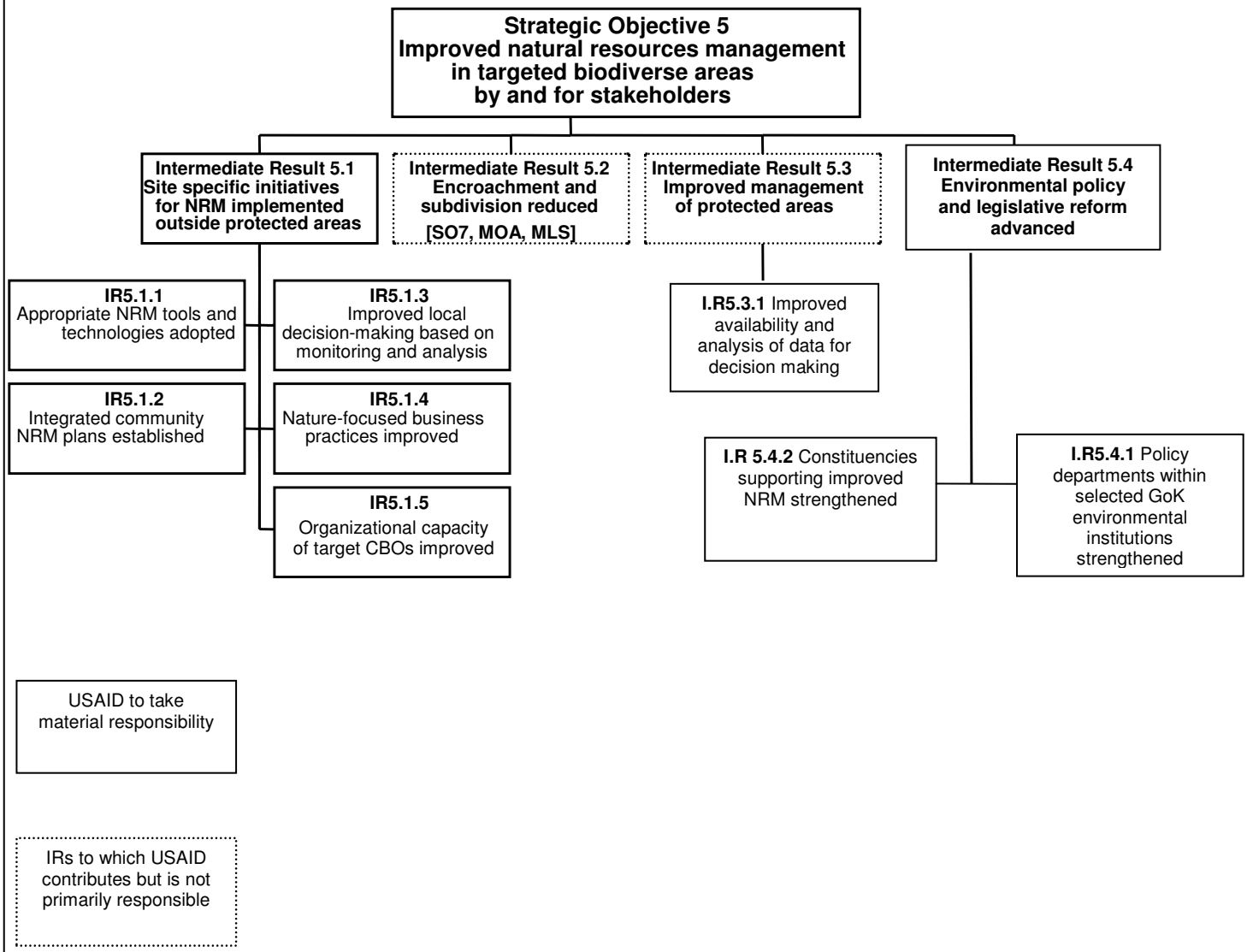
and (2) an increase in the number of concerned community households and individuals actively associated in these efforts. USAID seeks:

(1) "*Vibrant, community-based, civil society organizations that advocate for biodiversity conservation and who are undertaking conservation measures;*
(2) An improved legal and policy framework to support natural resource management;
(3) A national biodiversity strategy developed, and 1.5 million hectares put under improved natural resources management, and
(4) *Constituencies for public/private sector investment in natural resource management*."[13]

[13] Strategy Statement for USAID/Kenya: FY 2006-2010, December 2005, p. 6.

2.1 SO # 5 Framework

Figure 3. SO 5 RESULTS FRAMEWORK



This SO 5 Strategic Framework provided the overall matrix through which both FORREMS and KCMP program activities were to be monitored and eventually evaluated. Indicators developed were supposed to help in program management and assessing eventual impact, and reporting to USAID Washington. The effectiveness of these indicators to provide the necessary

management and monitoring information will be discussed under the M&E sections below and in Annex 2.

2.2 Forestry Range Rehabilitation & Environmental Management Strengthening

FORREMS is a five-year (2003-2008) program that is strengthening GoK institutions by providing capacity building, technical assistance, and material support to improve forest management, rangeland conservation, and environmental management. It is working with community NR user groups to build organizational capacity so they can actively participate in conservation and in development of NBEs. SO 5's support to community beneficiaries is intended to provide incentives and build advocates for improved NRM and biodiversity conservation.

FORREMS' geographic focus areas are: Mukogodo Forest and associated group ranches; Mt. Kenya Forest Reserve and associated communities; Arabuko Sokoke Forest and associated communities (Kenya's north coast); and other areas (none visited by the MTR Team), including Rumuruti forest ecosystems, Aberdares, Ngong Hills, and Taita Hills. (See Table 2 in the following section).

Government partners are: Forest Department, Kenya Forestry Research Institute, Kenya Wildlife Service, National Museums-Kenya, and National Environmental Management Agency. NGO partners are: Nature Kenya, ICIPE, Ideal Business Links, TIST, Laikipia Wildlife Forum, and [soon to be awarded] Green Belt Movement. Annex 7 contains descriptions of these organizations.

2.3 Kenya Coastal Management Program (KCMP)

KCMP is a three-year (2004-2007) program to enhance coastal management and combat pressure along Kenya's coastline, using an integrated coastal area management (ICAM) approach. KCMP strengthens ICAM outside marine protected areas to demonstrate tangible governance and community benefits; expands stakeholder capacity and participation in the ICAM process; and builds a constituency that can support and catalyze coastal policy dialogue. USAID supports NBE development in the coastal region as a means to alleviate poverty and reduce the pressure on natural resources, with the ultimate aim of conserving the coastal zone's critical biodiversity; and mitigates environmental impacts to the coastal and marine environment. KCMP targeted three geographic sites: Jomo Kenyatta Public Beach; Diani-Chale; and Shimoni-Vanga (including Wasini Island). Site-specific KCMP interventions within these zones are described in Table 2.

USAID partners in the KCMP are the Coastal Development Authority (CDA, a GoK parastatal institution) and PACT-Kenya. CDA provides overall KCMP project coordination and monitoring; provides TA in coastal development; and with the wider KCMP team, assists in implementation of activities. PACT-Kenya provides capacity strengthening in organizational and enterprise development.

2.4 FORREMS and KCMP: Key Themes and Underlying Assumptions

The following assumptions and themes underlie FORREMS and KCMP:

(1) Poverty is the main driver of unsustainable and illegal natural resource exploitation. "*Poverty is a direct result of natural resource degradation that comes from too many people making unsustainable demands on a resource base that is shrinking in quality and quantity. Poverty also perpetuates and drives this degradation".*[14]

(2) Expanding human populations, especially into marginal areas, is leading to increasing conflicts—human-wildlife conflicts and conflicts among human natural resource users

(3) When stakeholders are empowered to make decisions about natural resource use—and when they are actually benefiting from natural resource use (tangible benefits derived from commercial or subsistence uses, and intangible benefits mainly related to cultural values), they will become better stewards of the environment and can be the strongest advocates for biodiversity conservation.

(4) Severe constraints restrict opportunities to expand and diversify rural incomes. There are few economic pursuits apart from subsistence farming in which rural residents are engaged; for example, 69 percent and 82 percent of the rural populations in Mt. Kenya and Malindi coastal zone respectively depend on subsistence farming for their livelihoods.

(5) Livelihoods must be diversified to relieve pressure on the natural resource base.

(6) Conflicts over natural resources and the inter-related nature of the natural resource base point to the landscape as the appropriate level within which to work with stakeholders and beneficiaries, and at which to manage conflicts and resources.

These common themes run through both FORREMS and KCMP and are the basis for interventions. The underlying assumption, or hypothesis, of both programs is that by empowering stakeholders to participate in the management of the natural resource base, and to benefit from natural resources, they will become better stewards of the environment and advocate for conservation. To achieve greatest impact, both FORREMS and KCMP embrace the landscape approach, although with varying degrees of success (as described below).

As defined in the FORREMS Activity Approval Document, a 'landscape' is a geographic area that contains inter-related ecological, social, institutional, and enabling conditions.[15] The Wildlife Conservation Society defines a landscape as, "*an area large enough, with the appropriate composition, configuration, and connectivity <u>of habitats</u> to support functional populations of the biodiversity present and to preserve ecosystem services for both wildlife and people*." The MTR Team adds to that definition: 'including the <u>appropriate stakeholders</u>, both socio-economic, cultural, and political'.

A landscape approach "*forces an integrated analysis of a target area's characteristics, of its potential for development and of the subtle relationships that influence the health of the whole*".[16] In a landscape approach, a landscape area is targeted based on its biodiversity value; stakeholder willingness to engage and work as partners towards <u>a common goal</u>; and potential for interventions to address threats to biodiversity conservation—the potential to produce results. Key to the landscape approach is that a promising landscape is targeted and interventions are at <u>appropriate scale</u> to address the identified threats. All stakeholders—GoK,

[14] USAID/Kenya, AAD 2002
[15] USAID/Kenya, June 12, 2002
[16] USAID/Kenya, June 12, 2002.

NGOs, CBOs, and the private sector, including the full range of stakeholders with subsistence, commercial, and cultural interests in the area (hotels, banks tourism agencies, etc.) - are mobilized and incorporated into the decision-making process to arrive at common purposes and goals.

3.0 Technical Discussion

3.1 Linkages to Biodiversity Conservation

3.1.1 FORREMS

The roles of the FORREMS partners are shown below.

Table 1: Roles of the FORREMS Partners

Institution	Role in FORREMS
Forest Department	Key partner for forest management, conservation, and monitoring; partner with communities in PFM pilots; provides TA to communities and NGOs.
Kenya Forest Research Institute	Research and inventories and dissemination of research findings and technologies to communities and NGOs; monitoring NRs; providing technical advice to CBOs and NGOs in PFM and rehabilitation techniques
Kenya Wildlife Service	M and E role for FORREMS' partners; key partner in wildlife management and conservation in forest areas.
National Museums-Kenya	Provides technical guidance in the development of Arabuko Sosoke NBEs, and assists in identifying markets; organizes and strengthens ASF CBOs working in NBEs.
National Environmental Management Authority	Mitigates and monitors environmental impacts of development activities and implements/facilitates rehabilitation of degraded lands; builds capacity of District Environmental Committees and District Environmental Officers.
Nature Kenya	Program management and coordination of FORREMS' activities in Arabuko Sokoke Forest; works with CBOs to strengthen their organizational capacity so they can more effectively engage in PFM and NBE development.
Ideal Business Links (Subcontractor)	Provides targeted assistance to link products to markets
ICIPE (Sub-awardee)	Provides technical expertise in product development and value added technologies
TIST	Mobilizes community groups to plant trees and track status for the bio-carbon market; and empowers groups to undertake community development initiatives.
Laikipia Wildlife Foundation	Mobilizes Mukogodo group ranch communities and strengthens their capacities to engage in improved rangeland and dry forest management and development of NBEs; and provides overall direction for management and conservation activities in the Mukogodo area.

Depending on the site, FORREMS' interventions include producing natural resources management plans; conducting natural resource inventories; producing business plans for NBEs; capacity building for GoK institutions and CBOs that are working in NBE development and NRM rehabilitation of rangelands and natural forests; on-farm tree planting; establishing nurseries; developing water sources, working with CBOs to strengthen their capacity to develop and manage NBEs; preparing pilot PFM initiatives and advancing policies on forestry and the environment. As part of its institutional strengthening, FORREMS provided important logistical support (computers, furniture, vehicles) and infrastructure to the FD, KWS, KEFRI, and NEMA.

Situation

1. Landscape Approach and Biodiversity Value

As stated in the FORREMS AAD, implementation should "*embrac[e] the landscape approach*." FORREMS target sites were chosen based on a landscape system, and in part, because of their biodiversity value. Briefly, the landscapes and the biodiversity value at each site are described below:

(1) Arabuko Sokoke Forest (ASF) is the last large remnant of north coast forests that once dominated Kenya's coastal fringe. It contains globally important biodiversity, regulates fresh water flow to Mida Creek and associated mangrove forests, which provide fish nurseries and important habitat for birds, migratory and resident, and acts as a nutrient and sediment trap that protects the Watamu coral reef. As described in the FORREMS Performance Monitoring Report (2005), the Watamu/Arabuko system "*is the only place in Kenya where reef, beach, creek, and forest occur together in this way, offering considerable potential for a landscape approach*…." The Arabuko Sokoke Forest has been targeted to pilot PFM. It is recognized that *"the long term future of the Forest depends crucially on the support of the local community and their leaders and politicians for its conservation*".[17]

(2) Mukogodo Forest Landscape: The Mukogodo Forest Landscape covers a total of approximately 58,496 hectares, and is made up of the Mukogodo Forest Reserve (30,189 hectares) and four surrounding group ranches (28,307 hectares), Kuri Kuri, Makurian, Lekuruki, and Il Ngwesi. The Mukogodo Forest Landscape is one of the largest dryland forests remaining in Kenya. As described in the Integrated Natural Resources Management Plan, the area is rich in plant life and wildlife. The Mukogodo landscape consists of closed forest, closed woodland, open forest, open grassland, open scattered trees, very open scattered trees, and degraded grasslands. It contains 66 families of commonly used plants.[18] Wildlife includes many species of interest to tourists. Thirty-four large mammal species, 11 small mammal species, and 209 bird species are found there. The Mukogodo Maasai have had a long relationship with the Mukogodo area and the forest provides dry grazing pasture for the local Maasai community and the neighboring pastoral community. It is the one of the few forests in Kenya where the community has been managing the forest without a permanent presence of the FD. According to local FD representatives, the Mukogodo Maasai have been doing this quite well. The forest remains intact.

(3) Northeastern and Eastern Mt. Kenya Forest Blocks (Marania, Mucheene, Upper and Lower Imenti, Meru, and Ruthumbi in Meru and Nyeri Districts) is a montane forest area rich in biodiversity and a critical water catchment area, containing significant economic and cultural value. FD manages significant plantation resources in the Mt. Kenya forest. Bamboo, montane grassland, and moorland can also be found here. The area is rich in wildlife species and is considered an 'Important Bird Area'. The main threats to the forest are from fire, livestock grazing, vegetation damage by elephants, and pressures and human-wildlife conflict from the growing human population in forest adjacent communities.

According to the FORREMS AAD (June 2002), the forests on the lower northeast and eastern slopes of Mt. Kenya are part of the newly established Mt. Kenya National Reserve. FORREMS interventions at Mt. Kenya (see Table 2) are implemented based on administrative units (Meru and Nyeri Forest Districts and their associated Forest Stations). While a political delineation, the Meru and Nyeri Forest Districts would be considered two separate landscapes for means of implementing and monitoring activities.

2. The International Small Group and Tree Planting Program (TIST)

The International Small Group and Tree Planting Program (TIST) is a FORREMS partner that works outside the target Mt. Kenya landscape with the intent of off-setting pressure on natural forests by encouraging woodlots and other tree plantings to replace collection of firewood,

[17] Kipepeo Butterfly Project, Gede, Malindi, 2006.
[18] Mukogodo Focal Area Team, June 2006

cutting for construction material, and charcoal production. A relative late-comer to the FORREMS 'family of partners', TIST, like other program NGOs, has had its programs constrained by FD's lack of expected logistic support at the field level and delays in implementation of CBO forest management plans that could have permitted efforts in restoration of degraded lands around Mt. Kenya currently controlled by FD. As a result, efforts have focused on the small individually controlled plots of community small groups outside protected areas and forest reserves. Nevertheless, growth in the number of partnering small groups, with their well-tended nurseries[19] and closely monitored trees, has been fairly dramatic.

3. Congressional Biodiversity Earmark and Threats Analysis

Funding for FORREMS is attributed to the U.S. Congressional biodiversity earmark. The biodiversity earmark language states that activities should have a "*primary objective of conserving biodiversity in natural and managed terrestrial aquatic ecosystems. Activities should be identified through an analysis of the threats to biodiversity*." In addition, the four criteria listed in Section 1.3 must be fulfilled to comply with biodiversity earmark requirements.

Threats to biodiversity have been identified in Arabuko Sokoke, Mukogodo, and Mt. Kenya, and in general are related to poverty, increasing populations and wildlife-human conflicts and conflicts among human natural resource users, unsustainable use of natural resources, and fire (mainly in Mt. Kenya). TIST activities aim to respond to biodiversity threats emanating from illegal and/or unsustainable collection of firewood, charcoal production, and cutting of wood for other purposes.

4. Participatory Management and NBE Link to Biodiversity

PFM pilots in Mukogodo, ASF, and Mt. Kenya are designed and implemented to respond to specific biodiversity threats and are clearly linked to biodiversity conservation. Besides benefits to communities from natural resource use and management, FD benefits by having community support for tree nursery management and tree planting, clearing areas for windbreaks, and to strengthen FD forest guards by providing community guards.

Ongoing and potential NBEs include: butterflies/pupa, mushrooms, honey production, silk production, aloe, and tree nurseries (Arabuko Sokoke); coral garden boardwalk, fishermen associations and dhow operator groups (at Diani Chale and Wasini Island- Kisete); at pasture bulking, herbal pharmacy, eco-lodges, honey production, opuntia, and aloe (Mukogodo Forest); and tree nurseries, tourism, fuel wood collection, and honey production (Mt. Kenya).

Local community leaders of the Dida Forest Management Plan committee should be given the financial support to help other communities along the peripheral zone of the entire reserve to accomplish similar plans. This group's plan should be the first one to be formally accepted and put into action – possibly by January 2007 – by the Forest Department, which has developed a good working relationship with these people in joint partnership and management of the adjacent forest reserve.

5. Biodiversity Monitoring/Indicators

[19] Those viewed by the Review Team during their field visits to several of the best TIST 'small groups'.

FORREMS indicators are: #1, land use change in target areas (hectares) and #2, number of stakeholders benefiting from involvement in improved NRM. FORREMS partners stated that data collection is difficult and felt that the indicators failed to reflect actual results.

6. Biodiversity Awareness-Raising

Most stakeholders at the three target sites (ASF, Mukogodo, and Mt. Kenya) were aware of biodiversity conservation and threats to conservation. Those involved in NBEs were also aware, although many lacked information on sustainability issues and the link of NBE development to biodiversity conservation.

Analysis and Conclusions

1. Landscape Approach and Biodiversity Value

FORREMS has targeted landscapes that contain critical biodiversity. Arabuko Sokoke Forest and adjacent communities are part of a landscape system that includes Mida Creek and Malindi and Watamu Marine Park and Reserve. FORREMS interventions have targeted ASF and adjacent communities, but not the downstream landscape components. Since ASF activities are part of FORREMS rather than KCMP, the focus has been the forest. The landscape systems approach would expand boundaries of the ASF area to include marine and coastal components, including mangroves. This approach would ensure the inclusion of significant coastal and marine biodiversity, which is affected by upland activities (ASF), and would bring additional stakeholders to the table, including many in the private sector with interests in (and impacts on), the coastal-marine ecosystems. Greater private sector inclusion would also bring a potential for financial resources (such as the major hotels, for example, Hemingway's), which would be required for a sustainable landscape forum.

Mukogodo Forest and the four group ranches combine to form a clear landscape system. The area contains critical biodiversity that is threatened. Stakeholders (community, GoK, NGOs, CBOs, and the private sector) have been mobilized and are working towards common goals; and interventions are designed to reduce threats to biodiversity.

Mt. Kenya's landscapes (Nyeri and Meru) contain critical and threatened biodiversity. Clear interventions (fire management, fencing to protect land from elephants, tree nurseries, and PFM) have been identified to reduce biodiversity threats. However, due to the early stage of PFM and also, to a gap in USAID funding, stakeholders have not yet been fully mobilized and specific PFM interventions have yet to be identified.

TIST activities are implemented outside the Mt. Kenya landscape but aim to decrease pressure on Mt. Kenya forest resources. From the MTR Team's site visits and interviews, it appears that TIST activities were not well incorporated into Mt. Kenya FORREMS activities and the link with biodiversity threat reduction in the Mt. Kenya landscape is limited. Considering the need to concentrate on target landscapes to reach a scale where real results are produced, TIST activities should be refocused to become part of the Mt. Kenya landscape systems. Furthermore, if TIST activities are contributing to threat reduction in the Mt. Kenya landscape, this impact has not been demonstrated and should be.

2. Congressional Biodiversity Earmark and Threats Analysis

The biodiversity earmark requires that four criteria be fulfilled. Except for criterion #3, *the program must monitor associated indicators for biodiversity* (see 4 below), FORREMS interventions at the three sites comply with biodiversity earmark requirements.

TIST activities are in essence agro-forestry interventions In regard to the biodiversity earmark, the program does not monitor associated indicators for biodiversity conservation. Site-based programs are not positively impacting biologically significant areas. TIST promotes the benefits of trees to small landowners and communities — providing a food source, improving soil, decreasing erosion, regulating temperatures and providing construction material and fuel wood. Where this approach has been applied, it appears to be having a positive impact.

3. Participatory Forest Management and NBE Link to Biodiversity

PFM, although only at a pilot stage, is already building a constituency for biodiversity conservation and sustainable use of resources. CBOs in many sites visited by the Review Team are waiting impatiently for FD authorization for their legal right to begin to implement the PFM plans already completed.

4. Biodiversity Monitoring/Indicators

FORREMS' indicators fail to provide information on biodiversity conservation results and revised indicators, preferably one for each landscape, should be formulated.

5. Biodiversity Awareness Raising

These efforts are especially important for NBE participants to ensure they have information on resource sustainability and that they are aware of the links of the NBE with biodiversity conservation.

6. Appropriate Programming

For both FORREMS and KCMP, there must be:

- An explicit biodiversity objective. It is not enough to have biodiversity conservation result as a positive externality from another program.
- Activities must be identified based on an analysis of threats to biodiversity.
- The program must monitor associated indicators for biodiversity conservation.
- Site-based programs must have the intent to positively impact biologically significant areas.

3.1.2 KCMP

KCMP's interventions include organizing and strengthening CBOs that work on coastal issues, coastal area management, and NBEs; securing two fish landing sites, and constructing infrastructure at the sites, including slipways, fish depots and improved sanitation systems; constructing two modern fishing boats at a cost of about $100,000 each; constructing 32 rain water harvesting (RWH) systems with a total capacity of 397,000, and training masons in RWH construction; strengthening the Kenya Marine Forum (KMF) as a community trust responsible for advocacy on marine environment issues for the Kenyan coast; supporting the development

of NBE business plans and implementing target business plans; rehabilitating sand harvesting sites; and supporting the production of management plans and action plans. These interventions are described in Table 2 below, showing the areas where KCMP is working and the specific activities taking place at each site. Team notes also provide greater details for the sites visited.

FORREMS and KCMP at a Glance

Table 2 below shows the target landscapes for FORREMS and KCMP interventions. The overall landscape is shown in bold and the major components of that landscape, where interventions are taking place, are listed below. The activities being implemented and partners working at each site are shown.

Table 2: FORREMS and KCMP at a Glance

Geographic Area	Activities	Partners
FORREMS		
Arabuko Sokoke Forest Landscape	Train forest guards, forest management plan	FD, KWS, KEFRI
-Mida Creek and -Marine Reserve (Mida)	No activities implemented	
-AS Forest Peripheral Zone	Rehabilitate sand mining sites: tree planting and fencing	NEMA
-AS buffer zone communities	Organize communities, develop NBEs, pilot PFM	FD, KWS, NK, NM-K
Mungungani Forest	Support gazettement	NEMA
Mukogodo Landscape	Mukogodo Forest Integrated Management Plan	FD, KWS, KEFRI, NEMA, LWF, AWF
Group Ranches (4)	5 water projects; 2 eco-lodges; NBE development, rangeland rehabilitation	FD, KWS, KEFRI, NEMA, LWF
Mt. Kenya Landscape	Integrated Natural Resource Management Plan	KWS, FD
Meru District	Fire management; forest rehabilitation	FD, USFS
Nyeri District (includes Aberdares)	Fire management; forest rehabilitation	FD, USFS
Other forests		
Rumuruti Forest ecosystems		
Ngong Hills	Fire management	FD, USFS
Taita Hills		
KCMP		
Mombasa coastal landscape	Strengthen KMF; support of annual marine events; coastal change data	KMF, CDA
Jomo Kenyatta Public Beach (Nyali-Bamburi-Shanzu)	Organize CBOs, conduct beach traders survey; form JKPB Trust and Management; support to artisanal fishing enterprise: construct fishing boat, construct fish landing site and associated infrastructure; two deep freezers for fishermen; business plans and implementation of target BP actions; open up public access road, landscaping.	CDA, Fisheries Dept, KWS, PACT-Kenya
Mombasa Marine Reserve and Park	Encourage appropriate fishing practices (Marine Reserve)	Fisheries Department
Diani-Chale landscape	Strengthen KMF; support of annual marine events; coastal change data	KMF, CDA
Kaya Diani fishing community	Construction of fishermen meeting banda and sanitation block, securing fish landing site-Mwaepe Fish Depot; empowerment of artisanal fishers to develop enterprise, two deep freezers for fishermen, boat construction; improvement of beach access road; rehabilitation of DCMT office, members trained and strategic plan; business plan for eco-tourism and other enterprises; training in	Fisheries Dept, CDA, PACT-Kenya

	business management; RWH tanks	
Diani-Chale Marine Reserve	Encourage appropriate fishing practices and sampling/analysis of water quality.	Fisheries Dept., CDA
Wasini-Shimoni-Vanga	Strengthen KMF; support of annual marine events; coastal change data	KMF, CDA
Shimoni-Vanga	Zonal projects steering committee; identify gaps in baseline information; community ecotourism enterprise; LMMA-3 interventions; Shimoni Slave caves developed as ecotourism activity, RWH tanks	CDA, Fisheries Department, PACT-Kenya
Wasini Island	Leveraged funding for eco-tourism development, bee keeping activities	CDA, PACT-Kenya
Kisite Marine Park and Mpunguti Marine Reserve	No activities implemented, though the Kisite Private Boat (Dhow) Operators Association (KIPBOA) is actively seeking linkage within a supporting structure.	
Shimba Hills NR	No activities implemented	

Situation

1. Integrated Coastal Area Management (ICAM) and the Landscape Approach

KCMP uses the ICAM approach, which encompasses a network of inter-related coastal, marine, and upland resources and the associated political, social, and economic components. The ICAM approach is intended to be a holistic management tool for the sustainable development of coastal and marine resources incorporating multi-sectoral and multi-institutional collaboration. The ICAM process involves: selection of an area; resource mapping; stakeholder identification; issue identification through consensus; integrated planning; program preparation; program adoption; funding; program implementation; and monitoring and evaluation.[20]

The ICAM approach and the landscape approach are somewhat similar. KCMP pilot interventions are scattered over three coastal-marine landscapes. Marine Reserves and Parks benefit indirectly from KCMP activities since many of the threats to these areas originate from land-based activities.

In the ICAM approach, biodiversity value is one criterion used to identify target areas and interventions. The KCMP target sites contain significant biodiversity (sea turtles, mangroves, coral reefs, and the "big five of the ocean"- dolphins, whales, whale sharks, manta rays, and dugong), as well as commercial fisheries, and other key economic activities, and are linked in a network of marine, coastal, and upland resources:

- Diani-Chale, on the South Coast of Kenya, is rich in biodiversity, including coral reefs, sea grass beds, mangroves, sacred forests, abundant marine and terrestrial wildlife, including sea turtles, dolphins, colobus monkeys, and rich in endemic species of birds, other wildlife, and plants. It is also an area with historic buildings, subsistence farms, plantations, artisanal fishers, and tourism attractions—white, sandy beaches and beachfront hotels. The Diani-Chale coastal forest is fragmented and highly threatened. The Diani Marine Reserve, covering over 250 hectares, is located in this area.

- Shimoni-Vanga-Wasini Complex: contains rich marine life, including endangered sea turtles, dolphins, whales, and economically valuable commercial fisheries. Coral reefs, sea grass beds, and mangroves are found offshore. Kisite Marine Park and Mpunguti

[20] ICAM-KCMP Power Point presentation, August 15, 2006.

Marine Reserve are located in this area. The Shimba Hills National Reserve is the upland portion of this landscape system.

- Mombasa Coastal Landscape: Jomo Kenyatta Public Beach, Mombasa Marine Reserve and Park: Mombasa is the outstanding feature of the landscape in this coastal area and the urban character affects water quality and quantity, and results in resource user conflicts. The Mombasa Marine Park and Reserve, while located adjacent to this urban environment contains important biodiversity and is part of the network of coastal and marine resources found along Kenya's entire coast.

2. The Congressional Biodiversity Earmark and Biodiversity Threats Analysis

Funding for the KCMP is attributed to the U.S. Congressional biodiversity earmark. The biodiversity earmark language states that activities should have a "*primary objective of conserving biodiversity in natural and managed terrestrial aquatic ecosystems. Activities should be identified through an analysis of the threats to biodiversity."* In addition, the four criteria listed in Section 1.4 must be fulfilled to comply with biodiversity earmark requirements.

Rather than a threats-based analysis, ICAM uses a consensus approach. The ICAM process calls for identification of issues through consensus and an integrated planning process. This differs from a biodiversity threats-based approach wherein threats to biodiversity are identified and these drive interventions.

3. Participatory Management and NBE Development

Opportunities for participatory management are limited in the marine areas since KWS's legislative framework does not recognize this methodology; however KWS makes exception for demonstration activities in community-based management.

KCMP has strengthened NBEs, as well as enterprises that are not nature-based. Support to NBEs includes the local women-led ecotourism site at Wasini Island with its coral gardens boardwalk; Vikwathani Maenderero group (Wasini) eco-tourism site; bee-keeping; and artisanal fishers. Other enterprises that have received KCMP support include tubers and hawkers.

The MTR Team visited Mida Creek Community Conservation ecotourism site and walkway, an initiative that is not funded by USAID/KCMP. This NBE activity has a clear link to biodiversity conservation, and also, it is raising incomes, educating people, and building advocates for environmental conservation.

4. Biodiversity Monitoring/Biodiversity Indicator

KCMP Indicators are #1: coastal and marine area under improved conservation or management (hectares); and Indicator #2: Number of stakeholders benefiting from involvement in improved ICM. Reporting on these and other SO 5 indicators has been inconsistent and frequently lacking. KCMP partners stated that this information failed to reflect their 'actual results' (cf. discussion of M&E indicators below, and in Annex 2).

5. Raising Awareness of Biodiversity Conservation

Biodiversity conservation awareness is part of many KCMP interventions. KCMP's support of annual marine events and programs has likely contributed to this awareness, as has the

program's mobilization of stakeholders as part of the ICAM framework. Most stakeholders interviewed by the MTR Team stated their concerns for the environment, biodiversity conservation, and especially for the decreasing fishery resource. Most stakeholders were aware of how their actions affect biodiversity.

Analysis and Conclusions

1. ICAM and the Landscape Approach

Although ICAM calls for a holistic approach to the sustainable development and management of coastal and marine resources, some KCMP interventions have been implemented in a piecemeal fashion. In part, this can be attributed to the lack of focus of KCMP interventions—they cross several landscape systems rather than focusing on a single landscape where there would be greatest promise to produce results. Once a degree of success has been achieved in one landscape system it can be replicated in the next system (access to funds notwithstanding) rather than supporting myriad pilot activities across several landscapes without reaching a scale at which impact is achieved.

The three target sites contain significant biodiversity and the KCMP aims to 'positively impact biologically significant areas'. It thereby fulfills one of the biodiversity earmark criteria. However, many KCMP interventions appear to be "one-off" activities, and not tied to a holistic framework, such as a landscape. Therefore, the long-term impact of these activities is questionable. With the limited funding available to KCMP, it is difficult to produce biodiversity conservation results across three landscape systems.

2. The Congressional Biodiversity Earmark and Biodiversity Threats Analysis

The biodiversity earmark criteria states that #s 1-4 must be fulfilled, however KCMP interventions fall short of fulfilling #s 2 and 3: (1) the program has an explicit biodiversity objective; (2) *activities were not identified on an analysis of threats*; (3) *indicators for biodiversity conservation are not being monitored* (see 4 below); and (4) site-based programs have the intent to positively impact biologically significant areas (although the degree to which positive impact has actually been realized is questionable).

As stated, a threats-based approach was not used in the KCMP, and therefore, for many of the KCMP interventions, it is unclear exactly what biodiversity threats are being addressed and what biodiversity conservation impacts would be expected. The consensus approach to issue identification and integrated planning may fail to identify the significant threats to biodiversity, and thereby responses needed to reduce the threats may be overlooked. For example:

(1) Artisanal fishers are a strong voice along the coast and several of the KCMP interventions have responded to this group's issues (need for infrastructure, capacity strengthening and enterprise development); (2) provision of rain water harvesting technologies is driven by the needs of upland residents (outside of Mombasa, where residents do not use rain water); (3) support for hawkers and tubers (Jomo Kenyatta Public Beach) responds to the needs of a typically marginalized sector; and (4) ecotourism development support to Vikwathani Maenderero is being considered because of the proactive nature of the group, rather than because of a clear biodiversity threat/response.

Some KCMP interventions have been implemented in response to significant threats to biodiversity, for example, promoting improved fishing practices and discouraging the more destructive methods. However, the contribution to biodiversity conservation from the interventions mentioned above (as well as others) is questionable.

3. Participatory Management and NBE Link to Biodiversity

KCMP's participatory management opportunities are limited due to KWS's management jurisdiction over the mangrove resource (in partnership with FD) and marine parks and reserves (in partnership with Fisheries Department).

Wasini Island's ecotourism enterprise has a direct link to biodiversity conservation. Nonetheless, this link could be strengthened by raising awareness of biodiversity conservation among Wasini Island stakeholders (see 5 below) and by strengthening the eco-tourism activity (for example, cleaning the village and the near-coast and beach where tourists disembark from their boats). The Kisete Private Boat Operators Association with their dhows for transporting tourists to the nearby marine park and reserve, as well as Wasini Island, is a key private sector stakeholder group that has not been adequately integrated into what could be a Wasini-Kisite landscape forum.

The Vikwathani Maenderero Group's proposal to construct an eco-tourism facility could contribute to biodiversity conservation (however, it is unclear what threats the initiative is addressing). In addition, the link of this intervention with coastal and marine biodiversity conservation is weak. They are not part of a locally defined 'landscape forum' group that are collectively addressing the biodiversity threats of their area.

The link between biodiversity conservation and enterprise development for the hawkers, tubers, and boat operators is also weak. While income generation initiatives can indirectly have an effect on biodiversity conservation, to be attributed to the biodiversity earmark, a more direct link is necessary. The beach cleaning activities of the hawkers and tubers are a commendable effort but not one with a direct effect on biodiversity conservation. These individuals could have a role within a better-defined 'landscape forum' group for their area.

The fishermen described their self-regulating activities and Fisheries Department described the partnership with the fishers to manage and monitor fishing. However, the link between providing modern fishing boats, infrastructure at fish landing sites, and business plans to biodiversity conservation is unclear. The link could be strengthened with improved data collection and monitoring of biodiversity indicators (see 5 below).

The biodiversity earmark language recognizes that NBE development activities can be attributed to the biodiversity earmark. USAID FY 2006 guidance states that "protected area management (including marine conservation); community-based natural resource management where conservation is the primary goal; and enterprise-based conservation" can be attributed to the biodiversity earmark.

4. Biodiversity Monitoring/Indicators

KCMP indicators 1 and 2 do not provide an adequate picture of the program's biodiversity impact.

5. Raising Awareness of the Importance of Biodiversity Conservation

Fishermen, tourist dhow boat operators, ecotourism operators, hawkers and tube vendors expressed an interest in and awareness of biodiversity conservation.

3.1.3 Recommendations

1. Interventions should focus and concentrate on landscape systems where: (1) critical biodiversity resources are present; (2) stakeholders are willing to work together in partnerships to achieve a joint vision of biodiversity conservation within a framework of sustainable development and (3) responses to biodiversity threats have good potential to produce success.

2. While KCMP's three target sites contain rich biodiversity, the limited funding available favors focusing efforts on landscape systems that fulfill the three criteria cited above. Interventions should be at a scale where on-the-ground results can be realized, rather than supporting numerous pilot activities.

3. Future interventions should be designed and implemented with the aim of fulfilling the biodiversity earmark language. Using a biodiversity threats-based approach and designing and implementing activities in response to threats would result in greater biodiversity impact.

4. A stronger link between NBEs and biodiversity conservation should be made. Support to NBEs can contribute to biodiversity conservation by: scaling up so that they provide actual opportunities to diversify the economic base and relieve pressure on natural resources and ensuring a direct link of enterprise development to biodiversity conservation. This link can be made by relieving pressure on the natural resource base and/or addressing specific threats and/or building advocates for biodiversity conservation. Biodiversity monitoring and continued biodiversity awareness-raising should be a part of NBE development.

5. Possible indicators are: (1) a flagship/keystone species that can be monitored annually and that would give an indication of overall ecosystem health; (2) one or more species of fish that would give an indication if fishermen's improved practices (net size) are having positive effects on fisheries; and (3) the state of coral along the coast.

6. Efforts in biodiversity awareness-raising are commendable. They should continue being directed at stakeholders within the target landscapes and supporting interventions that will strengthen community capacity to participate in natural resource management and GoK efforts to implement PFM.

7. TIST activities must fulfill the biodiversity earmark requirements by responding to identified biodiversity threats (in addition to other criteria, Section 1.3); and work with partners within target landscapes. TIST management clearly wishes to work in such collaboration.

8. It is important to continue to support PFM in Mukogodo, Mt. Kenya, and Arabuko Sokoke Forests. These efforts are responding to threats from growing human populations and pressure on the resource base; fire; overgrazing; and wildlife-human conflicts; and illegal and/or unsustainable use of resources. FORREMS should target landscapes (Mukogodo Forest and four group ranches; Mt, Kenya, Nyeri or Meru Districts; and Arabuko Sokoke/Mida Creek and associated marine parks and reserves) and support the PFM process at these target sites. In the case of Mt. Kenya, PFM would be supported at the forest station level (Community Forest

Association-Community Action Plan level produced at the forest station level). SFS support for fire management should continue forest-wide, across both forest districts.

9. Apply the landscape definition adapted by the MTR Team by combining the WCS definition (an area large enough, with the appropriate composition, configuration, and connectivity of habitats to support functional populations of the biodiversity present and to preserve ecosystem services for both wildlife and people) with the requirement that the appropriate socio-cultural, economic, and political components be included. Landscape boundaries are for all partners to define together.

10. Focus future FORREMS and KCMP efforts more consistently within a landscape systems approach, using the Laikipia and Mukogodo Landscape systems model in bringing together all key stakeholders into 'a fee-paying membership forum' to develop a common vision of what needs to take place to address NRM and biodiversity conservation priorities within the zone. This permits better harmonization of work-plans of various stakeholders within the landscape and avoids duplication and permits greater coordination at all levels. Developing a similar forum for other landscape systems would be ideal (e.g. Arabuko-Sokoke/Mida Creek/Marine Park/Reserve landscape, Wasini-Shimoni-Kisite Landscape, possibly Diani-Chale Landscape), each with their adjacent marine parks and reserves.

11. Target the following landscapes:

Central Kenya Landscapes

(1) **Mukogodo Forest**: Landscape approach targeting Mukogodo Forest and associated four group ranches with interventions at the group ranch level, specifically in support of Operational Plans and targeting interventions that are aimed at reducing threats to biodiversity.

(2) **Mt. Kenya Forest:** Landscape approach targeting Meru ***or*** Nyeri District. Support for interventions aimed at reducing threats to biodiversity at the forest station level in support of CFAs and CAPs. USFS fire management interventions can continue forest-wide. Focus on a few Forest Stations and their CBOs, and rather than try to cover all the Forest Stations and CBOs within the district. Major deciding criteria should be ability to completely scale up activities within one Forest Station before moving to another.

Coastal Landscapes

(1) **Arabuko Sokoke Forest**: Expand landscape to include **Mida Creek** and **Watamu Marine Reserve and Malindi Marine Park** and associated stakeholders. Interventions should be aimed at reducing threats to biodiversity.

(2) Target up to one other landscape based on available resources and potential to fulfill landscape criteria.

- **Diani-Chale landscape**: including Kaya Diani fishing community and Diani-Chale Marine Reserve
- **Wasini-Shimoni-Vanga**: including Wasini Island, Kisite Marine Park and Mpunguti Marine Reserve.
- Mombasa coastal landscape, including Jomo Kenyatta Public Beach (Nyali-Bamburi-Shanzu), Mombasa Marine Reserve and Park (considered by Review Team as extremely difficult prospect).

12. Unless directly linked to a landscape systems approach of the kind observed at Mukogodo Landscape, discontinue all new water capture efforts and leave these to other

programs that can deal with them on a much more aggressive and replicable manner, with clear targets (i.e. 30 % of all households with cisterns in specific geographic areas in water deficient areas).

3.2 Sustainable Nature-Focused Business Development

Nature-based enterprises (NBEs) can contribute or support biodiversity conservation when:

1. Alternative livelihoods are created and/or reinforced that reduce income generation through extraction of biodiversity resources ("mining"). Example: cultivation of natural camphor by populations who formerly relied more on forest resources for income generation.
2. Domesticated production replaces production made possible through "mining" biodiversity resources. Example: mondia cultivation.
3. Income generation occurs through non-extractive (sustainable) use of biodiversity resources. Example: beekeeping in forest.

The following business initiatives, currently operating or being initiated, have varying degrees of linkage to biodiversity conservation. USAID funding is being or has been provided to those activities marked with an asterisk (*):

Table 3: Nature Based Enterprises

• Ecotourism: lodging *	• Ecotourism: attractions *	• Butterfly pupae *
• Beekeeping *	• Silk: wild *	• Silk: domestic *
• Natural camphor cultivation	• Mondia cultivation	• Aloe vera *
• Aloe secundiflora *	• Tree planting *	• Fishing *
• Fish market *	• Boat operators *	• Beach activities *
• Rainwater harvesting *	• Casuarina *	• Opuntia (Prickly Pear) *
• Elephant dung paper *	• Herbal pharmacy *	• Oyster Mushrooms *

3.2.1 FORREMS

Situation

1. The Kipepeo Butterfly Project, managed by NMK, after 14 years has been held up regionally and internationally as a 'model' of community based natural resource management and leader in 'nature based enterprises'. It took until 2000 to break even with butterfly pupae production and sales (2000), which are destined to butterfly houses in Europe, Japan, and the USA. Production in 2005 was 200,000 pupae, for which markets were found for only 50,000. Butterfly farming currently focuses on 10 species, of which some bring considerably higher prices than others (but are also more difficult to raise). Prices could range from 30

shillings/pupae ($0.42) to 100 shillings ($1.40). Any one-butterfly grower may have one or more 'butterfly huts'. The market appears to be seasonal – summer months in Europe, US, and Japan are best periods for sales. The Review Team observed several men and women, at different locations, carrying butterfly nets around with them – since butterfly are currently laying their eggs in the forest.[21] The total number of butterfly growers around AS has grown to an unsustainable number of close to 800. This has resulted in some groups closing their membership ranks, and also eliminating those who produce few pupae for those willing to produce more and higher quality pupae. New market outlets are needed. Kipepeo, with its various initiatives, appears to be helping approximately 5% of the forest adjacent communities, according to information cited in one of its proposals. The Review Team was told that among the butterfly pupae farmers there were several who had become outstanding leaders in their communities – and actually led their community groups in this endeavor. A couple of these were each producing about 10% of total production in the project.

2. Nature Kenya has established the concept of a common marketplace for all NBEs in Arabuko Sokoke (bee-keeping, butterflies, silvi-culture). The marketplace for AS products is being developed. They have butterfly and honey networks (CBOs, formed into networks, and these are models for other NBE CBOs). All networks would be linked to the market with a common brand (Arabuko Sokoke) and a percentage of the profits would go to forest conservation. With the activity committees, communities can take part in the governance in the businesses. The Kipepeo Project Community Based Organization, based at the Gede Ruins National Monument near Malindi, is a partnership between government (provided the land for the buildings), communities and NGOs. Kipepeo provides TA, QC, marketing, and its entire budget is supported from income generated from sale of butterfly pupae.

3. A private sector business person in the same area, unrelated to the Kipepeo project, has captured 50% of the market of Kenya pupae exports from this region and frequently purchases pupae from Kipepeo community butterfly pupae growers – though at a somewhat lower price. Kipepeo producers use this outlet themselves because this person pays cash for their pupae, while Kipepeo only provides a return when (and if) pupae are sold.

4. NMK has a proposed $500,000 budget from USAID for a "butterfly house" in Mombasa, a place where some of the unsold pupae could be sent and used for expositions and to attract tourist who would pay a small fee to see them. Of this, $100,00 has already been obligated to study the feasibility of this venture.

5. Misitu Women's Group: bee keeping, farm forestry, bees, silkworms. 15 members. Merry-go-round loan system was the start of the group. NK started working with the group in 2000 and used merry-go-round funds to get 10 hives, then were given 30 hives. With the drought, bees left and then the group diversified to tree nurseries. In 2004, the group raised casuarina seedlings and sold 9000 (all in 1 consignment which was linked to them through KEFRI). Casuarina has allowed the group to give loans to very poor households. Now they are raising mulberry trees for domesticated silk worms. ICIPE has promised to buy the cocoons. Ultimately, there are plans for silk processing to take place at the Kipepeo 'Market Place'.

6. Honey: One problem is volume. 3000 liters is their limit so far, and markets need 10,000 - 20,000 liters. The potential for beekeeping within this forest and mangrove landscape is very

[21] Competition in this industry is fierce. Some regions of the world produce more sought after species of butterfly. In Tanzania, the butterfly egg laying season begins earlier than in Kenya, so they are able to get to the market sooner. Tanzania producers also, knowing the prices being asked for in Kenya, undercut these prices to gain market share.

high and volume should not be a problem, if approached at the proper scale. Currently, AS beekeepers cannot deliver this much so they are limited to the local and regional markets. Whether or not realistic international markets exist is unknown. Nonetheless, honey profits have allowed community group beekeepers to give loans to the next level of poor households. These groups clearly understand the link between forest and bees, and they also volunteer for tree planting in the forest. Hives used include the Kenya Top Bar Hives and Langstroth (stacked super) hives. Consideration should be made to use the African Long Hive – better than Langstroth hives for management of bees when harvesting. Kipepeo plans for beekeepers to transport comb honey taken from their hives to the distant Kipepeo Market Place for extraction and bottling are flawed. Hand-operated extractors, already purchased with USAID funds under FORREMS, should be made available locally to different groups for the 1-2 days needed to harvest and extract locally their honey. Then the bulk honey, in closed plastic containers, can be more easily transported to the Kipepeo Market Place for further processing (if necessary), bottling and sale. In this form, beekeeper groups also have the alternative to sell their honey to another outlet, depending on prices received. As it is, when asked, beekeepers did not know, when asked, how much honey they had already sent to the Kipepeo Market Place – they only know the amount of 'dividends' they had been given follow delivery. This system does not permit these beekeeper groups to become the entrepreneurs they could become in this potentially important industry. They need to be linked to at least one of Kenya's excellent honey private sector honey companies, like Honey Care or Kenya Beekeepers, Ltd.

7. Mushrooms: There are 8 mushroom huts around AS, 4 of which were funded by USAID. Forty-eight hotels have been surveyed for the use of mushrooms. All use button, pre-packaged mushrooms, not fresh, but a few hotels were interested in the fresh oyster mushrooms produced at AS. Hotel demand depends on the daily menu. Mushroom production began in May, and hotels' high season starts July, so efforts are still being made to get hotels on board. So far only 4 hotels have placed orders. Solar driers are also being explored, given the perishable nature of the product. One entrepreneur sells dried mushrooms to Nairobi markets and gets 500 KS per kg. Dried mushrooms can be channeled to humanitarian food aid markets. Future efforts might consider what the local hotels or other potential consumers want (demand) in terms of mushrooms, and seek to supply this rather than a product they clearly don't seem to seek.

8. Mida Creek ecosystem: MC Conservation Committee (MCCC). Encouraging ecotourism in this area through ASSETS: Arabuko Sokoke Ecotourism Scheme. The group has been able to complete an attractive (and challenging) 'swinging bridge' board walk over mangroves, with excellent interpretive signs along the way that provide information about surroundings while well-trained guides supplement this information with other relevant and interesting information about the areas, biodiversity, and cultural items. Seven guides work at the site. MCCC sells crafts and coconut juice and raises money for bursaries from the ecotourism activities. There is co-management potential: rehabilitate mangroves with the community and then harvest for community needs. MCCC guide for Review Team visit was highly qualified, knowledgeable and her knowledge/technique could be transferred to others. By comparison, the FORREMS-supported Wasini woman's group 'coral gardens boardwalk' could learn much from the local community managers of the Mida Creek nature trail, particularly in terms of interpretive signs and information sharing.

9. TIST pays US 2 cents/tree/year (in quarterly payments for a period of 20+ years), which is much higher than the market offers. TIST is hoping that in the future the carbon market will bring greater benefits. The idea is that communities will get 70% of the funds raised through the market, and I4EI will get 30%. TIST works through a contract with the groups that identify who owns the land and the trees. TIST monitoring data show that 750,000 trees have been

established (not including nurseries with seedling). Survival rate at Naro Moru site is 90% (3,012 trees). The Review Team saw a demonstration, on a laptop linked to the Internet, how any specific TIST individual's 'small woodlot' could be geographically located using Google Maps. It is possible to zoom in on these and actually see these sites, based on the GPS coordinates provided by the field-based quantifiers. This information would be key to potential future sales and monitoring for the global carbon credit marketplace, verifying the actual existence of these trees, and their continued survival.

10. LWF's approach with NBEs is to provide TA and does not place itself directly in the value chain. For example, with aloe, now that there is a national policy for aloe, LWF works through the Kenya Aloe Working Group and with KWS to promote this option for growers. It can be processed into aloe products and used for rangeland rehabilitation. LWF might research aloe, provide this information to growers, provide starting capital as a co-financer, link producer to market, and/or fund a nursery. LWF does not buy, process or market aloe. KEFRI provides TA to the community on technical issues, and also empowers so the community can negotiate with private sector.

11. ILMAMUSI is an umbrella group that oversees several projects (or projects-to-be) meant to reduce pressure on the forest: water points, scouting (each group ranch has 2 scouts, but only 1 ranch has been able to pay salaries), rehabilitation, income generation (eco-lodges, herbal pharmacy, nurseries, hay harvest and sell, aloe, opuntia, honey, beadwork, elephant dung to make paper), and conservation land set aside. For the eco-lodges, they are trying to increase occupancy and look to alternative tourism ventures. Nursery is not active because of a recent drought during which the community was not been able to collect seeds from the forest. The herbal pharmacy was started in April 2006 and is mainly used as a small herbarium now since the group has not been able to get nursery up and running. Socioeconomic survey had shown that 85% of the population uses herbs for medicinal purposes.

12. ILMAMUSI: Elephant dung paper making enterprise: located at a homestead, established by a European who buys the products to sell in Europe. Women make paper, but do not know the market. They are isolated, and not linked to any other market than the one that the person who started the project is linked to. They depend on the project to bring shredded paper collected from Nairobi street boys.

13. Il Ngwesi has an eco-lodge, the profits of which are supporting numerous community activities, including forest guards, schools, etc. A second eco-lodge is at Tasia. Two group ranches do not have eco-lodges or other tourism infrastructure.

14. Mankurian Group Ranch: They have planted aloe, much of which has survived the drought. The committee did not know what aloe is used for but ICIPE is expected to purchase the plants. They are interested in a use for opuntia fruit since it is a nuisance plant, but they are unaware of what is can be used for.

15. The FORREMS Performance Monitoring Report for 2005 indicates that communities received 2,421,015 KS (US$32,280) in financial benefits from the sale of nature-based products and guiding fees as a result of the program. Of this total amount, 80,000 KS (US$1,067) was generated from the sale of tree seedlings and 10,000 KS (US$133) from the sale of aloe seedlings in the Mukogodo Landscape. In Mount Kenya, 235,800 KS (US$3,144) was generated from the sale of honey and seedlings. In Arabuko-Sokoke, 2,085,215 KS (US$27,802) was generated from ecotourism guiding and sales of seedlings and aloe suckers. A summary is provided in Table 4 below.

The report also states that in addition to the $32,280 generated by direct project activities, the FORREMS project contributed to generating income from other activities: apiculture (293,560 KS or US$3,904) and butterfly farming (1,566,516 KS or US$20,835). This same report also indicated that NBE implementation in Mukogodo did not take off as anticipated. Since NBEs are the main source of incentives for community participation in NRM planning, this delayed implementation had a negative impact.

The most important NBE within AS was the butterfly pupae business, and individuals involved in this business were also involved with FORREMS. Yet no data was provided about the specific amounts of financial benefits community individuals received from this endeavor – and how much was actually generated (as opposed to amount received by growers above). We were told that 'about 50%' of the income received from the pupae sold was returned to the grower. We were also told by Kipepeo NMK leadership that it is the profits from the sale of butterfly pupae that is completing funding Kipepeo management expenses, plus subsidizing other NBE activities (such as beekeeping). The Review Team in interviewing specific butterfly growers did obtain some information of this kind. We met with one of the butterfly growers, who himself, was responsible for almost 10% of the total figure sold, and who led a group of about 45 other butterfly growers in his community. We saw their meeting hall where figures were posted for each member, over the past two years, by month, of the number of pupae delivered. When sold, dividends are paid into the group's bank account, based upon the number of pupae that were ultimately sold by Kipepeo. Because the group leader made the successful effort to raise the more difficult (and valuable) species of butterfly pupae, he also had a higher percentage of actual sales. He was producing about 100 pupae/week, representing about 10,000 shillings ($139), (or about 5,000 high value pupae worth to him about $1,000/year (70,000-75,000 shillings)). But the commercial value of his stock, when sold by NMK, was worth substantially more than this. This individual, and several others like him, are clearly highly motivated and could become real entrepreneurs in their own right, if provided the support and contacts needed. The leader mentioned he also had several mushroom huts that he carefully managed.

At least 40% of receipts from sale of butterfly pupae to international buyers are kept by NMK and Kipepeo for its management purposes as well as subsidizing the costs of developing other activities. While this achievement may seem, at first glance, to be a social good, it may come at the cost of keeping potential entrepreneurs of 'business enterprise champions' from developing into sustainable private sector enterprises. In 2005, only 25% of the pupae collected was actually sold (50,000 of some 200,000 this past year) for a total value of about $90,000. The limited sales stemmed from lack of sufficient markets. Of the 25% sold, a few outstanding community entrepreneurs are supplying the bulk of those actually sold; yet these same individuals are not themselves realizing the potential profits they could.

Table 4: Financial Benefits to Communities from Nature Based Enterprises

Table 8: Data Sheet No. 7 - Financial Benefits to Communities from Nature Based Enterprises				
Focal Area	**Name of Enterprise**	**Type of Benefit**	**Amount Generated (Kshs.)**	**Amount paid out (Kshs.)**
Mukogodo	Ethi Tree Nursery	Sale of Seedlings	80,000	80,000
Mt. Kenya	Mucheene Bee Keepers	Sale of honey	12,600	12,600
	Meru Forest Station (Apiculture, tree nursery)	Sale of honey	43,200	43,200
		Sale of seedlings	120,000	120,000
	Mt. Kenya Community Afforestation and Development Project - Naru Moru	Sale of Seedlings	60,000	60,000
Arabuko Sokoke	ASF Guides Association	Guiding fees	112,500	75,000
	ASF Nursery Owners	Sale of seedlings	1,778,925	1,778,925
	Aloe replicators	Sale of Aloe suckers	231,290	231,290
Ngong Hills	Simwaru Landscapes	Sale of seedlings	*10,000*	10,000
Rumuruti	Laikipia aloe nursery	Sale of aloe seedlings	10,000	10,000
		Total (Kshs.)	2,458,515	2,421,015
		Total (US$)	$32,780	$32,280

Source: Performance Monitoring Report, FORREMS Programme Year 2005 (Draft, January 10, 2006).

Analysis/Conclusions

1. NBEs are being developed without a consistent analysis of their compliance with USAID's requirements for biodiversity programming, of their sustainability or the scale of their impact relative to threats being posed to biodiversity.

Valuable contributions are being made by different nature-based enterprises (NBEs) being promoted and supported with USAID funds. However, the benefits in terms of biodiversity conservation or livelihood are unclear, either because:

1. They have not been quantified (e.g., lack of biodiversity monitoring) or
2. Are not projected (e.g., business plans were not developed in beginning) or
3. Are not considered (e.g., biodiversity impacts of NBEs were not explicitly considered in the formulation of the enterprise)
4. Have not yet been realized (e.g., NBE has not yet been fully launched).

The scale of NBEs and the benefits they generate may be small relative to the threats posed to biodiversity conservation and/or the funding provided. Financial benefits generated are

relatively modest (US$32,280, as reported above). Therefore, questions of effectiveness of the NBE as part of a conservation effort are still unanswered.

A threats-based approach is useful whereby the most significant threats are identified and NBE interventions are designed to minimize those threats. Use of a landscape systems approach will help to ensure that critical biodiversity areas are captured and interventions are designed to keep the landscape intact, maintain or rehabilitate landscape linkages. Awareness raising about biodiversity conservation is an important supporting role that NGOs can continue to play.

2. NBEs are being developed without a clear definition of their ownership structure and therefore without a clear foundation for the long-term governance of the enterprise. This ambiguity can reduce the effectiveness of partnerships between beneficiaries (such as producers and communities) and sponsoring organizations (NGOs and government entities). It can also sow the seeds for conflict over the distribution of any surpluses created by an NBE once it becomes successful.

In several cases observed in USAID and other initiatives in Kenya (ICIPE), NBEs based on natural products (butterfly pupae for export, honey production, natural camphor (osciumum) and mondia) do not have clearly defined ownership structures or have ownership structures that are in a transient state until the NBE breaks even. As a result, certain critical decisions have been made by organizations that are not the ultimate owners of the enterprise (such as the sponsoring NGO) or have been postponed indefinitely. Of particular note, for example, are decisions regarding the distribution of surpluses (profits). In the case of the Kipepeo project, surpluses generated from butterfly pupae exports were reinvested in other activities (beekeeping) although the butterfly producers would have preferred to receive those dividends themselves. In the case of ICIPE's promotion of natural camphor for the product Naturub and mondia for Mondia Tonic, it appears that decisions about how to use any surpluses have rested with ICIPE without a formal role being given to the producers themselves.

Behind the ambiguity of ownership is the fact that these NBEs have been initiated and incubated by NGOs that have become long-term partners in the enterprise. It is logical that these organizations would exercise a substantial influence if not complete control of these ventures on at least an interim basis since it was the NGOs themselves that obtained the donor funding to create, develop and, in some instances, maintain the NBEs. In some cases, the NGOs also provide their own resources in order to further the development of the NBEs. In this respect, the NGOs become investors in the NBEs they are fostering and therefore have a long-term interest in its success. Furthermore, the NGOs are often the guardians of a broader agenda established with the creation of these NBEs, such as pursuing the conservation of biodiversity and promoting the generation of livelihood for poor communities. In the absence of the NGOs' advocating such an agenda, the NBEs in question might evolve into purely profit-making ventures. That in itself is not a problem per se but it does imply the creation of a different type of NBE.

In the broadest sense, NGOs and producers are partners in the NBEs they are creating, just as any ordinary business has partners who bring different resources and roles to the creation and successful development of an enterprise. The NGOs can bring financial resources, technical assistance and, in some cases, intellectual property and brand equity. The producers of the natural product bring "sweat equity" (labor), land and other primary inputs. Together they are the primary forces determining the success or failure of the new NBE.

When the primary partners do not have a clear understanding of the ownership of the enterprise they are building, there can be conflicts in their respective interests about how to manage the enterprise and about where it should be headed. Ownership structure defines not only who receives what percentage of any surplus but also defines who has the authority to make the decisions regarding the fate of the business. From both of these circumstances serious conflicts can arise if the partners have different objectives for the NBE. Producers may want to maximize dividends and minimize the reinvesting of profits in the business while other investors, such as the NGO, may prefer the opposite. Either goal is legitimate but what ultimately defines the "best interest" of the NBE follows directly from the definition of its ownership structure. If one group owns more than a 50% stake, that group can "call the shots" in the running of the business.

For this reason, it is important to come to an understanding of whose interests will be served in the creation and management of an NBE. If it is indeed a partnership, as observed in the cases of most of the NBEs in Kenya, then the "best interests" of the NBEs are guided by the preferences of both the producers and the sponsoring organizations. Clarifying the ownership structure of an NBE from the very beginning creates transparency, gives clearer incentives to each of the stakeholders and provides the framework for an effective partnership. As such, a well-defined ownership is part of the formula for creating successful NBEs.

3. Sponsoring organizations (NGOs and government entities) are staying involved in the operation of certain NBEs on a long-term basis. In many cases, the justification for this type of participation in an NBE has not been provided. Where the sponsoring organization was meant to serve as facilitator only on an interim basis, being involved for the long term clearly indicates a problem. Nonetheless, there are other circumstances where long-term participation is appropriate (such as providing technical advice on an on-going basis). Specifying explicitly what role, if any, a sponsoring organization will play in an NBE as well as the rationale for this participation provides an important benchmark for gauging the effectiveness of efforts to make the NBE a viable proposition.

Varying degrees of involvement of sponsoring organizations (NGOs) were observed in the NBEs investigated as part of this mid-term review. The most common case among the NBEs based on natural products is one of extensive involvement by the sponsoring NGO (e.g. ICIPE) or GoK institution (e.g. NMK). There are also cases, though, where an NGO has played a facilitator role and exited the process once an enterprise was off the ground (e.g. LWF). This circumstance appears to be more common among the ecotourism ventures that were observed. Each of these cases has merit but there can be a downside to each as well.

It follows from the previous discussion of ownership structure that there are benefits to the long-term involvement of sponsoring NGOs in the direction and management of an NBE. There are also costs. The NGO's involvement may create an obstacle for involving private sector investors or institutions that bring valuable expertise and resources. Or, the NGO's ongoing involvement could mask fundamental problems. For example, the long-term involvement by a sponsoring NGO could mean that the enterprise is unsustainable and therefore must rely forever on an organization that was merely meant to be an initial facilitator.

Similarly for the case of the NGO as interim facilitator, there are benefits and costs to such a role. If the NGO exits too soon, the NBE could fail for lack of sufficient guidance and resources at its critical takeoff stage. Exit too late and the NGO could become a drag on the performance of the NBE or an impediment to its evolution.

While arriving at the best definition of how long a sponsoring NGO is not an exact science, from the outset it is important and constructive to lay out the terms of the NGO's participation in the NBE and its exit strategy, as appropriate. And the NBE's business plan, which should be spelled out very early on, is the logical and best place to make this specification. As a result, all stakeholders will know from the beginning what the projected role of the NGO is meant to be in the life of the NBE.

4. Additional business analysis and technical advice (applying a value-chain perspective; developing business plans; offering business management advice) are needed. The market orientation of several NBEs observed by the Review Team could be significantly reinforced. Better analysis and expanded business services would strengthen the efforts to create viable NBEs that generate added value.

The Review Team encountered a number of good examples – in USAID-funded activities and elsewhere -- where sponsoring organizations and stakeholders are pursuing ways to create added value through the NBEs that they are trying to establish. Butterfly pupae exports through the Kipepeo project have generated surpluses in Arabuko Sokoke. New outlets need to be developed. Ecotourism businesses have become viable ventures. New products have been created, such as ICIPE's development of Naturub and Mondia Tonic. Much of this has been accomplished without extensive involvement of formal business expertise. Providing additional business services to the USAID-funded program could have significant benefits. The proposed "butterfly house" for Mombasa needs to be carefully reviewed prior to funding the $400,000 balance of USAID funds designated for this project and administered by NMK. Within the landscape approach which, needs reinforcing at AS, greater efforts might be made to upgrade the existing 'butterfly house' near Gede into a major tourist attraction, before creating a potentially costly to run and manage butterfly house that might negatively compete with the Arabuko Sokoke Landscape's own tourist attraction. Some of these funds might also be better used to help support small-grants or revolving loans for additional butterfly houses, mushroom huts, and other business ventures within the AS landscape itself – scaling up activities so as to achieve impact.

Additional business services could be focused on the following:

First, bringing a "value chain" perspective to an existing or proposed NBE provides the means for understanding better the challenges and opportunities that face the NBE. Specifically, a value chain perspective considers all of the factors that, linked together, form the basis of creating value in a particular market. In simplified terms, the value chain is composed of the following linkages: Input Suppliers → Producers → Processors/Packagers → Marketers/Retailers→ Consumers. These links can be examined both individually and collectively to see where value can be created -- by eliminating obstacles (e.g., lack of technical expertise for better modes of processing), by reducing constraints (e.g., inadequate capital financing) or by pursuing opportunities (e.g., links to domestic and international buyers). Furthermore, a value chain perspective helps promote market-driven orientation to the NBE. In several circumstances, the Review Team observed that NBEs were being guided solely by production considerations (supply) rather than the demands of the market.

Second, writing good business plans is an essential step in defining what steps need to be taken to make the NBE succeed and articulating that approach both to the business partners themselves as well as to outside parties (such as donors and sponsoring organizations) who may provide investment funds or other resources. The Review Team observed that the development of business plans has not been a common practice in the USAID-supported

activities in the past. However, recent activities have more frequently included the preparation of business plans. Making the preparation of business plans a standard prerequisite for receiving USAID support would help focus the program's NBE activities on NBE candidates that are better prepared for success. Furthermore, if a value chain analysis has been conducted for the sector where the NBE is being developed, a business plan can benefit.

Third, in selected cases, USAID resources could be used to obtain business management advice for particularly promising NBE ventures. For example, in the case of high-end eco-lodges that are owned by a community, it may be more effective (and therefore profitable) to hire the services of a professional tourism/lodging management group, at least in initial phases in order to share expertise with the community. Such a group has access to high-end markets and tourist circuits, knows the 'client-first' rule to meet market needs and quality standards and knows how to manage the operational resources.

5. Leaders for the new NBEs have emerged in a number of cases. A more systematic approach could be taken to identifying and encouraging such leaders, organizing the NBE venture to take advantage of their contributions and, as appropriate, putting more resources at their disposal. These steps could enhance the chances for success in the NBE and can create a basis for scaling up the enterprise.

In the agricultural sector, local lead farmers who adopt new methods typically serve as better examples for other local farmers to follow than "project managed demonstration sites." The analogy works the same for encouraging the development of local nature-based enterprises. Community groups and individuals will benefit as well as out-growers and suppliers. Furthermore, identifying leaders and reinforcing an entrepreneurial mindset can create much more momentum for NBEs to take off and become viable businesses. The Review Team observed this practice on selected occasions but doing more to encourage and train such leaders can make NBE start-up activities more effective and lay the groundwork for creating entrepreneurs who are the champions of their business ventures. Business plans can provide a means for singling out such leaders, defining or reinforcing the critical role that they play in the success of the NBE and determining what resources should be put at their disposal.

6. Kipepeo may need better business orientation in the starting and managing of its NBEs. Progress is being made (with the business plans and cash flows prepared by Ideal Business Links) but starting new ventures (e.g., aloe vera) without business analysis is risky. At the same time, Kipepeo is a good starting point for thinking about strategic perspectives on NBEs since it has been managing a portfolio of NBEs.

7. It is uncertain whether the proposed $500,000 investment in a butterfly house at Port Jesus near Mombasa will generate sufficient benefits to justify this USAID investment. Also, it is unclear whether any significant benefits would flow back to the butterfly producers at AS themselves.

8. LWF's tourism approach is a partnership between community and private sector. For example, women own a facility that is built by the community and paid for with donor funds. Women enter into an agreement with a private sector entity to run the lodge since the women's group does not have the necessary skills. LWF might train the community to run the lodge but that would take time. In the meantime the lodge needs to be operating therefore it would be run privately or jointly with the community. Another option would be to leave the private sector in the role of operating the lodge (such as through a lease arrangement), an option that LWF appears to be moving towards as a way to guarantee high quality for high prices charged for

services. This approach is a natural progression between the community and a private sector entity. LWF would leave it to those parties to work it out.

9. The TIST program provides an economic incentive but does not lead to the creation of an NBE. It has this potential, if integrated into the forest management plans of specific CBOs within specific forest reserves around Mt. Kenya. The global carbon credit market is not yet well developed, which makes the long-term viability of this approach uncertain still.

3.2.2 KCMP

Situation

1. IUCN made initial investment in Wasini Women's Group boardwalk. PACT tried to move NBEs ahead (with the intention of having an approach like that of the JKPB Trust). Since Wasini is homogenous community, it has worked well. There is a combination of ecotourism attractions: Wasini has a boardwalk and coral gardens while Shimoni has slave caves. The third village in the area does not have a community project (Nkweru).

2. KCMP: August, 2006 Power Point presentation cites the development of 3 business plans for fishing projects in Kaya Kinondo, Kaya Diani and Mwaepe. This same presentation cites the establishment of linkages with Honey Care Africa for beekeeping technical support and market provision for honey produced. The presentation also points to the development of an ecotourism business development plan. It is unclear what financial benefits these initiatives may have generated.

3. JK Fisheries Group includes 78 fishermen in the area. PACT-Kenya prepared a business plan. USAID funds built a fishing banda basic structure but fishermen completed it using other donor funding. Mombasa Marine Reserve and Park is near their fishing grounds but off-limits to fishers. Since the group has not entered into agreement with CDA yet, it has not begun to implement activities proposed under its business plan.

4. At JKPB, support to the various user groups has been a useful organizing endeavor. Business plans that have been developed but have not yet been implemented. A boat was provided at a project cost of $100,000 but it has yet to be used because of conflicting objectives of program partners about potential revenue sharing, who actually owns the boat, and where and how profits earned should be distributed. The fishermen's group objected to CDA taking an important percentage of the profit to generate funds for another boat that would be given to other fishermen outside this particular group (who had their own needs for additional boats).

5. Mwaepe Fish Landing Site, Diani-Chale. USAID funds have built the boat, renovated the fishing banda, built toilets, renovated meeting building and bought nets, engines, scale, office furniture. The boat has been used two times but is not currently being used because the seas are too rough (as illustrated by diving boat that capsized while we were there). Fishermen now fish using canoes but there appears to be fishing in the marine reserve area, which is illegal. They sell fish to fish mongers who sell to hotels and restaurants and individuals. The fisherman association believes there is a role for fish mongers and does not want to replace them: all have to benefit.

6. Rainwater harvesting tank homestead: This activity was started in 2003 in Mombasa (23 tanks total) but no one was interested in investing after the pilot. Consequently, the effort

moved to Kwale District (10 tanks, with requests for many more). Tanks of 6,000 and 10,000 liters are provided to schools, health clinics, groups, and individuals. This project has benefited 10,000 people, decreasing cholera cases and reducing resources dedicated to drinking water collection. Children no longer have to go to river daily except to get water for washing and for animals.

Analysis/Conclusions

1. Greater focus should be placed on selected landscapes with more support directed towards community-driven nature-based enterprises with a direct link to NRM and biodiversity conservation. JKPB activities should be integrated into landscape system, bringing together the leading stakeholders with respect to this coastal and adjacent marine resource, or otherwise phased out.

2. If continued support is provided, there is a need to provide a professional review of the business plan and then to support activities of fishing, monitoring, and support development of the accounting and marketing channels needed for success. Other money could continue to be made available to continue to support small grants to other enterprises here. It is not clear however that any of the activities developed at JKPB actually will have a direct impact on the threats to the adjacent Marine Park or Reserve. JKPB user groups are being addressed as a small group of users who are only some of the key users within the larger landscape system of which it is a part.

3. The review team was impressed with what has been accomplished under the local leadership of the Mida Creek Awareness and Conservation Group. There is great need at the boardwalk operated by the group of women at Wasini, particularly in terms of interpretive signs and posted messages for tourists. We recommend that a qualified individual from this group be engaged as a resource person to assist in leading an effort to help the Wasini boardwalk project. This individual may need to also engage some of the specialized TA used at Mida Creek for some of the interpretive signs.

3.2.3 Other Programs: ICIPE in Kakamega Forest Region

Situation

1. ICIPE, in partnership with KWS, KEFRI and the University of Nairobi, has made advances with the creation of two new products (Naturub and Mondia Tonic) that have brand-name recognition and that rely on production in the Kakamega Forest region. The first product uses natural camphor made from oscimum cultivated by producer groups in the Kakamega region (Murilu Conservation Farmers Group (MCFG) and outgrowers). The MCFG also distills the oscimum leaves to produce the natural camphor gel used in the manufacture of Naturub. Mondia Tonic relies on domesticated mondia production in the Kakamega region that serves as an alternative to the extraction of mondia root that is commonly practiced in the region. Mondia root is processed and dried at a facility owned and operated by a local environmental organization (KEEP).

2. ICIPE is also sponsoring the development of beekeeping and silk production (both wild and domesticated). Infrastructure is being constructed to house local processing of both products.

3. A small amount of butterfly pupae production is being undertaken by KEEP.

Analysis/Conclusions

1. The Kakamega initiatives have resulted in very good product development (natural camphor in Naturub; mondia) and in brand equity. Improvements have been made in the supply chain with extensive involvement of local producers.

2. The sustainability of the various enterprises sponsored by the ICIPE partnerships is still uncertain. At this stage, the products show good business prospects but there is still heavy reliance on donor funding. It is not clear whether the future revenue stream will be sufficient to maintain the capital investment that is in place or being constructed. Nonetheless there is promise in the fact that ICIPE has initiated a revolving loan fund approach (which is currently charging the Murilu group 3% interest).

3. Arrangements to protect long-term "investment" or "capital" interest of producers are being worked out late in the product development/marketing process (at least in case of ICIPE's involvement in natural camphor and mondia products that have "brand equity"). Production and sales have been underway for a few years without these arrangements. It is important to work this out immediately so that it is settled before the enterprise starts generating significant surpluses since disagreements over this formulation could jeopardize working relationship among farmers and organizations involved in the enterprise.

3.2.4 Recommendations

1. Apply a more strategic vision and more systematic evaluation of candidate NBEs in USAID investment decisions in order to ensure highest "return".

USAID Investment in NBEs needs to be more strategic to assure the highest "return". Each NBE should be evaluated in terms of the its actual or project performance relative to the following criteria:

a. Contributes to biodiversity conservation,
b. Improves livelihoods of poor communities (especially those are live near biodiversity resources and/or use them),
c. Can be sustained by given date without outside subsidies and
d. Is replicable.

2. Clarify ownership (and therefore, of profit-sharing) of NBE early in the establishment of the business. Ideally this should be done right at the beginning to create transparency and give clear signals to all stakeholders.

3. Distribution of profits among different NBE enterprises should be treated as loans not as subsidies.

4. Long-term roles of sponsoring organizations (NGOs) need to be specified in the business plan for each NBE to define whether they are interim facilitators or long-term partners.

5. Expand business services to new and existing NBEs (identification of markets; linkages with buyers (domestic and international); enterprise management).

6. Find "champions" – entrepreneurs - and assist them to scale up.

7. USAID should consider involving ICIPE in the scoping out of new NBE product development possibilities in the areas where USAID FORREMS and KCMP activities are taking place. The organization and its partners (KWS, KEFRI and the University of Nairobi) have created new value-added through the development of new products, the provision of quality assurance and the creation of brand equity.

3.3 Policies Related to Biodiversity Conservation

Situation

1. Forest Policy:
The recent enactment of the Forest Policy and the Forest Act (2005) paves the way for stakeholder participation in forest management. Even before these pieces of legislation were approved, PFM plans was being piloted at target sites. In fact, on-the-ground PFM interventions and their local advocates helped to propel the new forestry legislation forward. The Kenya Forest Department recognizes that "*often those most dependent on forest resources have the least power of access and the most limited role in decision making*".[22] Efforts are being made to move greater governance and shared responsibility to local communities, something in direct support of overall U.S. government support goals.

The new forest legislation is broad, and before it can be operationalized, the FD is developing sets of implementation guidelines. These guidelines will be gazetted, and will become legally recognized "subsidiary regulations",[23] in essence a set of detailed procedures of engagement. The first two sets of implementation guidelines, covering community and private sector involvement, have been produced in draft (as of August 2006), and the third set, governing charcoal use and management, is in process. There will be a total of 19 legally binding rules, which FD intends to have in place by January 2007.

With USAID funding, the GoK and community stakeholders have produced natural resource inventories and management plans in the target forest reserves but additional plans are needed, detailing community roles, activities, management, and monitoring so that PFM can be formally operationalized. In addition, according to the Forest Policy, community groups must be registered at the national level as Community Forest Associations (CFA)--the legal bodies that can enter into PFM agreements with the FD.

The following is the status of PFM plans and community organizations:

(1) Mukogodo Forest: USAID supported KEFRI, FD, KWS, NEMA, AWF, and LWF to produce the Mukogodo Forest Integrated Management Plan (IMP), 2002-2016. Each group ranch must now produce an Operational Plan (OP), based on the IMP. The OP, an implementation level plan, will be the legally binding PFM instrument, signed by the representative of the communities (the CFA, ILMAMUSI) and the FD. Currently, each group

[22] "Understanding the new Forest Policy and Forests Act, 2005", CREEL, 2006, p.1.
[23] Personal communication, FD Chief Conservator, August 14, 2006

ranch is developing its Operational Plans. These will be finalized by December 2006.[24] ILMAMUSI, an umbrella CBO, has been formed, representing the four group ranches, but must now register as a CFA to actively participate with FD in forest management.

(2) Arabuko Sokoke Forest: ASF has a 25-year Strategic Plan (2000-2025). Before it can operationalize its PFM, all 52 villages that buffer the forest must have resource inventories, maps, and guidelines. Currently, all of the villages from Kakuyuri to Mkongo (villages on the eastern side of the forest) and Kahingoni, Dida, and Kafitsoni, on the western side, have done resource and social inventories, mapping, and have developed guidelines. ASF consists of six zones; 3.5 zones have completed the mapping and resource inventory process, leaving 2.5 zones currently developing their plans and guidelines. To ensure that the forest is divided equitably among the villages, and to have the whole AS Forest under PFM, all villages must complete this portion of the PFM process before moving on to a harmonized management plan.

ASFADA, the umbrella group for the AS Forest would get the authority to manage the AS Forest with the six zones as the implementers. Nature Kenya hopes to complete the work on the remaining zones by January 2007; the work will probably involve a sampling process and rapid appraisal. By February 2007, the entire AS Forest would have six forest management plans, the principal management tools, and there will be an ASFADA plan that harmonizes the six individual plans.

(3) Mt. Kenya: KWS and FD have produced a joint management plan covering the Mt. Kenya Forest Reserve (managed by the Forest Department) and Mt. Kenya National Park (managed by the Kenya Wildlife Service)—the Integrated Natural Resources Management Plan for Mt. Kenya. Currently, the plan is at an "advanced draft" stage, and is expected to be finalized by December 2006.[25] Once the mangement plan is finalized, CFAs can move to the next stage, developing CAPs. Of the two districts targeted for PFM, Nyeri District has 12 forest districts (seven in Mt. Kenya and five in the Aberdares), and Meru District has seven forest stations; one CFA will be registered for each forest station and one CFA will be produced for each forest station. In Meru District, one CFA has been registered, and a second is soon to be registered. Because of the gap in USAID funding, in Nyeri District, groups have been mobilized, but registration as CFAs has stalled.

2. Coastal Policy

Development of a coastal policy has been a slow process, in part bogged down by competing and powerful interests. The GoK signed Agenda 21 of the Rio Conference committing the country to protect the coastal and marine environment in its development agenda; and in 1993, the GoK signed the Arusha Resolution on Integrated Coastal Area Management in Eastern Africa, prompting countries to institutionalize ICM as a tool for the sustainable use of coastal resources (CDA Power Point presentation, August 2006). CDA points to the lack of a holistic approach to management of coastal and marine resources—a constraint that could, in part be addressed by a Coastal and Marine Policy.

The KCMP has supported the development of a coastal policy and legislative framework. In November 2005, an ICM policy workshop established an ICM Policy Steering Committee to help move a national coastal management policy forward. Although NGOs, USAID, other donors, and other coastal and marine stakeholders have lobbied for an integrated coastal-marine policy,

[24] Personal communication, ILMAMUSI staff, August 2006.
[25] Personal communication, DFO-Gathuri Forest Station, August 2006

there has been little to show for these efforts. Similar to the history of the Forest Policy, activities on the ground are moving at a faster pace and the policy-enabling environment is lagging behind.

GoK jurisdiction over the coastal and marine environment is complex: KWS has the mandate to manage Kenya's Marine Parks and Reserves; Fisheries Department oversees exploitation and management of the country's fisheries within the marine parks and reserves; and FD and KWS share management of mangrove areas. FD promotes sustainable use but KWS allows only preservation, a conflict in management approach between GoK entities that results in confusion on the ground.

The Kenya Marine Forum (KMF) aims to play a central role in formulating and carrying out a National Coastal and Marine Policy. The KMF envisions a coastal-marine policy that would encourage community participation in the sustainable management of resources. KMF is a young and relatively weak organization that has been unable to provide the momentum needed to get a marine and coastal policy in place.

3. Environmental Management and Coordination Act

With USAID funding, NEMA is developing guidance and training manuals based on the EMCA, which cover professional criteria for district environmental committees; environmental significant areas; environmental easements and orders; environmental economics; and EIA and environmental audit. As of August 2006, the first manual had been produced and the remaining four are in draft. With the arrival of USAID funds in August 2006, NEMA can now finalize the manuals, and expects these to be completed in 1.5 months.[26] NEMA will then use these manuals to train District Environmental Officers (DEO) and District Environmental Committees. USAID has facilitated NEMA involvement in FORREMS (provision of vehicles and infrastructure and other logistical support). Support to the DEO has helped to ensure that FORREMS and KCMP interventions incorporate environmental review, based on the EMCA (project screening, impact assessment, where necessary, and monitoring), and provide a model for all development activities. EMCA and its associated legislation covers development actions in coastal, marine, forest, national park, as well as in urban locations, and therefore is cross-cutting and a key component of FORREMS and KCMP activities.

4. Wildlife Policy

USAID/Kenya's Activity Approval Document for the Wildlife Management and Conservation Program (USAID/Kenya, March 2005) states that one of the key challenges for this program is policy failure in the wildlife sector. Kenya's laws and policies tend to favor "conservation" (wise use), yet implementation is extremely preservationist (no use). There are few incentives for communities/landowners to conserve wildlife, as those who bear the costs are not entitled to benefits. The wildlife policy remains in limbo. PFM and the Forest Department's support of community involvement in forest management could provide a model for KWS in an updated and revised wildlife policy. Other models would include the CAMPFIRE program undertaken in Zimbabwe and similar programs elsewhere (cf. Annex 8). There appears to be a strong desire within KWS to return to controlled harvesting techniques (e.g. hunting) but this should be based on sharing of benefits as accomplished through CAMPFIRE.[27]

[26] Personal communication, NEMA staff, August 14, 2006

[27] Within Kenya, some state that 'conditions in Zimbabwe were different', which may have permitted success there, but this would be difficult to implement in Kenya'. The Mid-Term Review Team Leader assisted in the final review of

The current situation, whereby the FD is now moving quickly towards PFM, but KWS retains the "command and control" methods, presents a confused picture to stakeholders, especially in areas that are managed in partnership by KWS and FD or KWS and the Fisheries Department, for example, mangrove ecosystems, marine parks and reserves, and Mt. Kenya National Reserve.

Analysis and Conclusions

1. Forestry Policy

Community Capacity: While the MTR Team visited communities that were ready to operationalize PFM (Arabuko Sokoke, Mukogodo, and Mt. Kenya), some communities still have relatively low capacities.

Slow Pace of Forestry Reforms: The real limiting factor for forestry policy has been the slow pace of getting the legislative framework in place, frustrating some communities that are primed to implement PFM. According to FD staff, the slow pace of forestry reforms, as well as the gap in USAID funding to FD to support PFM, has frustrated target pilot communities who have reached a point where they are ready to fully participate in and benefit by PFM. While January 2007 is the target for Forest Policy implementation, given the history of policy implementation, the date may slip without the legal framework in place.

Management Plans: While there are overall management plans in place for the target forests (see above), CFAs must produce CAPs (or Operational Plans for Mukogodo Forest), actionable plans that will provide the legal basis to operationalize PFM. (Guidance on developing CAPs is part of FD's implementing guidelines on PFM, which the MTR Team was not given access to due to their draft nature. FD staff stated that one chapter of the PFM guidelines has been allocated to describe CAP preparation and information needed). FD will sign an agreement with the appropriate CFA to implement the CAP. However, at Mukogodo, Arabuko Sokoke, and Mt. Kenya, CAPs (or Operational Plans) have yet to be produced. While most FORREMS partners stated that there are so many plans, and it is now time to implement, there are still more plans needed before PFM can actually be operationalized. The GoK, NGOs, and CBOs are targeting December 2006/January 2007 for finalizing many of the pieces needed to operationalize PFMs. Where possible and appropriate, USAID continued funding in support of this process is critical.

2. Coastal Policy

KCMP partners have been operating without a coastal-marine policy. While significant effort has gone into developing a policy (including support from USAID), this effort remains stalled. Although KMF envisions one of their priority roles as advocating for a coastal-marine policy, the forum is weak and its advocacy role lacks a strategic focus. KMF must respond to many competing interests in a (perhaps too) wide geographic area. KMF may be one of the likely organizations to catalyze support for a coastal-marine policy, whereby stakeholder interests and concerns can be voiced and incorporated, as appropriate. KMF would have to be a neutral body, providing a facilitation role.

3. Environmental Management & Coordination Agency (EMCA)

CAMPFIRE, and maintains that the principles of CAMPFIRE could certainly be applied within Kenya, particularly within private game ranches and other similar controlled areas.

FORREMS and KCMP built capacity and have provided logistical support to facilitate NEMA and District Environmental Officer (DEO) participation in these programs. In the FORREMS and KCMP target districts, DEOs are full partners, providing guidance and support in environmental impact assessment. While NEMA requires funding to continue its training program, capacity of the DEOs is adequate to continue to play their mandated role in FORREMS and KCMP.

4. Wildlife Policy
A polarized stakeholder community is the main cause of the breakdown in policy development in the wildlife sector. Success stories in PFM can help drive a revised wildlife policy that incorporates community management, use, and benefits.

Recommendations

1. Forestry Policy: Some communities still have relatively low capacities. Organizational, financial, technical, and enterprise development capacities should be strengthened at PFM target sites so that communities can be equal partners – and true beneficiaries - in PFM plans.

2. EMCA: As a crosscutting and key partner in FORREMS and KCMP, NEMA input is important, and as necessary, minimal facilitation, to ensure continued participation could be provided.

4. Wildlife Policy: Since USAID supports activities in the wildlife and forestry sectors, and is a lead donor in these areas, the Agency can encourage the sharing of success stories, and thereby build support for a revised Wildlife Policy. In addition, because FORREMS and KCMP have strong coordination and management teams that include KWS and FD staff, this cross-sectoral collaboration between KWS and FD can provide additional impetus to move a wildlife policy forward. To help catalyze a Wildlife Policy that incorporates participatory management and community use and benefits, and to build a constituency for coastal and marine conservation, USAID-supported interventions should target demonstrations of participatory/community-based management.

5. Priority should be given to completing Community Action/Operational Plans and signing PFM agreements between CFAs and the FD so that Action/Operational Plans are ready to be *implemented* once FD finalizes Forest Act implementation guidelines.

6. Development of a fee-based membership forum should be supported as an outgrowth of each landscape approach in the coastal/marine environment (ASF expanded landscape). Once empowered, depending on resources and capacity, the forums to promote the development of a coastal-marine policy should be facilitated.

3.4 Cross-cutting Issues

Situation

1. Review Team assessments of program documents and field observations clearly found that both women and youth have had a very significant role in all phases in the development of forest management plans and in the nature-based enterprises that have begun. Youth have become engaged as 'forest scouts' in several locations, moving as a group as they patrol and

protect the reserve forest resources that they have begun to manage.[28] We met groups of women involved with tree nursery establishment and sales, bee keeping, capturing butterflies and raising larvae/pupae, and responsible for 'board walks' over mangrove areas near their home sites, drawing, in the case of the Wasini 'coral gardens boardwalk' over 10,000 visitors this past year.

2. Women in one group ranch in Mukogodo Landscape provided all the voluntary labor in digging trenches and planting tree seedlings and aloe plants upon a large area they fenced in. Indeed, the Review Team considers this particular case a real success story in community joint action, without much outside support, in seeking to improve much-degraded rangeland upon which they know their livelihoods depend. We also met a group of women involved in making elephant dung paper and another collecting medicinal plants/herbs for processing and sales. TIST small-groups benefiting from carbon-credits linked to their planting of trees are heavily weighted towards women.

3. Local governance options within community based participatory forest management plans for both designated areas within Forest Reserves near which they live, or outside upon communal land have been an extremely important crosscutting development under both FORREMS and KCMP. Including the involvement of local fishermen associations or local boat owners, like the Kisite Private Boat Operations Association on the mainland across from Wasini Island have all expressed a desire to be part of both the sustainable use and protection/care of Marine Reserves where they either fish or take tourists for snorkeling and scuba diving.

4. The Landscape systems approach to biodiversity conservation is itself the ideal crosscutting strategy to use within all USAID-supported geographical areas. Through the fee-paying, membership forum approach within stakeholder defined geographic areas, through bringing all these stakeholders – public and private sector – together at the same level to develop a common vision of what needs to be done – and then doing it – there is true hope for biodiversity conservation and future sustainability. Without such an approach however, there can be little hope for the long-term survival of the natural resource base and biodiversity upon which different competing land user and landowner groups are depending.

5. Within the U.S. government's new Foreign Assistance directives for 'transformational diplomacy', USAID/Kenya's mission activities with an 'environmental' focus would fall within the strategic objective of "Investing in People". USAID/Kenya's biodiversity focus for NRM, which includes efforts towards CBNRM programs that partner local individuals and their communities with government services in a collaborative approach to biodiversity conservation, would be seen as 'investing in people'. Yet, it is also clear that USAID/Kenya's biodiversity program also contributes directly to several of the other strategic objectives in a crosscutting way. Capacity building support being given to GoK institutions within the biodiversity support program, which focuses on the real 'on-the-ground' implementation of local management initiatives to include local communities in biodiversity conservation, is important. The creation of nature-based private sector enterprises, led by both private entrepreneurs and community based organizations (CBOs), with out-grower networks among people living adjacent to both protected areas and reserves, is also key to reducing poverty (a leading cause of pressures upon limited natural resources) and stimulating economic growth.

[28] The Review Team encountered the following telling situation: Forest Department guards had captured a man who had illegally harvested trees from the Dida Community's section of the Arabuko-Sokoke Forest Reserve. The forest guards had been called in by these youth scouts, and pointed out where illegal activity was taking place. This person was from outside their community and was trying 'to steal' their resources.

Challenges/Conclusions

1. FORREMS and KCMP field activities have been aggressive in looking for opportunities to include women and youth in the programs being developed, particularly through nature-based enterprises in which they have a principal stake, through nursery development and tree planting, including TIST small groups, and through participation in PFM plans for the forest resources adjacent to their communities.

2. PFM plans have created an opportunity for local communities, and specific interests groups within these communities to become more directly involved in the natural resources and biodiversity represented in different land types adjacent to where they live (degraded pastures, dry forests, degraded forests, plantation forests, grasslands). This devolution of authority and management responsibilities to local communities, within management plans cooperatively developed with FD, KSW, and marine services is very encouraging. However, the time to implement these management plans has come. Otherwise the efforts the past few years will be wasted since communities will become impatient with the 'promises' of greater say and involvement in the resources around them.

3. The landscape systems approach being implemented by the LWF in Laikipia and elsewhere is perhaps the best existing model within Kenya of how potentially competing land owner and land user groups can be brought together within a forum with a common vision for the sustainable development, care and use of their shared landscape.

Recommendations

1. Continue to support and build upon the community groups already being developed within the landscape systems, with increasing efforts to scale-up the activities of these women, youth, and others and to also link them to the marketplace buyers of their products.

2. Reinforce the move to operationalize PFM plans by supporting FD, KWS, and other GoK institutions and their personnel directly involved in moving legislation to reality on the ground. Support the ability of GoK personnel to interact within existing and new landscape forums as they are created – not to dominate or control them but to provide their facilitation services where forum members will recognize a need.

3. Concentrate future field-based USAID funding of activities through different regionally based, different local stakeholder based forums. Rather than 'parachute' new activities into an area without properly channeling it through local stakeholder groups, the forum approach gives greater legitimacy to new activities, helps to prevent duplication and bringing in potential conflict.

3.5 Monitoring and Evaluation Mechanisms, Indicators, and Reporting

Situation

1. The USAID/Kenya Strategic Framework #5 (Figure 1) led to the development of thirteen performance indicators. Partners receiving USAID FORREMS and KCMP funding were

required to report upon these indicators as implementation took place.[29] Ultimately, only the first two were to be reported upon with any regularity. The 13 indicators and their relationship to the Mission's Strategic Plan are:

1.	SO # 5	Land use change in target area (CORE, FORREMS, KCMI)
2.		# of stakeholders benefiting from involvement in improved NRM (direct male, female; indirect)
3.	IR 5.1	# of NRM initiatives successfully implemented in target areas (CORE, FORREMS, KCMI)
4.	IR 5.1.1	# of conservation tools/technologies in use by targeted stakeholders
5.	IR 5.1.2	# of integrated NRM plans implemented
6.	IR 5.1.3	Functionality of Databases available to targeted decision makers
7.	IR 5.1.4	Financial benefits to communities from nature-based businesses
8.	IR 5.1.5	Organization development index
9.	IR 5.3.1	% of target protected areas utilizing new M&E tracking systems
10.		Functionality of internal databases for monitoring and evaluation
11.	IR 5.4	Level of policy/legislation advancement
12.	IR 5.4.1	Operational level of legislative and policy functions within selected institutions
13.	IR 5.4.2	Level of capacity of selected CBOs in policy formulation and advocacy

2. An indicator-by-indicator discussion can be found in Annex 2.1. Difficulties with various indicators are discussed and some suggestions for modifications or changes made.[30]

3. As seen by the review of the 13 different SO 5 indicators, serious difficulties were encountered by program implementers (GoK institutions and field implementation NGOs) with the M&E system put into place and with the performance indicators that should be periodically measured (usually annually). Comments included the system "*was extremely difficult to complete and report upon*". Coming up with the list of 13 indicators was accomplished through a collaborative process of stakeholder organizations - essentially the USAID SO 5 team meeting with GoK institutional partners. It was not 'field-tested' prior to establishment and baseline data (point of departure) still do not exist for some of the indicators.

4. The M&E system was then taken 'to the field' to implement. USAID grant managers have commented upon the difficulty of gaining an understanding of the progress made at the implementation sites and with communities, and more importantly, of impact from the information received. Six of the thirteen indicators are actually complicated indexes averaged from a list of items that would need to be scored. Indicator 13 for example – the 'Advocacy Index", is made up of 40 items pertaining to skills levels related to an organization's capacity in advocacy that would need to be scored! Only two of the thirteen indicators might be considered to help management to actually measure the impact being made by the program on intended objectives, and even these do so only indirectly.

5. Missing in the existing M&E system is a requirement to identify and write-up "success stories" which help to illustrate impact at the local level. Well-written success stories are one of the best ways to illustrate achievements in a process of activities leading to an ultimate objective. Efforts to link the needs of community members in the Makurian Group Ranch at Mukogodo are benefiting both wildlife, livestock, and community members. A private rancher fenced off and protected water sources on his own land and then began providing this water by gravity to cisterns within the arid group ranch area. This example is a real success story since it is a case of bringing different user groups together - once in open conflict – to create a compromise that will have a direct impact on biodiversity conservation within this area of the Forest Reserve.

[29] USAID Kenya, Performance Monitoring Plan for SO 5, February 2004, p.4.
[30] USAID Kenya Performance Monitoring Plan for SO 5, February 2004.

6. Performance monitoring under FORREMS was led through the efforts of the M&E unit within KWS, a unit with excellent GIS spatial analysis capabilities. The Coast Development Authority (CDA) was the GoK institution responsible for coordinating efforts under the Kenya Coastal Management Program (KCMP), and some of the fieldwork for this was sub-contracted through PACT/Kenya. Information flow on SO 5 indicators has been difficult to manage for both institutions. KWS did manage to get out a 'Performance Monitoring Report' for both 2004 and 2005 that attempted to be responsive to the SO 5 indicators. CDA, on the other hand, after creating a 'Monitoring, Evaluation and Reporting Plan (July 2004)' on these indicators, seems to have been unable to report at all on these indicators, and failed to do so. The Review Team found no regular CDA reporting on indicators for 2005 or 2006. CDA reporting on their 'results' was given in a more conventional way, simply reporting on what were considered to be major activities and accomplishments.[31]

7. It is worth noting that TIST is currently employing a field-based monitoring system measuring the number of hectares being targeted and the number of stakeholders who are benefiting. This system is innovative and could be useful in other applications. However, whether the costs of this approach are affordable would need to be investigated before a recommendation can be made on applying this system elsewhere.

Analysis/Conclusions

1. Generally, it is very difficult to assess impact on either NRM by target communities or of biodiversity conservation from any of the 13 SO 5 indicators – which were more 'process' orientated in nature. While some accomplishments can be cited (such as the planting of 800,000 trees under the TIST program with Ksh 800,000 going to farmers), overall, there is limited measurable impact to date. In most cases, during the past two years, there have been numerous studies, inventories; creation of business plans, organizing groups – but extremely little direct implementation. Yet USAID is results-focused and waiting to know about impact of its interventions on target communities to realize the stated biodiversity conservation goals.

2. Separate reporting on the different M&E indices every year is neither realistic, nor even helpful. Future assessments would better be considered as a 'special assessment study' done at set intervals. Such an assessment could be done at the beginning of 2007, for instance, as new program funding continues, and then every two years through September 2011, using the baseline already established.

3. Under a new management structure for a future combined FORREMS/KCMP program, the current set of indicators should be revised and new ones added which are more closely linked to the biodiversity conservation goals of this program, and better measure the impact on the concerned communities. Too much effort was expended in trying to measure 'administrative process' in the SO 5 indicators and not enough on conservation and biodiversity impact.

4. In the new M&E system that is currently in the process of being identified between USAID and State for future global monitoring indicators, it will be important to identify "*a standard set of measures and results indicators from which country teams can set specific targets to be achieved*". The Review Team will propose a number of indicators that might feed

[31] CDA, KCMP Fy2005-2006 Progress Report, February 2005, and as presented in the CDA PowerPoint presentation to the Review Team during their visit to Mombasa, August 6, 2006 – presented by Mainaina Mburu, CDA Coastal Engineer.

into such a system and suggests modifications be made to the current system of SO 5 M&E system indicators.

Recommendations

1. Success stories need to be documented and reported as a key type of impact indicator.

LWF's success in bringing all the major stakeholders together around the Mukogodo Landscape (four community group ranches, private ranchers adjacent to these group ranches, the tourism industry, GoK institutions FD, KEFRI, NEMA, and KWS, and civil leaders) must be seen as a major success story in a process towards developing a common vision and management plan for the management of natural resources and threatened biodiversity within both the dry-land forest reserve and areas around this reserve. Nature Kenya's involvement with KWS, FD, KEFRI and NMK's Kipepeo in particular, working with the Dida-Kahingoni-and Kafitsoni communities bordering the south-eastern side of the Arabuko-Sokoke Forest in developing a Participatory Forest Management (PFM) plan is also a success story. This experience is an example of public-private sector collaboration towards eventually giving these communities legal right to manage a defined area of the forest, and their own peripheral zone, in a sustainable manner, while also protecting and conserving the existing biodiversity for future generations. The next 'success story' for this area will be when the Forest Department actually takes the step to sign the authorizations with these communities to have the authority to actually implement their plan, the next step in the transition to CBNR management to share in the protection of their forests. The Review Team observed a number of other similar 'success stories'.

2. An M&E system should be designed to draw key information from the bottom up, and not from the top down, as was the case with the existing program. KWS and LWF both have experienced and capable people who could lead to such a revision. Individuals exist within the current group of partners within FORREMS in particular who are fully capable of revising the current M&E system into something much more practical and useful for measuring progress and impact.

3. There is a need to focus on a few promising 'management systems' in a few landscape systems, and then to scale-up activities in such a way that impact might actually be achieved.

4. The 13 indicators currently being used by the FORREMS and KCMP programs under SO 5 need to be completely revised, or administered differently. For example, if still desired by USAID as a management tool, all of the six 'indices' indicators (#s 6,8,10,11,12,13) should be administered at one or two-year intervals in a consistent manner, such as by <u>one</u> designated person who knows how to interpret the different components of each index and can apply them across program areas in a consistent manner.

5. The real picture of biodiversity conservation and the program's impacts may not be captured because indicators are inadequate to measure biodiversity conservation success. Introduce new indicator(s) to monitor and report on biodiversity conservation (for example, the number of illegal activities/# of encroachments taking place in protected areas or forest reserves).

6. Identify at least one impact indicator specific to each landscape system that addresses the most serious threat on existing natural resources and/or biodiversity. For instance land degradation because of overgrazing (too many animals) on group ranches is being addressed

around Mukogodo Forest in several ways. LWF wishes to raise the quality of the small herds owned by community members (linking them to slaughter houses), and hopefully lower the numbers to more sustainable levels. Impacts might be seen in both increased value of owned stock, reduced numbers overall, and improved pastures. All these can be measured by community members committed to improving the lives of the members of group ranches. Regular monitoring, by the Fisheries Department with fishermen of the average size of a key species of fish taken from Marine Reserves during specific times would provide a general indicator of the success or failure in managing fishing practices and impact on this resource. Measuring actual forest quality within randomly selected blocks within one, two, and three km. of the Arabuko Sokoke Forest boundaries – once a management system has been put into place with community members -will monitor the maintenance, improvement, or degradation of the forest and ultimately the success or failure of PFM policies put into place.

3.6 Program Management and Implementation

Situation

1. USAID support to GoK Institutions

In December 2002, Kenyans elected a new government with a coalition of partners other than the ruling KANU party that had held power since independence in 1964. The new administration promised to make a break with the past and has initiated a number of important new policies and legislation. Among expected changes, the role of government is to lessen, greater decentralization will take place, and rural communities are promised a role in joint management of resources upon which they depend. FORREMS and KCPM came into existence during this time. Donors, including USAID, wanted to provide special encouragement to the newly created government and the institutions this new administration intended to reform. USAID, in a departure from common practices, was willing to provide some focused support to GoK institutions to build the needed capacity to undertake promised reforms. Beginning in 2003 therefore, direct support grants (PILS) were provided to GoK institutions (KWS, FD, KEFRI, CDA, NMK and NEMA) to build institutional capacity (vehicles, building upgrading, computers) and train staff, seeking to bring greater accountability and strategic focus and coordination to programs. GoK efforts to decentralize and become more responsive to the social and community issues that increasingly threaten the country's biodiversity resources and economic future were supported.

Institutional inertia is hard to overcome, however. Policy changes have been slow and remain to be implemented for NRM.[32] Even when the GoK was provided the means to operationalize activities, in partnership with other groups, particularly NGOs and communities, the very slowness in implementation and completing of tasks by GoK institutions (research, inventories, assessments, reports, financial accounting) has compromised progress. Yet progress has been made at the field level to help build capacity of local communities within the PFM plan framework but the step to operationalize this still waits FD action. Within the marine environment, the recent canceling of the licenses of international trawlers taking fish from coastal areas of Kenya should be seen as a major step in beginning to look at the local interests of Kenya's own fishermen groups and their aspirations and needs upon these resources. This

[32] The EMCA, though passed, has yet to be implemented on the ground through contractual agreements with community organizations. FD is still in the process of defining the rules of engagement (without the direct involvement of the private sector or local community representatives in the process.)

approach could become an important future tool in developing 'marine resource management plans' that could involve some of the fishermen associations that KCMP program has been helping to organize. Their 'empowerment' could have a direct impact on pressures currently being placed upon marine parks and reserves.

2. GoK funding

Neither the 'Advance System' nor 'Reimbursement System' of accounting attempted by USAID in directing funds through GoK institutions towards program activities has worked very well. In the case of the FD, the system of funding failed completely. Lack of promised GoK funding essentially blocked programs in FD. Not able to appropriately manage the 'Advance System' with USAID's contracting office, the 'Reimbursement System' was given by USAID as another option for USAID funds. However, because the GoK was unable to get access to advance funds, no planned activities could be undertaken, therefore no receipts and no reimbursement. None of FD's 3rd PIL for $100,000 could be spent. No FORREMS activities intended through FD have taken place for over one year. Planned activities with the U.S. Forest Service, field activities with TIST and other FORREMS and KCMP field activities have not been able to take place. Only 40% of LOP funding to FD has been obligated and one quarter of this amount remains unspent.

3. NGO Involvement

Initially in 2002, NGOs did not seem strong enough to be given responsibility for managing major program efforts, and so USAID took upon itself the task of program management and coordination. The result was that a tremendous burden was placed upon the USAID Kenya SO 5 team, particularly the three grant Contract Technical Officers (CTOs)[33] not only to try to provide significant 'hand-holding' in preparing financial and technical reports, training in financial reporting, and trying to coordinate overall efforts but also to continue to manage the financial instruments (PILS for GoK, cooperative agreements for NGOs) to 6 GoK institutions and 3 NGO/private sector partners within both FORREMS and KCMP. The situation with NGOs is now different. PACT USA has recently been awarded a major grant to coordinate an umbrella of sub-contractors within the wildlife sector. Nature Kenya and Laikipia Wildlife Forum have both gained experience in managing USAID funds for two or more years and have the capacity to broaden their financial and management leadership in future efforts. USAID CTO, grant managers, and contract office capacity-building support personnel were very effective in this training and established good working relationships with program partners. Recent USAID financial reviews/audits of both institutions have found satisfactory, even very good, account management and both have proven capable of working well with the controller's office for financial management. Field activities have progressed well, though sometimes without as much GoK input as planned. PACT Kenya has been a sub-contractor to CDA within KCMP.

4. Private Sector Involvement

Private sector involvement has been limited in the FORREMS and KCMP programs. They could have been more involved in a number of different activities, such as: creating business

[33] USAID SO 5 CTOs: Charles Oluchina (KWS, FD, CDA), Wairimu Mungai (KEFRI, TIST, NEMA), and Beatrice Wamalwa (NMK, NK, LWF).

plans for potential nature-based enterprises, assessing existence (volume, quality demand) of regional and international markets, providing benefit-cost studies (such as to assess the impact on community level producers, if any, whose increased access to financial alternatives were supposed to be linked to reduced pressure on the identified threats to selected natural resources and biodiversity areas targeted by FORREMS and KCMP). Groups like ICIPE (international research institute) and NMK (GoK) have stepped in to try to build such links but are not making significant linkages between producers and markets directly.[34] Part of the reason for this problem appears to be the 'mission creep' discussed below, where both GoK and NGO partners have begun to think they can do this – placing themselves within the value chain between the producer and the marketplace.

There have been some direct and indirect examples of private sector involvement. Laikipia Wildlife Forum, which has brought in very strong involvement with the private sector (private ranches, tourism operators, hotels), considering this sector an essential stakeholder, with community leaders and groups, GoK institutions, and others who have a stake within a specific geographic landscape system. PACT Kenya has brought in some involvement of Business Links, Inc. in exploring potential NBEs, but the targeted activities seem to be for disjointed activities, good in themselves, but not part of an overall strategic plan for a landscape system as a whole. The actual private sector market buyers, with whom one would negotiate volume, understand quality needs, and place orders are, with the possible exception of the tourism industry, missing. Honey production is very often listed as a very important commercial product for people living near adjacent forest areas. Yet efforts to develop such resources at a scale that could actually have an impact on incomes and ultimately behavior vis-à-vis the forest is missing. Links with Kenyan private sector honey buyers (Honey Care, Kenyan Beekeepers, Ltd.) do not exist. Finally, TIST is linked to a private sector partner Clean Air Action Coalition Corporation in the development of the greenhouse gas market.

5. Reporting

The USAID SO 5 team CTOs also needed to constantly seek to obtain from GoK partners in particular the periodic reports and the data needed to report on agreed upon monitoring indicators. Yet the data received proved to be difficult to use, the M&E indicators reporting on target field results were often not available, or when available, one would have to ask "so what". Program impact was very difficult to discern. Success stories were not reported upon – though many exist.

6. Mission Creep

Expanding missions (and lack of focus) appears to be endemic among most of the partners of both the FORREMS and KMCP programs. Whether it is KEFRI, FD, KWS, CDC, NMK, these GoK institutions have received USAID capacity building support for the purpose of strengthening and promoting their stated efforts with Kenyan community-based organizations (CBO), and the local and international NGOs and other institutions (such as ICIPE) providing additional help to these same CBOs. Having helped facilitate the creation of management plans, these organizations desire to become engaged in implementing and operationalizing these plans, without a clear devolution of authority. In the case of some NBEs, one would have

[34] Reasons given are many. The communities 'are not capable' of undertaking such tasks on their own; they 'don't have the contacts'. They don't 'understand the market'. Yet in many cases the helping organizations don't either, and themselves search out to find those who do. When markets are found, these institutions remain as intermediaries for the communities.

expected the creation of direct links between producer and markets but some institutions have placed themselves within the value chain and themselves seek the markets. Unfortunately however, this blurring of roles could lead to limiting the potential of vibrant, private sector, nature based enterprises.

7. Potential Conflict of Interest

There appears to be a potential conflict of interest in programs that seek to promote the move by GoK parastatals to become more self-sufficient and the move to develop community based natural resource management groups (CBNRM or CBOs) to co-manage, protect and conserve biodiversity within Kenya. In the case particularly of the forest reserves (and marine reserves) both GoK institutions and communities around these areas have their eyes on the same set of resources. Forest reserves of the FD, for example, include a wide spectrum of 'forest' types (including degraded forests, plantation forests, pasture lands). FD, as it moves towards a parastatal status, has an estimated $300 million of value in its plantation forests alone, which may be concessioned out to private sector groups, and perhaps even CFO and CBO groups for a fee for participatory forest management programs. Yet FD also may develop plans for the other 'forest' categories upon which existing and future CBO's are hoping to gain greater management control and to extract some real economic benefits. Without sufficient benefits accruing to local community CBOs, it is unlikely that they will provide the degree of management control and protection that will be required for these dwindling resources to be conserved.

8. Community-Based Management

One of the truly positive benefits that FORREMS and KCMP programs have brought to the various communities in which they have worked has been in the development of multi-user groups (land-owners and land users) and stakeholders. The leading example of this can be found through the approach adopted by the Laikipia Wildlife Forum to "*bring together private ranchers, pastoralists, small scale farmers, local community initiatives and tourism ventures*" in a common goal "*to conserve the integrity of the Laikipia ecosystem by creatively managing natural resources to improve the livelihood of its people".* By creating a membership-driven organization with a common goal and identifiable zone of intervention, the Forum has been able to work closely with FD, KEFRI, NEMA, KWS and others to reach common objectives and reduce both user group conflicts and human-wildlife conflict, efforts which were reinforced through the USAID CORE enterprises. Under FORREMS, LWF, using this approach, has clearly defined the Mukogodo Landscape and brought together the key constituencies that need to work out the issues of common concern in both the conservation and rehabilitation of the area to reduce pressures upon the Forest Reserve. The foundation of the system was based around the ILMAMUSI CBO, formed by members from the four community group ranches surrounding Mukogodo Forest reserve, and their evolving efforts to develop a Participatory Forrest Management (PFM) plan to better manage both the Forest and their adjacent 'non-reserve' lands. Because their success in this effort would also have an impact on and benefit other user groups in the larger landscape (private ranchers, tourism, GoK efforts), these groups were brought together by LWF to develop a common and coordinated vision on how to move forward.

9. Kenya Coastal Management Program (KCMP)

The USAID funded initiatives along the southern Kenya coast under KCMP faced many management issues which the Review Team believe limited the effectiveness of the activities

undertaken. The Coast Development Authority (CDA), through which funding was channeled to the Integrated Coastal Area Management (ICAM) program, has significant regional ambitions and effective coordination and implementation ended up being difficult. In a PowerPoint presentation to the Review Team, ICAM pointed out the following major management challenges they had faced, that compromised effective implementation:[35]

(1) Inadequate funding for identified program activities.
(2) Delay in disbursement of committed activity funds resulting in time constraints and some activities left pending.
(3) Change in KCMP partner's work plans and time over-runs caused by delayed funding.
(4) Meeting the high expectations and interests from partners and the coastal community in the implementation of the program.
(5) The frequent changes in the political and management offices of the partners. This adversely affected the progress towards development of ICAM policy.
(6) The long legal process of repossessing land from the illegal occupants and obtaining legal land documentation.
(7) Implementing officers working under pressure to perform KCMP program activities in addition to their normal duties.
(8) Performance contract system where GoK institutions are required to generate funds affecting commitment to program implementing officers as priority is given to other AIA activities.
(9) Lack of clear incentives affecting team morale with officers giving priority to programs that provide incentives.

10. Landscape System Forum Composition

The Review Team observed that the Laikipia Wildlife Forum is an excellent working model of a landscape systems approach, with a fee-paying membership forum of key stakeholders leading the way. Such a forum must be composed of:

- Local Community Leaders
- Civil society local leaders
- GoK: FD, KWS, KEFRI, NEMA, and Fisheries
- Private Sector Operators (Hotels, Tourism Businesses)
- NGOs working within the area.

All of these stakeholders must have a direct relationship with a geographically definable landscape system, sharing common threats and a powerful economic reason why they would wish this landscape to remain unspoiled or improved in ways that would sustain their livelihood and economic interests. The physical boundaries must be defined by the forum members – and not be based on geo-political boundaries. Powerful wildlife-human conflicts and conflict between different user groups (private ranches vs. populous group ranches) have provided the socio-economic incentives needed to work together to solve problems in a manner which reduces conflict and protects and improves the landscape to better meet the need of those who depend on it for their livelihoods. Defined landscape systems along the Eastern Coast have different land use issues but the basic principals for co-management are the same. A landscape must not be too large, or there will be too many divergent interests. The entire Kenya Eastern Coastal area, including the city of Mombasa, is far too large for one landscape forum. There would need to be 3 – 4 or more 'forums' that clearly define interrelated interests of a group of stakeholders on specific (threatened) resource areas.

[35] From PowerPoint presentation given by CDA during the visit of the Review Team in August 15, 2006.

Within the Arabuko Sokoke landscape system, one would need to include the forest, with Mida Creek (and its mangroves) out to the Marine Park and Marine Reserve. The group of key stakeholders for this system would have to include:

- Local Community Leaders (such as Dida Community)
- FD, KWS, KEFRI, NEMA, NMK (Kipepeo), Fisheries
- Nature Kenya,
- Hemingway's, other hotels and the rest of the tourism Industry
- MIDA Creek Communities
- Fishermen operating out of this immediate area (targeting Marine Reserve)

A forum must be composed of membership-paying members. The forum becomes the 'table' around which all meet at the same level, to coordinate, evaluate, and lobby for the interests of its members. Some members have an ability to pay much more than others (e.g., hotels and private sector operators) but they will be part of this forum only if there is a perception that their own long-term economic interests will be enhanced by the relationship and ways of working within the landscape with other divergent interests can be coordinated. The role of GoK and NGOs within a forum is as facilitators (not implementers). They are sources to bring expertise to resolve specific needs that the Forum members prioritize for action. They will facilitate and provide needed services and links with government that can help move programs forward. The forum is a private, independent, body that is outside of any project or other institution and serves as a broker between the perceived interests of its members and 'outside' pressures. As such, it has the real potential to become a sustainable mediating group within the landscape.

Analysis/Conclusions

1. Too many actors, too many agencies involved in the same program, too many "studies and plans" and not enough funding actually going to actually implement programs with community based organizations who are in desperate need of often small amounts of funding to launch their nature-based activities.

2. There are too many partners, too many grant agreements, which has resulted in USAID's heavy management burden. USAID's own financial management systems are difficult for GoK institutions to follow (cost-reimbursement or quarterly advances requiring liquidation at end of quarter). Different timeframes created because different partners receive their funding at different times hinder joint effort in the field. Partners end up having separate work plans that are difficult to harmonize.

3. Priority should be given to employ/engage individuals and community groups who have mastered various techniques for replication in other communities within the region, and possibly further away (and not depend on 'experts' from overseas, from GoK institutions, or NGOs to do all of the community outreach training unless clearly necessary). NGOs should play a role in TA, mobilizing communities, and targeted training and will have a significant role to play in the new PFM approach.

4. The Review Team found elements of the 'landscape and community based approach' of LWF at both Arabuko Sokoke (AS) and Diani-Chale through the Diani-Chale Management Committee. Yet the landscapes in each of these areas remains poorly defined; key user groups do not share a commonly developed vision of what they would like to achieve for the area. The

AS Forest Reserve was the key focus of FORREMS, yet the Mida Creek system, linked with the offshore Marine Park and Reserve, are also an integral part of this landscape's integrity. Private sector interests, particularly the large exclusive hotels need to be part of this dialogue – particularly as these have the financial resources to lend some sustainability to a forum for this landscape. While it is true that user groups are different at the Coast from the Laikipia situation, the problems, threats and issues of biodiversity conservation are exactly the same and will require a similar approach if real impact and sustainability are to be realized.

5. The USAID-funded transaction advisor in the Forest Department, who will be actively helping in the transition from FD to a new Kenya Forest Service, should help to seek a balance between the FD's own aspirations for raising income through its forest assets and the need of local communities to benefit in significant ways from these same resources around which they live. Without such a balance, the FD will continue in their command-and-control role – though broadened – while local communities may continue their current unregulated pressures upon these resources. The result will be continued loss of biodiversity. This same transaction advisor should have access to funds that would facilitate the logistical needs of FD to respond to specific partners in future USAID NRM and biodiversity conservation activities, particularly in moving PFM plans through the legal network to become operational within USAID's supported field programs.

6. Because of the problems encountered under FORREMS and KCMP with funds passing to GoK institutions (FD, KEFRI, KWS, NEMA, CD, NMK), the Review Team believes USAID future funding to GoK should be designated into two areas. (1) A pool of undesignated funds should be available to GoK, at the national level, for logistical support of jointly agreed-upon key activities that directly support USAID supported programs in biodiversity and NRM. The USAID supported transaction advisor who will be supporting FD's evolution into the parastatal Kenya Forest Service might be the best contracting channel through which such engagements might be made. Under the consultant arrangements that existed earlier in the FORREMS, program financial flows to GoK were working much better. This approach provides a possible model. (2) A second pool of GoK funding should be placed at the disposal of either the principal contractor or pair of contractors in the reorientation and combination of FORREMS and KCMP proposed by the Review Team below in Options #1 and #2. Then, at the forum level within specific landscapes, as stakeholder common vision and work plans are developed for activities to be prioritized within the landscape, the specific contributions/tasks of FD, KWS, KEFRI, and other GoK institutions will be defined. In some cases there will not be a need for the services of a specific institution, in another case there will be. When the need is commonly agreed upon, USAID funds would flow through the contractor in a sub-contract agreement for specific GoK services and outputs. The same contractor would also have funds to support efforts for specific services from the private sector or NGOs, also through a sub-contracting mechanism.

7. The management system under CDA and ICAM were not effective in leading to timely action and implementation of activities. Activities implemented tended to be un-focused and in 'bits-and-pieces' here and there – without continued and sustained efforts that could lead to impact. Future USAID funding for any of the activities initiated should be channeled through a different funding mechanism – outside of government – and using a focused landscape systems approach in areas where some kind of functioning 'forum of concerned stakeholders' can be brought together for effective action. Support to the Kenya Marine Forum did not go anywhere, partly because their mandate was too large and too geographically diverse and spread out.

Recommendations:

1. Ideally, there should be one program management unit for both FORREMS & KCMP that will coordinate, monitor, report, disburse funds, and liaise between USAID and partners in various field programs. This organization would have funds specifically committed to support GoK institutions at the field implementation level, as well as funds for sub-contracting specific tasks to NGOs and private sector entities identified to accomplish specific tasks within a common vision for specific 'landscape systems' – two in Laikipia district, up to two along the coast. One possible option would be to establish one program management unit for FORREMS and KCMP with a commitment to engage in the landscape system's approach being accomplished by LWF – using a membership forum of stakeholders to develop a common vision and work plan.

2. A second possible option would be to channel all combined FORREMS/KCMP funding activities through one institution at the coast, and another in and around Mt. Kenya area (including Laikipia). In this scenario, the most appropriate institutions would be LWF and Nature Kenya with a commitment by both to engage in the landscape systems approach being accomplished by LWF – again using a membership forum of stakeholders to develop a common vision and work plan.

3. Either option above will require resources to expand capacity of these institutions – particularly in managing grants within specific areas, accounting, and oversight. However, these options have the advantage of permitting a much greater percentage of USAID funding to reach field activities.

4. Both Laikipia Wildlife Forum and Nature Kenya currently have Cooperative Agreements with USAID and both have developed sound accounting/financial systems – which would need to be expanded.

5. A separate source of funding for GoK institutions would be necessary, and managed directly by USAID, for any central level support USAID might wish to provide these institutions. Such funds would not be for field based implementation activities.

6. Within specific geographic areas of effort: Focus, focus. Too many partners, too many activities. Focus on a few programs that have some real promise of some impact by end of project (FY 2010). Build on best work accomplished to date, and undertake intensive implementation. NGO facilitation seems most appropriate, with support as needed and contracted from private sector enterprises (local, regional, international) with marketing experience in each specific endeavor.

7. Use local expertise whenever possible (e.g., private sector). Bring in local, regional, and international experts that clearly have the marketing, business development, accounting and ecotourism industry experience required. NGOs are not for-profit private sector enterprises and neither are GoK institutions. Competition must be real and not subsidized.

8. The CDA is probably not the most efficient means of channeling funds within the coastal programs being supported by USAID. Future GoK local funding should be linked to a clear nature-based enterprise or community based NRM effort where a clear service can be identified through a specific landscape forum of local stakeholders under options #1 and #2 above. When identified, a clear timeline must be given before full payment of services is made.

9. USAID program support now needs to move away from general capacity building for GoK institutions and become more focused on a results-based outcome for impact on the actual people living in the 5 km. peripheral zone around protected areas (forest and marine reserves and parks) within specific landscape systems. Business and management plans are abundant; the time has come to put into action some of the elements of these plans in the targeted areas that USAID has been supporting for the past three years.

10. Program should focus on enterprise development and CBNRM activities that have already shown promise for success rather than "litter the landscape with pilots". Scale these up into meaningful business enterprises.

11. For implementation activities at the landscape systems level, create a grants management unit within the overall coordinating program manager's program to channel funds towards different purposes. One pool of funding will be for GoK interventions defined locally by landscape forum stakeholders. A second pool of funds would be used for targeted support and sub-contracts with NGOs or private sector service providers identified as capable of providing specific services needed to reach biodiversity conservation objectives within specific landscape systems. A third pool of funding would be for either grants or small loans to promising NBEs within this landscape.

12. A separate pool of GoK funding should continue to be channeled at the national level to current FORREMS and KCMP partners, when identified to have a direct supporting link to field based programs. The transaction advisor should help coordinate these efforts with USAID SO 5 CTOs.

4.0 Major Conclusions

4.1 Linkages to biodiversity Conservation

Program Similarities: While USAID has managed KCMP and FORREMS as two distinct programs, they are in essence one biodiversity conservation program in which: 1) biodiverse landscapes should be targeted; 2) biodiversity threats should be identified using a threats analysis; 3) interventions should be designed to respond to the threats; 4) interventions should be implemented at a scale where biodiversity results can be achieved; and 5) biodiversity conservation should be monitored using appropriate biodiversity indicators.

TIST. TIST is promoting the benefits of trees to landowners and communities--food, improving soil, decreasing erosion, regulating temperatures, and providing construction material and fuel wood. TIST's technical assistance to smallholders in conservation farming methods is clearly producing results. However, TIST activities fall outside the landscape, threats-based approach, and the link to biodiversity threat reduction in the Mt. Kenya landscape is tenuous. TIST activities, if further supported, could become part of landscape system options considered by landscape stakeholders.

Biodiversity earmark criteria. Some FORREMS and KCMP activities fail to fulfill the biodiversity earmark criteria. For example, TIST tree planting, the Vikwathani Maenderero ecotourism activity, support to hawkers and vendors at JKPB, and support for RWH technology have tenuous links to biodiversity conservation.

NBE links to biodiversity conservation. NBEs are being developed without a consistent analysis of their compliance with USAID's requirements for biodiversity programming, of their sustainability or the scale of their impact relative to threats being posed to biodiversity.

Some participants in NBEs were not aware of resource sustainability issues or the link of their enterprises to biodiversity conservation. To ensure sustainable use and to build advocates for conservation, NBE participants will need: (1) information on sustainable use; and (2) biodiversity awareness raising to understand links of enterprises with biodiversity (this can also be used to attract a market niche: sustainably produced product, supports biodiversity conservation.

4.2 Sustainable Nature-Based Business Development

Threats-based approach. Under a threats-based approach, the most significant threats are identified and NBE interventions are designed to minimize those threats. The scale of NBEs and the benefits they generate may be small relative to the threats posed to biodiversity conservation and/or the funding provided. Therefore, questions of effectiveness of the NBE as part of a conservation effort are still unanswered.

Landscape systems approach. Use of a landscape systems approach will help to ensure that critical biodiversity areas are captured and interventions are designed to keep the landscape intact, maintain or rehabilitate landscape linkages. Awareness raising about biodiversity conservation is an important supporting role that NGOs can continue to play.

NBE: Who are the Owners? NBEs are being developed without a clear definition of their ownership structure and therefore without a clear foundation for the long-term governance of the enterprise. This ambiguity can reduce the effectiveness of partnerships between beneficiaries

(such as producers and communities) and sponsoring organizations (NGOs and government entities). It can also sow the seeds for conflict over the distribution of any surpluses created by an NBE once it becomes successful.

Role of sponsoring organization with NBEs. Sponsoring organizations (NGOs and government entities) are staying involved in the operation of certain NBEs on a long-term basis. In many cases, the justification for this type of participation in an NBE has not been provided.

Business analysis and market links. Additional business analysis and technical advice (applying a value-chain perspective; developing business plans; offering business management advice) are needed. The market orientation of several NBEs observed by the Review Team could be significantly reinforced. Better analysis and expanded business services would strengthen the efforts to create viable NBEs that generate added value.

Additional business services could be focused on the following:

The Value Chain. Bringing a "value chain" perspective to an existing or proposed NBE provides the means for understanding better the challenges and opportunities that face the NBE.

Business Plans. Writing good business plans is an essential step in defining what steps need to be taken to make the NBE succeed and articulating that approach both to the business partners themselves as well as to outside parties (such as donors and sponsoring organizations) who may provide investment funds or other resources. The Review Team observed that the development of business plans has not been a common practice in the USAID-supported activities in the past.

Business Management Advice. In selected cases, USAID resources could be used to obtain business management advice for particularly promising NBE ventures.

The emergence of local entrepreneurs. Leaders for the new NBEs have emerged in a number of cases. A more systematic approach could be taken to identifying and encouraging such leaders, organizing the NBE venture to take advantage of their contributions and, as appropriate, putting more resources at their disposal.

4.3 Policies related to biodiversity conservation

Forestry Policy: PFM pilots are in line with the new policy. If PFM interventions are not supported during this interim period (before the Forest Act is fully operationalized), the momentum to implement PFM will be lost.

Coastal Policy: USAID has supported policy development in the coastal/marine sector without significant results.

4.4 Cross-Cutting Issues

Women and Youth. Many of the activities already initiated with women and youth groups within the prioritized landscapes deserve continued support but need scaling up to a level that becomes financially feasible for them, and also can lead to impact on the identified biodiversity threats within the landscape.

Landscape Systems Approach. The landscape systems approach is the ideal model to achieve results in many cross-cutting themes within specific ecologically important and threatened areas. Major conflicts among stakeholders competing for the same natural resources may be prevented or significantly diminished through building consensus and a common vision for their landscape.

4.5 Monitoring and Evaluation Mechanisms, Indicators, and Reporting

Biodiversity Impact. FORREMS and KCMP indicators fail to relay the impact to biodiversity conservation. Possible biodiversity indicators are: (1) a flagship/keystone species that can be monitored annually and that would give an indication of overall ecosystem health; (2) one or more species of fish that would give an indication if fishermen's improved practices (net size) are having positive effects on fisheries; (3) the state of coral along the coast; (4) # of encroachments/illegal activities in protected forests.

Revision of SO5 Indicators. Current SO 5 indicators should be significantly revised or administered differently to include more focus on biodiversity conservation goals as well as impact upon target communities who are to benefit from program community based natural resource management engagements (the PFMs) and nature-based enterprises. The hypothesis is that doing so will lessen threats to both protected area and other natural resources under threat, including forest reserves and marine reserves. Current indicators provide no information of this kind, and future indicators need to do so.

Change from the Perspective of Local Stakeholders. Future review and decision making with respect to indicators must include review by local community leaders within the landscapes. If local people, for whom efforts are being made for better and more sustainable NRM practices, do not see improvement or change for the better, then impacts will be limited or nonexistent. Programs need to understand how they will recognize 'improvement' to both their resources base, as well as through the benefits they receive. LWF has already begun a process of this kind with Mukogodo Forest group ranch communities that could be adapted to other program areas in the future.

4.6 Program Management and Implementation

GoK Experience with USAID Financial Accounting Systems. Neither USAID/Kenya's "Advance System" nor "Reimbursement System" of financial accounting has worked well with GoK institutions – though KWS and KEFRI have managed better than FD.

Need for one program management and coordination unit. Future funding should flow though a central overall program (FORREMS + KMCP) unit that will be held responsible to establish overall coordination of activities.

Expanding existing cooperative agreements. Enlarging cooperative agreements with current program partners would appear to be the best option for timely and lowest cost program continuity. An IQC mechanism or new cooperative agreement could be used to access a wider

array of possible program managers but following one of these routes would also be more expensive and take more time.

Need to Operationalize Existing Plans, Not Create New Plans. Numerous pilot studies, general resource management plans, inventories of biodiversity resources have been completed within both FORREMS and KCMP, but no clear business or marketing plans, and efforts to operationalize these management plans has barely begun.

5.0 RECOMMENDATIONS

5.1 Links to Biodiversity Conservation

Recommendation #1:
Use a landscape, threats-based approach, concentrating efforts to achieve greatest impact.
Targeting the following landscapes:

1. Mt. Kenya Forest: Meru *or* Nyeri District
2. Mukogodo Forest and four group ranches
3. Arabuko Sokoke Forest, expand to include Mida Creek, Watamu and Malindi Marine Park, and associated stakeholders
4. One additional landscape, depending on resources available and ability to fulfill landscape approach criteria: Wasini-Shimoni-Vanga: including Wasini Island, Kisite Marine Park and Mpunguti Marine Reserve, and Shimba Hills NR; Diani-Chale landscape: including Kaya Diani fishing community and Diani-Chale Marine Reserve; or Mombasa coastal landscape, including Jomo Kenyatta Public Beach (Nyali-Bamburi-Shanzu), Mombasa Marine Reserve and Park.

A landscape should be targeted based on the following criteria: (1) its biodiversity value; (2) stakeholder willingness to engage and work as partners towards a common goal; and (3) potential to address threats to biodiversity conservation and produce results

Recommendation #2:
Ensure interventions fulfill the biodiversity Congressional earmark language.

The Congressional earmark requires:

1. The program must have an explicit biodiversity objective.
2. Activities must be identified based on an analysis of threats to biodiversity.
3. The program must monitor associated indicators for biodiversity conservation.
4. Site-based programs must have the intent to positively impact biologically significant areas.

Recommendation #3:
Identify and monitor one or more indicators that show biodiversity conservation results.

Recommendation #4:
Continue to raise awareness of biodiversity conservation, especially to ensure that those involved in NBEs have the information they need to build sustainable use into their enterprises.

5.2 Sustainable Nature-Based Enterprise (NBE) Development

Recommendation #5:
Apply a more strategic vision and more systematic evaluation of candidate NBEs in USAID investment decisions in order to assure highest "return".

Each NBE should be evaluated in terms of the its actual or project performance relative to the following criteria:

1. Contributes to biodiversity conservation,
2. Improves livelihoods of poor communities (especially those are live near biodiversity resources and/or use them),
3. Can be sustained by given date without outside subsidies and
4. Is replicable.

Recommendation #6:
Clarify ownership (and therefore, of profit-sharing) of NBE earlier in the establishment of the business.

Ideally this should be done right at the beginning to create transparency and give clear signals to all stakeholders.

Recommendation #7:
Long-term roles of sponsoring organizations (NGOs) need to be specified in business plan for each NBE to define whether they are interim facilitators or long-term partners.

Recommendation #8:
Expand business services to new and existing NBEs (identification of markets, linkages with domestic and international buyers, enterprise management).

Recommendation #9:
Find "champions" – entrepreneurs - and assist them to scale up.

5.3 Policies Related to Biodiversity Conservation

Recommendation #10:
Give priority to completing Community Action/Operational Plans and signing PFM agreements between CFAs and the FD so that Action/Operational Plans are ready to be *implemented* once FD finalizes Forest Act implementation guidelines.

Recommendation #11:
Support development of a "forum" as an outgrowth of the landscape approach in the coastal/marine environment (ASF expanded landscape). Once the forum is empowered, depending on resources and capacity, facilitate the forum to promote the development of a coastal-marine policy.

5.4 Monitoring and Evaluation Mechanisms, Indicators, and Reporting

Recommendation #12:
Completely revise or administer differently the 13 indicators currently being used by the FORREMS and KCMP programs under SO5.

Recommendation #13:

Revise current SO 5 indicators to reflect more impact upon target communities who are to benefit from the program's community based natural resource management engagements (the PFMs) and nature based enterprises.

Recommendation #14:
Review indicators with community leaders within the target landscapes.

Recommendation #15:
Document success stories for impact.

Recommendation #16
Create at least one biodiversity indicator per landscape that addresses key threats.

5.5 Program Management and Implementation

Recommendation #17:
Reformulate institutional arrangement with partners to improve program management/coordination and contract administration.

OPTION #1 (RECOMMENDED): Establish one program management unit for FORREMS and KCMP with a commitment to engage in the landscape systems approach using a *membership forum of stakeholders* to develop a common vision and work plan along the lines of the approach applied by LWF.

.

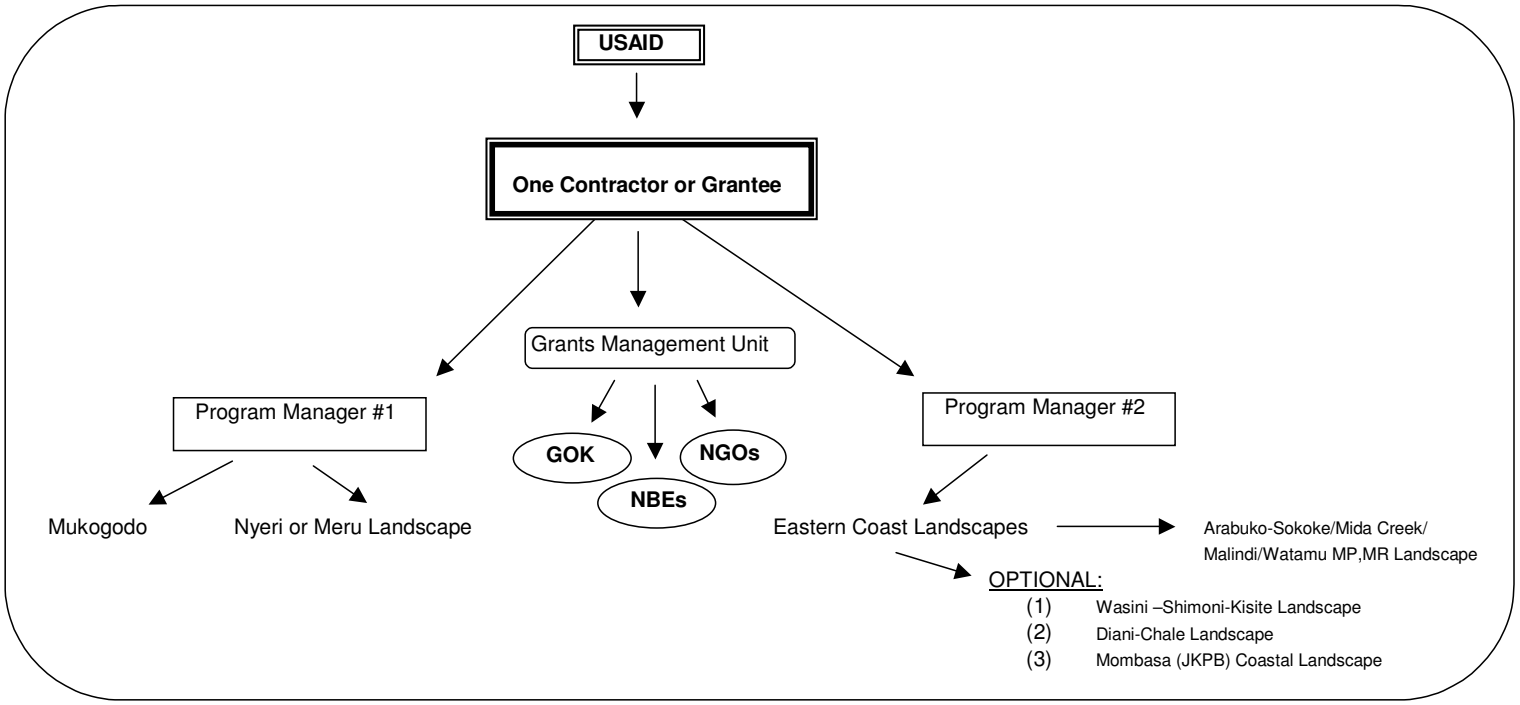
This proposed institutional reformulation would significantly reduce USAID SO5's management burden. Ideally, there should be one program management unit for both FORREMS and KCMP that will coordinate one overall work plan for each landscape system, monitor, report, disburse funds, and liaise between USAID and partners in various field programs. This organization would have funds specifically committed to support GoK institutions at the field implementation level, as well as funds for making grants or subcontracts for specific tasks to NGOs and private sector entities identified to accomplish specific tasks within a common vision for specific landscapes, as recommended above. This option could be implemented in one of two ways:

OPTION #1A: Expand an existing Cooperative Agreement to assume responsibility for overall program coordination.
OPTION #1B: Solicit competitive proposals from national and international organizations.

Expanding an existing grantee's mandate to become the overall program coordinator offers several advantages, including ease of startup (by virtue of having a program already in place) and a record of relevant experience. The MTR Team noted attributes of the LWF program that could be adapted to other landscapes, which would reinforce and support the work of Nature Kenya and other existing grantees. The objective of having one program manager, as is proposed under this option, is to retain the current set of grant activities while also better organizing their collective results.

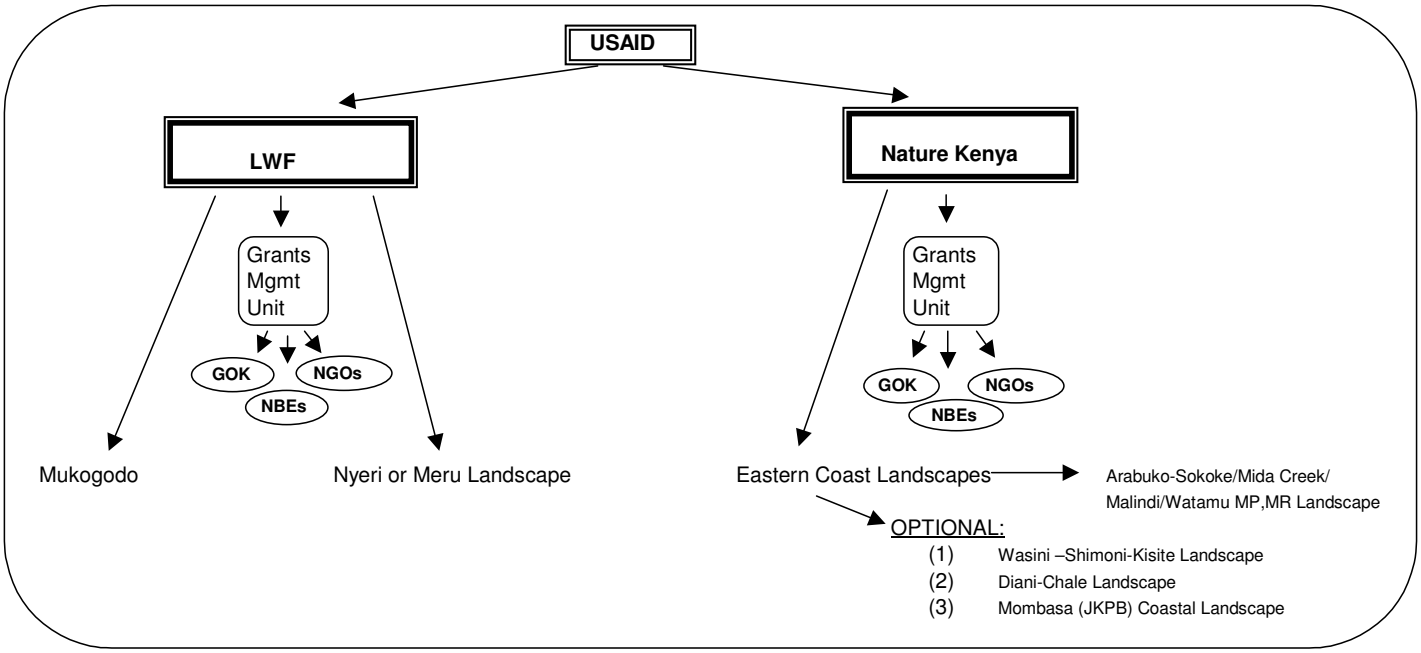
Soliciting competitive proposals, as proposed under Option #1B, opens up more options for obtaining program management expertise. It would, however, require more time and processing than the option of expanding an existing Cooperative Agreement.

Figure 1: Option #1



OPTION #2: Channel all combined FORREMS/KCMP funding activities through one institution in and around Mt. Kenya area (including Laikipia) and another at the coast. In this scenario, the most appropriate institutions would be LWF and Nature Kenya; with a commitment by all to engage in the landscape systems approach being implemented by LWF – using a '*membership forum of stakeholders*' to develop a common vision and work plan.

Figure 2: Option #2



Under either option:
LWF and NK currently have Cooperative Agreements with USAID and both have developed sound accounting/financial systems – which would need to be expanded.

A separate source of funding for GoK institutions would be necessary, and managed directly by USAID, for any central level support USAID might wish to provide these institutions. Such funds would not be for field-based implementation activities.

A grants management unit or units would be established under the cooperative agreement holder(s) and would serve GoK, NGO and other grant recipients using separate pools of funding, with the objective of getting funds as close to 'ground level' as possible so that they can be accessed faster, when needed, as part of one work plan for each landscape system.

Under either arrangement, it is important that the central program unit(s) ensure that each relevant partner is involved in applicable work plan preparation so that funds can be appropriately allocated by program leaders.

Use local expertise whenever possible and provide increased opportunities for local people whose capacity has been developed through the program as a first option before bringing in outside expertise. Increased responsibilities for local individuals give the opportunity to expand their roles as leaders within their communities, as well as extend their expertise more regionally.

Within specific geographic areas of effort – focus, focus – rather than continue to support so many partners and so many activities. Focus on a few programs that have real promise of impact by the end of the project (FY 2010). Build on best work accomplished to date and move from planning phase to implementation.

Continue funding capacity building in GoK, where a clear service can be defined, and where it is specifically linked to CBNRM or a NBE. A special pool of funding should be available at the national level for GoK logistical support targeted to specific outputs within the landscape approach. Priority support should be given to fast-tracking FD ability to operationalize existing PFM plans. This support could perhaps be channeled through the soon-to-be recruited USAID-supported transaction advisor who will be supporting FD's transition to a parastatal.

Recommendation #18:
Provide resources to expand the capacity of these institutions – particularly in managing grants within specific areas, accounting and oversight. These options will allow a much greater proportion of USAID funding to reach field.

Recommendation #19:
Use local expertise whenever possible and provide increased opportunities for local people whose capacity has been developed through the program, as appropriate, as a first option before bringing in 'outside expertise'. Increased capacities for local individuals gives them the opportunity to expand their roles as leaders within their communities, as well as extend their expertise more regionally.

Recommendation #20:
Within specific geographic areas of effort - focus, focus – rather than continue to support too many partners and too many activities. Focus on a few programs that have some real promise of some impact by end of project (FY 2010). Build on best work accomplished to date, and undertake intensive implementation. NGO facilitation here seems most appropriate for this, with support as needed and contracted for to private sector enterprises (local, regional, international) with marketing experience in each specific endeavor.

Recommendation #21:
At the field level, continued capacity building in GoK institutions should be specifically linked to a clear nature-based enterprise or community-based NRM effort where a clear service can be defined. A separate pool of funding should be available at the national level for GoK logistical support specifically targeted to assist the biodiversity/NRM programs within the landscape systems approach above.

Annexes

Annex 1:

Scope of Work

USAID/KENYA FORESTRY AND COASTAL PROGRAMS MID-TERM REVIEW

SCOPE OF WORK

1.0 BACKGROUND

USAID/Kenya's Natural Resources Management (NRM) program supports efforts directed towards reducing or halting unsustainable use of natural resources outside the protected areas through integrated approaches that address the economic, policy, cultural and human resource capacity challenges of conservation. The program support focuses on: a) wildlife management, b) forestry and environmental management, and c) integrated coastal management. The mid-term review will focus on two sub-sectors namely the Forestry and Coastal Management programs, which are currently half-way their implementation phases. A description of the Forest and Coastal management activities is provided below:

a) Forestry Range Rehabilitation and Environmental Management Strengthening (FORREMS) Program – FORREMS is a five year (2003 - 2008) project that aims to enhance integrated forest management and environmental governance. FORREMS objectives are achieved through: (i) capacity building support for the Forest Department; (ii) implementation of participatory forestry management plans; (iii) diversification of forest-based businesses; and iv)implementation of the Environmental Management and Coordination Act (EMCA). These activities are implemented in Northeast Laikipia, Mt. Kenya and the Arabuko-Sokoke forest Reserve. Implementing agencies include the Forest Department (FD), Kenya Forestry Research Institute (KEFRI), National Environmental Management Authority (NEMA), Kenya Wildlife Service, National Museums of Kenya, Nature Kenya and the Institute for Environmental Innovation (I4EI). The key result areas include:

- Increased economic benefits to local communities living adjacent to target forests reserves.
- Positive land use change in target areas.
- Increase number of stakeholders benefiting from improved NRM involvement.
- Organizational capacity of community user groups strengthened.
- Appropriate conservation tools and technologies for forest and range management adopted.
- Advancement of forest and environmental management policy/legislation.
- Institutional strengthening of target government agencies.

b) Kenya Coastal Management Program (KCMP) – KCMP is a three year (2004-2007) activity that aims to enhance coastal management and set a foundation for a Kenyan marine policy. KCMP achieves its objectives through: (i) Stakeholders capacity building for participation in integrated coastal management process and (ii) implementation of priority grassroots conservation activities. Activities are implemented in Mombasa, Diani-Chale and Shimoni. The Coast Development Authority is implementing the program in conjunction with Pact Inc. The key result areas include:

- Integrated development plans for three ICM sites implemented.
- Appropriate tools and technology for ICM adopted by stakeholders.
- Small and medium nature-focused business practices improved

- Advocacy for Integrated Coastal Management Policy Advanced
- Constituencies for ICM Advocacy established

2.0 REVIEW PURPOSE

The purpose of this mid-term review is to:

i) review the relevance of USAID's forestry and coastal management activities and results relative to programming changes in USAID's NRM sector. USAID/Kenya NRM program will focus on conservation of biodiversity.

ii) provide recommendations for re-orientation and modification of approaches, and priority activities, as necessary, so that the Mission's forestry and coastal management programs optimize their effectiveness during the remaining years and fit within the biodiversity guidelines and the new Africa Bureau Strategic Framework; and

iii) review the effectiveness of the overall implementation approach, including use of several partners to implement the FORREMS and KCMP programs; potential means for enhancing overall program implementation effectiveness, including identification of activities that can be integrated; and at the same time achieve the Mission's overriding objective of conservation of biodiversity.

3.0 STATEMENT OF WORK

Under the newly developed USAID Strategic Framework for Africa, the agency has redesigned its focus to respond to the challenges and opportunities facing Africa. Missions are expected to develop five year strategy statements and corresponding three year operational plans to fit the requirements of the regional strategy. With this change in strategy, it is appropriate for USAID/Kenya to revisit the assumptions, parameters, and expected results to be achieved under its ongoing programs, with a view to revising the activities as appropriate to effectively respond to emerging issues and opportunities. USAID is interested in a robust review of the FORREMS and KCMP activities based on the following project elements:

i) Linkages to biodiversity conservation

- Review the extent to which the programs are contributing to both USAID and GoK biodiversity conservation objectives;
- Identify how program activities can integrate biodiversity considerations into the USAID's /GOK's planning processes;
- Assess the effectiveness of capacity building approaches and technologies for biodiversity conservation both at governmental and local community levels.

ii) Sustainable nature-focused business development

- Review the existing NRM business practices and models to determine if they are being implemented effectively;

- Assess the range of nature-based businesses and recommend appropriate value-addition measures to enhance the competitiveness of nature-based products in the mainstream market economy; and,
- Assess the extent to which public-private sector partnerships have been integrated into the business development and recommend potential partnerships to explore.

iii) Policies related to biodiversity conservation

- Review and identify how the programs have contributed to biodiversity and NRM policy/legislation reforms;
- Analyze biodiversity conservation policies and recommend approaches to facilitate implementation by the programs;
- Assess the extent of community preparedness to translate emergent opportunities from new Forestry policy dispensation into practical activities with emphasis on decentralization, access, use and control of natural resources; and,
- Review governance issues at community levels and provide recommendations to strengthen civil society participation.

iv) Cross-cutting concerns

- Assess the extent to which gender, youth and HIV/AIDS issues are mainstreamed into program implementation and determine ways to enhance cross-linkages;
- Examine existing activities and assess if mechanisms for integrating nature-based conflict mechanisms into the programs exist and are adequate.

v) Monitoring and evaluation mechanisms and indicators

- Assess the current systems of monitoring, evaluation and reporting to determine their adequacy, utility and relevance to strategic management goals.
- In consultation with partners come up with lessons learned and recommendations for adjustments to improve project implementation.

vi) Implementation approach

- Review the efficiency and management burden of managing six separate grants to implement the two programs in terms of managing for results.
- Identify biodiversity conservation support activities that can be integrated and still retain the implementation efficiency and performance.
- Identify activities that can be dropped.
- Recommend approaches for integration.

Based on findings from the above issues and taking into account USAID's comparative advantage in the sector, recommend adjustments to the Mission's Forestry and Coastal management project approaches, implementation mechanisms and priority activities to be financed and implemented during the remaining period.

4.0 REQUIRED EXPERTISE:

The FORREMS and KCMP are complex and multi-faceted projects that involve several components and actors. Their review therefore requires a team with broad experience and expertise in a number of different areas including: i) institutional strengthening and program design; ii) natural resource management and iii) nature-based enterprise development. Respondents to this statement of work are encouraged to propose a maximum three person team that has the capacity to address all of the technical elements listed above as well as collectively cover all the skills specified below:

i) Project Development Specialist/Team Leader

- PHD /MSc /MA in NRM or related field and well-versed in natural resource management as well as project design and development issues;
- Knowledge of USAID's principles and program development;
- Practical experience in designing and evaluating development programs and sub-sector analysis; and,
- Demonstrated ability to assess performance measurement and application of both qualitative and quantitative evaluation methods.

ii) Natural Resource Management Specialist/ Ecologist

- Masters degree in ecology or closely related field;
- Experience in natural resource management related program design, evaluation and a good understanding of natural resource management issues in Sub-Saharan Africa, especially of forest and coastal management;
- Knowledge of USG biodiversity requirements; and,
- Experience in analysis of the development, diffusion and adoption of NRM technologies in the context of community based natural resource management in developing countries.

iii) Environmental Economist/Business Management Specialist

- Experience working on community level activities/businesses in a related field of NRM/private sector;
- Ability to assess and evaluate performance, results and impact of community based enterprises;
- Proven ability to analyze economic policies to NRM and business enterprises and to propose cogent solutions to such policy constraints; and,
- Technical knowledge of the concepts and principles of, and constraints to, nature focused business development at the community level.

5.0 METHODS AND PROCEDURES:

Technical Directions during the performance of this SOW will be provided by the Cognizant Technical Officer (CTO), Mr. Charles Oluchina, e-mail:COluchina@usaid.gov, and SO5 Team Leader Mr. James Ndirangu, e-mail: JNdirangu@usaid.gov , Tel. 254-02-862-2000; Fax. 254-

02-8622680. Initial briefing will be conducted at USAID/Kenya. The contractor will be expected to prepare a work plan and present this to USAID during the first week of work.

a) *Literature review*: The review team shall be expected to refer, at a minimum, to the following list of documents:

- USAID/AFR Strategic Framework for Africa
- USAID/Kenya SO5 strategy document
- SO5 Performance Monitoring Plan (PMP)
- FORREMS program activity approval document (AAD)
- FORREMS performance reports 2003- 2004
- FORREMS baseline survey report 2001
- KCMP proposal
- KCMP annual reports

All of these documents can be downloaded from the following website: http://www.usaidkenya.org/ke.naremgnt/links.html or from Charles Oluchina (coluchina@usaid.gov)

b) *Participatory Process*: The assessment process should be participatory, incorporating key stakeholders and a wide cross-section of staff and beneficiaries in the assessment process.

c) *Consultation with USAID, partners and other donors*: Discussion sessions with mission management, project staff and other organizations will be held. The reviewers shall be expected to consult regularly with the USAID/CTO and SO5 Team Leader, the Government of Kenya (GoK) and other donors implementing similar activities in Kenya.

d) *Consultation with beneficiaries:* The reviewers shall be expected to visit and verify program activities in the field and consult widely with beneficiaries, government agencies and private sector operators on forest and marine management constraints and opportunities. The input from the beneficiaries shall be used, along with other sources of information, to draw up recommendations. The review team will be responsible for determining the number, type and quality of stakeholder meetings, once they have familiarized themselves with the groups.

6.0 TERMS OF PERFORMANCE:

USAID expects to award a contract to a firm to perform a review of the FORREMS and KCMP activities. The following are the terms of performance:

a. The work will be performed in Nairobi, Mombasa and five other biodiversity hot spots (Arabuko Sokoke, Mt. Kenya, Laikipia and Kakamega forest) in Kenya.

b. A six-day work week is authorized without premium pay.

c. The performance period is o/a March 14 through April 14, 2006. All team members must be committed to work full time on this SOW for the entire performance period:

Project Development Specialist/Team Leader - 23 days
NRM Specialist/ Ecologist -23 days
Environmental Economist/ Business Specialist – 23 days

d. Logistic support: The consulting firm shall be responsible for all logistic support required by the reviewing team including field visits, office space, furniture, office equipment, secretarial services, photocopying and telephone services, and local travel within Nairobi.

7.0 REPORTS AND DELIVERABLES

The assessment team shall be expected to deliver the following:

a) Workplan/ Data Collection instrument: The consulting firm shall be expected to submit a detailed workplan in consultation with USAID and the partners, six days after the start of the contract.

b) Briefings: Briefing shall be held once a week at USAID office in the first two weeks and once every fortnight in the subsequent weeks with the CTO, SO5 Team Leader and ABEO Office Chief.

c) Interview notes and documents gathered: The consultants will be expected to hold extensive consultations with USAID partners and stakeholders. They shall make briefs of these meetings, workshops and focused discussions regarding the mid-term review. The briefs/workshop proceedings shall be turned over to USAID/Kenya along with any relevant documents and reports gathered during the review.

d) The consultants will be expected to make a presentation to USAID management on the draft report and findings o/a April 4, 2006.

e) Final Assessment Report:

Submit three copies of the draft report no later than March 30, 2006. The final report will incorporate changes requested by USAID and agreed by both parties. The Contractor shall submit a final report to USAID no later than April 14, 2006. The Contractor shall also deliver one electronic copy (CD-ROM) to the Cognizant Technical Officer at USAID/Kenya. Documents must be formatted for letter size paper. The reports must be prepared in the English language and shall be presented along the following three broad sections:

1. Executive Summary (10 pages maximum length):
Brief SYNTHESIS OF TEAM REPORT describing: purpose, approach, findings and recommendations.

2. Main body (25 pages)
   i) Approach, details of findings and recommendations
   ii) Proposed activity focus and components
   iii) Linkages to NRM operational framework
   iv) Cross-cutting issues integration

3. Annexes: individual report
   a) Assessment SoW
   b) Team Composition
   c) Individual team member reports (maximum length 10 pages each).
   d) List of documents reviewed, organizations and persons contacted, workshops held.
   e) Side meetings/focus group meetings and workshop notes/proceedings.

Annex 2:

MTR Special Report - M&E Indicators

Indicator #1 concerned hectares under positive land-use change in target areas. Hectare results are misleading in that what might be counted as a positive land use change – say from planting 10 hectares with seedlings (a frequently used way of measuring change) – might six months later find that all the trees are dead and nothing remains. This is no different than counting the number of trees planted, without later checking how many are still alive 6 months later (usually a very low number). Another example would be 'controlled pasture land rehabilitated'. Land may have been set aside and 'begun to be rehabilitated' as in several cases in community pasture lands (outside the Mokogodo Reserve), but when drought came, people had to let their animals back into these areas – completely overgrazing and degrading them again. The indicator needs to be changed to something that actually measures real change in management.

Indicator #2 concerned the # of stakeholders benefiting directly or indirectly from involvement in improved NRM. The problem with this indicator is that the direct and indirect stakeholders can all be counted early on in the process of implementation, and they can't (or shouldn't be) counted twice or three times. Yet the same people probably are double or triple counted. The same people will, in fact, be continuing to receive additional benefits as a program evolves. Someone who benefits from the 'sale of seedling' may also be benefiting from 'a nature based workshop', etc. If this issue is understood at the project management level, then the indicator is ok, but most program managers what to see this number increase from year to year. The kind of information being gathered about activities undertaken can be quantified in the manner being done, but aggregations of such data are not particularly useful for SO level monitoring purposes. A better indicator should be identified.

Indicator #3 seeks to count the '# of adoption and replications of NRM tools, technologies and initiatives in target areas'. The information provided, such as 'number of hay production' activities, or '# of tree nurseries established', or of 'PFM plans completed' represent important activities undertaken by a project. Such information should be reported upon within regular reports from the program. However, does such information actually help program managers assess whether or not these activities are actually leading to any kind of impact, or do they remain simple 'demonstrations'?

Indicator #4 seeks to quantify 'the number of conservation tools and technologies in use both within and outside of protected areas'. The same issue as discussed above for indicator 2 applies here. Once a 'tool' is applied and used, it can't (or should not be) used and counted again. So this number, once recorded will not change much. It is not so much the **number** of tools used at any particular site that is important, but whether or not the ones used were appropriate to lead to the specific NRM and biodiversity conservation goals desired. The resulting 'success stories' could be explained. For example, simply counting 'rain water harvesting' as a conservation tool does not actually tell us whether or not it had anything to do with biodiversity conservation at an impact level. What the Review Team saw at one Mokogodo 'water-point' project activity clearly had a large impact on an entire group of people, reduced animal/people and people/people conflict. Yet another example of a 'water-point' seen near Mombasa had absolutely nothing to do with program goals - but both would have been counted.

Indicator #5 seeks to quantify the '# of integrated NRM plans implemented'. This is a process indicator and does provide information needed. The numbers will not be large because the process leading to achieving this result will take significant effort over time.

Indicator #6 represents an indexed score of five criteria and is applied to different partners working within the program. If completed properly, the information provided would help a program manager perhaps understand how information might or might not be flowing within the program. It is an indicator that should be assigned to one person within the program to be completed once each year. However, the Review Team wonders whether or not this information was actually useful to anyone in program management – or was simply busywork for someone to complete.

Indicator # 7 attempted to report on the benefits to communities from nature based enterprises. This was a good indicator and does measure real $ being generated for program supported activities. From this indicator it is clear that the amounts are extremely small, in most cases, and one must question the scale at which activities are being undertaken if any kind of impact could be expected. Seemingly missing from these lists however (from Arabuko Sokoke for example) are the revenues generated from the sale of butterfly larvae and mushrooms, which the Review Team observed being managed by farmers in areas being supported by FORREMS. We know that very significant income is being acquired by some community members in sale of butterfly pupae (but perhaps supported by another donor). This issues raises another issue. Unless monitoring is inclusive of all the NBE's within a specific landscape system, particularly as it focuses on PFM and specific communities, it is not meaningful to assess overall impact of CBNRM activities within this landscape and if behavior changes are taking place as a result. Furthermore, without a better understanding of the significance of the amount earned from these activities, there is no way one could possibly know if they are having any impact at all.Without a holistic understanding of what is actually happening, reporting on piecemeal activities does not mean very much. So how this indicator is actually applied should be reviewed.

Indicator #7A sought to measure the 'non financial benefits from nature based enterprises'. This seems to be an added indicator, as it was not one of the original 13. This was a difficult indicator to report upon and the creative examples given of such 'benefits' shows the difficulties faced by the person trying to 'put something down' for this indicator. Examples include "38 km. of improved access roads", '4 schools fenced', '2 motorbikes, 5 radios, 20 trained scouts', '8 villages adjacent Rumuruti Forest patrolled'. It is not clear how **the NBEs** led to any of these 'benefits', except that they were other activities the project undertook within these areas. Consider dropping this indictor.

Indicator #8 measures 'the organizational capacity of community user groups'. This index tool 'seeks to score strengths and weaknesses of organizations across **196 items** in **seven areas** of organizational capacity. This indicator would be enough for anyone to run away. This indicator may be useful if applied very sparingly (once every two years), and undertaken by the same individual each time so that there was some consistency from one 'evaluation to another'.

Indicator #9 measures the % of targeted GoK Partners are using new M&E tracking systems. No report reviewed had attempted to measure this. The last report by KWS for FORREMD simply states that "all GoK partners are developing monitoring tools as a requirement by the government in the performance contracts". This indicator provides no useful information, unless

someone should be engaged to review this every year or two, at the same time the 'indices' are measured.

Indicator #10 is another 'index' to measure the 'status of policy and legislation environment to encourage community incentives for NR conservation'. The index is difficult to measure and could only be done by someone specifically trained to do this for the program overall. As noted above for other indices, this could be done once every year or two by one person engaged to do this.

Indicator #11 seeks to measure the 'level of policy/legislation advancement' taking place. This is seen as a process, so an index was suggested to measure this. The information reported on is important (i.e. 80% of the Forest Bill of 2005 has been accomplished, 100% of EMCA has been completed), but this indicator is information that could be tracked and completed by one person annually. Of perhaps greater importance is whether or not any of this is having any direct impact on the communities for whom it was intended. EMCA was passed, but nothing has yet happened to put this legislation to work in permitting CBOs to have the legal right to manage NRM resources.

Indicators #12 and #13 were never reported on in any FORREMS or KCMP reports the Review Team could find. Indicator #12 seeks to measure the 'functionality of internal KWS databases for monitoring and evaluation' and #13 the 'level of capacity of selected CBOs in policy formulation and advocacy'. Both are complex indexed scores. The latter is an index of 40 items pertaining to skill levels of an organizations capacity in advocacy. The former is an indexed score representing the degree of functionality (indexed score) of a given database. While knowing such information might be useful to a program manager, this kind of information should simply be reviewed from time to time by a program manager and reported on annually, if desired. This information does not rise to the level of a SO 5 performance indicator because of the complexity of acquiring it.

Annex 3:

Documents Consulted

FORREMS M&E Report 2005 (Forest/Rangeland Rehabilitation & Environmental Management Strengthening Initiatives), Performance Monitoring Report 2005.

FORREMS M&E Report 2004, Performance Monitoring Report 2004.

FORREMS Performance Monitoring Program (PMP), (Draft), August 4, 2006.
FORREMS Performance Monitoring Report, FORREMS Program Year 2005.

FORREMS Project (2002-2008), Laikipia Focal Area, PowerPoint Presentation, August 28, 2006.

FORREMS: Socio-Economic baseline survey and analysis of natural resource management options in Mukogondo Landscape, Laikipia District, USAID, Kenya Forestry Research Institute, April 2005.

Arabuko-Sokoko Forest: North Coast, "Enhanced Sustainability of the Arabuko-Sokoke Forest through improved natural resource management by and for the stakeholders".

"Medicinal Plant-based Enterprises for Communities Living Adjacent to Kakamega Forest"

"Transition to the Kenya Forest Service"

"Plantation Establishment in Kenya: A Case Study on Shamba System"

"Common Indicators and Definitions", USAID

"Request for information on FY04 Kenya Mission activities and funding in Forestry, Biodiversity, and Invasive Species", USAID

"FY04 Kenya Mission activities and funding in Forestry, Biodiversity, and Invasive Species Report"

"FY05 Kenya Mission activities and funding in Forestry, Biodiversity, and Invasive Species Report".

118 Forestry Report – USAID/Kenya Forestry Activities

USAID/Kenya Strategic Objective 5 (SO 5), Activity Approval Document, Forestry Rehabilitation & Environmental Management Strengthening Initiative (Attachment 1), June 12, 2002

"Request for Kenya Mission Support for TIST's USAID/GDA Funding Request to Start UP the International Small Group and Tree Planting Program (TIST) in Kenya", Institute for Environmental Innovation, April 2004.

"A Project Proposal on Capacity Building, Technical Assistance and Material Support for NEMA H/Q and District Environment Committees", Proposal to USAID on FORREMS, by NEMA-Kenya, April 2003.

"Enhanced Sustainability at Arabuko-Sokoke Forest through improved natural resources management by and for stakeholders", proposal on FORREMS by Nature Kenya, March 2003.

"Summary report for the status of FORREMS project activities and Laikipia-Mukogodo site, January 2006.

"Forestry Management Support Activity Description", Laikipia Wildlife Forum.

"A Proposal to USAID in Support of KEFRI Activities under FORREMS"(Forest/Range Rehabilitation & Environmental Management Strengthening Initiative), Kenya Forestry Research Institute (KEFRI), February 2003.

"2005-2006 Annual Work Plan", Covering period of July 1 2005 through June 30, 2006), MENR Forest Department, USAID, Kenya, April 2005.

"US Forest Service Support to Kenya Forestry Department and Kenya Wildlife Service through the USAID-funded FORREMS Activity", US Forestry Service, August 4, 2006.

"Outcomes, Achievements, and Recommendations from the Commonwealth Secretariat Funded PFM Support to the GoK Forest Department, 2001-2005".

Forest Policy, Republic of Kenya, 2005

FORREMS 2004-2005 Annual Work Plan (covering period July 1-June 30, 2005),

"Building Capacity in Wildfire Management", USDA Forest Service, March 2005.

"Kenya Coastal Management Initiative 2: Project Concept and Year One Work Activities", University of Rhode Island Coastal Resources Center, July 2002.

"Jomo Kenyata Public Beach Self-Help Group", Kenya Coast Management Initiative, Organizational Capacity Assessment Report, PACT – Kenya/URU Program, Kahaso & Gathinji, February 2001.

"Kenya Coastal Management Program (KCMP): Year One Performance Report, 2003-04 Annual Work Plan (September 1, 2003– June 30, 2004), Coast Development Authority, Ministry of Regional Development Authorities, USAID September 2004.

"KCMP FY 2005-06 Progress Report (July 2005 – February 2006), Coast Development Authority, Ministry of Regional Development Authorities, February 2005.

"Kenya Coastal Management Program (KCMP): Monitoring, Evaluation, and Reporting Plan, First Draft", Coast Development Authority, Ministry of Regional Development Authorities, July 2004.

"Product Quality, Sustainability, and Market Acceptability Project: Legitimization and mainstreaming of Beach Operators", European Development Fund, PACT – Kenya, October 2004.

"Report of Second Kenya Coastal and Marine Forum", Kanamai Conference Center, near Mombassa, September 2001.

"Year Two Workplan and Responsibilities", Phase 2 (KCMP-2), Kenya Coastal Management Program (KCMI), September 2003.

"KCMI Water Activity – Status Report", February 2003.

KCMP Presentation of Results, PowerPoint presentation to Review Team, August 6, 2006, by Mainaina Mburu, CDA, Mombasa.

"Indicator Number 7: Financial Results to Communities from Nature-focused Businesses".

Kenya Coastal Management Initiative, Extension Concept Paper, USAID and the University of Rhode Island Coastal Resources Center (URI/CRC), October 2000.

"Integrated Water Resources Management for Mombasa", USAID Kenya IWRM Proposal.

Performance Monitoring Plan for S0 5, USAID Kenya, February 2004

Strategic Objective Five, USAID Kenya, 2005

Strategic Plan 2005-2010, KEFRI, Nairobi, Kenya

"A Profile on Structure and Activities", KEFRI, Nairobi, Kenya

Kenya Forestry Research Institute: Service Charter, Nairobi, Kenya, 2006.

"Mukogodo Forest Integrated Management Plan, 2006-2016", Mukogodo Integrated forest Management Plan Prepared by FORREMS Focal Area Team (FAT), June 2006.

Kagombe, Joram, "Kenya Forestry Research Initiative: FORREMS Project", 2005/20006 Annual Report, July 2006.

Kagombe et al, "Strengthening Community Structures to Participate in Natural Resources Management in Mukogodo – Laikipia District", FOREMS-KEFRI Project Report # 4, November 2004.

Kimondo et al, "Training Course on Tree Nursery Establishment, Species Selection and Field Establishment for Extension Staff and Farmers", August 2004.

Kagombe et at, "Socio-Economic and Natural Resources Baseline Survey in Mukogodo Landscape, Laikipia District", FOREMS-KEFRI Project Report # 6, June 2006.

Muturi et al, "Range Rehabilitation nof Mukogodo Landsape", FOREMS-KEFRI Project Report # 3, September, 2004

Kagombe, Jorem, "Performance Progress Report, July 2005 – June 2006 Report", July 2006.

CD Disk: "Biodiversity Conservation: A Guide to USAID Staff and Partners", undated.

"Understanding the New Forestry Policy and Forests Act, 2005", Center for Environmental Legal Research and Education, Ludekei et al, 2006.

Annex 4:

Emerging Opportunities and Directions

1.3.1 USAID/Washington

USAID's ongoing restructuring process may present opportunities for USAID missions to strengthen biodiversity conservation programs and biodiversity monitoring; however, while it is clear that biodiversity conservation will remain an agency priority, it is, as yet, unclear if and how countries will be ranked as far as biodiversity importance, how funding decisions will be made, and how monitoring parameters for biodiversity will be formulated (See Strategic Framework for Africa, which will be superseded by new Agency-State guidance).

Under the most recent, and still evolving, strategic framework [joint State-USAID], biodiversity conservation and natural resources management fall under *Investing in People*: To help nations achieve sustainable impacts on the well-being and productivity of their populations through effective and accountable investments in the environment (Program Area 2), education (Program Area 3), health (Program Area 1), and other social services (Program Area 4). The Environment Program Area includes natural resources and biodiversity; clean human environment; and clean water and sanitation. Whereas previously, biodiversity programming in most missions, including USAID/Kenya, had fallen under the economic growth portfolio, this restructuring may offer more flexibility in biodiversity programming. However, the move away from economic growth has been controversial within USAID, and while the new alignment may bring opportunities, there may as well be drawbacks.

1.3.2 USAID/Kenya

USAID/Kenya's comparative advantage—as well as USAID globally—in biodiversity programming is in working at community level to harness local-level benefits; in strengthening cross-cutting linkages that can help scale-up biodiversity impact; and at the same time, working at central levels to promote the enabling environment for biodiversity conservation. This comparative advantage is well-illustrated in USAID/Kenya's current SO 5 program. With the GoK's new focus on community-based management of natural resources (especially in the forestry sector, with the recent approval of forestry legislation that encourages participatory forest management), USAID/Kenya has the opportunity to align with GOK objectives to promote community-level impact and benefits. USAID's leadership in the biodiversity conservation area in Kenya could bring resources to bear from other donors and the private sector, and help ensure that successful pilots will be scaled up for broad-based impact.

1.3.3 Forest Department

Forest Department's new Forestry Policy will provide the enabling legislation for PFM. Since the new law is broad, FD is developing 19 sets of implementation guidelines, detailed procedures of engagement, which will be gazetted and will become legally binding subsidiary regulations. The first set of guidelines to be developed cover community and private sector involvement (the PFM guidelines); these have been produced in draft. The third set will cover charcoal, and are in the process of being complied. FD expects the implementation guidelines for PFM to be in place by January 2007 (pers comms, FD meeting, August 2006), and with that milestone, the law will be ready to be operationalized. This provides a long-awaited opportunity for communities to become truly involved in forest management and empowered to benefit from

forest resources. FD staff have unanimously placed their support behind PFM, although some FD staff have expressed reluctance because they feel certain communities may not have the capacity to participate, and some communities think that the PFM approach translates into community control rather than a partnership with the FD.

The Forest Policy describes the transformation of FD into Kenya Forest Service, a para-statal that will in part be funded by the GOK, and in part raise its own funds by providing services to stakeholders. The transformation will be facilitated by a USAID transactional advisor, a technical expert who will work closely with FD staff to strengthen the new demand-driven approach. While this transformation will present challenges in that a GOK institution that had previously received funds from the government budget and donors, will now be required to assess the key services stakeholders require and that they will be willing to pay for. To implement this transformation, FD staff will have to shift attitudes and function as a private sector entity; this could present opportunities in that the new Kenya Forest Service could shed services that are less demanded, and focus on those services their stakeholders and beneficiaries require and are willing to support and partner with KFS in---for example, PFM.

Annex 5:

Contacts

Organization	Name	Telephone	Email Address	Function
USAID/Nairobi, Kenya				
	Robert Buzzard	+254-0722-335314	robuzzard@usaid.gov	Team Leader, SO 5
	Charles Oluchina	+254-0722-331273; 8622717	coluchina@usaid.gov	SO 5 Program Management Specialist
	Beatrice Wamalwa	+254-020-862-2357	bwamalwa@usaid.gov	CTO: Nature Kenya, LWF
	Wairimu Mungai	+254-020-862-2357	wmungai@usaid.gov	CTO: TIST, NEMA, KEFRI
	Catherine Mungai	+254-020-862-2357	cmungai@usaid.gov	Controller's Office
	Francis Kavulu	+254-020-862-2357; 0725-417-198 c	fkavulu@usaid.gov	USAID Procurement/Acquisitions
	Dwight Al Smith			USAID Program Officer
SECID				
	Bill Hand	+1-202-628-4551, ext 20	bah@secid.org	Senior Development Advisor, SECID
	Harry Wheeler	+1-202-628-4551, ext 11	hhw@secid.org	SECID, Executive Director
PA Governments Services			robuzzard@usaid.gov	USAID NRM
	Walter Weaver		walter.weaver@paconsulting.com	Acting EPIQ II Deputy Director
	Amy Fitzpatrick		amy.fitzpatrick@paconsulting.com	
	Greg Michaels		greg.michaels@paconsulting.com	Economist, Environmental Specialist
	Rick Thibault		rick@neonflux.com	Branding Specialist
	Karen Menczer		perros2@earthlink.net	NRM Specialist, Ecologist
Arabuko Sokoke				
	Anthony Githitho	+254-042-32380	kipepeo@afracaonline.co.ke	Kipepeo Project Manager
AWF				
	Prof. James Kiyiapi	+254-020-2710367, 0721-989897	Jkiyiapi@awfke.org	Director, Kenya Program
Coast Development Authority (Mombasa) & ICAM				
	J. Wainaina Mburu	+254-0722-556084 c	wainaina@cdakenya.org	
	Esther Luganje	+254-0722-448375	luganje@cdakenya.org	
	Agnes Muaguinia		agnes@cdakenya.org	Finance Officer
	Fredricle Mdoe	+254-0736-653-684	ndoe@dcakenya.org	Water Department
	B .A Mwandotto	+254-0722-755749	bmjumwa@yahoo.co.uk	Deputy Managing Director
	Saeed Mwaguni	+254-0733-600910		
District Forest Offices				
	Alfred Abongo	+254-0722-727486	agabongo@yahoo.com	DFO, Kaikipia
	Anampiu			DFO, Meru Forest Station
	M. Abuto			Chief Forester, Eastern Province,Meru
	Mr. James Mburu	+254-0722-888489	jammburus@yahoo.com	District Forest Office, Nyeri
	David Njenga			Forester, Nyeri
	Mr. Kuliembi			Forester, Nayuki Forest Station
	Margaret Mwansi			Asst. DFO, Laikipia
Fisheries Department				
	Martha Mukira	+254-0733-736704	mar_mukira@yahoo.com	

Organization	Name	Telephone	Email Address	Function
Forest Dept				
	David Mbuagua		ccf@wananchi comccf@forestry.go.ke	Chief Conservator of Forests
	Ben Wandago	+254-0722-771235 c	bwandago@yahoo.co.uk	FORREMS Director
	Simon Gioche	+254-0722-332626 c	sgioche@yahoo.com	Forester (FD or other org?)
	Jilnganji Yakhama		yakhama@forestry.go.ke	Forest Reforms
	Emilo Mugo	+254-0733-712879	enpugo@forestry.go.ke	Project manger, Greenzone Dvt. Project
	Eric Nahama		nahamet@forestry.go.ke	Partnerships & Agreements Section
	D.K. Mwanzia		mwanzadak@yahoo.com	Forest Fire Management
	Ernest Ambune		ccf@wananchi.com	DCCF
	D.K. Mbugua		ccf@wananchi.com	Ag CCF
	Anthony Maina		ammaina@mail.forestry.go.ke	Head of Dry Lands Forests
	John Karanja Macharia	+254-0733-712879	macarla@yahoo.com	Senior Conservator of Forests
	David Mulu			Forester, Arabuko Sokoke
	W.M. Mwawega			Assist. DFO, Kicofi
	Tsimba Nyawa			Forester, Arabuko Sokoke
	Samson N. Njigia			HQ, Nat.Forest & Conservation Branch
	F Kabiuki			District Forester, Arabuko Sokoke
	Stephen W. Njobu			Assist. DFO, Maldi
	Erastus Ochieng			Forester, Arabuko Sokoke, Jilore
ICIPE	Dr. Wilber Lwande			Bioprospecting Team Leader
	Maxwell Lumbasi			
	Frederick W. Nduguli	+254-0722-723-174	fwnduguli@icipe.org	Bio-enterprises, Applied Bioprospecting and Conservation Programme
	Bernard Nixon Onyimbo	+254-0722-385-894	nonyimbo@icipe.org	Outreach specialist
	Charles Lllavu Mwoshi			Chair, Isiekuti Organic Farming Youth Group
	various individuals			Muliru Farmers Conservation Group
	Timothy Lovonga			Madioli Women's Group (Beekeeping, more), Kakamega
	Rhoda Lijodi			Madioli Women's Group (Beekeeping, more), Kakamega
	Laban Lihungu			Mondia Farmer, Kakamega
	Joseph Macharia			Technician, Kakamega Industrial Facility (KEEP)
	Anna Lugonzo			Mondia Farmer, Kakamega
KEEP				
	Emily Mujinji			Treasurer, Kakamega Environmental Education Program (KEEP)

Organization	Name	Telephone	Email Address	Function
KEFRI	Bernard Kigomo	+254-66-32891/2/3	bnkigomo@yahoo.com	Deputy Director, R & D
	Mbae Muchiri	+254-0722-873675 c	mbaemuchiri2002@yahoo.com	Nat'l Progrm Coord, Forest Plantations
	Bernard Owuor	+254-0720-446094 c	benowuor@yahoo.com	Research Officer
	Joram Kagombe	+254-0733-809949 c	jokagombe@yahoo.com	Senior Research Officer
	Francis Gachathi			Senior Research Officer
	Kavaka Mykonyi	+254-0722-389819 c	mukonyi2000@yahoo.com	Bioprospecting/IP Coordinator
	Doris Multa	+254-0722-732754		Research Scientist (Mombasa)Center Dir.
	Simon N. Waimngo			Research Scientist
	Charles Ongweya			Nyeri
Kenya BDS Program				
	David Knopp	+254-020-375-3318 /9	david@kenyabds.com	Chief of Party
Kenya Wildlife Service				
	Hewson Kabugi	+254-0722-370702 c	hkabugi@kws.org	Forest Programme Coordinator
	Aggrey Maumo	+254-0722-611044	KWS-IKP@wananchi.com	
	Mohamed Oman	+254-0722-764691		Mombasa
	Anthony Wandon		rhino@kws.org	Researcher, Rhino Program
	Wycliffe Mutero	+254-0722-245924	muterow@kws.org	Head GIS section
	Israel Makau	+254-600800- ext 2258	forests@kws.org	Volunteer: Forest Program
	Margaret Ndungu		ndungum@kws.org	Corporate Planner
	Emily Atai		forests@kws.org	Volunteer: Forest Program
Kenya Marine and Fisheries Institute (KMFRI)				
	Stephen Mwangi	+254-0722-796229	smwangi@kmfri.co.ke	
Laikipia				
	Arthur Nygura			District Commisionere, Laikipia
LWF				
	Dr. Anthony King	+254-060-31600/ 0720-416148	director@laikipia.org	Executive Director, LWF
	Dr, Delphine King	+254-0723-555160		Technical Director LWF
	Fred Kihara	+254-0722-376821 c	programs@laikipia.org	LWF FORREMS Program Development Officer+E34
	Maria Dodds			Private Farmer, Aloe Secundiflora
Mida Creek				
	Arafa Salim	+254-0733-626573	arafabaya@yahoo.com	Mida Creek association chairwoman
Mukogodo Group Ranches				
	Gabriel Nyausi			Chairperson, Il-maamusi

Organization	Name	Telephone	Email Address	Function
Nature Kenya				
	Washington Ayiemba	+254-0733-803060 c	wayiemba@swiftmalindi.com	Project Manager, ASFMT
	Joan Gichuki			Community Extension agent, ASFMT
	Christopher Chengu			Community Extension agent, ASFMT
	Edward Mwannya			Arabuke Sokoke
	Francis Kagema			Arabuke Sokoke, Ecotourism Officer
	Paul Matika	+254-020-3749957	office@naturekenya.org	Executive Director
	Denvas Gekondi			Financial Officer
	Samuel John Katoi			Chair, Market Place
NEMA				
	Ben Ithagu	+254-0722-666542	benithagu@yahoo.com	District Environental Officer
	Isaiah M Gicheru			District Environental Officer, Neru Central
	Suzanne Mwangi			Nanyuki
Other				
	Timm Tennigkeit	+254-0725-666947	timm.tennigkeit@unique-forst.de	Unique Forestry Consultants
	John Weyula Nojow	+254-072-657-3674		Manager, Savona Isle Resort
PACT Kenya				
	Anthony Kanuki	+254-0722-312329	anthony@pactke.org	Mombosa program manger
TIST	Ramesh Narasimhan	+254-0724-253320 c	rameshn@tist.org	Tulsa, Oklahoma
	Joshuah Irungu	+254-0724-255369 c	joshuahirungu@tist.org	Administrative Director, TIST-KE, Meru
	Gayo Mhila			Supervisor, TZ
	Solomon Waiganjo	+254-0721-791746 c	solomonwaiganjo@tist.org	
	Philip James	+254-0724-255368	philjames@tist.org	TIST E.Africa Coordinator
	Alphaxard M. Kimani	+254-0733-553880	alphaxkim2000@yahoo.com	TIST Nanyuki Field Coordinator

Annex 6:

Schedule of Work Plan of Review Team in Kenya

August	5	Saturday	1	Travel Day Swanson Departs 8 am
	6	**Sunday**		Travel Day Swanson arrives in Nairobi from Minnesota/Amsterdam at 7:15 pm.
	7	Monday	1	Prepare logistics for work/travel; Met Charles/Rober at USAID at 2:30 pm and Mission Director Steven Hayden at 2:45 Met with Express at 3 pm for Travel to Mombassa; Obtained cell phone at 4 pm.
	8	Tuesday	1	Post-award meeting (1) with USAID: 11:00-12:30, ICIPE Blue Room; Stakeholders Meeting (2) at USAID: 2-3:30 pm Timm Tennigkeit (Unique Forestry Consultants), Serena, 6:00 PM
	9	Wednesday	1	Breakfast Briefing with USAID (7- 9:30 am) at Safari Hotel; Reading documents, working on work plan
	10	Thursday	1	Meeting Kenya Forest Research Institute/Kagombe: 8:30-10:30 am, depart hotel 7:00; Africa Wildlife Foundation/Legilisho
	11	Friday	1	S0 5 USAID meeting, 9-10:30 am; Mt. Kenya travel arrangements made at Express Travel ; TIST Meeting: 2:30-4 pm
	12	Saturday	1	Reading documents, begin draft report
	13	**Sunday**		**Day Off** **Momba**
	14	Monday	1	KWS (10:30 - 11 am); Forest Department (2:00 -4); Nature Kenya (5-6 pm)
	15	Tuesday	1	Flight to Mombasa:Dpt. 8:30-Arr 9:30; depart Safari hotel 6:30 (Mombasa: White Sands Hotel); Jomo Kenyatta Public Beach (2 hrs 11:00 Meeting at Coastal Development Authority offices (met ICAM working group) of KCMP program activities in coastal region 13:00- 15:30: JK Public Beach-Meeting with Fishermen's group, Tube Renters & Hawkers; Kenya Marine Forum group, saw Tudor 16:30- 18:00 Visited Vikwathani Maenderero Group (CBO and Eco-tourism plan - PACT Kenya with CDA, at hotel by 6 pm Charles Oluchina, USAID, will meet us in Mombasa and travel with us
	16	Wednesday	1	9:00 Visited Mwaepe Fish Landing Site (program coordinator/KWS and group DCMT of fishermen 11:30 - 3 pm: Visit to Wasini, Wasini Woman's Group Board Walk (PACT Kenya); spoke with Dhow Transport Association member 3-4:30 pm, Vised individual beneficiaries of RWH water catchment tanks - discussed group tanks CDA/KMFRI, back to hotel at 6:3
	17	Thursday	1	Dpt: 7 am for Gede Forest Station: Meet Washington (Nature Kenya) at Forest Station 9:30; Arabuko Sokoke and NEMA District O 11:00 met with Misitu Waoen Group (beekeeping - also some colllected butterfly pupae, forestry) 12:30-14:00: met with Magangani butterfly farmers group, saw mushroom activities, beekeeping; discussed program with communi Visited Kipepeo "Market Place" facilities and butterfly pupae delivery; 15:00 - 5:30 pm: Met with Arabuko-Sokoke Forest Manageme
	18	Friday	1	Dpt: 7:30 - 9:30: Visited NEMA office in Magarini, saw 'sand harvesting'; 9:00 - 11: Visited Mida Creek mangroves program; 11:00 t Met with Dida committee on Participatory Forest Management (8 members), saw their management plan; then visited specific incor trees, bee-keeping) in Dida farms; Return to Watuma, at hotel by 6:30
	19	Saturday	1	Dpt from Watamu 7:20; paid car rental; At airport by 10:45 (late);Return to Nairobi, Dpt: 11:30 Arr: 12:10; afternoon for writing
	20	**Sunday**	0	**Day Off (Greg Michaels arrives in Nairobi)** Team Meeting, Discussed summary results and orientation for Draft, Writing of Draft **Lak**

	21	Monday	1	Dep by road, Mt. Kenya 7:00; Arrive in Nanyuki to LWF (Nanyuki Airfield 10 km to town); TIST, KWS-District Warden, FD-Local Off
				Greg Meets with various partners in Nairobi (interviews established by RS); Greg goes to Express Travel in am to pick up airline tic
	22	Tuesday	1	Depart Nanyuki for East Laikipia 8:00; ILMAMUSI CBO at their office; Herbal pharmacy/tree nursery; Loiragai water project-Il Ngrue
				Greg Michaels departs by air to Kisumu at 7:45 am; car to Kakamega Forest area waiting at Kesemma airport; booking in Kakameg
	23	Wednesday	1	Depart Nanyuki 8:00; FD nursery-Doldol; Yaaku Cultural Project; Makurian Range Rehab and Group Ranch Pasture Management;
	24	Thursday	1	Mt Kenya, West and Northwest areas: itinerary TBD, night in Meru; Michaels returns from Kakamega (via Kisumu) in pm
	25	Friday	1	Mt. Kenya, Meru, TIST, KWS: itinerary TBD (night in Nanyuki)
	26	Saturday	1	Return from Mt. Kenya in AM, meeting with Greg Michaels in afternoon
	27	**Sunday**		**Day Off** (Karen and Richard spend day writing)(team meeting)
	28	Monday	1	Team writes report; additional meetings (USAID, Nature Kenya, ICIPE)
	29	Tuesday	1	Team writes report; additional meetings, as necessary (Donor Harmonization, Alignment and Coordiantion Meeting - Swanson atte
	30	Wednesday	1	Team writes report; additional meetings, as necessary (Robert Buzzard dpt for USA-will follow with email)
	31	Thursday	1	Team finalizes draft report; Copy of 'conclusions/recommendations section given to USAID/Charles; 3 **pm Nbo time**
Sept.	1	Friday	1	Meeting (5): Powerpoint Debriefing with USAID and partners on Conclusions/Recommendations, 10-12:30 (ICIPE Blue Room); PM
	2	Saturday	1	Karen Menczer dpt.for Ghana, continued work on draft document, with imput of debriefing from stakeholders; Draft copy to Walter
	3	**Sunday**	0	**Day Off**
	4	Monday	1	Labor Day; Richard Swanson return to USA at 7:30 pm, revisions on draft from responses at Friday debriefing (cont.)
	5	Tuesday	1	Swanson arrives Minnesota 13:00, Travel Day; Submit Hard Copy Draft Report to USAID/Kenya (3 copies)
	6	Wednesday	1	Completion of Final Report (there will be interaction by email between Menczer, Michaels and Swanson at this stage)
	7	Thursday	1	Completion of Final Report (there will be interaction by email between Menczer, Michaels and Swanson at this stage); Greg leave
	8	Friday	1	Completion of Final Report (there will be interaction by email between Menczer, Michaels and Swanson at this stage)
	9,10	Sat/Sun		Days off
		Monday	0	Swanson sends copy of final report to Michaels and Menczer for their final reading and input
	11			**Send copy of final report to Walter Weaver for final internal review (Weaver then passes final document to Thibault) COB**
	12	Tuesday	0	Completion of Final Report sent to PA Consulting Rick Thibault, Branding Specialist (PA Consulting);
	13	Wednesday	0	**PA Consulting sends to USAID/Kenya by email copy of Final Report and by FEDEX hardcopies of document + CD rom dis**
				USAID Kenya has agreed that, if needed, they will except extension of receipt of final report by COP September 15). Review Team
				will not be necessary, and that process may be completed by 13th, at latest.)

Annex 7:

Description of Institutions Partnering in FORREMS and KCMP Programs (Selected)

1. Kenya Forestry Research Institute (KEFRI)

KEFRI has been a Kenyan public research institution It has about 1100 staff members, 94 of whom have a Master degree or higher. It is a parastatal with a board of directors, and has 6 regional research centers, 4 sub-centers, and 6 field stations located in different agro-ecological zones in Kenya. Funding comes 70% from the GoK, and 30% from donors or raised through services rendered on contract. As a parastatal, KEFRI can seek funding for special research and other professional services of its staff. They possess their own commercial forests from which revenue can be generated. It can actively seek new commercial agreements with the private sector and directly with funding agencies, like USAID.

Forestry research and its dissemination has been the mandate of the institution. In the past this was largely basic in nature, theoretical in scope. Historically, the Forest Department was KEFRI's sole client, and for with whom it worked to develop forestry management plans. With recent new GoK legislation and an ACT passed this year, its mandate will increasingly extend to applied research; research will be more participatory with communities having a much greater say in the management of resources in the proposed participatory forestry management plans proposed. USAID provided some limited TA to KEFRI during its time of transition from a purely public institution to a parastatal, and KEFRI has had an important role during the past several years in undertaking fauna, flora, and social economic inventories and preparing forest management plans for FOREMS (specifically in the Mukogodo Landscape region) and KEFRI. As a parastatal, KEFRI has come to realize that many of its own aspirations depend on changes in government legislation with respect to forest and land resources. They are concerned with the slow pace of reforms taking place within the forest sector (Forest Department), which itself, will soon begin the process of becoming a parastatal.

KEFRI has recently developed a Strategic Plan, 2005-2010, and USAID wishes to support their efforts to the extent to which strategic objectives are compatible. The strategic objectives outlined for this period are:

(1) To generate knowledge and technologies for farm forestry, natural forests, dry land forestry, and plantation forests.
(2) To strengthen research and management capacity
(3) To improve seed production, distribution, and marketing
(4) To disseminate forest research findings
(5) To improve corporate profile and public image
(6) To strengthen linkages and partnerships with stakeholders.[1]

KEFRI is seeking contracts from its broad spectrum of potential clients to provide training in landscaping, nursery management, soil analysis, forest management, furniture and fancy item production and can contract services for social forestry, landscaping, participatory forest

[1] KEFRI Strategic Plan: 2005-2010, Nairobi, Kenya, 2005.

management, tree nursery management, forest management, tree pest management, seed collection and handling.[2]

National Environmental Management Authority (NEMA)[3]

Prior to 1989, GoK agencies and departments at the District level tried to address environmental management according to statutory provisions through 'environmental officers'. Without well defined mandates and lack of resources, these officers achieved little in terms of environmental management. Following the Rio World Summit on Sustainable Development in 1992, Kenya took a major step by preparing the National Environmental Action Plan (NEAP-1993). From this was established, for the first time, the legal and institutional framework for environmental management with strong and wide representation at the district level. In 1999, the Environmental Management and Coordination Act (EMCA) was passed. District Environmental Committees (DECs) began to be created throughout Kenya in 2002. There was a need for a support agency to support these field-based groups, so NEMA was formed to provide such coordination, and USAID became a major supporter in 2002 to help build the capacity of this new GoK institution. This was an important step, since USAID support was also going to Forest Department and the Kenya Wildlife Service, as part of support in forestry and improved management at the District Level. Support has helped NEMA personnel to become part of teams working at the district level, as community based NRM plans have developed. The Review Team, when in the field visits, were accompanied by local leaders of NEMA.

Laikipia Wildlife Forum (LWF) (taken directly from a LWF PowerPoint Presentation dated Feb.6, 2006)

LWF was formed in 1992 in response to KWS initiative to engage landowners and land users in management of wildlife outside protected areas. It is perhaps the most effective community based conservation in East Africa. LWF is a pioneering community conservation organisation made up of pastoralists, small-scale farmers, local community environmental groups, international conservation and development organisations, tourism ventures and private ranches, all with a common goal:

Mission: To conserve the integrity of the Laikipia ecosystem by creatively managing natural resources to improve the livelihoods of its people. Laikipia' s biodiversity is globally unique – remarkably, Laikipia is not a formal protected area.

Primary objectives of LWF include:

(1) Maintenance of ecosystem integrity and processes
(2) Establishment and development of community conservation projects in wildlife dispersal areas
(3) Development of conservation enterprises.

As a fee-paying membership forum, it is currently made up of

- 28 community groups representing over 200,000 of its members and beneficiaries

[2] KENFI Service Charter, Nairobi, Kenya, 2006.
[3] Information taken from "A Project Proposal on Capacity Building…for NEMA", April 2003 and NEMA's Mukogodo Forest impact assessment, December 2005.

- 31 large scale ranches
- 31 tourism operators
- 69 individuals
- 5 conservation Interest Groups
- 1 rural development organization

LWF has identified five key areas to focus the interventions it supports and promotes:

(1) Community Conservation
(2) Wildlife Management
(3) Tourism Development
(4) Environmental Education
(5) Security/Radio

USAID's support through FORREMS, which began in 2003-2005, and most recently through another ongoing cooperative agreement, has helped AWF develop its efforts in CBNRM and in conservation enterprises, efforts that will need continued support as further direct implementation is undertaken.

TIST (The International Small Group and Tree Planting Program)

TIST is a program developed by the Institute for Environmental Innovation, initially designed and launched in Tanzania in 1999. In its own words, "TIST empowers Small Groups of 8-12 subsistence farmers to reverse the devastating effects of deforestation, drought, and famine"[4]. TIST Small Groups have planted over 22 million trees, the results of which can be seen at www.tist.org. TIST small group members receive a small cash reward for planting trees and keeping them alive. The basis for these payments is the greenhouse gas (GhG) potential of the trees. There is a growing worldwide effort to reduce carbon dioxide in the atmosphere and one way to do this is by sequestering carbon in trees as they grow. The hypothesis is that, in the short term TIST (CAAC) is paying a fixed price of $16 per 1000 trees as a program incentive. In the long term, the asset value will supplant the value of these payments, at which point the Small Groups will share in the actual revenues generated from the sale of GhG credits. Other incentives are built into the TIST program, including agro-forestry concepts, improved cultivation techniques to name a couple. TIST programs require a robust monitoring and measurement program, which includes field auditors who make regular visits to small groups to verify trees planted (and maintained) over time.

[4] TIST, Institute for Environmental Innovation, April 2004.

Annex 8: Best Practices/Lessons Learned in CBNRM and NBE Development

- If natural resource-dependent communities are involved in natural resource-based income generation activities, they are likely to use resources in a sustainable manner and implement a user-driven management and control system.

- The wider "community" should benefit from natural resource-based enterprises, where the natural resources being used and commercialized are *held in common by the community*. A percentage of revenue from community-based enterprises can be retained and be channeled back to the community for development projects. However, if a business needs to set aside revenue for conservation or community benefit projects and another business with the same product does not have to do the same, the "playing field" is uneven and puts the community required to set aside profits at a disadvantage.

- NGO involvement should focus on TA and training, and not be part of the value chain—"the business of doing business" should be kept separate from TA. The NGO should serve to catalyze enterprise development. An NGO is actually a subsidized, hidden management cost, but often a necessary element in NR enterprise development in rural, often isolated communities. NGOs should be prepared to scale back and should have an exit strategy and timeline for withdrawal. The aim is to build entrepreneurs within the community and help make the community self-reliant rather than dependant on the NGO.

- One role for NGOs is to ensure transparency in delivering benefits from NR enterprises beyond the people directly involved in the enterprise and to the wider community. The NGO can assist in building the decision-making mechanisms, and ensuring transparency and representation, without imposing a decision-making framework on the community.

- One of the more important roles an NGO can play is in monitoring. As a "disinterested party," a NGO can undertake the monitoring role, especially in evaluating community benefit distribution to ensure it is fair, and not skewed to any individual or group.

- Not everyone has the qualities of an entrepreneur. All members of a community can be primary producers—the harvesters, but the true entrepreneurs—the secondary processors—are the community members who have demonstrated particular skills, interests and business aptitude.

- Start-up costs for experimental processing technologies and for other product development can be funded with grants since a rural community is usually unable to risk the capitol at this experimental stage. But thereafter, loans should be used to assist businesses to expand.

- Loans should be at commercial rates and TA (from NGOs) should be separate from the lending function. For example, SAFIRE developed a partnership with a bank to promote rural lending. SAFIRE invested money in the bank as collateral, and the bank made loans to rural entrepreneurs based on the bank's risk assessment. SAFIRE's investment was done as a "secret partner" so that SAFIRE could keep the loan component separate from the TA/business support component. Without SAFIRE's investment, the bank would have been unlikely to accept the risk involved in lending to rural, start-up, NBEs.

- NR based enterprises were originally promoted by conservation organizations as an approach to biodiversity conservation. But NBEs, as with any other business, must first be about profits. Second to profits, the link between the enterprise and biodiversity conservation can be made, and more widespread community benefits can be considered (SAFIRE).

- Tracking conservation benefit takes at least ten years, and tracking enterprise development success along with biodiversity conservation is a fairly new field. It is difficult to declare successes during early stages in NR based enterprise development.

Best Practices

1. Joint Partnership in Eco-tourism, The Makuleke people of South Africa

The Makuleke people live in the northeast corner of South Africa, and currently reside in resettlement villages next to Kruger National Park (KNP). After apartheid, the Makuleke regained title to their traditional land, and through a Communal Property Agreement (CPA) the Makuleke have gained the right to manage the land. The Makuleke decided not to resettle in the park, but to leave it as a contract-managed park. The Makuleke Region of Kruger is managed jointly by the Makuleke CPA and the KNP through a Joint Management Board. The Makuleke agreement with KNP requires that they mange their portion of the park according to similar rules that apply to the rest of the park.

The Makuleke have a contract with a private sector partner, Matswani Safaris, to develop an up-market lodge along the confluence of two rivers in the northern part of KNP. The lodge will employ approximately 30 people from the village, and the developer will pay a monthly lease fee to the Makuleke CPA and will contribute a monthly fee to a community development fund. Under the agreement, Matswani Safaris will pay the Makuleke CPA eight percent of all revenue generated by the business as well as another two percent to the development fund. Matswani Safaris also pays a monthly traversing fee for every vehicle based in the Makuleke region. A bond guarantees Matswani Safaris performance for the duration of the agreement. Matswani has undertaken a vocational training program to train local tour guides and hospitality workers for positions at the lodge.

In 2000, through an open bidding process, the Makuleke offered a private safari company the rights to hunt two elephant and two buffalo. The first hunt earned just under US$100,000, which has been allocated to a variety of development projects in the village. Some of the hunting income from 2000 was used to purchase vehicles for the use of the Executive of the CPA and the Tribal Authority. A full community meeting authorized funding decisions for use of this revenue. The CPA wants to phase out hunting once the lodge and other camps they are developing are in operation.

Seven Makuleke residents have received training as safari guides. Other training has included: 26 students trained at technion level in conservation management, tourism, and business skills; a leadership training program for the executive committee of the CPA; and training for some Makuleke leaders at the Wits School of Public and Development Management.

Small businesses have spun-off from this ecotourism initiative. A brick making business is supplying bricks to developments in the park and a guesthouse and museum will house a craft making business.

2. Village Management of Fuel wood Markets in Niger, West Africa[5]

Throughout Africa and among CILSS member countries in particular, the State public services continue to control and manage public domain forests. As with State protection of wildlife and other resources in national parks and reserves, the State has neither the manpower, training, or means to assure the protection, must less management, of its forest reserves. By permitting rural communities concession rights to their traditional territories, the Nigerian Forerst Service has found a way to protect and manage these resources on a sustainable basis, while mobilizing more of the taxes it needs for public administration.

Nigerian villages are working our internal rules on how to manage their own resources – not always the way the Forest Service might think best, but acceptable undere socio-cultural arrangements in the community. Residents of adjacent villages may not prevent each other from entering local woodlots to get wood because they belong to the same extended families; but they will be quick to bar outsiders from access.

The Government of Niger has introduced fundamental change by devolving to rural people authority over their own local woodlands and responsibility for their management. This policy innovation builds on existing concepts of land tenure and natural resource governance and management. Men, women, and children in these rural communities are deriving substantial cash flows from the wood trade, in places where cash is usually scarce. In the controlled markets, the system of six-year rotations creates conditions under which sustainable use of these natural resources becomes realistically feasible. Community members appreciate that they are fortunate in obtaining these benefits and take their responsibilities for management seriously.

3. Community Management of Fish Resources of Rouafi Pond (Niger, West Africa)[6]

Rouafi Pond Fishers Cooperative and its internal regulations have taken the initiative in extending local governance and management of the fisheries far beyond the point authorized by current (Nigerian) national law. Management of a commonly shared natural resource such as a pond, with its fish populations, can clearly only be successful if all concerned by the resource support this concept. Such a resource is best managed by one inter-village cooperative to avoid risks of destructive competition among local organizations. The Cooperative governs and manages Rouafi Pond in fact as a common good. The fact that few openly challenge cooperative authority, in spite of grumbling and posturing by some, suggests that most fishers allow long-term common interests to take precedence over individual, short term concerns. Common organization around this resource has strengthened the capacity of these local communities vis-à-vis outsiders, not only in regulating access to the resource, but in controlling prices paid by fish buyers, and in ensuring that local communities benefit from revenues produced by the Pond. Credit has become available to sustain the activity as well. Rouafi Fishers' Cooperative governance and management activities dovetail nicely with the spirit of the Niger law prescribing decentralization and increased management of renewable resources by local users.

---

[5] Decentralized Natural Resource Management in the Republic of Niger, USAID/PADLOS, ARD, Inc. Kankani Village Management of Fuelwood Markets, Swanson & Hasanne April 1998,

[6] Decentralized Natural Resource Management in the Republic of Niger, USAID/PADLOS, ARD, Inc. Community Management of Fish Resources of Rouafi Pond, Swanson & Hasanne April 1998.

4. The Ronier Palms of Albarkaize (Niger Republic)[7]

When given the possibility of truly managing their own resources, local communities can become very creative in developing and extending their management prerogatives. Members of the Albarkaize brigade expressed the strong belief that they must also protect other resources in 'their district'. Their active patrolling of access and controlling of the use of Special District resources by outsiders has produced some visible and positive effects. Some wildlife species have reappeared (e.g. a small herd of cob). Wild waterfowl of all kinds, including ducks and geese, have returned to the district. Hunting pressures elsewhere encourages animals and game birds to congregate in the district for greater safety. Government officials and powerful, influential 'outsiders' always try to 'get around' established rules of a community. The management committee is asked to 'make an exception' for 'this' person. Local management structures must be given the legal authority to reject these kinds of incursions on their management authority. Providing a framework to manage wild resources and a means to derive clear benefits from management efforts absolutely conditions long-term sustainability.

5. Sustainable Potable Water Management[8]

This case study illustrates the translation in practical terms of the 1993 (Niger) law, in one site, where village management of a water point began in March 1991. It took six years for State Ministries' decrees to provide full legal recognition of practical experiments underway all over the country. The success of the town's water system, where each pail of water taken is paid for by water users, can be attributed to a number of reasons. (1) The General assembly elected as Water Committee President the Kore Mairoua Chief, who is both respected and obeyed by community members; many of the people of this village, located along a heavily traveled, paved road between Dogon Doutchi and Dosso, have developed a keen business sense and know how to manage things; residents say they want their village to be known as the "Number 1 village" in the area. 'Look', we were told, 'we are already the best village in terms of managing our own water system. We are also first in providing leadership for the educational needs of our children'; residents also note 'we also have a major savings account and credit program which has grown into a very large account with major loans to members of the community'. It recently boasted a balance of $34,000. All Kore Mairoua business people have joined this savings and loan program and this too has helped the community to grow economically. Women's involvement was considered as an important element of success. They took part in deciding on the placement of the water points and the characteristics and nature of the faucet system. Women continue to play an important role as primary supervisors of water use in the village, and collectors of the money that allows the system to operate. The system of record keeping set up initially is also important to the sustainability of this community-managed water system.

6. Do Targeted Development Activities Reduce Pressures on Parks/Reserves through Changed Human Behavior?[9]

A study was made, following four years of activities among communities living in and around protected areas within Madagascar. The general hypothesis was that by providing an

---

[7] Decentralized Natural Resource Management in the Republic of Niger, USAID/PADLOS, ARD, Inc. The Ronier Palms of Albarkaize, Swanson & Hasanne April 1998

[8] Decentralized Natural Resource Management in the Republic of Niger, USAID/PADLOS, ARD, Inc., Kore Mairoua: Sustainable Potable Water Management,, Swanson & Hasanne April 1998.

[9] Hypothesis Testing: Do targeted Activities Reduce Pressures on Parks and Reserves through changed human behavior?, ANGAP, TR&D, Swanson, 1996.

alternative means of obtaining a livelihood, people currently engaged in destructive pressures upon protected areas would be willing to change and modify their behavior. Changes would lead to reduced threats upon protected areas, greater partnerships and co-ownership of the protected resources for the mutual well-being of the people living closest to these endangered resources. Some of the major conclusions from a study of numerous case studies included in the resulting publication were:

- Changing human behavior is always a very long-term process, full of unexpected pitfalls. In most cases, program activities (in Madagascar) in spite of their cost, represented a 'drop in the bucket' towards having real impact on reducing the most serious pressures…the issues was usually that the scale of these activities are too small….No one development activity can be given sole credit to 'reducing pressures upon a specific threat' on a protected area…it will be the synergy developed among a range of successful efforts which may lead to these results.

- A general theme is the fact that it takes a great deal of time and effort to launch any kind of successful development activity. Linked to the inherent difficulty of the task set out for ICDP programs has been the problem of focus and scale. Few ICDPs are truly focused. All begin with a very large menu of development activities - often considered 'door openers'. Greater focus on fewer activities, with professional guidance, over a longer period of time will have greater and lasting impact. If we want results, we must show the necessary commitment long term.

7. Zimbabwe's Communal Area Management Program for Indigenous Resources (CAMPFIRE)

"By conferring proprietorship of wildlife resources to the Rural District Councils (RDC) through the mechanism of "Appropriate Authority", benefits in fact did accrue to populations residing in proximity to favored habitat with its rich endowment of charismatic megafauna. Most revenues still derive from the consumptive, sustainable use of this resource. The maintenance of trophy quality and overall wildlife numbers indicates that wildlife populations are being sustainably exploited under present conditions. Most observers consider the hunting quotas in CAMPFIRE areas to be conservative.

CAMPFIRE's philosophy engenders a positive sense of empowerment and its approach is well-entrenched among local populations as it is across government departments. Non-wildlife resources, including some mineral resources, are coming under the CAMPFIRE umbrella… CAMPFIRE functions best where the Rural Development Authorities have devolved some authority, and the majority of revenues, to the producer level. Where benefits are minimal or have been generalized to a wider population, the essential link to improved conservation breaks down….

CAMPFIRE's early success was founded upon an already established international wildlife market, and its leaders were successful in helping local Zimbabwe communities link up to this revenue stream – therby benefiting not only their own socioeconomic development, but also leading to the sustainable management and successful conservation of this resource…. For the

past several years, CAMPFIRE has begun diversifying into other conservation-based economic activities…."[10]

A number of specific themes stood out as important to the success the CAMPFIRE program: the legitimacy of non-government organizations, the need for strong partnerships, the importance of cultural values, the inadequacy of protected area systems to protect biodiversity, planning (and transparency) for public scrutiny, and the importance of balancing results and flexibility in programming.[11]

"CAMPFIRE's experience reaffirms the validity and utility of involving NGOs as important actors in the development process….NGO legitimacy is not a given, but is based on specific comparative strengths in serving and responding to local people and their community-based organizations."

"CAMPFIRE's controversial acceptance of sport hunting of elephants (and other animals) as a means of furthering conservation based community development proved to be a lightning rod for controversy. Modern communications technology…mean that activist participation can be very focused and politically distinct, circumstances that are particularly susceptible to US interest group pressures. This civil society oversight can be healthy, but it should be considered at the planning stage….Oftentimes the opposition is not domestic, not well-organized, and or not popular with decision makers. CAMPFIRE has been able to survive, but the efforts made to assure survival provide lessons for what may become a more characteristic level of (US) public involvement in specific development assistance activities."

"CAMPFIRE's conservation objectives are permanent and meeting them is an ongoing effort. What is remarkable and instructive about the program are the importance and constancy of the underlying CAMPFIRE principles as guideposts in making constant programmatic adjustments". These include:

(1) The essential "owners" of the CAMPFIRE program within Zimbabwe are the rural communities and their elected representatives at the Rural District Level.
(2) Sustainable management of their natural resources, both renewable and non-renewable, and their socio-economic well-being are the focus of program managers.
(3) Wildlife utilization can compete economically and financially with other extensive forms of land use.
(4) Communities deriving wealth from wildlife will both wish, and be able, to protect these resources, but only under favorable conditions.
(5) Communities not only will be willing to manage these resources, but also can become capable of doing so, and will invest in this management.
(6) With control over resources, farmers' behavior will lead to the improved conservation of the resource base."[12]

[10] Final Report, Mid-Term Evaluation of the Zimbabwe Natural Resources Management Project, Phase II, Communal Areas Management Program for Indigenous Resources, CAMPFIRE, The Mitchell Group & SECID, July 31, 1998 by Sowers, Swanson, et. al., pp. i.
[11] CAMPFIRE review, 1998, p. 25.
[12] CAMPFIRE review, 1998, selected passages, pp. 133-144