



Keynote Address by Julius Kamau, Chief Conservator of Forests, Kenya Forest Service

Future of public forestry sector to meet the country's timber needs and the role of public, private partnerships (PPPs)

Kenya Commercial Forestry Investment Conference and Expo on November 23-26, 2021 at KEFRI Headquarters, Muguga

Theme: 'Commercial Forestry Investment for Wealth Creation, Boosting Manufacturing, Food Security, Health and attainment of 10% Tree Cover in Kenya'

1.0 Preamble

The Forest Conservation and Management Act 2016 mandates Kenya Forest Service to conserve, develop and sustainably manage forest resources for the provision of forest goods and services in perpetuity. The Service currently manages **2.59 million** ha of public forests and in addition, the Service provide technical support to the County Governments to enable them manage another **1.7 million ha** of community forests.

Forests contribute 3.6% of GDP excluding the environmental goods and services, thus highly undervalued. The contribution of Forests to the economy is highly under-reported/undervalued in national statistics because of omission of the following information:

- a) The value addition to forest products through manufacturing;
- b) The provision of wood and non-wood forest products to subsistence economy;
- c) The supply of ecosystem services

It is important to note that in recent times, forests have been given greater recognition in human development and a new vision has been set for the forestry sector as a key driver towards the achievement of the Sustainable Development Goals (SDGs) and Big 4 Agenda (**Manufacturing and Housing**)

Approximately 6% (152,000 Ha) of the total gazetted public forests is under commercial forest plantations that produce round wood for local forest industries. The annual allowable cut is about 5,000 Ha with an approximate productivity of 2,000,000 CM.

Private forest plantations amount to approximately 94,146Ha which also play a critical role in supplying wood in the country in addition to trees on farm.

The commercial Forest plantation area though relatively small, has a great potential for enhanced productivity noting the current unmet demand for timber and other wood products. The revenue generated could be very critical in financing the Service to execute her mandate of protecting, conserving and managing public forests effectively.

Despite this huge potential management of these plantations has in the past been faced with some challenges among them, inadequate financing, inadequate management and silvicultural treatment regimes, backlogs, inefficient harvesting and harvesting regimes which lead to huge back log areas.

2.0 Envisioning the future

2.1 Kenya Forest Service

2.1.1 Paradigm shift in the management of public commercial forest plantation

The Task Force report of 2018, made some key recommendations with regards to management of commercial forest plantations;

- a) Review the existing Private Sector Participation Programme activities outlined in the Forests (Participation in Sustainable Forest Management) Rules, 2009 including all permits, licenses, bids, contracts, joint management agreements and concession agreements. This is aimed at streamlining of the operational systems.
- a) Develop Sustainable Forest Management Standards as provided for in the FCMA 2016, and guided by best practices including the FAO Principles of Responsible Management of Planted Forests.
- b) Develop subsidiary legislations and guidelines to implement section 44 of FCMA 2016 on concession management.
- c) Incentivization of tree growing (forests) for individuals or entities on private land.

In addition, KFS has and/or plan put in place key interventions to enhance productivity includes but not limited to;

- ❖ Improved germplasm;
- ❖ Improved management and silvicultural regime;
- ❖ Increase the area from 6% to 10% of commercial forest plantations;
- ❖ Integrated timber harvesting including grading;
- ❖ Promoting increased the timber conversion efficiencies;
- ❖ Enhanced good governance principles;

If all these measures are put in place it's possible to increase the productivity of the public commercial plantation by not less than 40%

2.1.2 Forest Concessions:

The Forest Conservation and Management Act, 2016 Section 44 (1) provides for concessions of public forests for investment by the private sector as one of the mechanisms for mobilizing funds for Sustainable Forest Management.

Concession Agreements- These are long term agreements for the management of a specified public forest area at a price determined after forest valuation and bidding. This grants an individual or organization a right of use by means of a long-term contract, for the purpose of commercial forest management and utilization.

Kenya Forest Service partnered with Gatsby Africa to deliver on an inclusive forest concession framework for Kenya whose objective focuses on co-developing a robust, participatory and transparent forest management process that will enhance public trust, confidence and accountability for inclusive concession of public forests.

Through the framework KFS and Gatsby will analyze existing guidelines, policies, and legislation, share technical exchanges, consult with partners and stakeholders, mobilize development partners for discussions, funding and delivery of a technical assistance programme and prepare a roadmap for granting of a pilot forest concession in Kenya.

The process followed an advisory by the Attorney General that all Forest Concessions must be approved by Parliament as provided for in the Constitution and the *Natural Resources (Classes of Transactions Subject to Ratification) Act No. 41 of 2016* that gives effect to Article 71 of the Constitution of Kenya, on matters relating to grant of a right or concession by or on behalf of any person, including the national Government, to another person for the exploitation of any natural resource of Kenya;

In this regards, Kenya Forest Service and Gatsby Africa, pursued on *scoping and formalization of partnerships on the Government approval process and drafting of relevant legislation on forest concessions where necessary*;

2.1.3 Development of Safeguards

Generally, in order to sustainably manage and utilize forest resources in the country, there is need to provide safeguards for the forest adjacent communities.

Kenya Forest Service (KFS) and Kenya National Commission on Human Rights (KNCHR) with the technical support from United Nation Development Programme (UNDP-REDD+)

has developed guidelines (Environmental and social safeguard Guidelines) whose main objective is to facilitate KFS in ensuring that any potential risk by forestry programmes and projects is identified and measures are taken to avoid and minimize adverse impacts. They are built on the premise that even well-intentioned conservation programmes and projects can contribute or be perceived to violate rights if poorly designed hence fail to protect human rights and forest ecosystems.

These Environmental and social safeguard guidelines on programme and projects for KFS are the first to be developed and are anchored on a set of principles guided by policies and laws governing conservation and management of forest resources in conformity with national and international minimum standards as safeguards to environmental and social risks.

These safeguards will also be integrated in to the concession's framework.

2.1.4 Forest Policy and Legislation

The FCMA, 2016 provides for the **Forest Conservation and Management Trust Funds** which if well mobilized can support forestry extension programmes. Payment of Ecosystem Services amongst others that will go a long way in supporting the acceleration of establishment of the out-grower's scheme and the 10% tree cover.

The forest legislations however need to be reviewed to encourage forestry investors to venture in out-grower's schemes by providing incentives such as loans, tax exemption (land rates, equipment).

The forest legislations should not be perceived as barriers towards investment in forestry but rather should be attractive.

2.1.5 Development of National Sustainable Forest Management Standards

This is as provided for in the FCMA 2016.

In this regard, Forest Steward Council (FSC) in consultation with KFS developed the interim National Standard for Kenya that provides for

- a) The **“Forest Management Certification”** which ensures that individuals, governments and companies sustainably manage their forests and
- b) The **“Chain of Custody Certification”** that ensures wood and non-wood products are verified at every processing stage to ensure sustainability in production.
- c) KFS have granted 2 pilot sites in Aberdares and Eburu forest reserve to FSC for this purpose.

This process will lead towards the development of National Standards.

3.0 Forest Industry and Farm Forest Growers

3.1.1 Forest Development and Establishment of Out Grower's Scheme

Establishment of an out-grower's scheme within the private farms that will provide additional source of raw materials as well contribute to the 10% tree cover requirement.

The forest industry players in their economy of scale vis-a-vis the Capital investment (machinery and equipment) should at least:

- a) Consider acquiring land through purchase or lease for forestry development;
- b) Engage small scale farmers in a contractual engagement for supply of forest materials through an out-grower's scheme;

Currently in Kenya we have two main categories of tree grower's associations:

- a) Farm Forestry Smallholder Producers Association (FF-SPAK): Woodlots ranging from 0.025Ha to 10 Ha for subsistence and commercial purposes;
- b) Kenya Forest Growers Association (KEFGA) for large scale growers of 12Ha and above and has a well-structured governance system;

3.1.2 Efficiency in Wood Conversion and Utilization:

In to optimize the available limited wood in the country it's important for the Forest Industry to invest in efficient wood conversion and processing technologies and further embrace a circular economy.

4.0 Partnerships and linkages

There is a need for the Service to strengthen Partnerships by both State and Non-State Actors

- 4.1. Engagement with County Governments – Enhancing chain of Custody of Forest Produce (Application to fell, Certificate of Origin and Movement permits, fees and charges).
- 4.2 Engagement with large land owner for forestry development- through development of viable business proposals with entities like ADC, KDF, County Governments (Community Trust land) especially in the ASAL Counties, Learning Institutions and Churches
- 4.3 Partnership with Non-state Actors such as Komaza, Better-Globe, Gatsby for development of Commercial Forestry

5.0 Research and development

KFS continue to benefit from the research services offered by KEFRI and other Institutions of higher learning

It is important to note that the greatest potential of commercial forestry development lies outside gazetted public forests jurisdictions and particularly in the Arid and Semi and Arid Lands (ASALs) areas which constitute about 80% of the County.

Research findings for dryland trees species (*Melia volkensii*, *Gmelina arborea*) should be implemented through development of Technical Notes that will further enable KFS develop Technical Orders for the same to inform forest development and management regimes and utilization in the ASALs.

6.0 Innovation and Technology

KFS commits to employ varied innovations and technologies to enhance its management, harvesting and commercialization of its forest plantations.

These Innovations and technologies are the game changer in commercial forestry and giving value for money for forestry investment and in addition enabling farmers to value their trees to reap maximum benefits.

- ❖ **Timbeter Solutions:** A partnership between KFS and Timbeter Co of Estonia. This is an innovative smart-device based solution that enables quick, accurate, effective and transparent measurement of timber and digital data exchange that can be used for the management of the entire supply chain. **Timbeter** detection algorithm is based on Artificial Intelligence (AI) guaranteeing objective and precise results.
- ❖ Need for roll out of Tree calculator by University of Eldoret to support tree valuation methods to realize maximum benefits from trees especially by the farmers.
- ❖ Unmanned Aerial Vehicles

The future to meeting wood demand in Kenya will only be met in the presence of strong Public, Private, People Partnership, each playing their rightful role (not in a competitive but complementary manner) in a favorable policy, governance and legislative framework and which is receptive to technological advancements.

Thank You!