

## **An Assessment of the Policy and Legislative Frameworks for Commercial Forestry Management in Kenya**

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**ABSTRACT:-** Population growth is driving demand for wood products in Kenya, which is facing a wood deficit of 10 million m<sup>3</sup>. The country is only able to meet 70% of its demand through sustainable supply, and this has caused small and medium –sized enterprises to operate below capacity. One of the reasons for this deficit is poor forest plantation management. To resolve this, commercial forestry has been suggested as a solution whereby private actors can be involved in the management of public plantation forests through forest concessions and other joint management arrangements. Public-private partnerships could provide access to private sector financial capital as well as benefits from the transfer of technological and operational efficiencies from the private sector into public forest management. It could also boost employment, income generation, and alleviate poverty. This paper explores the policy and legislative framework for commercial forestry in Kenya that includes: the Public-Private Partnership (PPP) policy, law and regulations, and sustainable forest management approaches like forest management certification and chain of custody certification for forest products. The main study approaches used in the development of this paper include literature review and content analysis of reports, government documents, strategies, and publications related to commercial forestry. The aim is to provide a critical assessment that highlights gaps and opportunities to be addressed in future policy formulation and implementation of commercial forestry in Kenya. The paper demonstrates that the Forest Management and Coordination Act (FMCA) 2016 contains most of the requirements outlined in the FAO Voluntary guidelines on forest concessions, though there is need to address some gaps such as: the harvesting value of an area, forest revenue collection, management of rescinded concessions, evaluation of the concession process, the mode of bidding, gender inclusion and independent observation. With regards to certification, although the socio-economic and environmental benefits of certification are sometimes not clear, it has played a major role in the adoption of sustainable forest management practices in forest concessions. In conclusion, to promote willingness to invest in a long term venture such as commercial forestry, there is need for secure land tenure, respect for private ownership, reliable economic guidelines and standards, transparent governance, effective measures for tackling corruption, and efficient conflict resolution mechanism.

**Key words:** Public Private Partnerships, concessions, forest management certification, chain of custody.

### **I. INTRODUCTION**

Population growth is driving demand for fuel-wood, construction materials, and sawn timber in Kenya. It is estimated that the country can only meet 70% of its demand through sustainable domestic supply (Beam exchange, 2020). The current wood deficit at 10 million cubic meters, which is partly attributed to sub-optimal plantation management. This shortage of raw materials has caused small and medium-sized enterprises to operate below capacity. Thus, policy reform at the national and county level is needed to create an enabling environment for sustainable forestry (Draft National Forest Policy, 2020).

The draft National Forest Policy and the Forest Management and Coordination Act (FMCA) of 2016 have outlined forest concessions as a means of involving the private sector in sustainable public forest management. This arrangement could provide access to private sector financial capital, as well as benefits from the transfer of technological and operational efficiencies from the private sector into the public sector forest management. It could also boost employment, income generation, and alleviate poverty (Ong'olo, 2006).

Other legislations and policies relevant to forest concessions include the Public-Private Partnership (PPP) policy, law and regulations. Applicable instruments for sustainable forest management include forest management certification and chain of custody certification for forest products. The paper explores the potential of these interventions to boost sustainable commercial forestry in Kenya.

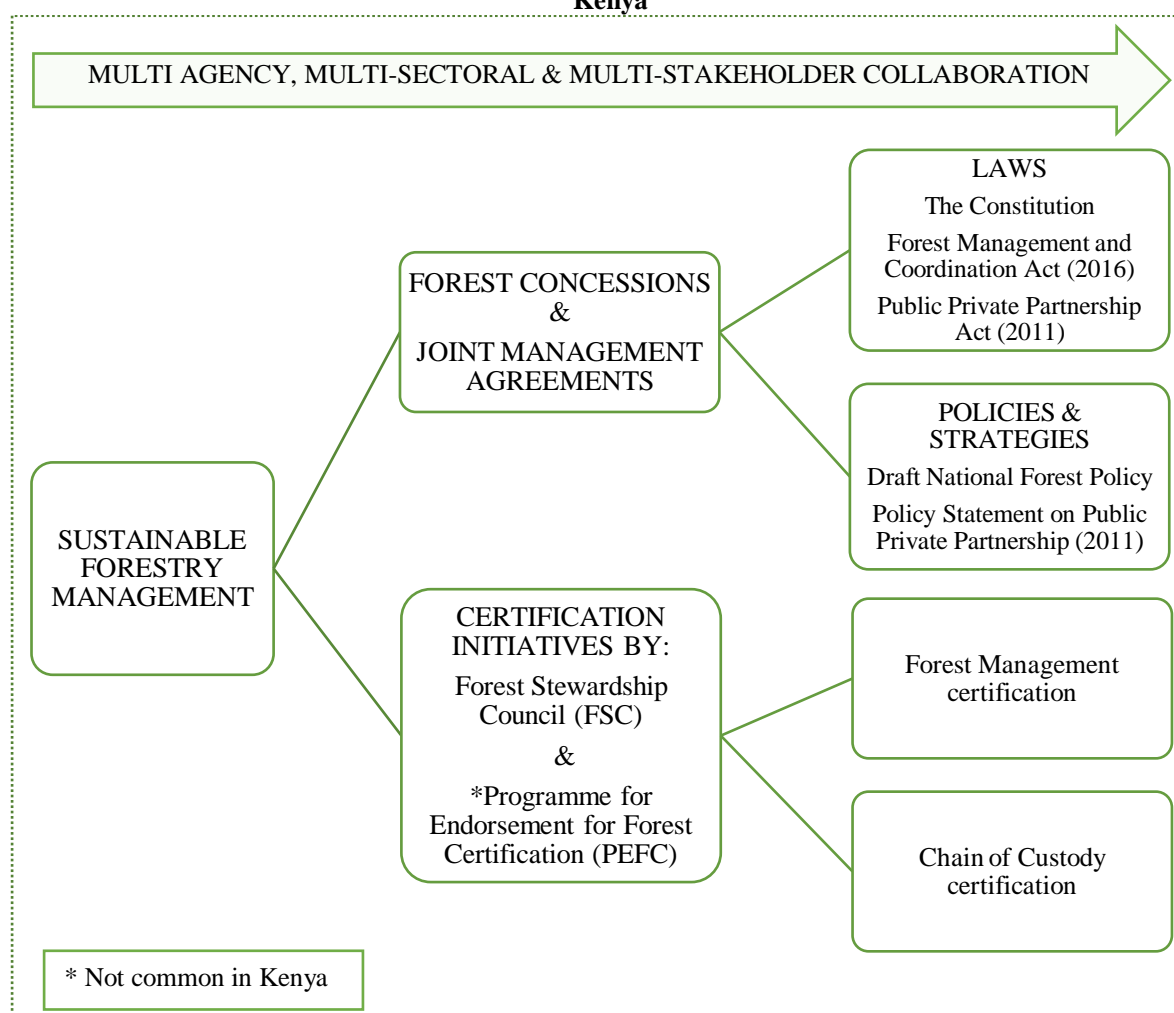
#### ***Rationale for commercial forestry in Kenya***

The public sector forests in Kenya face management, staffing and governance challenges such as: inadequate funding, poor supervision and protection, insufficient participation of key stakeholders in decision-

making processes, poor coordination between enforcement and management agencies, inadequate legal provisions and deficient technical skills. There are also compliance challenges such as lack of transparency and accountability including disregard for policies and laws. The situation is worsened by competition from other land uses such as agriculture and settlements. All these challenges have accelerated the rate of loss of forest cover in the country with public plantations, bushlands, and indigenous closed forests declining, except for trees on farms and private forests. (Cheboiwo, Mutta, et al., 2018)

The inability of public forest plantations in Kenya to meet local timber needs therefore presents an opportunity for the private sector to close this wood supply gap through forest concessions. This can be done through implementation of schemes for instance the Sawlog Production Grant Scheme (SPGS) in Uganda where over 900 individuals and corporate companies have benefited (Kakungulu, 2018). In Sweden where commercial forestry is well established, one of the contributing success factors was the motivation of forest owners and investors through creation of trust in the stability of laws, government policies and respect for private ownership (Lundgren, 2006). Therefore, to facilitate the uptake of commercial forestry in Kenya, there is need for enabling policies across the forest value chain.

**Figure 1: Forestry related legislation, policies and initiatives for commercial forestry management in Kenya**



### Approaches

The main approaches used in the writing of this paper include literature review and content analysis of reports, government documents, strategies, and publications related to commercial forestry. The aim is to conduct a policy review that provides a critical assessment and communication of gaps and opportunities to be addressed in future policy formulation and implementation of commercial forestry in Kenya.

## **Key Findings**

This paper focuses on sustainable management approaches for improving commercial forestry in Kenya's *public plantation forests*. These include forest management and chain of custody certification, as well as public private partnerships implemented through joint forest management or forest concessions.

### **1. Public Private Partnerships (PPPs)**

#### **1.1. Background**

PPPs could generally be defined as institutional relationships between private and state actors to jointly participate in the design and implementation of an agreement of cooperation (Ong'olo, 2006). They are arrangements whereby private entities invest, manage, and deliver goods and services using public property for a specified duration, in return for a variety of benefits such as financial returns. In this arrangement, public agencies can leverage on the private entity's efficiency, technological and management expertise, as well as financial resources to accelerate the achievement of high priority public projects. Both parties can build on each other's expertise to optimally meet clearly defined public needs through the most appropriate allocation of resources, risks and rewards (Cheboiwo, Mutta, et al., 2018 & Cheboiwo, Nasroun, et al., 2018).

PPPs have commonly been used in the improvement of public physical infrastructure such as transport, water, electricity and telecommunications. Over time, this has shifted to include the development of public social infrastructure like health, education, and services such as waste management, agricultural extension, among others. Evidence from countries with a relatively long experience in implementation of PPPs shows that they are complex, demanding and time-consuming. However, under the right conditions they can provide significant benefits to both the public and private sector actors (Ong'olo, 2006).

#### **1.2 Policy and legislative framework for implementing Public Private Partnerships (PPPs) in Kenya**

To enable the implementation of PPP projects in Kenya, a multi-sectoral legislation, the Public Private Partnership (PPP) Act (2011) and the Policy Statement on Public Private Partnerships (2011) were formulated.

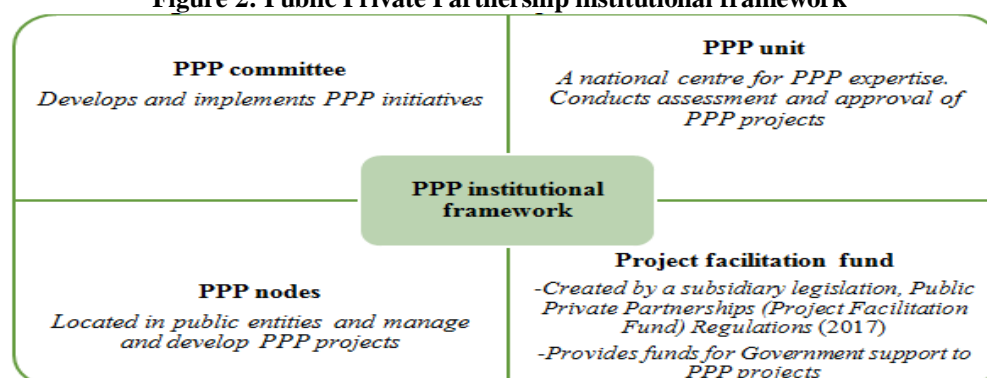
##### *Policy Statement on Public Private Partnership (2011)*

The Policy defines Public Private Partnerships as 'an agreement between a public and private entity for the performance of a public function, where the private entity derives benefit through compensation from a public fund, charge or fees for service provided, or a combination of both'. It provides for the establishment of institutions to support PPPs in Kenya, facilitates the mobilisation of domestic and international private sector investment, and makes provisions for Government support for PPP projects, as well as a clear and transparent process for project development. Concessions are provided for under Annex I of the policy as a permitted PPP arrangement.

##### *The Public Private Partnership Act 2013*

It provides the legal framework under which the PPP policy is to be effected. It facilitates the participation of the private sector in financing, construction, development, operation, or maintenance of public infrastructure or development projects through concession or contractual agreements. The Act establishes a set of general principles and rules for PPPs based on best practices. It also establishes institutions that perform various functions in the implementation of PPP projects in the country. These include the PPP committee, PPP unit, PPP nodes and the Project facilitation fund as shown in Figure 3.

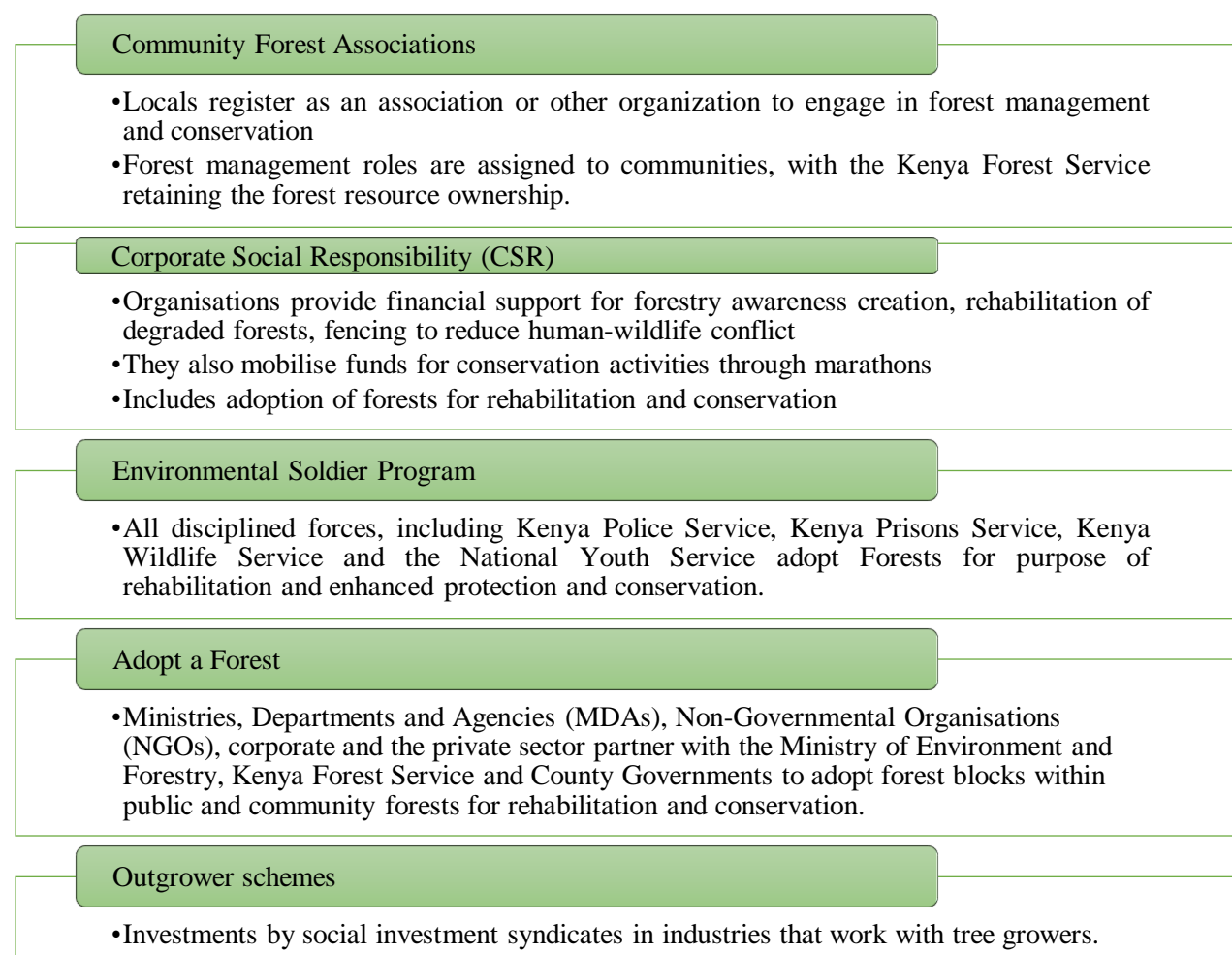
Figure 2: Public Private Partnership institutional framework



### The draft National forest policy

It identifies joint management agreements and forest concessions as long-term management mechanisms for promoting public/private sector partnerships in plantation development. There are variants of PPPs being applied in the joint management of forests in Kenya illustrated in figure 3. However, such agreements tend to lean more towards conservation and rehabilitation. They would therefore be more suited to management of natural forests or commercial forestry activities related to non-wood forest products and biodiversity and ecosystem services. According to (Gray, 2002), natural forests cannot be managed efficiently or successfully through privatisation due to their numerous non-market, environmental and non-timber public benefits. Thus forest concessions are more suitable for fast-growing forest plantations favoured by commercial forestry ventures focused on wood-based products.

Figure 3: Variations of PPP forestry models in Kenya



Source: (Cheboiwo, Mutta, et al., 2018; Ministry of Environment and Forestry, 2019)

### 1.3 Forest Concessions

A forest concession, 'is a contractual arrangement for the temporary allocation of public forest resources by the legal owner of an area (typically the state) to another party (e.g. companies, communities, NGOs [Non-governmental organizations]). It grants rights for the utilization of specified forest resources and services and/or obligations for forest management in a given forest area'. Globally, it is estimated that 72% of tropical forests are public. Therefore forest concessions, if managed sustainably, could provide benefits such as: delivery of sustainable forest management of public production forests; provision of ecosystem services; delivery of socio-economic benefits as well as livelihood improvement; and contribution to gender-sensitive organisation and empowerment in rural communities. (FAO & EFI, 2018)

The FAO has developed voluntary guidelines based on examples from good practices that enable improved design, implementation and administration of forest concessions. There are different approaches for designing forest concessions. The table below summarises the different types of scenarios under which a forest concession can be designed.

**Table 1: Types of forest Concessions**

cenarios	Allocation of rights and obligations			Concession objective				Forest condition		
	Private	Community	Combination of both	Timber	Non-wood forest products	Services	Multiple use	Primary forest	Managed primary forest	Secondary forest and degraded forestland
Scenario 1: industrial-scale concession	X			X			X	X	X	
Scenario 2: community concessions		X					X	X	X	X
Scenario 3: public-private community partnership			X				X	X	X	X
Scenario 4: conservation or restoration concessions	X	X	X			X		X	X	X

Source: (FAO & EFI, 2018)

### 1.4 Policy and legislative framework for implementing concessions in the forestry sector

Concession agreement under FMCA 2016 is defined as 'means authorization which is a long term agreement issued by the Service for the management of a specified forest area at a price determined after forest valuation and bidding.' The policy and legislative framework for its implementation includes the outlined policy and legislations below.

#### The Constitution

The Constitution provides a foundation for institutional and governance support for the implementation of forest concessions. Under Section 60-68 it clearly outlines issues with respect to classification, ownership, and administration of land and its resources. Under Section 71(1) (a), it provides for the ratification of concessions. Parliament can ratify transactions that 'involve the 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'(Constitution of Kenya, 2010).

#### The draft National Forest Policy

The policy recognises the importance of the private sector in the forestry sector. It recognises concessions as a mechanism for promoting public/private sector partnerships in public plantation development.

#### The Forest Management and Coordination Act (FMCA), 2016

The Act defines forest concession as 'the right of use granted to an individual or organization in respect to a specific area in a national or county forest by means of a long-term contract for the purpose of commercial forest management and utilization'. In line with the draft National Forest Policy, it identifies concessions as one of the mechanisms for managing public plantation forests.

Under the Act, the Kenya Forest Service (KFS) can determine whether all or part of a public forest may be efficiently managed through a concession or other arrangement. This is to be followed by an advertisement in at least two daily newspapers of national circulation calling for applications from interested persons for the management of the public forest. Interested applicants are expected to submit their application together with a proposed management plan for the forest. Concessions are to be granted in accordance with the Constitution, FMCA (2016), and other relevant written laws.

The conditions for granting a concession are; the submission of an independent environmental impact assessment of the proposal, and public consultation.

The duties conferred on the person to be granted a concession include:

- a) Compliance with guidelines or management plans prescribed by KFS.
- b) Preparation of environmental and social impact assessments that may be required under other written laws.
- c) Preparation of a concession area forest management plan that indicates inventories, reforestation or replanting programmes, annual operation plans and community user rights and benefits.
- d) Protection of the concession area from destruction and encroachment.
- e) Maintenance of the biodiversity, cultural, or recreational uses of the forest area under concession.
- f) Maintenance of the physical boundaries of the concession.
- g) Prevention of occurrence and spread of forest fires.
- h) Adherence to the license conditions regarding construction and operation of structures and facilities.
- i) Payment of applicable land rents, fees and other charges levied for utilisation of resources within the concession area.

The Act transfers the liability of any loss or damage, including negligence of employees, to the person granted the concession. To ascertain financial viability of the grantee of the concession, KFS is authorised to require an 'Environmental Protection Bond' that will be determined by the Cabinet Secretary. The bond should sufficiently cover the costs associated with implementation of environmental obligations specified under the concession. In case of any breaches to the conditions of the concession, KFS may withdraw the concession.

The Act under Section 71 (2) (m) also provides for the creation of regulations that provide the conditions for the application, granting, variation and cancellation of licences, permits, leases, concessions and other agreements, and the manner in which a person to whom a licence is granted may exercise a right or privilege conferred upon him/her by the licence.

Section 72 (1) (e) authorises the Chief Conservator of Forests to maintain a register of forest management agreements and concessions, which shall be open to the members of the public to inspections.

Despite the provision for public forestland concession in Kenya under the draft National Forest Policy and the FMCA (2016), concessions have not been undertaken due to lack of subsidiary legislation (Cheboiwo, Mutta, et al., 2018).

### **Deduction**

The provisions on forest concession under the FMCA (2016) meet most of the requirements proposed under FAO forest concession guidelines. However, some components such as harvesting value of an area, forest revenue collection, management of rescinded concessions, and evaluation of the concession process are not indicated.

Though the Act has included procedures to ensure transparency such as public participation and inspection of registers by members of the public, there are no clear provisions to promote competitive bidding. The type of bidding to be conducted has not been mentioned. In addition, KFS oversees the whole process without provisions for independent observation. This could provide an opportunity for administrative collusion and corruption. Lastly, gender inclusion is not explicitly stated but can be implied, given that gender consideration in projects and programmes is required under law.



**Table 2: Summary of FMCA (2016) forest concession provisions in comparison to proposed FAO forest concession guidelines.**

<b>FOREST CONCESSION PROCESS</b>	<b>FAO PROPOSED CONTENT OF CONCESSION AGREEMENT</b>	<b>FMCA (2016) &amp; NATIONAL FOREST POLICY</b>
<b>Forest Concession Planning</b>	Land use plan	✓
	Designation of forest according to forest zoning (exploration and scoping studies, resource inventories, economic feasibility, social and environmental impact assessments)	✓
	Concession location, access, tenure clarity, presence of local populations, community rights and traditions, opportunity costs related to biodiversity and ecosystems services and other potential land uses.	✓
<b>Preparing the allocation for forest concessions</b>	Harvesting value of area	✗
	Mapping overlapping uses and assessing exclusive rights and responsibilities	✓
	Gender based approach (inclusion of men and women)	✗
	Stakeholder consultation with relevant government agencies and communities	✓
	Confirming socio-economic situation of forest sector	✓
<b>Development of forest concession contracts</b>	Conditions, rights and responsibilities	✓
<b>Transparent, accountable and inclusive awarding of concession contracts</b>	Should be competitive	✗
	Should be transparent	✓
	Efficient utilisation and management of forest area by concession holder	✓
	Independent observation	✗
<b>Contract implementation, monitoring and enforcement</b>	Development of supplementary documents by contractor as required in the contract	✓
	Preparation of the area	✓
	Monitoring and inspection by relevant parties	✓
	Forest revenue collection	✗
	Enforcement procedures and penalties in accordance with those stipulated by law and the contract	✓
<b>Post-contract follow-up</b>	Evaluation of the concession holder's contract implementation performance and determining possibility of contract renewal	✓
	Developing and implementing working systems to manage or pass on expired and rescinded concessions to avoid situations where they are left unmanaged and without control	✗
	Evaluate all stages to derive lessons learnt and modify the stages and relevant processes accordingly	✗

KEY:

✓ Present

✗ Absent

## **2. Forest Management and forest products Chain of Custody (CoC) certification**

The demand for wood products from well managed forests and controlled sources is driven by the trend of mandatory requirements becoming more stringent, and growing consumer awareness of environmental issues. The trigger for the development of certification schemes was the global consensus on forest stewardship during the United Nations Conference on Development (UNCED) in 1992 (Owino, 2003). The notable organisations

involved in the development of forest certification and CoC schemes include the Forest Stewardship Council (FSC) and the Programme for Endorsement for Forest Certification (PEFC) as shown below.

*Box 1: Forest Certification Organisations*

***Forest Stewardship Council (FSC)***

It was established in 1993 in response to concerns over global deforestation. It is an independent, non-governmental, non-profit organisation with the objective of promoting sustainable management of global forests. It is represented in more than 50 countries in the world and has certified more than 148 million hectares of forests worldwide.

The FSC has published a standard which outlines 10 principles and criteria for forest stewardship and requirements for Chain of Custody (CoC) that;

- Provide internationally recognised standard-setting, trademark assurance, and accreditation services to companies, organisation, and communities interested in sustainable forestry; and
- Enable consumers and businesses to make informed purchasing decisions through providing a link between responsible consumption and production. (FSC Africa, 2020; Marais, 2012)

***Programme for Endorsement for Forest Certification (PEFC)***

It is an international, non-governmental, not-for profit organisation that was established in 1999 due to concern over the protection of global forests. It is an umbrella organisation that endorses national forest certification systems adapted to local priorities and conditions and developed through multi-stakeholder processes.

Its eco label aids consumers to identify products from sustainably managed forests. It also promotes Sustainable Forest Management through independent third party verification done using PEFC Sustainability benchmarks. It promotes good practice across the entire supply chain and ensures that timber and non-timber forest products are produced in consideration of the highest ecological, social, and ethical standards. (FSC Africa, 2020; SGS Kenya, 2021)



## **2.1 Forest Management Certification**

Forest management certification is an independent assessment of a forest management unit to verify that the forest complies with internationally recognised standards such as those of the FSC and PEFC. It provides a guarantee of responsible management. It confirms that the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers while ensuring it sustains economic viability. The FSC has published a standard which outlines 10 principles and criteria for forest stewardship. The principles cover a range of issues such as maintaining high conservation values, community relations and workers' right, as well as monitoring environmental and social impacts of forest management. It also provides criteria relating to each principle to provide practical ways of monitoring achievement. The FSC standard is the one currently being used in Kenya. (FSC Africa, 2020)

### **2.1.1 National and interim national standards**

The FSC principles and criteria set out global requirements for sustainable forest management. The international generic indicators are then adapted at the regional and national level to reflect the context of the forests in different parts of the world. The resulting adjustment is incorporated into a National Forest Stewardship standard. Countries that lack this national standard can form a technical working group and develop an Interim National Standard (INS). (FSC Africa, 2020)

In Kenya, the INS has been developed that, once approved, will enhance uptake and growth of Forest Management Certification. The INS is based on the FSC Principles and Criteria (V5-2) and the International Generic Indicators (IGIs). The adaptation process and stakeholder consultation was performed by Soil Association Certification Limited. FSC then approved the INS on 21 January 2021. The INS of Kenya can be used for the certification of rough wood and baobab (*Adansonia digitata*) and for all types of organizations working in all types of forests in Kenya, including small and low-intensity managed forests (SLIMF). The INS will pave way for a full National Forest Stewardship Standard. Kenya will be the 4<sup>th</sup> country in East Africa to have an FSC standard. (FSC Africa, 2020; FSC International, 2021)

### **2.1.2 Group and SLIMF certification**

FSC certificate holders can also unite to form a group certification scheme and share their efforts for forest management planning, harvesting, monitoring and marketing their products. The benefit of this is that it makes it easier for smallholders to become FSC certified, since members share costs and workload for applying and maintaining an FSC certificate. Small or Low Intensity Managed Forests (SLIMF) are eligible for streamlined requirements and auditing procedures that reduce the costs and efforts of certification. Several countries, such as Kenya, have developed specific forest management requirements for SLIMF in their national standard to facilitate the certification process for smallholders. Auditing procedures for SLIMF operations can be relaxed compared to that of other certification categories. (FSC Africa, 2020)

## **2.2 Forest Product Chain of Custody (CoC)**

Forest product CoC involves tracking of the origin of wood products to guarantee its authenticity throughout the supply chain (SGS Kenya, 2021). It provides credible confirmation for products with environmentally friendly and socially responsible sources to access the market. For FSC certified products, it verifies that certified material has been identified and separated from non-certified and non-controlled material all through the value chain. FSC has provision for the certification of products that may carry a different composition from the FSC-certified forest material (100%). This includes controlled wood and/or reclaimed materials. Reclaimed material is included due to its role in the protection of forests (FSC International, 2021).

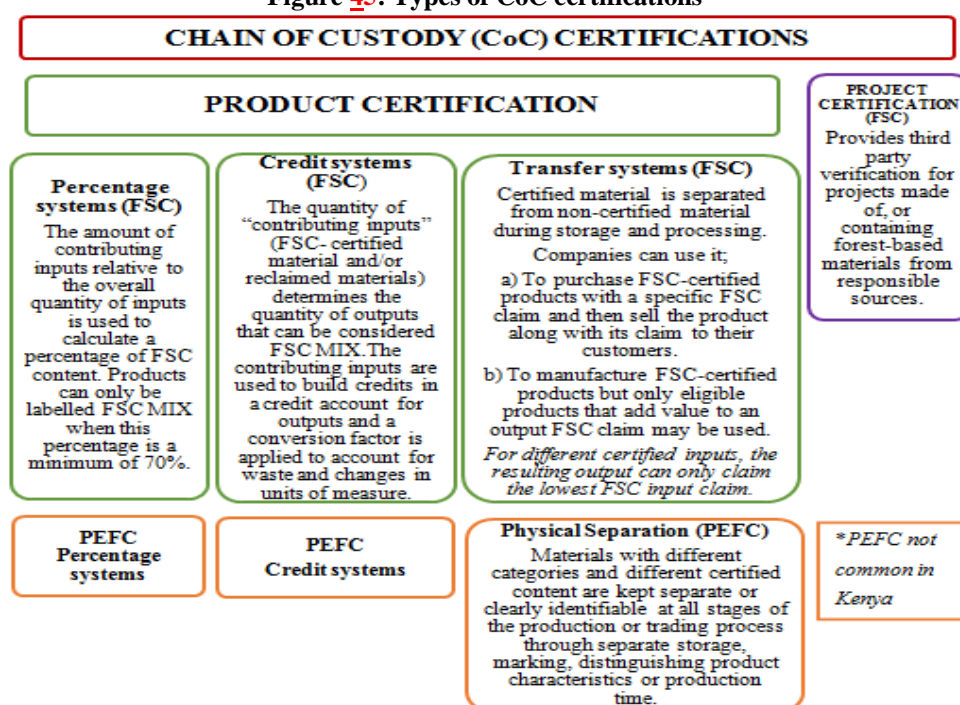
The FMCA (2016) has provisions for the publication of a chain of custody system by KFS. The system is to be used in the verification of the origin of forest products from public, community and private forests and to determine the compliance of license holders. Upon request, KFS is also required to support the establishment and maintenance of a chain of custody system by a county government. The draft National Forest Policy also calls for the development and implementation of a national chain of custody system to track the movement of forest products for local and export markets. As of 2020, seven (7) businesses have acquired FSC chain of custody certification (FSC Africa, 2020).

## **Deduction**

According to Hensbergen (2018), there has been no clear evidence of the positive economic, social and environmental impacts of forest certification. For instance, where certification includes the transfer of forest

tenure rights, or where certification is part of a development assistance package. In these cases, the positive impacts could be attributed solely to those activities as opposed to certification. Where benefits of certification are clear, the sustainable practices have also been adopted in uncertified areas resulting in a wider net effect of such practices. Government technical assistance programmes are also likely to adopt standards in line with certification. Despite the lack of direct evidence of the positive impact of certification in a number of instances, certification has played a major role in the adoption of sustainable forest management practices in forest concessions. In some countries, certification has led to improvements in quantity and quality of employment especially with regards to occupational health and safety of workers, as required under certification schemes.

Figure 45: Types of CoC certifications



From the overview of the policy landscape for commercial forestry management in Kenya, it is evident that its policy framework is still in the preliminary stages of development. More effort needs to be made in the formulation of subsidiary legislation to effect PPPs and concessions in the forestry sector, as well as the development of a fully-fledged national certification scheme for forestry products.

### Lessons and Recommendations

Based on publications by (FAO & EFI, 2018; Hensbergen, 2018; Kakungulu, 2018; Lundgren, 2006) the following are lessons and recommendations that can be drawn from other countries' experiences to inform future formulation and review of the commercial forestry policy and legislative framework.

1. The *potential gains of commercial forestry need to be visible* through employment creation, and profits for farmers and forest owners. This will help create public support for commercial forestry activities especially in view of other competitive value streams such as agriculture.
2. Lack of transparency in the allocation of forest tenure is a key limiting factor in the proper functioning of a forest concession. Moreover, corruption in forest concession systems lead to reduced government revenues from concession-holders since large portions of these revenues do not reach the government. It also makes policy instruments ineffective. Therefore, *policy development must consider long term measures for tackling corruption and illegality*. For instance, developing strategies to discourage corruption as an option for government officials. In Uganda, the historical fall in value in the salaries of forest officers was a major driver for enabling corruption. Thus an increase in salaries of forest officers could be a strategy to address the vice.
3. There is need for an enabling policy framework throughout the entire forest value chain to support commercial forestry in Kenya. The *forest policy should be simple and focus on key issues* that need resolution while ensuring a good balance of the needs of various stakeholders.
4. *Policies for commercial forestry should adopt a long-term perspective* and be supported by reliable facts based on science and proven experience in areas such as status and trends in forest resources, and economics of forest operations and industry.

5. *Third-party observers of all types should be welcomed as contributors to good governance* because of their independence and access to information. Non-Governmental Organisations play a crucial role in consensus building processes when policies and legislation are being developed. They contribute to high ethical standards and professionalism through training, advice and other forms of support to members, as well as providing important linkages with organisations and other stakeholders both locally and internationally.
6. Sustainable forest management will take time to develop and its evolution needs the *strong support and collaboration of stakeholders* in forestry research, education and technological development.
7. There are inherent gender inequalities across the forestry value chain that hinder access to land and capital for women. There is need for *innovative incentive based schemes that can provide grants and low cost capital as well as initiatives and policies to provide access to public land* for the enhanced participation of women in commercial forestry activities.
8. The Government needs to provide *cost-effective technical support* to commercial forestry activities. This could be achieved through forestry research, extension services, education and training, inventories of forests and tree resources, market information and analysis, and monitoring and evaluation systems.
9. There is also need for *increased institutional capacity of lead forestry agencies and the strengthening of linkages between science, policy and practice* in the forestry sector. Governments should allocate significantly more resources to managing the forest sector as well as more investment in the regulatory system through reform and capacity building.
10. *Harmonisation of conflicting policies and laws and streamlining of mandates between lead agencies* that may have functions related to or affected by commercial forestry activities should be done. This will enhance collaboration that will limit inter-agency and inter-sectoral conflicts and reduce barriers in commercial forestry activities.
11. In Zambia, concessions have been successful in limiting deforestation in community managed lands through *agreements that properly take into account all legal and customary rights among all forest-level stakeholders* on forest management and the division of benefits from the forest.
12. *Systems for the allocation of concessions should be fully transparent, with full public disclosure* of all information related to competitive bids. Mechanisms for facilitating public participation should be put in place to allow public input into allocation decisions. In addition, the systems should be simplified and allocations must avoid unnecessary delays which are costly for businesses.
13. Governments should aim to achieve *mixed concession systems* that include both private concessions and community concessions.
14. There is a complaint that certification does not lead to higher prices for forest products in original markets. This could provide an opportunity for *sourcing new alternative markets* where customers are prepared to pay more for higher quality products and certification. This may also result in original markets increasing their price offers due to resulting timber shortages. Penetrating new markets would need the support of governments, NGOs and forest sector organisations to assist in the marketing of forest products in new markets.

## **V. CONCLUSION**

To promote willingness to invest in a long term venture such as commercial forestry, there is need for; secure land tenure, respect for private ownership, reliable economic guidelines and standards, transparent governance, effective measures for tackling corruption, and efficient conflict resolution mechanisms.

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