Miti Mingi Maisha Bora (MMMB) Programme -
Support to Forest Sector Reform in Kenya

Draft Report

Second Forest Products Market Analysis and Enterprise Development Consultancy

Implementing FAO’s Market Analysis & Development Methodology in the ASALs and development of a KFS specific Enterprise Development Methodology

Consultant: Liz Betser

Assignment carried out in Kenya:
March 2014 – July 2015 (6 months)

Ministry of Forestry and Wildlife / Kenya Forest Service
### List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASAL</td>
<td>Arid and Semi-Arid Areas</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CBED</td>
<td>Community Based Enterprise Development</td>
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<tr>
<td>CEC</td>
<td>County Ecosystem Coordinator</td>
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<tr>
<td>CFA</td>
<td>Community Forest Association</td>
</tr>
<tr>
<td>CPA</td>
<td>Charcoal Producer Associations</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
</tr>
<tr>
<td>CM</td>
<td>Component Manager</td>
</tr>
<tr>
<td>CTA</td>
<td>Chief Technical Adviser</td>
</tr>
<tr>
<td>EDP</td>
<td>Enterprise Development Plan (or Business Plan)</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
</tr>
<tr>
<td>FEA</td>
<td>Forest Enterprise Adviser (Long Term Technical Adviser)</td>
</tr>
<tr>
<td>FFS/FFFS</td>
<td>Farmer Field Schools / Farmer Forestry Field Schools</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>ISTC</td>
<td>International Short Term Consultant</td>
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<tr>
<td>KEFRI</td>
<td>Kenya Forestry Research Institute</td>
</tr>
<tr>
<td>KFS</td>
<td>Kenya Forest Service</td>
</tr>
<tr>
<td>MA&amp;ED</td>
<td>Market Analysis and Enterprise Development. The use of an MA&amp;D based approach within MMMB</td>
</tr>
<tr>
<td>MA&amp;D</td>
<td>Market Analysis and Development – an FAO methodology for participatory community enterprise development</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MoFW</td>
<td>Ministry of Forestry and Wildlife of Kenya</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
</tr>
<tr>
<td>NSTC</td>
<td>National Short Term Consultant</td>
</tr>
<tr>
<td>PM</td>
<td>Programme Manager</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
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<td>------------------------------</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Advisor</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>VCA</td>
<td>Value Chain Analysis</td>
</tr>
<tr>
<td>ZM</td>
<td>Zonal Manager</td>
</tr>
</tbody>
</table>
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1 Executive Summary

The Market Analysis and Enterprise Development (MA&ED) was a new approach for KFS and KEFRI and this consultancy has focused guiding the completion of this pilot work in six ASAL counties and developing exit strategies. The approach is based on an FAO methodology which has been working in developing countries for more than a decade. A cornerstone of the approach is to systematically include and stress linkages among social and environmental concerns alongside technological, commercial and financial aspects of community enterprise development.

The methodology is highly participatory, ensuring that the community enterprises will become self-sustaining rather than dependent upon outside assistance. In this way enterprises are expected to continue to grow and develop long after the programme has ended. This is in contrast to the many community enterprises that have stalled in their development once agencies have completed their project assistance. It is for this reason that these ‘stalled’ honey and aloe enterprises were specifically targeted by the MA&ED implementation team. Charcoal was targeted due to the new development of the CPAs and CPGs together with the sustainability requirements of the business under the Charcoal Rules meaning that the MA&D approach was ideally suited for the sector.

After a slow start, the introduction of facilitator contracts enabling them to work with the community Enterprise Groups on a regular basis, has allowed for promising results to be achieved on the ground. Not all counties have progressed at the same speed and the three counties, Kwale then Makueni are the lead counties – this is due to more focus being put on Kwale together with the stability and quality of the teams in these locations.

The devolution of forestry extension has made a major impact on the exit strategies as they need to be appropriate for county, rather than KFS, future implementation. The development of exit strategies has focused on two areas. The first is concentrated on capacity building the Enterprise Groups so that they can function without external assistance as well as encouraging the relevant county governments to take over and continue the MA&D process. One early example of success is the commitment in Mwingi to continue with the charcoal work for a further two years after the end of MMMB.

A second exit strategy is much wider ranging and revolves around the development of a new hybrid enterprise development methodology named ‘Misitu Biashara’ (Forestry Business). Misitu Biashara has been developed to blend three FAO methodologies together (MA&D, FFS and Rural Invest). This is now the recognised KFS approach to enterprise development and it is hoped that this could be devolved to the county level and included in the Kenya Forestry Curriculum in a new project. A draft manual has been developed and initial testing is being carried out in Meru North (and outside of MMMB in two further counties).
2 Introduction

2.1 Background: Kenya Forest Service and Miti Mingi Masha Bora Programme

The Governments of Kenya and Finland are supporting the “Miti Mingi Maisha Bora” programme of reforms to the Kenya forest sector. The overall aim is to reduce poverty through ensuring that the forest sector contributes to improving the lives of the poor, restoring the environment and aiding the economic recovery and growth of Kenya within the context of Vision 2030. The programme (MMMB) is organised around four components.

This consultancy was carried out under Component 4 of the MMMB Programme, which addresses the underlying poverty alleviation agenda through a focus on developing practical tools for improving livelihoods in ASALs. The approach is to support sustainable production and trade in bio-energy and other forest products – the target being viable forestry enterprises relating to management of woody resources on private and trust lands. The expected outflow is increased income to farmers and communities through production, processing and marketing of wood and non-wood forest products.

As a result of the Mid-term Evaluation the programme was extended by 15 months which means that MMMB will now conclude in December 2015.

2.2 Consultancy Objective and Purpose

This consultancy is a continuation of the market analysis and enterprise development (MA&ED) work carried out in the FY2010/11 & FY2011/12. MA&D is an innovative process that systematically considers social and environmental concerns alongside the technological, commercial and financial aspects of enterprise development.

The objective was to assist progression of the FAO methodology for Market Analysis and Development (MA&D). It was felt to be particularly important to employ an enterprise development ISTC at this juncture due to the lack of replacement of the previous FEA in 2013.

According to the ToR (see Annex I), this consultancy should support the start-up of selected enterprises and the building of competence in applying the MA&D approach within KFS and county administrations. The consultant was also required to consolidate a series of general tools that could contribute to realisation of business ideas. In this endeavour, the consultant was to assist the MMMB Component 4 Team to:

- Undertake operational trials of the fourth and final phase of MA&D
- Focus on three products in pilot counties seen to offer the best chance of success
- Construct an exit strategy for MMMB’s relationship with MA&D
- Build capacity and commitment to using this model at county level

The original timeframe for this ISTC contract was 3 months (63 days) but an additional 3 month (63 days) extension was added. This additional time was been allocated to allow for the construction of
a hybrid enterprise development methodology (now named ‘Misitu Biashara’) that was expected to become the new enterprise development approach for KFS in its entirety as well as providing a platform for future enterprise development training at the Kenya Forestry College.

- Results achieved from the first two months of the ISTC assignment showed that the development of a hybrid enterprise development model drew comprehensive senior level KFS support. Consequently, there was an expectation the outputs of this task could have a significant impact.
- A second reason the extension of this contract was due to a realisation that there were insufficient resources in terms of KFS-MMMB personnel to either complete the development of the hybrid enterprise development approach or the business skills development manual.

All these objectives were achieved in this consultancy.

### 2.3 MA&D Methodology

A major focus of this consultancy was to continue to capacity build key partners at different levels using the Market Analysis and Development (MA&D) methodology which was developed by the FAO and selected by the MMMB project (prior to the consultant’s inputs). The MA&D methodology is a step-by-step process, which provides community members with the ability to identify and develop viable tree and forest product enterprises within the context of sustainable natural resources utilisation and equitable distribution of benefits.

The MA&D approach was specifically developed to assist people in achieving a sustainable livelihood system so that their households and community economic assets could be increased and natural resource management improved. The main strength of the MA&D process is the high degree of community involvement in the planning and design of the enterprise and finally the business plan. Its focus is on building the capacity of local people to become entrepreneurs. In summary:

- **MA&D** represents a shift away from traditional direct intervention support. Communities benefiting from aid projects often develop a “wait for assistance” attitude. In MA&D, entrepreneurs are expected to be fully engaged in their projects, including taking responsibility for related risks.

- The approach shifts thinking from an assistance-driven mentality towards a process owned by empowered entrepreneurs.

- **MA&D** takes into account environmental, social, institutional and technical factors, as well as commercial and financial aspects of a product. Sustainability is a key component of the MA&D approach.
The four MA&D Phases are shown in the following diagram:

A summary of the outputs for each of the Phases are provided below

**Phase 1: Assess the existing situation**
- A shortlist of products that is evaluated in the next MA&D Phase.
- Understanding of the social, environmental and technical constraints of a range of products.
- Formation of a team of target group members to undertake Phase 2

As a result of the information gathered and the analysis of Phase 1, products were shortlisted for in-depth feasibility studies in Phase 2

**Phase 2: Identify products, markets and means of marketing**
- The most promising products were identified and information gathered for the design of the business plans
- Formation of interest groups for the selected products who undertook the activities in Phase 3

**Phase 3: Plan enterprises for sustainable development**
- Start point: Identification of products and markets that are socially and environmentally sustainable as well as financially promising.
- The output from Phase 3 is the formulation of a plan that integrates all the strategies and services needed by the enterprise in order to be successful
Enterprise groups have formulated their business plans

Training is organised so the enterprises can adequately respond to the needs of targeted markets

**Phase 4: Supporting the start-up phase of the enterprises**

- Start up the enterprise
- Obtain additional training and, if necessary, assistance to start enterprise activities at a pilot level
- Monitor and evaluate the enterprise's development

There are five areas of enterprise development as shown on the following diagram.

![The five areas of enterprise development](image)

It is recommended that all the reporting is carried out using these five elements as well as ensuring that all five aspects are included in MA&D implementation.

Full details on the MA&D approach and methodology can be found on the FAO website[^1].

### 3 Approach

In order to carry out this consultancy, it was essential that the consultant worked as a team with the various MMBB stakeholders. This means that this work is essentially a team effort and all the outputs and directions outlined in this report have been fully discussed by all those involved in this

work and explored. The role of the consultant was to provide guidance and the MA&ED team remained in control of the work and it is the core team (with Abraham Wafula as the technical lead and Business Development and Marketing Officer and Noor Hussein as the Component Manager) who ultimately decide what activities get carried out on the ground and how they are implemented.

The concentration throughout this consultancy has been on Phase 4 implementation and exit strategies. The previous final report from 2012 provides information on the consultant’s prior assignments where the focus was on Phases 1, 2 and 3 and is not replicated in this report.

The dates that the ISTC was in Kenya are:

- 3 – 27 March 2014
- 28 April – 23 May 2014
- 15 September – 7 November 2014
- 16 February – 12 March 2015
- 15th June – 9th June 2015

The table below gives a brief outline of the key outputs that were delivered between March 2014 and July 2015.

<table>
<thead>
<tr>
<th>Area of Work</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidance through progression of Phase 4</td>
<td>Guidance provided on a wide range of product skills training, manuals, factsheets and product packaging</td>
</tr>
<tr>
<td></td>
<td>Provision of guidance on facilitators, associations and S&amp;L consultancies and approach.</td>
</tr>
<tr>
<td></td>
<td>Provision of guidance on facilitator progress and gap assessment through field visits and workshop</td>
</tr>
<tr>
<td></td>
<td>Visited 5 counties (unable to visit Garissa or Ijaara for security reasons)</td>
</tr>
<tr>
<td></td>
<td>Guided plans to complete Phase 4 in a series of product launches.</td>
</tr>
<tr>
<td></td>
<td>All facilitators/ZMs/ECs have product specific Final Action Plans</td>
</tr>
<tr>
<td></td>
<td>Decision made to now reduce as much HQ presence in field training as possible</td>
</tr>
<tr>
<td></td>
<td>Where possible/feasible peer-to-peer training on charcoal production (otherwise KEFRI to continue)</td>
</tr>
<tr>
<td></td>
<td>Use of county officers to carry out training on beekeeping, group management/governance (social officers) and business skills (agribusiness officers)</td>
</tr>
<tr>
<td></td>
<td>Field trials for the group management/governance and business skills will take place in April and May/June (respectively)</td>
</tr>
<tr>
<td>Misitu Biashara Development</td>
<td>Held discussions with key KFS staff on developing an institutional enterprise development approach</td>
</tr>
<tr>
<td></td>
<td>Reviewed a wide range of material including FFS and FFFS material</td>
</tr>
<tr>
<td></td>
<td>Held 3 workshops to first get consensus of how to move forward and then to develop the methodology</td>
</tr>
<tr>
<td></td>
<td>Completed draft manual</td>
</tr>
<tr>
<td></td>
<td>Promoted Misitu Biashara to FAO</td>
</tr>
<tr>
<td></td>
<td>1st Testing site (Maua) visited and reorientated</td>
</tr>
</tbody>
</table>
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Exit Strategies

- Each country developed an exit strategy in March 2015 workshop (Mwingi has already got a 2-year county commitment for charcoal MA&D work)
- Discussion held with KFS Partnerships Office followed by two team concept development meetings held. New project development now led by Head of Extension and Liaison Officer.
- Discussions with FAO and inclusion within the Misitu Biashara process
- Decision made to focus on institutionalising the MA&D model due to devolution.

Document MA&D learning

This activity has been subsumed into the development of the Misitu Biashara Manual as the lesson learning has been used to develop the methodology. A guidance note is also available.

4 Phase 4 Implementation

4.1 Overview

Component 4 is working with 30 enterprise groups (EGs), as well as strengthening 21 Charcoal Producers Associations (CPAs) across 6 pilot counties (Kwale, Makueni, Mwingi, Garissa, Meru North and Taita Taveta). For a range of reasons, including an initial focus on three counties and differing teams the pilot zones are at different levels of achievement with Kwale leading. The ISTC provided hands-on guidance by visiting all the counties in this consultancy with the exception of Garissa for security reasons.

The MA&D implementation is headed by the Business Development and Marketing Officer and the C4 Manager and are supported by a small core team. In the field, engagement with the enterprise groups is carried out by CBO facilitators and KFS foresters with support from the CECs. Over time, the facilitators have reduced in number due to the reduction in enterprise groups (to maximise effectiveness as previously advised by the ISTC and the Mid Term Evaluation) and natural wastage.

There is one CBO facilitator in each county (except Meru North) and they have all considerably improved their skills both in formal workshops and community settings. Unsurprisingly, facilitator skills vary but the previous planning that meant that one forester from each county was assigned to the enterprise development activities which has meant that gaps have been minimised. As anticipated, the long awaited facilitator contracts which began in 2014 have been vital in speeding up the enterprise development capacity building and it is only at this point that significant achievements can start to be seen.

The data is still being collected and analysed and at present is inconsistent between counties but some early results are shown below (data should be treated with caution).

All sites have honey enterprises and the differences in production, turnover and price per kg can clearly be seen in the table below. The results from Kwale, Makueni and Ijara are very encouraging as not only have production figures increased but the price per kg has increased at the same time.
Unfortunately, more detailed data on profits rather than turnover is still being collected for most locations.

**Honey Production and Sales**

<table>
<thead>
<tr>
<th>County</th>
<th>2012 Production (kg)</th>
<th>2012 average price per kg</th>
<th>2012 Sales (Ksh)</th>
<th>2015 Production (Kg)</th>
<th>2015 average price per kg</th>
<th>2015 Sales (KSh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwale (2 groups)</td>
<td>500 (2014 data)</td>
<td>400 (2014 data)</td>
<td>192,500 (2014 data)</td>
<td>319</td>
<td>750</td>
<td>241,800</td>
</tr>
<tr>
<td>Mwingi (1 assoc)</td>
<td>Not yet available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ijara (3 groups)</td>
<td>170</td>
<td>233</td>
<td>40,500 (2014 data)</td>
<td>1,150 (2014 data)</td>
<td>383 (2014 data)</td>
<td>139,500 (2014 data)</td>
</tr>
<tr>
<td>Garissa (2 groups)</td>
<td>88</td>
<td>517</td>
<td>45,800 (2014 data)</td>
<td>95</td>
<td>600</td>
<td>57,000</td>
</tr>
<tr>
<td>Taita Taveta</td>
<td>Not yet available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meru North</td>
<td>Not yet available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Aloe groups can be found in Kwale, Taita Taveta, Mwingi and Ijara. The data is only available for two counties but, as in honey, the results show clear signs of improvement.
### Aloe Detergent, Shampoo and Lotion Production and Sales (excluding soap as in kg in only one Kwale group)

<table>
<thead>
<tr>
<th>County</th>
<th>2012 Production (Litres)</th>
<th>2012 average price/litre</th>
<th>2012 Sales (Ksh)</th>
<th>2014 Production (Litres)</th>
<th>2014 average price/litre</th>
<th>2014 Sales (KSh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makueni</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mwingi (1 group)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ijara (1 group)</td>
<td>150</td>
<td>300</td>
<td>40,500 (2015 data)</td>
<td>1,000</td>
<td>450</td>
<td>450,000</td>
</tr>
<tr>
<td>Garissa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taita Taveta</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meru North</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Charcoal enterprise data is not shown here due to the charcoal ban in some locations making it difficult to compare county data. Charcoal CPAs and CPGs are included in all counties.

The seedling production and planting data is shown below but the sales data is not yet available. The figures from Makueni and Ijara show that considerable sales have taken place. The detail behind the data needs to be further collected and examined as it would be useful to know where the seedlings have come from in Kwale and Mwingi given the much higher numbers of planting compared to production. This seedling data is included here primarily because it is a requirement under the Charcoal Rules but also because it is an opportunity for further income generation.
### Seedling Production and Planting

<table>
<thead>
<tr>
<th>County</th>
<th>2012 – 15 Total seedling produced</th>
<th>2012 – 15 Total seedlings planted</th>
<th>2012 – 15 Total hectares planted</th>
<th>Product Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwale</td>
<td>89,700</td>
<td>207,675</td>
<td>284.28</td>
<td>Charcoal</td>
</tr>
<tr>
<td>Makueni</td>
<td>96,000</td>
<td>51,140</td>
<td>51.1</td>
<td>Charcoal/honey</td>
</tr>
<tr>
<td>Mwingi</td>
<td>700 (2015 figures only)</td>
<td>27,100</td>
<td>54.3</td>
<td>Charcoal</td>
</tr>
<tr>
<td>Ijara</td>
<td>94,000</td>
<td>49,240</td>
<td>46.6</td>
<td>Charcoal/honey/aloel</td>
</tr>
<tr>
<td>Garissa</td>
<td>6,745</td>
<td>4,782</td>
<td>-</td>
<td>Charcoal/honey</td>
</tr>
<tr>
<td>Taita Taveta</td>
<td>Data not yet available</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meru North</td>
<td>Data not yet available</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The next table shows the levels of Savings and Loans that have been achieved by the groups to date. These figures demonstrate that the approach is working well and that the Enterprise Groups have sufficient funds to be able to support the growth of the businesses. One note of caution on these figures is that the honey and aloe group cumulative amounts tend to be much smaller than those of the charcoal groups due to the differing levels of profit and scale.
Savings and Loans Groups

<table>
<thead>
<tr>
<th>County</th>
<th>Amount borrowed (Cumulative)</th>
<th>Interest (Cumulative)</th>
<th>Amount Repaid (Cumulative)</th>
<th>Balance Due (Cumulative)</th>
<th>Social fund (Cumulative)</th>
<th>Product groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwale</td>
<td>526,405</td>
<td>57,650</td>
<td>289,250</td>
<td>134,578</td>
<td>36,300</td>
<td>Charcoal</td>
</tr>
<tr>
<td>Makueni</td>
<td>263,000</td>
<td>26,300</td>
<td>289,300</td>
<td>-</td>
<td>6,400.00</td>
<td>Charcoal &amp; honey</td>
</tr>
<tr>
<td>Mwingi</td>
<td>211,669</td>
<td>25,850</td>
<td>194,772</td>
<td>40,317</td>
<td>15,940</td>
<td>Charcoal</td>
</tr>
<tr>
<td>Ijara</td>
<td>183,000</td>
<td>11,500</td>
<td>194,500</td>
<td>-</td>
<td>43,670</td>
<td>Charcoal, honey &amp; aloe</td>
</tr>
<tr>
<td>Garissa</td>
<td>50,100</td>
<td>3,890</td>
<td>233,000</td>
<td>-</td>
<td>4,460</td>
<td>Charcoal</td>
</tr>
<tr>
<td>Taita Taveta</td>
<td>Data not yet available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meru North</td>
<td>Data not yet available</td>
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</tr>
</tbody>
</table>

The MA&D related outputs from this period of consultancy period have been developed by the team (including the ISTC) are as follows:

- Value Chain Studies for charcoal, aloe and honey
- Savings & Loans Group Manual
- Group Management Manual
- Product Skills Manuals and Factsheets for charcoal and aloe (and existing manual was used for beekeeping)
- Improving Business Skills Manual

4.1.1 M&E and Impact Assessment

One area that the ISTC has highlighted is the need to collect and analyse data for impact assessment. Despite strong headquarters requests, many of the facilitators and counties have been slow/reluctant to capture this information. However, this is now being dealt with and it is hoped that all counties will be regularly submitting the Enterprise Development M&E forms as well as the recently developed data collection forms for the final 6 months of the programme.
To aid the data collection and processing KEFRI has volunteered the use of their interns and Biometrician. KEFRI team members have also agreed to further develop the data collection forms to ensure that resulting data will be useable for monitoring and research purposes.

### M&E and Impact Assessment Recommendations

- Towards the end of the project to compare the situation against:
  - the data gathered in Phase 1 i.e. the wealth ranking exercise to find out any individuals/groups have moved up (or down) in the rankings that were originally defined by enterprise groups in each county.
  - The baseline socio-economic surveys that were carried out in 2011.
- Continue to use the data collection form information and the key two M&E forms (an EDP (business plan) based performance tool and a capacity indicator tool).
- It may be useful if the CTA could review the available information (which is currently being collated) and advise the Component 4 Manager and Business Development and Marketing Officer if more/different data will be required as the programme closes down. These requirements can then be added to the data collection form.
- Provided there is still sufficient budget available for internal training, then it may assist the Component 4 Manager and Business Development and Marketing Officer to receive training on data analysis including the use of Excel pivot tables. This would make it easier for them to analyse the large amount of data that will be generated by the 6 pilot counties.
- The previous activities are all MA&D related data collection and should not be confused with the MMMB Programme M&E System – although the data would feed into it.
- It is suggested that when the M&E Officer and other headquarters monitoring visits are carried out that these are carefully timed and organised so they can be conducted alongside the planned enterprise development activities – the reason for this is that the facilitators have fixed contracts with days pre-allocated to a variety of capacity building enterprise development tasks and they do not have ‘extra’ days available to allow for separate activities.
- It is anticipated that a range of M&E activities will be conducted as part of the overall MMMB Programme, so it would not be useful to provide further guidance in this report.

### 4.1.2 Conclusion of Enterprise Development Inputs

The culmination of the MMMB enterprise development work will be through a series of product exhibitions held in each county (see section 4.6) and the enterprise groups need to master the following skills to reach this point:
Market Surveys
Savings & Loans Group Schemes (SLG)
Improving Product Skills (to KEBS level)
Group Management
Business Skills

The ISTC provided guidance and inputs into all these areas of work and a summary of the Component 4 work together with the remaining actions needed are detailed in the following sections. A range of publications have been included in the outputs listed in Annex 1. It is suggested that hard copies of these publications should be held in the offices of the Component 4 Manager and the Business Development and Marketing Officer as well as soft copies filed on the MMMB server in a dedicated folder. Final Outputs of relevant manual should also be given to Head of Extension and the Deputy Director.

Lesson learning from the MA&D process has been integrated into the new Misitu Biashara Manual (see section 5)

The exit strategy is detailed more fully in section 6.

4.2 Market Surveys, Value Chain Studies and Enterprise Development Plans (EDPs)

Market survey training for the facilitators and enterprise groups was carried out prior to this assignment but some refresher training was required as it became evident that there were gaps in the execution of this work. These issues were dealt with during the period of this assignment and all enterprise groups are now able to carry out their own surveys and most are regularly using market information to inform their enterprise development strategies.

In 2014, three value chains studies were commissioned from NSTCs for charcoal, honey and aloe. The charcoal study was the most informative of the analysis but overall the analysis could have been more in-depth, particularly for beekeeping. Each county team have been provided with hard and soft copies of the value chain studies and presentations were made to summarise the results for the facilitators. Originally it had been envisaged that value chain development work and relationship building would be carried out but due to the slow start of the enterprise development work it was not possible to carry out these activities.

All groups understand relevant sustainability as well as basic marketing issues and these are reflected in the Enterprise Group’s Enterprise Development Plans (EDPs)/Business Plans. Most groups are now able to react to changes i.e. costs without facilitator assistance. The aim is for the EDPs to be used for enterprise management, for the groups to update the EDPs themselves and to have summary posters/blackboards showing key information.
Market Survey, Value Chain and EDP Recommendations

- In the field it did not appear that the summarised results of the value chain studies had been fed back to the enterprise groups and this still needs to be carried out.
- A follow-up exercise for market survey training has been included in the Improving Business Skills Manual for any Enterprise Groups that need additional training.
- Some groups (e.g. Kwale) have EDP summary posters but all groups need to have this so that it is a visual reminder of the key EDP elements and that the information is more accessible for the Enterprise Group as a whole.

4.3 Savings & Loans Group Schemes (SLG)

SLGs are self-managed groups that do not receive any external capital, providing members with a safe place to save their money, access small loans, and obtain emergency insurance. There is a focus on savings, asset building, and the provision of credit proportionate to the needs and repayment capacities of the borrowers. Groups are low-cost and simple to manage using internal savings and loans.

A benefit of using the SLG approach is that enterprise groups learn how to budget and save without the risks of taking an external loan. It is recommended that enterprise groups are only encouraged to take out external loans when they are sufficiently advanced to be able to benefit from them and provided that the interest rates are sufficiently low.

In an SLG, savings are invested in a loan fund from which members can borrow and use as a group to fund business plans. This fund includes a social fund for members and is a type savings and credit association. The NSTC produced a good manual and this activity has been universally received by the Enterprise Groups. Although SLGs are a well established methodology, it was new to KFS and all the facilitators are now competent in delivering this training.

So far, the S&L have been used for financing various business needs such as labels and containers (aloa and honey) as well as casamanse kilns in four CPGs in Kwale. The funds have also contributed to school fees and access to health facilities. As an additional result from the S&L and EDP training, literacy levels have been improved.

SLG Recommendations

- Some groups have not understood the need to use the majority of the funds to invest in their business as well as the separate social fund. This has largely been corrected but the facilitators need to continue to ensure that the SLGs do not get distracted by a range of other local business opportunities to the detriment of their existing business.
- Groups should either complete at least one cycle before the end of the project or the work taken on by the county (e.g. in Taita Taveta).
4.4 Group Management

It was clear that, as is common in Kenya, the majority of the enterprise groups had significant group management and governance issues and consequently an NSTC was appointed to develop appropriate training materials. Despite extensive inputs by the C4 Manager, Business Development and Marketing Officer, as well as the ISTC, the final manual was only satisfactory. Ideally the KFS Governance Officer would have been involved in this area of work but unfortunately he was not available due to his commitments to MMMB Component 1.

The delivery of the group management, business and product skills training has been handed over to relevant extension officers. Consequently, the District Social Officers have been tasked to provide the group management training to the groups and have been encouraged to add to the Group Management Manual when delivering it to the Enterprise Groups.

This work is still ongoing and it is expected to need ongoing inputs due to the nature of the issues involved rather than a one-off training. The aim is for the groups/associations to be able to resolve conflicts internally and understand how to run in a well organised and collective manner.

The work was originally envisaged to include new association development but the Enterprise Groups are generally not yet at a point where this is feasible.

The SLG training includes group management issues, and together with this additional training some positive effects have begun to emerge. Reported examples include the holding of elections, defined member roles and delegation of duties, more cohesive groups, regular meetings, enhanced trust and collective responsibility.

4.5 Improving Business Skills

The MA&D methodology includes training in a range of basic business skills, however it was realised that further training was needed in this area and the ISTC developed the ‘Improving Business Skills Manual’ to meet this requirement.

This manual was designed to be delivered by the County Agribusiness Officers and is intended to be of use by these officers after the end of the MMMB programme. There is a lack of existing materials of this nature at the County level and it is anticipated that this manual can be used beyond MMMB and can become part of the Agribusiness Officer’s toolkit.

**Group Management Recommendations**

- To ensure that the DSOs deliver the group management training in each county
The manual was briefly field tested in Kwale and then revised but there was insufficient opportunity to test it more thoroughly.

### Improving Business Skills Recommendations

- To ensure that the Agribusiness Officers deliver the Improving Business Skills training in each county.
- A guidance note has been included in the manual and it is advised that facilitators fully brief the Agribusiness Officers in the MA&D approach as well as provide inputs into the initial trainings due to the difference in approach than that currently used by the County Agribusiness Officers.
- This should be the final training delivered before the Product Exhibition.

### 4.6 Product Skills

KEFRI have delivered the charcoal (including briquette production) and aloe training and this has been well received by the Enterprise groups and has resulted in a noticeable difference in product quality. For example, one group in Kwale had previously been trained (by another, non KFS project) in the production of aloe lotion but until the KEFRI training they had been unable to get KEBS (Kenya Bureau of Standards) certification which is a legal requirement to sell products on the open market.

However, none of the product training has been finished in all counties and only a few groups have KEBS so this is an issue of very high priority. KEBS is not an issue for charcoal production but it is required for briquettes and, as this is a fairly new product for Kenya, this standard is being adapted from South Africa. It is anticipated that the CPAs will need to use assistance from the Agribusiness Officers to help develop the market for briquettes from a marketing perspective.

![A functioning Casamance Kiln constructed and paid for by a Kwale CPG using their SLG after receiving product skills training.](image)

Improved production methods are needed to increase recovery rates as they can improve recovery rates to 25% to 30% using Casamance Kilns compared to 20% under traditional earth kilns. The
recovery rates would further improve if the groups are later able to convert to more improved kilns such as the half-orange brick kilns.

The beekeeping training is being delivered by the livestock extension officer but, except for Kwale, this has been very slow to get off the ground and needs to be put in place as soon as possible by all the counties. An existing introductory and advanced beekeeping manual produced by the NGO Bees for Development was selected for use in MMMB due to its suitability – consequently there was no need to produce an MMMB specific product skills manual for beekeeping.

4.6.1 Tree Planting

There are two aspects to tree planting for the MA&D work. Early in the process, all locations were asked to include tree planting as a way to raise additional funds and for sustainability reasons. Under the charcoal rules, it is a requirement for the CPGs to raise seedlings and these groups have started grow and plant a significant number of tree seedlings. This data is still being collected but the initial results are encouraging and shown in 4.1.

The honey product groups that are raising seedlings are now starting to make a business out of this activity in Makueni and all the remaining groups should be encouraged to carry out this activity so that they can earn money outside of the honey production seasons.

4.6.2 Labels, Containers and KEBS

To help the Enterprise Groups get started, a designer was appointed to develop three different designs for honey and aloe packaging so that the Enterprise Groups could choose or adapt their preferred design and so that not more than one group had the same label in the same county. The first aloe and honey labels are now in production and this task needs to urgently be completed and rolled out to all counties as it is currently only in place in Kwale.

The design for the charcoal briquettes will be the same in all counties using fairly plain packaging with the colour of printing changing to reflect whether the briquettes are of grilling, cooking or heating qualities (and sold at appropriate pricing). Each CPA will have its own design (only the logo changes) with the CPG’s using a stamp to show which CPG has produced the briquettes.

The Enterprise Groups are provided with some start up help which includes a small amount of labels, containers and one KEBS fee (i.e. for one product only). The groups are then able to use the profits from selling their products and/or the funds from the SLGs to buy more labels, containers and KEBS certification. The presumption is that it is difficult for community based Enterprise Groups to develop packaging but relatively easy to make a repeat order.

The end point for the product skills training is for the groups to have products that can be legally sold (KEBS) and are well packaged.

Product Skills Recommendations

- To urgently complete the product skills training and ensure that all products have KEBS certification. The group’s potential sales are severely limited if they do not have KEBS and little long-term impact may occur if this issue is not dealt with.
- Packaging must be finished in all areas as a matter of priority so it can be utilised once the product training is completed.
- Once each Enterprise Group has a completed product to sell they should be encouraged to expand their product line. This can be a small variation or a completely new product.
- The EDPs should be updated to reflect the improved product knowledge.
4.7 Product Exhibition

The product exhibition and launch will be the culmination of the MMMB MA&D work. If necessary the CECs can organise the product exhibition but it is advised that they engage with the county government to see if they would be willing to host a county wide exhibition, either for honey, aloe and charcoal or as a rural natural resources/country fair type of event.

This event should be in the process of being developed now so that the preparations can be made at an early stage. It is crucial that sufficient time is given so that potential customers are aware of the event. Customers may include a wide range of people including hotels, offices, hospitals, stores as well as wholesalers and other intermediaries.

The aim of the product exhibition is to provide new sales opportunities for the enterprise groups and an opportunity to engage with other value chain actors. A second goal is to show the county government the results of the MMMB MA&D work in the hope that they will continue with the work after the end of the project.

In order to exhibit the Enterprise Groups must have KEBS, completed the above training and revised their packaging. It is envisaged that the Agribusiness Officers will be able to help get the groups get ready for the exhibition including the development of appropriate promotional material. Study tours could be undertaken to help prepare the groups so that they are clear on the competition for their products and the other value chain actors and market outlets.

**Product Launch Recommendations**

- To prepare early for the product launch and ensure that the groups are ready in good time.
- If an Enterprise Group does not have KEBS then they cannot exhibit their products.
5 Misitu Biashara

5.1 Developing the Concept

During the consultant’s previous inputs, it became clear that the Farmer Forestry Field Schools (FFS) could provide excellent entry points for scaling up, particularly since KFS already has an FFS network. The advantage of using FFFS is that the groups are already very cohesive and dynamic as well as already having some preliminary training in product development that needs to be further developed alongside developing their business skills. KFS has also been using a software based investment tool (FAO Rural Invest) to manage and develop small donor funded business loans.

In May 2014, the ISTC facilitated a workshop to discuss enterprise development with the aim of developing a standard KFS enterprise development approach that could be applied uniformly by all KFS programmes /projects seeking to promote establishment of small scale (forest based) enterprises. The outcome was that it was agreed that a small team, headed by Head of Extension with ISTC support, would develop a single ‘hybrid’ approach which would be based on a combination of the FAO FFFS, MA&D and Rural Invest methodologies.

The following key enterprise development principles were developed in the workshop which will be included in future work. That enterprise development will be:

- Community driven
- Cost & benefit sharing (no free equipment but SLGs and/or contributory grant funding and/or loans)
- Participatory approach
- Focus on forest based products
- Collective responsibility within the group
- Specific to the local context
- Led by a business plan
- KFS should create a conducive business environment for enterprise development

The hybrid enterprise development methodology was branded ‘Misitu Biashara’ (Forestry Business) and an extensive draft manual has been developed which is intended to be used alongside the MA&D manuals already detailed in this report.

An initial test of the Misitu Biashara Approach was included within MMMB from November 2014 in Meru North for two established FFS honey groups and one non-FFS charcoal group. The team visited two Meru North sites in March to review and reorientate the work to ensure that the manual was correctly implemented. Since that time, the facilitator has left the programme and the KFS forester is endeavouring to fill the gap.

A second test site was planned in Kericho but the anticipated funds for this this failed to materialise. However, there will now be two further test sites in Nyeri and Laikipia in 2015 under funding from a
small scale GIZ and FAO funded initiative that will be managed by the Head of Extension. The current draft Misitu Biashara manual will be updated during this testing period.

Misitu Biashara is now seen throughout KFS as the single KFS enterprise development model.

FAO have been fully informed about this process and are interested in Misitu Biashara as no other country or organisation has attempted to blend three of their methodologies in the way that has been done under MMB

5.2 Misitu Biashara Structure

The Misitu Biashara is an extensive manual and is intended to be used primarily as a stand alone material. Lesson learning from MA&D has been integrated and the main additional materials should be the MA&D manuals produced during this ISTC consultancy

The overall structure is shown in the tables below. There are 3 main modules:

1. Foundation and Experimentation
2. Developing the Enterprise
3. Building the Enterprise

There are two possible entry points:

- If there is no FFS/FFFS or organised group that is already trading then the start point is Module 1
- If the group is FFS (or FFFS) graduated then they start at Module 2. However, they will need to add on additional stages such as Market Surveys (detailed further in the manual).
- If the group is already established and trading i.e. a CPG then they start at Module 2. However, they will need to add on stages such as Tree Nursery establishment, Participatory Evaluation plus Market Surveys and Introduction to Business Management.

There are possible exit points at the end of each module. The aim is to continue training the participants who are most likely to use the more advanced enterprise development techniques rather than to train everybody in everything and so maximising our resources:

- A participant(s) can choose to leave (and graduate) at the end of Module 1 – one reason could be that they prefer to trade on an individual basis rather than do business as a group or they may just not be very interested in developing an enterprise further than at a rather basic level.
  > It is likely that some reforming of groups may be necessary at the start of Module 2 and possibly Module 3. In this way, associations can start to be developed during Module 3.
- Participants may be happy with the skills they have learnt up to the end of Module 2 and do not want to follow the more advanced options. As an example of the difference in product skills between Module 2 and 3 is that participants could learn how to produce filtered honey in Module 2 but they may learn how to produce beeswax products such as furniture polish in Module 3.

It was generally felt that no type of graduation was needed after Module 3.
It is envisaged that the key FFS elements of choice, PCE and AESA will be continued into Module 3 i.e. testing new production methods against old as well as testing selling as an individual against selling products collectively.

**Misitu Biashara Structure**

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<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
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<tr>
<td><strong>Module 1: Foundation and Experimentation</strong></td>
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<tr>
<td>1</td>
<td>Ground Working</td>
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<td>2</td>
<td>Group Organization</td>
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<tr>
<td>3</td>
<td>Conducting Market Surveys and Selecting Potential Enterprises</td>
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<td>4</td>
<td>Selection of Host Farm &amp; Learning Site Preparation</td>
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<td>5</td>
<td>Farm Planning Production</td>
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<td>6</td>
<td>Establishment of Enterprise Sites</td>
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<td>7</td>
<td>MBS Weekly Session</td>
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<td>8</td>
<td>Tree Nursery Establishment</td>
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<td>9</td>
<td>Community Coordinator Selection</td>
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<td>10</td>
<td>Exchange Visits</td>
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<td>11</td>
<td>Internal Review (previously participatory evaluation)</td>
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<td>12</td>
<td>Field Day</td>
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<td>13</td>
<td>Introduction to Business Skills</td>
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<td>14</td>
<td>Graduation</td>
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<th>Stage</th>
<th>Activity</th>
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<tr>
<td><strong>Module 2: Developing the Enterprise</strong></td>
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<td>1</td>
<td>Preparation for Previous FFS Graduates &amp; Existing Enterprises</td>
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5.3 Misitu Biashara: New Project Development

There are currently resources for only a limited amount of testing of Misitu Biashara and the overall aim is to develop a single harmonised KFS enterprise development approach (Misitu Biashara) that can be devolved to the county level and become included within the Kenya Forestry College curriculum (short CPD type courses as well as all forestry qualifications).

In order to achieve this goal, meetings were held to develop the concept for a larger scale Misitu Biashara project. This work has been handed over for fundraising and proposal development to the Head of Extension, Research Liaison & Project Development Officer, Business Development and Marketing Officer, M&E Officer as well as the Grants Officer from the Green Belt Movement (also the top MA&D facilitator).

Some initial ideas for the new project are shown below:

**Output:** Test, develop and finalise Misitu Biashara. Develop a toolkit that is suitable for use at County level as well as within KFS.

**Locations:**

- Cluster 1: Makueni and Kitui
- Cluster 2: West Pokot and Elgeyo Markwet
- Cluster 3: Highlands (location to be decided and started in year 2)
**Partners:** KFS, County government and NGOs (including Green Belt Movement)

**Selected Project Elements:**

- Offers an extension service-led community enterprise development that is suited for government use as well as benefiting from lesson learning from within KFS.
- Use DCED standard (Donor Committee for Enterprise Development - a results measurement standard)
- Option of one-stop shop approach adaption
- KFS curriculum development for Misitu Biashara: develop training for a range users including short courses aimed at professional users.
- Mainstream gender and disadvantaged within the project
- Theory of change – how will change be achieved.
- National forest policy need to be included (not just county)
- Business Environment Reform
- Value chain and relationship development
- Association/Cooperative development
- Include certification issues – consider export issues as well trade shows and promotions (market linkages)
- Consider special county zones for particular products i.e link and develop county policies
- Developing product standards and including them within KEBS
- Use existing extension services wherever possible for product specific training but top up with external specialist to increase their knowledge where necessary.

### 6 Exit Strategies

There are two aspects of the exit strategy for the MMMB enterprise development work. The first relates to the current MA&D work and the second concerns the Misitu Biashara Approach.

Farm and dryland forestry development will be fully devolved to the county government from March 2016. To ensure that there is scope for further development of the MA&D work, enterprise development has been included as a specific item under the KFS Transition Implementation Plans (TIPs). Each CEC/ZM has been asked to develop their own exit strategy together with the facilitator which will include a long process of engagement until the end of the programme. The aim is to get the county to continue the MA&D approach and to try to get the facilitators to be employed by the county.

The devolution of Forestry Extension services can be seen as a good opportunity for the MA&D process at macro and micro levels and the potential options are as follows:

- MMMB facilitators should be considered as a future resource by the County administration.
- Stand alone manuals designed for the MA&D process (as listed in Annex 1) can be used as a county resource for forest, agriculture extension and community development.
• The requirement for local procurement as a result of devolution means that new opportunities have opened up e.g. seedlings are now purchased within the country offering new markets for the enterprise groups.

• County government are being encouraged to continue with the MA&D work. For example, Mwingi has already achieved a 2-year commitment to continue with charcoal sector development.

• Misitu Biashara offers a local government appropriate toolkit for enterprise development. This is seen as particularly useful because the county governments (unlike several NGOs in Kenya) often lack skills and appropriate materials in this area. It also offers the opportunity for local government to benefit from the lessons learnt from MMMB (and the wider KFS enterprise development activities).
  ➢ MA&D and Misitu Biashara can easily be used by local government for all the community and natural resource based enterprise development activities. However this is realistically be achieved outside of the counties that C4 has worked in unless a new, larger project is developed as outlined in section 5.3.

Finally, the MA&D process outlined in this report has been designed so that the Enterprise Groups that MMMB is engaged with will be sufficiently capacity built that no further interventions are necessary for the groups to continue to grow. However, it is expected that further interventions would allow for higher levels of business to be reached than might otherwise be the case. Charcoal is a slightly different case to honey and aloe as the numbers of CPGs and CPAs is very high and comparatively few were capacity built within MMMB.
Annex 1: List of Consultant Outputs

Developed or inputs into the following:

- Phase 4 Guidance.
- 2nd consultancy wrap-up PowerPoint presentations
- Saving & Loans Manual
- Group Management Manual
- Value Chain Studies
- Improving Business Skills Manual
- Charcoal and aloe Product Skills Manuals and Factsheets
- Misitu Biashara Manual (Draft)
ANNEX 1: Terms of Reference

INTERNATIONAL SHORT-TERM CONSULTANCY (ISTC)
[6 MONTHS TOTAL INPUT]

Revised 11 March 2015

COMPONENT 4: MARKET ANALYSIS & ENTERPRISE DEVELOPMENT

BACKGROUND
The Governments of Kenya and Finland are supporting the “Miti Mingi Maisha Bora programme of reforms to the Kenya forest sector. The overall aim is to reduce poverty through ensuring that the forest sector contributes to improving the lives of the poor, restoring the environment and aiding the economic recovery and growth of Kenya within the context of Vision 2030. The programme (MMMB) is organised component-wise.

Component 4 addresses the underlying poverty alleviation agenda through a focus on developing practical tools for improving livelihoods in ASALs. The approach is to support sustainable production and trade in bio-energy and other forest products – the target being viable forestry enterprises relating to management of woody resources on private and trust lands. The expected outflow is increased income to farmers and communities through production, processing and marketing of wood and non-wood forest products.

This consultancy is a continuation of the market analysis and enterprise development (MA&ED) work carried out in the FY2010/11 & FY2011/12. It will assist progression of the FAO methodology for Market Analysis and Development (MA&D) which is a step-by-step process, arranged in four phases (as illustrated below).

MA&D is an innovative process that systematically considers social and environmental concerns alongside the technological, commercial and financial aspects of enterprise development.
PURPOSE OF THE CONSULTANCY

This consultancy will support the start-up of selected enterprises and the building of competence in applying the MA&D approach within KFS and county administrations. It will consolidate a series of general tools that can contribute to realisation of business ideas. In this endeavour, the consultant will assist the MMMB Component 4 Team to

- undertake operational trials of the fourth and final phase of MA&D
- focus on three products in pilot counties seen to offer the best chance of success
- construct an exit strategy for MMMB’s relationship with MA&D
- build capacity and commitment to using this model at county level

APPROACH TO THE CONSULTANCY

The work will focus on three market sectors; charcoal, honey and aloe, with field activities undertaken in three most promising locations to be confirmed at the start of the consultancy. In this undertaking, the consultant will be informed of the

- Baseline Assessment of Cross-Cutting Development Issues and Governance Assessment of the Forest Sector studies
- revised recommendations from the mid-term evaluation of MMMB insofar as these pertain to Component 4 and the MA&D objective
- relevant other Component 4 studies including those toward association development; value-chain analysis and loan & savings issues

TASKS

- Provide an overall guidance for progression through Phase 4 of the MA&D model for all three target products and locations.
- Develop a strategy that will enable KFS to merge the various enterprise development approaches, including Farmer Field Schools, which are currently being used.
- Develop appropriate guidelines and trial the proposed hybrid enterprise development approach in at least one location. Although it will not be possible to complete a ground testing of the new hybrid enterprise in its entirety within the timeframe of the consultancy; it is anticipated that the process can be sufficiently advanced to allow for a preliminary review that will enable the KFS-MMMB team to continue with the trial after the end of the ISTC consultancy.
- Assess whether (and how) the private sector and significant national NGOs operating in Kenya could aid in developing the enterprise development model (post MMMB)
- Recommend approaches to institutionalising the MA&D model within extension services at county and central government level.
- Take a lead role in documenting MA&D learning including and in preparation of business skills development manual that is appropriate for field use.
  - If sufficient time is available, assist in field-testing / trialling the training module with three existing enterprise groups.
TIMETABLE

- Three or more visits commencing February 2014 and concluding on or about February 2015 – timing to be compatible with availability of the consultant and MMBB staff
- Up to 6 months (= 126 days).

EXTENSION

- The original timeframe for this ISTC contract was 3 months (63 days) but an additional 2-month (42 days) extension has been added. This additional time has been allocated to allow for the development of a hybrid enterprise development approach that is expected to become the new enterprise development approach for KFS in its entirety as well as providing a platform for future enterprise development training at the Kenya Forestry College.
  - Results achieved from the first two months of the ISTC assignment showed that the development of a hybrid enterprise development model drew comprehensive senior level KFS support. Consequently there is an expectation that the outputs of this task could have a significant impact.
  - A second reason the extension of this contract was due to a realisation that there were insufficient resources in terms of KFS-MMBB personnel to either complete the development of the hybrid enterprise development approach and trial or the business skills development manual.

FINAL EXTENSION

- A final 1-month (21 days) extension has been added. This additional time has been allocated to allow for:
  - Testing the business skills manual in Makueni with the Agribusiness officer.
  - Field visit to Taita Taveta to assess progress (visits already made to 4 other counties).
  - Misitu Biashara manual update based on Kericho progress and FAO feedback. (This is the renamed ‘hybrid’ enterprise development approach which has been started in Meru North)
  - If sufficient time is available, assist in new 5-year Misitu Biashara project development which build on the achievements attained during this consultancy.

EXPECTED OUTPUTS

- Individual guidance notes or analysis of the findings for each of the specific tasks above (including a draft of the Misitu Biashara manual).
- Capacity building of select KFS & KEFRI staff and private sector and NGO members
- A business skills manual and training module.
- A concise end-of-assignment report which includes:
  - A brief history of MA&D in Kenya inclusive of a list of outputs delivered
  - A projection of probable impacts if MA&D is applied on an operational scale
  - A candid commentary on programme learning.

QUALIFICATIONS

The consultant should have the following skills and qualifications:
- Master’s degree, preferably in business and natural resources.
• Proven expertise in participatory assessment, tools and monitoring techniques and with community-based enterprise development, including experience in
  - MA&D planning and implementation
  - use of other business models and marketing tools
  - value chain analysis
  - working with community based trade and producer associations
  - capacity building and human resources development
• Understanding of forestry and enterprise development issues in Kenya or at least within the Eastern African countries.
• Proven ability to synthesise and write clear and concise reports in English.