



# KENYA FOREST SERVICE

**DOCUMENT TITLE:**  
ECONOMICS, MARKETING &  
LICENSING

**REF NO:KFS-PEDD-001**

**ISSUE NO: 2**

**REVISION NO: 1**

**PAGE:1 of 10**

## ISSUE HISTORY

ISSUE	DESCRIPTION OF CHANGE	PROCESS OWNER	EFFECTIVE DATE
1	None, no change has been done	Head: Economics, Marketing and Licensing	10 <sup>th</sup> June 2010
2	Changes Done to conform to ISO 9001:2015 standard	Head: Economics, Marketing and Licensing	31 <sup>st</sup> May 2018

## REFERENCED DOCUMENTS

S/NO	REF	TITLE
1	QPM	Quality Policy Manual
2	PM	Procedure Manual
3	FCM	Forest Conservation and Management Act 2016
4		Forest Policy 2017
5		KFS Service Charter
6		Forest Valuation Guidelines
7		KFS Strategic Plan
8	AWP	Kenya Forest Service General Orders
9		Forest General Orders
10		Legal Notices
11		Environment Management and Coordination Act
12		Vision 2030
13	MTP	The Constitution of Kenya, 2010
14	MTEF	Forest Plantations Management Plans
15		Compartment Registers
16		Printed estimates

## COPY HOLDERS

1	Chief Conservator of Forests
2	QMR
3	SDCCF-SS
4	M CS
5	M F&A

**PREPARED BY:DCCF-P&E**

**APPROVED BY: CCF**



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**PAGE:2 of 10**

6	HOD P&M
7	HOD IA
8	HOD SCM
9	HOD BD&M
10	CCPO

## RECORDS/ANNEXES

REC. NO	REC. TITLE
1	Forest General Orders
2	Minutes of meetings/workshops
3	Monthly reports
4	Technical orders and technical notes
5	Environmental Impact statements

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**ISSUE NO: 2**

**REVISION NO: 1**

**PAGE:3 of 10**

## TABLE OF CONTENT

ISSUE HISTORY .....	1
REFERENCED DOCUMENTS .....	1
COPY HOLDERS .....	1
RECORDS/ANNEXES .....	2
1. TERMS AND DEFINITION.....	4
2. SCOPE .....	4
3. PURPOSE.....	4
4. OBJECTIVE .....	4
5. RESPONSIBILITY AND AUTHORITY .....	5
6. RESOURCES, INPUTS AND OUTPUTS.....	6
7. CRITERIA OF MEASUREMENT .....	7
8. RISK AND OPPORTUNITIES.....	7
9. EVALUATION OF PROCESS .....	7
10. DETAILS OF PROCEDURE .....	7
11. PROCESS FLOW CHART.....	8

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**ISSUE NO: 2**

**REVISION NO: 1**

**PAGE:4 of 10**

## 1. TERMS AND DEFINITION

TERM	DEFINITION(S)
KFS	Kenya Forest Service
KPI	Key Performance Indicator
CSF	Critical Success Factor
CCF	Chief Conservator of Forests
SDCCF	Senior Deputy Chief Conservator of Forests
MCS	Manager Corporate Services
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
MTER	Medium Term Expenditure Review
SWOT	Strengths, Weaknesses, Opportunities and Threats
PESTLE	Political, Economic, Social, Legal and Environmental
PPR	Policy, Planning and Research
SP	Strategic Planning
CCPO	Chief Corporate Planning Officer
CSD	Corporate Services Division
HOD	Head of Department
P&M	Planning and Monitoring
SCM	Supply Chain Management

## 2. SCOPE

This procedure covers setting correct forest fees and charges charged on various forest goods and service, marketing of forest goods and services, issuance of various authorizations for utilization of forests.

## 3. PURPOSE

This procedure defines and documents the necessary control measures to be followed in setting forest fees and charges marketing and issuance of licences


## 4. OBJECTIVE

**NB: Refer to the performance contract.**

CSF	KPI	TARGET(S)	DUE

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<b>REF NO:KFS-PEDD-001</b>	<b>ISSUE NO: 2</b>	<b>REVISION NO: 1</b>	<b>PAGE:5 of 10</b>

## 5. RESPONSIBILITY AND AUTHORITY

### 5.1. Chief Conservator of Forests


- 5.1.1. Approve appropriate corporate licensing policies and strategies
- 5.1.2. Approve and forward schedule of forest fee and charges to the Board


### 5.2. Deputy Chief Conservator forest plantation and enterprise division

- 5.2.1. Provide overall implementation of forest plantation and enterprise program.
- 5.2.2. Formulate strategies for efficient management of forest plantations.
- 5.2.3. Ensure implementation of strategies and policies on forest plantation development
- 5.2.4. Ensure revenue collection from plantation sales is efficient and free from leakages.
- 5.2.5. Ensure compliance of forest plantation management plans.
- 5.2.6. Ensure implementation, monitoring and evaluation of forestry Plantation development program.

### 5.3. Head – Economics, Marketing and Licensing

- 5.3.1. Setting correct prices for forest products and services
- 5.3.2. Monitoring of revenue collection trends
- 5.3.3. Valuation of forest resources
- 5.3.4. Verification of proposals for disposal of forest products
- 5.3.5. Carrying out cost benefit analysis of forestry activities.
- 5.3.6. Issuance of licences and permits.
- 5.3.7. Preparation of authorization letters
- 5.3.8. Ensure compliance and Fairness in issuance of authorizations
- 5.3.9. Economic analysis and evaluation of policies

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	<b>KENYA FOREST SERVICE</b>	<b>DOCUMENT TITLE:</b> ECONOMICS, MARKETING & LICENSING	
<b>REF NO:KFS-PEDD-001</b>	<b>ISSUE NO: 2</b>	<b>REVISION NO: 1</b>	<b>PAGE:6 of 10</b>

#### **5.4. Marketing**

- 5.4.1. Identify forest goods and services for utilization by forest users.
- 5.4.2. Formulate procedures for sale of forest goods and services
- 5.4.3. Determine the available forests goods as per forest management plan.
- 5.4.4. Prepare letter of offer.
- 5.4.5. Monitor the payment of requisite fees and charges
- 5.4.6. Formulate technological innovations to enhance departmental efficiency.

#### **5.5. Licensing**

- 5.5.1. Review licensing policies and procedure.
- 5.5.2. Review of licensing applications.
- 5.5.3. Draft licenses in consultation with the CCF

### **6. RESOURCES, INPUTS AND OUTPUTS**

#### **6.1. Resources**


- 6.1.1. Finances
- 6.1.2. Personnel
- 6.1.3. Infrastructure


#### **6.2. Inputs**

- 6.2.1. Pricing of forest goods and services
- 6.2.2. Finances to carry out market survey
- 6.2.3. Computer for data analysis

#### **6.3. Outputs**

- 6.3.1. Schedule of forest fees and charges

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<b>REF NO:KFS-PEDD-001</b>	<b>ISSUE NO: 2</b>	<b>REVISION NO: 1</b>	<b>PAGE:7 of 10</b>

## 7. CRITERIA OF MEASUREMENT

**NB: Refer to Performance progress reports**

## 8. RISK AND OPPORTUNITIES

**NB: Refer to the Service's Risk register**

## 9. EVALUATION OF PROCESS

**NB: Refer to the Monitoring and Evaluation Reports.**

## 10.DETAILS OF PROCEDURE

### 10.1.Revision of forest fee and charges/Setting correct prices for forest products and services (revision after every 3 years)

10.1.1.Head- Economics, marketing and licensing identify forest goods and service.

10.1.2.Identify price of forest good and service through a market survey .

10.1.3.Collect all cost function data for processing, transport , administration and profit margin.

10.1.4.Subtract costs and profit margin from market price to obtain value of forest product in situ.

10.1.5.Prepare schedule of forest fees and charges and forwards to the Chief Conservator of Forest for transmission to the Kenya Forest Service Board for approval.

10.1.6.The Chief Conservator of Forests forwards the schedule of forest fees and charges to the Cabinet Secretary for gazettelement.

10.1.7.Kenya Forest Service implements the legal notice of forest fees and charges.

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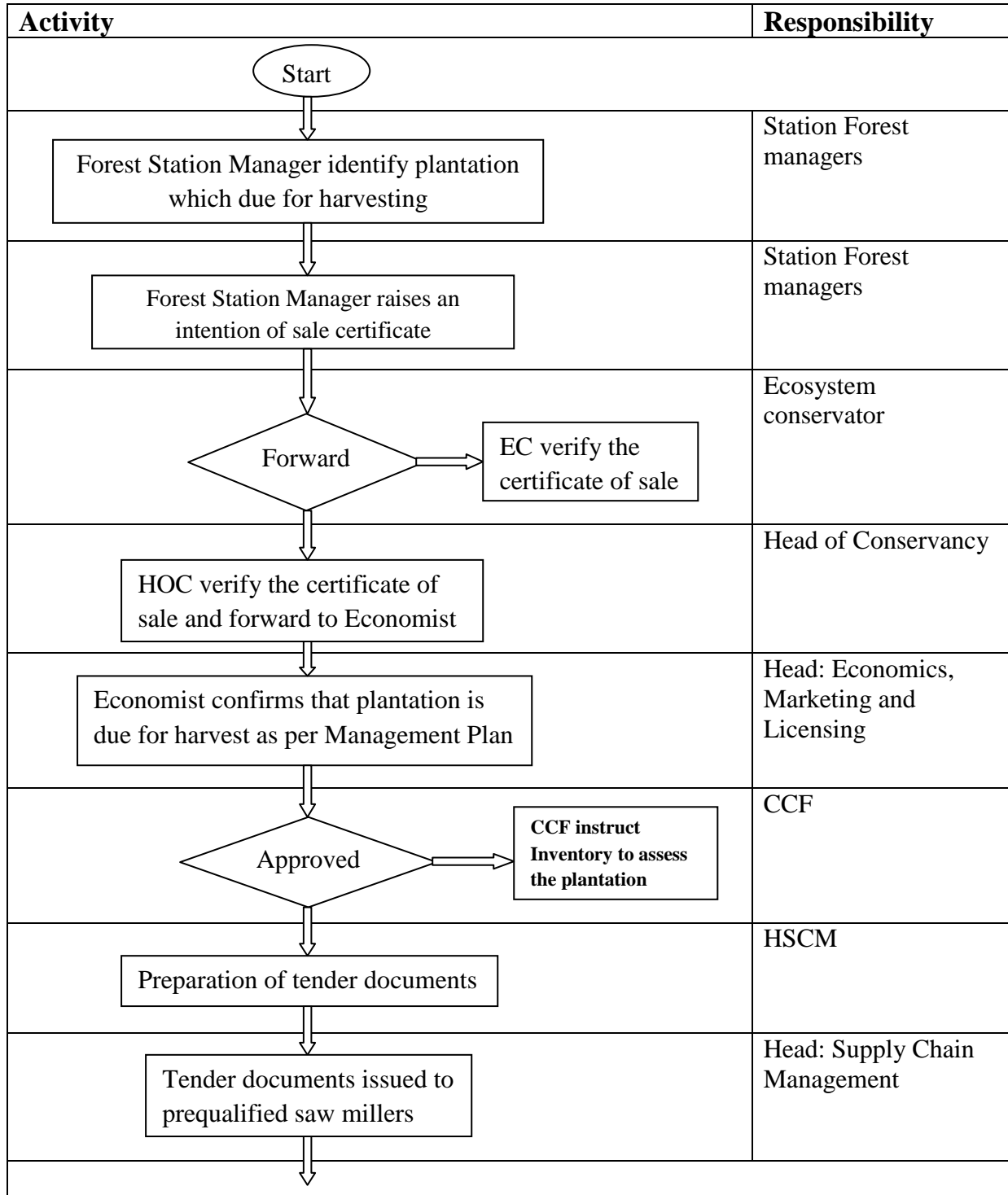
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**11. PROCESS FLOW CHART**

**11.1. Review of forest fees and charges**



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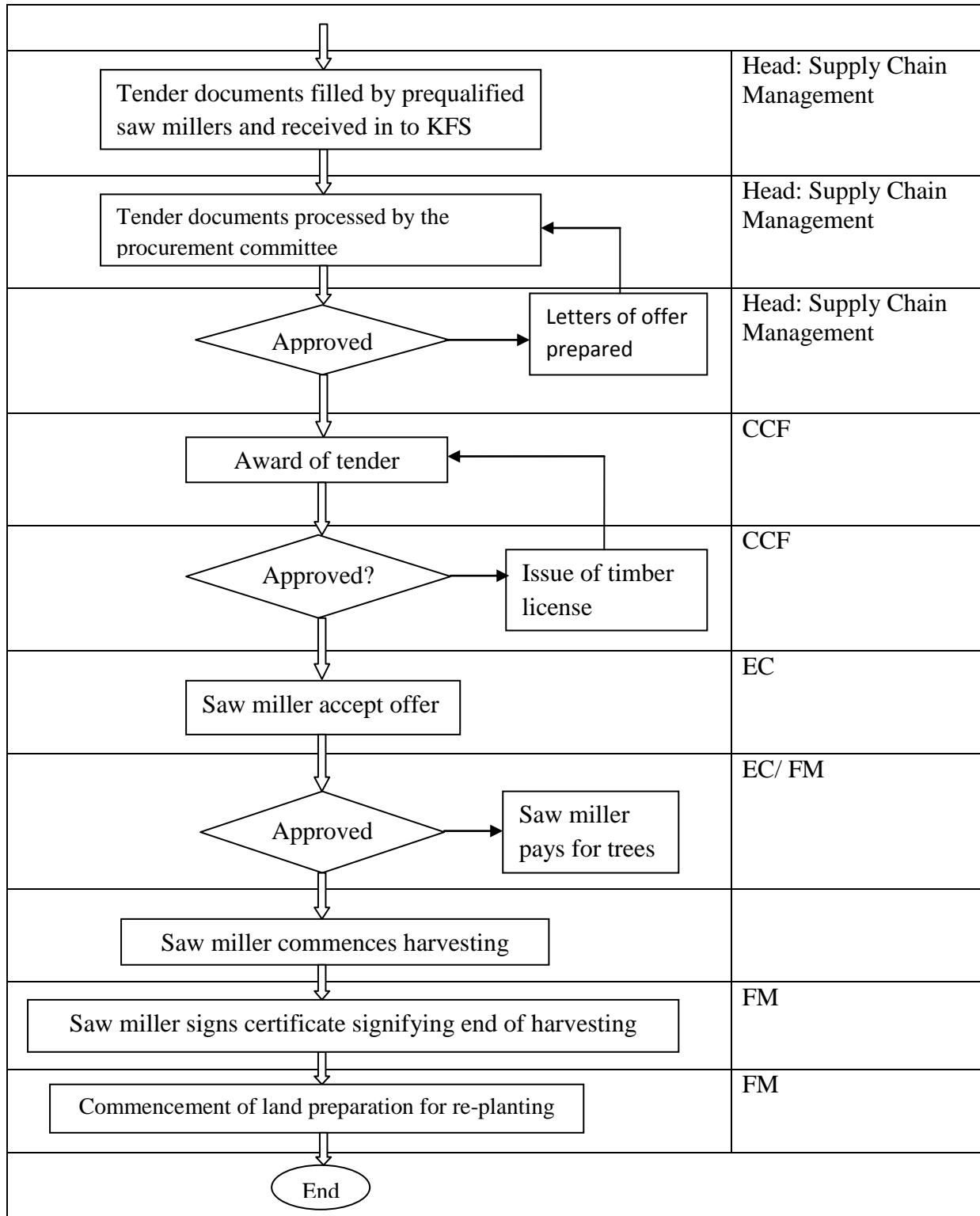
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**PAGE:9 of 10**



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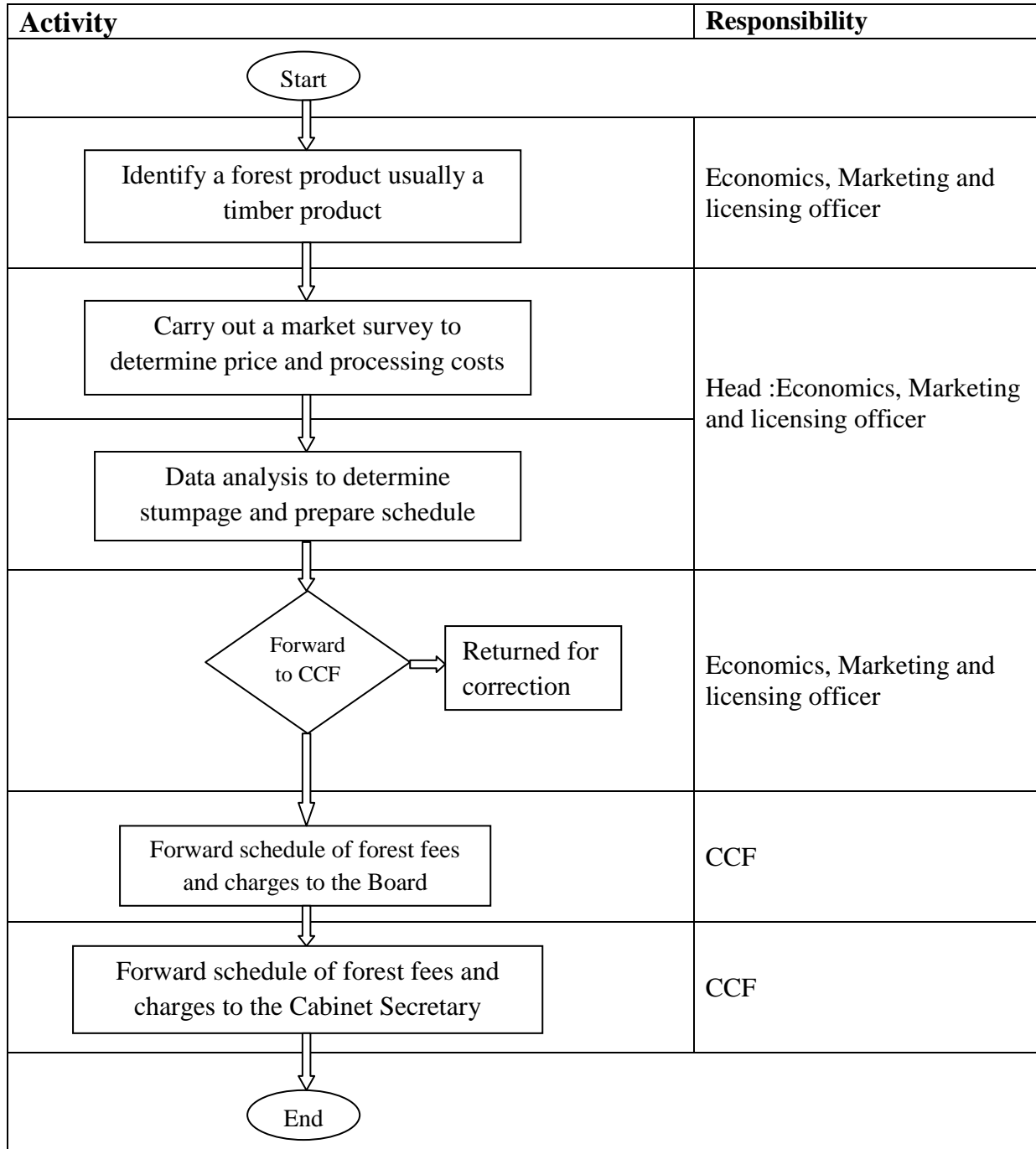
REF NO:KFS-PEDD-001

ISSUE NO: 2

REVISION NO: 1

PAGE:10 of 10

## 11.2. Review of forest fees and charges



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