

**Annex 3**

**MITI MINGI MAISHA BORA – SUPPORT TO FOREST  
SECTOR REFORM IN KENYA**

**START UP REPORT**

**(July – September 2007)**

**Ministry of Environment and Natural Resources**

September 2007

1. PROJECT MANAGEMENT .....	4
1.1 Project Mobilization.....	4
1.1.1 Team, counterparts and support staff mobilization .....	4
1.1.2 Project offices and equipment .....	4
1.1.3 Establishment of administration and planning routines.....	5
1.1.4 Establishment of cooperation and coordination with key partners.....	5
2. PROJECT COMPONENTS .....	7
2.1 Component 1 – “Support to Institutional Reform of Forest Sector .....	7
2.1.1 Result 1: Mechanisms in place for defining roles and responsibilities between KFS and other institutions .....	7
2.1.2 Result 2: Increased capacity on institutional reforms among KFS technical officers, policy and decision makers.....	8
2.1.3 Result 3: Preparation of additional subsidiary legislation to operationalize the new Forests Act Initiated. ....	9
2.1.4 Result 4: Existing ecosystem strategic management plans preparation process reviewed .....	10
2.1.5 Result 5: Information on contribution of forests to national economy available .....	10
2.1.6 Result 6: Personnel requirement and organizational structure for KFS determined.....	11
2.1.7 Result 7: Inventories of assets available in appropriate detail .....	12
2.1.8 Result 8: Financial and economic viability study of selected areas of KFS operations.....	13
2.1.9 Result 9: Necessary human resource database and human resource development scenarios prepared and serving KFS strategic planning. ....	13
2.1.10 Result 10: Cost estimates and draft procurement plan for KFS prepared. .	14
2.1.11 Result 11: Data and M&E system available for adequately functioning administration of the KFS. ....	15
2.2 Component 2 - ASAL Participatory Forest Management and Poverty Reduction. .	16
2.2.1 Result 1: Sites selected for pilot activities in the ASAL s according to criteria defined.....	16

## **Abbreviations**

ASAL	Arid and Semi Arid Lands
CTA	Chief Technical Adviser
FMA	Finance Management Adviser
FORREMS	Forest Rehabilitation and Environment Management Strengthening
FRS	Forest Reform Secreteriat
GoK	Government of Kenya
HQ	Head Quarter
KEFRI	Kenya Forest Research Institute
KFS	Kenya Forest Service
MENR	Ministry of Environment and Natural Resources
MIS	Management Information System
MMMB	Miti Mingi Maisha Bora
NPC	National Project Coordinator
PFM	Participatory Forest Management
TORs	Terms of Reference
UNEP	United Nation Environment Project
WB NRM	World Bank Natural Resource Management project

## **1. PROJECT MANAGEMENT**

### **1.1 Project Mobilization**

#### ***1.1.1 Team, counterparts and support staff mobilization***

Chief Technical Adviser (CTA) Mr Thomas Selänniemi arrived in Nairobi Kenya on 2<sup>nd</sup> of July to start up the project. The CTA will be fully attached to the MMMB during the whole Inception Phase.

The ASAL/PFM Adviser Dr Patrick Milimo started his input into the MMMB in beginning of July and has during the reporting period been working in the project on a part time basis. The total planned input of Dr Milimo is 8 months.

The Forest Information Adviser, Dr Esa Haapasalo will arrive in Kenya on the 3<sup>rd</sup> of October and will from that time onwards be fully attached to the MMMB for 10 ½ months. He has been giving input to the work planning and budgeting of the MMMB from Finland during August and September.

The Financial Management Adviser, Mr Kaj Björk, will arrive in Kenya in the beginning of October. Mr Björk will be working in the project for 8 months ahead from beginning of October onwards. Also Mr Björk has been giving his input to work planning and budgeting of the MMMB from Finland during August and September.

Mr Josphat Bundotich was appointed as NPC for the MMMB project in July. Mr Bundotich is a member of the Forest Reform Secretariat in the KFS.

The CTA works closely together with the NPC Mr Bundotich. Preliminary, it has been agreed that the other counterparts will be as follows:

- Mr Kepha Wamichwe (Head of MIS in KFS) and the Head of ITC within KFS (to be employed soon).
- Head of Finance and Accounts within KFS (to be employed soon).
- Ms Ester Wangombe, KFS ASAL Programme.

The persons mentioned above will form the Project Management Team.

The support staff appointed by the KFS will consist of; i) one accountant, ii) one secretary, iii) one messenger and iv) one driver. So far the secretary, the messenger and the driver have been appointed. There are no available accountants in KFS. Therefore KFS is at the moment looking for available accountants within MENR.

#### ***1.1.2 Project offices and equipment***

The "Kenya Forestry Master Plan Building" on the KFS premises has been assigned as offices for the MMMB project and the offices are at the moment under renovation. Therefore, the MMMB project is at the moment operating from temporary offices within the KFS main office building. A realistic estimate is that the renovation of the project offices will be ready in the second half of September.

The Forest Reform Secretariat (FRS) in form of the Chairman of the FRS Mr Maina and the Forest Transaction Adviser Mr Geller, will also be moving into the “Kenya Forestry Master Plan Building”. This will further enhance the cooperation and coordination between the Reform Secretariat and the MMMB project.

The offices will be equipped with furniture available in KFS HQ. As a part of promoting the use of non-conventional tree species the MMMB project is planning to in cooperation with KEFRI make furniture from three species not normally used for furniture making (e.g. Prosopis, Eucalyptus).

The quotation, selection and ordering process for project vehicles was carried out during July. As a result three vehicles, Toyota Prado, were ordered. At the moment the vehicles are in Kenya awaiting for the on-going tax exemption, registration and insurance procedures to be completed.

At the moment the process for purchasing computers, printers, scanner and copying machine for the MMMB project is on-going. It is envisaged that the equipment will be available towards the end of September.

### ***1.1.3 Establishment of administration and planning routines***

The MMMB project bank account has been opened in Commercial Bank of Kenya following the KFS recommendation to concentrate the banking of support projects into one bank.

The financial management of MMMB is at the moment operated through a simplified accounting system managed by the CTA. An Ms Access based accounting system (used by Niras Finland in other development cooperation projects) will be introduced as soon as the MMMB project accountant is appointed by the KFS. The accountant will be trained in using the accounting project by the Consultant Home Office support staff.

### ***1.1.4 Establishment of cooperation and coordination with key partners***

The Forest Reform Secretariat (FRS) is the main body for the KFS reform process and therefore also a main cooperation partner for the MMMB. At the moment the FRS constitutes of two fulltime personnel, the chairman Mr Maina and the Forest Transaction Adviser Mr Geller and Mr Josphat Bundotich on part time. There is already a close cooperation established between the MMMB and the FRS. The decision to move the FRS to the “Kenya Forestry Master Plan Building” will also bring MMMB close to the FRS and further enhance the cooperation.

At the moment the following donor-supported projects has been identified as key partners in the institutional reform process:

- World Bank NRM project: M & E development, finance management system development
- USAID Forest Rehabilitation and Environment Management Strengthening (FORREMS): Finance management system development, asset register development and implementation.
- FAO Netherlands Project: Development of subsidiary legislation, asset valuation.

Operative links have been established with key personnel in each project including the focal points in KFS; i) WB NRM: NPC Mr Inganji (KFS), ii) USAID FORREMS: Mr Buzzard iii) FAO Netherlands: Mr Odera, Mr Mureithi (KFS), Mr Ihure (KFS). Note that the above list refers to component 1 of the MMMB, and not to the other components of the MMMB (Forest Information systems and ASAL/PFM).

The establishment of cooperation with key players in other sectors is still to be carried out by the MMMB. A first informal introductory meeting was held during the reporting period between the MMMB and Water Resource Management Authority (The IRWM Adviser Mr Jeremy Notley and the CEO Mr Oloo).

## **2. PROJECT COMPONENTS**

During the reporting period the activities in the MMMB project focused on; i) situation analysis to get information on the present situation for planning and prioritization of MMMB activities and ii) work planning and budgeting the project. A detailed work plan and budget was made for 2007 and a broad framework work plan and budget for the whole MMMB project period.

The work planning and budgeting for MMMB component 2 (Strengthening Forest Information Systems) has been carried out as a team work between the MMMB CTA, the Forest Information Adviser and the KFS head of MIS, with the input from the FIS adviser coming from Finland. A review and initial assessment of the situation when it comes to forest information systems will be carried out by the FIS adviser upon arrival in Kenya from beginning of October. Therefore, the following report on component activities will include MMMB components 1 (“Support to Institutional Reform”) and 3 (ASAL/PFM) only.

### **2.1 Component 1 – Support to Institutional Reform of Forest Sector**

#### ***2.1.1 Result 1: Mechanisms in place for defining roles and responsibilities between KFS and other institutions***

##### **Activities carried out:**

- Situation analysis through; i) meetings with KFS key personnel and key partners (FRS, WRMA) and ii) review of relevant documentation.

##### **Highlights:**

One priority at the moment in KFS organisation development is the formation of the Forest Conservancy Committees (FCC’s). The FCC’s on conservancy level is an important body in the KFS management structure. Due to the composition of the FCC, the institution is also going to be an essential mechanism in clarifying roles and responsibilities between institutions in the conservancies. Therefore, MMMB support to the formation of FCC’s is both in line with the priorities of the reform process as identified by the FRS and the activities listed in the MMMB project document TORs.

Another priority in the reform process as identified by the KFS Board is the development of SME’s in sawmilling. The SME in sawmilling in Kenya is at the moment rather weak, and there is a need to look at the role of the GoK in regulating and facilitating the development of this sector. In other words; to look into the policy, regulatory and fiscal framework and make recommendations for a framework that is supportive to the development of the SME sector. The MMMB project has been asked to provide inputs into this issue.

**Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.
- Proposal to redefine activity 1 for the project (see Amendment to the Programme Document) into two separate activities; i) Support KFS in formation of Forest Conservancy Committees as mechanism for coordination of roles and responsibilities in forest sector in the conservancies and ii) Support KFS in defining benefit sharing mechanisms between stakeholders in NRM (GOK, KFS, local communities and private sector).
- Proposal to include as additional activity the Policy analysis on framework to support SME development in sawmilling in Kenya.

***2.1.2 Result 2: Increased capacity on institutional reforms among KFS technical officers, policy and decision makers.***

**Activities carried out:**

- Situation analysis through; i) meetings with KFS key personnel and key partners (FRS and others) and ii) review of relevant documentation.

**Highlights:**

One focus for MMMB is to support KFS in bringing the reform process into the conservancies and lower down in the organisation into the divisions and stations. The proposal for how to implement this process is:

- Work shops on conservancy level followed by work shops at division level (in the pilot areas).
- Utilization of the pilot areas where the ASAL/PFM component is working for getting experience, awareness/capacity and testing on the KFS reform process.
- Formation of a working group (task force) on conservancy level for bring the reform process further in the conservancy.

Capacity building in this process is in form of work shops and activities in the pilot areas. However, available resources into each pilot area during this phase of MMMB will put limitations on the amount of capacity building that can be carried out.

The process described above implies that there will be more pilot areas than only one and that the pilot areas will be chosen to be representative for larger areas.

The KFS is at the moment developing necessary systems and structures for its operations. In this the KFS aims at learning from other similar institutions. There is ample experience in South Africa that could be utilized in the development of KFS on topics such as; i) plantation forest management including out-grower schemes and benefit sharing mechanisms, ii) forest industries, iii) community forest management and local associations and iv) income generation through bio-carbon projects,

ecotourism and payment for environmental services. A study to Republic of South Africa has been proposed by the KFS.

**Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plan and budget.
- Proposal to increase the number of pilot areas in the project from one pilot area to four pilot areas.
- Proposal to include a study tour to South Africa in the work plan for 2007.

***2.1.3 Result 3: Preparation of additional subsidiary legislation to operationalize the new Forests Act Initiated.***

**Activities carried out:**

- Situation analysis through; i) meetings with KFS key personnel and key partners (FAO Netherlands project, WB NRM project, FRS) and ii) review of relevant documentation.
- Support and cooperation with FAO Netherlands Project in the development of TORs and interviewing of candidates for hiring of short term consultant to develop three more pieces of subsidiary legislation during autumn 2007.
- Development of TORs for short term consultancy on finalizing the charcoal subsidiary legislation.

**Highlights:**

The subsidiary legislation on charcoal (“Charcoal Production, Transportation and Marketing Rules”) is at the moment under preparation by a national consultant hired by USAID. The FRS has identified the need to review the draft that is going to be produced by this consultant and finalize the preparation of charcoal rules by another legal expert. The review will be carried out as soon as the draft is finalized. The finalization of the charcoal rules is according to FRS a priority for 2007.

The FAO Netherlands Project has together with KFS developed a functioning participatory process for the development of subsidiary legislation. The process includes; i) hiring of consultants to provide expertise mainly on legal issues for formulation of the legislation, ii) consultation with stakeholders through work shops both in the beginning and in the end of the process, iii) utilization of KFS technical know how forestry technical issues.

The FAO Netherlands Project will finalize its contribution to the preparation of subsidiary legislation by supporting the preparation of another set of three pieces of subsidiary legislation. However, the project does not have sufficient funding to carry the whole participatory process through as in the preparation of the previous subsidiary legislation. Cooperation between KFS, the FAO Netherlands Project and MMMB is in line with the MMMB TORs. The role of MMMB in preparing the legislation will be on facilitating work shops.

The FAO Netherlands Project has had a major supportive function in the preparation of subsidiary legislation in forestry during 2007. As this project is coming towards its end, FRS has emphasized that the MMMB from beginning of 2008 would take on the role carried by the FAO Netherlands Project. Excluding the legislation that will be drafted during 2007, there are still more than ten pieces of subsidiary legislation that needs to be prepared as identified in the Forest Act.

The preparation of subsidiary legislation will require inputs from legal expertise in form of short term consultancy. If MMMB take on the role as providing the major support in preparation of subsidiary legislation during 2008, this will impact on the short term consultancy resources available for other areas in the reform process. Hence, this is an issue of priorities that will be further looked into during 2007 and included into the 2008 work planning and budgeting.

**Outputs:**

- Coordination and cooperation established between FAO Netherlands Project and MMMB on how to support KFS in preparation of subsidiary legislation.
- TORs for consultants to be hired in preparation of subsidiary legislation produced.
- Information available on priorities in the reform process for the preparation of proposal for MMMB work plan and budget.

***2.1.4 Result 4: Existing ecosystem strategic management plans preparation process reviewed***

**Activities carried out:**

- Situation analysis; initial discussions with FRS.

**Highlights:**

The ecosystem management planning process and the review of the process was not discussed in detail during the reporting period. Hence, the review will be planned in more detail later on during 2007.

***2.1.5 Result 5: Information on contribution of forests to national economy available***

**Activities carried out:**

- Initial situation analysis through meetings with KFS Director and key partners (GoK/Forest Donor Coordination Sub-Group meeting 1/2007)

### **Highlights:**

During the GoK/Forest Donor Coordination Sub-Group meeting 1/2007 in July the issue of status reports on forests in Kenya was discussed. During the discussions an interest from KFS to partner with UNEP in formulating status reports on the forests emerged. UNEP would look into possibilities of partnering with KFS to produce Forest Status Reports.

There is a clear connection between the status reports on forests and the “information on contribution of forests to national economy”. Hence there is need to coordinate and cooperate closely with UNEP as well as with FAO and ICRAF in regard to the fulfilment of this result area.

### ***2.1.6 Result 6: Personnel requirement and organizational structure for KFS determined***

#### **Activities carried out:**

- Situation analysis through; i) meetings with FRS and KFS key personnel and ii) review of relevant documentation.

### **Highlights:**

The organisation structure of KFS on HQ and conservancy level including personnel requirements and job descriptions has been developed and approved by the KFS Board. The first phase of recruitment with the recruitment of 7 key positions in HQ is on the brink to be completed while next phase of the recruitment will start with the anticipated recruitment of technical staff in HQ and in the conservancies. This recruitment is planned to be completed by the end of 2007.

Therefore, the support from the MMMB into the KFS organisation structure development is going to focus on developing sub-conservancy (divisions and stations) level structures. This has also been identified and proposed by FRS as one of the priority areas of the MMMB project.

The support from MMMB into development of sub-conservancy structures is proposed to be on; i) division rationalization (i.e. developing proposal on number and borders of KFS divisions), ii) determination of personnel requirement through work load analysis. According to the discussions held between the MMMB and the FRS this is going to be one of the priorities for the institutional reform component of the MMMB during the first half of 2008.

**There are clear benefits from utilizing the same pilot areas as the ASAL/PFM component in activities relating to KFS structural reforms in divisions and stations.** Basically participatory forest management is about a partnership between two or several institutions. Here the KFS will more often than not be one of the partners. Hence, the ASAL/PFM component will in its work also look into KFS role in the PFM. This implies that focusing the reform process activities into the same pilot areas will enhance the efficiency of resource use in the MMMB.

**Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.

***2.1.7 Result 7: Inventories of assets available in appropriate detail***

**Activities carried out:**

- Situation analysis through meetings with key personnel in KFS, personnel in FRS, WB NRM project, USAID, and FAO Netherlands project.

**Highlights:**

The USAID funded FORREMS project is planning to support KFS in the development of an asset management system. TORs for the consultancy in development of the asset management system has already been prepared by the FRS. According to the TORs the asset management system will be developed in two phases; i) development of registration system and development of register for KFS HQ and selected divisions and stations, ii) development of register for the remaining divisions and stations.

With the new organisation structure for KFS HQ and new personnel to be employed there are ample opportunities to form a Working Group to coordinate and carry this task further. Here the Head of Supply Chain Management in KFS would be the logical focal point.

Furthermore, if the first phase of asset register development will include capacity building of key KFS staff, the actual asset registration and valuation can to a great extent be carried out by KFS personnel. According to initial discussion USAID would be financing the support (i.e. consultancy) to the first phase of the asset management system development, while MMMB would look into possibilities to finance a consultancy to support the second part of the asset system development. This implies that the asset register development activities in MMMB would come in during 2008.

The FAO Netherlands Project is at the moment supporting the development of methodologies and approaches for valuation of assets. The methodology will focus on the valuation of growing stands and forest land, but will also briefly look into the valuation of infrastructure. The methodology is planned to be ready within November. The methodology development will also include the training of KFS personnel in HQ and in divisions.

The WB NRM project will carry out inventories of the State forest plantations. I.e. collection of data to enable valuation of growing stock.

There is a need for close cooperation between KFS and the supporting institutions to avoid overlapping.

**Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.
- Coordination and cooperation established between USAID, FAO Netherlands, WB NRM project and MMMB on the support to KFS in asset register development.

***2.1.8 Result 8: Financial and economic viability study of selected areas of KFS operations***

**Activities carried out:**

- Initial situation analysis through meetings with key personnel in KFS and FRS

**Highlights:**

One challenge for KFS is financial sustainability and decreased dependence on GoK budget allocations. KFS is at the moment looking into different options for revenue collection. One of the options deemed to be highly relevant is eco tourism and concessions on eco tourism sites. Here KFS is looking into utilizing the experiences available in KWS. At the moment there is one person (Mr Odera) seconded to KFS from KWS to support KFS on these issues.

The development of ecotourism is one of the priority areas in KFS and is also stated in the KFS Performance Contract (signed between KFS and MENR) as one of the activities were the KFS is to deliver during the on-going financial year.

The MMMB project has been asked to provide inputs into this issue. According to discussions with FRS there is know-how within KFS (Mr Odera) for the development of ecotourism in line with what is stated in the KFS Performance Contract. What is requested from MMMB is facilitation of the work of Mr Odera in form of transport etc. Assessment and planning of the inputs from MMMB will be carried out in more detail during the remaining of 2007.

**Outputs:**

- Initial information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.
- Proposal to include facilitation of Eco Tourism Master Plan development into the MMMB work plan.

***2.1.9 Result 9: Necessary human resource database and human resource development scenarios prepared and serving KFS strategic planning.***

**Activities carried out:**

- Support planning of KFS Strategic Plan peer review process including initiating the integration of HIV/AIDS and gender into the TORs for the consultants.

**Highlights:**

The KFS Strategic Plan preparation process is planned to be completed through a peer review involving short term consultancy (both international and national) and a final work shop involving stakeholders. The WB NRM project has taken the lead role in supporting KFS in preparing the KFS Strategic Plan. In the discussions with KFS and WB NRM National Project Coordinator the expectations from MMMB support in the Strategic Plan preparation process is a possible co-facilitation of the work shop.

**Outputs:**

- Gender and HIV/AIDS included in issues to be reviewed by the consultants in the Strategic Plan peer review process.

***2.1.10 Result 10: Cost estimates and draft procurement plan for KFS prepared.***

**Activities carried out:**

- Situation analysis through meetings with FRS and key personnel in KFS.

**Highlights:**

The asset register system is going to provide essential information for the needs assessment and procurement planning. Hence the asset system development will feed into the procurement planning and the timing of the MMMB support to procurement planning will need to be adjusted to be in line with the asset system development. This implies that MMMB support in needs assessment and procurement planning will be activities for 2008.

The KFS Head of Supply Chain Management (to be employed by KFS) will be the focal point in KFS in the development of the procurement plan. Hence the support activities for needs assessment and procurement planning need to be closely integrated with the Finance, Administration & Human Resources Division within KFS in general and with the KFS Head of Supply Chain Management in particular.

The idea is that the needs assessment on station and division level will utilize the same pilot areas as ASAL/PFM thereby benefiting from e.g. information collected during the PFM process.

**Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.

### **2.1.11 Result 11: Data and M&E system available for adequately functioning administration of the KFS.**

#### **Activities carried out:**

- Situation analysis through meetings with FRS and key personnel in KFS, WB NRM project, USAID, and FAO Netherlands project.

#### **Highlights:**

Besides the Forest Information Systems, other management and information systems that are to be developed with the support of MMMB are the Finance Management System and the Monitoring and Evaluation System.

The Head of Finance and Accounts within KFS will soon be employed. The new organisation structure in KFS HQ introduces a Finance, Administration and Human Resource Division. USAID is planning to hire a national consultant to support KFS in the development of their finance management systems. This consultant is expected to be hired towards the end of October this year and be on-board for a six months period. The Finance Management Adviser within MMMB, Mr Kaj Björk, will be providing inputs into KFS Finance Management System development and implementation for 8 months starting from beginning of October 2007.

Obviously, the focal point for the development of the Finance and Management System in the KFS will be the Finance, Administration and Human Resource Division and in here the Head of Finance and Accounts. Therefore, the MMMB support in development of the Finance Management System needs to be closely integrated into this structure and also be working in close cooperation with the USAID national consultant.

WB NRM project is going to finance the employment of a Head of Monitoring and Evaluation within the KFS. The initial contract with WB funding will be for 3 years. It is envisaged that this person will be employed starting from January 2008. The Head of M & E again will be the focal point for support functions from MMMB into the M & E.

Therefore, the new organisation structure as well as new appointments within KFS both emphasizes the need for team work and coordination as well as provides possibilities for formation of working groups to take the processes further (where KFS personnel is to have a lead role) including capacity building of KFS staff.

The idea is that the management systems will also be tested on lower levels in the KFS organisation, and here in the same pilot areas as ASAL/PFM thereby benefiting from e.g. information collected during the PFM process.

#### **Outputs:**

- Information available on priorities in the reform process for the preparation of proposal for MMMB work plans and budgets.

## 2.2 Component 2 - ASAL Participatory Forest Management and Poverty Reduction

The activities during the first 2 ½ months of the MMMB project were focusing on situation analysis and developing criteria for selecting pilot sites for the MMMB ASAL PFM component.

### *2.2.1 Result 1: Sites selected for pilot activities in the ASAL s according to criteria defined*

#### Activities carried out:

- Situation analysis through meetings with key personnel in KFS, support projects (JICA etc), Ministry of Planning (Kenya Central Bureau of Statistics), UNEP.
- Development of site selection criteria including a proposal for MMMB pilot areas using the criteria.
- Work shop in KFS on site selection criteria and preliminary sites to be selected to become MMMB pilot areas

#### Highlights:

The situation analysis revealed that a wealth of information on NRM and livelihoods exists in the ASALs. However, in the project that the ASAL component looked into, baseline data was missing and/or in cases where attempts for a baseline were undertaken the resultant data is of poor quality.

Another issue that came out during the situation analysis was that benefit sharing arrangements between KFS and communities was unclear.

There is a large number of PMF activities that has been initiated by communities in different parts of the country, however only a handful of these are operational. Furthermore, none of the PFM activities are gazetted by KFS as required by the Forest Act 2005.

To get more useful information and experience for the further PFM development and KFS reform process it was decided to increase the pilot areas from one (as in the MMMB project document) to four pilot areas. ASAL is not uniform neither in the sense of climate nor people. There is a close relation between the physical conditions and the livelihoods.

One starting point for the criteria and for selecting pilot areas based on the criteria is that the pilot areas selected should be representative for a larger area.

Selection of sites for PFM/ASAL piloting should be representative of all the ASAL ecological zones, except for Zone 7 which is desert (see ANNEX 2 for Agro-Climatic Zones). On the basis of discussions with KFS personnel, representatives of civil society, review of relevant project and non-project literature seven factors were identified for consideration.

The proposed criteria are the following:

- Agro-climatic issues and conservancy balance.
- Data quality
- Pilot site accessibility
- Existing community conservation groups
- Community NR management regulations for access and ownership
- Forest raw material for processing and marketing
- Capacity of KFS personnel.

The selection criteria were used to select areas to be proposed as pilot sites for MMMB project. In selecting a proposed PFM/ASAL pilot site, the following steps were followed; i) identification of potential sites within a specific agro-climatic zone; ii) ensuring that identified potential sites are also representative of KFS conservancies; iii) identified potential sites are within a specific agro-climatic zone are subjected to the selection criterion; iv) sites within agro-climatic zone are ranked; v) final decision on the number of sites is negotiated on the basis available resources and time.

A Work shop in KFS involving KFS project heads to discuss on site selection criteria and preliminary sites to be selected to become MMMB pilot areas is going to be held on 17<sup>th</sup> of September. The aim is that after the work shop there are 6 pilot areas proposed, which are then going to be visited. It is envisaged that among the six pilot areas 4 are going to be selected as final pilot areas for the MMMB.

**Out puts:**

- Information available from different sources (KFS, support projects) on dryland natural resource management.
- Proposed site selection criteria developed.
- Proposal for pilot areas developed.