

Darwin Initiative for the Survival of Species

Half Year Report Form

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| Project Title | Conserving Kenya's indigenous forests through certification of sustainably sourced woodcarvings |
| Country | Kenya |
| Organisation | WWF-UK |
| Project Ref. No. | 162-11-004 |
| Report date | <i>October 31 2003</i> |

1. Outline progress over the last 6 months against the agreed baseline timetable for the project (if your project has started less than 6 months ago, please report on the period since start up).

Output no. 8: Project leader trip to host country (min. 6 weeks over 3 years) and technical support (min. 18 weeks over 3 years)

The project leader has not travelled to Kenya since March 2003. A trip planned for October had to be postponed until December 2003. However, the project leader is in very regular contact with the project officer and all project partners. Informal bi-monthly reports with contributions by all partners are compiled by the project leader and distributed to all partners. These reports highlight successes, initiatives, failures, threats and lessons learnt and are very valuable in ensuring adequate information flow between partners.

Technical support by the project leader has been particularly focusing on the work on wood technology, specifically ensuring the quality and appropriateness of the work by cross-checking with UK expert Victor Burclaff. Detailed comments have been provided on re-writing FSC Administration manual, particularly emphasising the need for practicability and additional cross-checking with stakeholders, in particular farmers and cutters.

Output 15 A: press releases (9 over 3 years)

This reporting period has yield a number of media results.

1 newspaper article was published in the 'East African', a weekly regional newspaper (30 June – 6 July 2003), entitled: 'Tough Rules and Scarce Wood Chipping Away at Carvers' Sales'. The paper is widely read in Kenya, Tanzania and Uganda. The article was targeted at woodcarving traders and carvers emphasising the declining supplies of indigenous hardwoods. The article had a few mistakes but the main idea came across.

1 newspaper article was published in the 'Coast Express', a weekly paper (July 4-10 2003) read by coastal inhabitants, entitled 'Project to Boost Carving Industry'.

1 environmental newsletter feature: Eco Forum a newsletter by ELCI featured an article on "Carving the last Mahogany". The article covered activities in the last 2 years informing environmentalist of the potential of certification and the shift to good woods. The paper is widely circulated among environmentalists in the region. ELCI is the focal point for capacity building in certification in the East African region.

BBC World Business Programme carried an interview with the project manger on the project impact of promoting Good Woods over hardwoods at a time when government has banned cutting of indigenous trees. The interview was broadcasted in the World business programme

on Thursday the 26th June 2003 at 5.40 and 9.30 GMT. The interview can be listened to on <http://news.bbc.co.uk/1/hi/business/3003148.stm>. On the same web-site an article entitled 'Kenya faces tourism meltdown' also mentioned the fate of the carving industry. The focus of the article was on the hardwood shortage and drastic reduction in woodcarving trade, which is also due to greater competition from Asia, dearth of new designs etc. The web-article is dated 19th of June 2003.

1 web- article by AFP Terradaily web-site (www.terradaily.com). It was a result of sending a factsheet to AFP. The article chose to focus on the substantial drop in trade in carvings.

Copies of all articles will be sent to the M&E project manager.

Output 6 A: training of carvers, cutters and farmers

As stated in the annual report, it is difficult to adhere to the exact number of trainees and the division into different modules. The programme of training, particularly for carvers and farmers had to be re-evaluated. Therefore, it makes no longer sense to refer to the original numbers of trainees, days sessions and modules. Revised numbers and training strategies are explained, over all the number of trainees will not be lower than the original estimates.

Farmers

Time to recruit & train farmers in certification has been underestimated, which was realised after initial trials in 2002 (see 1st annual report). Based on advise and discussions with our partners, Oxfam Kenya, Kwetu Training Centre and the Coastal Forest Conservation Unit (CFCU) a stepped approach involving mass sensitisation of farmers in Kilifi, Kwale and Malindi district, followed by registration of interested farmers, followed by a first and then 2nd generation training of interested farmers, was adopted. To create sufficient incentive to join the certification group scheme farmers will now also receive training and help with income generation from neem by-products (e.g., seed oil) and their marketing. Furthermore, detailed calculation on wood volumes required over time by coastal carving co-ops and knowledge of the standing stock of neem available, now requires the recruitment of much more than 400 farmers. It is estimated that up to 3000 farmers should be trained and recruited.

In June and July, CFCU and Kwetu completed the farmers' sensitisation in Malindi district with the help of Trained Trainers (see last year). 1500 farmers have been informed about the work in the district during 26 meetings. In preparation for sensitisation work in Kilifi and Kwale, a training workshop with 50 village elders, who are the focal people for registration of farmers, was held. Preparation for the first generation training in Malindi are now underway and sensitisation work in Kilifi and Kwale will begin shortly.

Carvers and co-operative management training and quality assurance/wood technology experiments

All information below is in relationship to Akamba, the largest co-operative (>3000 members). Developments regarding Malindi co-operative are reported in a separate paragraph below.

Please refer to the 1st annual report for details regarding the need for wood technology experiments and quality assurance work and the resultant delays in training and trial export orders.

Experiments, led by Mr Meshack Muga from the Kenya Forest Research Institute (KEFRI), were started in August and are now going on well. An experimental solar kiln has been constructed and work on the development of a drying schedule (i.e. clear instruction on length and type of drying) for a range of carvings is nearing completion. Specific drying treatments should stop carvings from cracking. The causes of mould and how to treat them has also been

investigated and treatment with boric acid at the wet sanding stage is recommended. Boric acid is considered safe, but safety instructions for carvers will be provided. For use on utility items, UK and European regulations on permitted substances will be checked. With recommendations on drying and mould prevention now becoming available, the Business Development Service Provider (BDS) Kenya Gatsby Trust (KGT) will complete the production manual and actively train carvers in the modified production process.

A first trial order for Akamba from the fair trade organisation Ten Thousand Villages (TTV), applying the new quality assurance regime plus the application of full FSC chain of custody rules, is expected for December 2003.

The Coop management committee occupies a crucial role in the certification process in terms of making and approving decisions on production and other activities at the Cooperative. The management committee of Akamba underwent briefing / training by the Good Wood team three times in the reporting period. However, for the second meeting, training had to be repeated since the previous committee was sacked by co-op members and a new committee was installed.

The co-operative board of management had been envisaged as a vehicle for training and dissemination to the co-operative members on certification, but it has become apparent that high turnover made this nearly impossible. It was decided to use groupings at a lower level for this purpose such as the 'Book' representatives (there are four books, which are chronological membership lists) and shed leaders.

In addition, the new management board appointed a training committee to disseminate and act upon the results of the wood technology experiment, by training other members of the society. The committee will be a contact group which will assist in most of the carvers' arrangements during training. This would be a hard task for a person from outside the society and should be seen as a very positive development.

An Annual general meeting of Akamba Carvers (attended by approx. 600 carvers) was held in June when the Chonga newsletter was presented and project progress and aims were discussed. At this meeting carvers requested from the Akamba board to organise a Special General Meeting focusing predominantly on certification. The meeting was held in August, and led by David Maingi, Project Officer and Severinus Jembe, Resource Manager. It was attended by over 1000 carvers and the board members. Issues discussed all related to certification: what is certification; neem farmers identification and wood supply, chain of custody, wood technology experiments, etc. Obviously in such large meetings the topics can only be discussed in a very broad fashion but follow-up meetings and training with shed-leaders and book representatives is taking place through work by KGT and the rest of the Good Wood team.

KGT has been engaged for further work on a cost-sharing basis between CFCU (GEF – Small Grant) and WWF EARPO (Darwin funds). KGT plays a crucial role in training and providing business counselling to the carvers and the co-op management in quality assurance, development of a sound business plan, improvement to the export accounts management system, development of a product export marketing system for certified carvings and to help develop a system within the co-op to reward and encourage innovation and excellence. KGT is eagerly awaiting more results from the wood technology experiments to turn them into practical action to improve quality of the carvings.

To the benefit of the Kenyan carving co-operatives as a whole KGT organised a Buyers- Producers meet for Good Wood Carvings in Nairobi on the 9th of October. Funding from other sources was available for this meeting. Prior to the meeting KGT encouraged Akamba and Malindi to submit two new designs each for the meeting apart from supplying other products. Both Akamba and Malindi sent products, but only Akamba had funds to send the export manager as a representative. The meeting was very successful in bringing local buyers and

producers closer together. It allows both parties to find out first-hand about requirements, demand trends and potential problems. A number of challenges were identified regarding the co-operatives ability to do good business. The main ones were that some of the designs and quality of carvings were sub-standard, the delivery of products for the event were slow, and that carver participants were very hesitant to market themselves. KGT plans further events of this kind and will use the lessons learnt from these events when working with Akamba and Malindi in future.

Cuttters

In this reporting period cutters attended two training session (one-day session in May and half-day session in August). Each was attended by eight cutters, who are currently the key suppliers of neem wood to the co-operative. The first session introduced cutters to the proposed certification scheme, their roles and that of other players. In the second session training was specifically on the use of chain of custody forms by the cutter to enable the tracking of the logs. The cutters found the forms appropriate, but requested to receive training in the form of a field trial during the next training session.

Advisory committee

The committee met for the second time in August 2003, with Severinus Jembe, the new Resource Manager, in place as secretary. Twelve members attended bringing together government departments, provincial heads and NGOs all working in farming and forestry related fields. Progress and challenges of Good Wood Project were discussed with members. In the August meeting the role of the Advisory committee was clarified and defined as:

- Advising the project management team and later the certification Group Scheme manager, on Government policies in various areas relating to certification
- Advising in technical areas where required
- Exchanging information with each other and the project management team relevant to the implementation of the certification scheme.
- Acting as an informal lobby group for the interests of certification and biodiversity conservation and individually lobbying within their organisations
- Providing feedback on developments in their organisations or sectors relevant to the certification scheme.

Malindi Handicraft co-operative status

As discussed in the 1st Annual Report certification training activities for the board and carving members of Malindi co-operative were suspended since the beginning of 2003. This was as a result of the business assessment and preliminary counselling session held by KGT towards the end of 2002, which found that Malindi was in severe financial difficulties and not able to become fully export ready as a result. Ability to achieve export readiness as well as a sound business are essential pre-requisite for certification.

KGT and CFCU had a follow-up visit to Malindi co-operative in July and some encouraging developments were observed. On the basis of the business assessment and the action plan compiled at the end of 2002 Malindi co-operative has been achieved trying to improve its business. Most of their debts are cleared (though it is not quite clear how this was done) and cash flow is more healthy; some effort to improve quality assurance has been made by drying neem rough carvings for several weeks in the shade; two export orders to Italy were secured and local marketing efforts have resulted in more local sales and tourist visiting the store; retail prices have been adjusted to more realistic levels after asking for feedback from tourists; and better communication is now possible by direct phone and e-mail connection.

Feedback on the Italian export orders is eagerly await to be able to asses whether the quality of

carvings have been adequate and delivery requirements were met. This will help to further assess Malindi's export capability.

Currently no specific budget has been set aside for extensive certification and business training for Malindi. As a result of the business assessment only a small amount of business counselling was recommended and the budget set accordingly. However, spending on training will be reviewed to assess whether more intensive training can again be offered to Malindi. In the meantime the project officer and the resource manager will pay regular visits to Malindi to restart basic certification training. KGT's input on quality assurance and business counselling will for the time being be restricted. However, from the experience gained at Akamba on neem drying and mould treatment and the development of the production manual it should be feasible that several steps can be leap-frogged and faster progress achieved when BDS work with Malindi co-operative resumes. The Good Wood Team will develop a strategy by the end of the year.

Output measure 16A: Newsletter

Chonga has been widely distributed during the project period. The carvers version was distributed to carvers during the AGM in June and to some of the farmers. It has been well received by the carvers and the project team has used it as a basis to inform and talk to the carvers.

The launch of the newsletter has also spawned a number of media activities and articles as described above.

The more general version was also widely distributed to decision makers, environmentalists and traders. Where opportunity arose newsletter presentation was marked with a small presentation on certification and future plans.

Hardcopies of both Chonga versions were sent to the project secretariat, ECTF and the Darwin PR agency.

The general version can be downloaded from
<http://www.rbgkew.org.uk/peopleplants/pdf/chonga3.pdf>

Milestone: August 2003

The resource manager, Mr Severinus Jembe, was appointed and has taken up his duties. He works for the Coastal Forest Conservation Unit of the National Museums of Kenya, who are already implementation partners. Mr Jembe has over the past year and a half been involved in certification training of carvers and cutters and has recently worked with Kwetu on the research for the Coastal farmers livelihood survey and farmers sensitisation work in Malindi district. He has already acted as the secretary during the 2nd steering committee meeting held in August 2003.

Policy-level work

David Maingi, the project officer, has continued to serve on the Technical Committee of Small and Low Intensity Managed Forests (SLIMF) Initiative of FSC. He attended the 3rd meeting held from the 6th-10th of October in Bonn. Through his participation our direct project experience of barriers to certification has helped to shape changes that will be made to the FSC standards and systems for eligible entities. Some of the changes under SLIMF will lead to the reduction in cost and administrative burden of FSC certification (e.g. no annual audits), although it might still not be wide ranging enough. Our Kenya case is eligible under SLIMF and will hopefully benefit from the SLIMF changes during the anticipated certification in 2004.

David Maingi has also continued to actively engage with the Kenyan Forest Department (FD)

on the issue of certification and potential policy barriers to the success of our project. A consultation held in May to attempt to influence the incorporation of certification in government planning was met with success. The FD committed about KSH 50,000 for certification activities country wide. Although a small sum, it is important in that once government includes it in its planning system it implies full support of the process and future or other planned FD activities will have to take it into consideration.

Policy mapping meetings with the aim of creating an enabling environment for successful implementation of the project have been held attended by Ada Mwangola of OXFAM Kenya, David Maingi and the policy officer from WWF EARPO, George Wamukoya. It was proposed to hold a meeting for all parastatals and Heads of Departments implementing various policies affecting the growing, processing and marketing of the Good Wood neem. This meeting is planned for January 2004. It is clear that during the project period no policies can be changed in a significant fashion. However, policy-work under current project can highlight the major bottlenecks and lobby the relevant departments to enhance opportunities and sustainability of project interventions, beyond the length of this project.

Project Officer training in certification

David Maingi has been fortunate to receive funding from SIDA to receive formal training to become a certifier. As a result he attended a 3-weeks training course in Sweden. He considered the course highly beneficial for his work. The training has allowed him to critically review the major documents required for certification, such as the neem management plan and the administration manual. He is due to attend the second part of the training in Guatemala in November. The resource manager, Severinus Jembe from CFCU had applied this year, but was unsuccessful. He has been encouraged to apply for the course again in 2004.

2. Give details of any notable problems or unexpected developments that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will effect the budget and timetable of project activities. Have any of these issues been discussed with the Department and if so, have changes been made to the original agreement?

As described in detail in the 1st annual report the gaps in knowledge regarding neem wood treatment and drying has led to delays in the training activities and therefore the securing of export orders. However, as explained, addressing these issues first is essential to the success of the project. Problems related to the frequent management changes in Akamba co-operative have also slowed progress, but as described above, we now have a workable strategy of getting information and training down to the individual carver level.

The difficulties encountered with Malindi have also been described on several occasions. Recent improvements in their performance now requires a careful assessment of interventions and requires to re-evaluate the training budget for the current financial year. This will be done during a visit by the project leader to Kenya in December.

Overall budget changes were made at the beginning of this financial year, shifting more money into training. This was done with approval of the secretariat.

We feel that we should be able to achieve the main objectives of the project, even if certification of one of the co-ops (the smaller Malindi co-op) remains doubtful.

No changes to original agreement have been made. Please advice if this is necessary.

3. Are there any other issues you wish to raise relating to the project or to Darwin's management, monitoring, or financial procedures?

We appreciated the feedback on the 1st annual report. The difficulty with relating back to the original output measures is that these measures require very specific numbers to be given on, e.g., number of people trained, at the proposal stage. In most circumstances it is very difficult to estimate how many people can be trained in a given time, without initial trialing. It might be helpful to allow broader output measures.

Please send your **completed form by 31 October each year per email** to Stefanie Halfmann, Darwin Initiative M&E Project Manager, Email: stefanie.halfmann@ed.ac.uk