



African Agency for Arid Resources Ltd

AGAR Limited

KAVADI©

<i>Proposed Title</i>	Kenya Arid lands Value Chains Initiative - KAVADI ©
<i>Background</i>	<p>The area so-called "ASAL – Arid and Semi-Arid Lands", covers around the 80 % of the national territory of Kenya. The inhabitants of these counties are mainly pastoral communities covering vast areas including the Borana, Samburu, Turkana, Somali, Merrille, Pokot and many others. However, together they comprise of only 10% of the population Kenya (4 Million according to the ASAL policy - Ministry of Devolution and Planning, 2015). These areas fall in the "Arid and Semi-Arid" criteria as they receive rainfall between 0-300 mm (dry) and 300 and 600 mm (semi - arid). Because of these characteristics the agriculture is limited or non-existent; furthermore, frequent droughts have been intensified by climate change.</p> <p>Yet, Kenya's Arid and Semi-arid lands are endowed with a rich diversity of plant resources especially types of Acacias, Boswelias and Commiphoras exuding gum and resins and many other plants with commercial interest. The region, which depends almost entirely on livestock production, is highly underdeveloped with poverty levels being among the highest in the country. Several studies recognized the potential that exists in developing the off take of NTFPs (Non Timber Forest Products) such as gum and resins but also beekeeping as the right step towards sustainable economic development of these arid and semi-arid lands of Northern Kenya.</p> <p>Increasing desertification is also an issue, being of the symptomatic problems of climate change, plus the widespread practice of cutting trees for the production of charcoal, common to 70% of Kenya and accentuated in areas of interest due to the absence of electricity in remote areas, and very difficult to regulate. In the above mentioned counties, and throughout the area of the "ASAL", income depends almost exclusively on the beef and goats meat value chain, a feature linked to the tradition of the pastoralist communities in object. The commercial chain of beef, attracting 13% of the national GDP (KEVEVAPI - KEnya VETerinary VAccines Production Institute, 2015), has long been the priority of development actors and government, ignoring other potential sectors and ignoring the reality that it is a value chain non-resistant to drought and prone to suffer great losses during the latter, potentially reducing the communities to the total lack of revenues, being cattle approximately 90% of the livelihood of pastoral communities. (ASAL Policy - Ministry of Devolution and Planning, 2015). Based on the depicted scenario, the issues this project intends to tackle are the following:</p> <ul style="list-style-type: none"> a) Depletion of natural resources derived from livestock as the communities' primary source of income. Solution: the contribution to income from alternative and environmentally sustainable agro-forestry value chains; b) Scarcity of investment / possibility of access to markets for emerging sectors. Solution: strengthening the links with public and private actors, including at the international level, in order to build strategic alliances for product promotion and commercialization; c) Lack of awareness of risks connected to the exploitation of environmental resources, which amplifies



African Agency for Arid Resources Ltd

	<p>climate change. Solution: dissemination of sustainable practices of exploitation of resources. d) Informality of the sector: lack of commercial procedures, financial literacy, quality standards and overall management and organizational structures. Solution: Built up of platforms of payment and accountability, lobbying action for policies, procedures and standards and community storages.</p>
<i>Duration of the project:</i>	3 years (+3 second phase)
<i>Counties</i>	<p>-Isiolo County (or Samburu County)</p> <p>-Marsabit County (or Laikipia County)</p>
<i>G&R Beneficiaries</i>	<p>800 direct beneficiaries divided between: <u>450 group members</u>: 27 Groups divided in 9 associations (50 persons each association); 50 <u>Cooperatives members</u> (2); 150 <u>Seminar's attendants</u> (25 x 6); 150 <u>Workshops attendants</u> (25 x 6).</p> <p>4,000 indirect beneficiaries (direct beneficiaries x 5 – average household)</p>
<i>Partners</i>	<ul style="list-style-type: none"> - NGO/ Agency / Private Sector (Agar Ltd) – Lead Applicant - KFS (Kenya Forestry Services) - Local stakeholders - Ministries of Natural Resources and Trade & Cooperatives– Local stakeholders - AGAR Ltd (African Agency for Arid Resources Limited) –Private sector associate if not lead
<i>Objectives</i>	<p>The <u>general objective</u> of the initiative is the following: To contribute to the improvement of living conditions of the rural communities in arid and semi-arid lands, promoting inclusive and sustainable socio-economic development through the enhancement of high potential agro-forestry resources, in synergy with the local private sector and national agenda.</p> <p><u>Specific Objectives:</u> 1. To increase the productive potential of gum, resins and aloe through the synergistic action of the public and private sector ; 2. Sustainable management of natural resources through the introduction of correct environmental practices , enhancing the adaptation strategies to climate change, reducing the impact of desertification and deforestation and promoting women's social inclusion in production processes . 3. Formalization of sectorial capacity, increased organizational and financial management and set-up of policies and standards.</p> <p>The initiative would work using three levels of ownerships: Groups of Interest at community level (Gols), the groups intended at following the collection of G&R and the plantations of aloe/agave; the CWFA – Community Woodland Forest Association, including at least 2 Gols from 2 or more communities, and cooperatives at county level, which would have to be created. Such groups would be direct beneficiaries of the project, receiving trainings in G&R</p>



African Agency for Arid Resources Ltd

	<p>collection, sorting and grading and aloe/agave plantation and harvest, together with basic business skills for CWFA and Cooperatives.</p> <p>The registered groups are few, some near inactive and / or poorly managed, but are the entry points of the proposed action, grouping the direct beneficiaries of the two value chains, namely gum and resins (from now referred to as G&R) and aloe/agave. Such value chains belong to the above mentioned sub-sector of NTFPs - <i>No Timber Forest Products</i>, ie all derivatives of the forest that are not related to the timber.</p> <p>The creator and leader of this project, African Agency for Arid Resources Ltd, is a well-established and growing reality with existing commercial ventures in ASAL counties, offering expertise on capacity building and carries out studies such as mapping of resources exclusively for natural resources in arid lands on top of the commercial activities rotating around The company would be in charge of all technical trainings for the wild harvest of (including TOTs) and all moderation of activities for gum and resins, using as entry points in the counties would be the Ministry of Natural Resources (the custodians of said resources) and the Ministry of Trade, while a partner companies would likely be contracted to start the nurseries and run trainings on the management of the plantations the commercial plantations.</p> <p>Such plantations would comprise of trees of commercial interest such as Acacia Senegal for gum Arabic and Boswellia Neglecta for Frankincense, and indigenous aloe species (Turkanensis, Secundiflora), planted and protected in 50 acres for each county in community owned land (25 aloe, 25 acacias/boswellias), together with the capacity building for the management of the plantations carried out by outsourced experts, our partner companies - Laikipia Permaculture Centre; Better Globe Forestry – Local private partners (trainers). 25 acres of acacias/boswellias would be privately leased by Agar Ltd to monitor differences between privately owned and community owned plantations.</p>
<p><i>Expected Outputs</i></p>	<p>Output 1: Improved efficiency of alternative and sustainable agro-forestry sectors; Output 2: Strengthened the position of farmers / collectors and the company (Agar) in the domestic market, diversified export through joint work with the private sector and local authorities; Output 3: Improved management of natural resources and adaptation to climate change of communities through the recovery of local biodiversity and the use of innovative agro - ecological techniques. Output 4: Improved organizational structures for transactional development, creation of policies, procedures, and quality standards.</p>
<p><i>Activities</i></p>	<p>1.1.0 – Resource mapping and baseline surveys conducted in the target counties</p> <p>This would be the initial exercise intended at mapping all potential natural resources for wild tapping and confirm commercial indicators within the first 3 to 6 months, and confirm/establish land for the plantations, which have been preliminary identified.</p> <p>1.1.1 – Creation of CFWAs in the target counties, strengthening of the sector’s cooperatives and TOTs with institutional partners.</p>



African Agency for Arid Resources Ltd

This activity would be started immediately after the inception period, paving a fundamental ground for the capacity building activities. The Community Woodland Forest Association would comprise three groups from at least 2 or more nearby communities, formed by 3 groups of gum and resins collectors.

The facilitation for the either creation or update, when existing CWFA are present on the ground, would be from constitution to registration at Nairobi level, through the local partners KFS. Subsequently, the CFWA would be organized further within the greater umbrella of the sector's cooperatives to be formed at county level. Programme launches would be organized at county and sub county level to disseminate the project's results and targets, confirming the grassroots nature that has been an integrative part of the design of this initiative. TOTs led by AGAR would be then organized with officers from the line ministries (KFS and other institutional partners) in order to provide the technical trainings the communities, planning refresh trainings each year.

1.1.2 Diversifying livelihood through the capacitation of communities to harvest, collect, sort and storage of gums and resins.

This activity covers all the aspects of capacity building to the communities, for each individual group before and during the creation of the CWFAs. The formations would be done to all Gols, dividing the groups within the CWFA as mentioned earlier (two groups of collectors, one of honey) to collect, sort, grade and store G&R. The end result for this activity is the full capacity groups have to collect and produce resources, becoming the first, concrete link in the value chain under the immediate supervision of the CWFA. The roles of responsibility of the CFWAs (Secretary, Director, and Treasurer) will be further trained on management and general administration of the groups within the association together with the cooperatives. The trainings would be performed by Agar Limited capitalizing on the knowledge formed in years of field work, identifying at this point storage facilities at community level.

1.1.3 – Delivery of tools to the Gols

This activity is set out to deliver the necessary equipment to the CWFA/ collection groups : collection and sorting tools will be delivered after the purchase which would be done in the first semester of the project, immediately after the baseline survey, and distributed simultaneously with the technical trainings and together with the official uniforms of the groups, aimed at achieving the right visibility for the proposed action.

1.1.4 – Set up of community storages for appropriate stocking of resources

This activity is fundamental to fill an existing gap seeing the complete absence of storages. Small storages (50x50 sq meters) can be set-up fast and economically using local materials and labor giving a vital structure where to store the resources after harvesting and avoid cross-contamination with other items as it currently happens. Each CFWA (2) would have such a storage.



African Agency for Arid Resources Ltd

2.1.1 Creation of public-private platforms raising awareness at institutional and commercial levels, aimed at creating new investments channels, at both domestic and international levels.

This activity would organize seminars and workshops functioning as a platform between the private and the public sector, displaying the value chains of G&R and aloe, currently largely ignored by investors. Yearly seminars would be organized at central level (Nairobi) while workshops would be organized at county levels. These platforms aim at showcasing the benefits for institutions, local and central governments and above all communities while setting the ground for better governance, regulatory processes, quality standards and licensing process, currently inexistent (also an activity under the output 4).

3.1.1 – Creation of indigenous aloe (*Secundiflora, Turkanensis*) and trees plantation (*Acacia Senegal gum Arabic ; Boswellia Neglecta*) for a total of 100 acres in each county together with the provision of security systems and water infra-structures.

This activity covers the purchase of seeds/seedlings and the creation of pilot commercial plantation (160 trees per acres – 5x5 spacing) together with potential irrigation systems suitable for tree nurseries in ASAL areas and fencing of the pilot plantations.

3.1.2 - Provision of capacity building for tree nurseries and trainings by experts to target CWFAs for the management on conservation practices, environmental sustainability and the dissemination of the new 2016 Forest Act.

This activity carries out the fundamental aspect of capacity building for the communities for prevention of deforestation practices, reforestation and conservation practices as well as forming the tools to manage nurseries and ensuring their protection with fences designed to keep out livestock. The expected result is full environmental awareness, including the management of the nurseries in the long run, waiting for the trees to reach the maturity stage to produce G&R (5 years), and becoming a fundamental part of the fight against desertification. This activity would be carried out by the external companies mentioned above.

4.1.1 – ToTs and other capacity building exercises aimed at improving the organizational and commercial management of the groups and their affiliates.

Lastly, trainings on business management, accountability and sales would be performed targeting the cooperatives intended to group the respective stakeholders. This would make the communities more assertive with the proposed platforms for the transactions to be carried out and recorded for better fiscal returns and increased organizational management of contributions and other financial services. A financial partner/institution would be selected to provide the platforms and the means to carry and record transactions and other financial



African Agency for Arid Resources Ltd

	services, while lobbying and regulatory efforts would concentrate with line ministries and others institutions using the platforms in activity 2.1.1 (workshop and seminars) to raise awareness and spearhead all processes, regulations and standards now barely existent.
<i>Total budget: *</i>	TOTAL FOR THE ACTION: Ksh 5,000,000 to Ksh 25,000,000 (USD 50,000 to USD 250,000) *Depending on scope and scale of the initiative(s).
<i>Community Income Projections: (per county)</i>	<p>Aloe Farms (after 1 year – 1.5 years)</p> <p>100 kg of bitter gum per acre; 1 kg x USD 3 = \$300 per acre per harvest 50 acres per county = 5000 kgs x USD 3 = \$15,000 x 2 harvests = \$30,000</p> <p>Gum Arabic & Frankincense (wild harvest – immediate)</p> <p>Gum arabic 10,000 kgs ; 1 kg x USD 1.5 = \$15,000 Frankincense 5,000 kgs = 1 kg x USD 2 = \$10,000 Total = \$25,000</p> <p>Acacia and Frankincense farms (Acacia Senegal & Boswellia Neglecta – after 5 years)</p> <p>Gum Arabic</p> <p>400 kgs per acre (2.5kgs per 160 trees) x USD 150 = \$600 25 acres = 10,000 kgs x USD 1.5 = \$15,000</p> <p>Frankincense</p> <p>250 kgs per acre (1.57 kgs per 160 trees) x USD 200 = \$500 25 acres = 6,250 kgs x USD 2 = \$12,500</p>

A concept produced by

Tommaso Iser Menini, Agar Ltd Co-Founder and Managing Director

By accessing this concept, you have a right to private, non-collective and non-exclusive content. All rights are reserved: Any redistribution or reproduction of all or part of this concept in any form is strictly prohibited without express permission of African Agency for Arid Resources Ltd.