

Attachment 3: Summary Environmental Analysis of Tropical Forests and Biodiversity

Essential Procedures

Sections 118(e) -119(d) of the Foreign Assistance Act of 1961, as amended (22 USC 2151 p-1§118-119) stipulate that all new Strategic Plans include analyses of:

- the actions necessary to achieve conservation and sustainable management of tropical forests;
- actions necessary to conserve biological diversity; and
- the extent to which the activities under the Strategic Plans meet the needs thus identified.

Additionally, all programming carried out under the new Strategic Plans will comply with the requirements of 22 CFR 216 - 'USAID's Environmental Procedures'.

This annex addresses these requirements by first, providing a *summary of analyses addressing actions needed to conserve tropical forests (section 118) and biological diversity (section 119) in Kenya*. Second, it describes the extent to which USAID/Kenya's proposed program meets those needs.

1. 0 Summary of Analyses

1.1 Overview of Existing Analyses

This current analysis draws heavily on a document entitled "USAID/Kenya Strategic Plan: Environmental Threats and Opportunities Assessment (ETOA)" dated 14 April 2000. This was the Mission's last FAA Section 118/119 analysis and ETOA. It was made to support the development of the Mission's 2001-05 Integrated Strategic Plan (ISP). This strategic plan was modified to include an Education Strategic Objective, and it was extended through September 2009 during the May 2004 review. The ETOA is assessment investigated the causes and severity of environmental problems in Kenya and how these relate to the condition of tropical forests and to the conservation of biodiversity (TF&B). It was undertaken through a Washington-based desk review; by visits to Kenya to acquire additional data and to validate / 'ground truth' the desk audit; and with a wrap-up period in Washington. It went on to recommend how activities under the Mission's proposed Strategic Objectives (SOs) could promote the conservation of TF&B. Since that time there have been neither revisions of the Section 118 / 119 analyses nor a revised ETOA.

The 2000 ETOA is still relevant from the standpoint of describing the types of threats, pressures and practices that undermine the conservation of TF&B in Kenya. These still pose significant challenges to sustainable environmental management today. This is despite the noteworthy advances that have been made in the legal and policy framework governing environmental management during the last five years. Here, the more striking achievements are: the passage and implementation of the Environmental Management and Coordination Act (EMCA); Cabinet approval of the Forest Policy (2005) that is awaiting Parliamentary debate; the passage of the Forests Bill (2005) to which the President assented in late November 2005; and the passage of the Water Bill. In addition, Parliament passed a Member's Bill on Wildlife Management and Conservation. However, the President did not assent to that Bill as passed, but there are plans to revise it with much broader stakeholder consultation.

Another significant change occurred in the environmental regulatory framework. The National Environmental Management Authority (NEMA) is now a functional agency at both Central and District levels. The agency is responsible for reviewing and determining the adequacy of environmental impact assessments, and has a nascent Compliance and Inspection Division to monitor compliance with approved infrastructure development plans. NEMA also oversees the preparation of annual "State of the Environment Reports" and the development and implementation of National Environmental Action Plans (NEAPs).

At the local level, community-based organizations (CBOs) have become more numerous and increasingly active in realizing their ambitions to manage and benefit from natural resources. Here, the main drivers are 1) the desire to

improve rural livelihoods and 2) weak and semi-effective government institutions that must be energized and complemented if sound natural resource management (NRM) is to occur. Finally, there is heightened donor coordination in the environment sector, and a willingness to collaborate on information sharing and potentially on joint implementation and funding of projects. Notwithstanding these 'gains', the downward trajectory predicted in the earlier ETOA for the condition of forests, biodiversity and environmental sustainability continues at an accelerated pace. Thus, the sector would benefit from fresh analyses which the Mission plans to undertake during FY 2006.

1.2 Analytical Agenda

USAID is an active member of the Environment Donor Working Group. As such, USAID will work with other donors in undertaking the relevant environmental assessments including Section 118/1199 Analysis. Several donors in the environment sector, particularly the European Commission (EC) and UNDP, are planning assessments leading to the production of a 'Country Environmental Profile' – a report similar in scope to an ETOA. Other donors – Danida, Finland, France, the Netherlands and the World Bank - are engaged in finalizing plans and projects that support decentralized environmental action plans, watershed management, advancing environmental policy and engaging the Forestry and Wildlife sub-sectors. These donors have accumulated and processed a wealth of 'background' environmental information and have identified a range of opportunities for intervention.

USAID/Kenya, as a member of the Environmental Donor Group, has the opportunity to review and comment on the Terms of Reference for many of these studies. Here, we will use the following points as a guide in suggesting the focus and outputs of environmental assessments and in outlining the technical expertise of the TA teams that will perform them:

- 1) An overview of the status of biodiversity, including ecosystem diversity, species diversity, threatened and endangered species, genetic diversity, agricultural biodiversity, ecological processes and ecosystem services, and values and economics of biodiversity and forests;
- 2) An overview of the social, economic, and political context for sustainable natural resources management and the conservation of forests and biodiversity including the social and economic environment; institutions, policies, and laws affecting conservation; the national protected area system including the IUCN categories of protected areas; laws affecting the protection of endangered species; and participation in international treaties;
- 3) A list of the direct and indirect threats to TF&B conservation, including root causes of the direct threats;
- 4) Descriptions of the actions, logically flowing from the review of the threats, that are necessary to conserve TF&B;
- 5) A review and summary of government, NGO, and donor programs and activities that address those threats and that contribute to conservation and sustainable natural resources management; and
- 6) A more detailed review of USAID/Kenya's Operating Unit Strategy with the aim of further highlighting opportunities where the programs and activities of its SOs might make contributions to the conservation of TF&B.

The Mission will take advantage of opportunities to complement and enrich other donors' analyses, particularly in areas of TF&B, with targeted technical assistance and possibly joint funding. USAID/Kenya and its SO Teams will then use these 'fresh' analyses to inform project design and implementation with the aim of minimizing negative impacts on TF&B.

2.0 Extent to which USAID/Kenya's Proposed Program Meets the Needs of the TF&B / ETOA Analyses

This assessment attempts to answer the following questions: 1) what is needed to promote environmental sustainability during implementation of each SO's program?; and 2) What is each SO team planning to do or *not* do to address those needs?

In addressing the first question, the Mission has found that many of the issues and needs identified in the April 2000 ETOA still exist. Thus, we used that analysis as a framework to review the Strategic Objectives and their likely

impacts on TF&B. Further, we will ensure all programs comply with 22CFR 216 -- ‘USAID’s Environmental Procedures’ – as noted in section 2.1, below.

The Mission is addressing the second question through the ongoing process of examining opportunities, linkages and complementarities across USAID/Kenya’s proposed program. While the Strategy Statement has not been approved by USAID/W, the review of the proposed activities indicates that the SO’s’ activities continue to meet many of the needs identified in the April 2000 ETOA. the criteria of sustainability. The Mission Environment Officer will participate in the review and approval process of all new Activities developed under this Strategy to ensure that programs under each SO support TF&B conservation in Kenya.

2.1 Compliance with 22CFR 216 -- ‘USAID’s Environmental Procedures’

All SOs will actively manage their 22 CFR 216 compliance responsibilities under approved, ‘blanket’ Initial Environmental Examinations (IEEs), Environmental Screening Forms (ESF), Environmental Review Reports (ERR) and Pesticide and Safer Use Action Plans (PERSUAPs) as appropriate. The IEEs and other documents currently in place will be reviewed, validated and renewed, and we expect relatively minor changes to bring the existing environmental documentation and practices on the ground in line with the new Strategic Statements and Operational Plans. Likewise, new projects will be developed to mitigate impacts on the environment or removing these impacts altogether.

2.2 Assessment of the Environmental Sustainability of USAID/Kenya’s Strategic Statements: 2006-2011 Strategic Plan

2.2.1 SO 615-003: Reduce Transmission and Impact of HIV/AIDS and Improve Reproductive Maternal and Child Health

As a strategic objective developed to “foster a healthier, better educated and more productive population”, this program has two environmentally-focused spin-offs; *i.e.*, reduced human ‘pressure’ on natural resources through improved family planning and good agricultural practice (GAP) as it improves nutrition of families and individuals living with HIV/AIDS. The SO also has a series of small-scale activities which produce income and/or food commodities for the targeted beneficiaries which represents an important opportunity to further TF&B conservation and improved environmental management with non-traditional partners.

Actions necessary to mitigate potential negative impacts of the SO’s program on TF&B: Noted above.

2.2.2 SO 615-005: Natural Resources Management in Targeted Biodiverse Areas Improved

SO 5 targets four distinct geographic landscapes and ecosystems within them – indigenous coastal forests and smallholder farms surrounding them; ASAL rangelands in north central Kenya that are the habitat for wildlife and the home of pastoral communities; indigenous and plantation forests of Mt. Kenya and adjacent smallholder farms; and wildlife dispersion areas south of Nairobi. These areas are rich in biodiversity, support high-value wildlife on a mix of ‘Protected’, community and private lands; and are sources of water for ‘downstream’ communities. The SO’s activities aim to reform the policy and legal environment, diversify rural economies with sustainable nature-based enterprises, change perceptions of and behaviors toward NRM and build institutional capacity at the government, CSO and CBO levels for improved accountability and NRM. The program revolves round developing proper incentives and effective structures whereby communities and government entities can conserve TF&B. There are obvious linkages to SOs 6 and 7.

SO5’s activities will target initiatives that will foster the management and conservation of biodiversity. Kenya’s parks and national reserves are the repositories of all levels of biodiversity – genetic, species, populations and ‘landscape’. These Protected Areas must be safeguarded. Support will be provided to Kenya Wildlife Service (KWS) and to local authorities to improve management systems and the capacity of staff in protected areas. Special attention will be given to the protection and management of endangered species and to maintaining the integrity of their habitats. Outside Protected Areas, the SO’s programs will assist communities in natural resource management

to ensure the retention and the expansion of the critical wildlife corridors and dispersal areas. In this regard, a host of initiatives that provide conservation benefits such as conservation easements and nature-based enterprises will be used to influence behavior change of the communities living adjacent to protected areas.

Actions necessary to mitigate potential negative impacts of the SO's program on TF&B: Noted above.

2.2.3 SO 615-006: Improved Balance of Power through Transparent and Accountable Democratic Institutions

SO 6, the Mission's Democracy and Governance (DG) SO, has an opportunity to further TF&B conservation and improved environmental management while achieving two AFR Democracy and Governance Sectoral Objectives; *i.e.*, *Increasing civil society's effectiveness in advancing reforms* and *Increasing participation of marginalized populations in decision making*. The SO is well-placed to focus its expertise and some of its partners' resources in support of these objectives as complements to SO 7's Northeastern Pastoral Development program and SO 5's proposed Civil Society Support program in the wildlife sector. Some logical points of intersection with SO 7 and SO 5 are the DG team's efforts to strengthen the capacity of Parliamentarian committees and increase the capacity of civil society organizations (CSO) in self-governance, in monitoring government activities, in awareness raising and information collection and sharing, and in targeted campaigns where they act as 'change agents' in their sectors.

Other opportunities for SO 6 exist by enhancing the skills of marginalized populations - women, youth, and minority groups - empowering them to engage more meaningfully in democratic processes to influence sound environmental management. Here, SO 6 and SO 5 could assess potential geographic overlaps, such as at the Coast, and determine how each SO's particular skills could be brought to bear to strengthen the participation of minorities in District Environmental Committees (DECs) and in identifying issues and priorities in District Environmental Action Plans (DEAPs).

Actions necessary to mitigate potential negative impacts of the SO's program on TF&B: None

2.2.4 SO 615-007: Increased Rural Household Incomes

Much of SO 7's geographic focus is the high and medium potential areas for agriculture. The SO's Title II, humanitarian assistance and Northeast Pastoral Development (NEPDP) programs aim mainly at communities in Arid and Semi-Arid Lands (ASALs).

Population pressures and inappropriate land tenure policies have led to rapid subdivision in the high potential areas and in parts of the pastoral zone. Often, sub-divided plots are too small to support most livestock and even much agriculture. This drives migration of farming households to less productive lands, including rangelands that are better suited to extensive pastoralism, wildlife conservation and sustainable harvest of indigenous resources such as medicinal herbs, honey or gum arabic. Sub-division also leads to rapid deforestation across all land types - gazetted protected areas, local authority trust lands, community group ranches and high potential, private holdings - as forests and woodlands are converted to agricultural use. One way of managing the drive to expand the size and distribution agricultural holdings is through SO10's interventions in 'intensification' and in enhancing the agricultural economy across the value chain; *i.e.*, improving productivity, processing, marketing and business services. The idea is to improve practice and increase returns 'in place'.

The second area where SO 7's interventions support TF&B conservation is in the promotion of 'good agricultural practices' or GAPs such as EurepGAP. Here, the SO 7 horticultural program in particular works with farmers and operators across the value chain to comply with a range of environmental, social, and economic criteria to retain access to the European market. EurepGAP compliance minimizes negative impacts on land, water, soil and biodiversity resources, and is serving as a model for developing a 'domesticated' set of criteria known as 'KenyaGAP'.

Third, the NEPDP targets historically under-served pastoralist communities in Northeastern Province. While the program's main goal is to improve household income and food security by strengthening private sector-led livestock

marketing and animal health care delivery systems, the initiative could contribute to bio-diversity and environmental protection in the Northeast if its focus were expanded and re-directed. Severe environmental degradation is both a cause and an effect of inefficient utilization of natural resources. Degradation also helps explain the frequency of violent conflicts in the region as pastoralists compete for scarce grazing land and water. Environmental degradation is at the root of conditions that impede meaningful development work and trigger the challenges to pastoral livelihoods. The program has a great potential in promoting prudent and efficient utilization of natural resources by strengthening community groups and CSOs that include marginalized populations, councils of elders and religious leaders. By building the capacity of community groups in natural resource management along with improved livestock productivity, health and marketing opportunities, the project could address chronic food insecurity, vulnerability and conflict in pastoralist communities.

Actions necessary to mitigate potential negative impacts of the SO's program on TF&B: In addition to those noted above, continue with training in NRM practices as part of support to farming systems.

2.2.5 SO 615-008 Equitable Access to Quality Basic Education Increased

Actions necessary to mitigate potential negative impacts of the SO's program on TF&B: Several. Though technically USAID funds are not directly constructing schools, our technical assistance is well-placed to ensure 1) that good engineering practices are applied in school construction, and 2) due diligence per Kenya's own procedures for permitting and minimizing environmental impacts by encouraging adherence to guidelines for construction found in AFR Environmental Guidelines for Small-Scale Activities in Africa (EGSSAA) (<http://www.encapafrika.org/SmallScaleGuidelines.htm>).

Second, the Education SO could support a capacity building function in the 'environmental content' of national curricula. This is not a suggestion that the SO develop an environmental education syllabus. Rather, the SO could support an analysis of the current gaps and opportunities in environmental education. Such a report could then inform further action on the part of other donors to address these needs.

