"Illegally legal" charcoal production and trade in Kenya: implications for forest, trees and livelihoods

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Kenya, like most countries in Sub-Saharan Africa (SSA) is still very much dependent on wood fuel (charcoal and firewood) which meet close to 70% of domestic energy demand. Wood fuel is an important livelihood and an affordable energy source in the rural areas and urban centers. However, its production and trade are poorly supported and regulated leading to reduced socioeconomic benefits and adverse environmental impacts. We conducted a literature review to investigate existence and implementation of policies and legislative frameworks for regulating and supporting the wood fuel value chains in Kenya. We also conducted three surveys with 742 wood fuel value chain stakeholders and actors using systematic sampling and snowballing for, i) stakeholder networks analysis, ii) governance and institutional assessment and iii) value chain analysis.

Our study shows that on average charcoal incomes represent more than 40% of the producer household income. Production increased three-fold between the year 2000 and 2013 and incomes increased by close to 25% in the same period. Profits were concentrated in the middle of the value chain accounting for over 40% of the final price whilst the producers and retailers accounted for less than 20% and 40% respectively. However, governance of the wood fuel production and trade is beset with challenges especially inadequate support, limited enforcement and corruption with almost 30% of the final price going to informal taxes.

Approaching wood fuel governance from a value chain and networks perspectives reveals the complexities and shortcomings of fragmented and overlapping implementation of policies. In this case it inadvertently, legalizes one part of the value chain and criminalizes another ignoring the interconnections and interdependence among the actors; making charcoal “illegally legal”.

Our research contributes to the debate on mechanisms, merits and demerits of formalizing the wood fuel sector and implications for forest, trees and livelihoods. We suggest that good governance of wood fuel value chains will only be achieved when there are transparent, consistent and coordinated regulatory institutional mechanisms that support and incentivize compliance and penalize illegality along the whole value chain.