### **EQUATOR** INITIATIVE



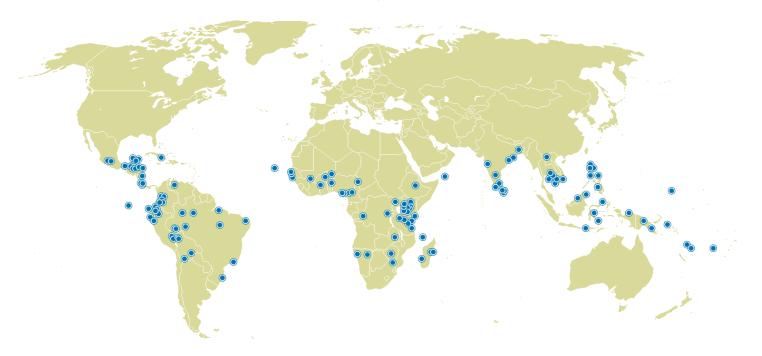


Equator Initiative Case Studies
Local sustainable development solutions for people, nature, and resilient communities

### UNDP EQUATOR INITIATIVE CASE STUDY SERIES

Local and indigenous communities across the world are advancing innovative sustainable development solutions that work for people and for nature. Few publications or case studies tell the full story of how such initiatives evolve, the breadth of their impacts, or how they change over time. Fewer still have undertaken to tell these stories with community practitioners themselves guiding the narrative.

To mark its 10-year anniversary, the Equator Initiative aims to fill this gap. The following case study is one in a growing series that details the work of Equator Prize winners – vetted and peer-reviewed best practices in community-based environmental conservation and sustainable livelihoods. These cases are intended to inspire the policy dialogue needed to take local success to scale, to improve the global knowledge base on local environment and development solutions, and to serve as models for replication. Case studies are best viewed and understood with reference to 'The Power of Local Action: Lessons from 10 Years of the Equator Prize', a compendium of lessons learned and policy guidance that draws from the case material.



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### **HONEY CARE AFRICA**

### Kenya

#### **PROJECT SUMMARY**

Honey Care Africa is a social enterprise that strives to raise incomes for rural Kenyan farmers through apiculture. Taking advantage of a tradition of beekeeping as a supplementary source of food and cash income for Kenyan farmers, the enterprise has sought to improve the productivity and viability of this sustainable livelihood activity as an alternative to poaching, timber-felling, and charcoal burning for many of the country's poorest rural communities.

Through the design, manufacture, and sale of Langstroth bee hives, the enterprise has intervened to boost the supply capacities of farmers; by agreeing to purchase the honey produced at a fair rate, the initiative has strengthened demand for the raw material. Honey is then packaged and marketed in urban areas under the brand names "Honey Care Africa" and "Beekeepers Delight", with the majority of profits being passed on to the 15,000 households taking part in the initiative to date.

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#### **KEY FACTS**

**EQUATOR PRIZE WINNER: 2002** 

FOUNDED: 2000

LOCATION: Seven of eight Kenyan provinces

BENEFICIARIES: 15,000 households

**BIODIVERSITY: Pollination benefits** 



# **Background** and Context

Honey Care Africa was established in 2000 as a social enterprise to promote sustainable community-based beekeeping in eastern Africa. The organization works with smallholder farmers in rural Kenya by providing microfinance, training, and community-based extension services to stimulate the development of small-scale apiculture as a means of combating persistent rural poverty. By providing farming households with the means to sustainably produce honey for sale through a collective enterprise, increasing the price received and overcoming obstacles to market access, the initiative has sought to diversify livelihood options for Kenya's rural poor.

#### Bee-keeping: an underdeveloped rural industry

Traditionally, beekeeping in Kenya predominated in arid and semiarid regions of the country, rather than in Kenya's more productive rural areas. At root, this stemmed from the livelihood decisions made by people in these different areas based on environmental, cultural, and social variables, which have subsequently been reinforced by successive waves of state-led and international development interventions. Traditionally, those living in areas with high rainfall, fertile soils, and cooler climates focused on the production of food and cash crops, while the people in the more arid and infertile areas either opted for a nomadic pastoral lifestyle, creating migratory routes for cattle, or established a more sedentary lifestyle based on cultivating drought-resistant food crops, supplemented by rudimentary beekeeping.

With the increased involvement of various Kenyan government ministries, international development organizations, NGOs, and other agricultural bodies since the 1960s, these trends were perpetuated, further underlining this dichotomy. External interventions tended to target the further development of pre-existing livelihoods – strengthening soil-based agricultural techniques in areas with rich soil and sufficient rainfall, for instance – rather than introducing beekeeping as an alternative livelihood option in these areas. As a result, beekeeping and honey production became associated with semi-arid areas of Kenya such as the Ukambani corridor and Kibwezi, located in semi-arid frontier areas east of Nairobi.

The areas with the highest potential for producing high quality honey in Kenya have not been fully explored, meanwhile, let alone properly utilized. These systemic weaknesses have been further exacerbated by the lack of modern hive equipment and specialized

knowledge on honey production: apiculture throughout much of rural Kenya is still based on the use of inefficient log hives and smoke to harvest honeycomb. Various development agency interventions have failed to stimulate more efficient honey production on a larger scale, meaning that research and development in this sector remains largely insufficient.

#### A 'win-win-win' partnership model

Honey Care Africa was founded by three Kenyan entrepreneurs to address this shortfall by creating partnerships between local communities, development agencies, and the private sector. Farmers are given a micro-loan to purchase Honey Care's high-quality Langstroth bee hives, then are given intensive training in apiculture and are supported to develop autonomous honey production. The enterprise provides a guaranteed market for the honey produced at fair trade prices. Honey Care collects the honey on-site and pays for it on the spot, then processes, packages, markets, and sells the honey through supermarket chains and other clients to urban consumers, generating a small profit. Its "Honey Care Africa" and "Beekeeper's Delight" brands have become well-known in the East Africa region, and have captured a significant market share. To date, Honey Care has benefitted an estimated 75,000 individuals in impoverished rural Kenvan communities. Positive biodiversity impacts have been achieved through high levels of pollination and promoting the conservation of woodland areas for apiculture.

#### An internationally-recognized success story

The enterprise itself has been very successful in gaining support from private sector actors and development agencies, establishing a "tripartite model" for development and conservation in partnership with rural smallholders. The model has been recognized within Kenya, regionally, and internationally as an example of a successful social enterprise, winning awards and funding from the World Bank and United Nations Development Programme (UNDP). In 2004, Honey Care was able to replicate its activities in Tanzania with a patient capital loan from the International Finance Corporation (IFC). The organization's vision has been adapted over time to also integrate urban actors at the base of the pyramid into the value chain through the development of new markets and distribution networks for honey in informal settlements.

"Climate change and its impact on smallholder agriculture conditions is critical for subsistence farming communities in East Africa – literally a matter of life and death. These communities embrace beekeeping as one strategy for improving their resilience."

Madison Ayer, CEO, Honey Care Africa

## Key Activities and Innovations

Honey Care's four main activities comprise manufacturing high-quality Langstroth beehives for distribution in rural farming communities; providing intensive apiculture training and service extension to groups of subsistence farmers; buying the honey produced by farmers at fair market prices; and processing and distributing the pure honey products. The key to this process has been adding value to a pre-existing practice, boosting rural household incomes and encouraging environmentally sustainable activities. While the idea of beekeeping was not entirely new to many rural agricultural communities, high-quality beekeeping equipment, professional training, and access to markets were not widespread in 2000. At critical constraint points in the value chain, Honey Care provides logistical, operational, marketing, and financial management to ensure more efficient and equitable options results for rural stakeholders.

Establishing the production of high-quality honey products through an integrated, environmentally and economically sustainable enterprise has built on the existing practice of beekeeping among rural subsistence farmers in Kenya. Typically this uses traditional hives, made from hollowed-out logs or clay pots, or low-technology hives constructed from locally-available materials. Often the removal of the honey in these cases results in many of the bees being killed, and can impregnate the honey with the smell of smoke. Honey Care began producing Langstroth hives of the movable-frame variety that maximize the honey crop each season with minimal disruption to the bee colony. These also require little time and attention on a weekly basis (5-10 minutes on average) meaning that they can be maintained alongside a farmer's primary livelihood activity. By guar-

anteeing a market for the honey produced, Honey Care has incentivized this alternative income-producing activity, with substantial benefits for the participants' crop harvests.

#### Extension through partnerships

With a target population of Kenya's 25 million rural poor, partnerships with development agencies have been central to Honey Care's success. To date, these collaborations have included joint beekeeping projects in Kitui and Taita Taveta Districts supported by the Danish International Development Agency (DANIDA) and the Ministry of Livestock and Fisheries of the Government of Kenya; beekeeping projects with the Aga Khan Foundation through the Coastal Rural Support Programme in Kwale District; a beekeeping and biodiversity conservation project around the Kakamega Forest area through Community Action for Rural Development (CARD); a series of beekeeping and reforestation projects within and around the Mt. Kenya National Park and Forest Reserve financed by the UNDP-implemented Global Environment Facility (GEF) Small Grants Programme; and an innovative beehive-leasing scheme in the Western, Nyanza and Rift Valley provinces with K-Rep Development Agency (KDA), Kenya's largest microfinance institution, Africa Now, and the IFC.

Honey Care also works with independent smallholder self-help groups, women and youth groups, and other community-based organizations to reach its target population. To date, over 15,000 heads of household have been engaged in beekeeping, representing a total of approximately 75,000 beneficiaries.





## **Impacts**

#### **BIODIVERSITY IMPACTS**

Encouraging beekeeping has numerous benefits for biodiversity. Honey Care's projects have been implemented with the express aim of reducing activities harmful to the natural environment, while increasing pollination of plants for healthy ecosystems. The initiative has been able to monitor and measure some of these impacts through agricultural extension officers.

#### Avoided deforestation

Honey Care's beekeeping enterprise is extended to rural families with an overt objective of providing a supplemental income source as an alternative to damaging activities such as unsustainable forestry or charcoal production. Apiculture training emphasizes the environmental advantages of sustainable beekeeping. In addition, through their "Bees for Trees" program, the organization has provided beehives and equipment to farmers in exchange for the preservation of forest acreage within which the hives are housed.

#### Pollination benefits for agriculture and biodiversity

It is widely acknowledged that honey bees play a critical role in pollination of ecosystems, and this can be measured in terms of the value for agricultural cash crops. In 2005, a worldwide economic valuation of the pollination service provided by insect pollinators (primarily bees) for the world's main food crops was estimated at around USD 208 billion. This was 9.5% of the total value of the world's agricultural food production. The production value of crops that depend on insect pollination is four times the value of those that do not need insect pollinators (Gallai N. et al., 2009). In Kenya, economic valuation of pollination has shown that farmers can receive a net gain of up to 40% in revenue from the sale of commodities grown using bee pollination (Kasina et al., 2009). This gain accrues through improved yields both in terms of quantity and quality. Crops such as melon and butternut, for example, would be unproductive in the absence of honey bees.

Honey Care has attempted to quantify the positive effects of beekeeping on biodiversity by collecting observations from Project Officer activity reports and farmer surveys. To date, more than 30,000 hives have been colonized by endemic bee subspecies. The use of species indigenous to Kenya is an important requirement of Honey Care's work, eliminating the possibility of harmful effects from introducing an alien species into an ecosystem. 3,500 of the total beekeeping households are in semi-arid areas, where bees may have a positive influence, but not naturally colonize. By providing an alternative livelihood for farmers who might otherwise cut trees to make charcoal, however, beekeeping has an indirect benefit for semi-arid acacia areas. 5,000 hives are within 3 km of a forest, national park, or riparian zone, where it is estimated that they will have a substantial positive impact through natural colonization. The average observed

increase in crop yields for Honey Care participants is 15-30%, with some yields increasing by more than 100%.

#### SOCIOECONOMIC IMPACTS

Honey Care is currently working with its partners in seven out of Kenya's eight provinces, and has extended its model to Malawi, Tanzania, and Southern Sudan in the past. Within Kenya, the population reached has been estimated at 75,000 beneficiaries, all of whom are indigenous and live in rural areas. Of the total beneficiaries in 2010, 32,250 (43%) are women.

The average increase in annual household income from participation in Honey Care's projects is USD 250. This is driven by both honey production for resale in formal and informal markets and increased crop yields through pollination. Farmer surveys have found that of the revenues from honey production, 33% is typically reinvested in food and medicine, 25% in seeds and fertilizers, 18% in school fees, 10% in improving housing, and 5% in launching micro-enterprises.

#### **POLICY IMPACTS**

Honey Care has worked primarily at the community level, although many of its programs have been implemented in partnership with Kenyan government ministries. The group has also been recognized as a model for social enterprises by the Kenya Bureau of Standards, being awarded the "Kenya Quality Award" in the Small and Medium Enterprise Category in 2004.

The organization was a founding member of the Kenya Honey Council in 2003. This body represents the major stakeholders in Kenya's beekeeping industry and was formed as an umbrella forum to promote, coordinate and safeguard their activities and interests. Other main objectives include promoting growth and expansion in the Kenyan bee sector, furthering awareness of and education on Kenyan bee products and beekeeping, and ensuring quality standards and ethical practices in the Kenyan bee sector. Their aims also extend to lobbying the Government of Kenya for favourable policies and accompanying measures to support growth and expansion in the beekeeping sector, as well as lobbying international governments for favourable trade terms for Kenyan bee products.

Honey Care is currently building a new public-private alliance to promote beekeeping in Kenya on a broad scale. This initiative is being rolled out in strategic beekeeping locations throughout the country and involves private financing for beekeeping equipment through the "Asali Loan" with partners such as Equity Bank, and provision of training and extension services in collaboration with the Ministry of Livestock and the National Beekeeping Station. The structure of this alliance will facilitate more effective policy support for the sector nationwide.

# Sustainability and Replication

#### SUSTAINABILITY

After seven years' development of their value chain, Honey Care became a profitable enterprise. The structure of Honey Care's value chain is such that advantageous environmental and social activities drive economically profitable outcomes for all actors, making it institutionally and financially sustainable. The system is not dependant on any one actor or group for sustainability, with a diverse range of stakeholders and partners. Each actor benefits by full participation, without subsidy. Individual rural communities recognize the value of quality beekeeping products, professional capacity-building, and access to markets, which yield sustainable direct and indirect income increases for participants.

The Honey Care enterprise earns profits by applying its expertise at critical value chain constraint points. Processed honey products yield profits for each of the actors that participate in the finished product distribution networks. Development organizations that partner with Honey Care in beekeeping projects realize their stated objectives of sustainable development. A wider audience also benefits indirectly from the environmental benefits of beekeeping activities.

Honey Care acts as the lead firm in its value chain model and plays a critical role in its execution. Partner organizations are particularly helpful in assisting financially (in the form of loans, rather than grants) to individual farmers in order to help them through their initial period of beekeeping. After this period, the activity is sustainable for farmers, but most will require financing during the interim.

Development organizations with established field networks also contribute to sustainability by providing access to communities; leveraging these existing networks minimizes awareness-building and community-access costs that may otherwise prove prohibitive.

#### REPLICATION

The new alliances Honey Care is developing are designed to enable the scaling of beekeeping within Kenya's rural population. Start-up in new beekeeping areas requires significant investment of resources to build awareness of the opportunity, organize lead groups of beekeepers, provide equipment, training and service extension, and work out the logistics of honey collection and payment. Honey Care and its public, parastatal, and development agency partners cover the initial development costs. Beekeeping is a very scalable activity once these initial capacities are in place., due to the widespread availability of labor, small actual land requirement, and free natural inputs. Private partners then provide the support to scale commercial production in each area.

Honey Care has partnered on beekeeping projects throughout Kenya, Tanzania, Malawi, and Southern Sudan, and its model is being implemented in numerous projects across Kenya. Honey Care Africa Tanzania, launched in 2005, has grown to become the largest single honey producer and exporter in the country. While the Kenyan and Tanzanian businesses initially operated separately, in order to focus on unique country requirements, they are now working together more closely in anticipation of future consolidation for a



comprehensive East African presence. With Kenya and Tanzania as a foundation, and a proven model for scalability, plans are being developed to re-enter other East African countries on a permanent basis, as opposed to the time-bound consultancy basis of previous interventions.

The greatest challenge to replication will remain the difficulty of building local and regional alliances to establish a foundation for beekeeping in each area. Policy support for beekeeping varies widely by country, and has a strong influence on communities' receptivity to the activity. Local partners also vary in their capacity, resources and interest. Infrastructure has a large impact on the economics of beekeeping in individual regions, particularly when considering commercial scalability. The long-term commercial viability of beekeeping as a community livelihood depends on both public and development partners establishing infrastructural foundation, and private sector partners supporting commercialization.

#### **PARTNERS**

#### Public Partners and Parastatals:

- Ministry of Livestock (Kenya)
- National Beekeeping Station (Kenya)
- Ministry of Industrialization (Kenya)
- Ministry of Forestry and Wildlife (Kenya)
- Ministry of Forests and Beekeeping (Tanzania)

#### **Development Agencies:**

- DANIDA / Government of Kenya
- Swiss Contact & Swiss Development Corporation
- Belgian Technical Cooperation (BTC)/Ministry of Environmental & Natural Resources
- DFID, Dorcas Aid and Mama Mzungu Foundation
- UNDP (GEF)
- EU, DFID, Soros Foundation & World Bank (SME)
- U.S. Ambassador's Fund
- British High Commission
- German Embassy
- Embassy of Finland
- Swedish International Development Agency (SIDA)

#### NGOs and CBOs:

- Aga Khan Foundation
- Community Action for Rural Development (CARD)
- German Agro Action
- World Vision
- Action Africa Help International (AAHI)
- Wildlife Society for Protection of Animals (WSPA)
- Biodiversity Conservation Programme (BCP)
- Rotary Club of Stroud (UK) and Rotary Club of Hurlingham
- Farm Africa
- Africa Now

#### Private Sector:

- Kakuzi Ltd.
- Business Alliance Against Chronic Hunger (BAACH)
- Equity Bank
- Bidco

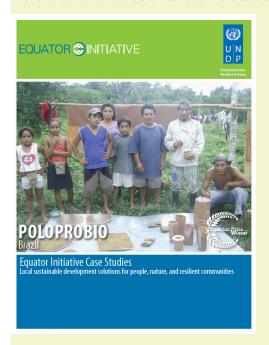




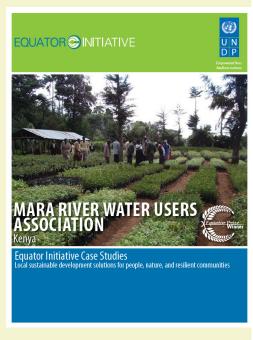
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CONSERVATION



Convention on Biological Diversity



















