THE USE OF ENVIRONMENTAL ACTION PLANS (EAPs) IN ACHIEVING ENVIRONMENTAL SUSTAINABILITY FOR SMEs

LEARNINGS FROM THE M-SAWA PROJECT IN KENYA
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### ACRONYMS

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BA</td>
<td>Business Association</td>
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<tr>
<td>BDS</td>
<td>Business Development Services</td>
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<td>CAD</td>
<td>Canadian Dollar</td>
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<td>EAP</td>
<td>Environmental Action Plan</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EPTPSD</td>
<td>Equitable Prosperity through Private Sector Development</td>
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<td>ESG</td>
<td>Environmental Sustainability Grant</td>
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<td>GAC</td>
<td>Global Affairs Canada</td>
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<td>GEM</td>
<td>Gender Equality Mainstreaming</td>
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<tr>
<td>LAPSSET</td>
<td>Lamu Port-South Sudan-Ethiopia Transport</td>
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<td>LF</td>
<td>Lead Firm</td>
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<td>MEDA</td>
<td>Mennonite Economic Development Associates</td>
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<td>M-SAWA</td>
<td>Maendeleo Sawa</td>
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<tr>
<td>SE</td>
<td>Small Entrepreneur</td>
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<tr>
<td>SMART</td>
<td>Specific, Measurable, Achievable, Relevant, and Time specific</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>SIG</td>
<td>Sustainability Innovation Grant</td>
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<td>TAG</td>
<td>Technology Adoption Grant</td>
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ABSTRACT

The M-SAWA project is a 7-year economic development program funded by Global Affairs Canada (GAC) and implemented by Mennonite Economic Development Associates (MEDA) which completed activities in July 2022. The ultimate goal of the project was to ensure equitable economic and employment growth through profitable, competitive, and sustainable beneficiary small entrepreneurs (SEs) and small and medium enterprises (SMEs) in the project’s three priority sectors of agriculture, extractives and construction in targeted regions of Kenya. A key goal of the project was to support improved environmental sustainability and performance at the SE and SME level, through various activities including the development of Environmental Action Plans (EAPs) in collaboration with SMEs engaged as Lead Firms (LFs) through the project. These EAPs were leveraged to support the implementation of environmental strategies and policies, used to guide the adoption of green business technologies and practices as well as to act as a monitoring and evaluation tool. This learning paper seeks to evaluate the impact and effectiveness of EAPs in the implementation of the M-SAWA project.

The paper was developed by applying a participatory approach through the review of relevant documents as well as consultations with staff and stakeholders, including targeted LFs. The EAPs provided insights into the expectations of the project related to environmental sustainability but were challenging at times to implement as they did not adequately describe the project-specific environmental issues to be addressed, which made it difficult to measure the performance of the environmental indicators. As a learning, in future programs the EAP development process should include a stronger focus on the preparations and mobilization of resources, stakeholder analysis and mobilization, identification of environmental problems and corresponding solutions, as well as include a comprehensive implementation framework and monitoring and evaluation mechanism. Future projects should further mainstream environmental sustainability in project implementation processes to protect the environment and reduce the impacts of climate change.

ACKNOWLEDGEMENTS

<table>
<thead>
<tr>
<th>Authors</th>
<th>Joseph Kuria, Geoffrey Juma and A.M. Mwakumanya</th>
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<tr>
<td>Graphic Design</td>
<td>Wendy Helgerman</td>
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</table>
The Equitable Prosperity through Private Sector Development (EPTPSD) Project, also referred to as the Equitable Prosperity or Maendeleo Sawa (M-SAWA) project was implemented by Mennonite Economic Development Associates (MEDA) in Kenya from 2015 to 2022. The M-SAWA project was made possible with the generous support of the Government of Canada, through Global Affairs Canada (GAC).

We would like to thank M-SAWA’s many partners, staff and MEDA’s generous private supporters.

1. INTRODUCTION

About the M-SAWA Project

The Equitable Prosperity through Private Sector Development (EPTSDP) Project also referred to as the Equitable Prosperity or Maendeleo Sawa (M-SAWA) Project is a seven-year, $28.7 million Canadian Dollars (CAD) initiative funded/implemented by Mennonite Economic Development Associates (MEDA) (supporters, partners, and investors) with funding from Global Affairs Canada (GAC) implemented from 2015 to 2022.

M-SAWA aimed to contribute to Kenya’s economic growth and increase job creation by improving the business, environmental and gender performance of small and medium enterprises (SMEs) and small entrepreneurs (SEs) in 20 select counties along the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) and Northern Corridors in the following 3 project focus sectors: Agriculture/Agribusiness, Construction/Allied Industries, and Extractives. In support of this goal, MEDA offered matching grants to lead firms (LFs), business associations (BAs) and SMEs. The project worked with 2 categories of SMEs – LFs and other SMEs benefiting from business development services (BDS), access to investment/financing, and participation in BAs/SME alliances. LFs are defined as SMEs with strong supply and/or distribution chain linkages with SEs which were engaged to implement initiatives supporting the growth of the LF along with its suppliers/distributors. In this context, LFs are ‘inclusive businesses’ that play pivotal roles in moving their industry and other value chain actors forward.
The MEDA M-SA WA Learning Series

This paper is part of a series of learning documents developed by MEDA focused on identifying and sharing key lessons learned over the life of the M-SA WA project. There are a total of 9 documents in this series, each focusing on a key project element, namely:

1) Best practices and lessons learned in delivery of Business Development Services (BDS)

2) Collaboration between Business Associations and Lead Firms

3) The impact of COVID-19 on SMEs and Lead Firms

4) The impact of Technology Adoption Grants (TAGs)

5) Access to Finance for Women-led SMEs

6) Business Case for Gender Equality Mainstreaming (GEM)

7) Use of Environmental Action Plans (EAPs) with SME Partners

8) Impact of Environmental Sustainability Grants (ESGs)

9) Promoting Investment in the SME sector in Kenya
This learning paper focuses on the best practices and lessons learned from the implementation of Environmental Action Plans (EAPs) through MEDA’S M-SAWA project.

2. METHODOLOGY

The methods used to collect data included desktop review of reports and monitoring and evaluation data related to the performance of the Environmental Plans, Policies and Strategies developed by the LFs, face to face discussions with project facilitators (MEDA staff), and telephone conversions with LFs. Analysis was completed of the data captured in the monitoring and tracking tools to identify gaps and achievements in the implementation of the strategic project plans. The digital data collection tool iFormBuilder was used to capture both qualitative and quantitative data from discussions with LFs and the project monitoring team from MEDA.

3. BACKGROUND

An EAP is a tool which co-ordinates and harmonizes environmental policy statements, organizational programmes and decision-making processes to support the successful implementation of sustainable actions for the protection of the environment, including the promotion of environmental strategies and policies (Government of Kenya, 2016). Environmental action planning involves the assessment and profiling of environmental concerns and design of strategic interventions to address such concerns through planning. In Kenya, the National Environment Action Plan is anchored in the Environmental Management and Coordination Act (EMCA, No. 8 of 1999 – now amended to EMCA, CAP 387), which provides for the integration of environmental concerns in national policies, plans, and programmes (Government of Kenya, 2016). A corporate EAP outlines commitments to actions to protect the environment from company activities. EAPs can also help implementing agencies like non-governmental organizations (NGOs) to monitor and commit to minimizing the adverse impacts activities on the environment while harmonizing planned actions with existing environmental policy statements. An EAP provides a simplified summary of the environmental constraints, adverse effects, associated mitigation measures and monitoring procedures for both technical and non-technical workers (Hickie & Wade, 1997). The successful implementation of the EAPs is dependent on the organization’s capacity and the participatory approach adopted (Constantina Alina Hossu, 2021).
Through the M-SAWA project, MEDA supported BAs and LFs SMEs to implement business models which applied environmental management practices designed to increase the resilience of the SMEs and SEs to environment and climate change effects. In recognisance of the fact that project activities may trigger environment and climate change effects, the project supported the SEs and SMEs to develop environmental impact assessments and EAPs to manage the effects of the project activities on the environment.

**Development of the EAP**

The EAP process involves establishing the structure to develop and monitor EAP indicators through the mobilization of resources and project stakeholders. Relevant stakeholders profile the environmental thematic areas and identify specific environmental problems likely to be caused by the project. The process also establishes baseline information related to environmental thematic areas and identifies the environmental indicators of each thematic area. The stakeholders write the plan, which includes the vision and goals of the initiative and lays out the scope of the environmental activities to be included. The EAP implementation stage should include the development of a robust monitoring and evaluation framework which scores the environmental indicators’ performance and measures achievement against the project objectives (Fig. 1). The EAP should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound), address relevant environmental concerns and outline the specific activities anticipated to safeguard against environment degradation.

![Figure 1: EAP Development flow chart (Adopted from Government of Kenya (2016))](image-url)
EAPs Supported Through M-SAWA

In implementing the M-SAWA project, the LFs and the BAs engaged by the project developed EAPs to manage and minimize the potential negative environment and climate change effects of project activities and find opportunities for positive impacts. The environmental thematic areas captured in each EAP included: energy production and use, natural resources management, water resources management, waste and wastewater management, pollution, climate change adaptation, and policy and regulatory considerations. The EAPs detailed the specific tasks to be completed to achieve the goals outlined in the Organization’s Environmental Policy. The format of the EAP (Table 1) also identified the environmental concerns, mitigation measures, and status (ie: time frame for implementation) of the mitigation measures.

Table 1: Sample EAP

<table>
<thead>
<tr>
<th>Environmental Thematic areas</th>
<th>Environmental concerns</th>
<th>Proposed Mitigation Measures</th>
<th>Status (Time frame)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable Energy Production and Use</strong></td>
<td>High cost of electricity</td>
<td>Ensure high machine efficiency</td>
<td>Machine maintenance is continuous</td>
</tr>
</tbody>
</table>
| **Natural Resource Management** | Clearing of trees to create room for growth of coffee trees | 1. Encourage widows to maintain their late husband’s coffee lands  
2. Use of modern tools to maintain coffee trees | Ongoing through trainings and availing of tools like secateurs during trainings and showing farmers how to use them |
| **Water Management** | Inadequate availability of water especially in rural areas  
Excessive use of water during pulping | Boreholes at demo firms and use of pumps as irrigation as water to the nursery coffee trees  
Use an eco-pulper which reduces water consumption by 75% | Demo farms and practice of harvesting of water is ongoing – though with tanks at the demo farms |
<table>
<thead>
<tr>
<th>Environmental Thematic areas</th>
<th>Environmental concerns</th>
<th>Proposed Mitigation Measures</th>
<th>Status (Time frame)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste and Wastewater Management</td>
<td>Lack of proper pulping system</td>
<td>Soak pits for natural fermentation</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Air Pollution</td>
<td>Air pollution from pulping activities and coffee processing</td>
<td>Reduce by putting petrol engine. Organizing to apply for electrification and use of environmentally friendly machine</td>
<td>Ongoing, the machine is in place. Only maintenance is ongoing</td>
</tr>
<tr>
<td>Climate change Adaptation</td>
<td>Deforestation</td>
<td>Planting indigenous trees and encouraging the use of farmyard manure</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Regulation and Policy Consideration</td>
<td>New county government rules. Formulating of coffee acts with the county government</td>
<td>Ensure compliance to statutory laws always</td>
<td>1.Compliance is always adhered to</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.Ongoing with Busia County deputy governor and county director for agriculture</td>
</tr>
</tbody>
</table>

4. RESULTS AND DISCUSSION

A critical review of the EAP development process illustrates several areas for improvement in future projects. The following shortcomings were identified with the EAPs developed:

i. The organization’s staff were involved in the process, leaving out the wider beneficiaries of the project, including local communities, who could have contributed baseline information for the project area as well as provide further insights on the environmental problems which were likely to be caused by project activities.
ii. The process could have been increasingly coordinated, with more resources dedicated to stakeholder analysis and achievement of the outcomes set out.

iii. The EAPs looked at challenges by thematic area rather than tailoring them to project-specific environmental concerns. A more focused approach would have supported improved the performance of the project in achieving sustainability objectives.

iv. In many cases, the EAPs did not identify environmentally sustainable mitigation measures to address the environmental concerns which decreases the chances of sustainability.

v. The plans generally speaking did not indicate the project implementation period and time frame required to implement the proposed mitigation measures for each specific environmental concern.

vi. The baseline information for the project focus areas, as well as the baseline for specific environmental problems, were not described. Some of the LFs, 3 out of 13, developed environmental impact assessments (EIAs) which provided baseline information and environmental indicators for monitoring purposes while none of the business associates developed EIAs.

vii. The EAPs did not include monitoring and evaluation indices, which made the monitoring process difficult and likely led to the underrating or overrating of the performance of the environmental indicators during and after project implementation.

viii. The EAPs failed to state the climate change adaption strategies for each specific environmental task, increasing the risk of implementing strategies that are likely to increase the effects of climate change.

ix. 9 out of the 20 LFs and BAs considered in this paper developed environmental sustainability policies to ensure the sustainability of the projects. However, the EAPs did not address sustainability issues, thus the project is likely to have a short-term impact on the beneficiaries limited largely to the project lifecycle.

x. The lack of sustainability statements in the EAPs meant the projects did not identify sustainability avenues for post-project once funding ends.
5. RECOMMENDATIONS AND LEARNINGS

The following recommendations are made to achieve environmental sustainability using the EAP tool:

i. Adequate planning and preparation
   - This involves drawing a road map that establishes the structures and systems required within the project implementation team to oversee the overall process of Environmental Action Planning and subsequent implementation of it.
   - Organizations should mobilize additional financial resources for a successful preparation and implementation of the EAP process. There should be proper planning for public participation by undertaking stakeholder analysis, which will help generate ownership and acceptance by the stakeholders.

ii. Environmental profiling
   - Environmental profiling provides a snapshot of a project from an environmental perspective, including valuable information to support the development of a project implementation plan and the assignment of resources to a project.
   - Future projects should dedicate additional time and resources to identifying environmental concerns and present credible and sustainable mitigation measures to minimize the risk of negative environmental impacts.
   - Future EAPs should present project specific environmental problems for assessment and profiling to generate and prioritize concerns and propose solutions.
   - Future projects should also include a description of environmental baseline information and identify additional, measurable environmental indicators that will help in monitoring progress in project activities.

iii. EAP design and writing
   - The EAP process should begin by assembling a planning team, writing and reviewing the project’s mission and purpose and developing a project Sustainability Assessment Tool.
• MEDA should then organize public consultations to generate ownership and acceptance of the EAP process.

• Consider developing a specific EAP log frame and implementation matrix.

• Develop a review plan to regularly take stock of the efficiency and effectiveness of the plan as well as to identify weaknesses and the strengths; the review will help identify strategies to improve the plan.

iv. Project monitoring and evaluation

• The project implementation team should provide a monitoring and reporting framework that focuses on the implementation of the actions outlined in the EAP process and the outcomes realised.

• The project team should develop a monitoring and evaluation framework for the EAP process to establish achievements in reducing environmental issues as well as the overall performance of the project in achieving environmental sustainability.

The writers would recommend that the EAP development process start at least 3 months before project implementation and consider the following:
i. There is a need to mobilize and engage project stakeholders at all levels in the development of the EAP to facilitate the development of effective plans. It is important to engage the community and other stakeholders to ensure buy-in and share experiences related to the anticipated impact of such project activities. Stakeholder analysis and mobilization should be completed to onboard anyone who is likely to be directly or indirectly affected by project activities.

ii. Existing environmental policy statements and project strategic implementation guidelines should be leveraged in the development of EAPs as they are tools to harmonise these statements and guidelines.

iii. Collecting baseline information provides for situational analysis of the project's activities. The description of the project baseline highlights impact analysis and the mitigation measures to be instituted to provide guidelines for project implementation. This baseline information can be collected by conducting Environmental Impact Assessments and subsequent annual and self-audits on the proposed project activities.

iv. Every stakeholder has a part to play in the implementation of the project EAPs. This requires considering the responsibilities of the individual staff or teams who oversee the various activities.

v. Environmental Management Systems (EMS) and standards, including ISO 14001: EMS, strengthens the need for environmental sustainability. The primary role of the standards is to promote effective environmental management systems in organizations by providing cost-effective tools that make use of best practices to provide information about environmental management.

vi. Identifying project targets and the ability to accurately measure them enhances the performance of the tool to achieve the set environmental sustainability goals.

6. CONCLUSION

The M-SAWA project EAPs provided important insights into the expectations of the project in terms of environmental sustainability; however, these plans could have been strengthened through the use of a more robust process and tool. Generally speaking, the EAPs did not adequately describe project specific environmental problems, which make it difficult to measure the performance of LFs and BAs against the environment indicators. The EAPs were developed once project implementation was already underway and could have been more
effectively leveraged to measure the impact of the project activities. Subsequent projects should develop EAPs prior to project implementation utilizing more robust development and monitoring systems to maximize their potential impact as an environmental sustainability tool.

REFERENCES


Offices in Canada, the United States and around the world.
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