

# Climate and Development Outlook

Stories of change from CDKN



September 2014

**Climate and Development Knowledge Network**

Helping developing countries to design and deliver climate compatible development

## Kenya Special Edition

### **A NATIONAL CLIMATE CHANGE ACTION PLAN FOR KENYA: THE FIRST STEP TOWARDS A GREEN ECONOMY**

Kenya launched its National Climate Change Action Plan (NCCAP) in March 2013, one of the first and most comprehensive economy-wide climate action plans in Africa.

The development of the NCCAP was led by an inter-ministerial, senior-level taskforce drawn from key ministries, including finance, planning, energy and agriculture, as well as civil society and private sector organisations. Consultations were conducted at the county level, with more than 275 people (including representatives from Kenya's 47 county governments) gathering in Nairobi to validate the Plan before its official launch.

The NCCAP identifies six 'big wins' that combine development and adaptation and together account for two thirds of Kenya's identified mitigation potential. These are:

- geothermal power generation
- distributed clean energy solutions
- improved water resource management
- restoration of forests on degraded lands
- climate-smart agriculture and agroforestry
- infrastructure.

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### **At a glance: Kenya's climate and development outlook**

Kenya has experienced droughts, floods and other extreme climate events with increased frequency in recent years. Not only is this reflected in the findings from the *Fifth Assessment Report* compiled by the Intergovernmental Panel on Climate Change (IPCC), but also by Kenya's electorate, which has become increasingly alarmed by the impacts of climate change on their livelihoods (see over).

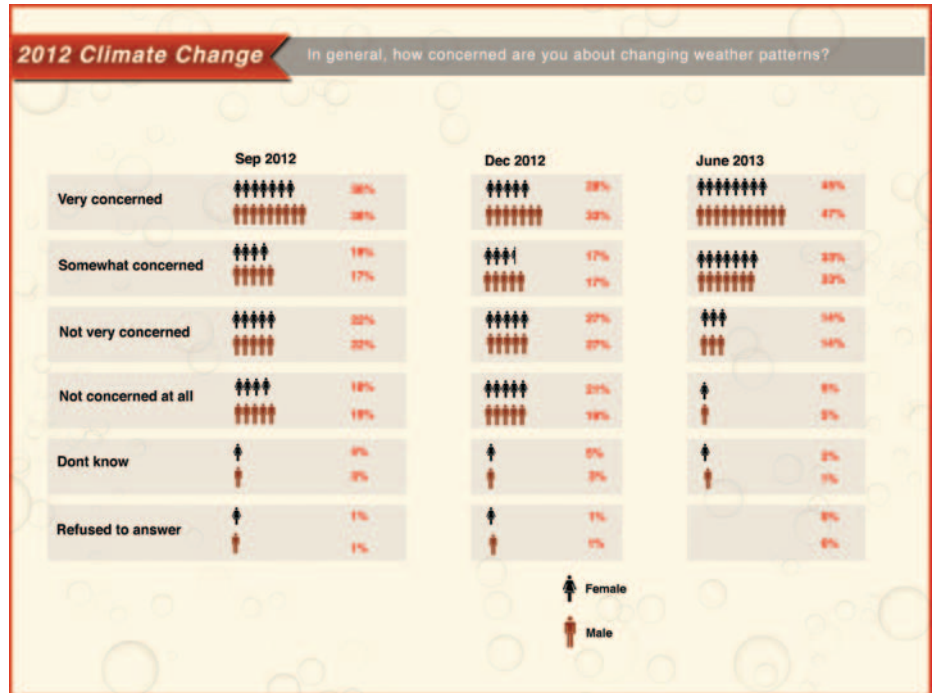
The Government of Kenya has initiated several high-level responses, including the development of the NCCAP and the 2014 Climate Change Authority Bill. The latter, if enacted, will establish a Climate Change Council within the Office of the President and a climate change fund to facilitate mitigation and adaptation efforts. Kenya's national development plan, the Medium Term Plan 2013–17, expressly recognises the importance of adopting a low-carbon growth pathway, while climate change is a permanent standing item for the National Economic and Social Council.

CDKN works in partnership with the government, businesses and civil society in Kenya to prevent climate impacts from constraining growth and development, and to ensure that Kenyans can take advantage of low-carbon, climate-resilient development opportunities.



## New guide to state-of-the-art climate science for Africa

CDKN and the Overseas Development Institute have released a succinct guide to the IPCC's *Fifth Assessment Report* for decision-makers in Africa. The IPCC's *Fifth Assessment Report: What's in it for Africa?* distils the richest material on climate impacts and trends in Africa, and African experiences in adaptation and mitigation. The guide aims to make the IPCC's important material more accessible and usable for African audiences. It is part of a suite of materials to promote the key findings of the IPCC's Fifth Assessment Report. Please visit [www.cdkn.org/ar5-toolkit](http://www.cdkn.org/ar5-toolkit) to access a range of resources, including free-to-use images and infographics.



During research conducted by the Institute of Development Studies at the University of Nairobi in September 2012, 36% of the women surveyed and 38% of the men were “very concerned” about changing weather patterns. By June 2013, this number had risen to 45% and 47% respectively with 74% of those surveyed believing that government should take responsibility to address these concerns.

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The NCCAP proposes specific actions for each sector and makes provisions for a national financing mechanism that will support national budget allocations for climate action.

A massive restructuring of the government following the 2013 national elections has delayed the implementation of the NCCAP, but some progress has been made in mainstreaming key recommendations. Already, some sectors have integrated climate change actions into their planning as a result of the NCCAP process.

The NCCAP is anticipated to be a flagship model, both in content and process, that may be replicated elsewhere. Tim Ash Vie, CDKN's former Country Engagement Leader for Kenya, commented: “I was struck by the

clarity of the call for action on climate change arising from the Action Plan. The document will be read by many analysts across the world. It should receive acclaim for its coherence and rigour, and the thoroughness of its technical underpinning.”

CDKN, one of several donor organisations that supported the NCCAP's creation, is now focusing on communicating the Action Plan effectively to businesses and civil society throughout Kenya.

The NCCAP can be accessed here: [www.kccap.info](http://www.kccap.info)





## GIVING KENYA'S FLOWER SECTOR THE COMPETITIVE EDGE

Kenya's flower sector contributed over £350 million to the national economy in 2011. It accounts for over 35% of all cut flower sales within the European Union (EU). However, heightened awareness of climate change among EU consumers is increasing the demand for sustainably sourced, carbon-efficient horticultural produce. In response to this, the Horticultural Crops Development Authority and the Kenya Flower Council are strengthening Kenya's competitive position in global markets by developing accounting and management solutions for greenhouse gas emissions, energy efficiency and water use.

"A recent sectoral competitiveness study highlighted reputation as one of the main threats to the [Kenyan] industry, and carbon emissions as a key element to this threat. It is essential to establish our own data in order to monitor and mitigate this threat", said Jane Ngige, Chief Executive Office of Kenya Flower Council.

The project developed a sectoral GHG management tool, the Carbon Reduction, Resources and Opportunities Toolkit (CaRROT). This is a Microsoft Excel spreadsheet that integrates energy and water trackers with a carbon calculator. The features have been designed with the local context in mind, providing disaggregated tracking for various sources of energy and water, including grid electricity, diesel and kerosene usage, municipal water, boreholes, lakes and water harvesting, among others. Ten farms assisted in supplying the initial data to build the preliminary tool, and an additional ten farms assisted in the pre-testing phase.

"CaRROT enabled us to [focus] on specific measurements, increasing our efficiency and compliance with various carbon-related market requirements, especially from supermarkets", said Cecilia Wambua, Environment and Audits Officer at Oserian, the largest Fairtrade-certified farm in Kenya.

The project found that many of the larger farms, especially those with an international corporate presence, are already tracking their carbon footprint through either internal structures or subcontractors. In this regard, the biggest push for the uptake of the toolkit has come from medium- and small-scale farms. "Oserian has measured its carbon footprint since 2010", said Ms Wambua. "However, being involved in the development of

CaRROT has increased the reliability of the data and affordability by enabling us to use internal human resources to carry out the process."

The project also contributed to the implementation of Kenya's NCCAP by highlighting financing opportunities for improvements in energy efficiency and small-scale renewable energy generation. By including efficient water resource use, CaRROT also supports Kenya's National Adaptation Plan.

The final toolkit was approved in February 2014. The focus for the Kenya Flower Council and partners now shifts towards dissemination. To download the toolkit and voluntary standards, please visit the CaRROT project page at: [www.cdkn.org/regions/kenya](http://www.cdkn.org/regions/kenya)





## **MAKING CLIMATE CHANGE COUNT FOR PRIVATE BUSINESS**

In Kenya, as in many other places, businesses frequently say they are overwhelmed by the scope and complexity of climate change issues.

With CDKN support, the International Institute for Sustainable Development (IISD), ClimateCare and the Environment Cost Management Centre have developed a series of case studies and reports to answer frequently asked questions, such as: “Why should the Kenyan private sector care about climate change?” and “Why is the NCCAP’s implementation important for private sector interests?”

With assistance from the Kenya Private Sector Alliance (KEPSA), these materials have been distributed to KEPSA’s members. These consist largely of business organisations from a range of sectors, with total membership of approximately 80,000 people.

Deborah Murphy from IISD said: “We’ve managed to introduce a

conversation into KEPSA. KEPSA has increased its level of understanding on climate compatible development while becoming a more skilled conveyor of messages, specifically from the NCCAP, to its members.”

KEPSA has the potential to leverage its influence as a politically well-connected advocacy group, and has already done so to some extent. It was a member of the Task Force that oversaw the development of the NCCAP, and is currently a member of the National Steering Committee for the National Climate Change Bill.

The project assisted KEPSA in outlining how climate change fits into their broader business strategy, and thinking through their strategic position as a platform for the private sector to engage the government on climate change.

“The project highlights the importance of understanding the relationships among Kenyan businesses, sectoral associations and cross-sectoral associations, like

KEPSA, in mobilising the private sector for climate compatible development”, said CDKN project manager Jean-Pierre Roux. “Companies can have narrow interests but may offer opportunities for focused interventions and on-the-ground actions that are leveraged by their own internal resources. Sectoral associations can be very influential in sectors where there is a high degree of cohesion and alignment of interest among businesses”.

KEPSA is potentially an important convener of the private sector. However, in order to build the internal capacity required for continued influence in the climate change space, KEPSA needs to make a good business case. “Achieving this will require strong champions within KEPSA, leadership and an allocation of internal resources to distinguish it as more than the sum of its member associations”, said Ms Murphy.

## ***The power of information***

**Sharing information can ultimately save lives. In Kenya, CDKN has supported the meteorological department to broadcast seasonal weather forecasts to remote areas. This has helped farmers to plant their seeds at the right time and harvest a good crop, even as rainfall patterns are changing.**



## GUEST COLUMN

# Looking ahead: Thoughts from the CDKN Africa Regional Director



CARL WESSELINK

It is clear that Kenya has generated widespread awareness on climate change and the need for a paradigm shift to drive new, sustainable development pathways. It has the evidence base and the capacity to be a global leader in attracting investment to realise climate compatible development.

With far-sighted political leadership that remains accountable to the demands of the electorate, Kenya could be first in line to capitalise on the low-emissions development opportunity that beckons for Africa. CDKN will continue to support climate compatible development leadership in Kenya as it builds the business case for sustainable economic transformation.

## LOW-CARBON PRO-POOR ENERGY ACCESS

Despite the potential benefits of low carbon energy technologies for assisting climate compatible development, international climate policy has largely failed to incentivise the transfer and uptake of these in low-income countries. In Kenya, however, more than 300,000 solar home systems (SHS) were sold by 2012, and the off-grid lighting market averaged growth of 75-85% per year.

New research supported by CDKN has shed light on the factors leading to the successful uptake of SHS in Kenya, yielding insights to inform policy-making. The two-year study, a partnership between the STEPS Centre at Sussex University and the African Technology Policy Studies Network (ATPS), found that market forces alone have not driven the widespread uptake of solar technologies in Kenya. Rather, the growth of the market has been driven by a range of capacity building and research activities by key actors, sometimes with donor support. These activities reduced many of the risks that would have deterred private sector actors and put in place the key building blocks for a thriving market.

This establishes a powerful precedent for the central role that policy can play in fostering low carbon technology markets through a range of targeted interventions. The research suggests that the following are particularly important:

- Build networks that link diverse stakeholders and support learning.
- Conduct market and technological research, monitoring and dissemination. Public information reduces perceived risks among investors and technology users.

- Raise awareness among consumers and investors to build shared visions.
- Fund experimental initiatives to test new technologies and approaches, connect supply chains, and establish value-added activities such as product assembly and manufacture.

“Africans cannot merely be the consumers of imported technologies”, said Professor Kevin Urama, Executive Director of ATPS. “We have to build indigenous capacity to innovate and add value. In the case of solar products, we should be building infrastructure to service products and adapt them to the Kenyan context. That is where we have a comparative advantage. We need to understand the types of institutions, policies and stakeholder networks that will assist us to this end.”

For more information on the project and research outputs (in English and Swahili) visit the STEPS Centre website: [http://steps-centre.org/project/low\\_carbon\\_development](http://steps-centre.org/project/low_carbon_development)

## GEOTHERMAL EXPANSION IN KENYA

A 5,000 Megawatts (MW) geothermal expansion is central to Kenya's vision of becoming a middle-income country by 2030. Geothermal power expansion has also been identified in the NCCAP as a mitigation option with large GHG reduction potential.

CDKN is funding two projects to support the expansion of Kenya's geothermal energy capacity. The first seeks to bring Kenya's geothermal Nationally Appropriate Mitigation Action (NAMA) to the financing stage, while the second supports the development of a geothermal drilling risk insurance product for the Kenyan and Ethiopian markets.

The Government of Kenya has developed an ambitious geothermal NAMA proposal, seeking US\$280 million to scale up private sector involvement in the geothermal sector through: financial risk mitigation instruments; a premium payment mechanism; a Technical Assistance Facility; and a National Geothermal Capacity Building Programme. The Energy Research Centre of the Netherlands, with support from CDKN, is helping the government to take the NAMA from a fully developed concept to implementation. A submission has been made to the NAMA Facility to finance the first phase of implementation

Authors: Jean-Pierre Roux, Charlotte Scott and Claire Mathieson, with contributions from Julia Day (STEPS Centre). Design and layout: Green Ink ([www.greenink.co.uk](http://www.greenink.co.uk)) Photos: page 1: Clara Sanchiz/Flickr; page 2: CDKN; page 3: Felix Masi/Flickr; page 4: Aleksandar Todorovic/Shutterstock.com; page 5: CDKN

to the value of €14 million. The proposed implementation plan has support from KenGen (the Kenya Electricity Generating Company Limited) and the Geothermal Development Company.

CDKN is also collaborating with Parhelion Underwriting to support the piloting of a novel insurance product for geothermal project development. Geothermal developers, particularly in the early stages of developing a field, face high development costs coupled with the high risks of resource exploration and appraisal drilling. These are a significant barrier to private sector financing of geothermal projects. Insurance products that span different phases of field exploration and drilling can significantly improve the risk–return ratio.

Parhelion is developing local geothermal risk insurance markets in Kenya and Ethiopia by raising local stakeholders' awareness of drilling risk insurance. It is also providing local brokers and insurers with training on the technical aspects of geothermal project development. With its technical partner, Geothermex, Parhelion is assisting geothermal project developers and brokers to assess the eligibility of projects for insurance, a process commonly referred to as 'underwriting'.

This document is an output from a project funded by the UK Department for International Development (DFID) and the Netherlands Directorate-General for International Cooperation (DGIS) for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of or endorsed by DFID or DGIS, who can accept no responsibility for such views or information or for any reliance placed on them. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, the entities managing the delivery of the Climate and Development Knowledge Network do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Management of the delivery of CDKN is undertaken by PricewaterhouseCoopers LLP, and an alliance of organisations including Fundación Futuro Latinoamericano, INTRAC, LEAD International, the Overseas Development Institute and SouthSouthNorth.

## The Climate and Development Knowledge Network (CDKN)

aims to help decision-makers in developing countries design and deliver climate compatible development. We do this by providing demand-led research and technical assistance, and channelling the best available knowledge on climate change and development to support policy processes at the country level. CDKN is managed by an alliance of six organisations that brings together a wide range of expertise and experience.

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Funded by:



Ministry of Foreign Affairs of the Netherlands