COUNTY GOVERNMENT OF BUNGOMA

COUNTY CLIMATE CHANGE FINANCE POLICY, 2020

DEPARTMENT OF ENVIRONMENT, WATER AND TOURISM

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ABBREVIATIONS AND ACRONYMS

AFD	(French Development Agency)
CDM	Clean Development Mechanism
CIDP	County Integrated Development Plan
DANIDA	Danish International Development Agency
DFID	Department for International Development (United Kingdom)
DCA	Designated county Authority
EMCA	Environmental Management Coordination Act
FCPF	Forest Carbon Partnership Facility
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIZ	German international development agency
IFMIS	Integrated Financial Management Information System
JICA	Japan International Cooperation Agency
MRV	Monitoring, Reporting and Verification
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
CCCAP	County Climate Change Action Plan
NCCRS	National Climate Change Response Strategy
CDA	County Designated Authority
NDC	Nationally Determined Contribution
PFM	Public Finance Management
REDD +	Reducing Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
SIDA	Swedish International Development Cooperation Agency
UNFCCC	United Nations Framework Convention on Climate Change

CHAPTER 1: BACKGROUND AND SITUATIONAL ANALYSIS

1.0. Introduction

Climate finance is critical to the full realisation of the sustainable development goals. This includes both climate finance for mitigation and adaptation to cover additional costs incurred or invested in an activity to make it resilient to climate change.

Effective responses to the challenge of climate change require effective financial mechanisms to put in place systems, initiatives and programmes supportive to mitigation and adaptation measure

This policy provides for the guiding framework for climate finance in Bungoma County.

1.1. Background

Climate Variability and Climate Change is being experienced in Kenya and Bungoma County in particular. Challenges facing the County as a result of climate change include: - rising temperatures; increasingly irregular and unpredictable rainfall; flooding; prolonged drought; invasive species such as the dodder plant and outbreaks of infectious diseases such as malaria and cholera.

These challenges are manifested through all sectors such as Water, Forestry and Agriculture that has witnessed crop failure, increasing pests and diseases, livestock deaths that affect agricultural productivity which is the back bone of the County`s economy. The water sector is currently grappling with dwindling water quantities and quality as a result of Climate Change.

Climate change is likely to negatively affect achievement of Kenya`s vision 2030, Sustainable Development Goals (SDGs) and the Big Four Agenda which is the Country`s national development blue print.

The national and county governments share the responsibility of investing in climate change adaptation and mitigation. County governments, as the first point of contact with affected populations, play a pivotal role in planning for climate change adaption and mitigation, as well as mobilising the resources needed to implement their priority climate change actions.

1. 2. Policy Context

This Policy is an important part of accelerating county's development aspirations. The county's high dependence on climate-sensitive natural resources for livelihoods increases its vulnerability to climate change. The county has not been left out as evidenced with increasing temperatures, irregular and unpredictable rainfall patterns resulting in drought, landslides and floods.

The negative impacts of these changing climatic patterns include: reduced agricultural production leading to increased food insecurity, loss of biodiversity and ecosystem services, damage to infrastructure, increased health costs, and declines in the quality and quantity of water resources.

The cost of managing climate change impacts is increasing. Recent climate variability has had significant social and economic costs. Frequent floods and droughts have led to loss of life and damaged property, and exerted pressure on public finances – all of which can slow down growth prospects. The cost of insurance where available is increasing, and the County has to divert financial resources to cover the additional costs of adapting to climate change impacts, thereby reducing more productive sector investments. Similarly, the County government is forced to spend public resources on new or improved infrastructure, on efforts to seek alternative sources of food and water, and on relocation of communities and recovery operations from natural disasters.

The Policy will help the county to mobilize additional domestic and international climate finance resources to address its climate change and development agenda, including the goals and objectives set out in the NDC. Formulation of this Policy was initiated within the framework of the county Climate Change Act, 2020 whose objective is to encourage low carbon climate resilient development.

1.3. Policy Rationale

The county government seeks to establish an effective, efficient and sustainable climate finance system in order to facilitate realization of its development goals. This climate finance policy will be instrumental in advancing county social and economic development. This policy is therefore developed in order to –

a) Mobilize additional domestic and international climate finance resources to address the County`s climate change and development agenda.
b) Place the County in a better position to access climate finances that can help advance the County`s development goals by increasing its adaptability and resilience to Climate Change.
c) Provide an overarching guidance framework for climate finance including putting in place County coordination system for climate change programs.

1.4. Situation analysis on climate finance

1.4.1 Provision and Mobilization of Climate Finance

Developed Countries reiterate their commitments to provide financial support to developing countries as per their obligations under the convention as per article 9 of the Paris Agreement. The Paris agreement set USD 100 Billion budgetary allocation annually as expected international financing support for climate change interventions in developing countries. Bungoma County shall seek to access these funds either individually or through various partners and National Implementing Agency for the Green Climate Fund (GCF) and the Global Environment Facility (GEF) in order to implement climate change mitigation and adaptation initiatives at community level.

The GCF, GEF, UNFCCC REDD+ mechanism are the key financial entities of the United Nations Framework Convention on Climate Change (UNFCCC). Furthermore, Bungoma County through the Nation`s Nationally Appropriate Mitigation Actions (NAMAS) can be another avenue where funding from the UNFCCC can be sought through formal submissions for funding for actions to meet greenhouse gas emission reduction targets included in the NDC.

1.4.2 Tracking and Reporting of Climate Finance

The Paris Agreement`s article 13 establishes a Transparency Framework designed to provide clear channels for funding and reporting by all parties. However, it also mandates parties to develop structures and guidelines for the reporting of financial resources that shall help ensure financial flows and transactions are clear and transparent.

Under the Paris Agreement, Developing Countries which include Kenya are expected to provide information no less frequently than biennially on support needed under Article 9 (Finance for mitigation and Adaptation), 10 (technology development and transfer) and 11 (capacity building).

Bungoma County is also mandated as per the National Climate Change Act, 2016 and the Bungoma County Climate Change Act, 2020 to report annually on its climate change mitigation and adaptation programs including finances to the County Assembly and the National Directorate of Climate Change through the County Steering Committee.

1.4.3. Market-based Approaches

The Paris Agreement under Article 6 creates two market-based approaches. One approach that the Country and County can tap into is the voluntary international transfer of mitigation outcomes that involves any country selling or purchasing its mitigation outcomes as it strives to achieve its NDC. This is similar to the Clean Development Mechanism (CDM) created under the Kyoto Protocol that allows greenhouse gas emitters in developed countries to purchase carbon credits from emission reduction activities in developing countries.

1.4.4. Mechanism for Technology Transfer and Capacity Building

The Technology Mechanism established under Article 10 of the Paris Agreement is dedicated to promoting and facilitating enhanced action on technology development and transfer. Financial support shall be provided to developing countries to support the technology transfer required to reduce greenhouse gas emissions and increase resilience to climate change.

The Technology Mechanism of the UNFCCC is focused on the undertaking and updating of technology needs assessments, as well as the implementation of their results through the development of bankable projects that are prioritized for financing.

Capacity building is highlighted in Article 11 of the Paris Agreement. It focuses on country-driven actions that respond to needs and foster country ownership.

1.4.5. International Climate Finance Landscape

International Climate Finance landscape consists of grants, concessional loans, guarantees and private equity that offers opportunity for the Country and County to tap into. It is estimated by the United Nations Development Program (UNDP) that there exists more than 50 international public funds, 45 carbon markets and 6,000 private equity.

1.4.6. The Climate Finance Landscape in Kenya

The Kenyan Climate Finance Landscape has witnessed positive investments as the Country has been successful in accessing international climate finance. Key players providing low carbon infrastructure investment include the World Bank and the African Development Bank (AfDB). Other bilateral partners supporting climate change interventions include; United Kingdom's Department for International Development (DFID), French Development Agency (AFD), Danish International Development Agency (Danida), German international development agency (GIZ), Japan International Cooperation Agency (JICA), Swedish International Development Cooperation Agency (SIDA), and the German government-owned development bank (KfW).

However, the Country is diversifying its sources of climate funds with the Nomination of the National Treasury to act as the National Designated Authority (NDA) to the Green Climate Fund (GCF); and the accreditation of the National Environment Management Authority (NEMA) as a National Implementing Entity (NIE) to the GCF which shall enable the Country have direct access to the funds. Kenya remains to be an active partner in the UN-REDD program.

It must be noted that the Public Finance Management Act, 2012 is the law governing how the public sector (both National and Devolved Units) shall raise and spend money including international funding.

1.4.7. County Key issues, challenges and opportunities on climate finance

Currently a multitude of funding channels are available globally for funding climate change interventions even though the climate finance landscape is complex. Bungoma County requires a robust and efficient legal and institutional framework for the County finance system that includes budgeting, enabling legal and institutional framework and policy that aims to put in place mechanism to improve the County`s access to climate finance.

Bungoma County Climate Change challenges requires both adaptation and mitigation interventions. This can only be achieved through prudent management of resources which balances allocation of mobilized resources to address climate change needs of the County.

Bungoma County has to strengthen its financing systems due to diversity in sources of climate finance. This shall enable the County tackle challenges in monitoring and evaluation of climate change interventions as identification and tracking of climate finance sources from international and domestic actors shall be simplified

Proper coordination across various sectors in the County through legal and institutional frameworks is vital to ensure climate finance is channeled towards low carbon climate resilience development. This shall also work to address financial challenges and work to position the County to attract funding from a variety of sources including the private sector.

1.5. Policies and Laws Informing This Policy

The following laws and policies inform the Bungoma County Finance Policy:-

The Energy Act, 2006 – promotes mitigation of climate change through energy efficiency and renewable energy, and use of the Clean Development Mechanism (CDM) and carbon trading to promote renewable energy programs.

The Constitution of Kenya, 2010 –The Bill of Rights, through Article 42, establishes that a clean and healthy environment is a fundamental right. These rights require climate finance investments because they intersect with adaptation and mitigation needs. Chapter 12, Article

201 includes provisions and principles pertaining to public finance management, which in turn guide the management of climate finance.

The Land Act (2012) - regulates processes for allocation of public land for various uses, including investment activities, and requires consideration of local community benefit when such investment activities are approved

National Climate Change Response Strategy (NCCRS), 2010 –The strategy provides recommendations on low carbon and climate resilient actions, and the enabling environment to encourage these actions.

Treaty Making and Ratification Act (No. 45 of 2012) – This law provides rules for the structuring and undertaking of international negotiations with respect to multilateral and bilateral treaties.

The Public Finance Management Act, 2012 (as amended in 2014) – regulates the financial management of national and county governments, and ensures that all revenue, expenditure, assets and liabilities of the governments are managed efficiently and effectively.

Environmental Management and Co-ordination Act, 1999 (EMCA), as amended through EMCA (Amendment Act) 2015 – is a framework for environmental legislation that establishes appropriate legal and institutional mechanisms for the management of the environment.

The National Climate Change Act, 2016 – The Act sets out provisions for public consultation, and provides incentives and obligations for the private sector contribution to low carbon climate resilient development. The Act provides for setting greenhouse gas emission reduction targets, and sets out obligations for measuring reporting and verification of emissions.

Forest Conservation and Management Act, 2016 –This law sets out the government's role in sustainable land use and forest management with mechanisms that lay the foundation for reforestation, afforestation and REDD+ programs in support of climate change goals.

Kenya Vision 2030 and its Medium Term Plans – presents opportunities to identify climate-related actions and priorities. The MTP identifies actions to address climate change.

National Climate Change Action Plan, 2018-2022 –The plan provides an analysis of mitigation and adaptation options and actions; recommends an enabling policy and regulatory framework; and sets out next steps for knowledge management and capacity development, technology requirements, and a national performance and benefit measurement system.

Bungoma County Integrated Development Plan (CIDP) 2018-2022 – that presents the County`s climate change challenges and sets out measures of undertaking mitigation and adaptation.

The Standards Act (Cap 496) – The standards mechanism is important for providing standardized solutions required in pursuit of sustainable development through low carbon climate resilient development.

Investment Promotion Act (Cap 485B) - establishes the Kenya Investments Authority, and prescribes a definition of foreign and domestic investors for purposes of minimum capital, facilitation and incentives.

Medium Term Expenditure Framework (MTEF) – translates policies and priorities into expenditure and action, including budget making and allocations for climate change actions.

The Bungoma County Climate Change Bill, 2020 – provides for a regulatory framework for an enhanced response to climate change in the county, and provides mechanisms and measures to achieve low carbon climate resilient development.

1.6. Policy development process

This policy was developed through a consultative process. The key policy actors in climate change mitigation and adaptation in the county were engaged during the preparation process. Specifically national and county departments involved in climate change mitigation and adaptation, which included; Kenya Forest Service (KFS), Kenya Wildlife Service (KWS), County Assembly Sectoral Committee, County Environment Committee and County departments in charge of legal affairs, agriculture, public health, roads and Trade were consulted. In addition, private actors in climate change mitigation and adaptation such as representatives of civil society and farmers participated in the process.

CHAPTER 2: POLICY FRAMEWORK

2.0. Introduction

In order to comprehensively address climate finance, a framework setting the policy direction to be pursued by the county government and other stakeholders is essential. This chapter describes the policy framework consisting of the core policy goal, objectives and guiding principles.

2.1. Policy Goal

To enhance the County`s efforts in mobilizing climate change finances to achieve the County`s low-carbon climate resilient development goals to contribute towards attaining the Country`s NDC.

2.2. Policy Objectives

The Bungoma County Climate Finance Policy aims to:-

a) Enhance and streamline the implementation of public finance management in relation to climate financing;
b) Establish mechanisms to mobilize internal and external climate finance;
c) Track, monitor, account for, evaluate and report on sources, applications and impacts of climate finance;
d) Enhance the capacity of the county to mobilize climate change finance to support sustainable development; and
e) Encourage and facilitate private sector participation in climate relevant financing opportunities.

2.3. Guiding Principles

The following principles shall guide the policy:-

a) Transparency and accountability: To ensure the county has clear definitions and systems that allow for tracking and evaluation of the climate financing flows.
b) Inclusiveness: To create business opportunities for private investors and communities, to fully participate in County development and climate change mitigation, adaptation and green growth.
c) Equitable access to finance: To facilitate access to appropriate resources for transformational change through large-scale investment and support to small- and medium-scale enterprises.

d) **Effectiveness:** To mobilize the appropriate county, national and international resources to eliminate or significantly reduce financial barriers associated with implementation of low carbon climate resilient development plans

e) **Predictability:** To secure resources from different sources to support long-term implementation and a transition to a low carbon climate resilient economy.

f) **Equitable benefits sharing:** To facilitate full participation in climate finance investments and benefits sharing by and among all stakeholders, including the marginalized, disadvantaged and vulnerable groups.

g) **Environmental and social protection:** To provide a mechanism that enhances environmental and social safeguards and benefits from climate finance, and addresses negative climate impacts.

h) **Enshrine a culture for the pursuit of sustainable development:** To encourage investments that enable sustained and rapid growth within a low carbon climate resilient development pathway.

i) **Special needs and circumstances:** To prioritize the special needs and circumstances of people and geographic areas that are particularly vulnerable to the adverse effects of climate change.

CHAPTER 3: COUNTY CLIMATE FINANCE POLICY TARGET SECTORS AND STRATEGIC INTERVENTIONS.

3.0. Introduction

The County has set clear objectives to achieve its low carbon climate resilient goals as articulated in its County Integrated Development Plan (CIDP), County Climate Change Act, 2020 among other policy documents. However, key to achieving these goals is availability of adequate financial resources to support climate change mitigation and adaptation investments in the key sectors of:-

3.1. Agriculture, Livestock and Fisheries

Agriculture is the leading source of revenue and income for the County. The sector is both a sink and a source of GHG emissions and the impact of climate change on the sector is devastating. Priority investment shall focus on;-

a) Mainstreaming of climate change into agricultural extension systems;
b) Establishment and maintenance of climate change related information pools or centres for crops, livestock and fisheries;
c) Promotion of Climate Smart Agriculture
d) Price stabilization schemes for livestock and crop farmers;
e) Post-harvest management of crop, livestock and fisheries products; and,
f) Protection and conservation of fish critical habitats and breeding grounds, and re-stocking as required.

3.2. Forestry

The County tree/forest cover of 14.86% must be increased for the County to have both climate resilience and low carbon benefits as forests play a key role in building climate resilience. Therefore, priority investments shall focus on:

a) Reduction of deforestation and forest degradation;
b) Conservation and sustainable management of forest areas;
c) Conservation and protection of our water tower which is Mt. Elgon Forest Reserve;
d) Increased afforestation and reforestation activities including school greening programs,
e) Promotion of farm forestry.

3.3. Energy

Bungoma County is a rural economy with over 80% depending on wood fuel and charcoal for cooking which has increased deforestation. Furthermore, use of fossil fuels within our transport sector significantly contributes to GHG emissions. Therefore, priority investments within the sector shall focus on:

a) Expansion of renewable energy such as, solar and biomass electricity generation;
b) Energy efficiency in public buildings;
c) Energy efficient household products, including solar lighting and improved charcoal and gas cook-stoves;
d) Climate-proofing energy infrastructure.

3.4. Transport

The County transport sector consisting of roads and bridges must be constructed in a manner that accounts for increased occurrence of extreme weather events such as storms and flooding. The transport sector is also a contributor of GHG emissions and therefore priority investments shall include:-

a) Promoting low-emitting clean energy sources such as bio-fuels, Liquefied Petroleum Gas or Liquefied Natural Gas;
b) Improvements in heavy duty and passenger vehicle efficiency.
c) Climate-proofing transport infrastructure.

3.5. Trade

Trade and commerce sector has felt the impacts of climate change through effects to the goods produced or directly through the transport sector disruptions. Building County resilience for the trade sector may involve carbon taxes, obligations for emission reduction and regulating the flow of raw materials and labor, therefore priority actions shall include:-

a) Promotion of low-carbon and green commodities and goods that are produced in an environmentally friendly, socially responsible and equitable way;
b) Climate proofing transport infrastructure, including storage facilities.

3.6. Tourism

Bungoma County`s tourism sector which is one of the highest sources of income and revenue for the County is nature based. This increases its susceptibility to climate change that results in human-wildlife conflicts, loss of bio-diversity especially in our premier tourist product such as

Mt. Elgon Forest. County Climate finance priority actions will focus on building resilience and promoting low-carbon actions through:-

a) Promotion of a low-carbon footprint destination through a program on greening the sector, for example energy efficiency in the sector through such actions as solar water heating
b) Research to understand the vulnerabilities of wildlife populations and the potential impacts of tourism within Mt. Elgon Forest Reserve.

3.7. Water and Sanitation

Water is a critical resource for production on commercial purposes but is a basic need on the domestic scene. Climate change impacts such as deforestation impacts negatively on the quantity and quality of water creating a myriad of problems including an increase in water borne diseases. Increased rainfall resulting in surface rainfall causes overflow of sewages from latrine. Priority actions within the sector are linked to other sectors such as agriculture and forestry and shall include:-

a) Integration of climate change information in water modelling and forecasting;
b) Enhanced water storage capacity for irrigation;
c) Promotion of energy efficient technologies in water supply projects;
d) Conservation of water tower (Mt. Elgon Forest Reserve) and other water catchment areas
e) Improved water management and water conservation.

3.8. Disaster Risk Management

Climate Change increases the occurrence of floods and landslides in the County and with increasing weather variability the magnitude, severity and frequency of their occurrence. Floods along our rivers and urban flooding is common which is accompanied by an increase in waterborne diseases such as cholera and typhoid. Priority actions for the Bungoma County Climate Finance shall include:-

a) Monitoring systems – Quality, credible early warning and food security monitoring systems.
b) Multi-year food and cash mechanisms – Based on early warning and food security data;
c) Water management – Effective and environmentally appropriate systems of water harvesting, management and irrigation, and emergency water supply;

d) Climate-proofing of infrastructure – Infrastructure development (water and sewerage, transport, electricity) with improved climate-resilient standards; and
e) Livelihoods diversification – Investment in community-based livestock systems, crop farming (both irrigated and rain fed), forestry and forest products, fisheries and other alternative livelihoods.

3.9. Research and Innovation

Research and innovation is key in climate change mitigation and adaptation as empirical evidence is required to support legislative, technological and other interventions. County Climate Finance shall focus on:-

a) Incentives for the private sector and institutions of higher learning to undertake research and innovation to develop affordable and locally appropriate adaptation and mitigation technologies;
b) Establishment of mechanisms to encourage and facilitate locally appropriate climate change technology development; and
c) Linking County government, private sector, academic and civil society organizations with global climate change innovation institutions.

3.11. Opportunities and Strategic Policy Interventions for Climate Finance

3.11.1. Legal and Regulatory Framework

Policy Statement:

The county will establish a clear and flexible legal and regulatory framework for climate finance that is responsive to developments in the county.

Interventions:

a) Establish a county climate finance mechanism (a Climate Change Fund) within the legal framework established in the County Climate Change Act, 2020 to support the funding of climate change activities.
b) Development and setting up of an integrated platform to support the mobilization, coordination, access to, and tracking of climate finance in the county, including from both domestic and international sources by the County Steering Committee.
c) The department responsible for climate change affairs to develop regulations for duties relating to climate change.

d) Foster strong county financial systems for climate finance building upon principles of the Public Finance Management Act, 2012 (as Amended 2014) while identifying and coding climate change expenditure within the county budget to aid in transparency and accountability of climate finance.
e) Develop laws and regulations for tracking climate finance mobilization and application, in line with guidelines to comply with reporting requirements of the Paris Agreement of 2015.
f) Develop new legislative instruments to govern the terms and type of involvement of entities in GHG emission reduction initiatives and carbon market initiatives.
g) Identify legal and regulatory barriers that discourage private sector and financial sector low-carbon and climate resilient investment, and suggest solutions.
h) Promote an enabling policy framework for investment and create business- friendly regulatory environments to encourage investment of climate finance in key sector areas.
i) Use policies, laws and regulations to develop market-based and non-market-based mechanisms.

3.11.2. Governance and Institutional Framework

Policy Statement:

The County will develop a governance and institutional framework that maximizes the opportunities for climate finance mobilization in the various sectors.

Interventions:

a) Mainstream low carbon growth and climate resilience options into the planning and budgeting processes and functions of the county.
b) Strengthen the capacity of priority institutions at the county to access, disburse, absorb and manage climate funds in a transparent and accountable manner.
c) Strengthen the capacity of priority institutions at the county on matters related to fiduciary standards and management, and environmental and social safeguards.
d) Integrate priority actions and strategies related to climate change into functions and budgets of department and other entities.
e) Establish a capacity building program at the county to assist priority institutions, financial institutions, project developers, and civil society in developing bankable projects.

f) Develop a capacity building program to help county financial institutions assess the risks of new climate-related technologies and design innovative financial schemes to support industry in adopting them.
g) Augment existing coordination committees under the county steering committee, such as the county climate planning committee, ward climate change planning committees with the new climate finance mechanism (County Climate Change Fund) to track and coordinate climate finance and harmonize at the county.
h) Facilitate information dissemination and knowledge flow on climate finance.

3.11.3. Framework for the Implementation of Low Carbon and Climate Resilient Initiatives

Policy Statement:

The county will mobilize climate finance to facilitate the implementation of initiatives that enhance climate resilience and reduce GHG emissions.

Interventions:

a) Inform the county steering committee on economic and fiscal impacts related to climate change; in particular the likely impact of implementation of the climate change action plan, the competiveness of particular sectors, small- and medium-sized enterprises, employment opportunities, and the socio-economic well-being of any segment or part of the population.
b) Integrate knowledge on climate finance, and the economic and fiscal impacts of climate change, into policy and decision-making processes.
c) Develop a county climate investment framework linked to NDC that clearly highlights reforms needed to create the enabling conditions and set out priority investment opportunities to transition the county to a low-carbon climate resilient economy

4.11.4. Framework to attract and promote climate finance

Policy statement:

The county will seek to attract climate finance and promote climate investment through financial and economic instruments, and cooperative approaches/market-based mechanisms in which benefits and risks are distributed equitably.

Interventions:

a) Working through the climate finance mechanism (County Climate Change Fund), develop a strategy to identify sources of climate finance and explore possible avenues to attract internal and external climate finance.

b) Put in place a mechanism and criteria to achieve a balance in the allocation of mobilized climate finance to adaptation and mitigation actions.
c) Supported by the County Climate Change Fund, foster scale up of climate finance through targeted strategic partnerships with bilateral and multilateral partners.
d) Encourage "direct access" to climate funds through awareness creation and capacity building to improve fiduciary standards, project management and environmental and social safeguards within priority institutions
e) Develop robust and flexible public financial instruments to support and leverage private sector investments in low carbon and climate resilient activities.
f) Enhance county capacity to engage in carbon asset activities, strengthen the viability of domestic carbon asset production and increase access to international carbon markets.
g) Improve capacity to develop, implement and report on initiatives supported through results-based finance, particularly in relation to forestry projects.

CHAPTER 4: POLICY IMPLEMENTTION

4.0. Introduction

The County Treasury will lead and facilitate the implementation of this Policy. The County Treasury shall mobilize adequate resources for the successful implementation of the Policy and develop required laws and regulation.

The strategic interventions identified in chapter 3 will be operationalized by the county Treasury and its partners through the incorporation of specific actions in their strategic and operational plans.

4.1. Institutions

4.1.1. Oversight, Implementation and Monitoring

The county institutions engaged in the oversight, implementation and monitoring are described below.

a) The County Steering Committee, established under the County Climate Change Act, 2020 and chaired by the governor, will guide the implementation of this Policy and receive at least bi-annual reports on the implementation of this Policy.

b) The County Treasury is the primary custodian for all matters of climate finance and shall be responsible for the overall implementation of this policy.

c) The department responsible for Environment and Climate Change affairs shall provide technical advice and services on climate change to the County Climate Steering Committee, County Treasury and Planning and Ward committees.

d) The County Planning and Ward Committees, working as appropriate, with the climate finance mechanism (County Climate Change Fund), shall offer advisory services to the County Climate Steering Committee, on climate finance and the means to generate climate finance.

4.1.2 Other County Departments and Agencies

Other county departments and agencies that play important roles in the County Climate Change landscape are described below.

a) The department in charge of energy shall provide support on all matters related to energy within this Policy.
b) The department in charge of agriculture shall provide support on all matters related to agriculture, livestock and fisheries within this Policy.
c) The County Treasury shall be the primary conduit for all matters of climate finance for the county.
d) The County shall consider climate finance in their efforts to mainstream climate change in the County Integrated Development Plans, taking into account national and county priorities.
e) The agency responsible for disaster management shall ensure climate finance issues are mainstreamed within disaster management plans and that the impacts of climate change are sufficiently addressed in funding programs so as to ensure climate proofing.
f) The County Treasury, shall develop and implement a procedure to review project and program proposals for the climate change finance
g) The agency in charge of investments will play an indirect role in facilitating climate investments in the County for both domestic and foreign investors, and shall specifically promote the underlying assets of CDM and REDD+ projects in the County.

4.1.3. Other Stakeholders

Civil society, academia and the private sector are critical stakeholders for the implementation and oversight of this policy.

a) Research institutions and universities will play a key role in research, education, capacity building and establishment of centres for excellence on clean technology, climate financing and emissions trading.
b) Civil society will play an important role in awareness creation, monitoring and oversight, and will be encouraged to access climate finance to implement low carbon and climate resilient initiatives.
c) The private sector will play a critical role in implementing actions and investing in low carbon climate resilient technologies.

4.2. Capacity Building

The County will endeavor to build the capacity on climate change finance over time. In this respect the County will:

a) Provide training in areas related to climate finance, particularly for matters related to fiduciary management, and environmental and social safeguards.

b) Establish strong linkages between local and international organizations dealing with climate finance.

c) Provide adequate budgetary pre-event preparation, event and post-event support of the County team that participates in national and international negotiations and discussions on climate finance and other aspects of climate change.

4.3. Financial Resources

To meet the stated objectives in this Policy and its related laws and regulations, the County Treasury requires not less than 2% of the county development budget annually to support operationalization of this policy.

The County Treasury requires funding to:

a) mobilize short- and long-term experts to prepare and develop bankable pilot climate projects;

b) support the functioning of the climate finance platform and County Climate Change Fund, county climate planning an Ward Planning committees;

c) undertake research and piloting of climate resilient and low carbon technologies;

d) participate in national and international discussions and negotiations on climate finance;

e) build capacity of county government departments, other stakeholders;

f) Develop regulations and guidelines.

CHAPTER 5: MORNITORING, EVALUATION AND REPORTING

5.0. Introduction

This policy establishes Monitoring, Reporting and Verification (MRV) framework to provide a clear overview of domestic and international climate financial flows, trends, sources and purposes.

5.1. Monitoring and Evaluation

In order to ensure effective implementation of this policy, there shall be a continuous monitoring of the results of programs and activities undertaken to implement this policy. The department responsible for climate finance shall in collaboration with national and county stakeholders design the core outcome indicators to be adopted in measuring the results.

This policy shall be evaluated in accordance with overall county monitoring and evaluation framework, standards and system.

5.2. Reporting

The County department in change of climate finance shall report to the Steering Committee on an annual basis, and such report shall form part of the report by the Steering Committee to the County Assembly before being forwarded to the National Government directorate of climate change.

5.3. Operationalization and Policy Review

The County Treasury shall be responsible for monitoring and evaluation (M&E), and shall develop a continuous program for M&E of the Policy. The program shall be conducted by relevant stakeholders from public and private sectors, and undertaken in a manner that ensures the vision, mission, objectives and strategies of this policy are appropriately implemented.

This Policy shall be reviewed when need arises to assess its effectiveness and relevance in dealing with emerging County, national and global climate financial issues.

APPENDIX I: DEFINITIONS AND TERMINOLOGY

Adaptation: Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Capacity Building: The process of developing the technical skills and institutional capability to effectively address climate finance within mandates and responsibilities.

Carbon Credits: A financial unit of measurement that represents the removal of one tonne of carbon dioxide equivalent from the atmosphere. Carbon credits are generated by projects that deliver measurable reductions in greenhouse gas emissions, and can be sold or traded through carbon markets.

Carbon Market: A trading system through which countries or other entities may buy or sell units of greenhouse gas emissions in an effort to meet their national limits on emissions, either under the Kyoto Protocol or under other agreements such as that among member states of the European Union.

Clean Development Mechanism (CDM): A Kyoto Protocol initiative under which greenhouse gas emission reduction projects in developing countries generate tradable carbon credits called Certified Emission Reduction

Climate Change: Changes in global or regional climate patterns, including changes in temperature, wind patterns and rainfall. In particular, climate change refers to a change apparent from the mid to late 20th century onwards and attributed largely to human activities that increase levels of greenhouse gas emissions.

Climate Finance: The flow of funds (both domestic and foreign sources) toward activities that reduce greenhouse gas emissions or build climate resilience. Climate finance comprises both public and private sources. Public finance includes United Nations and global climate funds; funds through bilateral and multilateral partners; and domestic government funds allocated to climate change actions.

Climate Proofing: Assessing current and future climate risks and impacts, and adjusting investment and business decisions to account for anticipated harm and losses as well as opportunities.

Climate Resilience: Closely linked to adaptation, building climate resilience includes reducing vulnerability to climate change, making sure that the impacts of climate change are avoided or cushioned, and enabling people to respond to climate risks.

Cooperative Mechanisms: The Paris Agreement avoids direct reference to market based approaches, but establishes cooperative approaches that will allow for the transfer of emission reductions and removals.

Direct Access: A funding stream where the recipient country can access finance directly from a fund without going through a third-party intermediary.

Designated County Authority (CNA): An authority designated by a county government for the Clean Development Mechanism to review and approve CDM activities

Emissions Trading: One form of carbon pricing creating a market-based system for regulating the emissions of greenhouse gases. The quantity of emissions is controlled and the price is allowed to vary by the issuing of tradable emissions permits. These rights to emit can be traded in a commercial market under an emissions trading scheme.

Green Climate Fund (GCF): A fund within the framework of the UNFCCC that aims to assist developing countries address climate change. It is intended to be the centerpiece of efforts to raise climate finance.

Greenhouse Gas (GHG): Any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include, but are not limited to, water vapor, carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydro fluorocarbons, hydro chlorofluorocarbons, ozone, per fluorocarbons and sulphur hexafluoride.

Kyoto Protocol: The agreement reached in Kyoto in 1997 under the UNFCCC that commits developed countries and countries making the transition to a market economy to achieve quantified targets for decreasing their greenhouse gas emissions.

Measurement, Reporting and Verification (MRV): A term used to describe all measures which countries take to collect data on greenhouse gas emissions, mitigation actions and support, to compile this information in reports and inventories, and to subject these to some form of international review or analysis. The NCCAP proposed an integrated MRV+ framework for Kenya to measure, report on and verify the results and impacts of mitigation, adaptation and climate finance actions, and the synergies between them.

Mitigation: In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving building insulation, and expanding forests and other "sinks" to remove greater amounts of carbon dioxide from the atmosphere.

Nationally Appropriate Mitigation Action (NAMA): An action that reduces emissions in developing countries and is prepared under the umbrella of a national governmental initiative. They can be policies directed at transformational change within an economic sector, or actions across sectors. NAMAs emphasize support from developed countries to developing countries in the form of technology, financing and capacity building. NAMAs can be formal submissions to the UNFCCC by developing countries seeking support.

Nationally Determined Contribution (NDC): Upon ratification of the Paris Agreement, countries will submit their NDCs, or their national contribution to achieve the global goal of the Paris Agreement. Most NDCs include a GHG emission reduction target and an adaptation goal. Kenya's NDC is based on its NCCAP and National Adaptation Plan, and thus consistent with Vision 2030 and sustainable development goals.

Paris Agreement: An agreement within the framework of the UNFCCC adopted by 195 counties in December 2015 to deal with mitigation, adaptation and climate finance. The agreement aims to reach global peaking of greenhouse gas emissions as soon as possible; to increase ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development; and to make finance flows consistent with a pathway towards low greenhouse gas emissions.

Public Private Partnerships: Public Private Partnerships are an association between government and private sector through which private financing is utilized to perform a public function, at a profit to the private sector.

REDD+: Reducing Emissions from Deforestation and forest Degradation plus the role of conservation, sustainable management of forests and enhancement of forest carbon stocks

Reforestation: The direct human-induced conversion of non-forested land to forested land through planting, seeding and/or the human-induced promotion of natural seed sources, on land that was forested but that has been converted to non-forested land.

Sustainable Development: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Technology Transfer: A broad set of processes covering the flows of know-how, experience and equipment for reducing greenhouse gas emissions and adapting to climate change.

United Nations Framework Convention on Climate Change (UNFCCC): The international agreement for action on climate change that aims to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human interference with the climate system. The UNFCCC entered into force in 1994 and has 192 signatory parties.

Voluntary Carbon Market: The market created through carbon credit purchases that are made voluntarily (and outside the compliance market created under the Kyoto Protocol where countries are legally obligated to reduce emissions). This market is driven by the private sector for corporate social responsibility reasons.

Vulnerability: The degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude and rate of climate variation to which a system is exposed.