BACKGROUNDER

November 2015

Supporting Counties in Kenya to Mainstream Climate Change in Development and Access Climate Finance

The Challenge

At the international level, global flows of climate finance are increasing – amounting to approximately USD 360 billion in 2012¹. The establishment of the Green Climate Fund (GCF) and its commitment to direct 50% of its anticipated annual fund of USD100bn by 2020 to vulnerable countries for climate change adaptation offers significant opportunities. The GCF will function in addition to pre-existing multi –lateral and bi-lateral climate funds. Climate vulnerable countries, such as Kenya, that demonstrates capacity to channel these funds to the most vulnerable and drive climate resilient economic growth, while demonstrating strong fiduciary standards, will be well-placed to access global climate finance.

Pre-established county level funds could prove to be versatile mechanisms through which to channel this funding to support community driven development and resilience building priorities. Their devolved nature could also make them preferred mechanisms for direct access to fund disbursements, supporting the country driven focus of the fund. Access to such funds will be in accordance with the Kenyan constitution [2010] which grants county government's authority and responsibility for developing the social and economic aspects of their county according to local priorities. The Adaptation Consortium in Kenya is addressing this challenge.

The Devolved Climate Finance

The Adaptation Consortium (Ada) is helping to strengthen the institutional arrangements that will enable climate finance from the Green Climate Fund and other sources to flow through the National Drought Management Authority to Arid and Semi Arid Lands (ASALs) counties. The County Climate Adaptation fund set up by the Consortium enables the prioritization of adaptation investments by vulnerable communities through representative ward-level institutions.

Initially piloted in Isiolo County, the approach is now being implemented in four other ASAL counties of Garissa, Kitui, Makueni and Wajir which in total cover approximately 29% of Kenya's land area and a population of 4 million plus. At the end of the project in 2017, it is expected that 2.5 million people will be supported to cope with climate change through provision of climate information, while 800,000 people will benefit directly from adaptation investments.

^{1.} http://www.climatefundsupdate.org/themes/adaptation

Adaptation Consortium Focus Counties



Ada Combined Approach

The Government of Kenya is establishing the necessary institutional architecture to access climate finance. The National Environment Management Authority is a National Implementing Entity (NIE) for the Adaptation Fund, whereas the National Treasury has been established as the National Designated Authority (NDA) for the Green Climate Fund (GCF) with a number of institutions pursuing accreditation/accredited as NIE for the GCF. The National Climate Change Action Plan 2013 prioritises the establishment of the Kenya Climate Fund to finance climate change activities. However, relatively little attention has been paid to developing a mechanism through which climate funds can be channelled from national to local level and to the most vulnerable. In response to this situation, the Ada consortium is therefore supporting county governments to address this gap through a combined approach that consists of four elements intended to strengthen their decentralized planning processes:

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Key Elements Strengthening Decentralized Planning Processes

- Establishing County Climate Change Fund (CCCF) a devolved finance mechanism under the authority of each county government that allows climate finance to reach the most vulnerable and enable them to make decisions on how it is used.
- Representative Ward & County Adaptation Planning Committees that manage the CCCF & prioritise investments in public goods that builds resilience.
- Integration of Climate information & resilience assessment into development planning and funding process
- Monitoring system to track how adaptation builds resilience and strengthens economic development

Achievements

The Adaptation consortium is showing that local climate adaptation planning, supported by devolved funds managed by county authorities, and informed by enhanced climate information services, can render significant benefits for people in poor and marginalized households. Key achievements include:

1. Contributing to transformative change - through the enactment of CCCF legislation to institutionalize CCCF as public fund ensuring synchronicity with county planning and budgeting process and also providing a legal basis for counties to draw down climate finance from national and international sources. CCCF legislation commits counties to contribute a



- minimum % of their development budget to adaptation finance (sustainability), and to empowering local people to prioritize majority (70%) of available adaptation finance (context driven, inclusion, community oversight).
- 2. The National Drought Management Authority is pursuing accreditation as NIE for GCF This will institutionalize the process and enable counties to be accredited as Executing Entities [EE].
- 3. Linkage with national level processes-in addition to piloting priority action from National Climate Change Action Plan 2013 (i.e. Tracking Adaptation and Measuring Development M+E framework), the National Adaptation Plan (NAP) and Ending Drought Emergency (EDE) strategy have picked on devolved climate finance and planning as good examples for scaling up.

Additional Achievements with Seed Finance from DfID include:-

- **4. Building capacity of climate vulnerable** with over 1.5 Million people supported to cope with effects of climate change through investments in climate-resilience projects by the County Climate Change Fund as well as provision of climate information.
- **5. Early evidence of effective community engagement** (through Ward Adaptation Planning Committees) with county planning and budget process to deliver projects with high adaptation impact and in a cost effective way.



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