REPUBLIC OF KENYA
THE NATIONAL TREASURY & ECONOMIC PLANNING

FINANCING LOCALLY-LED CLIMATE ACTION (FLLoCA) PROGRAM

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INTRODUCTION

Kenya is poised to be at the forefront of climate action, acutely attuned to both the challenges and opportunities that lie ahead, including the need to address the needs of every individual, especially the most vulnerable. Kenya is committed to leading the way in realizing a future of sustainable progress for itself and the world at large.

This is evidenced by its global standing as a pre-eminent party to the UN Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement. Kenya has also weaved climate change considerations into every facet of its national fabric such as its Vision 2030 – its national development blueprint, the National Climate Change Response Strategy, the National Climate Change Framework Policy, and the National Policy of Climate Finance, as well as the Climate Change Act of 2016.

The ground-breaking Financing Locally-Led Climate Action (FLLoCA) Program unveiled in 2020 is a dynamic partnership between the National Treasury and the World Bank. It is an embodiment of the country's commitment towards a low-carbon trajectory by channeling climate finance resources at both the national and community levels to create a sustainable future for the most vulnerable.

Kenya's commitment to the climate agenda, seen in its resolute actions remains an inspiration to the rest of the world, as a clarion call to collective engagement in the pursuit of climate resilience. Visionary policy-making and effective collaboration will continue to be the hallmark of its climate agenda for the good of its people and the planet.

FINANCING LOCALLY-LED CLIMATE ACTION (FLLoCA) PROGRAM

KES 979
MILLION

Money the FLLoCA Program has successfully disbursed in two cycles under the County Climate Institutional Support (CCIS) Grants to 45 and 44 counties, respectively.

The Financing Locally Led Climate Action Program (FLLoCA) is a hybrid Program for results and investment project financing operation that applies principles of meaningful citizen engagement in climate decision-making building on Kenya's devolution efforts to pioneer the first national model of devolved climate finance. It aims to deliver locally-led climate resilience actions while strengthening the capacity of the national and county governments to manage climate risks.

Specifically, the Program is capitalizing on the National and County Climate Change Funds, as well as building national and county-level capacity in planning, budgeting, monitoring, verifying, reporting, and implementing local climate actions in partnership with local communities. By seeking to deliver 100% climate co-benefits, the Program incentivizes county governments and strengthens their capacity to work with communities to assess their climate risks and identify and prioritize local resilience investments.

FLLoCA is supported by the World Bank, the Governments of Sweden and Denmark, the Kingdom of the Netherlands, and the German Government through KfW Development Bank. It is being implemented by the National Government in collaboration with County Governments and local communities at the ward levels across 47 counties.

The World Bank approved the FLLoCA Program on 26th October 2021 and it was subsequently launched globally during the COP 26 Summit in Glasgow, Scotland on 8th November 2021. FLLoCA was launched locally during the 7th Annual Devolution Conference on 25th November 2021 in Makueni County and was declared effective on 1st February 2022.

Since then, the FLLoCA Program has successfully disbursed KES 979, 000, 000.00 in two cycles under the County Climate Institutional Support (CCIS) Grants to 45 and 44 counties, respectively.

AFRICA CLIMATE SUMMIT 2023

As Kenya hosts the inaugural Africa Climate Summit from 4th-6th September 2023 in Nairobi, the Program will present a high-level side event to launch the first-ever County Climate Resilience Investment (CCRI) Grants. This new facility will allocate KES 7.387 billion to all qualifying counties during the Financial Year 2023/2024.

The FLLoCA program stands as a testament to the country's commitment to combating climate change and empowering locally-led climate action to build on climate resilience and adaptation efforts. It is the first national model aimed at translating Kenya's ambitious climate agenda into actionable measures at the community level.

The specific objectives of the Program are to:

- Support the development and strengthening of policy, legal, and regulatory frameworks at national and county levels for accelerated access to climate financing for building resilience at local levels;
- Strengthen the capacity of national and county-level institutions and stakeholders to accelerate climate financing at the local level;
- Increase access to climate finance to support investments in climate resilience and low carbon emissions at the local level (urban & rural);
- Enhance support for community-led local initiatives to enhance community resilience and sustainable development;
- Facilitate access to green/environmentally friendly technologies to deliver low carbon climate resilient development at national and local levels;
- Enhance transparency and accountability on support provided and actions implemented.

PROGRAM COMPONENTS

COMPONENT	DESCRIPTION
01	Policy, Legal, and Regulatory Framework for Climate Change
02	Capacity Building
03	Decentralized Financing
04	Community-Led Actions
05	Technology & Innovation
06	Measuring Climate Results (MRV+)
07	Climate-Related Emerging Issues

These priority climate actions will be achieved two primary ways:

1

National Level: Mainstreaming climate change in national development planning and implementation done through Ministries, Departments, and Agencies (MDAs)

2

County Level: Mainstreaming climate change in county development planning as espoused in County Integrated Development Plans (CIDPs) and through community-led local actions.

PROGRAM COMPONENTS

Program coordination structure and mechanism;
The Program draws its oversight, governance, and coordination mechanisms from relevant Climate Change policies, legislation, and strategies Coordination mechanism/structure

Coordination is done based on the following reasons:

1. Governance and Policy Oversight

a. Climate Change Council

The Climate Change Council was established under the Climate Change Act, of 2016. The Council is chaired by the President. Other members of the Council include:

- Four Cabinet Secretaries
- The Chairman of the Council of Governors
- Four Representatives: Private sector, Civil Society, Academia, and Marginalized Groups.

b. Parliament

In Kenya, parliament represents the electorate, as well as making laws, authorizing the Government to spend public money, scrutinizes activities of government ministries, departments, and agencies, and is a forum for debate on national issues.

Therefore, Parliament will provide overall approval and oversight of the program appropriations and expenditures.

PROGRAM COMPONENTS

c. Program Steering Committee (PSC)

A Program Steering Committee has been established and is comprised of;

- Four Principal Secretaries – PS in charge of National Treasury, PS in charge of Environment and Forestry, PS in charge of Ministry of Devolution, PS in charge of Ministry of Labor and Social Services,
- The Chairman of the Council of Governors is charged with providing overall guidance and oversight to the Program.

The PSC is co-chaired by the PS National Treasury and the PS Environment and Forestry.

The overall Program strategic guidance will be provided by the Principal Secretary in charge of the National Treasury and will coordinate closely with the Principal Secretary in charge of the Ministry of Environment and Forestry.

d. An Inter-Agency Climate Change Technical Advisory Committee (CF-TAC)

The National Treasury and Planning has established an Inter-Agency Climate Change Technical Advisory Committee which provides technical and advisory services to the MDAs including the Non-State Actors (NSAs) on climate finance.

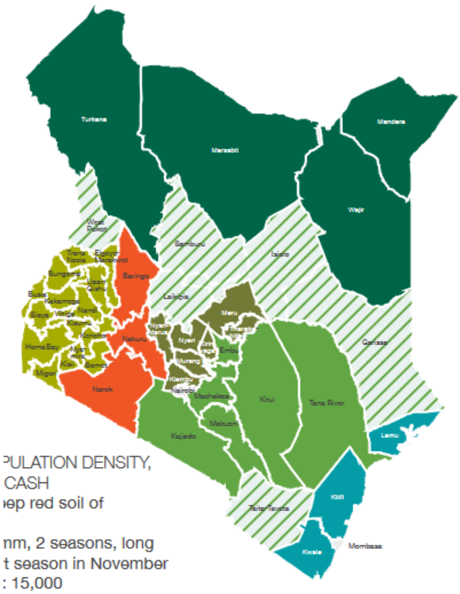
The Committee is comprised of representatives from relevant line ministries, the Chairperson of the Council of Governors, and representatives from the private sector, civil society, vulnerable and marginalized groups, academia, and Development Partners.

FLLoCA IMPLEMENTATION

FLLoCA Co-Financing by KfW Development Bank

The German Government through KfW Development Bank committed a soft loan of EUR 31 million to the Government of Kenya for the period 2022 – 2026, as parallel financing for FLLoCA. It will be based on soft earmarking for agriculture in Western Kenya, the FLLoCA operational manual, and catering to the large funding needs of G-FLLoCA.

- The funding will focus on Western Kenya, which has a high population density and has the following additional characteristics:
- Projected climate change effects are distinctly different from other parts of the country.
- Agricultural productivity of the region is threatened by climate change impacts such as declining soil fertility.
- It is the breadbasket of Kenya.
- It requires is in high need of additional funding for climate action in agriculture.



1. Bungoma
2. Busia
3. Homa Bay
4. Kakamega
5. Kisii
6. Kisumu
7. Migori
8. Nyamira
9. Siaya
10. Trans Nzoia
11. Kericho
12. Bomet
13. Nandi
14. Vihiga
15. Uasin Gishu
16. Elgeyo Marakwet

FLLoCA IMPLEMENTATION

Specifically, the KfW funding will seek to:

- Strengthen county governments' capacity to manage climate risk
- Deliver locally-led climate resilience actions
- Strengthen the National Government's capacity to manage climate risk

The funding will be provided as a top-up facility for qualifying counties under the County Resilience Investment in Agriculture (CCRI-A).

Global Launch of FLLoCA:Citizen engagement is at the core

FLLoCA IMPLEMENTATION

The Local launch of the FLLoCA Program in Makueni County during the Devolution Conference, 2021

PARTICIPATORY CLIMATE RISK ASSESSMENT PROCESS

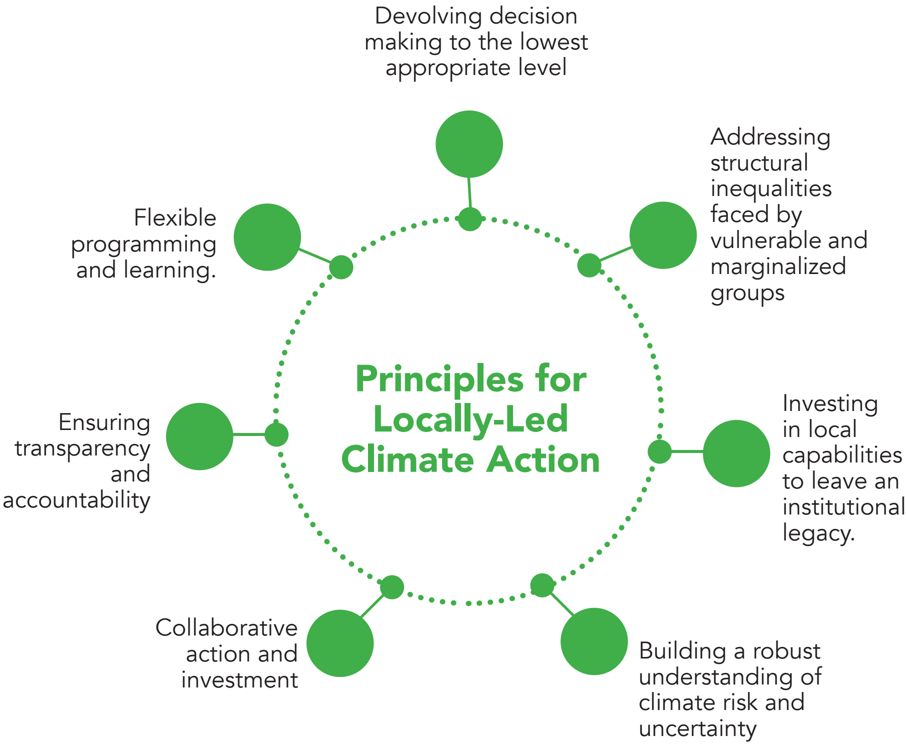
The Journey

The process was implemented based on a guidance document summarizing the Participatory County Climate Risk Assessment (PCRA) and climate action planning approach for Kenya's Financing Locally Led Climate Action (FLLoCA) Program. This guidance provided a coherent and standard approach to be used by all counties in Kenya.

This approach balances standardization – to ensure implementation is aligned with existing planning and budget frameworks at the county level and respects minimum standards with a common threshold of quality - with flexibility, in recognition of the specific contexts and priorities of each county. Through FL-LoCA's County Climate Institutional Support (CCIS) grants counties were able to implement the PCRA and develop their respective Five Year County Climate Change Action Planning.

PARTICIPATORY CLIMATE RISK ASSESSMENT PROCESS

The Participatory Climate Risk Assessment (PCRA) and action planning approach presented is underpinned by the eight principles locally-led adaptation as shown below.



The Seven Principals of Locally-Led Climate Action.

In addition, this guidance also integrates the learnings from counties' experiences implementing the County Climate Change Fund () mechanism and participatory budgeting approaches and aligns with counties' climate change acts and regulations. These principles, learnings, and legislation inform the different phases, steps, and activities of the PCRA and action planning processes.

PARTICIPATORY CLIMATE RISK ASSESSMENT PROCESS

The participatory county climate risk assessment and action planning approach is composed of three phases:

PHASE 1 >> **PHASE 2** >> **PHASE 3**

PHASE 1

Focuses on the PCRA process and results in the development of a county climate risk assessment report, which identifies the key climate risks for the county as well as strategic investment areas for climate resilience. This county PCRA report then feeds into Phase 2

PHASE 2

Focuses on the development of the participatory county climate change action plan () and its approval by the cabinet and adoption by the County Assembly. The CCCAP is a five-year action plan, which will identify specific county- and ward-level investments for building resilience to climate change. The five-year action plan will also include annual investment plans which can then be funded by the FLLoCA program. Phase 3 focuses on cross-county/regional bloc planning for climate resilience and integrating the CCCAPs into the national climate change action planning process.

PHASE 3

Provides a pathway for bottom-up integration of counties' climate resilience priorities into national-level climate planning.

The PCRA is a critical step in the FLLoCA program as it helps in identifying and prioritizing resilience-building interventions. Through this process, local communities are actively engaged in the process of mapping climate hazards and risks, their key resources, and possible interventions in response to the identified risks. The ultimate goal is to develop comprehensive 5-year County Climate Change Action Plans (CCAPs) for each county.

The PCRA process empowers local communities to play a proactive role in shaping their counties' response to climate change as seen.

KEY HIGHLIGHTS

PCRA Pilot in Vihiga County:

Between October and December 2022, the Program embarked on a pilot initiative to implement the PCRA process in Vihiga County. The PCRA pilot aimed to introduce and test the effectiveness of the PCRA process in all the wards across the county. The primary objective was to assess the feasibility and practicality of implementing the PCRA process based on the developed guidelines within the unique context of Vihiga County.

Community members from Vihiga County participate in the PCRA activity.

KEY HIGHLIGHTS

During this period, the Program in collaboration with the County Government of Vihiga conducted workshops, training sessions, and awareness campaigns to familiarize the communities with the PCRA process. These initiatives aimed to provide a clear understanding of the procedures, rights, and responsibilities associated with the PCRA process execution.

Additionally, by piloting the PCRA process in Vihiga County, the Program sought to identify any challenges or barriers that may arise during the implementation and address them promptly. This allowed for refinement and improvement of the guidelines, ensuring their effectiveness and efficiency. The pilot also aimed to gauge community response and participation in the PCRA process hence providing an opportunity for residents to familiarize themselves with the process, voice their concerns, and witness firsthand how their engagement informed the development of the county climate change action plans.

By focusing on Vihiga County as the pilot site, the Program aimed to create a model that could be replicated and scaled up in other counties. The learnings and insights gathered from this pilot project served as a foundation for the PCRA implementations across the other counties.

KEY HIGHLIGHTS

PCRA Capacity Building of Counties:

In March 2023, the FLLoCA Program teams initiated a county-wide sensitization campaign aimed at familiarizing the County Climate Change Units with the PCRA process. The objective was to provide comprehensive guidance to county officials, enabling them to effectively implement the process in their respective regions.

Through the collaborative efforts of the FLLoCA Program teams and county governments, the sensitization campaign sought to pave the way for its successful implementation across the counties. By ensuring that the counties were well-equipped and informed, the program aimed to foster an environment where communities were effectively engaged in mapping out their resources in addition to their climate-related risks and inform the development of the County Climate Change Action Plans.

KEY HIGHLIGHTS

PCRA roll-out across the counties:

The program commenced the PCRA roll out in May 2023 across the counties.

Community Engagement:

Our dedicated teams have been actively engaging communities in all 47 counties, conducting workshops, meetings, and dialogues to raise awareness about climate change and its impacts. Through these interactions, counties have gathered invaluable insights from community members, enabling counties to identify crucial natural resources and climate-related risks.

Mapping Natural Resources:

Through close collaboration with local communities, teams across all counties have initiated the mapping of natural resources within each county's wards. This exercise allows communities and counties to understand their unique environmental assets and identify areas that require protection or sustainable management. By involving community members, the program ensures that their valuable knowledge and traditional practices are incorporated into the mapping process.

Assessing Climate-Related Risks:

Understanding vulnerabilities and risks associated with climate change is pivotal for effective planning. Climate Change Units across counties have been working closely with communities to identify and assess climate-related risks specific to each county. This assessment helps communities prioritize and allocate resources appropriately, ensuring targeted climate change interventions.

KEY HIGHLIGHTS

County Climate Change Action Plans (CCAPs):

Building upon the insights garnered from the PCRA, counties have successfully developed their 5-year County Climate Change Action Plans (CCAPs). These plans outline specific strategies, actions, and projects and/ or programs that address identified risks while capitalizing on opportunities for climate resilience and mitigation. By integrating community perspectives, the program ensures that the CCAPs align with the needs and aspirations of local communities across the counties.

The FLLoCA Program team extends our heartfelt appreciation to the Climate Change Unit teams across the counties for their immense dedication and collaborative efforts. Their tireless work in community engagement and participatory processes has been instrumental in the success of the PCRA journey thus far.

Together, we are making significant strides towards building climate resilience at the county level. By involving communities and mapping out natural resources and climate-related risks, we are paving the way for effective and localized climate action.

As we embark on the implementation of the County Climate Change Action Plans, let us continue to work hand in hand, shaping a sustainable and resilient future for our communities.

STRENGHENING SOCIAL MEASURES FOR FINANCING LOCALLY-LED CLIMATE ACTION (FLLOCA) PROGRAM

In recent months, the dedicated Financing Locally-Led Climate Action (FLLoCA) Program team, in close collaboration with the Program Co-Implementing agencies, has diligently worked towards bolstering the Program's social safeguards measures. The primary objective of these efforts is to ensure the smooth and effective implementation of the program, while proactively mitigating any potential adverse social and environmental impacts throughout its entire life cycle.

By prioritizing collaboration and fostering partnerships, the FLLoCA teams have dedicated considerable time and effort to develop the county's Social Risks and impacts Management policy and enhance the existing environmental framework. These measures aim to safeguard the well-being of local communities and address any social, economic, or environmental concerns that may arise as a result of the program's activities.

With a steadfast commitment to sustainability and inclusivity, the FLLoCA program has embraced a holistic approach to climate action. By actively engaging stakeholders, listening to their perspectives, and incorporating their feedback, the program is better equipped to navigate potential challenges and promote positive outcomes for all involved.

This monthly newsletter serves as a platform to share updates, insights, and success stories that highlight the power of collaborative efforts in financing locally-led climate action. Together, we can empower communities, combat climate change, and create a more sustainable future for generations to come.

EMPOWERING DEVELOPMENT WITH SOCIAL RESPONSIBILITY: FLLOCA PROGRAM'S ROLE IN SAFEGUARDING KENYA'S AMBITIOUS PROJECTS.

Aligned with the Government of Kenya's (GoK) unwavering commitment to drive development projects across diverse sectors like transport, urban development, agriculture, health, energy, water, housing, and manufacturing, the Financing Locally-Led Climate Action (FLLoCA) Program plaid a crucial role in supporting the formulation of Social Risk and Impacts Policy.

By collaborating with the Social Risk Management (SRM) Unit, under the State Department of Social Protection and Senior Citizens Affairs, the FLLoCA Program actively supported the development of the Policy that considers social risks and impacts holistically by facilitating the integration of social safeguards into the fabric of Kenya's ambitious development agenda. Through its support, the FLLoCA Program ensures that these projects are not only sustainable but also prioritize the well-being of the communities they serve.

This imperative also entails a thorough evaluation of existing regulatory and institutional frameworks to ensure their effectiveness in managing social concerns. By addressing social risks and impacts head-on, the FLLoCA Program and the SRM unit demonstrate their shared commitment to responsible and inclusive development. This collaborative approach acknowledges the importance of safeguarding social equity, protecting vulnerable populations, and promoting sustainable livelihoods.

EMPOWERING DEVELOPMENT WITH SOCIAL RESPONSIBILITY: FLLOCA PROGRAM'S ROLE IN SAFEGUARDING KENYA'S AMBITIOUS PROJECTS.

As the FLLoCA Program continues its endeavors, it remains dedicated to supporting the Government of Kenya in creating a development landscape where social responsibility is at the forefront. Together, they strive to foster a future where progress is synonymous with social well-being, ensuring that Kenya's ambitious projects positively impact the lives of its citizens while upholding ethical standards and sustainable practices.

As the policy moves forward, the commitment of the FLLoCA Program and its collaborating agencies remains resolute. Together, the agencies strive to create a future where development is synonymous with social responsibility, and the transformative power of progress is harnessed to uplift communities, leaving no one behind.

Key stakeholders review and validate of the draft Social Risk and Impacts Management Policy

FLLOCA COMPLAINTS HANDLING POLICY

Together with the Commission for Administrative Justice, the FLLoCA Program has supported the development and rolling out of a Model Complaints Handling Policy for Counties. The Policy was formally adopted in March 2023.

The Policy provides a model for Counties to adopt in establishing avenues for individuals and stakeholders to voice their concerns, seek resolution, and hold responsible parties accountable. It arises from the recognition that conflicts, grievances, and dissatisfaction can arise in various contexts, including businesses, public services, and development projects.

The Policy proposes a structured framework to address grievances effectively, ensuring fair treatment and timely resolution. It offers a platform for individuals and communities to express their grievances, seek redress, and contribute to the improvement of policies, procedures, and services. By establishing a transparent and accessible GRM, organizations foster trust, inclusivity, and accountability, ultimately strengthening relationships with stakeholders and promoting sustainable development.

Through a Grievance Redress Mechanism, the FLLoCA Program and the program's co-implementing agencies not only demonstrate their commitment to addressing concerns promptly but also enhance their overall performance by leveraging feedback and continuous improvement. It encourages open dialogue, enables the identification of systemic issues, and helps prevent recurring problems.

Commission Chairperson Hon. Florence Kajuju with county representatives during a training.

FLLOCA COMPLAINTS HANDLING POLICY

In pursuit of its mandate, the Commission on Administrative Justice, with the support of the FLLoCA Program, conducted a series workshops in four regions to disseminate the Complaints Handling Policy. These workshops brought together representatives from at least six counties in each region, strategically chosen based on their proximity to the focal county. The workshops took place in Embu, Makueni, Nakuru, and Garissa, and collectively targeted 28 counties.

The workshops welcomed a diverse group of participants, including officers from Climate Change Units, directors, social safeguard officers, foresters, and environmental officers. County Attorneys, Legal Counsels from County Assemblies, and communication officers from both the executive and the legislature were also in attendance. Furthermore, officers from other sectoral directorates such as land, water, environment, and urban planning joined the sessions.

By organizing these enlightening workshops, the Commission on Administrative Justice and the FLLoCA Program actively empowered County governments, fostering transparency, accountability, and effective complaint resolution. Through collaborative efforts and knowledge-sharing, they worked towards enhancing public trust, ensuring access to information, and promoting good governance practices in the context of climate change and environmental factors.

Commission Chairperson Hon. Florence Kajuju with Embu County Governor H.E Cecily Mbarire during a courtesy call.

FLLoCA COMPLAINTS HANDLING POLICY

A team from the Commission participates in public engagement forum in Kianjokoma Market in Embu County.

Participants at the Complaints Data Synopsis Workshop Held by the Ethics and Anti-Corruption Commission at Bantu Africa Resort, Nyeri County

FLLoCA SOCIAL ACCOUNTABILITY

During the recent workshop organized by the Financially Locally-Led Climate Action (FLLoCA) program, the team from the Ethics and Anti-Corruption Commission (EACC) delved into the improvement of gaps within the complaints data to better support the program's objectives. A key focus area highlighted the need to enhance the coding of complaints data held by the commission, particularly by capturing the sectors, such as the environment, from which the allegations originate or are related.

In addition, the FLLoCA program, facilitated a capacity-building workshop in Nakuru, focusing on aspects of economic crimes in the environment sector. The workshop brought together EACC staff from headquarters and regional offices for an engaging discussion with invited facilitators from key entities such as the National Environmental Management Authority (NEMA), FLLoCA, Public Procurement Regulatory Authority (PPRA), and the Financial Reporting Centre (FRC).

During this dynamic workshop covering a range of key topics, several critical issues were highlighted, including financial fraud, economic crimes, and procurement challenges within the environmental sector.

Through such collaborative efforts and knowledge-sharing initiatives, the FLLoCA program and its co-implementing agencies aim to strengthen the grievance and complaint resolution mechanisms, enabling more effective support for the program's objectives. By addressing gaps in data coding and enhancing the understanding of economic crimes in the environmental context, stakeholders can work together to create a transparent and accountable environment that fosters sustainable development and protects the nation's valuable natural resources.

Hon. Caroline Kendagor, Ag. Registrar Court Annex Mediation with EACC-FLLoCA ADR Champions at Mombasa Beach Hotel, Mombasa.

COMMUNITY CONSULTATION DIGITAL PLATFORM (CoDip)

OBJECTIVES;

1. Bolster community-level sensitization and awareness raising for the program during preparation,
2. Foster new forms of virtual interaction and engagement of multiple stakeholders from the grassroots- national to facilitate the inclusion of multiple voices to shape the design of the program;
3. Overcome the current global COVID-19 pandemic challenges of social distancing
4. Consult with grassroots and local actors in showcasing some of the locally-led community actions to mitigate and/or adapt to climate change;
5. Leverage digital communication to showcase experiences, knowledge, and best practices for building resilience by way of virtual benchmarking activities between different counties.

PILOT: CASE STUDIES

1. Nyeri County

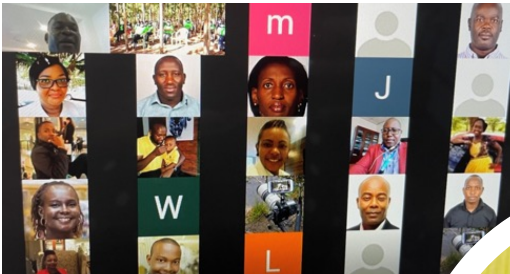
- Tree nurseries/ afforestation
- Briquettes making training and waste recycling

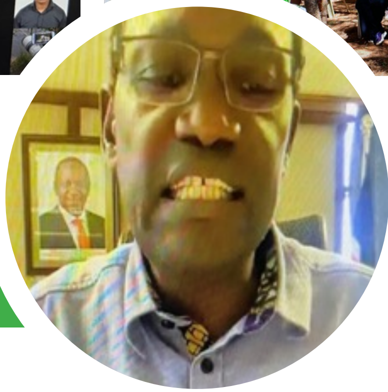
This is how we do it;Youth showcase their briquette and waste recycling projects

COMMUNITY CONSULTATION DIGITAL PLATFORM (CoDip)

2. Machakos County

- The Community-Based Organization covers 3 wards, 11 villages, and 4,100 households
- The CBO is involved in livelihood activities in areas of reforestation, agro-forestry, agribusiness, and water and sanitation.





Principal Secretary – Ministry of Environment and Forestry – opening remarks

- **Community dialogue in Mua Hills**

Work in progress to develop National and County-based dashboards for real-time consultations, planning, monitoring, reporting, and automation of community interactions and activities.

The Mobile app tool is designed to provide dedicated avenues where the community can send data such as images, location, and information to the system.

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