CIVIL SOCIETY EXPERIENCES AND LEARNING FROM GREEN CLIMATE FUND: REALITIES ON THE GROUND

THE CASE OF KENYA



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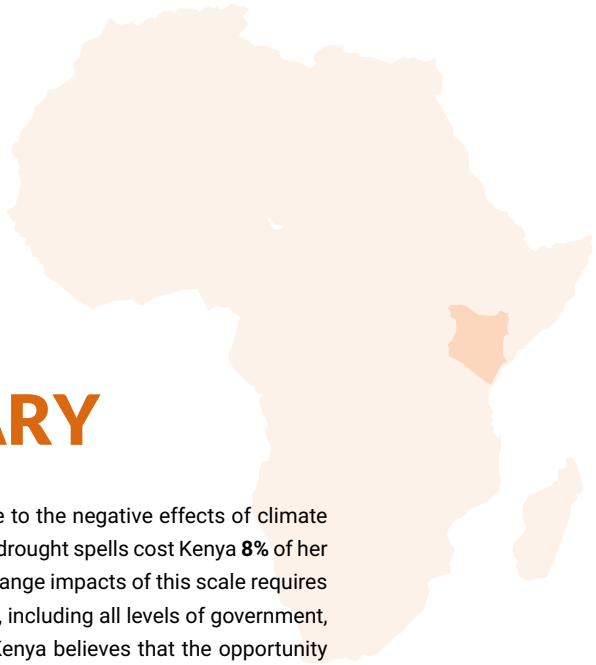

EXECUTIVE SUMMARY

Kenya loses[1] **2.0%–2.4%** of its Gross Domestic Product annually due to the negative effects of climate change, such as drought and floods. An excerpt in 2021, showed that drought spells cost Kenya **8%** of her Gross Domestic Product (GDP) every five years. Managing climate change impacts of this scale requires adequate inter-sectoral, multi-level and multi-stakeholder articulation, including all levels of government, civil society, academia, and the private sector. The Government of Kenya believes that the opportunity presented by the Green Climate Fund (GCF) (amongst other fund mechanisms) would enable Kenya to effectively access and utilize the available climate finance to facilitate the implementation of Kenya's key climate priorities highlighted in Kenya's Vision 2030, Climate Change Act 2016, National climate Change Action Plan, National Adaptation plans, National determined contributions and scaling this down to sub-national level climate resilience implementation at local level towards effective climate mitigation and adaptation initiatives.

CARE International in Kenya has been implementing the **Civil Society Organizations (CSO)Readiness to the Green Climate Fund - focus Africa"** in 10 African Countries Kenya, Malawi, Madagascar, Egypt, Ghana, Senegal, Morocco, Namibia, Cote d'ivore, and Cameroon, The overall goal of the project was to see sustained capacities and expertise among African CSOs in 10 African countries, contribute to their long-term engagements in the GCF processes within established national structures where they play critical, constructive, and meaningful roles, to advocate for transformative GCF-funded activities and policy frameworks and hold implementing actors and partners to account. The Green Climate Green Climate Fund encourages the use of participatory monitoring involving targeted stakeholders and calls on Accredited Entities (AEs) and Executing Entities (EEs) to include at the project level, participatory monitoring approaches. This includes qualitative excerpts from community members and their perspectives, community accountability mechanisms identified like routinised community engagements and periodic community score cards to assess progress. CARE international in Kenya working with the National Treasury as the National Designated Authority (NDA) and key CSO Networks in Kenya, recognizes the importance of strengthening the GCF projects' monitoring and evaluation systems. The CSO-led Monitoring Evaluation Learning Framework developed & validated for GCF funded projects, was utilized in generating key information for this brief, geared towards strengthening the tracking of implementation of GCF projects in the country and even beyond.

1 Kenya launches $34 million project to tackle effects of climate change | IUCN



The full potential of the GCF is yet to be realized in Kenya this is because of the response strategies prioritized by the GCF (it is largely acknowledged that most GCF projects in Kenya are mitigation as opposed to the country's adaptation priority target). There are weak Civil society monitoring and evaluation frameworks for GCF funded projects in the country. This brief draws experiences from engagements with the National Designated Authority, CSOs, the Accredited Entities, the Implementing Entities. Through the project CSO conducted monitoring and evaluation GCF funded projects under **IUCN's TWENDE** project, **ACUMEN's ARAF** project, and **the GIZ-Kenya project**. Similarly, the brief recommends various opportunities and lessons learnt derived from the civil society actors, experiences from their engagements with the GCF projects. There's need for GCF updated strategic plan, policies, legislation and institutional reforms to improve access and administration of the GCF funded projects, mobilization, intentional involvement of Civil Society Organizations and local communities in GCF projects 'design concept, proposal development monitoring and evaluation, gender integration to potential of the champion resilience through GCF across ecosystems in Kenya.



INTRODUCTION

Green Climate Fund is the largest multi-lateral finance instrument created under the Paris Agreement. GCF is a unique global platform geared to respond to climate change impacts by investing in low-emission and climate-resilient development, in support for developing countries. GCF was established in the year 2010, in [2]Cancun Mexico, by 194 governments to limit or reduce greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to the unavoidable impacts of climate change. Given the urgency and seriousness of this challenge, GCF is mandated to make an ambitious contribution to the united global response to climate change.

Kenya has a portfolio of fourteen (14) projects with a total value of 211.1m USD. Further there are 4 readiness activities with a readiness approval worth 4.3m USD of which 2.9m USD readiness support has been disbursed. Mitigation, Adaptation and Cross cutting projects account for 8, 3 and 3 projects respectivelyKenya is amongst the very few countries in Africa that have the highest number of approved GCF Projects. This has been made possible through a strong climate governance structures and policies established by the government of Kenya right from the Office of the President, and the National Treasury hosting the National Designated Authority (NDA), a focal point of the Fund in the country[3]. Besides the Green Climate Fund, Kenya is equally a beneficiary of the Adaptation Fund Climate Investment Funds amongst other development partner assistance such as the World Bank supported [4]Financing Locally Led Climate Action Program.

2 2010 United Nations Climate Change Conference - Wikipedia

3 https://climateactiontracker.org/documents/836/2020_12_CAT_Governance_Report_Kenya_KvUzQNR.pdf

4 FLLCA – Climate Finance | KENYA (piutreasury.go.ke)

CSO led monitoring of GCF-funded activities in Kenya

The GCF-CSO Readiness Project has included, in its second phase, activities related to participatory monitoring and evaluation (M&E) of GCF-funded projects in its partner countries. The **main objective of these activities is to strengthen the capacities of civil society to carry out their role of promoting quality, accountability and transparency in the implementation of GCF projects and programmes and ensuring that their implementation triggers transformative changes in Africa.**

The process involved review of climate change policy documents including approved funding proposal of GCF projects in Kenya among others. The process also involved stakeholder consultation and a workshop in which various CSOs and communities were represented. The consultation workshop helped validate participatory social accountability tools and indicator reporting templates. Social accountability mechanisms are key tools that citizens can use in performing their oversight function for efficient and effective service delivery of GCF projects.

Experiences from Participatory Monitoring and Evaluation of GCF projects in Kenya.

The GCF requires that financed projects are regularly monitored for impact, efficiency, and effectiveness in line with rules and procedures established by the board[5]. The Fund encourages the use of participatory monitoring involving targeted stakeholders and calls on Accredited Entities and Executing Entities to include at the project level, participatory monitoring approaches. This translates into the expectation that they involve communities and local stakeholders, including civil society organizations at all stages of the project cycle. As such, like minded CSO platforms and the community representatives in Kenya, conducted field participatory monitoring and evaluation of GCF Funded projects and interacted with both Accredited and Executing Entities with an aim of assessing the design and implementation of the projects delivered through community participatory engagements. The field visits were conducted in 4 GCF projects in Kenya namely; **Towards Ending Drought Emergencies (TWENDE)** Project of IUCN[6], **KawiSafi**[7] of KawiSafi Ventures, **Acumen Resilient Agriculture Fund (ARAF) of ACUMEN**[8] and the **Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH's Promotion of Climate-Friendly Cooking Project in Kenya**[9]. The findings of this policy brief therefore draw a wealth of experience from the civil society organizations direct monitoring exercises carried out between September and December 2022.

5 Boardroom | Green Climate Fund
6 FP113: TWENDE: Towards Ending Drought Emergencies: Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands | Green Climate Fund
7 KawiSafi Ventures Fund | Green Climate Fund
8 Acumen Resilient Agriculture Fund (ARAF) | Green Climate Fund
9 Promotion of climate-friendly cooking: Kenya and Senegal | Green Climate Fund

On-Ground Description of the GCF Visited Projects

Promotion of Climate-Friendly Cooking Project (Mitigation)

Kenya is identified a climate hotspot – meaning that the consequences of climate change are expected to be more rapid and frequent[10]. As such, interventions geared towards mitigating the already adverse impacts of climate change and relieving the impacts on 0.61 million women-headed households and 5.57 million children are a priority. Increasing the number of improved cooking stoves (ICS) users amongst rural and most vulnerable populations, directly benefitting 11.23 million people and 1.91 million rural households, and significantly limiting consumption of non-renewable biomass in the cooking sector, leading to GHG emission reductions.

Towards Ending Drought Emergencies in Kenya (TWENDE) and Supporting Pioneering and Early-Growth Innovative Agribusinesses that Enhance the Climate Resilience of Smallholder Farmers Projects (Adaptation).

Supported actions geared towards advancing the adaptive capacity of communities, reducing their vulnerabilities and building their resilience through such interventions as reducing the cost implications of climate change induced drought on Kenya's national economy by increasing resilience of livestock keeping and other land use sectors in restored and effectively governed rangeland ecosystems by The International Union for Conservation of Nature (IUCN) in the 2 landscapes of Kenya. Geared towards lifting small holder farmers out of poverty by providing organizing trials in demo farms, providing training, and giving advice regularly (Farmer Education) and providing offtake for harvests and cushioning farmers against the market risks.

Acumen Resilient Agriculture Fund – Farm works Africa (executing entity)

The Acumen Resilient Agriculture Fund (ARAF) is an **adaptation project** that intends to improve climate resilience to ensure long-term sustainable increases in agricultural productivity and incomes for smallholder farmers. The project intends to shift the patterns of investment in climate change adaptation activities in Africa, from grants to a long-term capital approach, enabling smallholder farmers to respond to climate change more efficiently and effectively.



Challenges and Opportunities from GCF Implementation in Kenya

These projects encounter challenges from the design, approval, and implementation phases of the adaptation projects that are yet to be reconciled. For instance, while it is stated on the proposals for TWENDE project was approved and funding disbursed in 2019 it became clear that the project is still in its early stages of implementation with most of the work still undone. "We are still in the early stages of implementing this project and we have just secured a co-funding from the government." confirmed one of the project respondents. This delay not only affects the project cycle but also brings to play, the impacts of externalities like the Horn of Africa drought, that according to TWENDE project beneficiaries, had otherwise rendered the landscape restoration component of the project futile. Additionally, because of climate uncertainty, climate needs change everyday.

Besides delay in financial disbursements, the private sector; like in the case of the Acumen Resilient Agriculture Fund (ARAF) – Farm works agriculture project; is yet to be incentivized to deliver on adaptation priorities in the fragile areas of implementing countries such as Kenya. "We are yet to get there (exploit the potential of the private sector to act on climate adaptation). The interest rates are still double digits and therefore it is least likely that we will invest in areas like Isiolo or Marsabit unless it is largely de-risked," recounted a key informant. "Such areas (Isiolo and Marsabit) though have some of the needed production input (land), the increasing intensity of climate change impacts in the region is a scare to us, who are in this to first generate business value and build climate resilience," he further explained.

Moreover, through the open question and answer sessions between the CSOs and the AEs & EEs, it was identified that the private sector led projects; KawiSafi and ACUMEN barely served the immediate target community but outside markets like Nairobi, where there is a great demand for agricultural products. Other challenges identified included those of identifying project beneficiaries; especially on the adaptation project led by IUCN; where the criteria for selection of such "vehicles for project implementation" as [11]Village Savings and Lending Associations (VSLAs), were not presented during the visit to the project site.

Even so, with the right approaches, GCF has a great potential to reduce Kenya's climate vulnerability as identified by the World Bank and can progressively drive climate resilience herein[12]. Identifying & highlighting sector specific priorities in the country, National and sub-national levels, a strong monitoring and evaluation system for the GCF projects is key, CSO involvement towards supporting the Accredited Entities and the GCF itself to evaluate and monitor project for impact potential thus enabling a strong foundation for a vibrant and diversified economy that boosts development and stability. Further, a systematic approach is needed that conjointly strengthens the market environment (mobilizes the private sector), mobilizes a strong CSO platform and promotes resilient value chains that are linked to GCF projects.

11 LINK Up - Connecting VSLAs and Banks in Kenya and Tanzania - CARE

12 Climate Finance Protects the Vulnerable (worldbank.org)

Lessons and Impacts from the field.

To measure the impacts and draw lessons from the 4 projects, the CSOs evaluated the projects based social community audit tool on the investment criteria of the GCF, the GCF characteristics, GCF programming and programming continuum as well as result areas as described below;

1 Impact Potential

The impact potential of any GCF project is measured based on its ability to contribute to achievement of the fund's objectives[13] and result areas[14]. A closer look at the four projects against the impact potential as described in the project documents and as implemented on ground, there is a large alignment with the Fund's objectives and result areas. First, the KawiSafi project offers both adaptation and mitigation benefits in the sense that besides contributing towards the reduction of the flow of heat-trapping greenhouse gases, the project supports the target communities to adjust to current or expected effects of climate change through such actions as capacity enhancement, policy development support, amongst others.

Similarly, the GIZ's clean cooking project in Murang'a County is not only aligned to the Fund's mitigation objective but is also in line with the result area on energy generation and access. The scenario is the same with both ARAF and TWENDE projects by ACUMEN and IUCN respectively. However, a closer look at the four projects' alignment with the local (county level) policies on climate change, agriculture and where applicable energy and natural resource management gaps exist, that need to be bridged. Most of the response strategies of the projects are aligned with the national policies as opposed to the county policies, making it slightly difficult to evaluate the project's impact potential based on the local level governments' development trajectories and priorities.

1 Paradigm Shift Potential

A paradigm shift can result after the accumulation of anomalies or evidence that challenges the status quo, or due to some revolutionary innovation or discovery. However, in GCF projects, the paradigm shift potential is measured against its long-term impacts beyond a one-off investment. Apart from KawiSafi & ARAF – all of ACUMEN, and the GIZ's clean cooking projects, it is notable that a one-off investment to ending drought in Kenyan ASALs under the TWENDE Project might not be realistic. According to the [15]ASAL Humanitarian Network, the ASAL region of Kenya has endured three severe droughts in the last decade (2010-2011, 2016-2017 and 2020-2022). The last drought (2020 - 2022) remains to be the most severe and longest with widespread livelihood losses and massive displacement of populations. Currently, more than 4.2 million people representing 24% of the ASAL population are facing high levels of acute food insecurity with about 2.7 million people in the Crisis phase and 785,000 people in the 'emergency state.' This is a 10% increase from the same period in 2021 where 2.1 million people were categorized under the emergency and crisis state[16]. With this overwhelming evidence on the cyclic impact of the drought in the ASALs of Kenya, more than a one-off investment is required and the IUCN TWENDE project may not be the one project to achieve this desired change, with experience of the work on the ground. Complementarity, intersectionality and collaboration with other projects is a viable option to ensure the project achieves the paradigm shift criteria of the GCF.

13 Kenya - Summary | Climate Change Knowledge Portal (worldbank.org)
14 Themes & result areas | Green Climate Fund
15 Drought situation in the Kenya ASAL areas now at crisis level - Kenya | ReliefWeb
16 Drought situation in the Kenya ASAL areas now at crisis level - Kenya | ReliefWeb

3 Sustainable Development Potential

As one of the development trajectories aimed for the world, sustainable development is a principle that aims to meet human development goals while also enabling natural systems to provide necessary natural resources and ecosystem services to people and their posterities. Sustainability is therefore established and measured in three pillars; the social pillar, economic pillar, and the environmental pillar. In evaluating the GCF projects, the sustainable development potential of the various projects is measured against the wider economic, environmental, and social (gender) co-benefits. To this effect, the Green Climate Fund has very strict policies and targets on social, economic, and environmental soundness of its projects regardless of their sizes and scope, besides a gender policy to deal with cross-cutting gender issues. In the 4 projects reviewed, it was established that besides the screening tools[17] developed to ensure sound business case for the projects under ACUMEN, implementing entities are cognizant of the social and environmental impacts of the various projects and are taking critical steps to ensuring adherence including through gender mainstreaming, purposive sampling to accommodate small holder women farmers and clean cooking stove producers. Entities like Farm Works are certified for production by such bodies as KEBS, KEFIS amongst others.

4 Responsive to Needs of Recipients

The responsiveness of any Green Climate Fund project is based on the vulnerability and financing needs of beneficiaries in the targeted group. In this sense, to be responsive to the needs of the recipients, GCF projects must be targeted to the recipient's vulnerability and financing needs (what is the exposure? What needs to be financed? And how well can the funds be used to avert the impacts while lowering the greenhouse gases or enhancing adaptive capacity of the target population?). Having engaged the three of the four GCF projects listed above; including through qualitative excerpts from community members and their perspectives, community accountability mechanisms identified like routinised community engagements, periodic score cards to assess progress etc.), it was identified that the investments were responsive to the needs of the recipients. However, under the ARAF project implemented by FarmWorks, it was determined that the markets served by the production of farmers were potentially in Nairobi and not in the local areas. Similarly, the CSOs identified that such a project though very relevant to the ASAL areas of the country, to be able to facilitate minimal risk margins, the private sector would rather invest in areas with conducive environments for production and with small parcels of land and not in areas like Isiolo, Turkana or Mandera with enormous land, harsh climatic conditions yet with high levels of food insecurity.



CONCLUSION AND RECOMMENDATIONS FOR MAKING GCF WORK IN KENYA.

The [18]Governing Instrument (GI) for the Green Climate Fund (GCF) emphasizes the importance of evaluation for the Fund. Specifically, paragraphs 59–62 of The Governing Instrument (GI) for the Green Climate Fund (GCF) discusses – among other things – independent evaluations, the purpose of which, are to inform decision-making by the Board and to identify and disseminate lessons learned from various projects of the Fund. It is critical to identify that while the GCF has an immense potential to catapult Kenya to a zero carbon, climate resilient development pathway (as desired by the country's NDC), a few gaps in monitoring and evaluation, still hinder the realization of these projections. Such gaps include; limited participation of CSOs in the GCF projects inception, design and implementation(in fact, there is "suspicion" and level of fear from the Accredited and Executing Entities to be held accountable by CSOs), there are limited awareness creation programs & campaigns to enhance the capacity of local grassroot CSOs and farmer groups to understand such aspects as GCF investment criteria to enhance projects evaluation and monitoring. Furthermore, given the limited de-risking facilities that favor private sector investment in the most vulnerable areas, there is limited private sector presence & investment in ASAL areas like Garissa which would admittedly provide a different ballgame to advancing climate resilience in such areas.

On gender integration, most projects on agriculture are showing big trends of more women working in the farms than men. As such, in order that the GCF works for developing countries like Kenya, strategic, radical and intentional actions to ensure participatory monitoring and evaluation through such actions as; strengthening the capacities of national, subnational, communities and local CSOs in monitoring and evaluation of GCF projects.

RECOMMENDATIONS.

The following recommendations were gleaned from the assessment to help improve GCF projects accountability mechanisms with CSOs.

Strengthening and enhancing sustained capacities of national and local CSOs to actively engage in GCF projects governance in Kenya

One of the underlying causes of poor performance of the Green Climate Fund in Kenya's ASAL areas of Garissa, according to the informal interviews conducted, is the long history of poor governance of such projects. Civil Society plays a significant role in holding both the government and private sector accountable, stimulating more transparency and advocating for more inclusive and effective programming. As such, local CSOs will help bridge the wide gap that currently exists between the GCF project design, implementation, and post project implementation phases. Nonetheless, this calls for a structured and effective community awareness and engagement process right from the project's design, monitoring, implementation through to closure.

Women and youth involvement in GCF projects process and implementation

Climate change exacerbates gender inequality and hence it's very important to actively engage women, youth men and boys in climate programmes implementation. GCF is very intentional about mainstreaming gender considerations with the prospects of driving transformative projects on climate change in manner that fully engages women groups as local actors according to Gender policy 202-2023. GCF projects should be able to fully integrate gender in the project implementation to achieve impact potential and transformation change through programmes that target the needs of different gender groups for optimal project implementation. project-level gender action plan, should measure outcomes of project activities on women's and men's adaptation and mitigation to climate change through sex-disaggregated data and monitor progress. This can also be accompanied by gender implementation strategies to achieve plans highlighted in the plans.

Private sector involvement and leverage to implement projects in high-risk areas where there's more need

e.g., Arid and semi-arid regions in Kenya. Private sector engagement in climate resilience has a potential for catalyzing resilience especially through GCF by offering the requisite climate smart innovations contextualized to local areas, technology and innovation services, connectivity to the market and initial market finance to stir resilience. Through lessons from GIZ and ACUMEN's KawiSafi and Farm Works interventions, it is critical to incentivize more private sector players and leverage on adaptation finance to attract adaptation investments in more high-risk areas where there are more community needs and the climate crisis is worse hitting and this will result to high impact potential and enhanced living standards of communities suffering most from Climate impacts.

Enhanced accreditation for local-led national organizations

GCF Accreditation fiduciary standards are very complex and local organizations in developing countries like Kenya are at a clear disadvantage to get accreditation and implement projects. Very few institutions would meet the fiduciary standards set. This leaves Kenya with little scope to finance adaptation initiatives led by local actors, people and communities. Consequently, lobbying and advancing advocacy on completion and ratification of accreditation modalities for national local organizations in countries like Kenya is largely needed to enhance the effectiveness of GCF in the global south.

Balance between mitigation and adaptation finance

Kenya, as identified by her climate finance landscape report 2020, requires an estimated cost of KES 6,775 billion (USD 65 billion) in the period 2020-2030 to implement her NDC. Of this amount, the GCF contributes a negligible amount especially to adaptation which is a priority for Kenya. In fact, Kenya's GCF portfolio accounts for 8 mitigation projects, 3 cross cutting and 3 adaptations despite the prioritization and need of the country to invest more in adaptation. A move by the GCF to prioritize adaptation for the country would see the country reduce its otherwise high vulnerability to the impacts of climate change, enhance adaptive capacity of its citizens, landscapes and ecosystems and enhanced its resilience.

Enhanced synergies between key GCF stakeholders in the country

It's important that national focal points, Accredited Entities, executing entities, Civils society and communities work together in different aspects to enhance GCF projects transformation at local level. Kenya now is a beneficiary of more than 14 GCF projects but the key players have not had chance to sit together in one room to learn and share experiences of the project's implementation. The project on 17th March 2023 successfully held roundtable discussions AE's, EE's, national focal point, communities and CSO's to deliberate on GCF implementation in Kenya. More of this stakeholder engagement needs to be held occasionally to enhance conversations on GCF projects implementation in Kenya to promote learning and sharing.

Investment with the potential and purpose to learn

Failure to find ways to channel more money directly to developing countries (like Kenya) that could strengthen local and national institutions perhaps reflects the GCF's low-risk appetite, and pressure to get funding out of the door. Putting funding decisions into the hands of national and subnational actors that are still building their capabilities may on occasion fail to bring the hoped-for returns. Channeling funds directly to developing countries who need them most must be a process of learning from doing, learning from experiences, and sharing with peers as critical avenues for advancing and refining the Fund's processes.

Authors:

Marlene Achoki,
Stephen Mbaabu,
Innocent Ochieng,
White Rhino

CARE Kenya Muchai Drive Off Ngong Road, Kenya

Contact: Marlene Achoki | marlene.achoki@care.org

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