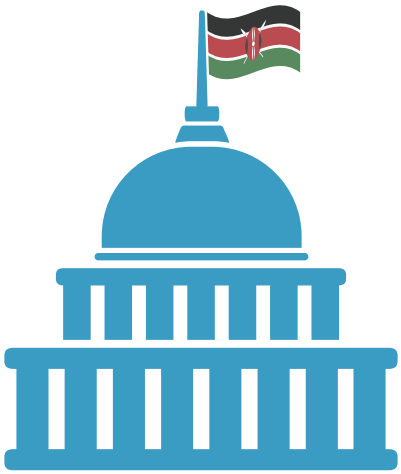


Climate Action Tracker

Climate Governance

Assessment of the government's ability and readiness to transform Kenya into a zero emissions society

CAT Climate governance series

KENYA

September 2019

NEW CLIMATE INSTITUTE

CLIMATE ANALYTICS

CAT Climate Governance series

Under the Paris Agreement, governments have committed to limiting temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C. Achieving this objective will require global greenhouse gas emissions to peak by 2020, reduce by 45% below 2010 levels by 2030 and be reduced to net zero around 2070, with carbon emissions reaching net zero around mid-century, with negative emissions thereafter.

Governments in all countries play a critical role in enabling this transformation, which involves action from all aspects of society and the economy.

The Climate Action Tracker (CAT) tracks the progress of countries towards achieving the climate targets they have set for themselves under the Paris Agreement and what the combined effect of these commitments and policies mean for global temperature levels at the end of this century.

In this series, the CAT expands on its country analysis to evaluate the ability and readiness of national governments to enable the required economy-wide transformation towards a zero emissions society.

Our assessment analyses four aspects of governance covering key enabling factors for effective climate action:

- the political commitment of the government to decarbonisation,
- the institutional framework it has put in place to achieve its emission reduction targets,
- the processes it has established to develop, implement and review mitigation policies, and
- its ability and willingness to engage with relevant stakeholders on policy development.

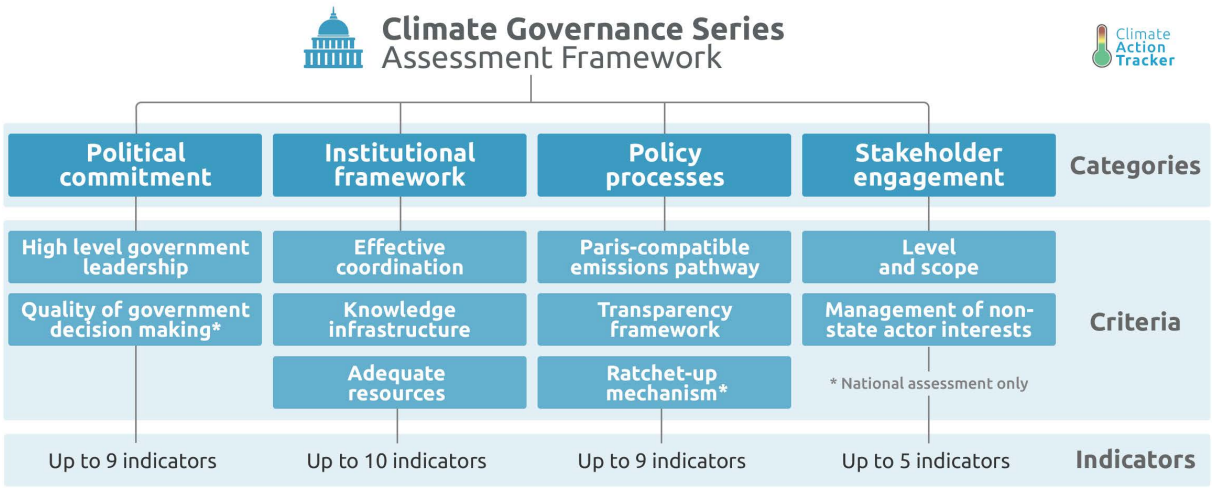
Each country assessment considers the national government and one or two of the highest emitting sectors critical to achieving deep decarbonisation in the country. The first round of analysis covers **Argentina**, **Australia**, **Indonesia**, **Kenya**, **the Philippines** **and** **South Africa**.

The Climate Governance Series seeks to offer a standardised and replicable approach to assessing a government's ability and readiness to achieve the required transformation, highlighting positive developments and areas for improvement. By releasing the first six country reports, the CAT aims to both generate discussion and elicit feedback on the methodology that the CAT seeks to develop further.

http://climateactiontracker.org/publications/climate-governance

Legend

Understanding our indicators
This report series seeks to produce a standardised and replicable approach to assessing a country's readiness to decarbonise. To achieve this, we have assessed a number of possible indicators under four broad categories and ten **criteria**. **Criteria** are marked in bold text throughout this document. There are up to 33 indicators for national assessments and 20 for sectoral assessments.



Understanding our rating system
Our rating system highlights positive developments within countries, identifies areas of improvement, and establishes a basis on which to compare climate governance across countries.

Each individual indicator has been assessed and given a score. The categories and criteria linked to those indicators are then given a rating based on those scores.

Poor	**≤ 30% of possible score** This rating indicates that this is an area where the government is deficient and could do much to improve.
Neutral	**30 –70% of possible score** This rating indicates that the government is showing some level of readiness to decarbonise, but improvement is still necessary.
Advanced	**≥ 70% of possible score** This rating indicates that while improvement is possible and beneficial, this area of governance is functioning relatively well.

To find out more about our approach, please read our methodology paper on our website: **climateactiontracker.org/publications/climate-governance-methodology**

Executive summary

National level readiness

Kenya's national political commitment towards climate change mitigation issues is evident; however, there is room for improvement. Leadership from the head of state and leading institutions can take a more aggressive stance on scaling up climate action domestically. Greater autonomy and power for climate-related agencies would further expedite the development and implementation of climate policy.

The institutional framework governing Kenya's governmental and ministerial processes is more robust in some areas yet could be improved in others. There are concerns over whether the amount of available human and financial resources to manage Kenya's current climate processes are sufficient. Coordination at the ministerial level exists; however, a clear framework for policy alignment is lacking. There is a moderate amount of decarbonisation analyses for consideration in national climate strategies, with limited knowledge generated from outside government agencies.

Much of Kenya's processes for policy development, implementation and review are either too new to assess or are still under development, although there are positive signs of progress towards establishing them. Kenya's long-term climate policy planning processes can be improved, as current action plans only cover the medium term, and no quantitative emissions reduction targets have been established.

The Kenyan government has shown a medium to strong approach to stakeholder engagement. There are structures in place to consider non-state interests and perspectives on climate issues and evidence that consultations have taken place. However, the government could demonstrate greater transparency and consistency in addressing and integrating those interests.

Category	Criteria	Recommendations
Political commitment	High level government leadership Quality of government decision making	• Strengthen the political commitment on climate mitigation at the highest levels of government and raise the profile of climate mitigation by including it in the Big Four Agenda, Vision 2030 or similar plans. • Strengthen the Climate Change Directorate's coordination role for climate action among ministries.
Institutional framework	Effective coordination Knowledge infrastructure Adequate resources	• Ensure that all ministries meet the obligations set out in the Climate Change Act (e.g. assign a senior officer as climate change focal point) and that sectoral policies are in line with national climate target (NDC).
Policy processes	Paris-compatible emissions pathway Transparency framework Ratchet-up mechanism	• Include a 1.5°C compatible long-term emissions reduction target into the Climate Change Act and develop action plans to reach this target. • Establish a ratchet-up mechanism to ensure further policies are adopted if the country is not on track to meet its target or to strengthen targets if more ambitious action is needed.
Stakeholder engagement	Level and scope Management of non-state actor interests	• Ensure that Kenya integrates non-state actor interests in policy processes and addresses negative externalities caused in the transition to a zero emissions society.

Electricity supply sector readiness

Political commitment in the Kenyan electricity supply sector can only be considered moderate as there is no visible high-level sector leadership by the sector lead and only limited ownership of climate change-related issues by the Ministry of Energy. Furthermore, the influence of the climate change lead agency (Climate Change Directorate) on sector decision-making is marginal, resulting in climate mitigation being a low priority compared to other sectoral issues.

The current institutional framework in the Kenyan electricity supply sector is relatively robust, with high levels of standardised coordination and available analyses to inform decarbonisation strategies. One of the few weaknesses highlighted during the assessment is that while the ingredients for an effective institutional framework are in place, there are large discrepancies between strategic sector plans and overarching national emission plans.

Kenya's electricity supply sector's processes for the development, implementation and review of climate mitigation policies could be significantly improved. Although there are processes in place to incorporate long-term goals into short term planning, there are no long-term emission reduction targets against which to align short-term policy decisions. There is movement within the sector to establish a system for monitoring, reporting, and verifying mitigation activities, but these processes are not yet operational, and aspects of the system have suffered from repeated delays.

Category	Criteria	Recommendations
Political commitment	High level government leadership	• Ensure results for GHG emissions found within different scenarios presented in the Least Cost Power Development Plan (LCPDP2017 – 2037) are used to inform future sector pathways.
	Quality of government decision making*	
Institutional framework	Effective coordination	• Ensure alignment of the LCPDP with the mitigation targets of the National Climate Change Action Plan (NCCAP) and the NDC.
	Knowledge infrastructure	
	Adequate resources	
Policy processes	Paris-compatible emissions pathway	• Adopt a 1.5°C compatible long-term emission reduction target for electricity generation at the sector level and incorporate this target into sectoral planning, such as the Least Cost Power Development Plan (LCPDP). • Finalise a common framework for tracking and reporting on climate action.
	Transparency framework	
	Ratchet-up* mechanism	
Stakeholder engagement	Level and scope	• Ensure that the recommendations from Environmental and Social Impact Assessments carried out by NEMA related to energy projects meet general ESIA requirements. • Ensure adequate public participation in energy project planning and approval processes.
	Management of non-state actor interests	

** National assessment only*

In the electricity supply sector, the overall approach to stakeholder engagement has been poor. While there are established and institutionalised processes in place both to take stakeholder interests into account and to compensate those that are disadvantaged from sector policy developments, the

sector (government and project developers) has and continues to try to fight against concerns from stakeholders.

In practice, the evidence of the sector incorporating stakeholder interests in proposed developments has only been through the course of grassroots mobilisation and legal action, rather than in a genuine and transparent manner at an early stage of policy development. Large decisions in the sector have shown to be swayed by both non-state actor groups that are pro and against climate mitigation, such as in the case of the Lamu coal-fired power plant, where development for the foreign-backed plant has recently been shut down due to local environmental concerns.

Contents

1 Introduction

1.1 Domestic context

Kenya is a unitary state with a multi-party democracy where elections are held on a regular basis. The Kenyan President, Uhuru Kenyatta, is currently serving his second term in office. While there are initiatives in place to check governance integrity, corruption remains a major problem in the country and jeopardises the quality of government decision-making and the institutional capacity of the state. In 2018, Kenya ranked 144 out of 180 countries on the Corruption Perception Index (Transparency International, 2018).

Kenya is a lower middle-income country and had a GDP of US$79.3 billion in 2017 (World Bank, 2019). It is the second largest economy in the East African region after Ethiopia and accounts for 19% of regional economic output. Agriculture, services and manufacturing are the principal sectors that drive economic activity in the country (Alemu, 2018).

Kenya's population is rapidly increasing. In 2017, the population was 49 million, a 110% increase since 1990 (World Bank, 2019). While almost two-thirds of the country's population resides in rural areas, rapid urbanisation trends have contributed to increased pressure on land for settlement and exacerbated urban poverty (Government of Kenya, 2015). Despite the government's efforts, about 55% of rural and 35% of the urban population still live below the national poverty line, while unemployment is the highest (61%) amongst young people (aged 15-29) (Government of Kenya, 2015).

Kenya is a country open to foreign investment. It has been making significant progress on World Bank's Doing Business Index, ranking 61st globally in 2019 from 136th in 2015 (World Bank, 2019). The investments into information and communication technology (ICT) have contributed to transforming Nairobi into a business hub for the East African region (Shipley, 2018). Stimulating favourable investment conditions is important in the context of climate governance as additional, mostly foreign, investment is needed to foster clean technologies and contribute to decarbonising the economy.

Managing non-state actor interests and ensuring broad buy-in of government actions can be an essential aspect of successfully implementing climate change policies. Since the adoption of a new constitution in Kenya in 2010, there have been attempts to open a space for public participation in decision-making and to increase accountability. The country's legislation, most notably through the County Governments Act 2012, enables citizen involvement in the policy process through vertical integration of planning processes at both the national and county level (Adelphi & ILEG, 2018).

In Kenya, the percentage of population with access to electricity has grown more than 30% since 2010 and stood at 56% in 2016, with 39% rural and 77% urban electrification (World Bank, 2019). In 2017, biomass made up 69% of the primary energy consumption, with imported petroleum products (22%) and electricity (9%) making up the rest. Kenya's electricity demand was 1,754 MW in 2017 and is forecast to increase by approximately four to five-fold in 2030[1], mainly due to expected population and GDP/capita growth. Kenya's on-grid power generation is heavily reliant on geothermal (47%), hydropower (39%) and imported crude oil from Abu Dhabi and Saudi Arabia (13%) (KPLC, 2016).

While Kenya possesses significant domestic coal reserves, its future coal consumption is in limbo after its first planned coal-fired power plant, Lamu, is temporarily blocked due to environmental concerns (McVeigh, 2019; Mutua, 2018). Kenya also possesses abundant solar, hydropower, wind, and geothermal resources, with geothermal alone having an estimated potential of 10,000 MW (Republic of Kenya, 2018). As of 2014, Kenya's residential sector accounted for 75% of all final energy consumption, with the transport and industry sectors consuming 15% and 8%, respectively (IEA, 2016).

1 Forecasted demand is 6,638 MW according to a reference scenario using historical growth rates and 9,790 MW assuming full implementation of Vision 2030 and other government policy initiatives.

1.2 Approach to Climate Change

The following table gives an overview of key institutions, strategies, targets, as well as legislation, that refers to Climate Change mitigation at national level, as well at sectoral level for the selected sector (electricity supply).

 **Key Institutions**	**National agencies** **Climate Change Directorate (CCD)** Lead agency of the government on national climate change policy, housed within the Ministry of Environment and Forestry (MoEF). **Electricity supply sector** **Ministry of Energy (MoE)** The MoE is the energy sector line ministry. The current Cabinet Secretary for Energy and Petroleum is Hon. Charles Keter. **Energy and Petroleum Regulatory Authority (EPRA)** Under the Energy Act 2019, EPRA which is the successor to the Energy Regulatory Commission (ERC) has the responsibility for economic and technical regulation of electric power, renewable energy and upstream petroleum and coal.
 **Key Plans & Strategies**	**National level** **National Climate Change Action Plan (NCCAP), 2018 – 2022** The plan presents Kenya's low-carbon development pathway options for mitigating increasing national emissions. The plan also addresses the enabling aspects of finance, policy and legislation, knowledge management, capacity development, technology requirements and monitoring and reporting for pathway options. **Electricity supply sector** **Least Cost Power Development Plan (LCPDP), 2017 – 2037** The 20-year plan is a multi-sectoral preparation and includes analysis on demand forecasting, load forecasting, generation planning, transmission networks, and details the resource potential of various renewable energy sources for future mitigation potential of the power sector.
 **Pledges & Targets**	**National level** **Nationally Determined Contribution (NDC)** 30% reduction in economy-wide GHG emissions by 2030 compared to a business-as-usual (BAU) scenario of 143 MtCO2e, conditional to the level of international support. However, any emissions from future extractive industry exploration have been excluded from the BAU. **Electricity supply sector** Kenya has no official target in this sector.
 **Key Laws & Regulations**	**National level** **Climate Change Act (CCA), 2016** The Act provides a framework for promoting climate resilient low carbon economic development; but does not contain quantifiable emissions reduction targets. **Electricity supply sector** **Energy Act, 2019** The Act consolidates laws relating to promoting renewable energy, geothermal energy, and regulating petroleum and coal activities.

2 National assessment

2.1 Political commitment

Political commitment	
High level government leadership	**Quality of government decision making**

Kenya's national political commitment to climate mitigation is evident, but there is room for improvement. Leadership from the head of state and leading institutions can take a more aggressive stance on scaling up climate action domestically. Greater autonomy and power for climate-related agencies would further expedite the development and implementation of climate policy.

High-level government leadership can be a driving force for stimulating economy-wide transformational changes and increasing climate mitigation ambition through top-down strategy setting and sending effective policy signals. However, the Kenyan government has only shown moderate political commitment to ratcheting up climate policy ambition.

President Uhuru Kenyatta has shown a certain level of commitment to supporting climate mitigation measures. At a roundtable discussion on "Don't drop climate efforts" at the Paris Peace Forum 2018 in France, he announced Kenya's target "to attain 100 per cent green energy sufficiency by 2020" (Capital FM Kenya, 2018). In contradiction to this, however, the ongoing development of the Lamu coal-fired power plant can be considered a legacy project for President Kenyatta's government (Daily Nation, 2018).

To address climate change, the government has charged a dedicated institution within the Ministry of Environment and Forestry, the Climate Change Directorate (CCD), that leads on national climate change plans and mitigation actions. Under the Climate Change Act 2016, the CCD has the mandate to support different sectors and ministries on climate change. However, there is limited evidence of the agency exerting influence on government-decision making and climate mitigation only receives limited priority within the national political agenda (Government of Kenya, 2016; The Presidency, 2019). For instance, climate change is not part of the President's Big Four Agenda[2] for economic growth nor the long-term national plan, Vision 2030.

However, the Medium-Term Plan (MTP 2018-2022), the third assessment of the implementation of the Vision 2030 plan, does address issues related to climate change in different areas. While climate change is not prioritised at the domestic level, Kenya frequently demonstrates national climate change mitigation commitments internationally through participation in - and leadership of - international initiatives. Reaffirming this position, Kenya is an active member of the Climate Vulnerable Forum, and the Vulnerable Twenty (V20) Group that brings together nations that are particularly exposed to climate change impacts. These initiatives advocate for more ambitious mitigation action and support provisions in international climate agreements.

The **quality of government decision making** at the highest levels is a key factor in implementing ambitious climate policies as national governments provide resources and direction for lower levels of government and can stimulate horizontal dynamics through mainstreaming, lesson-drawing and cooperation (Jänicke, Schreurs, & Töpfer, 2015).

In Kenya there has been no apparent evidence of scaling back climate related policies nor major capacity-loss changes to climate change related institutions in recent years, suggesting a certain degree of structural continuity. On the other hand, devolution policies and rather high levels of corruption impend the accountability and transparency of policy decisions at the national level.

2 The four pillars of the Big Four Agenda are manufacturing, affordable housing, universal health coverage and food security.

While the 2016 Climate Change Act has reinforced climate policies originating from the 2010 Kenyan National Climate Change Action Plan (NCCAP) and anchored them in law, the Devolution Plan launched in 2013 is still being implemented and has substantially altered the governance structure (Scott, 2017). Overall attitudes regarding climate change within government and between government and opposition are neither concordant nor contradicting as climate change topics are not a key part of the parties' political agendas.

2.2 Institutional Framework

Institutional framework		
Effective coordination	**Knowledge infrastructure**	**Adequate resources**

The institutional framework governing Kenya's governmental and ministerial processes is more robust in some areas and could be improved in others. There are concerns over the availability of human resources to manage Kenya's current climate processes and particularly over the amount of financial resources devoted to them. Coordination at the ministerial level exists but without a clear framework for alignment with other policy actions. There is a moderate level of decarbonisation analysis made available for consideration in national climate strategies, although there is limited knowledge generated from outside government institutions.

Effective coordination across ministries and agencies and with sub-national governments affects the ability of actors to align overarching climate policy targets efficiently and consistently. In Kenya, inter-ministerial coordination occurs through the inter-ministerial National Climate Change Task Force, which consists of senior-level members from CCD, the Prime Minister's Office, the Ministry of Energy plus additional representatives from the private sector and civil society. However, coverage of climate change in line ministries can only be considered moderate.

In the area of climate change, institutional structures have been established around the National Climate Change Action Plan 2013-2017 (NCCAP) to support the integration of climate change into policy and programming, as well as to promote coordinated action among ministries (Government of Kenya, 2013). As the creation of a climate change unit in each ministry is reiterated by the Climate Change Act (2016) most of the ministries have a climate change focal point, although not necessarily with high hierarchical influence (Ministry of Environment and Natural Resources, n.d.).

The Third Medium-Term Plan 2018-2022 suggests aligning the Ministry of Environment and Forestry's (MoEF) policy actions with the government's long-term strategy (Vision 2030). However, most sectoral plans are outdated (2013-2017) and hence, alignment with recent government strategies is limited (Government of Kenya, 2016, 2017).

Another important criterion is the existence of a **knowledge infrastructure capable of supporting strategic planning and policy development**, as this aids the elaboration and application of decarbonisation analyses in climate policy development.

In Kenya, there is no independent institution to advise on decarbonisation efforts, as most of the institutions advising on climate mitigation options are governmental institutions, such as the National Climate Change Activities Coordination Committee (NCCACC), the Environment and Climate Change Coordination Unit, the Climate Change Secretariat, the T21-Kenya team, the Kenya Climate Change Knowledge Portal (KCCKP) and the Climate Change Task Force. The latter does include non-governmental members, but there is no clear mandate to a non-governmental institution to advise the government. Furthermore, the Mitigation Technical Analysis Report (MTAR) of the most recent NCCAP (2018 – 2022) showcases that country specific analyses exist, yet in this particular case the data is grossly outdated (electricity sector data taken from the 2011 Least Cost Power Development Plan).

Capital and resource constraints are significant barriers to effective climate governance and have been an evident impediment for developing countries in the past (Dubash & Joseph, 2015; Napitupula, Resosudarmo, & Ardiansyah, 2013; Tyler & Gunfaus, 2015). **Adequate resources and capacity** are thus needed to be both made available for governmental entities and efficiently used by them in climate policy processes.

Evidence suggests that human capital and monetary resources are only partially available in national institutions for climate change planning in Kenya. Climate change-related policies and actions are proceeding, albeit slowly, as demonstrated by the adoption of the Climate Change Act (2016) and the implementation of the NCCAP 2013-2017 and 2018-2022. While the CCD is coordinating the implementation of NCCAP 2018-2022 as well as any related monitoring and reporting without evident interference, there have been continuing delays in developing the NCCAP 2018-2022 (Government of Kenya, 2013, 2018). The Climate Change Directorate appears to have low staff turnover, as evident from their stable envoy list at UNFCCC meetings (UNFCCC, n.d.).

2.3 Process for policy development, implementation and review

Policy processes		
Paris-compatible emissions pathway	**Transparency framework**	**Ratchet-up mechanism**

Much of Kenya's processes for policy development, implementation and review are either too young to assess or not yet in existence, although there are positive signs of initiative and progress towards establishing them. Long-term policy planning of Kenya's national climate strategies can be improved, as currently elaborated action plans only extend to the medium term, and there are no quantitative emissions reduction targets established.

A **defined Paris-compatible decarbonisation pathway** is an important component in aiding long-term planning and alignment with the Paris Agreement's overall objectives. While Kenya has detailed medium-term action plans covering the period up to 2030, there is no publicly available information on ambitious long-term reduction targets going past the NDC timeline (e.g. up to 2050). The NDC stipulates a 30% reduction in GHG emissions by 2030 compared to a Business-as-usual (BAU) scenario (143 $MtCO_2eq$)[3]. However, the Second National Communication (SNC) mitigation analysis shows that Kenya has the potential to reduce projected emissions by 60%. While there is a legally binding climate mitigation legislation in place (Climate Change Act, 2016), the legislation does not contain quantitative emissions reductions targets. Subsequently, most line-ministries have also not developed long-term planning or back-casting exercises with quantitative emissions reduction targets.

An enhanced transparency framework is necessary in order to track progress towards achieving emissions reduction targets as well as providing checks and balances to the government's climate commitments. As Kenya is still in the ongoing process of implementing a transparency framework to report on climate mitigation and adaptation actions, the country's performance in this area remains to be seen.

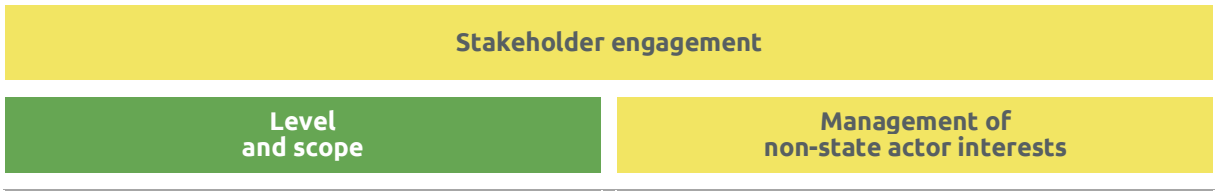
Kenya's Climate Change Act (2016) has already put in place the structures and framework for implementing the NDC, which include establishing a coordinating body (Climate Change Directorate) to coordinate national monitoring, reporting, and verification (MRV) processes. However, a full MRV system for greenhouse gases has been planned since 2012 but is not yet operational and should be fully launched by 2020.

[3] In 2017 the MoEF released an assessment report containing an updated emissions baseline to inform how sectors could contribute to meeting Kenya's NDC. According to the updated baseline, total emissions in 2030 drop from 143.6 $MtCO_2e$ as indicated in the NDC, to 123.9 $MtCO_2e$ (MENR, 2017). However, the revised baseline has not been considered in the updated NCCAP 2018 – 2022.

Kenya is also developing an MRV+ framework, which further includes mitigation activities and Monitoring and Evaluation (M&E) for adaptation activities, and should be fully operational by 2022 (CDKN, 2018; Government of Kenya, 2018; Republic of Kenya, 2012). The legislated Data Supply and Reporting Obligation Agreements (DSROA) will also ensure the timely creation and publication of data sets and reports to fulfil Kenya's mandatory national and international reporting obligations. The information that is needed in the DSROAs is transparent and will be defined primarily by the Technical Analysis Groups for Adaptation (TAGA), Mitigation (TAGM), Development (TAGD), and GHG inventory (TAGGHGI), with the support of lawyers to ensure the correct legal formulation.

Although Kenya's NCCAP process follows the NDC's five-year cycle and a revised NDC 2018-2022 is drafted and under review, there are still important elements of an effective **ratchet-up mechanism** missing. These elements are integral to ensuring Kenya can regularly scale up its climate ambition in accordance with regular international cycles. Missing elements include the establishment of standardised procedures to adapt further policies to achieve current targets or to revise targets in order to ensure they are compatible with the long-term temperature goal from the Paris Agreement.

2.4 Stakeholder engagement



The Kenyan government has shown a medium to strong approach to stakeholder engagement as there are structures in place to consider non-state interests and perspectives on climate issues, and evidence that consultations have taken place. However, the government could demonstrate greater transparency and consistency in addressing and integrating those interests.

The government's **level and scope of engagement** with stakeholders reflects how well it is aware of external knowledge and the expectations of its constituents, which in turn affects sound government decisions. Kenya has shown a moderate to high level and scope of engagement. The Climate Change Directorate (CDD), through its Kenya Climate Change Knowledge Portal (KCCKP), serves as the national knowledge and information management centre for collating, verifying, refining, and disseminating knowledge and information on climate change. The purpose of KCCKP is to link climate change actors across various sectors and their initiatives by providing a platform to address issues relating to climate change.

There are several non-governmental institutions such as DeCOALonize, Green Belt Movement and Kenya Climate Change Working Group which generate and disseminate content on climate change independently of the government. In addition, major newspapers such as The Star and Daily Nation cover and engage the public on topics related to climate change on a regular basis, which has permeated through Kenyan society where 71% of residents cite climate change as their chief concern (Poushter & Huang, 2019). The government engages with non-state actors regarding the prioritisation process for the adaptation and mitigation options to be considered in the NCCAP. This process involves iterative consultation and validation with stakeholders across sectors, in order to build consensus on the ranking of actions (Government of Kenya, 2016).

The **management of non-state actor interests** is another important consideration, as it depicts whether governments have succeeded in addressing resistance created by vested interests as well as communicating the fairness of their policies to the public. The criterion then indicates how much public support or opposition their policies receive. Kenya has shown inconsistent approaches to the management of non-state actor interests. For instance, development projects that lead to compulsory displacements of populations require specific 'Resettlement Action Plans' (RAP) that prepare and implement compensation methods. However, while the government has laws and policies on displaced populations, there are many critiques around cases with informal property rights. Beyond this one programme, there is no evidence that Kenya Integrates non-state actor interests nor addresses externalities due to climate policies on a national level.

3 Sectoral assessment – Electricity supply

3.1 Political commitment

Political commitment	
High level government leadership	**Quality of government decision making***

Political commitment in the Kenyan electricity supply sector can only be considerate moderate as there is no visible high-level sector leadership by the sector lead and only limited ownership of climate change-related issues by the Ministry of Energy. Also, the Climate Change Directorate on sector decision-making is marginal, and consequently climate mitigation is ranked low amongst other political issues.

** Not rated under sectoral assessments*

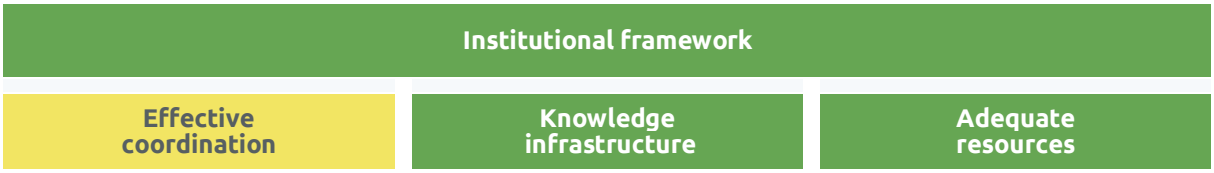
High-level sector leadership in the electricity supply sector is integral to ensure prioritisation of resources towards integrating top-down national policy signals with long-term sectoral planning. The Kenyan electricity supply sector, however, has only shown moderate high-level leadership on climate mitigation issues.

There is no evidence of Kenya's Cabinet Secretary for Energy and Petroleum, Hon. Charles Keter, as the head of the line ministry, emphasising sector specific climate mitigation policies, neither domestically nor internationally. With regards to institutionalising climate change within the sector line ministry, the Ministry of Energy only partially fulfils the requirements stipulated in the Climate Change Act (Government of Kenya, 2016). While the legislation states that each state department should have a "designated unit […] and senior officer as head of the unit to coordinate the mainstreaming of the climate change action plan", climate change related topics are dealt with by the department's Renewable Energy Directorate which, under the supervision of the department's Assistant Director, is charged with the "integration of climate change […] in renewable energy and energy efficiency and conservation policies (Ministry of Energy, n.d.).

Although the ministry has a designated climate change focal point, it has limited influence on ministerial affairs outside the Renewable Energy Directorate. The Climate Change Act also states that the CCD shall provide analytical support on climate change to the various sector ministries (Government of Kenya, 2016). In practice, there is limited evidence of Kenya's climate change lead institution influencing electricity supply sector planning. One example is the limited visibility of CCD in the on-going public debate about the commissioned Lamu coal-fired power plant, a project that would add 1,050 MW of capacity from fossil fuel sources, which is inconsistent with Kenya's low carbon development goals and commitments (Bank Track, 2019).

Although the most recent electricity supply sector roadmap, the Least Cost Power Development Plan (LCPDP 2017-2037), entails a brief chapter on the environmental dimensions of the different scenarios presented in the LCPDP, the analysis conducted in this chapter does not influence the roadmap itself (Republic of Kenya, 2018). Thus, issues related to climate mitigation are not given priority although explicitly mentioned in official sector roadmaps.

3.2 Institutional Framework



The current institutional framework in the Kenyan electricity supply sector is relatively robust, with high levels of standardised coordination and available analyses to inform decarbonisation strategies. One of the few weaknesses highlighted during the assessment is that while the ingredients for an effective institutional framework are in place, there are large discrepancies between strategic sector plans and overarching national emission plans.

Effectiveness of coordination of policy actions between the various sector agencies is an essential cornerstone to implementing national policy priorities in a resource-efficient manner. In Kenya's electricity supply sector, agencies effectively coordinate actions following a standardised approach.

One important example is Kenya's electricity generation and transmission system planning (LCPDP), which is coordinated by the Energy and Petroleum Regulatory Authority (EPRA) and prepared by a multi-sectoral team[4] (Republic of Kenya, 2018). While there is intra-sectoral coordination, strategic sector plans are not always coherent with governmental emission mitigation plans. An example is the misalignment regarding sector-specific information between the NCCAP 2018-2022 and the LCPDP 2017-2037. Projected GHG emissions from electricity in 2030 according to the LCPDP 2017 -2037 are far lower (0.3-4.1 $MtCO_2e$) than the figures used for the 2018 National Climate Change Action Plan (19.4 $MtCO_2e$) (Ministry of Environment and Foresty, 2018).

The existence of a **knowledge infrastructure capable of supporting strategic planning and policy development** is an important precondition to generating climate relevant and sector specific analyses. In the case of Kenya's electricity supply sector, there are sector-specific analyses available to promote climate change relevant processes, such as the sector implementation of the NDC.

The process of updating the NCCAP (2018-2022) included the development of an implementation plan with clearly defined sector targets and indicators. The NDC Sector Analysis (2017) examines mitigation options to deliver on Kenya's contribution in the six mitigation sectors, including energy. However, the extent to which sector agencies incorporate decarbonisation analyses into their policy development is limited. The LCPDP 2017-2037, with its brief chapter on environmental dimensions of the plan, remains an exception, as most sector policy development processes do not incorporate specific climate mitigation analysis.

As climate mitigation activities are typically resource-constrained and not a high priority for sector stakeholders, the **adequacy of resources and capacity** are critical for effectively planning and executing national policy decisions. The Ministry of Energy appears to have both sufficient qualified staff and budget to carry out the planned measures.

Twelve mitigation options were developed and presented for energy supply in Kenya's NCCAP and SNC that could contribute achieving the 7.5 $MtCO_2e$ recommended NDC target for emissions reduction in the energy sector (Omenda & Mangi, 2016). If only the geothermal generation expansion mitigation option were fully implemented, this could achieve 14 $MtCO_2e$ of emission reductions in 2030, exceeding the target. The fact that the most recent LCPDP (2017-2037) suggests to "delay development of new geothermal plants after implementation of the committed ones" indicates that there are no resource constraints to implement the most important mitigation option (expansion of geothermal power) (Republic of Kenya, 2018). The UNFCCC COP participant lists, especially since COP21, show little rotation among the delegates from Kenya's Ministry of Energy, which can be seen as a sign for continuity of staff and processes within the electricity sector (UNFCCC, n.d.).

4 The Ministry of Energy, Energy and Petroleum Regulatory Authority (EPRA), Kenya Power, the Kenya Electricity Generation Company (KenGen), the Kenya Electricity Transmission Company Limited (KETRACO), the Rural Electrification Authority (REA), Geothermal Development Company (GDC), Kenya National Bureau of Statistics (KNBS), the Vision 2030 secretariat, Kenya Investment Authority (KIA) and the Kenya Private Sector Alliance (KEPSA).

3.3 Process for policy development, implementation and review

Policy processes		
Paris-compatible emissions pathway	Transparency framework	Ratchet-up* mechanism

Kenya's electricity supply sector's policy processes for the development, implementation and review of climate mitigation policies could be significantly improved. While there are processes in place to incorporate long-term goals into short term planning, there are no long-term emissions reduction targets to align short-term policy decisions with. There is clear initiative within the sector to establish a system for monitoring, reporting, and verifying mitigation activities, but these processes are not yet in operation and components have been continually delayed.

** Not rated under sectoral assessments*

Similar to the national level assessment, a defined **Paris-compatible decarbonisation pathway** is essential in aligning policy processes with international long-term climate policy agendas. There seems to be a standardised process to feed long-term sector planning into short-term policy action in the sector.

To ensure the development of both medium term and long terms plans, Kenya's electricity generation and transmission system planning is undertaken based on a 20-year rolling Least Cost Power Development Plan (LCPDP) that is revised every two years in tandem with economic growth and policy dynamics. Recommendations of this revision process are considered for short term policy action as shown by, for instance, the suggestion to delay the expansion of geothermal energy sources (Republic of Kenya, 2018). However, there is no evidence of long-term decarbonisation targets for the energy sector.

Another crucial element in the sector's mitigation policy process is a mandatory **enhanced transparent framework** to guide monitoring, reporting and verification (MRV) at the sector level, which provides accountability.

For the Kenyan electricity supply sector, there is a centralised body in place to coordinate national MRV processes. This is in line with the requirements stipulated in the Climate Change Act that states the line ministry (Ministry of Energy) shall have a designated unit to fulfil the duties assigned to each state department, which include reporting on sectoral greenhouse gas emissions for the national inventory (Government of Kenya, 2016). However, the development of a common framework for tracking and reporting on climate action to ensure alignment with the NDC is still pending at the sectoral level.

The Mitigation Technical Analysis Report (MTAR), an important element of the NCCAP 2018-2022, also covers MRV activities for all sectors (incl. energy) and is developed in coordination with CCD, the Mitigation Thematic Working Groups (TWG), as well as supporting institutions. While this process can thus be considered transparent it is not timely as several inputs to the NCCAP, including the MTAR, have suffered delays resulting in a late release of the NCCAP 2018-2022.

3.4 Stakeholder engagement

Stakeholder engagement	
Level and scope	**Management of non-state actor interests**

In the electricity supply sector, the overall approach to stakeholder engagement has been poor. While there are established and institutionalised processes in place both to take stakeholder interests into account and to compensate those that are disadvantaged from sector policy developments, the sector (government and project developers) has and continues to try to fight against concerns from stakeholders. All case study evidence of the sector incorporating stakeholder interests in their proposed developments have only come after pressure from grassroots mobilisation and legal action, rather than in a genuine and transparent manner at an early stage of policy development. Large decisions in the sector have shown to be swayed by both non-state actor groups that are pro and against climate mitigation, such as in the case of the Lamu coal-fired power plant, where Kenyan courts have recently shut down the development for the foreign-backed plant due to a ruling supporting local environmental concerns.

The **level and scope of stakeholder engagement** is essential, also on the sectoral level, to implement low carbon roadmaps that are fully informed and foster high levels of collaboration. The Ministry of Energy aims to ensure broad buy-in of non-state actors on planned policy actions through the participation at monthly Energy Sector Board meetings organised by the Kenya Private Sector Alliance (KEPSA), with both public and private institutions participating (KEPSA, n.d.). Although a broad range of topics are discussed, including the electricity supply sector's contribution to the Big Four Agenda, budget statements or sub-committee updates, as well as regulatory and legal issues, it is not visible whether direct policy implications are addressed.

The **management of non-state actor interests** is also of vital importance to increase support for climate policies in the sector, which enable both the legislation and continuity of policies. While the Kenyan electricity supply sector has an established process in place to address negative externalities of a just transition, proposed measures are not effectively implemented.

For every energy project (e.g. building power plants) an Environmental and Social Impact Assessment (ESIA) needs to be carried out and licensed by the National Environment Management Authority (NEMA) (NEMA, n.d.). Each ESIA has to provide detailed information on potential (negative) environmental impacts of a project, and which measures are needed for mitigation. However, recent developments have shown that ESIA's licensed by NEMA violate basic ESIA requirements, as the case of the ESIA for the Lamu coal-fired power plant shows. As a consequence a Kenyan tribunal recently cancelled the environmental licence for the Lamu coal power project (IEEFA, 2019).

There has been evidence of integrating interests of non-state actors at risk from climate policies into policy making. When the Energy and Petroleum Regulatory Authority recommended delaying the construction of the Lamu coal-fired power plant in its sector roadmap and decrease the generation capacity from 1,050 MW to 450 MW to ensure supply matched demand, the already published LCPDP 2017–2037 was revised again (Republic of Kenya, 2018). There are indications that the reason for the revision was strong opposition from coal proponents on the recommendations for the Lamu coal-fired power plant.

On the other hand, the same example of the Lamu plant shows that the government and sector has also heeded to the positions held by non-state actor groups supporting climate mitigation policies. Amidst continuing controversy surrounding the construction of the Lamu coal-fired power plant, the High Court of Nairobi has issued a stop order on the plant's construction due to environmental concerns. The case was filed by Okiya Omtatah and Katiba Institute, with DeCoalonize at the forefront of the campaign opposing the project (Siele, 2018).

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Climate Action Tracker

The Climate Action Tracker (CAT) is an independent scientific analysis produced by three research organisations tracking climate action since 2009. We track progress towards the globally agreed aim of holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C.

The CAT consortium

NewClimate Institute is a non-profit institute established in 2014. NewClimate Institute supports research and implementation of action against climate change around the globe, covering the topics international climate negotiations, tracking climate action, climate and development, climate finance and carbon market mechanisms. NewClimate Institute aims at connecting up-to-date research with the real world decision making processes.

newclimate.org

Climate Analytics is a non-profit climate science and policy institute based in Berlin, Germany with offices in New York, USA, Lomé, Togo and Perth, Australia, which brings together interdisciplinary expertise in the scientific and policy aspects of climate change. Climate Analytics aims to synthesise and advance scientific knowledge in the area of climate, and by linking scientific and policy analysis provide state-of-the-art solutions to global and national climate change policy challenges.

climateanalytics.org

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