

Finance

Section B: Kenya National Climate Fund

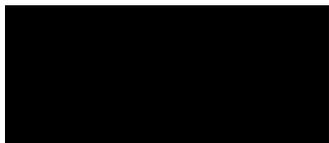
August 2012

:vivideconomics



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Abbreviations

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1. Introduction

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2. Kenya's mitigation and adaptation needs and barriers to their realisation

2.1 Kenya's priority mitigation and adaptation investment needs

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2.2 Main current barriers to mitigation and adaptation in Kenya

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Access to commercial finance

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Government and development partners

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3. Rationale for a National Climate Fund in Kenya

A National Climate Fund (NCF) : “a mechanism that supports countries to direct finance toward climate change projects and programmes by facilitating the collection, blending, coordination of, and accounting for climate finance. NCFs provide a country-driven system that can support climate change goal setting and strategic programming, oversee climate change project approval and implementation, measure performance, offer policy assurance and financial control of climate change funds, and assist with partnership management”⁵.

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Efficiency and transparency

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National ownership and priorities

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 (FE): D (D) ,
 E A A A 7 -E 8 A : *there is a gradual recognition that the current situation of financial support for climate change action in developing countries – characterised by a large number of international funds with complex administrative processes, minimal transparency or accountability, and conflicting mandates that do not always address or respond to developing country concerns or priorities – is untenable. Consequently, we see a gradual acceptance that more needs to be done in terms of shifting the responsibility for managing and disbursing the funds to developing countries...*
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Table B1 A comparison of National Climate Funds with other modalities for disbursing climate finance

	Question/criterion	Existing approach	Budgetary support	National Climate Fund
Sources		✓✓✓	✓✓	✓✓
		✓	✓✓✓	✓✓
		✓✓	✓	✓✓✓
Efficiency and transparency		✓✓	✓✓✓	

		✓✓✓	✓	✓✓
Country ownership		✓	✓✓✓	✓✓
		✓	✓✓✓	✓✓

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4. Summary of proposal

5. Draft Governing Instrument of the Kenyan Climate Change Fund

5.1 Purpose, Functions and Guiding principles of the Fund

5.1.1 Purpose

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5.1.2 Functions

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5.1.3 Guiding principles¹⁶

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5.2 Resources and fund raising process

5.2.1 Potential sources of funds

International

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Domestic

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5.2.2 Fund mobilisation

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5.2.3 Thematic windows

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5.3 The Fund's approach to financing

5.3.1 Scope

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5.3.2 Beneficiaries and implementing entities:

5.3.3 Eligible expenditure

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5.3.4 Financing modalities

Mitigation window:

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5.3.6 Financing instruments

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Table B2 Fund's potential palette of financing instruments

Types of financing instruments	Definition	Application
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Table B3 How selected financing mechanism address barriers to low-carbon investments

Issue	Fund instruments	Examples / precedents
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5.4 Governance

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5.5.2 Location and representation in the counties

5.5.3 Future development of the NCF

5.6 Safeguards

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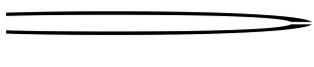
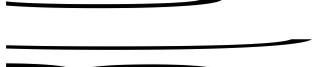
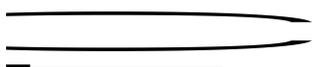
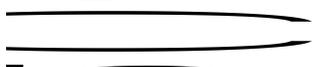
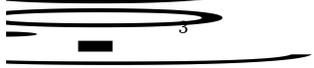
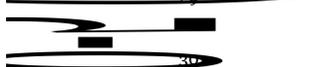
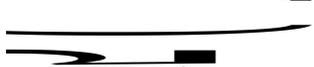
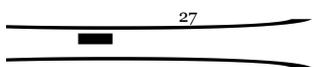
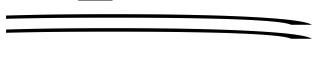
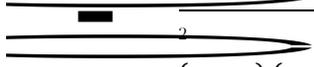
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