



**Policy Dialogue on  
*Decentralised Climate Change Funding: Building on Experience of the CCCF  
Mechanism in Kenya***

**Held at Fairview Hotel, Nairobi, 18<sup>th</sup> October 2018**

**Summary of Proceedings**

**Nairobi, November 2018**

## Introduction

The National Drought Management Authority (NDMA) hosted the first Kenya National Policy Dialogue on Decentralised Climate Finance in Nairobi on 18<sup>th</sup> October 2018. The dialogue, which was based

on the experiences of the County Climate Change Fund (CCCF) mechanism, provided an opportunity for the Adaptation (Ada) Consortium to share and reflect with key national level stakeholders on the evidence and lessons learned from the experience of establishing and implementing the

The Adaptation (Ada) Consortium has been supporting five county governments of Isiolo, Kitui, Makueni, Garissa and Wajir in Kenya to enhance and support climate resilient development. Since 2011 Ada has worked with policy makers and technical officers to pilot the CCCF Mechanism to mainstream climate change in planning and budgeting, and prepare counties to access climate finance. The Ada Consortium is a core component of the National Drought Management Authority and comprises Kenya Meteorological Department, International Institute for Environment and Development (IIED), and Christian Aid, working with county partners consisting of Anglican Development Service – Eastern (ADS-E), WomanKind Kenya, Merti Integrated Development – Programme (MID-P) and Arid Lands Development Focus (ALDEF).

mechanism in the five counties of Garissa, Isiolo, Kitui, Makueni and Wajir. Convened with the support of the Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) Programme, it brought together 30 key actors comprising high level government representatives, academia, and civil society organizations (CSOs).

The Policy Dialogue reflected specifically on opportunities for scaling out the experience from the five counties to other counties in the ASALs and beyond, and to using the experience to inform national policy and support implementation of the second National Climate Change Action Plan 2018-2022 (NCCAP II). It is hoped that the process initiated by this first roundtable will inform plans and actions to fill any knowledge and information gaps to facilitate effective scaling out of the mechanism and integration of its elements into national policy for sustainable climate change financing.

This report presents a summary of the main issues discussed at the roundtable, information gaps identified, and suggested follow-up actions.

## The County Climate Change Fund Mechanism

The CCCF Mechanism was developed by members of the Ada Consortium and is designed to strengthen the capacity of county governments to access climate finance from different sources to fund investments in public goods prioritized by local communities to build their resilience. The mechanism has been tested and is being

implemented in five counties, where it has contributed to the realization of objectives of the Constitution of Kenya, 2010, the County

Governments Act, 2012, and the Climate Change Act, 2016 by ensuring citizen-led approaches and climate proofing of development plans and processes. The five counties have adopted legal frameworks for CCCFs, and put in place Climate Information Services (CIS) and other planning tools, as well as a

<b>Key Achievements of the CCCF Framework</b>	
1.	Communities prioritise their needs and communicate same to counties through ward committees
2.	Counties placed in better position to respond to felt needs of their communities
3.	Members of Ward Climate Change Committees (WCCCs) are accountable to the public and consult communities in developing proposals to access climate change funds
4.	County Climate Change Committees provide advice and technical support for proposals
5.	KMD has provided information to local radio stations to provide regular updates, and having undergone CIS training, local communities are able to interpret alerts and act appropriately
6.	More coordinated and effective approach to planning and implementation of climate change activities at county level

monitoring and evaluation framework for tracking adaptation to climate change.

Interventions implemented during the pilot are benefitting 0.5 million members of local communities who are enjoying services of over 100 public good investments across the five counties. Furthermore, elements of the approach have been adopted by the BRACED-funded PROGRESS project, which works to build resilient governance, markets and social systems, in Wajir and North-Eastern Uganda (Karamoja).

The CCCF Mechanism has four components, and is underpinned by five principles (see Table 1).

**Table 1: CCCF Mechanism Components and Principles**

<b>CCCF Components</b>	<b>CCCF Principles</b>
1. County Climate Change Fund	1. Bottom up and community-driven
2. County and Ward level Climate Change Planning Committees	2. Supportive of devolution
3. Participatory resilience planning tools	3. Flexible learning approach
4. Monitoring and evaluation framework	4. Focused on public goods
	5. Inclusion (focus on marginalised and vulnerable groups)

### **Key Emerging Issues and Recommendations**

Two presentations were made to set the stage for the dialogue. The first presentation was made on behalf of the Climate Change Directorate (CCD) on NCCAP II and the potential of the CCCF mechanism to contribute to the implementation of the Plan. The second presentation summarized the findings of the recently concluded learning on the effectiveness of the mechanism in strengthening county planning and budgeting to

promote equitable climate resilient economic growth. The experiences, opportunities, issues, policy implications and potential solutions were highlighted. A video on the mechanism provided a visual backdrop to the introduction (video accessible at <https://youtu.be/qo15t9k-no8>).

Consistent with its character of dialogue, the focus of the meeting was the ensuing discussions between policy makers, activists, academics and donors. Participants were invited to reflect on, among other things, the institutional framework for scaling out; adapting the design of the mechanism to new contexts; and how the mechanism can contribute to national policy on climate change financing.

The following issues and recommendations emerged from the discussions:

### **1. Partnerships and multi-stakeholder engagement**

NCCAP II envisages the creation of effective partnerships both vertically between communities, county governments and the national government; and horizontally at the three different levels for effective climate change adaptation. This applies equally to planning, financing and implementation of climate change interventions.

The national government has established institutions, enacted legislation, and created the National Climate Change Fund to facilitate climate change adaptation. The Ministry of Environment and Forestry, the CCD and sector Ministries and Departments are expected to integrate climate change into policies, plans and strategies. CCD coordinates the different Ministries and sectors within the framework of the national policy framework for climate change and the NCCAP.

County governments implement interventions and activities to give effect to policies generated at the national level. It is critical that there be full engagement of county stakeholders including local institutions in making adjustments to the design features of the mechanism as they are the ones that will drive the process and ensure its sustainability.

Through the Council of Governors (CoG), county governments are able to articulate their collective interests and design strategies for engaging with National Government and other actors. The CoG Secretariat convenes and coordinates the Climate Change and Environment Committee (CEC) and the CEC Caucus to strengthen mechanisms for counties to effectively respond to the challenges of climate change within the framework of County Integrated Development Plans (CIDPs). The CoG provides a useful link for creating effective partnerships with county governments, and for engaging County Assemblies, which will be central to the scaling out of the CCCF mechanism.

## **2. Contextualization of the CCCF mechanism in scaling out**

Proper understanding of the different ecosystems and contexts is critical for scaling out the mechanism within the Arid and Semi-Arid Lands (ASALs) and to non-ASAL counties, urban and peri-urban areas. This will inform the adjustments needed to make the approach work in those contexts. Adjustments will also be needed for the mechanism to comply with requirements for different climate change funding mechanisms, such as the Green Climate Fund (GCF). In this connection it is important to appreciate the differences in cultural, social and economic contexts across counties, and to understand that counties are at different levels in term of efforts already put into climate change and what they have identified, prioritized and integrated into their CIDPs.

Yet even as the mechanism is adjusted to fit different contexts, its integrity in terms of components and principles must be maintained to ensure quality and in-country ownership. The public goods focus of the investments funded through the CCCF should be retained, but with due regard to the fact that in counties where livelihoods and adaptation strategies rely less on access to public goods (e.g. family farming, SMEs), it will be necessary to attract funding from the private sector to complement public sector funds.

## **3. Importance of research and evidence was underscored**

Research and evidence will contribute to clarifying modalities for adapting the mechanism to new county contexts, and inform the design of mechanisms for establishing appropriate linkages between the mechanism and national and global climate change financing mechanisms. Strategic linkages with research institutes and universities will be needed for this purpose. Appropriate research and dissemination methodologies for sharing evidence, including the creative use of modern technologies of communications and social networking, will help attract the youth to engage in activities for implementation of climate change adaptation.

## **4. Aligning the CCCF mechanism to national and county planning and finance management frameworks**

One of the major strengths of the CCCF mechanism is the participatory planning process that starts from the community level and informs county level plans and actions. This process is in line with the stipulations of the County Governments Act on public participation and county planning, and should be aligned to the county planning process. It is also necessary to review the policy and legislative context for climate change adaptation in Kenya as a number of policy instruments have been adopted since the CCCF process started, and the mechanism should be aligned to the policy and institutional framework.

The management of the CCCF should be aligned to the public finance management framework under the Public Finance Management Act. In doing this, regard should be had to the importance of maintaining the flexibility of the mechanism, which is one of its strengths. It is important that communities retain their control and ownership of the process within the framework of the principle of subsidiarity. Ward level committees should have financial autonomy and discretionary decision-making on investments at their level while County level committees make decisions at the higher level. Consideration should be given to enabling communities to have greater say and influence on other funding streams from donors and projects working on climate change adaptation in their areas. County governments have an important role to play in this alignment process.

#### **5. Managing transitions in county governments**

A major challenge associated with the introduction of devolution and establishment of county governments in Kenya is the impact of changes of county government leaderships occasioned by elections every five years. It is important to safeguard the CCCF mechanism and its investments from leadership changes in county governments. The adoption of policies and laws and establishment of institutional frameworks is an important strategy in this regard.

#### **6. Technical support to counties in scaling out**

County governments will need technical support to establish CCCF mechanisms. The experience of the five counties will be helpful in this regard, and the Ada Consortium should consider how to provide this support. Inter-county learning and exchange visits should be encouraged between the five pilot counties and any county that wishes to establish the CCCF mechanism, and the Ada Consortium should be available to provide technical backstopping to the processes of establishing the mechanism in new counties.

Counties establishing the CCCF mechanism should build on what has worked in the five pilot counties, such as the CIS planning tool, but they should also explore new opportunities for Public Private Partnerships (PPP) to strengthen the fund. They should endeavour to build on existing partnerships, even as they look for new ones. Strong multi-stakeholder engagements should be encouraged as a means of widening the scope of climate change activities in the counties. Full advantage should be taken of the capacity of the CoG to convene county governments and to facilitate interactions with the national government and other actors.

#### **7. Strategic linkages with other relevant initiatives**

Participants emphasized the need for strategic alliances between the Ada Consortium and other relevant initiatives in order to scale out the CCCF mechanism.

The mechanism can contribute to climate change-related programmes within the framework of the NCCAP, the Nationally Determined Contributions (NDCs), the third Medium Term Plan (MTP3) of Kenya Vision 2030, and the Government's Big 4 Agenda. It can also contribute to enabling Kenya achieve Sustainable Development Goals (SDGs) and meet its obligations under the Paris Agreement on Climate Change.

#### **8. Advocacy for scaling out**

The CCCF mechanism will need an advocacy component to engage county governments to prioritize climate change as an issue and allocate adequate funds to supplement climate change funding from the national government. Advocacy is also needed to bring the private sector on board to support climate change financing. Creating strategic alliances with civil society and media is important in this regard.

#### **9. Other issues raised**

This included the need to think through the modalities and criteria for selection of the new counties to which the mechanism will be scaled out. There is a need to integrate indigenous knowledge in climate adaptation. Furthermore, there is a need to ensure flexibility in the disbursement of climate change funds to counties by the national government.

### **Suggested Next Steps**

In summary, the following next steps have been concluded from the discussions and are currently being explored so as to find the most appropriate way of how these steps can be undertaken:

#### **1) Creating more evidence:**

Across the 5 pilot counties more evidence needs to be gathered to bring out the following aspects of the CCCF mechanism:

- How people benefit from the CCCF (effectiveness)
- How the participatory nature of the CCCF mechanism works
- What are the innovative features of the mechanism

IIED as part of the Ada Consortium is contracted to undertake this consolidation of evidence.

#### **2) Strengthening government's capacity:**

In order to ensure that the Kenya Government has ownership of the CCCF mechanism and drives the development of the scale out strategy, the opportunity is being explored of embedding experts in government entities.

**3) Enhancing knowledge management and advocacy:**

There is a need to develop a communication strategy to strategically disseminate information and deliver advocacy. A first step needs to be to consolidate knowledge from a network of different universities, research institutes and other actors.

**4) Reviewing the legal basis for the CCCF mechanism:**

It will be important to review the congruence of the CCCF mechanism with the PFM Act when it emerges and the existing Climate Change Act.

**5) Private Sector engagement:**

It would be useful to explore the scope for encouraging private sector direct contributions to the CCCF mechanism. Also, whether, at a county level, measures could be put in place to enhance safeguards for the environment and local economy to ensure sustainability of private sector investments.