



**United Nations Development Programme**  
**Country: KENYA**  
**PROJECT DOCUMENT<sup>1</sup>**

**Project Title:** Fifth Operational Phase of the GEF Small Grants Program in Kenya

**UNDAF Outcome(s):** Equitable livelihood opportunities and food security for vulnerable groups enhanced and sustained. Enhanced environmental management for economic growth with equitable access to energy services and response to climate change.

**UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:** 4. Expanding access to environmental and energy services for the poor.

**Expected CP Outcome(s):** 1) No. of environmental pro-poor policies for sustainable natural resources management implemented. 2) No. of energy efficiency and conservation initiatives implemented.

**Expected CPAP Output (s):** 1) Pro-poor policies and programmes for sustainable management of environment and natural resources. 2) Sustainable clean energy services at all levels promoted.

**Implementing Partner:** United Nations Office for Project Services (UNOPS)

**Brief Description**

This project will secure global environmental benefits and improved livelihoods through community-based initiatives and actions that address biodiversity conservation and sustainable land management in production landscapes in Kenya. The project will pursue four outcomes: 1) community-based initiatives mainstream biodiversity conservation into forest and marine ecosystems management, and help maintain key wildlife corridors; 2) flow of forest and agro-ecosystem services maintained for long-term sustainability of communities' livelihoods; 3) local communities implement low carbon technologies that address their energy needs and mitigate climate change; and 4) communities' capacities in GEF Focal Areas strengthened and awareness and knowledge management enhanced. The project will award small grants to NGOs and CBOs to undertake community-based activities towards achieving these outcomes.

Programme Period:	4 years
Atlas Award ID:	00064957
Project ID:	00081601
PIMS #	4520
Start date:	July 1 <sup>st</sup> 2011
End date:	June 30 <sup>th</sup> 2015
Management Arrangements	UNOPS execution
PAC Meeting Date	14 December 2011

Total resources required	\$ 10,500,000
Total allocated resources:	\$ 5,000,000
• Regular	
• Other:GEF	\$ 5,000,000
Total Parallel financing	\$ 5,500,000
o UNDP	\$ 1,200,000
o Other Grant	\$ 2,800,000
o Other In-kind	\$ 1,500,000

<sup>1</sup> For UNDP supported GEF funded projects as this includes GEF-specific requirements

## ACRONYMS

APR	Annual Project Review
ASAL	Arid and semi-arid land
AWP	Annual Work Plan
BD	Biodiversity
BMU	Beach Management Unit
BTOR	Back to Office Report
CA	Conservation Agriculture
CABI	Centre for Agricultural Bioscience International
CBO	Community-based organization
CC	Climate Change
CCM	Climate change mitigation
CDF	Constituencies Development Fund
CETRAD	Centre for Training and Integrated Research in ASAL Development
CFA	Community Forest Association
CMMA	Community Managed Marine Area
CO	Country Office
CO <sub>2</sub> e	Carbon dioxide equivalent
COMPACT	Community Management of Protected Areas Conservation
CORDIO	Coastal Oceans Research and Development in the Indian Ocean
CPA	Charcoal Producer Association
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CPMT	Central Programme Management Team
CRM	Climate risk management
CSO	Civil society organization
DANIDA	Denmark's development cooperation
DIFD	UK Department for International Development
EEU	Environment and Energy Unit
ERC	Evaluation Resource Center
FIT	Feed-in-tariff
FSP	Full-Size Project
GEB	Global Environmental Benefit
GEF	Global Environment Facility
GHG	Greenhouse Gas
IAS	Invasive alien species
ICCA	Indigenous and Community-Managed Conservation Area
IGA	Income generating activities
ILO	International Labour Organisation
IW	International Waters
KENDBIP	Kenya National Domestic Biogas Program
KENFAP	Kenya National Federation of Agricultural Producers
KFS	Kenya Forest Service
KFWG	Kenya Forests Working Group
KMFRI	Kenya Marine and Fisheries Research Institute
KNDBP	Kenya National Domestic Biogas Program
Ksh	Kenyan shilling
KWS	Kenya Wildlife Service
LCB	Local consultative body
LD	Land Degradation
LMMA	Managed Marine Area

LULUCF	Land use, land-use change and forestry
LWF	Laikipia Wildlife Forum
M&E	Monitoring and Evaluation
MAP	Market Access Project
MDGs	Millennium Development Goals
METT	Management Effectiveness Tracking Tool
MOU	Memorandum of Understanding
MSP	Middle size project
MW	Megawatt
NAP	National Action Program
NBSAP	National Biodiversity Strategy and Action Plan
NC	National Coordinator
NEMA	National Environmental Management Authority
NGO	Non-government organization
NSC	National Steering Committee
PA	Program Assistant
PDR	Project Delivery Report
PFM	Participatory Forest Management
PIMS	Project Information Management System
PIR	Project Implementation Report
POPs	Persistent Organic Pollutants
PPR	Project Progress Report
QPR	Quarterly Progress Report
R-PP	REDD Readiness Preparation Proposal
RBM	Results Based Management
RE	Renewable Energy
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RES-E	Renewable Energy Sources Generated Electricity
RET	Renewable energy technologies
RET	Renewable energy technologies
RTA	Regional Technical Advisor
SACCO	Savings and Credit Cooperative
SBAA	Standard Basic Assistance Agreement
SGP	Small Grants Programme
SLM	Sustainable land management
SNV	Netherlands Development Organisation
STA	Senior Technical Advisor
STAR	System for Transparent Allocation of Resources
tCO <sub>2</sub> e	Tonnes of CO <sub>2</sub> equivalent
TOR	Terms of Reference
UNCCD	United Nations Convention to Combat Desertification
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO-UNWTO	United Nations Industrial Development Organization and World Tourism Organization
UNOPS	United Nations Office for Project Services
VER	Voluntary Emission Reduction
WB	World Bank
WHS	World Natural Heritage Site
WIO-LAB	Western Indian Ocean Land Based Sources of Pollution
WIOMSA	West Indian Ocean Marine Science Association
YEF	Youth Entrepreneurship Facility

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## 1. SITUATION ANALYSIS

### 1.1 Kenya's Globally Significant Biodiversity and Community Management

1. Kenya is endowed with significant terrestrial, freshwater and marine biodiversity. The country is home to over 6,500 plant species, more than 260 of which are found nowhere else in the world. With 1,083 bird species recorded and over 350 species of mammals, Kenya ranks second among African countries in species richness for these animal groups. More species of large mammals are concentrated in its rangelands than in virtually any other African country. Forests occupy about 2.6% of the land surface of Kenya<sup>2</sup> of which an estimated 1.24 million hectares are indigenous closed-canopy forests. Forest lands, including some 139,000 ha of coastal forests, are the habitat of hundreds of plants and animal species and harbour high endemism. The majority of Kenya forests are gazetted as national parks under the Kenya Wildlife Service (KWS), or as forest reserves managed by the Kenya Forest Service (KFS). Some 100,000 hectares of forests are Trust Lands, held on behalf of local people by the Ministry of Local Government through County Councils.
2. The coast of Kenya in the Western Indian Ocean extends over 600 km and is endowed with high diversity of habitats and species. The large continental shelf combined with shallow near shore zones, in an area where riverine sediment input is, in general, small<sup>3</sup>, combine to provide vast fringing mangrove forests (some 530 to 610 km<sup>2</sup>), seagrass beds, lagoons and coral reefs (630 km<sup>2</sup>) which collectively harbour over 800 species. The total number of recorded coral species in the Kenya-Tanzania coastline is 112. Seagrass beds provide a habitat for a variety of commercially important fish species and endangered species such as the hawksbill turtle and the dugong. River delta areas, of which the Tana and Athi-Galana-Sabaki Rivers are the largest, provide important ecosystem services such as flushing away of wastes, salinity control, and dispersal and nurturing of larvae of a number of coastal organisms. There are 27,000 ha of beach and sand dunes in Kenya providing important ecosystem services such as retention of freshwater tables and protecting against saltwater intrusion.
3. Kenya's drylands also harbour significant biodiversity. Located northwest of Mount Kenya in the Rift Valley Province, the Laikipia ecosystem, where SGP sustainable land management (SLM) activities will take place, is a million hectare Plateau of mostly rangelands, but also woodlands and forest patches. According to recent surveys, wildlife populations on the Plateau are the highest after the Maasai Mara Reserve, and densities are on the rise in contrast to the declining trend throughout the country. Laikipia is home to half of Kenya's critically endangered black rhino, as well as other rare species such as Jackson's hartebeest, African wild dog, and Grevy's zebra. In spite of its critical importance as a wildlife migration corridor, the Laikipia ecosystem is not sufficiently represented in the Kenya protected area system. Conservation of this biodiversity rich area is being taken up by private ranches and increasingly by ethnic Maasai, Samburu and Rendille pastoralist groups. The establishment of Conservancies out of Group Ranches and Trust Lands by these communities has transformed land governance in the area and is enabling conservation of wildlife and other biodiversity across some 48,500 hectares and beyond. Conservancies are tracts of land set aside by community groups for conservation purposes. Individual Conservancies range between 800 hectares (the smallest) to more than 33,000 hectares (the largest). Because some are contiguous territories, their importance as wildlife corridors is significant.
4. SGP's strategy for GEF-5 is to concentrate its work in three geographic areas representative of this biodiversity, including montane forests, rangelands, and marine biodiversity: Mount Kenya forests, the Laikipia ecosystem and the Coastal Region. SGP aims at establishing mosaics at the landscape level of community-managed areas that demonstrate the viability of sustainable livelihoods and community stewardship of natural resources as stipulated in a number of recent policies and regulations.

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<sup>2</sup> National Environment Management Authority (2005). *State of the Environment Report 2004, Land Use and Environment*.

<sup>3</sup> UNEP (2002). *Transboundary Diagnostic Analysis for the Western Indian Ocean*.

## 1.2. Local Importance of Ecosystems and Biodiversity

5. In spite of the small land surface covered by trees in Kenya, the forest ecosystem services provided by these forests are of paramount importance to East Africa and to the country. Forests in Mount Kenya, the Aberdares Range, the Mau Complex, Mt. Elgon, and the Cherangani Hills form the upper catchment of all major rivers which are also tributaries to transboundary water bodies such as Lake Victoria, and provide, among other things, drinking water, irrigation, and 70% of the electricity output of the country. The importance of forests to local community livelihoods cannot be overstated. Studies have estimated that 530,000 forest-adjacent households in Kenya (which amount to 2.9 million people living within five kilometres from forests) derive direct livelihood benefits from indigenous closed-canopy forests. In some areas, the forestry sector may contribute about 70 percent of the cash income of forest adjacent households. Out of the 20 million cubic meters of fuelwood consumed every year, 95% is collected from native forests and rangelands. Coastal and marine resources are of immense importance to the 2.7 million population of which over 50% live below the poverty line. Artisanal fishermen land 95% of the marine catch, and 60,000 people depend directly on these fisheries. Commercial trawlers catch the remaining 5% providing employment to many other Kenyans.
6. The Arid and Semi-arid Lands (ASALs) of the country, which include the Laikipia rangelands, are home to 10 million people and approximately 70% of the national livestock herd valued at Ksh 70 billion or almost USD 1 billion. Pastoralism provides direct employment and livelihood to over three million Kenyans. ASALs are also home to over 90% of wild game that supports the national tourism industry. The symbiotic interaction between wildlife and pastoralism, coupled with the rich cultural heritage of pastoral and agro-pastoral communities, is a major tourist attraction that in the past has earned Kenya in excess of Ksh 50 billion annually. On the other hand, in ASALs, over 60% of the population lives below the poverty line and the ratio of livestock to human population continues to decline. Droughts, conflicts and household food insecurity are common features. The traditional knowledge of pastoralist communities and the social and cultural systems developed over centuries to cope with their environment are key to finding solutions to address existing challenges. Currently there are 8 Conservancies in the northern part of Laikipia established by 13 pastoralist communities. These communities have a population of some 47,200 people from the above-mentioned ethnic groups. As a complement to livestock keeping that is the basis of communities' livelihoods, nature tourism is becoming an important economic activity in Laikipia because of its compatibility with wildlife conservation, and as a source of cash for the communities who use it for health care, education, and other priorities. However, the challenges to the communities in this vast region are significant and the future of the wildlife and other natural resources in Laikipia is inextricably linked to the fate of the pastoralist groups.

## 1.3 Major Threats to Biodiversity and Ecosystem Degradation

7. With about 46% of the population living below the poverty line, the principal cause of ecosystem degradation at community level in Kenya is poverty. Pressure over land and resources will only increase with Kenya's growing population which is expected to reach 43.6 million by 2015 from 38.3 million in 2008. Unsustainable land and resource use is affecting forests, rangelands, freshwater, and coastal and marine ecosystems and also the country's ability to maintain valuable carbon stocks. In spite of the protection status granted to forests, these continue to be degraded and destroyed. It is estimated that Kenya has 3.47 million hectares of forest (indigenous forests, open woodlands, and plantations) and an additional 24.5 million hectares of "bush-land". Kenya loses about 12,000 hectares of forest each year through deforestation (primarily conversion of forests to agriculture or for public or private development projects). The remaining forests are degraded due to, among others, unsustainable utilisation, illegal logging, uncontrolled grazing and exploitation for charcoal. Deforestation and degradation is evident in both the high elevation water catchment forest areas, in coastal forests, and in bushland in the arid and semi-arid lands. Unsustainable charcoal making is rampant because the majority of Kenyans, especially those living in peri-urban and urban areas, heavily depend on charcoal as a source of energy for cooking and heating.

8. Coral reefs are being degraded by destructive fishing practices such as the use of explosives and fine mesh nets. Deforestation to create agricultural land is accelerating erosion and increased sediment loading, killing the corals which in turn lead to the decline of associated fisheries. As a result of poor agricultural practices upstream, riverine deltas discharge some 11.8 million tonnes of sediment annually into the Indian Ocean, affecting the sustainability of coastal habitats and the aesthetic value of beaches. Seagrass beds are threatened by physical alteration and destruction of coastal habitat, including from discharge of untreated sewage. Poor regulation and control of tourism development is also causing extensive degradation of coral reefs. Mangrove logs are extensively used for building, and as fuel for domestic cooking, charcoal-making, lime production and some other industrial uses. There are 9 marine protected areas covering an area of 1,139.3 km<sup>2</sup>, of which 76.3 km<sup>2</sup> (6.7%) is the area of four Marine Parks, while the remaining area is occupied by five Marine Reserves. This means that a large proportion of the coastal area and its resources are unprotected.
9. Land Degradation is another issue of major concern in Kenya. Most of the country's 590,000 km<sup>2</sup> land area lies within the eastern end of the Sudano-Sahelian belt, a region affected by drought and desertification. About 88% of the land supporting some 30% of the total population in Kenya is classified as arid or semi-arid, while 70% of the population lives in the 12% most fertile areas where rain-fed agriculture is possible. However, high population growth rates have led to significant pressure on arable land and created a spillover into marginal areas, pasture and forest lands, and steep slopes. This pressure on fragile ecosystems compounded by inappropriate farming practices and deforestation has resulted in accelerated land degradation. This has significant implications for a country whose population is still largely rural and dependent on the land and natural resources for survival. There is evidence that the human population in the dry lands is growing at a rate of 5.7%, faster than in the high rainfall areas. A main challenge is therefore to sustain arid and semi-arid land productivity while simultaneously providing livelihoods for an ever-increasing number of people. Climate change and the spread of invasive alien species in ASAL areas are two additional drivers of land degradation.
10. Addressing environmental degradation and achieving sustainable livelihoods among pastoral communities is a major challenge. The new draft policy for ASAL areas recognises that past policies and approaches to pastoral development in the country failed because they were based on a biased perception about pastoralist communities and because pastoralist development issues were not articulated in a comprehensive policy but rather treated in other policies such as agriculture and livestock development, and tourism. This resulted in the relegation of pastoralist development issues to second place. Emphasis was put on sedentarization of nomadic pastoralists with a strong focus toward crop farming because the perception was that pastoralism was not a viable and sustainable way of life. While this perception has changed among government and development organizations, finding adequate sustainable development avenues that respect local ways of life remains a very complex endeavour and this can only be achieved with the full participation of communities.
11. While Kenya is still a net sink of greenhouse gases (GHG), it is determined to avoid the high emissions-path that developed countries followed in the quest to achieve socio-economic development. In addition to increasing green energy production, Kenya is preparing to take advantage of "avoided emissions" mechanisms offered by carbon markets, including REDD+. According to the World Bank World Development Indicators Database 2010, CO<sub>2</sub> emissions were about 0.3 metric tons per capita in year 2000, up from 0.2 in 1990. Kerosene and biomass are the main types of energy consumed by households in Kenya. The average firewood consumption is 1.5 kg per person per day. A household of 5 people uses 225 kg of wood per month. Historical trends show little evidence of large-scale fuel switching, which implies that Kenya, like most other countries of sub-Saharan Africa, will remain largely reliant on solid biomass fuels for many years to come. The proportion of biomass energy (firewood, charcoal, and crop wastes) to overall energy consumption in Kenya is increasing, therefore the decision to focus SGP GEF-5 climate change activities on biogas utilization to reduce unsustainable biomass use.

## 1.4. Legislative, Policy, Institutional, and Programming Context

### 1.4.1 Legislative and policy context

12. The new Constitution of Kenya promulgated in August 2010 is revolutionary in matters pertaining to natural resources management and the environment. These have been integrated from the Preamble – where respect for the environment as a heritage to be sustained for the benefit of future generations and the commitment to nurture and protect the well-being of communities are spelt out – to the Schedules. For example, Chapter 4 on the Bill of Rights stipulates that every person has the right to a clean and healthy environment; Chapter 5 on Land and the Environment establishes that equitable access to land, security of land rights, sustainable and productive management of land resources, and sound conservation and protection of ecologically sensitive areas are fundamental principles. The new Constitution also addresses devolution of power to the local level, which will create both opportunities and challenges for natural resources management. The counties will be the new centres of decision-making enabling communities to participate actively in their own development. County governments will have executive roles and will manage devolved funds. Implementing Chapter 11 of the Constitution on devolution will take several years because it requires developing and adopting a number of laws. SGP will play a supportive role in helping strengthen community-based organizations and other local stakeholders in preparation for their participation in county governance for environmental sustainability.

### 1.4.2 SGP programming experience

13. SGP started operations in Kenya in 1993 and since then it has funded 314 community projects with a total cost of \$12.5 million of which \$4.9 million is co-financing (\$3 million in cash and \$1.9 million in-kind). Through these projects, SGP has delivered substantial global environmental benefits and achieved many results that cannot be readily summarized in this document. SGP's implementation strategy in Kenya has continually evolved to reflect lessons learnt and to take advantage of emerging opportunities. Initially, Country Programme coverage was national, with a majority of grants addressing biodiversity conservation and sustainable livelihoods. Over the years the number of climate change and land degradation projects has increased with a smaller number of Chemicals projects.
14. In 2001, SGP Kenya became one of 6 Country Programmes piloting a landscape-level approach to biodiversity conservation in and around World Natural Heritage Sites (WHS) through the Community Management of Protected Areas Conservation (COMPACT) project. COMPACT, a partnership between SGP, the UN Foundation and UNESCO, promoted a rigorous approach to producing a bottom-up baseline assessment, conceptual model and site strategy for future monitoring and evaluation purposes. The World Heritage Site selected in the country was Mount Kenya where SGP established a local consultative body (LCB) and a donor/partner forum bringing together the principal public, private and community-based stakeholders to steer SGP activities around Mount Kenya and which are still operational after almost 10 years. SGP has funded the implementation of a large portfolio of multifocal community projects addressing the most pressing challenges faced by the Mt. Kenya forest ecosystem. While SGP cannot claim the full credit, a UNEP and KFWG aerial survey four years after COMPACT establishment found that the rate of forest degradation and loss around Mt. Kenya WHS had significantly declined. Community awareness about the importance of Mt. Kenya forests and the means to protect them was enhanced as a result of the multiple campaigns and capacity development activities.
15. During this new phase, SGP expects to consolidate the gains achieved in Mt. Kenya, expanding its coverage to other communities in the 15 Districts that have not received support in prior years, focusing on replication of best practices and the implementation of the Forest Act, which was passed recently. It will also apply the COMPACT approach to community-managed conservation areas in both terrestrial and marine ecosystems and expand its area of influence to the Laikipia ecosystem, where pastoral communities and their herds, as well as wildlife, depend on Mt. Kenya's ecosystem services and on the water management practices of



stakeholders in the catchment area. Wildlife also depends on the maintenance of corridors between Mt. Kenya and the lower Laikipia rangelands, thus the need to work with communities in both ecosystems.

16. A key lesson learnt by SGP during the past few years is that developing good policies and laws is only part of the equation to achieve sustainable land and resource use by communities. While these policies and laws provide an enabling environment, their effective implementation requires far more (see barrier analysis below). For example, the Charcoal Rules of 2009 were developed to promote legal and sustainable charcoal production and trade; however, there is no guidance as to what constitutes “sustainable” charcoal production. As a consequence, there are no clear standards available to KFS for assessing community applications for charcoal production and trade permits, nor do communities know how to go about sustainable charcoal production. During this new phase SGP will thus focus on addressing barriers to the effective implementation by communities of a selected cluster of policies and regulations that provide a framework for community stewardship of natural resources. It will also document the results of these efforts with a view to provide feedback to policy-makers.
17. Another important lesson is that income-generating activities are essential to biodiversity conservation at community level and for achieving project sustainability. However, because far too many communities lack the skills to run a business successfully and to make these activities profitable, the business either collapses, or performs at levels far below optimal. The community eventually loses interest, and gives the income-generating activity either partial or no time/attention at all. This is why SGP will address business skills development across its portfolio. SGP will bring on board partners whose mandate is to build business skills among the rural population such as the Youth Entrepreneurship Facility of the ILO.
18. SGP has learnt over the years that partnerships are key to leveraging resources, reducing costs, improving effectiveness and creating conditions for replication. SGP is therefore strengthening partnerships with a large number of institutions at all levels, in particular, with District Development Committees. SGP’s relation with the District Development Committees will help mainstream environmental concerns into local development plans and will help strengthen local capacities in preparation for implementation of the devolution of functions to the local level as mandated by the new Constitution. The Committees, which meet quarterly, are chaired by the District Commissioner and comprise all the ministerial district heads. SGP will work with the District Development Officer to mainstream community initiatives in its work plan. An ideal scenario is when the government officer puts down the community project as part of his/her Performance Contract. SGP also encourages “twinning” of CBOs with “strategic partners”. These are well-established organizations that can offer technical advice and back-stopping services for a minimal fee during project implementation.

#### 1.4.3 Project baseline

19. The project baseline is mostly made up of government policy development activities. In the geographic areas where SGP will operate in GEF-5 there is also some limited technical support to local communities provided by GoK staff. There are few GoK financial resources available that can be invested in supporting NGOs and CBOs to implement the above-mentioned policies. The GoK total national budget for FY 2011/2012 is Ksh 1,155 billion (current exchange rate is US\$1 = Ksh 92). Of this, 41% (Ksh 474.29b) is for recurrent expenditure, while only 34% (Ksh 398.6b) is allocated for development expenditures. The remaining funds are for Consolidated Fund Services and the Civil Contingency Fund. The largest sectoral allocation, including recurrent costs of related public entities, Ksh 221.4b, is for road infrastructure development. Some national sectoral allocations of relevance to this project are: Ksh 100 b for agricultural development and agro-processing, in particular, for export products with value-added, and Ksh 10.2b for irrigation; Ksh 65.7b have been allocated to the energy sector including renewable energy development. There is a national allocation of Ksh 17.2b for the Constituencies Development Fund (CDF), which is perhaps the only source of funds that local communities can access for development activities. The Constituencies Development Fund was established through the CDF Act, 2003 as a public fund that targets development projects at the grassroots level to mitigate poverty and to harmonise the spread of development throughout the country.

20. The Government of Kenya and its main donors developed the "Kenya Joint Assistance Strategy 2007 to 2012: Improving Aid Effectiveness." The strategy lays out the main areas of partner assistance in support of the government's development agenda: public sector management, infrastructure, delivery of basic services, private sector development, agriculture, and environmental management (i.e. promoting sound management of land, soils, forests, pastures, wildlife, water resources, and fisheries). It notes the importance of gender equality and good governance in all aspects of development. Kenya's key development partners are: Canada, Denmark, the European Commission, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, the United Kingdom, the United States, African Development Bank, the United Nations and the World Bank Group. In recent years donor support to Kenya has been about 5% of the government budget. Concerning the environment, the donors' focus has been to support the government's ongoing initiatives to review and update environmental policies and laws and prepare subsidiary legislation and regulations for wildlife, forestry and environmental quality. Implementation on the ground has been done mostly through GEF projects, although bilateral donors provide grants to civil society organizations. A full picture of donor investments through CSOs in the SGP project areas is not available but stakeholder workshops will enable to better identify specific baseline activities in each of the geographic areas where SGP will be active.
21. The private sector, through a number of conservation trusts, is very active in the Laikipia area where SGP will be operating. While there is no detailed information on all baseline investments planned for the next 4 years in this area, SGP will meet all such organizations to avoid duplication and ensure effective coordination.

#### 1.5 Long-Term Solution for Reducing Environmental Degradation and Threats to Biodiversity

22. The long-term solution proposed by this project is to build on the baseline to create a mosaic of land uses and community practices across the rural landscape that provide sustainable livelihoods while generating global benefits for biodiversity, land degradation and climate change mitigation. In order to achieve this and create the conditions for sustainability, replication, and up-scaling of such practices, SGP's approach for the next four years is to help remove barriers to the expedited and effective implementation of a series of innovative policies and norms that enable community stewardship of national resources enacted recently by the Government, as follows:
- The Kenya Forest Act of 2005, which provides for the establishment of Community Forest Associations (CFAs) and regulates community participation in the management of forests and the use of forest resources;
  - Legal Notice No. 402 of the Fisheries Act, which paves the way for establishing Beach Management Units (BMUs) for each fish landing site along the coast, enabling fishing communities to actively participate in the management of coastal areas and resources;
  - Under the National Environment Management Act it is now possible for communities to engage in Locally Managed Marine Areas (LMMAs);
  - The 2009 "Charcoal Rules", which turned charcoal production and trade from being an illegal activity into one that will be actively managed and for which communities have a role to play;
  - The Energy Feed-in-tariff Policy (FIT), while not directly targeting local communities, provides opportunities for upscaling community renewable energy generation projects and may pave the way for linking these with carbon markets in the future.

#### 1.6 Barriers to Community Stewardship of Natural Resources and the Environment

23. There are several barriers that prevent the implementation of the long-term solution and inhibit communities from taking advantage of the opportunities brought about by these new and progressive policies. Such barriers are, among others, the lack of information on the existence of these instruments, the lack of capacity among communities to understand the legal and technical contents of the documentation, and the difficulty of undertaking the processes of association, legal recognition, development and approval of relevant plans, and of obtaining the required permits. Lack of access to financial resources and to technical assistance to

identify and implement sustainable livelihood initiatives is a pervasive barrier to community sustainable development and stewardship of their environment and natural resources.

#### 1.6.1 Barriers to community participation in Forest Act of 2005 implementation

24. The Forest Act grants rights to communities to enter into forest management agreements with the Kenya Forest Service (KFS). Such agreements require local communities to constitute Community Forest Associations (CFAs) and to prepare sustainable forest management plans to be approved by KFS. Many communities are unaware of this opportunity, and if they are, they do not fully understand the legal implications and the process that are needed to establish a CFA. More importantly, communities lack the knowledge, skills and resources to develop a forest management plan that mainstreams biodiversity considerations, is economically sound, and meets the requirements for approval by KFS. KFS has striven to assist communities in engaging and in meeting requirements, but it lacks sufficient qualified staff at the local level to provide technical assistance to communities, and lacks funds to engage outside expertise for this purpose. Last but not least, KFS cannot contribute investment capital or other type of support to community associations for the implementation of their forest management plans.

#### 1.6.2 Barriers to community management of Conservancies

25. Group Ranches face several barriers to management of their Conservancies and their broader territories, namely, weak organizations and governance, lack of skills for business development and management, and lack of capital to invest in alternative livelihood options and to develop Conservancies. The nomadic culture of pastoralist communities poses additional challenges. These communities in Kenya live in insecure areas and have a history of marginalization and of rivalries between groups. Some of these challenges, particularly governance and security issues, are being addressed through the Northern Rangelands Trust, an umbrella organization bringing together the communities that established the Conservancies, the government and private individuals, but the communities need as much support as possible. Core tasks ahead include demarcation of Conservancies' core conservation areas, management of their broader territories, balancing livestock herd numbers with the carrying capacity of their land, and identification and implementation of income-generating activities which are also compatible with conservation goals.

#### 1.6.3 Barriers to implementing Beach Management Unit (BMU) legal framework and establishing Locally Managed Marine Areas (LMMAs)

26. The effective contribution of the BMU legal framework to sustainable marine resource use and conservation rests on a revision of the norm which was originally developed for and applied to freshwater fisheries in Lake Victoria. Its application to marine fisheries and coastal communities has encountered several problems, including determining the geographical jurisdiction of landing sites, which in turn determine community membership to specific BMUs, and the rights and responsibilities of each BMU. Because fishing areas are accessed by fishers from different BMUs, this is likely to cause conflict between different BMUs. Another barrier is the undefined role of BMUs (under the Fisheries Act) with respect to Locally Managed Marine Areas (LMMAs). Under the Fisheries Act, BMUs are authorized to have a designated co-management area to undertake fishing. However, these co-management areas and the jurisdiction of the BMU may not be the most conducive to effective conservation of marine resources and the ecosystems they depend on. Another important barrier is the weak governance of community organizations along the coast. These organizations lack adequate skills and cannot access technical assistance to improve their effectiveness and their services to members. A 2007 workshop involving several coastal communities identified additional barriers such as the small budget allocated to the Ministry of Fisheries Development (which is more inclined to spend its scarce resources on Lake Victoria in view of its larger contribution to the national economy), the encroachment on landing sites and public beach land by private developers, and the need to establish a national coastal fisheries association so that fisher communities may be represented and have a voice in policy and regulatory development and revisions.

#### 1.6.4 Barriers to more sustainable community land management in ASAL areas and implementation of Charcoal Rules

27. Barriers to more sustainable community land management are multiple and include cultural, social and economic ones. Among others, lack of access to improved land management techniques adapted to these areas and that are acceptable to nomadic pastoral communities or to farmer communities immigrating from other regions of the country to ASAL areas; lack of awareness concerning spread of alien invasive species and their impact on pastures and grazing lands; lack of alternatives to reduce community vulnerability to drought and other weather-related events; lack of financial incentives for SLM, including access to markets for high value and/or underutilized crops; and lack of alternatives to the use of woodlands for fuelwood energy needs. SGP, which is expanding its geographic focus to the Laikipia ecosystem, will not attempt to remove them, but rather to build on the experience from other development partners and to explore and demonstrate options to be identified by local communities. Concerning the "Charcoal Rules" under the Forest Act that legalize the production, transportation and marketing of charcoal in the Country in the hope that this would create an enabling environment for sustainable charcoal production and trade, the barriers to community participation in their implementation are many: in addition to awareness and information barriers, communities lack the technical and financial means to develop and implement a sustainable charcoal production plan, which is a requirement to obtain a charcoal production and trade permit. The Rules enacted in December 2009, have yet to prove that they can be implemented and enforced, and therefore, this represents a risk to communities willing to engage in their implementation.

#### 1.6.5 Barriers to rural community contributions to a low carbon society

28. As discussed above, Kenya is still a net sink of GHG and communities have yet to meet their basic energy needs. There are many opportunities for communities' participation in the implementation of Kenya's Climate Change Response Strategy but information, capacity, and financial barriers remain. As a result, adoption of RE in the rural areas has not reached its full potential. The Feed-in-Tariff (FIT) scheme in Kenya is new and there are no examples of renewable energy electricity generated by communities being sold to the grid. The lack of concrete experience of government officials and communities is therefore an important barrier.

29. Over the years SGP has gained experience on how to bridge the policy-to-communities gap with some important successes. Generally, Kenyan government institutions welcome SGP support to implement the provisions of policies and norms because they realize that, in the absence of external support, they would be unable to reach out to a significant number of communities, provide financial and technical support to them, and undertake the monitoring that is required to assess policy results on the ground. SGP promotes and facilitates inter-institutional and inter-sectoral dialogue on issues of relevance to communities for the implementation of policies at the local level; supports pilot interventions, provides feedback to responsible institutions on consistency across norms, gaps, ease of implementation, etc.; and plays a major role in developing the capacity of communities in a wide range of aspects required for effective implementation of policies and norms.

30. Effective project implementation demands a strategic geographic intervention focus. In consultation with SGP's government and non-government partners, and building on prior SGP work, it has been agreed that the program will support communities living in three priority regions and globally significant ecosystems: communities living adjacent to Mount Kenya National Park/Natural Forest, farmer and pastoralist communities in the rangelands of the Laikipia Plateau, and fisher communities in the coastal province.

## 2. STRATEGY

### 2.1 Project Goal, Objective, Outcomes, Outputs and Activities

31. The project goal is to conserve globally significant ecosystems in Kenya and mitigate climate change by supporting the implementation of national environmental policies that also contribute to communities' improved livelihoods.

The project objective – to secure global environmental benefits and improve livelihoods through community-based initiatives and actions that address biodiversity conservation and sustainable land management in production landscapes – will be achieved through working towards four outcomes: 1) community-based initiatives mainstream biodiversity conservation into forest and marine ecosystems management, and help maintain key wildlife corridors; 2) flow of forest and agro-ecosystem services maintained for long-term sustainability of communities' livelihoods; 3) local communities implement low carbon technologies that address their energy needs and mitigate climate change; and 4) communities' capacities in GEF Focal Areas strengthened and awareness and knowledge management enhanced. Individual small grant projects will contribute concrete outputs towards these outcomes.

#### **2.1.1 Outcome 1. Community-based initiatives mainstream biodiversity conservation into forest and marine ecosystems management, and help maintain key wildlife corridors**

32. Three inter-related approaches will contribute to this outcome: conservation of forest ecosystems through implementation of the Forest Act, enhancing management effectiveness of community Conservancies in Laikipia, and improved conservation of coastal and marine biodiversity by establishing and enhancing community-managed areas. By empowering a significant number of well-governed Community Forest Associations to design and implement sustainable forest management plans in cooperation with KFS, forest degradation will be arrested in the project areas around Mt. Kenya and in targeted coastal mangrove forests. The biodiversity of montane and coastal forest ecosystems that are of global significance will be conserved and an increased area of forest will come under adequate management. Successful removal of barriers to the implementation of the Forest Act in these two regions should encourage development partners to support communities in other parts of the country, and therefore the project may have a multiplier effect and generate important global environmental benefits beyond the targeted areas. Given the pilot nature of the Forest Management Agreements, SGP will develop and apply a specific participatory forest monitoring system to verify that plans are implemented in a way that is consistent with sustainable forest management and biodiversity conservation principles.
33. Similarly, enhanced management effectiveness of at least 6 Conservancies in Laikipia will help maintain key habitats for rare or endangered species, and secure wildlife migration corridors in the northern part of Laikipia, in particular, elephant corridors between Mount Kenya and the Samburu and Buffalo Springs National Reserves. The SGP will partner with the Northern Rangelands Trust and its members to add value to what others are already doing and avoid duplication. SGP will support the Group Ranches with resources, training and technical assistance to: (i) demarcate their core conservation areas, (ii) maintain and improve the management of the Conservancies and their broader territories; (iii) identify and implement other income-generating activities that are compatible with conservation goals; and (iv) play an effective role in the rehabilitation, conservation and management of biodiversity in this part of Laikipia. Helping communities balance livestock herd numbers with the carrying capacity of their land will be a mayor focus of SGP support. The monitoring system developed and applied by the Trust and its community members will be adapted, building on the GEF METT (Management Effectiveness Tracking Tool) to facilitate comparison of and reporting on results on management effectiveness of the Conservancies. The project will help enhance partnerships with private Conservancies and foundations as a means of improving the likelihood of sustainability of community initiatives, and help communities benefit from experience and results of biodiversity conservation and sustainable use practices piloted in private lands.

34. Finally, an expanded coastal and marine area under co-management arrangements with coastal communities would contribute to sustainable use of Kenya's marine resources. SGP will support pilot efforts of NGOs and communities to implement Locally Managed Marine Area initiatives and will work with the Fisheries Department to remove barriers to the effective participation of community Beach Management Units (BMU) in the conservation and sustainable use of coastal and marine ecosystems and species. The SGP will work with the Fisheries authorities, specialized government and non-government organizations, and the coastal communities to pilot initiatives that inform the Draft Species Fisheries Policies. These pilot initiatives will include support to the implementation of LMMA initiatives and BMU participation in them.

It is expected that small grant projects will produce a number of linked outputs towards this outcome. These outputs specifically address the barriers discussed in sections 1.6.1, 1.6.2, and 1.6.3.

35. Output 1.1.1: Awareness created among communities on the provisions of the Forest Act of 2005 - opportunities, legal, and practical implications (>35 communities)

The activities for raising awareness on the Forest Act will be carried out by an NGO that has extensive experience in mobilising communities, organising educational, participatory workshops, (re)producing relevant documents, and using other tools to raise awareness, e.g., posters, radio talk shows, brochures, etc. The NGO will be selected on a competitive basis, in response to a call for proposals, and will be awarded a grant to raise awareness among at least 35 communities in both the coastal and Mt. Kenya regions. Although the primary target of the awareness raising workshops are the communities residing next to the Mt. Kenya and mangrove forests, others that will be invited to the workshops include KFS forest wardens and rangers and staff of the Kenya Wildlife Service, Kenya Marine and Fisheries Research Institute (KMFRI), and Fisheries Department.

Key activities to be implemented for this output include:

- Conduct assessment of Mt. Kenya and coastal regions to determine level of knowledge of the Forest Act among communities residing close to forests
- Organize workshops for selected community members and KFS, Fisheries Dept., and KWS staff on Forest Act
- (Re)produce publicity material for wide distribution, e.g., posters, fliers, and sessions suitable for radio

36. Output 1.1.2: Community Forest Associations established (>6)

The Forest Act of 2005 recognizes that local communities are key stakeholders in achieving forest conservation objectives. It stipulates that for communities to engage in forest management, they should be organised into Community Forest Associations (CFAs).<sup>4</sup> Thus the Act recognises CFAs as the only legal entity through which communities enter into a forest management agreement with KFS. The establishment of a CFA is one of the key steps in the Participatory Forest Management (PFM) process. It is an important step because it brings members of the community together to discuss and agree in a participatory fashion with KFS staff, the ways in which they will use and manage the forest. During the formation of a CFA there are several stages, including determining the roles and responsibilities of the CFA; drafting rules and regulations; conducting transparent elections; registering the association with the relevant authorities; and building capacity on matters such as book-keeping, leadership and governance, and conflict management. This can be a long and slow process; however, the pace should be one that the community is comfortable with to ensure that understanding and ownership are enhanced. It should be noted that successful participatory forest management is highly dependent on the existence of effective, well established, and properly governed CFAs.

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<sup>4</sup> A Community Forest Association (CFA) is a group of persons who are registered as an association under the Societies Act and who are resident in an area close to the specified forest.

37. The Forest Act stipulates that there should be one CFA per forest station. And in most forest stations around Mt. Kenya, CFAs have been established. However, the stipulation was not clearly understood in the initial years, and different groups within the same forest station registered as CFAs, a situation that is causing confusion and tension. This is a situation that KFS needs to resolve, and the SGP will offer its assistance by working with the communities involved to ensure that the relevant local institutions are operational. Along the coast where mangrove forests are found, the situation is notably different, with very few CFAs that have been established. This is partly because the communities are not very familiar with the Forest Act, but also because the focus of KFS on the coast has been primarily on terrestrial forests rather than marine forests.
38. Once the CFAs have been established and/or strengthened, they will provide a strong foundation for PFM. KFS, in collaboration with KFWG, have produced a manual in English that provides guidelines for the establishment of a CFA as well as a booklet on the principles of PFM. The SGP will grant an award on a competitive basis to an NGO to assist in the establishment of at least six CFAs. The NGO will have had prior experience in mobilizing and engaging local communities in forest conservation activities, and will also have a solid understanding of the Forest Act and the requirements for CFA establishment. In addition, the NGO will translate the CFA guidelines and the PFM principles into Kiswahili and ensure their wide distribution.

Activities to be implemented by the NGO for this output include:

- Conduct assessment to determine community needs regarding CFA establishment
- Determine which coastal and Mt. Kenya forest stations are most suitable for CFA formation
- Liaise with KFS to decide whether current guidelines for CFA establishment used by communities near terrestrial forests can be adapted to mangrove/marine forests
- Facilitate formation of 6 CFAs, using guidelines agreed with KFS

39. Output 1.1.3: Community forest management plans integrating BD developed and Forest Management Agreements signed with KFS (>5)

Some CFAs have managed to complete their forest management plans, but the majority are either underway or have yet to begin. A forest management plan systematically covers all activities to be undertaken in a forest or part thereof during a period of at least 5 years by the community, KFS, and other key stakeholders, including conservation, utilization, silvicultural operations, and infrastructural development. It is a key step towards realizing the objectives of PFM. Drafting a management plan is quite a long process which involves collecting baseline data (both socio-economic and ecological/forest), developing zonation with clear internal and external boundaries, negotiating and agreeing on roles and responsibilities, and presenting a draft at public consultations before it can be finalized. There is little guidance on the need to collect and include information on biodiversity conservation. SGP will recruit a consultant to work with KFS to strengthen the focus on biodiversity within the management plans. Thereafter, SGP will award grants on a competitive basis to two NGOs to assist at least 5 CFAs to integrate biodiversity conservation in their management plans, using the revised guidelines.

40. Before a management plan can be implemented, a forest management agreement will need to be negotiated, drafted, and signed by KFS and the CFA. To date, only three agreements have been signed. The above-mentioned consultant will also help identify the challenges faced by both KFS and the CFAs in drafting agreements that are mutually agreeable. Once the challenges are identified and addressed, a competitively-selected NGO will assist five CFAs to draft and sign agreements with KFS.

Activities for this output include:

- Work with KFS to determine how to strengthen management plan guidelines, in particular those related to biodiversity conservation
- Assist CFAs to develop/finalize management plans that integrate biodiversity conservation
- Assist CFAs with completed management plans approved by KFS to develop/finalize and sign forest management agreements

#### 41. Output 1.1.4: Forest management plans implemented by local communities

The implementation of a forest management plan is costly, and most CFAs generally do not have the funding to do so. SGP will provide financial and technical resources to implement management plans, focussing on the aspects that contribute most to biodiversity conservation. At least fifteen initiatives will be awarded grants on a competitive basis to facilitate management plan implementation. Proposals will be submitted either by the CFA or by the various user groups that comprise the membership of the CFA. The activities to be implemented by the CFA or any of its members should contribute towards conservation of forest biodiversity. It is envisioned that the implementation of forest management plans will comprise a range of activities, including rehabilitation of degraded sections of indigenous forest through enrichment planting with indigenous seedlings raised by local communities, eco-tourism enterprises managed by the community or leased to a private firm, promotion of non-timber products, support to agro-forestry, and conservation of endangered and or endemic flora and fauna species.

Activities under this output include:

- Identify selection criteria for forest management plans that will best contribute to target of 35,000 hectares of improved conservation of forest ecosystems
- Support and monitor community implementation of at least 15 forest management plans

#### 42. Output 1.1.5: Community-adapted forest monitoring techniques and guidelines developed and disseminated

Currently no guidelines for community-adapted forest monitoring techniques are known to exist in Kenya. This output involves developing such monitoring guidelines for CFAs next to the target forests and for use by communities in other parts of the country as well. The guidelines should allow CFAs, in collaboration with KFS, to assess the quality and effectiveness of activities they implement and to ascertain the degree of success in conserving the complex ecosystems of the indigenous forests.

43. SGP incorporates baseline surveys in all supported grant projects as a means of establishing a zero scenario and enabling project participants to monitor implementation progress. Through a competitive process, SGP will engage a local NGO partner to build the capacity and skills of CFAs and their user groups to undertake baseline surveys. In addition, key indicators for change will be developed for both the Mt Kenya terrestrial forest vegetation and coastal marine forests. The monitoring methodology will be shared with KFS and NEMA (National Environmental Management Authority) and once agreed, the NGO will promote its adoption by CFAs working on forest rehabilitation and community organisations managing the neighbouring forest groves. A publication on the joint conservation monitoring methodologies will be developed and shared with partners. If the results are positive, the publication will be disseminated to other ecosystems in Kenya and Eastern Africa as a way of increasing forest conservation benefits through community-based monitoring.

Activities for this output include:

- Conduct assessment to determine if community-adapted forest monitoring techniques exist in the region, or elsewhere
- Hold consultations with key stakeholders, such as local communities and KFS staff
- Develop community monitoring techniques
- Hold workshop to enhance buy-in of monitoring techniques
- Print and distribute community-adapted forest monitoring techniques

#### 44. Output 1.2.1 Conservancy management plans by Group Ranches<sup>5</sup> developed or improved

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<sup>5</sup> Group Ranches were established in the mid 1960s through the Kenya Livestock Development Policy, a system in which trust lands in pastoral areas (mostly Maasai and Samburu) were transformed into deed holdings with rights and responsibilities of land ownership invested in Group Ranch members. In the Laikipia area 13 Group Ranches of Maasai, Samburu and Rendille communities came together to set aside portions of their land to establish "Conservancies." The Laikipia area has the highest



Within the Laikipia region there are 13 registered communal group ranches; 4 other ranches owned by local community members but under controlled access; and 5 satellite communal grazing areas that, though not registered, serve the same purpose to the pastoral communities. The community has been sensitised on the need to adopt a system for land management and zoning that will enable them utilise their land effectively and also allow pasture time to recover seasonally, thus providing necessary pasture for livestock numbers and herbivorous wildlife.<sup>6</sup> This system is to be further supported by land rehabilitation efforts to check degradation and initiate long term recovery of pastoral land and land holding capacity. Lessons learned in neighbouring commercial ranches will be incorporated in the conservancy management plans that will be developed or improved. The successful delivery of this output will address the existing barriers associated with lack of community capacity and tools to effectively conserve and manage communally held pastoral land (see section 1.6.2).

45. SGP Kenya will work with membership organisations and NGOs based in Laikipia, such as the African Wildlife Foundation, to develop partnerships with local private ranches, conservancies and foundations in order to enable technology transfer between private and communal group ranches and learning about land improvement and conservation. Data and research from the Mpala Research Centre and CETRAD<sup>7</sup> would be crucial in updating some of the existing resource management plans. Local communities will derive additional benefits from the improved management systems through well-safeguarded livestock husbandry and stocking rates, improved pasture management, and introduction of complementary income-generating activities in at least 6 of the existing group ranches.

Activities for this output include:

- Undertake review workshop for group ranch members to assess existing conservancy management plans and need for improvement
- Sensitise groups on desirability of including alternative enterprises sources of livelihood in management plans
- Conduct participatory sessions for community representatives and local stakeholders to develop management plans and update existing ones
- Pilot proposed initiatives in management plans and assess their efficacy

The communal ranches involved in this output will be encouraged to work closely with private conservancies and foundations involved under output 1.2.4 and also contribute towards performance monitoring indicators under output 1.2.5. SGP intends to award grants to 5-10 community proposals, developed with technical support from field staff and partner organisations and selected on a competitive basis.

46. Output 1.2.2 Training program on sustainable rangeland management practices, alternative sustainable livelihood activities, and biodiversity conservation (>120 Group Ranch members)

Sustainable range management methods have been developed in Kenya and Africa that would be appropriate for introduction to communally managed rangelands. These include soil conservation measures, use of ground cover such as aloe species, water harvesting and range rehabilitation, and holistic management of livestock and pasture lands.<sup>8</sup> Through a participatory process of selecting representative community leaders to receive training, SGP will create a critical mass of locals who will in turn train other community members through

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concentration of wildlife outside protected areas in Kenya, and community and private Conservancies are essential to its continued existence.

<sup>6</sup> NAREDA (2006). "Natural Resources Management Plan for Naibunga Conservancy, Laikipia." Unpublished consultancy report submitted to Laikipia Wildlife Forum.

<sup>7</sup> CETRAD (Centre for Training and Integrated Research in ASAL Development) formerly known as Laikipia Research Program is a renowned research organization based in Nanyuki, Laikipia with support from the Government of Kenya and Switzerland.

<sup>8</sup> Liniger H. P. and D. B. Thomas (1998). "GRASS - Ground Cover for Restoration of Arid and Semi-arid Soils," *Advances in Geo-Ecology* 31, 1167-1178.

demonstration activities. Strategic demonstration areas will be selected in the communally managed lands where trials can be established using locally available resources and tools. Local participation will be encouraged at both the design and execution stages, and will be emphasized during the call for proposals and included in the proposal review criteria. It is envisaged that local community members will benefit from participating in the training to become trainers, from improved resource conditions in trial demonstration areas, and when the methods and practices have been adopted across larger areas.

The activities to be undertaken under this output include:

- Identify at least 120 community nominees for training on sustainable rangeland management and biodiversity conservation
- Establish demonstration sites within communally managed lands
- Promote technology transfer and skills sharing among conservation actors – private ranches, conservancies, and local community members
- Collectively identify and plan alternative livelihood activities for pastoral community members

#### 47. Output 1.2.3 Financing for implementation of the Conservancies' management plans secured (>10 initiatives)

SGP Kenya will create a platform for local and international donors to partner with local communities in semi-arid rangelands to support implementation of actions identified in their conservancy management plans. This output will help address barriers such as lack of skills for conservation-related enterprises and capital for investment. Most of the initial activities will involve land zoning and selection of methodologies to be used. This will then be followed by pilot land based treatment and activities geared towards improving the condition of the land and also raising the productivity of the pastoral land. Initiation and upscaling of other ecological enterprises will also be done to provide needed employment and revenue channels for local communities, including embroidery bead work, honey production, and marketing of traditional artefacts.

The activities to be undertaken in delivering this output include:

- Strengthen partnerships and linkages with national NGOs and donors for financial and technical support to the community work and opening up of new markets for community products
- Collectively identify promising projects for local communities
- Determine zones and methodologies for conservation work
- Initiate treatment and improvement initiatives targeting at least 10 sites
- Initiate at least two community-owned enterprises providing opportunities for gainful employment and markets for local community members

While full implementation of the management plans is likely to take longer than the current phase of GEF V, SGP will collaborate with the group management to prioritize the biodiversity conservation components of the management plans, and award 10 competitive community grants after appraisal of proposals by the National Steering Committee. It is expected that additional financial support for the implementation of the other aspects of the management plans will be secured during this GEF phase.

#### 48. Output 1.2.4 Partnerships developed for conservation and sustainable rangeland management between private ranches/ foundations and communities (>2)

In order to facilitate technology transfer and lessons learned between local communities and the well organised private ranches, conservancies and foundations, SGP will provide grant funds for projects that seek to bring the two parties together to share successful range management techniques. Discussions have already been initiated with a few foundations that work with communities in some of the most degraded areas.

The following activities will be implemented to deliver this output:

- Identify suitable potential partnership initiatives between successful private ranches and conservancies and neighbouring community groups

- Collaboratively strengthen community conservation entities to enhance their long term effectiveness
- Develop joint workplans for short- and longer-term activities that build sustainable rangeland management skills

It is expected that partners, conservancies, and foundations will participate in raising additional resources needed to undertake the above activities, which will count as co-financing in this project. At least three grants will be awarded to suitable groups after competitive appraisal of proposals by the National Steering Committee.

#### 49. Output 1.2.5 Set of common indicators for monitoring performance of communities' Conservancies

SGP Kenya will bring together NEMA and Ministry of Livestock officials, locally based researchers, and stakeholders to discuss the best way to establish and sustain a performance monitoring process for improving community management of ranches and conservancies. Evaluation of existing reference monitoring tools like METT will be central in selecting the most appropriate and adaptable tools to use. SGP will also spearhead application of Open Standards ([www.foundationsofsuccess.org](http://www.foundationsofsuccess.org), [www.conservationmeasures.org](http://www.conservationmeasures.org)) as conservation planning and reporting tools. A participatory process will be employed to generate monitoring indicators to track the performance of community interventions. The indicators will also be published and made available to other actors in the semi-arid areas of Kenya and Eastern Africa for possible adoption and replication.

Activities that will be undertaken to deliver on this output include:

- Conduct stakeholder workshops to deliberate on indicators for monitoring performance of community conservancies
- Develop monitoring plans
- Train community members to undertake and maintain long term monitoring plans, including on Open Standards as a tool for planning, documenting and monitoring of conservation work
- Publish and share indicators and conservancy monitoring plans

Recommended interventions for improving rangelands and communally conserved areas should adhere to the Environment Management and Coordination Act (1999), which is the principal law for environmental conservation in the country.

#### 50. Output 1.3.1 Barriers to locally-managed marine areas identified and plan to overcome them prepared

Community managed marine areas (CMMAs) in Kenya are significantly fewer compared to those found on land. In addition, they are relatively recent, with the first one (Kuruwitu) having been established in 2006. Kuruwitu is the most successful and most frequently cited CMMA, located north of Mombasa in Kilifi district. Its success has prompted other community groups along the coast to consider it as a viable strategy to address declining fisheries, upon which over 75% of livelihoods depend. Since 2008, an additional eight LMMAs<sup>9</sup> have either been established or are in the process of being established. They are small in size, ranging between 5 and 46 hectares, but they demonstrate gradual community acceptance of their potential to contribute to improving fisheries and biodiversity conservation. But the establishment and operation of LMMAs is fraught with challenges, ranging from initial resistance and opposition due to poor understanding of the operations and benefits of a LMMA, to insufficient funds, to identifying the most appropriate and supportive legislative framework, to weak and poorly resourced community groups, among many others. SGP Kenya will award a grant through a competitive process to a NGO that has had prior experience in working with communities to address LMMA issues.

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<sup>9</sup> The 9 LMMAs are: Kuruwitu, Bureni, Kanamai, Tradewinds, Tiwi, Msambweni, Mkwiro, Wasini, Shimoni, Kibuyuni, Majoreni, Vanga and Jimbo.

Activities under this output include:

- Hold consultations and discussions with key stakeholders, primarily fisher folk, Fisheries Dept., NEMA, NGOs such as the East African Wildlife Society, to identify the key barriers to the establishment and operation of LMMAs
- Provide recommendations on how to effectively and realistically overcome these barriers and facilitate sustainability
- Learn from the CMMA network in the Pacific which has been in existence and active for almost a decade, and apply/adapt best practices
- Publish and share research and recommendations widely
- Promote formation of CMMA network to enhance sustainability

51. Output 1.3.2: LMMA management plans implemented through BMUs and other local organizations (>3)

In the last few years, it has been acknowledged by stakeholders engaged in the establishment of LMMAs that the most suitable community institution to drive the LMMA process is the BMU. But the coastal BMUs, many of which were established in the last 3-4 years, are still institutionally and financially weak and are not well equipped to spearhead the process. BMUs and other local organizations face the twin barriers of inadequate financial resources and low technical capacity. These are some of the barriers that SGP will need to address to facilitate the implementation of LMMA management plans. SGP will work with 3 BMUs to develop and strengthen their LMMA management plans, and thereafter assist them with the implementation of the plans. Two further challenges that the BMUs must address are low compliance and poor enforcement. This output will thus contribute towards restoring depleted fisheries, as well as promote the conservation of threatened marine biodiversity.

Activities under this output include:

- Hire technical experts to help build BMU capacity to effectively implement management plans, including sustainable livelihood activities that help conserve coastal and marine resources
- Use different types of management strategies, e.g., no take zone, fishing gear restriction, and seasonal closures, to enhance LMMA effectiveness
- Train and empower BMU leadership
- Ensure inclusive representation of community members in participatory decision making

52. Output 1.3.3: Marine conservation activities implemented with BMUs and other community groups (>10 initiatives)

Coastal areas are some of the poorest in the country, with high population growth rates and an escalating number of migrants from inland attracted by employment opportunities, growth of tourism, and access to social amenities. The increasing demand for natural resources has led to over-exploitation and degradation of marine ecosystems. SGP will build synergies with partners (government, local communities, private sector, donors, and other key stakeholders) to address these environmental challenges. This output will promote the conservation of globally significant marine biodiversity in priority sites that encompass fish refugia, sea grass beds or corals. SGP will seek to fund at least 10 projects that contribute to the sustainable use of natural resources and improved livelihoods, building on existing marine conservation efforts along the coast to address both anthropogenic and natural threats, including but not limited to (i) clearcutting of mangroves with little or no replanting, (ii) use of illegal fishing gear, (iii) over-fishing, (iv) destruction of coral reefs, and (v) pollution.

Some of the activities that will be implemented under this output include:

- Assess existing conservation projects to identify gaps and sites where SGP interventions will add most value

- Establish linkages with the research and scientific community, e.g. West Indian Ocean Marine Science Association (WIOMSA) and Kenya Marine and Fisheries Research Institute (KMFRI), to promote applying research findings to address local environmental concerns
- Conserve habitats which support fisheries productivity: mangrove forests, coral reefs, estuaries and sea grass beds

53. Output 1.3.4: Publication codifying lessons from LMMA establishment and operations prepared and made available to the relevant national authorities and other coastal communities and their networks

SGP will award a grant to record the challenges and opportunities linked to the nascent field of LMMAs in Kenya, comparing those established with and without external funding. In other parts of the world where there has been a remarkable proliferation of LMMAs, such as the South Pacific, technical literature reveals that the benefits of marine areas managed by communities are multiple – not least, the appreciable increase of marine resources within closed areas, which results in an improvement of fish catches in adjacent fisheries, and the conservation of marine biodiversity. To improve understanding of what is required to establish a LMMA, and its successful operation, SGP will engage a well-established NGO on a competitive basis to codify lessons as they emerge. In addition, a study of literature on LMMAs in the South Pacific will be conducted to learn from their successes and failures. This information will be packaged as a booklet for wide consumption. It is envisaged that the availability and accessibility of this information could trigger the future expansion of the LMMAs in Kenya.

Key activities for this output include:

- Conduct literature review of LMMA establishment in other parts of the world, particularly the South Pacific, where they have existed for several years
- Undertake site visits to a sample of LMMAs to record processes and challenges of their establishment
- Hold discussions on LMMAs with key stakeholders, such as the Fisheries Department, NGOs, and donors
- Convene workshop for LMMA representatives and key stakeholders to discuss contents of publication
- Publish and disseminate publication

## **2.1.2 Outcome 2. Flow of forest and agro-ecosystem services maintained for long-term sustainability of communities' livelihoods**

54. This outcome encompasses the following: an increased area of ASAL with improved land management, increased tree and biomass cover, as well as enhanced livelihood options for pastoral and farmer communities and for those engaged in production and trade of charcoal. The main global environmental benefits will be the maintenance of ecosystem functions in targeted ASAL areas, which are essential to both human and animal populations, rangeland habitat conservation in key wildlife corridors, and improvement of carbon sequestration. SGP will provide grants to community-based activities covering one or more of the following approaches: (i) training on SLM; (ii) testing financial incentives for community-based SLM; (iii) facilitating access to markets; (iv) encouraging conservation agriculture through the targeting of high value and under-utilized crops, reduced soil tillage, and improved moisture retention for higher yields; (v) promoting the establishment of insurance schemes for farmer and pastoral communities to improve their resilience to climate change; and (vi) providing technical and financial assistance to the development and implementation of sustainable charcoal production plans. It is expected that small grant projects will produce a number of linked outputs towards this outcome, which specifically address the barriers discussed in section 1.6.4.

55. Output 2.1.1: Training program in SLM practices and approaches, including control of rangeland invasive species, for pastoral and farmer communities (>20 groups)

SGP will contribute towards the improved management of at least 10,000 hectares of pastoral and agricultural lands in semi-arid areas. To do this effectively, SGP will collaborate and build partnerships with land users, technical experts and policy makers. Initial consultations with personnel in the Ministry of Agriculture and

Ministry of Arid Lands have pointed towards the following areas for possible project implementation: Isiolo County, Laikipia, the larger Makueni region, Loitokitok district, and Mbeere District – all have both dryland farming and pastoralism. SGP will narrow down the specific areas for SLM promotion based on consultations with key stakeholders, and will provide training opportunities for at least 20 community groups. The SLM training will include SLM principles and approaches (such as water conservation and management), drivers and causes of land degradation, current and emerging risks, natural resource management, and integrated ecosystem management. Training will also address the proliferation of invasive alien species (IAS) – which is causing enormous damage to biodiversity and productive landscapes – and promote strategies for communities to control IAS, such as early detection and reporting systems.

Activities to be undertaken in delivering this output include:

- Contract specialists to develop training manual and modules for community training on SLM and IAS control and eradication
- Promote watershed or catchment-based land conservation initiatives in areas targeted for rehabilitation and reduction of degradation
- Map areas of IAS prevalence and develop targeted management plans
- Develop and publish materials for communities on raising awareness about IAS
- Contribute to development of national framework for control and management of IAS

#### 56. Output 2.1.2: Pilot projects to establish financial incentives for community-based SLM (>5)

This is an important output as it will address one of the key barriers to improved land management in the ASALs – lack of financial incentives – and contribute to the maintenance of ecosystem functions in targeted ASAL areas. SGP will award at least 5 grants on a competitive basis to CBOs and NGOs that submit proposals linking financial incentives to SLM as well as food security and income generation. SGP will build on the experiences, best practices, and lessons learnt of the UNDP Drylands Development Centre's Market Access Project (MAP), implemented in 2004-2008, which strengthened the capacities of local communities to produce and market dryland goods and services, including livestock and livestock products, honey, dryland crops such as aloe, eco-tourism, and handicraft.

Activities to be implemented in delivering this output include:

- Sensitize communities in semi-arid areas about viable financial incentives to engage in environmental conservation
- Negotiate partnerships between community groups and local private sectors actors with knowledge and defined links to markets for local products
- Strengthen locally based community marketing groups and cooperatives
- Promote simple IT based financial management and communication systems (such as mobile banking and phone internet connections) as an integral part of SLM enterprises

It is anticipated that the successful delivery of this output will also yield socio-economic in addition to environmental benefits to the communities, including gainful employment for both women and men.

#### 57. Output 2.1.3: Pilot initiatives to demonstrate innovative means to improve resilience to CC of pastoral and farmer communities (e.g., insurance schemes) (>3)

This output, designed to increase the resilience of communities to climate change through the establishment of pilot initiatives, is relevant and timely. In the last five years, Kenya has experienced multiple droughts, and residents of the ASALs are always the most negatively affected. By partnering with community and livestock marketing groups affiliated to the Kenya Livestock Marketing Alliance and SNV, SGP will provide seed capital for initiating regionally based livestock off-take initiatives and slaughterhouse linkages. These initiatives will also be informed by current pilot efforts in Laikipia where ranches offer fattening grounds for community raised livestock destined for the slaughter market.

Activities under this output include:

- Diversify income sources through incentives such as non-land based investment for pastoralists in drought vulnerable areas
- Promote acquisition of insurance cover for livestock to guarantee some amount of livestock for regeneration in case of prolonged stress
- Incorporate adoption of crop insurance against production risks in conservation agriculture partnership schemes
- Safeguard livelihoods by complementing existing saving and credit schemes in enhancing SLM
- Promote the growing of crops that are more suitable to the changing climatic conditions, e.g. crops that have a shorter growing/maturing period, or crops that can grow under lower rainfall amounts

58. Output 2.1.4: Demonstration of conservation agriculture targeting high value crops and under-utilized crops and improving value-added to existing crops and access to markets (>10 initiatives)

Conservation Agriculture (CA) is a concept for resource-saving agricultural crop production that strives to achieve acceptable profits together with high and sustainable production levels, while concurrently conserving the environment.<sup>10</sup> CA has three key principles that are universally recognized: disturb the soil as little as possible; keep the soil covered as much as possible; mix and rotate the crops. SGP will work with farmer groups to implement at least 10 initiatives that will inculcate the principles of CA as a tool to improve land management practices as well as facilitate enhanced crop yields and reduced production costs for the farmers. The output will generate benefits to local communities by enhancing food security and nutrition through crop diversification, particularly of underutilized crops, and increasing income through improved access to markets for agricultural products.

Activities under this output include:

- Support upscaling of proven local-level community initiatives, e.g., animal-drawn subsoiler tools, micro catchment tree crops (mango, avocado, paw paws, citrus) in semi-arid areas with low rainfall and high runoff rates, farm ponds for water harvesting and their imperviation, simple roofing to boost longevity of water storage and usage, and other complementary technologies
- Partner with Kenya Conservation Tillage Initiative, Kenya Rainwater Association and Syngenta Foundation (Conservation Agriculture Support Project) to access shortlist of potential and promising technologies that raise land productivity for the rural households
- Promote CA products

59. Output 2.2.1: Awareness program for community groups about the Kenya Forest (Charcoal) Rules of 2009 (>100 communities)

There is a dynamic market for charcoal throughout the country and although large quantities of the product are consumed annually, the production and transportation of charcoal have remained unregulated and disorganized. The charcoal industry, worth about Ksh 32 billion, employs over 700,000 people who support over 2 million dependants.<sup>11</sup> Arid and semi-arid areas provide the biggest source of charcoal for energy in urban areas but the methods of production and tree resource utilization have not always been consistent with the norms of sustainable forest resource management. Two recent studies show that over 85% of the charcoal used in the country is produced outside government forests. The first study estimates 45% from private and group ranches, 40% from small-scale farms and only 15% from government land, while the second study puts the estimate at 82% from small scale farms and ranches and 18% from government and community land, suggesting that farmers and ranchers could be facilitated to sustainably produce charcoal for income.<sup>12</sup>

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<sup>10</sup> African Tillage Network website

<sup>11</sup> Henry Neondo, Africa Science News Service, Saturday 24 January 2009.

<sup>12</sup> WOCAT (2007). *Where the Land is Greener*. Case studies and analysis of Soil and Water Conservation Initiatives Worldwide.

To regulate the production, distribution and marketing of charcoal in order to make it a viable and environmentally sustainable venture, the Kenya Forest Service has developed the Forests (Charcoal) Rules of 2009. The regulations require commercial charcoal producers to organize themselves and register as charcoal producer associations (CPAs) and to apply for a license. In addition, the CPAs are expected to develop environmental restoration plans in collaboration with KFS personnel to demonstrate intention to produce charcoal sustainably. At this point, KFS has not yet prepared guidelines on the establishment of charcoal producers associations (CPAs) and the sustainable production of charcoal.

Activities under this output include:

- Identify NGO to work together with KFS and charcoal industry participants
- Raise awareness on the Charcoal Rules in at least 100 communities to take advantage of the legislation's opportunities to contribute to sustainable charcoal production
- Develop user-friendly guidelines in English and Kiswahili on Charcoal rules
- Disseminate guidelines during the awareness campaign.
- Assist KFS to produce two manuals in English and Kiswahili to provide guidance on 1) formation and operation of a CFA and 2) techniques and requirements of sustainable charcoal production

60. Output 2.2.2: Community production and sales of charcoal in line with the Kenya Forest (Charcoal) Rules of 2009 (>10 groups)

Under this output, SGP has set a target of assisting ten community groups to produce and market charcoal in line with the Kenya Forest (Charcoal) rules SGP will identify 3 well established NGOs that are familiar with the requirements of the Charcoal rules and that already have a working relationship with 3 or 4 communities engaged in the charcoal trade. This output is important in many ways, but two are significant. There are currently no community groups registered as CPAs in the country. The successful establishment and operation of CPAs will set a precedence for the many community groups in the country engaged in commercial production of charcoal, but in an unsustainable manner. Secondly, the output will contribute to global environmental benefits by improving the flow of forest services to sustain the livelihoods of local communities.

Activities under this output include:

- Train communities on Charcoal rules and compliance
- Register participating community groups as CPAs
- Assist communities to abide by the rules and regulations pertaining to the production and marketing of sustainably produced charcoal
- Identify most suitable species for charcoal production, and methods to expand their occurrence, e.g. agroforestry/afforestation
- Identify appropriate charcoal production technologies, such as kilns, and assess their availability and accessibility
- Assist CPAs to develop and implement management plans
- Promote and support producers associations to improve market access

### **2.1.3 Outcome 3. Local communities implement low carbon technologies that address their energy needs and mitigate climate change**

61. This outcome covers the removal of barriers to the adoption of modern biogas installations and other renewable energy technologies in rural areas as well as information and capacity barriers for participation of small-scale renewable energy producers in the Feed-in-Tariffs (FIT). The climate change outcomes will lead to a reduction of a minimum of 68,000 Tons of CO<sub>2</sub>e from the installation of biogas plants. The first target is to achieve a critical mass of biogas installations (some 700) in partnership with the Kenya National Domestic



Biogas Program (KENDBIP) to bring about economies of scale to secure technical support, supplies for biodigesters and spare parts in rural areas. SGP and KENDBIP will install the 700 units during the 4-years of the project mostly around Mt. Kenya (see Tables 1 and 2) and will create the conditions for the installation of a total of 7,350 units during a period of 7 years. The area was selected because a large number of households meet the requirements for successful operation of biogas units, that is, a minimum of two cows per household under zero-grazing and 30 Kg of manure per day, sufficient water (at least 30 litres per day), and space for the unit. The type of biogas technology selected is an 8 to 20 m<sup>3</sup> fixed dome digester. Studies undertaken in similar conditions and applying the 2006 IPCC guidelines (e.g., the WWF Nepal Gold Standard Biogas Voluntary Emission Reduction (VER) Project) show that the average tCO<sub>2</sub>e/year is 4 tonnes per unit for this type of digesters. Table 2 shows the expected CO<sub>2</sub> emission reductions during the lifetime of the project and beyond, through direct investments by SGP and its partner, and the expected replication targets (some 6,350 new units to be installed between year 2014 and 2017) to be achieved through continued KENDBIP financial support. Previous pilot biogas investments by SGP in the same region were subsidized on a 50% basis because up-front costs of biogas systems remain a significant barrier to the adoption of this renewable energy technology. The cost of the biogas units range from a minimum of USD750 for the smallest to USD1,500 for the largest.

62. It should be noted that a benchmarking exercise carried out at the end of 2007 showed that the cost of a biogas unit of 8 m<sup>3</sup> in Kenya was three times higher than in Vietnam, mainly due to the high cost of construction materials such as cement, bricks and piping. SGP review of socio-economic data and household interviews indicate that at least 10% of Mt Kenya households (approximately 24,000 households) would be in a position to use their own resources combined with credit to pay for a larger proportion of the unit installation costs. SGP and its partner will therefore test various financial modalities during the first two years to identify the most viable scheme for wide adoption of the technology, sustainability and replication. It is expected that households with the lowest income will benefit from a minimum of 30% subsidy while those in the higher end of the scale would pay for the unit costs through a combination of equity and credit while the project will provide the technical assistance, quality control and trouble shooting. SGP in collaboration with NGOs specialized in promoting renewable energy will partner with rural cooperatives and national financial institutions to use existing savings mechanisms and micro-credit to make resources available to households and rural enterprises that meet requirements for successful biogas generation. Two national banks – the Kenya Commercial Bank and the Equity Bank of Kenya – have already expressed interest in establishing credit lines for biogas, subject to more in-depth study results. SGP has also approached several local Savings and Credit Cooperatives (SACCO) operating in the 5 Districts around Mt. Kenya. The Kenya Women’s Finance Trust, a micro-finance institution is also a potential partner in the area.

Table 1: Number of biogas plants to be installed

Digester size (m <sup>3</sup> )	Number of units (to be installed by SGP and its partner)	Number of units (expected replication)	Total units
8	100	1,500	
10	250	2,150	
12	300	2,900	
20	50	100	
<b>Total</b>	<b>700</b>	<b>6,650</b>	<b>7,350</b>

Table 2: Schedule of biogas plant installation and tCO<sub>2</sub> E/year

Year	2011	2012	2013	2014	2015	2016	2017	Total
New biogas units	100	300	300	650	1,200	2,000	2,800	
Cumulative	100	400	700	1,350	2,550	4,550	7,350	
tCO <sub>2</sub> E/year	400	1,600	2,800	5,400	10,200	18,200	29,400	68,000

63. The national energy policy as enunciated in Sessional Paper No. 4 of 2004 and operationalised by the Energy Act No. 12 of 2006 encourages implementation of indigenous renewable energy sources to enhance the country's electricity supply capacity. Prompted by these developments, the Ministry of energy established a Feed-in-Tariff policy (FiT) in 2008 covering wind, small hydro and biomass sources, for plants with capacities not exceeding 50MW, 40MW and 10MW. A Feed-in-Tariff allows power producers to sell Renewable Energy Sources Generated Electricity (RES-E) to a distributor as a pre-determined fixed tariff for a given period of time. Many non-governmental and community-based organizations that are currently generating their own power are not familiar with the FiT policy and the possible opportunities it provides. SGP will therefore work closely with the Ministry of Energy to identify the power systems operated and managed by communities that could benefit from the provisions within the FiT policy.

64. Output 3.1.1: Awareness program for farmers, rural institutions, and micro and small businesses about multiple benefits of biogas

This output is important because it lays the foundation for the successful achievement of output 3.1.4, namely the installation of at least 700 biogas units. Moreover, it addresses the barrier of lack of credible information on the operation and benefits of biogas on the part of farmers, rural institutions and micro and small businesses. The first biogas unit in Kenya was constructed in 1957, and since then, hundreds of units have been constructed in the high potential areas of western and central provinces. But the uptake of biogas in the country remains low, although the potential is high. There are two primary reasons for this: first, biogas has a reputation of being too costly and quick to breakdown after installation. This is partly the result of the introduction and promotion of many different types of biogas installations with a wide range of quality, in many cases without sufficient provision of information and capacity building regarding the advantages and disadvantages, basic operation and maintenance of each type of unit. As indicated above, SGP will promote the adoption of 8 to 20 m<sup>3</sup> fixed dome digesters, a type of unit that households have successfully installed and maintained in several communities in the Mt. Kenya region. The second reason for the low uptake of biogas is that the benefits and positive qualities of biogas are still unknown to many farmers, rural institutions and small enterprises based in rural areas. In order to address this barrier, SGP will support activities that engage these target groups and provide information and knowledge on the benefits of biogas. Through these awareness creation activities on biogas, the target groups will also be educated on their personal responsibilities and roles in mitigation of climate change through use of sources of renewable energy and energy-saving technologies and practical tips to reduce personal energy usage.

65. SGP recognizes that the National Biogas Programme, spearheaded by the Kenya National Federation of Agricultural Producers (KENFAP), has already hosted and organized awareness programmes on biogas adoption in various parts of the country. However, because SGP's geographical area of concentration for biogas is the Mt. Kenya region, SGP will build on and strengthen the awareness efforts of KENFAP in this region. This will be accomplished by working collaboratively with KENFAP to determine what types of awareness efforts (e.g., practical demonstrations, information sessions, and/or distribution of printed materials) have been successful in the region, and focus efforts on the upscaling of such efforts. For this output, SGP intends to support at least two initiatives in the Mt. Kenya region targeting a minimum of 20 communities. For example, SGP will award a grant on a competitive basis to a NGO that has had prior experience working with communities to adopt renewable energy technologies, with a focus on biogas.

The following activities will be implemented under this output:

- Identification and development of awareness creation strategies with partners
- Conduct awareness activities (i.e., practical demonstrations, information sessions, community meetings, and distribution of printed materials)
- Prepare brochure with information on costs and positive aspects of biogas
- Develop basic operational and trouble shooting guidelines to prevent units falling into disuse after installation

- Translate brochure and guidelines into Kiswahili and distribute widely at workshops and demonstration centres where other biogas and climate change awareness creation activities are staged

66. Output 3.1.2 Briefings to local financial institutions to sensitize them about the financial viability of biogas investments

This output will help to address the lack of information and knowledge and create positive perceptions regarding the financial viability of biogas investments on the part of local financial institutions. This output will also help to lay the groundwork and initiate discussions regarding the development of affordable loan packages to assist households, institutions and micro-enterprises with the initial investment capital required for the installation of biogas units (i.e., output 3.1.3). SGP has gained some experience with this approach through the implementation of one community-based biogas project in Mt. Kenya in the previous GEF phase which arranged and negotiated loans through two local financial institutions for the purchase of biogas construction materials for approximately 30 project beneficiaries. Based on the experiences of this project, SGP believes that many local financial institutions would be willing to learn about opportunities to create new sources of income while providing valuable services to aid community development and environmental protection. To be able to clearly communicate to financial institutions the viability of providing loans and credit facilities to farmers or small institutions, SGP will gather the necessary data and information, and package it for use by the financial sector. SGP will identify relevant financial institutions and brief them about the financial viability of biogas investments. If successful, the strategies developed to approach local financial institutions and communicate information and data regarding the financial viability of biogas units are likely to be replicated in the Mt. Kenya region and in other parts of the country where beneficiaries require loan packages to meet the initial investment costs of biogas installations. Thus, the achievement of this output could have far-reaching, positive environmental and social implications as biogas technology and other renewable energy technologies are adopted and scaled up in Kenya. As described in Output 3.1.3 below, if local financial institutions can develop affordable loan packages and credit schemes and avail these to the average household, the amount of fuel wood, charcoal and kerosene used would decrease significantly, resulting in less pressure on forest resources and improved livelihoods due to decreased spending on such fuels, reduced respiratory ailments due to reduced smoke generation during cooking, and improved incomes as time spent gathering fuel wood could be reallocated to more productive uses.

SGP intends to support at least four initiatives in the Mt. Kenya region targeting a minimum of 20 financial institutions in 20 communities and deliver this output through the following activities:

- Gather and compile financial data and information related to biogas installations
- Recruit financial institutions to participate in development of loan packages for biogas
- Present data and information on financial viability of biogas investments to financial institutions in briefings, information sessions, and meetings

67. Output 3.1.3 Lending package for upfront costs of biogas installations developed and applied by partner financial institution(s)

A key barrier in the installation of biogas and the subsequent up-scaling is the cost implication to households and institutions, and more specifically, the high initial capital investment necessary to construct biogas units. These are important outputs because they address the barrier of high initial investment costs. Moreover, if output 3.1.2 of briefing financial institutions on the viability of biogas investments is successful, it will facilitate the accomplishment of output 3.1.3, which is the development of lending packages for clients interested in installing biogas units at the household level and for micro-businesses. Installation of a biogas unit at the household level is an expensive undertaking, and the large initial capital investment required to construct a biogas unit is out of reach for most households and for budding small enterprises. However, based on the success of previous SGP-supported biogas projects in the region and the awareness program described in Output 3.1.1, the demand for biogas units is anticipated to be high, and SGP intends to assist in overcoming the acquisition of the units by facilitating access to credit from financial institutions. There are already a few

institutions that have shown an interest in facilitating the promotion of biogas in the region, and SGP will pursue this topic further with them, to ensure that a “consumer-friendly” package is developed. It is expected that suitable packages for resource-poor rural households with large potential to cut down on their biomass usage while also increasing their potential to initiate small energy-based enterprises (like baking, chicken brooding etc) will be developed with biogas installation costs being cost shared between SGP, bank loans and beneficiaries (for locally available materials and labour).

68. Depending on the size of a biogas unit, the cost of its purchase and installation varies from USD 750 to USD 1,500. These amounts are high, and are a deterrent to households and small enterprises that would like to install biogas units. It is envisaged that the partnership with the financial institutions will result in the development of different lending packages, depending on the needs and resources of households and institutions, for up-front costs of biogas installations, that will lessen the initial investment required for biogas applicants. The repayment schedule and monthly payment amounts will be worked out based on the income levels of the beneficiaries as well as their anticipated savings due to reduced fuel wood and charcoal purchases to ensure that these loans do not cripple local communities. In order to attain this output, SGP intends to support at least four initiatives in the Mt. Kenya region targeting a minimum of 8 financial institutions in 20 communities.

The following activities will be implemented to deliver this output:

- Develop different loan packages to meet needs of beneficiaries and taking into account income levels and savings from decreased fuel wood and charcoal use;
- Develop well-defined loan application procedures and agreements;
- Publicize availability of loan packages to beneficiaries
- Prepare and submit loan applications with assistance from community projects
- Evaluate loan applications/applicants by local financial institutions
- Prepare and sign loan agreements with beneficiaries
- Provide loan packages to qualified beneficiaries

69. Output 3.1.4: Biogas installations in partnership with the National Biogas Program (>700 direct installations and some 6,650 units through replication)

This output addresses the barrier of low uptake of renewable energy technologies. In the Mt. Kenya region, where the potential and the demand for biogas are anticipated to be high, there are only about 200 operational units. When this output is successfully achieved, 700 biogas units will have been installed, resulting in an increase of 250% in the number of biogas units in the Mt. Kenya region. However it is envisioned that the partnership with the Kenya Federation of Agricultural Producers (KENFAP) will lead to the replication of biogas installations in the Mt. Kenya region and other high potential areas in the country, resulting in a total of 7,350 installations. The environmental impact of this output is the reduction of 68,000 tons of CO<sub>2</sub>e. In addition, reductions in the use of firewood, charcoal and kerosene will see result in further reductions in CO<sub>2</sub> emissions. The biogas units will also create a number of benefits for the households, institutions and micro-businesses which install the units, including money and time savings from reduced gathering and/or purchases of fuel-wood, charcoal and kerosene and decreased levels of smoke during cooking.

70. The National Domestic Biogas Programme, which is implemented by KENFAP, will continue to promote the installation of biogas units in many parts of the country. However, SGP will target the Mt. Kenya Region for collaboration with KENFAP to install 700 biogas units. This region was strategically chosen due to the level of success achieved in initiating renewable energy projects in this region during the previous GEF phases. SGP would like to build on these successes to create a sustainable model that will result in the introduction and upscaling of biogas and other renewable energy technologies in other regions of the country. The installation of hundreds of units in one geographical area should stimulate the emergence of a small biogas industry, which will include readily available technical support, credit facilities, high-quality and reliable biogas

construction firms, materials suppliers and maintenance services) due to the economies of scale. SGP will award grants to NGOs and Cooperatives that can mobilize the communities to raise co-financing so that a full SGP grant (of USD 50,000) will facilitate installation of biogas units in 60-80 households depending on the optimal sizes. Most of the beneficiaries in this category will also be exposed to the bank credit options to ensure timely uptake and completion of the units as a way of also accelerating carbon emissions reduction benefits. A key component of the output is the training of artisans to ensure that their services and products are of good quality. For this output, SGP intends to support at least ten initiatives in the Mt. Kenya region targeting a minimum of 700 households and institutions in 20 communities.

The following activities will be implemented under this output:

- Identify NGOs and Cooperatives with high demand for biogas units, and sufficient technical and management experience to coordinate biogas installation initiatives
- Develop MOU agreement with KENFAP and other relevant partners for joint support of biogas initiatives
- Recruit and train artisans for biogas construction
- Construct at least 700 biogas installations in households, institutions and micro-enterprises in the Mt. Kenya region
- Replicate Mt. Kenya biogas installation initiatives in other high potential areas of Kenya through installation of 6,650 biogas units

71. Output 3.1.5: Off-grid communities with access to different types of renewable energy to meet domestic and production energy needs (>6)

In the previous phases of GEF, SGP Kenya responded to requests from communities who did not have access to the national electricity grid to support proposals that promoted renewable energy technologies (RETs). These included community projects that focused on harnessing solar power for lighting, wind power for pumping water, either for irrigation or for domestic use, micro-hydro projects for generating power to run small businesses, and small scale biofuel projects for lighting and cooking. As part of this output, SGP will promote the scaling-up and replication of such RETs in off-grid communities, taking advantage of lessons learnt. This output will assist communities who do not have access to the national electricity grid to overcome barriers related to lack of resources and technical skills required for the adoption and implementation of renewable energy technologies. The following types of renewable energy sources will be scaled up as part of this output: hydropower through community micro-hydropower installations, wind energy through windmills, biofuels from recycling of organic waste materials and solar energy through household and institutional solar generation.

72. These projects will provide numerous environmental benefits including reduced pressure and degradation of the forest ecosystems and water catchments through reduced harvesting of trees for fuel wood and charcoal. Climate change impacts will also be mitigated as renewable energy produced as part of these projects will reduce the generation of greenhouse gases resulting from burning of fuel wood, charcoal and kerosene. Communities will also enjoy a variety of socio-economic benefits from these renewable energy projects, including the provision of electricity to households and market centres, which will provide opportunities for energy-based enterprises such as hair salons and mobile phone charging centres. Beneficiary communities will also spend much less time and money gathering and purchasing fuel wood, charcoal, and kerosene, providing money for other household needs and time to engage in other livelihood improvement activities. For this output, SGP intends to support at least 15 initiatives throughout the country targeting a minimum of 15 communities.

The following activities will be implemented under this output:

- Identify renewable energy projects in off-grid communities
- Provide technical and financial support to selected renewable energy projects

- Demonstrate successful RE projects to other off-grid communities through a variety of mechanisms including exchange visits, public events and media coverage to encourage replication

73. Output 3.2.1: Awareness raising and capacity building programme delivered on how small scale RE producers can effectively participate in and take advantage of the FIT policy to generate energy and sell any excess power to the central grid > 8 communities

In recent years, the Kenyan government has created an energy Feed-in-Tariff (FIT) policy which allows energy generation facilities to sell electricity which is then incorporated in the national electricity grid. Although the FIT policy does not directly target community renewable energy generation projects, the policy does provide opportunities for such projects to participate in delivery of electricity to the national grid. This output will help address the awareness, information and capacity barriers that currently exist among small-scale renewable energy producers regarding participation in the Feed-In-Tariffs policy which allows such energy producers to input and sell excess energy generated to the central grid. This output will increase awareness within the beneficiary communities regarding renewable energy projects and increase their capacity to up-scale existing projects to meet the requirements necessary to participate in the FIT programme. The up-scaling of renewable energy projects and provision of electricity to the national grid will contribute to national energy generation targets and assist in raising the capacity of the grid. This expanded capacity will help to ensure sufficient energy supply for existing businesses and households and will assist in bringing electricity to rural communities throughout the country which are currently not served by the national grid. The introduction of electricity to these rural communities will reduce the reliance of these communities on natural resources such as fuel wood to meet their energy needs. This will reduce pressure on forests, reduce climate change through decreased emissions of greenhouse gases, and decrease respiratory infections in rural communities.

74. As part of the activities associated with this output, SGP will work with the Ministry of Energy to understand the FIT policy and identify the requirements for the sale and delivery of electricity to the national grid. SGP will then retain NGOs experienced in electricity generation and renewable energy projects to prepare training workshops and materials to build the capacity of existing community renewable energy projects with FIT potential to participate in the FIT programme. After identification of community renewable energy projects with FIT potential, training and capacity building activities will be conducted. Once training and capacity building has been accomplished, selected community renewable energy projects will then be linked to the FIT programme to serve as demonstration projects as described in Output 3.2.2. For this output, SGP intends to support at least eight initiatives in the Mt. Kenya region targeting a minimum of 8 communities.

The following activities will be implemented under this output:

- Hold consultation meetings with government officials (e.g., Ministry of Energy) to better understand FIT policy and opportunities for community participation in the policy
- Provide support to NGOs for identification and development of awareness creation strategies with government officials, partners, stakeholders and beneficiaries
- Develop awareness creation tools (i.e., presentations, training materials, printed information)
- Conduct awareness activities (i.e., trainings, workshops, information sessions, community meetings, and distribution of printed materials)

75. Output 3.2.2: Community-based renewable energy demo Project – using biogas, hydro or wind energy – with FIT participation potential, in partnership with Ministry of Energy

Within the past five years, several communities have initiated renewable energy projects such as micro hydropower and wind power generation facilities to supply electricity to households and market centres within their own communities. However, most of the community renewable energy generation projects have higher potential than their current production capacity. The FIT policy that allows them to feed their surplus power to the national grid will provide an additional incentive to invest in higher production capacity as an income generation activity that also generates conservation and livelihood benefits. However, there is

currently a barrier that these community renewable energy projects do not have the technical skills or resources to optimize their energy-generation potential and deliver electricity to the national grid through the FIT policy.

76. When this output is accomplished, it will set a precedent as there is no community renewable energy project in the country that has been able to take advantage of the provisions in the Feed-in-Tariff. SGP will collaborate with the Ministry of Energy to identify and guide at least one community-based RE operation with potential to meet the conditions to engage in the FIT system, including minimum installed generation capacity and proximity to the grid, to demonstrate that small scale systems (between 100 kW and 1MW of installed capacity) can contribute to meeting the electricity generation targets of the country. Thereafter, community-based RE projects will be sought, and their potential for FIT will be explored using the criteria. The expected emissions reduction is some 10,000 tCO<sub>2</sub>e/year. SGP funds will be allocated as grants to non-governmental organizations with the capacity to support communities develop new or expand their renewable energy infrastructure to participate in the FIT and will co-finance the development of RE installations at community level. More precise CO<sub>2</sub> emissions mitigation targets will be established once the specific initiatives are identified but the selection of initiatives will take into consideration the project target of 10,000 tCO<sub>2</sub>e/year. Such emissions reduction target was established on the basis of a 2 MW of grid-connected hydropower or other RE-based systems with a baseline alternative of power production by diesel generators. This output will provide socio-economic benefits to the community in terms of income from the sale of electricity and will also improve livelihoods for other communities across the country since overall energy capacity of the national grid will be increased. The successful implementation of this output will also serve as a model for other community-based renewable energy projects with FIT potential, allowing them to deliver excess energy to generate income for their own communities. For this output, SGP intends to support at least one initiative.

The following activities will be implemented to deliver this output:

- Conduct meetings with Ministry of Energy to identify and select qualified NGOs to provide support to community-based renewable energy projects for participation in FIT
- Provide support to NGOs to provide technical and financial support to selected renewable energy projects to participate in FIT
- Demonstrate RE projects successfully participating in FIT programme to other community renewable energy projects through a variety of mechanisms including exchange visits, public events and media coverage

#### **2.1.4 Outcome 4. Communities' capacities in GEF Focal Areas strengthened and awareness and knowledge management enhanced**

77. This outcome involves increasing the capacity of SGP stakeholders to diagnose and understand the complex dynamic nature of global environmental problems, and to develop local solutions. The long term solution proposed by the SGP project in GEF phase V is to build on the baseline to create a mosaic of land uses and community practices across the rural landscape that provide sustainable livelihoods while generating global benefits for biodiversity, land degradation and climate change mitigation. In order to achieve this and create the conditions for sustainability, replication and up-scaling of such practices, SGP's approach for the next four years is to help remove barriers to the expedited and effective implementation of a series of innovative policies and norms that enable community stewardship of national resources enacted by the Government. Some of these barriers include lack of information on the existence of these instruments, the lack of capacity among communities to understand the legal and technical contents of the documentation, poor understanding of the complex and dynamic nature of global environmental problems, and the inability to link and promote community role in addressing the problems.
78. Output 4.1.1: Eight national and sub-national training workshops on project development and management, and focus group discussions on global environmental issues and the role of local communities in addressing them

The GEF provides funding for the implementation of projects that will deliver global environmental benefits. However, knowledge of the GEF, as well as what constitutes a global environmental benefit, is limited, particularly among local communities and even government extension staff based in the field. SGP will provide resources for trainings that expound on the objectives and expectations of the GEF. The trainings will also dwell broadly on three key GEF focal areas, namely biodiversity conservation, mitigation of climate change and sustainable land management, and then narrow the focus on the focal area objectives selected for the implementation of this project. The focal areas of POPs and International Waters will also be given some attention, given that SGP can allocate 20% of the financial resources to these 2 focal areas, on condition they are geographically and thematically linked to the three key focal areas of BD, CCM and SLM. The trainings will enhance the capacity of local communities and key stakeholders to diagnose and understand environmental problems, which will enable them to conceptualize and formulate project ideas that will address local environmental problems, whose results and impacts will contribute to global environmental benefits, namely, the improved management of 65,000 hectares of landscapes and seascapes that integrate biodiversity conservation, and the avoidance of 68,000 tons of GHG emissions.

This output will be delivered through the following activities:

- Convene NGO and CBO workshop participants for sub-national trainings from three eco-systems, namely Mt. Kenya, Laikipia plateau and the coastal/marine region
- Provide training on broad GEF issues, global environmental benefits, key environmental problems in Kenya and government efforts to address them, and provisions of new national constitution on promotion of sustainable use and management of Kenya's natural resources
- Build local capacity to conceive and design projects with local and global environmental benefits

79. Output 4.2.1: SGP knowledge products developed and disseminated (>3 publications), and SGP communications strategy implemented (>10 media events, i.e., TV/radio spots, journalist project visits, newspaper articles, etc.)

With all the community projects that SGP Kenya has funded over the last one-and-a-half decades, the experience gained, and the lessons that have been learned as a result, SGP Kenya should have produced more knowledge products than it has. Key barriers have been the lack of a comprehensive communications strategy, and inadequate resources to implement one. SGP will develop a comprehensive strategy for the entire four years that the project will be under implementation in GEF V, with the primary objectives of (i) creating awareness on the activities and results of the project, and (ii) disseminating widely all the knowledge products that are developed.

80. SGP Kenya has established contacts with persons in the electronic media to create awareness about its projects. SGP will build on and expand its contacts with various media channels and houses to enhance public awareness of communities' contributions towards addressing global environmental challenges. During the course of implementation of this project, knowledge products in the form of publications will be completed and disseminated. These are publications that will be of value, not only to the grantees that will be awarded grants under this project, but also to local communities in other parts of the country. The publications will provide information and guidance to local communities on a range of topics that promote the sustainable use and management of natural resources within the ecosystems that SGP will focus its activities.

This output will be delivered through the following activities:

- Organise at least 10 media events, including visits by journalists to project sites, launch of various publications, media invitations to commissioning of projects, radio talk shows, and newspaper article
- Prepare at least three publications of SGP knowledge projects such as:
  - A publication codifying lessons from LMMA establishment and operations
  - A booklet on community-adapted forest monitoring techniques and guidelines
  - Guidelines on the operations and management of community conservancies



- Distribute publications widely among participating communities, in above media events, and to communities and organizations throughout the country

SGP will take the opportunity to ensure that all the relevant logos are well displayed, and that the GEF gets due credit, as well as other important parties.

81. Output 4.3.1. Training programme on identification and tracking of indicators, and project participatory monitoring (>6 workshops covering >80 community groups)

A majority of community groups lack the capacity to develop suitable indicators that will assist them to effectively monitor their projects. Communities often conduct their monitoring in an ad-hoc manner, and without appropriate tools. SGP will therefore increase the capacity of communities to design, manage, monitor and evaluate their projects. This will be accomplished through trainings facilitated by experts, qualified in providing communities with skills to engage in participatory monitoring and evaluation. A community-adapted log-frame will be introduced to assist communities in developing indicators, and to help them understand the logical flow in project implementation and management. SGP will also ensure that each project grant will include a budget line for participatory monitoring and evaluation. In addition, SGP will require that each project conduct a baseline assessment as one of the key initial activities, to provide a good foundation for the M&E processes.

Activities to be implemented under this output include:

- Identify the groups/organizations to participate and benefit from the trainings (at least 80)
- Develop criteria for selecting representatives from each group to participate in the training
- Identify a NGO, through a competitive process, that will conduct the training workshops
- Develop workshop curriculum and identify appropriate tools (adapted for community use)
- Organize at least 6 training workshops in different regions of the country where SGP will have a geographic focus
- Produce a report after each workshop, which community representatives can share with their communities

## 2.2 Project Indicators and Risks

### 2.2.1 Indicators

82. The indicators at the level of the project objective – global environmental benefits secured and livelihoods improved through community based initiatives and actions that address biodiversity conservation and sustainable land management in production landscapes – are:

- Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation in:
  - Mt. Kenya Forest Reserve and buffer zone
  - Laikipia rangelands
  - Mangroves
  - Marine areas
- Increase in land area with improved management practices in pastoral and agricultural lands in ASAL
- Increased application at community level of legal and regulatory frameworks that integrate SFM principles
- Increased number of communities earning an income from sustainable land and resource use with due consideration of biodiversity
- RE policies and regulations adopted
- GHG emissions avoided
- Increased proportion of CBOs capable of developing eligible SGP projects as a proxy to their ability to diagnose and understand global environmental problems and of developing local solutions

83. For Outcome 1 – community-based initiatives mainstream biodiversity conservation into forest and marine ecosystems management, and help maintain key wildlife corridors – the indicators are:
- Increased number of CFAs established and with Forest Management Agreements approved by KFS and under implementation in target areas (Buffer zone of Mt. Kenya Forest Reserve and Mangrove Forests)
  - Enhanced management effectiveness of Community Conservancies in the Laikipia area
  - Increased number of BMUs and LMMAs conserving coastal and marine biodiversity
84. For Outcome 2 – flow of forest and agro-ecosystem services maintained for long-term sustainability of communities’ livelihoods – the indicators are:
- Increased number of communities contributing to identify and prevent the spread of IAS in rangelands
  - Increased number of communities produce charcoal sustainably and legally
  - Increased percentage of families/community groups implementing SLM practices in ASAL target areas
  - Flow of forest and agro-ecosystem services maintained for long-term sustainability of communities’ livelihoods Increased number of Income Generating Activities (IGAs) for improved livelihoods, as a result of SLM investments.
85. For Outcome 3 – Local communities implement low carbon technologies that address their energy needs and mitigate climate change – the indicators are:
- Increase in credit availability for rural families and business that want to adopt RE
  - Increased number of trained personnel able to build and maintain biogas digesters
  - Number of small-scale RE project meeting FIT requirements
86. For Outcome 4 – communities’ capacities in GEF Focal Areas strengthened and awareness and knowledge management enhanced – the indicators are:
- Percentage of grantees that achieve their project outcomes
  - Increased public awareness of global environmental issues in target areas
  - Increased number of grantees applying adaptive management to their grants

### 2.2.2 Risks

87. There are few new risks to be faced by the SGP in Kenya, since the program is well established and has been operating for some 17 years. Past performance of the SGP portfolio in Kenya has shown that about 90% of grants achieve their objectives. A 10% failure rate is considered an acceptable risk given that innovation and working with marginal communities are important SGP features.

Table 3: Risk Rating and Mitigation

Risk	Risk Rating	Risk Mitigation Strategy
Failure to deliver on project results and targets by community-based organizations implementing a grant.	L – M	Community organizations’ capacities are assessed during grant review and approval to determine the level of support needed during the lifetime of the project. Risks will be mitigated through capacity building and oversight of the project portfolio by UNDP-GEF and UNDP CO. The project will work with all grantees to help them maintain appropriate rates of disbursement, link grantee partners to learn from each other in peer-to-peer learning groups, and work in a flexible manner that responds to the strengths and comparable advantages of grantees. SGP will monitor the performance of the governing bodies of community organizations to prevent any problems. SGP will also reduce risk by supporting replication of good practices that have proven to deliver on GEF strategic priorities at the community level.
Failure to develop a suitable credit line for farmers and small rural businesses interested in biogas, therefore reducing likelihood of significant replication and sustainability	M	SGP is approaching a large number of institutions, both rural savings and credit cooperatives, FMIs and national banks, and is testing different modalities for combining a credit line with farmers’ equity and different levels of project subsidy. Savings on fuelwood and multiple benefits arising from biogas installations are likely to encourage farmers who meet conditions for effective biogas operations to invest their own assets in the installation of the digesters and to borrow to cover up-front costs.
Biogas technology failure	L	Biogas was introduced over 40 years ago to Kenya. The technology used was “floating drum” systems, which encountered a number of problems and developed a bad reputation among farmers for biogas. The selected “fixed dome” digester has now been widely tested by SGP during GEF 4 and its quality and durability ascertained.
Vulnerability of communities and their GEF-financed activities to severe weather events. Climate unpredictability may particularly affect the level of success of projects in ASAL and other vulnerable areas.	M	The project will contribute to enhancing ecosystem function and resilience by enabling local communities to reduce pressure on target ecosystems. To the extent possible, grants will be made keeping in mind the potential climate risks, and steps will be taken to minimize risk and adapt. SGP-Kenya will adopt good practices from other SGP Country Programs such as Mexico, which has built considerable expertise in “climate-proofing” community-based initiatives.
Baseline government funding for community-based initiatives may continue to be limited.	M	The project emphasizes enabling stakeholders to work with resources at hand and build effective conservation practice step-by-step by applying a multiple-level approach to conservation and monitoring work.

## 2.3 Expected Global, National and Local Benefits

### 2.3.1 Global and National Benefits

88. SGP will deliver global environmental benefits in biodiversity conservation, sustainable land management and climate change mitigation by supporting communities to establish a mosaic of sustainable practices across the production landscape in three significant ecosystems and by removing barriers to policies and laws that create enabling conditions for community stewardship of natural resources.

Table 4: Current practice and alternative to achieve global environmental benefits

Current Practice	Alternative to be put in place by the project and global benefits
Slow and limited implementation of the Forest Act: The Kenya Forest Working Group (KFWG) has made an effort to raise awareness among communities on the Forest Act, as well as promoting the Mt. Kenya Integrated Forest Management Plan, which is in its final stages of drafting. Also KFS, in collaboration with KFWG, has produced a manual in English that provides	The project will enable local communities to contribute to the management and conservation of forest ecosystems in Mt. Kenya and of coastal mangroves by removing barriers to the implementation of the 2005 Forest Act by: - Raising awareness among local communities in Mt. Kenya and at the coast about the Forest Act of 2005, the opportunities it has brought about and the legal and practical implications of its

<p>guidelines for the establishment of CFAs and a booklet on the principles of Participatory Forest Management. These documents, however, have not been translated or disseminated in all districts.</p> <p>Communities are experiencing significant difficulties in establishing and registering CFAs. Today there are only 15 CFAs established. They are not all active and most are at a budding stage.</p> <p>There are 10 Forest Management Plans developed by CFAs in Mt. Kenya but these do not adequately integrate BD conservation and sustainable use and some have not started implementation due to delayed approval by KFS or to lack of financial and technical means. There are no adequate guidelines for the development of forest management plans.</p> <p>There are no CFAs established to manage and conserve mangrove ecosystems.</p> <p>There are 3 Forest Management Agreements under implementation in Mt. Kenya, however, the forest management plans under these agreements require revision to ensure BD is considered and addressed.</p> <p>Technically sound monitoring systems are not available for KFS and communities to assess the effect of the implementation of the forest management plan on BD and the communities' livelihoods</p>	<p>implementation;</p> <ul style="list-style-type: none"> <li>- Supporting interested communities in forming and registering Community Forest Associations and raising their capacities for improved governance;</li> <li>- Providing technical assistance to CFAs to develop forest management plans with emphasis on integrating BD conservation and sustainable use and backstopping communities during the preparation of Forest Management Agreements to be signed with the Kenya Forest Service;</li> <li>- Developing community-adapted forest monitoring guidelines and providing training and technical assistance to communities for their application;</li> </ul> <p>Delivers the following global benefits:</p> <ul style="list-style-type: none"> <li>- 30,000 hectares of sustainably managed native forests around Mt. Kenya National Park and World Heritage Site, protecting several threatened and valuable tree species such as Camphor (<i>Ocotea usambarensis</i>), Cedar (<i>Juniperus procera</i>), East African Olive (<i>Olea capensis</i>), <i>Podocarpus latifolius</i>, <i>Syzygium guineense</i>, <i>Fagaropsis angolensis</i>, <i>Aningeria altissima</i>, and <i>Newtonia buchananii</i>.</li> <li>- 5,000 hectares of mangrove forests sustainably managed by local communities, conserving all 9 mangrove species occurring in Kenya, including the most dominant <i>Rhizophora mucronata</i> and <i>Ceriops tagal</i>, but also rarer species such as <i>Heritiera littoralis</i> and <i>Xylocarpus moluccensis</i>.</li> </ul>
<p>Few Indigenous and Community-Managed Conservation Areas (ICCAs) with limited legal, technical and financial support:</p> <ul style="list-style-type: none"> <li>- Nine Group Ranches in Laikipia have formed the Naibunga conservancy covering 17,200 ha. While much progress has been achieved, these group ranches require further assistance to increase the conservancy's management effectiveness.</li> <li>- While rangeland management techniques are being applied or developed in private conservancies, there is a need to transfer successful practices to community groups</li> <li>- There are 85 BMUs established in the coastal area of which only 17 are operating. A key reason for lack of progress is that the experience with freshwater fisheries was used as the basis for regulating coastal community associations. Lack of technical assistance and access to financial resources are also major problems for these BMUs</li> <li>- There are four LMMAs established covering some 1,000 hectares of which 2 are operating. Without additional external support these may not realize their conservation objectives</li> <li>- The LMMA policy and regulatory frameworks are unclear.</li> </ul>	<p>SGP will help increase communities' capacity to implement policies and regulations related to community-managed conservation areas and will help improve management effectiveness of existing ICCAs by:</p> <ul style="list-style-type: none"> <li>- Supporting pastoralist Group Ranches to develop new or improve existing Conservancy management plans;</li> <li>- Delivering a training program on sustainable rangeland management practices, alternative sustainable livelihood activities, and BD conservation to Group Ranch members;</li> <li>- Assisting Conservancies to secure financing beyond SGP resources for the implementation of their management plans, including by facilitating the establishment of partnerships between private ranches/foundations and communities;</li> <li>- Developing and applying common indicators for participatory performance monitoring of communities' Conservancies, adapting the GEF tracking tools;</li> <li>- Working with BMUs, coastal CBOs and development partners in coastal areas to identify barriers to community-managed marine areas and preparing a plan to overcome them;</li> <li>- Supporting BMUs and other local organizations to implement the LMMA management plans including sustainable livelihood activities that help conserve coastal and marine resources;</li> <li>- Undertaking a legal review to understand the synergies and possible incompatibilities across policies and norms concerning community management of conservation areas;</li> <li>- Codifying lessons from LMMA establishment and operations and making them available to relevant national authorities and other coastal communities and networks to inform the revision of existing policies.</li> </ul> <p>Delivers the following global benefits:</p> <ul style="list-style-type: none"> <li>• 20,000 hectares of land important for securing wildlife corridors between Mt. Kenya and the wider Laikipia ecosystem protected</li> </ul>

	<p>and managed by community Conservancies. These corridors contribute to the conservation of elephants, large predators, Grevys Zebra, Jacksons Hartebeest and Beisa Oryx, and of other threatened and rare species such as the Black Rhino and the Wild Dog.</p> <ul style="list-style-type: none"> <li>• 10,000 hectares of community managed coastal and marine areas, including seagrass beds, coral reefs, and sand dunes. Twelve seagrass species are found in Kenya, with <i>Thalassondendron ciliatum</i> being the dominant one. Seagrass beds are important foraging grounds for endangered species such as dugongs and marine turtles as well as important habitats for fish species such as rabbitfish, parrotfish and surgeonfish.</li> </ul>
<p>While ASAL communities are experiencing increasing rates of environmental degradation support for assisting them to adopt SLM is insufficient. During the last 5 years severe droughts have taken a toll on ASAL communities. There is an urgent need to improve the resilience of pastoral and farmer communities to CC through sustainable land management both in rangelands and agricultural areas.</p> <p>The livelihoods of most pastoral communities depend entirely on their livestock. When there is a prolonged drought the traditional coping mechanisms of communities are not effective. Most ASAL communities do not have access to modern savings or affordable insurance options to cope with the situation.</p> <p>Technology has been developed in Kenya and other areas of Africa for improved rangelands management that would be appropriate to community areas. These include soil conservation measures, use of cover crops like aloe species, water harvesting, range rehabilitation, and "holistic" management of livestock and pasture lands. However, dissemination of such techniques has been limited.</p> <p>There is a pilot initiative being undertaken by private ranches in Laikipia to offer fattening grounds for community livestock destined for the meat market as an incentive to reduce the size of herds in time of drought and therefore to avoid competition for water and grasslands among communities and between livestock and wildlife.</p> <p>Within the ASAL regions of Kenya, and also within farming communities, the <u>proliferation</u> of IAS is causing enormous damage to livelihoods, biodiversity and to the well-being of productive landscapes. On the other hand, Kenya does not have a strategy to prevent, control and eradicate invasive species.</p> <p>Efforts to build the capacities of local communities to produce dryland products for the market - including livestock and livestock products, honey, dryland crops (e.g. aloe), eco-tourism and handicrafts- have taken place but not at the scale that would have made them sustainable.</p> <p>Charcoal-making and sale is perhaps the only option available to all ASAL communities to generate cash in times of need. However, the cost to the environment</p>	<p>SGP will help enhance the capacities of local communities for implementing SLM innovative practices that maintain and improve the flow of forest and agro-ecosystem services and sustain the livelihoods of communities, such as:</p> <ul style="list-style-type: none"> <li>- Training program in SLM practices and approaches for pastoral and farmer communities. Training will encompass: drivers and causes of land degradation, SLM practices such as water conservation and management, natural resources management, integrated ecosystem management, as well as current and emerging risks, and will include detection and control of rangeland invasive species,</li> <li>- Demonstration and implementation of conservation agriculture targeting high-value crops and under-utilized crops;</li> <li>- Pilot initiatives established to demonstrate innovative means to improve resilience to CC of pastoral and farmer communities (e.g. insurance schemes, livestock oftakes); work with partners that can help disseminate and upscale best practices in ASAL areas;</li> <li>- Financial incentives established as pilot projects for community-based SLM linked to food security and wealth creation;</li> <li>- Creating financial incentives for tree planting and adoption of agroforestry systems;</li> <li>- Disseminating the Charcoal Rules, developing guidelines for sustainable charcoal production, and supporting communities to achieve sustainable charcoal production and obtain licences.</li> </ul> <p>Disseminating best practices widely and identifying partners that would facilitate replication in other parts of the country.</p> <p>Delivers the following global benefits:</p> <ul style="list-style-type: none"> <li>• 60,000 hectares of drylands under various forms of sustainable management by local communities including demonstration of control of rangeland invasive species, conservation agriculture, water management, and other approaches that help reduce pressure on local ecosystems and improve community livelihoods such as insurance schemes for livestock and agricultural production, and improved access to markets for under-utilized and high-value crops.</li> <li>• 100 hectares of increased tree cover and biomass cover in the drylands resulting from sustainable charcoal production initiatives of local communities.</li> </ul>

<p>in ASALs is high. There are currently no ASAL communities producing and selling charcoal legally.</p>	
<p>Biogas potential around Mt. Kenya has not been realized. Renewable energy schemes from CBOs may have potential for FIT participation but so far none has benefited.</p>	<p>Create the conditions for increased adoption of biogas around Mt Kenya and other parts of the country. Affordable credit available after demonstration of financial viability for households and rural business; Local technicians to construct and maintain biogas units. Existing CBO RE installation upgraded, producing excess energy that could be sold to the grid and meeting standards for FIT participation Delivers the following benefits: - 68,000 Tons of CO2 emissions avoided resulting from biogas installations by rural households, communities and rural enterprises. 10,000 tCO2e/year is expected from other RE developments, of which at least one would participate in the new FIT scheme.</p>
<p>Capacities of local communities to address environmental challenges continue to be very low in project areas. Communities that benefited from prior SGP support show a much higher level of awareness and understanding. New policy and legal frameworks bring about opportunities but unless SGP and partners intervene implementation will remain low.</p>	<p>Delivery of training, peer-to-peer learning, demonstrations, guidelines, learning by doing, and technical and legal assistance as needed.</p>

### 2.3.1 Local Community Benefits

89. The SGP maximum grant amount in Kenya is USD 50,000 but the average grant amount is about USD 38,000. The policy is to avoid funding the same CBO more than once in a funding cycle, although in exceptional cases the same organization can receive a second grant, provided the total of both grants does not exceed USD50,000. The reason for this policy is to ensure coverage of the maximum number of communities in the selected areas, and to instil among community members the need to use the opportunity wisely and not become dependent on SGP funding. SGP expects to fund a minimum 80 CBO projects (the SGP policy is to channel as much funding as possible to community-based organizations) and an additional number of proposals addressing capacity development, communications and knowledge management outcomes and outputs through NGOs. During this phase, SGP expects to benefit some 4,500 households directly.
90. Some 80% of SGP-financed CBOs have not received and managed a prior grant directly from an international organization or a bilateral donor. CBOs in Kenya are mostly self-help groups composed of community members who do not receive remuneration for their work in the CBO. The quality of project proposals is generally very poor at the start, even though the community may have interesting ideas. Also, their understanding of global environment issues is lacking and they have no experience of RBM and participatory M&E. At the end of project implementation several members of the CBOs are able to develop adequate project proposals and to explain in an articulate manner what their project is about and what GEBs will be achieved. Also, some 70% of CBOs supported by SGP improve their governance and financial management systems, which is demonstrated by their capacity to continue operating and sustaining or upscaling project results. Capacities built in CBOs and their constituent members through SGP grant activities are largely retained through the following mechanisms: encouraging CBOs to develop new project proposals for other donors using the acquired project development skills; providing technical support beyond project completion to ensure sustainability of project outcomes; encouraging peer-to-peer support beyond project completion among CBOs; involving former grantees – CBO leaders and members – in new training activities; encouraging NGOs operating in the area to involve former CBO SGP grantees in their activities; and using qualified CBO members to train or support other community organizations so that they practice their skills and gain self-confidence.

91. SGP aims at identifying sustainable livelihood alternatives as a strategy to conserve global environmental public goods and therefore, explicitly targets activities that increase household income and that secure or enhance community economic, social and environmental assets in Kenya. Specific social and economic development targets will be established for particular grantees during the grants review and approval process, once the baseline data for these community groups is obtained. However, a number of targets have been established and are included in the project logframe: 28 communities will earn an income from sustainable livelihood activities, which will benefit some 1,120 households because it is estimated that in each community some 40 households will participate in the projects; at least 10 communities will earn an income from the legal production and sale of charcoal benefiting about 400 households; the implementation of conservation agriculture targeting high value crops will target improved food security for some 500 households as well as revenue generated from sale of excess crops. Biogas will bring about multiple benefits to some 700 households during the project time-frame: this includes savings on fuelwood costs, reduced drudgery for women and children, reduced indoor air pollution, improved sanitary conditions where cattle under zero-grazing schemes is kept, and soil improvement, among others. All project interventions will undertake systematic examination of roles, relations, opportunities, power, and positioning between males and females within specific sectors, households and the community where interventions are targeted to identify determining factors and the consequences of interventions in relation to males and females. This is consistent with the Kenya National Policy on Gender and with the Human rights-based approach to the UNDAF. Project monitoring and evaluation activities will measure community benefits and the effects of project interventions disaggregated by gender.

#### **2.4 Conformity of the Project with GEF Policies**

92. Funding for the SGP in Kenya will be drawn from the GEF biodiversity, climate change and land degradation focal area STAR allocations. In the biodiversity focal areas, SGP will primarily support the second GEF objective (BD-2) to mainstream biodiversity conservation and sustainable use into production landscapes, seascapes, and sectors. By the end of GEF-5 communities supported by this project will have contributed to the GEF biodiversity focal area targets a minimum of 65,000 hectares of sustainably managed landscapes and seascapes including montane forests, critical wildlife migration corridors, mangroves, fish refugia, coral reefs and seagrass beds. The project will also enhance the effectiveness of community managed areas in key terrestrial and marine ecosystems by mainstreaming biodiversity conservation in their management plans and by removing barriers to the implementation of various recent sectoral frameworks that regulate natural resources use and land management by local communities.

93. In the land degradation focal area, SGP will support objectives 1 and 2 of GEF-5. SGP will seek to maintain or improve the flow of agro-ecosystem and forest ecosystem services to sustain community livelihoods (LD-1). SGP will work with community partners to reduce pressures on natural resources from competing land uses and will support pastoral communities in arid and semi-arid ecosystems to maintain rangeland productivity. By the end of GEF-5 the project expects to contribute at least 60,000 hectares of sustainably managed agricultural and pastoral land to GEF LD targets, as well as to demonstrate viable land and water management approaches at the community level through conservation agriculture and innovative insurance schemes that reduce climate change vulnerability of pastoral and farmer communities, among others. Removing barriers to sustainable charcoal production at the community level will contribute some 100 hectares of increased biomass in the drylands (LD-2) during the lifetime of the project. SGP interventions related to sustainable fuelwood and charcoal production and trade have been designed to pave the way for significant upscaling, thus reducing land degradation due to current unsustainable practices in Kenya.

94. In climate change, SGP will promote investments in renewable energy technologies (CCM-3) by demonstrating the economic and social viability of biogas for rural households and small and medium enterprises. By partnering with finance institutions and other national entities SGP expects to achieve significant upscaling of biogas utilization in rural areas. It will also facilitate scaling up of existing community renewable energy

schemes to enable small-size energy producers to take advantage of the recently enacted Feed-in Tariffs (FIT) policy. Overall, SGP expects to achieve reductions of some 68,000 Tons of CO<sub>2</sub>e with biogas dissemination and an additional 10,000 Tons of CO<sub>2</sub>E/year with other RE developments.

95. In accordance with the decisions of the GEF-SGP Steering Committee meeting that took place in Washington DC on 3 March 2010<sup>13</sup>, a maximum of 20% of the STAR allocations may be used to support demand-driven community-based International Waters and POPs project proposals where synergies with the STAR focal areas can be found. Given the latitude inherent in this proviso, it is not possible to select a priori the GEF-5 outcomes and outputs for the IW and POPs focal areas; these will, however, be identified as and when grant proposals in these focal areas are approved by the National Steering Committee. However, SGP-funded IW and Chemicals proposals will be aligned with the objectives agreed in the above-mentioned Steering Committee, as follows:

- IW Objective: Support transboundary water body management with community-based initiatives.
- Chemicals Objective: Promote and support phase out of POPs and chemicals of global concern at community level.

A cross-cutting objective of the SGP will continue to be capacity development of local communities and their organizations consistent with outcomes and outputs of CD-2 and CD-5 for GEF-5.

## 2.5 Alignment with National Strategies

96. The Government of Kenya Vision 2030 is the country's development blueprint for the period 2008 - 2030. The main goal of the Vision's social pillar is "a just and cohesive society enjoying equitable social development in a clean and secure environment." The Vision states that a clean and secure environment is an essential ingredient to achieve the MDGs and to sustain its economic pillar. The document outlines the importance of the energy sector and the promotion of renewable energy sources. A mid-term goal for environment is to increase forest cover from less than 3% in 2008 to 4%, which recognizes that national development is dependent on the maintenance of forest ecosystem services. This SGP proposal is fully aligned with the objectives of the Vision.

97. In the biodiversity focal area, the project responds to the National Biodiversity Strategy and Action Plan (NBSAP) launched in 2000 by the National Environment Secretariat. In the next 4 years the project will focus on assisting communities to contribute to the first 3 goals of the NBSAP which are (i) maintaining a high quality environment for sustainable livelihoods for all Kenyans; (ii) guaranteeing inter and intra-generational sustainable use of natural resources; and (iii) maintaining ecological and ecosystem processes. The new National Oceans and Fisheries Policy (2008) and Kenya Wildlife Service regulations related to marine protected areas provide the framework for SGP's interventions in coastal and marine areas.

98. The National Action Program (NAP) - A Framework for Combating Desertification in Kenya in the context of the UNCCD issued by the National Environment Secretariat in 2002, has been the guiding framework to address land degradation in the country. The NAP priority areas are grouped into three main components: (1) an enabling environment for sustainable land management; (2) sectoral interventions and investments; and (3) cross-sectoral programs. This SGP project will support community-based interventions in all 3 components of the NAP. The Kenya Policy for Land was adopted by Parliament on 3rd December 2009. The vision of the Policy is to "guide the country towards efficient, sustainable and equitable use of land for prosperity and posterity." The Policy establishes land use planning principles which take account of environmental and conservation issues. It also promotes sustainable production principles across all relevant sectors, which are essential to

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<sup>13</sup> The minutes of the GEF SGP Steering Committee of 3 March 2010 read as follows: "For those countries that are fully dependent on STAR funds, the SGP country programmes can look at links and synergies between the IW and the Chemicals focal areas with those of Biodiversity, Climate Change, and Land Degradation focal areas so that funds can be shared but not to go beyond 20% of their original STAR allocation."



food security and the attainment of food self-sufficiency. This new policy provides an up-to-date framework for SGP interventions in the land degradation focal area.

99. A National Policy for the Sustainable Development of Arid and Semi-arid Lands (ASAL) of Kenya was developed in 2007 under the leadership of the Ministry of State for the Development of Northern Kenya and other ASAL Areas, however, it is yet to be debated in Parliament. The formulation of this strategy had strong participation from ASAL populations and was based on a thorough analysis of previous ASAL policies. The new policy recognizes that ASAL areas have enormous economic potential in livestock production, mining, tourism and biodiversity. This new policy framework is expected to help tap this potential and address the increasing poverty in ASAL areas. SGP will continue consulting with the Ministry for the Development of Northern Kenya and use the draft ASAL policy as a guide for its activities in the Laikipia ecosystem and in any other ASAL areas of the country.
100. The Forest (Charcoal) Rules adopted in December 2009 constitute the legal basis for sustainable charcoal production and trade by communities. SGP will support the implementation of the Charcoal Rules and is committed to provide feedback to policy-makers on the Rules' effectiveness on the ground based on the experience it will acquire through the implementation of this project with local communities.
101. Kenya lacks a climate change policy but various sectoral laws address aspects of it. SGP's past climate change work was informed by the First National Communication to the UNFCCC but is now aligning its GEF 5 climate change activities with the National Climate Change Response Strategy launched by the Ministry of Environment and Mineral Resources in May 2010. SGP grants in GEF-5 will contribute to removing barriers for the adoption of renewable energy technologies at the community level and by micro and small-scale enterprises, as called for by the Response Strategy. It will also explore how it can contribute to LULUCF objectives in the country through its sustainable land management and biodiversity conservation activities.
102. Additionally, Kenya has embraced the principles of a "green economy" and is making a major effort to put the country on a low-carbon development path. For example, in terms of meeting current and future energy requirements, the Government is investing in renewable energy, particularly geothermal and wind energy but also encouraging biomass and hydro energy generation. This brings about opportunities for SGP's work in promoting renewable energy and energy efficiency solutions in rural areas to meet the energy needs of local communities. A recent study supported by DFID and DANIDA entitled Economics of Climate Change in Kenya assesses the potential of low-carbon growth, the impacts and economic costs of climate change in country, and adaptation financing needs. Among other findings, the study concluded that: "It is clear that renewable electricity generation makes economic sense, not only for centralised generation but for off grid application, particularly for rural areas where access is limited and alternative diesel generation is very expensive."

## **2.6 Link with ongoing UNDP Programs and Projects**

103. The present UN Development Assistance Framework (UNDAF) for Kenya covers the period 2009-2013. As a member of the UN Country Team, UNDP was fully involved in the preparation of the Complementary Common Country Assessment work, which served as the analytical foundation for the UNDAF. In line with the "One-UN" policy, UNDP is engaged in achieving the UNDAF outcomes that in turn are responsive to the Government of Kenya's Vision 2030 (see section A.2). The UNDAF is based on three priority areas and three cross-cutting themes integrated across the priority areas and outcomes, as follows: a) Improving governance and the realization of human rights; b) Empowering people who are poor and reducing disparities and vulnerabilities; c) Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups. Cross-cutting themes include: Gender equality; HIV/AIDS; migration and displacement; and climate change.
104. This project fits UNDP's governance, natural resources management and environment work, and contributes to several UNDAF outcomes. The SGP project is particularly relevant to outcome 3 which aims at "Equitable

livelihood opportunities and food security for vulnerable groups enhanced and sustained”; and “Enhanced environmental management for economic growth with equitable access to energy services and response to climate change”. A professional staff from the Country Office Environment and Energy Unit (EEU) will contribute to SGP oversight and will represent UNDP in the NSC. EEU has 4 professional staff, two of whom have climate change and renewable energy expertise, one has natural resources management expertise, and the other is an economics and rural development expert. In addition to the support to be provided by EEU to SGP, the Country Office will contribute the expertise and experience of the Poverty Reduction Unit, and the Democratic Governance Unit. The first will contribute to business skills development of SGP grantees, and the second will support the SGP team in addressing land and environmental governance issues. Other staff will provide support on financial and administrative matters and liaise with UNOPS concerning project execution matters.

## 2.7 Coordination with other initiatives

Initiative name and organization(s)	Brief description of coordination, synergy, or complementarity with SGP
Kenya National Domestic Biogas Program (KENDBIP), a PPP between the Ministry of Energy of Kenya and the Ministry of Foreign Affairs, The Netherlands, HIVOS and SNV	SGP will partner with the KENDBIP to remove technical, information and financial barriers to the adoption of domestic biogas. The partnership will enable a large number of communities to benefit from biogas to reduce CO2 emissions, maintain carbon stocks, reduce land degradation and conserve biodiversity. KENDBIP is providing a significant amount of cash co-financing to this project component.
REDD Readiness Preparation Proposal R-PP	UNDP-Kenya has actively participated in the formulation of the R-PP and it has a representative in the National REDD+ Steering Committee. The UNDP representative keeps the SGP Country Program Manager informed and solicits input from her as needed. The R-PP formulation launch and initial information sharing occurred between November 2009 and January 2010, after which consultations on and formulation of the R-PP process occurred between February and April 2010. Final validation occurred on May 3, 2010. Implementation is scheduled for 2011-2013 and SGP will contribute to the implementation of the following R-PP priority areas: (i) reducing pressure to clear forests and (ii) promoting sustainable utilization of forests.
GEF Western Indian Ocean Land Based Sources of Pollution project, implemented by UNEP with riparian countries	The Wio-Lab project generated a wealth of information concerning Kenya's coastal ecosystems, their threats and potential ways of addressing them. SGP will collaborate with Wio-Lab Kenya's stakeholders and partners to identify and support priority community-based initiatives that contribute to the effective and sustainable management of coastal resources. SGP will contribute to the implementation of the Integrated Coastal Zone Management Plan, a follow up to the Wio-Lab project.
Promoting Sustainable and Responsible Fishing in Kenya implemented by CORDIO with USAID funding	The project aims at providing recommendations for fisheries' regulations to ensure sustainable and responsible fishing methods for Kenya's artisanal coastal fisheries and to empower stakeholders in fisheries management, policy development and advocacy. SGP will look for opportunities to bring about community perspectives to the work of CORDIO and provide feedback on policy implementation by fisher communities.
Youth Entrepreneurship Facility (YEP)	The YEF is an initiative started by the Danish Government and implemented by the Youth Employment Network and the International Labour Organization (ILO), to unleash a culture of “green” entrepreneurship among young men and women in East Africa turning environmental challenges into business opportunities. SGP will partner with YEF to build business skills among SGP grantees.
UNEP-GEF project on Removing Barriers to Invasive Plant Management in Africa (CABI)	SGP will build on CABI's knowledge, capacity and field activities concerning alien invasive species, in particular those affecting pastureland, to support communities in their control efforts
UNDP-GEF project on Adapting to Climate Change in Arid and Semi-Arid Lands, implemented in	This new project aims at achieving: (i) a strengthened knowledge base, coordination and information sharing towards action on management of climatic risk at the National and Regional levels; (ii) capacity developed and

partnership with WB and the Government of Kenya	investments made to integrate CRM into local/district planning, and for engaging the private sector, and; (iii) support for community driven initiatives to enhance the resilience of livelihoods and ecosystems to climatic risk. Lessons emerging from this project will inform SGP's land degradation activities, particularly those related to increased resilience of pastoral and farmer communities to CC
UNDP-GEF project on Mainstreaming SLM in Agro-pastoral production systems in Kenya	The main objective of this project is to provide land users and managers with the enabling policy environment, institutional, financial incentives and capacity for effective adoption of SLM in four agro-pastoral districts. While this project will be implemented in a different geographic area, there is opportunity for mutual learning and collaboration with SGP.
UNDP-GEF project on Strengthening the Protected Area Network within the Eastern Montane Forest Hotspot of Kenya, in partnership with the Ministry of Environment and Mineral Resources and Nature Kenya	A new GEF-funded project to improve PA representation in the Eastern Afromontane Hotspot, complementing efforts to strengthen the management of Montane Forests as part of a national strategy to improve the coverage of the PA system. The project will directly bring an additional 95,000 ha of land into PA categories, including unprotected forest lands and reserve forests being managed for production. Opportunities for collaboration and mutual learning between SGP and this project may arise although there is no geographic overlap.
"Desert Edge", part of Laikipia Wildlife Forum's Bio-Enterprise Development Program, in partnership with the African Wildlife Foundation	A conservation enterprise development initiative that contributes to livelihood improvement in the Laikipia and Samburu regions. SGP will partner with LWF in this and other relevant conservation and land management programs that benefit pastoral and farmer communities in the Laikipia-Mt. Kenya ecosystems.
The UNIDO-UNWTO project "Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced Impacts Resulting from Coastal Tourism"	A GEF-funded project implemented along the coasts of 9 African countries in West and Eastern Africa. It demonstrates best practices and strategies to reduce degradation of marine and coastal environments resulting from tourism-related pollution and contamination. In Kenya, it focuses in the Watamu/Malindi area of the North Coast where SGP will work in GEF-5.
GEF World Bank Project "Kenya Coastal Development Project"	The development objective of the Coastal Development Project is to promote an environmentally sustainable management of Kenya's coastal and marine resources by strengthening the capacity of existing relevant government agencies and by enhancing the capacity of rural micro, small and medium-sized enterprises in selected coastal communities.

## 2.8 Sustainability

105. The sustainability of project outcomes will be the result of a series of factors working together. The importance of capacity development for institutional sustainability is an assumption underlying the entire project design. The project will help develop capacities at the individual, community, and institutional level. In addition to training, SGP provides communities and their partners with learning-by-doing opportunities through the implementation of the grants, and provides support and technical assistance throughout the entire life of the projects. SGP helps bring projects and communities into broader networks of practitioners that provide support after SGP grant completion; it also facilitates market penetration by communities and their products, and the establishment of producer associations that take care of communities' business needs and interests beyond grant implementation.

106. Government institutions and their staff, although not directly financed by this project, are involved as much as possible in SGP training and grant activities to ensure full support during and beyond grant implementation. The experience acquired by Government staff and NGOs through their involvement in SGP grant implementation benefits other communities.

107. The proposed project strategy of removing barriers to community implementation of national legislation is highly cost-effective because it will help create an enabling environment for all communities in the country beyond the areas of SGP direct intervention. The feedback on effectiveness of such policies to policy-makers

and line ministries – to be provided through the NSC, the donor community, other practitioners working with SGP, and the media – may achieve a greater impact than alternative approaches that focus exclusively on upstream policy work and that fail to bridge the gap between policy development and implementation on the ground. Concerning climate change, the selected renewable energy technology, biomass fixed-dome digesters, is the most cost-effective means for meeting community cooking-fuel needs in the selected rural areas while achieving carbon benefits. It has been demonstrated that the alternative, fuel-efficient stoves for household use, although helpful, is not sufficient to significantly reduce deforestation.

## **2.9 Participation of Stakeholders and Partners**

108. SGP main partners are local community organizations of pastoral, farmer and fisher communities benefiting from SGP grants. Close working relations with national and local government authorities, national non-governmental organizations, and organizations with specialized skills have been forged over the years in the sectors and geographic areas of the project. These institutions and organizations contribute to capacity building, knowledge management, and monitoring and evaluation, and some are represented in the SGP National Steering Committee on a rotational basis where they work pro bono. Involvement of local and national government representatives is essential to achieve policy change in relevant project areas. Insurance companies, cooperatives, and other financial entities are expected to play an important role in this project phase as they are essential to delivering some project outputs in the land degradation and climate change focal areas.

109. The SGP in Kenya has formed mutually beneficial long-standing relationships with international, national and community level initiatives and partners, and will continue to seek synergies in the coming phase. SGP works with relevant stakeholders in the geographic and focal areas supported by SGP in Kenya, such as organizations represented in the COMPACT Local Consultative Body, to ensure coordination of donor funding on relevant initiatives and pave the way for replication and upscaling. Consultations with a significant number of organizations took place during the preparation of the PIF and will continue during the inception and implementation phases of the project. SGP also works with other partners, including international scientific organizations and private sector organizations. SGP collaborates with other relevant GEF MSPs and FSPs implemented in Kenya wherever synergies can be found. SGP will tap into the large pool of expertise and experience found among national and regional NGOs, such as the African Wildlife Foundation, CORDIO, Nature Kenya, and Laikipia Wildlife Forum, among others. The table below summarizes SGP relationships with related initiatives relevant to this project.

## **2.10 Cost-Effectiveness**

110. SGP has, since 1992, continuously refined and modified its implementation approach to ensure the most efficient use of resources possible in generating global environmental benefits through community action. The cost-effectiveness of the SGP and the Kenya program have been extensively and independently reviewed and analyzed. A 2007 GEF Council technical paper reviewed and analyzed the GEF-SGP cost-effectiveness compared to other programs, and found that with the current structure, “overall the SGP is comparable to other programs in terms of cost efficiency of management”. A later GEF council paper following up on the 2008 joint evaluation of the SGP and the 2007 technical paper reviewed the cost-effectiveness of alternative execution arrangements. Based on the previous reviews and analysis, a November 2009 GEF Council paper recommended maintaining and continuing to improve the current arrangements for GEF-5, which was supported by the GEF Council. As part of the preparation of the PIF, Kenya reviewed the options for implementation and execution arrangements and concluded that the present approach will continue to be the most cost-effective. The project will therefore be implemented by UNDP and executed by UNOPS, through a small Country Programme team.

### 3. PROJECT RESULTS FRAMEWORK

<p><b>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:</b></p> <ul style="list-style-type: none"> <li>• Pro-poor policies and programmes for sustainable management of environment and natural resources.</li> <li>• Sustainable clean energy services at all levels promoted.</li> </ul>					
<p><b>Country Programme Outcome Indicators:</b></p> <ul style="list-style-type: none"> <li>• No. of environmental pro-poor policies for sustainable natural resources management implemented.</li> <li>• No. of energy efficiency and conservation initiatives implemented.</li> </ul>					
<p><b>Primary applicable Key Environment and Sustainable Development Key Result Area:</b> 4. Expanding access to environmental and energy services for the poor.</p>					
<p><b>Applicable GEF Strategic Objective and Program:</b> BD-2, LD-1, LD-2, CCM-3, CD-2, and CD-5 (up to 20% of total funds available may be allocated to IW-3)</p>					
<p><b>Applicable GEF Expected Outcomes:</b> BD 2.1; LD 1.2, 2.1 and 2.3; CCM 3.1 and 3.2; CD 2.2, 2.3 and 5.2 (possible IW outcome 3.2)</p>					
<p><b>Applicable GEF Outcome Indicators:</b> BD: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations measured in hectares; CCM: Extent to which RE policies and regulations are adopted and enforced; Investment in renewable energy technologies increased, and Tons of CO2 equivalent avoided; LD: Increased land area with sustained productivity and reduced vulnerability of communities to climate variability; Forestry policies support smallholder and community tenure security; and Increased quantity and quality of forests in dryland ecosystems; CD: Stakeholders are better informed via workshops and trainings about global challenges and local actions required; Public awareness raised through workshops and other activities (Number); and Capacities for monitoring of projects and programs developed (Number). (Possible IW outcome indicators: Measurable results contributed at demo scale)</p>					
<p><b>Goal:</b> To conserve globally significant ecosystems in Kenya and mitigate climate change by supporting the implementation of national environmental policies that also contribute to communities' improved livelihoods.</p>					
	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
<p><b>Project objective:</b> Global environmental benefits secured and livelihoods improved through community based initiatives and actions that address biodiversity conservation and sustainable land management in production landscapes</p>	<p>Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation in: Mt. Kenya Forest Reserve and buffer zone</p>	<p>3,385 hectares rehabilitated by communities in Mt Kenya Forest Reserve and buffer zone in the last 10 years<sup>14</sup>)</p>	<p>30,000 hectares of forests sustainably managed in accordance with the Forest Act of 2005</p>	<p>Forest management plans approved by KFS (Mt Kenya forests and mangrove areas)</p>	<p>Environmental management, especially forest management in water towers, continues to be a government priority. Relevant government institutions will consider community applications for registration, management plan approval and permits in an expeditious manner.</p>
	<p>Laikipia rangelands</p>	<p>Community-managed Laikipia rangelands conservation areas: 9 group ranches have formed the Naibunga conservancy covering 17,200 ha.</p>	<p>20,000 hectares under community conservancies in Laikipia with effective management and securing wildlife corridors</p>	<p>Adapted METT applied at inception, mid term and end of project in community terrestrial and marine conservation areas</p>	<p>Policies and norms enable community-managed conservation areas in both marine and terrestrial ecosystems to consolidate and new areas to be established.</p>
	<p>Mangroves</p>	<p>Mangrove forests under community sustainable management practices: 6,600 ha or 12% of total mangrove area.</p>	<p>5,000 hectares of mangroves conserved by communities</p>	<p>BMU/LMMA registration</p> <p>Mid-term and final evaluation reports</p>	
		<p>Community-managed</p>			

<sup>14</sup> Over the last 10 years, the following have contributed to the rehabilitation of Mt. Kenya forest; SGP + green belt movement = 520 ha; SGP + local CBOs = 400 ha, GEF-MKEPP Mt. Kenya East project = 1,965 ha and 230 ha of plantation, KFS-PELIS and Green Zones = 500ha.

	Marine areas	marine conservation areas: 4 LMMAs established <sup>15</sup> covering 1000 ha of which 2 operating and 2 at an inception stage.	10,000 hectares under community-managed marine conservation areas		
	Increase in land area with improved management practices in pastoral and agricultural lands in ASAL	Number of hectares under community SLM practices will be determined for specific geographic area of intervention at project inception  Hectares with tree cover in community lands (to be determined at inception stage for specific geographic area)  Zero communities with sustainable charcoal production in accordance with the “Charcoal Rules” of 2009.	60,000 hectares under SLM practices  100 ha with increased tree cover  At least 50% of participating communities obtain permit from KFS under the Charcoal Rules	Project monitoring reports  Google images if available  KFS permits  Mid-term and final evaluation	Government extension services willing to support community initiatives beyond the life of the SGP project.  Experience gained in implementing the Charcoal Rules will retrofit current guidelines to ensure sustainability of charcoal production and consumption.
	Increased application at community level of legal and regulatory frameworks that integrate SFM principles				
	Increased number of communities earning an income from sustainable land and resource use with due consideration of biodiversity	About 27 communities at the Coast, 30 communities in Mt. Kenya, and 3 in Laikipia/northern rangelands earning an income from sustainable livelihood initiatives.	At least 10 additional communities in Mt. Kenya, 10 in Laikipia northern rangelands and 8 at the coast will earn an income from sustainable livelihood initiatives.	Project monitoring reports  Mid-term and final evaluation reports	With partner support communities are able to access markets for their sustainably produced goods and services.
	RE policies and regulations adopted	Zero small-scale RE producers in FIT	1 demo	Project monitoring reports	An existing small-scale RE initiative can be upscaled to meet the requirements of the FIT system
	GHG emissions avoided	Biogas units installed <sup>16</sup> in project area: 202  2,908 CO <sub>2</sub> e avoided <sup>17</sup>	700 new units (SGP direct) 6,650 new units (replication) 68,000 tons of CO <sub>2</sub> e avoided	KNDBP reports	Financial institutions operating in project areas are willing to extend credit to rural families and businesses interested in adopting biogas.
	Increased proportion of CBOs	Eligible project proposals	Increase in percentage of	NSC minutes	SGP team will be able to deliver the

<sup>15</sup> Kiwini LMMA in Lamu, Wasini (Kwale), Mkokoni (Kiunga) and Kuruwitu LMMA in Kilifi

<sup>16</sup> In the last 3 years, 162 units installed by SGP and 40 installed by GTZ and the National Biogas Programme.

<sup>17</sup> An 8 cubic meters biogas plant offsets 4.8 tons/yr. The biogas units have been installed in the last 3 years.

	capable of developing eligible SGP projects as a proxy to their ability to diagnose and understand global environmental problems and of developing local solutions	received by SGP Mount Kenya region (40%) Laikipia region (0%) Coastal region (30%)	eligible proposals: Mt Kenya region (60%) Laikipia region (50%) Coastal region (60%)	Country Programme reports Project monitoring reports Mid-term evaluation Final evaluation report	training programme in first six months of project in all regions. Target communities will have an interest in developing relevant proposals for submission to the SGP.
<b>Outcome 1</b> Community-based initiatives mainstream biodiversity conservation into forest and marine ecosystems management, and help maintain key wildlife corridors	1.1 Increased number of CFAs established and with Forest Management Agreements approved by KFS and under implementation in target areas (Buffer zone of Mt. Kenya Forest Reserve and Mangrove Forests)	Number of CFAs registered: 15 CFAs established, however, they are not all active, and most are at budding stage.  10 CFAs have Forest Management Plans in Mt. Kenya but do not fully integrate BD  Number of Forest Management Agreements under implementation: 3 in Mt. Kenya	Six new CFAs  Five new Forest Management Plans integrating BD developed  Three new Forest Management Agreements signed between local communities and KFS and under implementation	KFS registry and records  Forest Management Plans and Agreements  Project Monitoring reports	KFS will be willing and able to revise guidance to mainstream BD conservation in forest management plans.  KFS will be willing and able to address challenges related to costs and benefit sharing in joint forest management activities.  Network of civil society organizations working on marine and coastal BD conservation are willing to partner with SGP to document experiences to improve community managed conservation areas policies/regulations.
	1.2 Enhanced management effectiveness of Community Conservancies in the Laikipia area	Score of adapted METT (to be applied once specific conservancies have been selected for SGP grants)	At least 20% increase in METT scores	Adapted METT applied at inception of grants, mid-term and end of project Mid-term and final evaluation reports	International legal expert will be identified to advise pro-bono local organizations on issues related to LMMAs and other types of community conservation areas.
	1.3 Increased number of BMUs and LMMAs conserving coastal and marine biodiversity	85 BMUs established <sup>18</sup> of which some 17 operating Four LMMAs established of which 2 operating  LMMA policy and regulatory framework unclear	4 LMMAs established and managed by BMUs or other CBOs of which at least 3 with management plans designed and under implementation  LMMA policies reviewed and proposal for regulatory framework developed	Adapted METT applied at inception of grants, mid-term and end of project Mid-term and final evaluation reports  Minutes of consultation workshops for LMMA policy review	
<b>Outcome 2</b> Flow of forest and agro-ecosystem services maintained for long-term sustainability of communities' livelihoods	Increased number of communities contributing to identify and prevent the spread of IAS in rangelands	Zero communities contributing to detect and/or control IAS in rangelands.	At least 20 pastoral communities and 10 agricultural communities taking action to prevent, detect and control IAS	Training participation lists and workshop reports  IAS grant reports	Communities are aware of the negative impacts of IAS on rangelands and on their livelihoods, and willing to address them.
	Increased number of communities produce charcoal sustainably and legally	Zero communities in the project area with KFS permits under the Charcoal Rules of 2009	At least 100 communities aware of the new charcoal rules  At least 10 communities	Training event reports  KFS registry and charcoal permits	Techniques exist to produce charcoal sustainably in the targeted ecosystems, and communities are willing to adopt them.

<sup>18</sup> These are BMUs that have simply elected executive committee members. Only about 17 BMUs have developed by-laws, have been trained on BMU operations, and have developed management plans.

			producing and selling charcoal sustainably and legally		
	<p>Increased percentage of families/community groups implementing SLM practices in ASAL target areas</p> <p>Increased or diversified investment in SLM at the local level</p>	<p>Baseline value of families/groups implementing conservation agriculture, zero-grazing and other SLM practices in ASAL target areas to be determined at project inception for specific geographic areas</p> <p>Types of SLM investments include: production and marketing of dryland products, e.g. livestock and livestock products, honey, dryland crops, e.g. aloe, eco-tourism and handicrafts. Also, water conservation and management, and small-scale eco-farming.</p>	<p>20% increase of families/groups implementing SLM practices</p> <p>Four investment types for SLM at community level introduced or strengthened.</p>	<p>Project reports</p> <p>Evaluation reports</p>	<p>Government agricultural extension teams willing to continue providing technical assistance beyond SGP project completion to improve likelihood of sustainability and for replication beyond SGP targeted communities.</p> <p>Partner NGOs and communities will be willing to pilot activities and serve as demonstration sites.</p> <p>Donor community in project areas will be willing to further contribute funds to expand successful SLM investments to other communities.</p>
	Increased number of Income Generating Activities (IGAs) for improved livelihoods, as a result of SLM investments.	The baseline for the number of sustainable income generating activities in the target area will be determined once the project begins.	At least 5 new or strengthened sustainable income generating activities	<p>Project reports</p> <p>Evaluation reports</p>	<p>Local markets can absorb increased production from communities.</p> <p>National markets are an option for at least some community-produced goods.</p>
<p><b>Outcome 3</b></p> <p>Local communities implement low carbon technologies that address their energy needs and mitigate climate change</p>	<p>Increase in credit availability for rural families and business that want to adopt RE</p> <p>Increased number of trained personnel able to build and maintain biogas digesters</p> <p>Number of small-scale RE project meeting FIT requirements</p>	<p>Credit for small scale RE investments available from 2 cooperatives but for cooperative members only, e.g. Kathuna Dairy cooperative</p> <p>No. of trained individuals in project area: 17</p> <p>Zero small-scale RE projects meet FIT requirement</p>	<p>At least 2 new financial institutions offering credit for RE including biogas and at least 50 families receiving credit for RE investments</p> <p>An additional 10 people able to construct and provide maintenance to biogas units</p> <p>FIT demonstration meets FIT requirements</p>	<p>Financial institutions lending reports</p> <p>Training records</p> <p>Report with assessment of potential small-scale RE operations that could be up-scaled to meet FIT requirements</p>	<p>Financial institutions are willing to develop a lending package suitable for households wishing to install biogas units.</p> <p>Households are aware of the loan and are willing to apply for it.</p> <p>Able to identify a small-scale RE project that has the capacity to meet the FIT requirements and is willing to work with SGP and KENGEN towards this goal.</p>
<p><b>Outcome 4</b></p> <p>Communities'</p>	Percentage of grantees that achieve their project outcomes	90%	90%	Project M&E reports	SGP identifies a sufficient number of qualified partners to assist in the



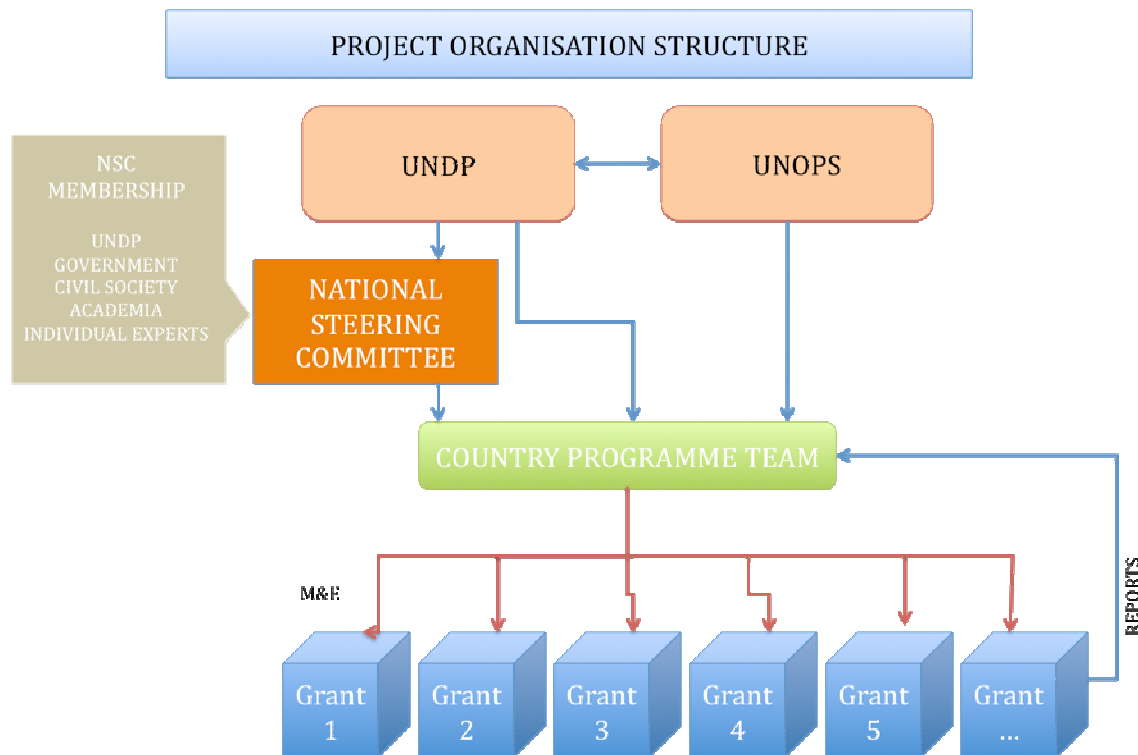
capacities in GEF Focal Areas strengthened and awareness and knowledge management enhanced.	Increased public awareness of global environmental issues in target areas  Increased number of grantees applying adaptive management to their grants	To be determined through a survey to be carried in the first year of project implementation  50% of grantees apply adaptive management	20% increase over baseline value  80% of grantees applying adaptive management	Survey results  Mid-term and final project evaluation reports	implementation of its capacity development strategy and is able to assess change resulting from its implementation.
<p><b>Outcome 1 would be achieved through the following outputs:</b></p> <p>1.1.1 Communities awareness program on the Forest Act of 2005 - opportunities, legal and practical implications (&gt;35 communities)</p> <p>1.1.2 Community Forest Associations established (&gt;6)</p> <p>1.1.3 Community forest management plans integrating BD and Forest Management Agreements signed with the Kenya Forest Service (&gt;5)</p> <p>1.1.4 Forest management plans implemented by local communities (&gt;15 initiatives)</p> <p>1.1.5 Community-adapted forest monitoring techniques and guidelines developed and disseminated</p> <p>1.2.1 Conservancy management plans developed or improved by Group Ranches (&gt;6)</p> <p>1.2.2 Training program on sustainable rangeland management practices, alternative sustainable livelihood activities, and biodiversity conservation (&gt;120 Group Ranch members)</p> <p>1.2.3 Financing secured for implementation of the Conservancies' management plans (&gt;10 initiatives)</p> <p>1.2.4 Partnerships developed for conservation and sustainable rangeland management between private ranches/ foundations and communities (&gt;2)</p> <p>1.2.5 Set of common indicators for monitoring performance of communities' Conservancies</p> <p>1.3.1 Barriers to community-managed marine areas identified and plan to overcome them prepared</p> <p>1.3.2 LMMA management plans implemented through BMUs and other local organizations (&gt;3)</p> <p>1.3.3 Marine conservation activities implemented with BMUs and other community groups (&gt;10 initiatives)</p> <p>1.3.4 Publication codifying lessons from LMMA establishment and operations prepared and made available to the relevant national authorities and other coastal communities and their networks</p>					
<p><b>Outcome 2 would be achieved through the following outputs:</b></p> <p>2.1.1 Training program in SLM practices and approaches, including control of rangeland invasive species, for pastoral and farmer communities (&gt;20 groups)</p> <p>2.1.2 Pilot projects to establish financial incentives for community-based SLM (&gt;5)</p> <p>2.1.3 Pilot initiatives to demonstrate innovative means to improve resilience to CC of pastoral and farmer communities (e.g., insurance schemes) (&gt;3)</p> <p>2.1.4 Demonstration of conservation agriculture targeting high value crops and under-utilized crops and improving value-added to existing crops and access to markets (&gt;10 initiatives)</p> <p>2.2.1 Awareness program for community groups about the Kenya Forest (Charcoal) Rules of 2009 (&gt;100 communities)</p> <p>2.2.2. Community production and sales of charcoal in line with the Kenya Forest (Charcoal) Rules of 2009 (&gt;10 groups)</p>					
<p><b>Outcome 3 would be achieved through the following outputs:</b></p> <p>3.1.1 Awareness program for farmers, rural institutions, and micro and small businesses about multiple benefits of biogas</p> <p>3.1.2 Briefings to local financial institutions to sensitize them about the financial viability of biogas investments</p> <p>3.1.3 Lending package for upfront costs of biogas installations developed and applied by partner financial institution(s)</p> <p>3.1.4 Biogas installations in partnership with the National Biogas Program (&gt;700 direct installations and some 6,650 units through replication)</p> <p>3.1.5 Off-grid communities with access to different types of renewable energy to meet domestic and production energy needs (&gt;6)</p> <p>3.2.1 Awareness raising and capacity building programme delivered on how small scale RE producers can effectively participate in and take advantage of the FIT policy to generate energy and sell any excess power to the central grid &gt; 8 communities</p> <p>3.2.2 Community-based renewable energy demo project -- using biogas, hydro or wind energy -- with FIT participation potential, in partnership with Ministry of Energy</p>					
<p><b>Outcome 4 would be achieved through the following outputs:</b></p> <p>4.1.1 Eight national and sub-national training workshops on project development and management, and focus group discussions on global environmental issues and the role of local communities in addressing them</p> <p>4.2.1 SGP knowledge products developed and disseminated (&gt; 3 publications), and SGP communications strategy implemented (&gt;10 media events, i.e., TV/radio spots, journalist project visits, newspaper articles, etc.)</p> <p>4.3.1 Training programme on identification and tracking of indicators, and project participatory monitoring (&gt;6 workshops covering &gt;80 community groups)</p>					

#### 4. MANAGEMENT ARRANGEMENTS

##### 5.1 Organizational structure and arrangements

111.SGP has, since 1992, continuously refined and modified its implementation approach to ensure the most efficient use of resources possible in generating global environmental benefits through community action. The cost-effectiveness of the SGP and the Kenya program have been extensively and independently reviewed and analyzed. A 2007 GEF Council technical paper reviewed and analyzed the GEF-SGP cost-effectiveness compared to other programs, and found that with the current structure, “overall the SGP is comparable to other programs in terms of cost efficiency of management”. A later GEF council paper following up on the 2008 joint evaluation of the SGP and the 2007 technical paper reviewed the cost-effectiveness of alternative execution arrangements. Based on the previous reviews and analysis, a November 2009 GEF Council paper recommended maintaining and continuing to improve the current arrangements for GEF-5, which was supported by the GEF Council. As part of the preparation of the PIF, Kenya reviewed the options for implementation and execution arrangements and concluded that the present approach will continue to be the most cost-effective. The project will therefore be implemented by UNDP and executed by UNOPS, through a small Country Programme team.

112.The diagram below shows the project organizational structure. The roles and responsibilities of the various parties to the project are described in the SGP Operational Guidelines (see Annex 8.2).



113.UNDP will provide overall program oversight and take responsibility for standard GEF project cycle management services beyond assistance and oversight of project design and negotiation, including project monitoring, periodic evaluations, troubleshooting, and reporting to the GEF. UNDP will also provide high level technical and managerial support through the recently established Communities Cluster within EEG, and from a UNDP Regional Technical Advisor (RTA) and other members of the regional teams, who will be responsible for project oversight for upgraded Country Programme projects. SGP CPMT will monitor for compliance of upgraded Country Programmes with SGP core policies and procedures.

114. In accordance with the global SGP Operational Guidelines that will guide overall project implementation in Kenya, and in keeping with past best practice, the UNDP Resident Representative will appoint the National Steering Committee (NSC) members. The NSC, composed of government and non-government organizations with a non-government majority, a UNDP representative, and individuals with expertise in the GEF Focal Areas, is responsible for grant selection and approval and for determining the overall strategy of the SGP in the country. NSC members serve without remuneration and rotate periodically in accordance with its rules of procedure. The Government is usually represented by the GEF Operational Focal Point or by another high level representative of relevant ministries or institutions. The NC will report to the NSC on Country Program progress, to the UNDP RR as primary supervisor, and to CPMT regarding the SGP Operational Guidelines. The NSC also contributes to bridging community-level experiences with national policy-making. The SGP Local Consultative Body (LCB) based in Nanyuki and covering the Mt. Kenya Districts, which is unique to Kenya and whose members also work pro bono, will continue advising the Country Team concerning its activities in the Mt. Kenya region and will expand its membership to include stakeholders in Laikipia.
115. The Country Office is the business unit in UNDP for the SGP project and is responsible to ensure the project meets its objective and delivers on its targets. The Resident Representative signs the grant agreements with beneficiary organizations. The Country Office will make available its expertise in various environment and development fields as shown below. It will also provide other types of support at the local level such as infrastructure and financial management services, as required. UNDP will be represented in the NSC, and will actively participate in grant monitoring activities.
116. The country team - recruited competitively and composed of a National Coordinator, a Local Coordinator based in Nanyuki and funded through co-financing, and a Program/Financial Assistant - is responsible for the day-to-day operations of the program. This includes supporting NSC strategic work and grant selection by developing technical papers, undertaking ex-ante technical reviews of project proposals; taking responsibility for monitoring the grant portfolio and for providing technical assistance to grantees during project design and implementation; mobilizing cash and in-kind resources; preparing reports for UNDP, GEF and other donors; implementing a capacity development program for communities, CBOs and NGOs, as well as a communications and knowledge management strategy to ensure adequate visibility of GEF investments, and disseminating good practices and lessons learnt. As indicated in the PIF, the vast majority of project site visits for monitoring and technical support to some 80 grantees are done by road, and therefore, it is far more cost-effective to own and maintain a 4WD vehicle than to rent a car or use other means of transport for the NC, PA, NSC members or other volunteer personnel who need to go to the field. A staff member that could also perform other M&E tasks would be responsible for such vehicle.
117. Grants will be selected by the NSC from proposals submitted by CBOs and NGOs through calls for proposals in specific thematic and geographic areas relevant to the SGP strategy. Although government organizations cannot receive SGP grants, every effort will be made to coordinate grant implementation with relevant line ministries, decentralized institutions, universities and local government authorities to ensure their support, create opportunities for co-financing, and provide feedback on policy implementation on the ground. Contributions from and cooperation with the private sector will also be sought.
118. SGP utilizes consultants for specialized services only, mostly for baseline data collection, capacity development activities, business development support, and to assist grantees when specialized expertise is required, or for tasks that require an external independent view such as the mid-term and terminal evaluations.
119. UNOPS will provide Country Programme execution services, including human resources management, budgeting, accounting, grant disbursement, auditing, and procurement. UNOPS is responsible for SGP financial management and provides periodic financial reports to UNDP. The UNOPS SGP Standard Operating Procedures (see Annex 8.3) guide the financial and administrative management of the project. This document along with the UNOPS SGP Operational Guidelines will be revised during the project inception workshop to adjust existing procedures to the new up-graded situation of the Kenya SGP.

120. UNOPS will not make any financial commitments or incur any expenses that would exceed the budget for implementing the project as set forth in this Project Document. UNOPS shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when UNOPS is aware that the budget to carry out these services is insufficient to fully implement the project in the manner set out in the Project Document. UNDP shall have no obligation to provide UNOPS with any funds or to make any reimbursement for expenses incurred by UNOPS in excess of the total budget as set forth in the Project Document.
121. UNOPS will submit a cumulative financial report each quarter (31 March, 30 June, 30 September and 31 December). The report will be submitted to UNDP through the ATLAS Project Delivery Report (PDR) system and follow the established ATLAS formats and PDR timelines. The level of detail in relation to the reporting requirement is indicated in the Project Document budget, which will be translated into the ATLAS budgets. UNDP will include the expenditure reported by UNOPS in its reconciliation of the project financial report.
122. Upon completion or termination of activities, UNOPS shall furnish a financial closure report, including a list of non-expendable equipment purchased by UNOPS, and all relevant audited or certified financial statements and records related to such activities, as appropriate, pursuant to its Financial Regulations and Rules.
123. Title to any equipment and supplies that may be furnished by UNDP or procured through UNDP funds shall rest with UNDP until such time as ownership thereof is transferred. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and UNOPS. UNDP shall provide UNOPS with instructions on the disposal of such equipment and supplies within 90 days of the end of the Project.
124. The arrangements described in this Project Document will remain in effect until the end of the project, or until terminated in writing (with 30 days notice) by either party. The schedule of activities specified in the Project Document remains in effect based on continued performance by UNOPS unless it receives written indication to the contrary from UNDP. The arrangements described in this Agreement, including the structure of implementation and responsibility for results, shall be revisited on an annual basis and may result in the amendment of this Project Document.
125. If this Agreement is terminated or suspended in accordance with the above paragraph, UNDP shall reimburse UNOPS for all costs directly incurred by UNOPS in the amounts specified in the project budget or as otherwise agreed in writing by UNDP and UNOPS.
126. All further correspondence regarding this Agreement, other than signed letters of agreement or amendments thereto should be addressed to the UNDP-GEF Executive Coordinator and the UNDP Resident Coordinator.
127. UNOPS shall keep UNDP fully informed of all actions undertaken by them in carrying out this Agreement.
128. Any changes to the Project Document that would affect the work being performed by UNOPS shall be recommended only after consultation between the parties. Any amendment to this Project Document shall be effected by mutual agreement, in writing.
129. If UNOPS is prevented by force majeure from fulfilling its obligations under this Agreement, it shall not be deemed in breach of such obligations. UNOPS shall use all reasonable efforts to mitigate the consequences of force majeure. Force majeure is defined as natural catastrophes such as but not limited to earthquakes, floods, cyclonic or volcanic activity; war (whether declared or not), invasion, rebellion, terrorism, revolution, insurrection, civil war, riot, radiation or contaminations by radio-activity; other acts of a similar nature or force.

130. Notwithstanding anything to the contrary, UNOPS shall in no event be liable as a result or consequence of any act or omission on the part of UNDP, the government and/or any provincial and/or municipal authorities, including its agents, servants and employees.
131. UNDP and UNOPS shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the dispute, controversy or claim and of measures which should be taken to rectify it, shall be referred to the UNDP Administrator and the UNOPS Executive Director for resolution.
132. This project will be implemented by UNOPS in accordance with UNOPS' Financial Rules and Regulations provided these do not contravene the principles established in UNDP's Financial Regulations and Rules.
133. UNOPS as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations security management system.

## **5.2 Communications and visibility requirements**

134. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects need to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: [http://www.thegef.org/gef/GEF\\_logo](http://www.thegef.org/gef/GEF_logo). The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.
135. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08\\_Branding\\_the\\_GEF%20final\\_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.
136. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

## 5. MONITORING AND EVALUATION FRAMEWORK

137. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team, UNOPS and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit in South Africa and Communities Cluster in New York. The Project Results Framework in Section 3 provides performance and results indicators for project implementation along with their corresponding means of verification. The following paragraphs and Table outline the main components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized in the Project's Inception Meeting following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

### 6.1 Portfolio of upgraded country programmes

138. The UNDP Communities Cluster in New York will monitor the implementation of the portfolio of upgraded SGP countries and will promote and support cross-fertilization and learning among Country Programmes and with the global SGP. SGP CPMT will monitor country programmes for compliance with the SGP Operational Guidelines. The Communities Cluster will bring together the upgraded country programmes at the inception stage to review existing SGP procedures and guidance and propose relevant revisions to these documents to adapt them to the requirements of the FSP.

### 6.2 Country Programme Level

#### 6.2.1 Project start

139. A Project Inception Workshop will be held within two months of project start with those with assigned roles in the project organization structure: the UNDP Regional Technical Advisor, the Country Office SGP Focal Point, National Steering Committee members, the SGP Coordinator, and where feasible, a UNOPS headquarters representative. The Inception Workshop is crucial to brief all participants on the new SGP requirements as a GEF Full-size Project and to build ownership for project results. The Inception Workshop will carry out a number of key activities including:

- Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of the UNDP Communities Senior Technical Advisor (STA), Regional Technical Advisor (RTA), Country Office (CO), and UNOPS vis-à-vis the project team and the National Steering Committee (NSC). Discuss the roles, functions and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.
- Based on the project results framework, finalize the first annual work plan and agree on a schedule for grant approval for the entire project life.
- Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements and roles. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- Discuss financial reporting procedures and obligations, and audit arrangements.

An Inception Workshop Report is a key reference document and must be prepared by the National Coordinator with RTA review and shared with participants to formalize various agreements and plans decided during the meeting

#### 6.2.2 Quarterly

140. Quarterly monitoring of project progress shall cover the following:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.

- Based on information recorded in ATLAS by UNOPS, UNDP will have access to updated financial information on an ongoing manner.
- Information on the grant portfolio shall be updated in the SGP Global Database.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high.
- Based on the information recorded in Atlas by the CO and the SGP NC, Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

### 6.2.3 Annually

141. Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (1 July to 30 June). The APR/PIR combines both UNDP and GEF reporting requirements. The National Coordinator will prepare the PIR with inputs and supervision by the UNDP CO SGP Focal Point and the RTA. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - with indicators, baseline data and end-of-project targets (cumulative).
- Project outputs delivered per project outcome (annual).
- Lessons learned/good practice.
- AWP and other expenditure reports.
- Risk and adaptive management.
- ATLAS QPR.
- Portfolio level indicators, in this case the global SGP tracking tool, should be used on an annual basis.

142. The RTA may conduct joint visits with the NC to selected project sites as an input to PIR preparation. A Field Visit Report/BTOR will be circulated to the project team and other relevant project stakeholders, as appropriate, no less than one month after the visit.

### 6.2.4 Mid-term of project cycle

143. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (approximately July 2013). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the second half of the project's term. Ideally, the Mid-term Evaluation should be conducted with similar terms of reference for all GEF-5 SGP upgraded country programmes and concurrently, if possible. The objective is to facilitate the comparison of experiences between all upgraded countries and distil common lessons to inform similar processes for other Country Programmes. The organization, terms of reference and timing of the mid-term evaluation will be decided in consultation with the SGP Central Programme Management Team (CPMT), the UNDP-GEF Results Management Advisor, the Communities STA, the RTA, the CO and the NC. The Terms of Reference for the Mid-term evaluation will be prepared by CPMT based on guidance from the GEF Evaluation Office and UNDP-GEF, and will be validated by the UNDP Evaluation Office. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Resource Center (ERC).

### 6.2.5 End of Project

144. An independent Final Evaluation will take place three months prior to the project expected end date (approximately on April 2015). The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The UNDP STA, in consultation with SGP CPMT, will prepare the Terms of Reference for this evaluation. The TOR shall be validated by the UNDP Evaluation Office.
145. Given the pilot nature of the first batch of upgrading SGP Country Programmes, the final evaluation should also undertake an assessment of costs and benefits of the upgrading process, summarize lessons learned, and provide recommendations to the GEF Secretariat and the Global SGP concerning the upgrading of other Country Programmes. The final evaluation requires a management response, which should be uploaded to PIMS and to the UNDP Evaluation Resource Center (ERC).
146. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and help replication of project results.

#### 6.2.6 Learning and knowledge sharing

147. Particular attention will be paid to the GEF Focal Area "learning objectives" to ensure that experiences emerging from local level implementation of technologies, approaches and policies are fed back to the wider portfolio. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects, in particular to other SGP upgrading countries. The project team will participate in at least one workshop with other SGP upgraded countries to share experiences. Ideally, this workshop should take place as part of the mid term evaluation. The detailed objective(s), venue, agenda, and timing of the workshop will be determined by the STA in consultation with the SGP country teams, the respective RTAs and the evaluation team.
148. Finally, there will be a two-way flow of information between this project, other SGP upgraded countries and the global SGP programme. Such flow of information should cover substantive and operational information, experiences and lessons.

#### 6.3 M&E for individual grants

149. The following minimum M&E standards shall be applied for individual grants:

Ex-ante Visits: The project team should undertake ex-ante visits on a risk basis to grant-requesting organizations upon grant-approval by the NSC and prior to the signature of the MOA between UNDP and the grantee.

Field monitoring visits: Every project should be visited at least twice in its lifetime, upon receipt of the first progress report from beneficiary organizations and during the following year. NSC members with relevant expertise in project-related technical areas may join the NC during these visits as appropriate.

Progress reports: Beneficiary organizations should submit half-yearly progress reports to the NC along with a financial report. A forecast of resources needed in the following period should be submitted by the grantee to the NC as a requirement for disbursement of next instalment.



**Final report:** Beneficiary organizations should submit a final report summarizing global benefits and other results achieved, outputs produced, and lessons learned. The final report should also include a final financial statement.

**Final Evaluation:** A final evaluation will be done for each project. The NC should validate the terms of reference for these evaluations and vet the evaluation consultant. The cost of this evaluation will be part of the grant budget.

**Audit:** The SGP National Coordinator will organize audits to selected grantee organizations on a risk basis. The cost of these audits will be charged to the grant project budget.

## 6.4 M&E workplan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
<b>Country Programme Level</b>			
International inception workshop National Inception Workshop and Report	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ NSC</li> <li>▪ UNDP RTA and CO</li> <li>▪ UNOPS</li> </ul>	Subject to decision on location \$7,000 Indicative cost to project: \$ 3,600 Travel cost of RTA from IA fee	Before end of 2011 Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator will oversee the hiring of specific studies (e.g., baseline data)</li> </ul>	\$27,000	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> </ul>	To be determined as part of the Annual Work Plan preparation	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ UNDP RTA</li> </ul>	No cost to project budget Annual visit by RTA – Travel cost from IA fee	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator and team</li> </ul>	No cost to project budget	Quarterly
SGP Global Database update	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ Local consultant</li> </ul>	Indicative cost to project: \$ 5,000	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator and team</li> <li>▪ UNDP STA</li> </ul>	Indicative cost of evaluation: \$21,600	At the mid-point of project implementation.
Upgraded countries Experience exchange workshop	<ul style="list-style-type: none"> <li>▪ SGP CPMT and NSC representative</li> <li>▪ International Consultants (i.e. evaluation team)</li> </ul>	Indicative cost of participation to upgraded countries exchange workshop(s): \$8,200	
Final Evaluation	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator and team,</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: \$ 24,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>➤ SGP National Coordinator and team</li> <li>➤ UNDP CO</li> </ul>	Indicative cost: \$6,000 (Includes layout, editing, translation, printing)	At least three months before the end of the project

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
<b>Country Programme Level</b>			
	➤ Local consultant		
Audit	<ul style="list-style-type: none"> <li>▪ UNOPS</li> <li>▪ SGP National Coordinator and team</li> </ul>	Indicative cost for audit: 5,900	Once in the lifetime of project
<b>SUB-TOTAL</b> <i>Excluding staff time</i>		<b>US\$ 108,300</b>	

<b>Individual grant level (Cost calculations based on some 80 project grants)</b>			
Type of M&E activity	Responsible Parties	Budget US\$	Time frame
Ex-ante visit	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ NSC members</li> </ul>	Indicative cost: 8,300	Risk based (20% of total No. of grants)
Field monitoring visit	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ NSC members</li> </ul>	Indicative cost: 77,400	At least twice in the lifetime of project Additional visits on a risk basis
Monitoring of and technical support to community application of M&E methods and tools	<ul style="list-style-type: none"> <li>▪ SGP National Coordinator</li> <li>▪ National experts</li> <li>▪ NSC members</li> </ul>	Indicative cost: 46,000	Half-yearly
Progress reports	<ul style="list-style-type: none"> <li>▪ Beneficiary organization</li> <li>▪ SGP National Coordinator</li> </ul>	No cost	Half-yearly
Final report	<ul style="list-style-type: none"> <li>▪ Beneficiary organization</li> <li>▪ SGP National Coordinator</li> </ul>	No cost	End of project
Final evaluation	<ul style="list-style-type: none"> <li>▪ National consultant</li> <li>▪ SGP National Coordinator</li> <li>▪ Beneficiary organization</li> </ul>	Included in project grant budget	End of project
Audit	<ul style="list-style-type: none"> <li>▪ UNOPS</li> <li>▪ SGP National Coordinator</li> <li>▪ Beneficiary organization</li> </ul>	Included in project grant budget	Risk based
<b>SUB-TOTAL COST</b> <i>M&amp;E of approx 80 projects excluding staff time</i>		<b>US\$ 131,700</b>	
<b>TOTAL indicative COST</b>		<b>US\$ 240,000</b>	

## 6. LEGAL CONTEXT

150. This document together with the CPAP signed by the Government of Kenya and UNDP, which is incorporated by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) and all CPAP provisions apply to this document.

151. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

152. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

Annexes

## 8.1 OFFLINE RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	<p>Enter a brief description of the risk</p> <p><i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i></p>	<p>When was the risk first identified</p> <p><i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i></p>	<p>Environmental Financial Operational Organizational Political Regulatory Strategic Other</p> <p><i>Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information)</i></p>	<p>Describe the potential effect on the project if this risk were to occur</p> <p>Enter probability on a scale from 1 (low) to 5 (high) P =</p> <p>Enter impact on a scale from 1 (low) to 5 (high) I =</p> <p><i>(in Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i></p>	<p>What actions have been taken/will be taken to counter this risk</p> <p><i>(in Atlas, use the Management Response box. This field can be modified at any time. Create separate boxes as necessary using "+", for instance to record updates at different times)</i></p>	<p>Who has been appointed to keep an eye on this risk</p> <p><i>(in Atlas, use the Management Response box)</i></p>	<p>Who submitted the risk</p> <p><i>(In Atlas, automatically recorded)</i></p>	<p>When was the status of the risk last checked</p> <p><i>(In Atlas, automatically recorded)</i></p>	<p>e.g. dead, reducing, increasing, no change</p> <p><i>(in Atlas, use the Management Response box)</i></p>
1.	<p>Failure to deliver on project results and targets by community-based organizations implementing a grant due to low capacity.</p>	<p>February 2012</p>	<p>Organizational</p>	<p>Due to low capacity, community groups may be unable to fully implement their projects. This will in turn affect the sustainability of the projects as well as overall delivery of the project results.</p> <p>P = 2</p>	<p>Community organizations' capacities are assessed during grant review and approval to determine the level of support needed during the lifetime of the project. Risks will be mitigated through capacity building and oversight of the project portfolio by UNDP-GEF and UNDP CO. The project will work with all grantees to help them maintain appropriate rates of disbursement, link</p>	<p>SGP</p>			

				I = 5	grantee partners to learn from each other in peer-to-peer learning groups, and work in a flexible manner that responds to the strengths and comparable advantages of grantees. SGP will monitor the performance of the governing bodies of community organizations to prevent any problems. SGP will also reduce risk by supporting replication of good practices that have proven to deliver on GEF strategic priorities at the community level				
2.	Vulnerability of communities and their GEF-financed activities to severe weather events. Climate	February 2012	Environmental	Climate unpredictability may particularly affect the level of success of projects in ASAL and other vulnerable areas.  P = 3 I = 5	The project will contribute to enhancing ecosystem function and resilience by enabling local communities to reduce pressure on target ecosystems. To the extent possible, grants will be made keeping in mind the potential climate risks, and steps will be taken to minimize risk and adapt. SGP-Kenya will adopt good practices from other SGP Country Programs such as Mexico, which has built considerable expertise in “climate-proofing” community-based initiatives.	SGP			
3.	Failure to develop a suitable credit line for farmers and small rural businesses to invest in biogas	February 2012	Financial	If communities are unable to secure financial credit for the installation of biogas units, this may negatively affect rate of	SGP is approaching a large number of institutions, both rural savings and credit cooperatives, FMIs and national banks, and is testing different modalities for	SGP			

	units.			<p>replication and sustainability.</p> <p>P = 1 I = 5</p>	<p>combining a credit line with farmers' equity and different levels of project subsidy. Savings on fuelwood and multiple benefits arising from biogas installations are likely to encourage farmers who meet conditions for effective biogas operations to invest their own assets in the installation of the digesters and to borrow to cover up-front costs</p>				
4.	<p>National campaigns and elections hamper the effective implementation of community projects.</p>	<p>February 2012</p>	<p>Political</p>	<p>Kenya promulgated a new constitution in August 2010, which will usher in a new governance system when the national elections are held. It is likely that in many parts of rural Kenya, civic education and campaigns will interfere with project implementation and cause delays.</p> <p>P = 3 I = 4</p>	<p>The national elections will be held either end 2012 or early 2013 under a new constitution, which has created many more positions to vie for. There is lots of civic education to be done, and the campaigning is bound to be intense. Although there will be some flexibility in the disbursement schedule to accommodate the interruptions just before the elections, the community groups will be reminded severally that they are to keep to the schedule in the MOA. Furthermore, the SGP team will plan the proposal review and award sessions, so that they do not coincide too closely with the election period to avoid a situation where the SGP-funded projects are hijacked for political expediency.</p>	SGP			

## **Annex 8.2 SGP Operational Guidelines**

These Operational Guidelines are intended to assist GEF SGP National Coordinators/Sub-Regional Coordinators (NCs/SRCs), National Steering Committees (NSCs), Sub-regional Steering Committees (SRSCs), National Focal Groups (NFGs), UNDP Country Offices and National Host Institution (NHI) staff in programme implementation at the country level. They are based on the GEF SGP Project Strategic Framework, and the experience and knowledge gained both at the country and global levels through years of programme implementation. They provide basic information about the structure, implementation, and administration of the programme. They also address the project cycle and grant disbursement in some detail. Programme and project monitoring, evaluation, and reporting are covered in the GEF SGP Monitoring and Evaluation Framework. Link to the document: <http://sgp.undp.org/img/file/GEF%20SGP%20Operational%20Guidelines%20OP5.pdf>

## **Annex 8.3 SGP Standard Operating Procedures**

The Standard Operating Procedure (SOP) Manual is intended to consolidate proven “best practices” and existing standard procedures in order to document them as reference document. It should constitute a “user-friendly” handbook for all SGP practitioners. This includes comprehensive “quick-fix” instructions wherever possible, highlighting Frequently Asked Questions (FAQ), illustrating the necessary steps in simple workflow charts and offering a direct linkage to the UNOPS-SGP document template platform for necessary actions. Link to the document: [ftp://ftp.fao.org/ag/agp/planttreaty/funding/UNOPS\\_SGP\\_SOPs\\_July2010-Update.pdf](ftp://ftp.fao.org/ag/agp/planttreaty/funding/UNOPS_SGP_SOPs_July2010-Update.pdf)

## **Annex 8.4 Agreements (Co-financing Letters)**