

# **Economic Justice Forum-Kenya**

## **An Analysis of Climate Finance Governance in Kenya:**

## **The Paradox of Exclusion and the Imperative of Economic Justice.**

### **Executive Summary:**

### **The Unjust Flow of Funds and the Economic Justice Imperative**

Kenya stands at a critical juncture, recognized globally as a leader in climate diplomacy and renewable energy penetration , yet simultaneously grappling with profound domestic vulnerability to climate change, ranking 145 out of 187 countries on the ND-GAIN index. This contradiction reveals a deep structural failure in governance: the benefits derived from the nation's natural capital and the funds allocated for climate resilience are systematically diverted away from the frontline communities who serve as the primary custodians of these resources.

The core thesis of this report is that climate vulnerability in Kenya is fundamentally an issue of economic injustice, exacerbated by governance systems that concentrate resource benefits away from the stewards of nature. The financial architecture, despite innovations like the County Climate Change Funds (CCCFs) , fails to deliver meaningful economic empowerment to resource-rich, climate-vulnerable marginalized communities, specifically youth, women, and people with disabilities (PWDs). Furthermore, recent regulatory actions regarding the carbon market, while intended to curb abuse, have created new bureaucratic barriers that exclude conservation Civil Society Organizations (CSOs) from accessing vital climate finance.

Key findings demonstrate a severe misalignment between need and allocation: a massive national finance deficit coexists with alarmingly low international investment in 'just transition' projects. County case studies from Taita Taveta, Mombasa, Marsabit, and Kajiado illustrate a devastating paradox where communities protecting wildlife, marine assets, and vital ecosystems bear the brunt of climate impact while being denied equitable returns from these resources.

To address this systemic injustice, the Economic Justice Forum (EJF) advocates for transformative policy shifts. These include implementing innovative financial tools like Debt-for-Climate Swaps targeted at ASAL counties , facilitating Direct Climate Finance flows to community organizations , establishing a mandatory People's Climate Dividend , and championing a National and UN Framework on Natural Resource Benefit-Sharing to ensure economic freedom and dignity for all Kenyans. True climate justice mandates that those who protect the planet are the first to benefit from its preservation.

## **1. Introduction: Setting the Stage for Economic Justice**

### **1.1 The Kenyan Paradox: Global Climate Leadership Amidst Grassroots Vulnerability**

Kenya has cemented its position as a proactive regional leader in climate action, exemplified by its hosting of the inaugural Africa Climate Summit in 2023, which produced the Nairobi Declaration. The nation has made significant progress in green industrialization, with approximately 90 percent of its energy produced from renewable sources, and its climate policies are rated as compatible with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius.

However, this strong national policy framework and macro-level success mask deep internal structural inequities that undermine climate resilience at the grassroots. Despite its leadership posture, Kenya remains acutely vulnerable to climate shocks, ranking 145 out of 187 countries globally in climate vulnerability. The persistence of severe local impacts—such as prolonged droughts, flash floods, and rising temperatures—in highly vulnerable regions demonstrates that bold national policies and large-scale, high-impact green projects do not automatically translate into resilience or equity at the local level.

The existing contradiction—where macro-level success coexists with amplified micro-level vulnerability—suggests that the core failure lies not merely in climate science or mitigation ambition, but in the institutional and financial mechanisms designed to distribute resources and decision-making power. If the Nationally Determined Contributions (NDC) goals are compatible with global targets, but local communities still suffer from debilitating climate impacts, the priority must shift to reforming the domestic governance and financial delivery architecture.

## **1.2 Defining Economic Justice in the Context of Climate Action**

Economic justice, as championed by the Economic Justice Forum, asserts that resource ownership, decision-making authority, and financial benefits must be distributed transparently and equitably. This mandate is especially critical in climate action, where resource depletion and environmental degradation disproportionately affect the poor and marginalized.

The concept of a "just transition" must form the basis of effective climate action, ensuring that the needs of workers, women, and communities are front and center of every climate response. The failure to adequately fund 'just transition' approaches—which prioritize social equity alongside environmental goals—is a systemic flaw that prevents climate response from truly unlocking transformative change. For economic justice to be realized in Kenya, the foundational principle must be upheld: True climate justice ensures that those who protect the planet are the first to benefit from its preservation.

## **1.3 Scope and Structure of the Report**

This expert analysis undertakes a critical examination of Kenya's devolved climate finance mechanisms and emerging carbon market governance. The report employs a detailed, comparative analysis of resource-rich, climate-vulnerable counties to demonstrate the impact of governance failures on marginalized groups, ultimately advocating for the Economic Justice Forum's prescriptive policy platform aimed at ensuring equitable management of Kenya's natural wealth.

# **2. Kenya's Climate Finance Landscape: Gaps, Governance, and Geographic Bias**

## **2.1 The National Climate Finance Deficit: Benchmarking Need Against Investment**

Kenya faces a substantial financial hurdle in meeting its climate change targets. In 2018, public and private capital invested in climate-related activities totaled KES 243.3 billion (equivalent to USD 2.4 billion). This amount, however, represents only about half of the

financing that Kenya needs annually to meet the adaptation and mitigation targets set in its Nationally Determined Contribution (NDC). Furthermore, the country requires approximately \$40 billion in investment over the next decade to fully realize its climate goals.

The existence of this massive funding gap mandates an aggressive focus on efficiency and, critically, on equity in the allocation of existing resources. When funds are scarce, the economic consequences of misdirection—such as funding centralized, large-scale projects at the expense of local adaptation, or failing to prioritize just transition outcomes—are profoundly amplified, directly hitting marginalized communities whose adaptive capacity is already tenuous. The fact that the current investment is inadequate highlights the moral urgency of ensuring that the limited resources available are channeled directly to the most vulnerable.

## **2.2 Analysis of Devolved Finance: The County Climate Change Fund (CCCF) Model**

The establishment of the County Climate Change Fund (CCCF) mechanism is recognized internationally as a pioneering governance tool designed to channel finance for local climate action. The CCCFs, which grew out of pilot projects in the Arid and Semi-Arid Lands (ASALs) region, utilize legislation enacted by county governments to manage a fund that finances climate projects identified and prioritized by local communities. This mechanism provides a comprehensive planning and financing framework that strengthens local capacity and enables funds to cascade down to community-driven priorities.

County governments commit to guarantee minimum funding for the CCCFs, typically amounting to 1–2 percent of their annual development budget, and international finance can flow directly to these funds. Public participation is central, with Climate Change Planning Committees established in each ward, requiring robust inclusion of local residents.

Despite this innovative structure, the mechanism often fails to reach the 'missing middle'—the most vulnerable climate-affected and marginalized groups—due to persistent capacity gaps. There is insufficient technical support at the local level for project design and implementation, which undermines the principle of subsidiarity—the idea that functions should be executed at the most local level possible. This lack of local capacity creates an implementation void, which inadvertently centralizes control and technical expertise, thereby restricting direct financial flows to the community groups the CCCF was designed to empower.

## **2.3 The Failed Promise of Just Transition: Limited Financial Allocation to Workers, Women, and Communities**

The concept of a just transition—which ensures climate action addresses the needs of workers, women, and communities—must be foundational to all climate finance. Globally, however, evidence demonstrates a profound systemic negligence in funding equitable transformation.

A review of global climate finance flows revealed that less than 3 percent (2.8%) of total climate finance supports approaches prioritizing workers, women, and communities. This alarmingly low amount demonstrates how communities at the forefront of the climate emergency are being let down. Even within major multilateral climate funds, the allocation remains minimal: fewer than one in 18 projects (5.6%) supported by the Green Climate Fund (GCF) adequately fulfilled just transition criteria, and only 0.4% of Climate Investment Fund (CIF) projects supported this approach.

This analysis indicates that Kenya's local struggles with inclusion are symptoms of an international climate finance architecture that systemically prioritizes large-scale, capital-intensive mitigation projects over the difficult, yet essential, work of adaptation and social

equity at the grassroots. The disproportionate investment failure in the just transition model undermines Kenya's ability to create sustained, equitable resilience.

The following table summarizes the structural financial challenges facing Kenya's climate action:

Table 1: Kenya's Climate Finance Deficit and Just Transition Failure

Metric	Value/Assessment	Significance for Economic Justice
Annual Climate Finance Need (NDC)	Approximately USD 4.8 Billion (Estimated)	The massive gap necessitates rigorous equity and efficiency in existing allocation.
Actual 2018 Investment Flow (Public & Private)	USD 2.4 Billion (KES 243.3 Billion)	Only half of the required financing is currently mobilized, necessitating better fund targeting.
Global Climate Finance to 'Just Transition'	Less than 3% (2.8%)	Demonstrates an international system failure to prioritize people-centered solutions and equity.
Required Investment for NDC Goals	\$40 Billion over a decade	Urgent need for innovative finance mechanisms, such as Debt-for-Climate Swaps, linked to local investment.

### 3. The Architecture of Exclusion: Systemic Barriers to Grassroots Participation

#### **3.1 Exclusion by Design: How Financial and Technical Complexity Blocks CBOs**

While the CCCF mechanism legally mandates community participation through Ward Planning Committees (WPCs), which are required to establish rigorous criteria for inclusion , the practical execution of these legal requirements often leads to exclusion. The process for accessing and managing devolved funds typically demands sophisticated financial proposals, extensive compliance reporting, and technical expertise in climate science and project management.

This bureaucratic friction inherent in accessing devolved finance acts as a significant exclusionary mechanism. Complex procedures, while often necessary for accountability, become insurmountable hurdles for small, low-capacity Community Based Organizations (CBOs) and vulnerable groups. This technical barrier ensures that funds tend to remain within the purview of established national non-governmental organizations or county-level elites who possess the necessary administrative capacity, guaranteeing that the funds bypass the very communities they are intended to serve. The lack of capacity at the local level maintains control over resource allocation at higher administrative tiers, fundamentally subverting the intended decentralization.

#### **3.2 Social and Cultural Entrenchment of Inequality: Marginalization of Women, Youth, and PWDs**

Kenya's Constitution (2010) explicitly provides for the inclusion of women and youth in decision-making at all levels. However, deeply entrenched informal rules, gender norms, and cultural practices within communities continue to propagate discrimination and exclusion in local climate-related decisions, particularly in the ASAL regions.

This exclusion is quantifiable. Data from counties demonstrates that women, youth, and PWDs remain severely underrepresented in public life and decision-making platforms. In certain county public participation forums, less than 30% of participants are women or youth, and the meaningful inclusion of PWDs can be as low as 18%.

The consequences of this social marginalization are direct and debilitating to adaptation success. Studies have established that gaps in participation in decision-making processes have the greatest negative impact on a community's adaptive capacity to climate variability, even outweighing factors such as access to assets or basic services. When women, who often hold critical knowledge regarding water, agriculture, and local resource management, are excluded, adaptation priorities are invariably missed. The resulting projects are poorly tailored and unsustainable, translating social exclusion into a direct driver of climate vulnerability. The National Gender and Equality Commission (NGEC) has underscored the urgent need to address these issues, noting that marginalized groups continue to struggle with limited access to resources and political representation.

### **3.3 The Consequence: Erosion of Adaptive Capacity and Amplified Vulnerability**

To rectify these exclusion points, the principle of subsidiarity must be actively supported by technical and financial means. Ensuring that climate adaptation funds cascade down and are delivered at the most local level possible requires more than legislative mandates; it demands consistent training and financial empowerment to bridge the "missing connection points" in the fund flow.

The failure to achieve meaningful inclusion directly erodes the adaptive capacity of communities. By failing to integrate the distinct needs of marginalized groups—such as climate-smart initiatives tailored to the mobility challenges of PWDs, or financing mechanisms accessible to women-led enterprises—the governance structure inadvertently perpetuates poverty and dependency. Sustainable resilience can only be guaranteed when the entire community, including youth, women, and men, are involved in the design, implementation, and prioritization of public funding and climate interventions.

## **4. Resource Injustice: Case Studies in Custodianship Without Benefit**

The most striking evidence of governance failure lies in the paradox of resource-rich counties that endure severe climate impacts but receive disproportionately few benefits accrued from the resources they host. This violation of the principle of economic justice fundamentally undermines local climate resilience efforts.

### **4.1 Taita Taveta: The Tsavo Ecosystem and the Mineral Drain**

Taita Taveta County is heavily impacted by climate change, suffering from prolonged drought, flash floods, and increasing human-wildlife conflict (HWC). The county is primarily ASAL, with agriculture constituting the main source of livelihood, contributing 95% of household income. Climate change effects, coupled with high absolute poverty rates (57%) and food poverty (48%), severely restrict the community's adaptive capacity.

Taita Taveta is a global center for community-driven conservation, hosting institutions like the LUMO Community Wildlife Conservancy, which serves as a living landscape where people and wildlife coexist. Local enterprises in the TTWCA rangelands generate income from diverse streams including grazing fees, tourism concessions, and, in some cases, revenues from carbon projects and mineral extractives.

The profound structural contradiction is that despite farmers employing extensive adaptation strategies—such as tree planting, soil conservation, and water harvesting—their overall adaptive capacity remains low due to insufficient investment and entrenched poverty. The

revenues generated from the wildlife sector (Tsavo ecosystem), minerals, and the potential for carbon credits are clearly not cycling back adequately to address the structural poverty and acute climate vulnerability of the resource custodians. The County Climate Change Action Plan (CCCAP) 2023-2027 acknowledges this harsh reality, noting that the climate crisis has eroded hard-won development gains and deepened the cycles of vulnerability.

## **4.2 Mombasa: The Blue Economy, Port Operations, and Coastal Vulnerability**

Mombasa County, a critical urban and coastal hub, is severely exposed to climate change impacts, including sea-level rise and coastal erosion, which threaten vital infrastructure. Mombasa Port is a strategic national asset, handling 80 to 90 percent of Kenya's exports and imports, serving Kenya and several landlocked East African countries. Disruption to port operations due to climate impacts would have severe national and regional economic repercussions.

The local community also relies heavily on the blue economy, particularly artisanal fishing, which provides livelihoods to thousands of households organized into Beach Management Units (BMUs).

Under current public finance frameworks, the immense revenue generated by this strategic national asset does not mandate a dedicated, proportionally significant share to fund local climate-proofed infrastructure, coastal adaptation measures, or sustainable livelihood protection for artisanal fishermen. Economic justice demands a benefit-sharing framework that requires the primary beneficiaries of national port wealth (the national government and port authority) to invest significantly in safeguarding the local environment and community livelihoods that underpin the port's function.

## **4.3 Marsabit: Water, Pastoral Lands, and Fragmented Governance**

Marsabit County is an ASAL area extremely susceptible to climate change, with livelihoods highly reliant on sensitive sectors like livestock, water, and tourism. The County Government has demonstrated governance initiative by enacting the Marsabit County Climate Change Policy (2019) and the Marsabit County Climate Change Fund Act (2020).

However, the pursuit of large-scale national development priorities often constitutes a "structural violence" against Indigenous Peoples and local communities. For instance, large infrastructural schemes, such as the LAPSSET corridor, require significant water and electricity resources, leading to the construction of projects like the High Grand Falls Dam. The management of these resources has altered water availability, increasing pressure on shared natural resources and forcing some pastoral communities to seek watering points in areas previously belonging to their neighbors, thereby exacerbating resource conflicts. This outcome demonstrates that national development priorities, even when framed positively, often displace climate burdens onto marginalized pastoralists by monopolizing critical resources (water) without securing customary land rights or providing adequate benefit-sharing.

## **4.4 Kajiado and Nyandarua: Land Rights and Carbon Control**

Kajiado County, a critical pastoral region, demonstrates the perils of unregulated environmental markets. In 2023, the county government revoked several carbon credit agreements, citing a lack of transparency and "opaque" trade that was deemed "counterproductive to the community". These confidential agreements revealed that communities were often required to assign their carbon rights to private brokerage firms while only being passive recipients of external funding, fundamentally surrendering control over their land stewardship.

Nyandarua County, focusing on conserving water catchment areas by planting indigenous trees , shares the fundamental challenge of ensuring that conservation efforts translate into direct, equitable community benefits.

The Kajiado experience provides irrefutable evidence that, without robust governance and benefit-sharing frameworks, global environmental markets risk reducing communities to passive recipients of external funding, rather than empowering them as conservation leaders who have stewarded these landscapes for generations. This preemptive exploitation justifies the urgent need for stringent state regulation, yet, as analyzed below, the nature of Kenya's regulation risks introducing a new form of centralizing exclusion.

Table 2: Resource Rich Counties: Climate Vulnerability vs. Benefit Exclusion

County	Primary Climate Impact	Major Resource Wealth (Custodianship)	Mechanism of Benefit Exclusion
Taita Taveta	Prolonged Droughts, Flash Floods, HWC	Wildlife (Tsavo Ecosystem), Minerals, Carbon	Insufficient revenue-sharing from conservation and extractives to fund local adaptation and address 57% absolute poverty
Mombasa	Sea-Level Rise, Coastal Erosion, Extreme Heat	Strategic Port Operations, Blue Economy (Marine)	No mandated port revenue-sharing dedicated to climate-proof infrastructure and artisanal livelihoods.
Marsabit	Recurring Droughts, Resource Conflict	Land, Water (Dams), Livestock, LAPSET Corridor	Large-scale national projects prioritize external needs (water/power) over local resource security and customary rights.
Kajiado	Drought, Land Degradation (ASAL)	Carbon Capture/Credits, Pastoral Land	Opaque contracts and rapid regulatory changes leading to loss of community control and denied long-term benefit.

## 5. The Carbon Crediting Hurdle: Regulating Access Away from the Grassroots

### 5.1 From Regulatory Vacuum to Regulatory Overreach: The Climate Change Act and Carbon Markets Regulations

The rapid expansion of Kenya's Voluntary Carbon Market (VCM), which hosts approximately 20% of Africa's carbon projects , quickly exposed vulnerable communities to negative social and environmental impacts due to a lack of regulatory oversight. This vacuum led to controversies involving opaque contracts and unfair benefit-sharing.

In response, the Kenyan government enacted the Climate Change (Carbon Markets) Regulations 2024, published under the Climate Change Act. This legislation aims to bring order, prevent double-counting of mitigation outcomes, and ensure environmental integrity.

Crucially, the regulations attempt to codify economic justice by mandating a social contribution of at least 25%, and often up to 40%, of the aggregate earnings from carbon projects to the impacted community.

A central aspect of the Regulations is the creation of the Designated National Authority (DNA), tasked with overseeing carbon market transactions, compliance, and maintaining a National Carbon Registry.

## **5.2 Stopping Conservation Champions: How Licensing, Accreditation, and Bureaucracy Impede CSOs**

While the regulatory shift addresses a genuine need to ensure fairness and prevent corporate exploitation, the new framework risks moving from a regulatory vacuum to an unintended regulatory overreach that excludes the very people who protect carbon sinks. The framework requires all carbon credit-generating projects to formally register in the proposed digital National Carbon Registry and adhere to strict constitutional, social, and environmental compliance requirements, including independent third-party validation and verification. These complex processes for accreditation, licensing, and governmental oversight create high, prohibitive barriers for small conservation Civil Society Organizations (CSOs), Community Based Organizations (CBOs), and local Community Forest Associations (CFAs).

This centralization of control under the DNA and the imposition of rigorous, costly compliance hurdles effectively make it impossible for grassroots organizations—who are the ultimate custodians of the carbon assets—to directly harness these resources and turn credits into revenue. The bureaucratic structure is now so demanding that it ensures funds and technical leadership flow primarily to high-capacity national entities and international brokerage firms, undermining the potential for direct community empowerment and perpetuating the exclusion that the law intended to solve.

## **5.3 The Mandate for Benefit-Sharing: Translating the 25–40% Rule into Economic Justice**

The mandatory allocation of 25–40% of carbon project revenue to affected communities represents a powerful legislative tool for advancing economic justice. However, the efficacy of this rule hinges on two critical factors: transparency and capacity.

Firstly, success requires transparent monitoring and clear definitions of the "impacted community," as well as accessible dispute resolution mechanisms to handle challenges such as those seen in the Rift Valley over ambiguous benefit-sharing terms. Secondly, the legislation must ensure that the Carbon Credit Trading and Benefit Sharing Authority actively works to enhance the capacity development of local communities to enable them to *freely participate* in the trading business, rather than merely signing standardized agreements. Without this concerted focus on empowerment and enforcement capacity, the percentage allocation remains a paper entitlement that large project proponents can easily manipulate, failing to deliver sustainable development and poverty alleviation as required by the regulations.

# **6. Community Stewardship: The Only Sustainable Pathway to Resilience**

## **6.1 The Economic Multiplier of Community-Led Conservation (LLC)**

The evidence unequivocally shows that locally-led conservation (LLC) is the most effective and sustainable model for achieving both environmental protection and community resilience in Kenya. Over 65 percent of Kenya's wildlife exists outside government protected areas,

relying on millions of acres stewarded by over 160 community conservancies in regions like Taita Taveta, Laikipia, and Maasai Mara.

These conservancies are not merely ecological buffer zones; they are powerful engines of economic development. They establish governance models that promote sustainable resource management, allowing local communities to own, manage, and directly benefit from the protection of their natural resources. This model generates local, climate-resilient jobs in ecotourism, conservation (e.g., trained rangers), and sustainable livestock grazing programs, transforming conservation from an elite concern into a community-driven movement. This approach, exemplified by initiatives like Thamani Asili (Value of Nature), proves that securing land rights and establishing inclusive governance structures directly enhances the effectiveness of conservation while tangibly improving livelihoods and community well-being, including access to education and healthcare.

## **6.2 Proof of Concept: Meaningful Community Involvement and Enhanced Adaptive Capacity**

The importance of integrating community participation directly into climate finance mechanisms cannot be overstated. When community members—including youth, women, and men—are involved in the design, planning, and prioritization of interventions, the results are successful and sustained.

For example, successful implementation of the Green Climate Fund (GCF) Readiness Adaptation Planning support for Kenya demonstrated the power of community inclusion. Through this program, the Ministry of Agriculture and Livestock Development successfully enhanced the capacity of counties and community groups, training over 700 technical staff and journalists, including 18 community groups (720 beneficiaries) in drought-prone areas on Climate Smart Agriculture (CSA) concepts. This initiative successfully cultivated readiness not only at the national level but also critically at the county and community levels. This practical evidence aligns with global climate science consensus, where the Intergovernmental Panel on Climate Change (IPCC) stresses that prioritizing equity, social justice, inclusion, and just transition processes is essential to enable adaptation and climate-resilient development. Ignoring the voices of those who protect nature results in ineffective, poorly adapted projects that ultimately fail to increase resilience.

## **6.3 A Moral Imperative: True Climate Justice Ensures Stewards are the First Beneficiaries**

The involvement of communities in resource management and climate adaptation must be viewed as an economic investment rather than a social requirement. When communities directly manage and benefit from their natural resources through mechanisms like ecotourism, sustainable resource utilization, and transparent revenue-sharing, conservation shifts from an externally imposed restriction to a powerful, local enterprise that guarantees long-term environmental and social success. The failure of governance today stems from the lack of a system that guarantees this economic linkage.

# **7. Policy Prescriptions: Advancing the Economic Justice Forum's Agenda**

The systemic failures documented in this report—the financial gaps, the governance exclusion, and the resource injustice—necessitate an urgent and structural policy shift. The Economic Justice Forum champions a comprehensive agenda rooted in equity, accountability, and financial fairness.

## **7.1 Financial Mechanisms for Equity and Sustainability**

### **7.1.1 Debt-for-Climate Swaps (DfCS)**

Kenya's substantial public debt load, coupled with its high fiscal risk and acute climate vulnerability, makes it an ideal candidate for innovative financial instruments like Debt-for-Climate Swaps (DfCS). These swaps offer a mechanism to convert debt repayments into dedicated investments in national climate priorities.

The EJF advocates for structuring DfCS agreements to target investments in crucial, vulnerable areas: converting debt into guaranteed funds for reforestation, renewable energy deployment, and sustainable livelihoods in ASAL counties like Taita-Taveta and Marsabit. This approach helps create necessary fiscal space for adaptation while simultaneously anchoring crucial climate commitments.

### **7.1.2 Advocating for Direct Climate Finance Flows to Counties and CBOs**

The CCCF model has proven the institutional feasibility of channeling funds directly to devolved entities. The EJF demands increased international support to leverage this mechanism, enabling international finance to flow directly to county climate funds or CBOs, bypassing slow and complex national bureaucracies.

County governments currently guarantee minimum funding (1–2% of the budget). Increased international support should be conditioned on enhancing the capacity building component of the CCCF system, specifically aimed at empowering Ward Planning Committees and local CBOs to navigate compliance, ensuring that local organizations, rather than external entities, are the primary implementers of climate action.

## **7.2 Benefit-Sharing and Governance Reform**

### **7.2.1 Establishing a People's Climate Dividend**

The People's Climate Dividend is a mechanism designed to ensure that the economic success derived from Kenya's natural capital results in guaranteed, unconditional benefits for the communities protecting those resources. This concept aligns with proposals for recycling carbon revenues (putting a price on carbon) to enhance equity and support sustainable rural livelihoods.

The Dividend ensures that resource-host communities (e.g., Kajiado pastoralists protecting carbon stocks, Taita Taveta conservancy members, or coastal fishing groups) receive a guaranteed financial stream linked directly to their environmental stewardship, promoting economic freedom and dignity.

### **7.2.2 Championing a UN/National Framework on Natural Resource Benefit-Sharing (NRBS)**

The systemic injustice observed in counties hosting major assets (Mombasa Port, Tsavo Wildlife, Marsabit's water resources) demands a mandatory legislative framework on Natural Resource Benefit-Sharing (NRBS). This national legislation must secure constitutionally protected, fair revenue allocation for resource-host counties covering extractives, marine resources, national parks, and strategic infrastructure like ports.

Globally, there are active calls for clearer benefit-sharing mechanisms, particularly concerning biodiversity and transboundary resources. The EJF advocates that Kenya champion both a strong national law and a global UN Framework/Convention on NRBS to advance peace, equity, and poverty eradication for rural, grassroots, and marginalized communities.

## **7.3 Empowerment and Accountability**

To realize these policies, the government must enforce constitutional mandates for inclusion. This requires mandatory capacity building programs—modeled on successful GCF readiness projects—to equip CBOs, women, youth, and PWDs with the technical knowledge necessary to navigate complex funding structures, access the carbon market directly, and enforce benefit-sharing agreements.

Table 3: Recommendations: EJF Policy Platform Alignment with Climate Resilience Outcomes

EJF Policy Pillar	Mechanism	Targeted Counties/Communities	Economic Justice & Resilience Outcome
Financial Fairness	Debt-for-Climate Swaps (DfCS)	Taita Taveta, Marsabit (ASALs)	Creates guaranteed fiscal space for reforestation and climate-smart agriculture investment.
Governance Reform	Direct Climate Finance flows to CBOs/Counties	CCCF Counties (Garissa, Kitui, Isiolo, Marsabit)	Bypasses national bottlenecks, accelerates transparent and community-driven adaptation investments.
Benefit-Sharing	People's Climate Dividend	Conservation/Carbon-hosting communities (Kajiado, Taita Taveta)	Guaranteed benefit stream linked to environmental stewardship, promoting economic dignity and reducing dependency.
Resource Equity	UN/National NRBS Framework	Mombasa (Port), Taita Taveta (Mining/Wildlife)	Secures proportional, mandatory revenue allocation to local governments for climate proofing critical infrastructure and livelihoods.

## 8. Conclusion: A Passionate Call to Action for Dignity and Economic Freedom

The exhaustive analysis presented in this report confirms that the climate crisis in Kenya is inseparable from a profound economic crisis rooted in systemic governance failures. The economic injustices detailed—from the structural exclusion of women and youth in devolved finance to the denial of equitable benefits from national assets like the Mombasa Port and the vast Tsavo conservation areas—are not accidental byproducts of development; they are the consequence of an architecture that perpetually sidelines the very custodians of Kenya’s natural wealth.

We have documented the painful truth: that rural, grassroots, and marginalized communities—especially our youth, women, and people with disabilities—bear the greatest climatic burdens while receiving the least financial return. They live in a paradox where their ancestral knowledge and stewardship sustain the nation’s economy and biodiversity, yet they are systematically denied the economic freedom and dignity promised by devolution and enshrined in the Constitution. The custodians of nature have been made the poorest in the land.

This Forum rejects the notion that those on the frontline of planetary protection should be the last in line for prosperity.

We demand a radical rethinking of how Kenya values its people and its irreplaceable natural capital. We must dismantle the invisible barriers of exclusion—the bureaucratic complexity

that blocks conservation organizations, the entrenched social norms that silence women, and the opaque contracts that strip communities of their carbon wealth. Implementing the Economic Justice Forum's agenda—securing Direct Climate Finance, establishing a mandatory People's Climate Dividend, and championing a transformative Natural Resource Benefit-Sharing Framework—is not simply a recommendation for improvement; it is a moral imperative for survival. **It is the only sustainable way to achieve true climate adaptability and resilience.**

The future prosperity of Kenya hinges on its ability to ensure that the hands that nurture the forests, patrol the conservancies, and rely on the oceans are the hands that hold economic power. Only by guaranteeing equitable benefit-sharing and ensuring the full, meaningful participation of every marginalized Kenyan can we move beyond mere crisis management to true sustainable prosperity, achieving economic justice, dignity, and a resilient future for all.

### **True climate justice must begin with economic freedom.**

#### **Works cited**

1. Kenya's Green Leadership: Shaping Africa's Climate Future - CSIS, <https://www.csis.org/analysis/kenyas-green-leadership-shaping-africas-climate-future>
2. The County Climate Change Funds in Kenya: Real Practice in Collaborative Climate Action, [https://www.international-climate-initiative.com/en/iki-media/publication/the\\_county\\_climate\\_change\\_funds\\_in\\_kenya\\_real\\_practice\\_in\\_collaborative\\_climate\\_action/](https://www.international-climate-initiative.com/en/iki-media/publication/the_county_climate_change_funds_in_kenya_real_practice_in_collaborative_climate_action/)
3. REPUBLIC OF KENYA FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM PROGRAM-FOR-RESULTS (PforR) TECHNICAL ASSESSMENT THE WORLD BANK, <https://documents1.worldbank.org/curated/en/65014163338861479/pdf/Final-Technical-Assessment-Financing-Locally-Led-Climate-Action-Program-P173065.pdf>
4. Social Inclusion of People Living With Disabilities, Youth and Women (KENDC0005), <https://www.opengovpartnership.org/members/nandi-kenya/commitments/kendc0005/>
5. Kenya publishes Climate Change (Carbon Markets) Regulations, 2024 | EY - Global, [https://www.ey.com/en\\_gl/technical/tax-alerts/kenya-publishes-climate-change--carbon-markets--regulations--2022](https://www.ey.com/en_gl/technical/tax-alerts/kenya-publishes-climate-change--carbon-markets--regulations--2022)
6. The Landscape of Climate Finance in Kenya, <https://www.climatepolicyinitiative.org/wp-content/uploads/2021/03/The-Landscape-of-Climate-Finance-in-Kenya.pdf>
7. New ActionAid report reveals failing investment in just transition ahead of COP30, as it calls for urgent action to prevent harm, <https://www.actionaidusa.org/news/new-actionaid-report-reveals-failing-investment-in-just-transition-ahead-of-cop30-as-it-calls-for-urgent-action-to-prevent-harm/>
8. Climate Risk Profile Taita Taveta County - CGSpace, <https://cgospace.cgiar.org/bitstreams/ad11896f-e1e0-4c9c-a946-0f5cff545c3c/download>
9. Impact of Climate Change and Disaster on Blue Economy and Livelihoods - Environmental Migration Portal, <https://environmentalmigration.iom.int/sites/g/files/tmzbdl1411/files/documents/2023-02/Impact%20of%20Climate%20Change%20and%20Disaster%20on%20Blue%20Economy%20and%20Livelihoods.pdf>
10. From carbon to biodiversity: Kajiado pastoralists navigate new conservation markets, <https://nation.africa/kenya/health/from-carbon-to-biodiversity-kajiado-pastoralists-navigate-new-conservation-markets-5093488>
11. Debt-for-Climate Swaps: Analysis, Design, and Implementation - International Monetary Fund, <https://www.imf.org/-/media/Files/Publications/WP/2022/English/wpiea2022162-print-pdf.ashx>
12. KENYA'S COUNTY CLIMATE CHANGE FUNDS, [https://www.cif.org/sites/cif\\_enc/files/knowledge-documents/tcf\\_kenya\\_case\\_study\\_apr11-compressed.pdf](https://www.cif.org/sites/cif_enc/files/knowledge-documents/tcf_kenya_case_study_apr11-compressed.pdf)
13. Putting People at the Center of Climate Action | World Resources Institute, <https://www.wri.org/insights/putting-people-center-climate-action>
14. Taita taveta county climate change action plan - Maarifa Centre, <https://maarifa.cog.go.ke/sites/default/files/2024-07/Taita%20Taveta%20CCCAP%202023-2027%20-REVISED%20VERSION.pdf>
15. Empowering Marginalized Communities: NGEC's

Call to Action for Inclusion in National Policies,  
<https://www.ngekenya.org/news/14428/empowering-marginalized-communities--ngec-s-call-to-action-for-inclusion-in-national-policies> 16. Climate Finance for Just Transition: How the Finance Flows ..., <https://actionaid.org/publications/2025/climate-finance-just-transition-how-finance-flows> 17. Kenya has pioneered a climate change governance mechanism to increase finance for local climate action,  
<https://www.globalcovenantofmayors.org/resource/kenya-has-pioneered-a-climate-change-governance-mechanism-to-increase-finance-for-local-climate-action/> 18. Delivering climate finance at the local level to support adaptation: experiences of County Climate Change Funds in Kenya, <https://www.iied.org/sites/default/files/pdfs/migrate/G04415.pdf> 19.

BROKEN CONNECTIONS AND SYSTEMIC BARRIERS: - Global Center on Adaptation, [https://gca.org/wp-content/uploads/2020/12/Missing\\_Middle\\_Adaptation\\_Finance\\_Background\\_Paper.pdf](https://gca.org/wp-content/uploads/2020/12/Missing_Middle_Adaptation_Finance_Background_Paper.pdf) 20.

Gender inclusion and the CCCF Mechanism: Increasing the voice and the benefits for women - ADA Consortium, <https://adaconsortium.org/publication/gender-inclusion-and-the-cccf-mechanism-increasing-the-voice-and-the-benefits-for-women> 21. Kenya Pioneers Climate Finance for Pastoralist and Vulnerable Communities, <https://gca.org/kenya-pioneers-climate-finance-for-pastoralist-and-vulnerable-communities/> 22. Kenyan Communities Lead the Way in Conservation that Works for People and Nature, <https://www.nature.org/en-us/what-we-do/our-insights/perspectives/community-conservation-kenya/> 23. 2020 REPORT - Taita Taveta Wildlife Conservancies Association, <https://www.ttwcakenya.com/wp-content/uploads/2024/01/TTWCA-SoC-Report-2020.pdf> 24.

COUNTY GOVERNMENT OF MOMBASA DEPARTMENT OF ENVIRONMENT, WASTE MANAGEMENT & ENERGY MOMBASA COUNTY CLIMATE CHANGE ACTION PLAN, <https://www.mombasa.go.ke/wp-content/uploads/2021/10/County-Climate-Change-Action-Plan.pdf> 25. mombasa county climate change policy, <https://www.mombasa.go.ke/wp-content/uploads/2021/10/Mombasa-Climate-Change-Policy-2021.pdf> 26. fourth BASIS OF SHARING REVENUE AMONG COUNTIES - Parliament of Kenya, <https://www.parliament.go.ke/sites/default/files/2025-02/The%20Fourth%20Basis%20of%20Sharing%20Revenue%20Among%20Counties-%20Final.pdf> 27. MARSABIT COUNTY CLIMATE CHANGE ACTION PLAN 2023 - Maarifa Centre, <https://maarifa.cog.go.ke/sites/default/files/2024-07/Revised%20Marsabit%20County%20CC%20Action%20Plan%20%282023-2027%29%206th%20October%202023%20%281%29.pdf> 28. The Marsabit County Climate Change and Fund Bill 2020, <https://www.marsabitassembly.go.ke/wp-content/uploads/2024/03/The-Marsabit-County-Climate-Change-and-Fund-Bill-2020.pdf> 29. Global impacts of extractive and industrial development projects on Indigenous Peoples' lifeways, lands, and rights - PubMed Central, <https://pmc.ncbi.nlm.nih.gov/articles/PMC10246906/> 30. Extractive Industries, Land Rights and Indigenous Populations'/Communities' Rights - African Commission, [https://achpr.au.int/sites/default/files/files/2022-08/reportonextractiveindustrieslandrightsandindigenouspopulationscommunitiesrightseng\\_0.pdf](https://achpr.au.int/sites/default/files/files/2022-08/reportonextractiveindustrieslandrightsandindigenouspopulationscommunitiesrightseng_0.pdf) 31. Harvesting climate action across Kenyan counties | Clim-Eat, [https://clim-eat.org/wp-content/uploads/2024/02/Kenya-Counties\\_Nyandarua.pdf](https://clim-eat.org/wp-content/uploads/2024/02/Kenya-Counties_Nyandarua.pdf) 32. CBD Sixth National Report - Kenya (English version) - Convention on Biological Diversity, <https://www.cbd.int/doc/nr/nr-06/ke-nr-06-en.pdf> 33. 3 Legal Risks in Kenya's Carbon Credit Market Boom - Manwa OH Advocates LLP, <https://manwaadvocates.com/3-legal-risks-in-kenyas-carbon-credit-market-boom/> 34. Kenya's Climate Change (Carbon Markets) Regulations 2024 as a Tool for Climate Change Litigation - British Institute of International and Comparative Law, <https://www.biicl.org/blog/99/kenyas-climate-change-carbon-markets-regulations-2024-as-a-tool-for-climate-change-litigation> 35. Benefit sharing in carbon projects: Reflections on recent legal developments in Kenya, <https://www.cliffedekkerhofmeyr.com/news/publications/2023/Practice/Environmental/environmental-law-alert-27-july-Benefit-sharing-in-carbon-projects-Reflections-on-recent-legal-developments-in-Kenya> 36. Kenya Unveils Draft Regulations for National Carbon Registry -

CVFV20.Org, <https://cvfv20.org/kenya-unveils-draft-regulations-for-national-carbon-registry/> 37. Kenya's Carbon Finance Moment, <https://www.ifc.org/en/stories/2024/kenya-s-carbon-finance-moment> 38. Carbon Credit Trading and Benefit Sharing Bill, 2023, <https://kwcafrica.com/wp-content/uploads/2023/08/Carbon-Credit-Trading-Bill-Eighth-draft.pdf> 39. Community-Led Conservation: How Kenyan Locals Are Protecting Wildlife 2025, <https://cheetahsafaris.com/inspirations/community-conservation/> 40. Climate change resilience efforts: from adaptation priorities to significant funding, <https://knowledge.greenclimate.fund/readiness/stories/kenya-success-story/> 41. Climate adaptation in Kenya: Narratives and frames shaping policy and practice (NAI Working Papers 1) - DiVA portal, <https://www.diva-portal.org/smash/get/diva2:1756100/FULLTEXT03.pdf> 42. Can Debt-for-Climate Swaps Help Heavily Indebted Developing Countries Address Climate Priorities? - Center on Global Energy Policy at Columbia University SIPA, <https://www.energypolicy.columbia.edu/publications/can-debt-for-climate-swaps-help-heavily-indebted-developing-countries-address-climate-priorities/> 43. The Role of Fair and Equitable Benefit-sharing in Protecting and Realising Human Rights connected to Nature - ohchr, <https://www.ohchr.org/sites/default/files/documents/issues/indigenouspeoples/cfi/submissions/onselfdetermination/subm-self-determination-under-acad-othe-elisa-morgera-university-strathclyde-input-2.pdf> 44. Leaders explore how to equitably share the benefits of nature - UNEP, <https://www.unep.org/news-and-stories/story/leaders-explore-how-equitably-share-benefits-nature> 45. The African CSOs Biodiversity Alliance gives voice to civil society organizations across the continent - International Land Conservation Network, [https://landconservationnetwork.org/wp-content/uploads/legacy-files/ACBA%20for%20ILCN\\_0.pdf](https://landconservationnetwork.org/wp-content/uploads/legacy-files/ACBA%20for%20ILCN_0.pdf)