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FINAL DRAFT



Country- Level Ecosystem Service Payment Inventory: KENYA

INVENTORY FOR ECOSYSTEM SERVICE PAYMENT IN KENYA

By

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Acronyms

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| ASFGA | Arabuko Sokoke Forest Guides Association |
| BCP | Biodiversity Conservation Programme |
| BEA | Bureau for Environmental Analysis International |
| CBO | Community Based Organisations |
| CDM | Clean Development Mechanism |
| CDTF | Community Development Trust Fund |
| CGIAR | Consultative Group on International Agricultural Research |
| DANIDA | Danish International Development Agency |
| EIA | Environmental Impact Assessment |
| FAO | Food and Agricultural Organisation |
| FD | Kenya Forest Department |
| GEF | Global Environmental Facility |
| IBA | Important Bird Areas |
| ICRAF | World Agroforestry Centre |
| KARI | Kenya Agricultural Research Institute |
| KEFRI | Kenya Forestry Research Institute |
| KEPHIS | Kenya Plant Health Inspectorate Services |
| KTDA | Kenya Tea Development Authority |
| KWS | Kenya Wildlife Services |
| MoA | Ministry of Agriculture |
| MoENR | Ministry of Environment and Natural Resources |
| NEMA | National Environmental Management Authority |
| NEPAD | New Partnership for African Development |
| NGO | Non-Governmental Organisations |
| NMK | National Museums of Kenya |
| PES | Payment for Ecosystem Services |
| PIT | Project Implementation Team |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environmental Programme |
| USAID | United States Agency for International Development |
| WKIEP | Western Kenya Integrated Ecosystem Project |



Executive Summary

PES in Kenya does exist, though not necessarily in the classical mode where actual cash payment is made. Most of the projects on the ground exhibit some elements of PES, where it is common for payments to be done in kind, and generally within the ambit of large-scale community benefits. This inventory documents a total of thirteen projects in Kenya distributed as follows; four (carbon), eight (biodiversity) and one water project. Majority of the biodiversity projects fall within the area of ecotourism. Most of the projects are also run as pilot projects, principally with substantial donor support. NGO's hence dominate the operational and management systems applicable in the PES schemes.

There is inadequate legal and regulatory framework for PES in Kenya. The government has been slow in the uptake of PES, especially in formulating and developing focused policy frameworks targeted towards specific promotion of PES, especially in playing a catalytic role. Despite the numerous opportunities for government participation in available in projects and programmes to participate either as a buyer or seller, it has not been receptive to such. However, the existing policy framework is broad enough to accommodate a flexible spectrum of PES proposals. For instance, biodiversity offsets may be within the law since NEMA requires mandatory EIA hence a window to offer a mitigational PES.

Based on the findings, one key area is the development of a sustainable PES network in Kenya, to be composed of ecosystem service managers/stewards, and complemented by scientists and policy experts. It would be important for ecosystem service users to see value in paying for services, and also create a mechanism for such payment. Actual methodologies obtained from pilot projects of various forms could be developed and shared, thus informing the network and helping identify gaps and opportunities. Promotion and development of knowledge and interest in PES would form the bedrock of the activities of the network, both at the community level (through CBOs and NGOs) and at the national and regional level (government, NEPAD and AMCEN). Activities and action-focused research and projects should also revolve around local themes, so as to respond to real and felt problems of the community. By doing this, a cross cutting support and implementation structure can be formed and maintained, with well defined incentives and rewards for conservation established.



STEP 1:

IDENTIFY ECOSYSTEM SERVICE PAYMENTS, MARKETS, AND MECHANISMS CURRENTLY OPERATING IN COUNTRY

(Please also include projects where deals have been concluded, even if payments have not yet been made)

****NOTE: THE PROJECTS SHOW ELEMENTS OF PES BUT MAY NOT NECESSARILY EXHIBIT EXPLICIT CHARACTERISTICS OF THE BUYER-SELLER MODEL**

| <i>Carbon</i> | | | | | | | | |
|---|-----|-------------------------------------|---|---|--|---|-----|---|
| Carbon Project 1: Machakos and Kitui Local Community Forestry Initiative | N/A | Community Based Organizations | A. Machakos and Kitui Districts in Eastern Province B. 10,000 ha | A. Open trading B. Afforestation, reforestation, forest management, agro- forestry and conservation | Mechanisms in preparation with options for BEA International brokerage arrangements | Kenya CDM Focal Point for registry and notification of the process, BEA International for technical support and projects identification and baseline preparations, CBOs for practical implementation and conservation of forestry | N/A | Planning phase and no payments made |
| Carbon Project 2: Kwale Forestry initiative | N/A | Private Individual | A. Msambweni in Kwale District Coast Province B. 120 ha | A. Private deal B. Forest plantation requires proper soil management and conservation techniques | BEA International will broker the deal and facilitate flow of the payments to the seller | BEA International is providing technical support in preparation of the project and marketing the project to potential buyers of the carbon credits. CBOs are engaged in tree planting with the assistance of BEA International | N/A | Planning phase and no payments made |
| Carbon Project 3: Busia Local Community Initiative | N/A | CBOs | A. Busia District in Western Province B. 30 ha in progress and additional | A. Open trading B. Forest management, conservation, afforestation, reforestation | Mechanisms under development with BEA International as optional brokerage | CBOs engaged in tree planting, trained by BEA International in conservation and management of community forestry in hilly areas | N/A | Planning phase |



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| | | | estimates of about 2500ha from surrounding hills | | | | | |
| Carbon Project 4: Western Kenya Integrated Ecosystem Project (WKIEP) | Directors of Kenya Agricultural Research Institute (KARI) and ICRAF, Ministry of Agriculture, NGOs and CBOs | Smallholder farmers in Western Kenya | The project will be 900km ² of Nyando, Nzoia and Yala River Basins | <p>A. The objective is to sequester more above- and below-ground carbon by developing a methodology for net-net accounting and explore institutional mechanisms for community management of carbon assets</p> <p>B: Agroforestry systems and improved fallows in smallholder farms.</p> | Once the project starts, appropriate institutional mechanisms shall be put in place based on research evidence to ensure payments flow from buyer to seller | World Bank funds the project, while the Lead Agencies are KARI and ICRAF (will be involved in research and project activities). Others: Ministry of Agriculture (MoA), Kenya Forestry Research Institute (KEFRI), NGOs, CBOs and other government agencies will use the results to influence and implement policy goals | August 19, 2005 | Still in the planning phase |
| Biodiversity | | | | | | | | |
| Biodiversity Project 1: Kinangop Grassland Project | Nature Kenya, Darwin Foundation, Community Development Trust Fund (CDTF) | Friends of Kinangop, Local community | Northern Kinangop, Nyandarua District, Central Province, Kenya. Approximate area = 72000 ha | <p>Private deal, individuals' own land.</p> <p>Conservation management practice is to leave land uncultivated, and encourage growth of grassland and shrubs to support nesting sites of birds (<i>Sharpes Longclaw</i>) endemic to the area, and also support sheep rearing. Overall objective is to increase land cover suitable for forages by both the birds and sheep, by reducing land under cultivation. Community is</p> | The agencies provide support in terms of capacity building, provide money for sheep buying and also assist in marketing for wool shorn from the sheep. | Darwin Initiative: providing support for monitoring of the IBA. BCP (Biodiversity Conservation Programme) of the Community Devt Trust Fund supports the community in income generating activities, such as wool production, beekeeping etc. Nature Kenya: conducting the technical work, management, monitoring, etc, | April 2003 | Project in operation, payments (in kind) have been ongoing since inception. Part of this is in supporting the community in access to water by digging boreholes. Only one |



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| | | | | involved in the IBA monitoring with 40 sampling plots by the farmers | | capacity building. DANIDA support the capacity building activities in micro financing, etc. Friends of Kinangop: Liaison between community members and the conservation agencies. Community: implementing the project, carrying out the grassland/forage enhancement activities. | | done so far. |
| Biodiversity Project 2: Amboseli project | UNEP/UNDP, FAO | Amboseli Park, Group Ranches, Local Community | Amboseli, Southern Rift in Kenya and Northern Tanzania. | Private deal between agencies and local community organisations. | Agencies support local community groups and group ranches in Kenya and Tanzania to reforest their landscapes and improve general biodiversity, including watersheds. Biodiversity targets developed with in consultation with communities. | UNEP/UNDP are the project facilitators (GEF), whereas FAO is the implementing agency. | - | Project has been approved. Development of the PES framework is ongoing. |
| Biodiversity Project 3: Protected Areas Project | UNEP/UNDP | Local Communities in Kenya, Uganda, Philippines and Thailand | Protected areas in Kenya, Uganda, Thailand and Philippines. | Private deal between local communities and agencies, but possibilities exist for government and/or private sector involvement once project is fully set up. Main focus of the PES framework will be to support vulnerable | Support for local communities in terms of assessment of biodiversity costs versus benefits, especially in terms of costs of conservation. | UNEP/UNDP: facilitating local communities living in protected areas to conserve characteristics of their biodiversity. Local communities: implementation of the framework | - | Project submitted and is under consideration. In planning phase; PES framework still under |



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| | | | | communities to benefit and ensure financial redistribution. | | | | development |
| Biodiversity Project 4: Shompole Ecotourism Development Project | Yusuf Ole Petenya,(Shompole Community Trust) Kenya Wildlife Service, African Conservation center, Art of Ventures | Shompole Community Trust board of Trustees, Shompole Group Ranch and the general community, Maa Oleng Ltd. | Shompole Location of Magadi Division – Kajiado District – Rift-Valley Province. Acreage; 62,689 ha. | A) Private deal – joint partnership between a private investor and the community b) Setting up of an exclusive conservation area – 10000 ha, planning of grazing patterns and security patrols for wildlife / people, Conservation of biodiversity in general is being undertaken in the area. | The community provides services to clients who visit to view game, scenic landscapes, and spend their nights at the lodge. | African Conservation Center – offers technical assistance on conservation issues to the project; Kenya wildlife service – advises on matters of policy and law; Art of Ventures – markets, manages the business operations on behalf of Maa Oleng Ltd. Shompole community Trust – manages the conservation area, receives all the funds from the tourism facilities and undertake all social development projects on behalf of the community; Ford Foundation, EU-BCP, TTF – are donors (offers financial aid) | Agreed; 2001 for a period of 15 yrs | Very operational and payments are done on monthly basis. |
| Biodiversity Project 5: Western Kenya Integrated Ecosystem project (WKIEP) | Directors of KARI and ICRAF, Ministry of Agriculture, NGOs and CBOs (yet to identify which ones) | Smallholder farmers in Western Kenya | The project will be 900km ² of Nyando, Nzoia and Yala River Basins Critical habitats in the primary project intervention | A. The objective is to protect critical habitats B: Increased biodiversity on-farm and protect or enhance management of critical habitats | Once the project starts, appropriate institutional mechanisms shall be put in place based on research evidence to institute measures for protecting critical habitats and their wise use to ensure their | World Bank funds the project, while the Lead Agencies are KARI and ICRAF (will be involved in research and project activities). Others: Ministry of Agriculture (MoA), Ministry of Environment and Natural Resources | August 19, 2005 | Still in the planning phase |



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| | | | area include: Ainabngetuny , Mbogo, Nyando and Awach tributaries (Nyando catchment); Nzoia and Yala river tributaries (Nzoia and Yala catchments); and Forest fragments around Lugari and Kaimosi. | | sustainability | (MoENR), Ministry of Water Resources, and local government administrations. KEFRI, NGOs, CBOs and other government agencies will use the results to influence and implement policy goals | | |
| Biodiversity Project 6: Il Ngwesi Group Ranch and Partnership (Lewa Wildlife Conservancy and Borana Ranch) | Kenya Wildlife Service (KWS), Lewa Downs conservancy, group ranch (community), Equator Initiative | Il Ngwesi group Ranch and its partners | Il Ngwesi community Ranch, Laikipia, Kenya. It covers 16,500 hectares and owned by 199 households | The deal is open trading Conservation Management: Grazing is tightly controlled, leading to remarkable regeneration of flora and fauna and therefore encouraging wildlife to return providing a rewarding experience for visitors to the Il Ngwesi Lodge-and income to the community. | Direct benefits to the community through jobs, and the income from the lodge and thus supporting 500 households that belong to the group ranch. | Il Ngwesi manage the project with its partners (Lewa Wildlife Conservancy and Borana Ranch) while those that offer financial support include the Equator Initiative which is a new partnership between the United Nations Development Programme (UNDP) and BrasilConnects, the Government of Canada, the International Development Research Center (IDRC), Television trust for Environment (TVE), IUCN the World Conservation | The initial idea came from Ian Craig of the Lewa Wildlife Conservancy. It was started in early 1990s | Proceeds from the lodge are re-invested in community based development projects such as schools, cattle dips, water, bursary schemes and the group ranch members share dividends at the end of each |



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| | | | | | | Union, and the United Nations Foundation (UNF). | | year. |
| Biodiversity Project 7: Direct payments as a mechanism for Conserving important Wildlife Corridor links between Nairobi National Park and its Wider Ecosystem: The Wildlife Conservation Lease Program | Friends of Nairobi National Park, Wildlife Foundation and Kenya Wildlife Service | The Local Landowners | The lease program currently covers about 14,000 acres of the 2,200km ² spatial area of Athi-Kapiti plains. The program has been implemented in Kitengela of Kajiado District. | It is a private deal (between the landowners and those running the lease program. Conservation Management Practices: No fencing, quarrying, cultivation or subdivision and finally sustainably managing the land for Wildlife and grazing | Direct Payments to the landowner (ksh 300/acre per year) from the Wildlife Lease program. | The Wildlife Foundation implements the lease program while support comes from Friends of Nairobi National Park and International Fund for Animal Welfare (financial support) while African Wildlife Foundation, African Conservation Centre and ILRI provided technical support | November, 2000 | At its operational phase |



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| <p>Biodiversity Project 8: Arabuko Sokoke Project</p> | <p>Nature Kenya, USAID, KNH-NABU (Germany)</p> | <p>Local community, Arabuko Sokoke Forest Guides Association (ASFGA)-site support group.</p> | <p>Arabuko Sokoke Forest, Kilifi, Kenya Coast. Coastal dry forest near the East coast of Africa once extended from northern Mozambique to southern Somalia. Approx. 410 square kilometers The Forest is home to six endangered bird species, two of them endemic, and three rare mammals, so its conservation is obviously important.</p> | <p>Government deal, as the forest is public trust land. Afforestation, reforestation, forest management, agro-forestry and conservation</p> | <p>Support is given to the joint Project Implementation Team, which includes the government agencies (FD, KWS, KEFRI, etc), Nature Kenya, ASFGA and local community. Nature Kenya is accountable for the funds, usually supporting work plans developed by the PIT. Support includes buying seedlings, capacity building, training, and production of documents/ reports.</p> | <p>USAID-development of Participatory Forest Management structure to supplement efforts by the Forest Department. Aims to empower community to plough back gains made from benefits accruing from forest. Monitoring of Biodiversity and socio-economics also as aspects. Promotion of <i>Aloe Vera</i> planting by the community, along with other partners. Principally as an income generating project. KNH-NABU: Water and ecotourism components. Water: water tank to supply clean water easily. Initial stages of tank construction ongoing. Ecot: promotion of tourism within the forest through hotels by use of a film /documentary to promote tourist visits to the forest. Nature Kenya: facilitation of establishment of the management structure of the project.</p> | <p>Nov. 2002</p> | <p>Ongoing. Some of the aspects such as the water tank construction have just begun. The Participatory Forest Management Plan has been put into place, and implementation is already ongoing by different associations. Payments began flowing to the local community from the onset, some payments (in-kind) such as water provision to the community have begun.</p> |
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| <i>Water</i> | | | | | | | | |
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| Water Project 1: Western Kenya Integrated Ecosystem project | Directors of KARI and ICRAF, Ministry of Agriculture, NGOs and CBOs (yet to identify which ones) | The smallholder farmers in Western Kenya | The project will cover Nyando, Nzoia and Yala River Basins | The objective is to reduce soil erosion of pollutants transported into Lake Victoria which is a critical fresh water resource within the Basin. Conservation management practices: Soil and water management on- and off- farm | Once the project starts, appropriate institutional mechanisms shall be put in place based on research evidence to institute measures soil erosion and water management measures both on- and off-farm. | World Bank funds the project, while the Lead Agencies are KARI and ICRAF (will be involved in research and project activities). Others: Ministry of Agriculture (MoA), Ministry of Environment and Natural Resources (MoENR), Ministry of Water Resources, and local government administrations. KEFRI, NGOs, CBOs and other government agencies will use the results to influence and implement policy goals | August 19, 2005 | Still in the planning phase |



STEP 2:

REVIEW COUNTRY-LEVEL LEGAL, REGULATORY, & ADMINISTRATIVE CONTEXT FOR ECOSYSTEM SERVICE PAYMENTS

(Please focus on specific laws, regulations, and administrative rules that pertain to sales and payments for ecosystem services. More general laws that relate to natural resource management do not have to be listed below.)

****NOTE: THERE IS NO SPECIFIC LAW THAT SUPPORTS PES IN KENYA**

| ECOSYSTEM SERVICES | | | | |
|--|--|---|---|--------|
| | Carbon | Biodiversity | Water | Other? |
| <p>DO NATIONAL LAWS, REGULATIONS, AND ADMINISTRATIVE RULES SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE?</p> <p><i>(IF YES, PLEASE SPECIFY)</i></p> | <p>No</p> <p>Kenya National Forest Bill is in conflict and pending parliamentary debate and has limited technical know-how on carbon issues</p> | <p>No</p> | <p>No</p> | |
| <p>DO LAWS, REGULATIONS, AND ADMINISTRATIVE RULES SERVE AS OBSTACLES TO SALES OF THIS ECOSYSTEM SERVICE?</p> <p><i>(IF YES, PLEASE SPECIFY)</i></p> | <p>Yes, there is lack of understanding on how benefits can be generated and how local communities can be supported through carbon sequestration initiatives</p> | <p>Yes, there is lack of understanding on how benefits can be generated</p> | <p>Yes, there is lack of understanding on how benefits can be generated</p> | |
| <p>DO LANDOWNERS HAVE A CLEAR, LEGAL RIGHT TO SELL ECOSYSTEM SERVICES?</p> <p><i>(PLEASE SPECIFY WHAT LAWS RELATE TO THIS ISSUE)</i></p> | <p>There is no clear legal right in community owned trust lands. No clear boundaries on government trust lands and access by local community use for carbon sequestrations. Only clarity is on private land with secured title deeds.</p> | <p>There is no clear legal right in community owned lands.</p> | <p>There is no clear legal right in community owned lands.</p> | |
| <p>DO COMMUNITY ORGANIZATIONS HAVE LEGAL RIGHTS TO:</p> <ul style="list-style-type: none"> - SELL? - TO APPROVE / REJECT DEALS? <p><i>(PLEASE SPECIFY LAWS)</i></p> | <p>There is no clear legal support to community based organizations to sell or approve or reject projects for carbon deals. This is partly due to lack of information and understanding by local community based organizations whose mandate are primarily development and poverty related initiatives. CBO Act is</p> | <p>There is no clear legal support to community based organizations to sell or approve or reject projects</p> | <p>There is no clear legal support to community based organizations to sell or approve or reject projects</p> | |



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| | independent of NGO Act. NGO's Act and Trust Act are broadly empowered to act and participate in trade of ecosystem services so long as it is not for profit making but in support of development and management of natural resources. | | | |
| <p>ARE THERE GOVERNMENT AGENCIES THAT EXIST TO REGULATE AND MANAGE THE ECOSYSTEM SERVICES (E.G. CARBON OFFICE, EIA OFFICE, ETC.)?</p> <p><i>(IF SO, PLEASE SPECIFY)</i></p> | <p>Kenya CDM National Focal Point as DNA.</p> <p>Impact assessments are regulated by the National Environmental Management Authority (NEMA)</p> | NO | NO | |
| <p>IS THERE ANY INVOLVEMENT OF GOVERNMENT IN DECREASING RISKS ASSOCIATED WITH PAYMENTS FOR ECOSYSTEM SERVICES (E.G. GOV'T BACKED INSURANCE, GUARENTEES, ETC.)?</p> <p><i>(IF YES, PLEASE SPECIFY)</i></p> | <p>Forest Department part of government arm is providing 'guarantees' and getting into partnerships for ecosystem services.</p> <p>Forest department is a government entity with resource allocation from the treasury to support local community forest initiatives. In addition the department is empowered as a trustee of gazzeted land and trust land. By nature of its establishment and government support, therefore it has eligibility to capacitate carbon development projects and also provide security for the generation of offsets for the specified period of time. That is why the concept of 'guarantee' for the offset comes in picture.</p> | Not aware of any | Not aware of any | |
| <p>ARE THERE ANY RELEVANT GOVERNMENT STANDARDS / GUIDELINES RELATED TO ECOSYSTEM SERVICES SALES?</p> | Environmental Impact Assessments (EIA), forest bill | EIA | EIA | |



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| <i>(IF YES, PLEASE SPECIFY)</i> | | | | |
| <p>ARE ANY ADDITIONAL LAWS, REGULATIONS, OR ADMINISTRATIVE RULES NEEDED TO SUPPORT GROWTH OF ECOSYSTEM SERVICE PAYMENTS / MARKETS?</p> <p><i>(IF YES, PLEASE SPECIFY)</i></p> | <p>Yes, Current policy tools such as the forest bill and water acts do not broadly cover ecosystem services. BEA International is currently initiating a policy research and dialogue in partnerships with relevant departments of forestry for this purpose.</p> | <p>Yes, Current policy tools such as the forest bill and water acts do not broadly cover ecosystem services. BEA International is currently initiating a policy research and dialogue in partnerships with relevant departments of forestry for this purpose.</p> | <p>Yes, Current policy tools such as the forest bill and water acts do not broadly cover ecosystem services. BEA International is currently initiating a policy research and dialogue in partnerships with relevant departments of water for this purpose.</p> | |



STEP 3:

DOCUMENT EXISTENCE OF AND NEED FOR SUPPORTING INSTITUTIONS

| ECOSYSTEM SERVICES | | | | |
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| | Carbon | Biodiversity | Water | Other? |
| <p>ARE THERE ANY INSTITUTIONS THAT SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE?</p> <p><i>IF YES, PLEASE SPECIFY BY:</i></p> <ul style="list-style-type: none"> - GOVERNMENT AGENCIES? - PRIVATE COMPANIES / CONSULTANCIES? - NGOS? - QUANGOS? | <p>BEA International</p> <p>Other NGOs in Kenya including Kenya Association of Manufacturers are initiating similar programs.</p> <p>ECOGEN Kenyan utility company has also developed a carbon trade deal.</p> <p>Kenya Tea Development Authority (KTDA) is developing a sequestration project</p> <p>Mumias Sugar company is developing bagasse project as well.</p> | <p>Not aware</p> | <p>Not aware</p> | |
| <p>IF ANY, WHAT OTHER INSTITUTIONS ARE NEEDED TO SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE?</p> <p><i>IF YES, PLEASE SPECIFY BY:</i></p> <ul style="list-style-type: none"> - GOVERNMENT AGENCIES? - PRIVATE COMPANIES / CONSULTANCIES? - NGOS? - QUANGOS? | <p>International NGOs and Private Companies that can identify buyers for the carbon projects.</p> <p>Government: Line ministries (environment, natural resources, water, lands, agriculture); Research institutes: KEFRI, KEPHIS, KARI, NMK; Regulation and management agencies: KWS, NEMA, Forest Department; NGOs & advocacy bodies: East Africa Wildlife Services, Environment Liaison Centre International, Green Belt Movement, Mazingira Institute</p> | <p>International NGOs and Private Companies that can identify buyers for biodiversity projects.</p> <p>As the biodiversity focal point for Kenya, the National Museums should be in place to assist or broker PES framework on biodiversity issues.</p> <p>Government: Line ministries (environment, natural resources, water, lands, agriculture); Research institutes: KEFRI, KEPHIS, KARI, NMK; Regulation and management agencies: KWS, NEMA, Forest Department; NGOs & advocacy bodies: East Africa Wildlife Services, Environment Liaison Centre International, Green Belt Movement, Mazingira Institute, Nature Kenya</p> | <p>International NGOs and Private Companies that can identify buyers for water projects.</p> <p>Government: Line ministries (environment, natural resources, water, lands, agriculture); Regulation and management agencies: KWS, NEMA, Forest Department; Other Support groups: Nature Kenya, Kenya Wetlands Working Group, Naivasha Riparian Association, Friends of Watamu Bay etc</p> | |



STEP 4:

ASSESS LOCAL INVOLVEMENT IN PAYMENTS FOR ECOSYSTEM SERVICES

| <p>(A) DOES THE PROJECT SITE HAVE LOCAL ORGANIZATIONS AND PARTICIPATORY DEVELOPMENT PROGRAMS IN PLACE?</p> <p>(B) IF YES, HOW LONG HAVE THEY BEEN IN PLACE?</p> <p>(C) IF YES, HOW ARE THESE ORG'S ENGAGED IN PAYMENTS FOR ECOSYSTEM SERVICES?</p> | <p>HAVE COMMUNITY REPRESENTATIVES BEEN SELECTED AND AUTHORIZED TO NEGOTIATE WITH OUTSIDERS?</p> | <p>DO LOCAL PEOPLE DECIDE HOW INCOMING ECOSYSTEM SERVICES FUNDS WILL BE SPENT?</p> <p>(IF SO, WHAT IS THE PROCESS AND WHO IS INVOLVED?)</p> | <p>ARE LOCAL PEOPLE— INCLUDING WOMEN— PARTICIPATING IN THE ENTIRE PROJECT LIFECYCLE?</p> <p>(INCLUDING, DESIGN, IMPLEMENTATION, MONITORING, AND FINANCIAL BENEFIT ACCRUAL)</p> | <p>ARE THERE ANY EXISTING ANALYSES ON LOCAL BENEFITS FROM PROJECT?</p> <p>(SUCH AS: CONTRIBUTIONS TO: HOUSEHOLD INCOME, LOCAL ORGANIZATIONS, ETC.)</p> <p>(IF YES, PLEASE SPECIFY)</p> | | |
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| Carbon | | | | | | |
| <p>Carbon Project 1: Machakos and Kitui Local Community Forestry Initiative</p> | <p>Thus far, local community involvement is evolving on a voluntary basis, contribution of their land for the tree planting, capacity building through training seminars and workshops, mobilization of other communities to participate in the initiative, establishment of registers for members, number of trees planted, when planted and by whom.</p> | <p>NO</p> | <p>N/A</p> | <p>N/A</p> | <p>NO</p> | <p>NO</p> |
| <p>Carbon Project 2: Kwale Forestry initiative</p> | <p>Thus far, local community involvement is evolving on a voluntary basis, contribution of their land for the tree planting, capacity building through training seminars and workshops,</p> | <p>NO</p> | <p>N/A</p> | <p>N/A</p> | <p>NO</p> | <p>NO</p> |



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| | mobilization of other communities to participate in the initiative, establishment of registers for members, number of trees planted, when planted and by whom. | | | | | |
| Carbon Project 3: Busia Local Community Initiative | Thus far, local community involvement is evolving on a voluntary basis, contribution of their land for the tree planting, capacity building through training seminars and workshops, mobilization of other communities to participate in the initiative, establishment of registers for members, number of trees planted, when planted and by whom. | NO | N/A | N/A | NO | NO |
| Carbon Project 4: Western Kenya Integrated Ecosystem project | Projects undertaken by ICRAF like Transvic, SAFEGUARDS and SCALES have led to local institutions for collective action. These will be used as entry point for the WKIEP. Such institutions have been there since 1999. Also traditional institutions for organizational purposes are existent | Will be initiated since the project is yet to begin in September, 2005. | Project is not yet operational | Yes, participatory methodologies will be used in the project and mainstreaming of gender is taken into consideration | Not yet. Project is still in its inception stage | Financial Analysis has not been done. In ICRAF's past research in Western Kenya, it has been indicated that improved Agroforestry systems increase carbon sequestration |
| Biodiversity | | | | | | |
| Biodiversity Project 1: Kinangop Grassland Project | Very strong community participation, both as individuals and also with representative groups. Community is part of the | Yes, they have been identified, but may be limited in negotiations with outsiders as their capacity in scientific | Yes. | Not entirely, just in implementation, monitoring and accrual of benefits. Outsiders do project design and capital | Yes, these have been carried out. Socio-economic impact analysis of the project has | A) a comprehensive financial analysis has not been carried out, but an |



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| | Project Implementation Team. Community has participated since the project was started. Some community representatives (Friends of Kinangop) were involved in design and planning. Communities benefit directly in terms of capacity building, payments in exchange of services, capital advances for purchase of sheep. | issues and project management is limited. | | mobilization, with local organisations playing a supportive and collaborative role. | been carried out. | indicator is the project cost from the funding angle. B) Risks have not been assessed. |
| Biodiversity Project 2: Amboseli project | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available |
| Biodiversity Project 3: Protected Areas Project | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available |
| Biodiversity Project 4: Shompole Ecotourism Development Project | Yes, participatory programmes are in place, e.g. water pipelines identified and built by the people – have been in place for the last 3 years. Payment of services has been over for the same period. | Yes, an elected Board of Trustees is in place having been elected from each sub-location by the people. They have full authority and mandate to negotiate with outsiders. | Yes, local community decides through their representatives in the board, through regular meetings and 'Barazas' with their leaders. Projects are identified and prioritized by the community and are only implemented by the board on their behalf. | Yes, the people have an equal stake in the project, hence they participate in all stages. | No, the benefits being realized by the community are '1 st generational' benefits where funds are invested in activities with direct free access for all. '2 nd generational' benefits will be next – which is the long-term goal of the project (money will go directly into peoples pockets). | No actual assessments have been done as in data collection but potential looming risks/threats have been identified. More needs to be done on the same. |
| Biodiversity Project 5: Western Kenya Integrated Ecosystem project | Projects undertaken by ICRAF like Transvic, SAFEGUARDS and SCALES have led to local institutions for collective action. These will be used as entry point for the | Will be initiated since the project is yet to begin in September 2005. | Project is not yet operational | Yes, participatory methodologies will be used in the project and mainstreaming of gender is taken into consideration | Not yet. Project is still in its inception stage | Financial Analysis has not been done. ICRAF's past research has shown that there is unprecedented loss of critical habitats |



| | | | | | | |
|--|---|---|---|--|--|---|
| | WKIEP. Such institutions have been there since 1999. Also traditional institutions for organizational purposes are existent | | | | | and biodiversity due to land degradation in Western Kenya. |
| Biodiversity Project 6: Il Ngwesi Group Ranch and Partnership (Lewa Wildlife Conservancy and Borana Ranch) | The members of Il Ngwesi Group came together but management is by the Board of Directors, consisting mainly of the community elders | Yes, the Board of Directors manage the affairs of the range on behalf of the group ranch members | Yes, Il Ngwesi Group Ranch operates as a community-owned trust with a Natural Resource Management Committee responsible for land management. The exclusive ecotourism lodge operates as a separate company. | Yes, both men and women who collectively own the group ranch participate. No discrimination in employment and girls benefits from the proceeds-the group ranch pay school fees for them. | Benefits include payment of school fees, employment for community members and a share of the profits. | Information unavailable. |
| Biodiversity Project 7: Direct payments as a mechanism for Conserving important Wildlife Corridor links between Nairobi National Park and its Wider Ecosystem: The Wildlife Conservation Lease Program | Yes. Such groups include the Local Conservation community, Kitengela Iparakuo Landowners Association, Friends of Nairobi National Park-the program relied on such groups to create interest and allay fears | Yes, an association called Iparakuo Landowners Association with officials act as a focal point for discussing issues with other stakeholders involving the Wildlife lease program | Individuals decide how to spend the money they obtain from the Lease program. Most funds are used to pay schools fees for children from the families who have leased their land. | Yes | Chief benefits will be on the conservation side, especially in terms of reducing pressure and competition for resources with wildlife. | A financial indication is given by the project cost. Information on risks is unavailable. |
| Biodiversity Project 8: Arabuko Sokoke Project | Very strong community participation, both as individuals and also with representative groups. Community is part of the Project Implementation Team. | As part of the Project Implementation Team (PIT). | Yes. The PIT decides on behalf of the agencies, financiers and local communities. | Not entirely, just in implementation, monitoring and accrual of benefits. | Yes, but data unavailable. Some of these have been done as in-house documents | Information unavailable |
| Water | | | | | | |
| Water Project 1: Western Kenya Integrated Ecosystem project | Projects undertaken by ICRAF like Transvic, SAFEGUARDS and SCALES have led to local institutions for collective action. These will be used as entry point for the WKIEP. Such institutions | Will be initiated since the project is yet to begin in September 2005. | Easy to tell when the project is operational | Yes, participatory methodologies will be used in the project and mainstreaming of gender is taken into consideration | Not yet. Project is still in its inception stage | Financial Analysis has not been done. Past regards has shown that deforestation and land use change in the catchment has affected water |



| | | | | | |
|--|---|--|--|--|--|
| | <p>have been there since 1999. Also traditional institutions for organizational purposes are existent</p> | | | | <p>quality and quantity. Pollution is also rampant leading to pollution of international waters.</p> |
|--|---|--|--|--|--|

STEP 5:

EXAMINE MARKET INFORMATION FLOW AND PAYMENT FOR ECOSYSTEM SERVICES EXPERTISE

| ECOSYSTEM SERVICES | | | | |
|--|--|--|--|--------|
| | Carbon | Biodiversity | Water | Other? |
| <p>HAS A NATIONAL ASSESSMENT OF POTENTIAL, FUTURE SITES FOR ECOSYSTEM SERVICE DEALS BEEN CONDUCTED?</p> <p><i>(IF YES, PLEASE PROVIDE DETAILS.)</i></p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | |
| <p>HAS A NATIONAL ASSESSMENT OF BUYERS BEEN CONDUCTED?</p> <p><i>(IF YES, PLEASE PROVIDE DETAILS.)</i></p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | |
| <p>IS THERE A PLACE THAT BUYERS AND INVESTORS CAN GO TO / CALL ABOUT ECOSYSTEM SERVICES DEALS & PRICES?</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | |
| <p>ARE THERE TRAINING AND EDUCATION RESOURCES RELATED TO ECOSYSTEM SERVICES AND PAYMENTS?</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | |
| <p>IS THERE ANY INFORMATION AVAILABLE ON RISKS AND/OR RISK MANAGEMENT ASSOCIATED</p> | <p>No PES is a relatively new concept in Kenya and as such the</p> | <p>No PES is a relatively new concept in Kenya and as such the structures/services are not in place.</p> | <p>No PES is a relatively new concept in Kenya and as</p> | |



| | | | | |
|---|--|--|--|--|
| WITH PAYMENTS FOR ECOSYSTEM SERVICES? (IF SO, WHERE? HOW CAN IT BE OBTAINED?) | structures/services are not in place. | | such the structures/services are not in place. | |
| ARE THERE EXPERTS IN ECOSYSTEM SERVICE MONITORING & EVALUATION IN-COUNTRY? | Yes, Dr. Karani of BEA International Some staff in CGIAR and UNEP/UNDP. Dr. Alain Lamberts, UNEP/UNDP | Yes, Dr. Karani of BEA International Some staff in CGIAR and UNEP/UNDP. Dr. Alain Lamberts, UNEP/UNDP | Yes, Dr. Karani of BEA International Some staff in CGIAR and UNEP/UNDP. Dr. Alain Lamberts, UNEP/UNDP | |

STEP 6:

LIST AVAILABLE TECHNICAL ASSISTANCE

(such as, training, ongoing advising / support, in-service programs, etc.)

| | ECOSYSTEM SERVICES | | | |
|---|---|--|---|--------|
| | Carbon | Biodiversity | Water | Other? |
| IS THERE ANY CURRENT TECHNICAL ASSISTANCE IN IDENTIFYING AND ESTABLISHING ECOSYSTEM SERVICE PAYMENTS AND MARKETS? (e.g., training, ongoing advising / support, etc.) | Yes | Yes | Yes | |
| <i>IF YES, SPECIFY:</i> <i>TYPES OF TECHNICAL ASSISTANCE</i> | Support, advising, brokerage | Support, advising, brokerage | Support, advising, brokerage | |
| <i>PROVIDERS</i> <i>(CONTACT NAMES & ORGANIZATIONS)</i> | NGOs in Kenya including, UNEP/UNDP, BEA International, Kenya Association of Manufacturers, Institutions like Kenya Tea Development Authority (KTDA-developing a sequestration project), ECOGEN | NGOs in Kenya including, UNEP, UNDP, BEA International Institutions like KWS, ACC Alain Lambert, Chair, Conservation Finance Alliance, UNEP/UNDP | NGOs in Kenya Alain Lambert, Chair, Conservation Finance Alliance, UNEP/UNDP | |



| | | | | |
|--|---|---|---|---|
| | Alain Lambert, Chair, Conservation Finance Alliance, UNEP/UNDP | | | |
| <i>WHO PAYS (BUYERS, SELLERS, GOVERNMENT)</i> | Agencies, donors | Agencies, donors | Agencies, donors | |
| <i>WHO HAS ACCESS (WHO USES, WHERE, HOW OFTEN, ETC.)</i> | Access by any applicant, community. Hardly used, application through a concept note/proposal. | Access by any applicant, community. Hardly used, application through a concept note/proposal. | Access by any applicant, community. Hardly used, application through a concept note/proposal. | Access by any applicant, community. Hardly used, application through a concept note/proposal. |



STEP 7:

IDENTIFY ALL POTENTIAL SOURCES OF FINANCING
(such as, loans, grants, subsidies, in-kind payments, etc.)

| ECOSYSTEM SERVICES | | | | |
|---|--|--|--|--|
| | Carbon | Biodiversity | Water | Other? |
| WHAT TYPE AND SOURCE OF FINANCING IS AVAILABLE FOR ECOSYSTEM SERVICE PAYMENT / MARKET: - PROJECT PLANNING? - TRANSACTIONS? - TECHNICAL ASSISTANCE? - BUSINESS PLANNING? - OPERATIONS? - RISK MANAGEMENT? - OTHER? | Grants, in kind payments for Project planning, technical assistance, business planning, operations and operationalising. | Grants, in kind payments for Project planning, technical assistance, business planning, operations and operationalising. | Grants, in kind payments for Project planning, technical assistance, business planning, operations and operationalising. | Grants, in kind payments for Project planning, technical assistance, business planning, operations and operationalising. |
| IF YES, SPECIFY FOR EACH AREA OF AVAILABLE FINANCING: WHERE / FROM WHOM? | Mainly available for planning, technical assistance, some aspects of operations, monitoring and report writing. From UNDP/UNEP, World Bank (PCF), other agencies. | Mainly available for planning, technical assistance, some aspects of operations, monitoring and report writing. From UNDP/UNEP, World Bank (PCF), other agencies. | Mainly available for planning, technical assistance, some aspects of operations, monitoring and report writing. N/a | Mainly available for planning, technical assistance, some aspects of operations, monitoring and report writing. From UNDP/UNEP, World Bank (PCF), other agencies. |
| WHAT IS NEEDED TO QUALIFY? | Application by concept note and proposal. | Application by concept note and proposal. | Application by concept note and proposal. | Application by concept note and proposal. |
| HOW MUCH? (UPWARD LIMIT TO SUPPORT) | N/a | N/a | N/a | N/a |
| CONTACT INFORMATION | Alain Lamberts, Conservation Finance Alliance, UNDP/UNEP. | Alain Lamberts, Conservation Finance Alliance, UNDP/UNEP. | Alain Lamberts, Conservation Finance Alliance, UNDP/UNEP. | Alain Lamberts, Conservation Finance Alliance, UNDP/UNEP. |



STEP 8A:

DETAIL PROJECT-BY-PROJECT SUPPORT SERVICES FOR MARKET ACTORS

(including, existence of in-country providers and their availability (e.g., country-wide, capital city only, etc.))

| | FINANCING (Provision of necessary capital / operating funds) | MEASUREMENT (Valuation of ecosystem service) | MONITORING (Regular collection & analysis of data to ensure accountability) | VERIFICATION (Process of review to ensure accuracy of information) | BUSINESS ADVISORY SERVICES (Financial advice, legal services, mediation, technical assistance, marketing support, market information, land title services, water right services, etc.) |
|----------------|---|--|---|--|--|
| C | | | | | |
| C | BEA International | N/A | N/A | N/A | N/A |
| C | BEA International | N/A | N/A | N/A | N/A |
| C | BEA International | N/A | N/A | N/A | N/A |
| | Based on the research-based evidence, this will be in build | Provided for in the project document. It has been done before in Western Kenya in February, 2004 by Albrecht et al.. | In- built in the project document | In- built in the project document | Yes |
| B K | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available |
| B A | **Information not available | **Information not available | **Information not available | **Information not available | **Information not available |
| B P | UNDP/UNEP are providing the funds after the acceptance of the proposal | **Information not available | Will be done according the UN project monitoring and review procedures. | **Information not available | Conservation Finance Alliance, UNEP/UNDP are providing these. |
| | The funds for infrastructure development have been provided for by EU – Biodiversity Conservation Programme(BCP); Capital Investment for running the business have provided for by the Art of Ventures(our partner-investor); | Not properly done- no guidelines for the same. Needs assistance and strengthening especially on the community side. | Underway, but requires building the community's capacity for long term management, needs professional help. | Not very well developed- needs assistance. | Legal advice, Marketing, technical advice on conservation is available, but the rest needs development in the long run. |



| | | | | | |
|--|---|--|--|-----------------------------------|--|
| Shompole community provided both cash , labour and land. ❖Not properly Not properly done- no guidelines for the same. Needs assistance and strengthening especially on the community side. | | | | | |
| Based on the research-based evidence, this will be in-built | Provided for in the project document. | In-built in the project Document | | In- built in the project document | |
| Yes-the group engages in other businesses which supplement capital for wildlife conservation | **Need to check this with the group ranch | Yes | Yes | | |
| Funding is provided by wildlife oriented institutions and therefore sustainability (financial) needs to be strengthened by engaging in activities which can ensure sustained income | Yes | Yes | Yes-there is an existing framework of doing this | | |
| Funding is being provided by Nature Kenya, USAID, KNH-NABU (Germany) | **Information not available | Nature Kenya is monitoring the project, along with the Project Implementation Team (PIT) | | **Information not available | |
| Based on research-based evidence, this will be in build | Provided for in the project document. | In build in the project Document | | In build in the project document | |

STEP 8B:

DOCUMENT NATIONALLY-AVAILABLE SUPPORT SERVICES FOR MARKET ACTORS

| | ECOSYSTEM SERVICES | | |
|---|--------------------|--|-------|
| | Carbon | Biodiversity | Water |
| WHAT SUPPORT SERVICES ARE CURRENTLY USED IN ECOSYSTEM SERVICE PAYMENTS AND MARKETS? (e.g., brokering, legal advice, 3rd party verification, accounting, computer technology, risk management, measurement, valuation of ecosystem services and indicators, etc.) | Brokerage | Brokerage, technical advice, legal advice, concept development, business advice. | |



| | | | |
|---|---|--|--|
| <i>PLEASE LIST SUPPORT SERVICE PROVIDERS & AREAS OF EXPERTISE.</i> | BEA International, ICRAF, UNDP/UNEP | ICRAF, UNDP/UNEP, as above. | |
| WHAT ARE THE MOST USEFUL SUPPORT SERVICES? | | | |
| ARE THERE SPECIFIC SUPPORT SERVICE-RELATED PROBLEMS / CONSTRAINTS? | Lack of legislation, controls, guidance, information and actors specifically promoting this. | Lack of legislation, controls, guidance, information and actors specifically promoting this. | Lack of legislation, controls, guidance, information and actors specifically promoting this. |
| WHAT IS NEEDED TO IMPROVE SUPPORT SERVICES? | Setting up of the same delineated as above | Setting up of the same delineated as above | Setting up of the same delineated as above |
| ARE ADDITIONAL SUPPORT SERVICES NEEDED? IF YES, SPECIFY. | Yes, setting up of the 'ecosystem marketplace" as a resource to assist any interested stakeholder access one-off information. | Yes, setting up of the 'ecosystem marketplace" as a resource to assist any interested stakeholder access one-off information | Yes, setting up of the 'ecosystem marketplace" as a resource to assist any interested stakeholder access one-off information |

STEP 9:

LIST GOVERNMENTAL & NON-GOVERNMENTAL STANDARDS & GUIDELINES

(specifically in relation to eligibility, performance, equity, environmental impact, reporting requirements, community and public input requirements, public comment, labor regulations, etc.)

| | ECOSYSTEM SERVICES | | |
|--|--------------------|--------------|-------|
| | Carbon | Biodiversity | Water |
| DO ANY STANDARDS AND/OR GUIDELINES EXIST THAT GUIDE ECOSYSTEM SERVICE PAYMENTS AND MARKETS? (IF YES, PLEASE SPECIFY) | NO | NO | NO |



| | | | |
|--|---|---|---|
| <p>ARE STANDARDS AND/OR GUIDELINES NEEDED FOR ECOSYSTEM SERVICE PAYMENTS / MARKETS?</p> <p>(IF YES, PLEASE SPECIFY)</p> | <p>Yes, as none exist. There is need for standards that can be used to guide negotiations and transactions, especially for purposes of monitoring efficiency and audit of payments.</p> | <p>Yes, as none exist. There is need for standards that can be used to guide negotiations and transactions, especially for purposes of monitoring efficiency and audit of payments.</p> | <p>Yes, as none exist. There is need for standards that can be used to guide negotiations and transactions, especially for purposes of monitoring efficiency and audit of payments.</p> |
| <p>HAS THE COUNTRY SET SPECIFIC STANDARDS FOR CARBON PROJECTS UNDER THE CDM?</p> <p>(IF YES, PLEASE SPECIFY AND STATE WHO WAS INVOLVED)</p> | <p>Kenya issued national guidelines on the CDM in February 2001. The criteria for accepting CDM projects emphasize a tangible contribution to sustainable development, although it is not specified what is meant by sustainable development. The document also emphasizes that CDM projects should be pegged to poverty reduction and “address community needs through effective public participation in project design, planning and implementation.” NEMA has been acting as the DNA and CDM proponents are asked to forward a project concept note to NEMA. After approval, the project proponent is requested to develop a full PDD.</p> | | |



**STEP 10:
ASSESS AWARENESS OF ECOSYSTEM SERVICE VALUES, PAYMENTS, AND MARKETS**

| | ECOSYSTEM SERVICES | | |
|--|---|--|--|
| | Carbon | Biodiversity | Water |
| <p>WHAT IS THE LEVEL OF AWARENESS OF PES OPPORTUNITIES AMONG</p> <ul style="list-style-type: none"> - NATIONAL BUSINESS COMMUNITY? - GOVERNMENT AGENCIES? - COMMUNITY ORGANIZATIONS? - NATIONAL NGOs? - INTERNATIONAL NGOs? | <p>NATIONAL BUSINESS COMMUNITY? POOR</p> <p>GOVERNMENT AGENCIES? POOR</p> <p>COMMUNITY ORGANIZATIONS? POOR</p> <p>NATIONAL NGOs? AVERAGE</p> <p>INTERNATIONAL NGOs? GOOD</p> | <p>NATIONAL BUSINESS COMMUNITY? POOR</p> <p>GOVERNMENT AGENCIES? POOR</p> <p>COMMUNITY ORGANIZATIONS? POOR</p> <p>NATIONAL NGOs? AVERAGE</p> <p>INTERNATIONAL NGOs? GOOD</p> | <p>NATIONAL BUSINESS COMMUNITY? POOR</p> <p>GOVERNMENT AGENCIES? POOR</p> <p>COMMUNITY ORGANIZATIONS? POOR</p> <p>NATIONAL NGOs? AVERAGE</p> <p>INTERNATIONAL NGOs? GOOD</p> |
| <p>WHAT, IF ANY, ARE THE SOURCES OF CURRENT, AVAILABLE INFORMATION ON ECOSYSTEM SERVICE PAYMENTS / MARKETS?</p> | <p>Stakeholders' workshops conducted by NGOs like ICRAF and BEA International, Internet resources</p> | <p>Stakeholders' workshops conducted by NGOs like ICRAF and BEA International, Internet resources</p> | <p>Stakeholders' workshops conducted by NGOs like ICRAF and BEA International, Internet resources</p> |
| <p>IF AVAILABLE INFORMATION, HOW ACCESSIBLE IS IT TO VARIOUS ACTORS?</p> <p>IN WHAT FORMAT DOES IT APPEAR?</p> <p>WHERE IS IT KEPT?</p> | <p>Not quite accessible</p> <p>Scarce, but can be accessed by interested persons.</p> <p>Technical information, much of it in PowerPoint presentations.</p> <p>Internet</p> <p>Workshop Reports</p> <p>By the organizations and circulated to workshops participants and other actors usually through email</p> | <p>Not quite accessible</p> <p>Workshop Reports</p> <p>By the organizations and circulated to workshops participants and other actors usually through email</p> | <p>Not quite accessible</p> <p>Workshop Reports</p> <p>By the organizations and circulated to workshops participants and other actors usually through email</p> |
| <p>WHO IS CREATING AND DISSEMINATING THIS INFORMATION?</p> | <p>NGOs eg ICRAF, UNEP, UNDP, BEA International,</p> | <p>NGOs eg ICRAF, UNEP, UNDP, BEA International</p> | <p>NGOs eg ICRAF, UNEP, UNDP, BEA International</p> |



Conclusions and Recommendations

PES in Kenya does exist, but in the main do not fall within the classical mode where actual cash payment is made. Rather, it is common for payments to be done in kind, and generally within the ambit of large-scale community benefits. In Kenya, most of the projects are also run as pilot projects, principally with donor support. NGO's hence dominate the operational and management systems applicable in the PES schemes. The government in the main has been slow in the uptake of PES, especially in formulating and developing focused policy frameworks targeted towards specific promotion of PES, especially in playing a catalytic role. As such, the government does not play any role either as a buyer or seller, despite the numerous opportunities available in projects and programmes.

One of the issues that arose during the study was the absence of methodologies and tools to guide the development of a PES programme. Despite the fact that numerous international organisations have their regional offices in Kenya, there is a dearth of mechanisms for engagements with conservation agencies in the country and the resultant action-learning projects (whether full scale or pilots). However, there exists expertise in PES in some of these non-governmental organisations.

The existing policy framework is broad enough to accommodate a flexible spectrum of PES proposals. Hence, biodiversity offsets may be within the law (such as NEMA regulations for EIA, which may offer a mitigational PES); or complementary and hence more ambitious, such as using existing project proposals to propose net positive gains as a way of purchasing offsets. A critical area for research and training lies in making a business case based on findings of EIA, where a portion of the project cost could be channeled towards making offsets elsewhere so as to achieve at least a no-net loss in terms of biodiversity.

One key area is the development of a sustainable PES network in Kenya, to be composed of ecosystem service managers/stewards, and complemented by scientists and policy experts. It would be important for ecosystem service users to see value in paying for services, and also create a mechanism for such payment. Actual methodologies obtained from pilot projects of various forms could be developed and shared, thus informing the network and helping identify gaps and opportunities. Promotion and development of knowledge and interest in PES would form the bedrock of the activities of the network, both at the community level (through CBOs and NGOs) and at the national and regional level (government, NEPAD and AMCEN). Activities and action-focused research and projects should also revolve around local themes, so as to respond to real and felt problems of the community. By doing this, a cross cutting support and implementation structure can be formed and maintained, with well defined incentives and rewards for conservation established.



ANNEXES

Annex 1. People Consulted

1. Thomas Yatich, ICRAF
2. Brent Swallow, ICRAF
3. Patrick Karani, BEA International
4. Yusuf Ole Patenya, Shompole Community Trust
5. Joel Siele, Nature Kenya
6. Office of Alain Lamberts, UNDP/UNEP
7. Dr. Joseph Mutang'ah, formerly East African Portland Cement