REPUBLIC OF KENYA

MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY

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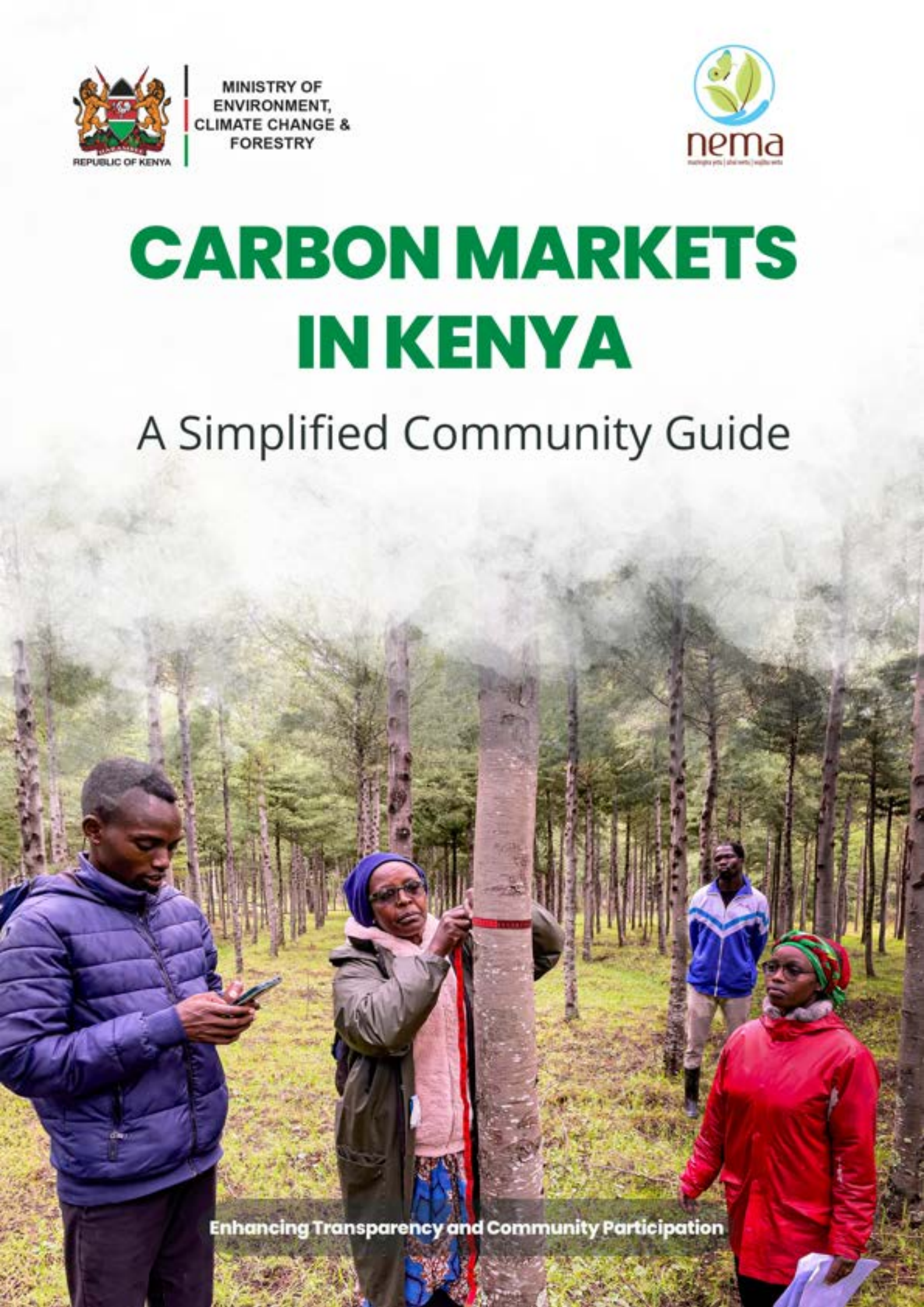
CARBON MARKETS IN KENYA

A Simplified Community Guide



Enhancing Transparency and Community Participation

MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY

REPUBLIC OF KENYA

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WWF KENYA

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We regret any errors or omissions that may have been unwittingly made.

DISCLAIMER

National Environment Management Authority (NEMA), publishes guides, manuals, reports and papers about research and development projects within the environmental sector, financed by the Authority and/or her Development Partners. The contents of this publication do not necessarily represent the official views of the NEMA, Kenya Government nor its partner World Wide Fund for Nature - Kenya (WWF - Kenya).

By publishing this Guide, NEMA expresses that the content represents an important contribution to enrich the related discourse on Kenya's environmental policy but does not endorse the content as Government policy, but that it serves as a guide to the Carbon Markets as a shared natural resources.

The technical support, publication and funding by WWF - Kenya is gratefully acknowledged.

Preface

National Environment Management Authority is the primary Government institution mandated to supervise and coordinate all environmental matters in Kenya The Authority is also the designated National Authority for carbon markets in Kenya in line with the Climate Change carbon markets regulations of 2024 granting NEMA the responsibility to authorize and approve all carbon market projects in Kenya among other major responsibilities as laid down in the Act and the regulations. NEMA is committed to promoting environmentally sustainable and socially responsible practices not only within its own operations but also across all institutions under its supervisory purview.

Kenya has emerged as a key player in carbon markets, contributing significantly to voluntary carbon credits in Africa. The newly enacted Climate Change (Carbon Markets) Regulations, 2024, provides a framework for implementing carbon projects, regulating participation, and ensuring that benefit-sharing mechanisms are upheld. The policy and legal framework for carbon markets gives communities a central role as both actors and beneficiaries. However, communities need to be prepared by building their capacity and understanding for effective engagement.

The responsibility of the Designated National Authority (DNA) is to ensure compliance with all the Carbon Markets regulations and also carry out such duties as stipulated in the same regulations. In order for the Authority to ensure fairness in the enforcement of the regulation, the Authority is required to educate and create awareness on the requirements of the law. It is against this background that NEMA identified the need to develop this community guide to ensure that the communities understood their roles and responsibilities under the law and subsequent regulations.

This simplified guide is designed to enhance the understanding of communities on the carbon markets regulations as well as build their capacity to enable them participate in the carbon projects being implemented in their areas and also unbundle the procedures and requirements of identification and implementation for their own carbon projects.

The Community guide complements all other education and awareness programs on climate change and carbon markets currently being run by the Authority and answers the many questions that come with any new regulation gazzetted by the government.

The Authority is very proud of this effort to simplify the regulations for the community members who would otherwise find the regulations too technical to understand. The guide will be a great resource as a training support material for all stakeholders carrying out education and awareness creation.

Mr. Emilio Mugo

Chairman, NEMA Board of Management

Acknowledgement

The Government of Kenya has made significant strides in establishing robust legal, policy, and institutional frameworks to support carbon markets as part of its commitment to climate action and sustainable development. These include the Climate Change Act CAP 387A, to enhance its effectiveness in regulating carbon markets in line with emerging international carbon market mechanisms and the development of the Climate Change (Carbon Markets) Regulations, 2024, to provide guidelines and procedures for participation in carbon markets in Kenya.

The policy and legal framework for carbon markets gives communities a central role as both actors and beneficiaries. This guide aims to improve transparency, awareness and community knowledge as well as facilitate their participation in carbon markets and carbon project development in Kenya. The guide will therefore help demystify the carbon market processes in Kenya and make communities aware of their choices and outline in a clear and simple manner pathways for grievance redress mechanisms.

I wish to acknowledge the exemplary work that has gone into the development of this important guide through collaborative engagement and contribution by diverse stakeholders, commitment and diligence exhibited by each team member of the technical committee led by the programs and partnerships department, under the leadership of Dr. Anne Omambia to ensure the guide was completed within the set time.

The Authority is particularly grateful to the World Wide Fund for Nature -Kenya (WWF-Kenya) for the support that facilitated the completion of this guide. The long-standing partnership with WWF-Kenya goes beyond the development of this guide into our common commitments of making Kenya a resilient self-sustaining Country where communities are able to make their own decisions as far as their resources are concerned including making their livelihoods sustainable. We cannot over emphasize our gratitude for this partnership.

The successful completion of this guide is a testament to the collective dedication, expertise, and collaboration of the entire team, including staff, management, and the board of NEMA and WWF-Kenya, which continuously provide the relevant guidance and necessary environment for staff to work effectively.

Dr. Mamo B. Mamo, EBS

Director General

Table of Content

Acronyms

CDM	Clean Development Mechanism
CDAC	Community Development Agreement Committee
CDA	Community Development Agreement
CIDP	County Integrated Development Plan
CO_2eq	Carbon Dioxide Equivalent
COP	Conference of the Parties
CSO / CSOs	Civil Society Organisation(s)
DNA	Designated National Authority
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
FPIC	Free, Prior and Informed Consent
GHG	Greenhouse Gas(es)
GRM	Grievance Redress Mechanism
ITMO(s)	Internationally Transferred Mitigation Outcome(s)
LNO	Letter of No Objection
LOA	Letter of Approval
MCU(s)	Mitigation Contribution Unit(s)
NCCAP	National Climate Change Action Plan
NDC	Nationally Determined Contribution
NEMA	National Environment Management Authority
PACM	Paris Agreement Crediting Mechanism
PCN	Project Concept Note
PDD	Project Design Document
SB	Supervisory Body
UNFCCC	United Nations Framework Convention on Climate Change
VCS	Verified Carbon Standard

Common Terms in Carbon Markets

To make best use of this guide, the reader must be familiar with the following key terms in carbon markets:

Additionality:	A core principle ensuring that a carbon project generates real emission reduction or removal that would not have occured under normal circumstances.
Business-as-usual scenario:	Description of what would most likely have occurred without a carbon offset project, also called the 'baseline scenario.
Base Year:	The specified year from which emission reduction targets and net-zero journeys are measured, with annual targets established as a percentage of total emissions in this base year.
Carbon Credit:	When a project removes or prevents one ton of carbon dioxide (or similar gases) from entering the air, it earns one carbon credit.
Carbon Dioxide Equivalent (CO_2e/CO_2eq):	A standard measure of greenhouse gas emissions that represents various gases in terms of CO_2 based on their global warming potential.
Carbon Footprint:	This is the total amount of GHGs a person, household, business, or group produces through daily activities, such as using electricity, fuel, food, and products.
Carbon Neutral:	A person or organization is carbon neutral when it reduces its emissions as much as possible and offsets the rest using carbon credits. This means its net emissions are zero.
Carbon Offset:	This is when someone buys a carbon credit to balance the emissions they can't avoid. For example, if you can't stop using some fuel, you can pay for a project elsewhere that reduces emissions.
Carbon Pool:	These are places where carbon is stored in nature, like in trees, soil, dead wood, or harvested wood products. These pools hold carbon for long periods.
Carbon Sequestration:	Means removing carbon dioxide from the air and storing it. For example, trees do this through photosynthesis—they take in CO_2, store the carbon, and release oxygen.
Carbon Sink:	A carbon sink is a natural area, like a forest or ocean, that stores more carbon than it releases. It helps fight climate change by trapping carbon.

Community:	Means a consciously distinct and organized group of users of community land who are citizens of Kenya and share any of the following attributes: common ancestry; similar culture or unique mode of livelihood; socio-economic or other similar common interest; geographical space; ecological space; or ethnicity. See Climate Change (Amendment) Act, 2023 for detailed definition.
Greenhouse Gases	These gases, like CO_2, methane, and others, trap heat in the atmosphere. They are a leading cause of climate change, exacerbated by human activity.
Public land:	Land owned by the State that is not privately or communally owned, including land held by state organs, natural resources (such as minerals, forests, and water bodies), and land with no identifiable owner, held in trust by national or county governments and managed according to law. *See Article 62 of Constitution of Kenya for detailed definition.*
Carbon Market:	A system that allows people, companies or governments to buy and sell "carbon credits" earned by reducing or removing greenhouse gases from the air, through approved projects that follow national and international rules.
Land based: projects	A project that protects, restores or improves how land is used and managed to help reduce harmful greenhouse gases or store more carbon in nature, like planting trees or conserving forests.
Non-land based projects:	A project that uses clean or green technologies to reduce pollution without relying on land to operate, like solar lamps, fuel-saving cookstoves, or water filters.
Benefit-Sharing	Making sure that the money and other benefits from a carbon project are shared fairly with local communities and everyone else who is affected by or helps with the project.
Community Development Agreement (CDA):	A written agreement between project developers and the local community, especially where the project is on public or community land, showing how they will work together and what benefits the community will receive from the project.

About the Community Guide

The guide aims to improve awareness, community knowledge, participation, and transparency in Kenya's carbon markets and carbon project development.

Objectives of the Guide

This guide helps communities understand and effectively participate in carbon markets by:

- Increasing awareness and knowledge of carbon markets.
- Helping communities to make informed decisions on carbon projects.
- Explaining how benefits are shared through Community Development Agreements.
- Making carbon market policies and regulations more transparent.
- Understanding conflict resolution and grievance redress mechanisms.

Who Can Use this Guide

- Community members interested in carbon projects.
- National and County Governments.
- Civil Society Organisations (CSOs) supporting climate action.
- Researchers and environmental experts working on climate solutions.
- Carbon project developers.
- Donors
- Development Partners
- Any other parties working with communities.

What You Will Learn from the Guide

- What carbon markets and carbon credits are, and why they matter.
- The laws and policies that govern carbon markets in Kenya.
- Who the key players are in carbon markets and their roles.
- How to develop carbon projects and what steps are needed.
- How communities can participate and benefit through fair agreements.
- How to raise concerns and solve disputes related to carbon projects.

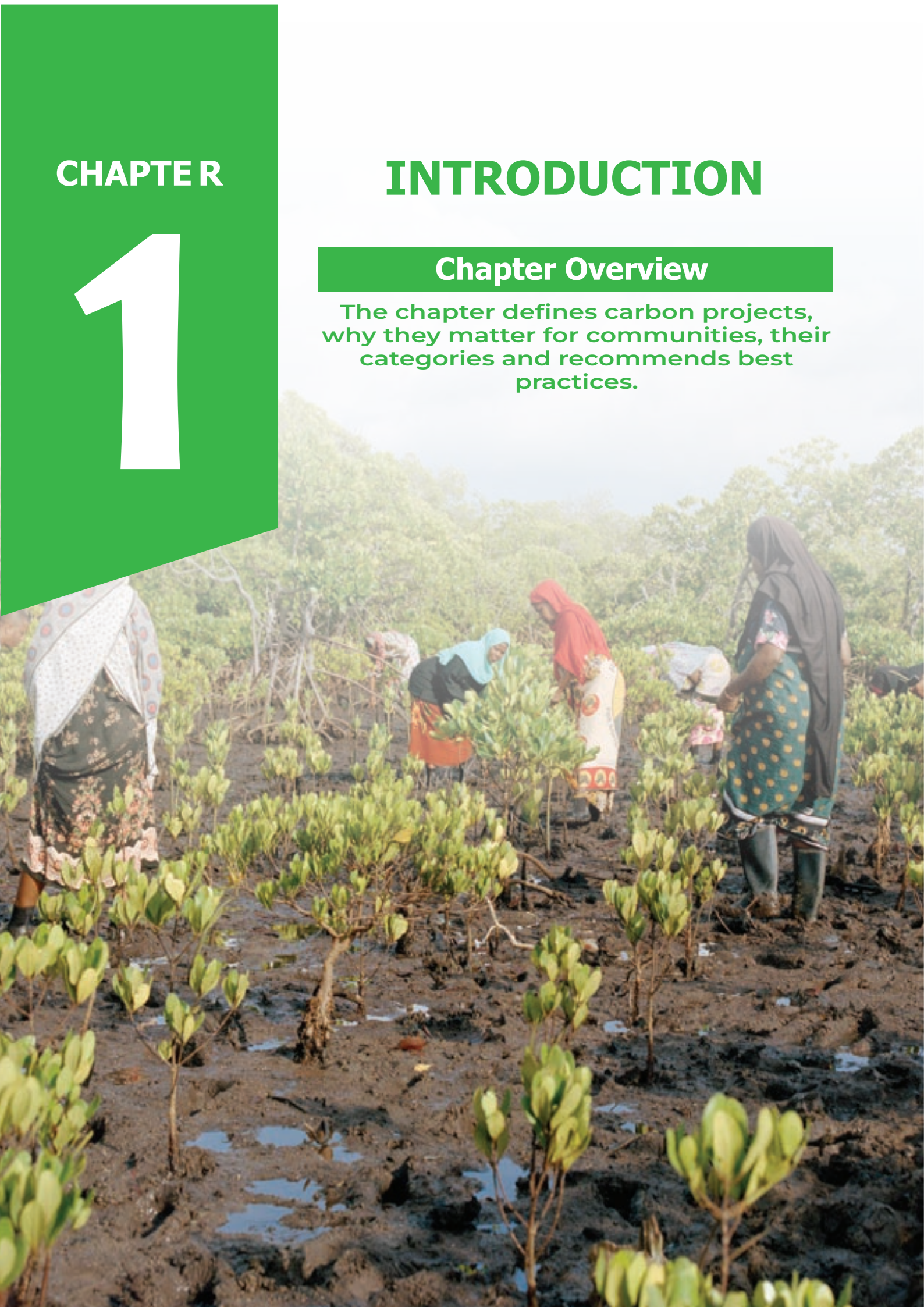
CHAPTE R

1

INTRODUCTION

Chapter Overview

The chapter defines carbon projects, why they matter for communities, their categories and recommends best practices.



1.1 What is Climate Change?

Climate change is the long-term change in weather patterns, for over a period of 30 years. It is caused by emissions of greenhouse gases, which mainly come from human activities like burning fuel, cutting trees, and industrial processes. The impacts of climate change include droughts, floods and storms. The greenhouse gases trap heat in the atmosphere, causing the earth to become abnormally warm (also called global warming).

Greenhouse gases include Carbon Dioxide, Methane, Nitrous Oxide, Perfluorocarbons, Hydrofluorocarbons and Sulfur Hexafluoride

Climate change is a global challenge affecting businesses, communities, and the environment. Scientists say we must stop the Earth's temperature from rising above 1.5°C to avoid serious damage. This means we must reduce the amount of greenhouse gases (GHG) we release into the air.

If we continue as we are, temperatures could rise beyond 2°C in this century, which would cause more droughts, floods, and other extreme weather events.

1.2 Fighting Climate Change

One way to fight climate change is to put a price on carbon emissions. Carbon markets allow companies, individuals, and governments to buy and sell carbon credits, a system that encourages people to reduce emissions and promote sustainable development.

1.3 What is a Carbon Market?

A carbon market is a system that allows people, companies or governments to buy and sell "carbon credits" earned by reducing or removing greenhouse gases from the air, through approved projects that follow national and international rules.

Carbon markets offer communities a great opportunity to earn money, protect the environment, and build resilience against climate change. However, communities must understand the rules, participate actively, and demand transparency.

1.4 What is a Carbon Project?

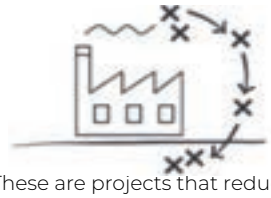
A carbon project is an activity that helps reduce, remove, or prevent harmful gases from entering the atmosphere. These projects create carbon credits that can be sold in carbon markets.

There are three main types of carbon projects:

Carbon Removal Projects

These are projects that take carbon-dioxide out of the air. They include planting trees (reforestation), improving farming practices to store carbon in the soil as well as using technology that captures carbon directly from the air

Carbon Reduction Projects



These are projects that reduce the amount of emission levels released in the atmosphere. Examples: Use of solar, wind or hydro power instead of fossil fuels, capturing methane gas from waste and farms as well as using energy-efficient appliances like LED bulbs

Carbon Avoidance Projects

These are projects that stop pollution before it happens. Examples include protecting forests from being cut down (REDD+ projects) as well as providing energy-saving stoves to reduce wood and charcoal use

1.5 Why Do Carbon Projects Matter for Communities?

Carbon projects are crucial for communities because they offer opportunities for sustainable development, economic growth, and improved well-being, while mitigating climate change. Specifically they support communities by:

- Sustainably protecting natural resources and the environment by supporting activities like tree planting and clean energy.
- Earning income from carbon credits.
- Developing infrastructure such as better roads, schools, and water systems.
- Gaining knowledge and skills through training e.g. climate-smart agriculture and green jobs.

Carbon projects can also support communities to adapt and cope with climate change by making them more resilient; better prepared for floods, droughts and extreme weather.

1.6 Land Ownership and Carbon Market Nexus

Carbon projects are categorised as: **land based** and **non-land based**, as defined in the Climate Change (Carbon Markets) Regulations, 2024.

Land-based carbon projects are those whose activities relate to land use, land management and ecosystem conservation or restoration and are aimed at reducing greenhouse gas emissions or enhancing carbon sequestration while **non-land based** carbon projects are those that employ technologies that do not require land for their

execution.

Land in Kenya is classified as public, community and private.

Category	Definition	Ownership	Examples	Legal Reference
Public Land	Land owned by the State, not classified as private or community land.	National or County Governments (in trust) territorial seas	Forests, rivers, national parks, unalienated government land, minerals, roads, teritorial seas	Article 62
Community Land	Land held by communities identified by ethnicity, culture, or shared interest.	Specific communities or held in trust	Ancestral lands, grazing areas, shrines, community forests, trust land formerly held by counties	Article 63
Private Land	Registered land held by individuals under freehold or leasehold tenure.	Individuals or legal persons	Freehold farms, leasehold property, land declared private by law	Article 64

1.7 Requirements for Carbon Credit Projects on Public Land

- Determine the sub-classification of the public land: Is it vested under the County Government or the National Government?
- Obtain no-objection letters and licenses from the relevant government authorities.
- Engage constitutional institutions with jurisdiction over the land, such as the Kenya Wildlife Service (KWS), Kenya Forest Service (KFS), National Environment Management Authority (NEMA) and the National Land Commission.

1.8 Requirements for Carbon Credit Projects on Community Land

- Determine the status of land registration:
- If registered, engage the Community Land Management Committee for formal approval.
- If unregistered, obtain a consent/letter of no objection from the County Government.
- Conduct adequate and inclusive public participation, including:
    i. Holding barazas (community meetings)
    ii. Keeping records of attendance
    iii. Collecting signed minutes of community consent
- Ensure equitable benefit-sharing agreements are in place.
- Provide fair and timely compensation in case of any displacement or loss of access to traditional resources

1.9 Requirements for Carbon Credit Projects on Private Land

- Determine land tenure type: Freehold or Leasehold.
- Verify ownership through:
  - A valid land title deed,
  - A recent land search from the Ministry of Lands,
  - Consultation with neighbours, particularly with adjacent landowners, to confirm uncontested ownership,
  - Engage NLC for application/extension of leases in case of leasehold.
- Engage a qualified advocate of the High Court of Kenya to:
  - Ensure legal compliance
  - Protect the rights of spouses and children, particularly in family land transactions
- Prepare landowner agreements, including:
  - Revenue-sharing structures
  - Duration and scope of the project
  - Conflict resolution mechanisms

1.10 Guiding Principles

To ensure fairness and success, carbon projects must follow these key principles:

Sustainable Development	Delivering economic, environmental and social co-benefits while ensuring environmental integrity.
Transparency and Accountability	Information disclosure, clear and open processes in implementation of carbon projects and holding project developers responsible for their actions and results.
Effectiveness and Efficiency	Achieving the intended goal of reducing carbon emissions in a timely manner while optimizing resources.
Social Justice	Ensure carbon projects benefit local communities and respect their rights.
Inclusiveness	Everyone, including women, youth, and Indigenous Peoples and local communities (IPLC) should be involved.
Equity and Equality	Costs and benefits should be shared in a fair and just manner.
Value for money	Carbon projects should be cost-effective and beneficial.
Non-discrimination	Ensure that community members are not discriminated against based on race, ethnicity, gender, age, religion, disability, etc.

1.11 Best Practices for Carbon Projects in Communities

To make carbon projects successful, communities and project developers should:

- Obtain the communities Free Prior Informed Consent (FPIC)
- Ensure community rights over land and resources are protected.
- Set clear and fair rules for selecting and approving carbon projects.
- Ensure easy and fair trading of carbon credits.

- Use strong participatory monitoring and reporting systems to track project progress.
- Educate communities on the risks and benefits of carbon markets.
- Support new technologies that reduce emissions.
- Develop a clear grievance resolution mechanism.

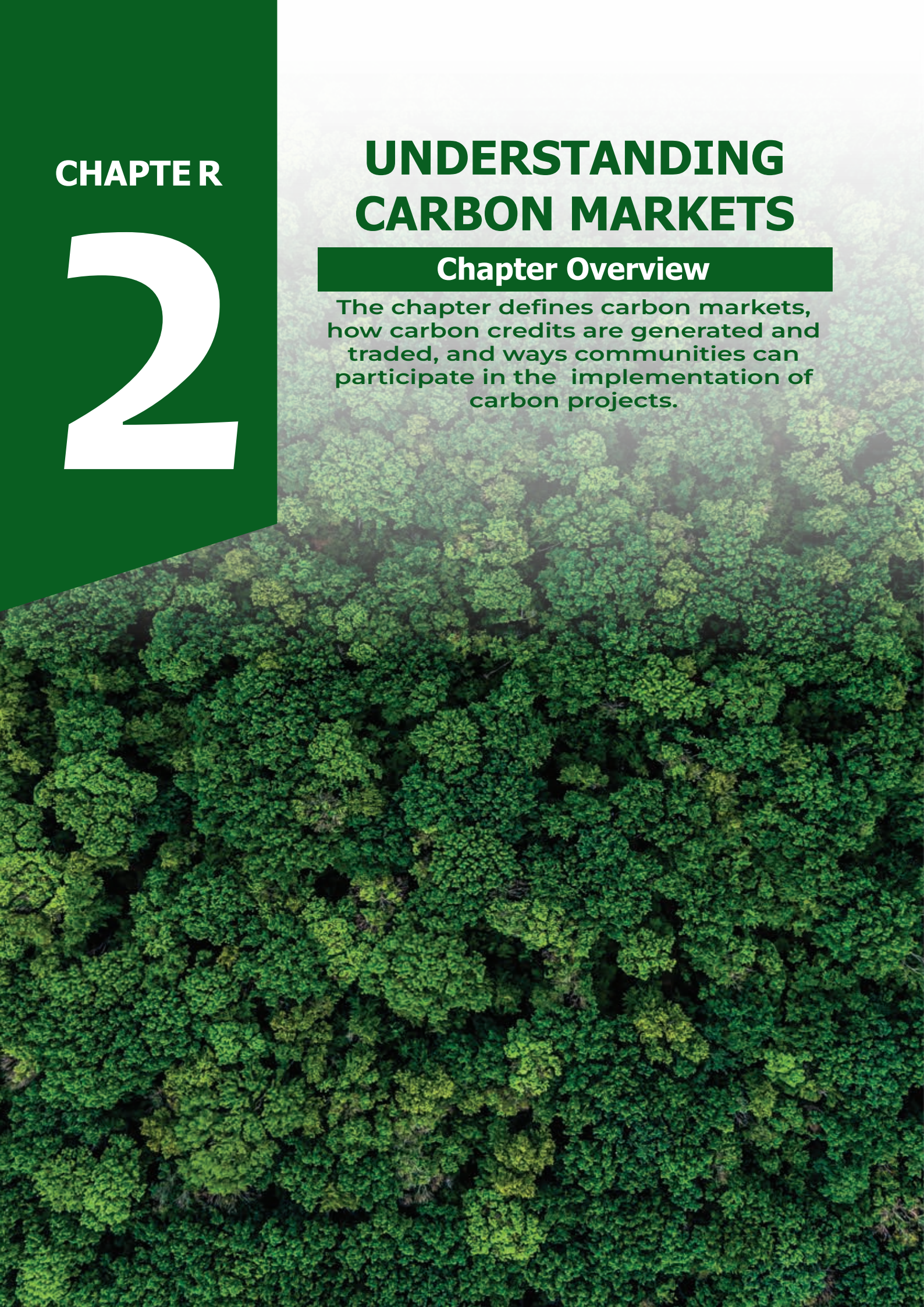
CHAPTE R

2

UNDERSTANDING CARBON MARKETS

Chapter Overview

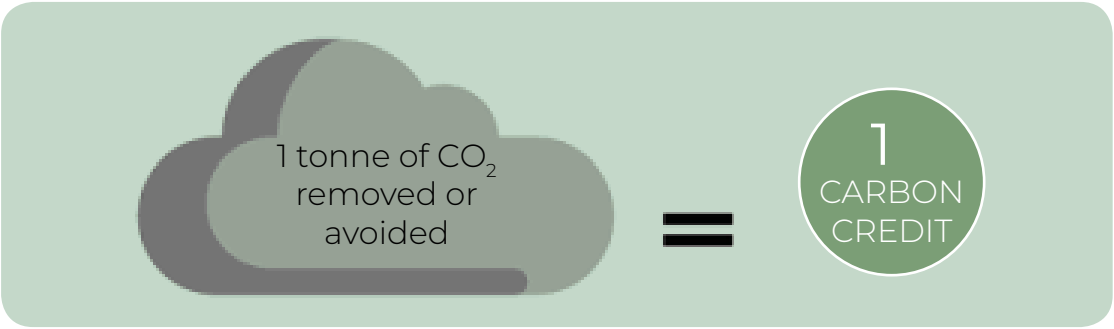
The chapter defines carbon markets, how carbon credits are generated and traded, and ways communities can participate in the implementation of carbon projects.



2.1 What are Carbon Credits?

A carbon credit represents one ton of greenhouse gas (GHG) reduction or removal. It is a tradable unit used to support projects that reduce pollution. Carbon credits help attract funding, especially for projects that have insufficient financial support or technology access. Buyers of carbon credits use them for two purposes:

1. Compliance: To meet government or international emission targets.
2. Voluntary: To achieve corporate environmental goals.



Source: Carbon Planet

2.2 How are Carbon Credits Generated?

Carbon credits come from activities that reduce or remove greenhouse gas emissions. These activities must follow rules set by recognized carbon crediting mechanisms, such as:

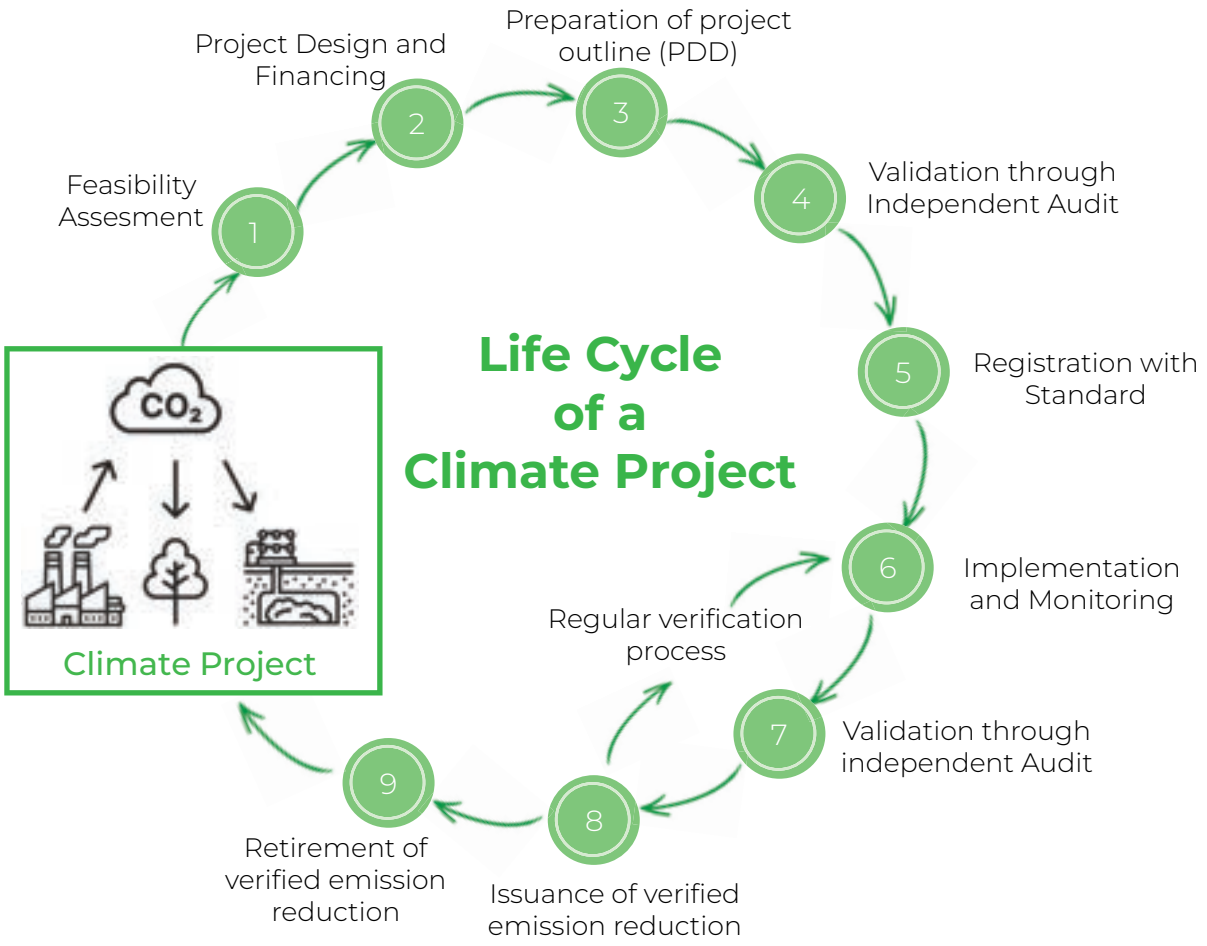
- Gold Standard
- Verified Carbon Standard (VCS)
- Article 6.2 on corresponding adjustments Internationally Transfered Mitigation Outcomes (ITMOs) & Article 6.4 Mechanism (Paris Crediting Mechanism). These are a new systems under the Paris Agreement, 2015.

These standards ensure that projects:

1. Follow approved methods to measure emission reductions.
2. Undergo independent validation and verification.
3. Register credits in official systems to track ownership and transactions.

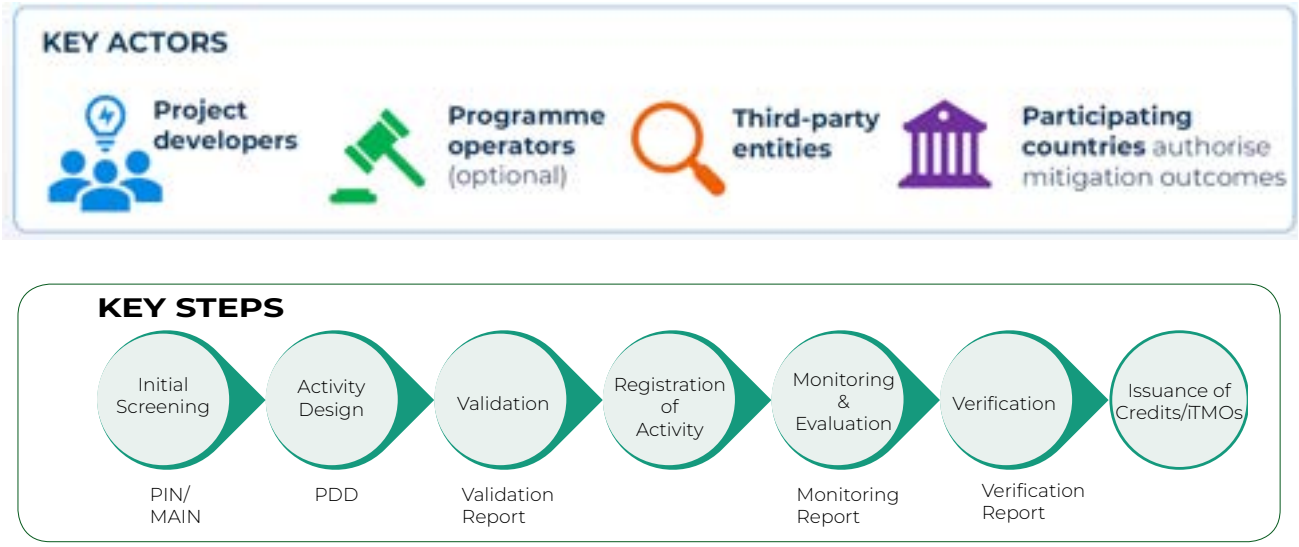
2.3 Process for Generating Carbon Credits

Generating carbon credits entails a nine (9) process step as illustrated in the figure shown:



2.4 Article 6.2 of the Paris Agreement

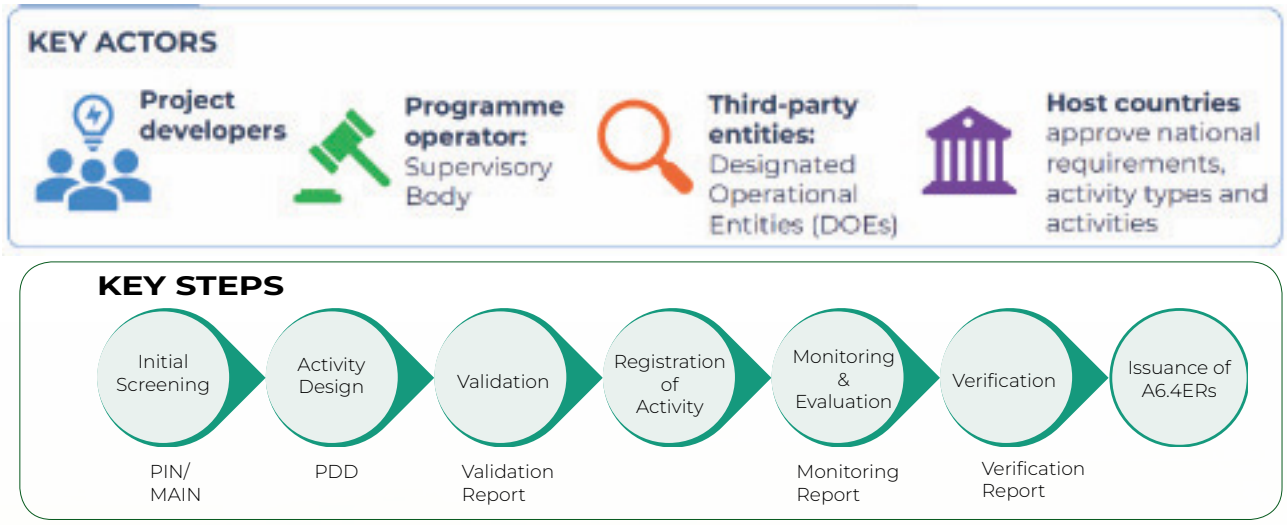
Article 6.2 presents a cooperative approach that enables countries to trade mitigation outcomes with each other through bilateral or multilateral agreements. These traded credits, termed as ITMOs must constitute real, verified, and additional emission reductions or removals not included in the host country's Nationally Determined Contributions (NDCs). Countries participating in ITMO cooperation must ensure environmental integrity and transparency, implement robust accounting practices to prevent double-counting, and foster sustainable development. Involved countries monitor the transfers and utilisation of ITMOs through corresponding adjustments in their emissions balances.



Source: Climate perspective group

2.5 Article 6.4 of the Paris Agreement

Establishes a baseline-and-credit mechanism, also known as the Paris Agreement Crediting Mechanism (PACM), which is overseen by the United Nations Framework Convention on Climate Change (UNFCCC). This mechanism establishes an activity cycle for registering carbon projects ensuring environmental integrity.



Source: Climate perspective group

2.6 How is Carbon Credit Ownership Established?

Carbon rights defines who has the right to benefit from emission reduction or removals linked to land, forests, or other projects.
Holding these rights allows individuals or groups to trade and earn revenue from carbon credits. Communities can develop a carbon project and benefit from the sale of carbon credits. International Agreements and National laws play a crucial role in defining and protecting carbon rights to support carbon markets.

2.7 How are Carbon Credits Sold or Traded?

There are two main ways carbon credits are traded:

1. **Primary Trading:** Direct sales between project developers and buyers.
2. **Secondary Trading:** Using intermediaries like brokers or exchanges to trade credits.

The Key actors in the carbon market include:

- ***Project Developers:*** Individuals, organisations, or companies that create and manage carbon-reducing projects.
- ***End Buyers:*** Companies, governments, or individuals who purchase credits to meet climate goals.
- ***Brokers/Retailers:*** Middlemen who buy credits from projects and resell them to buyers.
- ***Carbon Crediting Mechanisms:*** Organisations that set rules and oversee carbon credit transactions. e.g Verra, Gold Standard and Paris Agreement Crediting Mechanism.

2.8 How Can Communities Participate in Carbon Markets?

Communities can participate in carbon markets by developing local carbon projects or signing agreements with carbon project developers.

Examples of project activities communities can participate in.

Practicing better farming methods that trap carbon in the soil

Protecting forests to prevent deforestation

Using energy-efficient stoves to reduce firewood and charcoal use

Planting trees to absorb carbon dioxide

Using clean energy like solar, wind, or biogas

Communities can sell carbon credits from their projects, partner with organisations for training and financial support, or form cooperatives to manage and implement projects together.

2.9 Benefits of Carbon Projects

- Environmental benefits: Protection/conservation of ecosystems such as forests, soils and biodiversity, reduced greenhouse gas emissions.
- Socio-economic benefits: Infrastructural development, job creation, improved health, income, revenue sharing, energy access, and cultural practices (cultural sites)

2.10 Challenges and Solutions in Carbon Markets

Challanges	Solutions
High costs of certification of carbon projects	Work with partners for funding and training
Complex processes	Capacity building, education and awareness on the processes and mechanisms that place the community at the centre of the project.
Risk of exploitation	Ensure fair community development agreements and direct community participation. Ensure compliance with the Climate Change (Carbon Markets) Regulations, 2024.
Community reluctance	Ensure communities are fully informed, consulted, and free to accept or reject the project. Document the FPIC process and update it regularly, especially if project scope changes.

Challanges	Solutions
Unclear or Insecure Land Tenure	Ensure land ownership is ascertained in areas of project development. Follow due process in obtaining FPIC.
Marginalized or poor communities may bear the cost of foregone land use without receiving adequate compensation.	Ensure competitive and fair benefit-sharing Promote alternative livelihoods that generate income without degrading carbon stocks.
Limited awareness and technical knowledge	Undertake continuous community capacity-strengthening Create simplified and accessible educational materials
Unstable carbon prices especially in voluntary markets	Negotiate fair prices and long-term community benefits

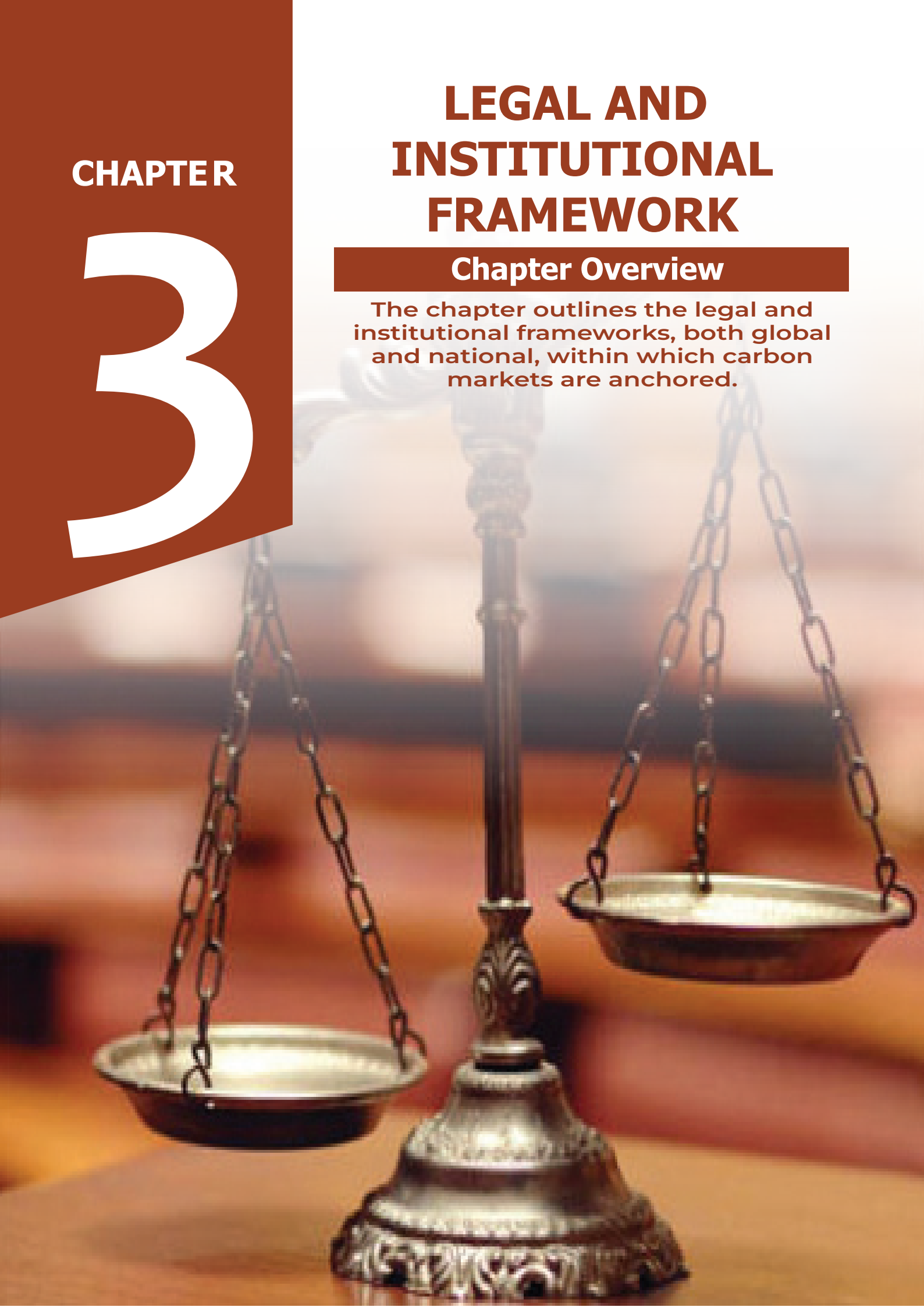
CHAPTER

3

LEGAL AND INSTITUTIONAL FRAMEWORK

Chapter Overview

The chapter outlines the legal and institutional frameworks, both global and national, within which carbon markets are anchored.



3.1 Introduction

The implementation of carbon projects in Kenya is guided by international agreements and national laws and policies.

At the international level, Kenya is party to the United Nations Framework Convention on Climate Change (UNFCCC). Kenya ratified the Paris Agreement in 2016. In this agreement, countries are encouraged to work together by using tools like carbon markets to reduce greenhouse gas emissions and adapt to the impacts of climate change.

To support this, Kenya's Constitution stipulates that every person has a right to a clean and healthy environment. Further, Kenya enacted laws and policies such as the Climate Change (Amendment) Act, 2023 which promotes carbon trading, ensuring that communities are involved and benefit. Kenya gazetted the Climate Change (Carbon Markets) Regulations, 2024 to provide a framework for developing and implementing carbon projects.

There are also institutions mandated to oversee the implementation of the Carbon Markets Regulations. These include the Ministry of Environment, Climate Change and Forestry, NEMA, County Governments, and others who give approvals, monitor projects, and protect community interests.

The table below shows the main international and national laws, policies, and institutions that guide carbon projects in Kenya.

3.2 LEGAL FRAMEWORK

Global Frameworks

Paris Agreement 2015	The Paris Agreement aims to strengthen the global response to climate change by keeping the rise in global temperature below 2°C above pre-industrial levels. The Agreement seeks to enhance countries' ability to deal with the impacts of climate change. To achieve these ambitious goals, appropriate finance, technology, and capacity-building should be established to support developing countries. Kenya's NDC outlines the country's actions to contribute to achieving the global goal outlined in the Paris Agreement. The Agreement extends climate targets to all countries and provides for market-based cooperation in Article 6. Article 6 outlines how countries can cooperate to achieve their climate goals through various mechanisms, including the transfer of emission reductions and the establishment of a mechanism for trading carbon credits using common standards.

National Legal and Policy Frameworks

Constitution of Kenya, 2010	Article 42 of the Constitution guarantees the right to a clean and healthy environment. Article 69 mandates the state to ensure the management and conservation of the environment and natural resources while encouraging public participation. Article 159 allows citizens to seek redress in court if this right is threatened, violated, or infringed.
The Climate Change Act, (CAP 387A)	Establishes climate finance mechanisms, including carbon trading, to support climate action. The 2023 Amendment adds components on carbon markets and community involvement, recognizes nature-based solutions, community rights, and benefit-sharing in carbon markets, introduces a National Carbon Registry and links Kenya's actions to the Paris Agreement.
The Climate Change (Carbon Markets) Regulations, 2024	Governs the establishment, operation, and oversight of carbon markets in Kenya and guides the development and trading of carbon projects within the country.
Nationally Determined Contributions (NDC)	Is a country's official climate action plan under the Paris Agreement, outlining how the country will work to reduce greenhouse gas emissions (mitigation) and adapt to the impacts of climate change (adaptation).
National Climate Change Action Plan (NCCAP)	This is a five-year plan that outlines the specific priority actions Kenya will undertake to tackle climate change. It encourages the use of carbon markets as a fundamental financing tool to assist Kenya in achieving its climate objectives.
The Environmental Management & Coordination Act, (CAP 387)	Provides for the establishment of an appropriate legal and institutional framework for the management of the environment. It upholds the right to a clean and a healthy environment and introduces the concept of environmental management, strategic environmental assessments, and acknowledges ecosystem services such as carbon sequestration. The Act requires Environmental and Social Impact Assesment (ESIA) for all significant projects, including carbon projects.
County Government Act, (CAP 265)	The Act outlines the powers of County Governments, including the ability to acquire land in consultation with the National Land Commission, enter into contracts, and delegate functions, which have an indirect impact on land and environment matters. It also complements other laws like the Community Land Act, 2016, giving Counties a role in holding unregistered community land in trust.
Community Land Act, (CAP 287)	Requires communities to manage natural resources on their land sustainably and protect the environment. Provides for community consoltation, concent and participation in decision making, fair and equitable benefit sharing among community members.
The County Specific Policies & Legislations	Some Counties have County laws and by-laws that support climate action, carbon markets, and ensure benefit sharing.

3.3 Institutional Frameworks

Ministry of Environment, Climate Change & Forestry	· Leads national climate and environmental policy. · Oversees the Climate Change (Carbon Markets) Regulations, 2024.
National Climate Change Council	· Top decision-making body on climate change. · Provides policy direction and coordination across all sectors.
Climate Change Directorate (CCD)	· Technical arm of the ministry. · Coordinates implementation of the NDCs
National Environment Management Authority (NEMA)	· Is the Designated National Authority (DNA) for carbon markets. · Approves and regulates carbon projects to prevent double-counting · Ensures projects follow environmental laws (EMCA, EIA/EA regulations). · Monitors environmental and social impacts.
County Governments	· Issue requisite approvals · The governor appoints a county government representative to the CDA committee · Issue a letter of support for carbon projects · Implement county climate plans and manage county forests. · Facilitate community participation and benefit-sharing · Integrate projects into County Integrated Development Plans (CIDPs).

3.4 Key Sectors in Carbon Markets

The Climate Change (Carbon Markets) Regulations, 2024 prescribe six key sectors namely:

- Energy
- Transport
- Agriculture
- Forestry and Land Use
- Industrial Processes and Product Use
- Waste

CHAPTE R

4

STAKEHOLDER PARTICIPATION

Chapter Overview

The chapter defines key carbon market stakeholders and their roles and responsibilities.

4.1 Who are Carbon Markets Stakeholders?

Carbon markets stakeholders are individuals, organisations, and institutions involved in or affected by carbon projects. They include National and County Governments, government agencies, regulatory bodies, private investors, project developers, local communities and civil society organisations.

4.2 Why is it Important to Involve all Stakeholders in Carbon Projects?

Shared Ownership and Support:	Inclusive participation fosters a sense of ownership and support. Stakeholders are more likely to support and sustain projects when they are actively and meaningfully involved.
Better Planning and Long-Term Success:	Engaging government bodies, local communities, experts, and development partners ensures that carbon projects are well-designed, effective, and sustainable.
Stronger Ideas and Solutions:	Every group brings unique knowledge and experience. Collaboration leads to more innovative and practical solutions
Less Conflict, More Trust:	Open and honest communication helps build trust, reduces misunderstandings, and prevents conflict between parties.
Fewer Risks and Better Preparedness:	Engaging stakeholders from the outset enables the early identification of potential risks and challenges, thereby increasing preparedness and reducing the likelihood of project failure.
Fair and Inclusive Benefits:	Stakeholder participation helps ensure that benefits such as employment, income, and services are equitably shared, particularly with local communities who are most directly affected.
Transparency and Accountability:	IInclusive engagement promotes openness, information disclosure, ensuring that all parties including developers, regulators, and communities are well-informed and responsible.

Stakeholder participation is crucial for successful carbon projects in Kenya, ensuring projects are sustainable, equitable, and effective by incorporating diverse perspectives and promoting local ownership

4.3 Key Stakeholders and their Roles

Primary Stakeholders

Stakeholder	Role
Project Developer	Designs and manages carbon projects; registers them with recognized standards; owns and sells the carbon credits. Educate and manage community expectations.
Carbon Credit Buyer	Purchases carbon credits to offset their own emissions.
Investor	Provide funding to support project development and expect returns from the sale of carbon credits.
National Government	Develops laws and policies governing carbon markets; coordinates with international agreements like the Paris Agreement; approves and registers projects through agencies such as NEMA.
County Government	Provides requisite letters of support to carbon projects within their jurisdiction; facilitates fair benefit-sharing and integrates projects into County Integrated Development Plans (CIDPs).
Local Communities	Consent to project development and implementation within community-owned land through consultation and provide FPIC; must benefit from the project; may participate in project activities like tree planting or conservation; should check the Environmental and Social Governance (ESG) to ensure it aligns with their priorities.

Secondary Stakeholders

These stakeholders support, monitor, regulate, or advocate within the carbon market ecosystem.

Stakeholder	Role
UNFCCC	Oversee the global implementation of carbon markets and standards.
Carbon Standards Bodies	Set rules and methodologies for carbon credit generation; approve projects for registration; issue certified credits.
Civil Society Organization (CSOs)	Educate and empower communities; advocate for transparency, accountability, and fair benefit-sharing; support capacity building and community monitoring.
Technical Experts and Consultants	Design, monitor, and report on projects to ensure they meet environmental and carbon market standards.
Accredited Validators and Verifiers	Independently assess project design and verify emission reductions to ensure credibility and impact.
Donors and Development Partners	Provide financial and technical support, particularly during the early stages or pilot programs, to strengthen community engagement and capacity.
Media	Advocacy, awareness, education and information

Note:
Every community-based project should conduct its own stakeholder identification and mapping to ensure inclusive participation and representation. A successful carbon project balances the needs of all stakeholders

4.4 How can community members meaningfully participate in carbon project activities?

As a community member, your voice is essential in shaping the success of carbon projects. Here's how you can participate meaningfully:

	**Attend and Participate:** Go to community meetings, forums, or consultations when invited. Your presence and input are valuable.
	**Ask Questions:** Don't hesitate to seek clarity especially on how the project will affect your land, environment, and the benefits you might receive.
	**Provide Honest Feedback** Share your ideas, concerns, and suggestions. Your input helps ensure the project aligns with community needs.
	**Speak for Others**: Represent your neighbors, women, youth, elders, and those who may not have the chance to speak for themselves.
	**Demand Transparency:** Request clear, written agreements especially around land use, benefit-sharing, and project timelines.
	**Stay Involved:** Follow up even after the project begins. Monitor progress, ask for updates, and hold the project team accountable.

CHAPTE R

5

PROCEDURE FOR CARBON PROJECT DEVELOPMENT

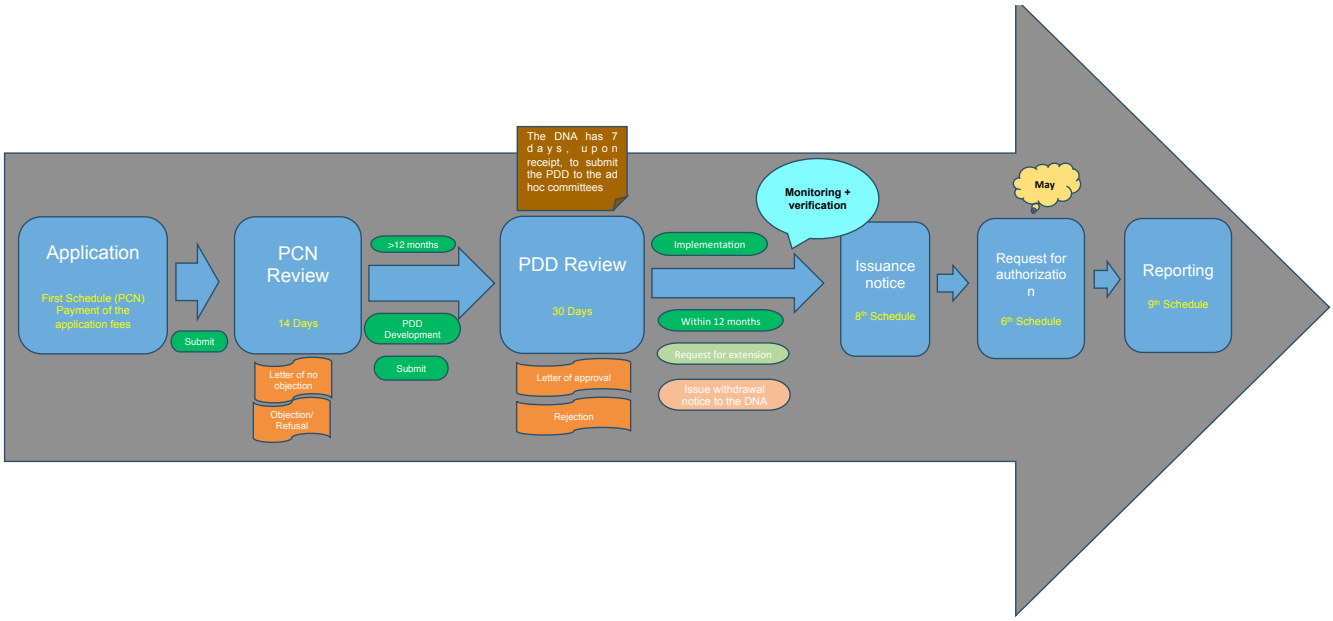
Chapter Overview

The chapter explains how carbon projects are identified, developed and implemented. It also clarifies how carbon credits are sold and benefits shared

5.1 How Can a Community Identify/Develop a Carbon Project?

A community group or individual interested in developing a carbon project can follow the steps outlined in Part 5 of the Climate Change (Carbon Markets) Regulations, 2024. According to the regulations, a community carbon project refers to any carbon project implemented on community land.

The project cycle is represented as step by step process in the figure below;



a) Application for Project Approval

The project proponent (the individual or group proposing the project) must submit an application for project approval to NEMA, which is the Designated National Authority (DNA) for carbon markets in Kenya.

The application must include:

a) A completed Project Concept Note (PCN);
b) Minutes of a meeting approving the proposed project;
c) An Environmental and Social Impact Assessment (ESIA) report;
d) A valid Environmental Impact Assessment (EIA) license;
e) Proof of identity or registration of the project proponent (e.g ID or registration certificate)
f) Proof of payment of project application fees.

Carbon Project Application Fees		
S/N	**Type of Fee**	**Amount charged (Kshs)**
1.	Carbon Project Application Fee (Citizens)	10,000
2.	Carbon Project Application Fee (Non-Citizens)	100,000

b) Review of Application & Feedback

NEMA will review the application and provide feedback within 14 days, which may result in one of the following outcomes:

- Letter of No Objection (LNO) for successful applicants
- A request for additional information (to be submitted within 60 days)
- Rejection of the application, with written reasons provided
- If the required information is not submitted within the stipulated timelines, the application will be cancelled.

The reasons for rejection of an application

- Incomplete or incorrect information
- Inadequate safeguards for environmental or social protection
- Violation of applicable laws or regulations

5.2 Project Design Document (PDD)

Once the PCN is approved, the project proponent must prepare a Project Design Document (PDD) within 12 months. The PDD provides a detailed proposal outlining how the project will achieve emission reductions.
The PDD must be accompanied with:

- A letter of support from the relevant county governments
- A Community Development Agreement (CDA) as prescribed in the fourth schedule
- Stakeholder consultation and project validation reports
- Payment of the PDD review fee:

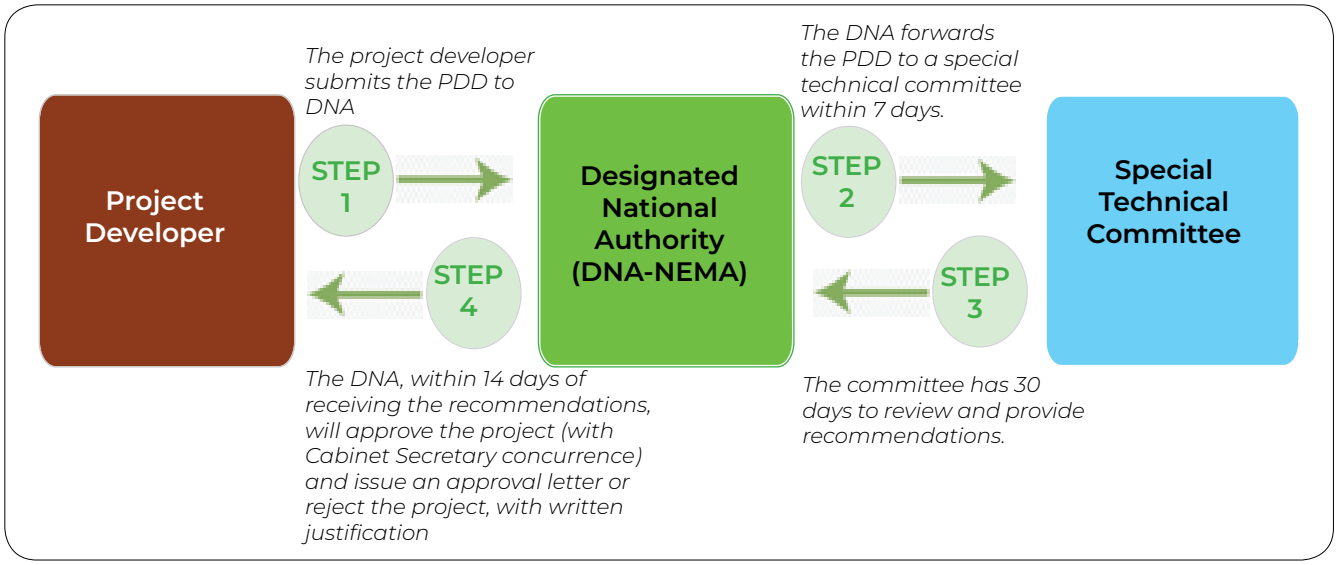
B. Carbon Project Design Document Fees		
S/N	**Type of Fee**	**Amount charged (Kshs)**
1.	Carbon Project Design Document Fee (Citizens)	100,000
2.	Carbon Project Design Document Fee (Non-Citizens)	200,000

5.3 How Does a Project Qualify to Participate in the Carbon Markets?

For a project to participate in carbon markets, it must comply with the methodologies and requirements of a recognized carbon standard which are available for public viewing on the various carbon standards registries. Recognised carbon standards include Verra, Gold Standard, Plan Vivo among others.

Approval process:

NEMA will review the PDD and provide feedback within 51 working days as follows:



5.4 Project Implementation

Once the project receives approval, the proponent must begin implementation within 12 months. If implementation is delayed, the proponent must:

- Request an extension, or
- Notify the DNA of voluntary withdrawal

5.6 Benefit Sharing in Carbon Projects

How is Carbon Project Revenue Shared?

Communities involved in land-based carbon projects are entitled to receive a fair share of the revenue, guided by the Community Development Agreement (CDA) as discussed in chapter 6..

Revenue Allocation:

These benefits must be clearly outlined in the CDA. Private projects on private land are not required to disburse the annual social contribution.

A Community Project Development Committee will be responsible for managing and disbursing the benefits.

Other Deductions from Carbon Project Revenues

a) Regulatory Fees

These are mandatory payments to the government agency overseeing carbon markets primarily National Environment Management Authority to enforce regulation and improve governance. These include:

i) Carbon Project Application Fees
ii) Carbon Project Design Document Fees
iii) Administrative Fees

b) Operational Costs

These are day-to-day costs of running a carbon project to ensure proper implementation and local stakeholder engagement e.g Project design and planning, Infrastructure, technology, and staffing.

c) Administrative Fees

S/N	Type of Fee	Amount Charged (Kshs)
1.	Administrative Fee	Upon the Designated National Authority approval of the project design document: (a) A carbon project with projected annual issuance of 15,000 carbon credits per annum or less - KES 150,000 (b) A carbon project with projected annual issuance of more than 15,000 carbon credits per annum - KES 300,000 *The fixed administrative fee paid by a project proponent will be decucted from the dministrative fee payable by a project proponent at first issuance.* **Upon Issuance:** To be paid within thirty days following the sale of the issued carbon credits: (a) The Kenya Shilling equivalent of USD 0.10 per carbon credit issued for the first 15,000 tonnes of CO2 equivalent for which issuance is requaested in a given year (b) The Kenya Shilling equivalent of USD 0.20 per carbon credit issued for any amount in excess of 15,000 tonnes of CO2 equaivalent for whcih issuance is requested in a given year.
2.	Corresponding Adjustment Fess	The Kenya Shilling equivalent of USD 4 per unit of Internationally Transferred Mitigation Outcome

d) Community Benefit Share

40% of the proceeds (after all statutory deductions) must go to the host community

Carbon Markets Summarized

The Climate Change (Carbon Markets) Regulations, 2024, provide a clear framework for the sale of carbon credits within Kenya. The regulations aim to promote transparency, community benefit-sharing, and alignment with international best practices and national climate goals. Below is a summary of the process and options available for the sale of carbon credits under the Regulations.

Registration of Carbon Projects	All carbon projects must first be registered with the Designated National Authority (DNA), hosted at NEMA. Project developers must submit a Project Design Document (PDD), demonstrate community engagement (including Free, Prior and Informed Consent - FPIC), and obtain a Letter of Authorization for international transactions.
Verification and Issuance of Credits	Emission reductions must be monitored and verified by accredited third-party verifiers. Once verified, carbon credits (e.g., Verified Carbon Units - VCUs) are issued under recognized standards such as Verra or Gold Standard.
Approval for Sale or Transfer	Before any carbon credit is sold or transferred, approval must be obtained from the DNA. For international sales, additional authorization is required, including a Letter of Authorization and ministerial approval for corresponding adjustments.
Options for Selling Carbon Credits	**Current Options** The Regulation allows for several market options: • **Voluntary Carbon Market:** Sale to private companies or individuals; requires DNA approval and registry entry. • **Article 6.2 of the Paris Agreement:** Sale to foreign governments with corresponding adjustments; requires DNA and ministerial approval.
	Future Options • **Article 6.4 Mechanism:** Future UN-governed mechanism with centralized carbon trading. • **Domestic Carbon Market (planned):** A Kenya-based market for local sale of carbon credits, subject to DNA oversight.
Revenue Sharing and Deductions	Carbon revenue must be shared according to a Revenue Sharing Agreement (RSA). Key deductions include: · Minimum 40% to community benefits · Administration costs (maximum 20%) · Other transparent costs such as transaction and verification fees
Monitoring and Reporting	Project developers must report to the DNA on the use of revenues, community benefits, and ongoing compliance. The DNA reserves the right to audit and monitor all approved projects. This framework ensures Kenya benefits from carbon markets while protecting communities, upholding environmental integrity, and supporting national climate commitments
Annual Progress Reporting	Project proponents must submit an Annual Progress Report to the DNA. Failure to submit this report is considered an offence and may result in project cancellation.

Grounds for Project Cancellation	NEMA (as the DNA) may cancel a carbon project under the following conditions: · Failure to commence project activities within the specified timeline. · Non-compliance with legal or regulatory requirements. · Voluntary cancellation by the proponent through formal notice. · Approval obtained through fraud, false information, or misrepresentation. · Project activities that pose risks to human health or the environment. · Withholding or intentional distortion of critical project information
What Happens to Ongoing Projects?	Projects that began before the 2024 Carbon Markets Regulations came into effect must: · Transition and comply with the new regulations within two years. · Conduct an Environmental Audit within six months of the regulations' commencement

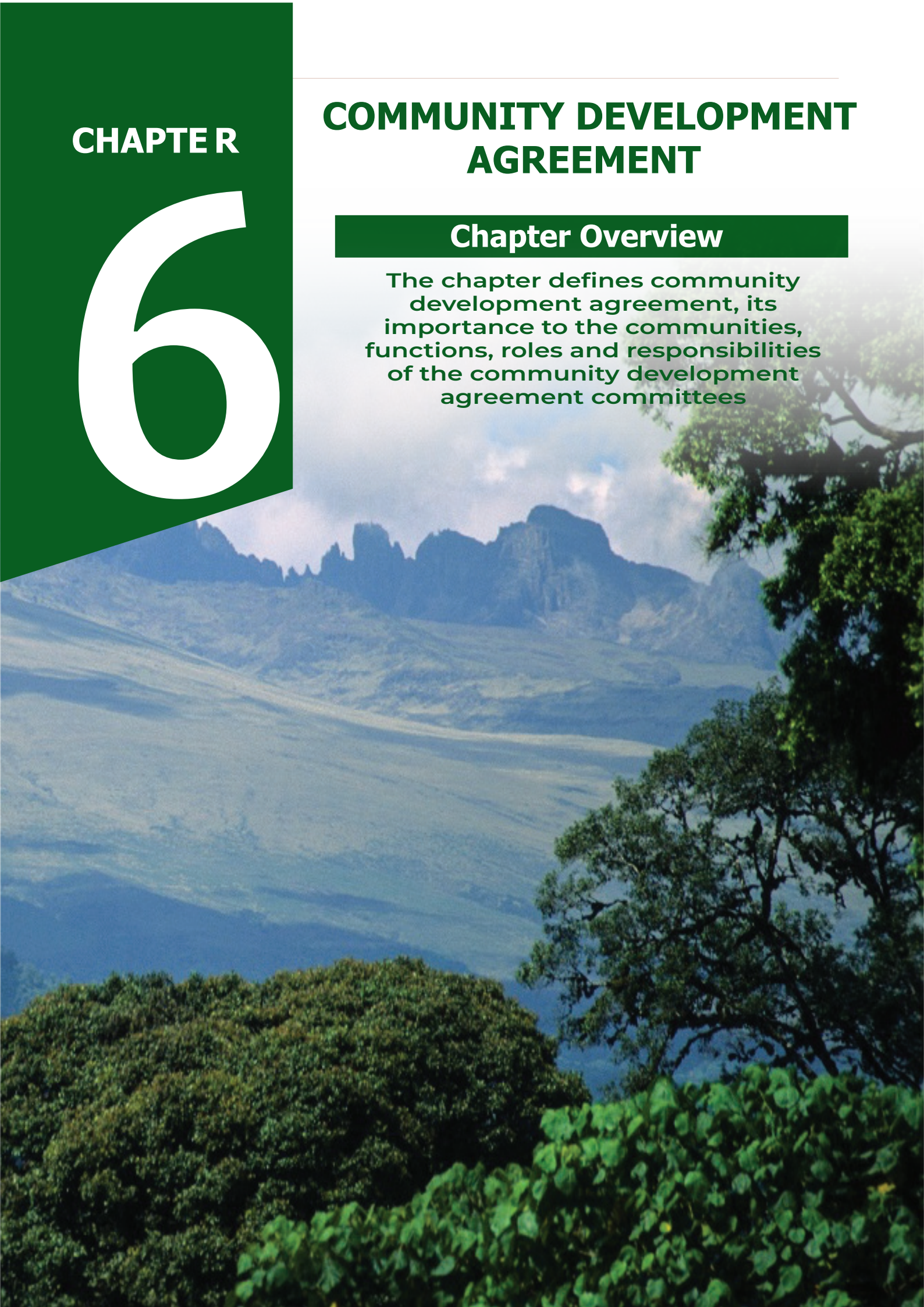
CHAPTE R

6

COMMUNITY DEVELOPMENT AGREEMENT

Chapter Overview

The chapter defines community development agreement, its importance to the communities, functions, roles and responsibilities of the community development agreement committees



6.1 What is a Community Development Agreement (CDA)?

A Community Development Agreement (CDA) is a formal agreement between a project proponent and the local community where a carbon project is proposed on public or community land. The CDA defines the roles, responsibilities, and relationship between the two parties throughout the project's development and implementation phases.

Land-based projects are required to be implemented through a community development agreement which outlines the relationships and obligations of the proponents of the project in public and community land where the project is under development.

6.2 Why is a Community Development Agreement Important?

A CDA is essential because it:

1. Ensures that only projects contributing to the sustainable development of the community are implemented.
2. Provides the community with a voice in the decision-making processes of the project proponent.
3. Outlines mutual principles and commitments for collaboration.
4. Promotes transparency and accountability in project implementation.
5. Clearly identifies the issues to be addressed by both parties.
6. Establishes a platform for ongoing dialogue between the project proponent and the community.

6.3 What is a Community Development Agreement Committee (CDAC)?

The Community Development Agreement Committee is established to represent and safeguard community interests in the implementation of the CDA. It ensures the agreed commitments are met and that the benefits reach the community as planned.

6.4 What is the Composition of Community Development Agreement Committee (CDAC)?

The Committee is composed of representatives from the national and county governments, the community, and the project proponent. It must always have an odd number of members for decision-making purposes. Except for the proponents representative the other members will serve for a period of three (3) years renewable once. The appointments letters will be issued by the DNA.

Below is the list of members and how they are appointed:

No.	Member	Appointing/Electing Entity
1.	One National Government representative in charge of administration in the county	Appointed by the National Government Administration Office
2.	One County Government representative	Appointed by the Governor
3.	One representative of Women	Elected by the Community
4.	One male representative of the village elders	Elected by the Community
5.	One female representative of the village elders	Elected by the Community
6.	One Male representatives of the Youth	Elected by the Community
7.	One Female representative of the Youth	Elected by the Community
8.	One representative of the Civil Society Organizations working in the area of climate change in the County	Elected by the Civil Society Organizations
9.	One representative of marginalized groups, ethnic and other minorities	Elected by the Community
10.	One representative of persons with disability	Elected by the Community
11.	One representative of the Project Proponent	Appointed by the Project Proponent

6.5 What are the Functions of the Committee?

The Committee shall;

i. Monitor and evaluate compliance with the signed Agreement
ii Provide a platform for community debates on revenue use for programs under the Agreement.
iii Notify the community before conducting consultation exercises.
iv Facilitate continuous engagement between the community and the Project Proponent on development issues.
v Review national and county development priorities and align CDA priorities accordingly.
vi Prepare quarterly reports on community development project progress and payments.
vii Sensitize the community on agreed projects under the signed Agreement.
viii Collaborate with county and national governments on project implementation.
ix Settle disputes between parties regarding the Agreement.
x Address other grievances or issues raised by the Project Proponent or community.

6.6 What are the roles of various stakeholders in a Community Development Agreement?

Name of Stakeholder	Role in Community Development Agreement		
	Preparation Phase	Formation Phase	Implementation Phase
Project Proponent	Party to the CDA preparation process. Identifies the Community on which the land the proposed carbon project will be implemented.	Signs the Agreement as a project proponent Commits to ensure sustainable economic and social development of the Community and its environs by complying with the CDA Consults with the Community and obtains their free, prior, and informed consent (FPIC), to design and implement the carbon project	Promotes peace and harmony between itself and the Community. Makes payments of the annual social contribution in each financial year towards community development projects as provided in the Climate Change Act and these Regulations. . Provides an annual report to the Committee setting out the project Proponent's annual aggregate earnings for the applicable financial year in accordance with this Agreement Prepare an annual report of the annual social contribution remitted to the community for their benefit with specifics on amounts disbursed for administrative expenses and community projects development for the applicable financial year in accordance with the CDA.

Name of Stakeholder	Role in Community Development Agreement		
	Preparation Phase	Formation Phase	Implementation Phase
Community	Party to the CDA preparation Agrees to enter into agreement with the project proponent for the use of their land for the proposed carbon project	Commits to discussions and consultations with the Project Proponent on issues of mutual interest arising under CDA Promotes peace and harmony between itself and the Project Proponent Cooperates with the Project Proponent and mobilize social capital	Provide any relevant information to aid the CDA Projects implementation Follow up on CDA project implementation and raise any concerns with the relevant Parties
Community Development Agreement Committee	Consults with the Community and obtains their free, prior, and informed consent to the CDA,	Signs the CDA, on behalf of the community, with the project proponent Ensures the CDA's content is consistent with the community's consent.	Plays the oversight responsibility for the implementation of the CDA
Community Land Management Committee	Represents the community's land interests in the CDA Committee where the carbon project is on a community land	Ensures the CDA's content is consistent with the community's land interests.	Plays the oversight responsibility for the implementation of the CDA

Name of stakeholder	Role in Community Development Agreement		
	Preparation Phase	Formation Phase	Implementation Phase
Monitoring, Evaluation and Reporting Sub-Committee			Provides quarterly written and oral reports to the Committee ensuring that the oral reports are presented in languages understood by all members Monitors and evaluates the progress on the implementation of the projects. Provides oversight of the Agreement's activities including its operations, control, monitoring and evaluation Ensures the projects under the CDA are implemented in accordance with the agreed specifications and schedules as defined in the relevant contract(s) Provides guidance for those directly involved in projects to be implemented the CDA on project planning, implementation and management Address any issue that has major implications for a project to be implemented under the CDA Ensure the Community is adequately consulted as part of the implementation of projects under the CDA

Name of Stakeholder	Role in Community Development Agreement		
	Preparation Phase	Formation Phase	Implementation Phase
Grievance Resolution Sub-Committee			Resolves any complaints relating to the implementation of the CDA Settles all disputes that may arise between the Parties in respect of any matter in connection with or under the CDA Settles any other issue, matter, grievance or complaint that is not related to the Agreement that may be raised by the Project Proponent or the Community to the sub-Committee for resolution Manages disputes, issues, concerns, matters or grievances stipulated in the CDA Develops the relevant forms that are easy to use in lodging issues, grievances and disputes in respect of any matter in connection with or under the CDA with the sub-committee.

6.7 Under what Circumstances are Multiple Community Development Agreements Entered?

Multiple community development agreements are entered in case of the following two scenarios:

1. Where a carbon project spans more than one community the project proponent is required to enter into a separate agreement with each community in that county
2. Where a carbon project spans more than one county, the project proponent shall have a separate Community Development Agreement with each community in the different counties.

6.8 What community projects are eligible to be supported by the funds under the Agreement?

The projects to be implemented under the Agreement may include, but are not limited to:

(a) Educational scholarship, apprenticeship, technical training and employment opportunities for the people;
(b) Employment for members from the communities;
(c) Financial or other forms of support for infrastructural development and maintenance including education, health, roads, water and power;
(d) Assistance with the setting up of and support to small-scale and micro-enterprises;
(e) Special programmes that benefit women, youth and persons with disabilities;
(f) Agricultural product marketing;
(g) Protection of the environment and natural resources;
(h) Support for cultural heritage and sports; and
(i) Protection of ecological systems.

6.9 How are Committee and Sub-Committee Members Remunerated?

Members of the Committees shall not be entitled to a salary. However, members of the Committees shall be entitled to allowances as agreed upon in the Agreement.

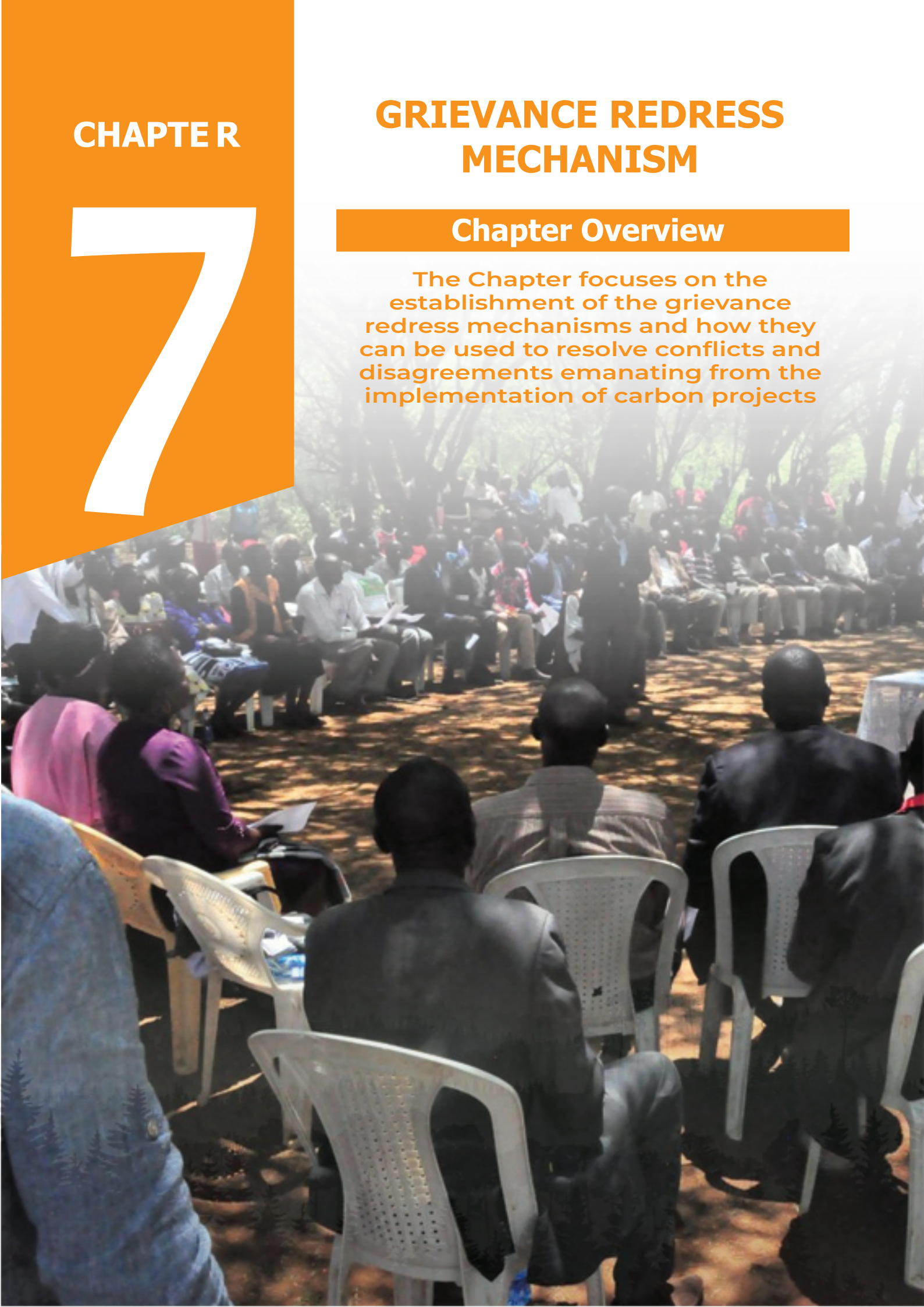
CHAPTE R

7

GRIEVANCE REDRESS MECHANISM

Chapter Overview

The Chapter focuses on the establishment of the grievance redress mechanisms and how they can be used to resolve conflicts and disagreements emanating from the implementation of carbon projects



Grievance Redress Mechanisms (GRMs) are systems designed to address complaints raised by individuals or groups, ensuring fair resolution of issues. In the context of Carbon Markets, it's crucial to offer affected persons (APs) an opportunity to voice their concerns about potential impacts from development projects. These (GRMs) are systems designed to address complaints raised by individuals or groups, ensuring fair resolution of issues. In the context of Carbon Markets, it's crucial to offer Affected Persons (APs) an opportunity to voice their concerns abou
potential impacts from development projects. These mechanisms should provide transparent, reliable, and efficient processes that address grievances effectively. By ensuring that APs can raise their issues and find satisfactory solutions, GRMs balance the interests of both the affected individuals and the project. This fosters trust, fairness, and equitable outcomes for all stakeholders involved.

Key components of effective grievance redress mechanisms may include:

Accessibility: Making it easy for individuals to lodge complaints, whether through online platforms, in-person offices, or hotlines.

Transparency: Clearly outlining the process for submitting grievances, including timelines and potential outcomes.

Responsiveness: Ensuring that grievances are acknowledged and addressed promptly.

Confidentiality: Protecting the identity of complainants to encourage reporting without fear of retaliation.

Fairness: Providing an unbiased review of grievances, often involving a neutral party or panel.

Follow-up: Keeping complainants informed about the progress of their grievance and the final resolution.

7.1 How is the Grievance Resolution Sub-Committee Created?

The Carbon Markets Regulations of 2024, provide a framework of establishing a community based Grievance Redress Mechanism. The regulations provide for the establishment of a Grievance Resolution Sub-Committee which shall be responsible for resolving any complaints relating to the implementation of the Community Development Agreement. The Grievance Resolution Sub-Committee shall be composed of:

(a) Chairperson
(b) Secretary
(c) Five (5) other members of the Committee, provided that at least one (1) of the members is a representative of the Project Proponent, and at least three (3) of the members are representatives of the community.

7.2 What shall be the responsibilities of Grievance Redress Sub-committee?

(a) Settling all disputes that may arise between the Parties in respect of any matter in connection with or under this Agreement;

(b) Settling any other issue, matter, grievance or complaint that is not related to the Agreement that may be raised by the Project Proponent or the Community to the sub- Committee for resolution;
(c) Managing disputes, issues, concerns, matters or grievances referred to in paragraph (a) and (b) in accordance with the procedure set out in the project concept note to this Agreement; and
(d) Developing the relevant forms that are easy to use in lodging issues, grievances and disputes in respect of any matter in connection with or under this Agreement with the sub-committee.

Parties agree that where any issue of potential conflict is identified or where any conflict arises between them, they shall exercise patience and tolerance and make an attempt to resolve the issue through dialogue and negotiation so as to maintain good working relations.

The regulations require that members of the grievance resolution sub-committee shall have capability or experience in conflict management.
Where requested by the Committee, the Project Proponent shall in consultation with the Committee assist in capacity building by providing training for people who will participate in the different aspects of conflict identification, management and resolution.
Parties agree to recognise and support the grievance resolution management mechanism.

7.3 What is the tenure of the Grievance Redress Mechanism Sub-committee Members?

1. One shall cease being a member of the sub-committee, upon death, expiry of their term which state that; every other member of the Committee shall serve for a period of three (3) years, which may be renewed once, or through resignation.
2. A member of the Sub-Committee may resign by giving thirty (30) days written notice to the Chairperson of the Committee.

7.4 Meetings and Decisions of the Grievance Resolution Sub-Committee

1. The Grievance Resolution Sub-Committee shall meet at such times and places as the Chairperson of the sub-committee may decide and shall meet, whenever it becomes necessary to resolve a complaint relating to the implementation of this Agreement and referred to it as per the channels specified in the project concept note to this Agreement.
2. Should the need arise, a special sub–committee meeting(s) of the Committee may be convened in consultation between the Parties. Any such meeting shall have a clear statement of matters to be discussed.
3. The quorum for a meeting shall be two-thirds of the membership of the sub-committee.
4. Decisions shall be by consensus or as shall be agreed by the sub-committee members.

7.5 What are the Potential grievances in the Carbon Projects?

Grievances related to the carbon projects may come as a result of:

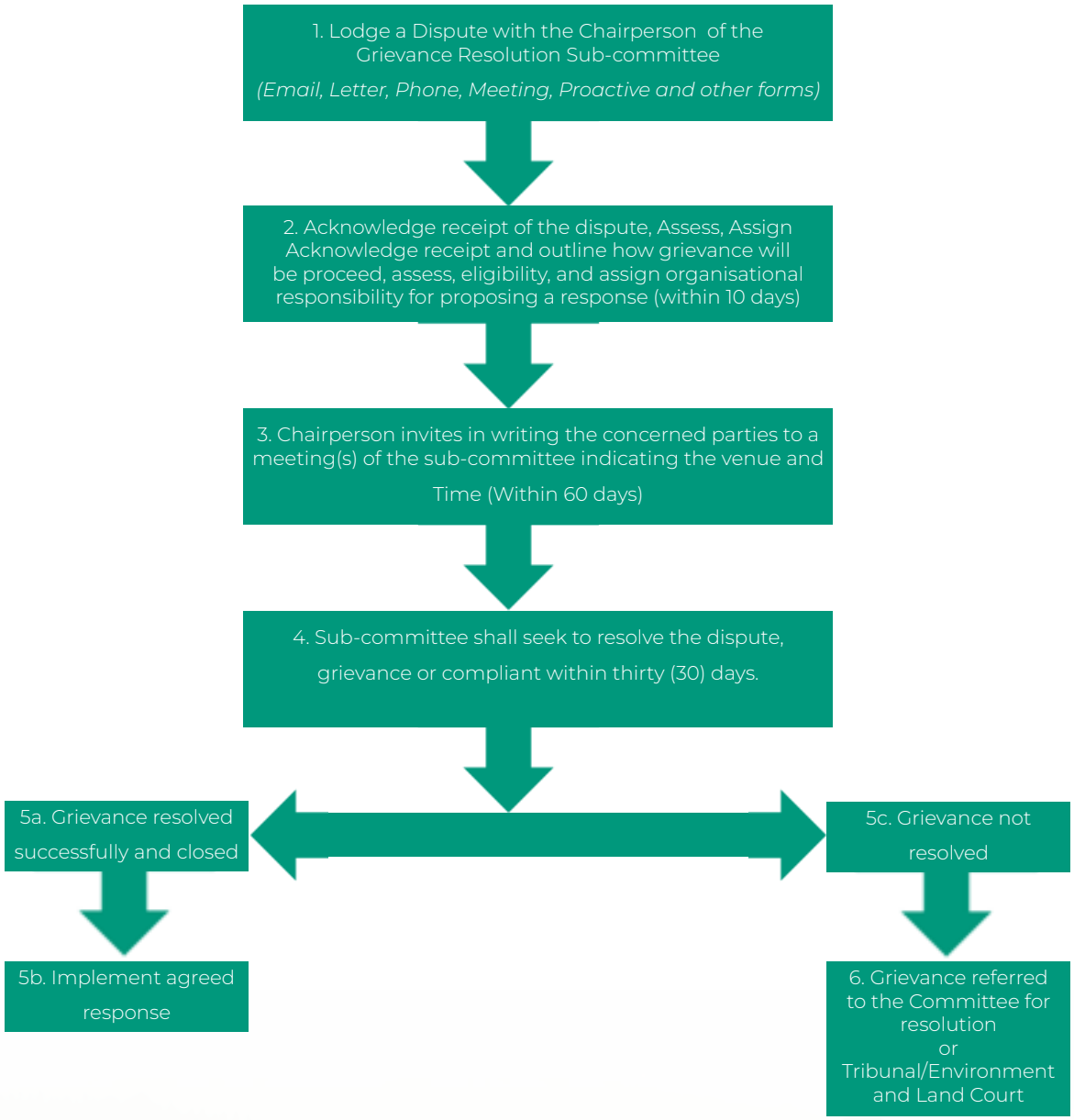
1. Understanding Carbon Credits: Lack of clarity on what carbon credits are, their ownership, the activities that qualify for them, and how pricing is disclosed.
2. Carbon Credit Pricing: Uncertainty about how carbon credits are priced, their actual value, and the price variations across different projects.
3. Community Participation: Confusion on how communities can get involved in carbon credit projects, whether individuals can sell credits, and how they can form groups.
4. Impact of Carbon Credits: Lack of clarity on how emissions reductions are measured, whether carbon credits truly reduce emissions, and how they contribute to climate change mitigation.
5. Project Beneficiaries: Misidentification of community members, leading to exclusion of legitimate beneficiaries from carbon credit projects.
6. Revenue Sharing: Disagreements over how proceeds from carbon credit sales should be shared among community members and their entitlements.
7. Ownership Disputes: Conflicts arising from family issues (e.g., inheritance or divorce) over carbon credit ownership and shares.
8. Valuation Disputes: Disputes over the valuation of carbon credits between community members and project proponents, or between neighboring parties

7.6 Procedure / Step-by-Step Process for Filing a Grievance

Any grievance may follow the proposed steps:

1. Receive and registered grievance (Grievance Register)
2. Acknowledge, Assess and Assign grievance
3. Propose response to a grievance
4. Agreement on response
5. Implement agreed response
6. Review
7. Follow-up
8. Allow for appeal to a decision made

A simple dispute resolution process flowchart



Technical Committee Members

NO.	NAME	ORGANIZATION
1.	Dr. Anne Omambia	NEMA
2.	John Wafula	NEMA
3.	Dr. Jusper Omwenga	NEMA
4.	Eric Deche	NEMA
5.	Harron Wanjohi	NEMA
6.	Anne Theuri	NEMA
7.	Anthony Waswa	NEMA
8.	Caroline Muriuki	NEMA
9.	Lawrence Koteene	NEMA
10.	Lynnete Cheruiyot	NEMA
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MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY

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