Support to Northern Rangelands Trust (NRT) Water, NbS and clean energy project 2023- 2027

Key results:

- Increased community resilience and adaptation to climate change through sustainable investments in nature based solutions (NbS), water and renewable energy in Northern Kenya affecting directly over 135,825 people living within the NRT community conservancies.

Justification for support:

- This support, which is specific to water, nature based solutions and renewable energy will address development challenges in the arid and semi-arid lands of Kenya (ASALs).
- This contribution is aligned to Denmark Strategy for Development Cooperation 'The World We Share', specifically its focus on climate change resilience and access to water and renewable energy in Africa.
- There is a high degree of coherence between this project and other DANIDA engagements in Kenya, including on water, peace building, humanitarian, building resilience towards climate change and working within fragile areas.

Major risks and challenges:

- NRT operates in a highly conflict-ridden part of Kenya prone to insecurity and resource-based conflicts. In addition, NRTs conservancy model has a conflict potential as it can in some cases challenge the traditional customs and structures of pastoralist societies. This has caused negative publicity on NRT's activities, including allegations of violations of human rights and the right to land. NRT mitigates this by cooperating closely with the local communities, ensuring community engagement, peace building as well as an increased focus on human rights due diligence. The Embassy is closely following NRT's implementation of its human rights policy and recommendations from the donor-initiated Due Diligence report. In autumn 2023, the Embassy will undertake a technical review of DANIDAs support to NRT.
- Extreme climatic events where conflict and insecurity escalate during droughts, floods, and other environmental shocks. To be addressed through implementation of activities that support resilience building, including nature based solutions, water provision and use of clean energy
- Negative public publicity over NRTs carbon credit project, which is not supported financially by DANIDA but may have a negative spill-over on other NRT engagements. To be mitigated by close follow-up to the conclusions of the ongoing Verra article 6 review of the carbon project.

File No.	2023-19576					
Country	Kenya					
Responsible Unit	Nairobi					
Sector	Climate and Resilience					
Partner	Northern Rangelands Trust (NRT)					
DKK million	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
Commitment	50					50
Projected disbursement		12.6	13.5	13.8	10.1	50
Duration	48 Months					
Ongoing grant	DKK 95Mio					
Finance Act code	06.34.01.70					
Head of unit	Ole Thonke					
Desk officer	Nancy Njenga					
Reviewed by CFO	YES: Charlotte Rosen					

Relevant SDGs

Strategic objectives

The project objective is to enhance the resilience of community conservancies in Northern Rangelands and Coastal Kenya through increased investment in Nature-based Solutions, water, and renewable energy.

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%	50%		
Total green budget (DKK)	**50 million**			

Justification for choice of partner:

NRT has been selected based on the partner's ability to address some of the key concerns in the ASALs and Northern Kenya, including building resilience and promoting green, inclusive growth. NRT is ideally positioned to work closely with County Governments and national government institutions, to influence relevant policies that drive development of the ASALs through sustainable utilization of the natural resources management. They have further demonstrated capacity to deliver on pilot NbS, water and renewable projects within their 43 conservancies.

Summary:

NRT is an association of 43 community conservancies covering 10 ASAL counties in the North and coastal Kenya. NRT works in collaboration with national and county governments in the areas of interest including rangelands, livestock, wildlife, forest, water and security. This support to NRT will strive to increase resilience of vulnerable households through nature-based solutions, improved access to water and renewable energy in the selected NRT Conservancies communities. It will leverage the present DED 2021-2025 Resilient Communities and Natural Resources under the Kenya-Denmark Strategic Framework as well the additional DKK35mio grant on water and renewable energy through implementation of integrated water projects, nature-based solutions and renewable energy at the community conservancy level.

Budget (engagement as defined in FMI**):**

Engagement 1 – Water, NbS and Renewable energy Project	DKK 50 million
Total	**DKK 50 million**

Ministry of Foreign Affairs – Danish Embassy in Nairobi

Bilateral Development Cooperation

under

Denmark's Strategic Framework for Kenya 2021-2025

Standard Project Document

Increased resilience through adoption of nature-based solutions, access to water and renewable energy

Project Period:

2023-2027

Partner: Northern Rangelands Trust

Summary

<table>
<tr><th>Development Engagement</th><th>Outcome</th><th>Outputs</th></tr>
<tr><td>Increased resilience, through adoption of nature-based solutions, access to water and renewable energy</td><td>Increased resilience of Communities within the Conservancies in Northern Rangelands and Coastal Kenya programme through increased investment in Nature-based Solutions, water, and renewable energy for improved livelihoods.
Promotion of Global Objective 1 of the Denmark's Strategy for Development Cooperation "Strengthen action to support climate change adaptation, nature, the environment, and resilience in the poorest and most vulnerable countries"[1].</td><td rowspan="3">1. Increased access to potable water.[2]
2. Increased adoption and use of renewable energy technologies.
3. Increased investment in nature-based solutions with emphasis on the mangroves, and coral reefs restoration; rangelands and forest restoration, and sustainable agricultural practices.</td></tr>
<tr><th>Budget</th><th>Partner</th></tr>
<tr><td>DKK 50 million</td><td>Northern Rangelands Trust (NRT) is a registered Trust and a member-based umbrella organisation for community conservancies in Kenya.</td></tr>
<tr><th colspan="3">Description</th></tr>
<tr><td colspan="3">This project aims to improve biodiversity, sustainability and resilience of the environment and communities in Kenya's northern rangelands and coastal areas by implementing nature-based solutions and increasing investment in water and renewable energy through the community conservancies. The project supports NRT's marine, forestry, and water strategies and will directly impact the lives of more than 130,000 people in the area, as well as contribute to investments in alternative clean energy. This additional grant will benefit from the ongoing DKK 60 million in core support to NRT, while leveraging on the additional grant of DK 35 million to water and renewable energy. This increases the NRT portfolio to a total of DKK 145 million. This will contribute to more people being reached with basic water services and using clean energy while improving the biodiversity conservation through nature-based solutions under which the community livelihoods depend on.</td></tr>
<tr><th colspan="3">Management arrangements</th></tr>
<tr><td colspan="3">NRT is managed by an executive team led by a Chief Executive Officer (CEO) and works under the guidance and direction of a Board of Trustees representing the community, government, and professional interests. NRT has an overarching governance structure with a Council of Elders comprising chairpersons of the 43-member conservancies. These 43 Conservancies' chairpersons later elect their chairperson to form part of the Council of Elders who provides the ultimate leadership. Additional management support will be received as part of DANIDAs' guidelines, rules and meetings provided in form of contracts, reporting requirements, grants management rules, and frequent meetings that discuss work plans, progress, impacts, and audits. NRT will also submit an annual plan of work in advance for each of the grants, biannual and annual results report guided by the Results Frameworks and annual State of Conservancies report to RDE (Royal Danish Embassy) for review strategic dialogue and approval.</td></tr>
</table>

[1] The World We Share, Denmark's Strategy for Development Cooperation – Aug 2021

[2] Refer to Results framework – HH using better energy technologies and having access to potable water

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List of Acronyms

ASAL	Arid and Semi-arid Lands
CCM	Community Conservancy Model
CDCS	Kenya Country Development Cooperation Strategy
CDIP	County Integrated Development Plan
CEO	Chief Executive Officer
CFA	Community Forest Associations
CMDP	Conservancy Management and Development Plan
CoE	Council of Elders
CoMMS	Conservancy Management and Monitoring System
CSO	Civil Society Organization
CWRMS	Conservancy Water Resource Management Strategy
DANIDA	Danish International Development Assistance
DKK	Danish Kroner
DRR	Disaster Risk Management
EnDev	The Energising Development
EU	European Union
FEWSNET	Famine Early Warning Systems Network
GESI	*Gender equality and social inclusion*
GIZ	*Deutsche Gesellschaft für Internationale Zusammenarbeit* (German Development Agency)
GoK	Government of Kenya
HH	Household
HRBA	Human Rights-Based Approach
ICT	Information and Communication Technology
Ksh/KES	Kenyan Shillings
M&E	Monitoring and Evaluation
MEAL	Monitoring Evaluation and Learning
NbS	Nature Based Solutions
NRT	Northern Rangelands Trust
NRT-T	NRT Trading
PREG	Partnership for Resilience and Economic Growth
RDE	Royal Danish Embassy
SDG	Sustainable Development Goal
SIDA	Swedish International Development Cooperation Agency
SNV	*Stichting Nederlandse Vrijwilligers* (Netherlands Development Organisation)
TNC	The Nature Conservancy
TOC	Theory of Change
UN	United Nations
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
WSP	Water Services Providers
YRS	Years

1 Introduction

This project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the support to ***Increased resilience, through adoption of nature-based solutions, access to water and renewable energy*** as agreed between the parties: the Embassy of Denmark in Nairobi and the Northern Rangelands Trust (NRT). The project document is an annex to the legal bilateral agreement with the implementing partner and constitutes an integral part hereof, together with the documentation specified below. "The Documentation" refers to the partner documentation supporting this project.

This new support to NRT will help to incentivize sustainable natural resource management and sustainable economic growth by promoting the creation of nature-based community benefits, which contributes to peace, stability, and socio-economic development.

The water investments will be geared towards improving access and potability of water for human use, livestock and wildlife; renewable energy investments will include activities and efforts to green power supplies, provide effective low energy and low emissions alternative cooking and lighting; and Nature based solutions (NbS)[3] will include efforts that support conservation and restoration of important ecosystems, such as forests, rivers, wetlands and coastal zones, and promotion of food production and value chains that are sustainable and enhance biodiversity while improving community livelihoods.

2 Context, strategic considerations, and justification

2.1 Background

Northern Kenya is characterized by extreme poverty, marginalization, ethnic, religious, political and historic rivalries, an abundance of illegal arms, competition for natural resources, climatic vulnerability and economic scarcity. Livelihoods are difficult to secure, rooted in a complex mixture of causal factors. Conflict has historically been fuelled by competition for scarce natural resources (such as water, food, and grass), as well as cultural practices and tribal identity. Pastoralist communities have conflicts between ethnic groups with a cattle-raiding culture or competing for grazing and water during drought periods, which are usually linked to historical ethnic rivalries and are often exacerbated by political incitement. Similar to the North, conflicts on the Kenyan Coast are ethnically motivated and stem from competition for scarce marine resources, particularly fish and desalinated water, but they also include increased external security threats ranging from terrorism.

Climatic shocks are widespread in both Coastal and Northern areas, with an increasing frequency of extreme environmental events such as drought, flooding, sea level rise[4], heatwaves and disease outbreaks, all of which are expected to worsen[5]. Historically, five of the most severe droughts in the past century have occurred in the last 15 years (2001, 2003, 2006, 2009, and 2011); the 2009 drought had a cost of $12.1 billion to the national economy[6] and 80% of pastoralist livestock died through lack of pasture and water. The economic impact of the most recent drought, declared by the government in 2021, is yet to be determined.[7].

Droughts, degraded land with low carbon, and increasingly variable and scattered rainfall limit grass production for livestock and agriculture, threatening food security. Addressing the effects of climate change to ecosystem and human vulnerability is therefore critical for community conservancies to become self-sufficient and resilient to a variety of shocks and stressors.

Research shows that Nature-Based Solution initiatives play a significant role in efforts to boost adaptation. Launched during COP26, the Waterways to Resilience Report shows that NbS have the ability to effectively address five key water challenges – water scarcity, degradation of water quality, flood risk, storm water and urban floods, and coastal erosion and floods. Therefore, Nature-Based Solution (NbS) represent a

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[4] World bank Group, CLIMATE RISK COUNTRY PROFILE (Kenya) 2021

[5] Climate Knowledge Portal. World bank Kenya Climate Projections

[6] World Bank. The World Development Report 2011

[7] Kenya Declares Drought a National Disaster In 29 Counties by Bruhan Makong, Published by Capital News, September 8, 2021.

vital solution for Kenya in building resilience towards climate change, particularly large-scale initiatives that will help build resilience at a river basin or landscape level.

2.2 Contextual Analysis

Kenya has remained politically stable in comparison to other East African countries since independence, with the exception of occasional tensions surrounding election cycles every five years. Furthermore, the devolution of functions and resources in Kenya has allowed the public to prioritize their own development needs. Nonetheless, the most common natural hazards in Kenya are weather and climate-related environmental hazards such as floods, droughts, landslides, lightning/thunderstorms, wildfires, and strong winds. Climate change has had a negative impact on the Kenyan economy[8]. As a result, they reverse years of progress, posing a significant challenge to achieving the Sustainable Development Goals, which seek to eradicate extreme poverty, including lack of food, safe drinking water, and sanitation. Climate extremes are worsened by changing land management, poor marine management and poor agricultural practices, which are exacerbated by population growth[9]. As a result, in 2022 over 28 million Kenyans lacked access to clean drinking water and 41 million lack access to sanitation due to insufficient urban water supply, structural water shortages, and variation in rainfall patterns in arid and semi-arid lands. Water-borne diseases and their complications are leading causes of morbidity and mortality in children under the age of five and contribute to child malnutrition[10].

By April 2023, over 4.4 million people in Kenya were estimated to be facing food insecurity in Kenya[11] . The delay in the "long rains" season caused a dry spell in Kenya (particularly in arid and semi-arid counties), causing mass displacement due to food and water insecurity. The dry spell has caused numerous open water sources to dry up, increasing average distances to and from water points and making it more difficult for many people, livestock and wildlife to access a reliable source of water consequently increasing conflicts.

Key Issues Related to Water, Energy and NbS

A. Water

Kenya is classified as a water-scarce country, with renewable water per capita of 650m3 compared to the United Nations' recommended 1000m3[12]. Safe drinking water, sanitation, and good hygiene are fundamental to health, survival, growth, and development. Access to safe water and improved sanitation services are key pillars of Kenya's development. The pillars are in tandem with the United Nations' Sustainable Development Goal (SDG) No. 6, 2016 Water Act and Kenya's own Vision 2030. The Kenya Vision 2030 goal for water and sanitation under the social pillar is for all Kenyans to have access to water and sanitation by 2030.

Water scarcity in Northern Kenya is intensified by climate change, which is causing rising temperatures, irregular and unpredictable rainfall, and more frequent droughts. Many water projects in Northern Kenya have sustainability issues, mostly because of inadequate planning, design, and management of water supply systems and sources, according to an analysis of water investments in that region[13]. A significant problem is the failure to establish long-term management and maintenance mechanisms following the completion of the infrastructure, which results in subpar operation of the infrastructure within a few years.

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[8] https://www.weadapt.org/sites/weadapt.org/files/legacy-new/knowledge-base/files/4e25a04e8c9d92-economics-of-climate-change-in-kenya-factsheet.pdf

[9] https://www.oecd.org/dac/Environmental_fragility_in_the_Sahel_perspective.pdf

[10] https://water.org/our-impact/where-we-work/kenya/#:~:text=Kenya's%20water%20and%20sanitation%20crisis,a%20notable%20challenge%20in%20Kenya.

11 https://reliefweb.int/report/kenya/kenya-ipc-acute-food-insecurity-and-acute-malnutrition-analysis-july-december-2022-published-september-28-2022

B. Energy

Firewood and charcoal play a fundamental role in providing household energy throughout Kenya and in particular within the conservation areas. The unsustainable extraction of wood fuel from forests and woodlands as well as its poor combustion characteristics exacerbate air pollution, leading to global warming, the destruction of carbon sinks that are forests, and respiratory health problems. Women and children also spend long hours going long distances to gather fuelwood. This entrenches poverty, constrains delivery of social services, limits opportunities for women, and erodes environmental sustainability.

The current demand for wood fuel is outstripping the annual re-growth of wood biomass, this while the population growth is yet to stabilize. When one tonne of dry wood burns, 1833Kg of carbon dioxide is emitted[14] while production of one tonne of charcoal releases nine tonnes of carbon dioxide into the atmosphere. Though biogas is the preferred cost effective, clean, green energy that forms an alternative where there is an increase in the price of fuel, the availability and affordability of LPG could become an alternative source of energy for ASAL households. The government launched the Taifa Gas special economic zone but is yet to roll out the production and distribution plan for affordable LPG. Once this is done and clear, LPG can be an alternative energy source for ASAL households.

Solar energy is a renewable, inexhaustible and affordable form of energy that can be used for heating, cooking and generation of electricity. Generated electricity can be further stored in solar cells and batteries for later use, such as during the night. Solar energy can also be harnessed for pumping water from boreholes and streams. Being a renewable energy source means that over the long term, households spend less on lighting and heating costs and the solar units have low maintenance costs. Many parts of the country, especially in the conservancy areas, are yet to be connected to the national electricity grid and they have to therefore grapple with the use of kerosene and firewood for lighting. Without adequate lighting, children have a hard time reading in the evenings, which affects their education and quality of life.

C. Natural-Based Solutions (Climate change adaptation)

Without adaptation, climate change and the biodiversity crisis will destroy the livelihoods of many people. At the same time, the rapidly growing population in many African countries puts a heavy strain on natural resources. In combination with other national efforts by Kenya to reduce the impact of climate change, adaptation has been found to be the best and cheapest way to prevent and strengthen resilience to climate change, protect biodiversity and create economic opportunities and green jobs. Environmental action and nature-based solutions are found to greatly contribute to adaptation and mitigation. Apart from often being the most cost-effective method to advance climate adaptation for vulnerable population groups, nature-based solutions also provide a series of 'co-benefits', e.g., improved biodiversity, livelihoods, health, environment and reduction of greenhouse-gas emissions. However, the adoption and implementation of these Nature based solutions have been limited due to various barriers. In Kenya, research shows that political, institutional, financial and knowledge-related barriers are the most dominant barriers to NbS[15]. Funding and implementation of NbS programs and projects lag far behind, both in Northern and Coastal Kenya counties, despite the fact that these programmes are likely to deliver high biodiversity and livelihoods benefits.

2.3 Justification

In Sub-Saharan Africa, over 3 million people live without access to clean water, more than half a billion people without access to modern energy and 4 million people die each year prematurely from indoor air pollution arising from cooking with solid fuels. Additionally, according to United Nations, more than 40 per cent of all internal conflicts over the past 60 years relate to disputes over access to natural resources. The number is poised to rise with drastic climate changes, if action is not taken.

Conflicts between ethnic groups with a culture of cattle-raiding or competing for grazing and water during drought periods are the main stressors and challenges faced by pastoralist communities in northern

Kenya. Stressors on the coast include Inter-ethnic conflict specifically in Lower Tana Delta (resource based - grazing/farming land) exacerbated by political incitement, competition for scarce marine resources, particularly fish and desalinated water, and, as in the north, increased external security threats. In the medium term, productivity is limited by severely degraded rangelands and marine ecosystems, which have high levels of soil erosion and critically low levels of soil carbon. Droughts and increasingly variable and scattered rainfall further limit the production of grass for the livestock economy and have knock-on effects on food security.

Northern and part of the Coastal regions of Kenya, characterized by arid and semi-arid lands, are the most marginalized and under-developed regions of Kenya. They have the highest levels of poverty in the country, with over 70% of the population being in the lowest wealth quintile of the country (compared to only 6% in urban Kenya). Results from a survey of 2,851 respondents from 25 NRT member community conservancies in 5 counties revealed that families earn less than KES 62,305 per household per year on average, or less than KES 5,200 per month (av. $1.6 a day: below the international poverty line, of $1.90 a day). Some of the prevalent problems of these regions include:

- Lack of diversification in livelihoods: The NRT Trading Impact Evaluation Survey revealed that the majority of households interviewed practice livestock rearing (more than 50%) as the main occupation of the household head, followed by traders/owners of a business (21%) and beadworks and craft (17%). According to a report on '*Vulnerability, Impact and Adaptation Assessment in Northern Kenya Rangelands*' by CARE International, northern Kenya has the lowest levels of men and women with employment. The impacts of climate change combined with other environmental, economic, and political factors are creating a situation of increasing vulnerability for poor and marginalized households. The lack of alternatives for pastoralists beyond investing in livestock and the poor return on livestock and livestock products lead to a continued cycle of poverty and declining state of natural resources.
- Poorly managed water Infrastructure: Water resources development, especially at the county level lack the necessary and enabling water policies to guide in their development. This has often led to large loopholes which have enabled water sector players to undertake poorly designed, unplanned and uncoordinated developments of water interventions which are left behind without any management or handover to the counties for continuity. Water development partners within the landscape have too often been seen undertaking isolated water developments which have a unidirectional approach to solving water issues, while ignoring all other pertinent factors within the fragile landscape like livestock and wildlife movement. Such developments have from time to time exacerbated the conflicts and land degradation across the landscape without solving the critical water problem. Institutions such as health facilities and schools are quite often established without a critical look at the source of water. This has led to increased stress levels to water access within the institutions which affects the learning of students as well as access to healthcare. Lack of water further affects the sanitation and hygiene within these institutions.
- Degraded water catchment areas: Water catchments areas, which provide access to safe drinking water, have been degraded with disregard to the critical role, they play in enhancing water access. These catchments are very critical and require concerted efforts to protect them and enhance water supply for domestic, livestock, irrigation, and wildlife. County Government's weak water governance policies are not helpful when it comes to protecting water catchment areas. The Water Resources Authority (WRA) has limited enforcement success in water resources management owing to, among other things, political interference, and conflicting interests with other national government agencies within the catchments including Kenya Forest Service (KFS) and Kenya Wildlife Services (KWS). This leads to continued failure in protection of the critical water catchment areas.
- Condition of the Rangelands: The rangelands, the natural resource base upon which the communities and livestock depend, is highly degraded. In northern Kenya 65% of the rangelands are highly degraded, with 50% of land heavily eroded, and the soil carbon stocks critically low (below 3.5 kg/m2) in over 40% of the NRT rangelands. There is a change in vegetation, with a loss of grass, increase in woody vegetation, and spread of invasive species. Climate change is further exacerbating rangeland degradation.
- Governance of the Rangelands: All the land in Northern Kenya is considered 'open access', and it is difficult to impose any movement restriction on neighbouring communities. This dynamic makes governance and security of the rangelands, and any improvements to the land (e.g., grazing blocks, etc.), a challenge to

sustain in the long term. Local non-governmental organizations like the conservancies, NRT and NRT Trading have no legal right to enforce any movement or governance recommendations; they can only incentivise the communities to comply for their own benefit.

- Degradation of coastal and marine ecosystems and habitats: Despite NRT-Coast conservancies' high biodiversity importance, the people and environment of this region are facing numerous and connected vulnerabilities. Fisheries resources in the region are facing increasing threats from overfishing, illegal and destructive fishing gears, and habitat destruction mainly due to weak governance system and management capacity and increasing demand for fisheries resources. Fishing modalities are currently multispecies and multi-gear which complicates management. Un-controlled mangrove extraction, with or without a license, is resulting in serious reduction of the mangrove forest in easily accessible areas and overexploitation of specific species.

NRT and its growing conservancies has over the years sought to address these challenges through various interventions. Most of these interventions are Nature based solutions in the context of rangelands restoration and management, forest and marine ecosystems protection and restoration, habitats and species protection and conservation. Equally, NRT has implemented successful projects for forest and marine ecosystems protection and restoration.

This project will be - in furtherance of the NRT achievements, and activities related to NRT Strategic Objective 3 - invest in community priorities for improving their lives and create the conditions for growing jobs and businesses; specifically output 5; Equitable and responsive livelihood investments in conservancy communities and strategic objective 4 - Natural Resource Management & Endangered Species Conservation (Nature-Based Solutions). Specifically, the activities under Output 7 - Sustainable rangelands management systems; Output 8 - Flagship species and habitat conservation programmes and Output 9 - Forest and marine ecosystem management systems. Though the investment will directly go to activities into these two objectives, the project activities will also have a direct impact on all the other NRT's objectives; 1- governance, 2 - peace and security (reduce conflict resulting from fighting over scarce natural resources). These activities will be locally driven and follow the Human rights-based approach for the different communities living within the NRT target Counties.

The primary goal is to accelerate community conservancies' progress towards communally effective and scientifically proven conservation and community livelihood goals. To accomplish this goal, this project will be implemented along the three possible interventions areas of improved access to basic drinking water, access and adoption to renewable energy, and adoption of Nature-based Solutions. These interventions will aim at upscaling the activities being implemented under the ongoing grant on water and renewable energy as well as the core support interventions.

2.4 Beneficiaries and other key stakeholders

The intervention will target 43 community conservancies in the northern and coastal terrestrial and marine ecosystems covering an area of 63,336 km2 of land in 10 counties namely Marsabit, Isiolo, Samburu, Laikipia, Meru, Baringo, West Pokot, Lamu, Garissa, and Tana River. These conservancies benefit 548,531 local community members, including 251,264 women and girls. Primarily the main collaborators will be NRT as the lead, and its 43 community conservancies. Other collaborators will include conservancy associations, county and national government, research institutions, other DANIDA programmes, international organizations and private sector actors.

The project will use a community-based and human right based approach to implementation, with site-specific activities being led by the relevant local community conservancy.

2.5 Strategic considerations

This project aligns with Denmark's Strategy for Development Cooperation "The World We Share", mainly the priority to "The Fight for Climate, Nature, and Environment". In the strategy, there is a great emphasis on access to water, clean energy and climate adaptation as a constituting factor for all development

goals. The project will specifically contribute to Global Objective 1 to "Strengthen action to support climate change adaptation, nature, the environment, and resilience in the poorest and most vulnerable countries.

Moreover, it will contribute to the objective 1 of the Denmark-Kenya Country Strategic Framework: to "Promote green, sustainable and inclusive economic growth and decent jobs with an emphasis on youth". It will further be guided by the Guiding principles for the Danish Climate Envelope, How to note for Climate adaptation, nature and environment; and on Human Rights and Democracy.

The programme is also aligned with Kenya's overarching development plan, Vision 2030, which rests on three pillars – economic, social and political development – and seeks to create "a globally competitive and prosperous country with a high quality of life by 2030".

More so, it is aligned to the new Constitution for Kenya 2010, where devolution has shifted the centre for decision-making and planning to the counties, thus any measure to improve participation, livelihoods and resilience of communities in the ASALs must focus strongly on County/community relations including realizing Chapter 5, Article 61 (1) of Kenya's constitution relating to the environment.

Delivery of the outputs under this project document will add significant value to wider Kenyan development through contribution to achievement of a number of policies, laws and national priorities. These include supporting the objectives of the Community Land Act (2016); the Wildlife Conservation and Management Act (2013); Wildlife Conservation and Management Act (Miscellaneous Amendments) (2018); Forest Conservation and Management Act (2016); Environmental Management Act (Revised 2012, original. 1999); Protected Areas Act (1980); Co-ordination Act County-level Conservation, Tourism and Climate Change Bills; ending drought emergency and delivering on devolution by government at county and community levels. Apart from being national priorities, these policies and laws are of specific relevance to the development of the conservancies.

The Danish support contributes to the achievement of the objectives in the NRT Strategy, which is aligned to the relevant Counties Integrated Development Plans.

2.6 NRT's Past Interventions and Achievements

Through support from the Danish Development Agency (DANIDA) and other partners, NRT has witnessed growth of the community conservancies from 24 to 43 by 2023. NRT has also developed Water Management Strategies for 17 community conservancies to guide priority investment in water within the conservancies. DANIDA support also funded the establishment of NRT Conservancy Livelihood Fund (CLF) which empowers communities to identify, plan and implement their development programmes through their conservancies.

NRT has supported restoration and protection of mangroves in the coast and supported the formation of mangrove community forest associations (CFA), which led to the formation of 4 Locally Managed Marine Areas (LMMAs).

Water related projects by NRT include; i) Rehabilitation dam and water pans to provide storage of rainwater harvesting for domestic, livestock and wildlife use; ii) Drilling and equipping of the boreholes to enhance water supply to the community, conservancy offices and the Eco Lodges; and iii) the solarization of the water supply projects to enhance use of green energy and consequent reduction in carbon emissions from the diesel pumps.

NRT has improved grassland health and sequestered carbon in community rangelands' soils by planning livestock grazing in a more sustainable manner. By implementing coordinated rotational grazing of domesticated livestock and other proven land management practices, the NRT has addressed the issues of degraded rangelands and conflict over scarce resources across the entire region.

<u>Northern Kenya Rangelands Carbon Project (NKRCP</u>

On the basis of the above rangelands management engagements, NRT has developed the Northern Kenya Rangelands Carbon Project (NKRCP), which is considered as one of the world's first large-scale rangelands soil carbon project, encompassing 1.9 million hectares of savannah grassland in northern Kenya.

NRT supports the current project's activities on the ground and the reporting needed for verification so that credits continue to be issued.. The project is anticipated to remove and store 50 million tons of CO2 over 30 years – the equivalent of the annual emissions from over 10,000,000 cars. The sale of this sequestered carbon creates income for the communities and enhances conservation efforts, including the improvement of habitat for four endemic endangered species – the *Eastern black rhino*, *Grevy's zebra*, *Reticulated giraffe* and *Beisa oryx*, as well as climate change.

The first issue of credits (2013 – 2016) generated 3.2 (Verified Emission Reductions) VERs that were verified by Verra in December 2020 and which generated $14.6m for the participating conservancies (representing 60% of total sales revenue). The second verification (2017-2020) was verified in December 2022 where 3.55m VERs were awarded to the project (available for sale). In wake of a critical report from Survival International from March 2023[16], which questions the legality and effectiveness of the carbon project, a Section 6 Review of the project has been initiated by Verra. A Section 6 review considers the adherence of a project to the VCS (Verified Carbon Standard) Program Rules and applied methodology. By 1 June 2023, the review is currently ongoing and the Danish Embassy and other NRT donors is following the results of the report.

2.7 Synergy with other Danish supported interventions

The project will ensure synergies with other current Danish interventions in Kenya, including the ongoing support to NRT 2021-2025 (60 mio. DKK) as well as the additional funding in 2022 focusing on water and renewable energy (35 mio. DKK). The core support from DANIDA 2021-2025, will leverage on this additional grant to create the desired impact in areas of NbS, water and energy.

In addition, the project has clear synergies with the Water Sector Trust Fund (WSTF), a state corporation of the Ministry of Water and Sanitation, which receives DANIDA funding under the Country Strategic Framework. The WSTF gives counties conditional and unconditional grants to help finance the development and management of water services in marginalized and underserved areas, such as: (i) the development of water services in rural areas that are not commercially viable for licensees; and (ii) the development of water services in underserved, low-income urban areas. Currently, WSTF is partnering with NRT to support the conservancies in the implementation of their water sector activities and rangeland management.

Further synergies are with ACT! who is working in the ASAL region supporting peace and conflict mitigation interventions. ACT! is also a partner under the Denmark – Kenya Country Strategic Framework. NRT will further seek synergies with ACT! in the area of natural resources management for peace and conflict management.

The Embassy is also funding a renewable energy project through ENDEV and NRT will work to create synergies and adopt lessons learnt from this project for better implementation of the renewable energy component in the conservancies.

2.8 Adherence to the aid effectiveness agenda & SDG

This project is well aligned to contribute to a number of SDGs - including SDG 1 (Alleviate poverty), SDG 2 (zero hunger), SDG 6 (Water), SDG 7 (Affordable and clean energy), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production), SDG 13 (on Climate Action); and SDG 15 ("life on land" – environmental degradation).

2.9 Alignment with Denmark – Kenya Country Strategic Framework

This project adheres to the aid effectiveness agenda through the 2021-2025 Denmark-Kenya Country Strategic Plan strategic objectives that are aligned Alignment with Danish cross-cutting priorities

Danish support to Kenya mainly focuses on the vulnerable and marginalised populations and this project will contribute to the Strategic Objective 3 of the Strategic Framework 2021-2025 which focus on

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16 https://www.survivalinternational.org/campaigns/BloodCarbon#:~:text=Survival%20is%20campaigning%20to%20end,killing%20people%20and%20the%20planet.

improving resilience, peace and stability. The project support follows the Human Rights Based Approach (HRBA) guidance for Danish development cooperation, specifically the operationalization of guidelines and human rights principles for marginalized groups. It ensures strengthening access to services for particularly marginalised and vulnerable groups and with a targeted focus on preventing and responding to gender-based violence as well as a cross-cutting prioritization of adolescent girls and young women through targeted girl-centred interventions in multiple areas of improved access to water, and clean cooking and lighting energy.

This project activities will emphasize the participation and voice of women and youth. Through community conservancies, it will create a network of local youth, women, and girl groups working at the household level who will participate in implementing project activities. The project will also integrate county governments, seeking to support the flow and quality of information and statistics on youth and gender-related matters as well as county capacity to respond and support youth and gender priorities.

3 Programme Objective

The overall strategic objective of the project is to ***Increase Resilience of Community Conservancies in Northern Rangelands and Coastal Kenya program through increased investment in Nature-based Solutions, water, and renewable energy.***

4 Theory of Change and Key Assumptions

Theory of change is stated as follows:

'IF vulnerable households in Northern and Coastal Kenya increase adoption of nature-based solutions through protection, conservation and restoration of natural resources, such as forests, freshwater systems, coastal and wetland areas; AND IF there is increased access to potable water through improved water resources management, effective water infrastructure, investment and provision of renewable or green energy infrastructure and technologies both to institutions and households; AND IF the capacities of the vulnerable households on sustainable management, and use of ecosystems is increased; THEN the natural resource stressors will be reduced, community livelihood and household economic condition will improve as a result of lower incidences of water-related diseases, lower resource-based conflicts, and lower costs and time spent sourcing water, energy, and health burden. This ultimately leads to thriving communities whose resilience to climate change is enhanced.

Key Assumptions

This theory of change contains several key assumptions. The most fundamental assumption is that the NRT water, marine, and forestry strategies will guide and be adopted by the conservancies and that the identified water, energy, and Nature-based solutions activities are relevant to the specific context and current needs of the beneficiaries. The key continuing assumptions underlying the community conservancies model are that local leaders will continue to govern the conservancies well and that conservancies can generate enough finance through development partners' support, commercial revenues, and County Government support. Furthermore, the conservancy model assumes that stakeholders will be properly motivated to support the model, that the technical knowledge required is available and can be sourced, and that the proposed nature-based solutions will have a causal effect on natural resource recovery, livelihoods improvement and socio economic development of the region.

Also that the Community Conservancies will use data from the CMDP (Conservancy Management and Development Plan) and CWRMS (Conservancy Water Resource Management Strategy) to advocate for the inclusion of community interests in County policies such as the County Integrated Development Plans (CIDP). This could be through forums such as the CIDP's public participation sessions, as well as through County Officers such as Ward Administrators and respective Members of County Assembly consultative forums. NRT's influence on County policy aims to achieve an integrated landscape approach to water, energy and Nature-based Solutions investments to improve people's lives, build peace, and conserve the natural environment.

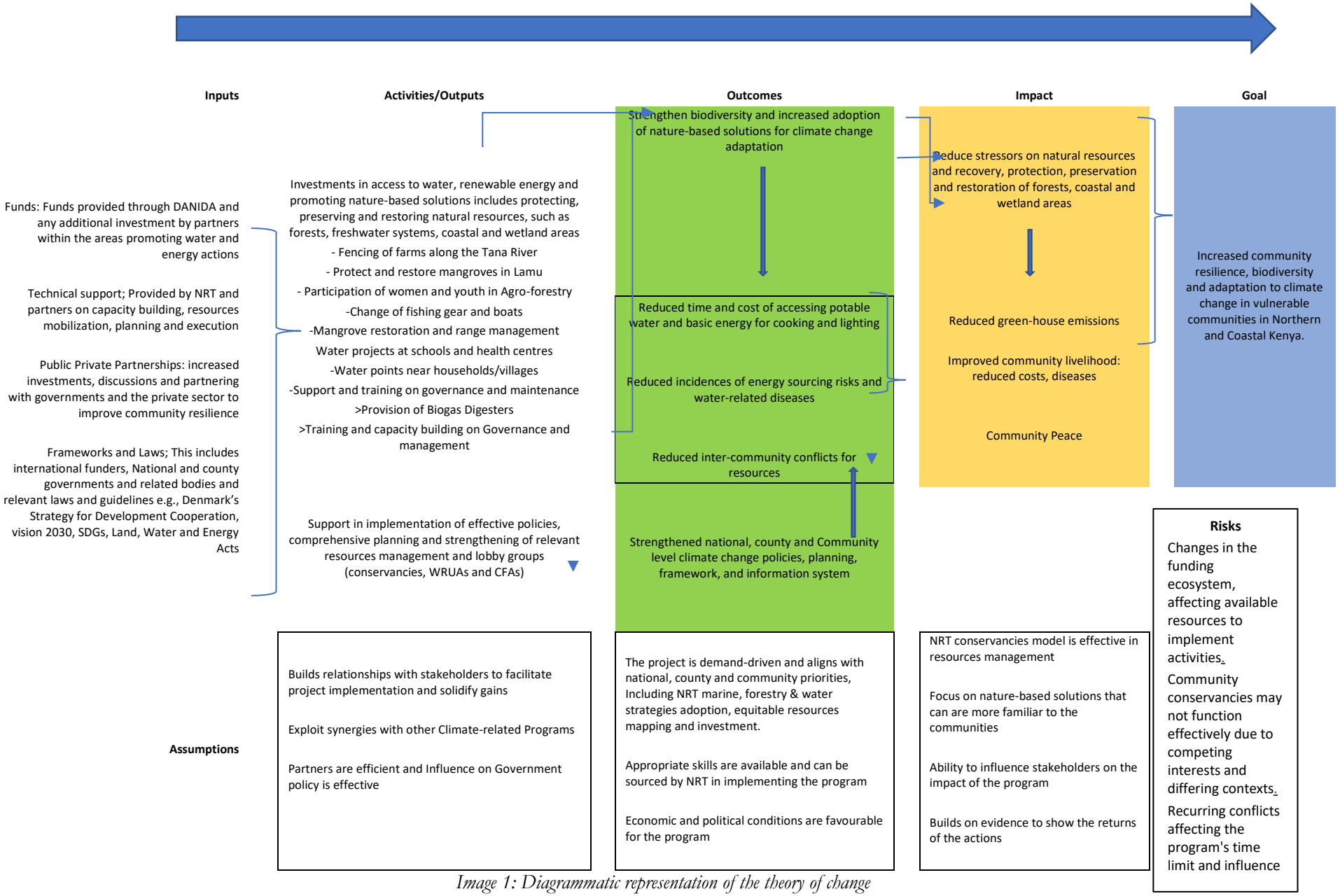

Image 1: Diagrammatic representation of the theory of change

5 Results framework

For results-based management and reporting purposes of the Embassy of Denmark in Nairobi, the following key outcome and output indicators have been selected to document progress. Denmark will base the actual support on progress attained in the implementation of the grant as described in the documentation. This results framework reflects the NRT results framework that is used to manage the NRT activities. Progress will be measured through NRT's existing monitoring framework.

Project		**Increased resilience, through adoption of nature-based solutions and access to water and renewable energy**	
Project Objective		>135,000 directly benefitting from adoption of nature-based solutions, improved access to basic drinking water and renewable energy	
Impact Indicator		Level of community resilience and adaptation as a result of the uptake of Nature Based Solutions, access to renewable energy and water	
Outcome 1		Improved access to improved basic drinking water by the conservancy communities	
Outcome indicator		% target population accessing improved basic drinking water	
Baseline	Year	2023	10%
Target	Year	2027	90%
Output 1.1		Improved access to potable water	
Output indicator		Number of people gaining access to basic drinking water from the investments in water	
Baseline	Year	2023	0
Annual target	Year	2024	11,800
Annual target	Year	2025	11,800
Annual target	Year	2026	11,800
End of Programme Target	Year	2027	35,400

Outcome 2		Increased adoption of clean energy technologies by the target population	
Outcome indicator		% Of households adopting/using clean energy technologies	
Baseline	Year	2023	2%
Target	Year	2027	37%
Output 2.1		Improved access to basic renewable energy and low energy cookers for cooking and lighting	
Output indicator		Number of people benefitting from investments in renewable energy	
Baseline	Year	2023	0
Annual target	Year	2024	7500(1500HH)
Annual target	Year	2025	7500(1500HH)
Annual target	Year	2026	7500(1500HH)
End of Project Target	Year	2027	22,500 (4500HH)
Outcome 3		Increased involvement of Conservancies households in the Nature-based Solutions	
Outcome indicator		% of the target population adopting nature based solutions	
Baseline	Year	2023	10%
Target	Year	2027	90%
Output 3.1		Improved climate change adaptation through nature-based activities (Agro-forestry, beekeeping, Fenced farms and Mangrove restoration)	
Output indicator		Number of people reached through the Nature-based Solutions	
Baseline	Year	2023	0
Annual target	Year	2024	25,084(5016HH)

Annual target	Year	2025	25,084(5016HH)
Annual target	Year	2026	25,084(5016HH)
End of project target	Year	2027	75,252 (15,050HH)

6 Budget

This is an additional DKK 50M support for NRT's interventions in Nature-based Solutions, water and alternative energy sectors. The budget includes all programme delivery staff, vehicles mileage, capital, and administration costs. Project costs are associated with specific outputs implemented through the conservancies, using the conservancy institution as a platform for community-led implementation.

This Project Budget

Outcome	**2024** Danida	**2025** Danida	**2026** Danida	**2027** Danida	**Total** Danida
Outcome 1 : Improved access to improved basic drinking water by the conservancy communities	3,322,438	3,144,040	3,329,022	3,078,199	12,873,698
Outcome 2 : Increased adoption of clean energy technologies by the target population	1,209,438	2,451,015	2,545,074	601,191	6,806,718
Outcome 3: Improved climate change adaptation through nature-based activities (Agro-forestry, beekeeping, Fenced farms and Mangrove restoration)	5,828,780	5,577,957	5,577,957	4,419,824	21,404,518
Program Technical Support Services	1,139,672	1,117,472	1,148,167	1,114,032	4,519,343
Indirect costs	741,440	790,361	809,538	599,838	2,941,176
Contingency (max 10% of total direct cost excluding contingency)	532,040	629,693	658,749	449,664	2,270,146
TOTAL	**12,773,808**	**13,710,538**	**14,068,507**	**10,262,748**	**50,815,601**

The current NRT secured grants for the period 2022-2027 with all development partners, based on current signed contracts, includes:

Development Partner	**Programme title**	**Grant amount**	**Period**
EU	Resilience Program	EUR 4.7M	2020 – 2023
	CPI	EUR 3.5M	2018 – 2022
	rider	EUR 1.9M	2022 – 2023
	Ranger Program	EUR 4.9M	December 2020 to December 2024
AFD	FFEM	EUR 5.7M	2020 – 2025
TNC	Wyss	USD 1.4M	April 2022 - March 2023
	Marine	USD700K	2022 – 2024
	IKI	EUR 281K	2022 – 2025
	Private Grant	USD 225K	2022
DANIDA	Resilient communities and NR	DKK 60M	2021 – 2025
	Water and Energy Program	DKK 35M	2023 -- 2025
SIDA		USD 1.4M	2022 – 2023
Italian Embassy		EUR 2 million	2022 – 2024
USAID	SSRCC	US D 13 million	2022 – 2027
	P2P	USD 1.2 million	
Total		**USD 31.8M**	

This new project budget adds DKK 50M (Approx USD 7M), making the total possible funding from DANIDA approximately 50% of the secured funding and 18% of the total 5-year NRT budget.

7 Institutional and Management arrangements

The parties have agreed to the following management arrangement to ensure adequate dialogue and timely decisions regarding this project.

7.1 Governance Structure

NRT management reports to the NRT Board as part of all NRT implemented activities under the strategic plan. The NRT Board endorses annual work plans, and financial and progress reporting. The NRT Board meets biannually in January/February and July/August. The Board in turn reports to the Council of Elders which is NRT's highest governing body. The chairpersons of the conservancies make up most of the council and are joined by several institutional members. The Council guides NRT policy, by-laws for its operation and administration, and appoints the NRT Board. Northern Rangelands Trust (a Trust) has a fully owned subsidiary company, Northern Rangelands Company Limited (A limited Company) that incurs and contracts for expenses on behalf of the Trust. The trustees of the trust are the sole shareholders and directors of the company with a single share each. The company acts to limit the liability of the trustees. Conservancies are independent institutions, NRT is an association of the Conservancies.

This project will be aligned to the NRT organization, accountability, and annual audit processes. There will be two annual NRT-DANIDA meetings. One annual meeting could be in Nairobi and the other at the NRT Head Quarters in Lewa. The meetings will discuss the three (3) DANIDA grants' work plans, progress, impact, and audit, and will follow closely from the two semi-annual NRT Board meetings. The meetings will be provided with reports on progress and other relevant material. The meetings are for reporting, addressing strategic and emerging issues, and shared learning and understanding. Learnings and emerging issues are then incorporated into program management using the project's MEAL strategy. These engagements and the associated reporting (annual plan of operations, annual state of conservancies report) provide a platform for RDE to assess progress against the planned results of the project. RDE will approve the work plans and progress reports once they are considered satisfactory.

As part of its management arrangements, NRT in close collaboration with RDE will establish an organisational learning and adaptation mechanism with the overall purpose of enabling evidence-informed adjustments to be made to the project during implementation. This will be incorporated into the existing Project document MEAL process to enhance efficiencies and enable NRT and RDE to identify broader causal links. In broad terms, the organisational learning and adaptation mechanism are anticipated to incorporate bi-annual reflection sessions to examine whether assumptions underpinning the project TOCs remain valid and identify what adjustments to the engagement approach are required.

8 Financial management, planning and reporting.

Both parties will strive for full alignment of the Danish support to the NRT approved financial rules and procedures. Procurement will be applied according to the NRT Finance and Procurement Manual. The requirement is that NRT ensures value for money and uses appropriate and transparent procurement of equipment and services[17].

8.1 Disbursement

The grant will be directed to main NRT bank account[18], these funds will be fully transferred to Northern Rangelands Company Limited as the contracting arm of Trust. However, if the proposed NRT restructure is completed before end of the Project, an addendum will be agreed between RDE and NRT on where the disbursements will be channelled. Balance at the end of each year is reported as the closing balance and will be rolled over into the next financial year. The financial year of NRT is from January to December. NRT is to produce an indicative disbursement schedule that covers the duration of the engagement.

Semi-annual disbursements in Kenya Shillings (KSH) will be triggered by approval of the annual work plan and budget beginning of the calendar year in the first quarter (Q1) and second disbursement in third quarter (Q3). Disbursements from RDE will be based on a transfer request from NRT which should include:

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[17] All financial management will be done from NRT HQ using SAGE Evolution ERP system

[18] All transactions in the account record the Donor, Output, C (Conservancy, County, Region) and Activity - DOCA

- Financial reports for the previous period
- Audited accounts if produced in the reporting period
- Output based budget for the period by the approved work plan and budget

Clearly state the cash flow needs, by filling in the Danida disbursement request form (backed by budgets and financial report) signed by two authorized persons.

The overall conditions for disbursement of funds from RDE include:

- Satisfactory use of prior transfers (including any funds carried forward from previous engagements)
- Satisfactory programmatic and financial reporting has been submitted on previous periods
- Submitted receipts of all prior transfers
- Submitted satisfactory previous audited accounts
- Availability of approved work plan and budget for the period to be financed
- No accumulation of donor funds on NRT accounts

NRT must submit a receipt no later than 14 days after receipt of the funds indicating the amount received in the currency of the request and the currency in which the disbursement was received. The receipt should be provided in form of an officially signed letter (scanned copy is accepted).

8.2 Partner procedures pertaining to financial management

Allowances should not be paid to owners or employees of implementing partners or beneficiaries for participating in profit-enhancing activities of the company/organisation. Allowances for NRT staff and governing bodies will follow the rates set out in the relevant NRT manuals. The rates should be justifiable and reflect actual costs level.

8.3 Procurement

For any procurement related to the programme NRT will ensure sound procurement management. This will include, but not be limited to:

- Need Identification: Procurement process starts when someone submits a request to the purchasing department. Whatever it is, the request is submitted in writing and sufficiently detailed.
- Vendor Selection: The procurement department then request quotes for the item needed, and then select a vendor. The rule of thumb is to get at least three quotes from different vendors for budgets that exceed DKK 20,000.
- Get approval for the purchase. After vendor identification and agreed on the details, then there is need for approval from the department responsible for approving purchases.
- After the purchase request has been approved, the finance department issues a purchase order to the vendor.

8.4 Narrative progress reports and financial reports

Below is a summary of the key reporting outputs for NRT:

Timelines	**NRT**	**RDE**
15th November	Prepares and submits a project annual work plan and budget to RDE	RDE Receives and approves the project annual work plan and budget
31st January	Prepares and submits Annual project report	RDE receives the annual report, reviews and approves if satisfactory
31st July	Prepares and submits project semi-annual report	NRT submit the approved semi-annual report to RDE
30th September	NRT Conducts the earmarked projects audit and as an annex to the institutional audit NRT submits the approved Audit report to RDE	RDE receives the approved audit report

Financial reporting will be made by NRT to RDE annually based on the financial report to the NRT board. Reports should be received no later than 6 months after the financial year January - December. NRT will also produce semi-annual progress reports (narrative and financial). The semi-annual reports will be submitted to the RDE no later than one month after the end of the half-year in question.

The reports will be against the project outputs, outcomes, and institutional result areas. The following shall be addressed in the narrative reporting as a minimum:

- An assessment of developments in the contextual framework during the past year (annual report)
- Implementation of the work plan and budget based on output targets for the reporting period, including brief explanations of challenges encountered and deviations from targets/milestones and how these have been assessed and handled
- Progress to date compared to output and outcome targets for the entire programme period as stipulated in the results framework
- An analysis of risks, including both reflection on the reporting period and the upcoming reporting period
- Challenges encountered and specification of recommended changes and adjustments (including budget re-allocations) for approval by the relevant authorities
- Update on implementation of decisions, follow up on recommendations from reviews, audits, monitoring visits, etc.

Financial reporting shall as a minimum include:

- The financial reporting shall be drawn up to the same level of detail as the approved detailed and output-based budget
- Include budget figures, actual spending, and variance for the period under-reporting and the entire engagement period
- Funds received during the period and accumulated
- Deviations should be explained and any budget reallocations within the period should be noted and include details on the written approval of the reallocation/adjustment.

8.5 Accounting and auditing

a) Accounting

The accounting will follow the NRT Finance and Procurement Manual. This implies that accounts are kept in accordance with international standards, ensuring that: (i) The DANIDA grant is entered into the accounts as income; (ii) Reporting on expenditures is of at least the same level of detail as in the output based grant budget; (iii) All expenditures are documented by vouchers, original invoices and original signed receipts; (iv) Receivables (including any unaccounted for advances) and payables are registered in the accounting system; (v) An adequate register of equipment and other assets is maintained and is updated on an ongoing basis; (vi) Adequate control procedures are put in place and accounts are signed by the responsible institution's management; (vii) An accounting manual is maintained including policy for clear segregation of duties; and (viii) Administration adheres to established written procedures. Further, that any advances given to conservancies are registered as in the accounts and only booked as an expense once accountability has been received and verified.

NRT will prepare an annual work plan and budget for the programme for approval by RDE. The financing agreements will be in DKK, but the transfers, accounting as well as financial reporting will be conducted in Ksh. The disbursements will be registered in Danida's accounts in KSH and DKK using the prevailing MFA exchange rate on the date of the transaction.

Accounting and the auditing of the Danish funds will be undertaken by NRT under the guidelines including "Financial Management Guideline for Development Cooperation" https://amg.um.dk/bilateral-cooperation/financial-management.

b) Auditing

NRT is audited on an annual basis. The audit period follows the financial year January - December. The Terms of Reference for the audit as well as the appointment of the auditors are approved by NRT Board. The audit is carried out as an earmarked project audit and as an annex to the institutional audit.

The audits will be conducted in accordance with the International Standards of Auditing (ISA) and should include elements of compliance and performance audit. The audit report shall include a management letter/report.

It is the responsibility of NRT to ensure that any sub-partners are audited on an annual basis, that the audit reports are received timely and that these reports are consolidated into the overall audit reports of NRT. Any advance payments and outstanding advances to implementing partners must be specified in the consolidated audit report.

The audited financial statement and the management report should as a minimum include:

- Expenditure statement in accordance with the approved budget
- Show the budget figures in a separate column to ease "actual vs budget" analysis
- Report on opening and closing balances (itemized into cash and bank) for funds carried forward ensuring that all funds available for activities are included in the income statement
- Report on unpresented cheques, unaccounted for advances, receivables, and payables
- Report on exchange rate gains and losses and the method for calculating these
- A verified (by the auditors) asset register with details on the location, date of purchase, ownership (RDE or partner), identification number (if applicable), condition, and when relevant date of disposal. Any disposals should be included in the register
- Physical inspection of some randomly selected works/activities to provide the auditors view on, in a cost-effectiveness perspective, quality and quantity of activities carried out by the partner and sub-partners

The partner shall ensure that any material issues raised in the auditor's report are appropriately and timely followed up and appropriate actions are taken. RDE reserves the right to claim full reimbursement of expenditure regarded as ineligible according to the agreement between the parties.

The accounting documentation shall at any time be available for scrutiny by representatives of the RDE and the Danish Auditor General.

9 Risk analysis, mitigation, and management

Contextual Risk

The risk context of northern Kenya is that of a hotspot region that is prone to insecurity and resource-based conflicts. Conflict and insecurity escalate during droughts, floods, and other environmental shocks. The conflict cascades through the landscape and involved communities within the conservancies and outside the conservancies. Communities within the conservancies and outside the conservancies main conflict has been common where there outside communities do not observe rules of the conservancies, especially on management of the scarce resources (water, grazing planning, and other natural resources). To mitigate this risk by reducing, minimizing, and eliminating these tensions among the targeted communities, NRT will work through the existing governance structures of the community conservancies to ensure water resources are properly planned, managed and equitably available, this would reduce tension especially related to water for household use, for livestock and for farming. In the case of non-conservancy communities, NRT will work through the government structures, these include ensuring co-ownership and management of resources using official government recognized structures like the county government, CFAs and WRUAs, to reach an acceptable resource sharing structure.

There is a risk of violence or political interference during national and local elections, which may cause destruction to the investments in water and renewable energy. NRT will monitor the situation carefully and ensure there is proper community ownership and understanding of the project plan and outcomes - empowered communities in conservancies that are less likely to be subject to political incitement.

Extreme environmental events, such as droughts, flooding, and locusts, could render certain programme interventions insufficient or ineffective. To this end, NRT will work with the Meteorological department and market actors, utilize FEWSNET information to anticipate and respond with strategies including county and ward level DRR strategies to alleviate the impacts on the program. Extreme weather events can also influence physical access to the ASALs as road infrastructure is poor.

Programmatic Risk

The program's gender focus could potentially cause community tension or problems for households or women. The risk is that more income-generating opportunities for women increase their involvement away from the traditional norms and duties in some ways, and that customary decision-making may resist women's participation. This will be remedied by undertaking activities targeting women to

include men in best way possible; male leaders engaged to support women's involvement in decision making; gender impact of the project (positive & negative) closely monitored.

Potential risk on getting quality supplies for the needed resources. Different versions of the Biogas installation have been tested over time and the quality of the other alternative energy has not been tested. NRT will continue using the high-standard procurement system and expert input to reduce this risk.

Accurate research in water solutions in the ASALs has not been done, and there is a need for wider community and government involvement to ensure sustainability. NRT has involved the conservancies' management and the county officials in co-creating the plans and continues to work on co-creation, co-management, learning, and continuous improvement to ensure that the best strategies and technologies are invested in, which ensures value for money and the highest potential for sustainability.

Institutional Risk

In November 2021, a California-based organization, the Oakland Institute published an article that had grave allegations against NRT, including violation of the right to land as well as human rights violations such as enforced disappearances and killings. A report containing similar allegation is expected from Human Rights Watch in September 2023.

The Danish Embassy is, together with other donors, closely following NRT's implementation of its human rights policy and recommendations from the donor-initiated Due Diligence report (DDR). In addition, in autumn 2023, the Embassy will undertake a technical review of DANIDAs support to NRT, which will include a clear focus on NRTs human rights due diligence. On their part, NRT is implementing the Human Rights policy on projects implementation that is closely monitored by the recently onboarded FPIC (Free, Prior and Informed Consent) compliance officer who supports NRT in adhering to the HR and FPIC principles. The Human rights compliance is also closely reviewed through the DDR (Due Diligence Report) implementation plan. NRT's also closely involve Government and other institutional partners and seek integration with the County government and CIDPs.

Additionally, this year, Survival International has questioned the credibility of the NRT Carbon Project. As a result, VERRA initiated a section 6 review to ascertain the carbon credits verification process adhered to the VERRA standards, a process that is ongoing. Further mitigation by NRT and partenrs therefore awaits the conclusions of the Verra article 6 review.

10 Monitoring, Evaluation, and Learning

NRT is responsible for monitoring and reporting on the achievement of the results framework. NRT has an institutional M&E system to assess the delivery of the outputs of the grant. NRT has developed a devolved Conservancy Management and Monitoring System (CoMMS) for wildlife, rangeland vegetation, livelihoods(social), and natural resource management. NRT has also developed a comprehensive Governance Index, which tracks Conservancy performance and reflects the level of transparency, accountability, financial management, and community engagement. Risks and assumptions are monitored as part of the M&E system.

The M&E system informs the actual management of NRT activities and guides the management of each of the conservancies. Monitoring, evaluation, and learning are used in four key areas i) adaptive management - targeting programs to areas, which might be most vulnerable, might be experiencing negative or no impacts, and using the data to better inform decision-making; ii) innovation - using the information to create new programs and activities that better address the needs and wants of the community; iii) donor reporting - monitoring trends that indicate that donor funding is creating a positive change in the local communities; iv) creating transparency - providing a platform for the community to provide feedback on the management of the conservancy. This data is useful for conservancy managers and boards to understand demographics, identify vulnerable zones or populations, and target activities to create strategies or provide livelihood support (through the conservancy management plans, conservancy livelihood funds, and other avenues) to these marginalized households. Additional information on livelihoods, water and nutrition, and rangelands can be used to validate arguments to support these causes and to track the impact of programs on vulnerable populations. In addition to targeting support for livelihood development, Social CoMMS information provides a gauge on household perception towards the conservancy and the environment.

Results gained through evaluation are interrogated by NRT management teams and Conservancy boards to distil learning. Learnings are then used to adapt management approaches. M&E results also provide information for reporting on progress achieved in relation to the strategic goals of NRT. The results from the M&E will be utilised for sharing in dialogues with partners. The M&E results will for the purpose

of learning also be fed into organisational learning and adaptation mechanism referred to in the Management section.

Close monitoring of the results and risks frameworks is the foundation for continuous learning and adaptable engagement management that takes implementation progress and emerging contextual developments into account. The Embassy of Denmark in Nairobi shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme. The Embassy annually will conduct at least two technical and financial monitoring visits to NRT and its implementing agencies – Community conservancies to discuss results and verify financial management systems and records.

11 Closure

The tentative timeframe of the formal project closure consists of three steps:

(i) Implementing partner's final report by January 2028

(ii) Responsible unit's final results report (FRR) by June 2028

(iii) Closure of accounts: final audit, return of unspent funds and accrued interest and administrative closure by reversing remaining provision by October 2028.

The project is implemented with the principle of community ownership, learning and sustained NbS that communities through conservancy management shall manage and maintain projects beyond this grant timeframe; this includes capacity development in management of the assets, partnership with government and other institutions, investment into sustainable income generation (NbS) and continued support from NRT as a knowledge base.

12 Prerequisites

No prerequisites have been identified for the signing of this project document.

13 Signatures

Ambassador Embassy of Denmark in Kenya	CEO, Northern Rangelands Trust
Date	Date

14 Annexes

Annex 1: Contextual Analysis

Climate change is posing an increasing threat to global socio-economic development and environmental sustainability. The impacts of climate change on livelihoods, food and water security, ecosystems, energy and infrastructure are more severe in Kenya's Arid and Semi-Arid Lands (ASALs). The Northern and Coastal regions of Kenya, which house 70% of the country's livestock and 90% of its wild game, bear the brunt of the damage caused by harsh climatic conditions.

Community conservancies are a highly effective way for governments and development organisations to deliver long-term solutions to the interconnected challenges confronting communities, landscapes, marine environments, and wildlife in northern and coastal Kenya. Community conservancies are having a significant impact on conservation and livelihoods, but there are enormous challenges ahead in building lasting peace and resilience for a productive and sustainable future. NRT and Partners[19] made great strides toward establishing community conservancies as a solid foundation for collective management of natural resources in Kenya through the Climate Resilient Community Conservancies Project (CRCCP). Through adaptive management and continuous learning, NRT has evaluated what is effective and what is not, and, consequently, what shifts in emphasis at the operational level are needed. Extensive consultations and independent studies indicate that NRT community conservancies are a substantial human-centred object for conservation and development in Kenya, with a significant positive impact on people's lives and biodiversity conservation.

NRT is implementing a detailed human rights and community engagement action plan to ensure adherence to international human rights standards and the principle of Free, Prior and Informed Consent (FPIC) when implementing their activities. In 2022, NRT donors[20] initiated an independent investigation that did not find any evidence of the accusations against NRT, and led to the Due Diligence implementation program that ensures NRT programs and practices comply with best practices on human rights, sexual exploitation and abuse and free and fair principles by developing and implementing new and robust human rights policy, Sexual Exploitation and Abuse Policy, Whistle Blower Policy and FPIC Guidelines with definite actions on training, conservancy level implementation, audits, assessments, grievance mechanism and community engagement.

This application outlines NRT's approach to improving the resilience of vulnerable populations and environments by increasing the capacity of communities, governance structures, and ecosystems to mitigate recurring environmental, socioeconomic, and political vulnerabilities through a sustainable conservancy structure. It is proposing to enhance the resilience of communities in the Northern Rangelands and Coastal Kenya through increased investment in Nature-based Solutions, water, and renewable energy for improved livelihoods. This is made possible by the current Denmark-Kenya Country Strategy for Partnership, which builds on the two countries' longstanding and strong bilateral relationship and underpins the three strategic objectives for the period 2021-2025.

The application is built on Denmark-Kenya Country Strategic Framework (2021-2025) objectives, which are well aligned with Kenya's overarching development plan, Vision 2030 that rests on three pillars - economic, social and political development - and seeks to create "a globally competitive and prosperous country with a high quality of life by 2030". Furthermore, it will contribute to the achievement of a number of SDGs, such as SDG 1 (no poverty), SDG 2 (zero hunger), SDG 6 (clean water and sanitation) SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities),

[19] Major Partners: USAID, DANIDA, TNC, EU, AFD

[20] 6 Donors: The Nature Conservancy (TNC), the US Agency for International Development (USAID), the European Union (EU), the Danish International Development Agency (DANIDA), Agence Française de Développement (AFD), and Fonds Français pour l'Environnement Mondial (FFEM), commissioned an independent review of the findings: https://www.nature.org/content/dam/tnc/nature/en/documents/Due-Diligence-Report-on-Oakland-Institute-Allegations.pdf

SDG 12 (responsible consumption and production), SDG 13 (on Climate Action), and SDG 15 ("life on land" - environmental degradation.

Political

Kenya has remained politically stable in comparison to other East African countries since independence, with the exception of occasional tensions surrounding election cycles every five years. This is demonstrated by the recently concluded elections and the transfer of power from the Jubilee government to the Kenya Kwanza government. There appears to be sufficient political will to maintain this stability for the foreseeable future. Furthermore, the government is committed to ASAL socioeconomic development by establishing a state department to handle ASAL development matters. The devolution of functions and resources in Kenya has allowed the public to prioritize their development needs. Kenya Vision 2030, the Development Strategy for Northern Kenya and other Arid Lands, and the Vision 2030 medium term plans (MTPs) provide a foundation for accelerated economic, social and political performance.

Environmental

Because of its negative effects on productive sectors, climate change has had a negative impact on the Kenyan economy. The consequences reduce disposable income, thereby increasing poverty and vulnerability. The most common natural hazards in Kenya are weather and climate-related environmental hazards such as floods, droughts, landslides, lightning/thunderstorms, wildfires, and strong winds. Natural disasters disrupt people's lives by displacing them, destroying their livelihoods and property, and causing deaths and injuries. As a result, they reverse years of progress, posing a significant challenge to achieving Sustainable Development Goal 1, which seeks to eradicate extreme poverty, including a lack of food, safe drinking water, and sanitation, by 2030.

Droughts are a major cause of poverty and humanitarian crises in the country, causing spikes in food insecurity and undermining livelihoods and household resilience. Natural disasters' cyclical nature continually erodes communities' recovery capacity, affecting their economic development year after year. This necessitates more vigilance and planning to mitigate the effects, which have significantly impacted the counties' fight against poverty and efforts to reduce the number of people living below the poverty line. In the past, the economic cost of floods, droughts, and landslides was estimated in millions of shillings.

Climate vulnerability is a serious issue in Kenya, where the economy is heavily reliant on natural resources and has already suffered significant losses due to recurring droughts and floods. For instance, the majority of Kenya's current electricity production is based on renewable energy. Only 13 percent of Kenya's electricity generation capacity was based on fossil fuels in 2018, while geothermal and hydropower accounted for nearly 80 percent. With the opening of Africa's largest Wind Power project in Lake Turkana, supported by Denmark among other investors, wind is becoming a more important source of electricity. When it comes to overall energy consumption, biomass (wood and charcoal) is by far the most important source.

Environmental degradation and its consequences for fragile ecosystems exacerbate conflict and insecurity, undermining coping strategies and livelihoods even further. Climate extremes are exacerbated by changing land management, poor marine management and poor agricultural practices, which are exacerbated by population growth. As a result, over 13 million Kenyans lack access to clean drinking water and 19 million lack access to sanitation due to insufficient urban water supply, structural water shortages, and fluctuation in arid and semi-arid lands. Water-borne diseases and their complications are leading causes of morbidity and mortality in children under the age of five, and they also contribute to child malnutrition.

Humanitarian

Over 4.1 million people in Kenya were estimated to be facing food insecurity in Kenya by June 2022 up from 3.5 million people in May 2022[11]. The delay in the "long rains" season has caused a dry spell in Kenya (particularly in arid and semi-arid counties), causing mass displacement and food and water insecurity. The dry spell has caused numerous open water sources to dry up, increasing average distances to and from water points and making it more difficult for many people and facilities to access a reliable source of water. Unfortunately, a lack of rainfall isn't the country's only precipitation issue.

In a country where food and potable water are already in short supply, the combination of environmental hazards, combined with severely limited access to health services and facilities, has had disastrous

consequences, including the deaths of thousands of people, young and old. Similarly, another humanitarian challenge has been the refugees. A total of 559,282 refugees and asylum seekers continue to live in Kenya, 53.4% of whom are from Somalia, 25.1% from South Sudan, 8.9% from Congo and 5.6% from Ethiopia and the remaining are from other nationalities. Of this, 42% each live in Kakuma and Dadaab, respectively, as well as 16% in urban settlements. Continuing instability and drought in the Horn of Africa region may lead to more inflows of people into Kenya further requiring additional resources to respond to multiple emergencies such as COVID 19, drought and communal conflict fuelled by competition over resources.

Also, the economic impact of COVID-19 such as disrupted supply chains and exports and the temporary collapse of the tourism sector, is a reminder of how easily poverty reduction efforts are undermined. The growing number of youths, currently 5 million, outside education and employment constitutes a critical economic and social challenge. It deprives the youth of the skills required to give them – and ultimately Kenya – an edge in an increasingly competitive world.

Therefore, if Kenya is to continue to grow and prosper in a more equitable way, as well as be a stable driving force in regional development, it will need partnerships with countries like Denmark, which can play a catalytic role in terms of attracting investments and knowledge for development and, at their core, have the principle of leaving no one behind.

Annex 2: Partner Assessment

Stakeholder analysis

Few organisations are working on integrated needs of the people in the ASALS. Due to limited government resources and the vastness of the ASAL areas there is a need to work through civil society organisations to compliment government efforts in service delivery. NRT works directly at the community level and aim to works holistically for cohesive and multi-layered solutions. NRT works with in and support existing structures by facilitating already existing conservancies. They are working towards graduating community conservancies in order for them to work in a self-sustainable manner for the benefit of the community. Further, NRT has strong accountability structures and the fiduciary risks involved in working with NRT is significantly lower than working with local governments (which are supported through other engagements under the Kenya bilateral programme). This has been confirmed through several financial monitoring visits, MEAL visits and the external appraisal carried out prior to the core support engagement and this engagement. NRT has a great potential and are ideally positioned to be a key player in protecting and building livelihoods for the populations living in and around the conservancies while at the same conserving the natural resources through the community conservation model.

Criteria for selecting project partner

NRT has been selected based on the partner's ability to address some of the key concerns in the ASALs and Northern Kenya-related resilience of ASAL communities and green and inclusive growth. Water and renewable energy is one of the key drivers for development in the ASALs and through pilot projects, NRT has proved to have the capacity to deliver the water and renewable energy projects within its conservancies. They have developed their own water strategy which this project will contribute to its implementation. NRT will work closely with County Governments and national government institutions, to influence relevant policies that drive development of the ASALs through sustainable utilization of the natural resources management. NRT's ability to deliver effectively and work with many beneficiaries in the Conservancies across its integrated result areas: conservancies governance strengthening, peace and conflict management, skills and jobs development, enterprises and livelihoods improvement, and habitats and species management, is an important criterion for selection. Further, the selection of NRT is based on its ability to work with the fundamental basis for improving the productive capacities in the ASALs, namely the natural resources basis of land, range, and water. NRT has also proven to be very adaptive to emerging issues while incorporating lessons learnt from previous programmes to better deliver services to communities in their conservancies.

Brief presentation of partners

NRT is a member-based umbrella trust supporting 43 Community Conservancies across 6.3M HA of ASALs in northern and coastal Kenya. Currently undergoing restructuring to be compliant with legal frameworks in Kenya especially the 2021, Perpetual succession Act. Any institutional structural changes that will be effected during implementation period shall be accommodated through an addendum. NRT implements four strategic objectives: natural resource conservation, governance, peace and security, employment and enterprises. The work of NRT is organised in nine integrated strategic outputs, which promote resilience and inclusive green growth in the ASALs. NRT's vision is that Community Conservancies become the leading community institutions for building resilient communities and ecosystems in Northern and Coastal Kenya, that are better able to cope with climate shocks, help build peace and security, effectively tackle the illegal wildlife trade, provide a focus for investments in social and economic development, stimulate diversification and growth of the green economy, and underpin the sustainable management of northern Kenya's rich wildlife and natural resources.

Summary of key partner features

Partner name *What is the name of the partner?*	Core business *What is the main business, interest, and goal of the partner?*	Importance *How important is the programme for the partner's activity level (low, medium high)?*	Influence *How much influence does the partner have over the programme (low, medium, high)?*	Contribution *What will be the partner's main contribution?*	Capacity *What are the main issues emerging from the assessment of the partner's capacity?*	Exit strategy *What is the strategy for exiting the partnership?*
Northern Rangelands Trust (NRT)	NRT's core business is to address the support to its member Community Conservancies in governance, peace and security, livelihoods, business development, and management of natural resources. NRT has been able to ensure substantial development funding that can be directed at the development of the Community Conservancies	High. The DE is an important enabler to the work within water and energy activities of NRT and Community Conservancies. Service delivery and resilience among the NRT communities are among the key factors to support the delivery of the NRT overall strategic objectives. RDE is a key donor to NRT not least due to the core support. The grant is significant for NRT's efforts within water and energy. However, not significant compared to the overall budget of NRT.	High. NRT is an important enabler of Community Conservancies and a key stakeholder within the landscape.	Enabling community-led Conservancies that transform lives, secure peace, and conserve natural resources in northern and coastal Kenya. NRT's main contribution is knowhow based on the pilots already carried out within water and energy solutions, access at community level, building on the conservation model and existing governance structures. Further, NRT are contributing with a strong delivery set-up that provides for a low fiduciary risks.	Strength: NRT has a strong track record of development performance at grassroots level and strong stakeholder relationships. This has proved to be a very successful development model. Weakness: These areas are amongst the most fragile, conflict sensitive and are very dependent on aid support for transformation. There is a conflict potential in the NRT model as it in some cases challenges the traditional customs and structures. NRT mitigates this by cooperating closely	Development impact at this scale is a long-term endeavour. As the capacity of Community Conservancies is built, they will graduate to a high degree of self-reliance. This evolution is entrenched in the NRT sustainability strategy. The strategy include tourism opportunities, sustainable solutions, co2 credits, partnerships with private actors etc.

					with the traditional structures and ensuring community engagement. NRT needs to continue working on engaging both communities and surrounding non-conservancy communities (i.e. pastoralists that move around) Opportunities: NRT has created a unique platform for structural access in this landscape at a significant scale. Threats: Insecurity in all forms can create a volatile environment for operations. Insecurity is characteristic of the targeted landscape and NRT therefore must continuously build its resilience at all levels.	

More information on the partner can be accessed on https://www.nrt-kenya.org/

Annex 3: Results framework

Project Document Title		**Increased resilience, through adoption of nature-based solutions and access to water and renewable energy**	
Development Engagement outcome		>135,825 directly benefitting from adoption of nature-based solutions, improved access to basic drinking water and renewable energy	
Main Indicator		***Level of community resilience and adaptation as a result of the uptake of NbS, access to renewable energy and water***	
		2023	5%
		2027	90%
Explanatory Note		Measurement of increased resilience will be established through an evaluation or study to assess the impact of the program with clear review of the detailed indicators below impact and effect for both human and wildlife. This will be for the targeted beneficiaries. (Means of verification)?	
Development Engagement outcome Indicator 1		The percentage of population accessing improved basic drinking water	
	Year	2023	10%
	Year	2027	90%
Explanatory Note		Refers to percentages of community members from the 135,825 benefiting from both new water points established, and existing water points rehabilitated from this grant. Total of 10 rehabilitated institutions (school & health centre) each serving 150HH, 10 new water points each serving 300HH. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/stand post; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
Output 1		Improved access to potable water	
Output indicator		Number of people gaining access to basic drinking water from the investments in water	
Baseline	Year	2023	0
Annual target	Year	2024	11,800
Annual target	Year	2025	11,800
Annual target	Year	2026	11,800
Explanatory Note		This includes 10 new domestic water points, 10 units serving 200 HHs, 10 water installations in schools and health points each serving an average population of 400 and 15 water rehabilitations serving 150HHs, 6 schools and 4 health facility rehabilitated. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report disaggregated by water source types	

Output 1.1		Improve the existing water infrastructure through Rehabilitation/restore at institutions	
Output indicator 1.1		Number of domestic water points available because of new installations	
Baseline	Year	2023	2
Annual target	Year	2024	2
Annual target	Year	2025	3
Annual target	Year	2026	3
Explanatory Note		Refers to both new water points established from this grant. Total of 10 new water points serving each serving 200HH. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
Output 1.2		Increase water supply in the conservancies through additional water supply infrastructure	
Output indicator 1.2		Number of domestic water points available because of rehabilitation	
Baseline	Year	2023	2
Annual target	Year	2024	3
Annual target	Year	2025	2
Annual target	Year	2026	3
Explanatory Note		Refers to existing water points rehabilitated from this grant. 10 rehabilitations each serving 210HHs. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
Output 1.3		Enhance water governance in counties	
Output indicator 1.3		Number of water policies at county levels WRM strategies for the conservancies developed, adopted and operationalized	
Baseline	Year	2023	0
Annual target	Year	2024	2
Annual target	Year	2025	2
Annual target	Year	2026	0
Explanatory Note		Refers to both new water policies developed, and WRM strategies for different conservancies reviewed. Total of 2 policies and 2 WRM strategies to be customized to different counties and conservancies	
Development Engagement outcome Indicator 2		% Of households adopting/using clean energy technologies	
Baseline	Year	2023	2%

Target	Year	2027	37%
Explanatory Note		Represents the total number of direct beneficiaries who received new renewable energy technology against the 135825 direct beneficiaries targeted. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report	
Output 2		Improved access to basic renewable energy and low energy cookers for cooking and lighting	
Output indicator		Number of people benefitting from investments in renewable energy	
Baseline	Year	2023	0
Annual target	Year	2024	7500(1500HH)
Annual target	Year	2025	7500(1500HH)
Annual target	Year	2026	7500(1500HH)
Explanatory Note		This includes 750HHS benefiting from Biodigesters, 750HHS benefiting from solar installations and 3,000HHs from low energy cookers. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report	
Output 2.1		Improved awareness on clean energies in the conservancies leadership and communities	
Output indicator		Number of board members (MB) and community member (CB) trained on clean energy	
Baseline	Year	2023	0
Annual target	Year	2024	10BM+100CM
Annual target	Year	2025	10BM+100CM
Annual target	Year	2026	10BM+100CM
Explanatory Note		This will target building capacity through needs-based trainings for 10 conservancy board members on the clean energy project and its conservation benefits, as well as vocational training for100 community members as biogas, plumbing and solar technicians	
Output 2.2		Promote the adoption of energy saving jikos in the conservancies	
Output indicator		Number of people who have received the energy cookers.	
Baseline	Year	2023	0
Annual target	Year	2024	3000
Annual target	Year	2025	3000
Annual target	Year	2026	4000
Explanatory Note		New beneficiaries who will receive the energy cookers to help them adopt to clean energy technologies. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report	
Output 2.3		Promote the adoption of domestic biogas and solar lighting units within the conservancies	

Output indicator 1		Number of Biogas digesters installed	
Baseline	Year	2023	0
Annual target	Year	2024	200
Annual target	Year	2025	200
Annual target	Year	2026	200
Output indicator 2		Number of institutions within NRT member conservancy installed with Solar panels (clinic, and schools)	
Baseline	Year	2023	0
Annual target	Year	2024	14
Annual target	Year	2025	15
Annual target	Year	2026	15
Explanatory Note		Refers to institutions in the conservancies installed with solar lamps solutions and number of biogases installed	
Development Engagement outcome Indicator 3		Increased involvement of Conservancies households in the Nature-based Solutions	
Baseline	Year	2023	10%
Target	Year	2027	90%
Explanatory Note		90% of people (farmers, youth women, others) actively engage in climate adaptation hubs, restoration of mangrove forests, and in improving community livelihood by the end of the programme	
Output 3		Improved climate change adaptation through nature-based activities (Agro-forestry, beekeeping, Fenced farms and Mangrove restoration)	
Output indicator		Number of people reached through the Nature-based Solutions	
Baseline	Year	2023	0
Annual target	Year	2024	25,084(5016HH)
Annual target	Year	2025	25,084(5016HH)
Annual target	Year	2026	25,084(5016HH)
Explanatory Note		This includes 800HHS benefiting climate adaptations hubs, 1000 people directly benefit on Mangrove restoration, 6000 famers and 8285 HHS benefiting from Lewa activities, beadwork 1056, Ujuzi Manyattani 5000, ufugaji bora and women and youth microfinance: A household is composed of an average of 7 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report	
Output 3.1		Improve community governance and management of Marine Protected and non-protected areas in the Lamu Archipelago	
Output indicator		Number of households that take part in implementation of the NbS	
Baseline	Year	2023	0
Annual target	Year	2024	320HH
Annual target	Year	2025	320HH
Annual target	Year	2026	120HH

Explanatory Note		These are the household that are directly involved in habitat protection and reduction of fishing pressure in near-shore areas. They get involved in changing of fishing gear to enable fishermen only catch mature fish. In addition, they also benefit from the fencing of farms along the Tana River to reduce human-wildlife conflict and wildlife destruction of crops	
Output 3.2		Reduce destructive fishing methods and human-wildlife conflicts	
Output indicator		Number of fishing gear changed, communal farms along the Tana River fenced, and effective riparian buffer zones erected.	
Baseline	Year	2023	0
Annual target	Year	2024	1000
Annual target	Year	2025	1000
Annual target	Year	2026	1000
Explanatory Note		This will include 1000 fishing gear changed, 100 communal farms along the Tana River fenced, and 100 effective riparian buffer zones for the community living along the Tana River delta.	
Output 3.3		Protect and restore mangroves in Lamu	
Output indicator		Number of Mangroves seedlings planted	
Baseline	Year	2023	0
Annual target	Year	2024	30,000
Annual target	Year	2025	30,000
Annual target	Year	2026	30,000
Explanatory Note		30,000 mangrove seedlings planted annually in 6 hectares for 3 years giving a total of 90,000 mangrove plants in 18 hectares. This will also include training of 100 community groups on mangrove restoration methods, including seed collection, storage and planting as well as Monitoring and management of restored sites	
Output 3.4		Increased adoption of sustainable agricultural practices by the farming community in and around the conservancies	
Output indicator		Number of farmers participating in sustainable Agriculture program; and households in community forestry conservation.	
Baseline	Year	2023	0
Annual target	Year	2024	2000 farmers; 2762HHS
Annual target	Year	2025	2000 farmers; 2762HHS
Annual target	Year	2026	2000 farmers; 2762HHS
Explanatory Note		Refers to individual households 8285HHS that are in the community Forestry conservation and 6000 farmers in Sustainable Agriculture Program	
Output 3.5		Improve the community livelihood through Nature based Solutions:	

Output indicator		Number of sand dams, Fanya juu terraces, contour bunds, trapezoidal, semi-circular bunds constructed	
Baseline	Year	2023	0
Annual target	Year	2024	300
Annual target	Year	2025	300
Annual target	Year	2026	300
Explanatory Note		Refers to 900 sand dams, Fanya juu terraces, contour bunds, trapezoidal, semi-circular bunds constructed. In addition, the expansion of Ufugaji Bora Mashinani as well as women and youth micro-finance program and vocational skills	

Annex 4: Risk Management Matrix

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Risk to conservancy model from communities pushing for land sub-division	Likely	Major	Work with community to ensure proper engagement in governance and decision making and agreed rewards and punishment sharing	Minor	The Community Land Act 2016 is anticipated to become a significant threat to the conservancy model as communities begin to push for subdivision of land
Community conflict over scarce resources	Definite	Major	Work with community and government structures to ensure community ownership and equity	Significantly decreased	This is in an ongoing situation in the area, dominance exercised by access to illegal arms.
Unplanned and un-negotiated access by migrating pastoralists and their livestock.	Likely	Major	Regional grazing plans and committees. Dialogue with non-NRT livestock herders.	Minor	No exclusion is practiced; migration is the norm in pastoralist communities. Unplanned and un-negotiated grazing has a negative impact on livestock production in conservancies.
Insecurity and cross-border violence	Likely	Significant	Conservancies address security and peace. Government programme on disarmament. Regional and local planning, dialogue, and coordination.	Major	Insecurity is a major problem in ASALs. There is spill over and radicalisation from Somalia to northern Kenya. Economic, political, and social disruption caused by violence and extremism.
Extreme environmental events	Likely	Major	DRR planning. Planned grazing, rangeland rehabilitation, increased livestock trade, and economic diversification to build resilience.	Major	Extreme environmental events – floods, drought, locust invasions – are becoming more frequent in the ASALs. Can also affect physical access to conservancies due to poor road conditions.
Unplanned and uncoordinated development, e.g., of water resources, rangelands etc	Likely	Major	Strong conservancy management plans, with good county government coordination on development priorities	Minor	Developments motivated by short-term political gain and uncoordinated actors. Incorrectly cited boreholes (e.g.) disrupt settlement and grazing plans and lead to overgrazing.

Programmatic risks (for country programmes/regional programmes filled out for each thematic programme)

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Gender inclusion efforts inadvertently place a greater burden on women or customary decision-making resists women's participation.	Possible	Major	Sensitisation and community engagement processes, improving male awareness of gender issues. Close monitoring of programme effects on women participants.	Minor	Communities within the ASALs are largely paternalistic with limited recognition or inclusion of women.
Other donors' funds cease impacting the broader	Possible	Major	Multi-layered sustainability plan initiated. 25-year partnership with	Medium. While this risk can be mitigated in the	NRT is a multi-source funded institution with commitment from a range of partners. High donor

capacity of NRT and Community Conservancies			TNC; strong support from GoK, County, and International Development Community.	long term, short-term effects would have a marked impact.	dependency until commercial and local government support is developed. The current global Health crisis is placing pressure on funding organisations.
Funds transferred directly to community conservancies are not used for the intended purposes; do not achieve value for money; and/or are not properly accounted for	Possible	Major	NRT maintains a strong oversight and support role for funds and scrutiny of budgets in order to ensure cost-effectiveness when resources are transferred directly to the conservancy. Disbursement to the conservancies is based on milestones agreed with the conservancy	Minor. NRT has a strong oversight on funds transferred directly to conservancies. The use of a Project Implementation Committee whose membership includes NRT allows for oversight.	NRT is building the capacity of conservancies to ensure that they are able to utilise funds for intended purposes; achieve value for money; and/or are properly accounted for.
The inability of conservancies overseeing the procurement of infrastructure	Possible	Major	NRT has a robust procurement policy that will be applied in the procurement of infrastructure. NRT supporting community conservancies develop and adopt operational policies including procurement under capacity development initiative.	Medium. This risk can be mitigated, and procured infrastructure guided by the NRT's procurement policy. Community conservancy representatives are involved throughout the process for transparency reasons	Conservancies are at different stages of institutional growth. Continued assessment of capacity gaps is conducted and deliberate actions to strengthen these are implemented.

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
There has from time to time been negative publicity on NRT's activities, including allegations of violations of human rights and the right to land. NRT mitigates this by cooperating closely with the local communities, ensuring community engagement, peace building as well as an increased focus on human rights due diligence. The Embassy is closely following NRT's implementation of its human rights policy and	Possible	Medium	Proactive engagement with stakeholders to provide accurate information. Detailed implementation of inclusive management and Human Rights policies and adoption of conflict sensitive approaches.	This residual risk of negative public perception of NRT and Community Conservancies is minor, as negative commentary will be balanced by factual communications and stakeholders proactively informed.	Viewed in isolation this could create the perception that the public sentiment regarding NRT and Community Conservancies.

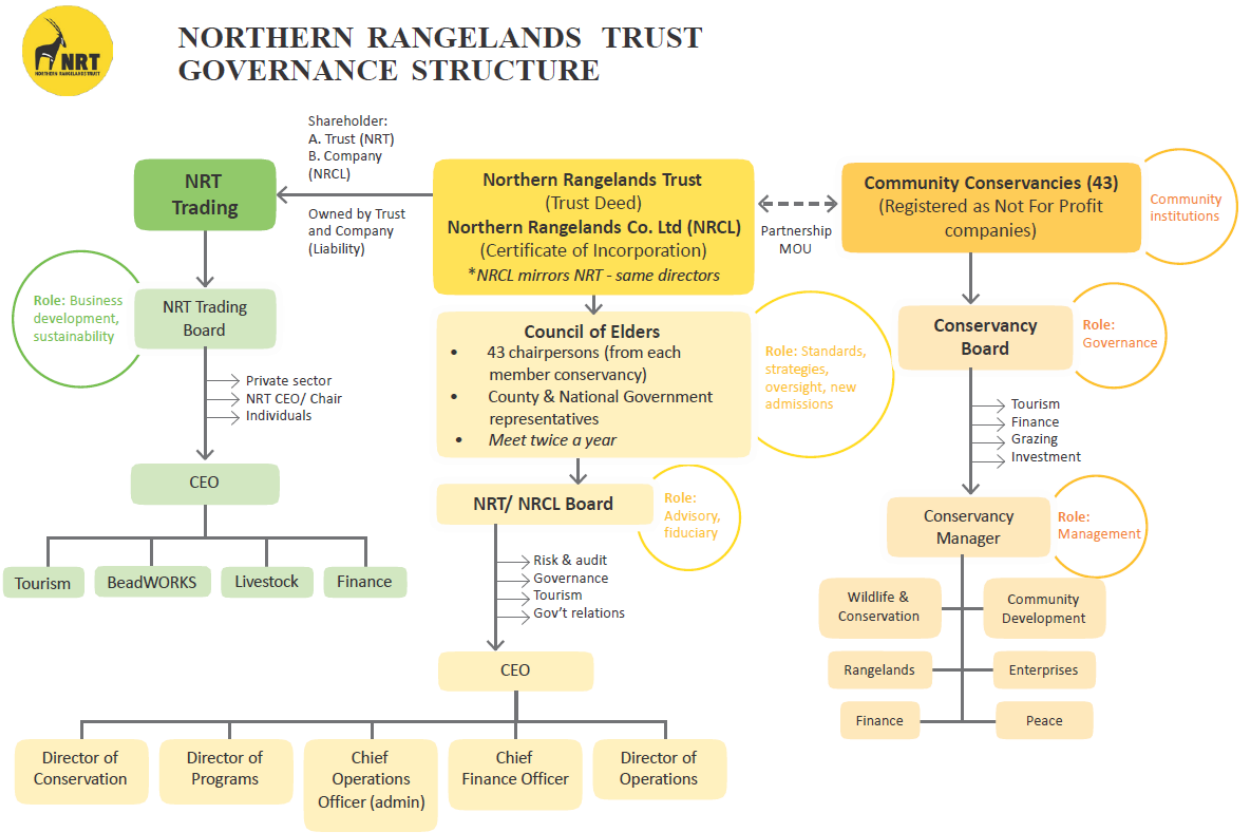
recommendations from the donor-initiated Due Diligence report. In autumn 2023, the Embassy will undertake a technical review of DANIDAs support to NRT, which will include a focus on human rights due diligence.					
Funding success creates jealousy, push-back from GoK, CGs, NGOs	Unlikely	Minor, unless funding stops	Strong communication about NRT's role and approach. High level of engagement and integration with County government and CIDPs.		NRT's higher profile puts it more in the spotlight, jealousy raises questions of NRT's dominance of public/government space and roles due to broad success and high levels of community support

Annex 5: Process Action Plan (PAP)

Dates	Activity	Document	Responsible
31st May 2023	Deadline for submission of draft documents to ELK	Project Document	Nancy/Mette/Trine
31st May 2023	Preparation of draft ToRs for Appraisal	ToRs	Mette/Nancy/ELK
27th June 2023	Presentation and discussion at the Programme Committee meeting	Programme document	ELK/Ole/Trine/Mette
25th June – Aug 2023	In-depth Review of NRT support	In-depth review report	Nancy, Elizabeth, Charlotte, Mette/Trine
28th June 2023	Incorporation of comments from programme committee		Nancy/Mette/Trine
10th June – 30th June 2023	Tendering for and contracting of appraisal consultants	Appraisal Team Contract	ELK
10th July – 31st Aug 2023	Desk/Field Appraisal	Appraisal Team	ELK/ Nancy/Mette/Charlotte/Trine
3rd Aug 2023	Deadline for confirming agenda item for council for development policy		Nancy
7th Aug 2023	Draft Appraisal report shared with the Embassy/ELK	Draft Appraisal report	ELK/Nancy/Mette/Trine
18th Aug 2023	Embassy submits comments on Appraisal report	Comments on Appraisal report	Nancy/ Mette/Trine
25th Aug 2023 (2 month prior to Minister's approval)	Final appraisal report	Final appraisal report	ELK, Appraisal Team
18th Aug - 27th Sept 2023	Review the Programme Document based on Appraisal comments	Final Project document	NRT/RDE
31st August 2023	All documentation are sent to ELK	Appropriation cover note, Final Project Document, including annexes Quality Assurance Checklist (Annex 9)	Ole and Trine
14th- Sept 2023 (1 month prior to Minister's approval)	Embassy presents the grant for approval by the Council for Development Policy	Grant documents	Ole, Trine

16-23rd October	The Minister approves the programme		ELQ submits the proposed programme together with the minutes of meeting
Beginning November 2022	Presentation to the Parliamentary Finance Committee (Aktstykke)		Charlotte /Mette/Trine – as in Danish
After the minister's approval	ELK facilitates that grant proposals are published on DANIDA Transparency		ELK
10th Nov 2023	Signing of Programme Agreement with NRT	Bilateral Agreement	Ole/Trine/NRT
15th Nov 2023	Register commitment(s) in MFA's financial systems within the planned quarter		Charlotte/Nancy

Annex 6: Management Structure



Annex 7: Plan for Communication of Results

Stakeholders need to be constantly aware of the purpose of the programme, its status and performance at any given time, and the roles and responsibilities of all involved related to the Programme. Below is the communication plan showing essential information all parties need to have.

What? (The message)	**When?** (The timing)	**How?** (The mechanism)	**Audience(s)**	**Responsible**
What is/are the key messages that we would like to communicate?	When do we want to communicate these messages?	How will we make sure that the key messages are clearly communicated and understood as we want them to be understood?	Who is the primary (and secondary) audience targeted by through these communication activities?	Who will be responsible for making sure that identified activities are carried out?
Internal Audience				
Programme status and updates	Fortnightly	A brief meeting/notes	Programme team members	Programme managers
Performance Review with vendors	Monthly	Virtually via video conference	Vendor/contractors	Programme manager and vendors
Programme high level report	Weekly	Email	Executive leadership/Board	Programme Managers and Senior Staff
To build capacity of the Community Conservancies for sustainability.	Monthly/ Weekly	Email Update reports Newsletters	Community Conservancies	Programme Managers
External Audience				
Achievements and impact of the project to the public including global public (Denmark and others)	Quarterly/ monthly	Press Releases Media Interviews Media field visits Social Media Website Media Events	Media	DANIDA and NRT Communications Team
Supportive government policies/ laws that ensure sustainability/ resilience of community conservancies.	Quarterly/ monthly	Meetings/ events Newsletter Social Media Website Reports	National/ County Government	Programme Managers/ Communications Team
Enhance donor visibility on the project	Quarterly/ monthly	Profile donor visibility and publicity.	Danida/ Development Partners	Programme Managers
Educate/ create awareness about the project and the need to protect biodiversity	Monthly	Social Media Website Media articles Brochures	General Public	Programme Managers

Annex 8: Beneficiary Identification Matrix

Any NRT member community conservancy is open to participating and has an equal opportunity to benefit from this proejct. The NRT recognizes the need for community development initiatives in conservancies that help build peace, develop livelihoods, improve access to education, health, and water, manage wildlife, improve rangelands, forests, and water bodies, and empower local communities to prioritize. NRT is cognizant of the importance of working closely with both the County and National Governments

The following selection criteria will guide identifying beneficiary conservancies and projects

Water

Conservancy Management and Development Plans

Conservancy Management and Development Plan (CMDP) highlight the great needs of the conservancy. The project will focus on the high priority needs as per the CMDP and look at the needs/intervention possibilities to ease the stress that relates to the water needs. Where a conservancy lacks a CMDP, the conservancy community will be engaged via the conservancy board to identify the water needs.

Conservancy Water Resource Management Strategy

In instances where a conservancy has a Water Resource Management Strategy in place, top priority especially for infrastructure development – rehabilitation and/or new infrastructure will be considered as the gaps have already been identified. For those without a CWRMS, the focus for such will be the development of their CWRMS to guide their water development under this grant/sharing with other stakeholders including county governments.

Availability of alternative funding Opportunities

In scenarios where conservancies have other funding opportunities earmarked for water, these will fall down the pecking order of beneficiary conservancies for this investment. Priority focus will be given to conservancies that lack alternative intervention for their water needs. These alternative funding included and not limited to County government funding, other donor funding opportunities with NRT, water project funding from conservancy partners or NRT partners, and Carbon Community Fund allocated to water priorities for conservancies participating in the Northern Kenya Rangeland Carbon Project.

However, consideration will be given to such conservancies or projects that require co-financing for a bigger impact on the conservancy water needs as well as obvious greater needs within the conservancies.

Collaboration with other development partners

Consideration will be given to collaboration with other development partners in the landscape where such collaboration ensures greater impact for water investments in community conservancies. This is especially true for areas where the county governments are lacking, and our concerted efforts will be needed to solve the existing needs.

Emergency Humanitarian

Emergency response to humanitarian needs a key consideration, especially where institutions are involved like health facilities and schools' water interventions. However, these are expected to come up as top priorities in the WRM Strategies.

Clean Energy

1. Solar Powering of Schools and Health Facilities

The criteria on which schools or health facilities to install power will be based on

- Conservancy Management and Development Plan (CMDP) will be used to identify the health and education for energy needs in the conservancies. Where a conservancy lacks a CMDP, the conservancy community will be engaged via the conservancy board to identify the energy needs.
- Consideration will be provided to schools in counties with the lowest level of literacy or access to health.
- Secondary selection will also be guided by
    - where a school is a primary or secondary school,
    - boarding or day school,
    - amenities available in the school that needs power

    - School enrollment numbers
- Health facility selection will also be guided by
    - Catchment area
    - Guidance by county government
    - Distance from the nearest referral health facility

Biogas

There are two levels of beneficiary selection in the NRT biogas project.

First, is the high-level beneficiary conservancy selection. This selection is done at the NRT level. The criteria are based on several factors.

- The conservancy must be suitable for this kind of project. For example, the conservancy must have access to sufficient water as the biogas digesters require sufficient water regularly to make it work.
- The conservancy must have been in good standing with loan repayments. NRT has implemented numerous small loan projects in its member conservancies either in form of cash or asset financing. The repayment of these loans is very critical for the continuity of the project, and it enables the project to reach more target demographic groups.

The second beneficiary selection criterion is for beneficiary conservancies in level one above to select beneficiary households. This selection is done at the conservancy level by the conservancy board and management. The reason for this selection devolution to the conservancy is because the conservancy boards and management understand their communities better and can ensure prolonged longevity of the project by selecting ideal households and making sure all suitable locales are considered.

At this level, the board and management of the conservancy would consider the following requirement for the household to be selected

- The household must be a consumer of firewood, and/or charcoal
- The household must have a good record of loan repayment for the previous project that came through the conservancy.
- The household must have access to sufficient water since the biogas digester is supported by sufficient manure feed mixed with copious amounts of water.
- The household must be willing to pay back into the revolving fund to increase the project's impact on the community.
- A household is a functional unit with up to a maximum of 12 persons. The biogas digester installed can cook for 1-12 persons per day and the unit needs to be fed once a day with manure and water.
- The household distribution must be equitable in the conservancy zones. Essentially all zones must be represented in the beneficiary list unless there are zones that are not ideal for this project either for logistical, geographical, or social reasons.
- Just like the benefit sharing criteria which consider women, youth, and people with disability. The biogas project ensures all these groups are represented in the beneficiary households.
- The household must have a source of manure or feed for the digesters otherwise the digester will not work.