



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY

**COMMITTEE ON AGRICULTURE, TOURISM AND NATURAL
RESOURCES**

**REPORT OF THE 2ND PARLIAMENTARIANS
WORKSHOP ON CLIMATE CHANGE**

**16TH -18TH DECEMBER, 2013
NAIROBI, KENYA**

**Clerk's Chambers
EAC HQ, EALA wing
Third Floor
Arusha, TANZANIA**

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ACRONYMS

<i>AfDB</i>	<i>African Development Bank</i>
<i>AGN</i>	<i>Africa Group of Negotiators</i>
<i>AUC</i>	<i>African Union Commission</i>
<i>AMCEN</i>	<i>African Ministerial Conference on the Environment</i>
<i>CC</i>	<i>Climate Change</i>
<i>CCU</i>	<i>Climate Change Unit- Uganda</i>
<i>CCCU</i>	<i>Climate Change Coordination Unit</i>
<i>CAHOSCC</i>	<i>Committee of African Heads of State and Governments on Climate Change</i>
<i>CDM</i>	<i>Clean Development Management</i>
<i>CER</i>	<i>Certified Emission Reduction</i>
<i>CEO</i>	<i>Chief Executive Officer</i>
<i>COP19</i>	<i>19th Conference of Parties</i>
<i>CMP9</i>	<i>9th Meeting of Parties to the Kyoto Protocol</i>
<i>COMESA</i>	<i>Common Market for East and Southern Africa</i>
<i>DNA</i>	<i>Designated National Authorities</i>
<i>DRR</i>	<i>Disaster Risk Reduction</i>
<i>EAC</i>	<i>East African Community</i>
<i>EALA</i>	<i>East African Legislative Assembly</i>
<i>EACCCF</i>	<i>EAC Climate Change Fund</i>
<i>EACCX</i>	<i>EAC Carbon Credit Exchange</i>
<i>EADB</i>	<i>East African Development Bank</i>
<i>EDPRS</i>	<i>Economic Development and Poverty Reduction Strategy</i>
<i>ETS</i>	<i>Emissions Trading Scheme</i>
<i>FONERWA</i>	<i>Rwanda National Climate and Environment Fund</i>
<i>GCF</i>	<i>Green Climate Fund</i>
<i>GEF</i>	<i>Global Environment Facility</i>
<i>IGEBU</i>	<i>Geographic Institute of Burundi</i>
<i>JI</i>	<i>Joint Implementation</i>
<i>KenGen</i>	<i>Kenya Electricity Generating Company</i>
<i>LDC</i>	<i>Least Developed Countries</i>
<i>LCCF</i>	<i>Least Developed Countries Fund</i>
<i>LPAR</i>	<i>Legal Preparedness Assessment Report</i>
<i>MINRENA</i>	<i>Ministry of Natural Resources</i>
<i>MIE</i>	<i>Multi-lateral Implementing Entity</i>
<i>NAPAs</i>	<i>National Adaptation Programmes for Action</i>
<i>NIE</i>	<i>National Implementing Entity</i>
<i>NCCSAP</i>	<i>National Climate Change Strategy and Action Plan</i>
<i>ODA</i>	<i>Overseas Development Aid</i>
<i>PREPARED</i>	<i>Planning for Resilience through Policy, Adaptation, Research and Economic Development in Eastern Africa Project</i>
<i>PDD</i>	<i>Project Development Document</i>
<i>RDB</i>	<i>Rwanda Development Board</i>
<i>REMA</i>	<i>Rwanda Environment Management Authority</i>
<i>RCC</i>	<i>Regional Collaboration Centre on CDM</i>
<i>REC</i>	<i>Regional Economic Community</i>
<i>RIE</i>	<i>Regional Implementing Entities (RIEs)</i>
<i>SADC</i>	<i>Southern Africa Development Community</i>
<i>SCCF</i>	<i>Special Climate Change Fund</i>
<i>UNFCCC</i>	<i>United Nations Framework Convention on Climate Change</i>
<i>USAID/EA</i>	<i>United States Agency for International Development East Africa</i>

1.0. INTRODUCTION

1.1. Background

Climate change is defined as the change in the state of the natural environment which persists for an extended period, typically for decades or centuries. The effects of climate change particularly climatic disasters of floods and droughts have serious and significant impacts on communities, ecosystems and economies with negative impact on sustainable development in developing countries and least developed countries are most vulnerable to climate change.

As representatives of the citizens of the East African Region, the Members of East African Legislative Assembly showed concern on this regional threat and searched for understanding it better with a view to contributing to finding a lasting solution, which can come, in the future as a law on Climate Change. As a result, the East African Legislative Assembly Committee on Agriculture, Tourism and Natural Resources followed very specialized workshops based on Climate Change issues where technical presentations and exchanges of experiences between focal points from the East African Region took place. The first workshop came out with a Resolution which has been adopted by the Assembly in January 2013. The 2nd Climate Change Workshop for Parliamentarians was held from **16th-18th December 2013 in Nairobi Kenya**, to evaluate the level attained in the implementation of the said resolution.

1.2 Objectives of the Workshop

The overall objective of the Workshop was to deliberate on the implementation status of the EALA Resolution on Climate Change and to consider and deliberate on the following:

- (i) *the existing Climate Change Legal and Institutional Frameworks in the EAC Partner States;*
- (ii) *the implementation status of the EALA Climate Change Report and Resolution;*
- (iii) *the outcome of the 19th Conference of Parties (COP19) to the United Nations Framework Convention on Climate Change (UNFCCC), also serving as the 9th Meeting of Parties to the Kyoto Protocol (CMP9) held from 11th-22nd November 2013 in Warsaw, Poland;*
- (iv) *the climate change financing options for the region; and*
- (v) *the best practices in climate change adaptation and mitigation projects in the energy sector with a focus on the Olkaria Geothermal Power Project (1st and largest Geothermal Power Station in Africa).*

1.3 Participation

The Meeting was attended by Honourable Members of the Committee on Agriculture, Tourism and Natural Resources of the 3rd East African Legislative Assembly (EALA), Hon. Jessica Eriyo, Deputy Secretary of the East African Community, Productive and Social Sectors, representatives from the EAC Partner States National Parliaments and National Focal Points on Climate Change. Experts on Climate Change from COMESA Secretariat as well as staff members of the EAC Secretariat and the East African

Legislative Assembly also participated to the workshop.

The List of Participants is hereto attached as **Annex I**.

1.4 Opening Remarks

In the remarks by the Committee Chairperson, it was noted that climate change is a major challenge to sustainable development with adverse impacts. Emphasis was on the need to focus on concrete solutions to ensure mainstreaming of climate change in development planning. The Assembly's commitment on climate change through the Committee on Agriculture, Tourism and Natural Resources was also pointed out, noting that the 1st Session of the 4th Meeting of the East African Legislative Assembly (EALA) held from 21st January to 1st February, 2013 in Bujumbura, Burundi adopted the *Climate Change Workshop Report and the EALA Resolution on Climate Change*. Participants were equally informed that the Committee provided support on the draft on EAC Disaster Risk Reduction and Management Bill 2013 that was introduced as a Private Member's Bill and has since been taken by Council.

The remarks ended with appreciation of the ongoing collaboration between the EAC Secretariat and the East African Legislative Assembly and congratulations to Hon. Jesca Eriyo, the Deputy Secretary General for her dedicated support and appreciation to the EAC Secretariat and the Development Partner USAID for supporting the workshop.

Hon. Jesca Eriyo, EAC Deputy Secretary General for Productive and Social Sectors, welcomed the Honourable Members of EALA to the Workshop and thanked them for finding time to deliberate on climate change issues during the early days of the 3rd Assembly. She highlighted recent EAC's achievements noting that the 27th Meeting of the Council of Ministers held on 31st August 2013 approved amongst others the following key climate change strategic documents:

- (i) consolidated Proposals for Human Resource Capacity Enhancement for the Department of Environment and Natural Resources (*EAC/CM 27/Decision 24*) that includes a the Technical Proposal for the Establishment of the EAC Climate Change Coordination Function
- (ii) the EAC Climate Change Strategy and EAC Climate Change Master Plan (*EAC/CM 27/Decision 26*);
- (iii) Operational Modalities for the EAC Climate Change Fund (*EAC/CM 27/Decision 28*);
- (iv) EAC Disaster Risk Reduction and Management Strategy (*EAC/CM 27/Decision 28*);

She further noted that the Climate Change documents are in accordance with the EAC Climate Change Policy that was approved by the 9th Extra Ordinary Meeting of the EAC Heads of State Summit on 19th April 2011 in Dar es Salaam, Tanzania.

She also informed the Committee that EAC participated for the very first time as an accredited organization at the 19th Conference of Parties (COP19) to the United Nations Framework Convention on Climate Change held from 11-22 November 2013 in Warsaw, Poland based on the earlier recommendations of EALA. EAC also co-hosted a joint COMESA-EAC-SADC side event at the margins of COP19/CMP on 20th November 2013

in Warsaw, Poland. The theme of the side event was “*Enhancing Climate Smart Innovations in Eastern and Southern Africa: Sharing Key Successes and Partnerships for Climate Change Adaptation in Eastern and Southern Africa*”. She concluded by thanking the Hon. Members for finding time to attend to the Meeting and their continuous support on sectoral issues.

2.0 METHODOLOGY

The workshop was conducted in an interactive approach and technical presentations were made by experts from EAC Partner States and EAC Secretariat. The facilitation was made by COMESA Secretariat, PREPARED Project and Kenya Electricity Generating Company. A field visit was also used as a methodology to allow participants explore best practices in climate change adaptation and mitigation projects in the renewable energy sub-sector.

3.0 FINDINGS OF THE WORKSHOP AND THE FIELD VISIT

The Session of technical presentations was based on the status of climate change policy, legal and institutional frameworks in EAC region; it also considered the status of implementation of the East African Legislative Assembly Report of the Workshop on Climate Change held in Mwanza in November 2012 and the Resolution of the Assembly on Climate Change.

3.1. Status of EAC Climate Change Policy, Legal and Institutional Framework

An overview of the EAC Climate Change Policy priorities with a focus on financial and institutional arrangements with regards to implementation of the Policy was presented to Members. It was pointed out that the Policy also elaborates on regional adaptation, mitigation, research and development as well as cross cutting issues with regards to climate change. The presentation highlighted the following:

- (i) need for establishment of a clearly defined regional coordination and management structure to address regional coordination efforts;
- (ii) information on the Policy which further states that the establishment of an appropriate regional implementation structure will be guided by the Protocol for Environment and Natural Resources Management and the proposal for the establishment of an EAC Climate Change Function;
- (iii) information on the Policy which recognizes the Sectoral Council on Environment and Natural Resources as the highest decision making body on all matters regarding climate change as per the EAC Treaty;
- (iv) proposed regional institutional arrangements mandated to oversee the effective implementation of the EAC Climate Change Policy through the EAC Climate Change Strategy, Master Plan and the EAC Climate Change Fund. The coordinating institution shall be vested, inter alia, with the specific mandate to design climate change policies, strategies and plans; designing relevant projects; promoting the introduction of climate change in education curriculum; and building the capacity of research institutions involved in climate change-related issues;

3.2 Status of the EALA Report on Climate Change and Resolution on Climate Change

The status of the EALA Report on Climate Change and an Assembly Resolution on Climate Change was presented to participants. It was reminded that the 1st Session of the 4th Meeting of the East African Legislative Assembly (EALA) held from 21st January to 1st February in Bujumbura, Burundi, considered and adopted amongst others, a Report and a Resolution of the Assembly on Climate Change. The Report observes the need to fast track the operationalization of the EAC Climate Change Fund established by the Council of Ministers in 2010 through putting in place necessary legal instruments and recommended the following amongst others:

- (i) need for the Council of Ministers to introduce a Bill aimed at operationalizing the EAC Climate Change Fund and providing a legal framework for the EAC Climate Change Policy;
- (ii) need to capitalize the EAC Climate Change Fund to support regional climate change negotiation strategies and effectively implement regional programmes, policies and strategies;
- (iii) need to build synergy with other Regional Economic Communities (RECs) and the African Union Commission (AUC through the African Ministerial Conference on the Environment (AMCEN)) towards consolidating a common position for Africa on climate change.

3.3. Status of Climate Change Policy, Legal and Institutional Framework in the EAC Partner States.

Climate Change Experts from Partner States made presentations on the status of the Climate Change Policy, Legal and Institutional Frameworks in their respective Partner States.

3.3.1. Climate Change Policy and Legal Framework in Burundi

Mrs. Renilde Ndayishimiye, Director General, Geographic Institute of Burundi (*IGEBU*), gave an overview of the Burundi National Climate Change Policy and Comprehensive National Climate Change Strategy and Action Plan (NCCSAP) as well as the existing and proposed climate change institutional framework and budget of the Action Plan. She highlighted the following :

- (i) Burundi has submitted the 1st and 2nd National Communications on Climate Change (NAPA), the 3rd National Communication is under preparation,
- (ii) National Platform on Disaster Risk Reduction;
- (iii) Adaptation and Disaster Risk Reduction Strategy (DRR)
- (iv) National Strategy on Biodiversity
- (v) Policy and Strategy on Water Resources
- (vi) Sector group on Environment , Water and Sanitation

3.3.2. Climate Change Legal and Institutional Frameworks in Rwanda

Mr. Fred Daniel Nzasabimana, Environment Expert, Ministry of East African Community, Rwanda gave an overview of the National Environment and National Development Policies promoting environmental management and climate change adaptation and mitigation; institutional arrangements and ongoing projects and programmes. He highlighted the following:

- (i) The Rwanda Constitution 2003, the Environment Policy and Environment Law; Economic Development and Poverty Reduction Strategy (EDPRS II); National Green Growth and Climate Resilience Strategy and the Five years Government Climate Change Strategic Plan
- (ii) Climate Change Institutional Framework in Rwanda comprises of the Ministry of Natural Resources (MINRENA), the Rwanda Environment Management Authority (REMA), ; Rwanda Development Board (RDB) and the National Climate and Environment Fund (FONERWA). A Department in Charge of Climate Change & International Obligations has also been established under REMA.
- (iii) *Organic Law N° 04/2005 of 08/04/2005 determining the modalities of protection, conservation and promotion of environment in Rwanda.*
- (iv) *Ministerial Order preventing activities that pollute the atmosphere, 2008;*
- (v) *Ministerial Order determining the list of chemicals and other prohibited pollutants, 2008;*
- (vi) *Ministerial Order on the establishment of the National Man and Biosphere Committee, 2010*
- (vii) *Law determining the organization, functioning and mission of the National Fund for Environment (FONERWA), 2012;*

3.3.3. Climate Change Legal & Institutional Frameworks in Kenya

Ms. Fatuma Mohamed Hussein, Ag. Director, Ministry of Environment, Water & Natural Resources, Kenya highlighted the following:

- (i) Kenya Constitution 2010;
- (ii) Kenya National Climate Response Strategy (NCCRS);
- (iii) National Climate Change Action Plan (NCCAP 2013-2017);
- (iv) Kenya has undertaken an assessment of existing policies, laws and institutional frameworks through the Legal Preparedness Assessment Report (LPAR). LPAR identified gaps, barriers and opportunities for effective climate change -provides the analytical basis for strengthened and reformed to support climate response
- (v) there are over 90 relevant laws –fragmented & gaps in the existing climate change related institutions and policy frameworks;
- (vi) Ministry of Environment, Water & Natural Resources (MEW&NR); National Climate Change Secretariat at MEW&NR; Climate Change Desk Offices/Units in several ministries/institutions; National Climate Change Activities Coordination Committee (NCCACC);

- (vii) Proposes the establishment of a high level National Climate Change Council (at the Office of the Presidency) for policy coordination, direction, oversight and guidance across all levels of government;
- (viii) Proposes the establishment of a Kenya Climate Change Fund in the Ministry of Finance to facilitate implementation of the Action Plan; and
- (ix) Kenya is also in the process of preparing a coherent stand alone climate change policy, climate change law and undertaking institutional reforms.

3.3.4. Climate Change Legal & Institutional Frameworks in Uganda

Mr. James Magezi-Akiiki, Assistant Commissioner of Meteorology-Ministry of Water and Environment, Uganda submitted a copy of Uganda's presentation in absentia. The presentation highlighted the following key issues:

- (i) Climate Change Coordination Unit has been established at the Ministry of Water and Environment;
- (ii) the functions and mandate of the Climate Change Unit include: acting as the National Focal Point on Climate Change, to the United Nations framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol; co-ordinate climate change stakeholder involvement in different sectoral actions; acting as the Secretariat to the Designated National Authority (DNA) for Clean Development Mechanism (CDM) projects; ensuring Uganda's effective participation in the climate change negotiations at National, Regional and International levels; monitoring the implementation of adaptation and mitigation activities, advising the Government on climate change matters, raising awareness and communication amongst the citizenry and reporting to the UNFCCC;
- (iii) other Directorates include: Directorate of Water Resources Management, Directorate of Water Development, Directorate of Environmental Affairs;
- (iv) National Climate Change Policy aimed to ensure a harmonised and coordinated approach towards a climate resilient and low carbon development path for sustainable development in Uganda is in place;
- (v) a draft National Climate Change Implementation Strategy costed strategy is meant to complement the National Climate Change Policy and offers a way forward towards its operationalisation;
- (vi) the need for development of a National Climate Change Communication Strategy to raise further awareness has been prioritized; and
- (vii) National Climate Change Monitoring & Evaluation Framework is in place to assist effective and efficient implementation of the Policy and Strategy.

Experts from the United Republic of Tanzania were unable to attend the Workshop. However, the Secretariat reported that the Tanzania's National Climate Change Strategy was developed in 2012.

Specific Observations from the presentations by representatives of Partner States

- (i) the National process has greatly been influenced by the EAC Climate Change Policy;
- (ii) EAC Partner States have made significant progress toward the adoption of and implementation of National Climate Change Policy and Strategies and Action Plans and institutionalization of climate change;
- (iii) National climate change institutional structures have been established under ministries responsible for environment and natural resources;
- (iv) there are a number of existing projects and programmes currently under implementation and hence the need for integration & harmonization for regional replication and broader impact;
- (v) legal and regulatory instruments to support the effective implementation of policies still remain as a one of the major challenges at the national and regional level;
- (vi) There is enabling policy, legal and institutional framework at EAC and Partner States to support implementation of CC initiatives (in line with national constitutions, planning documents, EAC Treaty, ENR. Policy etc);
- (vii) Implementation challenges include: resource constraints (finance, technology, institutional-human resources, regulation), donor dependence, weak public awareness and communication;
- (viii) Absence of early warning mechanism;
- (ix) need for existing political will to be translated into political action and reporting to the EAC Heads of State Summit on the status of implementation of the EAC Heads of State Declaration on Food Security and Climate Change of 2010; and
- (x) Lack of adaptation to climate change.

3.3.4. Outcome of the 19th Conference of Parties to the United Nations Framework Convention on Climate Change

Dr. George Wamukoya, Climate Change Advisor in COMESA presented on the outcome of the 19th Conference of Parties to the United Nations Framework Convention on Climate Change also serving as the 9th Meeting of Parties to the Kyoto Protocol (COP19/CMP9) was held from 11th-22nd November 2013 in Warsaw, Poland. The overall objective of COP19/CMP9 is to review the progress made in the implementation of the decisions of COP18/CMP8 (Doha Gateway) which was held from 26th November to 7th December 2012 in Qatar, Doha. He highlighted the quest for a new international climate change regime- outcome of various COP. He singled out the need for EAC to follow on key issues of regional interest in the ongoing negotiations highlighting the following:

- (i) the need for EAC Partner States to strategically engage with the international community to address the challenge posed by climate change including key decisions of COP19 including the Warsaw International Mechanism for Loss and Damage ;
- (ii) issues related to work streams I and II of the Ad hoc Working Group on the Durban Platform for Enhanced Action (ADP). The ADP's mandate is to "develop a *protocol, another legal instrument or an agreed outcome with legal*

- force under the Convention applicable to all Parties, which is to be completed no later than 2015 for it to be adopted at the COP21 and for it to come into effect and be implemented from 2020.”;*
- (iii) definition of common interests specific to the EAC region to inform the common African position through: *the African Group of Negotiators (AGN); African Ministerial Conference on the Environment (AMCEN), and the Committee of African Heads of State and Governments on Climate Change (CAHOSCC)* and other negotiating blocs;
 - (iv) the need for EALA to galvanize political will to support the negotiations and to ensure that that EAC’s interests within the broader African interests are reflected in the final outcome; and
 - (v) need for EAC to make its contribution and early preparations for the Ministerial Dialogue on ADP to be held in May, 2014 in Bonn, Germany and the Climate Summit scheduled for 23rd September 2014 in New York, USA amongst other international policy meetings;
 - (vi) EAC position on the Warsaw International Mechanism for Loss and Damage;

3.3.5 Consideration of Climate Change Financing and Clean Development Mechanisms

The Session featured two key presentations on the International Climate Change Financing Mechanisms, and Clean Development Mechanism (CDM).

3.3.5.1 International Climate Change Financing Mechanisms

Mrs. Emily Ojoo-Massawa, Climate Change Adaptation Technical Advisor for the Planning for Resilience through Policy, Adaptation, Research and Economic Development in Eastern Africa (PREPARED) Project presented an overview of the international climate change financing mechanisms. The presentation focused on the following amongst others:

- (i) provisions on financial mechanism under Article 11 of the UN Framework Convention on Climate Change that established a financial mechanism to provide financial resources on grant or concessional basis under the guidance of the Conference of Parties;
- (ii) operation of the financial mechanism is entrusted to one or more existing international entities. Currently, the operation of the financial mechanism is partly entrusted to the Global Environment Facility (GEF);
- (iii) the developed country Parties may also provide and developing country Parties avail themselves of, financial resources related to the implementation of the Convention through bilateral, regional and other multilateral channels;
- (iv) modalities for accessing climate change funding through National Implementing Entities (NIEs), Regional Implementing Entities (RIEs) and Multi-lateral Implementing Entities (MIEs);
- (v) direct access opens a new opportunity for developing countries, since they will be able to access the AF financing and implement projects through national and regional legal entities that attain accreditation;

- (vi) the accreditation requirements include: *Financial Integrity and Management; Institutional Capacity; Project and Programme Management Capacity; Transparency and Self-investigative Powers*

Key Climate Change Funds established under the UNFCCC

- (i) the Special Climate Change Fund (SCCF) - to finance projects relating to adaptation and technology transfer amongst others;
- (ii) the Least Developed Countries Fund (LCCF)- the work programme to assist Least Developed Country Parties (LDCs)-the preparation and implementation of National Adaptation Programmes of Action (NAPAs);
- (iii) the Adaptation Fund (AF)- established to finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change. It is financed from the share of proceeds on the Clean Development Mechanism project activities and other sources of funding [amounts to 2% of certified emission reductions (CERs) issued for a CDM project activity];
- (iv) the Green Climate Fund (GCF)- established in 2010 at the 16th Conference of Parties and designated as the operating entity of the financial mechanism of the Convention, in accordance with Article 11 of the Convention at the 17th Conference of Parties in 2011;

3.3.5.2. Clean Development Mechanisms: Case Study of the Kenya Electricity Generating Company Ltd (KenGen)

Dr. Pacifica F. Achieng Ogola, Chief Officer, Clean Development Mechanisms at Kenya Electricity Generating Company (KenGen) presented on “*KenGen Clean Development Mechanism (CDM) Projects Experience and Future Plans*”. Her presentation focused on KenGen carbon assets and plans, existing and potential benefits accruing from CDM project, challenges and lessons learnt. The presentation highlighted the following:

Existing CDM Challenges

- (i) delay in project registration as result of the long validation process and updating of the Project Development Document (PDD);
- (ii) delay in project construction due to finance and rigorous procurement requirements;
- (iii) demonstration of additionality requirement by proof whether a project would have occurred without CDM;
- (iv) high transaction and project registration fees; and
- (v) market risks such as no guarantee of Certified Emission Reductions (CER) sales in European Union-Emissions Trading Scheme (EU-ETS) from a non-LDC country project.

Key CDM Eligibility Requirements for Participating Countries

- (i) ratification of the Kyoto Protocol
- (ii) establishment of Designated National Authorities (DNA) charged with approval of CDM projects in host countries;

- (iii) project must demonstrate additionality (ability to reduce emissions to what would have occurred under business-as usual scenario);
- (iv) Projects must assist the host country to achieve its national sustainable development goals;
- (v) CDM project should not result in diversion of Overseas Development Assistance (ODA) i.e ODA should not be used for project financing and purchase of CER, however, ODA can be used for CDM-related capacity building;

CDM Governance Framework

- (i) CDM shall be subject to the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/CMP) and be supervised by the CDM Executive Board. The CDM Executive Board consists of 10 members and 10 alternates as follows: 2 representatives each from Annex I and non-Annex I, 1 representative each from each UN region and Small Island Developing States (SIDS).;
- (ii) Emission reductions resulting from each project activity shall be certified by Operational Entities to be designated by the Conference of the Parties serving as the meeting of the Parties to Kyoto Protocol, on the basis of: *real voluntary participation approved by each Party involved; , measurable, and long-term benefits related to the mitigation of climate change; and Reductions in emissions that are additional to any that would occur in the absence of the certified project activity (business as usual scenario).*

Key Observations

- (i) the Clean Development Mechanism (CDM) is one of the three flexible mechanisms established under Article 12 of the Kyoto Protocol aimed at mitigating climate change by reducing global emissions of green house gases;
- (ii) CDM is a unique arrangement involving trading in emissions between developed and developing countries. The other two mechanisms established under the Kyoto Protocol: the Joint Implementation (JI) applies in transitional economies mainly covering the former Soviet Union and Eastern Europe; and Emissions Trading (ET) only allows trading of emissions between developing countries parties only;
- (iii) CDM has the dual purpose of assisting Parties not included in Annex I (developing countries) in achieving sustainable development in contributing to the ultimate objective of the Convention (reducing greenhouse emissions), and to assist Parties included in Annex I (developed countries) in achieving compliance with their quantified emission limitation and reduction commitment;
- (iv) Developing countries are therefore expected to benefit from project activities resulting in certified emission reductions (CER); while developed countries may use the CERs accruing from such CDM project activities to contribute to their compliance commitments;

Regional distribution of CDM projects in Africa according to UNEP RISO data indicates that Africa has a total of 258 projects of which 120 are in South Africa. East African countries have very few CDM projects (Kenya- 29, Uganda-18, Tanzania-6, Rwanda - has Currently 22 CDM projects in pipeline, among them:5 are registered,

10 are under validation and 7 are still at documentation level;

Burundi, 1 is registered, 2 are under validation and more than 15 are waiting for non objection.)

- (v) non-LDCs will not be eligible to sell carbon credits in the EU Markets in the 2nd Commitment Period that commenced from 2013 and runs upto 2020 despite the emergence of new carbon markets e.g. bilateral offsets and domestic emission trading schemes;
- (vi) ability to generate more revenue from the carbon markets, will depend on access to green energy financing;
- (vii) CDM institutional capacity enhancement are key in demonstrating the sustainability of the CDM projects;
- (viii) Need for experience and lesson sharing such as KenGen's benchmarking with geothermal carbon credit projects in Indonesia and seeking alternative post 2012- CER buyers such as Norwegian, Swedish and UK government buyers.

3.4. Field visit to KENGEN's OLKARIA II Geothermal Power Station

The field visit was facilitated by Kenya Electricity Generating Company Ltd (KenGen) with an aim of exploring best practices in climate change adaptation and mitigation projects in the energy sector. The Kenya Electricity Generating Co. Ltd (KenGen) is a public limited company with 70% and 30% shareholding owned by the public and private sectors respectively. KenGen has a total of national installed capacity of 1239 MW and 1721 MW (incl. IPPs and EPP). KenGen's CDM's project development was initiated in 2006 with potential 6 CDM projects under the World Bank Community Development Carbon Fund (CDCF), where only 3 projects qualified. The CDM Section was established in 2008 to provide technical support to KenGen's CDM project portfolio.

Olkaria Geothermal Project is the 1st and largest Geothermal Power Station in Africa under the management of Kenya Electricity Generating Company (KenGen). Olakaria is partly located in Hellsgate National Park in Naivasha managed by Kenya Wildlife Service.

4.0 GENERAL OBSERVATIONS

The Committee on Agriculture, Tourism and Natural Resources made the following general observations:

- (i) There is an enabling policy framework at EAC and Partner States level to support implementation of climate change initiatives that includes National Constitutions, the Treaty for the Establishment of the East African Community, National Development and Strategic Plans, National Visions, National Environment Policies, Climate Change Policy, Strategy, Master Plan, and Operational Modalities for the EAC Climate Change Fund ;
- (ii) The implementation of climate change initiatives in the region is faced by a number of challenges including limited financial, institutional, technical resources such as: human resources capacities; lack of legal regimes for

- enforcement), donor dependence, weak public awareness and communication;
- (iii) Need to mobilize the participation of private sector in climate change mitigation solutions;
 - (iv) there are a number of existing projects and programmes currently under implementation in the region;
 - (v) EAC has developed a Concept Note for Establishing an EAC Carbon Credit Exchange Mechanism to facilitate the region to benefit from the international carbon trading mechanisms.
 - (vi) it was observed that the report and resolution on climate change was not sent to Partner States as it is stipulated in art. 65 of the Treaty for the establishment of the East African Community.

5.0. COMMITTEE RECOMMENDATIONS

The Committee of Agriculture, Tourism and Natural Resources made the following recommendations based on the technical presentations, field visit and general observations and discussions:

1. urged the EAC Council of Ministers to translate the existing political will into political action at the regional level through implementation of the EAC Climate Change Policy by introducing a Regional Climate Change Bill and reporting to the Heads of State on the status of the EAC Heads of State Declaration on Climate Change and Food Security;
2. urged the EAC Secretariat to initiate a draft EAC Climate Change Bill to give legal effect to the EAC Climate Change Policy through: *(a) establishing a Regional Institutional Structure to coordinate Climate Change initiatives; (b) legally establishing and operationalizing the EAC Climate Change Fund; and (c) establishing an EAC Carbon Credit Exchange Mechanism;*
3. urged the EAC Partner States to jointly engage on the ongoing climate change negotiations as part of the collective international effort to come up with a new climate change regime in 2015 under the Ad hoc Working Group on Durban Platform for Enhanced Action to take effect by 2020;
4. urged the EAC Secretariat to ensure that the next round of the Secretary General CEOs Forum to focus on the role of Private Sector in Climate Change Mitigation as a theme;
5. urged EAC Secretariat to ensure , harmonization, replication and up-scaling of multiple climate change projects and programmes currently under implementation in the region, for wider regional impact;
6. urged the EAC Secretariat to take advantage of EAC's accreditation status as an Observer to the UNFCCC as a basis for seeking further accreditation as a Regional Implementing Entity (RIE) to position itself to access international climate change financing available through multilateral and bilateral sources including the United Nations Framework on Climate Change (UNFCCC);
7. urged the EAC Secretariat to promote Clean Development Management (CDM) capacity enhancement through collaboration with regional and continental institutions such as the African Green Fund (AfDB) and the Collaboration with Regional CDM Collaboration Centre hosted by East

- African Development Bank (EADB) to amongst others: (a) strengthen monitoring, reporting and verification (MRV) of registered CDM projects; (b) review of on-going CDM modalities and procedure; developing greenhouse gas inventories; and (c) develop and design CDM projects as well as developing regional CDM project guidelines and supporting the establishment of the EAC Carbon Credit Exchange Mechanism to facilitate the region to benefit from the international carbon trading mechanism;
8. urged Office of the Clerk to submit the Report of the 1st Parliamentarian's Workshop on Climate Change and the EALA Climate Change Resolution to the EAC Secretariat for onward submission to Partner States;
 9. recommends to this august House to adopt this report with its recommendations.

6.0. ACKNOWLEDGEMENTS

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Hon. Jesca Eriyo, EAC Deputy Secretary General for Productive and Social Sectors; Mrs. Renilde Ndayishimiye, Director General, Geographic Institute of Burundi (IGEBU); Mr. Fred Daniel Nzasabimana, Environment Expert, Ministry of East African Community, Rwanda; Ms. Fatuma Mohamed Hussein, Ag. Director, Ministry of Environment, Water & Natural Resources, Kenya; Mr. James Magezi-Akiiki, Assistant Commissioner of Meteorology-Ministry of Water and Environment, Uganda; Dr. Pacifica F. Achieng Ogola, Chief Officer, Clean Development Mechanisms at Kenya Electricity Generating Company (KenGen); Dr. George Wamukoya, Climate Change Advisor, COMESA; Mrs. Emily Ojoo-Massawa, Climate Change Adaptation Technical Advisor for the Planning for Resilience through Policy, Adaptation, Research and Economic Development in Eastern Africa (PREPARED) Project. The Committee would also like to appreciate the financial support provided by development partners, specifically the Government of the United States of America through USAID-East Africa.

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