



FACTSHEET

NATURE, PEOPLE AND CLIMATE (NPC) INVESTMENT PLAN FOR KENYA

BACKGROUND

Deploying the power of nature is essential to addressing climate change, with natural ecosystems sequestering around 30% of man-made emissions. Rural peoples' resilience to the effects of climate change can also be strengthened when the vital services that nature provides are maintained and bolstered.

CIF's \$400 million Nature, People, and Climate investment program supports the development of Nature-based Solutions to climate change in low and middle-income countries, ranging from small island states to highly vulnerable sub-Saharan African nations and large Latin American countries. The program funds initiatives that recognize the interdependence among land use, climate change, and the livelihoods of rural communities and Indigenous Peoples.

By bridging the gap between mitigation and adaptation funding, CIF's programmatic approach incentivizes countries to manage these complex relationships and understand the trade-offs between them, contributing to lasting change. It will target additional benefits, such as improved biodiversity and livelihoods.

A unique feature is the programs' Dedicated Grant Mechanism (DGM), a direct financing window for Indigenous Peoples and local communities. With DGM, they are empowered to contribute traditional knowledge to climate solutions, with the autonomy to decide how to allocate funding.

CIF NPC partners with Africa's Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania), Brazil, Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda and Zambia to generate Nature-based Solutions as a contribution to achieving global climate goals.

THE CHALLENGE

Kenya's economy and livelihoods heavily depend on its natural ecosystems, Nature-based tourism alone is estimated to be worth over \$1 billion per annum, accounting for 8.2% of Kenya's total economy. Approximately 35% of Kenya's total wealth is derived from renewable natural capital, such as cropland and pastureland. However, widespread ecosystem degradation—exacerbated by climate change—threatens biodiversity, food security, water availability, and the overall economy. Kenya faces the following key challenges:

- **Ecosystem Degradation:** 89% of Kenya's terrestrial landscape is classified as arid and semi-arid lands, and much of these lands are experiencing widespread degradation. A total of 40% of Kenya's land area, including forests, rangelands, and wetlands, is degraded. Arable land areas are almost fully cultivated, often with poor farming methods, leading to encroachment into sensitive and important ecosystems, and extensive soil loss. Urban demand for charcoal exacerbates this degradation.
- **Climate Change Impacts:** Erratic rainfall, rising temperatures, and frequent droughts, floods and coastal storms disrupt agriculture, water supply, and rural livelihoods. Around 98% of Kenya's agriculture is rainfed and is therefore highly vulnerable to varying rainfall and temperature patterns.
- **Social Vulnerabilities:** Marginalized communities, particularly women and youth, face limited access to resources. Climate change heightens the vulnerability of populations whose livelihoods have already been compromised by diminishing land per capita and land degradation.
- **Human-Wildlife Conflicts:** Encroachment into wildlife habitats exacerbates biodiversity loss and economic pressures.



INVESTMENT PLAN HIGHLIGHTS

To address these challenges, Kenya's **\$35.66 million** NPC Investment Plan, generating \$108 million in expected co-financing, focuses on integrating nature-based solutions in priority landscapes - the **Lake Victoria South and Ewaso Ng'iro North Basins**, with three components.

- 1 | Nature Capital**, to restore and sustainably manage ecological infrastructure providing essential ecosystem services, including:
 - Restoring and protecting forests in water source areas ("Functioning forests")
 - Assessing and allocating water use rights, including environmental flows ("Running rivers")
 - Restoring and protecting riparian and wetland areas ("Working wetlands")
 - Assisting community conservancies to restore and manage rangelands for livestock and wildlife to ensure more diversified and resilient livelihoods ("Resilient rangelands")

- 2 | Nature People**, to promote livelihoods by:

- Promoting regenerative agriculture, sustainable livestock management, and agroforestry to enhance food security, improve soil and water retention, reducing downstream negative externalities from agriculture, and reduce climate vulnerability
- Establishing riparian buffers, water harvesting systems, and alternative livelihoods such as native tree nurseries and beekeeping

- 3 | Nature Ventures**, to stimulate private sector investment in nature-based solutions by:

- Mobilizing private sector investments in agro-enterprises, tourism, and restoration through carbon and biodiversity credit schemes
- Developing scalable business models linking restoration efforts to revenue generation and diversified livelihoods

FUTURE IMPACT

Kenya's NPC Investment Plan aims to:

- **Reduce GHG emissions and contribute to climate change mitigation** in the agriculture, forestry and other land use sector by restoring and securing soil and biomass carbon in natural, semi-natural and cultivated systems, leading to carbon retention and avoided emissions of 5.5 million tCO₂e over the lifespan of the program
- **Strengthen adaptive capacity and resilience to climate change of rural communities** by securing ecosystem services and generating alternative income opportunities for vulnerable and burdened sectors of rural society through agribusiness and inclusive & sustainable value chains approaches.
- **Improve outcomes for biodiversity** by securing the health, connectivity and overall integrity of wildlife habitats through strengthened enabling environment for eco-tourism and increased private sector support to landscape management.
- **Build government capacity and strengthen policies and institutions** focused on landscape restoration, water management and sustainable land use in response to climate change
- **Reduce food and water insecurity** through better water governance, restored and protected riparian areas, wetlands and forests, and recovery of degraded rangelands.



THE CLIMATE INVESTMENT FUNDS

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