



**LEGAL NOTICE NO. ....**

**THE CLIMATE CHANGE (CARBON MARKETS) REGULATIONS, 2023**

**ARRANGEMENT OF REGULATIONS**

Regulation

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## **SCHEDULES**

**IN EXERCISE** of powers conferred by Section 23H of the Climate Change Amendment Act, the Cabinet Secretary for Environment, Climate Change and Forestry makes the following Regulations:

**THE CLIMATE CHANGE (CARBON MARKETS) REGULATIONS, 2023.**

	<b>PART I: PRELIMINARY</b>
<i>Citation</i>	1. These Regulations may be cited as the Climate Change (Carbon Markets) Regulations 2023.
<i>Interpretation</i>	2. In these Regulations unless the context otherwise requires:
	“Act” means the Climate Change Act;
	“Approved Country”
	“Cabinet secretary in charge of climate change and carbon markets”
	“carbon budget” means the approved quantity of Greenhouse Gases emission that is acceptable over a specified time and shall be informed by the National Greenhouse Gas Inventory and guide on emission allocation for Nationally Determined Contributions and trading;
	“carbon credit” means the amount of one tonne of carbon dioxide or an equivalent of another greenhouse gases reduced for sale in the carbon trading project;
	“carbon market” means mechanism that enables and allows public and private entities to transfer and transact emission reduction units, mitigation outcomes or offsets generated through carbon initiatives, programmes and projects;
	“carbon standards” means a complete set of rules, procedures, and methodologies that guide on the generation and issuance of certified carbon credits;
	“Committee” means the Carbon Assessment Technical Committee as established under regulation 13.
	“Community Development Agreements” as defined in the Act.

	“Council” means the National Environment Management Council established under the provisions of the Act;
	“Designated National Authority” means the entity or organization granted the responsibility to authorize and approve participation in projects under the Paris Agreement;
	“National Carbon Registry” means the Carbon Registry established under section 23G;
	“National Carbon Project” means jurisdictional carbon projects or a site specific carbon project on public land
	“nature-based solutions” means actions to protect, sustainably manage, or restore natural ecosystems, that address societal challenges such as climate change, human health, food and water security, and disaster risk reduction effectively and adaptively, simultaneously providing human well-being and biodiversity benefits;
	“non-market approaches” means approaches that aim at promoting mitigation and adaptation ambition; enhancing public and private sector participation in the implementation of nationally determined contributions; and enabling opportunities for coordination across instruments and relevant institutional arrangements;
	“Proprietor” means the property owner in the carbon project
	“Proponent” is a legal or natural person operating a carbon project.
	“Principal Secretary responsible for climate change and carbon markets”
	“Project catchment area” (to define)
	“Recognized Credible International Body” as defined under the Paris Agreement or any other international convention or treaty.
	“Reduced Emissions from Deforestation and Forest Degradation (REDD+)” means activities in the forest sector that reduces greenhouse gas emissions from deforestation and forest degradation, as well as the sustainable management of forests and the conservation and enhancement of forest carbon stocks at national and sub national levels;
	“Site specific” includes projects done on public land in a small catchment

	<p>“share of proceeds” means levies from activities under the Paris Agreement that are used to cover administrative expenses as well as assisting developing country Parties that are vulnerable to the adverse effects of climate change to meet the costs of adaptation;</p>
	<p>“UNFCCC” means the United Nations Framework Convention on Climate Change.</p>
Objectives	<p>3. The objectives of this Act are —</p> <p>(1) To regulate carbon market and provide a framework for carbon credit projects and programme;</p> <p>(2) To enable the Government to create incentives and implement initiatives to support emissions reduction targets of Green House Gases in line with its Nationally Determined Contributions;</p>
Scope	<p>4. These Regulations shall apply to principles governing trading carbon markets; participation in carbon; Environmental Impact Assessment; Social and Environmental Benefits; share of proceeds and cancellation rates; carbon registry and dispute resolution.</p>
Application	<p>5. These Regulations shall apply to carbon markets in respect of anything done in, on, above or below the land and airspace of The Republic of Kenya, including —</p> <p>(1) its internal waters, territorial waters and exclusive economic zone;</p> <p>(2) the seabed and subsoil underlying these waters;</p> <p>(3) its continental, coastal and marine ecosystems and related water;</p> <p>(4) its forests, and such carbon credits are deemed for the purposes of this Act to be the property of The Republic of Kenya.</p>
	<p><b>PART II: GENERAL PRINCIPLES</b></p>
Additionality, Measurability and Permanence	<p>6. The administration of these Regulations, shall be in keeping with the fundamental principles enshrined in the Paris Agreement namely:</p> <p>(1) all transactions in carbon trading as carried out under these Regulations must result in the additional effect of a reduction of greenhouse gas emissions;</p>

	<p>(2) all mitigation outcomes which are reported under the requirements of these Regulations are to be accounted for in tonnes of carbon dioxide equivalent;</p> <p>(3) all carbon offset projects should ensure that emissions are kept out of the atmosphere for a reasonable length of time; and</p> <p>(4) all emission reductions must be carefully recorded and documented for every offset scheme, utilizing appropriate accounting terms, corresponding adjustments, and location of offset as required by the UNFCCC and other standard bodies.</p>
Prohibition against double counting	<p>7. (1) These Regulations prohibit the double counting of carbon assets such that no two countries or actors (including a private individual, company or organization) may count the same emission reductions towards their emission reduction commitments.</p> <p>(2) Participants shall apply corresponding adjustments to ensure that there is no increase in net emissions.</p>
<b>PART III: GOVERNANCE AND INSTITUTIONAL FRAMEWORK</b>	
Administration of the Regulations	<p>8. The administration of these regulations shall be undertaken by the Cabinet Secretary, Focal point, DNA, CCD and the Registrar.</p>
Functions of the Cabinet Secretary	<p>9. (1) The Cabinet Secretary shall;</p> <p>(a) Provide policy guidance in carbon markets and other crediting mechanism that promote investment, social, cultural, economic and environmental justice.</p> <p>(b) Link the country with international processes for carbon markets.</p> <p>(c) Approve all international, national, bilateral and project agreements on carbon markets.</p> <p>(d) Issue a letter of no objection to the project concept note.</p> <p>(e) Approve the project document and issue a letter of endorsement under the first schedule.</p> <p>(f) Appoint project based ad hoc committees to review project concept notes and project documents.</p> <p>(g) Prescribe the ToRs and rules of procedure of the ad hoc committees as per schedule...</p>

	<p>(h) Issue guidelines to sectors necessary for purposes of implementation of the provisions of these regulations.</p> <p>(i) Enter into international agreements with approved countries on internationally transferred mitigation outcomes.</p> <p>(2) The Cabinet Secretary shall designate the Designated National Authority.</p> <p>(3) Any person who undertakes a carbon market project without an international, national, bilateral and project based agreement without the approval of the Cabinet Secretary commits an offence.</p>
<p>Focal Point</p>	<p>10. (1) The focal point for the carbon market shall be the Principal Secretary.</p> <p>(2) The Focal point shall:</p> <p>(a) Collaborate with sector ministries on issues concerning carbon markets; and</p> <p>(b) Oversee the implementation of all matters related to carbon market.</p>
<p>Designated National Authority</p>	<p>11. (1) The Designated National Authority Shall:</p> <p>a. (1) Advise the project proponent to adhere to insurance policies on carbon markets;</p> <p>b. (2) Approve the project idea;</p> <p>c. (3) Submit the project concept note to the Cabinet Secretary for approval and issuance of a letter of no objection;</p> <p>d. (4) Receive the project document from the proponent for transmission to the committee;</p> <p>e. (5) Issue a license within 30 days for projects that have been approved and received letters of endorsement;</p> <p>f. (6) Provide key information to proponent in carbon market;</p> <p>g. (7) Monitoring, Reporting and verification of Green House Gases; and</p> <p>h. (8) Coordinate and conduct monitoring and evaluation of registered carbon projects.</p>

	<p>(2) The DNA shall charge such applicable administrative fee as per the second schedule to enable it perform its duties under these Regulations.</p>
Climate Change Directorate.	<p>12. The function of the Climate Change Department in relation to carbon markets shall include:</p> <p>(1) Advising the government of measures and the control of carbon market activities being carried out by stakeholders in order to ensure compliance to these regulations;</p> <p>(2) Monitoring and assessing carbon markets activities being carried out by stakeholders in order to ensure compliance with these regulations;</p> <p>(3) Enhancing sectoral coordination and mobilization of stakeholders for the effective control and management of carbon markets;</p> <p>(4) Coordinating and promoting public participation and awareness on carbon markets; and</p> <p>(5) Facilitating research on carbon markets.</p>
Carbon Assessment Technical Committee	<p>13. (1) There is established specific ad hoc committees for each carbon market project which shall be the advisory Committee to the Cabinet Secretary on project assessment.</p> <p>(2) The Committee shall comprise of not more than five sector specific members to be appointed by the Cabinet Secretary.</p> <p>(3) The Committee shall be paid such allowance as approved by the Cabinet Secretary in consultation with Salaries and Remuneration Commission.</p>
Functions of the Committee	<p>14. The Committee shall have the following functions:</p> <p>(1) Scrutinize the project concept note and provide recommendations to the Cabinet Secretary;</p> <p>(2) Scrutinize the project document and provide recommendations to the Cabinet Secretary; and</p> <p>(3) Perform any other functions as maybe referred to it by the Cabinet Secretary under these Regulations.</p>



<b>PART IV: THE CARBON REGISTRY</b>	
National Carbon Registry	<p>15. (1) There is established a National Carbon Registry comprised of sector carbon registries. The National Carbon Registry shall be headed by a national registrar appointed by the Cabinet Secretary.</p> <p>(2) The register shall consist of;</p> <p>(a) The initiative implemented to reduce GHG emissions in Kenya;</p> <p>(b) The permits granted to participate in an initiative under these regulations;</p> <p>(c) the emission allowance and GHG reduction units;</p> <p>(d) the number of carbon credit issued or recognized by Kenya;</p> <p>(e) the number of carbon credits issued to promoters of emission reduction projects and programmes;</p> <p>(f) The issuance of emission allocations, carbon credits and any carbon credits issued or recognized by Kenya from a national GHG emission accounts;</p> <p>(g) The transfer of emission allocation, carbon credit and any carbon credits issued or recognized by Kenya from a national GHG registry accounts;</p> <p>(h) The cancellation of emission allocations, carbon credits and any other carbon credits issued or recognized by Kenya from a national GHG registry account; and</p> <p>(i) The addition of emission allocations, carbon credits and any other carbon credits issued or recognized by Kenya from our national GHG registry account.</p>
Sector Carbon Registries	<p>16. (1) There is established sector registries including for <b>aviation, forestry, energy...</b> to be headed by sector registrar appointed by the Cabinet Secretary.</p> <p>17. The location of each sector registry shall be determined by the Cabinet Secretary by notice in the gazette.</p> <p>18. The proponent shall pay the prescribed registration fee to the sector registry.</p>

<p>Functions of the Registrar</p>	<p>19. (1) The functions of the Registrar shall include:</p> <ul style="list-style-type: none"> <li>(a) Register carbon trading projects under voluntary mechanisms;</li> <li>(b) Keep a registrar of all carbon projects in the country; and</li> <li>(c) The Registrar shall keep, maintain and update a register of all carbon projects under these regulations.</li> </ul> <p>(2) The Registrar shall:</p> <ul style="list-style-type: none"> <li>(a) Comply with any obligations as required of a registrar;</li> <li>(b) Implement measures to ensure the confidentiality of the information collected; and</li> <li>(c) Submit to the Cabinet Secretary, quarterly or as maybe requested by the Cabinet Secretary a report of the information maintained in the register established in regulation 15 (2).</li> </ul> <p>(3) The functions of Sector Carbon Registrars shall be similar to those of the National Registrar in this regulation.</p>
<p><b>PART V: PARTICIPATION IN CARBON MARKETS</b></p>	
<p>Agreements</p>	<p>20. (1) The Cabinet Secretary may enter into international, multilateral or bilateral agreements with another approved country to trade carbons for internationally transferred mitigation outcomes.</p> <p>(2) The Cabinet Secretary may enter into agreements with private entities weather local or international to offset carbon emissions.</p> <p>(3) The Cabinet Secretary may, with the approval of the Cabinet, enter into agreements on carbon markets established or overseen by an internationally recognized entity, approved by a recognized credible international body.</p>
<p>Qualifications of Proponent</p>	<p>21. The proponent shall have the following:</p> <ul style="list-style-type: none"> <li>(1) Proof of previous carbon projects implementation;</li> <li>(2) Proof and documentation of financial capacity or ability to implement the project as per the concept note. carbon trading projects; and</li> <li>(3) adherence to all applicable legal requirements in operating carbon projects.</li> </ul>

<p>Obligations of Proponent</p>	<p>22. (1) The Proponent shall disclose relevant project information including costs incurred, verified emission reductions and estimated revenues.</p> <p>(2) Non- declaration or undervaluation constitutes an offence.</p>
<p>Project Requirements</p>	<p>23. (1) A person shall not operate a carbon market project without being registered by the Registrar.</p> <p>(2) The project to be registered as a carbon project shall have the following elements:</p> <ul style="list-style-type: none"> <li>(a) be in line with national policies, laws and strategies;</li> <li>(b) indicate how the project shall contribute to the Nationally Determined Contributions;</li> <li>(c) adhere to national priority carbon market sectors;</li> <li>(d) ownership of the property involved in the project; community development agreements or agreements with property owners;</li> <li>(f) involvement of local communities in the project conceptualization and development;</li> <li>(g) adhere to transparency and fairness;</li> <li>(h) adhere to national investment priorities, ecological, social, cultural and economic safeguards; and</li> <li>(j) indicate expected employment creation to the national experts and local communities.</li> </ul>
<p>Environmental and Social Impacts Assessment</p>	<p>24. (1) Carbon market projects shall be required to undergo environmental and social impacts assessment in accordance with the Environmental Management and Coordination Act and its Regulations.</p> <p>(2) Without prejudice to sub regulation (1), each carbon market project shall adhere to sector specific standards and safeguards.</p>
<p>Certification, Validation and Verification.</p>	<p>25. (1) A carbon market project shall be subject to certification of known international standards, validation by a reliable and independent auditor before it starts and verification of each result in accordance with the principles under regulation 6.</p> <p>(2) This regulation prohibits engagement in carbon markets without a</p>

	reliable and independent auditor undertaking a validation of each project before it starts and to verify each result.
Offence	26. Any person who contravenes the provision of this part commits an offence.
	<b>PART VI. PROCEDURES FOR DEVELOPING CARBON MARKET PROJECTS</b>
Establishment of a Carbon Market Project	<p>27. (1) A carbon market project shall be required to undergo the following process;</p> <p>(a) the project proponent shall apply for approval of carbon market project idea to the Designated National Authority by filling the <b>application form prescribed in the First Schedule</b>;</p> <p>(b) the completed application form for registration of the project idea shall be accompanied by proof of payment of non-refundable application <b>fees as prescribed in the Second Schedule</b>;</p> <p>(c) the Designated National Authority shall within thirty days’ process and respond to the proponent on the registration of the project idea; and</p> <p>(d) where the requirements for application have been complied with, the Designated National Authority shall approve the project idea and authorize the proponent to prepare the concept note.</p>
Project Concept Note	<p>28. (1) The proponent shall within 90 days from the date of approval of the project idea by the DNA prepare the Project Concept Note.</p> <p>(2) The Project Concept Note developed by the proponent shall have the following elements:</p> <p>(a) title of the project;</p> <p>(b) name and contacts of the proponent;</p> <p>(c) brief project description;</p> <p>(d) proposed activities;</p> <p>(e) stakeholders to be involved;</p> <p>(f) proposed project location, site and size;</p> <p>(g) potential project benefits;</p> <p>(h) sources of finance and estimated investment cost;</p> <p>(i) Projected proceeds</p> <p>(j) Expected Certified Emission Reduction</p> <p>(k) mode of financing or crediting mechanism; and</p>

	<p>(1) adherence to environmental and socio-economic safeguards.</p> <p>(3) The developed Project Concept Note shall be submitted to the Designated National Authority accompanied by-consent of the proponent in the form of extract minutes in accordance with established procedures of the respective authority.</p> <p>(4) Upon receiving the project concept note the Designated National Authority shall within 14 days submit the project concept note to the Cabinet Secretary.</p> <p>(5) Upon receipt of the project concept note from the Designated National Authority, the Cabinet Secretary shall within 30 days appoint the Carbon Assessment Technical Committee in line with regulation 13.</p> <p>(6) Within thirty days from the date of receiving the report from the Carbon Assessment Technical Committee;</p> <p>(1) the Cabinet Secretary shall approve and notify the DNA of the successful project for the notification of the proponent</p> <p>(2) The DNA shall notify the proponent of the CS approval and require payment of the administrative fee</p> <p>(3) The CS shall issue:</p> <p>(a) a letter of no objection for a qualified Project Concept Note as prescribed in the <b>Third Schedule</b>; or</p> <p>(b) a response outlining the reasons for objection.</p>
Project Document	<p>29. (1) The proponent shall develop a Project Document within twelve months after obtaining the approval and letter of no objection.</p> <p>(2) Subject to sub regulation (1), the proponent may through a written notice, request for extension of time by stating the reasons for delay to develop and submit the Project Document.</p> <p>(3) The Designated National Authority may grant extension of time of not more than six months to the proponent to develop and submit the Project</p>

	<p>Document after being satisfied with the reasons provided.</p> <p>(4) The Project Document developed by the proponent shall be in conformity with the requirements prescribed under regulation 21.</p> <p>(5) The Project Document shall in addition to the elements of the concept note, contain the following elements:</p> <p>(a) general description of the project activity;</p> <p>(b) detailed description of the baseline and monitoring methodology;</p> <p>(c) duration of the implementation of the project activity; and</p> <p>(d) carbon credit period.</p> <p>(6) The Project Document submitted shall abide with accepted international standards on carbon market including validation of the project where required.</p> <p>(7) The proponent shall submit the project document to the Carbon Assessment Technical Committee through the Designated National Authority for review and scrutiny.</p> <p>(8) The Carbon Assessment Technical Committee shall review and scrutinize the project documents and submit its report with recommendations to the Cabinet Secretary.</p> <p>(9). The Cabinet Secretary shall within 30 days of the receipt of the report and recommendations of the committee, grant a <b>letter of endorsement as prescribed in the Fourth Schedule upon proof of payment of the administrative fees to the DNA or a response outlining the reasons for objection.</b></p>
<p>Contractual Agreement</p>	<p>30. (1) A proponent whose project document has been approved, shall before implementing a carbon market project enter into a contractual agreement.</p> <p>(2) The contractual agreement shall be entered on behalf of the government by the focal person.</p> <p>(3) Any contract entered shall include the following:</p>

	<ul style="list-style-type: none"> <li>(a) name of the parties;</li> <li>(b) address and contact of the parties;</li> <li>(c) legal capacity of the parties;</li> <li>(d) description and scope of the project;</li> <li>(e) scope of the agreement;</li> <li>(f) terms and conditions of parties;</li> <li>(g) project costs and benefits sharing arrangements;</li> <li>(h) mode of payment of revenues or benefits accrued;</li> <li>(i) operation and duration of the project;</li> <li>(j) breach of the terms and conditions of the contract;</li> <li>(k) dispute settlement;</li> <li>(l) applicable law;</li> <li>(m) amendments;</li> <li>(n) suspension and termination of the contract;</li> <li>(o) force majeure;</li> <li>(p) signature and legal capacity of signatories;</li> <li>(q) signature of the witnesses of the signatories; and</li> <li>(r) seal of the parties.</li> </ul>
Commencement of the Project	<p>31. The proponent shall within 12 months after receiving the endorsement commence the implementation of the project activities.</p>
Cancellation of Approval and Endorsement	<p>32. (1) A project that has received approval and letter of endorsement maybe cancelled for reasons including:</p> <ul style="list-style-type: none"> <li>(a) failure to commence the project activities within the prescribed time;</li> <li>(b) non-compliance of the project requirements prescribed in these Regulations;</li> <li>(c) where the proponent voluntarily cancels the project by submitting an official notice;</li> <li>(d) where the endorsement was obtained through misrepresentation;</li> <li>(e) where the continued operation of the project activity is or is likely to be injurious to the environment or human health;</li> <li>(f) where the project activities are overridden by other public interest;</li> <li>(g) where there was insufficient or holding of information in the application process; and</li> </ul>

	(h) other justifiable reasons.
Licensing	33. No carbon market project shall commence without a license.
	<b>PART VII: BENEFIT SHARING</b>
National Projects	<p>34. (1) The share of proceeds for national carbon market projects shall be arrived at through negotiations between the proponent, Cabinet Secretary responsible for finance, Office of the Attorney General and the focal point in a manner that ensures that the most benefit to the public but in any event not less than 25% of the aggregate earnings of the previous year of the project.</p> <p>(2) The 25% shall be paid to the contingency fund for purposes of supporting sustainable development goals of the country.</p> <p>Provided that 5% of the share of proceeds shall be given back to the community where the national project is site specific.</p> <p>(3) where the national Government is the proponent:</p> <p style="padding-left: 40px;">(a) a 15% share of proceeds shall be given back to the community where the national project is site specific and the remaining 85% be paid to the consolidated fund for sustainable development.</p> <p style="padding-left: 40px;">(b) 100% of the proceeds shall be paid to the consolidated fund for sustainable development</p>
Community Projects	<p>35. (1) Any carbon market project shall in line with the Act provide a formula for sharing of proceeds of at least 40 % of aggregate earnings of the previous year for Land-based projects and at least 25% of the aggregate earnings of the previous year for non-land based to the Community as contained in the Community Development Agreement.</p> <p>(2) Any carbon market Project under this regulation shall provide 5% of the aggregate earning of the previous year to the consolidated fund and 5% to the County government for purposes of sustainable development.</p> <p>(2) The procedure of sharing proceeds shall be included in the Community Development Agreement as per the Fifth schedule.</p> <p>(3) The management and disbursement of the benefits for the community shall be undertaken by a Community Project Development</p>



	<p>Committee.</p> <p>(4) The Community Project Development Committee shall be composed of nine members including women, youth and Persons Living with Disability elected through a fair, transparent, democratic manner that covers the entire project catchment area .</p> <p>Notwithstanding the provisions of the regulations above, the proponent shall be required to undertake corporate social responsibility around the project area in line with national policies and laws.</p>
Private Entity Projects	<p>36. (1) The share of proceeds in a carbon market project where a private entity is the proponent, shall be 25% of the aggregate earnings of the previous year.</p> <p>(2) The 25% shall be paid to the consolidated fund for purposes of supporting sustainable development.</p>
	<b>PART VIII: DISPUTE RESOLUTION</b>
Dispute Resolution	<p>37. Any agreement made pursuant to these regulations shall provide for dispute settlement in line with the Climate Change Amendment Act.</p>
	<b>PART IX: OFFENCES AND PENALTIES</b>
Offences and Penalties	<p>38. Any person who commits an offence under these regulations shall be liable upon conviction to a fine of not more than Kenya Shillings Five Hundred Million or imprisonment for not more than ten years or both fine and imprisonment.</p>
	<b>PART X: GENERAL PROVISIONS</b>
Confidentiality	<p>39. (1) Any person carrying out functions on behalf of the Government pursuant to this Regulation who obtains information in any form as a result of his duties under this Act, shall not communicate or disclose any information classified as confidential to an unauthorized person.</p> <p>(2) Any person who communicates any information in breach of subsection (1) commits an offence.</p> <p>(3) Nothing in this section shall prohibit a person from disclosing information to another person so far as it is required or permitted under this Regulation or any written law.</p>

Liability	<p>40. (1) Where any damage to the environment or human health is caused by the carbon market project which has been installed into the environment, a person who installed or the project Proponent who permitted it to be installed shall be liable for the damage caused.</p> <p>2) Any person who causes damage to the environment or human health commits an offence.</p>
Non-transferability	<p>41. An endorsement for a carbon market project issued under these Regulations shall not be transferable.</p>
Guidelines	<p>42. The Cabinet Secretary may, issue guidelines, for the effective implementation of these Regulations.</p>
Transition	<p>43. (1) Any person engaged in a carbon market project before the coming into operation of these Regulations, shall be required to comply with these Regulations within one year of commencement of the Climate Change (Amendment) Act, 2023.</p> <p>(2) Without prejudice to sub-regulation (1):</p> <p>(a) The proponent of an ongoing carbon market project shall in accordance with the provisions of these Regulations:</p> <ul style="list-style-type: none"> <li>(i) fill the application form</li> <li>(ii) Submit the Concept note</li> <li>(iii) Submit the Project Document</li> </ul> <p>(b) the Cabinet Secretary may grant the Proponent a transition period of not more than one year to enable compliance.</p> <p>(i) the Cabinet Secretary may:</p> <ul style="list-style-type: none"> <li>(a) Upon compliance issue a letter of Endorsement for Ongoing Projects as prescribed in the Sixth Schedule.</li> <li>(ii) Issue a letter of cancellation of the carbon market project as prescribed in the Seventh Schedule.</li> </ul> <p>(b) any fee payable in accordance with these Regulations shall be paid during the transition period.</p>

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## **SCHEDULES**

### **FIRST SCHEDULE**

Application form

### **SECOND SCHEDULE**

Schedule for fees

### **THIRD SCHEDULE**

Letter of No Objection

### **FOURTH SCHEDULE**

Letter of Endorsement

### **FIFTH SCHEDULE**

Community Development Agreements

### **SIXTH SCHEDULE**

Letter of Approval for Ongoing Projects

### **SEVENTH SCHEDULE**

Letter of Cancellation of on going Projects

FIRST SCHEDULE  
APPLICATION FORM

1. **General Information**

Name of Project.....  
Project Application Reference Number.....  
Date of Application: .....  
Type of project..... (Tick as appropriate)  
(a) Soil Carbon (.....)  
(b) Forest Carbon (.....)  
(c) Sequestration Carbon (.....)  
(d) Others

.....  
.....  
.....

2. **Project Details:**

a. *Project description*.....  
.....  
.....

b. *Location*  
i. County  
ii. Sub County  
iii. Ward

c. *Site (Precise GPS Coordinates)* .....

d. *Size*.....

e. *Objectives*.....  
.....  
.....

f. *Proposed activities*.....  
.....  
.....

g. *Expected benefits*.....

h. *Time line*.....

i. *Budget*.....

j. *Linkage to National priorities*.....

3. Is the project proponent the Proprietor

a. Yes.....  
b. No..... (Attach authorization letter from the Proprietor)  
c. If neither, explain.....  
.....

4. Project proponent seeking approval

a. Name:  
b. Address  
c. Contact Person  
d. Email and Web Address  
e. Telephone  
f. Organizational category (*Choose one or more*)  
i. National Government (Ministries, Departments and Agencies)  
ii. County Government  
iii. Private (individual, company)

- iv. Civil Society Organization
  - g. Other function(s) of the project proponent in the project (*Choose one or more*)
    - i. Sponsor
    - ii. Intermediary
    - iii. Technical advisor
  - h. Summary of Relevant Experience
5. Details of Proprietor
- a) Name:
  - b) Address
  - c) Contact Person
  - d) Email and Web Address
  - e) Telephone
  - f) Organizational category (*Choose one or more*)
    - i. National Government (Ministries, Departments and Agencies)
    - ii. County Government
    - iii. Private (individual, company)
    - iv. Civil Society Organization
6. Project sponsor(s) or upfront buyer financing the project (*List and provide the following information for all project sponsors*)
- a) Name:
  - b) Address
  - c) Contact Person
  - d) Email and Web Address
  - e) Telephone
  - f) Organizational category (*Choose one or more*)
    - i. National Government (Ministries, Departments and Agencies)
    - ii. County Government
    - iii. Private (individual, company)
    - iv. Civil Society Organization
7. Green House Gases;
- a. Targeted
  - b. Quantities
8. Proposed Project Management and Governance Structure
9. Timeframe
- a. Expected Start Date
  - b. Base Year of the first expected CERs/VERs delivery
  - c. Project lifetime
10. Baseline Scenario
11. Expected Environment and socio-economic benefits
12. Project Costs
- a. Preparation Costs
  - b. Establishment Costs
  - c. Other costs (*explain*)
  - d. Total project costs

Declaration

I.....do hereby declare that, the information provided in this application are true to the best of my knowledge.

Name:.....  
 Qualification:.....  
 Signature:.....  
 Date:.....

Witnessed by  
Name:.....  
Qualification:.....  
Signature:.....  
Date:.....

For Official Use:

Registration Number.....

SECOND SCHEDULE

---

FEEES

S/N	Type of Fee	Amount charged (Kshs)
1	Project Application fee (Citizen)	50,000
2	Project Application fee (Non-Citizen)	100,000
3	Project Registration Fees	200,000
4	Administrative Fee	1% of the expected CER from the project

THIRD SCHEDULE

R. 28

LETTER OF NO OBJECTION

Our Ref: .....

Date.....

Address of the proponent(s)...

.....

RE: Letter of No Objection (LNO) for project titled.....

.....

Reference is made to the above captioned subject and the Project Concept Note reference No.....

1. The Cabinet Secretary received and considered the project concept note.
2. This is to inform that this office;
  - a. Has no objection to the proposed project as prescribed in the concept note.
  - b. The registration number for the project shall be made available for public notice as appropriate.

Dated.....20..

CABINET SECRETARY



LETTER OF ENDORSEMENT

Our Ref: .....

Date.....

Address of the proponent(s)..  
.....  
.....

RE: Letter of Endorsement (LoE) for project titled.....  
.....

Reference is made to the above captioned subject and your Project Document number.....

1. The Cabinet Secretary received and considered your project document.
2. This is to inform you that this office hereby endorses the project as per the Project Document.

Dated.....20..

CABINET SECRETARY

*fifth Schedule*

**COMMUNITY DEVELOPMENT AGREEMENT**

**BETWEEN**

.....**COMMUNITY IN ..... COUNTY**

**AND**

.....**(PROPONENT)**

SIXTH SCHEDULE  
LETTER OF ENDORSEMENT FOR ONGOING PROJECTS

Our Ref: .....

Date.....

Address of the proponent(s)..  
.....  
.....

RE: Letter of Endorsement (LoE) for ongoing project titled.....  
.....

Reference is made to the above captioned matter and your Project Document number .....

1. The Cabinet Secretary received and considered your project document.
2. This is to inform you that this office hereby endorses the project as per the Project Document.

Dated.....20..

CABINET SECRETARY

**A. STATEMENT OF AGREEMENT**

This Community Development Agreement (hereinafter referred to as the “CDA”), is made on this..... day of ..... 20..... between ..... Limited of P.O. Box .....(include physical address) (which shall include its successors and assigns where the context so admits) hereinafter referred to as the “proponent”) of the one part, and ..... Community in ..... County of P.O. Box .....(hereinafter referred to as the “Community” and represented by the members of the ..... Community Development Agreement Committee) and whose respective definition and composition are as set out in the Interpretation Section of this Agreement, on the other part.

WHEREAS:

1. The Community is an affected community;
2. The Community Development Agreement Committee (hereinafter the “Committee”) for .....community in ..... County (hereinafter the “Committee”) was formed through .....( e.g registration, gazette notice);
3. The Committee has since conducted consultations with the Community, and subsequent to that conducted negotiations with the Proponent, in respect of the CDA for the Community.

NOW THEREFORE:

In consideration of the mutual conditions contained in this Agreement, the Proponent and the Community **HEREBY AGREE** as follows:

**1. Interpretation Section**

In this Agreement, unless the context otherwise requires-

“**Administrative Expenses**” has the meaning given in clause 21(2)(b);

“**Administrative Expenses Account**” has the meaning given in clause 21(4);

“**Affected community**” shall have the meaning implied in the definition of the word “stakeholder” in the interpretation section of the Climate Change (Amendment) Act, 2023 respect of carbon projects;

“**Aggregate Earnings**” shall have the meaning ascribed by the Climate Change (Amendment) Act, 2023;

“**Community**” for purposes of this Agreement is made up of the .....  
Community in ..... County;

“**Committee**” refers to the .....CDA Committee;

“**Financial year**” means the 12-month period commencing on the day of signing this Agreement;

“**aggregate earnings**” has the meaning ascribed in the Climate Change (Amendment) Act, 2023;

“**Parties**” refers to both the Proponent and the Community;

“**Procurement Policies**” means the Proponent’s policies, procedures, standards and requirements relating to procurement under the laws of Kenya from time to time;

## **2. Commencement and duration of the Agreement**

This Agreement commences immediately upon the signing of this Agreement by the Parties and shall be in force for the Productive Life of the Carbon project.

## **3. Mutual Understanding**

(1) The Proponent commits to the sustainable economic and social development of the Community and its environs by complying with this Agreement. In addition, the Proponent shall, at all times, reasonably promote peace and harmony between itself and the Community.

- (2) The Community commits to discussions and consultations with the Proponent on issues of mutual interest arising under this Agreement and, at all times, reasonably promote peace and harmony between itself and the Proponent.
- (3) The Parties herein agree to abide by the principles of openness and the sharing of information that will enable them to understand each other's perspectives on issues of mutual interest arising under this Agreement.
- (4) The Parties hereby further agree to take steps to maintain trust, sustain good working relations and resolve challenges arising from the implementation of development projects under this Agreement and other conflicts through negotiations and discussions in accordance with this Agreement.

#### **4. Objectives of the Agreement**

The objectives of this Agreement are to:

- (1) Implement projects that contribute to the sustainable development of the Community;
- (2) Provide the Community with the opportunity to participate in the Proponent's decisions and plans that may affect Community development in its environs;

- (3) Set out the key principles and directions on how the Parties will work together for their mutual benefit;
- (4) Provide a clear, transparent and explicit statement of the commitments of the Parties herein;
- (5) Define the key issues that the Parties intend to address; and
- (6) Provide a platform for Parties to deliberate on the implementation of the Agreement herein.

## **5. Nature of the Agreement**

- (1) This document sets forth the Parties' agreement regarding community development initiatives for the Community.
- (2) The Parties further confirm that this Agreement has been prepared solely to record the mutual understandings reached after extensive negotiations.

## **6. Guiding Principles**

This Agreement shall be guided by the following principles:

- (1) Sustainable development;
- (2) Transparency and accountability;
- (3) Effectiveness and efficiency;
- (4) Social justice;
- (5) Inclusiveness;
- (6) Equity;
- (7) Equality;
- (8) Value for money;
- (9) Non-discrimination.

## **7. Obligations of the Community**

- (1) Cooperate with the proponent and mobilize social capital;
- (2) Provide any relevant information to aid the CDA Projects implementation;  
and
- (3) Follow up on CDA project implementation and raise any concerns with the relevant Parties.

**8. Obligations of the Proponent**



- (1) Make payments equal to .....per centum out of the Aggregate earnings in each financial year towards community development projects;
- (2) The Proponent and the Committee shall in joint consultation source, evaluate and select service providers ( or as the case may be) in accordance with the Proponent's Procurement Policies taking into account local content;
- (3) Ensure timely disbursement of amounts required to be set aside by it and paid for projects to be implemented under this Agreement, with any final payments to service providers (or as the case may be) to be paid only on recommendation of the Committee (unless such recommendation is to be provided after the payment deadline under the relevant contract);
- (4) Maintain clear and up-to-date records of all disbursements made by the Proponent for projects under this Agreement;
- (5) Provide an annual report to the Committee setting out the Proponent's annual aggregate earnings for the applicable financial year in accordance with this Agreement; and
- (6) Prepare annual implementation reports for the Community project.

**B. GOVERNANCE FRAMEWORK**

**9. The Community Development Agreement Committee**

- (1) The Committee shall have oversight responsibility for implementing this Agreement.
- (2) The Committee shall comprise the following:
  - (a) A representative appointed by the Governor;
  - (b) A national government representative in charge of administration in the county;

- (c) The County Assembly representative of the electoral area within which the Community is located;
  - (d) One representative of women elected by the Community;
  - (e) One representative elected from among the village elders of the Community;
  - (f) Two representatives of the youth of either gender from the Community;
  - (g) One representative elected by civil society organisations working in the area of extractives in the County;
  - (h) One representative of marginalised groups, ethnic and other minorities;
  - (i) One representative of persons with disability from the Community;
  - (j) The Member of Parliament of the constituency of the Community; and
  - (k) Three representatives of the Proponent.
- (3) The Committee members shall at the first meeting of the Committee elect the Chairperson and Secretary from among the members.
- (5) The position of Chairperson or Secretary shall not be held by persons occupying a political office such as the Governor or his representative, Member of Parliament or County Assembly member.

## **10. Functions of the Committee**

The Committee shall-

- (1) monitor and evaluate compliance with the terms of this Agreement;
- (2) provide a platform for the Community to debate whether the use of revenues provided by the Proponent to fund programmes under the Agreement conform to the development priorities of the Community;
- (3) provide adequate notice to a media accessible to the Community before it conducts a consultation exercise;
- (4) facilitate continuous engagement and serve as the link between the Community and the Proponent on relevant issues pertaining to Community development;
- (5) review existing development priorities by the National and County Government and develop an action plan to implement CDA priorities in recognition of development projects underway or planned by said governments. Parties acknowledge that such review had already been undertaken and action plan

developed prior to the date of this Agreement, with the outcome of both being the projects specified in Schedule 5 to this Agreement.;

- (6) together with the Proponent, ensure there are transparent and accountable systems in place by maintaining clear and up to date records;
- (7) submit quarterly written reports to the Proponent on status of implementation of the community development projects and amounts paid. The quarterly report shall include the nature of the payment, amount paid, names of the recipients, attestation by the Chairperson that the details in the report are true and accurate, and any other information reasonably requested by the Proponent;
- (8) sensitize the Community on the projects agreed to be implemented under this Agreement;
- (9) engage with the County and National government in implementation of development projects;
- (10) settle all disputes that may arise between parties to the Agreement in respect of any matter in connection with or under the Agreement according to Schedule 1 in this Agreement; and
- (11) settle any other issue, matter, grievance or complaint that is not related to the Agreement that may be raised by the Proponent or the Community to the Committee for resolution according to Schedule 1 in this Agreement.

#### **11. Term of Office of the Committee Members**

- (1) Every member of the Committee whose membership is by virtue of occupation of a particular office, be it political, traditional, position at the Proponent or other, shall continue to retain that membership until he or she ceases to occupy such position and the person who next occupies the position shall automatically replace him/her.
- (2) Every other member of the Committee shall serve for a period of three (3) years, which may be renewed once.

- (3) A member of the Committee may resign by giving thirty (30) days written notice to the Chairperson, or Secretary, in case of a resignation by the Chairperson.

## **12. General Meetings and Decisions of the Committee**

- (1) The Committee shall meet at such time and place as the Chairperson may determine for the discharge of its business.
- (2) The Committee shall meet quarterly in each financial year.
- (3) The quorum at a meeting shall be two-thirds majority of the members.
- (4) The Committee shall determine its own procedures for every meeting.
- (5) All the Committee decisions shall be arrived at through consensus or as shall be otherwise agreed upon by all the Committee members.
- (6) The Secretary of the Committee shall take minutes of each meeting of the Committee and make such minutes available to Committee members for review and comment and reflect all reasonable comments provided by the Committee members.
- (7) Should the need arise, a special meeting(s) of the Committee may be convened in consultation between the Parties. Any such meeting shall have a clear statement of matters to be discussed.
- (8) The Committee may invite any person(s) or representative(s) of any organisation/body to attend its meetings to participate based on expertise.
- (9) After every general meeting, the Committee shall submit a quarterly report.

## **13. Sub-committees of the Committee**

- (1) The Committee shall constitute the following sub-committees for the effective and efficient execution of its mandate:
  - (a) The Monitoring, Evaluation and Reporting sub-committee
  - (b) The Grievance Resolution sub-committee;
- (2) The Parties agree that the number of meetings of both sub-committees shall not exceed fifteen (15) in total in each financial year.
- (3) Each sub- committee shall elect a Chairperson and Secretary

- (4) The Secretary shall take minutes of each meeting of that sub-committee and must make the minutes so taken available to the other members for review and comment and reflect all reasonable comments provided by such other members.

#### **14. The Monitoring, Evaluation and Reporting sub-committee**

- (1) There shall be a Monitoring, Evaluation and Reporting Sub-Committee of the Committee.
- (2) The composition of the Monitoring, Evaluation and Reporting Sub-Committee shall be as follows:
  - (a) the Chairperson;
  - (b) the Secretary
  - (c) five (5) other members of the Committee, with at least one (1) of the members being a representative of the Proponent on the Committee;
  - (d) the sub-committee shall co-opt experts, such as structural engineers, civil engineers, quantity surveyors, and others on an “as needs” basis, depending on the nature of the project to assist them in their work. The co-opted experts shall have no decision-making rights.

#### **15. Functions of the Monitoring, Evaluation and Reporting sub-committee**

The Monitoring, Evaluation and Reporting Sub-Committee shall:

- (1) Monitor and evaluate progress on the implementation of the projects as per the monitoring sheet in Schedule 5 to this Agreement;
- (2) Provide oversight of the Agreement’s activities including its operations, control, monitoring and evaluation;
- (3) Ensure the projects under this Agreement are implemented in accordance with the agreed specifications and schedules as defined in the relevant contract(s);
- (4) Provide quarterly written and oral reports to the Committee ensuring that the oral reports are presented in languages understood by all members;
- (5) Together with the Proponent, approve the award of all contracts for goods and services to be delivered under this Agreement, including any services to be provided by any experts contemplated in clause 14(2)(d);

- (6) Provide guidance for those directly involved in projects to be implemented under this Agreement on project planning, implementation and management;
- (7) Address any issue that has major implications for a project to be implemented under this Agreement;
- (8) Develop a work plan for projects to be implemented under this Agreement, which shall contain indicators agreed with the Proponent to serve as the basis for the monitoring and evaluation of progress made in the implementation of such projects; and
- (9) Ensure the Community is adequately consulted as part of the implementation of projects under this Agreement.

**16. Tenure of the Monitoring, Evaluation and Reporting Sub-Committee Members**

- (1) A member of the sub-committee shall continue to be a member until he/she ceases to be a member of the Committee, resigns or dies.
- (2) A member of the Sub-Committee may resign by giving thirty (30) days written notice to the Chairperson of the Committee.

**17. Meetings and Decisions of the Monitoring, Evaluation and Reporting Sub-Committee**

- (1) The sub-committee shall not convene more than eight (8) times in each financial year unless there are exceptional circumstances that warrant the holding of an additional meeting(s).
- (2) Should the need arise, a special meeting(s) of the Committee may be convened in consultation with the Parties. Any such meeting shall have a clear statement of matters to be discussed.
- (3) Pursuant to sub-section (2), the additional meeting(s) shall only be convened after adequate consultations between the Parties.

**18. The Grievance Resolution Sub-Committee**

- (1) There shall be a Grievance Resolution Sub-Committee which shall be responsible for resolving any complaints relating to the implementation of this Agreement.
- (2) The composition of the Grievance Resolution Sub-Committee shall be as follows:

- (a) The Chairperson
  - (b) The Secretary;
  - (c) Five (5) other members of the Committee, provided that at least two (2) of the members are representatives of the Proponent on the Committee; and,
  - (d) The members of the sub-committee shall have capability or experience in conflict management.
- (3) The Sub-Committee shall:
- (a) settle all disputes that may arise between the Parties in respect of any matter in connection with or under this Agreement;
  - (b) settle any other issue, matter, grievance or complaint that is not related to the Agreement that may be raised by the Proponent or the Community to the sub-Committee for resolution;
  - (c) manage disputes, issues, concerns, matters or grievances referred to in paragraph (a) and (b) in accordance with the procedure set out in Schedule 1 to this Agreement; and
  - (d) Develop the relevant forms that are easy to use in lodging issues, grievances and disputes in respect of any matter in connection with or under this Agreement with the sub-committee.
- (4) Parties agree that where any issue of potential conflict is identified or where any conflict arises between them, they shall exercise patience and tolerance and make an attempt to resolve the issue through dialogue and negotiation so as to maintain good working relations.
- (5) Where requested by the Committee, the Proponent shall in consultation with the Committee assist in capacity building by providing training for people who will participate in the different aspects of conflict identification, management and resolution.
- (6) Parties agree to recognise and support the grievance resolution management mechanism.

## **19. Tenure of the Grievance Resolution Sub-Committee Members**

- (1) A member of the sub-committee shall continue to be a member until he/she ceases to be a member of the Committee, resigns or dies.
- (2) A member of the Sub-Committee may resign by giving thirty (30) days written notice to the Chairperson of the Committee.

## **20. Meetings and Decisions of the Grievance Resolution Sub-Committee**

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

## **21. Financial Disbursement and Management**

- (1) In each financial year, the Proponent shall make payments equal to ..... of the Annual Aggregate e a r n i n g s for development projects and Administrative Expenses under this Agreement.
- (2) The allowable expenditure payable under this Agreement includes:
  - (a) payment of costs incurred in connection with projects to be implemented under this Agreement;
  - (b) payment to the Administrative Expense Account for the allowances set out in this Agreement for the members of the Committee, rent for an office for the



Committee and minor incidental costs associated with such office (“Administrative Expenses”); and

- (c) payment of other costs incurred for the proper and effective functioning of the Committee and the sub-committees as agreed by parties.
- (3) Parties further agree that payments for Administrative Expenses shall not exceed .....% of the ..... Annual Aggregate Earnings.
- (4) The Parties, agree to run an account to be referred as, the Administrative Expenses Account, for purposes of payment of Administrative Expenses. The signatories to the Administrative Expenses Account shall be the Chairperson, one representative of the Proponent and another party agreed by the Parties.
- (5) The Parties agree that the Committee shall furnish the Proponent with all the information required in the preparation of the annual report.
- (6) The Chairperson shall provide the required attestation in respect of the information provided to the Proponent confirming that the said information is truthful and accurate.

## **22. Procurement of Goods and Services**

- (1) The Proponent and the Committee shall in joint consultation source, evaluate and select service providers in accordance with the Proponent’s Procurement Policies taking into account local content. The Proponent shall subsequently enter into a contract with the selected service provider.
- (2) The procurement of all goods and services under this Agreement shall be in accordance with the requirements of the Proponent’s Procurement Policies.
- (3) The bidding for, award of contracts and terms of contracts shall be in accordance with the requirements of the Proponent’s Procurement Policies.
- (4) The Proponent shall make payment to the service providers for projects to be implemented under this Agreement in accordance with the applicable contract terms.
- (5) Final payments to the service providers may only be made upon recommendation of the relevant sub-Committee (unless such recommendation will only be provided after the deadline for payment under the relevant contract).

### **23. Remuneration**

Members of the Committee shall not be entitled to a salary. However, members of the Committee shall be entitled to allowances as outlined in Schedule 4 to this Agreement.

## **C. COMMUNITY DEVELOPMENT PROJECTS**

### **24. Types of Projects to be Funded under this Agreement**

- (1) The projects to be implemented under the Agreement may include, but are not limited to:
  - (a) Educational scholarship, apprenticeship, technical training and employment opportunities for the people;
  - (b) Employment for members from the communities;
  - (c) Financial or other forms of support for infrastructural development and maintenance including education, health, roads, water and power;
  - (d) Assistance with the setting up of and support to small-scale and micro-enterprises;
  - (e) Special programmes that benefit women, youth and persons with disabilities;
  - (f) Agricultural product marketing;
  - (g) Protection of the environment and natural resources;
  - (h) Support for cultural heritage and sports;
  - (i) Protection of ecological systems.

### **25. Selection and prioritization of Community Development Projects**

- (1) The Committee has approved all the development projects in Schedule 5 for implementation under this Agreement, with such projects ordered according to their priority.
- (2) The following process was followed in the selection of the projects under this Agreement:
  - (a) Potential community development projects were identified by the Committee and a shortlist of projects considered feasible for implementation were produced, bearing in mind the immediate identifiable needs of the

Community following consultation and the availability of funds to complete the projects.

- (b) The shortlisted projects were agreed between the Parties.
- (3) The Committee shall regularly update the Community on all proposed development projects and those chosen to be implemented in a given financial year.
- (4) Parties shall agree on any other projects to be implemented under this Agreement.

**26. Restrictions on the use of CDA Funds**

- (1) Notwithstanding any other provision to the contrary, the Proponent shall not be required to provide any funds under this Agreement for:
  - (a) the provision of any vehicle to any individual or single family unit of the Community other than a specialized purpose vehicle such as an ambulance, fire engine, water truck, or bus for the benefit of the entire Community;
  - (b) the provision of any monetary amount, service, good, or facility for the sole benefit of any group, an individual, clan or single family unit in the Community, political party or other person; or
  - (c) any matter that is illegal under any written law.

**D. PARTICIPATION AND TRANSPARENCY MANAGEMENT**

**27. Information and communication management**

- (1) The Parties agree to recognise and support the Committee, and its principles and activities.
- (2) The Parties agree to manage information and communication according to the plans outlined in Annex 1 to this Agreement.

**28. Project-Closure Consultations**

The Committee shall ensure information about the Proponent's closure programmes is disseminated to the Community.

**29. Local Employment**

The Proponent shall ensure the continued employment of skilled and unskilled labour from the Community and share such information with the Committee during each quarterly meeting.

**E. REVIEW AND AMENDMENT OF THE AGREEMENT**

- (1) The Agreement may only be modified or amended with the prior written consent of both Parties.
- (2) Without limiting the foregoing, the review or amendment of any part of this Agreement shall be in accordance with Schedule 2 to this Agreement.

**F. TRANSFER**

In the event that the Proponent transfers the Carbon Project to a third party, the transferee shall be deemed to have assumed all rights and obligations of the transferor under this Agreement.

**G. APPLICABLE LAW**

This Agreement shall be governed by the Laws of Kenya.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by as of the Agreement Date first above written.

**SIGNED** for and on behalf of the

**PROPONENT**

**Name:** .....

**Signature:** .....

**SIGNED** for and on behalf of the **COMMUNITY**

**Chairperson of the Committee**

**Name:..... .**

**Signature:.....**

**Agreement Witnessed by a Representative of the Ministry of Petroleum and Carbon project**

**Name:**

**Signature:**

**PREPARED BY:**

.....

**SCHEDULES**

**Schedule 1: Grievance Management and Resolution Procedure**

- (1) Parties agree that whenever any issue, concern, complaint, grievance or dispute relating to the implementation of this Agreement arises, it shall seek to be resolved through dialogue and negotiation in an atmosphere of understanding, patience and tolerance.
- (2) Pursuant to subsection (1) herein, the following procedures shall be used to seek to resolve a complaint or dispute relating to the implementation of this Agreement:
  - (a) If a Party has such an issue, concern, grievance or dispute, it shall lodge the dispute with the Chairperson of the Grievance Resolution Sub-Committee.

- (b) The Chairperson of the Grievance Resolution Sub-Committee shall within ten (10) days of receipt of the dispute, grievance or complaint acknowledge receipt of the dispute, grievance or complaint.
- (c) Subsequent to sub-section (b), and not longer than sixty (60) days, the Chairperson shall invite in writing the concerned parties to a meeting(s) of the sub-committee indicating the venue and time.
- (d) The sub-committee shall then seek to resolve the dispute, grievance or complaint within thirty (30) days.
- (e) Where the Grievance Resolution Sub-Committee considers that the dispute, grievance or complaint does not directly relate to the Agreement or implementation of the Agreement, it shall refer the same to other existing formal grievance resolution mechanisms, authorities or bodies and advise the complainant thereof.
- (f) If the Grievance Resolution Sub-Committee is unable to resolve a dispute, issue, concern, matter, grievance or complaint, it shall be referred to the Committee for resolution at its next meeting or at an emergency meeting convened for that purpose.

## **Schedule 2: Procedures for the Review/Amendment of the Agreement**

- (1) Any person proposing the review or Amendment of any part of this Agreement shall present the proposed review/amendment with reasons thereof through and endorsed by a member of the Committee to the Chairperson of the Committee.
- (2) In the case of an amendment, the proposed amendments shall be received a month before the Committee's last quarterly meeting in the year is convened.
- (3) The proposals and recommendations for review/amendment of the Agreement shall be discussed by members of the Committee and the decision to review/amend any part of the agreement shall be by consensus.
- (4) No review/amendment shall be valid unless at least two-thirds of the members of the Committee are present.

- (5) Additionally, no amendment of any provision(s) of this Agreement shall be done unless there is full consultation between the Parties and there is prior written consent in that regard.

**Schedule 3: Rules, Regulations and Bye-laws**

- (1) Every member of the Committee shall be committed to the implementation of this Agreement and any Rules, Regulations and bye-laws made hereunder.
- (2) Any member of the Committee who knowingly, directly or indirectly obstructs or causes the obstruction of the implementation of this Agreement shall be cautioned.

**Schedule 4: Allowances payable to Committee members for Meetings**

- (1) The allowances payable for attending a full General Committee meeting shall be as follows:
- (a) Chairperson: Kshs. ....;
  - (b) Secretary: Kshs. ....
  - (c) Members: Kshs.....
- (2) The allowances payable for attending a Sub-Committee meeting shall be as follows:
- (a) Sub – committee Chairperson: Kshs.....
  - (b) Sub – committee Secretary: Kshs.....;
  - (c) (c) Members: Kshs.....
- (3) For the avoidance of doubt, the Proponent’s representatives in the Committee shall donate their allowances for charitable purposes or to a charity in the Sub-County identified by the Committee.

**Schedule 5: Prioritization of Community Development Projects**

- (1).....
- (2).....

**Schedule 6: Community Development Agreement Project Monitoring Sheet**

Project Name	Location/ward	Project cost	Expected project outputs	Start date	End date	Expenditure	Implementation status	Remark




## **I. ANNEXES**

### **Annex 1 Information and Communication Management Plan**

- (1) The Committee shall after every meeting prepare a summary of issues discussed and decisions taken for dissemination in the Community. Such dissemination shall only occur once all Committee members have had a reasonable opportunity to review and comment on the summary of issues and all reasonable comments have been incorporated.
- (2) The Committee, in consultation with the Proponent, shall organize radio, television and newspaper announcements and give a summary of issues discussed, decisions taken and progress on the implementation of this Agreement for the benefit of the Community.
- (3) The Proponent shall produce an annual flyer/bulletin on the Committee's decisions and all matters of interest relating to this Agreement and its implementation and distribute copies of the flyer/bulletin to members of the Committee for distribution to the Community.

### **Annex 2 Project closure Consultations**

- (1) The Parties agree to work together through consultations during project closure.
- (2) The Proponent shall assist the Community in capacity building especially for those who will participate in the project-closure programmes.

