



SECTOR FINANCE THEAMATIC GROUP

Challenges

- Low prioritization of Environmental issues due to their invisible nature as opposed to sectors like roads, health and energy.
- Low funding of ENR activities in Local Governments.
- Poor physical planning like settling refugees and mining around forest reserves and Increasing population that is not matched with proportionate increased funding
- Effective utilization and absorption of limited funds. Especially external financing

Challenges cont'd

- Low staffing levels at local governments due to district creation and poor functionality
- Sector underfunding and budget cuts
- Inadequate funding for Operation and maintenance of water units.
- Non operationalization of environmental fund as prescribed in the NEMA act 2019 on the Environmental levy
- Limited coordination of other sectors in the area of climate

Causes

- High population pressure on ENR
- Low funding to ENR
- Development requirement

Possible solutions

- Tax wave on irrigation equipment to boost irrigation
- Reduction of taxes on gas to reduce usage of wood fuel
- Encourage communities to engage in source protection and participate in water .
- Protection of critical catchments from encroachment as an efficiency gain from O&M costs and free resources towards other priority areas.
- Come up with Innovative approaches to attract funding to the sector. Like corporate social Resp.

Possible solutions

- Coordination and harmonization with the private sector, CSO and MDAs to create demand for water and environment services.
- Tap in to other sources of funding opportunities. The Garbon case of “Natural forest capital funding”
- Prepare bankable projects for possible funding by green Climate and Adaptation funds.
- Payment of eco system services by users services.

Undertaking

- Prepare a project proposals for projects to be funded under the GCF and adaptation fund by the ministry and LGs spear headed by the deconcentrated units. Minimum of one project per region focusing on ENR.
- Prepare a concept note to Parliament detailing the need for financing climate change and environment proposing a percentage requirement by all MDAs. And operationalization of the above funding.



Thank You!

