

# Memorandum of Understanding

*Between the Republic of Kenya and the Kingdom of Norway on  
"Cooperation Aimed to Increase Access to Sustainable Energy and Reduce  
Greenhouse Gas Emissions"*

## **I. PREAMBLE**

The Government of the Republic of Kenya ("Kenya") and the Government of the Kingdom of Norway ("Norway"), both participants in the Energy+ Partnership:

*recognizing* that the need for reliable, affordable and sustainable energy and the negative impacts of climate change are two of the largest challenges facing the world in the 21<sup>st</sup> Century. Renewable energy and energy efficiency provide the means to both increase energy access and reduce emissions of greenhouse gases relative to agreed-upon baselines;

*recognizing* that access to reliable, affordable and sustainable energy service is essential to reduce poverty, create jobs, and improve health and education services, gender equity, climate resilience, indoor and local air pollution, and therefore overall standards of living;

*recognizing* the Sustainable Energy for All initiative launched by the United Nations Secretary-General, with the goals of providing universal access to modern energy services by 2030, doubling the global rate of improvement in energy efficiency by 2030, and doubling the share of renewable energy in the global energy mix by 2030;

*recognizing* Kenya's Vision 2030 Strategy that aims to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. The Energy sector is one of key drivers of the Economic Pillar of Vision 2030;

*recognizing* Kenya's ambition to replace kerosene lamps with solar lamps and increase access to improved cook-stoves;

*noting* that Norway - as a contributing partner to the Climate Investment Funds' Scaling Up Renewable Energy Program (SREP) - already provides support to renewable energy in Kenya through multilateral channels;

*recognizing* the decision at Conference of the Parties (COP) 17 under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol on a work plan on enhancing mitigation ambitions to reduce the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions, and the emission level that is required to have a likely chance of keeping global warming below 2<sup>o</sup> Celsius;

*hereby* establish cooperation aimed to increase access to sustainable energy and reduce greenhouse gas emissions through a programmatic sectoral approach initially focusing on implementation of two programmes as part of the concept "Kerosene Free Kenya":

- a) Replacement of kerosene lamps with solar lanterns or other solar alternatives.



- b) Access to improved cook-stoves and more efficient and environmentally friendly cooking in households and small and medium size enterprises.

## **II. OBJECTIVES**

The objective of the Memorandum of Understanding (MoU) is to foster partnership between Kenya and Norway to increase access to effective, reliable and affordable energy services and reduce greenhouse gas emissions from the energy sector by promoting renewable energy and enhanced energy efficiency.

As the first step the cooperation aims to contribute to replacement of kerosene lamps with solar lanterns and increased distribution of improved cook-stoves to households and small and medium sized enterprises.

The Partnership will seek to build over time an overall approach to the energy sector on renewable energy and energy efficiency policy so that the Partnership will contribute to achieving the targets in Kenya's Vision 2030 Strategy and the Economic Pillar of Vision 2030. This agreement will be the first step in such an approach.

## **III. GENERAL APPROACH AND PRINCIPLES**

The energy and climate cooperation between Kenya and Norway aims to apply the basic Energy+ principles:

- Sectoral approach

The long term goal is to develop cooperation between Kenya and the Energy+ Partnership, including Norway that addresses the whole energy sector. Initially the cooperation will be limited to a programmatic approach by supporting two components of the "Kerosene Free Kenya" program. The Partnership will support the development of low emission development strategies and policies focusing on the whole energy sector.

- Results-based payments

Results-based payments will be provided based on achieved results on increased access to energy services and reduced greenhouse gas emissions relative to a business as usual baseline. Norway and other Energy+ partners will upon request assist Kenya in developing results-based financing to attract private sector investments.

- Enabling environment to leverage private and commercial investments

Kenya, Norway and other Energy+ partners will provide best-practice support to undertake required policy reforms, institutional strengthening and improve governance to incentivize commercial investments to increase access to sustainable energy and reduce greenhouse gas emissions relative to business-as-usual baselines. A general prospectus outlining the commercial opportunities will be elaborated as part of the cooperation.



In their cooperation Kenya and Norway intend to:

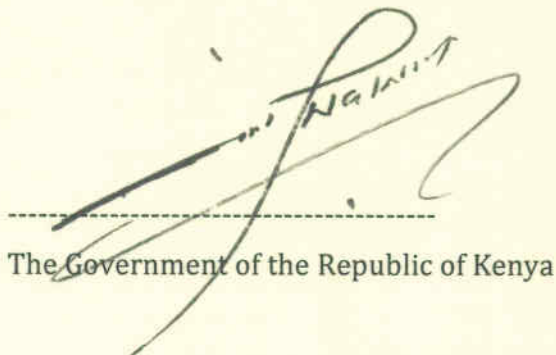
- Be fully transparent and strive for efficiency regarding financing, actions and results.
- Give all relevant stakeholders in the host country, including local communities and civil society, subject to national legislation, and where applicable, international instruments, the opportunity of full and effective participation in energy sector planning and implementation.
- Encourage other Energy+ Partners to join the cooperation.
- Support the development of low emission development strategies and policies focusing on the energy sector that attract private investments, taking into consideration social and environmental safeguards.
- Ensure that all investments and activities implemented under the auspices of the cooperation will comply with national, including where relevant international, social and environmental commitments, standards and practices.
- Ensure coordination with other multi-lateral and bilateral initiatives on access to energy and climate change taking place in Kenya, including the Scaling Up Renewable Energy Program (SREP).
- Ensure that the Partnership is based on national development plans, energy policy plans, climate policy plans, the Energy+ Guiding Principles, and that relevant methodology is aligned with guidelines under the UNFCCC.

#### **IV. ENTRY INTO FORCE AND AMENDMENTS**

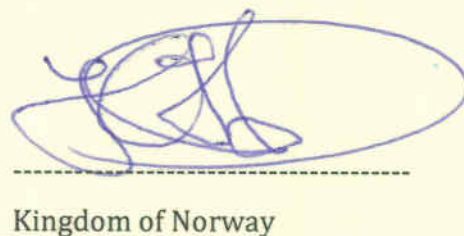
**Amendment.** This MoU may be amended at any time by the mutual written consent of the Participants.

**Duration.** This MoU will come into effect on 21 June 2012 and be valid for five years.

*Done in duplicate in Rio de Janeiro on the 21 June 2012, in the English language.*



The Government of the Republic of Kenya



Kingdom of Norway