

	8.2 Insufficient number of enterprise applications for MSME part			<p>8.2.1 Intensely engage with relevant institutions to ensure timely roll-out.</p> <p>7.2.2 Extend and aptly use networks of relevant multipliers for dissemination and dedicated outreach campaign. In case of low interest and/or poor application quality engage additional multipliers.</p>
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#### Lessons Learnt:

It is crucial to invest in coordination of support to the relevant sectors, and the EU Delegation takes part in the formal sector working group on Environment Protection, Water & Natural Resources, at present coordinated by the US, in addition to the cooperation in the Green Deal TEI. In general, potential implementing units will be assessed including on the track record of successful project implementation and sufficient financial means. Deficiencies identified will be addressed by appropriate dialogue or technical assistance measures. The EU Delegation has a long term and successful relationship with main actors in the GoK as well as with main energy and transmission companies and relevant financial institutions, mitigating the risk of unrealistic expectations and underperformance in project implementation. In this regard, also the networks and experience of key partners in a Team Europe approach are valuable. When needed, additional studies will be done to collect more detailed information on cost-benefit analysis, socio-economic, environment, climate change, gender and human rights viability. On the energy side, as a lesson learnt is the need to provide substantial complementary technical assistance to the concrete investments to ensure project execution according to international standards. This assistance contains usually consultancy support in preparing and implementing projects as well as capacity development. A particular lesson was learnt during the implementation of the geothermal power project at Olkaria (jointly implemented with KfW, World Bank, AFD and EIB); following the successful settlement of a grievance case by the affected communities in 2014, it was important to emphasise adherence to social and environmental safeguards, and in particular livelihood restoration. The component on financing and capacity building to MSME's builds on the proven SEED methodology (Implemented under Switch Africa Green), with toolkits and expertise supporting green and inclusive enterprises, developed and refined during 15 years of experience in working on green economy topics using green and inclusive private sector approaches. From the former EU funded WaTER programme in Western Kenya, it is learnt that the design of landscaping oriented programmes has to be facts oriented, with a strong buy-in from benefiting communities and county governments.

### 3.5 The Intervention Logic

The EU and Kenya have strong joint interests in implementing the international commitments under Kenya's NDC, both on the mitigation and adaptation sides. This action will support the areas of sustainable energy, climate resilient watersheds and access to green finance and entrepreneurship for SME's in the area of circular economy. The intervention logic builds on a thorough alignment to Kenya's policy priorities in respective areas, including the Green Economy Strategy and Implementation Plan (GESIP 2016-2030). The results of this action contribute directly to the implementation of the **Team Europe Initiative on the Green Deal**, which is an inherent part of the EU-Kenya strategic dialogue, and offers opportunities for coordination and complementarity of actions necessary to transition into a green economy. The action should be seen towards the background of the complementarity between EU, its Member States and DFI's, and towards the background of the Green Deal Action Document Part I, which was part of the Annual Action Plan 2022.

**Making the electricity system more resilient and green**, the action will provide investment grants to selected projects financed by a Development Finance Institution, which will use the grants to ensure their financial viability by reducing the investment cost. The programme comprises multiple projects to increase the capacity of Kenya's electricity system. The proposed investments increase the renewable energy capacities and strengthen the grid. Additional power generation facilities will be available, complemented by an improvement of the transmission system and ancillary services, to ensure efficient wheeling and control of the generated power. In the medium-term those new generation and transmission capacities will lead to a more sustainable and resilient electricity system and a positive impact on end-user tariffs. The diversification of the generation capacities will mitigate climate change risks. In the long-term, more people have access to clean, affordable, and reliable energy. The