TANA RIVER
GREEN HEART INITIATIVE

INVESTORS VETTING GUIDELINES

With support from

NatureKenya
THE EAST AFRICA NATURAL HISTORY SOCIETY

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INTRODUCTION

The Tana River Delta is a mosaic of different ecosystems, including riverine woodlands, wetland forests and flooded grasslands, scrubland, upland forests, mangrove forests, sand dunes, and shorelines. The delta is designated as a Ramsar site (wetland of international importance), a Global Biodiversity Hotspot and an Important Bird and Biodiversity Area. The majority of rural populations derive their livelihoods from the landscape. The landscape faces unprecedented threats due to illegal harvesting of forests, overgrazing, overfishing, deforestation and inappropriate land use. Climate change has exacerbated the threat of drought, contributing to the degradation of natural resources and threatening livelihoods. Low flows caused by upstream dams on the Tana River have also led to serious problems of in-land seawater intrusion, affecting both fishing and farming activities and threatening freshwater-dependent fauna and flora.

The Tana Delta's natural resources include its soils, vegetation, and wildlife, on which many economic activities are based. The Delta comprises a rich mosaic of habitats, including riverine forests, oxbow lakes, lakes, swamps, open water, river channels, mangroves, and grassland. All of these habitats depend on the continuing flow of the River Tana.

Resource use conflicts in the delta are common due to the increasing population, competition for land and land-based resources, and encroachment into fragile ecosystems. These conflicts are compounded by a lack of a general framework to guide decision-making on the development of the Delta. This greatly compromises natural resource conservation efforts and community interests, leading to unsustainable outcomes.

Against this backdrop, with support from Nature Kenya through the Darwin Initiative, the government developed the Tana Delta integrated land use plan to guide future development in the delta. The integrated land use plan is a public policy document that will guide public and private investments and contribute to reduced conflicts in the delta. Although the LUP has yet to be approved in the Tana River County section, its implementation is expected to contribute to improved livelihoods and sustainable development of the Delta and the country as a whole.

As a matter of need, the Tana River County government, in collaboration with Nature Kenya, is implementing a GEF Green Heart Project throughout the Tana Delta and within the buffer zone. The project seeks to spur economic development while maintaining the rich biodiversity and environment of the Tana Delta for the benefit and welfare of its people and the enjoyment of future generations. It focuses on transforming the lives of people living within and around the Tana Delta by promoting sustainable economic

growth and protection of the environment, creating new jobs and livelihoods and boosting the regional and national economy. The project strives to achieve the highest standards of sustainable development by protecting natural resources, utilizing renewable sources of energy, sourcing local materials, drawing on the labor, skills, and imagination of its residents, strengthening communities and adding value to goods and services generated in the Delta.

A key element of the project is the development of criteria to guide investors interested in the delta. This document highlights criteria to guide the Tana Delta Green Heart Joint Committee in vetting potential investors in the Delta. These criteria should be applied together with the business case and investment rationale for the Green Heart project.

Policy Formulation: The county government is responsible for formulating policies and regulations governing investment within its jurisdiction.

Customization to Local Context: The Tana River County government understands the region's unique socioeconomic, environmental, and cultural context.

Capacity Building: The county government can invest in capacity-building initiatives to enhance the skills and knowledge of its staff involved in investment promotion, regulation, and monitoring.

Facilitation of Investments: Reduce bureaucracy and create a conducive environment for potential investors.

Technical Support: Provide inputs and guidance on environmental considerations to ensure that investments under the Green Heart Initiative align with conservation goals and minimize ecological impacts.

Capacity Building: Nature Kenya can offer training and capacity-building programs to investors, government officials, and community representatives on best practices.

Advocacy for Sustainable Investments: Nature Kenya can advocate for the incorporation of sustainable development principles and conservation priorities into the vetting guidelines.

Customization to Initiative Goals: The committee can tailor the vetting guidelines to align with the specific objectives and focus areas.

Stakeholder involvement: ensuring the local communities are aware of potential investors and ensuring their feedback is considered.

Monitoring and Evaluation: The committee can establish mechanisms for monitoring vetted investment implementation and evaluating compliance.

Adaptation and Continuous Improvement: The committee should proactively adapt the vetting guidelines to changing circumstances, emerging trends, and new challenges.

GUIDING PRINCIPLES

Objectives

There is consensus that Tana Delta offers immense opportunities for green investment, one that directly or indirectly supports environmental causes. These investments support environmental causes, as well as social and governance issues. These guidelines aim to provide a framework for the Tana River County government to make decisions on the enterprises to be promoted in the delta to ensure sustainability.

Specific objectives include:

i. To assess the social and governance implications of identified investments,

ii. To provide a tool for evaluating the direct and indirect impacts of an investment to the ecosystem,

iii. To prioritize enterprises that demonstrate a commitment to sustainability, considering factors such as resource efficiency, eco-friendly practices, and positive social impact,

iv. To assess the direct contribution to the value chain of local produce,

v. To project the capacity to prioritize the local community in employment and decision-making.

Principles of SUSTAINABILITY

Biodiversity is fundamental to human well-being, a healthy planet, and economic prosperity for everyone, including living well in balance and harmony with Mother Earth. We depend on it for food, medicine, energy, clean air and water, security from natural disasters, recreation and cultural inspiration, and it supports all systems of life on Earth (UNEP, 2020).

Achieving sustainable development of the Tana Delta remains a priority for the Kenyan and Tana River County governments. Therefore, investors in the Delta will be encouraged to embrace several principles advancing the objectives of the global biodiversity framework. In particular, investments will be aligned towards meeting the following targets.

Target 1. Ensure all land and sea areas are under integrated biodiversity-inclusive spatial planning, addressing land and sea-use change while retaining intact wilderness areas.

Target 7. Reduce pollution from all sources to levels that are not harmful to biodiversity, ecosystem functions, and human health, including reducing nutrients lost to the environment by at least half and pesticide use by at least two-thirds, and eliminating plastic waste discharge.

TANA RIVER
GREEN HEART INITIATIVE

VISION

A pristine and prosperous Tana Delta that promotes ecological integrity, sustainable livelihoods and economic development.

PROMOTE, PROTECT, PROSPER

MISSION

To guide sustainable development and investments in the Tana Delta that promote environmental conservation, biodiversity protection, livelihood improvements while creating new jobs and fostering regional and national economic Development"

STRATEGIC DIRECTIONS

1. *Strengthening Institutional and Legal Frameworks;*
2. *Realizing Sustainable Economic Development;*
3. *Promoting Sustainable Livelihoods;*
4. *Restoring Ecological Integrity; Developing Efficient*
5. *Infrastructure and Services.*

Target 8. Minimize the impact of climate change on biodiversity, contribute to mitigation and adaptation through ecosystem-based approaches, contributing at least 10 $GtCO_2e$ per year to global mitigation efforts, and ensure that all mitigation and adaptation efforts avoid negative impacts on biodiversity.

Target 9. Ensure benefits, including nutrition, food security, medicines, and livelihoods for people, especially the most vulnerable, through sustainable management of wild terrestrial, freshwater and marine species and protecting customary sustainable use by indigenous peoples and local communities.

Target 10. Ensure all areas under agriculture, aquaculture and forestry are managed sustainably, particularly through the conservation and sustainable use of biodiversity, increasing the productivity and resilience of these production systems.

Target 11. Maintain and enhance nature's contributions to regulating air quality, quality and quantity of water, and protection from hazards and extreme events for all people.

Target 14. Fully integrate biodiversity values into policies, regulations, planning, development processes, poverty reduction strategies, accounts, and assessments of environmental impacts at all levels of government and across all sectors of the economy, ensuring that all activities and financial flows are aligned with biodiversity values.

Target 15. All businesses (public and private, large, medium and small) assess and report on their dependencies and impacts on biodiversity, from local to global, and progressively reduce negative impacts by at least half and increase positive impacts, reducing biodiversity-related risks to businesses and moving towards the full sustainability of extraction and production practices, sourcing and supply chains, and use and disposal.

Factors for Assessing Investments

According to the LUP, all public and private investments are expected to comply with EMCA's Environmental (Impact Assessment and Audit) regulations. These guidelines apply to any investment with the following characteristics. They enable investment opportunities to be assessed and evaluated using a broad range of environmental, social, and governance factors proposed in the Strategic Environmental Assessment and the Land Use Plan for the Tana River Delta.

According to these reports, any proposed investment with the following features must follow these guidelines:

i. Has annual water demand exceeding 2 million cubic meters;
ii. Extend to special features of habitat and settlement as identified in Plans 6.5 and 6.6 of the land use plan;
iii. Leads to the displacement of more than five homesteads;
iv. Expected to create more than 100 full-time jobs;
v. Expected to disrupt the livelihood of more than 100 people;
vi. Exploration and extraction of minerals;
vii. Requires large energy supply to operate;
viii. Whose raw material does not exist in situ;
ix. Brings in new species, animals and plants;
x. Emissions exceeding 10 million metric tons of carbon.

Additional factors were proposed during the induction workshop of the Tana Green Development Committee in April 2022, where members proposed the following criteria to be considered during the approval of an investment in the Delta:

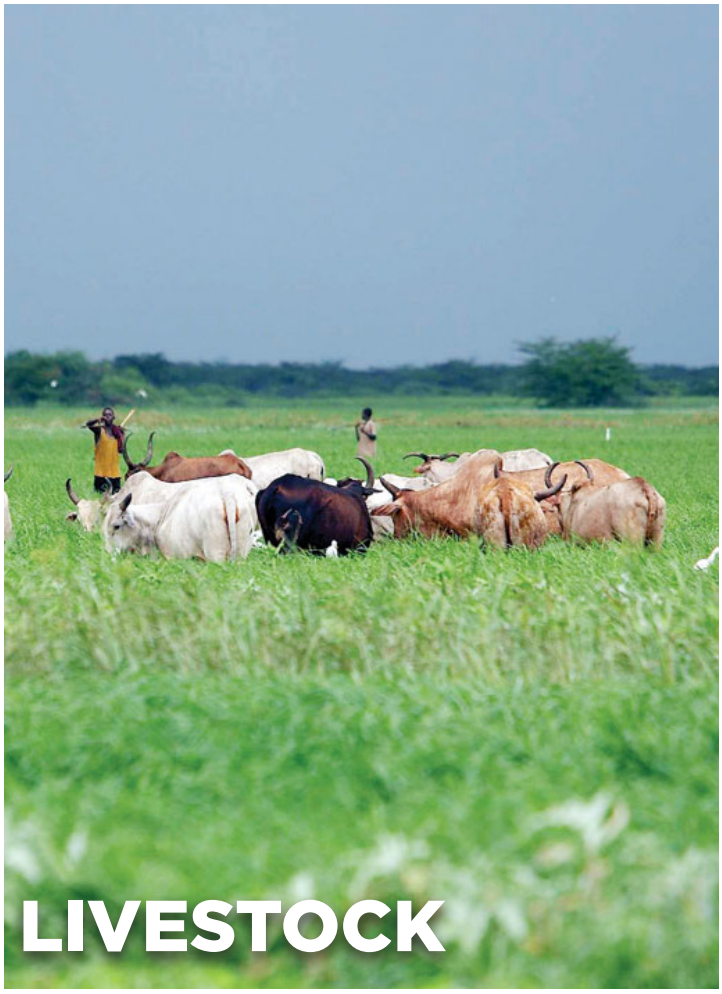
a. Capacity to increase the restoration of the landscape
b. Promoted climate-smart production
c. Supports agro-forestry
d. Pollution and emission potential
e. Land degradation
f. Water demand
g. Energy demand
h. Population displacement
i. Expected Number of beneficiaries
j. Employment opportunities
k. Community and livelihood improvement
l. Compliance with existing law
m. Revenue generation potential
n. Potential for Technology transfer
o. Promotion of conservation
p. Potential for technology development and transfer
q. Compliance with national and international sustainability principles.

The Green Heart Joint Management Committee recommended the investment to be in line with the strategic areas of agriculture, livestock development, and environmental conservation.

AGRICULTURE

Sustainability Factors

- Emphasizes on methods and processes that improve soil productivity and fertility while minimizing harmful effects on climate, soil, water, air, biodiversity and human health.
- Minimizes inputs from non-renewable sources and petroleum-based products.
- Focuses on local people and their needs, knowledge, skills, socio-cultural values and institutional structures.
- Meets current and future nutritional needs.
- Provides long-term employment, incomes and dignified and equal working and living conditions for everybody involved in the agricultural value chains.
- Reduces agriculture's vulnerability to adverse natural conditions (climate change) and socio-economic factors (price fluctuation).
- Fosters rural institutions (cooperatives, associations).
- Aims to reduce resource conflict and inequality.



LIVESTOCK

Sustainability Factors

In evaluating the potential investment in livestock production and meat processing, it is crucial to consider various environmental and social factors to ensure sustainable and responsible operations. Key areas of focus include:

- Potential environmental impact of the investor's operations, including land use, water consumption, waste management, and greenhouse gas emissions.
- Approach to resource efficiency and optimization in livestock production. Look for practices that minimize resource inputs (e.g., water, feed, energy)
- Commitment to social responsibility, including labor rights, worker safety, and community engagement.
- Efforts to conserve biodiversity and protect natural habitats in areas where livestock operations are located.
- Ability to ensure traceability and transparency throughout the livestock supply chain.
- Ability to add value to the livestock sector produce.

ECOTOURISM

Sustainability Factors

Tourism that fully accounts for its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities).

Seven principles;

1. Travel to natural destinations;
2. Minimize footprints (impact);
3. Build environmental awareness;
4. Provide direct financial benefits for conservation (PES); (Carbon credits)
5. Provide financial benefits and power for local people;
6. Respect local culture; and
7. Support right of way in all corridors of the Indigenous communities.

Global Sustainable Tourism Council Pillars

The GSTC criteria serve as the global standards for sustainability in travel and tourism. The Criteria are used for education and awareness-raising, policy-making for businesses and government agencies and other organization types, measurement and evaluation, and as a basis for certification.

1. **Effective Management:** How are you implementing and managing sustainable practices across your tourism business?
2. **Social and Economic:** How are you helping the places where your tourism product operates? How are you supporting diversity within your organization
3. **Cultural:** How does your tourism business support cultural heritage? Are you focused on maximizing benefits to cultural heritage and minimizing your negative impacts?
4. **Environment:** How are you protecting, conserving, educating, and being a net positive steward of the environment and ecosystem in which you operate? Are you mitigating damage, applying restorative solutions, or both?

MANUFACTURING

Sustainability Factors

1. Regulatory Compliance: Adhere to environmental regulations, labor laws, and other regulatory requirements. Resource Efficiency: Promote efficient use of natural resources, including water, energy, minerals, and raw materials, to minimize waste and environmental impact.
2. Renewable Energy Adoption: Encourage the transition to renewable energy sources, such as solar, wind, and hydroelectric power, to reduce reliance on fossil fuels and mitigate greenhouse gas emissions.
3. Circular Economy Principles: Embrace circular economy principles to promote resource recovery.
4. Sustainable Supply Chains: Promote ethical sourcing, fair labor practices, and responsible procurement of materials and products to ensure sustainability throughout the supply chain.
5. Climate Change Mitigation: Take proactive measures to mitigate climate change impacts, including reducing greenhouse gas emissions, enhancing carbon sequestration, and adapting to changing climatic conditions.
6. Biodiversity Conservation: Protect and preserve biodiversity by minimizing habitat destruction.
7. Community Engagement: Involve local communities in the decision-making process and employment.
8. Worker Safety and Health: Prioritize worker safety and health by implementing robust occupational health
9. Corporate Social Responsibility: Practice corporate social responsibility by investing in social programs, supporting community development initiatives, and contributing to local economic growth and prosperity.
10. Transparent Governance: Promote transparency, accountability, and good governance in industrialization processes, fostering trust among stakeholders and ensuring responsible decision-making.

General Checklist on Environment, Social and Legal Guidelines

No.	CATEGORY	OUTCOME
	ENVIRONMENT AND BIODIVERISTY	
1.	Does the investment actively contribute to the conservation and restoration of biodiversity in the Tana Delta?	
2.	What natural resource will the investment exploit?	
3.	Do you have a strategy in place for protecting and enhancing biodiversity within the areas where you invest?	
4.	What strategies do you implement to reduce carbon emissions associated with your investment?	
5.	Does your investment prioritize renewable energy resource-efficient technologies?	
6.	Is the investment guided by existing environmental regulations? *ESIA, EA, EHS*	
7.	Does the investment intend to have personnel for Environmental management and control? E&S officer, environmental policy	
8.	Examples of previous investments that demonstrate a commitment to environmental sustainability?	
9.	What are your long-term sustainability goals as an investor?	
	SOCIAL RESPONSIBILITY AND PARTNERSHIPS	
1.	Does the investment actively contribute to employment of the people in the Delta?	
2.	Does the investment add value to the produce of the delta? *Livestock, crop, fishery, tourism*	
3.	Does the investment empower the marginalized and vulnerable groups?	
4.	Does the investment observe the cultural and religious practices of the locals?	
5.	How does your investment deal with displacement of people?	
6.	How do you engage with local communities and stakeholders to ensure their perspectives are considered?	
7.	Do you collaborate with environmental organizations or NGOs to enhance the sustainability of your investments?	
8.	How do you ensure continuous learning and improvement in your environmental and biodiversity practices?	
	LEGAL COMPLIANCE	
1.	Do you seek certifications or adhere to specific standards in your environmentally focused investments? ESIA	
2.	Is your investment comply with county government structures?	
	LABOUR AND OCCUPATIONAL	
1.	Health and safety protocol; PPEs, Machine and equipment safety	
2.	Salary and allowance structure	
3.	Fair and ethical employment practices	
4.	Labor unions and employee representation,	
5.	Approach to internal and external grievances	

Specific Checklist for Investment in Tana Delta

Sector	Activities that can be allowed in	Ability to maintain ecosystem services (High, Medium, Low)	Potential for Ecological sustainability (High, Medium, Low)	GHG emission potential (High, Medium, Low)	Contribution to livelihoods (High, Medium, Low)
Agriculture	Banana				
	Sesame				
	Rice cultivation				
	Green Grams				
	Intensive vegetables				
	Extensive vegetables				
	Fruit farming				
	Beekeeping				
	Mango				
Livestock	Beef production				
	Milk processing				
	Leather processing				
	Disease-Free Zone				
	Abattoir				
Fishing	Fishing boats				
Tourism	Hotels				
	Eco-tourism				
	Boat riding				
	Conservancy				
	Sport fishing				
	Helium ballooning				
Manufacturing (Agro-processing)	Processing and preserving of meat				
	Processing and preserving of fish, crustaceans and mollusks				
	Processing and preserving of fruit and vegetables				
	Manufacture of vegetable and animal oils and fats				
	Manufacture of dairy products				
	Manufacture of soft drinks; production of mineral waters and other bottled waters				

Sector	Activities that can be allowed in	Ability to maintain ecosystem services (High, Medium, Low)	Potential for Ecological sustainability (High, Medium, Low)	GHG emission potential (High, Medium, Low)	Contribution to livelihoods (High, Medium, Low)
	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur				
	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials				
	Manufacture of pharmaceuticals, medicinal chemical and botanical products				
	Processing and preserving of meat				
	Processing and preserving of fish, crustaceans and mollusks				
	Processing and preserving of fruit and vegetables				
	Manufacture of vegetable and animal oils and fats				
	Boat making				
Energy	Wind power plants				
	Solar farms				
Forestry	Carbon credits				
	Wood products				

INVESTOR SCREENING APPROACH

Environmental Conservation and Restoration:

The score should be based on the effectiveness of the entity's conservation efforts and restoration projects, measured in units (e.g., hectares of forest restored, number of wetlands preserved).

Biodiversity Protection:

The score should reflect the number of species protected or supported by the entity's activities, with higher scores indicating greater biodiversity conservation efforts.

Climate Smart Technologies:

The score should be based on the efficiency of technologies implemented to mitigate climate change impacts, expressed as a percentage of energy or resource savings achieved.

Community Empowerment:

The score should be based on the level of financial investment in community empowerment initiatives, such as education, healthcare, and capacity building, measured in monetary terms.

Livelihood Promotion:

The score should reflect the number of jobs created and the annual income generated for community members through livelihood promotion programs or initiatives.

Water Demand:

The score should be based on the entity's management of water resources and efforts to minimize water consumption or sustain water demand.

Energy Demand:

The score should reflect the entity's energy efficiency measures and adoption of renewable energy to reduce energy demand and reliance on fossil fuels.

Revenue and Turnover:

The score should be based on the entity's financial performance, measured in terms of annual revenue and turnover.

Infrastructure and Special Services Provision:

The score should reflect the extent to which the entity provides essential infrastructure and services to the community, such as roads, healthcare facilities, and educational institutions.

Governance Promotion:

The score should be based on the level of community involvement in governance and decision-making processes, indicating the entity's commitment to participatory and transparent governance practices.

Investor Scoresheet

	FACTOR	UNIT CONVERSION	SCORE
1	Environmental conservation and restoration	1 Hectares= +1 unit	
2	Biodiversity protection	1 species = +1 unit	
3	Climate smart systems	1 system = +1 unit	
4	Community empowerment	KSH100,000.00= +1 unit	
5	Livelihood promotion	10 jobs = +1 unit	
6	Water demand	2 million cubic = -1 unit	
7	Energy demand		
8	Revenue and turnover	KSH10 million= +1 unit	
9	Infrastructure and special services provision	1 initiative = +1 unit	
10	Governance promotion	Community member in management = +1 unit	
	TOTAL		/100

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