



# **PAN AFRICAN CLIMATE JUSTICE ALLIANCE**

**For Immediate Release**

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## **Reaction on the African Development Bank (AfDB) announcement not to fund Lamu coal Project**

Having expressed our solidarity with the Lamu community, which has used all its arsenals to resist the Lamu coal powered project, we welcome the African Development Bank (AfDB)'s announcement, for the first time publicly, that they will no longer fund the Project. This is a victory, not only to the Lamu people, who have faced all manner of intimidation and profiling by vested interests, but also to the anti-coal movement across Africa and the world, who have been urging governments to abandon fossil fuel and revert to renewables as the most sustainable and climate-friendly energy sources.

AfDB's withdrawal from the Project is a vote of no confidence, and significance, as it is a bold statement and pointer to a shift in favor of divesting from fossil based fuels to renewables. We urge other investors clinging on the Project, particularly the Chinese government, to listen to the cries of the Lamu people and quit before it is too late. Curiously, the decision by AfDB was not a random one, but part of its ten-year strategy (2013-2022) that focuses on its "High five" development priorities. They are Light Up & Power Africa (generate 162 GW electricity, 130 million on-grid connections & 75 million off-grid connections); Feed Africa; Industrialise Africa; Integrate Africa and; Improve Quality of Life.

Of great significance, however, is the need to examine the Kenya Government's sincerity, willingness and commitment to abide by its domestic and international commitments such as the Paris Agreement and Sustainable Energy for All, which seek to transition the country to low-carbon, climate resilient development trajectory.

As we celebrate the AfDBs withdrawal from financing the Lamu Coal Project, we wish to urge the government to address conflicting gaps in the country's policy and legal frameworks that provide avenues for promoting investments and use of coal.

Whereas the preamble to the National Energy Policy notes that “the overall objective of this Energy Policy is to ensure affordable, competitive, sustainable and reliable supply of energy at the least cost in order to achieve the national and county development needs, while protecting and conserving the environment for inter-generational benefits”, this is immediately followed with a whole section on coal as one of the energy sources prioritised for exploitation by the government of Kenya.

One of the policy statements on coal, as per the National Energy Policy, states: “The Government shall promote efficient utilisation of coal resources while minimising the environmental impacts associated with its use. A conducive investment environment targeting power generation from coal will be created by providing fiscal incentives to attract investment in this sector”. This policy position on coal should effectively make any celebrations on AfDBs withdrawal from funding the Lamu Coal project short-lived.

The era of coal is over, not only in Kenya but globally. Governments and businesses from the North are abandoning coal because it no longer makes business sense. People have shifted to the energy sources of the future – renewables – solar, wind, geothermal – which Kenya is blessed with in abundance.

The AfDB does not want to invest in a potentially stranded asset. We know it is not yet over. We call upon China to follow suit and exit from the Project without further delay.

Signed

**Dr. Mithika Mwenda**

**Executive Director**