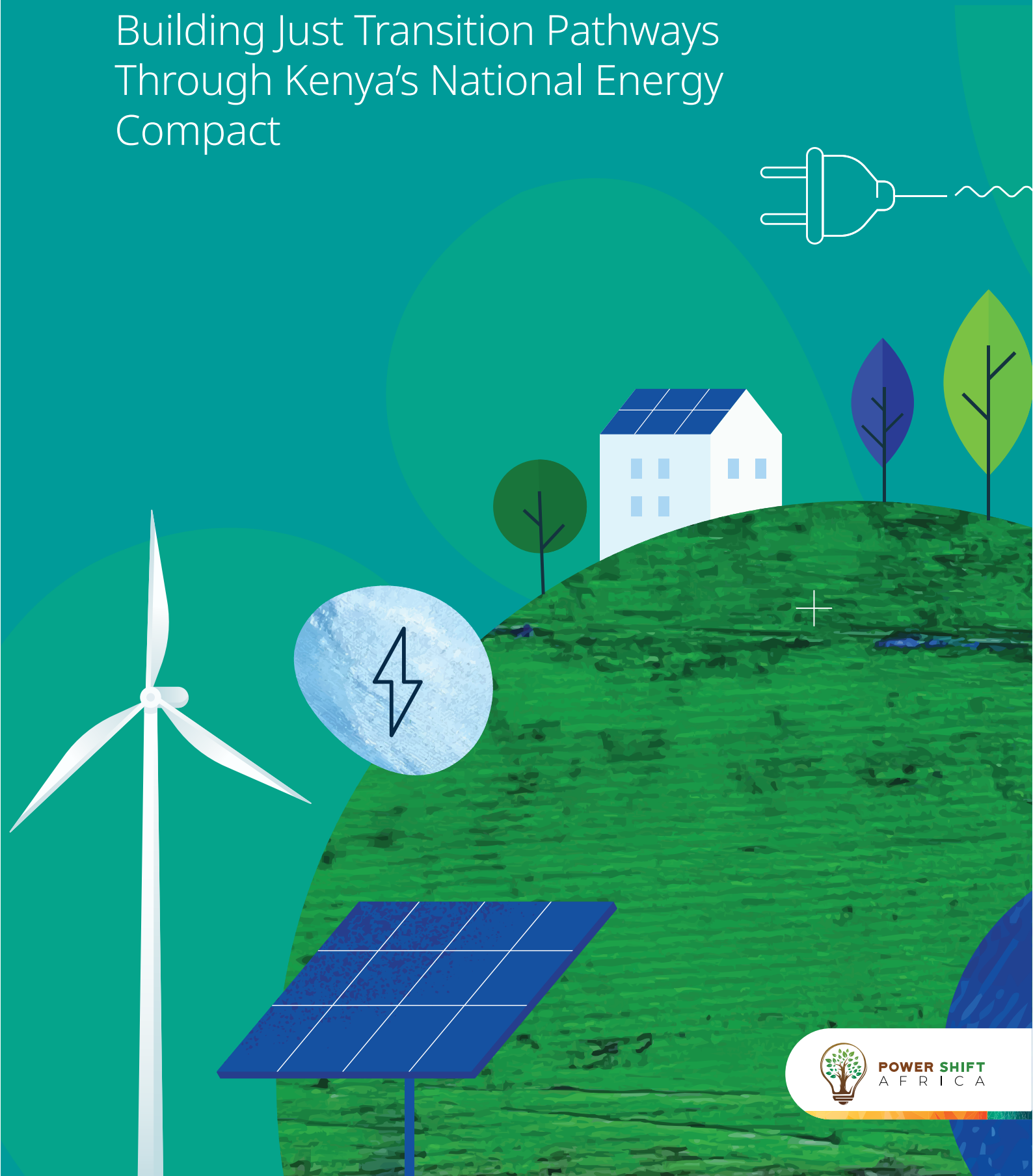
Mission 300

Building Just Transition Pathways Through Kenya's National Energy Compact



POWER SHIFT AFRICA

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Background

Beyond its contribution to global climate goals through emissions reduction, access to energy is a foundational enabler of Africa's socio-economic transformation and sustainable development.[1] Reliable and affordable energy underpins improved outcomes across critical sectors - including health and education service delivery, food security and agro-processing[2], productivity in the informal economy, and the expansion of climate-resilient livelihoods in rural and peri-urban communities. Equally, expanded energy access plays a transformative role in advancing gender equality and economic inclusion.[3]

In Kenya, there has been significant strides in expanding electricity access over the last decade, with national access levels rising from approximately 30% in 2014 to over 75% (65% on grid, 0.84% mini grid and 9.2% Standalone PV) as of 2024.[4] The increase in access has been fuelled by various government initiatives including establishment of Rural Electrification and Renewable Energy Corporation (REREC) in 2006, the Last Mile Connectivity Project (LMCP) launched in 2015, Kenya Off-Grid Solar Access Project (KOSAP) launched in 2017 (targeting 14 marginalized counties), various ambitious Least Cost Power Development Plans (LCPDP), the Power Generation and Transmission Master Plan 2015-2035, grid extension to more rural and peri-urban areas, and approval of mini-grid and off-grid renewable energy projects.

This progress has largely been complemented by a strong focus on renewable energy development, which now accounts for 82% of the country's total installed electricity generation capacity and 93% of actual energy consumption.[5] Notably, Kenya leads the African continent in installed geothermal capacity and ranks sixth globally.[6] The country also boasts an extensive transmission network, spanning 9,484 kilometres, including three regional interconnectors that support cross-border electricity trade (Ethiopia, Uganda, and Tanzania).[7]

To accelerate the adoption of stand-alone solar solutions, Kenya introduced a mix of fiscal incentives -such as tax exemptions on solar components and created an enabling environment for Pay-As-You-Go (PAYGO) business models. [8] These measures have significantly expanded energy access, especially in rural areas, by reducing upfront costs and supporting the uptake of productive-use technologies such as solar irrigation pumps, cold-storage units, and small agro-processing equipment.[9]

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1 International Energy Agency (IEA) (2025), Financing Electricity Access in Africa, Paris: IEA. (Available at: https://www.iea.org/reports/financing-electricity-access-in-africa).

2 Osabohien, R., Adeleke, O.K., Osabohien, E.U. et al. Energy access, entrepreneurship and gender dynamics in food security in Sub-Saharan Africa. Discov Sustain 6, 413 (2025). https://doi.org/10.1007/s43621-025-01208-7

3 IEA, IRENA, UNSD, World Bank, WHO. 2025. Tracking SDG 7: The Energy Progress Report. World Bank, Washington DC. © World Bank.

4 The Kenya National Energy Compact (2025–2030), developed under the framework of Mission 300 (Available at https://mission300africa.org/energysummit/compacts_files/kenya-national-energy-compact-cohort-2/)

5 See above - Kenya National Energy Compact (2025–2030)

6 See above - Kenya National Energy Compact (2025–2030)

7 See above - Kenya National Energy Compact (2025–2030)

8 World Bank (2020), Kenya - Beyond Connections: Energy Access Diagnostic Report Based on the Multi-Tier Framework, Washington, DC: World Bank.

9 See above - Kenya National Energy Compact (2025–2030)



The Mission 300 Initiative

Mission 300 is an ambitious initiative to connect 300 million people to electricity in sub-Saharan Africa by 2030.[10] It is led by the World Bank Group (WBG) and the African Development Bank (AfDB) and adopted by 30 African countries.[11] The initiative was endorsed at the Mission 300 Africa Energy Summit, held in Dar es Salaam, Tanzania, in late January 2025.[12] This was a major event focused on accelerating energy access across the continent. Key outcomes included the Dar es Salaam Energy Declaration and the launch of National Energy Compacts from 12 countries, supported by over USD 50 billion in pledged funding (including from OPEC Fund).[13] Another 17 countries launched their National Energy Compacts on the margins of the UN General Assembly in September 2025 (including Kenya).[14]

Mission 300 calls for National Energy Compacts which set measurable targets and must be backed by robust data and evidence.[15]

In its 2025 briefing titled Mission 300: *A step change for Africa?*[16] Power Shift Africa reflects as follows:

> *"If delivered equitably and effectively, Mission 300 could represent a step-change for energy access in sub-Saharan Africa. However, if it adheres to the prevailing model of climate and development finance - marked by over-reliance on private capital, a preference for privatised energy systems dominated by fossil fuels, and limited engagement with local communities - it risks failing the very people it intends to serve and exacerbating Africa's soaring debt crisis."*

Strong political will - "bold action and political support"

The *Dar es Salaam Energy Declaration* states that the African states aim to provide access to modern energy for 300 million people in Africa by 2030 and that by adopting the Declaration, they "commit to bold action and political support".[17] As a result, Mission 300 is fuelled by strong political will to transform Africa's energy sector. Under the Declaration, the 30 African governments committed

10 World Bank, 2024, 'Mission 300', https://thedocs.worldbank.org/en/doc/2700a849153c5a110d5513988f02c814-0010012024/original/mission300-factsheet-v10.pdf

11 https://mission300africa.org/

12 https://www.afdb.org/en/topics-and-sectors/initiatives-and-partnerships/mission-300

13 https://www.afdb.org/en/news-and-events/press-releases/africa-energy-summit-leaders-commit-energy-transformation-more-50billion-backing-global-partners-80515

14 https://www.afdb.org/en/news-and-events/mission-300-progresses-seventeen-additional-african-countries-unveil-energy-compacts-87150

15 https://www.worldbank.org/en/programs/energizing-africa/national-energy-compacts

16 https://www.powershiftafrica.org/publications/mission-300-a-step-change-for-africa

17 The Dar es Salaam Energy Declaration by the Africa Heads of State Energy Summit on providing access to electricity for 300 million people in Africa by 2030, adopted on January 28, 2025. Available at https://www.nishati.go.tz/uploads/documents/sw-1738564587-DAR%20ES%20SALAAM%20DECLARATION.pdf

to important sector reforms that are being implemented through the country-led National Energy Compacts. To achieve this goal, Mission 300 focuses on:[18]

a. **Expanding the electricity grid and increasing connections** in underserved areas by accelerating development of distributed renewable energy solutions. An example of a related project is Kenya's Last Mile Connectivity Program launched in 2015.

b. **Deploying mini-grids and standalone solar solutions** to bring power to remote, off-grid communities. An example of a related project is the Kenya Off-Grid Solar Access Project (KOSAP) which was launched in 2017 and targets 14 marginalized counties.

c. **Modernizing Africa's energy sector by catalyzing infrastructure investment, driving comprehensive policy reforms, and mobilizing private investment**. An example of a related project is the Ethiopia-Kenya regional electricity highway transmission project funded partly by the African Development Bank and the World Bank.

Least cost electrification strategies

The Mission 300 initiative focuses on "least cost electrification strategies" and "innovative financing mechanisms grounded in cost-benefit analyses" to deliver "reliable, affordable and sustainable electricity".[19] In this regard, the Declaration emphasizes increasing the share of renewable energy in the energy mix and mobilizing private capital, including through the enhancement of distributed renewable energy (DRE) systems, such as solar home systems (SHS), mini-grids, rooftop solar for commercial and industrial use, and productive-use systems.[20]



18 Mission 300 - Vision for Impact (available at https://mission300africa.org/).

19 See above - the Dar es Salaam Energy Declaration

20 See above - the Dar es Salaam Energy Declaration



Kenya's National Energy Compact – 2025 - 2030

> *"... The Energy Compact anchors our commitment to achieve universal access to electricity and clean cooking and transition our grid to full reliance on clean energy by 2030."*[21]
>
> **President of the Republic of Kenya - William Ruto**

The Compact acknowledges that approximately 25% of Kenyans still do not have access to electricity, with the rural areas disproportionately low on access. Over 69% of households rely on traditional biomass for cooking, contributing to deforestation, health risks, and environmental degradation. The Compact also states that the "high cost of energy, compounded by reliance on imported fossil fuels impedes energy security, economic stability and industrial growth".[22]

Laudable commitments

- Commitment to **regulatory reform** is welcome, but needs to be more directed e.g., principles or model laws (e.g., model power purchase agreements (PPAs)), focus on protecting communities from exploitation by mainstreaming Free, Prior, and Informed Consent (FPIC) and Environmental and Social Impact Assessment (ESIA) mechanisms. This includes commitment to upholding fair and just compensation and resettlement practices.
- **Unlocking private investment through** innovative financing and de-risking facilities. For example, the WBG, the AfDB, and The Rockefeller Foundation launched Zafiri, a new investment company that will provide patient equity to private companies that advance distributed renewable energy solutions. Zafiri is structured as a permanent capital investment vehicle that provides long-term equity to expand clean energy access in underserved markets. The vehicle leverages concessional junior equity to de-risk private sector participation and mobilizes commercial capital into scalable off-grid and decentralized energy solutions.
- **Ambition, energy planning and political will** enhances investor confidence.

21 See above - Kenya National Energy Compact (2025–2030)

22 See above - Kenya National Energy Compact (2025–2030)

Power Shift Africa briefing titled Mission 300: A step change for Africa? [23] - high-level recommendations

To succeed, Mission 300 must break with the failures of the past and support a new development pathway - one that places power in the hands of Africans and affirms their right to shape their own future.

a. **No more Double Standards**: Mission 300, alongside other multilateral climate finance initiatives, must halt financial flows into fossil fuels

b. **By Africans, For Africans**: Mission 300 must prioritize inclusive and transparent processes that ensure the agency of affected communities - pioneer forms of public and community ownership over energy generation and transmission networks to ensure electricity is a public good rather than a source of private profit pulled out of the continent

c. **Challenge the Centrality of Private Finance**: Mission 300 risks repeating an outdated and failing approach to development that centers the needs of private finance over that of African communities. It is clear that a combination of reliance on private finance and prohibitively high interest rates is driving a global system that funnels money out of the countries that need it most into the pockets of the wealthiest.

d. **Debt cancellation**: as a route to enable energy access and green industrialization, the Mission 300 initiative must work with its African partners to promote –
   - unconditional debt cancellation;
   - technology transfer;
   - preferential market access;
   - debt restructuring; and
   - the creation of a multilateral fund for climate reparations,

e. **Grants and Highly Concessional Finance**: If Mission 300 does not prioritize grant-based and highly concessional finance, it will only add to African states' debt distress rather than remedy it.

f. **Strategic Investments over Export Push**: Mission 300 is an opportunity to integrate industrial strategy to accelerate green industrialization across the continent. Basing industrial activities on the export of commodities does little to build an industrial base and productive capacity required for African states to diversify, create good jobs, enhance its value chains, and accelerate development.

g. **Transparent and Accountable Terms and Processes**: Establishing high environmental, social and governance standards in emergent sectors such as the critical minerals and rare earths extractive sectors. Failure to do so will reproduce the historic patterns of exploitation in Africa's extractive sectors whereby labour and human rights abuses are perpetuated on African workers with frequent impunity.

23 https://www.powershiftafrica.org/publications/mission-300-a-step-change-for-africa

Key Bottlenecks and Recommendations for Accelerated Renewable Energy Deployment in Kenya: A Just Transition Perspective

1. Mission 300 does not directly promote nuclear energy, but the Kenyan government has initiated plans for a nuclear power plant which must be resisted

The Energy Compact does not state that nuclear energy will be considered at all. However, throughout 2025 and early 2026, the Kenyan government has consistently indicated plans to develop a nuclear power plant, initially proposed for Kilifi County but now formally announced for Siaya County.

Kenya must shift focus back to enabling accessible, decentralised, and renewable energy systems. This aligns with Kenya's green industrialisation ambitions and climate commitments rather than locking the country into high-capital mega-projects that will take a long time to build and risk crowding out scarce financial resources and exposing communities to significant social and environmental harms. Already, the proposed nuclear power plant faces significant local opposition and backlash.

2. Labelling LNG as a transitional fuel must be challenged

The Compact promotes "the use of transitional fuels like LNG" but does not provide any details on how this will be accomplished given the cost of building new LNG infrastructure as well as the risk of methane leakage during extraction, processing, and transport which can wipe out any theoretical climate benefit.[24] Large LNG infrastructure also locks in countries into fossil dependence far beyond 2030-2050 climate targets. If implemented, this will drive the country deeper into debt and diverting critical funds from financing renewable energy projects.

The labelling of LNG as a transitional fuel must be challenged as it risks not only methane leakage risks but also exposing a country with huge renewable energy resources to new fossil fuel infrastructure with long lifespans. Additionally, LNG infrastructure relies on volatile global markets and will expose Kenya to increased import dependency under the guise of transition.

3. Power procurement - cost and transparency concerns, moratorium lifted, new auctions policy

In November 2025, Kenya's National Assembly lifted the parliamentary moratorium on signing of new power purchase agreements by the national utility, the Kenya Power and Lighting Company, but with key conditions.[25] These conditions include competitive auctions and competitive sourcing of Battery Energy Storage Systems (BESS) capacity inspired by South Africa's successful model, currency flexibility (including local currency, foreign currency and hybrid currency contracts) and beneficial ownership transparency. Lastly, the conditions set timelines for achieving financial close and signing of power purchase contracts (within 9-12 months) and the commercial operations date (within 24-30 months of financial close). These developments came as the country prepares to commence implementation of the 2021 Renewable Energy Auctions Policy.[26]

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24 International Energy Agency (IEA). Assessing emissions from LNG supply and abatement options. IEA, Paris, 19 June 2025.

25 The Parliament of Kenya, National Assembly Proceedings of 12 November 2025 - The Hansard recording (Available at https://mzalendo.com/democracy-tools/hansard/wednesday-12th-november-2025-afternoon-sitting-1569/

26 Renewable Energy Auctions Policy (Kenya, Ministry of Energy), 2021

The lifting of the Parliament moratorium on new PPAs presents an opportunity to re-open Kenya's energy market and prioritize renewable energy. However, implementation of the conditions attached to its lifting need to be interrogated to ensure there are no delays and that the new requirements do not inadvertently hinder the objectives they aim to achieve and have a negative impact on pipeline projects. It is noteworthy to point out that the 2021 recommendations of the Presidential Taskforce on the Review of PPAs on how to reduce costs of electricity for consumers are yet to be implemented primarily because the 20-year term PPAs contain contractual protections against changes in law and political events.

To achieve the energy cost reduction ambitions, we reiterate that Kenya must prioritize partnerships that deliver accessible renewable energy finance beyond the current private finance driven model. To achieve this, it must access grant-based and highly concessional finance to finance strategic renewable energy projects that also power its green industrialization plans.

4. Fragmented planning and prioritization

There is fragmented planning in Kenya's energy sector. For instance, although there are regulations to open the sector to other players, the policy still limits minigrids to areas located more than 15 kilometres from the existing main grid. This 15 km buffer zone adopted by the 2018 Kenya National Electrification Strategy (KNES) prevents private developers from establishing sites in these often-underserved areas. This policy resulted in the cancellation of over 20 planned project sites for private developers. The buffer also contradicts grid interconnection, barring private developers from easily selling excess power to the main grid. This also contradicts the principles of open access and the broader goals of sector unbundling and market liberalization. To further illustrate the fragmented planning, the proposed Lamu Coal plant was suspended in 2019 after court challenge, but the transmission line is still shown as 'ongoing' in KETRACO website. The appeal court recently cancelled the Lamu Coal project for failure to follow the law on EIA and public participation.

To achieve its renewable energy ambitions, Kenya must prioritise aligning its energy plans, procurement frameworks, and regulatory policies to provide long-term certainty, enhance investor confidence, mobilise sustained private capital, and ensure cost-effective deployment of new renewable energy generation capacity.

5. The proposal for "distributed renewable energy solutions" does not address local ownership requirements, one of the cornerstones of distributed renewable energy solutions

The desired shift to energy systems that are more decentralized, democratic, resilient, and tailored to local needs omits to promote local ownership requirements, which is required for distributed renewable energy systems to work best. The sole emphasis on private investment is likely to lead to the same challenges bedevilling the sector especially from a cost of power and community acceptance perspectives.

There is need for Kenya to also focus on enabling communities to achieve local ownership of their energy sources. This is key in attaining the desired acceleration of adoption of distributed renewable energy solutions as it gives communities control over planning, development, and maintenance of their own power systems, reducing reliance on expensive and centralized generation.

6. Technical assistance / technology transfer

Mission 300 has introduced the Mission 300 Fellowship program meant to place one fellow at each country to provide technical assistance, identify capacity gaps, and strengthen policy implementation. However, based on the capacity needs in these countries, the fellowship is a drop in the ocean.

What is needed from a technical assistance / technology transfer perspective is targeted and meaningful technology transfer and technical assistance from developed countries in all the renewable energy technologies and energy policy reform. It is time for Kenya to seek partnerships that move from declarations to meaningful action for effective and timely technical assistance / technology transfer by developed countries.

7. Historical promises of legal reform - what's new?

Through Mission 300, African governments commit to "unlocking private investment through supportive regulatory frameworks." It is not clear what form the required "supportive regulatory frameworks" to unlock private investment is to take from the perspectives of attracting private capital and just transition (which requires human rights considerations, meaningful EIA processes, FPIC, equitable benefit sharing, and fair and just resettlement and compensation considerations).

Despite reforms, permitting for electricity generation in Kenya remains a slow and opaque process. There have been promises for reform over the last decade but little progress. Consequently, requiring supportive regulatory frameworks without specifying the underlying just transition principles such regulatory frameworks is to mirror exposes Kenyans to unjust and lop-sided laws and practices. For instance, the Compact proposes the establishment of a 'one-stop shop for energy sector licensing and permitting' without acknowledging the varied environmental, social, and operational risks posed by different energy technologies. This may have serious implications especially with respect to environmental and social matters such as EIA processes which are better independently managed by the National Environment Management Authority (NEMA), the specialist environment agency.

Moreover, delays and prolonged processes in Kenya's energy sector reflect deeper structural challenges, including political interference, corruption, and weak institutional accountability. As shown in the below table extracted from the Least Cost Power Development Plan (LCPDP) 2024-2043 dated June 2024, energy projects that were initially approved in 2013 and 2014 are only scheduled for system integration in 2026, more than a decade later. It is time to call for these delays to be addressed as the delayed project pipeline challenge contributes significantly to the high cost of energy in the country.

Year considered for system integration	Plant name	Type	Net capacity [MW]	Installed Effective [MW]	Firm (MW)	Reserve Margin (%)	EOI Application Dates	Date of Feasibility Study Approval
2026	KTDA Chemosit	Small Hydro	0.25		0.06		2012	10-Aug-12
2026	Frontier Investment Management/Nithi Hydro	Small Hydro	5.6		1.4		2013	09-Oct-15
2026	Gem Gen Power Company Limited	Small Hydro	9.5		2.38		2018	28-Nov-19
2026	Prunus	Wind+BESS	50		12.5		2010	12-Apr-09
2026	Chania Green	Wind+BESS	50		12.5		2012	2015-02-02 Reviewed on 2016-12-22
2026	Aperture	Wind+BESS	50		12.5		2009	12-Nov-14
2026	Kopere Solar Park Limited	PV+BESS	40		-		2013	10-Sep-14
2026	BESS_1	BESS	100		25		2023	

Table extracted from Kenya's Least Cost Power Development Plan (LCPDP) 2024-2043 dated June 2024

8. Communities - there is no requirement for equitable benefit sharing

Mission 300 states that local communities and people are being put center-stage to ensure energy projects and investments are tailored to their needs and deliver maximum impact on the ground. However, the way "local communities and people are being put center-stage" is by declaring that there will be "regular consultations and surveys throughout the design and implementation of projects."

Simply, there is no requirement for equitable benefit sharing, which is one of the cornerstones of just transition. FPIC and ESIA mechanisms are mentioned in passing as some of the ways of mitigating delays in land acquisition. This labelling is worrying and has a likelihood of leading to skewed practices that further undermine the right of communities to equitable benefit sharing and to say no if they so desire as part of FPIC. As an example, section 85 of the Energy Act prescribes a benefit-sharing formula for geothermal royalties - 75% to the National Government, 20% to the County Government, and 5% to the local community. Neither Mission 300 nor the Kenya Compact reflects or operationalizes this legally mandated equity mechanism.

To achieve its just transition goals and achieve social acceptance of projects, the Kenyan government must prioritize meaningful community engagement and implement minimum requirements for equitable benefit sharing in all renewable energy technologies. This must not only be anchored in but also fiercely implemented and enforced to ensure that renewable energy projects deliver tangible social, economic, and environmental benefits to local communities, and foster long-term trust and cooperation between all stakeholders.

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