



NETFUND POLICY ON ETHNIC MINORITIES, INDIGENOUS AND MARGINALISED COMMUNITIES

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Definition of Terms

Affirmative Action	Special measures and initiatives designed to redress historical disadvantages and promote equality for ethnic minorities, indigenous and marginalised communities, including through targeted representation, resource allocation, and social protection
Collective attachment	Signifies that the groups generally consider their lands and resources to be collective assets interlinked with their culture and identity. It also signifies that these groups' livelihoods, economies, modes of production, social organization and cultural and spiritual circumstances are generally linked to particular territories and natural resources. Collective attachment may be held over geographically distinct habitats, ancestral territories, areas of seasonal use or occupation and the natural resources
Ethnic Minorities	Distinct ethnic communities within the population that are numerically smaller and socially, politically or economically disadvantaged in comparison to dominant or majority communities in a given context
Environmental and Social Impact Assessment	A systematic study conducted to determine whether a programme, activity or project will have adverse impacts on the environment
Environmental and Social Management Plan	Details of project activities, impacts, mitigation measures, time schedule, costs, responsibilities, and commitments proposed to minimize environmental impacts or activities, including monitoring and environmental audits during implementation and decommissioning phases of a project.
Free, prior and informed consent	A principle that recognizes the right of marginalised communities, particularly indigenous people and minorities, to give or withhold consent to activities, projects, policies, or interventions that may affect their lands, territories, resources, livelihoods, cultures, or rights based on adequate information and without coercion
Grant	A grant refers to financial and/or non-financial resources from a grantor (in this case NETFUND) to a grant recipient (grantee) or an implementing partner to undertake a specific activity of common interest.
Indigenous People	An indigenous community that has retained and maintained a traditional lifestyle and livelihood based on a hunter or gatherer economy
Indigenous People Planning Framework	A framework prepared when a Project is likely to involve IPs and is used to manage all of the issues that may arise relating to any IP communities residing within any of the subproject sites before project approval.
Indigenous Peoples Action Plan	Includes (a) a framework for continued consultation with those affected IPs during the subproject implementation; (b) measures to provide these IPs with gender sensitive and culturally

	appropriate benefits; (c) measures to avoid, minimize. Mitigate, offset or compensate for any adverse subproject impacts, and actions to address these impacts on the different groups in the community; (d) culturally appropriate grievance procedures, monitoring and evaluation arrangements; and (e) a budget and time-bound actions for implementing the planned measures.
Indigenous Knowledge System	Accumulated traditional knowledge, practices and innovations developed by communities through interaction with their environment, passed down across generations and used in agriculture, resource management, medicine and culture
Local Communities	Non-indigenous communities living within the same geographical area and connected through common resource use, local services, land tenure, and social practices.
Marginalization	A structural process through which individuals or communities are excluded from meaningful participation in political, social, economic, and cultural life, often due to identity-based discrimination
Marginalised Communities	The Constitution of Kenya, 2010 (Article 260) defines marginalised communities as: a) A community that, because of its relatively small population or for any other reason, has been unable to fully participate in the integrated social and economic life of Kenya as a whole b) A traditional community that, out of a need or desire to preserve its unique culture and identity from assimilation, has remained outside the integrated social and economic life of Kenya as a whole. c) An indigenous community that has retained and maintained a traditional lifestyle and livelihood based on a hunter or gatherer economy; or d) Pastoral persons and communities, whether they are nomadic; or a settled community that, because of its relative geographic isolation, has experienced only marginal participation in the integrated social and economic life of Kenya as a whole They are communities who were or are disadvantaged by discrimination on one or more of the grounds in Article 27(4) of the Constitution.
Project Affected Person	Any person experiencing loss of asset, access to income, whether of a temporary or permanent nature, due to the land acquisition process, regardless of whether they are physically displaced or relocated or not.
Self - identification	The right of individuals and communities to define and assert their ethnic, cultural, or linguistic identity without external imposition or interference
Vulnerable Groups	Populations at greater risk of exclusion, harm or exploitation due to identity-based economic, legal or geographic factors including

women, children, persons with disabilities, older persons and stateless individuals within ethnic minorities, indigenous and marginalised communities

ACRONYMS

EMCA	Environmental Management and Coordination Act
IPs	Indigenous Peoples
FPIC	Free Prior and Informed Consent
EMCA	Environmental Management and Coordination Act, 1999
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESR	Environmental or Social Risks
ESS	Environmental and Social Safeguards
ESSs	Environmental and Social Standards
ESSP	Environmental and Social Safeguards Policy
GRM	Grievance Redress Mechanism
NETFUND	National Environment Trust Fund
SESA	Strategic Environmental and Social Assessment
IPAP	Indigenous Peoples Action Plan
IPPF	Indigenous People Planning Framework

1 Overview of NETFUND

The National Environment Trust Fund (NETFUND) is a State Corporation under the Ministry of Environment, Climate Change and Forestry mandated to mobilize, manage, and avail resources for environmental management in Kenya. Under Section 24 of the Environmental Management and Coordination Act (EMCA), NETFUND is legally established and mandated to receive financial resources in the form of donations, endowments, grants, and gifts from legitimate sources.

Vision: NETFUND is committed to a vision of Sustainable financing for environmental governance and sustainable development in Kenya.

Mission: To mobilize, manage, and avail resources for sustainable environmental conservation and management initiatives.

Core Values:

- i. **Accountability:** Responsibility for our actions, good governance, professionalism
- ii. **Respect:** Diversity, rule of law, esteem to each other
- iii. **Transparency:** openness, trustworthiness, prudence, honesty

To fulfill its mandate, NETFUND supports environmental research and publications, capacity building, environmental awards, and scholarships. NETFUND also provides grants to initiatives that contribute to ecosystem restoration, biodiversity conservation, the circular and blue economy, promotion of nature-based solutions, and climate change mitigation and adaptation actions.

2 Rationale for the NETFUND Policy on Ethnic minorities, Indigenous and Marginalised communities

Ethnic minorities, Indigenous and Marginalised communities have emerged as distinct groups due to their place and role as custodians of forests, water sources, and other critical ecosystems. Furthermore, these groups significantly contribute to biodiversity conservation, ecosystem restoration, and climate change action through their invaluable knowledge, unique perspectives, and close relationship with nature.

However, these groups continue to face systemic and socio-economic challenges despite progress made toward inclusive governance. These challenges include limited recognition of their land and resource rights, limited access to basic services, and limited participation in decision-making processes that affect their communities. Moreover, rapid urbanization, resource exploitation, climate change, and development projects continue to threaten their traditional livelihoods, cultural heritage, and overall well-being.

Ethnic minorities, Indigenous and Marginalised communities are often the first victims of conservation and development activities and are confronted with issues related to land grabbing, forced displacement, evictions, and dispossession. Cultural stigmatization and economic exclusion against these groups of people continue to contribute to their marginalization.

NETFUND, being an important player in environmental protection, biodiversity conservation, and climate change action, is cognizant of the significance of Ethnic minorities, Indigenous and Marginalised communities. NETFUND, therefore, deliberately intends to ensure that all NETFUND operations, programmes, and initiatives respect their rights, dignity, cultures, knowledge systems, and livelihoods, while advancing social cohesion and sustainable development outcomes.

The NETFUND Policy on Ethnic Minorities, Indigenous and Marginalised Communities has been developed to ensure that these groups of people are actively engaged in decision-making processes, as well as the design and implementation of environmental initiatives spearheaded by NETFUND in line with international and national frameworks.

Furthermore, this Policy complements the Environmental and Social Safeguards Policy of the National Environment Trust Fund (NETFUND), which seeks to ensure that NETFUND supports and implements environmentally sound projects and programmes that address relevant environmental and social risks while safeguarding the rights of ethnic minorities, indigenous and marginalised communities.

3 Policy Goal, Purpose, and Objectives

3.1 Policy Goal

To empower Ethnic minorities, Indigenous and Marginalised communities, and protect their rights across all NETFUND operations, programmes, and initiatives.

3.2 Purpose

This Policy provides a comprehensive framework to guide the Fund's engagement with Ethnic minorities, Indigenous and Marginalised communities. It seeks to ensure their active participation, promote equitable access to resources, and the integration of traditional knowledge into environmental initiatives spearheaded by NETFUND and its stakeholders.

Overall, this will lead to ownership of conservation and development initiatives, which is vital for sustainable development.

3.3 Objectives

The objectives of this policy:

1. To integrate legal and policy frameworks that recognize and protect the rights, lands, resources, and cultural identities of ethnic minorities, Indigenous Peoples, and marginalized communities across NETFUND policies, programmes, projects, and initiatives.
2. To implement appropriate mechanisms for meaningful participation, representation, and consultation of Ethnic minorities, Indigenous and Marginalised communities in NETFUND programmes, projects and initiatives.
3. To establish inclusive and non-discriminatory benefit-sharing measures that promote equitable access to NETFUND programmes, projects and initiatives benefits for Ethnic minorities, Indigenous and Marginalised communities.
4. To strengthen harmonious and cooperative relations with ethnic minorities, Indigenous and marginalized communities through accessible and culturally appropriate engagement mechanisms across NETFUND programmes, projects and initiatives
5. To identify, prevent, minimize, and mitigate adverse impacts of NETFUND programmes, projects and initiatives on ethnic minorities, indigenous and marginalised communities

3.4 Scope of application

This Policy will apply to all NETFUND operations, programmes, and initiatives.

Additionally, the Policy will guide NETFUND officers, implementing partners, and other stakeholders, and their interaction with Ethnic minorities, Indigenous and Marginalised communities.

4 Legal and Regulatory Frameworks

This Policy aligns with the following legal and regulatory frameworks guiding the engagement of Ethnic minorities, Indigenous and Marginalised communities: -

4.1 The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP):

This international resolution recognizes the rights of indigenous peoples across a wide range of issues and provides a global framework to guide States and the international community in addressing Indigenous Peoples' concerns. The declaration recognizes that respect for indigenous knowledge, cultures, and traditional practices contributes to sustainable and equitable development and proper management of the environment. The Declaration requires that states promote, respect, and fully apply the provisions of this Declaration, and follow up on its effectiveness.

4.2 ILO Convention 169 on Indigenous and Tribal People

This International treaty outlines the rights of Indigenous Peoples and the principles that should guide the actions of States, multilateral organizations, and other stakeholders when

engaging with Indigenous communities, with a focus on land rights, cultural integrity, and self-determination.

4.3 UN Guiding Principles on Environment and Human Rights

The principles are grounded in recognition of States' existing obligations to respect, protect, and fulfill human rights and fundamental freedoms.

4.4 UN Universal Declaration of Human Rights (UDHR)

Proclaims that inherent dignity, equal and inalienable rights of all members of the human family are the foundation of freedom, justice, and peace in the world. It provides fundamental rights such as equality and non-discrimination, and the right to participate in cultural life. These provisions are relevant to marginalised communities, including indigenous peoples, and ethnic minorities in safeguarding their identity, culture and livelihoods. The declaration calls upon member states to promote universal respect for and observance of human rights and freedoms.

4.5 Agenda 21 and Rio Declaration (UN Conference on Environment and Development)

Recognizes Indigenous peoples as major groups and emphasizes that efforts to achieve sustainable development should recognize, accommodate, promote, and strengthen the role of these communities. Agenda 21 calls on states to recognize and strengthen the role of indigenous peoples and their communities and to protect their knowledge, innovations and practices.

4.6 UN Convention to Combat Desertification (UNCCD)

The Framework calls for the protection of indigenous traditional knowledge, technologies, and practices. The Convention states that affected country parties should promote the participation of local populations in efforts to combat desertification.

4.7 UNESCO Universal Declaration on Cultural Diversity

Establishes the universal rights to cultural identity, diversity, and pluralism, recognizing cultural diversity as a common heritage of humanity. It affirms that all people have the right to participate in cultural life and express their cultural identity.

4.8 United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement

Acknowledges that climate change is a common concern of humankind and calls on States, in their climate action efforts, to respect, promote, and consider the rights of marginalised

communities, while upholding obligations related to the right to development, gender equality and equity, the empowerment of women, and intergenerational equity.

4.9 The United Nations Convention on Biological Diversity (UNCBD)

Calls on states to respect, preserve and maintain the knowledge, innovations and practices of marginalised communities, including indigenous peoples, relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval of knowledge holders and to encourage equitable sharing of benefits arising from the use of such knowledge.

4.10 The Sustainable Development Goals (SDGs)

Indigenous Peoples' rights and perspectives are closely interconnected with the achievement of several Sustainable Development Goals (SDGs) and targets, including poverty reduction, zero hunger, clean water access, reduced inequalities and climate action.

Poverty and Hunger (SDG 1 & 2): Focuses on securing land rights and boosting agricultural productivity for small-scale and indigenous food producers

Clean Water (SDG 6): Emphasizes protection of natural water sources and respecting traditional or spiritual management of water by local communities.

Reduced Inequalities (SDG 10): Aims to stop discrimination and empower indigenous groups socially, economically, and politically.

Climate Action (SDG 13): Relies on traditional indigenous knowledge to manage roughly 25% of the earth's land and protect vital global forests.

4.11 The Constitution of Kenya, 2010

The Constitution of Kenya, 2010 provides a strong institutional foundation for protecting the rights of marginalised communities, including indigenous peoples, and other vulnerable groups, through;

Article 2(6) which affirms that international treaties ratified by Kenya, including those protecting the rights of marginalised and minorities, form part of Kenyan law.

Article 10(2)(b) which upholds human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized.

Article 11 which acknowledges Indigenous knowledge, languages, cultural innovations, and traditional practices as the nation's foundation and mandates the promotion and safeguarding of Indigenous heritage in all policy and development planning.

Article 19(2) which states that recognizing and protecting human rights and fundamental freedoms is to preserve the dignity of individuals and communities and to promote social justice and the realisation of the potential of all human beings.

Article 20(5)(b) which states that in allocating resources, the State shall give priority to ensuring the widest possible enjoyment of the right or fundamental freedom having regard to prevailing circumstances, including the vulnerability of particular groups or individuals.

Article 21(3) which states that all State organs and all public officers have the duty to address the needs of vulnerable groups within society, including minority or marginalised communities, and members of particular ethnic, religious or cultural communities

Article 27 (4) which guarantees equality and freedom from discrimination, ensuring that Indigenous Peoples, ethnic minorities, and marginalised communities are treated fairly and without bias.

Article 43 which affirms their economic, social, and cultural rights to access healthcare, education, and a clean and healthy environment.

Article 44 which states that every person has the right to use the language, and to participate in the cultural life, of the person's choice.

Article 56 which addresses the protection and empowerment of minorities and marginalised groups, including indigenous Peoples, through *affirmative measures* to ensure their inclusion, participation, and development.

Article 63(2)(d)(ii), which recognizes ancestral lands and lands traditionally occupied by hunter-gatherer communities as communal land

Article 69 (1)(c) which states that the State shall protect and enhance intellectual property in, and indigenous knowledge of, biodiversity and the genetic resources of the communities;

Article 69 (1)(d) which encourages *public participation* in management, protection and conservation of the environment.

Article 174(e) which protects and promotes the interests and rights of minorities and marginalised communities through devolution.

Article 260, which recognizes the existence of marginalised groups who, because of laws or practices before, on, or after the effective date, were or are disadvantaged by discrimination on one or more of the grounds in Article 27(4) of the Constitution.

4.12 The National Policy on Ethnic Minorities, Indigenous, and Marginalized Communities, 2025

This Policy provides a robust national framework to promote the inclusion, recognition, empowerment and meaningful participation of ethnic minorities, Indigenous Peoples, and marginalised communities in governance and development. It emphasizes the use of affirmative action, targeted resource allocation, and community-led solutions to alleviate structural barriers facing Indigenous Peoples, ethnic minorities, and marginalised communities. It encourages the use of Kenya's devolved governance system to empower county governments in delivering culturally responsive services, advance equity, safeguard cultural heritage, ensure meaningful participation in governance and development, and establish mechanisms for grievance redress.

4.13 The Environmental Management and Coordination Act, 1999 (EMCA)

This Act encourages the adoption of special measures to respect, preserve, and maintain the knowledge, innovations, and practices of marginalised communities, including indigenous peoples, that embody traditional lifestyles relevant to the conservation and sustainable use of biological diversity. It further encourages the wider application of indigenous knowledge with the approval and involvement of its holders.

For projects likely to have significant environmental impacts and those seeking to operate within areas occupied by Indigenous Peoples, EMCA requires an Environmental Impact Assessment and the obtaining of the requisite licenses.

The EMCAs, Environmental Management and Co-ordination (Access to Biological Resources and Benefit Sharing) Regulations, 2025 (Legal Notice No. 68/2025) further provides a structured framework for equitable sharing of benefits arising from the use of Kenya's biological resources, ensuring that marginalised communities, including Indigenous People are compensated, and supports the protection of their intellectual property rights in relation to biological diversity.

4.14 National Cohesion and Integration Act, 2009

This Act outlaws discrimination in public service delivery on ethnic grounds i.e. colour, race, religion, language or national origin.

4.15 National Land Use Policy, 2016

This Policy recognizes the historical and systemic marginalization experienced by ethnic minorities, Indigenous Peoples, and other marginalized communities in relation to land ownership, access, and governance, which has disproportionately affected them. It

recognizes the unique land-use systems whose customary and ancestral claims have often been ignored by formal law.

It affirms the need to secure land tenure rights for all Kenyans, with particular emphasis on protecting the rights and interests of Indigenous Peoples, ethnic minorities, pastoralist communities, women, residents of informal settlements, and other vulnerable and marginalized groups whose livelihoods, cultures, and identities are intrinsically linked to their ancestral lands and natural resources through laying group for the Community Land Act 2016

4.16 Community Land Act, 2016

The Act provides a legal framework for recognizing, registering, and protecting the customary land rights of marginalised communities, including Indigenous communities and pastoralists. It allows communal and ancestral lands to be formally registered as community titles, enabling collective management, safeguarding them from unlawful privatization, and ensuring that women and youth have meaningful participation in land management committees.

4.17 The Access to Information Act, 2016

The Act sets out the conditions under which government organs and agencies are obligated to provide information i.e. proactively publish information in the public interest that is in their possession; outline the procedures for making and processing requests for information; and define the parameters for non-disclosure.

The Act further stipulates that marginalised communities, including indigenous peoples, and ethnic minorities are to be furnished with information relating to any dealings by the National and County Governments, as well as other state agencies, concerning their land and resources.

4.18 The National Policy on Culture and Heritage, 2009

The Policy promotes sustainable management, preservation, and conservation of the environment in a manner that is consistent with cultural values, heritage, and sustainable development. It supports the integration of indigenous knowledge alongside modern techniques and methods to strengthen environmental conservation, enhance ecosystem resilience, and ensure the sustainable and equitable use of natural resources for the benefit of present and future generations.

4.19 Protection of Traditional Knowledge and Cultural Expressions Act (Cap. 218a), 2016

This legislation establishes a comprehensive framework for the recognition, protection and promotion of Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs). It also gives effect to the provisions of the Constitution of Kenya, 2010 including:

Article 11, which recognizes culture as the foundation of the nation and obligates the State to promote all forms of cultural expression.

Article 40, which guarantees the protection of intellectual property rights.

Article 69 (1)(a) and (c), which imposes on the State the duty to ensure sustainable exploitation, utilization, management and conservation of the environment and natural resources and to encourage public participation in their management.

Article 260, which defines property to include both tangible and intangible heritage.

5 Guiding Principles

NETFUND shall consider the following principles:

1. Self-Identification

Identity is central to indigenous peoples, as their livelihood security, well-being, and dignity are distinct and closely tied to the continuation of their traditions and the preservation of their ancestral lands and territories.

This policy allows marginalised communities, including indigenous peoples, and ethnic minorities to define and assert their own identity, free from external interference, based on historical continuity, cultural distinctiveness, and attachment to ancestral lands.

2. Self-determination

Self-determination is an ongoing process of ensuring that indigenous peoples make decisions about matters that affect their lives, lands, resources, or livelihoods. Self-determination affirms their collective authority to freely determine their political status, control their economic, social, and cultural development, and manage their internal local affairs

This policy therefore acknowledges and respects the autonomy or self-governance of marginalised communities, including indigenous peoples, and ethnic minorities in governing their internal affairs and participating meaningfully in decisions that affect their lives and communities, as a distinct identity within mainstream society.

3. Collective Attachment

This Policy recognizes the distinct histories, languages, cultural identities, and traditional knowledge of marginalised communities, including Indigenous Peoples and ethnic minorities.

It further acknowledges their geographically distinct habitats, ancestral territories (whether used seasonally or occupied permanently), the natural resources associated with these territories, and their collective cultural, spiritual, social, and economic attachment to these lands and resources.

4. Cultural Appropriateness

This policy protects marginalised communities, including Indigenous Peoples and ethnic minorities, from forced assimilation or the destruction of their culture, and recognizes their need to maintain, control, protect, and develop their cultural heritage, traditional knowledge, and traditional cultural expressions, which are essential for their survival, well-being, and holistic development as distinct human groups.

Further, this policy assures ethnic minorities, indigenous and marginalised communities, the opportunity to practice, preserve, and revitalize their cultural traditions and customs; transmit their cultural values and knowledge systems to future generations; and seek the repatriation of human remains.

5. Free, prior and informed consent

This policy assures ethnic minorities, indigenous and marginalised communities the opportunity to give or withhold consent for projects affecting their lives, lands, resources, or livelihoods.

This policy prohibits coercion, intimidation, manipulation, and discrimination; and requires that consultations be conducted before, during, and after project approval, with timely access to complete, accurate, and relevant information to enable informed decision-making.

6. Participation and inclusion

This policy gives ethnic minorities, indigenous and marginalised communities opportunities to fully and effectively participate at every stage of any action that may affect that affect their lives, lands, and livelihoods, free from coercion, intimidation, or manipulation.

This policy recognizes these groups as legitimate and competent stakeholders in all NETFUND operations, programmes, and initiatives.

7. Equality and non-discrimination

This policy ensures ethnic minorities, indigenous and marginalised communities enjoy equal human rights and freedom, free from discrimination in exercising their rights, particularly based on their origin or identity.

8. Equity and Social Justice

This policy ensures that ethnic minorities, indigenous and marginalised communities have access to fair and just distribution of opportunities, resources, rewards and services.

6 Policy Statement

NETFUND is committed to upholding and promoting the rights, dignity, and well-being of ethnic minorities, indigenous and marginalised communities.

In light of this, NETFUND will therefore:

1. Adopt special measures, as appropriate, to ensure the full enjoyment of human rights and fundamental freedoms of ethnic minorities, Indigenous Peoples and marginalized communities without hindrance or discrimination in all affected NETFUND-supported projects, programmes and initiatives.
2. Implement special measures to safeguard the rights of ethnic minorities, Indigenous Peoples and marginalized communities to self-identify and freely express, preserve and practice their distinct identities, cultures, traditions, languages and customary practices in all affected NETFUND-supported projects, programmes and initiatives.
3. In good faith, prioritize consultations and the seek Free, Prior and Informed Consent (FPIC) from ethnic minorities, Indigenous Peoples, and marginalized communities as a criterion for the approval and implementation of NETFUND projects, programmes, and initiatives.
4. Provide capacity building and technical support to ethnic minorities, Indigenous Peoples, and marginalized communities to sustainably manage and conserve their lands, territories, and natural resources.
5. Establish mechanisms to scale socio-economic opportunities that enable ethnic minorities, Indigenous Peoples, and marginalized communities to access equitable and beneficial markets and livelihoods.
6. Establish measures that promote the voluntary participation and representation of ethnic minorities, Indigenous Peoples, and marginalized communities in the formulation, implementation and evaluation of NETFUND projects, programmes, and initiatives.
7. Establish measures to prevent exploitation of ethnic minorities, Indigenous Peoples and marginalized communities arising from their customs or livelihoods concerning the use of their lands, territories, resources, livelihoods, and cultures.
8. Scale community-driven development approaches that are culturally appropriate and responsive to the holistic perspectives, priorities, knowledge, and aspirations of ethnic minorities, Indigenous Peoples, and marginalized communities.

9. Value and utilize the existing self-governance and customary decision-making systems of Indigenous Peoples, ethnic minorities, and marginalized communities.
10. Establish open and transparent communication, access to information, and accessible grievance redress mechanisms for ethnic minorities, indigenous and marginalised communities in all NETFUND-supported projects, programmes, and initiatives.
11. Integrate Indigenous Peoples' traditional knowledge systems, innovations and practices related to environmental management and sustainable resource use in NETFUND-supported projects, programmes, and initiatives.
12. Expand financial assistance to strengthen the capacity of Indigenous Peoples, ethnic minorities, and marginalized communities to participate in and implement community-led development initiatives.

7 Policy Application

This policy shall be applied in the following areas:

7.1 Project Cycle Management

NETFUND will ensure that ethnic minorities, indigenous and marginalised communities, who are targeted or affected by NETFUND-supported projects are meaningfully and continuously engaged throughout all stages of the project cycle.

7.1.1 Programming

NETFUND will undertake a *comprehensive situational analysis* of the environmental sector, recognizing and documenting issues affecting ethnic minorities, indigenous and marginalised communities at global, regional, and local levels.

This analysis will inform the identification of interventions targeting these groups and alignment with national and sectoral strategic directions and focus areas.

7.1.2 Project Identification

At this stage, NETFUND will undertake stakeholder mapping to identify and engage relevant stakeholders targeted by the project, including ethnic minorities, indigenous and marginalised communities.

NETFUND will thereafter actively engage targeted groups in identifying the actual challenges, development constraints, and opportunities affecting them, as well as analyzing their root cause and associated impacts. The ethnic minorities, indigenous and marginalised communities shall define their priority needs in relation to the proposed project. This will be undertaken through community consultations, focus group discussions, and engagement with community leaders and representative institutions with the aim of generating trust with these communities, their organizations and government institutions.

NETFUND may seek and facilitate opportunities for these groups to contribute to the development of project concept notes or proposals.

7.1.3 Project Formulation

At this stage, NETFUND shall share information on the project, including its environmental, social, and cultural impacts, as well as the measures for managing these impacts. NETFUND shall ensure that information provided about the project is timely and accurate, and translated into a language that is easily understandable to them to support informed decision-making.

NETFUND shall seek consent from the targeted or affected groups guided by the principles of Free, Prior and Informed Consent (FPIC). Free, Prior and Informed Consent (FPIC) shall be established through a process of good faith negotiations between NETFUND and the ethnic minorities, indigenous and marginalised communities.

The decision on whether the project should go ahead entirely lies with the ethnic minorities, indigenous and marginalised communities.

Therefore, if consent is not obtained, NETFUND will explore viable alternative project designs in consultation and with the participation of ethnic minorities, indigenous and marginalised communities and other experts.

If consent is obtained, NETFUND shall undertake further consultative engagements with the targeted ethnic minorities, indigenous and marginalised communities to obtain their perspectives and deeper understanding of the project problem, context, and proposed interventions. NETFUND shall prioritize suggestions and recommendations for project design and implementation provided by these groups.

NETFUND shall ensure that consultative engagement forums intended for information sharing prioritize special considerations presented by these groups to ensure their meaningful participation.

The groups' intent or commitment to proceed with the project shall be confirmed through signed resolutions or minutes in line with the established decision-making thresholds, documentation of key agreed terms, and evidence of adequate outreach and consultation to ensure consensus-building through the established community governance structures.

The targeted ethnic minorities, indigenous and marginalised communities, shall further be involved in:

1. co-analyzing the challenges they may face in their traditional livelihoods resulting from the proposed project;
2. Co-designing the project goal, objectives, theory of change/Logframe, proposed activities, budget and implementation mechanism;
3. Assessing the project proposal against their interest and provide recommendations to improve project design;

4. Participate in environmental and social screening to categorize the project based on potential risks, including undertaking environmental and social impact assessment (ESIA), Gender analysis, social assessment and baseline surveys.
5. Analyzing the potential risks and identifying opportunities to minimize risks; integrate Indigenous knowledge systems
6. Where needed, include capacity-building measures to enable the ethnic minorities, indigenous and marginalised communities to assume effective control over the resources to be invested in their communities.
7. Defining their roles and responsibilities in the project;
8. Defining benefit-sharing arrangements
9. Provide input on the FPIC process; development of the Indigenous People Planning Framework (IPPF); or Indigenous Peoples Action Plan (IPAP); and consent agreements.
10. Provide input on the grievance and redress mechanism for the project.

To ensure project success, NETFUND shall strengthen the capacity of these groups to effectively implement, monitor, and evaluate project activities.

7.1.4 Project implementation

During project implementation, NETFUND will

1. Continue to engage with the ethnic minorities, indigenous and marginalised communities through information disclosure, meaningful consultation, and informed participation and decision making
2. Guarantee translation and interpretation of project information into their respective languages, to enable access to information.
3. Adopt a “rights-based approach” and apply the “do no harm” principle to safeguard their rights during project implementation.
4. Prioritize ethnic minorities, indigenous and marginalised communities in project-related employment, contracts, and economic opportunities to ensure equitable participation and benefit sharing.
5. Prioritize the active participation of ethnic minorities, indigenous and marginalised communities’ women and youth to enhance inclusivity and promote meaningful and sustainable outcomes, in line with the **NETFUND Gender Policy**.
6. Ensure that implemented/supported projects affecting or targeting ethnic minorities, indigenous and marginalised communities meet the Environmental and Social Standards stipulated in the **NETFUND Environmental and Social Safeguards Policy and Standards**.
7. Establish grievance-handling mechanisms for all implemented/supported projects, programmes and initiatives affecting ethnic minorities, indigenous and marginalised communities. Grievances shall be handled according to the **NETFUND’s Grievance Redress Mechanism (GRM)**.

8. Apply affirmative action in allocating project grants and other benefits to marginalised communities, including ethnic minorities, indigenous and marginalised communities in accordance with the **NETFUND Project Development and Grant Management Manual**.

7.1.5 Monitoring and Evaluation

Monitoring implementation of projects affecting or targeting ethnic minorities, indigenous and marginalised communities will be undertaken in accordance with the **NETFUND Monitoring and Evaluation Policy**.

Indicators related to ethnic minorities, indigenous and marginalised communities will be captured in NETFUND's Monitoring and Evaluation frameworks and Plans.

Monitoring and evaluation activities will ensure:

1. Assessment of compliance with the project objectives and procedures outlined in the Indigenous Peoples Planning Framework (IPPF) or Indigenous Peoples Action Plan (IPAP).
2. Monitoring and evaluation of environmental and social performance, particularly regarding impacts on ethnic minorities, indigenous and marginalised communities affected by or targeted by the project.
3. Assessment of consultation processes used, including community-level and individual-level engagements.
4. Evaluation of access to mitigation measures by affected communities to ensure that risks and adverse impacts are adequately addressed.
5. Tracking grievances and dispute resolution, including the number, nature, and resolution of complaints raised by ethnic minorities, indigenous and marginalised communities.
6. Evaluation of socio-economic impacts, including effects on income, livelihoods, and standards of living amongst ethnic minorities, indigenous and marginalised communities.
7. Identification of actions for improvement, to enhance positive project outcomes and further mitigate potential negative impacts.

Using the appropriate form, manner, and language, NETFUND will disclose the monitoring report(s) to all ethnic minorities, indigenous and marginalised communities for feedback as guided by the **NETFUND Information Access Policy** and procedures.

7.1.6 Project Closure

At Project close-out, NETFUND will;

1. Capacity-build the ethnic minorities, indigenous and marginalised communities to manage the project site or assets post-closure by enhancing their capacities.
2. Through a structured process, transfer ownership of project infrastructure or rehabilitated land to the ethnic minorities, indigenous and marginalised communities.
3. Document and share lessons learned and best practices using the appropriate form, manner, and language for continuity

7.2 Research and Knowledge Management

NETFUND recognizes the vital role of Indigenous knowledge and the need to protect traditional knowledge systems, given their significant contribution to addressing the triple crises of climate change, biodiversity loss, and pollution.

With respect to international and local ethical frameworks that respect the autonomy and intellectual contributions of indigenous knowledge holders, NETFUND will;

1. Prioritize resource allocation for collaborative research initiatives that connect Indigenous knowledge holders with scientific and research institutions, thereby promoting co-creation, mutual learning, and enhanced capacities.
2. Using a participatory approach, ensure the active participation of Indigenous Peoples in the generation and publication of indigenous knowledge and research outputs that are relevant, culturally appropriate, and owned by these communities.

7.3 Capacity building and technical support

NETFUND will continuously strive to build the capacities of ethnic minorities, indigenous and marginalised communities on relevant and emerging issues that promote sustainable development and climate resilience.

8 Policy Implementation

8.1 Guidelines and procedures

NETFUND shall develop appropriate guidelines and operational procedures to facilitate the effective implementation of this Policy.

These guidelines and operational procedures shall provide clear processes and tools for integrating the rights, interests and perspectives of Indigenous Peoples, ethnic minorities and marginalized communities across NETFUND-supported projects, programmes and initiatives.

8.2 Roles and Responsibilities

This section defines the roles and responsibilities for implementing the Policy in accordance with NETFUND's institutional hierarchy.

8.2.1 Board of Trustees (BoT)

NETFUND is governed by a Board of Trustees (BOT) as the apex governing body supported by the Chief Executive Officer and NETFUND employees.

The BOT is responsible for:

1. Approving the NETFUND Ethnic minorities, Indigenous and Marginalised communities Policy
2. Allocating adequate resources to implement the NETFUND Ethnic minorities, Indigenous and Marginalised communities Policy
3. Providing oversight into the implementation of this Policy

8.2.2 Chief Executive Officer (CEO)

As the head of the fund, the CEO bears the overall responsibility and accountability for implementing this policy. The specific roles and responsibilities include:

1. Facilitating the establishment of structures and systems to support implementation, monitoring, and reporting of this policy
2. Facilitating capacity development of the departments, committees and staff responsible for implementation of the policy
3. Facilitating the review and approval processes of this policy
4. Advise the BOT on issues related to ethnic minorities, indigenous and marginalised communities, including appropriate affirmative action and interventions

8.2.3 Senior Management

Directors and Heads of the various departments shall be responsible for:

1. Ensuring NETFUND's policies, plans, programmes and projects integrate ethnic minorities, indigenous and marginalised communities
2. Ensuring stakeholders comply with this policy, track and report progress
3. Ensuring full disclosure of existing and newly developed Plans with concerned stakeholders and regularly review this policy and make necessary amendments.
4. Provide inputs to project reports on the status of implementation with the policy during implementation and any issues arising

8.2.4 NETFUND Officers

All NETFUND personnel responsible for planning, implementing, managing, and supporting project activities throughout the project management cycle shall be responsible for:

1. Design and implement culturally appropriate, community-driven projects integrating Indigenous knowledge
2. Build and maintain trust-based relationships through culturally appropriate approaches and respect for traditional governance systems.

3. Ensure Free, Prior, and Informed Consent (FPIC) processes are upheld and that ethnic minorities, indigenous and marginalised communities actively participate in project design, decision-making, and implementation.
4. Ensure compliance with safeguards, policies, and regulatory requirements
5. Strengthen the capacity of ethnic minorities, indigenous and marginalised communities to plan, implement, monitor, and sustain project interventions.
6. Support knowledge management, partnerships, and resource mobilization for marginalised and local community-focused initiatives.
7. Monitor, evaluate, and report on project performance, incorporating community feedback.

8.2.5 Implementing Partners

The Fund supports projects through specific stakeholders, including government agencies, community groups and implementing partners, whom it requires them to:

1. Comply with the provisions of this policy
2. Provide regular reporting to NETFUND on compliance with this policy, including progress on ethnic minorities, indigenous and marginalized communities engagement and any emerging risks or issues.

8.3 Budgetary Requirements

NETFUND will ensure adequate financial resources are allocated to support the effective implementation of this Policy. The budgetary requirement to implement this policy is estimated at 50 million Kenya shilling distributed across five years. To realize this budget, NETFUND will ensure that projects and programmes integrate the adequate budgets to facilitate initiatives that promote the rights, participation, inclusion and socio-economic empowerment of Indigenous Peoples, ethnic minorities and marginalized communities.

9 Monitoring, Evaluation, Knowledge Management and Learning

NETFUND will monitor this policy in line with the changing policy environment and emerging issues and evaluate it to determine its effectiveness. The process will focus on assessing how effectively the policy commitments are being implemented and the extent to which they contribute to the protection and promotion of the rights and interests of ethnic minorities, indigenous and marginalised communities.

Ethnic minorities, indigenous and marginalised communities shall participate in monitoring and evaluation processes, including setting priorities and validating findings. Public forums and stakeholder validation workshops will be used to collect feedback.

Their input will be taken into account in reviewing and improving the policy to ensure it remains responsive to their needs and priorities.

Objectives of Monitoring and Evaluation

The objectives of monitoring and evaluation of this policy shall be to:

- Track the implementation of the policy in line with its stated commitments and principles.
- Evaluate the relevance, effectiveness, efficiency, impact, and sustainability of the policy in addressing the needs and priorities of ethnic minorities, indigenous and marginalised communities.
- Identify gaps, challenges, and unintended effects arising from policy implementation.
- Inform policy review, revision, and improvement based on evidence and stakeholder feedback.
- Strengthen accountability of NETFUND to ethnic minorities, indigenous and marginalised communities.
- Promote learning and continuous improvement in the application of the policy.

Monitoring

Monitoring will be undertaken on a continuous basis to track the implementation of this policy and ensure that its commitments are upheld in practice. It will involve periodic reviews of progress in integrating ethnic minorities, indigenous and marginalised communities considerations into NETFUND's operations and decision-making processes.

Findings from monitoring will be used to guide adjustments and strengthen the overall implementation of the policy.

Evaluation

The policy shall be subjected to a mid-term evaluation and a final evaluation at the end of the policy period. The evaluation will assess the relevance, effectiveness, efficiency, impact, and sustainability of policy interventions. The evaluation process will be participatory, incorporating views from ethnic minorities, indigenous and marginalised communities through validation forums and community consultations.

Reporting and Learning

NETFUND will document and report on the implementation of this policy, including progress, challenges, and lessons learned. Reporting will support transparency and accountability and will inform continuous improvement and future policy revisions.

10 Policy oversight

There shall be periodic reporting of activities related to implementation of the NETFUND policy on Ethnic minorities, Indigenous and Marginalised communities and complaints to the NETFUND Board of Trustees and respective project governance structures. The

reporting shall include data on investigation cases in terms of number of cases, types of allegations and summary of the status and actions taken.

11 Review

The NETFUND policy on Ethnic minorities, Indigenous and Marginalised communities will be reviewed **every five years or earlier** if emerging needs or changes in the legal and policy environment arise. The review will consider evidence from M&E processes, evolving national priorities, stakeholder recommendations, and lessons learned during implementation. Policy revisions shall follow appropriate legal or administrative procedures and be guided by inclusive consultations with Marginalized and Local Communities.

12 Authorization of the Policy

The Chief Executive Officer duly recommends the NETFUND Policy on Ethnic Minorities, Indigenous and Marginalized Communities for approval by the NETFUND Board of Trustees and hereby confirms that the policy has been developed consultatively considering the views of all the relevant stakeholders.

Signature:

Date: 02/09/2026

Samson Toniok

Chief Executive Officer and Secretary to the Board of Trustees

The NETFUND Board of Trustees hereby approves the NETFUND Policy on Ethnic Minorities, Indigenous and Marginalized Communities to be operative for five (5) years.

Signature:

Date:

02/09/2026

Hon Mwaure Waihiga

Chairperson, Board of
Trustees