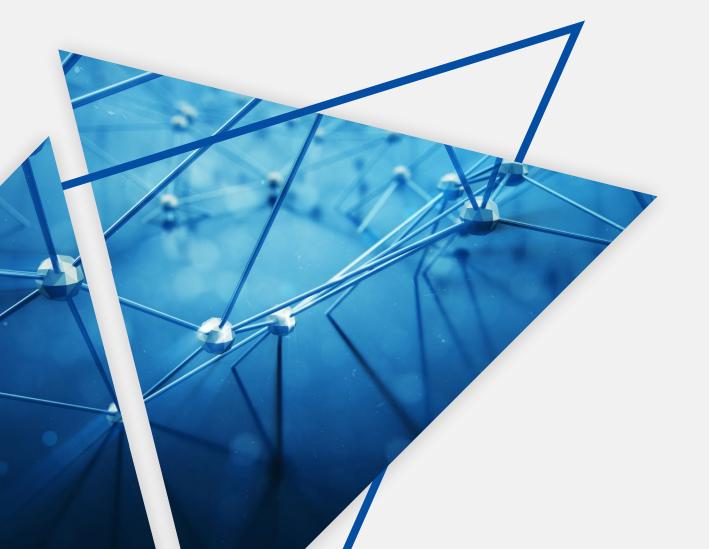
Dispute Resolution and Environmental Law

ALERT | 30 October 2025





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DISPUTE RESOLUTION AND ENVIRONMENTAL LAW ALERT

The National
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The National Construction Authority (Amendment) Bill, 2025 (Bill) signals a decisive regulatory shift toward climate-conscious construction in Kenya. If enacted, it will not only align the construction sector with Kenya's climate and sustainability commitments but also create opportunities for innovation in green building technologies, renewable energy integration and environmentally sound design.

The construction sector plays a central role in driving Kenya's economic development, yet it also presents significant environmental challenges. Construction activities contribute heavily to carbon emissions, resource depletion and environmental degradation, while the built environment itself is increasingly exposed to the risks posed by climate change, such as floods, droughts and other extreme weather events. Recognising this dual challenge, the Bill proposes to amend the National Construction Authority Act (Act) to integrate environmentally sustainable construction practices and resilience measures directly into the regulatory framework governing the industry. This development represents a significant shift in how construction in Kenya will be planned, regulated and undertaken going forward.

This alert sets out the key changes introduced by the Bill and their implications for developers, contractors and other stakeholders in the construction sector. It highlights the broadened mandate of the National Construction

Authority (Authority), the introduction of mandatory renewable energy requirements, the integration of climate change responsive mechanisms into regulations and the adoption of a comprehensive sustainability framework under a new Fourth Schedule. By analysing these proposed amendments, the alert provides insight into how the sector is likely to evolve under the new regulatory regime and what steps stakeholders should consider in anticipation of compliance and strategic alignment.

Expansion of the National Construction Authority's functions

The Bill seeks to broaden the functions of the Authority by expressly mandating it to promote and enforce the use of environmentally sustainable construction materials, designs, standards and practices. This change makes sustainability and resilience a core obligation of the Authority rather than a voluntary or secondary consideration. By embedding this duty within the statutory framework, the Bill signals a move toward more rigorous oversight of construction practices, aligning them with national and international climate commitments.

Mandatory solar system installation in designated zones

A further key innovation introduced by the Bill is the creation of a mandatory solar energy installation regime in designated zones. The Authority, in consultation with relevant agencies, will be empowered to identify areas with sufficient sunshine where all new buildings must be



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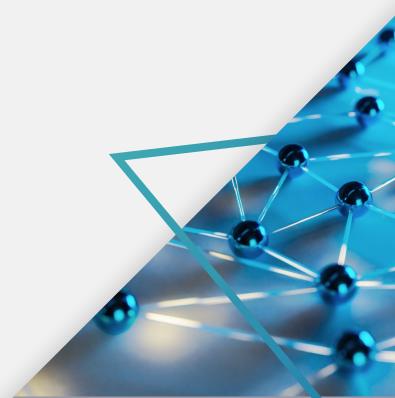


fitted with solar energy systems. This provision is designed to accelerate the uptake of renewable energy in the construction sector, reduce dependence on fossil fuels and support the country's broader transition to clean energy. Regulations to operationalise this requirement will be issued by the Cabinet Secretary, providing more clarity on implementation standards and compliance expectations.

It is worth noting that these provisions may intersect with the Energy (Solar Water Heating) Regulations, 2025, which assign the Energy and Petroleum Regulatory Authority (EPRA) the mandate to regulate and license solar water heating installations across various building categories. While the Bill empowers the Authority to designate zones and promote compliance, EPRA retains jurisdiction over technical standards, licensing and enforcement of solar systems under the Energy Act. To avoid duplication or regulatory uncertainty, the forthcoming regulations under the Bill should clearly delineate responsibilities between the Authority and EPRA, limiting the Authority's role to zoning and compliance monitoring while leaving system licensing and technical oversight to EPRA.

Climate change responsive mechanisms in regulations

The Bill also amends the regulatory-making powers under section 42 of the Act to ensure that regulations developed to provide for the Building Code in the construction industry also incorporate climate change responsive mechanisms. In doing so, it ensures that sustainability is not only a guiding principle but also a binding requirement integrated into construction standards, inspections and codes. Furthermore, the Bill mandates the development of regulations guiding the manner of incorporating climate change responsive mechanisms into construction activities. This is to be operationalised through the introduced Fourth Schedule, which sets out a detailed framework for climate-responsive construction mechanisms.



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Climate change responsive mechanisms to be considered in construction activities

The Fourth Schedule provides a comprehensive list of measures that developers and contractors must consider. These include designing buildings that can withstand extreme weather events; incorporation of green spaces and natural buffers; promoting energy efficiency through renewable energy and conservation technologies; and implementing water conservation practices such as rainwater harvesting and greywater recycling. The Fourth Schedule also emphasises the use of sustainable and locally sourced materials to minimise waste, pollution control measures to protect air, water and soil quality during construction, and biodiversity protection through habitat preservation and the integration of features like green roofs and walls. Finally, it highlights the importance of health and safety by requiring construction to prioritise indoor air quality, natural lighting and the use of non-toxic, low-emission materials.

Conclusion

For industry players in the real estate, energy and infrastructure sectors, these proposed amendments carry far-reaching implications. The Bill introduces legally enforceable sustainability obligations that will affect design choices, materials sourcing, construction techniques and compliance costs. Developers will need to integrate sustainability considerations into project planning from the

outset, while contractors will be required to adapt practices to meet the Authority's new climate-responsive standards. Local governments, given their constitutional role in land-use planning and housing, will also be central to the enforcement of these provisions at county level. Early preparation to align operations with these forthcoming obligations will be essential to ensure compliance, manage costs and position businesses competitively in a sector that is rapidly embracing sustainability and resilience as legal requirements rather than optional add-ons.

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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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