

Sometime in mid-2017, Deputy President William Ruto led a team of Jubilee Party MPs, senators and some governors deep into the Arror forest in Marakwet West. It was a big team because it was ferried in three helicopters. The Deputy President had taken the team to the forest to show them where one of two anticipated dams – the Arror hydroelectric power station (HEP) – would be located. The other dam that was to be built was Kimwarer-Talaal, which was to be on the Kimwarer River in Keiyo South, Elgeyo Marakwet County.

“We flew over the dense, thick forests of Arror and Kimwarer and from high above, we could see the mighty Arror River roaring down the plains,” said Beatrice Ilachi, then a nominated senator. “But some of us wondered loudly how the dam was ever going to be constructed. The landscape is not only very steep, it would also mean that a huge chunk of the gazetted forest would have to be cleared off.” Many in the group wondered whether the dams would further encroach on the country’s remaining dwindling forest cover.

When the choppers landed on some flat land, Ruto led the team into scaling the steep heights of the Arror forest. “We had not been prepared for the climbing – from our attires to the shoes – least of all, mentally,” said Ilachi. “Half way climbing through the thicket and scrubland, we gave up, many of us by then had even removed our shoes.”

The two multi-purpose dams were supposed to cost an arm and a leg. The latest sum given of between Sh63 billion (\$630 million) and Sh38 billion (\$380 million) for Arror and Sh28 billion (\$280 million) for Kimwarer have generated so much heat within the ruling Jubilee Party that the Treasury Cabinet Secretary, Henry Rotich, had to be grilled for two days at the Directorate of Criminal Investigation (DCI) offices on Kiambu Road and made to answer some 300 questions relating to the dams’ financing.

“It was about two months to the elections [in August 2017], and so it was obvious that countrywide campaigns had commenced. On our way to Arror and Kimwarer sites, we had stopped at Tot in Baringo County to presumably check on the state of the county’s food security. After touring the supposedly dams’ sites, we flew to West Pokot for more campaigns.” said the former senator. “We didn’t hear of the dams’ story again until last December, when talk of an Italian company and visits to Italy were made by the DP and his team and now with the explosion of the magnitude of the scandal.”

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The Deputy President’s front line brigade, led by the cantankerous Kapseret MP Oscar Sudi, [have cried foul](#), accusing the Jubilee wing of President Uhuru Kenyatta of opening a succession war to bar Ruto from succeeding the President come 2022. Seemingly addressing the DCI boss George Kinoti, he recently lambasted and accused him of being used by some “crooked” forces within the government to destroy Ruto by waging a smear campaign against the person of the Deputy President. In his characteristic war-like utterances at a public rally in his constituency, Sudi lunged at President Uhuru and asked him to state categorically whether he was also engaged in a

mendacious campaign to mudsling his deputy.

“This dams’ saga is not about fighting corruption, but fighting William Ruto,” [wailed](#) Sudi. “If you [President Uhuru] don’t want William Ruto, just state it openly instead of engaging in purportedly phantom-like corruption wars all over the county, but in real sense your agenda is to sideline the DP.”

The beginning of a scandal

Ruto first talked of the construction of the dams in May 2016 at St Patrick’s High School in Iten. At the school’s function, he spoke of plans to build three dams: Arror, Embobut and Kimwarer (all located in forests), which he said would generate 125 megawatts of power and would cost Sh80 billion. David Kimosop, the Managing Director of the Kerio Valley Development Authority (KVDA), who was present, said that construction of the dams would be completed “before end of year, once Treasury released funds.”

Kimosop even stated that a down payment of Sh4.9 billion (15 per cent of the total cost) had been made for the design of the Arror dam. “Construction work is expected to commence around September or October [2018], after detailed design plan is carried out.” The KVDA boss also stated that 400 hectares of forestland would be acquired from Kenya Forest Service (KFS) in exchange for 570 hectares of private land.

Exactly two years later, in 2018, the chairman of National Land Commission, Mohammad Swazuri, said it had begun acquiring 8,000 acres of land for the construction of Arror and Kimwarer dams. Swazuri would go on to say that Sh63 billion had been set aside to buy land for people’s resettlement and to compensate about 800 families.

However, a month ago, the Kenya Forest Service pulled out of the deal, arguing that the project was riddled with controversy and corruption. “The matter failed to go through after the project was hit by allegations of corruption,” said Benjamin Kanyili, head of Kenya Forest Service North Rift Conservancy.

“One of the biggest lessons that is coming out of these mega scandals perpetrated during the first term of the Uhuruto presidency is the president’s lackadaisical attitude towards his deputy and sole responsibility of taking presidential charge,” said a former women’s representative who was also part of the Deputy President’s campaign trip to the dams’ site and who requested anonymity. “I remember early on in their dual rulership, we Jubilee Party Kikuyu MPs, having a sitting with the president and cautioning him against being too trusting of his deputy. But he brushed aside our concerns, claiming we needed to trust Ruto by giving him space to work and be in charge.”

“The dams’ projects were among the key drivers of the Jubilee government’s economic push and development, as captured in their first manifesto,” said the former women’s rep. “The other major project included the Galana-Kulalu Irrigation Scheme. Both of them were a total flop because there are some people in the government who didn’t see them as economic growth flagships, but as projects to rip off the state.”

The former women’s rep said that President Uhuru was now reaping the bitter fruits of having relegated his core duties to his deputy “who apparently took advantage of the president’s good-naturedness and his laid-back pose. Let us not kid ourselves – Ruto was the president in the first term.” In the initial days his first term, the president okayed the dams’ projects, confident in the knowledge that they were being handled efficiently and professionally by his deputy and the relevant

ministries, said the former MP.

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A former MP from Central Kenya told me he had “very early on raised the red flag about the Galana project and sounded the warning that it looked like some Jubilee functionaries were keen on using the project to siphon billions of shillings”. He said he was ignored by the presidency and in the process created some serious enemies within the Deputy President’s camp. “I became a marked man, and when the time for nominations came, they dealt with me.”

“When the dams’ scandal exploded, the president was very furious with his deputy,” claimed the former women’s rep. “He asked the DP why he had taken advantage of his good-naturedness and trust in him to bungle government projects. Of course, the president, in his fury, said that the state would get to the bottom of the scam and whoever was involved would be punished. But it is not always that easy. Fighting corruption is like walking through on tightrope; you must be very careful how you manage the politics.”

President Uhuru was not only furious and supposedly embarrassed by the magnitude of the corruption engulfing his Jubilee Party government, but he was also shamed internationally. Last month, a British Conservative Party MP contributing to the Brexit motion in Parliament is reported to have cautioned Theresa May on how she managed Britain’s exit from the European Union lest the country found itself having to deal with mega corruption scandals “like the one engulfing Kenya right now”.

The Italian connection

In Italy, *La Verita*, a conservative-leaning newspaper, picked up the dams’ scandal in Kenya and reported that an Italian company had been fingered in the labyrinthine maze of the dams’ sleaze. “There’s a new investigation coming from Africa,” wrote the paper on March 9, 2019. “This time it relates to an Italian construction giant, CMC of Ravenna, rocked by major scandals in Kenya.” The paper stated that “the investigations affect also four minister of the government of Uhuru Kenyatta. In the middle of this scandal, there are three dams, for a total of value of 800 million Euros. Two of them are built with Itinera (Gavio Group).”

According to www.globalcapital.com, Cooperative Muratoi Cementisti Di Ravenna filed for creditor protection in a court in Ravenna on December 4, 2018. (Around the same time that Ruto visited Rome.) “Distressed CMC Ravenna stokes HY’s Italian Fears,” read the headline story. (HYs stands for high yield.) Coincidentally, the company filed for bankruptcy just when it was about to take another construction job in Uganda – the UGSh500-billion contract work for the construction of the Busega-Mpigi Expressway. In Kenya, by the time CMC was filing for bankruptcy, it had pocketed Sh15 billion (\$150 million) as down payment and had done just half of the work at Itare Dam in Meru County, which had been valued at Sh38 billion (\$380 million).

The “historical” CMC Ravenna, as the *La Verita* newspaper describes the company started in the beginning of last century, had three jobs in Kenya: Arror, Kimwarer and Itare dams construction, all totaling about Sh150 billion (\$1.5 billion). “That’s a whacking lot of money to give to one company,” said a government land economist who was involved in land evaluation for some of the intended

dams' construction. "It means a very influential person was behind the awarding of the contracts to this company. Do you have to be super clever to guess the name of that person other than the president himself?"

The paper listed the chronology of events leading to the contracts. "A contract in Kenya was obtained by CMC in 2014. The other two were signed in 2015 on occasion of a visit to Nairobi by our former Prime Minister, Matteo Renzi, who was photographed together with President Uhuru Kenyatta wearing a bullet-proof vest."

La Verita reported that CMC requested to be admitted to the so-called "arrangement with the creditors" procedure. The paper said the company "is suspected of having paid bribes to win bids related to three dams."

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The work of the company, said *La Verita*, was meant to be "part of a wider project to redesign the water distribution in Kenya, which was one of the electoral promises of Mr Kenyatta himself." The paper wrote that a sum of Sh4.9 billion (\$49 million) was deposited in a bank in Westlands, "the Nairobi neighbourhood where the [Italian] expats live and international companies have their offices". The newspaper mentions four cabinet secretaries in connection with the scam: Henry Rotich, the Treasury Cabinet Secretary, Mwangi Kiunjuri, the Agriculture Cabinet Secretary, Najib Balala, the Tourism Cabinet Secretary, and Simon Chelugui the Water Cabinet Secretary.

"Once it was clear that the project had been given the go-ahead, Rotich allegedly bought Elgeyo Sawmills owned by some South Asians through proxies for Sh1 billion," confided a land economist working at the Treasury. (This is part of the land where KVDA had planned to build the dam.) "In 60 days, Rotich had offloaded the saw mills for Sh6.6 billion. What the CS did was to resell the land to KVDA for a killing."

The newspaper speculated this could be one of the biggest misappropriation of public funds ever experienced in Kenya. In February, reported the newspaper, the Director of Public Prosecutions (DPP), Noordin Haji, visited Italy, to, among other things, establish Rotich's alleged association with Rita Ricciardi, the chairperson of the Italy-Kenya Association. The paper concluded by saying that "in reality, the 2015 negotiation with CMC was managed by the Ministry of Treasury," clearly placing the onus of the scandal at Rotich's feet.

Conflict of interest

The Treasury Cabinet Secretary, Henry Rotich, is alleged to be markedly neck deep in the dams' saga. Sources at the Treasury, who asked that their names not be revealed because they are not authorised to speak to the media, spoke of a person who knew precisely what he was doing in relation to the Arror and Kimwarer dams project.

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This is where the real murkiness begins, added the economist. “This is illegal. Rotich technically paid himself in a clear case of conflict of interest, abuse of office and negligence of duty,” said the economist. “The Evaluation Act is very clear: Such a sale of a huge going concern cannot be sold in at least under 90 days. The sale must appreciate for at least six months for it to be resold at 25 per cent of the appreciation.”

Three weeks ago, the former Attorney General, Prof Githu Muigai said at the DCI offices that he had advised Rotich against entering into a deal with CMC Ravenna. Githu said that due diligence had not been done on the Italian company and both Rotich and KVDA ignored his pleas to first conduct a thorough legal/financial status of the company.

The dams’ saga gets murkier when three senior government officials (Susan Koech, Principal Secretary, East African Community and Regional Development, David Kimosop, KVDA MD and Henry Rotich CS Treasury), all coming from the same village in Aror, are alleged to have been involved in the scam. It is alleged that Susan Koech, who was once the North Rift Regional Manager for Kenya Commercial Bank (KCB), arranged for payments to be made to the CMC. “By then the dams had been transferred to the EAC ministry for easy follow-up because the scam’s perpetrators’ person was there.”

This is not the first time such shenanigans – of shifting or retaining projects in certain ministries to either follow their minders or stay with them – have taken place. In 1986, Kamau Ngotho, writing in the *Sunday Nation*, last month said: “So personalised was the Turkwel (Gorge Dam) project, that when the Ministry of Regional Development, under which KVDA fell, was carved out from Mr Biwott’s Ministry of Energy and Regional Development, President Daniel arap Moi issued an executive order that the parastatal be retained in Mr Biwott’s docket.”

Peter Munya, the former Meru governor, who is the current Cabinet Secretary for Industrialisation, served at the East African Community and Regional Development (the ministry in charge of constructing the phantom dams) for six months. “Munya was very uneasy about the goings-on about the dams’ project, which was in his ministry,” said a senior bureaucrat at the ministry. He didn’t want to be suckered up in a mess that was clearly going to blow up sooner than later.”

The bureaucrat told me that there is no love lost between Ruto & Ruto Inc. and Munya. “Munya still smarts from the fact that Ruto organised for his losing of the Meru governor’s seat. He has never forgiven him for that defeat to his political nemesis, Kiraitu Murungi. “So when Rotich allegedly approached Munya and pleaded with him to hush-hush the dams’ murky ongoings, Munya ignored him.” Consider Munya the whistle blower of this particular dams’ sleaze, said the civil servant.

Dams and development

“Dams have long fascinated scientists and politicians alike,” writes Dr Harry Verhoeven. “In the post-independent era of the late 1960s and 1970s, dams become popular in the developing countries seeking to meet the triple challenges of state-building, nation-building and economic development.”

The professor of politics, who has worked in the Great Lakes region and the Horn of Africa, argues that Jawaharlal Nehru, the first Prime Minister of independent India saw dams as the “modern temples of India, lifting hundreds of millions out of poverty through spectacular multiplier effect in industry and irrigated agriculture”.

In Africa, Gamal Abdel Nasser, considered to be the father of Pan-Arabism and the second President

of Egypt, viewed the building of the Aswan High Dam - the biggest dam in Africa built in the 1960s - as Egypt's "second independence". Aswan has remained Africa's largest and most important infrastructure project. It is credited with controlling the Nile flood for the first time in history. Aswan Dam is considered to be Egypt's greatest engineering marvel, possibly only comparable to the construction of the pyramids.

Dr Verhoeven, observes that "dams are believed to magically transform barren wastelands into fertile acreage, elevating the nation and integrating, through irrigation and electrification, the domestic political economy."

From the 1950s through to the 1970s, the World Bank provided the ideological and financial backing for the construction of hundreds of mega dams across Africa, Asia and Latin America. "But from the 1970s dams as development instruments become contested sites," reports the don. "They were exposed as huge corruption scandals that contributed to the systemic over-estimation of their benefits. But from 2012, dams seems to be staging a comeback."

To be continued...

