



Geothermal Development in Kenya: The Good, the Bad and the Ugly

By Lotte Hughes



Geothermal development in Kenya's Rift Valley is expected to reap enormous energy benefits for the nation as a whole. Geothermal energy is widely seen as green and clean, a superior alternative to other forms of renewable energy that is sustainable and environmentally friendly with low carbon emissions.

However, new research by an international collaborative team that includes Kenyans shows that the impacts of this industry upon local communities (in this case, in the Ol Karia area of Nakuru County) are often negative. The research also provides evidence that geothermal expansion, which took off here in the 1970s, has led to many divisions and ongoing conflicts, including conflicts over equitable resource use. Other issues of concern include environmental degradation, the negative health impact on humans and animals, forced resettlement, increasing poverty, lack of access to benefits, including jobs, houses and profit-sharing, violation of human and land rights, and the absence of community representation in the geothermal companies (largely KenGen, the Kenya Electricity Generating Company).

The negative impacts of the geothermal industry on local communities are rarely, if ever, listed among its disadvantages. Issues of greatest concern to companies and funders have more to do things like high up-front costs, technical challenges, and high risks faced in the early stages of

development. Too often, the negative impacts on humans, livestock and the environment seem to be regarded as collateral damage.

Many questions have been raised about the role of the state and international financial institutions in this scenario, which this story will go on to discuss. From my observations as an academic researcher who has studied imperial history, there is more than a whiff of colonial arrogance in the behaviour of major lenders, such as the European Investment Bank (EIB) and the World Bank, which have both invested heavily in the geothermal industry at Ol Karia, the latter since the early 1980s. As I pointed out in person to EIB and EIB-Complaints Mechanism (EIB-CM) staff at an NGO workshop in Brussels earlier this year, decisions made in European and other foreign capitals can have life-long and devastating impacts on what funders call “project-affected persons” (PAPs), long after investors and other international players have left the scene. What the banks regard as “completed” is never over for PAPs on the receiving end. (These staffers did not look me in the eye, or respond.)

At the grassroots level in Ol Karia, accusations of nepotism, corruption and discrimination also abound. Some indigenous residents (such as the Turkana and the Samburu) accuse the majority Maasai of doubly marginalising them in the scramble for rights and benefits. Though Maasai representatives have made repeated formal complaints to the banks concerned, and some contentious issues have been addressed, people face serious ongoing challenges that leave them impoverished, frustrated and despairing. Our research showed that youth, women, non-literates, the poorest and elders (apart from those on village and other liaison committees, who tend to be relatively well-off and well-connected) have been hardest hit.

From my observations as an academic researcher who has studied imperial history, there is more than a whiff of colonial arrogance in the behaviour of major lenders, such as the European Investment Bank (EIB) and the World Bank, which have both invested heavily in the geothermal industry at Ol Karia.

In East Africa as a whole, electricity demand is expected to quadruple by 2033, with geothermal, wind and hydropower seen as important means of meeting that demand. For Kenya, geothermal (which literally means “earth’s heat”) is now officially favoured over hydropower because of the climatic changes that hydropower is susceptible to.

By April 2020, Kenya had risen to seventh place in the list of top geothermal power producers, the only African country on the list. Kenya is Africa’s largest producer of geothermal energy. Geothermal power is flagged in Vision 2030, the Government of Kenya’s vision for the future, as a central plank in the development of the country. Kenya aims to produce 50 per cent of its energy from geothermal sources by 2025, and 100 per cent by 2050. Geothermal now accounts for 30 per cent of Kenya’s total installed power capacity of 2,700MW, with the remainder taken up by hydropower, wind, solar and thermal power. The benefits are not only for the national grid; other uses of geothermal energy include powering some Naivasha flower farms. A group of Nakuru farmers has also signed a deal with the parastatal GDC (Geothermal Development Company) that allows them to use geothermal energy in agriculture.

Threats to marginalised people and lands

The extractive industry, together with large-scale infrastructure projects of various kinds, have become increasingly invasive of the lands and other natural resources of indigenous and marginalised communities across Africa and other parts of the world. Lands once considered worthless have become sites of intense interest to states, investors and other players because of the rich resources they contain. Unsurprisingly, this has triggered acute contestation over natural and

cultural resource rights.

Historical marginality often places indigenous and marginalised people at a distinct disadvantage when they try to articulate their concerns and fight their corner. Forced resettlement to make way for extractive industries has involved human rights abuses. Governments, industries and funders often fail to abide by the principle of Free, Prior and Informed Consent (FPIC), or to consult sufficiently with affected communities before geothermal projects start, or even to follow their own policies on indigenous peoples, which the World Bank has admitted failing to do at Ol Karia. The other foreign banks involved in funding this project agreed to follow World Bank policies rather than their own.

Although it didn't matter for the purposes of this project, the EIB also decided that the Ol Karia Maasai did not meet its criteria for indigenous peoples and chose to classify them as "vulnerable" instead. This does not provide anything like the same level of protection, and has proved disastrous for this community.

Forced resettlement to make way for extractive industries has involved human rights abuses. Governments, industries and funders often fail to abide by the principle of Free, Prior and Informed Consent (FPIC), or to consult sufficiently with affected communities before geothermal projects start...

The EIB has explained (in responses to me and Bankwatch) that it decided not to classify these Maasai as indigenous in 2009 (when it was making plans to fund the power plant Olkaria IV) because it believed that "tribal sentiments were still on the rise" after the post-election violence of 2008. It believed that such a classification might lead to more ethnic strife. This nonsensical interpretation demonstrates how little the EIB understands Kenyan politics, and the socio-political climate in which it operates. From observation and written evidence, its so-called "experts" on the ground are anything but. One, an official mediator between the Maasai and KenGen, even expressed shockingly derogatory remarks to me about the alleged "backwardness" of the Maasai, views which hardly make him suitable as a mediator. Maasai informants said they regarded the mediators as "KenGen's spies".

It is important to note that although the community is predominantly Maasai and Maa-speakers (people who speak the Maa language but who are not necessarily Maasai) who have lived here for centuries, it also includes members of other ethnic groups who have intermarried and inter-settled with the Maasai over many years. The community is, therefore, a microcosm of multicultural Kenya. Some Maasai rights activists tend to ignore this fact for obvious reasons: it does not fit their mono-ethnic narrative.

Recent history, some impacts

Geothermal exploration first began in this area of Naivasha Sub-County in 1956 with exploratory drilling. But it was not until the 1970s that geothermal development began to intensify. Olkaria I was the first power plant in Africa, commissioned in three phases starting in 1981. There are now five geothermal plants in the Greater Olkaria (sic) Geothermal Complex, with others planned or in development. (Other plants, either built or planned outside this Complex, follow the line of the Rift Valley.) Akiira One is not built yet, partly because the company behind it, Akiira Geothermal Ltd. (AGL), is mired in issues around alleged human rights abuse against squatters it forced off its land with the aid of police and county officials. European funders of AGL, including the EIB, are investigating. (I say more about these events below.)

Three of KenGen's five plants have been built in Hell's Gate National Park. These plants have devastated this once beautiful heritage site. Large areas of the park now look more like an industrial estate than a protected area: plants and wells constantly gush steam, the well-heads make deafening 24-hour noise, huge pipelines snake across the landscape, roads are choked with company and subcontractors' lorries and machinery, water sources are polluted, and the air around the plants stinks of rotten eggs (hydrogen sulphide). After just a couple of weeks' fieldwork, I fell ill with respiratory problems.

However, what I endured is nothing compared to what the people who have to live here permanently have to go through. A 44-year-old Samburu blacksmith told me: "I have done an experiment - I sent my children to Samburu, and when they came back they were very healthy. After a few weeks of staying here, their faces have changed, and skin rashes have started appearing on their bodies. They're suffering a lot of coughing and common cold almost every day." Locals blame geothermal for the rise in respiratory illness and miscarriages, among other things.

Complaints

A number of formal complaints have been made to KenGen and the external funders' complaints mechanisms: the World Bank Inspection Panel (WB-IP) and the EIB Complaints Mechanism (EIB-CM). Many of the complaints relate to the forced resettlement in 2014 of four Maasai villages to a new settlement called RAPland (RAP stands for Resettlement Action Plan), a remote area next to the Akiira One/AGL concession. This was done to make way for Olkaria IV. Some 1,000 people were moved to new two-bedroom houses in RAPland, each on a 0.41-hectare plot. But this move involved swapping an area of 4,200 acres for just 1,700 acres. Many people complain about the houses, which are not built in a traditional culturally-acceptable style, which cannot accommodate extended families, and which are more expensive to furnish and run.

Moreover, the new land is much less productive than the one they were forced to leave. It is full of steep gullies into which cattle regularly fall and injure themselves, or even die. The pasture is poor and soil erosion is rife. Worst of all, the area is fenced in, which is antithetical to free-roaming pastoralism. "They have put us in a fence like animals in a zoo," said one informant. People are also very unhappy about the communal leasehold land title that KenGen has given them, and claim it is not what was promised. The document does not refer to RAPland but to a totally different geographical area.

Three of KenGen's five plants have been built in Hell's Gate National Park. These plants have devastated this once beautiful heritage site. Large areas of the park now look more like an industrial estate than a protected area...

Other complaints include those relating to the loss of cultural sites and livelihoods, the remoteness of RAPland, which is far from shopping centres and other urban services (KenGen has refused to allow a commercial centre to be built), lack of public transport, (which forces people to use very expensive private transport), KenGen's failure to employ many Maasai, other than in insecure, low-paid, low-skilled jobs, corruption, nepotism and discrimination (which have fouled the process of awarding compensation to PAPs), and failure to fully implement a May 2016 Mediation Agreement between the community and KenGen. (Though Maasai representatives signed this, they are deeply unhappy about how it has unravelled. Some call the mediation process "a hidden wolf".)

On the positive side, KenGen has provided the new houses, and built facilities including a school, dispensary, community hall, roads, bridges and water points. They have, to some extent, acted upon

the complaints. The Maasai *did* agree to the move, but our research shows that many people did not fully understand the long-term implications. Failure to communicate in the Maa language led to many people being excluded from the consultations (the World Bank has admitted this). Some folk have complained that they failed to get new houses despite being eligible. As a result, several poor widows, and indigenous people who are not Maasai, have been forced to squat with relatives in RAPland after being made homeless. One Samburu widow, 46, whose family has broken up as a result of the resettlement, said: “We are scattered like the faeces of a high-flying bird.”

Responses

In 2015, the EIB-CM and the WB-IP carried out a joint investigation into the complaints, Two reports, in 2015 and 2016, admitted that serious mistakes had been made, and some of the complainants’ allegations were founded. I counted eight incidences of admitted “non-compliance” with World Bank protocols in the 2015 report; there may be more.

Notably, the World Bank admitted failing to apply its policy on indigenous peoples (Operational Policy 4.10). This led to “significant shortcomings regarding consultation, the cultural compatibility of the resettlement, benefit sharing...The Panel believes applying the Policy might have avoided or mitigated some of the harms caused by the Project”.

Most importantly, by not classifying the Maasai as indigenous, the banks failed to draw up an Indigenous Peoples Plan, as they normally would, and to secure Free, Prior and Informed Consent (FPIC) from the community - a prerequisite in funding projects of this kind. In a series of email exchanges with the EIB over many months, it could not tell me why it classified the Maasai in this way, nor explain the reasoning behind its definition of indigenous peoples, which (as I pointed out to them) contains criteria not used by the World Bank or any other international organisation. I got the impression it has no idea what indigeneity means, and relies on ill-informed staff who know nothing about indigenous peoples and their rights in international law. On telling them this, all the EIB could do was crossly accuse me of unethical academic practice, and of maligning one particular staffer. Not true. I was simply asking legitimate questions of a bank that purports to be transparent and accountable.

The EIB-CM and the WB-IP initiated a mediation process, starting in August 2015, with the aim of reaching agreement between KenGen and the complainants on remedial actions. KenGen pledged, among other things, to improve roads and water supplies, take action on soil erosion and gullies, transfer communal land titles for RAPland and another area called Cultural Centre (the site of a village that was razed to make way for Olkaria IV), build more houses, assist people in marketing their cultural wares, and re-examine the cases of people who claimed to have been unfairly treated in censuses that took place before the resettlement. KenGen is still carrying out some remedial work, such as road repairs and bridge building.

The project also involved other external funders. Our research (and that of other scholars such as Jeanette Schade) shows there is a risk in having multiple funders since lines of responsibility can become blurred. For example, the EIB told me that the French development agency AfD (Agence Française de Développement) was the lead agency responsible for due diligence and safeguarding at Ol Karia, therefore it was not responsible. Efforts to find out from the AfD how they had monitored due diligence, and to access their post-project assessment reports (if they even exist), came to nothing.

What else people told us

Most informants said the funders and companies had exploited existing divisions in the community,

for example by siding with one group against another, and favouring individuals with special privileges. They complained that engagement mechanisms, such as liaison committees, created as part of the resettlement process to help PAPs engage with the companies, are deeply flawed (something the World Bank has recognised), and characterised by nepotism and bribery. Few people trust their elected community representatives, who tend to be male village elders who often shout women down. Neither do they trust the welfare society at RAPland, made up of selected “community trustees” to whom the land title was given.

Non-Maasai communities, including members of other indigenous groups, blame the Maasai for discriminating against them. One example is 54-year-old Fatuma Hitler, who claims she is discriminated against because she is a divorced Muslim Samburu; she believes this is why she wasn't given a new house despite being a PAP. “But if I go to complain [to KenGen] I will be like a barking dog, because of this corruption.” In other words, she thinks she won't get a hearing, and believes corruption – both within the geothermal companies and the local community – works against powerless women like her.

Eviction of the Lorropil villagers

Lorropil village, a tiny settlement commonly referred to by locals as Kambi Turkana because some of its residents were Turkana, used to lie just outside the RAPland perimeter fence on land owned by the geothermal company AGL that was excised from Kedong Ranch. After repeated threats of eviction, police swooped suddenly in the early hours of 3 November 2019, working in collusion with AGL to not only evict the villagers, but also burn the village down.

A day later, police went after the evictees and teargassed them, burning their remaining belongings. I have seen photographic evidence of all this.

Activists, lawyers and human rights defenders were alerted, and complaints made to AGL and its funders, which include the EIB. Though AGL claims it “consulted” the villagers beforehand, the villagers refute this. There was no attempt by AGL to treat them as PAPs, or to follow due process over the eviction and resettlement of squatters; several of AGL's funders, including the EIB, have clear policies on this, which AGL did not abide by. The company accused its critics, which included me, of being “malicious liars”. It attempted to counter the allegations and buy good publicity by using local reporters to write stories favourable to AGL, which contained factual errors and painted the evictees as fraudsters and “fake squatters”. I complained to the national newspaper editors concerned about shoddy journalism; they did not respond.

The evictees (who included a number of children) ended up squatting in RAPland, where they were forced to live out in the open until a local pastor opened his church to them. Adding insult to injury, the Kenya Red Cross, alerted by villagers and their supporters, made an initial assessment a few days after the eviction, but then disappeared, failing to deliver humanitarian aid or follow up in any way. I mailed their directors, accusing them of failing to abide by the Red Cross mandate. This had an immediate effect: they swung into action. The repercussions of this eviction are ongoing; European funders of AGL are still investigating what happened.

Bankwatch report on the EIB

In a new report, “Can the EIB become the ‘EU Development Bank’? A Critical View on EIB Operations Outside Europe”, the NGOs Bankwatch and Counter Balance jointly examine EIB-funded projects in Kenya (and elsewhere) that include Olkaria IV and the Nairobi-Mombasa Road. It asks whether the EIB, which plans to “step up its development role”, is up to the task. The answer, by and large, is no. Some of the report's key points that are relevant to this case study include:

- The EIB “ultimately exacerbates inequalities rather than alleviates them”;
- It makes “empty promises on human rights” and must introduce a “proper human rights due diligence system”;
- Human rights abuses are “largely unknown” and often addressed only after they occur;
- There is a large gap between EIB policies and implementation on the ground;
- Its existing social standards on human rights, environmental and social principles must be replaced; they fail to prevent such things as forced eviction, or protect the most vulnerable stakeholders;
- It has a long way to go on transparency, and lags behind the transparency and disclosure practices of other multilateral financial institutions.

The report calls the RAPland resettlement case a “scandal”. It supports my claim that the EIB uses incorrect criteria in its definition of indigenous peoples, and calls on the Bank to review this. Its case study on Ol Karia supports our research conclusions, and states: “The non-recognition of Maasai as indigenous peoples as well as several other breaches resulted in serious negative impacts on the resettled communities, which have not been fully addressed.”

In its response to Bankwatch, the EIB claims that the report contains inaccuracies, and that the Bank is “constantly improving and further developing its approach to essential issues such as human rights, environmental and social impacts...”.

And so it goes on...

As I finish writing this story, RAPland elders have sent more complaints to the funders that reiterate much of what they raised before. They are particularly upset about the failure to fully address the issue of livelihoods lost as a result of resettlement (which funders had pledged to do), and the dodgy RAPland land title.

The elders were responding to the World Bank’s “final” report of June 2020 on the progress of mediation. It maintains that “all the agreed livelihood activities have been completed”. It blames a “clerical error” on the fact that the title refers to the wrong piece of land; the Bank says it supports the PAPS’ request to convert it to freehold.

RAPland elders have sent more complaints to the funders that reiterate much of what they raised before. They are particularly upset about the failure to fully address the issue of livelihoods lost as a result of resettlement (which funders had pledged to do), and the dodgy RAPland land title.

It is clear from the report that the IEB, which insists that the Management Action Plan (MAP) for RAPland is “completed”, sees this as the end of its obligations to the PAPS; now it’s up to KenGen to resolve outstanding issues that are broader than the Bank’s MAP. But for the community (and the former Lorropil villagers, who have submitted a separate complaint to the EIB-CM), this isn’t over by a long way. To sum up community sentiments: “We feel that the banks value their business more than our lives and wellbeing,” said the RAPland resident and human rights activist Daniel Ntanana Ole Shaa.

Furthermore, plans are now underway for a new 140MW KenGen plant, Olkaria VI, on the site of the village of Olomayiana Kubwa, which lies near the four villages whose residents were moved to RAPland. This public-private partnership project will involve another forced resettlement. From reports received, there is no evidence that the company, funders and other groups involved are following due process, abiding by protocols and fully consulting the PAPS.

Have no lessons been learned? A distinct sense of déjà vu hangs over the steaming, stinking plants of Hell's Gate.

Published by the good folks at [The Elephant](#).

The Elephant is a platform for engaging citizens to reflect, re-member and re-envision their society by interrogating the past, the present, to fashion a future.

Follow us on [Twitter](#).

