



European Investment Bank (EIB)

Luxembourg, 15/12/2020

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	Lake Turkana Wind Farm
Project Number:	2009-0484
Country:	Kenya
Project Description:	310 MW onshore wind farm in North Kenya, East of Lake Turkana

### Summary of Environmental and Social Assessment at Completion

#### EIB notes the following key Environmental and Social outcomes at Project Completion.

The wind farm was built as planned and appraised with a total capacity of 310 MW. It includes 365 wind turbines, a project internal MV/HV substation, internal MV overhead lines to connect the turbines to the substation, internal roads as well as a “project village” to accommodate required facilities and work-shops and to provide housing for the operation and maintenance staff. About 200 km of external roads were rehabilitated under the responsibility of the project to allow transport of the equipment to the site. With an estimated annual production of 1,400 GWh/a the wind farm contributes to satisfy up to 15 % of the Kenyan electricity demand.

About 420 km transmission line to connect the remote wind farm to the nation grid was built by the Kenyan grid operator (Ketraco). The construction was out of the scope of the project, but as associated facility, it has been considered in the overall environmental and social impact assessment of the wind farm. As part of its obligations under the finance agreement, the promoter had to provide support and oversight to Ketraco, with regard to the implementation of the Environmental and Social Management Plan (ESMP) and in particular the Resettlement Action Plan (RAP) for the transmission line. Related Ketraco obligations had been defined in a direct agreement between Ketraco and the lenders.

If located within EU, the project would have fallen under Annex II of the EIA Directive. It has been screened in by the national competent authorities who have required a full EIA including public consultation. The wind farm, including its connection to the national grid system, has successfully gone through this procedure and obtained all required environmental approvals from the competent authorities.

As required by the lenders, the project has implemented an Environmental and Social Management System (ESMS) to fully implement all activities under the ESMP throughout the project implementation and the full operational period. This included various specific aspects, such Environmental & Social Management and Monitoring, Emergency Response and Preparedness Traffic Management, Local Recruitment Plan, Security Management, Labour policy and OHS standards or Biodiversity and Conservation Management, etc.

Implementation of the relevant activities has been monitored by the lenders' E&S teams in close cooperation with the lenders' E&S advisor. Throughout the implementation, the promoter has properly addressed upcoming problems and has improved the processed and



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procedures. In total, the project has demonstrated good management of environmental, social, health and security impacts and risks. The project was implemented largely in line with EIB E&S standards.

### **Environmental Aspects**

The environmental assessment during appraisal concluded the project is not expected to have significant negative impact, but due to the presence of some IUCN listed avifauna (for example Tawny and Steppe Eagle, Egyptian Vulture), in the area around Lake Turkana, bird and bat monitoring was conducted. The collision risk was considered low in general, but given the conservation status, the report proposed monitoring of bird strikes and carcass searching and removal. Regular monitoring is presently performed on a daily basis by trained security staff; however, the procedures need further improvements. In particular, the detailed thresholds that trigger certain mitigation measures are presently under discussion between the project and the lenders' advisor. The Biodiversity and Conservation Management Plan shall be updated accordingly.

### **Social Aspects**

The construction of the wind farm and the auxiliary infrastructure required modest physical and economic resettlement. Specifically, in the vicinity of the wind farm a whole settlement had to be relocated to a nearby site because of health and safety (H&S) concerns, mainly associated with transportation and construction activities due to its close proximity to the main road. This was realised in close cooperation and agreement with the communities and involved an improvement of livelihood of the roughly 120 households.

More than 2000 households were directly impacted by the construction of the transmission line mainly along the southern section of the line. The majority had faced economic displacement, however about 260 households had to undergo an actual physical displacement. The transmission line was built under the responsibility of the Kenyan transmission company, Ketraco and the project did not have direct management control; however as it was obliged to provide support related to the resettlement activities in accordance with IFC 'associated facility' guiding principles and to pursue the transmission line's E&S compliance on a 'best effort' basis. Therefore, the project, in cooperation with the Lenders' E&S teams and advisors, has been supporting the T-line construction in the revision, improvement and proper implementation of the Resettlement Action Plan. The RAP had initially overlooked a number of affected households resulting in difficulties and interruption of the works. However, through intensive stakeholder engagement, grievance mechanisms and an improved RAP, the problems were largely solved and finally satisfactory agreements could be reached with all affected households.

The project itself however, did attract an abundance of negative attention and publicity over the years from international civil society organizations and the local and international press, as a consequence of its lack of identification and recognition of impacted communities as indigenous and failure to implement FPIC accordingly. At that time, the Project identified that the area is inhabited by four main ethnic groups: the Rendille, Samburu, Turkana, and El Molo, which were treated as regular project affected people (PAPs), instead of indigenous peoples (IPs). Lenders were equally held responsible, as they had failed to enforce IP recognition and FPIC<sup>1</sup> with the project promoter during appraisal and at financial close.

Lenders' approach to this issue had been mainly motivated by a desire to respect national, political sensitivities concerning IP issues in Kenya, in the aftermath of much ethnic strife and

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<sup>1</sup> Free, Prior and Informed Consent



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conflict during the second half of the first decade of this century, after which the Kenyan government had declared all ethnic groups in Kenya as indigenous.

In order to resolve the stalemate between all parties involved, lenders commissioned a mid-term review in 2017 to look into these matters at project level and suggest constructive ways forward. The resulting report “Mid-Term Review of the Social Performance of the Lake Turkana Wind Power Project,” that was released in May 2018 recommended for the project to conduct any future engagement with local communities “in the spirit of FPIC.” The implementation is monitored by an independent E&S consultant.

The project supports a 20-year corporate social responsibility programme, “Winds of Change” (WoC), that aims at delivering socio-economic benefits to communities in the project region. WoC will receive an annual budget out of the projects revenues to support activities in the health, education, water, infrastructure job creation and other community development sectors. The first activities are under implementation.

**EIB notes the following key Environmental and Social aspects to be monitored during operations:**

After completion, ESMS and related management plans were updated for operations. This is largely satisfactory, but requires some further monitoring:

The biodiversity and conservation management plan (BCMP) includes monitoring of bird strikes and carcass searching and removal. This procedure shall be improved as proposed by the Lenders’ E&S advisor and adaptive measures should be developed where necessary.

Stakeholder engagement and community liaison activities are ongoing. In particular, the corporate social responsibility program “Winds of Change” needs to be continued and intensified.

**Summary opinion of Environmental and Social aspects at completion:**

In general, the promoter has fulfilled the conditions and undertakings as specified in the finance contract and described in the ESDS. They were mainly related to the development of an Environmental and Social Management System (ESMS) and the implementation of the ESMP for the wind farm and the roads rehabilitation components as well as to the ESMP for the transmission line.

EIB is of the opinion based on the reporting from the promoter and inputs provided by lenders’ advisors during construction that the project has been implemented largely in line with EIB Environmental and Social Standards, applicable at the time of appraisal.

However, continued and improved environmental monitoring as well as of the CSR program and further stakeholder engagement is required and foreseen during operations.