

Best Practice in Community Engagement in Energy Projects

Case studies from Kenya, Tanzania and Haiti



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Cover Photo: Wind Energy Project at San Giorgino Pass, California, USA. Photo credit: Kanyinke Sena

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1. Introduction

The US Energy Information Service's *International Energy Outlook 2016* projects a 48% increase in world energy demand between 2012 and 2040.¹ Developing countries will account for more than 65% of world energy consumption by 2040 from 54% in 2010. The high-energy demand in developing countries is driven by various factors that include rapidly growing economies, increased populations and increased purchase power among others.² Affordable, reliable, sustainable and modern energy for all, is not only critical for the eradication of extreme poverty in developing countries, but will also be essential for the elimination of avoidable child deaths, achievement of universal secondary education, more inclusive growth, gender equity and sustainable land-use among other UN Sustainable Development Goals.³ And as energy demand expands, the energy market is evolving from traditional sources like coal and hydropower, towards lower carbon, renewable energy sources. The 2015 Africa Progress Panel (APP) report, for example, reinforces the need for a focus on renewable energy for sustainable development in Africa. The report states that sub-Saharan Africa's energy poverty is high, with over 60% having no access to electricity while 80% lack access to clean cooking facilities. In the rural areas, where 70% of Africa's poor reside, access to grid electricity is estimated at between 1% and 8%. Still, people in these areas pay 20 times more (estimated to be \$10 billion annually) for unclean lighting sources, mostly kerosene lamps, than rich households connected to the grid spend on lighting, which further entrenches poverty.

Energy access is critical for the well-being of indigenous peoples and local communities globally. Energy access projects that include large and small hydro power projects, coal plants, geothermal, wind and solar power projects dot indigenous peoples territories in many parts of the world. While this might seem positive, indigenous peoples and local communities rarely have access to energy from the energy projects in their territories. In many cases, they have raised serious questions concerning the negative impacts of the projects on their rights, livelihoods, cultures and overall wellbeing.⁴ Violations against communities have included violent evictions from their lands and the lack benefits from energy projects developed in their territories. Communities in various parts of the world have responded to these violations in various ways including violence, resulting in losses and, in some cases, project closure by energy project developers. Constructive engagement with

¹ See <https://www.eia.gov/outlooks/ieo/world.php>

² See <https://www.theatlantic.com/technology/archive/2013/12/heres-why-developing-countries-will-consume-65-of-the-worlds-energy-by-2040/282006/>

³ For the UN sustainable Development Goals, see <http://www.un.org/sustainabledevelopment/energy/>

⁴ Kanyinke Sena, Renewable Energy Projects and the Rights of Marginalised/Indigenous Communities in Kenya, IWGIA Report 21, 2015. http://www.iwgia.org/iwgia_files_publications_files/0725_REPORT21.pdf

communities therefore becomes critical for the rights and well-being of the communities and energy access projects.

This report, commissioned by the [American Jewish World Service](#), combines experiences from three cases studies on constructive community engagement in the design and development of energy access projects. The case studies were undertaken in Kenya, Tanzania and Haiti. This report introduces the cases studies, briefly outlining the international legal framework for community engagement in energy access projects. It also explores the key themes across the three case studies and lessons learned. After a review of the case studies themselves, this report draws final conclusions from the three cases studies.

2. Overview of the case studies

The report looks at community engagement in the design and implementation of three energy projects in Kenya, Tanzania and Haiti. The Kenya project is a wind energy project under development by an independent power producer, Kipeto Energy Limited (KEL), in Kajiado County in Southern Kenya. It is expected that once the project is complete in 2019, it will add 100 Mw of clean, renewable energy into the national grid. The Kipeto wind energy project spans approximately 70km² of Maasai territory in Esilanke area, Kiserian division, Kajiado County. The project is the second largest wind power project in Kenya, after the 300 Mw Lake Turkana Wind Power project in Northern Kenya.

The Tanzania case study focuses on two community-scale hydro-powered energy access projects in Matembwe and Ikondo villages in Tanzania. Combined, the two projects generate 203 Kw of electricity, enough to support approximately 1200 households. The Christian missionary led projects were due to a realization that lack of energy was a key stumbling block for the community's development objectives of fighting ignorance, poverty and disease.⁵ Matembwe and Ikondo villages were created in 1974 through the Ujamaa scheme introduced by the government of Tanzania aimed at bringing together sparsely located families to facilitate African socialism.

The Haiti case study looks at community engagement in the design and development of a solar power project in Les Anglais, Haiti. The project was initiated by EarthSpark International, a non-profit organization with the mission of eradicating energy poverty by spinning off businesses that can provide sustainable energy solutions.⁶ Located 100 miles from Port-au-Prince, Les Anglais, like many other towns in Haiti with no access to grid electricity, became reliant on kerosene and candles for lighting, as well as costly, inefficient and environmentally un-friendly diesel generators

In the three countries, energy access, especially for indigenous peoples and local communities, remains a major challenge. According to the World Bank Sustainable Energy for All

⁵ Ibid.

⁶ *EarthSpark International. (2017). Mission.* Retrieved from <http://www.earthsparkinternational.org/>

(SE4ALL), only 12.6 % of Kenya’s rural population had access to electricity. Hydroelectricity constitutes Tanzania’s most important source of energy, however, it is accessible to only 15% of the population, meaning that 75% still rely on traditional fuels for energy, contributing to the unsustainable rate of deforestation in the country. In Haiti, only 25% of its population has access to electricity, of which only 12.5% have access through to electricity through legal means.

3. Key themes from the case studies

a. Law and policy framework for community engagement

Development of large-scale energy projects is subject to various national and international human rights obligations as well as environmental and social standards of funding agencies. Community engagement is a central pillar in the laws and policies. This ensures the integrity and security of the project and community rights. As sovereign states, each of the three governments has the primary responsibility to promote, secure, and ensure fulfillment of and protection of human rights in general and citizen participation in particular.

Kenya currently has no law that guides the interactions between businesses and human rights. However, under UN Guiding Principles on Business and Human Rights, Kenya has a duty to promote, protect and ensure the fulfillment of human rights in its territory and/or jurisdiction by third parties, including business enterprises. Kenya is currently in the processes of developing a National Action Plan on Business and Human Rights, which will enable businesses, regardless of size or operational context, incorporate human rights in their business activities. However, some of the national laws aimed at ensuring community engagement include the Constitution of Kenya 2010, the Energy Act 2012, Land Act 2012, The Environment Management and Coordination (Noise and Excessive Vibration Pollution) Control regulations and the County Government Act, 2012 among many others. Further, all international laws including international human rights laws ratified by Kenya form part of Kenyan law. In Tanzania the constitution, legislation (most notably, *the Environmental Management Act of 2004*) and Tanzania Development Vision 2025⁷ set national expectations for stakeholder engagement.⁸ Various international human rights instruments to which Tanzania subscribes also impose requirements for stakeholder engagement. They

⁷ Tanzania’s National Development Plan. To read the plan, please see <http://www.mof.go.tz/mofdocs/overarch/vision2025.htm>

⁸ See e.g., Article 18(e) of the Constitution of the United Republic of Tanzania of 1997 (“Every person has the right to be informed at all times of all important events of life and activities of the people and also of issues of importance to the society”) and Tanzania Development Vision 2025 (supporting efforts to “to empower the people and catalyze their democratic and popular participation” and “empowering local governments and communities and promoting broad-based grassroots participation in the mobilization of resources, knowledge and experience with a view to stimulating initiatives at all levels of society”).

include the International Covenant on Civil and Political Rights⁹ and the International Covenant on Economic Social and Cultural Rights.¹⁰

b. Consultations with communities

All the three projects made consultations with the respective communities a priority. The projects recognized the importance of engaging local people as their liaison officers to facilitate constant consultations with the communities from the moment of entry. For the Kenya project especially, making contact with a respected community leader facilitated the smooth entry of the company into the project area. The three projects also invested heavily in community consultations by putting in place structures for consultations. The project in Haiti designed a community consultation plan, which included repetitive meetings and the engagement of diverse groups. Though the three projects established local project committees with whom they could share information regularly, they also held open meetings with communities to inform them about policy developments while receiving their input and answering questions. The committees that were established at each project reflected the diversity of the community in terms of age, gender, commercial sector, and also included representation from local government.

A high level of transparency and accountability characterized consultations with the communities in the three project sites. These included ensuring the communities had access to information to enable them make informed decisions. Access to information included ensuring that the community had access to the information in a language they understood. For example, in the Kenyan case study, the company hired a Maasai speaking lawyer to help the community in the negotiations.

Consultations with communities took long time and massive financial resources. In the Kenya case study, for example, consultations lasted over a year before the community agreed to lease their land to the energy company. Consultations are still on going for the last seven years during the project feasibility period and will continue as the project development continues. Consultations also require the company to engage at its highest level of decision-making.

All projects also recognized that grievances would arise. They therefore prioritized alternative dispute resolution through project grievance mechanisms. For example, in the Kenya case study, the company established Community Liaison Officers who were available to hear grievances and settle disputes in the community. Should a dispute fail to be resolved at the family level with the Officer, village elders are called to mediate. Failure by the village elders results in a CIC hearing.

⁹ Article 25

¹⁰ Article 13 (1)

c. Securing community rights

i. Land rights

In the Tanzanian case study, the sole objective of the project was to provide electricity to the villages and not private profit. Community members in the two villages therefore gave away their land for free for the hydroelectric plant. This circumvented the usual issues surrounding land rights in which energy companies have bought land and displaced indigenous communities.

In the Kenyan project, the sole objective of the project was private profit by selling 100 Mw to the national grid. But as opposed to most large-scale projects that acquire then relocate communities to lands far away from their lands and territories, the Kipeto wind power project opted to lease the land for the project from the Maasai. In the Kenyan case study, extensive consultations supported by lawyers hired by the company on behalf of the community enabled the community to negotiate for a 30-year lease period. The lease rate of plots is determined based on land ownership size. The lease money has enabled the community fulfill pressing challenges that included education their children, building nice homes and even affording three meals in a day.

ii. Benefit sharing

Communities received multiple benefits from the energy projects. This includes:

a) Energy access from the projects

The communities in the Haiti and Tanzania benefited from energy access in their respective projects. The two-hydropower plants in Matembwe and Ikondo villages in Tanzania, for example, generate a combined 203kW of electricity – enough to support 1200 households. However, the community in Kenya will not directly access energy from wind power project. Under the power purchase agreement entered between the investor and the national electricity distributor, the 100 Mw generated from the power connects directly with the national grid for distribution to other parts of the Country. Eventually, power from the national grid might reach the community in the project area, but in the meantime, the company will provide the landowners with solar power as part of its corporate social responsibility program.

b) Income stream

The communities in all the three case studies will receive some form income either directly or indirectly from the power projects. In the Kenya, the community will receive income in the form of land lease depending on the size of the land one owns. The compensation is

commensurate with land ownership: those who own under 50 acres receive 100,000 Kenyan shillings (KES), those with 51-100 acres receive 150,000 KES and those with more than 101 acres receive 250,000 KES. There is room for growth as well; leases attract an incremental value of 5% per annum and once the project is operational, each landowner will receive 1.4% of the gross annual revenue generated by each wind turbine located on his or her land, translating to 1.2 million KES annually per turbine. Further, to ensure good will with the community, the company also, after consultations with the community and informed by other business factors chose to allocate the community a 5% share of the company, translating to about 100 million KES annually. The community did not have to contribute any equity to KEL in exchange of the shares in the company. This share will be channeled through a Community Trust, whose objectives are linked with community development and the interests of the larger Kajiado County.

c) Other social benefits

Access to electricity has allowed for more economic security to the communities in Tanzania and Haiti. Families can purchase food to refrigerate and resell. Using a refrigerator is cheaper than using diesel or gasoline generators as they did before. The availability of refrigeration has also led to agricultural development opportunities, as food can now be locally stored and sold in bulk. In addition, the general standards of living have improved as community members have access to information through TV and computers, and are also able to keep in regular contact with family members. The availability of electricity has also improved education rates, as children are able to study after dark.

In the Kenya case study, the company has also launched a series of Corporate Social Responsibility (CSR) programs to share the benefits of the project with the community. For example, the company has invested 5 million KES into the rehabilitation of a local health center, repaired roads in the area and is planning future programs through consultation with Kipeto community members.

In the Tanzanian case study, access to electricity from the project has seen education rates have improved, as children are able to study into the evening with electricity. The health of the community has also improved significantly given the local dispensary's ability to store medicines and food.

4. Key Lessons learned

From the three case studies, there are useful lessons can benefit other similar projects around the world. Some of lessons include:

a. Investing in social capita secures investment

The three case studies reveal a natural compatibility between community engagement and successful energy projects. The companies in each of the cases prioritized investing in the

communities to earn the community's trust, and were thus able to develop their projects while serving the community's needs.

In the case of Matembwe Village Company in Tanzania, the hydroelectric plant was implemented to serve the community directly. The ensuing partnership between the village and European investors benefited both parties, as the village gave the land needed to build the plant free of charge, and in return received electricity. This illustrates that community engagement can lessen costs for energy companies. Additionally, the presence of a third-party intermediary (CEFA) helped engage stakeholders in the start-up stage by linking the project to the community's aspirations.

Similarly, In Haiti, EarthSpark was very effective at engaging the community through open meetings and the establishment of the Energy Committee for which any resident can run. These efforts have allowed the company to earn the trust of the community, and have resulted in two-way communication in which the company shares information and receives feedback from customers.

Finally, in Kenya, KEL's radical initiative to focus on community benefits was instrumental to the company's success. Through extensive consultations with the community, KEL designed its project without having to displace the community. Their organization allowed for a direct grievance channel, and continuing consultations following the turbines' installation demonstrated the company's commitment to the people.

These three projects stand out within the energy landscape, in the context of frequent exploitation and displacement of local communities. Continuing community engagement before, during, and after power installation is crucial to keep people informed and supportive of energy projects.

b. Community engagement is expensive

Despite the benefits, the three case studies, particularly the Kenyan example, reveal that community engagement is costly both in terms of time and financial resources.

c. Absence of legal frameworks should not impede securing community rights

The full and effective consultation with the communities and sharing benefits accruing from a project is not just a legal duty but also a moral duty. Investors should therefore strive to invest in consultations and benefit sharing. Lack of a legal framework for such investments should not be an excuse for investors. Rather, investors should view this as a long-term benefit for the project.

In the absence of express provisions of the law, investors should interpret existing law in such a manner that they are able to secure community rights. For example, leasing rather than purchase or compulsory acquisition is a better approach to community land because it

establishes a partnership between the community and investor. Leasing therefore guarantees security of an investment while guaranteeing community land rights.

d. Inclusion of marginalized groups is critical

One challenge throughout the projects lies in the tension between using communities' existing leadership structures to discuss the projects, and engaging a diverse group that includes marginalized voices. Because of most of the communities are patriarchal, only men occupy leadership positions. It appears that none of the projects struck a satisfactory balance of including marginalized groups, women for example, in their consultations. EarthSparks project in Tanzania attempted to solve this problem by handpicking the first Electricity Committee, giving preference to women. However, their traditional exclusion from leadership positions made it difficult to find willing representatives.

Similarly, in Kenya, KEL worked to establish local-oriented structure for grievances, beginning with one home and stretching to their community officers. This approach, though respectful of Maasai culture, meant that women were largely excluded from decision-making roles given that the land deeds were almost always in a man's name. Additionally, KEL's practice of sending payments to the men in the family often resulted in the omission of women from financial decisions. These effects may have been mitigated by community grants specifically for women's organizations, or the deliberate inclusion of women as payment beneficiaries.

e. A robust grievance mechanism is necessary

A robust grievance mechanism from the household level is necessary to address challenges that arise at all stages of the project.

5. Conclusion

Energy currently plays a huge factor in the success and social mobility of individuals worldwide. As climate change has come to the forefront of many country's agendas, it is likely that sustainable power plants, such as solar, wind, and geothermal, will expand rapidly. Thus, it is crucial that the expansion of clean energy does not come at the cost of displacing or exploiting indigenous communities in whose territories some of the projects will be developed. The lessons from the three case studies therefore provide some guidance on how such can be avoided both for the benefit of the communities and companies.

These successful projects each prioritized community participation from the outset of the project, and worked actively to receive free and informed consent from the locals *before* initiating any part of their project. This process involved extensive meetings with the communities, which were held in the native language, and providing unbiased legal representation to project affected persons.

Having obtained the consent of the people, successful projects continued to engage with the communities and train them on how to best take advantage of project recourses. In the case of MVC in Tanzania, this involved entrepreneurial workshops with an emphasis on projects requiring power, while in Kenya discussions were expanded to include allocation of recourses and money that the company will receive. Finally, the case in Haiti revealed the advantages of creating stakeholder interest in the community through the establishment of an Energy Committee. “Win-win” approaches in the design and development of energy access projects therefore secures the projects and community rights.

ANNEX I: Kenya case study

KIPETO WIND POWER PROJECT: A CASE STUDY ON BEST PRACTICE IN COMMUNITY ENGAGEMENT IN ENERGY PROJECTS

Kanyinke Sena

Background to the Kipeto Wind Power Project

The Kipeto wind energy project, being developed in Esilanke area, Kiserian division, Kajiado County, hopes to inject 100 Mw of clean, efficient and renewable energy to the national grid at full operational capacity in 2019. Kipeto Energy Limited (KEL) is developing the project with financing from the International Finance Corporation (IFC).

The project is the second largest wind power project in Kenya after the 300 Mw Lake Turkana Wind Power project in Northern Kenya. The project covers approximately 70 Km² of Maasai territory, and is at an advanced stage of development. Wind data collection, Environmental and Social Impact Assessment(s), route survey to the national grid connection point in Isinya, Kajiado completed are complete. KEL has also entered into a 20-year Power Purchase Agreement (PPA) with Kenya Power Ltd, a government-controlled electricity transmission and distribution monopoly.

This project will take Kenya a step further towards meeting its energy access goals. According to the World Bank's Sustainable Energy for All (SE4ALL), only 36% of Kenya's population of 41.6 million (2001 census) had access to energy. The Climate Investment Funds attributes this low energy access to the high costs of connectivity and insufficient supply. Consequently, the government has prioritized improving access to adequate and affordable energy supply to ensure that at least 65 % of the country's population has access to energy by 2023 and 100% of the population by 2030.

To pursue its energy access objectives, the government adopted the *Sessional Paper No. 4 of 2004 on Energy* and committed to promote electricity generation from Renewable Energy Sources (RES). A *Feed-in-Tariffs Policy on Wind, Biomass, Small Hydro, Geothermal, Biogas and Solar resource generated electricity* (FIT) was adopted in 2008 as an instrument for promoting generation of electricity from renewable energy sources. Under the FIT policy, independent power producers, like Kipeto Energy Limited (KEL) are encouraged to invest in renewable energy generation, through guaranteed market at a pre-determined tariff for a given period of time.

KEL was therefore licensed to undertake feasibility studies and subsequently generate electricity through wind energy in Kipeto, Kajiado County, south west of Nairobi. In developing such projects, investors are required by law and both international and national human rights standards to ensure stakeholder participation and benefits to the communities

in the project area. However, communities in Kenya, as in other parts of the world, have raised serious concerns about the negative impacts of such projects on their land rights, livelihoods and cultures.

To inform energy access projects in the context of indigenous communities' rights, AJWS set out to undertake a case study focusing on Kipeto Energy Project as a best practice in community engagement.

Methodology

Kipeto Energy was selected after an informal assessment of the renewable energy sector in Kenya. The assessment involved desktop reviews of available information on stakeholder engagement and informal consultations with indigenous rights activists in the respective energy projects areas. The informal assessment revealed few complaints towards Kipeto Energy compared with other energy projects in Kenya. In all other projects, communities have either gone to court¹¹ or utilized other grievance mechanisms that include the World Bank Inspection panel.¹² Some investors abandoned their project because of community complaints.¹³

Once Kipeto Energy was decided on, the consultants then established contact with the company and officials. Face to face interviews with senior company officials, landowners and other community members, local leaders and relevant officials of the Kajiado County government were undertaken in Nairobi, Kajiado and Esilanke area. Interviews at the community took the form of one group meeting, actual visits to 15 homesteads belonging to both landowners who are part of the project and those who are not part of the project.



Random interviews with persons grazing or travelling through the project site were also undertaken. Company officials were also consulted electronically.

The Maasai of Kipeto

For example, in the Lake Turkana wind power project, communities went to court to question how the company acquired the land in which it is developing the project. They sort to stop the project but the court declined. See Court declines to stop Sh75bn Lake Turkana wind power project, Daily Nation, November, 2016 at <http://www.nation.co.ke/counties/turkana/Court-declines-to-stop-Sh75bn-Lake-Turkana-wind-power-project/1183330-3446738-kh33jtz/index.html>

¹² The Maasai of Kipeto. See Kenya: Electricity Expansion Project (P103037) at <http://ewebapps.worldbank.org/apps/ip/PanelCases/97-%20Eligibility%20Report%20-%20Inspection%20Panel%20-%20Kenya%20Electricity%20Expansion%20Project.pdf>

¹³ Kinangop Wind Power Project in Nyandarua, Kenya. See Firm pulls the plug on Sh15bn Kinangop wind farm project, Business Daily, February 26, 2017 at <http://www.businessdailyafrica.com/markets/Firm-pulls-the-plug-on-Sh15bn-Kinangop-wind-farm-project/539552-3088352-j7btao/index.html>

The Kipeto Wind Power project area is inhabited by the Maasai, a semi nomadic indigenous community whose main livelihood system is livestock keeping. Between 1970 and 1996, the Maasai subdivided their group ranch and issued individual members with freehold title deeds. The individual land holdings vary in size from 50 acres for small landowners to more than 1000 acres for large-scale landowners. The Kajiado county government land zoning regulations restrict land ownership in Kipeto area to not less than 30 acres. The land zoning laws are a strategy by the Kajiado County government to control spiraling land sales in the County.

Among the Maasai, land holding is paternal. Most title deeds in Kipeto are therefore in the name of husbands or fathers. But due to changes in national inheritance laws and increasing gender awareness due to community sensitization by the government and NGOs among the Maasai of Kipeto, women also increasingly own land in the area. In the Kipeto project of a total of 60 landowners, only about 20 landowners will have wind turbines for power generation installed on their lands. The 20 parcels of land were determined by the wind speeds available for power generation and proximity to neighboring lands that are not part of the project among others. However, the company will still retain a reserve interest for the project period in the lands that will not host turbines.

While the project area will essentially be a wind park, and therefore commercial, the Kajiado County government will not necessitate a change of use of the lands from agriculture to commercial purposes as required by law. Such a change will not be necessary because the lifespan of the project will be short-lived at 20 years, will occupy less than 20% of the community land and will not significantly alter the livelihood system of the landowners. A change of use would have had significant impact on the land rates payable by the landowners to the County government. However, the County government requires the community to include energy production in their land use. KEL is supporting the community finalize the legal process for extension of land use.

"We know there will be change. But the company cannot give you money and tell you how to spend it. It is not the company's responsibility. Rather, it is the role that NGO's and other social actors can play" Onchera Maiko, CEO Kipeto Energy Limited.

There is a very thin line between the conceptualization of development and modernity in Kipeto, as in rest of Kenya. The Maasai of Kipeto want modern houses, educated children driving cars, tarmacked roads, well equipped hospitals, TVs, phones among others. The Maasai of Kipeto are aware that modernity is driven by access to financial resources that will be at their disposal once the project becomes operational. "What will be needed is extensive capacity building on financial management and managing change generally," says Ole Kusero, an indigenous rights activist from the area.

The landowners and broader Maasai community in Kipeto acknowledge there may well be significant livelihood change once the project is fully operational. Since the landowners started receiving payments for lease, for example, the landscape is slowly changing. "We now see

"Money has a way of changing people. It will remove you from your house and take you far. It will tell you to marry additional wives, get a new car or move away from your village. It will even change your language. What we will need is extensive training in change management" – Ole Karu Landowner

project landowners fencing off their parcels of land and also building tin-roofed houses. Many are now also able to send their kids to school within and outside Kajiado, says Mary Koile, whose family land is sandwiched between three project landowners lands, but who themselves chose not to be part of the project. “The project is and will accelerate modernity in Kipeto. But we don’t know whether it will be for the good or bad,” she concludes.

The legal framework for community engagement in Kenya

Applicable national and international human rights law, including environmental and social standards of the funding agency, has guided the promotion and fulfillment of human rights



A son of a landowner in Esilanke

obligations in investment projects in Kenya. Stakeholder engagement is fundamental in that process of promotion and fulfillment of human rights. As a sovereign state, the government of Kenya has the primary responsibility to promote, secure fulfillment of, ensure respect of and protect human rights in general and citizen participation in particular. Kenya currently has no law that guides the interactions between businesses and human rights. Yet, Kenya still has a duty to promote, protect and ensure the fulfillment of human rights in its territory and/or jurisdiction by third parties, including business enterprises. However, Kenya is currently in the processes of designing a National Action Plan on Business and Human Rights, which will enable businesses, regardless of size or operational context,

incorporate human rights in their business activities.

For any project, including large scale energy projects, to promote and fulfill human rights, investors must adhere to constitutional provisions on human rights and citizen participation. The 2010 Constitution of Kenya enshrines public participation, inclusiveness, good governance, integrity, transparency and accountability as part of the national values and principles of governance. Such projects must also conform to national land and environmental laws. These include the Land Act of 2012, the Environment Management and Coordination (Noise and Excessive Vibration Pollution) Control regulations and the County Government Act of 2012 that provides for citizen participation, public communication and access to information and civic education among others. Further, all international laws including international human rights laws ratified by Kenya form part of Kenyan law. The laws ratified by Kenya include the International Covenant on Economic, Social and Cultural Rights,¹⁴ the International Covenant on Civil and Political Rights,¹⁵ the Convention on the Elimination of all Forms of Discrimination Against Women¹⁶ among many others.

¹⁴ <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

¹⁵ <https://treaties.un.org/doc/publication/unts/volume%20999/volume-999-i-14668-english.pdf>

¹⁶ <http://www.ohchr.org/Documents/ProfessionalInterest/cedaw.pdf>

For the Kipeto wind project, International Finance Corporation’s Environmental and Social Performance Standards also guided Kipeto Energy Limited’s actions on social sustainability. The IFC standards recognize that “stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project’s environmental and social impacts.” It further recognizes that “stakeholder engagement is an ongoing process that may involve, in varying degrees, stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to affected communities.”

Entry into the community

The mode of entry into a community determines the success or failure of an energy project. There are several community entry methods. An investor could, for example, simply walk into the project site upon grant of license or permit by the government and start work without informing the local community. It could also be introduced to the community at the project site by third parties that include government officials. In the case of the Kipeto project, once the government granted the exploration permit, the Chairman of Board of KEL reached out to a family he knew in Kipeto. The head of the family, a trusted community leader, then took him from homestead to homestead, introducing him and the proposed project. This unique approach taken by KEL is what ensured community buy-in from the onset.

“The company must be ready to heavily invest in social capital for a project to succeed. It is costly in the short run but beneficial in the long term”

- Mr Onchera Maiko, CEO Kipeto Energy Limited



A Landowner consulting with the Company directors and CEO in Loyangalani

Consultations and decision making with community

The Constitution of Kenya, IFC performance standards and international human rights law, including the UN Declaration on the Rights of

Indigenous Peoples, require that communities be fully and effectively consulted in the design and implementation of projects in their territories. Full and effective consultations enable such projects to secure rights while ensuring benefits for communities. According James Maroa, KEL's Environment, Social and Governance Manager, regardless of the legal requirements to do so, KEL understood that investing in social capital by fully and effectively consulting the community would be the only way the company would truly succeed in the project. To KEL, full and effective consultation with the community is not just a legal duty, but also a moral duty and sustainable business.

For the Kipeto wind power project, consultations were complicated, time consuming and required heavy financial investment. This is because land in Kipeto is privately owned, rather than communal. As such, the company had to negotiate with each individual landowner rather than a community. For the turbines to be linked, as many landowners as possible had to allow the power lines to pass through their lands. The CEO of KEL emphasized that for the consultations with the community to succeed, all parties had to be honest and participate in good faith. Parties should engage voluntarily and everyone potentially affected by the project must be invited to participate.

Legal support for the community during consultations is normally absent in most projects. Recognizing this problem, KEL hired a Maasai lawyer to help the community understand the legal issues involved. This was motivated by several factors. First, considering the high fees, most of the landowners could not afford their own legal representation. Second, there was confusion in the community on the details of the project due to conflicting messaging; the Maasai lawyer went a long way in fixing this problem. Initially, the company paid these legal fees by deducting it from the land leasing fees of the community, but ultimately, many landowners opposed these deductions and the company decided to pay for the lawyer from their own fees. However, a few landowners did retain their own lawyers as well. When a company pays the legal fees for the community lawyer, questions often arise as to whether such a lawyer would actually fully represent the community. To safeguard against any perceived bias by the lawyer hired for the community but paid for by the company, most of these consultations with the community are public, with the lawyers hired by the individual landowners also in attendance. This ensures that the lawyer paid for by the company is not biased against the community. Further, the KEL approach of holding consultations in public help ensure a degree of transparency and buy in from the community.

Decisions are then made at various levels that include the household level, the family level in case of polygamous families, village elders and a community implementation committee (CIC) comprised of landowners, elders, women, youth, provincial administration and representatives of the company. KEL has community liaison officers at the community level. The liaison officers are from within the community.

These types of consultations consume immense time and resources, but are necessary for community integration. For example, it took over a year of consultations for the community to agree to the leases, and have continued for the last seven years after the leases were signed. Most community members interviewed are satisfied with the consultations and continued engagement with the company, including the company's highest officials. In all

the 15 homes visited and in the random interviews undertaken, most had met or knew of a Mr. Namunje, the chair of the board of KEL.

However, despite the protracted consultations, some of the community members still do not have full information or understanding of the project implications on their land rights. For example, some landowners are afraid that the turbines would occupy over 500 meters of actual physical space when erected, making that portion of their land inaccessible. The company had to clarify that the 500 meters was merely a buffer zone required by national noise regulations for each turbine. The community can have access to that buffer zone to graze and grow crops, but cannot build houses or any structures. However, during the two-year construction period, there will be further restrictions on grazing and crop production within 250 meters of wind turbine construction site for safety reasons.

The consultations also involved the Kajiado County Government, Environmental NGOs and other stakeholders. The consultations began over eight years ago during the project feasibility study and are continuing to date. KEL has spent over 14 million KES on the consultations.

1. Benefit sharing

Both the law and good business sense dictate that the operations of any business entity benefit the community in its area of operation. Besides pursuing profits for its shareholders, KEL's management understood that without investing in social capital, the wind energy project might not be successful. KEL, in consultation with the community, opted to put in place inclusive benefit sharing structures that included the five items discussed below.

i. Land leases rather than outright purchase

"Just imagine how difficult it is to entrust anyone with your vehicle logbook. How about a land title deed then?" – James Maroa, Environment, Social and Governance Manager, KEL

As mentioned, Kipeto wind power project area is private land. Though the law provides for compulsory acquisition of private land for a public purpose project like power generation, and that the company considered the option, KEL opted to bow to community pressure and lease the land from the landowners instead. This approach establishes a partnership between the investor and the community and guarantees community buy-in from the onset of the project. The partnership approach guarantees community land rights and generates the goodwill necessary for the success of the project. In the case of Kipeto, the

leasing approach model has generated so much goodwill, that in consultations with the company, the landowners have deposited their land title deeds with the company for safe-keeping for the 30-year lease period. Land leasing instead of outright purchase of compulsory acquisition ensures stability of the investment, secures community land rights while state gets an additional 100 Mw to the national grid: a win-win for all.

The community and KEL negotiated and agreed on an annual lease rate payable during the project's feasibility period and after the project is operationalized. During the feasibility period that has lasted 7 years, KEL has paid landowners an annual lease rate that varies with the acreage. The compensation has been commensurate with land ownership: those who own under 50 acres receive 100,000 Kenyan shillings (KES), those with 51-100 acres receive 150,000 KES and those with more than 101 acres receive 250,000 KES. The leases attract an incremental value of 5 % per annum. KEL has been paying the leases even though the project is yet to be operationalized.

Through the lease agreements, the landowners can invest in other projects or approach banks for loans to undertake their own individual projects in Kajiado, Kitengela or even Nairobi. This way, the community strengthens and expands its wealth base.

Once the project is operational, each landowner will receive 1.4 % of the gross annual revenue generated by the project for each wind turbine located in his/her land. This translates to 1.2 million KES annually for each wind turbine. According to Ole Serpepi, a landowner, some landowners will receive in excess of 20 million KES annually for 20 years without selling an inch of their land, a huge amount of money for these landowners.

ii. Including the community as shareholders and sharing of revenue through a Community Trust

“Project proponents should see such arrangements as investments rather than a waste of money” – Dr. Namunje, Chair of the Board, KEL

In most projects, investors do not share in the profits with the community in the project other than through corporate social responsibility (CSR) programs and supply of locally available materials in some instances. Kenya also does not currently have a law that governs community benefits from investments in their territories. Despite absence of such a law, KEL opted to allocate the landowners a five percent share of the company to secure community goodwill. The shareholding automatically ensure that the community receives a share of the revenue generated from the sale of power from the project. The community did not contribute any equity towards KEL. According to Dr. Na-

munje, Chairman of the Board, the company knew that the community could not raise their five percent equity and would be unwilling to contribute their land as equity. KEL decided to include them as shareholders anyway to generate the necessary goodwill.

To determine the five percent community share, the company took several factors into consideration. This included what the community could be reasonably expected to contribute, the losses that the company will make in the first few years of the project among other considerations.

The five percent translates to 100 million KES annually for the community, which could transform various aspects of the community life in a big way. The revenue sharing is an additional income for the community, besides land lease payments, which they will continue to receive. According to Mr Onchera Maiko, the CEO, such strong social capital approach requires a philosophical shift in the minds of project proponents from purely focusing on profits to embracing other interests. Pastor Saitaga, KEL community liaison officer, who is also from the community at Kipeto, and six landowners that included three women, feel that the allocation of company shares to the community is a good model that should be embraced by all investors. The model secures the investment while securing the future for the community.

iii. Establishment of a Community Trust

The five percent revenue that the community will receive once the project becomes operational will be channeled through a yet to be established Community Trust, the structure and composition of which is still being negotiated. However, there is agreement that once established, the objectives of the Trust will be linked with the community development plan and the larger Kajiado County Integrated Development Plan. Among the options under consideration is whether funds from the Trust will be directed towards projects in the Kipeto alone or whether a percentage will be channeled to the Kajiado County Government to support other projects within the county. Understanding that 100 million KES annually for 20 years will be a substantial sum of money for a small community like Kipeto, the community is willing, in the spirit of Maasai culture, to share a portion of their five percent

The discussion that needs to happen next is how the community will expand its wealth-base from the proceeds of the revenue.

revenue with the wider Kajiado county through the County government.

iv. Relocation of affected homeowners

In most other projects, communities are completely moved to a new location away from their land. Though KEL will permanently relocate landowners whose homesteads will be directly affected by the wind turbines, the relocation will be within the landowner's land, in an area that will not be affected by the wind turbines. KEL has set aside 400 million KES for the construction of 80 modern houses for the 15 homesteads that will be relocated. Interviews with community indicate a high acceptance of the new houses by those who will directly benefit.

v. Company's CSR programs

Corporate Social Responsibility (CSR) programs are the main vehicles through which investors share benefits with communities in their project areas. Such programs should be informed by and developed with the community, as well as the broader development goals of the state and not necessarily by the company's priorities. However, there is debate on whether it is the sole duty of the state to provide for the health and education of its citizens, for example, and not investors' responsibility through CSR programs. According to the company, their CSR programs are aligned with government priorities in the project area.

In addition to the community engagement and revenue sharing discussed above, KEL also undertakes CSR programs for the benefit of the community around Kajiado County generally. KEL has, for example, invested 5 million KES into improving a local health center. Future CSR programs will be aligned with the Kajiado County Integrated Development Plan (CIDP), which was developed through a consultative process that included people from Kipeto area. From the CIDP, KEL teased out projects targeted at Kipeto area. KEL then established a committee at the community level to come up with an area needs assessment in the context of the CIDP planned projects in Kipeto. Consequently, a community development plan and a prioritized annual development scheme have been developed. KEL also reached out to local NGOs operating in the project area, as they will be potential partners in the design and implementation of the CSR programs.



Mitigating Financial Harm

In most other infrastructure projects, communities receive lump sum payments for several arrangements, including compensation for their land. For some of these communities that have not previously had access to large amounts of money, the results can be devastating: alcohol and drugs, prostitution, HIV/AIDS, domestic violence and other social ills. In some cases, the communities end up poorer than before the payments. However, KEL adoption of annual leases and annual revenue mitigates the risk of wastage and helps to build financial responsibility among the community members. The lease payments help support numerous activities, including paying school fees, fence off their lands, build new houses and organize weddings for their children. According to Lorna Turume, a woman landowner, some might have wasted the first one or two lease payments. However, they are now wiser in financial expenditure. In most homes, you will see projects resulting from the lease payments. She feels certain that even greater things will come once they start receiving revenue from the project. While this was not a deliberate arrangement, the net impact of phased payments seems to work for the long-term benefit of the community.

However, some of the landowners feel that the annual payments force them to take on debt in anticipation of the lease payments. To meet immediate needs, some landowners have asked the company to advance them money to be offset in the following years lease payments. The lease payments have therefore created an unintended financial dependency on the company by the landowners. Ole Karu and other landowners interviewed suggest monthly payments of the lease rates would be ideal.

Since Kipeto is a paternal society, men – almost exclusively – receive the payments, save a few instances where widows receive the payments. Married women are raising concerns about how the men utilize the payments in the community. The women have suggested that KEL put in place measures to ensure women receive part of the payments. Alternatively, the company could establish a fund to support women enterprises in Kipeto.

For the project to truly benefit the community in the long term, there is also a need to train the community on financial literacy. Though it not the responsibility of the investor, any social problems that may arise from bad financial decisions might impact the company's bottom-line in the long term.

Land integrity as an indirect benefit of land leases

Maasai in Kajiado County are notorious for selling land on a willing seller – willing buyer basis. The selling of land has rendered many Maasai families landless and is even threatening the nearby Nairobi National Park, as some of the land sold as wildlife migratory corridors to the park. According to a 2014 baseline report on *'Effective Land Ownership, Management and Transfer in the Context of Rapid Urbanization and Change among the Maasai of Kajiado County'*, the quest for a shot-lived modern and leisure life among the Maasai community is to blame for the uncontrolled sale of land in Kajiado. This has resulted in conflicts arising from multiple claims over the same land. The conflict sometimes ends up in violence, loss of life, destruction of property, displacements and disharmony among the different ethnic groups.

However, as result of the leases, the KEL holds the landowners' title deeds. The lease agreements contain a subdivision clause that requires consultations and approval by KEL of any subdivisions so as not to interfere with the project footprint. Subdivision of the project land is not therefore easy. The lease and subsequent revenue money also motivates the landowners to hold onto their land.

Grievance Mechanism

In any business activities and operations, a grievance mechanism serves as the formal, legal or non-legal complaint process that is used to resolve disputes. KEL has put in place a bottom up grievance mechanism that starts at the household level, where members of household discuss an issue concerning the project with the assistance of the company's community liaison officer. Should the issue fail to be resolved at the household level, a family meet-

ing is called to resolve the issue. In one instance, for example, a family took a vote to decide whether to be part of the project. By a vote of 22 to 8, the family opted out of the project, even though the family could have earned up to 12 million KES annually, for twenty years, as direct revenue from the ten wind turbines that could have been constructed on their land.

Should an issue fail to be resolved at the family level or if the issue is between two or more families, village elders are then called upon to resolve the conflict. Failure by the village elders often results in a multi-stakeholder community implementation committee (CIC) hearing and determining a dispute; if that fails, the Company's Senior management is called to resolve it. From senior company management, the next level in dispute resolution is to inform the local representative of the Overseas Private Investment Company (OPIC) for a determination and finally to Court.

The dispute resolution mechanism has been tested repeatedly at the family and village level. Many of the conflicts revolved around whether to commit family land to the project, distribution of benefits and whether women could be landowners. The CIC and company decided on the conflicts based on national law, principles of justice and equity. However, conflicts within the community have not escalated to the level of approaching the Courts for dispute resolution.

Most landlords feel that intergenerational conflicts may be a problem in the near future. As the project picks up, the elders will be growing older and their children, on the other hand, will be more educated and "westernized" and will want to take greater control of the resources from the company.

An additional probable source of future conflict is the potential clash between the socioeconomic rights of the community and environmental concerns. Environmentalists are already raising concerns of the potential threat of the wind turbines on two colonies of endangered vultures and other birds in near the project site. To conserve the vultures, environmental groups want the project stopped. KEL and the environmental groups are still consulting on the issue but the community is yet to be involved in the consultations. For a community that is becoming increasingly dependent on the company and is looking forward to a financially secure future, it remains uncertain how they might react to the vulture issue.

The potential sources of future conflict require urgent measures to be put in place to address them.

Key lessons

- Investing in social capital is necessary for the company, even in the absence of express legal requirements. To effectively secure an investment and advance community rights, investors, communities, government and other stakeholders should pursue interest-based approaches, which reflects an assumption of rational choice by all the agents involved, leading to a business arrangement that reflects the interests

of all. This approach promotes win-win investments that secure both the investor interests and community rights. It is not necessary that there should be a legal framework that should allow such an arrangement.

- Involvement and commitment of the company's top officials in securing community rights often determines success of a project. The company must therefore be committed to secure social capital at its highest decision-making level.
- Consultations with the community must be carried out in good faith, in an open and transparent environment. Community engagement should not be an isolated event, but instead a continuous process that must address every aspect of community rights and interests, including inter-generational interests within the community. The community consultation process is expensive both in terms of time and money but important for project success in the long term. A company must therefore be prepared to invest significant resources and willing to make losses for the first few years as it consolidates the social goodwill.
- A robust grievance mechanism from the household level is necessary to address challenges that arise in all stages of the project.

ANNEX II: Tanzania Case Study

A CASE STUDY OF A STRONG STAKEHOLDER ENGAGEMENT PROCESS AS IT RELATES TO INCREASED ENERGY ACCESS IN MATEMBWE AND IKONDO VILLAGES, NJOMBE DISTRICT, SOUTHERN TANZANIA

Elifuraha Laltaika

Introduction

This report covers a case study of stakeholder engagement processes pertaining to two community-scale hydro-powered energy access projects in Matembwe and Ikondo villages in Tanzania. Combined, the two projects generate 203 kW/MW of electricity, enough to support approximately 1,200 households.¹⁷ The report is a result of field visits and interviews conducted with key stakeholders and company representatives at project sites as well as a review of literature relating to legal aspects of stakeholder engagement in Tanzania.

¹⁷ Interview with Jonathan Kamanga, Executive Director of Matembwe Village Company March 16. 2016.

The report is divided into four sections. Section One contains the project background and context, including overview of legal framework related to stakeholder engagement and project development in Tanzania; economic, social and cultural factors; and energy availability/needs. Section Two embodies summary perspectives from interviews. Section Three contains analysis of findings, and Section Four contains conclusion and recommendations.

Project Background and Context

The Matembwe hydro power plant, a small-localized grid, has its roots in the “villagization” scheme that Tanzania implemented in the 1970s. The scheme entailed creation of *Ujamaa* villages (a village is an administrative unit comprised of up to 500 individuals, and *ujamaa* means “brotherhood”) by bringing together sparsely located families to facilitate African socialism (*Ujamaa*). The main objective was to enable the government to provide social services such as schools and dispensaries more efficiently and at a lower cost as opposed to doing so to fragmented chiefdoms and families. While well intended, the scheme resulted in suffering, particularly for communities that lost their ancestral lands.

In 1974, this Ujamaa scheme created the village of Matembwe in the Njombe region of southern Tanzania. Accordingly, the government relocated families from other places, hence significantly increasing the village’s population. Within years of the relocations, missionaries noticed a drastic drop in the standards of living for the villagers, most notably due to poor nutrition resulting from a shifting crop base. In response, the missionaries trained the community with new skills such as animal husbandry and crop production. The community then began producing soya beans and chicken to diversify its nutritional base beyond maize. While initially focused on agricultural production, the missionaries realized that lack of energy was a key stumbling block for the community’s development objectives of fighting ignorance, poverty and disease.¹⁸

In 1978, H.E Giovanni Bersani, then a member of the Italian Senate and the President of the European Economic Commission (EEC), visited Matembwe Village. Missionaries used the opportunity to inform him about the energy access challenge and opportunities that improved energy could present for the community’s development aspirations. At that time, H. E Bersani was also the chair of the European Committee for Training and Agriculture (CEFA), an Italian NGO committed to the promotion of development initiatives, corporation and volunteer services. Since its founding, CEFA has supported development projects in rural areas in the Mediterranean, Central/South America and East Africa, including projects in Tanzania for rural electrification, water supply, agriculture, and agro processing.

Inspired by this diplomatic visit to Matwembe, CEFA initiated a feasibility study on rural development and energy access needs in Matwembe. After several unsuccessful attempts to generate wind power, CEFA successfully commenced a hydroelectric power generation

¹⁸ Ibid.

project in 1986 with the support from the Italian and Belgian Ministries of Foreign Affairs as well as the European Union. Representatives of CEFA, the Catholic Diocese, the Njombe District Council and the Matembwe Village government became joint power plant owners. The power plant has the capacity to generate 120 kW and it provides power to 556 households and 64 public institutions and commercial entities. Impacts of energy access to the village, the first of its kind in Tanzania, were tremendous. According to the interviews, the community stopped considering themselves marginalized and instead witnessed tremendous improvements of social services as well as a surge in the number of household income earners.

In 1989, project developers required the local government in Tanzania to take over the management of the project. Specifically, the preferred candidate was the Njombe District Council, which declined the offer, citing the challenge of distance. The other candidate, the Catholic Church in Njombe, also declined the offer on account that the objective was not directly related to its core mission.

To address the challenge of lack of an institution to take over the project, project supporters incorporated the Matembwe Village Company (MVC) to be owned and managed by CEFA (30%), the Njombe District Council (25%); the Catholic Church in Njombe (25%); and Matembwe Village (20%). MVC has a board of directors, which is the decision-making body. Each of these institutions is represented in the board, whose membership is elected (each institution elects its representative to the board). In 2013, CEFA fully ceded its ownership to local interests, with Ikondo Village, Iembela Village, and the Matembwe Village Trust Fund (supporting employees of the company) each acquiring a 10% share in the project. CEFA continues to provide technical support to the project.

In 2016, with financial assistance from the Italian Ministry of Foreign Affairs and the European Union, CEFA completed and inaugurated a second and larger hydropower generation facility for the area: the Ikondo hydro power plant, with a capacity of 550 kW. This state-of-the-art utility complements the Matembwe power plant by not only increasing power reliability in the villages but also producing a revenue-generating surplus that feeds into the national grid.

A senior official of the Matembwe Village Company views CEFA as a “very strategic development actor.” He contends, “To have such a grand idea involving millions of money in the 1970s is a testimony that CEFA is not only an organization with a long-time vision, but also driven by human values of passion and respect to the community.” He added that CEFA had the capacity to go to the root of the problem at the time when the situation was very different in terms of investment priorities. “At that time the government could not even contemplate powering all district headquarters let alone villages.”

Legal Framework for Stakeholder Engagement and Project Development

Tanzania’s constitution, legislation (most notably, *the Environmental Management Act of 2004*) and Development Vision 2025 set national expectations for stakeholder engage-

ment.¹⁹ Various international human rights instruments to which Tanzania subscribes also impose requirements for stakeholder engagement. They include the International Covenant on Civil and Political Rights²⁰ and the International Covenant on Economic Social and Cultural Rights.²¹ An important conclusion emerges from the above exposition, namely that stakeholder engagement in project implementation in Tanzania is a widely endorsed practice, and the country's constitution, laws and policies back it up. This framework informed CEFA's approach to stakeholder engagement for the Matwembe and Ikondo projects.

Energy availability needs

Energy is essential for economic development.²² Tanzania's single most important source of energy is hydroelectricity. However, it is accessible to less than 15% of the population of 44-million people.²³ This means that more than 75% of Tanzanians still depend on traditional fuels (trees or biomass) for energy.²⁴ Given the rate of deforestation in the country,²⁵ this source of energy is arguably neither sustainable nor renewable.²⁶

Apart from hydroelectric energy, Tanzania is also richly endowed with the potential for clean sources of energy such as solar, wind and geothermal, which at present remain virtually untapped.²⁷ Other sources of energy such as coal and natural gas have recently been discovered and processes for their exploration are pending.²⁸ The country has also recently

¹⁹ See e.g., Article 18(e) of the Constitution of the United Republic of Tanzania of 1997 ("Every person has the right to be informed at all times of all important events of life and activities of the people and also of issues of importance to the society") and Tanzania Development Vision 2025 (supporting efforts to "to empower the people and catalyze their democratic and popular participation" and "empowering local governments and communities and promoting broad-based grassroots participation in the mobilization of resources, knowledge and experience with a view to stimulating initiatives at all levels of society").

²⁰ Article 25

²¹ Article 13 (1)

²² See the United Republic of Tanzania: The Energy Policy of Tanzania (1992), p. 1. Available at <http://www.tzonline.org/pdf/theenergypolicyoftanzania.pdf>

²³ Lyamuya, S "Energy Sector Development in Tanzania," The Business times, available at <http://www.businesstimes.co.tz/index.php>

²⁴ It is also indicated that firewood accounts for 90% of energy consumption in Tanzania and 3% is derived from hydro-electricity. The remaining 7% is from imported petroleum products. See Lyamuya, S *ibid*

²⁵ Statistics by the Food and Agriculture Organization (FAO) of the United Nations indicate that between 1990 and 2010, Tanzania lost around 8,067,000h equals to 19.4% of its forest cover. See <http://rainforests.mongabay.com/deforestation/2000/Tanzania.htm>

²⁶ Deforestation accelerates climate change since standing trees have the potential for offsetting carbon dioxide from the atmosphere.

²⁷ Lyamuya, S "Energy Sector Development in Tanzania," The Business times, available at <http://www.businesstimes.co.tz/index.php>

²⁸ See the United Republic of Tanzania: Ministry of Energy and Minerals. The Energy Policy of Tanzania, available at <http://www.mem.go.tz/wp-content/uploads/2012/11/Natural-Gas-Policy-Draft-Management-MEM-29-October-2012.pdf>

acquired the approval of the World Heritage Committee of UNESCO to mine uranium in one of its game reserves despite environmental concerns.²⁹

Methodology

This study employed interviews and documentary reviews to collect data for the report. In total, 32 individuals were interviewed, representing both company and community interests; they provided their respective narratives of the projects, focusing on stakeholder engagement and the added value of the community hydropower projects to their lives. Both Key Informant Interviews (KII) and Focus Group Discussions (FGD) were conducted, taking into account the need to ensure gender representation. Additionally, this study reviewed relevant literature including the Constitution, Acts of Parliament and subsidiary regulations. Combined, these inputs informed the key findings of this case study regarding stakeholder engagement and energy access.

Analysis of findings

Respondents interviewed narrated how access to electricity interwoven with the community development pathway and, inversely, how lack of power access would have impeded or slowed down the community's development aspirations. For example, one respondent regarded energy access in the village in terms of scaling up the capacity of some village institutions to provide social services. The respondent singled out the education sector by saying that the standard in the village has improved tremendously, thanks to power access. "Instead of using kerosene lamps that are dangerous to their health," the respondent asserted, "our kids read comfortably and that has made them pass national exams in larger numbers compared to kids in other villages with no electricity."

In the views of respondents interviewed, the health sector also stands out as the main marker of how energy access has significantly improved the community's development vision. Significantly, respondents pointed out how the trips they used to make to nearby township only for diagnosis no longer exist. In addition, they narrated how the dispensary can now store important medicines and their ability to keep foods for future.

Based on the above summary of perspectives from interviews, it is apparent that CEFA stands out as an exemplary intermediary. Lessons learned include the fact that CEFA has worked with the community to identify development needs, and having realized that power access was an integral aspect but the community could not afford it, CEFA looked for the finances and made it a reality.

²⁹ This is despite warnings from environmentalists that elephants, rhinos and the environment will be threatened by 60 million tons of radioactive and toxic waste. See Press Release "Re: World Heritage Committee Decision on Selous Game Reserve boundary changes." Available at <http://www.uranium-network.org/index.php/africalink/tanzania/253-press-release-re-world-heritage-comittee-decision-on-selous-game-reserve-boundary-changes>

Based on strong stakeholder engagement at all stages of the project development, community members were convinced about the importance of the project to their lives and to the village community as a whole. The fact that CEFA acquired the land free of charge from the village and that no compensation was paid attest to strong stakeholder engagement and a sense a strong sense of project ownership on the part of the villagers.

As CEFA has increasingly reduced its roles by devolving its shares to the community and supporting project management through the establishment of a village company, several findings become apparent as contributing factors making CEFA an exemplary intermediary for energy access and stakeholder engagement. These include the following:

Transparency

Stakeholders interviewed indicated that CEFA's work with them has been impressively transparent. This enabled CEFA to garner community's confidence. A former village chair indicated that CEFA's working method throughout the project has been very transparent hence he feels the village has been an equal development partner: "It is hard to separate CEFA's activities with the village's because we have worked together at all stages. If you were here, you could see community members providing labor free of charge because of their sense of ownership of the project," he concluded. As indicated elsewhere in this report, the various owners operate by way of the Matembwe Village Company, which in turn has a board of directors as the decision-making body. However, once dividends are distributed to each owner, decisions on how the dividends are to be spent lies on each institution. According to the interviews with villagers, Matembwe Village spent its previous dividends on purchase of desks for Matembwe primary school, plastering two classrooms and an office in the same school and bought some water pipes for the village water supply system.

Creating a sense of shared ownership

Instead of creating an enclave project that naturally morphs into a "white elephant," CEFA cultivated community ownership of the project. Even in the incipient stages when CEFA was functioning as the principal owner/operator, the community's decision to donate the land and labor is a remarkable indicator of strong community support. Accordingly, rather than working *for the community* it is important to *work with the community* as CEFA has successfully demonstrated. In this way, the community asserts power and demands accountability in project management hence ensuring its sustainability.

A notable livestock herder in the village cited non-existence of land compensation claims as a proof that the community regards the project as theirs. "To answer your question on land issues, no compensation was paid because community members were convinced about the importance of the project to their lives and to the village community as a whole, so no one claimed any," he responded, indicating further that the village donated free of charge the land on which the power plant is located, after villagers were educated on the importance of the project.

During a focused group discussion, a question was posed on whether the younger generation has the same high regard to Matembwe Village Company and CEFA compared to the

older generation. A young university graduate who recently earned a Bachelor of Business Administration and owns a phone-selling and SIM card registration kiosk responded that he is aware of so many projects in other parts of the country that could not survive the expiration of donor funds, and for that reason he is proud of the achievements in his village, which he links to CEFA's practice of genuine community engagement.

Significantly, the community donated the land for the project and volunteered labor, which points to the important role of effective community engagement in reducing costs during project financing. In addition, these gestures cemented a sense of ownership.

Capacity building and integrated development

CEFA successfully cultivated capacity for empowered development to complement the community sense of project ownership and sustain it over a long period of time. Specifically, CEFA organized training workshops and seminars aimed at educating the community on the importance of the project while simultaneously enabling community members to come up with entrepreneurial projects requiring energy use. For example, some training programs focused on food storage and use of electric sewing machines. Such "soft trainings" as CEFA calls them are worthy of replicating because instead of relying on third-party buyers of electricity (such as the national grid), they empower the community and raise the energy access requirements as well as their ability to pay for energy use.

Long-term goals/perspectives

Interviews with key stakeholders revealed how much this energy access project was ahead of its time. Notably, CEFA and the Catholic Dioceses started working with the community even prior to the Ujamma villagization program. As one respondent put this assertion in perspective, the government of Tanzania was at that time focused on providing electricity at district and regional (provincial) headquarters.

This case study found that members of the community had a clear goal of their development trajectory, that is "fighting poverty, ignorance and diseases" and that CEFA's intermediary role to enable them to access energy was a natural fit to their aspirations. In the words of one respondent, "It [was] like killing two birds using one stone." Thus CEFA's collaboration with the community at the village level during that time attests to the former's commitment to long-term goals/perspectives as opposed to quick donor-funded projects.

It also reveals the role of public interest minded project developers in augmenting development in rural areas. While acknowledging the important role of the private sector, the government of Tanzania commits itself to addressing modern energy needs of its rural populations. In this connection, the government has three key institutions namely the Rural Energy Board, the Rural Energy Agency and Rural Energy Fund. However, these efforts have yet to bear fruit for majority villagers.

Equitable governance and effective representation

This study found that the community conducts periodic elections to select individuals whose task is exclusively to represent them in the decision-making meetings of the Matembwe Village Company and report back on to the community on what transpires. This is an inspiring and replicable model. Many of the respondents interviewed associated their sense of belonging to the Matembwe energy access projects to representation in the decision-making organs through their elected delegates.

As the community ownership became entrenched in the organization and the community, it was not hard for the Matwembe operations to continue when CEFA's roles were reduced, especially after relinquishing shares and retaining only an intermediary role.

CEFA's respect for community's self-determined development aspirations

One of the findings of the interviews conducted is that CEFA's success is directly attributable to its respect for community's self-determined development vision. This means that during needs assessment, CEFA did not impose on the community what CEFA would want to be implemented and instead CEFA respected the community's chosen development pathways.

Conclusion and recommendations

Based on the summary of perspectives and analysis of findings above, it is clear that CEFA stands out as an exemplary third-party intermediary that has managed to win the confidence of the community through long-term engagement, cultivating shared ownership, building capacity, and facilitating good governance. Designation of a board of directors whose membership is periodically elected as a decision-making organ for example is a mark of trust-cementing transparency. CEFA clearly worked with the communities in Matembwe and Ikondo to identify core development needs and how best to address them. Through specialized expertise, CEFA provided the community with technical capacity and financing opportunities that enabled the community to realize its own vision for development. The Matembwe hydroelectric power plant hence became the first village-level energy access project in Tanzania. Being a development partnership built on trust, the Matembwe Village energy access has been running successfully for decades, and it has inspired the launching of the Ikondo Village Project.

An important and replicable lesson to other energy intermediaries is that effective community engagement significantly reduces project costs. Specifically, shared ownership of the project resulted in not only free land on which the project was built but also volunteer labor on the part of the community, and this initial sense of shared ownership evolved into the community assuming formal legal ownership and management of the project.

This study has revealed the integral role energy access can play in enabling the community to realize its development trajectory vision. Furthermore, it has unmasked the crucial role of a third-party intermediary like CEFA in the project start-up stage through effective stakeholder engagement. Specifically, the study has shown that CEFA built on the community's aspirations and after the project became successful, left the day-to-day running of the

project to the community itself through a village company. The Njombe District, and Tanzania more broadly, has many other villages that have no access to power and would benefit greatly through rural energy access projects. Accordingly, CEFA's role is worthy of replicating in other rural areas in the district to enable the community to harness energy-generating resources and spearhead their development visions. A success story emerging from this practice, and which merits replication elsewhere, is that the community's sense of ownership of the project is one of the important pillars of strong stakeholder engagement.

Recommendation: Financing energy access for poorer households.

Some community members' inability to afford power connection to individual family houses is generally considered to be one of the toughest nuts to crack when it comes to energy access projects. While CEFA is not immune to this challenge, it has, in partnership with the Ikondo SACCOS (also the result of a CEFA project), CEFA and MVC developed a credit instrument specifically designed to support potential users willing to connect to the mini-grid. The "Energy Loan" has a lower interest rate and a longer payback period compared to normal loans provided by commercial banks. Despite the evident advantages, few dwellers have seized this opportunity. A senior official expressed his worries during when interviewed, that it would be increasingly difficult in future, to avail energy to poor villagers in rural areas. He attributed his worry to what he believes is the current trend: many donors anticipate profits as opposed to donating grants to the neediest sections of the communities. MVC and CEFA nevertheless intend to actively further promote the Energy Loan, in order to boost the number of users. It is thus recommended that some grants be outsourced or availed, specifically aimed at supporting CEFA's innovative solutions in this area.

ANNEX III: Haiti Case Study

CORPORATE AND COMMUNITY ENGAGEMENT IN LES ANGLAIS, HAITI: A CASE-STUDY

Deborah Etienne

Introduction

This case study demonstrates the value of integrated corporate-community engagement within a nonprofit-business hybrid approach as a possible answer to challenging financial models for microgrid-based inclusive energy access undertaken by an organization in an economically and politically challenging environment. In an emerging market context with troubled history between development organizations and communities, the community engagement model employed by EarthSpark seems to be succeeding where others have fallen short. Despite some bumps, their model has helped transform relationships between the enterprise and surrounding stakeholder communities, leading to better energy access and development outcomes.

The purpose of this case study is to explore corporate and community engagement in Les Anglais, Haiti. It seeks to draw lessons from the ongoing community engagement process

involving an organization and the communities impacted by its presence. This case will present the organization's business model highlighting its community engagement continuum and will also analyze the various elements that have emerged from it. Furthermore, in an effort to increase shared understanding of the key elements in effective corporate-community engagement, lessons pulled from this process will be shown as applicable to a range of situations in which communities, companies, and governments must interact, particularly in Haiti's complex environment.

This study draws from the community engagement initiative published by EarthSpark International in 2012, as well as other internal and external corporate documents, from the author's direct experience with the engagement process, as well as from interviews with stakeholders conducted in Les Anglais for the sole purpose of this study.

Interviews were conducted with a total of 16 key informants who represented a range of perspectives of EarthSpark's stakeholders: clients, vendors, community leaders, community members, and staff. While the male respondents outnumbered the females by a ratio of 10 to 6, concerted efforts had been made to include female voices. The list of participants also included the dissident voices of disgruntled former clients. The interviews were largely conducted in Haitian Creole and ranged from 20 to 45 minutes. Once the face-to-face interviews were completed, a focus group with the seven members of the Energy Committee (see below) was held to freely discuss some of the emergent themes.

Background

Currently, roughly 80% of Haiti's total population is living under the poverty line and 54% in abject poverty. Two-fifths of all Haitians depend on the agricultural sector, mainly small-scale subsistence farming, which remains vulnerable to damage from frequent natural disasters, exacerbated by the country's widespread deforestation. Poverty, corruption, vulnerability to natural disasters and low levels of education for much of the population are among Haiti's most serious impediments to economic growth.³⁰ Haiti's struggling economy suffered an even more devastating setback with the January 10 earthquake. Each of these factors have influenced stakeholder engagement and the management of the project in Les Anglais.



Les Anglais, a town within the Commune of Les Anglais from the Chardonnières Arrondissement, is located in the

World Factbook. Retrieved from <https://www.cia.gov/library/publications/resources/the-world->

Sud Department of Haiti, at roughly 100 miles from the capital city of Port-au-Prince. Its population was estimated at 9,483 in 2015 by the Institut Haitien de Statistique et D'Informatique ³¹with a nearly even distribution of both genders. The country's weakened state and history of instability has negatively affected Les Anglais; the town's economy was further crippled when the eye of category 4 Hurricane Matthew made landfall in nearby territories on October 2016, killing scores of people and livestock, destroying and damaging a significant quantity of homes and crops, and disrupting the energy supply. ³²

Prior to the hurricane and even now, the government-owned electricity sector in Haiti, namely Électricité d'Haiti (ED'H), has never serviced the town of Les Anglais. ED'H only serves a quarter of the population, including illegal connections.³³ Les Anglais, like many other towns with no access to grid electricity, became reliant on kerosene and candles for lighting and costly, inefficient and environmentally unfriendly diesel generators.

In 2009, EarthSpark International, a non-profit organization with the mission of eradicating energy poverty by spinning off businesses that can provide sustainable energy solutions,³⁴ made an initial visit to the town to explore possible energy solutions to electrification. By 2010, the organization had inaugurated its first clean energy store (Magazen Enèji Pwòp or MEP) which focused on “addressing decentralized energy needs through distributed solar electricity products and efficient and alternative fuel cook stoves”.³⁵ After using a community engagement process over the course of one year that hinged on repetitive meeting structures and tactical engagement of diverse groups, the organization launched Les Anglais' microgrid on November 2012. By 2015, EarthSpark had managed to expand this grid to over 420 connections, providing over 2000 people with 24-hour electricity powered primarily by solar energy and battery storage. ⁶

Enèji Pwòp SA

Enèji Pwòp SA (“Clean Energy” in English), EarthSpark's local brand, is a Haitian social enterprise. Through its store, Magazen Enèji Pwòp, EarthSpark is able to provide clean and energy efficient products for families who would otherwise rely on kerosene and candles to light their homes and businesses, and low-quality cook-stoves fueled with charcoal to cook their food. ⁶ Under the umbrella of Enèji Pwòp, EarthSpark developed and manages the area's first microgrid. In this study, EarthSpark is largely used interchangeably with Enèji Pwòp, except when the difference between both entities need to be specified.

Business model

³¹ Institut Haitien de Statistique et D'Informatique. (2015). Population totale, population de 18 ans et plus ménages et densités estimés en 2015. Retrieved from http://ihsi.ht/pdf/projection/Estimat_PopTotal_18ans_Menag2015.pdf

³² ACAPS Briefing Note 5: Haiti Hurricane Matthew. (2016). *Assessment Capacities Project (Report)*. ReliefWeb. October 14, 2016. Retrieved from https://www.acaps.org/sites/acaps/files/products/files/acaps_briefing_note_haiti_hurricane_matthew_161014.pdf

³³ Ministère des Travaux Publics, Transports et Communications. (2017). Retrieved from <http://www.mtptc.gouv.h>

³⁴ EarthSpark International. (2017). *Mission*. Retrieved from <http://www.earthsparkinternational.org/>

³⁵ EarthSpark International (2012). *EarthSpark International community engagement process for the development of its micro-grid in Les Anglais, Haiti (Report)*.

When launched in 2012, the microgrid started by serving 14 customers. By its completion in 2015, it was serving 450 customers including 20 businesses. Customers pay for electricity on a per kilowatt-hour basis by purchasing energy credits. EarthSpark carried out baseline household surveys in Les Anglais in 2009 to collect data about energy consumption from standard sources such as kerosene, charcoal, candles, etc. and associated expenses. These data helped establish pricing for EarthSpark's solar energy services, and are updated from time to time to ensure financial sustainability.

Enèji Pwòp sells energy credits to local vendors who subsequently sell them to customers. Just as the mobile phone payment system in Haiti, buying credits prevents clients from having debts as they only buy the amount of electricity they can afford, when they can afford it. This model caters to different levels of service based on the customers' energy needs. Enèji Pwòp offers five service levels to microgrid customers: Lighting (30 W); TV (120W); freezer (360-600W); Gwo Bagay, Haitian Creole for 'large items' (600-1000W); and anchor (1000-10kW). Low-tiered energy users are provided with the basic service level, which allows them to have one or two energy efficient light bulbs and charge phones and small radios. Higher-tiered customers have a higher service level that permits them to use diverse large appliances, etc. The average total energy consumption from all users averages from 120 to 300 kW hours/day. The average service availability was at 98.5% before the ravages of Hurricane Matthew.

Low-tiered energy customers use this pay-as-you-go system by replenishing their accounts several times monthly with an average of two to four times a month for about 25 to 60 HTG (roughly 0.40 to 0.96 USD) per top-up. Higher-use customers have a lower rate since they "buy in bulk." From March 2015 to September 2016, Enèji Pwòp reported total sales of 2,357,000 HTG (~5,746.00 USD) at an average of 124,000 HTG (~1,996.00 USD) per month. Their operational cost was calculated at roughly 81,300 HTG per month. When compared to previous energy expenditures captured in baseline surveys, Enèji Pwòp reported a savings of 50-80% for their customers.

EarthSpark owns the grid assets, including solar panels, meters, and local/household transmission lines. Enèji Pwòp functions as the operator and rents the assets from EarthSpark International monthly. Fees for the asset rental are paid by Enèji Pwòp to EarthSpark via bank transfer. In the future, Enèji Pwòp may own the assets as part of a special purpose vehicle set up with the municipality. EarthSpark is currently working with consultants in Haiti and internationally to decide on the best model, considering the legal and regulatory framework regarding the energy sector in Haiti.

Nearly all stakeholders mentioned Enèji Pwòp's budget as inadequate to meet the electrification needs of the community post-earthquake. Once service is restored from the damages of Hurricane Matthew, a significant number of the interviewed community members and leaders expressed that Enèji Pwòp should also work on increasing its energy generation capacity, thus allowing clients to connect all types of appliances, especially those requiring more energy to function. The cost of services was consistently mentioned. While the consensus has been that the microgrid project is the far more advantageous alternative for energy consumption, some still find the cost of the service relatively high. They have argued

that since they are people of limited means, EarthSpark should consider ways to decrease the cost of the services provided; thus, it would become the organization's responsibility to both provide electricity and subsidize their access.

The feeling among some community leaders and clients is that EarthSpark has not been able to leverage funding from other NGOs, or coordinate closely enough with government development projects. It is to be noted that this lack of company-government coordination is a pervasive problem in Haiti and not unique to EarthSpark. But since EarthSpark's local brand, Enèji Pwòp is perceived as an externally funded NGO with more of a service and charitable orientation, the community takes little responsibility in funding efforts beyond the required expenses and fees for electrification.

In the wake of challenging economic conditions for energy access, some involved have suggested a company-government-community partnership could have had greater impact. During the interviews, many participants mentioned the importance of partnering with the government to free up more resources, which is particularly important in rural areas where resources tend to be quite scarce. Political leaders possess the legal knowledge, political contacts and processes in the contexts of their citizens. EarthSpark community engagement may become more effective by working more collaboratively with representatives of the government. For example, some have suggested the government could subsidize EarthSpark's cost of electrification in the area in order to combat poverty by supporting energy access in poor rural areas such as Les Anglais.

The prosperity that economic development brings stimulates demand for more and better-quality energy services.³⁶ The participants have expressed frustration and impatience with the current state of the project. Les Anglais' hybrid microgrid, which consists of solar panels, a battery bank, and a backup generator optimized by EarthSpark's smart meter technology, became incapacitated after Hurricane Matthew's landfall. Some of their systems were destroyed, parts blown away only to be taken by community members. The delay in reestablishing the grid has led participants to mention EarthSpark's lack of financial capacity and of substantive partner support as cause.

EarthSpark Engagement Continuum Engagement Strategies

EarthSpark methods for community engagement include the following:

- Employing a Director of Community Engagement with the assistance of a local community leader as a special advisor as well as a grid ambassador to deal with customer services issues as they arise.
- Holding community-wide meetings with local customers to inform them on activities and to address any questions they may have. Those meetings additionally act as a platform for exchange since community members are also able to voice their opinions and to make suggestions. The timing and location of those meetings vary to provide more flexibility and to increase the probability of attendance.

³⁶ International Energy Agency. (2004). Energy and development. Retrieved from <http://www.worldenergyoutlook.org/media/weowebiste/energydevelopment/WEO2004Chapter10.pdf>

- Maintaining open dialogue through an Energy Committee (EC).
- Meeting monthly with the EC to share updates from Enèji Pwòp while also allowing the EC to discuss the evolving needs of the community with the company.
- Meeting informally with customers on the streets or where they reside to discuss new products/services available to them.
- Measuring customer satisfaction through door-to-door surveys.
- Meeting with local state representatives to discuss and collaborate on community plans for energy.

Energy Committee

Stakeholder platforms can be an effective mechanism for connecting participation to implementation, management and maintenance. In Les Anglais, a community-based EC serves as an integral component of EarthSpark's community engagement strategy. The two goals of this committee are to establish a shared responsibility of the microgrid between the community and Enèji Pwòp and to represent the local culture and traditions as applicable in this context to adopt effective policies. In terms of policy development, the committee has an advisory role.

EarthSpark proposed and successfully created the EC in April 2016. During the first cycle, community leaders joined the committee, initially constituted by EarthSpark to reflect the diversity of Les Anglais in terms of age, gender, activity sector (agriculture, education, justice, religion, and entrepreneurs), and even included a seat for the mayor's office. Following this initial formation, members have been elected directly by the community.

The EC is a self-managed body that advises Enèji Pwòp through suggestions and recommendations and supports the enterprise by helping the community understand the policies and operations of Enèji Pwòp. The EC acts as the interface between the community and Enèji Pwòp; it is able to gather community's point of view and help them to take ownership of the energy service. Post-hurricane, for example, the EC has been particularly valuable in helping the organization manage clients' expectations and doubts concerning the reestablishment of the microgrid. The members of this committee have also proven themselves useful in availing themselves to take part in this study so that contexts and nuances surrounding the services provided Enèji Pwòp may be better understood.

The first members of the EC were selected by EarthSpark to adequately represent the different cross-sections of the community in types, occupations and socio-economic status. Although in the first round EC members were purposefully selected by EarthSpark, future members can only gain a seat in the committee via election moving forward. According to the EC guidelines, the selection of members can be based on the following prerequisites: local residency; availability for meetings and ability to dedicate time outside of meetings; reputation and respectability within the community (i.e., his/her opinion must be respected); level of representativeness of the community; willingness to serve the committee without pay; and ability to defend the interest of the committee. Additionally, the committee is designed to have representatives from each of these different sectors: agriculture, law/justice, education, business and church. Ideally, the female representation is to be at least 50%, with some effort towards youth inclusion.

Each member may serve on the committee for one to two years. The selection process will ensure that the committee is composed of experienced members. Elections for new committee members are to be held each year during the yearly general assembly. The committee also elects its president, vice-president and secretary during the annual assembly. EC meetings are held once a month but more meetings may be scheduled as needed.

While the creation of the EC is generally seen as a positive development, several stakeholders have raised significant concerns about their representation. Some participants emphasized that the EC was not sufficiently defending the interests of the community. EarthSpark communication structures and enhanced transparency of the engagement process help in addressing this issue, but some community members are still wrestling with this challenge. They question how EarthSpark gauges energy consumption and the credibility of those selected to serve on the EC. A report published by EarthSpark has documented that wealthier areas had more representatives and were generally more vocal.³⁷ The concerns of those who have claimed lack of representation may not be unfounded as the increasing influence and prestige of the EC over time may lead to individuals seeking leadership roles for personal gain. The fears of corruption are often prevalent in the Haitian context. The risks of corruption can and should be controlled, at least partially, through additional efforts around transparency and equal representation.

Balanced gender and economic representation remain a challenge. Though women represent a little over half of Les Anglais' population, men still outnumber them in representation both at the leadership and participant levels. Additionally, stakeholders noted the lack of active government representation in this project. Though they have unanimously cited the weakened state of the government and its pervasive corruption, they nevertheless believe that greater effort to include government officials should be made. They reason that a viable relationship with government officials could help EarthSpark in providing more services throughout Les Anglais and beyond. This relationship could also help the town in installing street lights.

Haiti has historically had a negative narrative surrounding inclusion and population representation. One of the continuing goals of effective community engagement is to ensure that all members across socioeconomic levels are heard. Representatives should therefore reflect the diversity of the community within the committee. This committee should include not just leaders but representatives of marginalized members of the community—and, most importantly, an equal number of women.

Achieving this balanced representation could mean that the engagement processes may need to be revamped. Traditional methods of community engagement are not always effective in bringing excluded voices to the table. Therefore, multiple engagement methods should be used to cast a wider net and catch different types of members. Traditional meth-

³⁷ EarthSpark International (2012). *EarthSpark International community engagement process for the development of its micro-grid in Les Anglais, Haiti (Report)*.

ods of community engagement are not always effective in bringing excluded voices to the table; different strategies can yield more diverse responses among the various segments of the population.

Planning for leadership succession is another way of maintaining balanced representations. Succession planning is crucial in rural communities especially in a country where power and knowledge are often stagnated for years at the top. It would be important for there to be periodical changes in the EC for power-sharing purposes and to maintain the flow of new ideas. Also, getting the youth involved in community planning and policies is important to community engagement and development. Mentorship and knowledge-sharing have become a critical part of youth engagement within a community. Oftentimes, when elders and youth are included in decision-making, greater and more innovative ideas are created based on the sharing of inter-generational knowledge. Youth involvement should be valued and they ought to be given a voice in their community. Engaging the youth in solving a community's challenges is a critical component of making a project sustainable.

What's Working

Open Communication

The clear majority of stakeholders describe Enèji Pwòp's relationship with the communities as open and the staff as respectful and accessible. They assert the existence of an open discourse between themselves and the company. The organization's communication plan (discussed below) has established clear and predictable channels for dialogue between Enèji Pwòp and communities. Interviews reflected a high level of comfort in addressing issues, concerns and grievances, including sensitive topics such as employment and local concerns.

By design, the enterprise's communication plan makes provision for regular community meetings in different localities along with allowing access to brand ambassadors at the Magazen Enèji Pwòp (MEP- Clean Energy store) for queries. The EC is also used to communicate issues when needed. To ensure that everyone is indiscriminately informed, announcements are made around town with megaphone to provide various pieces of information, e.g., dates and venues for meetings, new products and services. Customers are then able to go to the MEP for further information from employees. At all times, tariffs and new policies are posted at the MEP as well as contact information for the EC if community members need to contact them.

Controlled Theft

This open relationship has resulted in the control of energy theft especially when considering the preponderance of illegal connections with other electrification services throughout the country. Local actors -particularly the interviewed members of the EC- have expressed their intentional vigilance against all types of fraud as unmonitored thefts can tax the grid resulting in its collapse. An open communication channel has also helped in unifying local communities towards a common interest rather than pitting them against each other.

In some areas, leaders believe that Enèji Pwòp has not given them enough decision-making power. For example, participants believe that energy thieves should receive a more severe punishment when caught stealing. While, seemingly, the staff from Enèji Pwòp is hesitant to pursue fraudsters legally, the EC believes they should be empowered to do so. They reason that tougher and more decisive responses to theft will deter further illegal connections. There is no definite data to compare energy theft in Les Anglais to the rest of Haiti. But the Ministry of Public Works, Transport and Communications (MTPTC) reports that while about 12.5% of the Haitian population have access to regular electricity, this percentage dramatically increases to 25% when illegal connections are included.³⁸

Transparency and Accountability

A number of stakeholders said that this community engagement process is significantly more transparent than many they have previously experienced. The entire process from planning to implementation has been received as a collaborative effort. Overall, the broad trend of stakeholder views, as expressed in the interviews, were of great satisfaction with both the project and staff members.

Some strategies practiced by EarthSpark to maintain transparency and accountability are listed below:

- Non-confidential information regarding the plans and performance of Enèji Pwòp is shared with the EC members. Some of this information can be shared with the community but some of them remain confidential within the committee, if sensitive.
- Information about energy losses is shared with community members during community meetings.
- Electricity credit vendors located around town can be consulted to provide information to customers about their accounts (electricity used, credit balance).
- Customers wanting more detailed information about their electricity consumption can meet Enèji Pwòp employees at their local store, Magazen Enèji Pwòp.
- Tariffs and new policies are posted at the Magazen Enèji Pwòp as well as contact info for the EC if community members need to reach them.

Participants have mentioned the lack of a system to personally monitor electricity usage. They inferred, while not accusing anyone of impropriety, they would be better able to detect possible fraud and manage current uses. Accountability is an integral component of transparency. Transparency contributes to the overall effectiveness of any community engagement process. In practice, EarthSpark should:

- Continue building transparency into processes and decisions by maintaining systems for high involvement in change efforts, openly discussing decision-making criteria, giving and receiving feedback, and ensuring organizational policies and procedures are applied fairly and equitably.
- Remain accountable by sharing information openly because in the absence of information, community members will easily make up their own version of the

³⁸ Ministère des Travaux Publics, Transports et Communications. (2017). Retrieved from <http://www.mtptc.gouv.ht>

truth. Misinformation can result in people questioning organizational processes and losing trust in the organization.

- Continue to help people understand the true financial impact of decisions.
- View mistakes as learning opportunities and to incorporate lessons learned in future work.
- Prepare the EC, vendors and ambassadors to answer tough questions authentically.

Community Ownership for Improved Development Outcomes

From a development perspective, stakeholders have found EarthSpark policies to be very effective in promoting sustainable development and community ownership of the development process. Stakeholders have observed that EarthSpark's community engagement process focuses on projects and programs that promote sustainable development versus more conventional approaches of handouts and cash compensation—although some wish for those components as well. This organizational focus on sustainable projects or programs falls in line with EarthSpark's core belief in developing high-quality infrastructure to foster lasting transformation. Additionally, the EarthSpark's initiatives seem to have maximized usage of local resources (goods and labor) through the utilization of local products when available and the employment of community members when appropriate. When considering the benefits EarthSpark's energy services have brought to the community, it becomes evident that this enterprise has been able to assist Les Anglais in achieving some level of economic, social and economic sustainability.

Participation and inclusion are essential for understanding project costs and benefits and setting project rules, both of which contribute to the long-term sustainability of energy access projects. The most engaged members of the community tended to understand that this energy project was partially their own and, as such, felt partly responsible for keeping it operational. Through increased community ownership, Les Anglais will eventually be able to assume leadership in the management of the whole energy project, with EarthSpark and the government supporting and empowering the community.

Around the topic of community development, three main themes have emerged when discussing the benefits of access to electricity:

- Family economic security where families have the capacity to purchase wholesale food products to refrigerate and resell. Also, they can save more money since electricity costs less than the cost of running diesel or gasoline generators. This energy service has provided an essential input to economic activity.
- Agricultural development opportunities through more widespread usage of electric mills to process and resell food items such as corn, breadfruits, etc. These goods can now be purchased in bulk locally which in turn contribute to the growth of local agriculture.
- Improved quality of life that manifests itself through community members having electricity in their homes, being able to watch television using the computer for work or for maintaining more regular contact with family members, refreshing themselves with cold beverages and fans during hot days and improving access to education since children are able to study anytime without straining their eyes. En-

vironmentally, electrification has helped in curbing night usage of kerosene-powered gas lamps that emit pollutants. This service has also improved the environment, for example, by reducing the pollution caused by inefficient equipment and processes and by slowing deforestation.³⁹

Illustration of Best Practices

Though not perfect, several best practice elements are rooted in EarthSpark’s engagement approach. The table below is based on the modified model from International Association for Public Participation and illustrates EarthSpark’s application of the different levels of engagement. While explicit examples may have been used, it is important to note that some of these examples may fit multiple categories along the engagement continuum.

Levels of Engagement		EarthSpark Application
Outreach/ Inform	Providing the community with information and education material.	<ul style="list-style-type: none"> - Initial visit to Les Anglais to discuss portfolio of energy solutions in 2008 - First meeting served as informational session for vision sharing with local stakeholders - Presentation of finalized details for microgrid project - Presentation of different products - Ongoing monthly meetings

³⁹ International Energy Agency. (2004). Energy and development. Retrieved from <http://www.worldenergyoutlook.org/media/weowebiste/energydevelopment/WEO2004Chapter10.pdf>

Consult	Providing the community with opportunities to participate in the decision-making process and/or researching their opinions and perspectives	<ul style="list-style-type: none"> - Various small meetings with local leaders and community members before May 2011 first formal microgrid meeting and subsequent meetings. - Monthly meetings designed to understand local needs and the participants' overall vision for electrification. - Ongoing monthly meetings
Involve	Enable participatory process that helps the organization and the community in identifying concerns, issues, and aspirations.	<ul style="list-style-type: none"> - Series of meetings to debate the advantages and disadvantages of different operational options - Discussions of local needs and geographical limits - Door-to-door surveys - Ongoing monthly meetings
Collaborate	Working together with the community to develop ideas, innovations and recommendations Advocating on the behalf of the community to external parties	<ul style="list-style-type: none"> - Meetings to discuss load-limited, pre-pay metering as opposed to fixed monthly payments - Setting up the Energy Committee (EC) to defend the interest of the community and become the voice of the community - Contacting other organizations to assist in building the bridge over the river - Ongoing monthly meetings

<p>Shared Leadership</p>	<p>Placing final decision making in the hands of the community and encouraging the community to lead initiatives.</p>	<ul style="list-style-type: none"> - Collaborating with the EC - Providing opportunities of the women's group to access electrified mills - Encouraging participants in different community development initiatives - Ongoing
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