

**U.S. Position on the Additional Financing Investment in the
Kenya Electricity Expansion Project (KEEP)**

June 15, 2016

The United States recognizes the critical importance of the Kenya Electricity Expansion Project (KEEP) for developing low-carbon and low-cost energy and expanding electricity service in Kenya, particularly to low-income households. The United States is committed, both through the World Bank, and bilaterally through the U.S. Power Africa initiative, to work with Kenyan authorities, other development partners, and the private sector to develop additional generation capacity at the Olkaria geothermal fields and other fields, and to improve operational efficiency at existing power plants. The United States welcomes that the Additional Financing for KEEP will help finance a feasibility study for an additional 140 MW of geothermal power from a new proposed project site – Olkaria VII.

That said, the World Bank should have triggered the Indigenous Peoples Policy (OP4.10) for the Olkaria VII feasibility study. A recent Inspection Panel investigation of KEEP found that the Maasai have collective attachment to the entire Olkaria geothermal concession, including the potential Olkaria VII site. Given the Panel's finding, and given five years of KEEP supervision, the United States has difficulty understanding the World Bank's argument that it chose not to trigger OP4.10 now because it has no knowledge of whether or not Maasai are present on, or have collective attachment to, the Olkaria VII site. Electing not to trigger OP4.10 now risks foreclosing important upstream consultations to an indigenous group that the Board's own fact-finding body has determined has collective attachment to the site. That is a social risk – and a reputational risk – that the United States does not think the Bank should take.

For these reasons, the United States wishes to be recorded as **abstaining** on this Additional Financing.