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**KEY
ACHIEVEMENTS**

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With support from the World Bank and ESMAP, Kenya Power brought electricity to 150,000 urban poor households in one year

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Success was due to a community-centric approach that marketed the advantages of cheap, legal power in slum areas

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ESMAP's knowledge exchanges with other countries helped Kenya Power shape this successful approach



this issue

A community approach to bring safe, legal electric power to Kenya's urban poor

Bringing Global Best Practices to Transform Kenya's Slum Electrification Program

Harun Mwangi and his team were at a loss. Working in Kenya's urban slum areas in 2012 and 2013, they had assumed that people would want what they—as representatives of Kenya Power, the national utility—were offering: safe, legal electric power.

Instead, they found resistance.

"For two years, we struggled. The customers were just not coming," says Mr. Mwangi, at the time the project manager for Kenya Power's slum electrification program. "When we came in [to these communities], people said they didn't want power—that they already had power."

Over 2 million people are estimated to live in informal settlements in Kenya's urban areas. Unlike in poor rural areas, people in urban poor communities often

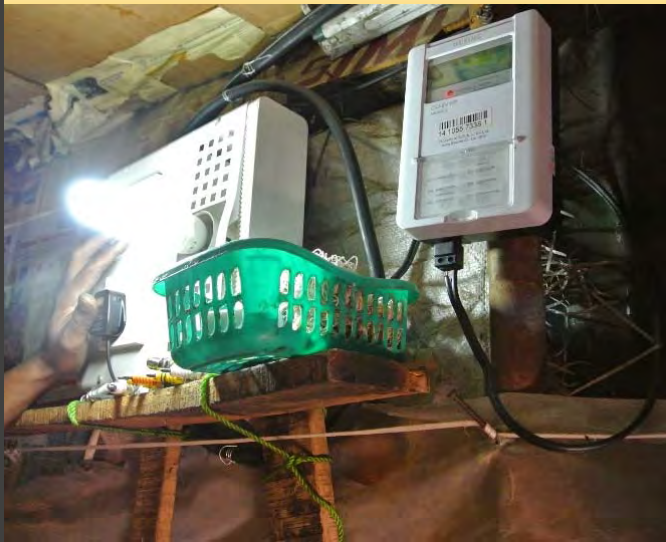
have access to electricity. The problem is that it is illegal, unreliable, and unsafe. In poor areas of Nairobi, such as the informal settlements of Mathare, Kibera, and Kayole, electric fires and deaths by electrocution are common.

Why then, would these communities resist Kenya Power's attempts to bring in safe power, particularly when the legal connections were no more expensive than the illegal ones? As the utility found, the answer lay in the need to involve the communities, and build trust.

The lack of trust had built up over many years, as the utility worked fruitlessly to fight the cartels that were illegally tapping into its lines and selling stolen electricity. Kenya Power would come into these communities and tear down the illegal wires. A few days later, they would be up again. At other times, it

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would try to restrict the amount of power going into entire areas, in the hopes of reducing theft, only to find that paying customers had been cut off.

As Kenya Power worked to bring power to informal settlements, the World Bank and the Global Partnership on Output-Based Aid provided support by offering a subsidy for each household connection after it is independently verified. This not only made the connections affordable, but also created a sense of ownership among those who had the legal connections.

Still, progress was slow. By early 2014, despite over two years of work, only 3,000 households had been connected.

“We realized we had to take a different approach,” said Mwangi.

Kenya Power had started to work with the Kenya Informal Settlements Improvement Program (KISIP), a government program with a wide-ranging network in Kenya’s slum areas, and energy and urban development experts from the World Bank. Together, this group mapped out the country’s informal settlements and “segmented” them, identifying areas that would be most receptive to engagement with Kenya Power.

In May 2014, ESMAP organized a “South-South” knowledge exchange in Nairobi that focused on successful case studies from around the world of bringing electricity to urban poor communities. Over 50 Kenya Power staff came to the event, to hear about the experiences of electricity distribution companies from Brazil (Rio LIGHT), Colombia (Empresas Públicas de Medellín - EPM), and South Africa (ESKOM). Also present were representatives from KISIP, UN Habitat, and NGOs working on improving services in Nairobi’s slums.

According to participants, the week-long event changed many minds within Kenya Power about what was possible, and what would be needed for success.

IMAGES

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“This was the point where we acknowledged that our assumption that customers would want power was erroneous,” said Mwangi. “You need to engage the people on the ground. Colombia had gone through the same process. Brazil had gone through the same process.”

Approaches that put the needs of the community first had been used successfully in other countries to extend electricity services. For example, in São Paulo and Rio de Janeiro, Brazil, the local utilities had recruited a small army of volunteers to go door-to-door in slum areas to listen to residents’ concerns. This contributed to a process that brought safe, legal connections to over 1.4 million households in those cities.

Kenya Power’s new strategy included targeting receptive communities and their leaders, focusing on marketing the safety and affordability of the legal connections, making up-front charges payable by installment, and waving the requirement for some paperwork for the connections. Thanks to a GPOBA subsidy, combined with a World Bank IDA grant and Kenya Power’s own resources, end-users under the program pay only 1,160 Kenya Shillings (US\$11.60) for a new connection—compared to 150,000 Kenya Shillings for regular consumers.

This support from IDA and GPOBA, along with the work of ESMAP and by the World Bank’s urban experts, was coordi-

nated as part of a larger \$330 million World Bank energy project to help Kenya Power expand and modernize the country’s electricity sector.

As part of the community-based approach, Kenya Power decided to stop confronting the cartels selling illegal power. Instead, they would try to shrink their market.

“We stopped fighting with them,” said Mary Njirani, Kenya Power Marketing Officer for Nairobi North. “We stopped pulling down the wires.” Instead, she said, Kenya Power approached the leaders of “clusters” within each informal settlement. “We started with the few that wanted [our power].”

Starting with just a few clusters and leaders, word spread quickly among the communities that Kenya Power’s offer was genuine—cheaper and much safer than the illegal alternative. Soon, other clusters were not waiting for Kenya Power to come to them—they were petitioning the utility directly.

In the wake of this initial success came the most important change—full buy-in by Kenya Power’s top leadership in the community-based, non-confrontational approach. Once that happened, and the full resources of the utility were behind the effort, things started to move very quickly.

By December 2014, 15,000 households had been connected



ESMAP MISSION

The Energy Sector Management Assistance Program (ESMAP) is a global knowledge and technical assistance program administered by the World Bank. It provides analytical and advisory services to low- and middle-income countries to increase their know-how and institutional capacity to achieve environmentally sustainable energy solutions for poverty reduction and economic growth. ESMAP is funded by Australia, Austria, Denmark, Finland, France, Germany, Iceland, Lithuania, the Netherlands, Norway, Sweden, and the United Kingdom, as well as the World Bank.

under the slum electrification program. Six months later, in May 2015, Kenya Power was at 150,000 households, and demand was still growing.

The challenge going forward will not be so much in building trust or generating demand, but in keeping momentum going. The GPOBA and IDA funding will carry through only until June 2016.

Meanwhile, ESMAP has continued a more direct form of South-South knowledge exchange, sponsoring Kenya Power experts to go to Brazil, Jamaica, and India to learn from utilities there. The focus is now on sustainability, on ensuring households remain paying customers, and do not revert to using illegal power. In this respect, Kenya Power has expressed strong interest in the experience of Indian cities such as New Delhi and Mumbai, where utilities have managed to increase revenues even in poor communities.

At the same time, Kenya Power's unprecedented success leaves open the question of whether other countries will one day learn from Kenya. Harun Mwangi certainly thinks so.

"It's my hope that others will benefit from our experience, without our initial problems," he says. "You go direct to customer engagement and prepare the ground so they understand why you are doing what you are doing. And again, management at the top must be committed to bringing power to the poor."

