

HUMAN RIGHTS WATCH

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July 5, 2012

Dr. Jim Yong Kim
President
The World Bank
1818 H St., N.W.
Washington, D.C. 20433

Re: Regional Eastern Africa Power Pool Program (APL1)

Dear Dr. Kim:

We write to convey our human rights concerns regarding the proposed Regional Eastern Africa Power Pool Program (APL1), which is scheduled to be considered by the World Bank Board of Directors on July 12, 2012.

The project would fund the construction of a 1000-kilometer transmission line between Ethiopia and Kenya, which would provide power from sources in southern Ethiopia to Kenya. The project has the important goal of increasing the volume and decreasing the cost of electricity to people in Kenya where more than 80 percent of the population do not have access to electricity. However, for the project to achieve its development goals, the World Bank needs to rigorously apply its social and environmental safeguards, including its policies on involuntary resettlement, indigenous peoples, and environmental assessments. Human Rights Watch has very serious concerns that the World Bank has failed to do so as the project currently stands.

1. Failure to include the source of electricity within the project area of influence

Throughout the project documents, the World Bank has failed to clearly identify the source of the electricity and apply bank policies to the supply areas. Similar to the Inspection Panel's findings following an investigation into the West African Gas Pipeline Project in Ghana, the project and associated facilities and supply areas should be viewed as an inter-connected system for purposes of environmental assessment. The bank's social safeguards should also be applied to the full area of influence, particularly the indigenous peoples and involuntary resettlement safeguards.

The Gibe III hydroelectric dam on the Omo River, which has drawn substantial criticism and concerns about its environmental impact, is a likely source of power for the transmission line. With an expected power output of 1870 megawatts, the Gibe III dam more than doubles Ethiopia's power generation. It is scheduled to begin operating in 2013 and will be the tallest dam in Africa. Part of the economic rationale for Gibe III has always been the export of electricity to Kenya. For example, in April 2010 the World Bank itself stated that the purpose of Gibe III was "to increase hydro capacity to meet its domestic

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needs and to monetize its resources via exports.”¹ Furthermore, the Regional Eastern Africa Power Pool Program’s January 2012 Resettlement Action Plan states that “the Ethio-Kenya interconnection project is planned to provide reliable power supply to Kenya by taking it from Ethiopia’s Gilgel Gibe hydropower scheme.”² It is interesting to note that the World Bank’s version of this document had the phrase “from Gilgel Gibe hydropower scheme” replaced with “from Ethiopia’s power grid.”³ Furthermore, presentations by East Africa Pool employees themselves state that Gibe III and the proposed Gibe IV are sources of power for the Regional Eastern Africa Power Pool.⁴

The assessments that have been conducted on the impact of Gibe III cast serious doubt on Ethiopia’s claims that the dam will have minimal environmental and social impacts.⁵ UNESCO’s World Heritage Committee has called on Ethiopia to suspend construction pending the completion of further assessments. Likely environmental impacts include a reduced inflow to Lake Turkana, a cessation of annual flooding resulting in the reduction of nutrient-rich sediment along the Omo River, and a loss of the annual replenishment of seasonal waterbodies.

The social and environmental impact of Gibe III cannot be fully analyzed without also assessing the Ethiopian government’s downstream plans for 245,000 hectares of state-run irrigated sugar plantations because of the cumulative effect of these developments on downstream ecosystems.⁶ These plans are already having serious consequences for the 200,000 indigenous residents of the Lower Omo, who are from eight distinct groups and rely on the 760-kilometer-long Omo River for growing crops and replenishing grazing lands during annual flooding each July-September. In 1980 the Omo Valley became a UNESCO World Heritage site in recognition of its special cultural and physical significance. These plans are also likely to have further consequences for another 300,000 people who live around Kenya’s Lake Turkana, which receives 90 percent of its water from the Omo River.

Up to seven power-intensive sugar processing factories are to be built as part of the sugar development scheme. It is likely that electricity produced by Gibe III will power the sugar processing factories in this remote area. Furthermore, Gibe III will regulate the flow of the Omo River, potentially reducing the flow during the rainy season and increasing the flow during the dry season. It appears that this will provide adequate flow during the dry season to enable irrigation of the sugar plantations.

¹ The World Bank Group, *World Bank Monthly Operational Summary, Africa Region*, April 2010, http://archive.iwlearn.net/web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK_50004502_pagePK_84269_piPK_60001558_theSitePK_84266_isCURL_Y,oo.html (accessed July 5, 2012).

² See Ethiopian Electric Power Corporation (EEPCo) and Kenya Electricity Transmission Company Limited, *Ethiopia-Kenya Power Systems Interconnection Project: Resettlement Action Plan (RAP) Final Report*, January 2012, www.afdb.org/fileadmin/uploads/afdb/Documents/Environmental-and-Social-Assessments/Ethiopia%20RAP%20Final%20Report.pdf, (accessed July 5, 2012), part 1, section 2.1.

³ See EEPCo and Kenya Electricity Transmission Company Limited, *Ethio-Kenya Power Systems Interconnection Project: Resettlement Policy Framework (RPF) - Final Draft*, January 2012, www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/04/05/000333038_20120405231829/Rendered/PDF/RP12860v20RPOoFinaloAprilo4o2012.pdf (accessed July 5, 2012).

⁴ See Jasper Oduor, Eastern Africa Power Pool (EAPP), “Presentation to Hydropower for Sustainable Development Conference, Addis Ababa,” March 31- April 1, 2011, <http://www.eappool.org/eng/PPTs/Hydropwer-PPT.pdf> (accessed July 5, 2012), slide 21.

⁵ For example, see SOGREAH Consultants Inc., *Independent Review and Studies regarding the Environmental and Social Impact Assessments for the Gibe III Hydroelectric Project*, May 2010; Africa Resources Working Group (ARWG), *Commentary on the Environmental, Socioeconomic and Human Rights Impacts of the Proposed Gibe III Dam in the Lower Omo River Basin*, January 2009, http://www.arwg-gibe.org/uploads/ARWG_COMMENTARY.GIBE_III_DAM.downstreamEIA.pdf (accessed July 5, 2012).

⁶ Human Rights Watch, *Ethiopia – “What Will Happen if Hunger Comes?”: Abuses against the Indigenous Peoples of Ethiopia’s Lower Omo Valley*, ISBN: 1-56432-902-X, June 2012, <http://www.hrw.org/reports/2012/06/18/what-will-happen-if-hunger-comes-o>.

The World Bank should:

- Fully examine the social and environmental impacts of the transmission line that may occur both upstream and downstream before proceeding with this project, including the supply source for the electricity, consistent with Environmental Assessment OP 4.01. As such, the environmental impacts of Gibe III, including the cumulative impact of agricultural plans, should be assessed before proceeding further with this project.

2. Widespread forced evictions in Ethiopia and inadequate application of the involuntary resettlement and indigenous peoples' safeguards

Human Rights Watch has documented abusive involuntary resettlement of mostly indigenous peoples linked to the creation of the above discussed sugar plantations in the Omo Valley and linked to the Ethiopian government's "villagization" program in the Gambella region.⁷ The patterns of eviction were consistent in each of these regions: consultation was inadequate, no compensation, and the relocations were carried out often by state security forces through intimidation, assaults and arbitrary arrests when people questioned the relocations or refused to move. Further, Human Rights Watch found that basic services were often not provided in the relocation sites.

The World Bank currently estimates that about 5,743 people (1,165 households) will be affected by the power pool project in Ethiopia.⁸ However, the World Bank has not provided for involuntary resettlements that have taken place or are continuing to take place with respect to Gibe III and the related sugar plantations. Further, since the transmission line will not run through areas in which indigenous peoples live, the bank has not triggered the indigenous peoples policy, failing to recognize the impact of Gibe III and the related sugar plantations on indigenous peoples. Such a narrow application of World Bank safeguards in this project is inconsistent with its policies and would result in the bank indirectly funding brutal rights violations.

In an area with chronic food insecurity, a history of small-scale conflict between communities over land and water, and, at present, a surfeit of small arms, the impacts of a rapid and involuntary shift to an unknown livelihood are potentially severe and undermine other development efforts in the region.

The World Bank should:

- Require the Ethiopian government to show that all resettlements that it undertakes are carried out in a fair and transparent manner and are consistent with Ethiopian national law and Ethiopia's international human rights obligations, including the rights of indigenous peoples. The World Bank should provide advice, with the assistance of human rights experts, on how to do so.
- Recognize that the Indigenous Peoples OP 4.10 is triggered by the project because of the impact of Gibe III and the related sugar plantations on indigenous peoples. The bank should not proceed with the project until it can do so consistent with this policy.
- Re-do the environmental and social impact assessment and resettlement action plan for the project to encompass the full project area of influence, including Gibe III and related agricultural plans.

⁷ Human Rights Watch, *Ethiopia – "What Will Happen if Hunger Comes?": Abuses against the Indigenous Peoples of Ethiopia's Lower Omo Valley*, ISBN: 1-56432-902-X, June 2012, <http://www.hrw.org/reports/2012/06/18/what-will-happen-if-hunger-comes-o>; Human Rights Watch, *Ethiopia – "Waiting Here for Death": Forced Displacement and 'Villagization' in Ethiopia's Gambella Region*, ISBN: 1-56432-854-6, January 2012, <http://www.hrw.org/reports/2012/01/16/waiting-here-death>.

⁸ In Kenya, the project will affect about 1,200 people (380 households), mainly residents of the Central and Rift Valley Regions. Of these, only 9 households will need to be relocated.

3. Promote civic participation and social accountability

The World Bank should work to promote civic participation and social accountability in all projects in Ethiopia, because of their central role in sustainable development. Ethiopia continues to be one of the most repressive countries for nongovernmental organizations, journalists, and other peaceful critics of the government, which undermines potential for civic participation or social accountability. For example, on June 27, 2012, the Ethiopian high court convicted 24 journalists, political opposition leaders, and others under Ethiopia's deeply flawed anti-terrorism law.⁹

The World Bank should:

- Press the Ethiopian government to advance an enabling environment for development in which the rights to freedom of expression, association, and assembly are protected and cease punishing peaceful dissent.
- Press the Ethiopian government to amend or repeal the Charities and Societies Proclamation, the Mass Media and Freedom of Information Proclamation, and the Anti-Terrorism Proclamation to bring them into line with Ethiopia's international human rights obligations.
- Advise the Ethiopian government that failing to actively work to create an enabling environment for development including by protecting the rights to freedom of expression, association, and assembly will increasingly call into question its relationship with the World Bank.
- Implement measures for enhanced supervision and monitoring of all World Bank projects in Ethiopia.

Thank you for considering these important concerns. Please do not hesitate to contact Jessica Evans, senior advocate on international financial institutions, on 202-612-4361 or evansj@hrw.org to discuss these matters further.

Sincerely,



Arvind Ganesan
Director, Business and Human Rights Division
Human Rights Watch

Cc: Board of Directors

⁹ "Ethiopia: Terrorism Law Used to Crush Free Speech," Human Rights Watch news release, June 27, 2012, <http://www.hrw.org/news/2012/06/27/ethiopia-terrorism-law-used-crush-free-speech>.