



The World Bank and Dams

PART 3: NIGER DAM COULD LEAVE THOUSANDS IN THE DUST

The Kandadji Dam is supposed to expand irrigation and energy generation to improve lives in Niger. Instead, it risks sacrificing tens of thousands of people forced to make way for its reservoir. The World Bank has once again ignored the lessons of its past experience, and must act now to suspend the project to avoid a humanitarian crisis.

In 2012, the World Bank joined nine other financiers to support construction of the Kandadji Dam on West Africa's largest river, the Niger. The project intends to deliver energy and food security by generating needed power and expanding irrigation in Niger, a country on the edge of the Sahara Desert that is ranked last on the UN's Human Development Index.

But four years on, progress on the dam has stalled, thousands have been forced to relocate to places that lack critical infrastructure, and tens of thousands more await resettlement amid

concerns that the irrigated land promised to communities is insufficient.

The Kandadji project risks creating a development-induced humanitarian crisis. As the World Bank faces the prospect of pulling out, the future is unclear for tens of thousands of people whose lives have been upended. What was supposed to be a World Bank demonstration project for pro-poor development has instead become the latest case of the World Bank failing to learn its lessons on large dams.



BACKGROUND

Niger is a landlocked country in West Africa, and one of the world's most impoverished countries. The Sahara Desert accounts for a full three quarters of the country, and most of its population is located in the south. Because of harsh conditions and a lack of regular rainfall, the Niger River – which passes through the country's southwest – serves as the nation's lifeline.

Plans for the Kandadji Dam on the Niger River have been in the works since the 1970s. The project got a lift in 2008 when the African Development Bank approved an initial loan, and it finally got underway in 2012 after receiving an infusion of capital from the World Bank to complete project financing.

Developers envision a multipurpose dam that would generate power to alleviate persistent power cuts in the capital, Niamey. The project's main purpose, however, is to increase food production through expanded irrigation to address erratic rainfall and low crop yields. 45,000 hectares of irrigated land would be developed downstream of the dam, and it would largely be allocated to agribusiness investors. The dam would create a large but shallow reservoir behind the dam, and releases would be timed to meet irrigation and energy needs. The reservoir, conservatively estimated at 282 km², would inundate a densely populated area where tens of thousands rely on fishing, grazing, and rain-fed and flood recession agriculture along the river's fertile banks.

The World Bank, drawing on other projects it has financed in the region, proposed turning the project into a "growth pole" that would rely in part on resettled communities to deliver the project's ambitious irrigation goals. This process would roll out in two steps, or "waves," starting with 5400 people to make way for the dam's construction.

The Bank approved the project in 2012 without ascertaining the size of the reservoir or the number of people who would be displaced to make way for it. The World Bank estimated at the time that 32,500 people would be moved, based on previous studies, and provided assurances that all resettled farmers would have access to irrigation.

THE PROJECT BEGINS TO UNRAVEL

But what was to be a demonstration project for multipurpose dams and pro-poor development quickly ran into challenges. The Russian company hired to construct the dam failed to deliver, and its contract was canceled in 2013, throwing the project and its timeline into disarray.



Girls have had to travel long distances in search of water

At the same time, insecurity in neighboring Mali prompted an influx of refugees across the border near the Kandadji site, straining local resources and capacity. All of this made the prospect of finding a replacement contractor more challenging and, given the risk premium, significantly more expensive. These factors together put the project in doubt, prompting a meeting in Vienna in 2013 to decide whether the project could be salvaged.

WORLD BANK GIVES KANDADJI A NEW LEASE ON LIFE

Although the project had barely begun and despite renewed concerns about the project's viability, the World Bank approved an additional \$55 million to help cover the financing gap. As the World Bank described its rationale, "failure to provide IDA funds at this critical juncture would raise doubts about the Bank's confidence in the project, and affect the project's ability to attract further funds." The Bank's approval cleared the way for other partners to contribute additional funds, allowing the project to proceed.

But there were signs that all was not well, stemming from delays and underestimated costs for resettlement. The revised cost estimate, now totaling \$1 billion, included an additional \$40 million toward resettlement – an early sign that funds allocated for resettlement would be insufficient. In the end, the Bank approved the funds over objections from the US government, who opposed the loan, citing "inadequate mitigation on resettlement risk."

FIRST WAVE OF RESETTLEMENT BEGINS

Despite turmoil around the project's future, the process got underway in 2013. The Niger government resettled 5400 people living at the future dam site into communities downstream, mostly to the host community of Gabou. The World Bank described this first wave of resettlement as an important way to help build institutional knowledge and generate lessons learned for the subsequent, much larger undertaking to resettle communities to make way for the reservoir. This would be all the more important since Niger had never resettled more than a handful of families at a time.

The experience of this first wave has been, at best, mixed. Some families have constructed new homes using funds from the compensation package, and some new residents have seen their living standards improved with better access to services.

Project basics

- Maximum energy generation: 130 MW in rainy season, 30 MW in dry season
- Irrigation: 45,000 hectares
- Dam dimensions: 30m height; 8.4km length
- Reservoir: 1.6bn m3 capacity; extent 282 km2
- Location: Niger River, 60km from the Mali border, 187km from the capital, Niamey
- Cost: Over \$1 billion
- Main financiers: World Bank, French Development Agency (AFD), African Development Bank, Islamic Development Bank
- Resettlement: Between 40,000 and 65,000

CHALLENGES ABOUND FOR RESETTLED HOUSEHOLDS

However, the influx of resettled households into the host community of Gabou has swelled the population, taxing local infrastructure. An official visit in 2015 noted a lack of sanitation facilities and potable drinking water. The latter has caused severe hardship in particular for women and girls, who often spend hours in search of water.

Women have also been disproportionately impacted because the census overlooked and failed to compensate them for their gardens, which serve as the primary means for generating their own income. At the same time, compensation has been paid to designated heads of households, typically elder males, which has disadvantaged and disempowered women and other family members.

Meanwhile, some of the dykes in the irrigation areas have already collapsed, and farmers will require food aid to make up for lost yields. This has been a common problem in Niger's irrigation zones, where maintenance of irrigation infrastructure has lapsed. In addition, there is a longer-term concern over expected increases in the salinity of the irrigation areas and extended reliance on expensive inputs, currently subsidized by the government.

Just as importantly, resettled persons are losing their customarily-owned farmland, which has served as an intergenerational source of wealth and property. This has been replaced by irrigation plots on public lands that do not deliver security of tenure. However, advocates have been working to secure long-term land leases in negotiations with the government, which would grant resettled persons the right to sell, rent and bequeath their leases.

Most recently, reports have surfaced that the first wave of resettlement failed to account for approximately 3000 people, who have not been relocated or compensated. This has been one source of ongoing conflict between the World Bank and

the government, which has promised to relocate them to ensure continued financial support. The government's repeated and consistent delays in meeting resettlement milestones for the first wave, which was supposed to have been completed in 2014, have strained relations with the World Bank.

The first wave has proven to be a costly undertaking that raises red flags for the second wave, where the numbers – and stakes – are much higher.

CRISIS LOOMING IN THE SECOND WAVE

Given its enormous social footprint, the success of the entire Kandadji scheme hinges in large part on the project's ability to restore the lost livelihoods of the tens of thousands of farmers, fishermen and pastoralists who will be relocated to make way for the reservoir. The lives of these communities, who rely on the river to fertilize the river's banks, replenish fish stocks, and provide grazing land, will be forever changed.

"I've been looking for water for three days in vain. I'm thirsty. I haven't found any, nor have my friends. There isn't enough water for the population. We used to get water from neighboring villages, but it's become salty and undrinkable."

- Haoua Harouna, Gabou



Approximately 3000 people have not been relocated in the first resettlement wave

Despite Bank policy mandating that its projects are designed to restore resettled communities' livelihoods, the World Bank approved both the initial loan and subsequent additional financing without assessing the numbers and needs of the tens of thousands to be resettled in the second wave. Now, there are strong indications that livelihood restoration plans, based primarily on irrigation around the reservoir's perimeter, are not viable.

According to informal sources, the technical challenges of developing irrigation along the reservoir are significant, and possibly insurmountable. To accommodate seasonal fluctuations in the height of the reservoir, resettlement villages and irrigation plots will have to be set back a great distance from the reservoir, making plans to irrigate the reservoir's perimeter impractical and costly. At the same time, the economic imperative to generate electricity and supply downstream irrigation means resettled communities relying on reservoir irrigation may be left with the short end of the stick.

To make matters worse, there is not enough irrigable land available around the reservoir's perimeter to accommodate the second wave. Reportedly, the consultant who prepared the feasibility report never verified the government's assurance that sufficient land would be made available. This is only being studied now, years after World Bank approval.

At the same time, developers drastically underestimated the number of people who would have to be resettled in the second wave. Officials have not meaningfully revised their figures since making an initial estimate of 30,000 people in 2006. According to informal reports, the actual figure could be somewhere between 40,000 and 65,000 people, depend-

ing on the eventual height of the dam – another point of contention between the Bank and the government. Such a dramatic difference in the number of people will have extreme implications for the cost and complexity of this second wave of resettlement.

It's difficult to overstate the consequences of forcing tens of thousands of people to abandon their villages and traditional farming practices without a viable alternative livelihood. This would truly be a man-made disaster, portending severe impoverishment and conflict.

These persistent and fundamental concerns about the scope and feasibility of resettlement plans for the second wave throw into question whether the project can be salvaged, or even if the dam should be built.

CONCLUSION

The World Bank has been instrumental in sustaining donor support for the Kandadji Dam, and must be held to account for how things unfold. At this critical stage, the World Bank should suspend its loans for the project. Any decision to lift the suspension should be based on a comprehensive and inclusive assessment of the viability of livelihood restoration plans and full consideration of less harmful alternatives to meet the country's food and energy security needs.

Indeed, the World Bank's own research shows that increasing the productivity of traditional farming methods is a much better and more cost-effective means of improving food security and achieving inclusive growth than irrigation, which has a poor track record in Africa. As a former director of the World Bank's Agriculture and Rural Development Department once stated, the Bank will support large-scale irrigation in Africa "only over my dead body." To address energy needs, the Bank should help the government explore both grid-based and off-grid solar as a more targeted and less harmful means of delivering energy access and security.

The Kandadji project confirms the findings of the International Consortium of Investigative Journalists, the World Commission on Dams, and the World Bank's own internal audit about the Bank's inability to resettle large numbers of people fairly.

As tens of thousands of people face an uncertain future, the World Bank must reflect on the hard-won lessons of its long history with dams and ensure that it doesn't leave more communities in the dust.

JOIN US!

Join International Rivers today and become part of the global movement to protect rivers and rights. Sign up at internationalrivers.org