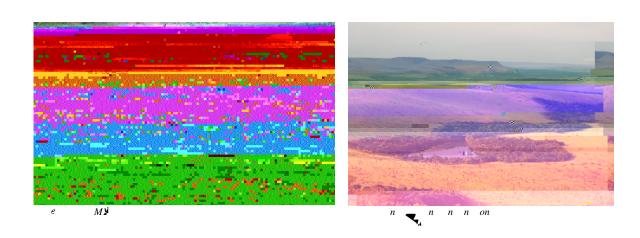


# SHARING THE BENEFITS OF LARGE DAMS IN WEST AFRICA: THE CASE OF DISPLACED PEOPLE

A o an o m



Draft Final report February 2009

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The views expressed in this report are those of the authors and do not necessarily represent the views of the organizations participating in GWI at national, regional or global level, or

## **Executive summary**

In the face of the deteriorating hydro climatic context, the West African countries have opted for the construction of dams as a logical solution to increase water storage capacity and regulation of water

set up by the Volta River Authority provided the populations displaced from the vicinity of the Akosombo dam with electricity, clean water, and sanitation, education, and road facilities.

Today, the prospects for better living conditions are good with the upcoming relocation projects for future dams (Kandadji, Sambagalou) that already anticipate on benefit-sharing issues by setting up local development plans. But the challenge will be to ensure that these programs are sustainable and that they will persist over the entire lifetime of the dam.

## **TABLE OF CONTENTS**

List of	acronyms and abbreviations	6
Introdu	ction	7
1. La	rge dams and displaced populations in West Africa	8
1.1	Water Resources and large dams in West Africa	8
1.2	Populations displaced from dams and the criteria applied	. 10
2. Re	visiting the displacement/relocation process in West Africa	. 12
2.1	A truncated relocation process	. 12
2.2	Mixed displacement/relocation process	. 13
2.3	A disappointing "not worse off" policy	. 15
3. Th	e experience of benefit-sharing generated by large dams in West Africa	. 17
3.1	Current approaches to benefit sharing	

## List of acronyms and abbreviations

ABV: The Volta Basin Authority

CIDA: Canadian International Development Agency

GWh: Gia watt hour

GWI: Global Water Initiative

CAEA: Canadian Act on Environmental Assessment

MW: Megawatt

OMVG: The Gambia River Authority

OMVS: The Senegal River Basin Authority



1. Large dams and displaced populations in West Africa

In West Africa, the transformation of rivers has a long history (the Kurra dam in Nigeria 1929, the Tougouri dam of Burkina in 1950)<sup>1</sup>. However, the emergence of large dams goes back to the early independence years when they were first constructed to generate energy. (Akossombo in the Ghana 1964, Kossou in Ivory Coast 1970, etc.). According to data from FAO's AQUASTAT<sup>2</sup> data base and on the basis of the definition of big dams by ICOLD, West Africa counts more than 150 big dams out of 1300 throughout the continent and 45 000 throughout the world<sup>3</sup>.

The map of large dams in West Africa (Fig.2) clearly shows their limited number in comparison with the rest of the world<sup>4</sup>. Two factors account for this situation. On the one hand, the weakness of the economies of the countries of the sub region reduce the funds for such infrastructure; on the other hand, vocal opposition against these works throughout the world has made national and international public opinion, as well as the international institutions, reconsider their support for big dam projects.



Figure 2: Map of West Africa's dams (Source: CEDEAO-CSAO/OCDE, 2006)

<sup>&</sup>lt;sup>1</sup> FAO, AQUASTAT

http://www.fao.org/nr/water/aquastat/damsafrica/index.stm

<sup>&</sup>lt;sup>3</sup> A widely accepted definition of large dams is given by the International Commission on Large Dams (ICOLD). It defines large dams as: 'those having a height of 15 meters from the foundation or, if the height is between 5 to 15 meters, having a reservoir capacity of more than 3 million cubic meters'.

<sup>&</sup>lt;sup>4</sup> CEDEAO-CSAO/OCDE, 2006 : Les bassins fluviaux transfrontaliers. Atlas régionale de l'Intégration en Afrique de l'Ouest, Série Espaces <a href="http://www.atlas-ouestafrique.org/spip.php?article10">http://www.atlas-ouestafrique.org/spip.php?article10</a>

In the late 1980's and early 1990's, the World Bank played a leadership role in the development of

any feeling of marginalization; that they will actually be "better off" when those policies are carried out, and feel joint ownership of the project.

2.

displaced, which caused land disputes<sup>14</sup>. In Nangbeto, the displaced people had to wait for 3 years

#### 3. The experiences of sharing the benefits generated by large dams in West Africa

The "Dams and Development" report has demonstrated that "dams contributed largely to the human development and that their benefits have been considerable." However, the report mentions that "the resettled populations rarely recovered their means of subsistence, the programs of resettlement being centred on housing problems rather than on economic and social" development. Besides, it noted that the main recipients of the dams' benefits often live far away from the dam sites. Anyhow, the populations who live in the vicinity of the project and who are affected by the negative effects of the dams often hardly benefit from them.

It is therefore necessary to take innovative measures to indemnify the affected people and to share the economic advantages of the projects. One way of fulfilling this requirement is to share out a part of the benefits generated during the construction and during the exploitation of the dam with these communities. The mechanisms of sharing out the advantages are generally considered to be one of the most efficient means of dealing with the failures of the indemnification in cash or in nature of the people displaced or affected by the project. From the ethical and social justice point of view, it is logical that part of the proceeds return to the local populations affected by the project. In order to set in motion this idea, the World Bank drafted an Action Plan for the scheduling and management of dams. Among the projects of this action plan there is a section dedicated to the sharing of the profits generated by the dams<sup>19</sup>. Within this same perspective of improving the livelihood conditions of the displaced populations, the Global Water Initiative (GWI) has instigated a debate on the sharing of the advantages generated by dams in West Africa.

This chapter revisits the way that this issue is handled in West Africa while reviewing the achievements and the opportunities offered by benefit sharing.

#### 3.1 Current approaches in benefit sharing

Today, the sharing of the monetary advantages (incomes and proceeds from the project) with the people affected is viewed as an innovative form of sharing of the proceeds generated by dam projects. It is based on the principle that a dam can generate important economic fallouts that the local populations can share in. They are additional profits that exceed the corresponding profit on a regular investment. These benefits stem from the fact that the promoter taps a natural resource whose added value depends on the hydraulic, topographic and geological conditions bound up with the site of the dam. Thus, consumers of electricity generally benefit from the economic fallout of the hydroelectric projects under the guise of reduced rates. In the sectors of irrigation or water supply, the consumers can also bank on subsidized rates<sup>20</sup>.

<sup>&</sup>lt;sup>17</sup>Commission Mondiale des Barrages, 2000 : Barrages et développement Un nouveau cadre pour la prise de décisions Tour d'horizon.

<sup>&</sup>lt;sup>18</sup> Mr. Dominique Egré, 2007: Benefit sharing issues. United Nations Environment Programme. Dams and Development Project. Compendium on Relevant Practices - 2nd Stage

<sup>&</sup>lt;sup>19</sup> World Bank Group, 2002: Benefit Sharing from Dam Projects Phase 1: Desk Study

World Bank Group, 2002: Benefit Sharing from Dam Projects Phase 1: Desk Study

But in West Africa, the financial flows, which are the basis of profit sharing, are often not readily available because the state can hardly meet the challenge of servicing the debt incurred for building the infrastructure. Finally, the notion of subsidized electricity rates on behalf of the affected populations may not be considered to be a fair and lasting solution because those costs are somehow

# 3.2 Capitalizing on benefit sharing

## A policy inspired by fair sharing

The majority of the large dams are located in cross border river basins which are managed today by

### Conclusion: Evaluation and lessons learned

The utility of dams for the development of West Africa is unquestionable. With the support of their partners (World Bank, African Development Bank, USAID, Canadi

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E. A. K. Kalitsi, 2004:

## **Annexe 1: The dams of West Africa**

Source: FAO, AQUASTAT (<a href="http://www.fao.org/nr/water/aquastat/damsafrica/index.stm">http://www.fao.org/nr/water/aquastat/damsafrica/index.stm</a>)

Nom du barrage	Pays	Bassin	Fini ou opérationnel depuis	Hauteur	Capacité du réservoir	Irrigation	AEP	Controle inondation	Hydroélectricté	Navigation	Récréation	Contrôle de la pollution	Elevage	Autres
				( <b>m</b> )	(x1000 mc)				Ut	ilisati	on			
Ilauko	Benin	Oueme	1979	22,00	23 500		X							
Lac dem	Burkina Faso	Nakambe	1950	-999	4 000	X	X						X	
Samou	Burkina Faso	Faga	1962	-999	5 000		X						X	x
Badadougou	Burkina Faso	Comoe	1977	-999	6 000		X							
Dablo	Burkina Faso	Faga												

Nom du barrage	Pays	Bassin	Fini ou opérationnel depuis	Hauten	Capacité du réservoi	Irrigation	AEP	Controle inondation	Hydroélectricté	Navigation	Récréation	Contrôle de la pollution	Elevage	Autres
			1	(m)	(x1000 mc)				Ut	ilisati	on			
Gbemou	Côte d'Ivoire	Bagoe	1979	14,00	18 000									
San Pedro	Côte d'Ivoire	Sassandra	1980	15,00	25 000	x			X					
Nafoun	Côte d'Ivoire	Bagoe	1976	15,00	60 000	х								
Ayme II	Côte d'Ivoire	Comoe	1964	35,00	69 000				X					
Taabo	Côte d'Ivoire	Bandama	1979	34,00	69 000				X					

Pays

# Annexe 2: Terms of references of the consultants

## Background

The construction of dams is usually one dimension o

- can benefit sharing support the development aims in western Africa and its broader policy approach.

Illustrate with specific examples (Manantali, Selingué, Bagré, Kainji etc), proposals for Fomi, Taoussa, Kandadji (if known?). Refer to the transboundary nature of some dam impacts.

The consultant shall be responsible for the following:

- Drafting the report of 25-30 pages, with appropriate annexes, in French
- Providing an English translation once the French version of the report is agreed by IIED
- Commenting and filling gaps in other parts of the final text (including sections by LH) where necessary for editorial purposes.
- Proof reading the final French version of the text of the final report (including sections by LH)
- Participating in the regional workshop to be held in Niger in March 2008 and assisting in mobilising participants as required.