

Ethiopia: Govt's Controversial Gibe III Mega-Dam

BY MARK KAPCHANGA, 16 JANUARY 2013

The Gibe III dam could help Ethiopia's development, but it might also be disastrous for the environment and threaten half a million people's livelihoods.

There are concerns that more than half a million people's livelihoods along the Lower Omo Valley in Ethiopia and Kenya could be threatened by the construction of the Gibe III Dam project.

The work, which has been ongoing since 2006 and is now over halfway to completion, faces overwhelming pressure from environmentalists who have raised concerns over dangers associated with the dam. Often compared to China's Three Gorges, the Gibe III Dam is to be the world's fourth largest hydropower project and will generate over 1,800 megawatts of power. The Ethiopian government expects to earn over \$400 million annually from power exports.

Awash with environmental concerns

But Ethiopia's methods for achieving this goal have been widely condemned. In addition to displacing local Ethiopian communities in the vicinity of the dam, the completion of the \$1.7 billion project could also wreak havoc in Lake Turkana, a major source of livelihood to more than 500,000 people downstream in Kenya.

Considering the Omo accounts for 90% of the lakes water supply, opponents of the project argue that water levels in Lake Turkana could seriously suffer. Levels could drop by as much as 22 metres (the average depth being only 30 metres). Of particular concern in this scenario is the depletion of the lake's fisheries. These are the main source of protein for local communities, while trade in dried fish is also a major source of income.

Back in 2009, the World Bank's Vice-President for Africa, Obiageli Ezekwesili, raised an alarm over the way in which the Ethiopian government was managing the project. In particular, she queried the Environmental Impact Assessment report, saying it was "not conclusive". She also questioned the manner in which the Ethiopian authorities awarded the contract to an Italian firm Salini Costruttori without competitive bidding.

This compelled the African Development Bank (AfDB) to commission a study arguing that the initial Environmental and Social Impact Assessment (ESIA) had not captured important aspects of the project.

A more recent audit of the project by a group of researchers from CEE Bankwatch Network Poland revealed that the entity set up by the Ethiopian government to monitor the environmental impact of the project had limited capacity to carry out work. It further said that it had no clout to enforce compliance with environmental safeguards.

"The team said the construction of such a mega-sized dam would compromise a fragile and unique ecosystem, which is identified as a protected area", said Jakub Gogolewski, Coordinator for CEE Bankwatch Network. But the group claimed that its team of researchers could not actively pursue the extent of this impact due to concerns of government persecution.

Regardless, environmental and humanitarian organisations remain acutely concerned. A paper published by International Rivers this month has warned that the dam's completion will likely "generate a region-wide crisis for indigenous livelihoods and biodiversity and thoroughly destabilize the Ethiopia-Kenyan borderlands around Lake Turkana". The reduced flow of sediments into the lake will "lead to the loss of the ecologically productive floodplain used by wild species, fish, domestic stock and agriculture".

Of even graver concern is the potential for conflict as a knock-on effect of this ecological turmoil. The paper asserts that those who lose their livelihoods and homelands are "likely to seek out resources on their neighbours' lands in the Kenya-Ethiopia-Sudan borderlands. Well armed, primed by past grudges, and often divided by support from different state and local governments, these conflicts can be expected to be bloody and persistent."

Investment drying to a trickle

The European Investment Bank and the African Development Bank withdrew funding consideration from the project in 2010, citing social and environmental risks. Partially because of disrespect from an Ethiopian official allegedly telling the European Investment Bank it could "go to hell" over its policies regarding displacement of indigenous peoples, and partially because the terms of the uncompetitive contract with Salini violate the Bank's procurement policy. The World Bank also has no current plans to support the project.

It is China then, through the Industrial and Commercial Bank of China (ICBC) and the Dongfang Electric Corporation, which is to provide most of the necessary \$500 million sub-contract. This has also been met with displeasure; details on the power deal between the two countries were made public after the Ethiopian government released an Environmental Impact Assessment report that was widely rejected.

Ikal Ang'elei, the founder of the Friends of Lake Turkana, and winner of the 2012 Goldman Environment Prize for Africa says campaigns to push China out of the project have been unsuccessful. And she says that lack of support from the Ethiopian and Kenyan governments have made the organisation's attempts to defend the lake's environment more difficult.

Although it will not fund the dam itself, the World Bank is also under scrutiny by campaigners. In July, the Bank agreed to give a \$684 million loan to Ethiopia to build a 1,000-kilometre electricity transmission line from Gibe III into Kenya.

"This could be a signal that the Bank has endorsed the project despite its withdrawal of funding two years ago", says Richard Leakey, a renowned conservationist and founder of the Turkana Basin Institute. Leakey says the fight will go on until the lake is finally secured.

Power prospects in a parched land

While the social and environmental impacts of the project are huge, supporters of the dam remain convinced of eventual benefits from the sacrifices. "Ethiopia's electricity generation capacity will go up; power cuts will be reduced; and electricity will be extended to at least some of the more than 70% of the population without access", says Seleshi Bekele, a senior researcher with the Addis Ababa-based [International Water Management Institute](#).



Photo: Stelios Corninos

Sunset over a section of the Nile River (file photo).

He claims the power exports will bring important revenue into the country, helping to lift annual per capita GDP (PPP) above \$1,100.

Neighbouring Kenya is expected to import more than 500 megawatts to check the recurring power outages that have had a chilling effect on the manufacturing sector. The Ethiopian Electric Power Corporation says more than 200 megawatts will be exported to both Djibouti and Sudan. In addition, a study was conducted to examine the feasibility and profitability of exporting electricity to Yemen through Djibouti, Somalia, Eritrea and Egypt.

As the controversy engulfing Gibe III rages on, plans are on the table regarding the construction of two more energy plants - Gibe IV and Gibe V. These are expected to cover Ethiopia, Kenya and Sudan.

"We are not opposed to building power plants in the region. Certainly, we need affordable and reliable power. But we cannot sacrifice our environment for such developments", says Ang'elei. But, she believes, prior and independent studies need to be carried out to ensure sustainability and conservation of the ecosystem as well.

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