



Mr. Robert Zoellick
President
The World Bank
1818 H St., N.W.
Washington, D.C. 20433

May 21, 2012

Concerns regarding the Regional Eastern Africa Power Pool Program (APL1)

Dear President Zoellick,

According to World Bank documents, the Regional Eastern Africa Power Pool Program is slated to be considered by the Board of Directors on June 21, 2012. The project would fund the construction of a 1000 km transmission line between Ethiopia and Kenya. We would like to raise the following concerns with you, which we believe need to be addressed before the Bank submits the APL1 Project to the Board of Directors.

Source of electricity

We are concerned that the proposed Ethiopia-Kenya transmission line will evacuate power from and depend on the completion of the destructive Gibe III Dam on the Omo River in Ethiopia. The largest hydropower project under construction in Ethiopia, the Gibe III Dam will likely have devastating impacts on the fragile ecosystems of the Lower Omo Valley and Lake Turkana, and on the livelihoods of the 500,000 indigenous people who depend on them.¹ In June 2011, the World Heritage Committee called on the Ethiopian government to “immediately halt all construction” on the Gibe III Dam, and encouraged financial institutions “to put on hold their financial support” for the project.² In August 2011, the Kenyan parliament passed a resolution requiring suspension of dam construction pending further studies.

At a meeting on April 18, 2012, World Bank management asserted that the APL1 Project is not in any way linked to the Gibe III Dam, and that the Ethiopia-Kenya transmission line will be fed by other projects. However, the other hydropower projects being developed in Ethiopia for the regional market will not be online by the time the transmission line is complete. Indeed, exporting electricity to Kenya has always been presented as part of the

¹ See www.arwg-gibe.org/uploads/ARWG_COMMENTARY.GIBE_III_DAM.downstreamEIA.pdf and www.internationalrivers.org/files/attached-files/gibe3factsheet2011.pdf

² See <http://whc.unesco.org/en/decisions/4411>

Gibe III Dam's rationale. When the World Bank listed the Gibe III Project in its Monthly Operational Summary in 2009, it stated that its purpose was "to increase hydro capacity to meet its domestic needs and to monetize its resources via exports." In a letter to Friends of Lake Turkana dated March 26, 2010, the Bank confirmed that the Ethiopian government had "asked the World Bank to consider providing funding support to the Gibe III hydropower project and the associated transmission lines."

Even the APL1's Resettlement Action Plan of January 2012 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."³ However, reference to Gibe was replaced by "from Ethiopia's power grid" in the World Bank's version of the document.⁴

World Bank statements and project documents suggest that the electricity to be exported through the APL1 Project will indeed be provided by the Gibe III Dam. We appreciate that the World Bank declined to fund the Gibe III Dam because of the severe impacts on indigenous communities and the environment downstream. **We believe that the Bank should not fund a transmission line that would source its power from the Gibe III Dam or from any other project that massively violates its safeguard policies.**

Climate resilience

The power sectors of East African countries are already over-dependent on hydropower generation. Since droughts and floods are expected to become more frequent and intense under climate change, the Director of the International Monetary Fund's Africa Department recommended in August 2011 that governments "work to minimize a very significant dependence on hydropower in East Africa."⁵ The World Bank ESMAP suggested in January 2011 that for heavily hydro-dependent countries "an adaptation response [to climate change] may require a policy decision to diversify away from hydropower."⁶

Power pools can mitigate climate risks if they are based on a diversified portfolio of generation projects. Yet the East African Power Pool focuses almost exclusively on large hydropower projects in Ethiopia and beyond. Presentations by East African Power Pool officials list additional power projects for a total of 12,070 megawatts, of which all but 300 megawatts are supposed to be generated by hydropower plants.⁷ This one-sided focus will massively increase the climate vulnerability of the whole region.

At the April 18 meeting with World Bank management, we were informed that no climate assessment of the APL1 Project has been carried out. **We believe that the project's impacts on the region's climate resilience need to be assessed before APL1 is submitted for Board consideration.**

³ See www.afdb.org/fileadmin/uploads/afdb/Documents/Environmental-and-Social-Assessments/Ethiopia%20RAP%20Final%20Report.pdf, Part 1, Section 2.1

⁴ See www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/04/05/000333038_20120405231829/Rendered/PDF/RP12860v20RP0P000Final0April0402012.pdf

⁵ See www.imf.org/external/pubs/ft/survey/so/2011/car082411a.htm

⁶ See www.esmap.org/esmap/sites/esmap.org/files/DocumentLibrary/E-Book_Climate%20Impacts%20on%20Energy%20Systems_BOOK_resized.pdf

⁷ See for example www.eappool.org/eng/PPTs/Hydropwer-PPT.pdf, slide 21

Thank you for your attention to these concerns. We would be happy to discuss them further in a meeting with you and/or with members of your management.

Sincerely,



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