THE (UN)CERTAINTIES OF HYDROPOWER DEVELOPMENT: DO HIGH RISKS TRANSLATE INTO HIGH REWARDS?

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Background

- Dams back on 21st century development agenda
  - Dip in 1980s-1990s
  - Planned outcomes difficult to deliver:
    - Path dependency vs uncertainty
  - New political, economic and institutional constellation that enables the widespread construction of dams
    - Moratorium lifted, bigger than ever
- Hydropower now framed as
  - Renewable, low carbon, green, mitigation and adaptation
  - Rising energy demands
- Difference: hydropower & financial return on private investment
- World Bank’s high risk, high reward strategy
Research questions

- What are the shifts in financing dam development in the 21st century?
- How does this influence the impact of dams?

Premises:
Dams never only about technology;
They materialize how we choose to organise & order institutional and biophysical landscapes & control
Methodology

- Case studies for diachronic analysis:
  - Comparing previous with current development
  - In 3 basins (Mekong, Himalaya, Volta / West Africa)
  - Materialisation of impact over time

- Analyse project documentation & literature:
  - policy documents,
  - dam projects documentation (contracts, concessions, power purchase agreements)
  - strategic reports financial stakeholders (multilateral, commercial banks, investors)

- Approach: financialisation & political ecology
Results

• Private actors increasingly prominent role in funding hydropower development
  ▫ Notably in Mekong and Himalaya
  ▫ Less so in Volta (Bui dam: Chinese support)

• Made possible by:
  ▫ Deregulation & liberalisation financial sector
  ▫ Increased strength of regional financial players
  ▫ Current consensus on financing hydrodevelopment

• Public actors more facilitatory responsibility
Conclusions

- Getting dams to deliver on all (economical, social, environment, political) impact / goals less important
  - Private actors different intervention logic
  - End of erroneous belief in multipurpose dams
  - By focusing on financial return

- Disconnect between financing dams and energy production / other service provision / public agencies
  - Capital investment considerations go prior to energy production, let alone public development considerations
  - Sideling public agencies, considerations, governance claims
  - And their safeguard systems
  - While instruments remain massive social & environmental impact
Conclusions

• Dams’ long temporal and spatial shadows: transform & reorganise landscapes

• Need to know more on the materialization of the trajectory & impact over time

• Different game now;
  ▫ Dam as vehicle for investment rather than development
  ▫ Question no longer ‘should it be built’? Rather how, by whom, for whose benefits and at who’s costs
  ▫ Need to analyse the political economy of it
  ▫ Especially since part of the development imperative discourse still is applied
Questions?

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Further reading:


- Kleemans, Ahlers & Smit (2014) Intended outcomes and materialized impact: analysing the Aswan High dam’s development and its trajectory over time, conference paper IWA Lisbon September 2014