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 (multilaterals, 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:

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