

## **Cameroon – Lom Pangar Hydroelectric Project**

November 10, 2011

U.S. Position

Cameroon has great hydropower potential and we appreciate that the electricity resulting from this project will help many people in the region who are not attached to the grid now, as well as address a key structural constraint to the country's economic growth. The United States also appreciates the consultative process that is detailed in the documents.

While the U.S. strongly supports the AfDB's role in infrastructure provision, particularly energy provision, in Africa's energy-starved areas, in this instance the United States abstains, given that the social and environmental analysis was not adequate.

This is a complicated project on several fronts, and some lessons can hopefully be drawn from it. The main U.S. concern with the project is that the EIA did not adequately consider cumulative and associated impacts. The major direct impacts of the dam and their mitigation in the stretch below the dam—a stretch that also traverses the Deng Deng reserve -- are poorly assessed, and a detailed assessment of impacts in this zone has not been provided. The associated and cumulative watershed impacts contain little detail on the impacts of the related investments downstream. In the absence of an agreed cost recovery plan, the United States believes that one of the downstream projects – the Nachtigal dam -- is an "associated" facility because it requires the existence of the dam.

The World Bank is revising the Environmental and Social Management Plan (ESMP) to address some of these analytical gaps, and the United States has asked that the revised document include a discussion of the Nachtigal dam in their associated and cumulative impacts assessment.

The United States is disappointed that AfDB staff focused their attention on the parts of the project that they are financing, rather than the overall project. Projects such as this one highlight the importance of donor coordination. The United States has stressed to staff during recent weeks our concern that because the World Bank Board consideration will be so much later, the difference in timing would mean that the social and environmental work funded by the World Bank would not be made available in time for us to be able to regard this proposal favorably. The United States appreciates the AfDB's desire to complete its work on time and to be responsive to Cameroon's needs, but in so doing, the AfDB went forward without being fully informed on the environmental and social ramifications that the World Bank is still formulating. A greater effort at coordination between the two MDBs would have helped address these questions and provided greater confidence that the social and environmental issues for the entire project are being adequately addressed.

It is important to note that the Deng Deng National Forest, which abuts the project area, will become more accessible to poaching and logging. The area is home to many protected species and illegal logging has been an issue in the area. Determining whether the mitigating measures were adequate in this instance to prevent unwanted environmental degradation was important and should have been included as part of the AfDB ESIA and ESMP, or at least cross-referenced.

The United States is concerned that not enough attention was paid in this instance to these substantial issues. This may be a result of lack of staffing or may be result of lack of adequate risk analysis early in project design. The AfDB should not be engaging on a project of this complexity without an adequate safeguard staff that can root out these problems early and alert task managers of potential issues and risks. In the context of the energy strategy, the United States notes the need for adequate safeguard staff if the Bank is to reach the types of ambitious energy targets described while assuring requisite actions are taken to guard the integrity of Africa's environmental resources.

Lastly, the United States notes the World Bank is still working with the Cameroon government on the new electricity law and ensuring the funding of the environmental mitigation plan. As both of these issues are important to the success of the overall project, the United States hopes the authorities will address them expeditiously.