The World Bank concluded 2016 by adding a controversial megaproject to its portfolio, while beyond the main spotlight it withdrew support from other high-profile megaprojects. In late December, the Bank approved $800 million towards the Trans-Anatolian Natural Gas Pipeline project, with half of the funding going to Azerbaijan and half to Turkey. Originating in Azerbaijan, TANAP stretches for 1,820 km from Georgia to Greece, crossing Turkey. It forms part of the high-risk and controversial 3,500 km long Southern Gas Corridor, connecting gas pipelines from Azerbaijan to Europe. TANAP will link with the western section of the corridor, running to Italy through Greece and Albania.

Civil society has repeatedly criticised the Southern Gas Corridor due to the wide range of risks associated with the project, including geopolitical concerns, such as the human rights situation in Azerbaijan and the increasingly repressive regime in Turkey. According to Xavier Sol of NGO Counter Balance, local opposition to the project has prompted affected communities in Albania, Greece and Italy to submit complaints to the European Investment Bank and the European Bank for Reconstruction and Development, two of the other funders of the project. Alleged corrupt practices linked to the main company responsible for the Turkish section of the pipeline were revealed in a mid-December report by NGO coalition Bankwatch. Moreover, questions have been raised about the World Bank funding what is in essence a fossil fuel project, despite its alleged support for the UN’s 2015 Paris Agreement on climate change, including an August 2016 statement that it “has ramped up its support for climate work post Paris”, including “more investments in renewable energy.”

Also in 2016, the World Bank retreated from two high-profile megaprojects, Inga 3 and Simandou. In 2014, the Bank approved a $73 million grant for the Democratic Republic of Congo Inga 3 hydropower project, despite the US abstaining due to “governance and environmental risks” and the board noting “significant implementation risks”. Inga 3 is part of the $100 billion Grand Inga hydropower project with potential capacity to generate 40,000 megawatts, which would make it the largest hydropower facility in the world. In 2013, Rachel Kyte, then World Bank vice president for sustainable development, argued that Inga was high on the Bank’s agenda: “People have been looking at the Inga dam for as long as I have been in the development business, The stars are aligned now”.

The project has received long standing criticism from civil society, including that only about a fifth of Inga 3’s expected energy output would go to the national utility company, with the rest being exported to South Africa or going to DRC-based mining companies. Two years in, the Bank first suspended the project in July 2016, and then cancelled its financing in September, citing “the government of DRC’s decision to take the project in a different strategic direction to that agreed”.

Moreover, according to early October 2016 media reports, the Bank's private sector arm, the International Finance Corporation, is seeking to limit its involvement in the controversial Guinea Simandou mine, Africa's largest iron ore project, by selling its five per cent stake in the joint venture behind the mine. As late as February 2016, the IFC called Simandou "a world-class, low cost iron ore deposit with significant economic potential for Guinea".

However, the project has come under strong civil society criticism, including for lack of clear poverty reduction impacts and questionable plans to 'offset' the mine's environmental impact. It has also been beset by other problems, such as the slump in iron ore prices and corruption allegations. Moreover, in late October the largest stakeholder in the venture, mining giant Rio Tinto, announced that it will sell its 47 per cent stake to China's Chinalco. Shortly after, in mid-November, fresh allegations of bribery were revealed, resulting in the dismissal of two high-level Rio Tinto executives.

The Bujagali hydropower project in Uganda, another high-profile megaproject which has received funding from both the World Bank, the IFC and the Multilateral Investment Guarantee Agency, continues to attract criticism. The IFC called Bujagali "a model and an inspiration for launching other large-scale infrastructure projects in highly challenging environments" in 2012, however, civil society and local communities have deemed the project controversial from its conception. In June 2016, the Bank's accountability mechanism, the Inspection Panel, received its third complaint that involved Bujagali, regarding likely negative environmental and social impacts of the filling of a related reservoir.

Bujagali is also subject to seven complaints to the IFC's accountability mechanism, the Compliance Advisor Ombudsman, most recently in 2015 regarding lack of compensation for damaged crops. Moreover, the Bank's performance in Uganda has come under further scrutiny due to "multiple failures" identified in relation to a road project, leading to the Bank in September announcing its intention to withhold new lending to the country.

Josh Klemm of US-based NGO International Rivers commented: "The World Bank has been slow to learn the hard-won lessons of the past that mega-projects rarely produce tangible benefits, and more often result in mega harms. The Bank would do well to acknowledge that better, smaller-scale solutions are readily available and much better suited to meet the needs of the world's poorest."

source: cadtm.org