When it Rains, Use an Umbrella: Lessons in High-Risk Infrastructure Communications from the Bujagali Hydropower Project

When Uganda’s Bujagali Hydropower Project was revived in preparation for a December 2007 Board approval, the World Bank, IFC, and the Multilateral Investment Guarantee Agency (MIGA) were faced with a new potential wave of criticism from civil society, the media, and even member governments, in spite of the fact that the project had meticulously followed World Bank Group economic, environmental, and social safeguard policies. This Smartlesson describes how active communications, openness, inclusion, and confidence helped address critics of the project and spark the beginning of the end of the East African country’s chronic blackouts.

Background

Uganda has seen significant growth since the early 1990s, with its gross domestic product (GDP) increasing from 3.4 percent in 1992 to 9 percent in 2008. With this growth came new challenges, including rapidly increasing demand for electricity up against a dwindling supply. The government took steps to generate more power, including approaching the World Bank Group in the late 1990s to support a 250 megawatt hydropower project near a series of whitewater rapids called Bujagali in the town of Jinja. The project would help stabilize Uganda’s energy supply, making room for new household and business connections, while also helping to prevent blackouts. The Bank, IFC, and MIGA gave their support for the run-of-river dam in December 2001, working with the project’s private sector sponsor, the U.S.-based AES Corporation.

The project faced significant opposition from two civil society organizations, which claimed that the multimillion-dollar project would help large industries rather than poor people and that it would contribute significantly to climate change. These organizations launched a campaign pressuring the Bank Group and its executive directors to stop the project, despite voices from Ugandans like Edith Ssempala, then-ambassador to the United States, who said, “Power is at the core of every aspect of development…. We needed a big power project to really move our development forward…. Some people think that for Africa it’s enough to simply survive, and we are saying, no, we want to develop. We want to move forward as far as we can go.”

The anti-Bujagali campaign succeeded in garnering significant negative media attention and prompted a World Bank Inspection Panel review of the project. Meanwhile, AES pulled out because of financial troubles, causing the project to stall indefinitely just months after Board approval. Uganda’s power deficit grew, and the country was forced to use expensive diesel-fired power generators to close the gap. Roughly six years later, Bujagali had found a new private sponsor in Bujagali Energy Limited (BEL), a partnership between Blackstone’s Sithe Global and the Aga Khan’s Kenya-based Industrial Promotion Services. The project was revived, and the Bank Group showed its support for the project through a proposed $360 million in loans and guarantees, which included $130 million in IFC loans to the private project company, BEL; a partial risk guarantee of up to $15 million from MIGA; and $80 million in insurance from IFC’s political risk insurance arm, InfraM示范.
$115 million from the International Development Association for the project’s commercial lenders; and an investment guarantee of up to $115 million from MIGA.

The project team took special care to ensure sustainability and thoroughly followed and tracked adherence to the Bank Group’s economic, environmental, and social safeguard policies.

With the project’s resurrection, the team knew there was a high likelihood of similar action from the same civil society organizations. To manage the potential impact from a storm of negative campaigning, the project team decided a comprehensive and active communications strategy would have to be developed and executed for the project to at least reach the Board approval stage. They were right. Following an intense several months of implementing the communications strategy and regular meetings of the respective managers of the three teams—IFC, MIGA, and the World Bank—to ensure smooth coordination throughout the process, the project was not only unanimously approved but was also commended by the Board as a good-practice demonstration of the Bank Group’s added value and commitment to sound development practice. Here are some critical communications lessons acquired during the storm.

Lessons Learned

1) When a storm is coming, prepare to get a little wet. Focus on managing rather than preventing attack campaigns.

The words “high-risk project” often conjure thoughts of negative campaigns, biting news headlines, pointing fingers, and rolling heads, striking fear in the heart of the communications professional. High-risk projects are intended to benefit thousands or millions of people over long periods, and they come with increased attention because they often pose significant economic, environmental, and social risks. Many civil society organizations have as their mandate to question and investigate such projects on behalf of various interests.

An important component of the project’s successful communications strategy was that the team accepted at the outset that certain organizations would launch a communications campaign against the project. Trying to avoid, prevent, or negotiate away such a campaign was unrealistic. It made more sense to concentrate on strategies that would help mitigate the campaign’s impact. The storm was coming, whether we liked it or not. So the team prepared to get wet.

Early in project identification, the team collaboratively developed a communications strategy focusing on exhaustive and active transparency and messaging that underscored the country’s need for, and potential benefits from, the project. The government and other stakeholders of the project were sensitized to the need for the strategy and fully involved in its formulation.

Another major focus was on minimizing the political pressure on the Board caused by the campaign to allow executive directors to make informed and objective decisions based on facts. Not only was strong communications about the project good business practice, it enabled the project team to turn challenges, such as potentially negative media articles, into opportunities, using that spotlight to widely share messages about the project’s benefits and development objectives.

2) Know, recognize, and communicate a project’s technical attributes to help manage risk.

Bujagali was to be a run-of-river dam, which obtains energy from available stream flow and some short-term storage, compared to larger storage reservoir dams, which inundate a much wider area and have a larger environmental impact. Also, the project incorporated an environmental offset site downstream from Bujagali that would be preserved from development by the government to offset the Bujagali dam’s environmental footprint. Furthermore, hydropower was a much more environmentally friendly, less carbon-intensive solution than the diesel-fired power the country was forced to use because it was so lacking in energy.

With a high-risk project facing a negative campaign based on various development suppositions, it is important to know, recognize, and communicate that a project has heeded principles of sustainability and demonstrated its compliance with Bank Group economic, environmental, and social safeguard policies. These safeguards, based on the principle that Bank Group projects should “do no harm,” are among the most sophisticated, according to the World Commission on Dams.

It was also important to know, recognize, and communicate positively the project’s development objective. The biggest reason behind the need for the Bujagali project was that the country desperately needed electricity: Only about 5 percent of people there had access to electricity. Children...
couldn’t do homework after dark, clinics and hospitals couldn’t refrigerate vaccines, and businesses could not grow. In fact, without the Bujagali dam, the country ended up suffering significant power shortages, which in 2006 contributed to a 5 percent decline in GDP.

These are shocking as stand-alone facts and thus were powerful communications messages to counter those from the campaign opposing the project.

Vocalizing these messages in all project communications, including print and online materials, as well as by members of the task team during interviews with the news media, and supporting them with economic, environmental, and social impact assessments and project documentation enervated much of the potency of the negative campaign, which was based on weaker arguments about negative environmental and social impacts. A media analysis following the Board approval in 2007 showed that over 90 percent of news articles were neutral or positive about the project and carried at least one of the positive elements or factoids put out about the project.

3) **Use active transparency to manage risk; it removes barriers, builds credibility, and fosters dialogue.**

In high-risk, high-profile projects, it is important to identify and use available project information to its maximum potential, to develop technological tools that help provide that information to the public in real time, and to use that openness in achieving communications objectives. Openness is not only Bank Group policy and good business practice; in this instance it also helped the project team overcome false perceptions created by critics.

The team captured, organized, and shared as much project information and related documentation as possible via an easy-to-find Web site (www.worldbank.org/bujagali) and other multimedia,2 both for the sake of transparency and dialogue and to preemptively disarm critics’ accusations of opaqueness. Everything from the Project Concept Note, to the project’s economic analysis and Environmental Impact Assessments, to the strategic assessment of power development options served as evidence in the court of public opinion, since these documents were publicly available for review. Even the Power Purchase Agreement, which is usually a confidential document, was shared by BEL through Uganda’s Electricity Regulatory Agency.

A related lesson on transparency was for the task team not only to identify a select few project spokespeople, but to budget time for them to answer incoming queries. By budgeting around 5 percent of their time for that purpose, they were able to regularly and thoroughly address difficult questions about the project from news media and other sources, thereby demonstrating openness and willingness to engage.

4) **Require that communications efforts be guided by staff based in the project country to significantly reduce risk.**

Because the Bank Group is headquartered in Washington, with that come many activities and plans that are developed and led outside of the project country. Even many of Bujagali’s global communications activities were directed from Washington, although the Bujagali team developed and implemented its communications strategy in regular collaboration with country office staff.

Having country presence throughout the process is especially critical in a high-risk, high-profile project. For Bujagali, this meant identification of, and two-way information flow to, project decision makers and other stakeholders, including parliamentarians and other officials. That communication was vital in ensuring that messages about the Bujagali dam reached intended audiences.

An in-country presence also facilitated rapid response to actions by project critics. For example, with only 24 hours’ notice, local Bank Group staff were able to attend a surprise public event hosted by anti-Bujagali project campaigners. This allowed the team to present public evidence in support of the project, thereby disarming an event originally intended by its hosts to thwart it.

**Conclusion**

In April 2007, the Board showed solid support in its approval of the Bujagali dam project. The anti-Bujagali campaign continued, and in December 2008, the Board welcomed an Inspection Panel report and approved the range of actions set forth in the management response. The Board noted that the Bank Group should remain engaged in Uganda’s energy sector. Some Board members expressed the view that the Bujagali project was an example of an improved World Bank Group approach to infrastructure projects and its commitment to address associated economic, environmental, and social dimensions of development projects.

![The Bujagali Hydropower project in Uganda will help reduce the need for the more polluting, diesel-fired power plants, such as this one in Jinja.](image_url)
Although the project continues to evolve, the storm seems to have passed for now. Some lessons from Bujagali were and continue to be applied to other projects in the Africa energy sector, such as the Bumbuna hydroelectric plant in Sierra Leone.

As for Bujagali, the project won Euromoney’s Power Deal of the Year in 2007. Construction began in June 2007, and is set to start producing electricity in late 2011. For now, the country is still forced to rely on diesel-fired power generators to meet the energy gap.

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