

EarthTrends Featured Topic:

Multi-Stakeholder Processes: The Legacy of the World Commission on Dams

Source: *A Watershed in Global Governance?: An Independent Assessment of the World Commission on Dams*

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The World Commission on Dams (WCD) was a unique experiment in global public policymaking. Convened in 1998, the WCD represents a high-profile example of an emerging trend in environmental governance: the so-called multi-stakeholder process. Such processes depart from the tradition of global commissions composed entirely of "eminent persons," that is, elder statesmen and women with distinguished records of public service occupying a broad "middle ground" of opinion. The Commissioners of the WCD were indeed prominent individuals, but they were prominent as active practitioners and participants in the often contentious, sometimes acrimonious debates surrounding the construction of large dams. In many cases, Commissioners were selected precisely because they were affiliated with distinct constituencies, ranging from grassroots anti-dam protestors to global engineering firms engaged in dam construction. These diverse voices were brought together on the WCD to address the conflicting viewpoints that have made large dams a flashpoint in policymaking on environment, development, and human rights.

The Global Dams Controversy

Proponents argue that large dams are essential to satisfying growing global demand for water, energy, and food, especially in developing

countries. Opponents point to the negative social impacts of dams, which have displaced some 40 to 80 million people worldwide (Source Year). They also cite serious environmental damages associated with dams, such as destruction of riparian habitat and species breeding grounds, interference with fish migratory routes, changes in the temperature and chemical composition of the dammed river, and downstream effects from increased sediment and nutrient flows (*see Box 1*).

The availability of various alternatives (especially for power generation) has rendered large dams anachronistic and unacceptable, critics say. Civil unrest has slowed or stalled work on dams in several countries India, Lesotho, Malaysia, and Nepal, for instance in some cases even leading to project cancellation. The high costs of this social dissent persuaded the World Bank and selected allies in international finance and industry that a new approach was needed to get beyond the constant conflict (WCD 1999). In 1997, the Bank teamed with the World Conservation Union (IUCN) to convene a group of actors from all sides of the dams debate to discuss the main issues. At the participants' request, IUCN and the World Bank helped create the World Commission on Dams shortly thereafter. The Commission's brief was to assess the performance of large dams and their contributions to development and to formulate principles and guidelines for planning, building, managing, and decommissioning dams.

The selection of Commissioners was the first of many hurdles the WCD would have to clear. The process of assembling a group that was sufficiently small and cohesive but also fully representative of the vastly different perspectives on dams issues was challenging and contentious, so much so that the effort was nearly sunk on several occasions by the clash of fiercely opposed viewpoints. Eventually, a 12-member commission was appointed, with representation from governments, the private sector, academia, and non-governmental organizations (NGOs) and social movements (*see Box 2*). The Chair and Vice-Chair came from developing country governments.

How the WCD Established a Credible Process

From its first meeting in May 1998, the Commission embarked on a 2-year fact-finding mission. The objective was to build a knowledge base on the development impacts of large dams and alternatives for providing water and energy services?knowledge on which the Commissioners would ultimately draw to craft their findings and recommendations.

According to an independent assessment of the unique WCD multi-stakeholder process (Dubash et al. 2001), four factors enabled the Commission to establish a credible working process: representation, independence, transparency, and inclusiveness.

- The Commission's composition was carefully balanced to include adequate **representation** of developed and developing countries as well as key stakeholder groups such as government, business, and civil society. Five of the 12 Commissioners were women.
- To demonstrate its **independence**, the Commission sought diversified funding from all sides of the debate (government, industry, and non-governmental groups) and established a policy of seeking only funds that came with no strings attached. The WCD process was also independent of the convening institutions (the World Bank and IUCN), which were not represented on the Commission and which did not control its operations or decision-making process.
- To keep the process **transparent**, the Commission posted hundreds of documents on its website to inform a wide range of stakeholders about the Commission's fact-finding work. The website won awards for its comprehensiveness and navigability.
- To maintain an **inclusive** process, the Commission adopted an open-ended approach to knowledge gathering, inviting stakeholders to submit "grassroots" evidence as well as conventional technocratic studies about whether dam projects had advanced their society's development. Grassroots input to WCD hearings often marked the first time that government officials had heard directly the

voices of people affected by dams and the alternative viewpoints of non-governmental organizations.

The Commission's Findings

Thanks in part to its commitment to transparency, openness, and independence, the Commission was able to gather a large knowledge base and produce a consensus report, which was released in November 2000. The report significantly reframed the global dams debate, placing human rights at its very center. The Commission argued that until now, human rights considerations have been brushed aside in the rush to capture dams' perceived benefits. Governments and developers have systematically failed to assess the range of potential negative impacts and to put in place adequate mitigation and compensation measures. At the root of these failures are inequitable power relations within and among nations as well as closed decision-making processes.

The Commission created a framework for future water and energy decision-making that explicitly recognizes the rights and risks of different stakeholder groups affected by a proposed dam. Historically, those voluntarily taking a risk in developing and constructing dams, such as governments and investors, have been given a prominent role in decision-making and numerous opportunities for their concerns to be addressed. In contrast, those involuntarily put at risk, such as displaced communities and communities that stand to lose their fishing livelihoods, seldom have had a voice in deliberations.

The WCD framework calls for a "rights and risks" approach to making decisions about dams, which should respect the rights of all relevant stakeholders, take account of the risks they bear, and

promote negotiation toward appropriate outcomes. Within this broad framework, the Commission proposed seven strategic priorities (see Box 3) to guide future decision-making and offered 26 specific guidelines for putting these principles into practice when assessing water and energy options and planning and operating dams (WCD 2000).

The Legacy of the WCD

In the 2 years since release of the WCD report, the challenge for its supporters has been to promote adoption of its framework as the basis of a set of international norms for decision-making on dams. Some institutions, like the governments of China and India, have rejected the report outright, citing concerns that the proposed consultations and safeguards would indefinitely stall new dam projects. The World Bank committed to incorporating the report's seven strategic priorities into some of its strategies, operations, and outreach to client countries. However, the Bank will not adopt the 26 guidelines, instead leaving it up to individual governments and/or private developers to decide whether to apply some or all of these guidelines in the context of specific projects (UNEP 2001).

The most comprehensive and action-oriented approaches have arisen from multi-stakeholder processes convened at the country level. In South Africa, a committee representing government, utilities, affected communities, NGOs, private sector, finance, and research organizations is assessing how existing South African legislation meshes with the Commission's guidelines. The committee will issue recommendations for specific stakeholder groups on how they can remedy gaps in policy, implementation, and knowledge (South African Steering Committee 2002). In Pakistan, IUCN is convening a series of multi-stakeholder workshops at the

government's request. Participants are reviewing the Commission's strategic priorities in order to assess their relevance and applicability to the Pakistani situation.

There have also been efforts to apply the WCD guidelines at the project level. For instance, the consortium funding Laos' Nam Theun II dam and the American company behind Uganda's Bujagali dam contracted consultants to assess the degree of project compliance with WCD guidelines. The Swedish aid agency SIDA is assessing the environmental and social impacts of two SIDA-funded dams—the Pangani dam in Tanzania and the Song Hinh dam in Vietnam—with a view to implementing additional mitigation measures. Consultants on these contracts will be required to abide by WCD

guidelines. However, this agency, like many other multilateral and bilateral donors, considers that affected people's claims for compensation are generally a matter for national governments to address (Development Today 2001). In contrast, the WCD report suggests that aid agencies "review the portfolio of past projects to identify those that may have underperformed or present unresolved issues and share in addressing the financial burden of such projects for borrower countries" (WCD 2000: 315).

The international decision-making norms developed through the WCD process could potentially be applied to advance better, more equitable environmental governance in other sectors. The multi-stakeholder approach has been adopted by the Extractive Industries Review, a process

housed within the World Bank to inform its future policy on extractive industries, including oil, gas and mining. However, many NGOs monitoring the Extractive Industries Review process consider it a weak cousin to the World Commission on Dams. It is tied closely to, rather than independent of, the Bank and has far less funding and fewer staff resources than the WCD process.

The World Commission on Dams demonstrated that through a painstaking process of common learning and dialogue, individuals representing the extremes in a debate can overcome differences and craft a wholly new vision of a controversial issue. The challenge remains to chart a pathway to implementation that can encompass the potential creativity of multi-stakeholder processes.

BOX 1

Facts about Dams

- Most of the world's 40,000 large dams (more than 15 meters high) have been constructed in the last 35 years.
- Sixty percent of the world's rivers have been affected by dams and diversions.
- The storage capacity of the world's dams represent a 700 percent increase in the global standing stock of water in river systems compared to natural river channels in 1950.
- More than three quarters of Asia's total water storage capacity by volume was constructed during the 1990s.
- Almost 60 percent of South American reservoir capacity has been built since the 1980s.

Sources: ICOLD 1998; Vorosmarty et al. 1997; Avakyan and Iakovleva 1998.

BOX 2**The Commissioners****Kader Asmal**

WCD Chairperson
Ministry of Water Affairs and Forestry, South Africa

Lakshmi Chand Jain

WCD Vice-Chairperson
High Commissioner to South Africa, India

Judy Henderson

Oxfam International, Australia

Göran Lindahl

Asea Brown Boveri Ltd., Sweden

Thayer Scudder

California Institute of Technology, United States

Joji Cariño

Tebtebba Foundation, Philippines

Donald Blackmore

Murray-Darling Basin Commission, Australia

Medha Patkar

Struggle to Save the Narmada River, India

José Goldemberg

University of São Paulo, Brazil

Deborah Moore

Environmental Defense, United States

Shen Guoyi*

Ministry of Water Resources, China

Jan Veltrop**

Honorary President, ICOLD, United States

Achim Steiner***

WCD Secretary-General
Germany

* Resigned, early 2000

** Joined Commission in September 1998, to replace Wolfgang Pircher the original nominee

*** Initially an ex-officio Commissioner

Note: Affiliations as of 1998.

Source: World Commission on Dams, Interim Report, July 1999.

BOX 3**The WCD's Seven Strategic Priorities for Decision-Making on Dams**

- **Gain public acceptance:** Recognize rights, address risks, and safeguard the entitlements of all groups of affected people, particularly indigenous and tribal peoples, women, and other vulnerable groups.
- **Comprehensive options assessment:** Identify appropriate development responses based on a comprehensive and participatory assessment of water, food, and energy needs, giving equal significance to social and environmental *and* economic and financial factors.
- **Address existing dams:** Optimize benefits from existing dams, address outstanding social issues, and strengthen environmental mitigation and restoration measures.
- **Sustain rivers and livelihoods:** Understand, protect, and restore ecosystems at the river basin level.
- **Recognize entitlements and share benefits:** Use joint negotiations with adversely affected people to develop mutually agreeable and legally enforceable mitigation and development provisions that recognize entitlements and ensure affected people are beneficiaries of the project.
- **Ensure compliance:** Ensure that governments, developers, regulators, and operators meet all commitments made for the planning, implementation, and operation of dams.
- **Share rivers for peace, development, and security:** Initiate a shift in focus from the narrow approach of allocating a finite resource to the sharing of rivers and their associated benefits.

Source: WCD 2000.

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