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## Introduction: World Commission on Dams Report, Dams and Development

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# INTRODUCTION: WORLD COMMISSION ON DAMS REPORT, *DAMS AND DEVELOPMENT*

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## PREFACE

The World Commission on Dams (“WCD”) completed its work in the second part of 2000. The WCD presented its report, *Dams and Development*, in November 2000 and conducted its meeting in late

February 2001. It served as an occasion for the wide range of stakeholders, who had accompanied and contributed to the Commission's work, to respond to the report, share information on subsequent steps, and discuss proposals for common action to take the debate further.

As expected, reactions to the report have been diverse. It is gratifying that praise has come from a wide range of individuals concerned with water and energy development issues, who support the fundamental values and principles on which the report's conclusions are based. Most of the critical reaction was expected. The report represents a significant departure from traditional thinking on the role of large dams in water and energy development. It also introduces several considerations that were not previously given much weight in decision-making. This will take some getting used to.

Ten months have passed since the Commission's findings were made public. The report—its values, principles, guidelines, and recommendations—has been bequeathed to the broad and diverse constituencies concerned with large dams. It is a tool with which they must develop better processes, better decisions, and better development outcomes in the areas where large dams constitute an ingredient in the development mix. Ten months is too short a period of time to judiciously assess the impact of the WCD. It is, however, long enough to look back at the Commission's process and reflect on its significance.

It is my honor to introduce this special issue of the *American University International Law Review*, devoted to the WCD, to reflect on the Commission—why it came about, where it came from, how it has worked, what obstacles it had to overcome, and how it pioneered new approaches to consensus building. I shall offer my view on what succeeded and why, as well as the challenges that lie ahead.

The WCD marks a milestone in the slow process of adjustment to a new development paradigm. As such, its significance extends beyond the issue of large dams. Its findings are, with little adaptation, broadly relevant to large infrastructure developments anywhere, and in large measure, to the process of development decision-making as a whole.

## I. GLOBALIZATION

Recently, it has become common practice to attribute all change, positive and negative, to globalization. The concept has become an almost meaningless cliché. Rapid change on a global scale is easily understood. Local, national, or regional changes having a global impact are similarly comprehensible. Behind the cliché of “globalization” is a subliminal fear that the pace of change has spun out of control, and shifted or eliminated the fixed reference points from which we used to derive our security. It is also contended that the benefits of globalization have been disproportionate between the South and the North. This fear excites some, who imagine a technological revolution that will raise humanity to a new plateau of prosperity and well-being. Others—perhaps more numerous—fear anarchy where unknown and unrevealed forces rob humanity of its autonomy, identity, and character.

While it is not our intention to debate globalization, it is important to note that the WCD could not have come about, nor achieved success, had it not been for some of the major changes witnessed over the past couple of decades under the guise of “globalization.” Three of these changes appear to be of particular significance:

*The Rapid Spread of Information Technology*, now accessible almost worldwide, even to remote areas. It has reduced both the time and cost to communicate, such that communication worldwide is now almost instantaneous and accessible to most organized groups. This has led to the “globalization” of many local issues by offering local groups a global audience for their issues. It has greatly increased the effectiveness of civil society networks and the impact of their campaigns. It has also put considerable pressure on such anti-democratic behavior as corruption, human rights abuses, and censorship.

*The Internationalization of Capital*, made easier to gain access to capital in other countries and regions, and to expand investors’ reach of their activities well beyond their borders. One resulting collateral effect is the rising pressure on investors from developed countries not to apply lower standards in their international operations than they would at home. Experience in this area has lent considerable momentum to movements calling for corporate social and

environmental responsibility. It has stimulated a debate about which standards should justifiably be applied, thus opening the door for a new examination of human rights, governance, and democracy issues.

*The Increased Pace of Change*, placing enormous adaptive pressures on our institutions. It is interesting to note in this context that globalization offers a competitive advantage to those institutions with the greatest capacity to adapt rapidly—favoring corporations and civil society over national governments and intergovernmental organizations. It has also prompted different groups to experiment with cooperative approaches across sectors, in part, to overcome the obstacles to change inherent in some institutional partners.

#### A. REDEFINING ROLES

Attributable to globalization or not, the roles of corporations, the public sector, and civil society have been redefined. The change in the role of national governments is the most evident—and most significant for the case of the WCD. National governments have witnessed a three-way migration of the authority—voluntary or involuntary—once vested in them:

Upward migration to supranational structures with functions once vested solely in the State, such as the European Union ("EU"), the International Monetary Fund ("IMF"), or the World Trade Organization ("WTO");

Downward migration to regional and local levels of government, in keeping with the principle of subsidiarity and in response to public demand for lighter central government structures; and

Outward migration to the market, corporations, and elements of civil society. Many functions formerly resting with government are now privatized, or abandoned and adopted by non-governmental organizations ("NGOs") and other elements of civil society.

I suggest above that those groups with the greatest adaptive capacity have benefited from rapid global change, while those with the greatest difficulty in embracing change have suffered. Prominent among these are the intergovernmental institutions at the forefront of global economic management—the World Bank, the IMF, the

WTO—and to a lesser extent the organizations of the United Nations. These organizations, despite attempts at communication with NGOs, retain a decision-making structure that is barely accountable to governments. The World Bank is the agency in this group most relevant to the dams debate. Its traditional mode of operation—high-level dealing with central governments on the basis of a technical dossier—too often leads to results that are problematic, leaving behind a number of failures. The factors behind these failures are significant for the dams debate, as seen below.

### *1. The Collapse of the Washington Consensus*

The collapse of the Washington consensus and the search for a new paradigm to replace it are the final elements needed to place the WCD in context. For most of the 1980s and 1990s, it was difficult to counter the powerful macroeconomic ideology that stated that the rapid removal of barriers to trade and to the flow of capital would place countries on an accelerated path to prosperity. While acknowledging that the period of adjustment could lead to some social and environmental dislocation, this ideology insisted that the new growth would generate the means to address the problems thus caused.

It is now evident that while the Washington consensus approach did indeed stimulate growth, it did so at the cost of increasing income gaps between rich and poor countries, and between the rich and poor within countries. It greatly benefited those with access to capital—in particular large corporations and shareholders—while worsening social and environmental conditions, and creating a large mass of “excluded” people. During the past two decades, the gaps in income distribution have continued to widen. Thus, while the major international institutions governing the macro-economic regime have all solemnly rededicated themselves to poverty alleviation, the application of their policies reinforces a system that has contributed both to the generation of substantial wealth and to the deepening of the poverty gap worldwide.

### *2. Elements of the New Development Paradigm*

The WCD stems from the growing backlash against this model of

development, and offers a more structured, positive, and constructive version of the street protests now part and parcel of most international trade or economic summits. It is part of a wide front of experimentation both to identify, design, and implement a new development paradigm, and to identify a new set of macroeconomic reference points. The WCD is a product of globalization. It is, in effect, a child of the backlash against a failed model of development, one in which economic development trumped wider social and environmental concerns.

What will the new development paradigm look like? While to date there is no new broadly accepted standard, its elements are becoming clearer. Perhaps the most exciting trend is the gradual convergence of models of development with human rights. The human rights debate and the right to development debate once occupied separate and differentiated spaces and constituencies. It has become clear over the past decade that successful and lasting development requires a set of preconditions. It is not simply a matter of applying economic resources to problems. Rather, investment will only yield sustainable results if institutions are in place and functioning, systems of governance are democratic and accountable, and basic freedoms are respected.

The title of Nobel laureate Amartya Sen's recent book, *Development as Freedom*, encapsulates this new thinking: "Without basic human freedoms, development efforts are built on sand." The United Nations Development Program ("UNDP") 2000 Human Development Report focused entirely on the linkage between human rights and human development, a significant departure for one of the leaders of the "right to development" thinking. The World Bank, in a recent report by David Dollar and Lant Pritchett entitled *Assessing Aid: What Works, What Doesn't and Why*, seeks to demonstrate that development investment in countries without the basic institutions of democracy, good governance, and fundamental freedoms generally leads to disappointing results. In contrast, such investment yields significant development benefits in countries that respect the fundamental freedoms.

This convergence between human development and human rights ideologies is significant because it extends beyond mere economic and institutional analysis of development, to a theory fundamentally

grounded in human rights concepts. Moreover, in underlining the universal nature of human rights, it progresses beyond the relativistic arguments behind which a great deal of human suffering has been hidden. It is to be hoped that environmental thinking will also follow. When that happens, we might anticipate a new “consensus.” It will likely resemble the idea of sustainable development. The WCD represents perhaps the first solid application of this triple convergence.

### *3. Origins of the WCD*

The evolution of the development debate described above sets the stage for a significant shift in the dams debate and offers a general explanation of the background against which the WCD was established. The specific trajectory that led to the formation of the WCD is worth tracing.

One need not think too far back to recall the days when large dam projects were a matter of significant national pride. Heads of states inaugurated large dams that carried the names of presidents, graced the covers of nationalist magazines, and adorned postage stamps. They encapsulated, in a very visible way, man’s (and I use the term advisedly) taming and harnessing of the forces of nature. They were a potent symbol of progress and of the escape from the seemingly inexorable grind of poverty and deprivation. A politician promising a dam triggered in the public imagination the promise of jobs, power, industry, and development. Dams provided electricity, water, and crops—the fundamental and undeniable requirements of a better life.

The twentieth century witnessed a steady increase in the building of large dams. It evolved from a trickle in the early decades, to a steady stream in the decades following the Second World War, and finally to a roaring stream in the three “dam decades” of the sixties, seventies and eighties. Between 1970 and 1975, nearly five thousand large dams were built, resulting in a dam-building frenzy of approximately three “dam starts” per day for five years. The dam-building wave began in richer countries and then slowly moved South. Currently, over half of the world’s large dams<sup>1</sup> are in China

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1. The WCD used the definition of large dams adopted by the International



and India, and approximately two thirds are in the developing world overall, where most of the remaining potential still lies. Dams provide ninety-three percent of Brazil's electric power and more than ninety-nine percent of Norway's. They provide the irrigation water responsible for some twelve to sixteen percent of world food production and are the principal source of domestic water supply for cities around the world. They perform an indispensable service in controlling floods and in providing both water and power for industrial development.

Dams were a popular answer to a wide range of fundamental human needs throughout the first four-fifths of the twentieth century. While they sometimes excited local controversy, they rarely attracted more than episodic notice by the wider public.

However, in the 1980s, and even more so in the 1990s, dam projects excited controversy, served as the object of ever-larger and more successful campaigns, and began to take their place as one of the most contested and spurned forms of development intervention worldwide. Anti-dam campaigns began to achieve notable successes. Dam projects were subject to long delays, escalating costs, and a sharply increased level of investment risk. The number of large dams commissioned fell from a high of 5,418 in the 1970s, to 2,069 in the 1990s, and the downward trend is continuing. Dams are no longer seen as the proud symbols of progress they once were, and some countries, such as the United States, decommission more large dams than they currently build. The debate now focuses on the practicality of removing more dams and the cost of compensating those harmed. Dams have become intensely controversial; the pendulum has swung to the other extreme.

## II. WHAT WENT WRONG? A LOOK AT HOW THE DAM INDUSTRY CHANGED

Understanding the answer to this question is essential to understanding the genesis of the Commission. Described above, the answer rests on three factors relating to the changing context. First, it

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Commission on Large Dams ("ICOLD"), namely dams over 15m in height, and dams between 5 and 15m high that have a reservoir volume of more than 3 million m<sup>3</sup>.

is important to note that the dam-building industry was in trouble, even without the damaging pressure from dam opponents. The technology for power generation, irrigation, drinking water supply, and flood management developed significantly. Further, large dams must now compete with more efficient and considerably less expensive forms of generating energy as a result of greatly improved technology in coal, oil and gas-fired electricity, and innovations in the field of renewable energy. As the efficiency of transmission and storage of energy increases, dispersed generation has replaced large-scale, centralized generation.

#### A. INNOVATIONS IN TECHNOLOGY

Although less dramatic, innovations in irrigation technology have also changed the economics of large dams built for agricultural production. Improvements in irrigation management often offset the need for new water impoundments. The same is true in other areas. Thus, the economics of water and energy development have turned against large dams, in favor of other methods of meeting pressing development demands. The trend towards full-cost accounting in development investment has also negatively impacted large dams. Dams, like nuclear power, have benefited from conditions not available to other sources of water or energy such as subsidies, low-cost credit, government guarantees, tax holidays, and monopoly rents—things that once skewed the economics of water and energy development in their favor. The gradual dismantling of such conditions has soured the economics of large dam building. The dams industry—especially the hydropower sector—faced trouble even without the Commission and anti-dam campaigns.

#### B. EXTENSIVE INFRASTRUCTURE

Large infrastructure projects are particularly vulnerable to negative campaigns, both because of their visibility and because they involve a large upfront investment before profits are realized. Large dam projects take years to design, years to make their way through the decision-making stages, and many more years to build. During this time, they often serve as potent symbols of everything that dam opponents dislike—alleged abuse of political power, corruption,

disregard for affected people, and the sacrifice of environmental integrity. Their high visibility is an important factor in the success of opposition campaigns.

The nature of the investment also increases the visibility of these projects. Although less dramatically than in mining, where the industry is more vertically integrated, massive investment—much of which is made before the dam begins to yield benefits—characterizes dam projects. Years into a project, it is typical to witness tens of millions of dollars expended or committed, without a penny of return in the form of electricity sold or water rents collected. At this stage, investors are vulnerable, a fact that has not escaped the notice of dam opponents. Their increasing success in agitation against exposed investors set the stage for the Commission's attempt to work out a compromise.

Finally, I have noted that the great majority of large dams built in the past decades are located in the developing world. In most cases, because of the scale of investment required, they have relied on international financing and on expertise and technology from foreign contractors. Indeed, most large dams built today involve international consortia with banks, insurance providers, engineers, equipment suppliers, and technical specialists from many different countries, typically in Western Europe or North America.

### C. ACCOUNTABILITY

Members of such consortia are increasingly held accountable at home for their activities abroad and are pressured to apply the same standards to their international operations. The highly effective campaigns against cheap child labor demonstrate that new standards of transparency are a reality and that new standards of accountability are forthcoming. Most corporations can withstand an incident leading to negative publicity, but few can ignore high-profile negative publicity sustained over a period of years. Increasingly, the game for corporations is reputation management, since reputation is a key factor in maintaining share value. With the price of controversy growing, the option of a negotiated settlement looks increasingly attractive.

What applies to the corporate world applies also, to a large extent,

to international organizations. The NGOs "50 Years is Enough" campaign damaged the World Bank in spite of its impressive political and economic power. Similarly, the WTO has suffered a sharp loss of legitimacy after Seattle, despite the importance of trade liberalization to economic growth.

#### D. ROLE OF THE WORLD BANK

The World Bank played a critical role in the establishment of the WCD. The incoming President, James Wolfensohn, committed the Bank to greater transparency, and to greater accountability to the Bank's investors. He also promised greater accountability in terms of the development benefits achieved (or missed) as a result of Bank projects, and a greater opportunity for NGOs and other outsiders to gain access to Bank information and to contribute to reviews of Bank policies and practice. The World Bank Inspection Panel, which hears cases brought by people aggrieved by Bank projects in their area, and the Ombudsman's office established in the Bank's International Finance Corporation, serve as examples of this new openness in practice. So, too, is the enhanced role given (and greater attention paid) to the Bank's own Operations Evaluation Department ("OED"), an example of the new transparency.

In 1994, the Wappenhans Report documented the high failure rate of Bank projects, shaking the Bank's confidence. At the same time, the OED undertook a survey of 50 large dam projects implemented through funding from the World Bank. They looked both at the success of the development objectives of the dam, and the extent to which the Bank's own policies and guidelines had been respected in the course of project design and implementation. In keeping with the new trend of greater openness, accountability, and opportunities for NGO participation, the OED asked the World Conservation Union ("IUCN") to join in hosting an open workshop to provide an independent review of the report. The IUCN and the World Bank planned an expert meeting at IUCN Headquarters in Gland, Switzerland, beginning in April 1997.

The emerging international water debate also provides useful context for discussion of the WCD Report. The 1990s saw the rapid emergence of the international water debate and a rapid shuffling

among institutions eager to shape and lead the debate, prominent among which was the World Bank. The environmental frenzy surrounding Rio triggered the World Bank to paper the globe with National Environmental Action Plans, and to secure a dominant position in the new Global Environment Facility. The announcement of the Kyoto Protocol and the promise of a new market for carbon trading led to the rapid establishment of the Prototype Carbon Fund. Today the emphasis is on poverty alleviation. In the 1990s the Holy Grail was water. Securing the prize was important to all. The debate on water use could not be endangered over the dams debate—hence the Gland meeting.

#### E. THE GLAND MEETING

The World Bank's OED wanted an independent, objective review of its report. What did that mean? What standards of objectivity should be applied? From the beginning, the World Bank and IUCN debated on the design, conduct, and participants in the Gland meeting. This debate preceded the creation of the WCD, because it came down to the issue of legitimacy. Questions arose as to who would be a legitimate participant, who held a stake in the dams debate, and criteria for qualification.

In the end, the World Bank and the IUCN—the Commission's two "midwives"—agreed on a number of issues that would become the basic building blocks of the WCD. They agreed that no legitimate debate could exclude any significant player, no matter how extreme their views. They agreed that the debate needed to include representatives of the different currents in the debate, and that those sides should be balanced. Further, they agreed that there could be no *a priori*s; the debate would go where the evidence led it.

As a result, the Gland meeting in April 1997—though often tense, with open controversy brimming near the surface—was a pilot run for the WCD itself. It gathered 39 participants from different governments, the industry association of the dam builders, and representatives of dam-affected peoples. It included water and energy development professionals, environmentalists, sociologists, and engineers. The World Bank and the IUCN, by prior agreement, each limited its own participation to five members.

Despite the quality of the debate, and the generally good atmosphere that reigned (someone, inevitably, suggested that the “Spirit of Gland” be declared), the meeting could do no more than agree on the priorities for further work. They agreed that:

Since no comprehensive, independent assessment of the impact of dams on development existed, the public debate on the merits of large dams remained a debate with varying purposes. Any attempt to reach broad agreement on large dams as an option for meeting water and energy needs would require such an assessment to be made. Going beyond controversy and conflict necessitated a common basis for judging large dam projects. Such agreement required negotiation among all stakeholders.

Neither the World Bank, nor the IUCN, on its own had the credibility or capacity to host such a process, nor was it possible to identify any combination of existing institutions that would be acceptable to all parties. Thus, they recommended the establishment of an independent, time-bound Commission, to be entrusted with the two tasks set out above.

The two “midwives” had the responsibility of establishing the Commission in close consultation with the Gland meeting participants, who themselves acted as an informal reference group of the process.

### III. THE WORLD COMMISSION ON DAMS

The nine months during the WCD’s formation proved to be a dramatic stage in the WCD life-cycle and merits an article in its own right. It is a case study not only in multi-stakeholder processes, but also in seeking and finding common ground among people and constituencies with diverse perspectives, languages, and reference points.

The challenge consisted of choosing a group of thirteen men and women whom all the key stakeholder groups would consider to represent their views and an acceptable balance overall. To complicate matters further, Commission members had to be representative of all geographical regions and from the key dam-building countries. Moreover, they had to strike an acceptable gender balance. The Commission had to represent governments, the private

sector, and civil society—the latter consisting of both dam-affected people and indigenous groups. Lastly, it had to reflect a full range of skills and experience (engineering, environment, social sciences, etc.), as well as a full range of professions associated with dam-building (regulation and project finance, dam-building and operation, hydropower, irrigation and water supply).

The process was not perfect. The dams industry never lost the grudging feeling that their perspective was underrepresented on the Commission. Moreover, one of the key government players, Shen Guoyi from China, had to step down due to illness. Nevertheless, the quality of the individuals on the Commission, the balance that—despite some grumbling—was sought and achieved, and the solidarity and team spirit that emerged over the two-year period of our work, accounted for our success. I would like here to salute the talent, energy, and dedication of the Commission, which I believe to be unique in the history of such endeavors.

#### A. THE SECRETARIAT

The Commission's members chose Achim Steiner to sit on the Commission and chair its Secretariat. If the World Bank and the IUCN were the godparents of the WCD, Steiner was surely the matchmaker. It was his work in the IUCN's Washington office that built the World Bank's trust in the IUCN, and that ultimately led to the Gland meeting. He was a natural choice to lead the Secretariat. However, his appointment resulted after an exhaustive selection process.

Steiner assembled an excellent and highly experienced group of men and women from around the globe and turned them in very little time into a highly effective work force. It is clear that the work of the Commission could not have reached its successful conclusion without the data-gathering, analysis, and background preparation undertaken by the Secretariat. Nor would it have been possible if the Secretariat had been composed only of technical experts. In fact, the Secretariat sought, in its make-up and skills, to mirror the balance and diversity of the Commission. This not only made for lively debates in the Cape Town offices, but it also meant that what was submitted to the Commission for consideration had already

undergone the multicultural and multi-perspective screens of the Secretariat. Many of the rough spots were already sanded down by the hands of the Secretariat, leaving the key issues for the Commission to debate.

Any commission can only be the tip of the iceberg. While it may scintillate magnificently in the sun, it relies on the dark mass beneath the surface to hold it up to the sun. The consistently high-quality support of the Secretariat was and is fundamental to the WCD's success.

## B. THE WCD FORUM

The Gland group did not simply disperse after the April 1997 meeting. It was far too valuable. Indeed, it was the source of the WCD's mandate and one of the main sources of its legitimacy. It played an important role as a reference group in the choice of Commission members, and collectively constituted an invaluable source of advice, expertise, and ideas.

On the advice of the Gland group, the Commission established a WCD Forum to accompany its work. The Forum based itself on the balance represented by the Gland group, but not exclusively on its exact membership. It consisted of organizations (rather than individuals) and roughly doubled the size of the Gland group. This group of sixty-eight members had no formal role in the mandate of the WCD. Instead, it constituted a reference body, a corps of advisors, and a bouncing board for the Commission.

The Forum met three times in the course of the Commission's work. The first meeting was held in conjunction with the Commission meeting in Prague, and served as an opportunity to review and discuss the Commission's work program. It provided the Commission with its first "reality check."

The second meeting took place in Cape Town in April 2000, at a time when the Commission was more than halfway through its work program, and had gathered most of the material on which the report was to be based. This meeting served to test many of the ideas that were beginning to crystallize in the Commission debates. It mapped out the currents that were raging in the Commission's constituencies and the danger points around which the Commission would need to



navigate.

The Forum called its final meeting in late February 2001 over four months after the Commission launched its report. The timing of this meeting was important because there was still significant momentum generated by the release of the WCD Report. However, the meeting also took place sufficiently long after the public unveiling of the report such that the members of the Forum had the opportunity to study the report and discuss it within their own constituencies.

This meeting afforded Forum members the opportunity to react to the Commission report, report on actions taken pursuant to it, and seek support for activities aimed at furthering the dams debate. In a very realistic way, this final Forum meeting marked the assumption of the Commission's mantle by the broader constituency concerned with energy and water development. It signified the final passing of the torch to the Commission's proper heirs.

The Forum concluded that optimizing the impact of the WCD report required actions to be taken beyond the initiatives of individual stakeholder groups. The international nature of the WCD process should now be expanding the debate further at the country and institutional level. The focus of the activities is now placed on providing information and assistance.

The final Forum meeting agreed on the establishment of the Dams and Development Unit ("DDU"), a small office that would be charged with facilitating the exchange of information among all stakeholders about initiatives and outcomes relating to dams and development. The WCD Secretariat will continue to carry out dissemination and communication efforts while preparing for a smooth transition to the DDU in August 2001.

### C. THE PROCESS

Chapter 1 (and in more detail Annex III of the Commission report) chronicles the process followed by the Commission, its detailed work plan, and its work through nine meetings between May 1998 and August 2000. It will not be repeated here. Suffice to say, given the time and resources available to the Commission, it took on and accomplished a highly ambitious work program. This included both the construction of a thorough knowledge-base on which the contents

of the report rest, and a program of outreach and openness. Moreover, the Commission's work program included the organization of public consultations, the reception and analysis of hundreds of voluntary submissions, and a massive effort to keep an interested public informed as the Commission proceeded through its work.

There will be those who claim that the knowledge-base was inadequate, or that the opportunities to participate in the process were too circumscribed. In response, I insist on the "givens" facing the Commission. It took on a task with a given budget framework and a given time limit upon which our legitimacy and success depended. The Commission believes that the final report is fully supported by the knowledge assembled and analyzed without ignoring any important perspectives gathered during the public consultations, through submissions, thousands of messages, and statements received on the web, via e-mail or by post.

In the end, there was one key element to the success of the Commission process: twelve men and women of integrity, representing every significant perspective in the dams debate, unanimously agreeing upon and signing the report—embracing all of the values, principles, guidelines, and recommendations contained therein.

#### D. A PERSONAL ASSESSMENT OF THE RESULTS

History will judge the Commission and assess the impact of its work. It claims no more than what it set out to do: "to assess the development effectiveness of large dams and assess alternatives for water resources and energy development; and to develop internationally-acceptable criteria, guidelines and standards, where appropriate, for the planning, design, appraisal, construction, operation, monitoring and decommissioning of dams." The report does that, but it also does more. I will now turn to a few features that contributed significantly to the Commission's success, as well as ways in which the significance of the Commission extends beyond the strict mandate cited above.

### *1. Legitimacy of the WCD*

First, I believe the WCD enjoyed exceptional legitimacy. As an independent international Commission, it enjoyed the advantage that all of its predecessors have enjoyed—a relatively unencumbered space and time in which to reach its conclusions, and a solemn public undertaking to judge it on its results. Thus, unlike industry associations, intergovernmental bodies, or NGOs, the Commission could focus exclusively on the task at hand, relatively undisturbed by rivalries, politics, emergencies, and strains that arise in the course of a normal workday. Commission members operated on trust that they would be given their opportunity to deliver results that would advance the debate for everyone.

I am convinced that the Commission enjoyed unprecedented legitimacy—the legitimacy of being the direct offspring of a highly legitimate process. Unlike many other commissions, the WCD did not owe its existence to the United Nations or to the decisions of governments. It was not established at the initiative of a handful of eminent personalities, as was the case for others, nor were the members drawn exclusively from high-flyers and public figures.

Instead, the WCD emerged from a widely-shared perceived need. It arose from a process that gave balanced access to all key stakeholders in a format that they themselves accepted as legitimate. The Commission owes its existence, its mandate, and its trust to the stakeholders in the dams debate, not to a single person or group in particular. This proved to be an extraordinary advantage. Even the two “midwives”—the IUCN and the World Bank—stepped back after the birth of the WCD to play no more than a supportive role with all the other players. As a result, while the WCD was strongly beholden to its stakeholders, it was not tied to any of them specifically, not even to the governments or their intergovernmental forums. The WCD came from the broad constituency for water and energy development, and handed its results back to them. I believe that this was unprecedented, and a critical ingredient in its success.

In addition, an extraordinarily eclectic range of sources funded the WCD’s work—fifty-three contributors, including governments, international agencies, private sector companies, NGOs, and foundations. Furthermore, in accordance with the Commission’s

mandate, all funding was “untied,” with no conditions attached. The funds raised were for allocation by the Commission and Secretariat, as they deemed appropriate.

### *2. The Results Will Show Success*

Second, the WCD possessed a tacit determination that the evidence would speak for itself. There was no assumption that the Commission’s assessment of the development impact of large dams would somehow gravitate to the middle of the spectrum, comfortably locating itself midway between the radical anti-dam movement and the dam promoters. Instead, the Commission went where the evidence took it.

This has surprised and shocked more than a few, on both sides of the spectrum. The Commission concluded that the negative impacts of large dams are considerable and widespread. Many of the more telling impacts—for example, on indigenous people—have been hidden, ignored, or deliberately set aside. In this respect, the report is bad news for dams proponents. On the other hand, the Commission’s assessment of the urgent water and energy needs of developing countries strongly suggests that large dams must remain an option available to planners in the future. The oft-announced demise of large dams is, to paraphrase Mark Twain, greatly exaggerated.

### *3. Consideration of All Factors*

Third, the Commission’s recommendations did not stem simply from a technical or scientific sifting of the evidence. It placed a great deal of emphasis on understanding what is happening to the planet, the implications of the rapid global change recently witnessed, and the impact on institutions, peoples, and ways of doing business. The Commission started from the assumption that the only constant was change. If we are in a period of transition to a new state of affairs, it is because we have emerged from another period of transition and are about to embark on another one.

The Commission understood that the uprooting of many development assumptions may be disconcerting, but saw it as an opportunity to correct many of the mistakes made in the past. It is convinced that its assessment of the changes in development thinking

is correct, and that it is heading for a policy convergence in which the best in development, human rights, and sustainability thinking will emerge to form a robust new conceptual framework for human progress.

#### *4. Formalistic Guidelines*

Fourth, the Commission distilled this into two essential tools that support its guidelines and recommendations. The first is the “rights and risks” framework for decision-making. The second is the set of values that we set out in Chapter 7 of the report. These tools are central to the recommendations of the report.

They are based on the simple, but fundamental, reality that more open and participatory decision-making processes will lead to better decisions. Better decisions will minimize the number of bad projects, and will instead ensure the pursuit of worthwhile projects with broad public support. Fewer unworthwhile projects will lead to less controversy and to more cooperation among parties.

So who participates, and what voice are they given? How can one avoid an endless set of consultation with thousands of stakeholders, leading to endless delays in the implementation of badly needed development activities? The “rights and risks” approach identifies stakeholders in any given decision by ascertaining who has rights in the matter, and who is being asked—or obliged—to take a risk. The voice given to these stakeholders in the decision-making process is commensurate with the extent to which their rights are affected, and the importance of the risks they are asked or forced to assume.

Since the stakeholders come from different social, political, and cultural groups within society, they cannot all automatically be expected to have the same capacity to participate, nor all be equally effective in their participation. A new decision-making culture will have to be nurtured, fed, and allowed to grow. To aid that process, the Commission has five inalienable core values—equity, efficiency, participatory decision-making, sustainability, and accountability—to provide tests and parameters in an effort to foster a new approach to decision-making.

### *5. Step-by-Step Approach*

Fifth, the Commission has moved beyond the notion that a dam project comes to one essential decision point, and that it is at this point that the legitimacy of the process must be assured. Instead, it sets out five key points ranging from need assessment to the scope for improving the operation of dams for making essential decisions and applying values. This step-by-step approach should enable judicious decision-making before the stakes are raised through large-scale investment or political expectation. Unworthwhile projects can be stopped early through the consensual adoption of better options.

The Commission has not, however, insisted upon the immediate unveiling of a perfect world, nor has it signed up to an unattainable Utopia, the subject of its members'. It is well aware—and some reaction to the report proves it—that the faithful implementation of its recommendations would imply a fundamental shift in the conduct of the dams business. The Commission's recommendations challenge current and limiting concepts of national sovereignty and threaten the alliance of interests that not long ago united leading business concerns with water and energy authorities. The findings complicate the way dams professionals work. Moreover, they will likely lead to greater effort and rigor and, at times, greater front-end expenses. However, the Commission members are convinced they will save time and expense associated with controversy, and the need to address the negative fallout from dams further down the line.

I do not envisage any negative implications for development, national interests, or meeting the urgent priorities of water and energy supply as long as the "rights and risks" framework is adopted, the core values are respected, and the guidelines and recommendations in the report are implemented in good faith. These recommendations are practical, viable, affordable, and will lead to substantially better development outcomes.

## IV. HOW THE WCD REPORT HAS BEEN RECEIVED

Having put so much of my own time and energy into the work of the Commission, and having vested in it so much hope, it would be

impossible to deny that I am gratified at the overwhelmingly positive reception the report has received. All sides have stated their support for the Commission's work, which has been awarded two prestigious international prizes. It has also been rewarding to listen to the numerous positive reactions coming from Forum members, their determination to take the process forward, and their use of the report in their work.

Yet, the report has not received a universal welcome. The negative reaction comes principally from two sources. The first is a subset of the dam industry and professional dam-building associations. The report appears to have divided what was once a fairly unified front in favor of dams. The more enlightened companies (and perhaps also those with less at stake) have welcomed the report and pledged to work with and be guided by it. The others feared that the WCD guidelines and recommendations might rapidly become a condition for doing business—a rigid standard without which any dam project will win acceptance. A portion of these groups clearly hopes that the Commission report will fade away.

The other source of resistance is, reportedly, a group of developing country governments with strong dam-building programs who see the Commission report as a threat to national sovereignty. I say reportedly because much of this reaction has come to me second-hand and is often based on misrepresentations rather than actual reports. Further, it is clear that opinions within governments are far from homogenous.

It is important to add that there appears to be a deep consensus concerning the principles and values reflected in the report, as well as the guidelines and strategic priorities. Disagreement arises principally over the intended regulatory force of the guidelines. If intended simply as guidelines, there is no problem. Everyone is content to be guided by them and to take the report's many recommendations at what each considers to be their value. The disagreement arises when it appears that they will form the basis for a new *sine qua non* standard.

Everyone, and every stakeholder group, is entitled to an opinion. Not everyone must like, admire, or pledge to abide by what the Commission has done. The WCD report is a tool for each

stakeholder group to use to further advance its interests. It is my fondest hope that acceptance of the report will grow and consolidate so that in the long run, it will be inconceivable to approach a dam development unless it is based upon the report's proposed approach. I hope that, while not intended to be the basis for legal obligations, the contents of the report will become a more widely accepted normative framework.

## CONCLUSION

The guidelines make it more difficult to proceed with dam projects that do not respect the rights and risks of all key stakeholders and are not decided with their full participation. Further, they should also support and promote dam projects that meet the new development test. In the two years of the Commission's existence, it has not solved the urgent problems of water and energy supply. The development imperative that has led to so many dams in the past remains the same and must be addressed. Dams will always be part of the mix.

In the end, the issue is not dams. Eliminating poverty and deprivation, helping to meet human needs and bettering human prospects is what the process of development must address. These goals must be placed in the forefront. By putting the dams debate in its correct context, the Commission hopes to have contributed to these larger goals.