Chapter 1
Introduction

An Experiment in Global Public Policymaking

In mid-2000, Medha Patkar, a leader of one of the best-known social movements in India, and Göran Lindahl, the Chief Executive Officer of one of the world's largest engineering firms, participated in a meeting together in Cape Town. The two came from different worlds. Ms. Patkar was weak from undertaking a hunger strike to protest a dam on the Narmada River in western India. Mr. Lindahl arrived at the last minute on his private jet. Before the meeting, Ms. Patkar animatedly described the recent protests, showed Mr. Lindahl pictures of the villagers, and narrated their experiences.

So began a typical meeting of the World Commission on Dams (WCD). Ms. Patkar, Mr. Lindahl, and their 10 colleagues from government ministries, the private sector, and civil society were all Commissioners on the WCD. Their common task was to address the conflicting viewpoints that have made large dams a flashpoint in the arena of environment, development, and justice.

The WCD was formed following a meeting of diverse dam-related stakeholders in early 1997 to discuss the past and future of large dams. The World Bank and the World Conservation Union (IUCN) initiated the process in response to growing protests at dam sites around the world. Although originally focussing on a study of the World Bank's dam-building record, the process grew into an independent review that consumed the time of 12 Commissioners, a full-time professional Secretariat, a 68-member advisory Forum, and thousands of contributors. The WCD's goals were to build a comprehensive knowledge base of large dams' development effectiveness and to develop criteria and guidelines to advise future decision-making on dams. *(See Box 1.1.)*

Box 1.1

Key objectives of the WCD

- A global review of the development effectiveness of large dams and assessments of alternatives.
- A framework for options assessment and decision-making processes for water resource and energy services and development.
- Internationally acceptable criteria and guidelines for planning, designing, construction, operation, monitoring, and decommissioning of dams.

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

The WCD was an extraordinary process in several regards. The Commission included voices that had previously been excluded from global commissions. It demonstrated both the feasibility and the challenges of consulting widely with the public and striving for transparency in a work programme. In spite of the challenges of broad representation, the Commission managed to produce a consensus report, *Dams and Development (see Box 1.2)*, which held considerable legitimacy because it was the joint work of Commissioners from diverse backgrounds.

Indeed, because of its efforts at representing a range of views, its emphasis on broad consultation, and its commitment to transparency, the WCD described itself as, and was proclaimed by others to be, a unique experiment in global public

policymaking.[1] During the life of the Commission, multilateral institutions, governments, non-governmental organisations (NGOs), and corporations debated whether it was a model for global public policymaking in other arenas. Since then, discussions about the replicability of the WCD have cascaded into areas as diverse as extractive industries, trade and environment, food security and genetically modified organisms, and debt relief.

The Commission demonstrated the feasibility and challenges of broad consultation and transparency.

The final chapter on the WCD—concerning its impact on dam-related planning and practice and, therefore, its long-term effectiveness—will be written long after the report's release. Thousands of dam-related stakeholders around the world are already reaching for the Commission's findings, poring over them, and debating them publicly. The process outlined above was sufficiently robust that it engaged a variety of governments, international agencies, NGOs, people's movements, and private firms. Widespread engagement during the process led these diverse groups to take the report seriously and to recognise that the Commission spoke with a certain moral authority, even if its recommendations were not binding in the legal sense.

A Watershed in Global Governance? tells the story of the WCD experiment and assesses its implications for future global public policymaking. We examine how the WCD came about and how the commitment to good governance was infused in its work. We look at the practical challenges of implementing independence, transparency, and inclusiveness, and how the experience affected the WCD's legitimacy with stakeholders. Finally, we consider the different strategies for influence available to an advisory commission, such as the WCD, that has no binding mechanisms for compliance. We seek to locate the diverse reactions to the final report in the context of evolving norms of development practice.

The World Commission on Dams in Historical Context

The WCD emerged from several strands in the recent history of global policymaking. First, the WCD built upon a history of global commissions that have sought either to reconcile economic growth and environmental sustainability (such as the Brundtland Commission and the Stockholm and Rio Conferences) or to address North-South inequalities and questions of justice (such as the Brandt and South Commissions). Indeed, the WCD marked a step forward by incorporating at once the themes of social justice, human rights, ecological sustainability, and development in its work.

Second, the dams arena illustrates the growing ability of transnational civil society networks to contribute to global public policy agendas. The WCD was formed as a result of national and international civil society protest against large dams, which was often directed at such multilateral agencies as the World Bank.[2] The high transaction costs created by civil society dissent persuaded the World Bank and selected allies in international finance and industry that a new approach was required to move the dams debate forward.

Third, the WCD stood out from previous commissions in its diversity—including pro-dam lobbyists and anti-dam protesters—rather than limiting itself to participants from a broad middle ground. By the standards of global commissions generally, it also marked a notable departure from the "eminent persons" model of distinguished public servants. It comprised, instead, active practitioners whose personal legitimacy derived from their prominence in international stakeholder networks.

Fourth, the WCD was one of many government, private sector, and civil society dialogues on development policy that have proliferated since the landmark UN Conference on Environment and Development in Rio de Janeiro in 1992. By including a broad range of stakeholders, the WCD was a leading example of a "multi-stakeholder process." By including multiple perspectives, integrating diverse viewpoints early in a policy process, and building constituencies for implementation, multi-stakeholder processes are intended to provide a more inclusive and pragmatic form of policy formulation.[3] Some consultative processes involving civil society, business, and governmental actors have a direct input into policymaking.[4] However,

many multi-stakeholder processes lack formal authority for decision-making and result in declarations, policy recommendations, and codes of conduct that are not legally binding. The WCD report joined a recent profusion of normative instruments and processes in international development that have no legal stature in themselves but are intended to be considered by legislators and to influence development practice.[5]

Finally, the WCD's structure and functioning responded to a broader call by civil society for transparency and inclusiveness in global governance. Before and since the WCD's formation, numerous protests and advocacy efforts by NGOs and social movements have sought to open up global decision-making about trade and investment rules, and associated labour, human rights, and environmental standards—decisions that are made behind closed doors and in the hands of the few, but affect the lives of millions. As a multi-stakeholder process whose objective was to address the source of past conflicts, the WCD committed explicitly to being transparent and open in its work.

The WCD stood out from previous commissions in the diversity of its composition.

The debate over large dams was ripe for the WCD's approach. Dams issues provide a microcosm of the changing political roles of the state, civil society, and the private sector in the rush toward a globalised world. Private financing is playing an increasing role, expanding the number of actors who hold leverage in dams planning and decision-making. Decisions about dams often involve governments, private firms, and international financiers—including bilateral aid agencies, multilateral development banks, export credit agencies, and commercial banks. Social movements and NGOs have criticised these actors' lack of transparency and have vocally resisted their decisions. The increase in number and scope of physical protests has brought added urgency to the dams debate. At the same time, the number of dams under planning and construction has rapidly fallen, as cost-effective alternatives to large dams have become increasingly available, especially in providing energy services. The controversy generated by large dams and the changing face of the dams industry provided compelling reason for both supporters and opponents of large dams, although wary, to come to the table. This is the context in which discussion began over the formation of an independent commission to address the dams debate.

Analytical Framework, Methods, and Outline

Analytical Framework

The ability to convene diverse actors and keep them constructively engaged is a core principle of multi-stakeholder processes such as the WCD. For such processes to be successful, stakeholders must feel that they have access to the process, that their voices are fully heard, and that their participation in the deliberations is meaningful. The potential benefits of these conditions are twofold: first, such processes are better informed, integrate diverse subjective viewpoints, and result in better outcomes. Second, inclusion builds constituencies for implementation.

In this report, we look at the efforts of the WCD and its initiators to create political space for diverse access to the process through

- full representation of relevant stakeholder groups on the Commission,
- independence from external influence,
- transparency to ensure the Commission's accountability to stakeholders' concerns, and
- inclusiveness of a range of views in compiling the knowledge base.

We assess how the WCD put these principles into practice and the effect of this experience on stakeholder perceptions of the WCD's legitimacy as the process unfolded. This approach was made possible by the time frame of our assessment, which was concurrent with the WCD.

We pay close attention to the political and practical trade-offs that the WCD faced in its efforts to create a representative, independent, transparent, and inclusive process. Because the WCD brought

Box 1.2

The WCD's findings and recommendations

Key message of the WCD

- "Dams have made an important and significant contribution to human development, and the benefits derived from them have been considerable.
- In too many cases an unacceptable and often unnecessary price has been paid to secure those benefits, especially in social and environmental terms, by people displaced, by communities downstream, by taxpayers and by the natural environment.
- Lack of equity in the distribution of benefits has called into question the value of many dams in meeting water and energy development needs when compared with the alternatives.
- By bringing to the table all those whose rights are involved and who bear the risks associated with different options for water and energy resources development, the conditions for a positive resolution of competing interests and conflicts are created.
- Negotiating outcomes will greatly improve the development effectiveness of water and energy projects by eliminating unfavourable projects at an early stage, and by offering as a choice only those options that key stakeholders agree represent the best ones to meet the needs in question." (p. xxviii)

Findings of the WCD

- "Large dams display a high degree of variability in delivering predicted water and electricity services—and related social benefits—with a considerable portion falling short of physical and economic targets, while others continue generating benefits after 30 to 40 years.
- Large dams have demonstrated a marked tendency towards schedule delays and significant cost overruns.
- Large dams designed to deliver irrigation services have typically fallen short of physical targets, did not recover their costs and have been less profitable in economic terms than expected.
- Large hydropower dams tend to perform closer to, but still below, targets for power generation, generally meet their financial targets but demonstrate variable economic performance relative to targets, with a number of notable under- and over-performers.
- Large dams generally have a range of extensive impacts on rivers, watersheds and aquatic ecosystems—these impacts are more negative than positive and, in many cases, have led to irreversible loss of species and ecosystems.
- Efforts to date to counter the ecosystem impacts of large dams have met with limited success owing to the lack of attention to anticipating and avoiding impacts, the poor quality and uncertainty of predictions, the difficulty of coping with all impacts, and the only partial implementation and success of mitigation measures.
- Pervasive and systematic failure to assess the range of potential negative impacts and implement adequate mitigation, resettlement and development programmes for the displaced, and the failure to account for the consequences of large dams for downstream livelihoods have led to the impoverishment and

together opponents in the dams debate as well as a broad political middle, including one group or perspective risked alienating another. In addition, the work of a commission is inevitably shaped by practical trade-offs. Funds, time, and the patience and perseverance of commissioners, staff, and stakeholders are real constraints on any such process, no matter how high the aspirations to good governance. The real measure of the WCD's success was whether it managed these trade-offs well enough to create space for engagement by a range of stakeholders that was sufficiently broad to promote its results.

Representation and good process are ultimately only means to influence policy and practice. Impact can be difficult to measure, because multi-stakeholder processes often do not have formal authority as decision-making bodies, but seek to shape outcomes through their influence as an advisory voice. In this study, we deploy multiple criteria for assessment of the Commission's likely impact. First, we examine whether and how the Commission achieved consensus. Without consensus, a commission will be seen to have reproduced divisions among stakeholders, rather than transcending them. Second, we ask whether and how the narrow consensus among the Commissioners

Box 1.2 *continued*

suffering of millions, giving rise to growing opposition to dams by affected communities worldwide.
- Since the environmental and social costs of large dams have been poorly accounted for in economic terms, the true profitability of these schemes remains elusive."(p. xxxi)
- "Global estimates of the magnitude of impacts include some 40-80 million people displaced by dams while 60 percent of the world's rivers have been affected by dams and diversions." (p. xxx)

Recommendations of the WCD
- "Clarifying the rights context for a proposed project is an essential step in identifying those legitimate claims and entitlements that might be affected by the proposed project—or indeed its alternatives." (p. 207)
- "Those whose rights are most affected, or whose entitlements are most threatened, have the greatest stake in the decisions that are taken. The same applies to risk: those groups facing the greatest risk from the development have the greatest stake in the decisions and, therefore, must have a corresponding place at the negotiating table." (p. 209)
- "Effective implementation of free, prior and informed consent marks a significant step forward in recognising the rights of indigenous and tribal peoples." (p. 219)
- "An early focus on options assessment will exclude most questionable projects. Those that emerge will enjoy wider public support and legitimacy. It can reduce delays and additional costs and conflicts, benefiting all those affected by a project." (p. 222)
- "A range of measures is available to enhance and restore ecosystems from their man-modified state, and many are already in use worldwide. Locally driven processes to establish the objectives of environmental flows will lead to improved and sustainable outcomes for rivers, ecosystems and the riverine communities that depend on them." (pp. 231, 239)
- "Regaining lost livelihood requires adequate lead time and preparation and therefore people must be fully compensated before relocation from their land, house or livelihood base. An overarching Compliance Plan is the best way to ensure that compliance activities and measures are effectively pursued and implemented, and should be developed for each project." (pp. 242, 247)
- "In many…cases retrofitting existing dams with more efficient, modern equipment and control systems has achieved significant improvements in benefits, extending facilities and optimising operations. While new supply options may be needed in many countries, restoring or extending the life of existing dams and, where feasible, expanding and improving services from existing dams provide major opportunities to address development needs." (pp. 226-7)

Excerpted directly from World Commission on Dams, *Dams and Development: A New Framework for Decision-Making* (London: Earthscan, 2000).

can eventually be translated into a broader consensus among stakeholders. In particular, we explore the role of good process in constructing broader stakeholder buy-in to a commission's recommendations and reflect on the implications of stakeholder support for adoption of recommendations.

Finally, this assessment looks at historical precedent through a detailed survey of past commissions, civil society advocacy efforts, global conferences, and multi-stakeholder processes. All of these arenas represent important influences in the formation of the WCD. This rich past record provides a useful context for the assessment as it reflects the many strands that shaped the WCD. It provides a lens on the practical feasibility of different forms of stakeholder consultation and representation by demonstrating what has been accomplished before.

Approach and Methods

Three non-governmental organisations—the World Resources Institute (United States), Lawyers' Environmental Action Team (Tanzania), and Lokayan (India)—undertook this assessment. Our assessment team was structured to incorporate a diversity of Northern and Southern perspectives.

Within each organisation, there were one or two primary authors, supported by research assistants and field-based research fellows from Brazil, Kenya, Nepal, Peru, Tanzania, and Uganda.

The ability to engage diverse actors constructively is a core principle of multi-stakeholder processes.

The assessment maintained editorial independence from the WCD, although we had the WCD's co-operation. The work was funded almost entirely from private foundation sources, which are detailed in the acknowledgements section of this report.

The World Resources Institute was a member of the WCD Forum, in which it was classified as a "Research Institute." The Institute's participation in the Forum was kept separate, in terms of personnel and funding, from the work of this assessment in order to maintain an independent perspective on the WCD process.

Research for the assessment comprised semi-structured interviews, observation at WCD meetings, and analysis of WCD documents. We relied on interviews to reconstruct events, to capture varying perspectives on WCD proceedings, and to solicit reactions to the process and the final report. Over a two-year period, the research team interviewed 10 Commissioners, all Senior Advisors at the Secretariat, representatives of almost all 68 member organisations of the Forum, and several consultants and financial donors to the WCD. We also sought the views of dam-related stakeholders who were not formally involved in the WCD process. For example, we interviewed displaced people in Egypt and India to understand their perspectives on large dams and determine the accessibility and relevance of the WCD to them. Following the launch of the WCD report, we interviewed stakeholders from government and multilateral agencies, industry trade groups, and civil society organisations to document responses to the recommendations. In India, the team organised a large multi-stakeholder consultation for feedback on the report that included members of the Secretariat and former Commission. In East Africa, the team conducted small focus groups and interviews with stakeholders in Kenya, Tanzania, and Uganda.

Because participants in the process were highly sensitive to the WCD's charged politics, we decided to conduct interviews on a not-for-attribution basis to encourage candour from interviewees. To ensure accuracy, information gathered through interviews was checked against documentation where possible and against information provided in other interviews. In addition, we were attentive to the context and stakeholder location of the interviewee. Summaries of interviews, including relevant quotes, were circulated among team members in order to cross-check information.

The assessment team was allowed to participate in WCD Forum meetings, case study meetings, and regional consultations as observers. Appendix 5 lists meetings attended by members of the team. Although we requested permission to attend Commissioner meetings, the Commissioners declined this request in order to maintain the confidentiality of their deliberations. We were, however, granted access to the Secretariat's minutes of the Commissioners' meetings on the basis that the minutes be used as background information and not for citation.[6] During the meetings, in addition to conducting individual interviews, we noted how the meeting was structured, the information available, the role of the Commissioners, Secretariat, Forum members, and participants, the issues deliberated, and the tone and content of debates. This information provided valuable content, particularly for our assessment of inclusiveness and transparency. To complement our scrutiny of the WCD process from the inside, we analysed media coverage of the WCD.

To assess the voluminous work programme, we studied a sample of the Commission's case studies and thematic reviews. In examining the thematic studies, we drew on documentary records, including reviewers' comments, to assess how the scope of the study was shaped. We also interviewed Secretariat staff, consultants, and reviewers about their role in the thematic review process.

In early 2001, toward the end of our research process, we presented our preliminary findings to the WCD Forum members at their final meeting in

Spier Estates, outside Cape Town, South Africa. Their questions and comments were important in shaping our draft report. We subsequently posted the preliminary findings on our website, www.wcdassessment.org, and invited comments from concerned readers. We met three times as a full assessment team, and on several other occasions at WCD meetings to analyse the findings and draft chapters.

In the course of conducting the research, we refined and adapted our questions to react to information we received over this period. Our original research framework aimed to assess the effect of the WCD's work on strengthening or undermining emerging norms of global governance—such as the principles of openness, participation, and transparency to which the WCD was committed. Over time, we came to appreciate the importance of the composition of the Commission, Secretariat, and Forum to perceptions of the Commission's legitimacy. In addition, although we focussed on the process by which the WCD conducted its work, we also placed additional emphasis on the links between process and stakeholder reactions to the final report. We looked at the extent to which these stakeholder reactions invoked the WCD's process, to help test our hypothesis that good process builds constituencies for implementation.

We submitted drafts of this report to two rounds of peer review. Colleagues in each of our organisations conducted the first round of review. We then submitted the manuscript to 10 external reviewers. These included five persons with central roles in the WCD process, and another five with experience in global governance processes, or who were working in issue areas at the intersection of environment, development, and justice. In addition, we submitted the draft informally to five reviewers drawn from the Commission and Secretariat. These comments are available on the assessment team's website. Based upon these comments, we revised the report again before final publication.

As an effort to assess the WCD as a model for global governance, this study has potential implications for the WCD's broader legacy. This legacy is of considerable interest to stakeholder groups whose interests are affected by the Commission's perceived legitimacy. As a result, this study has come under the same kind of scrutiny and lobbying pressure by different interest groups as did the WCD's process itself, albeit not with the same intensity. We have been well aware of this dynamic during our research and the threats to independence that close engagement with stakeholders can bring. However, we are convinced that immersion in the process brings richness to the analysis, and when combined with awareness and critical self-reflection, the benefits of this approach outweigh the costs.

Outline

This report adopts a broadly chronological organisation of the formation and history of the WCD. Chapter 2 locates the WCD in the evolution of global governance efforts, and in multi-stakeholder processes in particular. Chapter 3 examines the WCD's origins to chart the unique aspects of the Commission's formation, including the reasons why different stakeholders in the dams debate were ready to sit down at the table together.

Chapters 4 to 7 are dedicated to an analysis of the Commission's structure and functioning. Chapter 4 examines how the WCD's creators tried to represent the full range of interests in the dams debate on the Commission, Secretariat, and Forum. Chapters 5 and 6 explore how the WCD's organisation and work programme were designed to promote inclusiveness, transparency, and independence and how these designs worked out in practice. Chapter 7 reconstructs dynamics within the Commission, and among the various organs of the Commission in exploring the trajectory toward a consensus. Chapter 8 reviews stakeholder reactions to the WCD final report and highlights factors that contribute to stakeholder adoption of the Commission's recommendations.

In Chapter 9, we return to the analytical framework described above. We assess the degree to which the WCD's track record in good governance contributed to stakeholders' willingness to engage with and act upon the Commission's final report.

Endnotes

1. See, for example, WCD Newsletter No. 3, June 1999. Online at: www.dams.org/newsletters/newsletter3.htm (23 August 2001). External audiences have echoed this framing of the WCD. See Jörg Baur and Jochen Rudolph, "A Breakthrough in the Evolution of Large Dams? Back to the Negotiating Table," *D+C Development Cooperation*, No. 2, March/April 2001, pp. 9-12. Online at: www.dse.de/zeitschr/de201-3.htm (28 September 2001); David Seckler and Achim Steiner, "More Crop per Drop and Dams on Demand? Implications for the 21st Century." Report given at the ODI-SOAS Meeting Series, 9 February 2000. Online at: www.oneworld.org/odi/speeches/water3.html (28 September 2001).
2. See Jonathan Fox and L. David Brown, eds. *The Struggle for Accountability: The World Bank, NGOs and Grassroots Movements* (Boston: MIT Press, 1998); Robert Wade, "Greening the Bank: The Struggle over the Environment, 1970-1995," in *The World Bank: Its First Half-Century.* Devesh Kapur, John P. Lewis, and Richard Webb, eds. (Washington: Brookings Institution, 1997).
3. Minu Hemmati et al., *Multi-Stakeholder Processes for Governance and Sustainability Beyond Deadlock and Conflict* (London: Earthscan, 2001). Online at: www.earthsummit2002.org/msp/ (28 September 2001).
4. For instance, at the meetings of the United Nations Commission on Sustainable Development (CSD) the results of the multi-stakeholder dialogues at the beginning of the sessions are summarised by the CSD Chairperson. These summaries are presented to negotiators the following week and assume the status of an official document. The delegates choose paragraphs from the summaries in formulating the formal decision. Personal communication with UNED Forum, 30 July 2001.
5. See A. Florini, ed. *The Third Force: The Rise of Transnational Civil Society* (Washington, DC: Carnegie Endowment for International Peace, 2000); Dinah Shelton, ed. *Commitment and Compliance: The Role of Non-binding Norms in the International Legal System* (Oxford: Oxford University Press, 2000).
6. In a few limited cases, sections of the minutes had been obscured by the Secretariat to preserve confidentiality.