

## Chapter 3

# *The Origins of the World Commission on Dams*

In this chapter, we detail the immediate origins of the World Commission on Dams. We locate it both in the growth of local struggles against the adverse social, economic, and ecological impacts of dams and in the growing pressure to define global norms for harnessing and managing water. These developments compelled the World Conservation Union (IUCN) and the World Bank to organise a meeting of representatives from different sides of the dams debate, where participants decided to set up the Commission. We trace the many difficult steps necessary to create a body and a process that would satisfy all the stakeholders. This narrative illustrates the process and the challenges of constituting a multi-stakeholder institutional response to a highly contentious national and international issue.

### Seeds of Dissent

It is difficult to pinpoint a single defining moment that led to the birth of the WCD. Over the past three decades, with increasing frequency and intensity, questions have been raised about the economic viability and the social, cultural, and environmental costs of large dams. It is important to note that, most often, in the absence of local mobilisation and social movements, information about planned dams is hard to come by and many poorly planned and implemented projects escape scrutiny.<sup>1</sup> But based on growing evidence of dams' negative impacts, protests and mobilisations have multiplied the world over. These protests have matured into sustained social movements that have effectively slowed down or stalled further work on proposed or ongoing dams. Among the more notable examples are the Bakun Dam in Malaysia, the Maan, Tehri, and Maheshwar Dams in India, and the Lesotho Highland Stage II Dam

in Lesotho. In the case of proposed dams, such as the Arun III in Nepal, national mobilisation and intensive global campaigns have led to the cancellation of these projects. On the Koel-Karo and the Suvarnarekha Rivers in India, projects have been shelved after ground had been broken and significant infrastructure work had been completed. Even in the industrialised world—whether in the United States, Europe, or Japan—public opposition and the growing evidence of the adverse economic and ecological impacts have led to a rethinking of large dams as an option for irrigation and energy.<sup>2</sup> Additionally, social movements and their supporters have criticised the role of multilateral funding agencies such as the World Bank in the legitimisation and construction of large dams.

A prominent example of this history of protest is the movement against dams on India's Narmada River. Domestic dissent to this project caused the World Bank to appoint an independent commission to assess these dams and subsequently an independent Inspection Panel to assess contentious projects.<sup>3</sup> The struggle against the Sardar Sarovar Project (SSP) in the Narmada Valley achieved several other global landmarks. It nudged the World Bank to review its central commitment to large dams, and its policies related to indigenous peoples and resettlement. It marked the first time that the Japanese government withdrew its direct and indirect support to a development project for environmental and human rights reasons.<sup>4</sup> It was the catalyst for formation of a remarkable national and transnational network of dam-affected people and their supporters.

In June 1994, on the 50th anniversary of the formation of the Bretton Woods institutions, a coalition of 326 social movements and non-governmental organisations (NGOs) from 44

## Box 3.1

**The Manibeli Declaration (excerpted)  
Calling for a Moratorium on World Bank Funding of Large Dams  
September 1994**

**WHEREAS:**

1. The World Bank is the greatest single source of funds for large dam construction, having provided more than US\$50 billion (1992 dollars) for construction of more than 500 large dams in 92 countries. Despite this enormous investment, no independent analysis or evidence exists to demonstrate that the financial, social and environmental costs were justified by the benefits realised.
2. Since 1948, the World Bank has financed large dam projects that have forcibly displaced on the order of 10 million people from their homes and lands. The Bank has consistently failed to implement and enforce its own policy on forced resettlement, first established in 1980.
5. The environmental and social costs of World Bank-funded large dams, in terms of people forced from their homes, destruction of forests and fisheries, and spread of waterborne diseases, have fallen disproportionately on women, indigenous communities, tribal peoples and the poorest and most marginalised sectors of the population. This is in direct contradiction to the World Bank's often-stated "overarching objective of alleviating poverty."
9. The Bank has even convinced governments to accept loans for large dams when more cost-effective and less destructive alternative plans existed.
10. The economic analyses on which the World Bank bases its decisions to fund large dams fail to apply the lessons learned from the poor record of past Bank-funded dams, underestimating the potential for delays and cost over-runs. Project appraisals typically are based on unrealistically optimistic assumptions about project performance, and fail to account for the direct and indirect costs of negative environmental and social impacts.

**THEREFORE, the undersigned organisations:**

CONCLUDE that the World Bank has to date been unwilling and incapable of reforming its lending for large dams; and CALL for an immediate moratorium on all World Bank funding of large dams including all projects currently in the funding pipeline, until:

1. The World Bank establishes a fund to provide reparations to the people forcibly evicted from their homes and lands by Bank-funded large dams without adequate compensation and rehabilitation. The fund should be administered by a transparent and accountable institution completely independent of the Bank and should provide funds to communities affected by Bank-funded large dams to prepare reparations claims.
2. The World Bank strengthens its policies and operational practices to guarantee that no large dam projects that require forced resettlement will be funded in countries that do not have policies and legal frameworks in place to assure restoration of the living standards of displaced peoples. Furthermore, communities to be displaced must be involved throughout the identification, design, implementation and monitoring of the projects, and give their informed consent before the project can be implemented.
3. The World Bank commissions, reviews, and implements the recommendations of an independent comprehensive review of all Bank-funded large dam projects to establish the actual costs, including direct and indirect economic, environmental and social costs, and the actually realised benefits of each project. The review must be conducted by individuals completely independent of the Bank without any stake in the outcome of the review.

Source: "Manibeli Declaration, Calling for a Moratorium on World Bank Funding of Large Dams," September 1994. Online at: [www.irn.org/programs/finance/manibeli.shtml](http://www.irn.org/programs/finance/manibeli.shtml) (28 September 2001).

countries around the world endorsed a statement calling for a moratorium on the World Bank's funding of large dams. This statement was named the Manibeli Declaration (*see Box 3.1*) in recognition of one of the first tribal villages that the Sardar Sarovar Dam on the Narmada River would submerge and one of the sites of sustained resistance to the dam. Crucially, one of the conditions for lifting the proposed moratorium was that the

World Bank would set up an "independent comprehensive review of Bank-funded large dams projects to establish the actual costs, including the direct and indirect, economic, environmental, and social costs, and the actual realised benefits of each project." The Declaration went on to state that it was crucial that, "The review should evaluate the degree to which project appraisals erred in estimating costs and benefits, identify specific violations

of Bank policies and staff members responsible, and address opportunity costs of not supporting project alternatives. The review must be conducted by individuals completely independent of the Bank without any stake in the outcome of the review.”

### The Operations Evaluation Department Review

Six months after the Manibeli Declaration, partly in response to criticisms of large dams and partly to deflect growing anger at the continuing involvement of the World Bank in these projects, the Operations Evaluation Department (OED) of the World Bank announced that it was “undertaking a review of World Bank-funded large dams in order to determine their development effectiveness.”<sup>5</sup> As a senior official in OED noted, the World Bank’s involvement in large dams had been “attracting a lot of controversy.” Senior management felt pressed to address the question: “What is it about dams that causes so much concern and what should the Bank do about it?”<sup>6</sup>

The World Bank had originally envisaged the OED undertaking a two-phase study. Phase I was to be a desk review of experience with selected dams and Phase II was to be a more comprehensive study, involving field evaluations. The entire review was to be the World Bank’s answer to its critics.

The first phase of the OED Review analysed the performance of 50 World Bank-funded dams. Its final report was sent to the World Bank President in mid-1996. The study stated that dams have contributed to economic development, including electricity generation capacity, flood control, and irrigation.<sup>7</sup> Based on an assessment against the standards in place at the time the project was implemented, the study found that resettlement was inadequate in half the dams funded, but that performance has improved over time. Performance on environmental grounds was deemed to be “mixed.” The study further noted that while under prior social and environmental policies only 10 percent of the sample was unacceptable, had all projects been assessed under the new policies, 26 percent would have been unacceptable and 48 percent would have been judged “potentially acceptable.” The report concluded that because the large majority of dams are yielding benefits that outweigh their costs, the World Bank should continue funding large dam projects with heightened attention to environmental and social poli-

cies. According to OED sources, the report was an internal, “relatively minor...desk study,” considered inappropriate for public release.<sup>8</sup> NGOs criticised the report by arguing that the précis exaggerated the benefits of dams and that the full study was quoted selectively to justify the Bank’s continued funding for more dams.

Although agreeing with OED’s “positive conclusions,” the Committee on Development Effectiveness of the Bank’s Board of Executive Directors nevertheless, “...urged OED to ensure that Phase II reflects the views of civil society, including those of private investors and non-governmental organisations.”<sup>9</sup> Although this recommendation did not call for wider participation in the second phase of the study, it is evident that the World Bank was aware of the potential lack of legitimacy and limited use of a study that reflected only its views on the contentious debate around large dams.

### *Aftermath of the OED Review*

At the same time, the World Bank leadership was seeking a specific issue area for collaboration with the World Conservation Union (IUCN), with which it had cemented a partnership in 1994. “We had a partnership with IUCN but no substance,” noted a World Bank official. “This [dams evaluation] showed up as something promising to focus on.”<sup>10</sup> In this framework, the World Bank invited IUCN to co-organise a multi-stakeholder workshop to discuss the findings of the OED study and the goals and process for a more comprehensive second phase.<sup>11</sup> The meeting was proposed for Gland, Switzerland, in April 1997.

The run-up to the workshop illustrated only too well the urgent need for more constructive dialogue between the World Bank and its critics. Copies of the OED Review were leaked outside the World Bank and by September 1996 had galvanised anti-dam organisations and their supporters into action. On the eve of the Gland meeting, the International Rivers Network (IRN)—the California-based group at the forefront of research and co-ordination of individuals and organisations from around the world opposed to dams—published a lengthy and detailed critique of the OED Review. The response criticised the OED not only for underplaying the significance of the World Bank’s own findings but also for its methodology and process.<sup>12</sup> IRN charged

**Box 3.2****The Curitiba Declaration (excerpted)  
Curitiba, Brazil, 14 March 1997**

We, the people from 20 countries gathered in Curitiba, Brazil, representing organisations of dam-affected people and of opponents of destructive dams, have shared our experiences of the losses we have suffered and the threats we face because of dams. Although our experiences reflect our diverse cultural, social, political and environmental realities, our struggles are one. Our struggles are one because everywhere the people who suffer most from dams are excluded from decision-making. Decisions are instead taken by technocrats, politicians and business elites who increase their own power and wealth through building dams. Our shared experiences have led us to agree the following:

1. We recognise and endorse the principles of the 1992 'NGO and Social Movements Declaration of Rio de Janeiro' and the 1994 'Manibeli Declaration' on World Bank funding of large dams.
2. We will oppose the construction of any dam which has not been approved by the affected people after an informed and participative decision-making process.
3. We demand that governments, international agencies and investors implement an immediate moratorium on the building of large dams until:
  - a. There is a halt to all forms of violence and intimidation against people affected by dams and organisations opposing dams.
  - b. Reparations, including the provision of adequate land, housing and social infrastructure, be negotiated with the millions of people whose livelihoods have already suffered because of dams.
  - c. Actions are taken to restore environments damaged by dams - even when this requires the removal of the dams.
4. The process of privatisation which is being imposed on countries in many parts of the world by multilateral institutions is increasing social, economic and political exclusion and injustice. We do not accept the claims that this process is a solution to corruption, inefficiency and other problems in the power and water sectors where these are under the control of the state. Our priority is democratic and effective public control and regulation of entities which provide electricity and water in a way which guarantees the needs and desires of people.
  - d. Territorial rights of indigenous, tribal, semi-tribal and traditional populations affected by dams are fully respected through providing them with territories which allow them to regain their previous cultural and economic conditions - this again may require the removal of the dams.
  - e. An international independent commission is established to conduct a comprehensive review of all large dams financed or otherwise supported by international aid and credit agencies, and its policy conclusions implemented. The establishment and procedures of the review must be subject to the approval and monitoring of representatives of the international movement of people affected by dams.
  - f. Each national and regional agency which has financed or otherwise supported the building of large dams have commissioned independent comprehensive reviews of each large dam project they have funded and implemented the policy conclusions of the reviews. The reviews must be carried out with the participation of representatives of the affected people's organisations.
  - g. Policies on energy and freshwater are implemented which encourage the use of sustainable and appropriate technologies and management practices, using the contributions of both modern science and traditional knowledge. These policies need also to discourage waste and over consumption and guarantee equitable access to these basic needs.

Source: "Declaration of Curitiba: Affirming the Right to Life and Livelihood of People Affected by Dams," 14 March 1997. Online at: [www.irn.org/programs/curitiba.html](http://www.irn.org/programs/curitiba.html) (28 September 2001)

that a careful reading of the Review, which used three criteria—economic, social, and environmental—to evaluate the dams, clearly showed the extent to which the World Bank was trying to cover-up or minimise the implications of its own findings. Given that remedial action is rarely taken once a project is implemented, the Review showed that only 13 out of 50 dams funded by the World Bank were “acceptable.” The IRN critique asserted

that the World Bank believed, without justification, that remedial action was possible, that most dams were “potentially acceptable,” and that they would be more acceptable than before, given increased safeguards on dam-related lending.

Based on the IRN critique, 49 NGOs from 21 countries wrote a collective letter to World Bank President James D. Wolfensohn demanding that

the World Bank reject the conclusions of the OED Review: “Given the huge expense of large dams, the controversy over whether or not they are an effective means of achieving the benefits which their proponents claim for them, and the huge scale of their social and environmental impacts, a comprehensive, unbiased, and authoritative review of past World Bank lending for large dams is essential.” Moreover, they argued that the review be undertaken by “a commission of eminent persons independent of the World Bank,” which “must be able to command respect and confidence from all parties involved in the large dams debate.”<sup>13</sup>

The NGO letter to the World Bank President built on prior civil society mobilisation against large dams. In March 1997, the First International Meeting of the People Affected by Large Dams, was held in Curitiba, Brazil. It was attended by activists and dam-affected people from more than 20 countries who shared the long history of the social, cultural, economic, and environmental problems associated with large dams, along with the undemocratic processes associated with dam planning. The Curitiba Declaration (*see Box 3.2*) went beyond the Manibeli Declaration’s almost exclusive focus on the World Bank. It was broader in scope and more confident in its tone. While endorsing the Manibeli Declaration and acknowledging the proposed meeting in Gland, the Curitiba Declaration also called for an independent review of large dams.

Both the Manibeli and Curitiba Declarations reflect the growth and sophistication of transnational alliances. Critics of these developments who argued that participants in transnational alliances came from non-representative processes or that their protests must be articulated only within national boundaries were beginning to acknowledge that these alliances brought substantial research, mobilisation, and understanding to their protests. They represented significant voices, possibly of silent majorities, and could contribute to the definition of global norms. Inevitably, they were also contributing to the process of what constituted multilateralism and how multilateral stakeholder processes should be defined.<sup>14</sup>

### Birth of the World Commission on Dams

The role of IUCN as a co-convenor of the Gland workshop proved critical in defining the range of stakeholders who would be represented at the table

and subsequently, the legitimacy of the global Commission in the eyes of the anti-dam movement.<sup>15</sup> IUCN staff members were active proponents of diverse participation at Gland. According to a former senior official, IUCN had two basic conditions for getting involved in the workshop.<sup>16</sup> The first was that the Gland meeting would not be about how to build better dams, but that it would be about the planning process for assessing options in water resources and energy management. The second condition was that all parties should be involved “from the most radical activist groups to the most conservative business groups.”<sup>17</sup>

IUCN lacked extensive expertise in large dams issues, and its track record in environment and development was not a perfect match, since the thorniest dam struggles related to comprehensive human rights violations: lack of participation, developmental displacement, rehabilitation, and resettlement. However, IUCN’s independent status provided the credibility required to bring community-based activists and advocacy NGOs into dialogue with corporate and multilateral representatives. “In order to bring in the most active opponents of dams we needed to have a partner who had their confidence,” noted one World Bank official. “The Bank couldn’t imagine a serious partnership with IRN.”<sup>18</sup>

Meanwhile, the reputation of the World Bank and its continuing importance as an underwriter of private sector investments in developing countries provided the weight required for private sector participation at Gland.<sup>19</sup> Furthermore, the issues highlighted in the OED Review provided sufficient resonance with a subset of businesspeople to bring them to the table. As one representative from the more liberal segment of industry would later note, “Industry wants to learn. The past experience with dams has not always been positive, we had underestimated the technical, economic, environmental and social risks.”<sup>20</sup> The overall response to workshop invitations was “extremely positively surprising,”<sup>21</sup> in the words of one organiser.

### *The Path to Gland*

By the mid 1990s, private companies involved in the dams business had begun paying heed to environmental issues to varying degrees—whether motivated by civil society pressure, government regulations, or a larger sense of corporate responsibility. For instance, the International Commission



## Box 3.3

**ICOLD Position Paper on Dams and the Environment (excerpted)**

Attention to the social and environmental aspects of dams and reservoirs must be a dominating concern pervading all our activities in the same way as the concern for safety. We now aim at balancing the need for the development of water resources with the conservation of the environment in a way which will not compromise future generations...

In search of this balance, ICOLD members should be guided by the following aspects of environmental policy:

- The larger the project, the greater the effects on the natural and social environment to be expected, and the wider the scope of the multidisciplinary, holistic studies which they require. Large-scale development demands integrated planning for an entire river basin before the implementation of the first individual project(s). Where river basins are part of more than one country, such planning presupposes international cooperation.
- Projects must be judged everywhere and without exception by the state-of-the-art of the technologies involved and by current standards of environmental care. The scope for reducing any detrimental impacts on the environment through alternative solutions, project modifications in response to particular needs, or mitigating measures should be thoroughly investigated, evaluated and implemented.

A comprehensive Environmental Impact Assessment, since 1971 mandatory in a growing number of ICOLD member countries, ought to become standard procedure everywhere as part of project conceptualisation, that is well before final design and the start of construction.

Source: International Commission on Large Dams, "Position Paper on Dams and Environment," May 1997.

on Large Dams (ICOLD) developed a *Position Paper on Dams and the Environment* in 1997.<sup>22</sup> ICOLD is a professional association of dam builders from private sector and government and the owner of the largest repository of technical dam-related data in the world. The content of the position paper was fairly general in nature. (See Box 3.4.) Members considered it to be a major step for the association.<sup>23</sup>

Meanwhile, a smaller group of private companies and state utilities were beginning to explore ways in which they could improve their environmental performance under the auspices of the International Energy Agency (IEA) Hydropower Agree-

ment, established in 1995.<sup>24</sup> This group sought a clearer standard for accountability that could decrease uncertainty in investments and boost the competitiveness of hydropower vis-à-vis other energy sources. The IEA model acknowledged the need for sound decision-making process, options assessment, and community relations in hydropower development.<sup>25</sup>

An industry representative would later attribute these voluntary initiatives to companies' recognition of the new importance of private sector actors: "Dams used to be government projects. But since the 1990s, the role of the private sector has been expanding. This means new rules of the game, new responsibilities."<sup>26</sup> A subset of progressive executives were beginning to realise that they required a license to operate that went far beyond the requirements of bureaucratic licensing to include broader credibility and consent.

The financial and legal costs of civil society dissent also burdened private sector operations, the way they did the World Bank's. "The whole process of dam development was grinding to a halt, that had just become increasingly evident," noted one observer.<sup>27</sup> Therefore, seeking a consensus with dam opponents on a way forward was central to companies' self interest.

***At Gland***

It was against this background and the continuing struggles against dams across the world that the Gland meeting took place in April 1997. Convened by the World Bank and the IUCN, the two-day workshop brought together 39 participants representing the diverse interests in the large dams' debate. The workshop's objectives were to review Phase I of the OED study, develop a methodological framework for Phase II, and propose a rigorous and transparent process for defining the scope, objectives, organisation, and financing of follow-up work. The objectives were also to more clearly define the scope of the Phase II study, including basic guidelines for involvement by governments, private sector, and non-governmental organisations as well as public participation, information disclosure, and subsequent dissemination of results. Another objective was to identify follow-up actions necessary, including generally accepted standards for assessing, planning, building, operating, and financing large dams that would reflect lessons learned from experience.

The 39 participants at the workshop came from a range of interest groups involved in the planning, construction, management, and opposition to large dams: professional associations, such as the International Commission on Large Dams; companies, such as Asea Brown Boveri and Harza Engineering; think tanks, such as Tata Energy Research Institute; international non-governmental organisations, such as International Rivers Network; and affected people's movements and groups, such as Narmada Bachao Andolan (Struggle to Save the Narmada River) in India. Senior officials attended from the World Bank and IUCN. Invitations were issued to institutions, which nominated their own representatives to attend.<sup>28</sup> In addition, a few people were invited in their individual capacity.

During the Gland proceedings, the authors of the OED Review acknowledged its limitations.<sup>29</sup> According to a report of the workshop proceedings, "there was widespread recognition that further work was essential and that it would need to be comprehensive in scope, transparent in conduct and defensible in its analyses."<sup>30</sup> NGO representatives at Gland also noted, "World Bank representatives seemed rather self-critical and appeared to respect the strength and the arguments of dam opponents... Some World Bank representatives were also openly critical of the Bank's record on dams, of their poor record of implementing their policies, and of the weakness of these policies."<sup>31</sup>

The explicit participation of national governments in the Gland meeting was relatively modest. There was only one ministry official there: from China, which was undertaking possibly the largest modern engineering feat in the Three Gorges Dam—planned for an estimated capacity of 18.2 million kilowatts, a height of 575 feet, and the displacement of up to 1.9 million people.<sup>32</sup> However, various proxies and quasi-governmental appointees represented government viewpoints. The World Bank's senior staff members were familiar with the views of client governments and industrialised country donors on their board. The Gland meeting included representatives of two state-owned utilities<sup>33</sup> and two river basin authorities.<sup>34</sup> The ability of the WCD to attract the political support of governments would become a serious issue in its later process and would inhibit a more enthusiastic engagement by government agencies and officials with the proceedings and the

eventual report. NGOs active in the formative processes felt strongly that while the composition of the Commission had to have senior people with high credibility with governments, integrally involving governments from the inception would have compromised the Commission's ability to produce an unbiased report.<sup>35</sup> These political trade-offs became part of the many lessons that the WCD process has subsequently highlighted.

The gender profile of the Gland meeting participants was predominantly male; this was partially a product of the overwhelmingly male dominance in the dams business, although not characteristic of civil society organisations as a whole. Of the 39 participants (excluding media and observers), only 2 were women: a senior social scientist at the World Bank and a Chinese scientist. Although successful efforts were later made to achieve gender balance on the Commission itself (5 of the 12 Commissioners were women),<sup>36</sup> the Gland meeting foreshadowed the difficulty of integrating women's perspectives in all aspects of the subsequent WCD process.

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*Very few women  
participated in the  
Gland meeting.*

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The agenda for discussion at Gland indicated the distance that the dam-building establishment had agreed to travel to address the controversy around large dams. Included in the agenda was a comprehensive review of large dams around the world and the decision to define comprehensive standards for the building of large dams. A senior water expert of the World Bank reflected this changed mood when he acknowledged that Bank-funded dams had caused serious adverse impacts on land and people. He said that the independent assessment was an idea whose time had come because the World Bank "didn't have the moral authority to make these judgements."<sup>37</sup> Although the stated intent of the Gland meeting was to work toward a second phase of the OED study, NGOs' calls for an independent review prevailed.

The workshop was the result of exhaustive preparation by the convening organisations. Mindful of the tremendous opportunity the gathering posed,

they were determined not to let it slip away. “My major concern was not to have a conflagration,” said the facilitator, “but to establish and maintain a conversation among participants.”<sup>38</sup> The convenors entered the meeting with a comprehensive set of contingency plans on how to react to debates and a set of scenarios, ranging from minimalist goals of getting people to agree to meet again to a much weightier scope of future co-operation.<sup>39</sup>

### *The World Commission on Dams Takes Shape*

A spirit of constructive debate prevailed in the discussions. The meeting unanimously stressed the urgent need for the second phase of the OED Review to include all large dams and not just those funded by the World Bank. Discussions also underscored the need for a representative team of eminent people to carry out the review independently. Consequently, the participants at Gland agreed to proceed with an independent commission to review the performance of large dams and develop guidelines for the future. It was a breakthrough in civil society’s relationship with planners, dam builders, and financiers that the proposed commission’s mandate emphasised both the review of the “development effectiveness of large dams” and an assessment of the alternatives. What was remarkable was that an independent process had been agreed upon by a group of stakeholders who had seemingly irreconcilable differences about the value of large dams—differences that had generated some of the most acrimonious conflicts in post-war development history.

Participants at the Gland meeting articulated the terms of reference of the World Commission on Dams as follows:

- “To assess the experience with existing, new, and proposed large dam projects so as to improve existing practices and social and environmental conditions;
- To develop decision-making criteria and policy and regulatory frameworks for assessing alternatives for energy and water resources development;
- To evaluate the development effectiveness of large dams;
- To develop and promote internationally acceptable standards for the planning, assessment, design, construction, operation, and monitoring

of large dam projects and, if dams are built, ensure affected peoples are better off;

- To identify the implications for institutional, policy, and financial arrangements so that benefits, costs, and risks are equitably shared at the global, national, and local levels; and,
- To recommend interim modifications—where necessary—of existing policies and guidelines, and promote “best practices.”<sup>40</sup>

Participants agreed on the outlines of the institutional structure that the World Commission on Dams would take. The Commission would comprise between five and eight Commissioners, including an “internationally recognised” chairperson. The Commissioners would have “appropriate” expertise and experience and would be widely regarded as having integrity and representing the diversity of perspectives, including affected regions, communities, and private and public sectors. This criterion would prove highly contentious when the time came for the actual selection of Commissioners. Most of them would serve part-time while up to three would serve full-time. The Commissioners would serve in their personal capacities.

The workshop agreed on a tripartite institutional structure for the WCD. Apart from the Commission, there would be a consultative group composed of participants who attended the workshop, plus others invited by the Commission from NGOs, multilateral institutions, governments, and the private sector. This Forum would ensure effective and balanced representation of all stakeholders and key actors. The group would be used as a sounding board for ideas. A third element in the proposed institutional structure was a Secretariat of full-time professionals who would provide support for the Commissioners.

Another important element of the Gland agreement was an outline of the Commission’s operational mandate. Its *modus operandi* would consist of study groups, public hearings, commissioned studies, and task forces. Agreement was also reached on an implementation strategy to take effect immediately after the workshop. IUCN’s Director General agreed to set up an Interim Working Group (IWG) composed of IUCN and World Bank staff. The IWG would draw on participants in the workshop for advice and support in establishing the Commission. By the end of October, the IWG would establish full terms of



reference for the Commission and its advisory Forum, membership of the Commission and the Forum, capabilities and location of the Secretariat, an outline program and budget for the Commission and Secretariat, and a funding strategy for the two-year life of the Commission.

In the weeks that followed the Gland Workshop, the IWG was formed with six representatives from the World Bank and five from the IUCN. In deference to NGO participants in Gland who were uneasy working with the World Bank, it was agreed that IUCN would take the primary managing role. The IWG was given six months to decide on the composition and procedures of the WCD in consultation with members of the gathering at Gland—called the Reference Group (RG).

## Conclusions

The conditions for the genesis of the WCD lay in the global and national maturity of the dams debate. A critical mass of local, national, and transnational civil society organisations had emerged to challenge not just the social and cultural injustices and environmental degradation and damage caused by some of the worst large dam projects but also the conceptualisation, planning, and implementation of dam-building projects. Civil society groups, who most desired a change in the status quo, were the primary proponents of an independent commission. Growing evidence of the adverse impacts of large dams as well as the high transaction costs of enduring civil society opposition led the World Bank to question the extent of its future role in supporting the building of these dams. Certain private investors in large dams also sought clearer ground rules for their engagement with host governments and communities in order to free them of damaging charges and smooth their operations. Additionally, environmental issues were also beginning to have greater resonance within the professional dams community. These complex realities and concerns among diverse stakeholders, and the WCD's own evolving commitment to be a democratic multi-stakeholder forum, convinced stakeholders to participate—if they had an equal place at the table.

The acrimony of the dams debate meant that the risks of multi-stakeholder engagement were high, including for those in the World Bank who were attempting to pursue greater participation and openness. All the participants in the Gland meeting had a sense of entering truly untested territory.

The addition of IUCN as a convening body, along with the World Bank, was critical to opening the Gland meeting to participation from other stakeholders. IUCN also helped to make NGOs more confident to attend the meeting. Sustained pressure from civil society organisations and social movements compelled the convenors to both widen participation and influence the content and process of the Gland meeting.

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### *IUCN's role as a convenor was critical to broad stakeholder participation.*

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Participants unanimously identified the need for an independent and comprehensive review of the development effectiveness of large dam projects—above and beyond the World Bank's own projects—and the generation of guidelines for future water and energy resources development. The suggestion for a WCD emerged as a promising response for all participants.

The setting up of the Commission was a major step forward for multi-stakeholder processes. It was a step with the potential to influence and perhaps even define global norms for the building and functioning of large infrastructure projects and other development processes. The number and nature of variables that led to the formation of the WCD will not be the same for other contentious issue areas. The principle of using transparent and inclusive multi-stakeholder consultations to define a commission is a relevant pre-condition, but the precise process and outcome may vary. The formation of such processes calls for continuing innovation and creativity on the part of all those seeking to democratise global and national policy arenas.

## Endnotes

1. One of the many examples is the Almatti Dam in India.
2. For instance, P. McCully, *Silenced Rivers* (London: Zed Books, 1996); E. Goldsmith and N. Hildyard, *The Social and Environmental Effects of Large Dams* (San Francisco: Sierra Club Books, 1984). See also the website of the International Rivers Network, [www.irn.org](http://www.irn.org), for dams in Europe and the U.S. slated for decommissioning.
3. Interview with former member of the World Bank Inspection Panel, 16 November 2000. See Sanjeev Khagram, "Toward Democratic Governance for Sustainable Development: Transnational Civil Society Organizing around Big Dams," in *The Third Force: The Rise of Transnational Civil Society*. Ann Florini, ed. (Washington, DC: Carnegie Endowment for International Peace, 2000); Lori Udall "The International Narmada Campaign: A Case of Sustained Advocacy," in *Towards Sustainable Development? Struggling Over India's Narmada River*. William F. Fisher, ed. (New York: ME Sharpe, 1995).
4. McCully, 1996, p. 302.
5. Patrick McCully, "A Critique of 'The World Bank's Experience With Large Dams: A Preliminary Review of Impacts,'" April 1997. Online at: [www.irn.org/programs/finance/critique.shtml](http://www.irn.org/programs/finance/critique.shtml) (28 September 2001).
6. Interview with OED official, 7 September 2000.
7. World Bank Operations Evaluation Department, *World Bank Lending for Large Dams: A Preliminary Review of Impacts*, OED Précis, September 1996.
8. Interview with OED official, 7 September 2000.
9. World Bank Operations Evaluation Department, 1996.
10. Interview with World Bank official, April 2000.
11. World Bank/IUCN, *Large Dams: Learning from the Past, Looking to the Future* (Gland: IUCN, 1997).
12. McCully, 1997.
13. IRN press release, "World Bank Dam Evaluation 'Seriously Deficient': NGOs Demand Independent Review and Moratorium on World Bank Support of Large Dams," 7 April 1997. Online at: [www.irn.org/programs/finance/pr970407.html](http://www.irn.org/programs/finance/pr970407.html) (28 September 2001)
14. See Chapter 2 for a more detailed assessment of multilateralism and multi-stakeholder processes.
15. Interviews with involved IUCN and World Bank staff, April and July 2000.
16. Interview with former senior official of IUCN, 5 September 2000.
17. Interview with senior IUCN official, 5 September 2000.
18. Interview with OED official, 7 September 2000.
19. A senior Bank official speculated that "without the Bank a lot of these guys wouldn't be in... Part of it is financing, part is reputational." Interview with senior World Bank official, June 2000.
20. Interview with industry representative on the Forum, April 2000.
21. Interview with Gland workshop organiser, 1 February 2001.
22. For the full text of the Position Paper, see: <http://genepi.louis-jean.com/cigb/chartean.html>.
23. Interview with former ICOLD president, December 1999.
24. IEA Hydropower Agreement website, [www.ieahydro.org](http://www.ieahydro.org) (28 September 2000). The ten member countries of the IEA Hydropower Agreement referenced are Canada, China, Finland, France, Japan, Norway, Spain, Sweden, the United Kingdom, and the United States.
25. Interview with IEA co-founder, April 2000.
26. Comments of an industry representative during an industry presentation to World Commission on Dams Forum members, 4 April 2000.
27. Interview with Gland workshop organiser, 1 February 2001.
28. Interview with Gland workshop organiser, 1 February 2001.
29. World Bank/IUCN, 1997, p. 9.
30. World Bank/IUCN, 1997, p. 9.
31. P. McCully, P. Bosshard, and S. Dharmadhikary, *An NGO Report on the April 1997 World Bank-IUCN Dams Workshop and on the Proposal for an Independent International Dam Review Commission*, 29 May 1997 (mimeo).
32. These widely publicised figures are confirmed in the WCD's country review of China's dams. R. Fuggle; W.T. Smith; Hydroconsult Canada Inc.; and Agrodev Canada Inc. 2000. "Large Dams in Water and Energy Resource Development in the People's Republic of China (PRC)," country review paper prepared as an input to the World Commission on Dams, Cape Town. Estimates for the number of people to be displaced by the Three Gorges Project vary. The figure of 1.9 million is cited on International Rivers Network's website, <http://irn.org/programs/threeg/>.
33. Electricité de France and ISAGEN-Colombia.
34. Volta River Authority and Lesotho Highlands Development Project.
35. Interviews with Forum member, September and November 2000; e-mail communication with Forum member, January 2001.
36. This was, unfortunately, not the experience with the Secretariat, which had few women.
37. Interview with World Bank Senior Advisor, June 2000.
38. Interview with Gland workshop organiser, 1 February 2001.
39. Interview with Gland workshop organiser, 1 February 2001.
40. World Bank/IUCN, 1997, p. 10.