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## ***Viewpoint* – Principles in Practice: Updating the Global Multi-Stakeholder Dialogue on Dams in 2010**

### **D. Mark Smith**

Head, Water Programme, International Union for Conservation of Nature (IUCN), Gland, Switzerland;  
mark.smith@iucn.org

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**ABSTRACT:** The WCD laid out a way forward for dams to serve development better, and to deliver better outcomes for people as well as ecosystems. The conclusions reached were evidence-based and made in an open, multi-stakeholder dialogue. Given this process and taken as a whole, the WCD could not be ignored in 2000, and ten years later in 2010, the WCD still cannot be dismissed. To be meaningful in the long-run, however, the WCD required follow-up. Among many needs was the challenge of translating principles and guidelines developed at a global level to practice that could be implemented at a national and project level. IUCN's response, for example, has been very practical and oriented principally towards dissemination, dialogue, demonstration and learning.

The WCD recommendations were not embraced by all stakeholders, and it is increasingly clear that the drivers for dam development and the actors involved are changing, because of for example climate change and the emergence of China as a major international financier of dams. It may be time therefore to renew efforts to expand consensus on dams and re-galvanise the global multi-stakeholder dialogue that was started by the WCD. Otherwise, the 21<sup>st</sup> century dams industry will run into the same risks – fuelled by issues of equity, environment and dissatisfaction with development outcomes achieved – that brought their counterparts into the WCD in 1998.

**KEYWORDS:** Multi-stakeholder dialogue, learning, demonstration, sustainability

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### **CONFRONTING THE CHALLENGES OF DAMS**

IUCN played an active role in convening the World Commission on Dams because it recognised that the dominant approach to development of dams that existed prior to 1997 had to change. The contest among actors over questions of equity, environment and the economics of dams were not serving development well. From the standpoint of IUCN, this contest was also not benefiting the search for solutions to conservation problems and controversies surrounding dams. Without solutions, and increased agreement among the many stakeholders in dam projects, negative impacts from dams would continue unabated. Without a better consensus, political choices would be left uninformed by the options available to reduce negative impacts from dams or increase development benefits and the sharing of these benefits.

The WCD report (WCD, 2000) was certainly a milestone in the debate over dams, at least at a global level. It was also certainly not the end of the debate, with the contest among actors continuing at many levels and in many forums. The WCD Strategic Priorities and the associated guidelines did change the conversation around dams. They provided a reference point for all actors to understand the controversies and what is at stake in decisions around dam policies and projects, and moreover, a strategic approach to confronting and addressing them in a comprehensive way. As such, the WCD laid out a way forward for dams to serve development better, and to deliver better outcomes.

In re-reading the WCD Strategic Priorities and guidelines in 2010, there is no sense that that they make the challenges around dams easier. They do, though, make the realities of the multi-faceted nature of those challenges more transparent and more difficult to hide from. The core values of the

Commission – equity, efficiency, participatory decision-making, sustainability and accountability – are fundamental to development. They apply to dams as they should any other aspect of development, and certainly any exploitation of public goods such as water and rivers.

Process was key in the WCD delivering a report that achieved broad buy-in from many (although not all) stakeholders. The conclusions reached are evidence-based, drawing from the global review of large dams. The Commission convened an open, multi-stakeholder dialogue that provided space for diverse actors to explain their views. As is expected from such processes, much better shared understanding of the interests of the various actors emerged. Given this process and taken as a whole, the WCD could not realistically be ignored in 2000, and ten years later in 2010, because of the strengths of the WCD's multi-stakeholder process and the evidence it put forward, the WCD still cannot be dismissed.

The way forward laid out in 2000 was not just a vision for how to do things better. As a reference point for dams in development, it also provided a means of holding to account. Addressing the WCD Strategic Priorities is a way for governments, financiers and developers to be seen as doing the right thing, and a way for their actions to be recognised and acknowledged. Ten years on from the WCD, however, it is also clear from the political heat that the name "WCD" can still generate that not all actors embraced this as an advantage. It is also increasingly clear that the drivers for dam development and the actors involved are changing – whether the context of climate change or the emergence of China as a major international financier of dams – suggesting that renewed efforts to expand consensus on dams will be needed for the original aims of the WCD to be eventually fulfilled.

### **IUCN'S FOLLOW-UP TO WCD**

To be meaningful in the long-run, the WCD required follow-up. Among many needs was the challenge of translating principles and guidelines developed at a global level to practice that could be implemented at a national and project level. IUCN sought to assist this process through an IUCN Strategy on Dams adopted in 2001, which had been called for by IUCN members – comprising States and NGOs – in a Resolution at the World Conservation Congress, which sets IUCN policy, the preceding year. Both the Resolution and Strategy aimed explicitly to build on and promote the open, transparent and accountable decision-making processes championed by WCD. They are based on an understanding that wise use of global water resources has to meet the needs of both human societies and biodiversity.

The focus of IUCN's follow-up to WCD has been very practical, following two tracks oriented principally towards demonstration, dialogue and learning. The first track focused on dissemination and dialogue. IUCN supported the UNEP-led Dams and Development Project and convened and facilitated national and regional dialogues on dams. These dialogues were designed to promote the role of civil society in the planning, development and operation of large dams projects, by opening multi-stakeholder debate and encouraging application of the WCD approach at a national level. Dialogues were held for example in Nepal and the Mekong basin countries, and IUCN continues to support dialogues on dams today, for example in West Africa. IUCN has sought through these activities to assist stakeholders to implement the WCD recommendations in specific projects, river basins and in national policies and strategies.

The second track was focused on demonstrating and changing practice. The IUCN Water and Nature Initiative (WANI) was launched in 2001 and was designed to demonstrate the implementation of Integrated Water Resources Management (IWRM) using an ecosystems-based approach. The WANI portfolio of river basin demonstration projects included several that dealt with dams-related issues, relating either to existing dams or influence on the planning of new dams. For example, WANI worked with the Senegal River Basin Authority (OMVS) and in the Mekong basin to pilot approaches for increasing public participation in river basin development, beginning with information sharing as a starting point for building avenues for increasing public acceptance. Progress was sometimes slow in such activities, but a deliberate approach to knowledge exchange and learning was used to build trust between civil society and authorities. Several WANI demonstrations were designed to address existing

dams and interconnected social issues and environmental impacts. For example, in the Lake Chad basin in northern Nigeria, WANI and its partners supported wetland and river restoration below the Tiga and Challawa Gorge dams, combined with conflict resolution at the community level. As a result of the project, coordinated, participatory governance is in place, restoration of fisheries underway and preparations for dam re-operation initiated. In the Pangani river basin in Tanzania, as well as the Huong basin in Vietnam and the Tempisque in Costa Rica, WANI piloted implementation of environmental flows, seeking to incorporate downstream social and ecosystem needs into dam operation. In the Pangani, for example, this has led to institutional change in which stakeholders participate in assessment of water allocation, including between hydropower and ecosystems, for management of water scarcity and basin development.

Support for changes in water governance arrangements was critical in all WANI demonstrations, as a catalyst for practical changes in water resources management. Increasing participation was part of this process, including the formation of water user associations or watershed councils. However, most important was the articulation of governance arrangements between scales. For example, in Nigeria and in the Volta basin, projects fostered learning and coordination between local institutions, basin forums, governments and coordinating authorities for river basin development. Open dialogue was vital for clarifying and differentiating roles and responsibilities, and to building shared knowledge and trust among actors and institutions operating at different levels. It is this type of coordinated and empowering architecture for water governance that provides the space for principles from the WCD to be applied in practice, such as participation in planning, recognition of entitlements and benefit sharing.

Practical experience feeds learning and IUCN has used experience from WANI and from others to support learning on key themes from the WCD Strategic Priorities and guidelines. The IUCN Water and Nature Toolkit Series is targeted at practitioners and policy-makers, including those who lead the changes envisioned in the WCD report. In this series, many of the WCD's recommendations have been translated into more of an operational framework with detailed guidance on the 'how' to' of implementing the WCD principles and guidelines. The toolkit *NEGOTIATE – Reaching Agreements Over Water*, for example, provides practical guidance on setting up and running multi-stakeholder platforms and processes for consensus building (Dore et al., 2010). It is complemented by *RULE – Reforming Water Governance*, which is concerned with legal and institutional frameworks for water, including infrastructure development, and the requirements of effective regulatory and compliance mechanisms (Iza and Stein, 2009). *SHARE – Managing Water Across Boundaries* gives guidance on how to apply benefit sharing principles in transboundary basins (Sadoff et al., 2008). Practical lessons in applying ecosystem valuation in water management, including in comprehensive assessments of options for infrastructure, are given in *VALUE – Counting Ecosystems as Water Infrastructure* (Emerton and Bos, 2004). Finally, *FLOW – The Essentials of Environmental Flows* is a practical guide to assessing and applying environmental flows to mitigate the impacts of dams on downstream ecosystems and livelihoods (Dyson et al., 2003).

## THE EVOLVING CONTEXT IN 2010

In 2010, the drivers for development of dams have evolved, with new actors playing an increasingly prominent role in investment in dams. The context for applying the WCD Strategic Priorities and guidelines is changing as a result. There is a sense that the prioritisation given to the safeguards called for by the WCD is coming under renewed pressure. Other priorities may be seen as more relevant to today's development challenges, and some investors with increasing importance have not had a strong stake in the WCD.

There is no doubt that the threat of climate change and the high priority internationally for mitigation of greenhouse gas emissions has led, since the WCD report, to a re-awakening of interest in hydropower. It is advocated by proponents as an important component of the mixed energy portfolios that are needed to successfully transition to a low-carbon energy future. Equally, the emergence over

the last decade of climate change adaptation as a priority for governments and development banks has moved dams and water infrastructure up the development financing agenda. Built water infrastructure is seen in this context as a route to managing uncertainty in future climates, particularly drought and floods. Climate change is adding a sense of urgency to investment in dam construction, in which there may be a tendency to downplay the priorities laid out by the WCD. Yet, in truth the opposite may be needed. The need to avoid maladaptation to climate change and to increase climate resilience – with social, environmental and economic dimensions (Chapin et al., 2009) – gives the WCD principles arguably greater importance now.

Since 2000, strengthened recognition of the importance of water infrastructure in reducing poverty has added further to a sense of urgency in setting an agenda for the development of dams. It is clear that investment in and provision of built water infrastructure in some developing regions of the world, particularly sub-Saharan Africa, is inadequate, and contrasts starkly with the situation in developed economies. According to arguments made by Grey and Sadoff (2007), economic growth can be severely impacted by hydrological variability where, for example, water storage is deficient. Similarly, over 90% of theoretical hydropower potential in Africa remains unexploited, compared to less than 30% in the OECD (World Bank, 2009). Governments in Africa, as well as other regions of the developing world, thus rightfully ask why apparent development opportunities from leveraging of hydropower and multi-purpose use of dams are not being tapped. As a response, financing of hydropower is expanding globally, with World Bank contributions for example increasing four-fold between 2004 and 2008 (World Bank, 2009). As this expansion unfolds, the need to ensure application of environmental and social safeguards is heightened, not lessened. Otherwise, the unsatisfactory outcomes for development from dams that led to the WCD will be repeated.

Dialogues on dams do continue in significant ways. The Hydropower Sustainability Assessment Forum is using a multi-stakeholder process to negotiate a protocol and indicators for hydropower sustainability, incorporating some WCD-based principles. Multi-stakeholder dialogues on water resources development are active in the Mekong countries, for example. In West Africa there is a dialogue on dams convened by ECOWAS, the regional economic commission, to frame a regional strategy on dams. At the same time, new international financiers for dam projects have emerged rapidly over the last decade. China is the most high profile of these new actors, but others including Brazil and sovereign wealth funds are active in financing major water infrastructure regionally or globally, often under the coordination of regional economic commissions. None were active in these roles in the WCD. As a result, disclosure and application of social and environmental safeguards may be more limited than called for in the WCD recommendations, which can thus end up easily ignored.

With new drivers for dam development and significant new global actors, it may be time to re-galvanise the global multi-stakeholder dialogue on dams that was started by the WCD. Otherwise, the 21<sup>st</sup> century dams industry will run into the same risks – fuelled by issues of equity, environment and dissatisfaction with development outcomes achieved – that brought their counterparts into the WCD in 1998.

### **RE-GALVANISING PRINCIPLES**

Just as in 2000, dams remain an important option for meeting development needs relating to water and energy security. And, just as in 2000, where dams are identified as the best option for meeting development needs, the negative environmental and social impacts of dams have to be avoided, or else remedied, or else compensated. The WCD provided a framework for decision making designed to meet these requirements. Ten years on, however, it is clear that turning the WCD principles into practice has been challenged by many things, not least knowledge, ownership, acceptance, negotiation, politics and differing perceptions of rights and risks. The difficulties and controversies around dams thus remain, if better resolved in some cases, but still severe in others.

Controversies over dams still seem to turn on two basic questions: who is development for, and who (including ecosystems) can use the rivers? There is usually law or policy that can answer each question technically, but in reality both are intensely contested in many dam projects. The WCD principles and guidelines provided a way forward, to help resolve contention and enable better results for development – as well as for nature – that better address the needs of the multiple stakeholders associated with every river. In 2010, with the re-emergence of dams in an infrastructure agenda increasingly shaped by new drivers and new actors, the WCD principles and process continue to have relevance: “the need to stimulate multi-stakeholder dialogue on ways to formulate... collaborative strategies to introduce benefit sharing on large dams” is ongoing (Skinner et al., 2009). The WCD recommendations provided a means to do so in an open, transparent and accountable way. After ten years, there is a need now to re-galvanise the WCD principles, by updating them to an evolving context, bringing new actors into global dialogue, and continuing to work to ensure that they can be applied in practice.

The strength of the WCD process has ensured that, despite the controversy that the WCD label can attract, the WCD Strategic Priorities remain relevant to dams today. A renewal of the global dialogue on dams can build on this strength, with the aim of laying out the way forward for the coming decades. The WCD Strategic Principles stand as just that, a set of principles available to guide decisions and improve results. A process of updating does not entail reinventing the principles, but should focus on ensuring they provide decision makers with the guidance they need to confront the challenges surrounding dams as they exist now. Expanding inclusiveness is therefore critical, to bring in major new actors but also to improve consensus among all the main actors. Dialogue should find ways to strengthen commitments to accountability that can be judged against the core values of WCD. The need for such accountability will become more acute as the urgency for investment in water infrastructure, in response to economic and climate drivers, may be seen increasingly to justify reducing the priority given to social and environmental safeguards. Updating the Strategic Principles for WCD thus means ensuring that they are responsive to today’s priorities while expanding consensus and accountability.

Renewal of dialogue is also an invaluable opportunity to learn from the collective experience of working on dams, both inside and outside of the WCD recommendations, over the last decade. The best of this learning can be used and sharpened through dialogue to help make re-galvanised WCD Strategic Priorities operational. Choices over dams can then be much better informed by knowledge of workable options for avoiding the negative impacts of dams than is widely the case today. As the realities, and politics, of global change unfold, making the right choices among these options will determine our ultimate success in ensuring that water resources development is resilient and meets the needs of people and nature.

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