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## DAMS AND DEVELOPMENT

A New Framework for Decision-Making  
THE REPORT OF THE WORLD COMMISSION ON DAMS

### Response to the Final Report:

## From Commission to Action: An NGO Call to Public Financial Institutions

16 November 2000

On 16 November, 2000, the final report of the World Commission on Dams (WCD) was released to the international public in London. The WCD's findings and recommendations are particularly relevant for multilateral and bilateral financial institutions. Public financial institutions have long been major promoters of large dams, and have played an active role in the WCD process.

The World Bank sponsored the April 1997 Gland workshop, where the decision to create an independent World Commission on Dams was taken. The Bank was consulted on the Commission's proceedings and reports throughout the WCD process. Representatives of the World Bank, the three major regional development banks and the export credit or aid agencies of Germany, Japan, Norway, Sweden, Switzerland and the U.S. are also members of the WCD Forum. Much of the WCD's funding came from multilateral and bilateral agencies.

### The WCD's main conclusions

The WCD report concludes that

- large dams have failed to produce as much electricity, provide as much water, or control as much flood damage as their sponsors claim;
- large dams suffer massive cost-overruns and time delays;
- many large dams have proven to be uneconomic, even before accounting for their social and environmental costs;
- better technologies are available to provide the benefits claimed for large dams;
- large dams have had huge social and environmental impacts, and efforts to mitigate these impacts have been largely unsuccessful;
- reservoirs can be significant emitters of greenhouse gases;
- the benefits of large dams have largely gone to the already well-off while poorer sectors of society have borne the costs.

These findings have led the WCD to make a number of important recommendations which apply to the full spectrum of dams - from existing dams, to those under construction or in their planning stages. The WCD recommends that

- comprehensive and participatory assessments of the needs to be met and different options for meeting these needs should be developed before detailed studies are done on any specific project;
- priority should be given to demand side management measures and optimizing the performance of existing infrastructure before building any new projects;

- no dam should be built without the „consent“ (in the case of indigenous and tribal peoples) or „acceptance“ of affected people;
- periodic participatory reviews should be done for existing dams to assess issues including dam safety, and the possibility of dam decommissioning;
- mechanisms should be developed to provide social reparations for those who are suffering the impacts of dams, and to restore damaged ecosystems.

### **The WCD's conclusion on the role of public financial institutions**

The WCD report notes that “overseas development financing agencies, particularly the multilateral and bilateral agencies, have played an important role in funding and securing large dam projects”. The World Bank started funding large dams in the 1950s. At the peak of lending in 1980-1984, multilateral and bilateral financial institutions committed more than \$ 4.5 billion annually to the funding of large dams. Collectively, these institutions have committed more than \$ 125 billion to the funding of such dams. As the WCD report notes: “Although the proportion of investment in dams directly financed by bilaterals and multilaterals was perhaps less than 15%, these institutions played a key strategic role globally in spreading the technology, lending legitimacy to emerging dam projects, training future engineers and government agencies, and leading financing arrangements.”

In the case of developing countries, the selection of alternatives for meeting water, flood control and electric power needs was, and is, frequently constrained because, as the WCD report explains, financial institutions have a preference for „large dams rather than non-structural alternatives“. At the same time, the report notes the failure of financing agencies „to fulfil commitments made, observe statutory regulations and abide by internal guidelines“.

The situation is particularly grave for the export credit agencies. As the report points out, “ECAs generally lack policies on environmental and social issues and do not necessarily adhere to internationally accepted standards and guidelines. Experiences from the Three Gorges dam in China, Ilisu dam in Turkey, Maheshwar dam in India and San Roque dam in the Philippines, underline the need for ECAs to examine closely the social and environmental impacts of the projects they support.”

### **A call for action**

We note and appreciate that the WCD report vindicates many concerns raised by NGO campaigns. Given the role of financial institutions in funding large dams and in the WCD process, and based on the WCD report's recommendations, we call on all public financial institutions, including the World Bank, the regional development banks, the export credit agencies and bilateral aid agencies, to take the following actions:

1. All public financial institutions should immediately and comprehensively adopt the recommendations of the World Commission on Dams, and should integrate them into their relevant policies, in particular those on water and energy development, environmental impact assessment, resettlement, and public participation. In particular, as recommended by the WCD, no project should proceed without the free, prior and informed consent of indigenous peoples, and without the demonstrable public acceptance of all those who would be affected by the project.
2. All public financial institutions should immediately establish independent, transparent and participatory reviews of all their planned and ongoing dam projects. While such reviews are taking place, project preparation and construction should be halted. Such reviews should establish whether the respective dams comply, as a minimum, with the recommendations of the WCD. If they do not, projects should be modified accordingly or stopped altogether.

3. All institutions which share in the responsibility for the unresolved negative impacts of dams should immediately initiate a process to establish and fund mechanisms to provide reparations to affected communities that have suffered social, cultural and economic harm as a result of dam projects.
4. All public financial institutions should place a moratorium on funding the planning or construction of new dams until they can demonstrate that they have complied with the above measures.

*London, 16 November 2000*

**Peter Bosshard**, Berne Declaration, Switzerland

**Patrick McCully**, International Rivers Network, U.S.A.

**The call for action has been endorsed by the following 109 NGOs from 39 countries:**

**Argentina**

Jorge Cappato, *Fundación PROTEGER*

Elba Stancich, *Taller Ecologista*

**Australia**

Melanie Gillbank, *AID/WATCH*

Tim Fisher, Stuart Blanch, *Australian Conservation Foundation*

**Austria**

Martina Neuwirth, *Koordinierungsstelle der Bischofskonferenz*

**Bangladesh**

Hossain Shahriar, *Environment and Social Development Organization-ESDO*

Saleem Samad, *Like-Minded Environmental Activists Group*

**Belgium**

Rudy de Meyer, *11.11.11 (the umbrella of the Flemish North South movement in Belgium)*

**Belize**

Sharon Matola, *The Belize Zoo and Tropical Education Center Belize*

**Brazil**

Sadi Baron, *Dam-Affected Peoples' Movement of Brazil*

**Canada**

The James Bay Cree Nation

Pimicikamak Cree Nation

**China**

Sophia Woodman, *Human Rights in China, Hong Kong*

**Colombia**

Marcelino Nuñez Altamiranda, *Asociación de Productores para el Desarrollo Comunitario de la Ciénaga Grande del Bajo Sinú - ASPROCIG*

Abel Domico Domico, Emiliano Domico Mayore, *Cabildos Mayores Embera Katio de los Ríos Sinú y verde*

Hildebrando Vélez, *Censat Agua Viva (Friends of the Earth Colombia)*

**Costa Rica**

Hugo Mora, *Asociación Montaña Verde*

Asociación de Desarrollo Integral del Territorio Indígena de Rey Curré

Asociación de Desarrollo Integral del Territorio Indígena de Cabagra

Asociación de Desarrollo Integral del Territorio Indígena de Boruca

Gilbert González Maroto, *Centro para el Desarrollo Indígena (CEDIN)*

Comité de Defensa de los Ríos Afectados por proyectos Hidroeléctricos

María del Pilar Ureña Alvarez, *Comisión Mixta del Instituto Costarricense de Electricidad*

Grupo de Mujeres Indígenas con Espíritu de Lucha

Padre Oscar Navarro, *Vicaría de Pastoral Social; Pérez Zeledón, Iglesia Católica*

**Czech Republic**

Petr Hlobil, *CEE Bankwatch Network*

**El Salvador**

Mauricio Sermeno, *Union Ecologica Salvadorena*

### **France**

Ben Lefetey, *Amis de la Terre*

Roberto Epple, *ERN European Rivers Network*

Philippe Lhort, *SOS Loire Vivante*

Sharon Courtoux, *SURVIE*

### **Germany**

Weiluo Wang, *Chinesisches Kulturzentrum Dortmund e.V.*

Bernhard Henselmann, *EarthLink - The People & Nature Network*

German Dolphin Conservation Society

Dario Jana, *Red Internacional de Apoyo al Pueblo Pehuenche -RIAP-*

Theodor Rathgeber, *Society for Threatened Peoples Germany*

Heffa Schücking, *Urgewald*

Birgit Zimmerle, *WEED (World Economy, Ecology & Development)*

Wolfgang Sachs, *Wuppertal Institute for Climate, Energy, Environment*

### **Hungary**

Andras Janossy, *„For the Danube" Foundation*

### **India**

D. Narasimha Reddy, *Campaign for Housing and Tenurial Rights (CHATRI)*

D. Narasimha Reddy, *Centre for Resource Education and Citizens Against Pollution*

D. Narasimha Reddy, *Citizens Against Pollution*

Leo Saldanha, *Environment Support Group*

Ambrose Pinto s.j., *Indian Social Institute*

Smitu Kothari, *Lokayan*

Minar Pimple, *YUVA, Mumbai*

### **Indonesia**

Agam Fatchurrochman, *Indonesia Corruption Watch (ICW)*

Arianto Sangaji, *Yayasan Tanah Merdeka*

### **Italy**

Antonio Tricarico, Francesco Martone, Jaroslava Colajacomo, *Reform the World Bank Campaign*

### **Japan**

Takeru Shiroiwa, Tatsuya Kubo, *A SEED JAPAN*

Fujiwara Toshihide, *Campaign for Future of Filipino Children (CFFC)*

Ikuko Matsumoto, *Friends of the Earth Japan*

Toshiko Niikura, Heather Souter, *Rivers!Japan*

Sonoko Kawakami, *Japan NGO Network on Indonesia (JANNI)*

Reiko Amano, *Nagaragawa Citizen's Coalition*

Reiko Amano, *NGO Association for Public Works Review*

Satoru Matsumoto, *Mekong Watch*

Tomoko Sakuma, *People's Forum 2001*

Masahito Ujiie, *Sagamigawa Camp-Inn-Symposium*

### **Kenya**

Grace Akumu, *Climate Network Africa*

### **Lesotho**

Thabang Kholumo, *Highlands Church Action Group (HCAG)*

### **Malaysia**

Sam Hui, *SOS Selangor (Save Our Sungai Selangor)*

Sam Hui, *SUARAM (Suara Rakyat Malaysia)*

### **México**

Scott Robinson (*Depto. de Antropologia Universidad Metropolitana Mexico DF*)

Fernando Melo Farrera, *Servicios para el Desarrollo Sociedad Civil*

### **Netherlands**

Wiert Wiertsema, *Both ENDS*

Johan Frijns, *Friends of the Earth International*

### **Nigeria**

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### **Norway**

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*Forest Studies***Pakistan**

Aly Ercelawn, Muhammad Nauman, *creed alliance*  
Mushtaq Gadi, *Pakistan Network of Rivers Dams and People*  
Naeem Iqbal, *Sungi Development Foundation Islamabad*

**Philippines**

Joan Carling, *Cordillera Peoples Alliance*

**Poland**

Jacek Bozek, Sally Naylor, *Stowarzyszenie Ekologiczno-Kulturalne "Klub Gaja"*

**Republica Dominicana**

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**Slovakia**

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**South Africa**

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Philip Owen, *Southern African Water Crisisnormal*  
Patrick Bond, *(University of the Witwatersrand, Johannesburg)*

**Sweden**

Klas Ronnback, *Miljöförbundet Jordens Vänner (Friends of the Earth Sweden)*

**Switzerland**

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Pfr. Andreas Nufer, *Ecumenical Parish Halden, St.Gallen*  
Alex Sutter, *Human Rights Switzerland*  
Amanda Weibel, Gertrud Ochsner, *Independent Network Monitoring the Swiss Financial System*  
Göpf Berweger, Hanspeter Bigler, *Society for threatened peoples - Switzerland*  
Brigitte Anderegg, *SOLIFONDS*  
Hanspeter Finger, Petra Engelhard, *SWISSAID*  
Peter Niggli, *Swiss Coalition of Development Organisations*

**Thailand**

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Thomas Griffiths, *Forest Peoples Programme*  
Kate Geary, *Ilisu Dam Campaign*  
Steve Fisher, *ITDG*  
Roger Moody, *Partizans*  
Geoff Nettleton, *Philippine Indigenous Peoples Links*  
Nicholas Hildyard, *The Corner House*

**Uruguay**

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Ricardo Carrere, *World Rainforest Movement*

**USA**

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Andrea Durbin, *Friends of the Earth U.S*  
Kate Showers, *Institute for Environmental Awareness, Inc*  
John Gershman, *Institute for Health and Social Justice*  
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