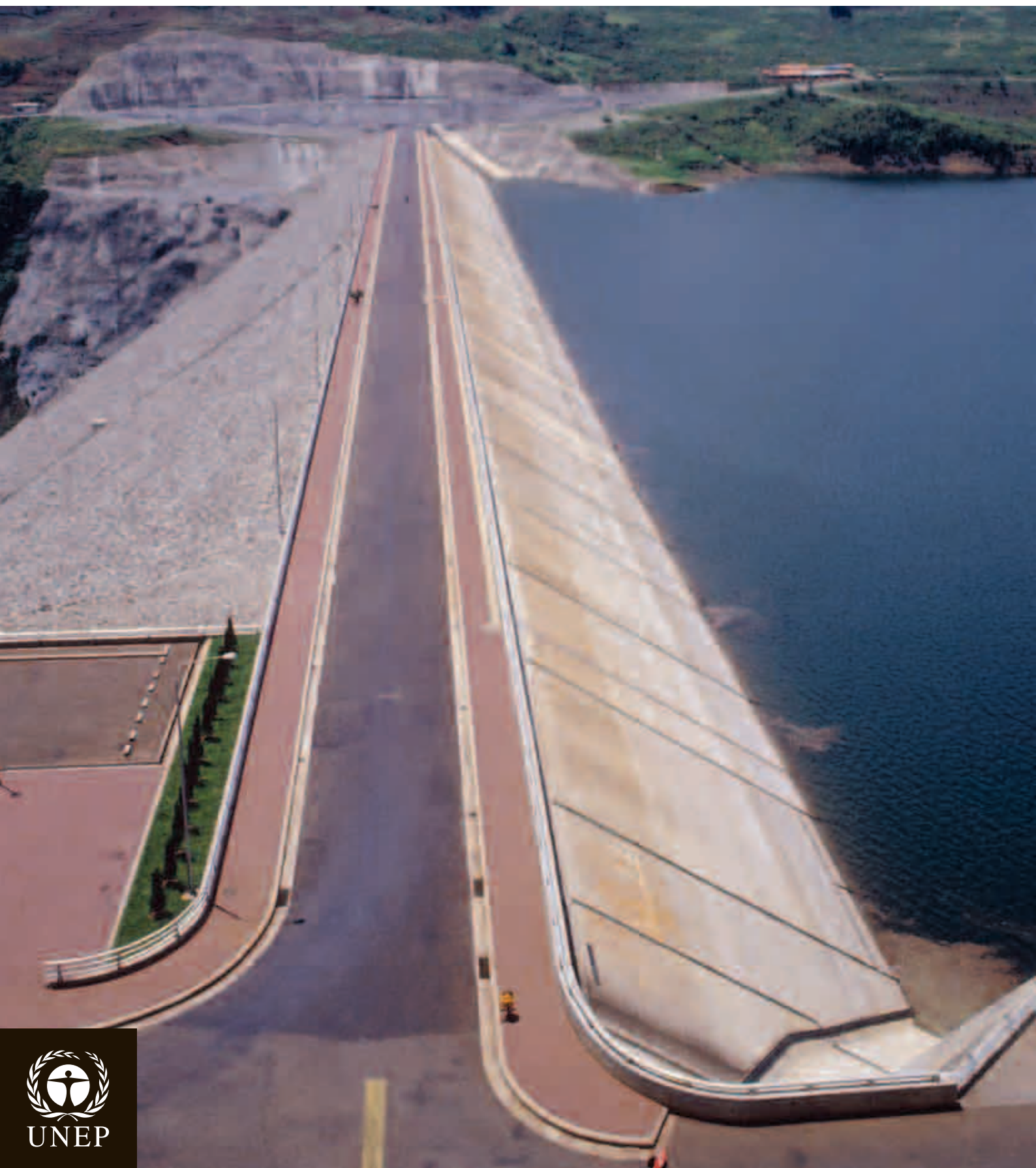


UNEP Dams and Development Project



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INTERIM REPORT COVERING THE PERIOD OF
FEBRUARY 2005-MAY 2006

United Nations Environment Programme

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Executive Summary

The Interim Report of the Dams and Development Project covers the first half of Phase 2, i.e. February 2005-May 2006. During this period, the Dams and Development Project went through a substantive process of consolidating strategic approaches and specific objectives. The project made significant progress towards achieving the expected outputs and reflected on the challenges and opportunities of sustaining these achievements beyond 2007 when Phase 2 officially ends.

The Dams and Development Project (DDP) is a follow-up initiative to the World Commission on Dams (WCD) process dedicated to promoting improved decision-making of dams and their alternatives drawing on the WCD core values and strategic priorities and other relevant reference materials. For this, it facilitates multistakeholder dialogues at global and national levels and produces non-prescriptive practical tools.

The dialogue on dams and development facilitated by DDP has evolved responding to the imperatives of achieving the Millennium Development Goals and changing energy and water scenarios at international and national levels. The most significant features of this evolution were established at the events organized by DDP during Phase 2.

There is, on the one hand, an emerging shift from a global polarization on the dilemma on whether to build a dam or not to a more constructive stance of addressing concrete measures to incorporate effectively environmental and social concerns into the planning and management of dams and improving decision-making to achieve sustainable outcomes. These measures from the DDP's perspective include strengthening normative frameworks and building managerial capacities.

On the other hand, there is a growing recognition that large dams and their alternatives, including small-scale dams, are not to be seen as competing options. As observed at the DDP session of the 4th World Water Forum, in most cases, they are complementary, due to their operational features and limitations. Only through a careful planning process, which includes comprehensive needs and options assessment, do dams or/and their alternatives contribute effectively to achieve the desired outcomes.

The role of the governments as ultimate decision-makers has also been highlighted by the global dialogue. In spite of initial reservations from governments to engage in DDP supported processes, the Project has gradually increased their involvement in the project governance, dialogue and other activities. The establishment of the Government Advisory

Consultative Group (GACG) in Phase 2 of the Project, which includes the representatives from 19 countries, is a significant step in this regard.

The interpretation of the analytical framework offered by the WCD core values and strategic priorities through the global and national dialogues indicated that a number of emerging environmental and social issues needs to be incorporated into national and international frameworks and managerial capacities need to be built to ensure their proper consideration in the planning and management.

The Compendium of relevant practices being developed by DDP in Phase 2 aims at promoting more in-depth understanding of the emerging issues at local level with the purpose of their wider adoption and implementation. It is designed to provide decision-makers with positive examples of relevant practices that address specific elements of these emerging issues. It is expected that wider consensus will be developed around them as they are captured in a more concrete format in specific examples.

Given the contentious and sensitive nature of the issues that the Project works with, the diversity of stakeholders involved and the ambitious goal and objectives, it is to be understood that achieving the expected outcomes brings about many challenges as well as opportunities. Moreover, while the specific products will be delivered within the established timeframe of DDP that ends in early 2007, the real impact, that the DDP approaches will yield, extends beyond Phase 2. There is a need, therefore, to sustain them by setting up appropriate institutional and operational arrangements for continuing efforts in response to these challenges and opportunities. This involves putting in place capacities to:

- Assist, upon demand, governments and stakeholders to establish multistakeholder platforms and processes at country and river basin level for the debate around dams and development that strives and seek to achieve general agreement on improvements of national policies and guidelines necessary to strengthen local frameworks and procedures.
- Continue the global multistakeholder dialogue through convening regular meetings of the Dams and Development Forum and other activities at

¹ Major drivers of change are, among others, increased pressure to build infrastructure in response to MDGs in response to fast approaching deadlines, climate variability and change, and escalating oil prices that place dams again ¹on the centre stage.

international level to bring together various stakeholders including managers and decision-makers. This is needed to exchange views and experiences, discuss approaches and methodologies to resolve contentious issues and seek general agreement that will inform the national and regional decision-making.

- Sustain the process of enhancing the Compendium through extending its scope to address the remaining key issues and adding new practical experiences on the issues already addressed. This process requires ongoing monitoring and assessment of impacts resulting from the use of the Compendium.
- Disseminate the Compendium widely and assist decision-makers, managers and multistakeholder platforms in making the best use of it to enhance regulatory instruments and legislative frameworks and improve capacities to deal with the emerging social and environmental issues. These activities should contribute to and be part of overall efforts of institutionalizing IWRM approaches.
- Continue raising awareness and building political will on the need for proper consideration of environmental and social issues in the planning of dams and their alternatives through reaching out to stakeholders and the public, promoting networking between them and disseminating DDP and WCD knowledge bases and other relevant sources of information on dams and development.

It is now the turn of stakeholders to assess the relevance and significance of these activities. A number of them are in line with the UNEP mandate, specifically the UNEP Water Policy and Strategy, and the Bali Strategic Plan. The former document underlines UNEP's comparative advantages to take the proposed activities on board while the latter provides room to all agencies within the United Nations system to provide the required capacities within their regular programmes of work subject to availability of external funding. Whichever follow-up initiative is finally decided upon, it is essential to secure the support of stakeholders and donors to ensure its sustainability and success.





Foreword

This report was elaborated by the DDP Secretariat at a time when the Project has completed half of the Phase 2 period and is working towards producing the expected outcomes. It is a time to reflect on what has been achieved so far and, equally important, to start establishing the foundations for the future, once DDP as a project ends in early 2007.

In retrospect, it is apparent that the project made use of its successes and failures by consolidating its strategic and operational objectives in order to position itself better to achieve its goal of improving decision-making. The multistakeholder global and national dialogues have been strengthened as important avenues of providing broad based input to the improvement of normative frameworks. Discussing issues, instead of general concepts, in the context of specific practices, and not of projects as whole, is expected to reduce conflict around sensitive issues and move the debate towards consensus and thus providing decision makers and managers with learning elements to help them take decisions. The common objective is to incorporate into the planning and management of dams and their alternatives the environmental, social and decision-making issues emerging from the WCD core values and strategic priorities.

It seems from reflecting on the recent past that finally all stakeholders and governments in particular, have agreed on the need to mainstream the emerging issues in their decision-making process. It is also apparent that the great majority, if not all, of stakeholders are ready to devote efforts on how to build good dams rather than engage in a polarized global discussion of whether or not to build dams. Both are steps forward in the dams' debate. Given this background, the prospects for the future are encouraging.

This progress report provides both an analysis of the past as well as the perspectives for the future as seen by the DDP Secretariat. Both draw from the experience gained from Phase 1 and half Phase 2 and are inspired by the desire of raising awareness on the perceived needs in the management of water and energy resources, including dams, and on the value of the DDP approaches to contribute to meeting them in the near future. We hope that the message will be well received and interpreted. And, as an outcome, stakeholders will find ways of ensuring the continuity of those approaches that are considered more valuable through appropriate new institutional and operational arrangements.

Alberto Calcagno
DDP Co-ordinator

Introduction

1. The Interim Report of the Dams and Development Project covers the first half of Phase 2 i.e. the period February 2005-May 2006. In this report, the core activities undertaken by DDP and their results are reviewed against the background of the overall developments at the international and national levels regarding energy and water. The Report attempts to capture their implications on the DDP process as well as the impact of the DDP process on the overall debate on dams and development.
2. Though still a mid-term progress report, substantive issues have been given particular relevance in the structuring of this report. Thus, it has been divided into two parts. Part 1 presents an analysis of the progress with substantial emphasis on the outcomes of the project implementation, its outputs and their impact. Part 2 presents the progress made in the various specific activities as captured in the Project Document.
3. In Part I, Section II sets the background by discussing the situation around water and energy in the world. It highlights the global response as documented at the relevant main international events and its implications to dams. Section III and IV trace the major developments in the evolution of the dams and development debate during the DDP process upon the launch of the WCD Report as viewed from the DDP Secretariat's perspective. They also discuss developments around the understanding of the key emerging new and old issues on dams and development put forward by the WCD core values and strategic priorities. Sections V and VI review how the DDP work programme and operational approaches have and are expected to contribute towards reaching the project goals and generating general consensus on the outcomes. Section VII lists the main challenges and opportunities around DDP processes in terms of content and approaches. Section VII offers to the consideration of stakeholders and donors the outcomes and processes initiated by DDP that might deserve continuity beyond Phase 2 to achieve fully the desired impacts.
4. Part II of the Report provides a brief update of the main activities that took place during the reporting period. This reporting is organized according to the DDP work programme.





Part One

I. Water and Energy: Dams and Sustainable Development

5. Water and energy remain critical essentials underpinning the attainment of sustainable development. Many international meetings¹ have recognized the important role of water and energy in promoting growth, poverty alleviation and sustainable development. The equitable and reliable supply of both necessities, especially to the poor, remains a major challenge confronted by society today. Fulfilling water and energy needs to meet the Millennium Development Goals (MDGs) will require additional water collection and storage capacity and increased electricity generation and supply. As the deadline to achieve these time-bound targets approaches, the aspiration to meet the MDGs places the development of infrastructure high on the development agenda.
6. Currently, approximately 17 % of the global electricity is from hydropower. This is a major source of electricity in 63 countries, reaching over 90 % in some of them. Some 17% of irrigated land worldwide now relies on dams and from this about 40% of the world's food production is generated. Even in the context of increased efficiency and further development of alternative sources, this input is likely to increase and so the role of dams associated with it.
7. Dams are a mature technological option to facilitate water storage and hydropower generation. Given the potential significance of their environmental and social impacts, their contribution to sustainable development should be carefully managed in order to optimize performance, effectively contribute to poverty alleviation and mitigate against adverse effects. The decision to build a dam should be taken through the assessment of a full range of options available to meet the needs including structural (supply side) and non-structural (demand side) measures.
8. There is however still controversy about and resistance to building dams amongst some stakeholder groups both in the developed world and in developing countries even those experiencing severe water and energy scarcity. This is because of their perceived negative social and environmental impacts, usually grounded on a past record of process and performance failures. The science and technology has made significant progress in terms of understanding environmental functions and needs of the river ecosystem, and awareness about the critical environmental and social aspects to be taken into consideration has notably improved. However, not all groups accept that the adverse impacts on communities and the environment can be mitigated against even if such knowledge advancement is delivered through informed and transparent decision-making with the engagement of all stakeholders.
9. The World Commission on Dams landmark Report “Dams and Development: A New Framework for Decision-making” launched in November 2000 has subsequently had a profound, though implicit, influence on all international meetings related to water and energy resources management. The WCD Report produced a new framework for decision-making on the provision of water and energy services aimed at safeguarding rights, reducing the level of conflicts and lowering overall costs, including social and environmental ones. The Commission recommended that an approach based on the “recognition of rights” and the “assessment of risks”, as opposed to the conventional balance-sheet approach, be adopted in planning and decision-making.
10. The UNEP Dams and Development Project (DDP) was established in November 2001 as a necessary follow-up initiative to take discussions around the WCD recommendations to the national level where decisions are ultimately taken. The first phase of the project was officially concluded in July 2004. The second phase of DDP was launched in February 2005 and is aimed at promoting improved decision-making, planning and management of dams and their alternatives building on WCD core values and strategic priorities and other relevant reference materials. The main expected results of the Project are:
 - Raised awareness on the need of and wide agreement on how to improve national and international regulatory frameworks effectively taking into account social and environmental aspects and incorporating appropriate participatory approaches into decision-making;

¹ Some of the most relevant ones are: WSSD and the Johannesburg Plan of Implementation (RSA, 2002); Third World Water Forum and Kyoto Ministerial Declaration (Japan, 2003); International Conference on Renewable Energies in Bonn and its Political Declaration (Germany 2004); UN International Conference on Hydropower and Sustainable Development (Beijing, China, 2004); 13th Meeting of the CSD (New York, USA, 2005); World Summit 2005 (New York, USA, 2005); African Ministerial Conference on Hydropower and Sustainable Development (Johannesburg, RSA, 2006); Fourth World Water Forum (Mexico 2006); 14th Meeting of the CSD (New York, USA, 2006)

- Availability of non-prescriptive broadly accepted practical tools providing information and examples of good practice to assist decision makers in the planning and management of dams and their alternatives.

II. The Evolving Dams and Development Debate

11. The dialogue on dams and development facilitated by DDP has evolved responding to the imperatives of changing energy and water scenarios at international and national levels, as reflected by the outcomes of major international meetings. The Dams and Development process has captured this evolution, which started with the launch of the WCD report generally perceived as critical to dams, and has developed up to the present situation when dams are acknowledged as part of the solution to harness water and energy resources, needed to achieve the MDGs.

A. Shift from ‘whether to build a dam’ to ‘how to build a good dam’ stance

12. It is unanimously recognized that the WCD report has made a significant contribution to the debate on water and energy management. However, it did not settle all controversies surrounding water and energy development but highlighted the polarization of views on the issues at stake. There has been a wide range of responses to the report. Interestingly, the debate, instead of addressing the issues, mainly focused on the report as a whole. As a result, it seemed that both dams’ opponents and proponents viewed, from different perspectives, the WCD report as an anti-dam tool. The first group welcomed its full implementation as it justified screening out large dams whereas the second camp questioned the feasibility of implementing the policy principles and guidelines viewing them as an effective obstacle to developing crucial water and energy infrastructure. In spite of the diversity of opinions, all stakeholders agreed that the dialogue should be kept alive preserving its multi-stakeholder character established by the Commission using the core values and strategic priorities (CVs and SPs) as its analytical platform.

13. The Dams and Development Project has since embarked on the dialogue process both at global and national levels with the view of clarifying the WCD core values and strategic priorities and examining their relevance to the different local perspectives. At global

level, through a series of issue-based workshops, Dams and Development Forum (DDF) meetings as well as DDP side-events at various international meetings, the participants of the debate have come to explain and identify the main elements of the strategic priorities with the aim of promoting wider understanding and further discussion at national level. Simultaneously, through a number of national dialogue activities and processes, the WCD CVs and SPs were analyzed within the national context to fill perceived gaps in the existing regulatory frameworks.

14. In all national consultations carried out by DDP, governments voiced their strong support for further development of hydraulic infrastructure. Notwithstanding, they also participated in the dialogue activities in their respective countries recognizing the value of establishing criteria to ensure that any such development is sustainable in terms of environmental and social aspects and takes into account the views and expectations of the affected people and local communities. While recognizing the need to deploy other alternative sources of energy and water, the emphasis and efforts of multi-stakeholder dialogues have always been on issuing recommendations that allow building good dams.

15. From an international perspective, as the pressure to reach the internationally agreed goals grows, water and energy infrastructure, including dams, has become attractive to the political leaders of the developing countries as a means of addressing their immediate needs for water, food and energy. Noteworthy in this respect is the African Ministerial Conference on Hydropower and Sustainable Development held in South Africa, March 2006 where there was general agreement on the urgent need to accelerate the implementation of dams’ projects across Africa. The leaders of G8 Summit in Gleneagles through the launch of the Infrastructure Consortium for Africa committed significant amount of aid assistance to the infrastructure development projects. Furthermore, the EU pledged to increase the aid volume to developing countries with significant part going towards infrastructure development projects with the special emphasis on Africa. Similar approaches are being envisaged in other regions of the world.

16. At the 4th DD Forum meeting convened in October 2005 in Nairobi during Phase 2, the participants discussed extensively the key issues that need to be addressed while planning and managing dams and their alternatives.

The interventions from the Forum members and observers suggested that the momentum was building to help African countries in their quest for reliable and sustainable source of water, food and energy security. More importantly, the participants noted the qualitative change in discussions with the focus having shifted from whether dams are to be built to how to build good dams.

17. This demonstrates the progress achieved through global dialogue processes from a polarized perspective around the dilemma of having dams or not to a more constructive one addressing concrete measures to improve the planning and management of dams and their alternatives. With the majority of the stakeholder groups agreeing with this interpretation, it is seen by the DDP Secretariat as a step forward in the dams' debate that bridges the gap between traditionally entrenched and polarized positions about dams and their role in development and presents a basis for further work in the direction that DDP has taken.

B. Large versus small-scale infrastructure approaches

18. The dams' debate is essentially about the role of large dams in poverty alleviation and overall social and economic development. The existence of alternatives to large dams was highlighted by the WCD report, which recognized the importance of options assessment in the upstream planning process as one of the strategic priorities. The debate around large dams versus their alternatives including small-scale decentralized dams has become associated within the broader context of the discussion about small-scale versus large-scale infrastructure as a result of an emerging conclusion that a basic water infrastructure platform is indispensable for economic growth and poverty alleviation.
19. This was also a subject of a lively discussion in the session organized by DDP jointly with the International Committee on Large Dams (ICOLD), International Rivers Network (IRN), US Army Corps of Engineers (USACE/IWR) and WWF at the 4th World Water Forum, México, March 2006. The event under the title "Ensuring dams are a platform for growth and sustainable development" brought together various speakers and audience that expressed different views on the subject.
20. The proponents of large dams argued that major multipurpose dams and reservoirs have been successful in providing development to many nations, and dam



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projects have remained as an integral part of the basic infrastructure platform necessary for social and economic growth. They also recognized that in the past, there were high costs and risks (natural environment, inequitable distribution of benefits, resettlement, and inaccurate projections of demand) involved in dams projects because of poor planning, design and management. However, to date more consideration is given to the environmental and social impacts of dams fostering the adoption of new approaches of public participation, river basin monitoring, management and environmental mitigation and restoration.

21. Those advocating the 'small is beautiful' pointed out that most of the poor addressed by MDGs live in rural dispersed areas. Therefore, only low-cost, off-grid options such as small-scale drip systems, rainwater harvesting, groundwater recharging, check dams and embankments could reach the destitute. They supported the large-scale implementation of small-scale water infrastructure as a prerequisite to achieve the MDG targets, casting doubts about the ability of large solutions to help effectively the poor, fearing that resurgence of large dam building will have unacceptable social and environmental impacts and divert funds from poverty alleviating investments.



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22. The general agreement emerging from the session was that both approaches are viable and should be based on a comprehensive assessment of needs and options. It was agreed that in both cases careful planning and participatory decision-making processes were crucial to address environmental and social impacts. This should be an integral part of the development project. Stakeholders' participation was considered as fundamental to resolving inherent conflicts around dams' projects. Such measures should be mainstreamed in strengthened policy and regulatory frameworks that together with enhanced managerial capacity provide a strong basis for sound decision-making on dams and their alternatives.
23. DDP contributes to this approach by placing a special focus on the issue of alternatives to dams. The comprehensive needs and options assessment was the topic of a DDP issue-based workshop held during Phase 1, where it was defined as an integral part of the decision-making process at policy, strategic planning and project level. It is also a key issue identified by stakeholders to be examined in the Compendium of relevant practices (See Section IV and V). Options assessment enables

defining the most appropriate sustainable solutions to address the community needs for water and energy.

24. As observed at the DDP session of the 4th WWF, none of the solutions is the one. Alternative sources of water and energy, large and small, cannot be stand-alone solutions. In most cases, they are complementary, due to operational features and limitations. The suitable combinations of measures should be river-tailored depending on the resources and climatic and geographic settings. Only through careful planning process, which includes comprehensive needs and options assessment, dams or/and their alternatives would bring the desired outcomes.

C. The role of decision-makers

25. A number of the issues raised by the WCD Report were related to governance including rights protection and decision-making. The strong role given by the WCD to stakeholders and in particular affected and indigenous communities in decision-making process throughout the entire project cycle raised concerns of some stakeholders, particularly governments, who saw a risk of undermining the existing formal responsibility of government to take decisions. Some even interpreted that the WCD recommendations advocated a veto power given to affected people and indigenous people on decisions about building a dam. This interpretation induced strong reservations to the WCD report from many governments, including those with major dam building programmes resulting in their consequent reluctance to participate in DDP activities.
26. Since its establishment, DDP made constant efforts to re-engage governments into the dialogue and increase their involvement in project activities and governance structure. Although initially some groups viewed this as detrimental to the balanced nature of the multi-stakeholder platform of the Steering Committee and the DD Forum, recognition has progressively grown in these bodies about the value of having governments participating in the discussions to get their views and convey to them the intended messages. Most importantly, the role governments as developers and decision-makers play in most of the developing countries highlighted the need of their further involvement in the DDP process. In addition, the results of the national dialogue activities have further contributed to the recognition of the need to involve government representatives from the various areas dealing with dams. It was noted by all stakeholders that being the main end-users of the recommendations

produced by the dialogue process, the governments' buying-in through meaningful participation, was a prerequisite for success.

27. Whatever doubts remained concerning the fundamental role of governments in decision-making, they were dissipated at the fifth issue-based workshop on Gaining Public Acceptance, convened by DDP on October 2005 in Nairobi. The workshop had the objective of addressing the sensitive issues of stakeholder involvement and informed participatory decision-making system, including those of free and prior informed consent by indigenous people. While highlighting all elements of meaningful stakeholder involvement, paying due attention to affected and indigenous people, the participants agreed that the government is the key decision-maker who should take thorough consideration of other stakeholders' views and make a final decision that benefits the whole community.
28. Thus, along Phase 1 and Phase 2, the Project has gradually increased the participation of governments, particularly of those with ongoing large dam building plans. Most of them accepted to become members of the DD Forum within which government categories were kept unlimited in terms of membership quota while in the rest it was restricted to ten. At the beginning of Phase 2, major steps were taken to create the Government Advisory Consultative Group (GACG) and introduce four of its members into the Steering Committee to represent the government categories associated with policy and projects/river basins. GACG, which held its first meeting in October 2005, includes the governmental representatives of 19 countries from both the developed and developing world. Government participation in the 4th DD Forum meeting (Nairobi, October 2005) was substantially increased and all stakeholders participating in the event positively noted this development.

III. Dealing with emerging old issues

29. The environmental and social implications of the development of water and energy resources had been acknowledged from long time ago. The establishment, for instance, of UNEP following the Stockholm Conference in 1972 reflected the concern of the international community about the impact of human development on the environment. The concept of sustainable development adopted at the UNCED in Brazil in 1992 involved recognizing the linkages between the economic, environmental and social dimensions of human development. Prior to the seventies, many

developed countries established frameworks to address the environmental impacts of development. Environmental laws were established setting the rules for environmental assessment and licensing of infrastructure, particularly those categorized as having significant impacts. Corresponding institutions to effect the application of these laws were put in place. A little later, similar developments took place in developing countries. In recognition of the importance of these issues, multilateral development banks, bilateral aid agencies, export credit agencies and private banks established their own safeguards and criteria to deal with these aspects.

30. The WCD Report undertook an extensive review of the environmental and social issues concerning dams and, based on the lessons learnt from the failures in the application of existing national and international frameworks, proposed an updated understanding of the aspects that need to be taken care of. It highlighted issues already captured by regulations but poorly implemented and raised new ones.

A. Identifying the issues

31. The WCD therefore played a fundamental role of highlighting old and new emerging issues. The WCD Report (2000) articulated the nature and scope of the challenges around dams and development as follows: *"The problems all relate to what the dam will do to river flow and to rights of access to water and river resources, to whether the dam will uproot existing settlements, disrupt the culture and sources of livelihood of local communities, or deplete or degrade environmental resources, and to whether the dam is the best economic investment of public funds and resources"* (Overview Report page 6).
32. The WCD noted that although the main problems are around environmental and social issues, the solution was enhanced involvement of stakeholders in the decision-making process so that trade-offs, uncertainties and risks are addressed taking their views and expectations into account. The "new decision-making framework" proposed by the WCD Report addressed fundamental environmental, social and decision-making issues related to dams and development in the form of 5 core values, 7 strategic priorities, 29 policy principles and 26 guidelines. The latter generated a mixed reaction and did not receive wide endorsement indicating a lack of common understanding of some specific aspects as well as differences in views on many others. However, on

the contrary, the CVs and SPs were widely positively received. They were therefore adopted as the basis of the mandate of DDP.

B. Reaching common understanding

33. As the objective of the DDP process was to promote the consideration and integration of the WCD CVs and SPs into normative frameworks at national level, the first step and major challenge was to facilitate the clarification and reaching a common understanding of the main issues involved by stakeholders. The global multi-stakeholder dialogue was the main avenue adopted to address this challenge. At its 1st DD Forum meeting (July 2002) four strategic priorities were prioritized for detailed discussions at the issues-based workshops to be convened during Phase 1 and 2. Thus, the following workshops: Comprehensive Options Assessment (September 2003); Financing Dams (April 2004); Compliance (June 2004); and Addressing Existing Dams (June 2004) were organized while the fifth workshop on Gaining Public Acceptance (October 2005) was held in Phase 2. All workshops were convened back to back with DD Forum meetings thus allowing immediate reporting and consideration of outcomes by the Forum participants.
34. In addition, DDP took the opportunity of the side-events organized within the agenda of relevant international conferences to discuss emerging issues with stakeholder representatives participating in the meetings. Towards this end, DDP prepared a set of key messages summarizing salient elements of these issues as distilled from the outcomes of the issue-based workshops and

Forum meetings. The key messages were organized around the following topics:

- Complementary role of dams and their alternatives in water and energy resources development and management, in the context of MDGs;
- Appropriate consideration of environmental, social, economic and technical aspects in order to ensure that outcomes contribute to sustainable development;
- Need to institutionalize sound decision-making process in the planning and management of dams.

Annex I presents the set of key messages.

35. These key messages were discussed in the context of the side-event co-organized by AMCOW and DDP at the African Ministerial Conference on Hydropower and Sustainable Development and in a session at the 4th World Water Forum. Both meetings were well attended by participants from a wide range of backgrounds. Most of the key messages around the emerging issues were explicitly captured in the African Ministerial Conference Declaration and Action Plan and reflected in the 4th WWF Ministerial Declaration (Annexes II and III). This represents a major breakthrough in terms of reaching a broader sense of endorsement of the main issues in the key messages, which create a sound basis for the institutionalization and implementation.

C. Regulation and implementation

36. In Phase 1, DDP identified the need to develop a Compendium of relevant practices for use by decision-makers and practitioners. It was agreed that its elaboration would be based on the key issues associated with dams planning and development in the context

Table III.2: Prioritized key issues on emerging issues being elaborated for implementation

Strategic priorities	Priority key issues
Gaining Public Acceptance	Stakeholder participation: scope, mechanism
Comprehensive options assessment	Identification of options
Addressing existing dams	Addressing outstanding social issues
Sustainable rivers and livelihoods	Environmental management plan
Recognizing entitlement and sharing benefits	Compensation policy Social Impact Assessment Benefit sharing
Ensuring Compliance	Compliance enforcement/ mechanism
Sharing rivers for peace, development and security	International policy concerning shared river basins

of WCD SPs. The Compendium aims at promoting more in-depth understanding of the emerging issues at local level with the purpose of facilitating their wider adoption and implementation. Early in Phase 2 (2005), DDP undertook background work detailing key issues associated with the SPs in a structured manner and identified first, second and third level issues. In this way, a preliminary list containing about 36 first-level issues was produced.

37. Based on the outputs of this initial work, the 4th DDF recommended criteria for developing the Compendium and prioritized issues on the preliminary list. From these recommendations, a first set of 9 key issues was selected to be developed and incorporated into the first version of the Compendium (Table III. 2). The Compendium will identify the main features/elements of these issues and provide examples of regulatory frameworks capturing these issues and demonstrating their implementation. Noteworthy is that, unlike the WCD Report, which drew lessons from failures, the focus of the Compendium will be on learning from positive examples showing a way forward. With the help of external expertise, the initial stages of the research into these aspects of the nine priority key issues commenced in February 2006.
38. Worth mentioning is the focus on governance and social issues from the results of the prioritization of the key issues at the 4th DDF meeting, which is consistent with the fact that these issues entered the dams and development debate recently and therefore lag behind in terms of implementation. As discussed in Section II, the dams and development debate is evolving in terms of content.
39. The debate on dams and development around emerging issues within the DDP process has shifted from discussing general concepts to clarifying the issues involved. The expected result is that differences between stakeholders will reduce as discussion becomes more focused and factual. Thus, wider consensus will be developed around these more concrete issues captured in available specific examples. The consideration of examples has also evolved from looking at whole projects to specific practices within projects that demonstrate dealing with certain elements of the priority key issues effectively. Likewise, in this context, the discussion concentrates more on information that supports the institutionalization and implementation of the priority key issues.
40. In conclusion, through the above efforts in Phase 2, DDP has contributed towards a broad recognition at policy level of the need to address the emerging issues to achieve sustainable development as demonstrated by the outcomes of the previously mentioned conferences.



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IV. Towards achieving DDP goal and objectives

41. Conceived at its inception as a follow-up of the World Commission on Dams process, the DDP was tasked with promoting the integration of the WCD core values and strategic priorities into national regulatory frameworks. The word integration is interpreted by DDP as a process of analyzing national contexts against the WCD core values and strategic priorities to identify conformities and gaps and, subsequently, needs for policy and procedural reforms. In principle, such analysis should result in a set of recommendations to governments and other stakeholders seeking their adoption and implementation. This approach implies that:
 - a. on the one hand, the recommendations of the WCD Report were not considered as a blueprint but a valuable input into the process of assessing and improving country frameworks that guide decision-making, planning and management of dams;
 - b. on the other hand, the DDP's mandate was restricted to supporting only the core values and strategic priorities that had received broad consensus among all stakeholders according to the reactions to the WCD final report.
42. In Phase 2, the goal of the project has widened to promoting improved decision-making, planning and management of dams and their alternatives building on the WCD core values and strategic priorities and

all other relevant reference materials. Consequently, from focusing initially on influencing policies and procedures only, the project, in response to the identified needs through Phase 1, has moved to more ambitious and comprehensive specific objectives of strengthening normative frameworks and building managerial capacities. Promoting multi-stakeholder dialogue and producing non-prescriptive practical tools to disseminate examples of relevant practice are the main strategies that the project is now implementing (see Figure V.1 and Section V).

A. Strengthening frameworks

44. It is widely accepted that a comprehensive normative framework² is a necessary condition for sound governance and creating an enabling institutional environment for sustainable development³. Explicitly or implicitly, the outcomes of most international events dealing with water and energy resources emphasized such need and the commitment of governments to improve them. For example, the declaration recently issued by the African Ministerial Conference on Hydropower and Sustainable Development states: “(m) Commit ourselves to strengthen legal and regulatory frameworks and human capacity in support of sustainable hydropower development” (Annex III).
45. UNEP has a long and well-established tradition of fostering the development and implementation of international law at global and regional levels, i.e. multilateral environmental agreements. It has also promoted since its inception, the establishment of appropriate environmental policy and legislative frameworks at country level, e.g. Partnership for Development of Environmental Law and Institutions in Africa (PADELIA). UNEP’s assistance has been instrumental in the enactment of environmental laws and environmental organizations in many developing countries.
46. The need for having sound normative frameworks that clearly stipulate the ground rules for dealing with the emerging issues has been established by all stakeholder groups. Such frameworks are necessary to

² DDP uses ‘normative framework’ referring to the policy, legislative and regulatory elements of the institutional set-up that guides the decision-making, planning and management of dams.

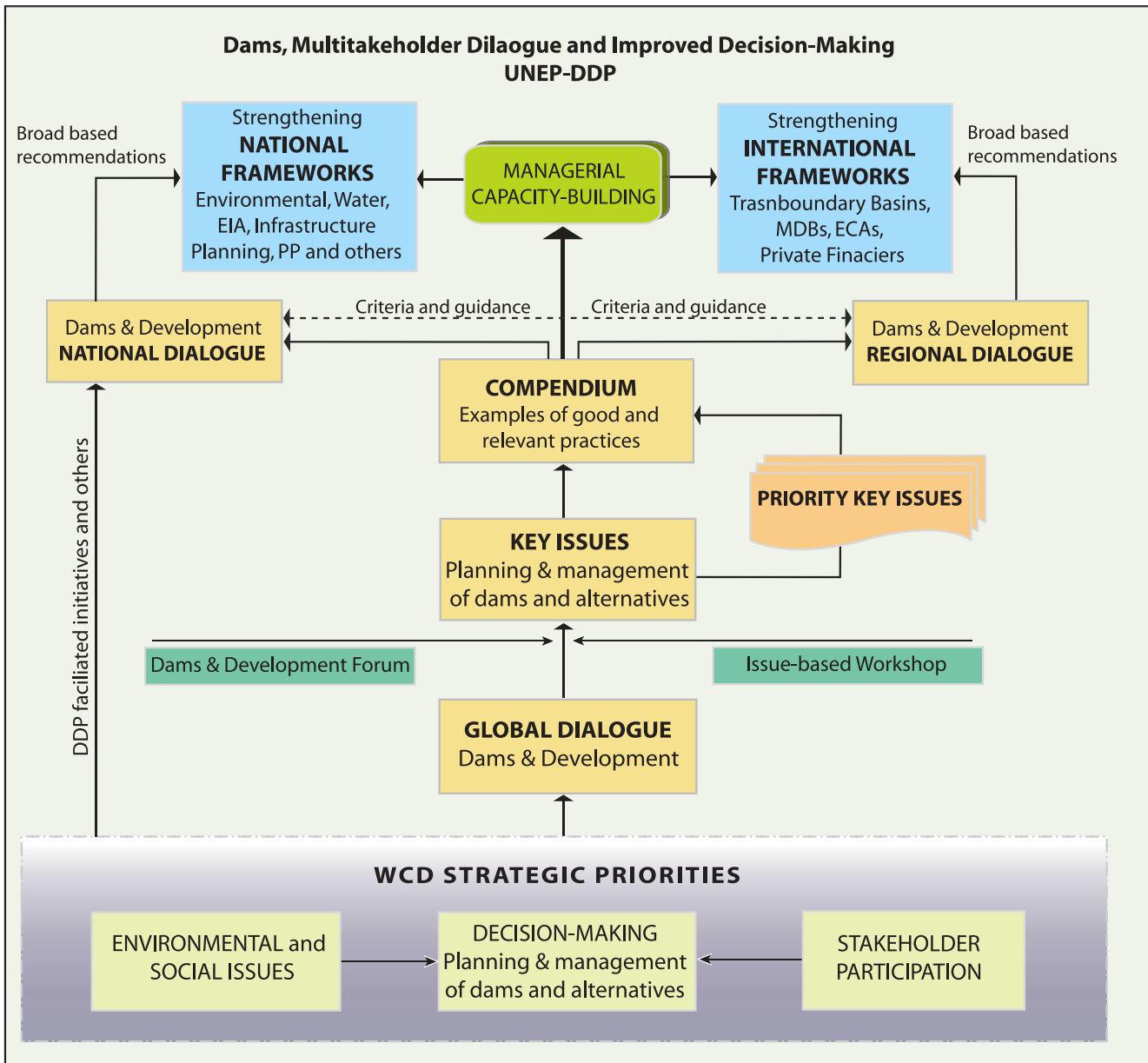
³ E.g., the Integrated Water Resources Management approach adopted by many countries rests on three main pillars: an enabling institutional environment, a sound organizational functioning and the availability of management instruments.

provide direction, bring certainty, decrease risks, foster compliance, secure rights and entitlements, and build trust between stakeholders thus attracting investments and facilitating efficient implementation and operation of structural and non-structural measures. In particular, they are needed to guide and backstop developers and managers in the consideration of the emerging social, environmental and decision-making issues described in Section III into the planning and management of water and energy infrastructure.

47. While many developing countries have made substantive progress in establishing frameworks dealing with the environment, water resources and energy management, others still lag behind. Yet, in all countries, further efforts are required to incorporate these emerging issues into the regulations on the one hand and, to improve implementation, enforcement and compliance on the other hand. DDP recognizes the long-term nature of these endeavours that contrast against the short-term imperatives of alleviating poverty and promoting growth. To this end, the project supports a twofold approach that simultaneously fosters the strengthening of normative frameworks⁴, with emphasis on the components that can be acted upon within a short timeframe, and the building of managerial capacities that will be able to introduce the consideration of the emerging issues even while laws and regulations are being updated.
48. As depicted in Figure IV.1 and further discussed in Section V, DDP contributes to the strengthening of normative frameworks by promoting multi-stakeholder approaches in policy reforms and by producing practical tools. The former has been realized through a number of national dialogue activities and processes that aim at reviewing the national frameworks against WCD core values and strategic priorities to identify

⁴ Normative frameworks comprise a hierarchy comprised of policies, legislative measures and regulations that address the strategic, institutional and operational elements of the development of water and energy resources, and more precisely, of the planning, construction and operation of dams. While laws have usually a lengthy process through the legislative bodies, regulations are issued, in accordance to the laws, through decisions at Government level, in the form of guidelines, standards, procedures, handbooks, etc, by means of decrees and resolutions. These latter can be strengthened, updated or upgraded within shorter timeframes provided there is a clear will from the political level to carry them forward. Therefore, both laws and regulations can be addressed consistently and simultaneously, the former being the avenue for sound long term policy and institutional platform, and the latter the means to respond faster to the requirements of short term needs.

Figure IV-1: The DDP Implementation Concept



conformities, gaps and needs for improving policy and procedures. This resulted in a set of broadly endorsed recommendations presented to the government and decision-makers. Box 1 presents examples of the results obtained by national processes carried forward with the support of DDP.

49. Among the practical tools produced by DDP, the online **Inventory of normative frameworks**, available in the DDP website at www.unep-dams/inventory, comprises a database organized according to countries and stakeholder categories providing summary information and links to the sources on policy/legal/regulatory frameworks issued by governments, state corporations, private sector and non-governmental organizations, at

national and international level. The **Compendium on Relevant Practices** gives examples of existing frameworks that deal with a set of priority key issues concerning dams planning and management. It is intended to provide policy-makers and legislators with necessary information about how some of the emerging environmental and social issues have been addressed worldwide.

50. These goals and the above-mentioned activities of DDP are consistent with the objectives and prescriptions of the UNEP Water Policy and Strategy (WPS). For instance, one of the strategy's key components is the management of freshwater resources taking care of the environmental element and in support of an integrated

water resources management approach (IWRM). The establishment of an enabling environment involving the appropriate institutional set-up for sound water governance, including national policies, strategies and legislation, is precisely one of the pillars around which UNEP will focus its interventions. Thus, WPS provides the right context for the DDP actions aiming at the strengthening of normative frameworks.

51. Furthermore, the DDP objectives conform with the UNEP Bali Strategic Plan for Technology Support and Capacity-Building, with respect to strengthening of national and regional environmental or environment-related institutions (government institutions, judiciary, enforcement) as well as to the development of national environmental law as cross-cutting issues that will be addressed by UN organizations and in particular UNEP when implementing the plan.

B. Building managerial capacities

52. Decision-makers and managers involved in the development of water and energy resources have a key role in translating the prescriptions of the existing normative frameworks into actions. While competent and skilled managers may overcome the shortcomings of a weak regulatory framework, the opposite often fails to be the case. Thus, building the capacities of decision-makers and managers is an imperative that has also been widely recognized in most ministerial meetings and declarations, usually as part of a broader range of capacity-building measures that include awareness-raising, training, formal and informal education, and technology transfer and support.
53. This is precisely the focus of the Bali Strategic Plan for Technology Support and Capacity Building that

UNEP is called to implement jointly with other UN organizations and countries. The Bali Plan identifies a set of cross-cutting issues and thematic areas, which the DDP outputs effectively contribute to, such as the preparation, integration and implementation of environmental aspects of national sustainable development plans, facilitating access to and support for environmentally sound technologies and transfer of know – how, and raising awareness and education in the areas of freshwater resources and renewable energy.

54. Incorporating the emerging issues discussed in Section IV into the decision-making and planning process entails new significant challenges to managers such as:
 - wider water resources analysis (like those required to implement a river basin approach, to learn about the river ecosystem functioning or to assess environmental flows),
 - social and socioeconomic analysis (such as social impact assessment, implementation of resettlement plans, indigenous development plans and benefit-sharing measures), and
 - involvement of stakeholders throughout the decision-making process (such as identification of stakeholders, communication and public participation plans, participation mechanisms, multi-stakeholder dialogues).

These new issues, if they are to be dealt with properly, add other dimensions to the planning process from the very onset of a project cycle and throughout, resulting in longer planning and implementation timeframes and increased human and financial resources. Managers therefore need to be aware of these requirements and conversant with available techniques and practices, have the necessary resources and be backstopped by proper

Box 1: The DDP dialogue processes in Phase 2

The South African initiative compiled a set of recommendations to improve the dams-related policies and practices, which was formally presented to the Government for consideration and implementation in early 2005.

Nepal produced in 2004 Scoping Report with recommendations. The decision was further taken by the multi-stakeholder Steering Committee to carry out detailed studies of four strategic priorities, considered the most relevant to the country's situation.

Sweden completed in 2005 a multistakeholder review process and compiled a set of 25 recommendations with focus on the development aid and corporate sustainability policies.

The draft Scoping Report of the Ugandan process produced policy recommendations on dams and development. It is now being finalised with inputs from all stakeholders including the government.

regulations and political support. This way, they will be capable of dealing effectively with sensitive issues and of managing transparently the various interests at stake towards a compromise solution that responds to economic, environmental and social needs while retaining the general public acceptance. The practical tools developed by DDP will provide examples of practice that managers will be able to take into account when identifying alternative measures and taking decisions.

55. Since its inception, DDP has contributed to awareness-raising and capacity-building at both national and global levels through promoting multi-stakeholder dialogues that brought together different groups representing government, civil society and private sector to discuss issues pertaining to dams and development. In addition, the above-mentioned practical tools - the online inventory of normative frameworks, database on experiences and lessons learnt and Compendium of Relevant Practices- are those specific mechanisms proposed by DDP to support decision-makers and stakeholders in their tasks by providing necessary information about dams planning and management. It is to be noted that only with the launching of Phase 2 has the project has explicitly spelt out the production of practical non-prescriptive tools to help decision-makers as an avenue to build managerial capacities.

56. The dissemination of relevant practices from developed and developing countries around the world as envisaged by DDP practical tools, is a way of channeling South-South as well as North-South cooperation, one of the objectives of the Bali Strategic Plan. Applied to the national context, an appropriate practice can be used to determine processes and inform decisions regarding the upgrading of normative frameworks as well as the planning and management of dams. At the same time, they can contribute to enhancing the capacities, and improve decision-making on dams and their alternatives.

V. DDP operational approaches

57. Dealing adequately with environmental and social impacts requires clear rules established by laws and regulations and appropriate knowledge on how to design and build dams in a sustainable manner. These are precisely the DDP's objectives directed at reaching the goal of improving decision-making on planning and management of dams and their alternatives. Building on the WCD process and responding to the lessons learnt



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from Phase 1, DDP has adopted two main approaches to fulfill the said objectives: an all-inclusive multi-stakeholder approach and the dissemination of examples of relevant practice, both supported by networking and communication activities.

A. Multi-stakeholder Dialogue approach

58. Environmental and social aspects have often been either ignored or postponed in the face of pressure from energy, industrial and agricultural lobbies. Conversely, environmental and social scientists, civil society and affected groups, constitute the group of other stakeholders who generally provide a special support to these aspects. Thus, meaningful stakeholder participation is acknowledged as a prerequisite to sound governance in all fields of sustainable development, including water and energy resources management.

59. Since its beginning, DDP has adopted an all-inclusive multi-stakeholder principle to all its activities, either carried out by the project itself or implemented with the support of others. In all global dialogue activities that have occurred up to date, including the four DD Forum meetings, five issue-based workshops and four side events, a balanced participation of all DDP



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13 stakeholder groups has been a target of specific efforts during their preparation and development. Similar commitment guides the DDP Secretariat while assisting the convening of national consultations and dialogue processes, including the elaboration of national scoping reports, such as the Ugandan national initiative facilitated during Phase 2. In these cases, DDP also extends the approach of bringing together the various areas of governments dealing with dams and their alternatives, such as water resources, environment energy and planning, to name a few.

60. Moreover, all DDP tools are open to wide consultation, taking the benefit of modern electronic forms of communication and the multi-stakeholder platforms constituted by the DD Forum, Steering Committee and the valuable contribution of the GACG. In this way, the inventory of policy/normative frameworks and the database of experiences and lessons learnt are both available online in the DDP website accessible to the public for their perusal, inputs and comments. The elaboration of the Compendium has been and will be subject to consultation along all its stages of development including one specifically dedicated

to obtaining the views of stakeholders about which and how the examples of relevant practice would be compiled into the publication.

61. As dialogue initiatives emerge in different country contexts, DDP has built a set of general criteria to guide their development. Currently, national initiatives have been categorized as either dialogue activities or dialogue processes. On the one hand, a dialogue activity refers to one-time event where an inclusive multi-stakeholder consultation usually at national level is held to discuss the WCD core values and strategic priorities in the local context. So far, national dialogue activities have been carried out with DDP support in various countries including Argentina, Indonesia, Kenya, Lesotho, Malawi, Namibia, Nepal, South Africa, Sri Lanka, Thailand, Uganda, Vietnam and Zambia.
62. On the other hand, a dialogue process refers to a multi-stakeholder process driven by a multi-stakeholder coordinating committee that has a mandate to carry forward the outcomes of the initial national consultation within a time-bound initiative. In most of the cases, a scoping report is prepared with the objective of analyzing the local regulatory framework in the context of the WCD core values and strategic priorities and identifying opportunities, gaps and implications for dams' development. At the end, such a dialogue process produces recommendations that are submitted for further discussion and endorsement in a wider multi-stakeholder Forum. South Africa, Nepal, Thailand and Vietnam during Phase 2 Uganda are examples of the dialogue processes.
63. The multi-stakeholder dialogue approach has proven to be useful in building consensus because it enables the exchange of views and expectations between all stakeholder groups in a constructive atmosphere. This way, the level of suspicion is reduced whereas entrenched polarized positions are bridged as the avenues to discuss openly their opposing perceptions become available. This has been the general view of the DD Forum and the SC members when they evaluated the benefit of the global dialogue promoted by DDP. Similar perceptions have emerged from the national consultation meetings worldwide facilitated by the Project where participants from different stakeholder groups, in most cases meeting for the first time, to discuss local dams and development issues, recognized the value of such approach in search of common understandings.

B. Providing good examples of relevant practices

64. In support of strengthening normative frameworks and capacity building, DDP disseminates relevant experiences and practice. The wording “relevant practice”, differentiating it from “good” or “best”, has been adopted by the project in the light of the sensitivities around dams, that may render the agreement on what constitutes good practice a difficult task. Relevant experiences and lessons learnt associated with the implementation of the WCD strategic priorities are disseminated through the database of experiences and lessons learnt accessible in the DDP website. The dissemination of relevant practice regarding specific priority key issues dealing with planning and management of dams and their alternatives will be carried out through the Compendium.
65. The relevant practices in the Compendium will include the description of the framework, where the issue is regulated, and its effective implementation in a given project. The set of nine issues adopted for the elaboration of the first version of the Compendium are presented in Table III.2. The whole process has been conducted in consultation with the stakeholders represented in the bodies involved in DDP governance, such as SC, the GACG and the DD Forum. Similarly, stakeholders will be consulted on the qualification of the examples, not the practice, and its relevance, during the Compendium compilation.

C. Networking and communication

66. Promoting networking between stakeholders and providing them with information are the main supporting activities of the Project for achieving its two objectives. These are carried out within the framework of a Communication Strategy originally developed in Phase 1 and updated during Phase 2. The strategy aims at reaching out to the key target groups involved in the dams and development debate ranging from the Steering Committee members to the public. The meetings organized by DDP are the core avenues for such networking.
67. The DDP website is a central aspect of the DDP communication activities complemented by the bi-annual newsletter *Confluence*, information sheets, brochure, banners, PowerPoint presentations, posters, proceedings of meetings and reports. These are all important tools for communicating Project activities, achievements and plans to stakeholders and seeking interaction with and between them. During Phase 2, the

DDP Secretariat devoted special efforts to update these tools taking into account the reviewed project goal, objectives and work plan.

68. Besides providing information about the project plans, activities and outcomes, DDP also disseminates upon request the WCD Final and Spier Report, the CD-ROM containing the WCD knowledge base and the WCD Overviews in various languages. The translations of WCD and Spier Reports into various languages, including Spanish, Vietnamese and China have been carried out during Phase 1. Currently their translation into French has been commissioned by the DDP Secretariat.
69. The project has succeeded in reaching the stakeholders and public through the above mentioned tools and participating actively in relevant meetings related to dams, their alternatives and water and energy issues in general. The website statistics places the DDP website popularity at similar levels with most UNEP supported sites about the environment. Response to the public inquirers for project publications and information at meetings through the help-desk facility indicates that there is a remarkable level of interest and follow-up on the project activities. Requests received from relevant specialized journals and newsletters to provide articles informing about project activities and the invitation to DDP to make presentations in relevant international and national meetings are also indicators of the overall visibility of the project.

VI. Challenges and Opportunities

70. Given the nature of the Project, the contentious and sensitive issues under consideration, the diversity of stakeholders involved and the ambitious goal and objectives, it goes without saying that achieving the expected outcomes involves dealing with many challenges as well as opportunities. While the specific products will be delivered within the timeframe of Phase 2, the impacts in terms of improvements in policies, frameworks and behaviours of major actors, will have to be pursued and assessed well beyond this phase of DDP.

A. Completing DDP Phase 2

The multi-stakeholder approach

71. There is considerable focus on addressing the needs of decision-makers, i.e. governments. There is recognition by all stakeholders of the significance of government

involvement in the dialogue process. The project, in Phase 2 in particular, has taken concerted steps to bring governments into the dams and development debate, including amongst others establishing GACG. The challenge here is to retain the multi-stakeholder character of dialogue processes even when the focus might be on decision-makers. Under these circumstances, special effort is required to keep all stakeholders involved in the dialogue process and to maintain a reasonable balance between the stakeholders. So far, all groups have demonstrated strong interest in following-up the process and participating in the dialogue, which presents huge opportunities in the future.

The Compendium

72. The issues approach adopted in order to bring discussions about dams to a more factual and technical stance has proven its usefulness though not without difficulties. It involves using the issues as the entry point to deal with frameworks and implementation. However, dealing with specific issues involves the risk of missing out existing linkages and feedbacks between the broader issues. There is a challenge therefore of avoiding the misinterpretation that by highlighting a positive way of dealing with a specific issue in a project might be considered as a favourable judgement of the overall project.
73. Finding examples to develop the Compendium has proven to be not without difficulties. In some cases, there are generally still few “relevant” examples demonstrating the issues under consideration, especially those related to relatively recent concepts. In some instances, however, there is little written information to rely on. Even if information is available, it is not readily accessible electronically and getting such information depends on the cooperation of those involved.
74. Reaching reasonable consensus amongst stakeholders who over a long period have held entrenched positions, divergent interests and conceptual departure points remains a challenge. So far, the safeguards adopted by DDP to carry forward the Compendium such as the issue-framework-example of implementation approach, networking and consultation, remaining factual and avoidance of judgments - have helped tremendously in the dialogue process. However, given the stakes at hand for the various groups, the challenge of getting the multi-stakeholder endorsement of the Compendium will be significant. There is the opportunity however, that if the process succeeds, a methodology to deal with these sort of contentious issues would have been established.

75. While there is broad consensus at policy level that the issues addressed by the Compendium are the ones to be tackled in the first place – as they have also been captured in the outcomes of the recent significant international fora such as the African Ministerial Conference on Hydropower and Sustainable Development and the 4th WWF - the challenge remains in compiling a tool that will meet the needs of the decision-makers thus ensuring the impact on regulatory frameworks and practices and ultimately on decision-making. The GACG presents a unique opportunity of obtaining advice to streamline the needs of decision makers into the publication.

Networking and communication

76. Although DDP has covered considerable ground in terms of communicating information, there is still a great need to create further awareness on emerging issues around dams and development. This is particularly relevant with regard to decision-makers and managers in countries with major programmes to develop dams or under pressure to develop infrastructure to meet pressing needs. Great challenges are presented in this process by people entrenched in their positions, and by the need for additional resources and logistics to reach all relevant audiences and in appropriate languages.

B. Beyond DDP: The Broad Context of Dams and Development

77. While there is recognition of the need to address policy and institutional measures around dams and development, as the deadline for achieving the MDGs targets approaches, interest and focus has shifted and is likely to continue to move globally towards actions that bring direct tangible results. There is a challenge in addressing simultaneously the imperatives of short-term results while establishing long-term sound institutional and regulatory frameworks. An approach that secures the achievement of immediate objectives sustainably while assisting the countries to establish long-term sound basis for sustainable development of energy and water resources will be required. DDP is exploring such an approach, for instance, through a follow-up initiative of the African Ministerial Conference on Hydropower.
78. Undertaking national multi-stakeholder dialogues on dams and development requires the participation of all stakeholders and in particular the governments. Governments are an important stakeholder in the processes given the focus of the dialogues on improving regulatory frameworks that are generally in the custody

of governments. While most governments including Ministerial bodies like AMCOW have embraced the concept of stakeholder participation within the framework of IWRM, it has not yet been put in practice in many countries. Initiating national multi-stakeholder dialogues in these countries under these circumstances requires significant efforts and political will. There is need therefore to work on creating political will at national level to establish a conducive environment for the consideration of emerging issues and their implementation. In addition, there remains the need to build the implementation capacity in countries with traditionally weak institutional structures.

79. Global dialogue held at the multi-stakeholder Forum meetings and other events has proven to be successful and widely recognized by stakeholders as a proper avenue to move towards building consensus and looking for problem-solving approaches. The challenge remains however in setting the agenda, goals and timeframes for such dialogues that capture and retain the interest and involvement of all stakeholders, including governments. There is also a challenge in ensuring that the outcomes of the dialogues have impact at regional and national decision-making.

80. The task of developing the Compendium intended to help the decision-makers has just commenced, many lessons will be learnt from this initial effort. Other priority key issues will need to be incorporated. Moreover, as experience with the implementation of emerging issues broadens and deepens, there will be the need to update constantly the knowledge base, retaining the multi-stakeholder nature of the process and the focus on decision-makers. There will be also a challenge of making sure that the Compendium is available, accessible and understandable to its end-users, becoming a valuable tool for decision makers, managers and policy makers. This will involve its dissemination, demonstration and training assistance.

81. The effective implementation of the emerging issues will not only require sound frameworks and managerial capacities but also innovative scientific, technological and information resources, tools and mechanisms supporting the translation of concepts and notions into practice. A case illustrating this is environmental flows. Whilst there is almost consensus on adopting this approach at policy level, the technological and knowledge base needed to implement it will need to be further developed. This is



also the case for many other emerging issues requiring innovative hard and soft technological approaches. Thus, a challenge in reinforcing the linkages between science, technology, regulation and implementation of emerging issues lies ahead.

82. In a wider sense, ultimately, having impact on emerging issues around dams depends on how the broader issues around water and energy resources management are dealt with. This involves structural and non-structural measures involving other alternative sources as well as demand-side management and efficiency strategies. The linkage to IWRM becomes apparent. Reciprocally, the emerging issues around dams are applicable to other water and energy management measures, and therefore the strengthening of frameworks and building of capacities undertaken within the context of dams and their alternatives will influence the whole spectrum of water and energy management measures. The challenge seems then to be dealing with the broader issues without losing focus on resolving the specific challenges around dams.

VII. The Future

83. The Interim Report provides an opportunity to reflect on the future in light of the forthcoming end of the Project. The indications of what has been achieved and established and what can be moved forward can be drawn here.
84. There is a major task ahead assisting developing countries to incorporate environmental and social concerns into water and energy resources management, as an integral element of the wider current efforts to streamline these same concerns into national development planning such as PRSP and others. Security, growth and climate change are currently the main drivers for water and energy development. Dams are a major feature of both water and energy infrastructure and depending on the local context will have a beneficial role in conjunction with other alternative sources and measures in responding to those driving forces.
85. Drawing from the lessons of the past, WCD has offered a widely agreed analytical framework, the core values and strategic priorities, to guide decision-making on dams and their alternatives in the wider context of water and energy resources management. The further development of the framework through global and national dialogue indicated that a number of emerging environmental and social issues need to be incorporated into national and international frameworks and managerial capacities built

to ensure their proper consideration in the planning and management of dams and their alternatives. DDP worked out approaches that assist with strengthening those frameworks and building capacities. They are strategic objectives of the Project on the way to its goal, improved decision-making.

86. While DDP will complete its role of building and testing the approaches within the established timeframe that ends in early 2007, achieving the intended results is a long-term process extending beyond the project scope. There is a need to set up an appropriate institutional and operational setting for further implementation in response to the challenges described in the section above. This involves putting in place capacities highlighted in Box 2:
87. It is now the turn of stakeholders and donors to assess the relevance and significance of these capacities. The DDP Secretariat will facilitate the assessment process by carrying out a survey. Where firm indication of interest arises, consideration should be given to identifying organizations that may accept hosting proposed activities and seek willingness of donors to contribute to their funding, a necessary step prior to establishing the corresponding institutional arrangements. This process should be conducted in the nearest future, under the leadership of UNEP to avoid major gaps after DDP Phase 2 ends.
88. As indicated in previous sections, a number of these activities are in line with the UNEP mandate, precisely the UNEP Water Policy and Strategy, and the Bali Strategic Plan. The proposed activities are consistent with the strategic principles and the key components on freshwater in UNEP Water Policy and Strategy while the Bali Plan provides room to all agencies within the United Nations system to consider supporting other activities within their regular programmes of work subject to external funding. Noteworthy here is the importance given by all stakeholders to the neutrality of the hosting organization, in this case UNEP, and the advantages that an intergovernmental organization has in helping bringing together all stakeholders at national and regional level. Whichever follow-up is envisaged, it is essential to have the support of stakeholders and donors to ensure its sustainability and success.

Box 2: Follow-up activities after the completion of the DDP Project

- Assist, upon demand, governments and stakeholders to establish multistakeholder platforms and processes at country and river basin level for the debate around dams and development that strives to achieve agreement on improvements of national policies and guidelines.
- Continue the global multistakeholder dialogue through convening regular meetings of the Dams and Development Forum and other activities at international level to bring together various stakeholders including managers and decision-makers. This is needed for exchanging of views and experiences, discussing approaches and methodologies to resolve contentious issues and seek general agreement that will inform the national and regional decision-making. Further enlargement of the Forum membership might be considered in this context.
- Sustain the process of enhancing and updating the Compendium through extending its scope to address the remaining key issues and adding new practical experiences on the issues already addressed that may result from the assessment of other existing and new projects. This process should be built in the system of ongoing monitoring and assessment of impacts resulting from the use of the Compendium.
- Disseminate the Compendium widely and assist decision-makers, managers and multistakeholder platforms in making the best use of it to enhance regulatory instruments and legislative frameworks and improve capacities of managers to deal with the emerging social and environmental issues. These activities should contribute to and be integrated within the other efforts of institutionalising IWRM approaches.
- Continue raising awareness and building political will at all levels on the need for proper consideration of environmental and social issues in the planning of dams and their alternatives through reaching out to stakeholders and the general public, promoting networking between them and disseminating DDP and WCD knowledge bases and other relevant sources of information on dams and development. The website will be a central element of such a communication strategy to which the current DDP website will constitute an appropriate basis for further development of an Internet-based communication platform.



Part II

DDP Activities Progress Update

Activity	Narrative Summary	Main outcomes	Status of implementation
A. PROMOTING MULTI-STAKEHOLDER NATIONAL, REGIONAL AND GLOBAL DIALOGUE PROCESSES AND ACTIVITIES			
A.1 National level			
	Since the launch of Phase 2 in February 2005, the DDP Secretariat has been actively interacting with various countries, either following up the dialogue activities and processes started during Phase 1 with a view of further development and exploring new initiatives. Among the countries involved are: Argentina, Ethiopia, Kenya, Malawi, Mozambique, Namibia, Nepal, Nigeria, South Africa, Sri Lanka, Vietnam, Thailand, Togo, Uganda and Zambia. The most promising responses obtained in Phase 2 up to date are the following:		
A.1.a Promoting national dialogues			
Dialogue processes	<u>Nepal</u> : Following Phase 1 DDP facilitated activities, the Nepal dialogue initiative developed further with support of GTZ. DDP kept liaison with the Nepalese task force offering technical assistance. The four SPs, most relevant to the Nepalese context, were being examined through a detailed study involving literature review, key informant surveys, focus group discussions and workshops. The process will hold a briefing meeting on key recommendations produced for each study to present and disseminate the results of the studies. The progress made was reported at the 4 th DDF Meeting.	Progress report available in the Proceedings of the 4 th DD Forum meeting	On track
	<u>South Africa</u> : The final report of the South African Initiative on the World Commission on Dams Report that includes recommendations and defines the way forward was presented to the Government in March 2005. A Co-ordinating Committee mandated to publicize the report and ensure the implementation of recommendations has been established, and a first meeting to map the way forward was convened in May 2005. The Multi-stakeholder Reparations Committee is now working together with the Department of Water Affairs and Forestry on a pilot study towards a social audit of existing dams. The progress made was presented at the 4 th Forum Meeting.	Final Report with recommendations endorsed by all stakeholders including the Government Presentation at the 4 th DD Forum meeting (October 2005)	4 dialogue processes developing facilitated/ followed-up by DDP. Recommendations on improving decision-making produced. Further efforts being made to launch other processes as targeted by the work programme.
	<u>Uganda</u> : A MoU agreement was signed between DDP and NAPE to develop a dialogue process for the analysis of the Ugandan normative framework against the WCD core values and strategic priorities and producing recommendations aiming at its strengthening. The draft Scoping Report was prepared and submitted for review by all stakeholders including the Ministry of Mineral Development and the Ministry of Water, Land and Environment at the Forum meeting held in April 2006. It is now being finalized by a team of consultants commissioned to prepare the report. A final Forum meeting to discuss the scoping report in order to seek the broad endorsement of all stakeholders has tentatively been scheduled for July 2006.	Draft Scoping Report and comments from key stakeholders	
Follow-up of dialogue processes in developed countries	<u>Sweden</u> : The dialogue process resulted in the production of 25 recommendations designed to help organizations update their sustainability policies and enhance government development aid regulations. DDP followed up and provided input to the process and the UNEP Executive Director provided a foreword to the final report. The process was presented at the 4 th Forum Meeting.	Final Report with recommendations presented to the Ministry of Environment.	

Activity	Narrative Summary	Main outcomes	Status of implementation
Dialogue activities	<u>Argentina</u> : the local chapter of the World Council on Energy organized a multi-stakeholder seminar in Misiones, Argentina, on 17-19 August 2005 to discuss regional decision-making approaches regarding large dams. DDP participated in the meeting and made a presentation	Mission Report	On track 1 country moved beyond consultation stage. 5 new countries expressed the interest in having national consultations, 3 of which submitted draft proposals. Further efforts being made to implement other dialogue activities as targeted by the work programme
	<u>Brazil</u> : DDP attended the First Meeting of Social Sciences and Dams organized by IPPUR (Institute of Research on planning and Use of Resources), a DDF member, on 8-10 June 2005. The meeting gathered social scientists in Brazil involved in research activities concerning dam-affected people. The objective was to discuss the role of social sciences in dams' planning and management, identify needs and gaps and propose a way forward to consolidate the research activities all over the country.	Mission Report	
	<u>Ethiopia</u> : After a series of meetings with senior personnel from key institutions involved in dams regarding initiating a national dialogue process in view of planned dam projects, national consultations on the multi-stakeholder dialogue are ongoing. Relevant information materials including guidelines for national dialogue processes and other examples were shared with stakeholders during the discussions held with senior officials in Ethiopia at the Working Conference on Decision Support Systems, the African Ministerial Conference on Hydropower and Sustainable Development and the 4WWF.	Interest in the dialogue process of various stakeholders	
	<u>Ghana</u> : A Steering Committee to plan and oversee the proposed national dialogue process has been constituted. It held its first meeting on 23 May 2006.	Programme to initiate a dialogue process	
	<u>Mozambique</u> : Key stakeholders involved in water and energy management in Mozambique submitted a preliminary proposal on the multistakeholder dialogue initiative in the country. The Secretariat reviewed the proposal and put forward some recommendations. DDP is currently preparing a MoU agreement with Centre of Strategic Studies of Water Sector (CEDESA).	Project proposal and draft MoU	
	<u>Nigeria</u> : Representatives of key stakeholder groups in Nigeria led by SWAHEP submitted a proposal for a multistakeholder dialogue process in Nigeria. After receiving comments from DDP, the proposal is being finalized. The Federal Ministry of Water of Nigeria is also being consulted and has indicated interest in participating in the dialogue.	Draft Project proposal	
	<u>Togo</u> : A zero draft proposal for a national dialogue process was received by the DDP Secretariat from key stakeholders in Togo led by NGO Jeunes Volontaires pour l' Environment (JVE). A DDP staff member met with the representative of JVE and discussed extensively comments on the proposal, which is now being finalized.	Project proposal	

Activity	Narrative Summary	Main outcomes	Status of implementation
A.2 Regional level			
River Basin	<p><u>Mekong River Basin</u>: The MRC Council has approved the formulation of a new MRC Hydropower Programme. DDP was approached by the Mekong River Commission to consider DDP assistance in dealing with the WCD Core values and strategic priorities that have been adopted as guiding principles for the hydropower programme. DDP Secretariat responded positively to this opportunity eventually leading to a joint MRC-DDP cooperation for promoting a regional dialogue process in the Mekong region. The MRC is an active DDF member.</p> <p><u>La Plata River Basin</u>: The IV International Workshop on Regional Approaches to Development and Management of Reservoirs in the La Plata River Basin was convened in November 2005 in Salto Grande (Argentina-Uruguay) led by the Intergovernmental Coordinating Committee of the La Plata River Basin together with other local governmental and non-governmental organizations. DDP provided financial support to the meeting, participated in the organization of Plenary Session 2 “Relevant Practices in participatory decision-making processes”, and made a presentation. DDP is the member of the organizing committee together with UN-WWAP-UNESCO, CST-NU Japan and Japan Dams Engineering Centre.</p>	<p>Initial interest in regional dialogue</p> <p>Mission Report</p> <p>Proceedings of the workshop</p>	<p>On track</p> <p>Consultations on going in 2 river-basin organizations.</p> <p>Further efforts being made to implement other dialogue activities at regional level as targeted by the work programme</p>
Regional Organization	<p><u>SADC</u>: Following the decision in November 2003 to merge the dam policy with the SADC water policy, the water policy was finalized and endorsed by Heads of States in August 2005. After a series of extensive in-depth consultations, the draft regional position paper on WCD has been finalized and is envisaged to be considered at the next Water Resources Technical Committee scheduled for May 2006.</p>	<p>SADC Regional Water Policy</p> <p>Draft Regional Position Paper on WCD</p>	
A.3 Global level			
A.3.a Steering Committee			
Consolidation of SC membership	<p>The composition of the SC has been consolidated following the 8th SC meeting that took place on 18-19 March 2005. The Government Advisory Consultative Group nominated four governmental regional representatives under the categories 1, Policy, and 2, Project/River Basin. Alternate members have been designated by almost all other stakeholder categories.</p>	<p>Government categories were represented at the 9th and 10th SC meetings.</p>	<p>Completed</p>

Activity	Narrative Summary	Main outcomes	Status of implementation
SC meetings	<u>The 8th SC meeting</u> took place on 18-19 March 2005 in Geneva. The participants discussed extensively the SC composition, goal and work programme of the DDP Phase 2 and the activity plan with emphasis on the practical tools, namely the Compendium of relevant practices. DDP Secretariat was requested to deal with the follow-up tasks emerging from the meeting's recommendations such as the revision and circulation of the note on the Phase 2 Goal, Objectives and Work Programme, the 4 th DD Forum meeting agenda and concept note on the Compendium amongst others		
	<u>The 9th SC meeting</u> took place on 5 and 7 October 2005 in Nairobi. Three members of the Government Advisory Consultative Group participated in the meeting representing the government policy and project/river basin categories. The members considered the activity plan, the elaboration of the Compendium and made recommendations on the involvement of DDP in relevant international meetings such as the Ministerial African Conference on Hydropower and Sustainable Development, the 4 th World Water Forum meeting and CSD 14.	The minutes of the 8 th and 9 th meetings are available on DDP website.	On track
	<u>The 10th SC meeting</u> was held on 16 and 17 of February 2006 in the UNEP GPA office, the Hague, the Netherlands. Some SC members attended the back-to-back meeting with the consultants elaborating the Compendium. During the SC meeting, the participants reviewed the operational issues of the project including the Forum membership, the next Forum meeting and the exit strategy of the project. The SC assessed the progress made on the national dialogues, recommended criteria for the development of the Compendium and supported the participation of DDP at international meetings.		
	<u>The 11th SC meeting</u> is scheduled for 29-30 August 2006		
A.3.b Dams and Development Forum			
DD Forum consolidation/enlargement	Steps have been taken to enlarge and renew the forum membership in consultation with the SC members. SC recommended that UNEP-DDP invite three new organizations to become DD Forum members, adopt actions to re-engage inactive members as well as explore other potential candidates to fill vacant positions.	Recommendation issued by the SC to invite some organizations to join the DD Forum	Ongoing as planned
DD Forum Meetings	<u>The 4th DD Forum</u> was held in Nairobi on 6--7 October 2005. It was attended by 82 participants representing a wide range of stakeholders involved in different aspects of dams and development. A significant number of government representatives constituting the Government Advisory Consultative Group (GACG) attended the Forum meeting as observers. The results of the Forum meeting were fruitful as a general consensus emerged about sustainable dams and their role in the development process. The participants also agreed on the priority issues to be pursued in the elaboration of the Compendium of relevant practices and lessons-learnt for decision-makers on dams and their alternatives.	The proceedings of the 4 th DD Forum meeting are available on the DDP website and in printed format.	Ongoing as planned
	<u>The 5th DD Forum</u> meeting is scheduled for 23-24 November 2006 in Nairobi.	Draft Agenda	

Activity	Narrative Summary	Main outcomes	Status of implementation
<i>A.3.c Issue-based workshops</i>			
Gaining Public acceptance	<p><u>Fifth issue-based workshop on Gaining Public Acceptance</u>: a one day meeting was convened in Nairobi on 5 October 2005 back to back with the 4th DD Forum meeting. 78 participants attended the meeting. Based on previous DDP work regarding characteristics, elements, and attributes of gaining public acceptance, the 4 key components were proposed as the basis of the workshop programme: Stakeholder identification, Access to information, Informed participation in decision-making process and Measure of acceptance. The findings of the workshop were fed by the results of the breakout group discussions on the four main topics. They reflect the general consensus reached at the meeting. The detailed proceedings of the workshop including submitted case-studies were prepared, reviewed by the participants, finalized and published.</p> <p><u>Additional issue-based Workshop</u>: decision to convene a sixth workshop will be adopted at the 11th SC meeting as an eventual activity stemming from the outcomes of the current stage of elaboration of the Compendium</p>	The proceedings of the meeting are available on the DDP website and published	Planned workshop convened. Decision about another workshop to be taken at the 11th SC meeting.



Activity	Narrative Summary	Main outcomes	Status of implementation
A.3.d Participation in International Meetings			
11th World Conference on Lake Management – Nairobi , 31 Oct - 4 Nov 2005	DDP actively participated in the 11th World Lake Conference. Two papers were presented on addressing existing dams and gaining public acceptance. DDP Coordinator chaired a session on Lakes and IWRM. DDP materials were displayed and distributed at the exhibition booth organized by UNEP. DDP made a presentation on the project goals and activities at the AMCOW meeting held as part of the ministerial segment of the Conference. The conclusions of the Conference addressed issues relevant to DDP mandate and future activities.	Proceedings of the Conference to be published by the organizers	On track 5 international events related to water and energy attended.
OECD 1st Special Session of the Relevant Experts on Renewable Energies and water projects, Paris, 23-24 June 2005	UNEP was invited to attend as observer the 1 st Special Session of the Relevant Experts on Renewable Energies and Water projects convened by OECD at its headquarters in Paris on June 23-24 2005 and provide inputs on the WCD Core Values, Strategic Priorities, Criteria and Guidelines. A joint delegation consisting of the head of the Energy Branch (DTIE) and DDP Coordinator attended the meeting, made a presentation and followed up the discussions with other delegates.	Mission report The recommendation adopted by the experts	
WCD+5 “Taking the WCD Report to the next level”, Berlin, Germany, 15 November 2005	DDP as invited by the Henry Böll Foundation (Germany) and the International River Network (USA) to the meeting organized to commemorate the 5th anniversary of the launching of the Final Report of the World Commission on Dams (WCD). The meeting was well attended by around 68 participants representing various stakeholder groups, including German government, EU Parliament, international organizations and private financiers, though civil society and NGOs representatives dominated the audience. DDP made a presentation about the Compendium on relevant practices in the workshop and participated as panelist in the round table.	Report of the meeting	
Enhancing Equitable Livelihood Benefits of Dams Using Decision Support Systems (DSS), Working Conference, Adama/Nazareth, Ethiopia, 23-26 January 2006	DDP participated in the Conference and delivered a presentation on linkages between Decision Support Systems and practical tools being elaborated by DDP. The conference was attended by 42 participants of diverse backgrounds drawn from government agencies, academic and research institutions, civil society and NGOs and consulting companies. The main recommendation was on establishing linkages between the outputs of DDP and DSS.	Mission report The summary of the meeting available on the DDP website.	
5th Workshop of Export Credit Agencies and the Environment	Invited by UNEP-DTIE, DDP attended the 5th Workshop of Export Credit Agencies and the Environment convened in Vienna, 5-6 April 2006. The meeting aimed at environmental experts of ECAs included the participation of intergovernmental organizations and NGOs. Issues addressed were the Agreement on Special Financial Terms and Conditions for Renewable Energy and Water Projects; best practices for conducting environmental and social review of hydropower projects; approaches to reporting; disclosure policies; and treatment of so-called 'carbon credits' and associated issues of carbon finance.	Final report of the meeting	

Activity	Narrative Summary	Main outcomes	Status of implementation
A.3.e Sid-events and sessions organized by DDP			
African Ministerial Conference on Hydropower and Sustainable Development, March 2006, RSA	The Secretariat actively participated in the preparation of the Conference through taking part in the Full Substance Committee meeting of the Conference in early February 2006. DDP also organized a side event: Improving decision-making on dams to meet the MDGs jointly with African Ministers' Council on Water. It was attended by 8 Ministers and 80 participants of diverse background thus truly maintaining the multi-stakeholder format. DDP key messages, offered for discussion at the side-event were also captured in the Conference Declaration and Action Plan.	The summary of the meeting available on the DDP website.	
4th World Water Forum, March 2006, Mexico	A session under the theme of Ensuring dams are a platform for growth and sustainable development was organized by DDP at the 4 WWF jointly with International Committee on Large Dams (ICOLD), International River Networks Association (IRN), US Army Corps of Engineers (USACE/IWR) and WWF The session brought together various speakers and audience with different and partly opposing views on the roles that dams play in development. The debate was lively resulting in conclusions that have taken the global dams dialogue a step further.	The draft summary report of the meeting	On track 3 events organized at the most important international fora related to DDP mandate
UN Commission of Sustainable Development Session 14, 1-13 May, New York, USA:	DDP took part at a Partnership Fair organized in parallel to the UN CSD14 main deliberations. The DDP, which is registered as a WSSD Type II Partnership, was allocated a slot for a conference type presentation. A full day information desk. DDP material was also displayed and distributed at the UNEP information desk.		
B. ELABORATION OF NON-PRESCRIPTIVE PRACTICAL TOOLS			
Inventory of Policy/ Normative Frameworks	The inventory comprising a online database of organizations, policy/normative frameworks issued or adopted, summary of issues or topics and sources was designed and uploaded onto DDP website and can be accessed directly from its homepage. The search engine will be incorporated with a view of facilitating the search and retrieval of information.	The database is available online	Ongoing as planned

Activity	Narrative Summary	Main outcomes	Status of implementation
<p>Compendium of Relevant Practices on Improved Decision-making, Planning and Management of Dams and their Alternatives</p>	<p><u>Stage 1:</u> The concept paper describing the nature and features of the Compendium, including the proposed activity plan and timeframe for its elaboration was widely distributed and discussed by DDF members and governments, members of the GACG. The first stage of the Compendium, elaboration of a comprehensive checklist of issues and their matrix analysis in terms of their consideration by various institutions including international guidelines and national regulatory frameworks, was commissioned to a team of consultants. The preliminary draft checklist and report was presented at the 4th DD Forum meeting. Out of the proposed checklist, the Forum participants selected key issues to be included in the first edition of the Compendium. The consultants presented their final report with a reviewed checklist of issues and associated matrix analysis in March 2006.</p> <p><u>Stage 2:</u> seven consultants were commissioned to carry out the research of relevant practice with the prioritized issues. All consultants met at a coordination meeting held on 15-16 February 2006, the Hague, back to back with the 10th Steering Committee meeting. The last segment of the coordination meeting with the consultants was open to the participation of the SC members. The meetings were very productive allowing consultants to present their research methodologies and preliminary work plans, clarify uncertainties and coordinate with the DDP Secretariat as well as get to know each other for further collaboration and team work during the execution of the assignments. The discussions with the SC members were useful for the consultants to become aware of the different views of the various stakeholder groups.</p> <p>To date, the consultants have submitted their Interim Reports and are expected to deliver the final reports by the end of May 2006.</p> <p>In addition to the initial set of seven priority issues identified at the Forum, two more issues were added to the list of the first edition of the Compendium, following the suggestions of SC members. These are Environmental Management Plan and Identifications of Options. The DDP Secretariat has identified two consultants to work on these topics, and the contracting process has now been finalized.</p> <p><u>Stage 3:</u> preparatory activities undertaken involving the organizations of the 2nd GACG, the 11th SC and the 5th DD forum meetings.</p>	<p>Checklist and matrix analysis elaborated by the consultants.</p> <p>Interim Reports of the issues commissioned to consultants with preliminary examples of relevant practices</p>	<p>On track</p> <p>2 Stage of the Compendium preparation is close to completion.</p> <p>Preparatory activities of Stage 3 undergoing</p>
<p>Facilitating Exchange of Good Practice</p>	<p>The web-based database of experiences and lessons learnt implemented by DDP during Phase 1 is another practical tool developed by DDP to help decision-makers. Currently it contains 48 examples of good practices. The examples elaborated as part of the Compendium process will provide substantive material to expand the database.</p>	<p>The database is available online</p>	<p>On track</p> <p>The information collected for the Compendium will provide substantive input.</p>

Activity	Narrative Summary	Main outcomes	Status of implementation
C. PROJECT SUPPORTING ACTIVITIES			
C.1 Networking and outreach			
In the context of an updated communication strategy, DDP carried out a major review and update of all communication materials including infopack, banners, loop-run PowerPoint presentation and developed new ones such as a brochure and posters.			
Website	The website was substantially restructured following UNEP standards and upgraded to meet Phase 2 requirements. Thereon it is in the process of constant updating . DDP jointly with Division of Communication and Public Information is developing its section on dams and sustainability. According to the UNEP web statistics, the DDP website provides 1.3% of visits, 0.33% of hits and 0.29 of views of all UNEP-supported websites. This is average among all UNEP websites.	Monthly web statistics	Ongoing as planned
DDP Info pack	The information sheets have been updated and include 7 sections: 1.DDP Phase 2 Goal and Work Programme, 2. DDP Governance, 3. Dams and Development Forum, 4. Promoting Dialogues, 5. National Dialogues, 6. Issue-based Workshops, and 7. Practical Tools. Infosheet no 6 has 5 complementing sheets each dedicated to a specific issue-based workshop.	New updated infosheets printed and available on the DDP website	Ongoing as planned
Brochure and Posters	With assistance from the UNEP Division of Communication and Public Information, DDP designed two new information tools: brochure and posters.	Brochure and posters printed	Ongoing as planned
Newsletter	Confluence issue no. 7 and 8 covering the first half of Phase 2 are available on the website and are posted electronically to SC and DDF members. Consistent with the updated Communication Strategy, the newsletter no 8 was designed in a more interactive way allocating slots for the views of SC and DDF members on dams and development issues.	Issue no 7 and 8 are available on the DDP website and in hard copies	Ongoing as planned
Articles	DDP published an article in the International Water Power and Dams Construction Magazine, April 2006 issue. DDP also prepared a short article on the latest side-events for publication in the internal UNEP magazine “Tidbits” designated for UNEP staff. The article was prepared with a view of updating UNEP colleagues on the project’s progress and increasing overall visibility of the project within UNEP.	The copies of the editions are available at the Secretariat	Ongoing as planned
C.2 Dissemination			
Translation and distribution of WCD materials	The Network for Environment and Sustainable Development (NESDA) has been appointed to translate the WCD and Spier Reports into French for its dissemination in francophone countries. NESDA is a non-profit organization based in Abidjan, Côte d'Ivoire under the auspices of the African Development Bank. It has been collaborating with UNEP as a focal point in Francophone Africa for GEO and Africa Environment Outlook, annual assessment reports produced by the Division of Early Warning and Assessment of UNEP. The MoU agreement was signed and the translation is to be completed in three months time.	MoU agreement signed	Ongoing

Activity	Narrative Summary	Main outcomes	Status of implementation
Dissemination of DDP materials	DDP information materials were widely distributed during the international meetings attended by DDP covering various stakeholder groups and the general public at large. This includes the 1st Meeting of Social Sciences and Dams, Rio de Janeiro; the OECD 1 st Special Session of the Relevant Experts on Renewable Energies and Water projects in France; the local chapter of the World Council on Energy in Misiones Argentina; World Lake Conference, Kenya; Enhancing Equitable Livelihood Benefits of Dams Using Decision Support Systems Conference in Ethiopia; African Ministerial Conference on Hydropower and Sustainable Development in South Africa; 4 th World Water Forum in Mexico and CSD 14 in USA.	Dissemination log	Ongoing
D. SECRETARIAT SUPPORTING ACTIVITIES			
D.1 Servicing the GACG			
Formation of GACG	<p>UNEP decided to convene the Government Advisory Consultative Group in response to the need for increased government involvement in the project and in SC meetings.</p> <p>In October 2004 UNEP invited an initial set of ten governments of developing countries involved in large dams planning and management to participate in an advisory role in the DDP Phase 2. The governments of Kenya, South Africa, Uganda and Zambia accepted the invitation. At the 8th SC meeting it was recommended that the GACG should also include countries with economies in transition and developed countries as well. The SC members suggested additional countries to be invited, thus the initial set was extended to a total of 24 countries. Currently the GACG includes the representatives of Algeria, Brazil, Dominican Republic, Ethiopia, Germany, Georgia, India, Kenya, Mexico, Norway, Romania, South Africa, Spain, Uganda, USA, Vietnam and Zambia.</p>	GACG ToR and membership	Ongoing as planned
GACG meeting and follow-up	<p><u>1st meeting of the GACG</u>: It took place on 4 October 2005 in Nairobi. The agenda included the presentation of DDP, the role of GACG and practical tools. 18 participants attended the meeting. The participants agreed to provide DDP with comments on the Compendium methodology by the end of November 2005. They nominated four of its members to participate in the SC representing government categories 1 and 2 who attended the 9th SC meeting on 5-7 October 2005. The majority of the participating delegates also attended the 4th DD Forum as observers.</p> <p><u>2nd meeting of the GACG</u>: scheduled for 28-29 August in The Hague.</p>	<p>Minutes of the Meeting available</p> <p>Draft agenda</p>	<p>Completed</p> <p>Ongoing as planned</p>

Activity	Narrative Summary	Main outcomes	Status of implementation
D.2 Reporting	<p>During Phase 2, DDP prepared, published and distributed the Final Report of Phase 1, Proceedings of the 4th Dams and Development Forum and the Gaining Public Acceptance Issue-based Workshop.</p> <p>5 brief bi-monthly progress reports in the format of email updates were sent to DD Forum and GACG members covering the main activities of the reported periods. In addition, the DDP secretariat contributed to UNEP regular reporting comprising regular updates like the UNEP Link (every fortnight), status of compliance with Government council Decisions (quarterly), UNEP Annual Report for 2005 besides responding to specific requests. The reporting of all side events and meetings attended by the DDP staff is done on a regular basis and is available on the website once finalized.</p>	Electronic copies of the progress reports are available in the Secretariat	Ongoing
D.3 Professional Secretariat Staff recruitment and induction	<p>In order to complete the approved staff composition of the Phase 2 Project by UNEP, the DDP Secretariat recruited Project Officer L-4 and Associate Project Officer L-2 positions namely, Mr Thomas Chiramba (L4, Zimbabwe) and Ms Liazzat Rabbiosi (L2, Kazakhstan).</p>		Completed



Annex I Key messages

a. Dams and their alternatives in the context of meeting the MDGs

- Dams are a major feature in water and energy development. Dams, together with their alternatives, contribute to development and poverty eradication through, among others, enhancing water, energy and food security. However to achieve this, careful planning and management is needed in view of their social and environmental impacts.
- Dams are one of a number of options for managing water resources to meet increasing demands. Given their profound impacts, a decision to build a dam is to be taken on the basis of thorough assessment of the full range of options to meet the respective needs, including structural (supply side) and non structural (demand side) measures.
- A comprehensive assessment of all options is to be made early in the planning cycle at policy, strategic and integrated river basin levels. Countries need to establish planning structures at high level to deal with assessments in the context of defining overall and sectoral development strategies.

b. Dealing with emerging environmental and social issues for sustainable development

- Consideration of environmental and social issues around dams is to be undertaken within the context of participatory processes in which trade-offs and risks are addressed taking into account the views and expectations of all stakeholders.
- Environmental and social impact assessments are to be part of the full project cycle beginning with upstream planning stages.
- Prevention of environmental impacts is to be prioritized over mitigation and compensation measures. Ecosystem needs are central elements of environmental flows assessment.
- Compensation policies and measures are to be put in place in the context of contributing to development strategies for the negatively affected communities ensuring that they are better-off at the end.
- Public acceptance of projects on dams contributes to sustainability and improves performance; reduces environmental, social and financial risks and facilitates mobilizing investment finances.



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c. Improving decision making processes in the planning and management of dams

- In addition to political will, addressing emerging issues requires robust appropriate national and international normative frameworks and managerial skills to guide the measures to be taken and provide the resources to be deployed.
- National policy, legal and regulatory frameworks dealing with development and sectoral planning; environmental impact assessment; management of water, energy and environmental resources, land acquisition and others need to be strengthened.
- Processes to strengthen normative frameworks require a multistakeholder dialogue approach to capture the views and expectations of stakeholders.
- Managerial capacities need to be further built and supporting tools developed and made accessible to assist with the implementation of the appropriate measures and the adoption of the recommended procedures.

Annex II Report of the side-event at the African Ministerial Conference on Hydropower and Sustainable Development

AMCOW/UNEP Dams & Development Project Side Event

Johannesburg, 7 March 2006

Background

1. AMCOW/UNEP Dams & Development Project co-hosted on 7 March 2006 a side event on the margins of the African Ministerial Conference on Hydropower and Sustainable Development, RSA, 5-9 March 2006. About eighty participants attended the meeting representing diverse stakeholder groups participating in the Conference.
2. They gathered to deliberate on the topic: *“Improving decision-making on dams to meet the MDGs: Ensuring dams contribute to sustainable development and poverty reduction”* and the following specific issues:
 - Emerging concepts around sustainability, notably in the social and environmental areas;
 - The current and desirable characteristics of a supportive legislative, policy and regulatory framework;
 - The need for hydropower practitioners to follow such framework and their capacity requirements to do so;
 - The ways in which adopting good practices can reduce risk and controversy and enhance the likelihood of dams being financed by both the public and private financiers; and
 - Suggestions with respect to establishing a roadmap to address improving the regulatory frameworks, building capacities and learning from good practice.
3. These issues were discussed with special reference to Africa and with the view of contributing to the Conference, which considered the importance of hydropower to sustainable development in Africa.
4. Three keynote speeches by Dr. Peter L. Watson (water resources and infrastructure expert, former Director of Infrastructure for Africa, World Bank), Mr. Willie S. Croucamp (Deputy Director General, DWAF, RSA) and Mr. Bjørn Wold (Director, Norwegian Water Resources and Energy Directorate, NVE) set the stage for the deliberations.
5. Dr. Peter L. Watson made a presentation on Water Resource Management and Hydropower Development: The Importance of a Sound Legislative, Policy and Regulatory Framework. He highlighted the need to undertake dam projects in an environmentally and socially responsible manner. He argued that doing this effectively requires dam sponsors to have a clear idea of society’s values with respect to acceptable levels of environmental degradation and the appropriate treatment of dam affected people. He argued that the best way to do this is through a legislative, policy and regulatory framework enshrined in a country’s laws. He suggested that AMCOW and UNEP DDP could cooperate to undertake work to assist interested countries to bring this about, to learn from each other and to promote capacity building.
6. Mr. W S Croucamp gave the South African Perspective on improving decision-making on dams in which he highlighted the Africa Water Vision 2025, described and presented the outcomes of the South African multistakeholder initiative on the follow-up of the World Commission on Dams and shared water resources management. The presentation illustrated progress made by the South African government in articulating a coherent, integrated body of law, policy and practice, which was proving robust in dealing with the specific challenges raised by specific dam projects. The presentation also highlighted the value of using the WCD recommendations as a tool for a critical self-examination of the national context.
7. The licensing of dam construction and operation in Norway over the last 100 years was presented by Mr. Bjørn Wold. He presented the experience of Norway, a country that relies on hydropower (99% of electricity generated from hydropower) by underlining the important points in licensing legislation, public acceptance, license conditions, rules of operation, dam safety, and elements of public and political acceptance. He stressed that, when Norway put these rules into effect, it was at the same stage of development as many African countries are today.
8. Opening statements were made by Mr Sekou Touré, Director of UNEP’s Regional Office for Africa, Mr Henry Ntale, Chair of AMCOW TAC, Mr Josue Dione, Director, Sustainable Development Division, and Economic Commission for Africa (UNECA).
9. Introductory remarks were made by Hon. Shamsa Mwangumga, Deputy Minister for Water of Tanzania, Hon. Felicio Zacarias, Minister of Public Works and Housing of Mozambique, and Hon. Dr. Nickey Iyambo, Minister of Agriculture, Water and Rural Development of Namibia.

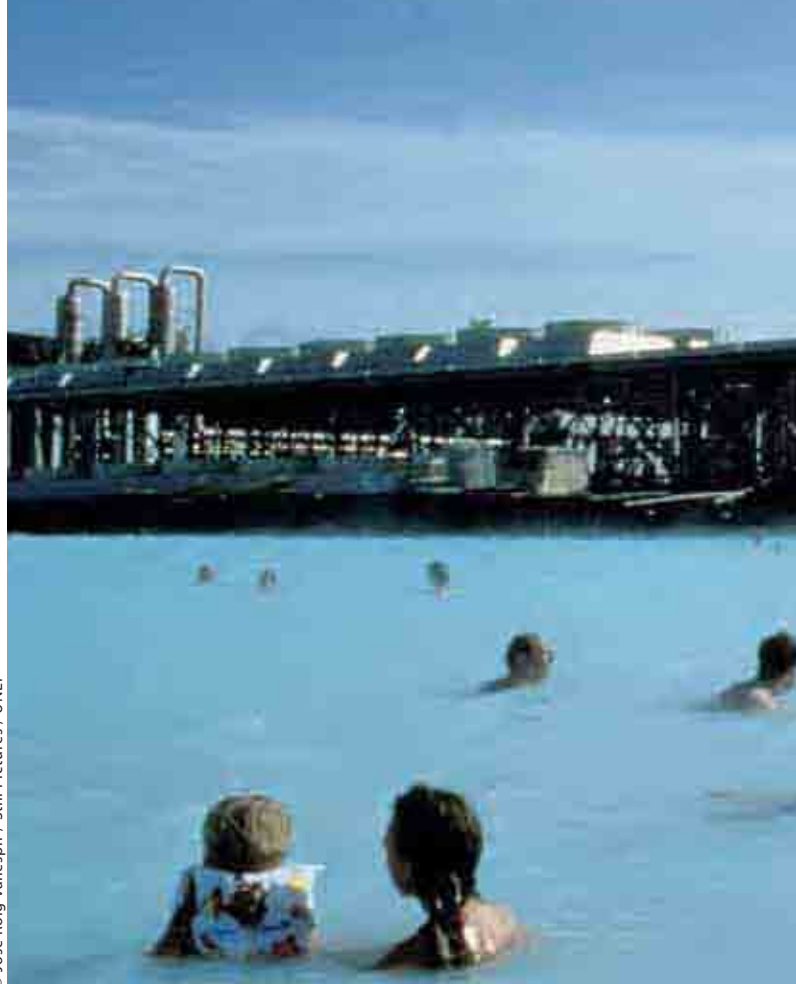
Laying the basis for the discussion

4. Opening statements were made by Mr Sekou Touré, Director of UNEP’s Regional Office for Africa, Mr Henry Ntale, Chair of AMCOW TAC, Mr Josue Dione, Director, Sustainable Development Division, and Economic Commission for Africa (UNECA).
5. Introductory remarks were made by Hon. Shamsa Mwangumga, Deputy Minister for Water of Tanzania, Hon. Felicio Zacarias, Minister of Public Works and Housing of Mozambique, and Hon. Dr. Nickey Iyambo, Minister of Agriculture, Water and Rural Development of Namibia.

10. Following the presentations, a panel composed of Reverend Jameson Mncina representing civil society, Mr. Trevor Courtney (ESKOM) representing the private sector and Hon. Dr. Nickey Iyambo provided their views on the issues.

Key issues raised during the discussion

11. The follow-up discussions highlighted that dams were considered a major feature in water and energy development, as well as key tools to achieving the Millennium Development Goals (MDGs). Dams, together with their alternatives, contributed to development and poverty eradication through, among others, enhancing water, energy and food security. However to achieve this, careful planning and management were needed in view of the social and environmental impacts of dams.
12. It was pointed out that there was urgent need to accelerate the implementation of projects on dams within countries and across Africa. It was argued that many African countries were suffering from delays in expanding hydropower capacity at the same time as water regime variability seemed to be increasing and the demand for electricity was growing. The issue that drought had become a serious constraint to hydropower production was raised. While the specific causes might vary across countries, the result was a widespread risk that many countries are falling further and further behind in their attempts to meet the water and power needs of their people.
13. There was a consensus that shared rivers present an opportunity for cooperation and regional integration. However, making cooperation effective when countries are at different stages of development was not easy, so the focus should be on cooperative basin management. Outside assistance was deemed necessary to strengthen this cooperation. AMCOW was therefore encouraged to promote trans-boundary programs.
14. A number of speakers highlighted the need to find a balance between economic development and environmental protection. There were some opinions that the pendulum may have swung too far in the environmental protection direction. It was also considered that obstacles to dam development could have been avoided in some cases if there had been stronger regulatory frameworks in place to guide both the dam sponsors and environmental and social activists.
15. Several speakers pointed out that consideration of environmental and social issues around dams needs to be undertaken within the context of participatory processes in which trade-offs and risks are addressed taking into account the views and expectations of all stakeholders. Environmental and social impact assessments are to be part of the full project cycle beginning with upstream planning stages. Ecosystem needs are central elements of environmental flows assessment.



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16. There was strong support to the idea that local people in areas affected by dams must be involved in matters that affect their destiny. It was mentioned that involving them in the design of mitigation, compensation and development programs to enhance their livelihoods would make them partners instead of opponents. Implementation of development programs for project-affected people aimed at improving their livelihoods was to be prioritized over mitigation and compensation measures. However, to make their involvement meaningful, they should be given some training to enable them to participate effectively. Inadequate information leads to rumors which distress the population and can lead to anger and resistance. There was also a feeling that dam sponsoring agencies need to strengthen their capacity to develop and implement programs for dam affected people.
17. The participants noted that a sound legislative, policy and regulatory framework had to be put in place to facilitate the process of developing dam projects in an environmentally and socially responsible manner by making the values of society in this respect explicit in law. A few participants felt that the continent already had the elements of such frameworks in a number of countries and regional entities. The focus, therefore, could be on identifying and filling gaps, strengthening and harmonizing existing frameworks and their more effective implementation.
18. Participants highlighted that establishing legislative,

policy and regulatory frameworks, or enhancing and strengthening existing ones, for those countries which are contemplating dam construction will take time, especially to the extent that laws must be passed by parliaments. It was also acknowledged that processes to strengthen normative frameworks require a multi-stakeholder dialogue approach to capture the views and expectations of stakeholders. The challenge for African governments to focus on these long term issues when there is great pressure to deliver infrastructure to meet immediate needs, was recognized.

Conclusions

- There was considerable interest in the topic from the participants. It is believed that this is the first time that such an international forum of politicians, technicians, development partners and civil society has debated these issues in some depth. There is merit to sustain such an approach to secure sustainable hydropower development in Africa.
- African governments are under pressure to develop infrastructure to satisfy immediate needs and deliver on commitments to meet MDGs. Cooperative basin management present opportunities and should be encouraged

- Sustainable development of large dams inevitably involves the question of how to appropriately deal with the social and environmental impacts of dams. Dealing with them in the absence of a sound legislative, policy and particularly regulatory framework is extremely difficult and often leads to important elements being neglected, with consequential conflicts and the requirement of expensive remedial measures.
- Some elements of regulatory frameworks exist. Thus focus should therefore be on filling the gaps, strengthening and harmonizing frameworks, to take into account emerging environmental and social issues.
- At the same time that countries effectively progress towards strengthening their frameworks, measures are required to ensure that the essential dam development work is carried out in a sustainable way. These involve further raising collective awareness and political will on the importance of incorporating such environmental and social issues into the decision-making processes, the planning and management of dams, building managerial capacities in this regard and disseminating examples of good practices.

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Annex III Ministerial Declaration of the African Ministerial Conference on Hydropower and Sustainable Development

MINISTERIAL DECLARATION

9 March 2006

Johannesburg, Republic of South Africa

1. We, the African Ministers responsible for Water and Energy met, together with our partners, in Johannesburg, South Africa, 8-9 March 2006.
2. Mindful of the challenges facing Africa in meeting the Millennium Development Goals (MDGs), particularly those relating to gender equity, poverty reduction, delivery of water services, and the reduction of hunger, and recognizing the role that hydropower schemes of all sizes can play in meeting the above and in contributing to social and economic development in Africa.
3. Recalling the overall goal for water and energy set out in the decisions of our Heads of State and Government at the respective Summits of the African Union and in the context of the New Partnership for Africa's Development (NEPAD).
4. Recalling the Political Declaration adopted at the Bonn International Conference for Renewable Energies, and emphasized in the Beijing Declaration on Hydropower and Sustainable Development, that hydropower is an important renewable source of energy for providing access to energy, especially for the poor and for contributing to sustainable development.
5. Noting that Africa lacks the infrastructure to manage water variability, we emphasize the role of multipurpose hydropower schemes in promoting water security.
6. Noting with concern that more than 90% of the people in Africa do not have access to electricity, we emphasize that access to electricity is essential for achieving the objectives of NEPAD, MDGs and sustainable development.
7. Noting that less than 7% of the hydropower potential in Africa has been developed.
8. Recognizing the value of hydropower in an optimum energy mix.
9. Recognizing the importance of knowledge, know-how and technology transfer in the hydropower development.
10. Underscoring that hydropower projects are capital intensive and require tangible action to finance sustainable hydropower projects in Africa.
11. Emphasizing that the development of hydropower must be implemented in accordance with national, regional and international agreements and respect the principles of sustainable development, and requires an integrated and holistic approach.
12. Acknowledging water resources vulnerability to climatic changes.
13. Recognizing that decision-making process should incorporate the informed participation of all stakeholders, particularly vulnerable communities and those negatively affected.
14. Recognizing the importance of maintaining assets and optimizing the performance of existing hydropower facilities and adopting efficiency measures as priority options in the planning process of new developments.
15. Acknowledging the existence of good practices and past mistakes in hydropower development as important educational tools for recognizing what is required for successful hydropower projects.
16. Recognizing the public sector's important role in leading project development, and attracting investment from public and private sources.
17. Recognizing the need to incorporate financial commitment to regional plans in national budgets.
18. Recognizing the existence and increasingly important role of power pools in different regions to be harmonized. The relationship of power pools with regional economic communities (REC) is already good and should be expanded.
19. Welcome the opportunity given by this Conference which provided us with a unique opportunity for taking stock of the multiple challenges and constraints in fully utilizing the hydropower potential of our continent in order to accelerate sustainable development and achieve the MDGs in support of NEPAD and:
 - a. Commit to working together (ministers of water and energy) to unlock the hydropower potential of Africa as a major renewable energy option to promote sustainable development, regional integration, water and energy security, and poverty eradication in Africa .
 - b. Agree that sound environmental and social impact assessments, mitigation and management plans should be the norm for hydropower development which must be applied in accordance with strengthened national regulatory frameworks and international standards of good practice.
 - c. Emphasize the importance of capacity building not only for hydropower but also for climatic changes.



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- d. Emphasize the importance of resettlement principles, which include full participation of affected communities, with particular attention to vulnerable groups and culturally sensitive areas.
- e. Emphasize that those local communities affected by a hydropower project, must derive positive sustainable benefits.
- f. Commit to mainstreaming gender issues as appropriate.

- g. Agree to promote the integration of hydropower generation with other water uses and to promote hydropower on existing dams.
 - h. Agree that hydropower development must be carefully considered alongside other energy options.
 - i. Accept that the costs of social and environmental mitigation measures and plans should be fully assessed and integrated in the total cost of the project.
 - j. Agree to promote hydropower development, within the principles that exist at national, sub-regional and regional levels of integrated transboundary water resource management and benefit sharing arrangements.
 - k. Agree to promote transboundary water basin organizations and regional power pools.
 - l. Agree to improve cooperation and coordination between the Ministers responsible for water and energy, particularly within the ambit of African Ministers Council on Water (AMCOW) as they have a good basis for cooperation.
 - m. Commit ourselves to strengthen legal and regulatory frameworks and human capacity in support of sustainable hydropower development.
 - n. Commit to ensuring that the outcomes of this conference are fed into the NEPAD infrastructure planning process of the African Union (AU), as well as into national and ministerial plans of action.
 - o. Call on multilateral and bilateral funding agencies to engage with African countries on hydropower development, promoting national and regional project development facilities and innovative funding mechanisms. Ministers take note of the establishment of the Infrastructure Consortium Secretariat at the African Development Bank (AfDB) for the necessary coordination and mobilization of resources.
 - p. Call upon AMCOW, the African Energy Commission (AFREC) and the Forum of Energy Ministers of Africa (FEMA), with the support of the relevant UN umbrella bodies, to implement the Action Plan of this conference.
 - q. To invite South Africa, together with AFREC and FEMA, to report back to the Commission on Sustainable Development (CSD) 14 and together with AMCOW, to report back to World Water Forum (WWF) 4.
20. Thank the South African Government for hosting the African Ministerial Conference on Hydropower and Sustainable Development.

Annex IV Report of the side-event at the 4th World Water Forum

4th World Water Forum
Session FT1.21 & 1.25

Ensuring dams are a platform for growth and sustainable development

17 March 2006, 16:45 – 18:45 hs
UNEP Dams and Development Project
ICOLD, IRN, USACE/IWR, WWF,

This report was prepared by the DDP Secretariat in consultation with the presenters, and it takes into account their comments.

In the context of the 4th World Water Forum and Theme 1 Water for Growth and Development, the session¹ convened by UNEP Dams and Development Project (DDP), International Committee on Large Dams (ICOLD), International Rivers Network (IRN), US Army Corps of Engineers (USACE/IWR) and WWF, under the title “Ensuring dams are a platform for growth and sustainable development” was held on 17 March 2006. The main objectives of the meeting were:

- a) Further clarify the role of dams and their alternatives in water and energy resources development and management, in the context of the MDGs.
- b) Further stress and agree on the need for appropriate consideration of environmental, social, economical and technical aspects in order to ensure that outcomes contribute to sustainable development.
- c) Highlight the need to institutionalize sound decision-making processes in the planning and management of dams aiming at public acceptance and local ownership with emphasis on the role of stakeholder participation in dealing with the alternatives, associated trade-offs and risks to produce sustainable projects.
- d) In the context of Forum background document for Theme 1 Theme 1: “Water for Growth and Development”, to discuss the attributes and proper mix of development and institutional/management platforms in the case of dams.

¹ The session had been programmed and announced covering a four hour time slot divided in two parts (14.30 – 16.30 and 16.45 - 18.45 hs) in Valparaiso room. However due to last minute changes adopted by the WWF4 Secretariat concerning the availability of the allocated conference room, the first part of the session could not be held as planned, obliging the conveners to reprogramming the whole session on the spot to fit it into a two hours session.

The session

The session was chaired by Mr. Ricardo Sanchez, Director of the UNEP Regional Office for Latin America and the Caribbean and moderated by Mr. Jerome Delli Prescoli, USACE/IWR. Mr. Jerson Kelman, President of the Brazilian Electric Energy Agency (ANEEL) delivered a key note speech on a developing country perspective. Six presentations organized in rows of two followed by discussions from the floor were subsequently delivered, as follows:

- Mr. Gerald E Galloway, Visiting Scholar, Institute for Water Resources, U.S. Army Corps of Engineers “Water Resources Development and Poverty Reduction, the Backbone of Socio-Economic Development”.
- Patrick McCully, Executive Director, International Rivers Network (IRN), “Spreading the Water Wealth Making Water Infrastructure Work for the Poor”.
- Mr. Bryan Ashe, “Applying the World Commission on Dams (WCD) report in South Africa
- Arthur H. Walz, Jr., ICOLD Vice President – Americas, “Dams as a Tool to Provide the Water Needed for Growth & Development and to Achieve the UN MDG’s”.
- Dr. Ute Collier, WWF Global Freshwater Programme, Free-flowing Rivers, the Mekong & hydropower”.
- Alberto Calcagno, UNEP-DDP Coordinator, “Ensuring dams are a platform for growth and sustainable development”

The contents of the presentations

Mr Ricardo Sanchez, Director, ROLAC welcomed participants on behalf of the UNEP ED. He apologized for the delay in starting the session and explained the circumstances. He noted that dams are important in the global efforts to meet the Millennium Development Goals (MDGs) and highlighted the challenges around environmental in the social, institutional and capacity building arena. He further



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noted with satisfaction that, over the years, there have been more areas of agreement in the dam's debate.

Mr. Kelman, the keynote speaker, addressed the issue of environmental licensing of dams as a control tool to ensure that good dams are built. He emphasized compensation to local communities and strategic planning to select the set of dams that will cause minimum impact to the environment as key elements of a desirable control tool. He highlighted that small dams are not necessarily good as well as large dams are not necessarily bad and that extremes in environmental and social control should be avoided.

The presentation of USACE/IWR focused on the experiences of the Tennessee Valley Authority and the Columbia River Systems in the USA, highlighting their impressive socio-economic progress in the two regions of the U.S. resulting from development of their water resources. Statistics on the socio economic progress of both regions after one generation were presented followed by a brief description of the characteristics of the undertakings. The different institutional and water cultural settings in the early 20th century and currently were also presented. He then referred to the so called Kuznets curve stating that as investments increase for growth, reducing environmental quality, environmental impact first increases and then declines. He concluded remarking that the key elements to socio economic growth were building a minimum level of basic infrastructure development, using multipurpose projects, finding short-term financing via government or other reliable resources, privately managing medium to long-term financing , using

cross-subsidies, local decentralized planning, and integrating environmental protection and enhancement.

IRN presentation started pointing out that the majority of the poor population addressed by the MDGs lived in rural dispersed areas and consequently meeting the goals means focusing water investments on rural areas & small farmers and raising yields in rain-fed areas. Against a background of backlash from the large dams' industry, Mr. McCully affirmed that only low-cost, decentralized options could reach the unserved, such as small-scale drip systems, rainwater harvesting, groundwater recharging, check dams and embankments. He supported his assertion with cost comparisons against conventional infrastructural approaches at the same time that contested the wide spread message relating availability of water storage to economic development. After stating that climate change will hurt the most poor calling for small scale non conventional adaptation measures, he concluded that large-scale implementation of small-scale water infrastructure was a prerequisite to meeting MDGs; that poverty in developing countries was not due to them being under-dammed and that resurgence of big dam building will have unacceptable social and environmental impacts and divert funds from poverty alleviating investments.

Mr. Ashe described the origins, nature and process carried out by the South African initiative on applying the WCD recommendations to South Africa. He highlighted the multistakeholder nature of the process driven by a steering committee integrated by representatives of government, civil society, private sector and academy. The three-year process involved the convening of annual Forum meetings and the elaboration of a scoping and a substantive report, the latter published and presented to the Government in March 2005. The report concluded that a large overlap was found when comparing WCD recommendations to the South African policy and legislative framework and that implementation remained the challenge. The priorities identified were addressing social issues, enhancing governance of water and energy resources development, promoting river health and sustainable livelihoods and enhancing regional governance. The way forward consisted of publishing and disseminating the report and encouraging the implementation of the recommendations.

ICOLD Vice-President affirmed multipurpose dam and reservoirs have been successful in providing considerable benefits as nations pursued development and dam projects remained an integral part of our infrastructure to sustain life, reduce poverty and support economic development in all parts of the world. Thus dams were a tool for water

management to ensure quantity, quality and distribution of water that were key aspects of water reliability. In the past, there have been costs (natural environment, inequitable distribution of benefits, resettlement, and inaccurate projections of demand) and as a result of inadequate planning many existing projects were not as cost effective as they could be. He pointed out progresses achieved in river basin monitoring and management and environmental mitigation and restoration. He stated that better dam projects could be built through ensuring a comprehensive planning process that includes not only “multi discipline technical input” but also “stakeholder involvement”. Such planning should be accomplished on a river basin basis and include assessment of needs and of the full range of options. In this regard he pointed out that conservation measures must be applied, however, they are not “stand-alone” options; groundwater and rainwater harvesting must be pursued but its limitations have to be realized and that where there is a demand for significant quantities of water – dams and reservoirs are the most realistic option. The reallocation of storage at existing projects is a first step.

Ms Ute Collier referred to the WCD recommendation that a national policy is established for maintaining selected rivers in natural state because of their high ecosystems functions and values. She highlighted the decreasing number of free flowing rivers in the world, which currently left only 21 large rivers flowing freely from source to the ocean, and described their value. The presentation then introduced WWF’s work on a habitat classification map in the Mekong River Basin, developed as a possible tool for identifying no-go areas for hydropower development. Ms Collier then invited Olivier Coegels, CEO of the Mekong River Commission (MRC) onto the stage, who explained the importance of the basin’s hydropower potential. He also confirmed MRC’s commitment to multi-stakeholder involvement in hydropower planning in the basin and working with NGOs like WWF. Ms Collier concluded her talk stating that the values and services of free flowing rivers need to be given greater recognition; that a comprehensive, basin-wide, multi-stakeholder approach to dams planning was needed; and that mechanisms to identify and protect rivers, river stretches and tributaries of high biodiversity and livelihood value should be established.

The UNEP-DDP coordinator started his presentation referring to the lessons of the past that called for improved decision making in the planning and management of dams, which was precisely the goal of the project that adopted the WCD strategic priorities as an analytical framework. The experience with the project indicated that there was a need for improved consideration of emerging environmental and social issues as well as for improving decision making processes

to incorporate the views and expectation of stakeholders, provide for comprehensive assessment of options and address the trade-offs and risks inherent to infrastructure undertakings. He referred to the multistakeholder dialogue approach adopted by the project to foster recommendations on policy and legal frameworks improvements at country and regional level as well as the elaboration of a Compendium on relevant practices to help decision makers strengthening legal frameworks and adopting good practice. He concluded indicating that there was a need to take actions to strengthen policy and regulatory frameworks to account for the emerging issues and to institutionalize participatory decision making processes at the same time that building managerial capacities through dissemination of good practice. He also made a call for further building political will raising awareness and appropriate responses from decision makers including the mobilizing of the needed resources.

Discussion

The first round of discussions, following the presentations from Mr Kelman, Mr. McCully and Mr. Galloway, dealt with the supply of water to local communities, the separation of responsibilities between generators and distribution, the drawbacks of not developing hydropower due to over control, the World Bank policies to finance dams, the disposal of dams promoters to pay for addressing social and environmental issues and concerns about unsuccessful application of the TVA model abroad. In their responses, the panelists referred to the updated Water Strategy of the WB, pointed out that dams can benefit small farmers as it was the case in Brazil and that small hydropower plants required proper design if they are to meet the needs of the poor. Regarding TVA, it was explained that strong stakeholder involvement is very important for the success of this approach. After 40 to 50 years, it was noted that there is still the need to look at environmental aspects e.g. water quality.

Further comments from participants referred to the case of Pakistan, opining that major dams had led to people dying and to desertification while groundwater was not enough exploited due to high electricity costs. It was pointed out that the TVA concept proved disastrous when applied elsewhere in the world. The experience with large dams in Nepal was said to be not positive. The World Bank had been requested to stop experimenting with large dams, since they were against the interest of the people of Nepal. In their responses, the panelists highlighted that there are opportunities to improve on irrigation efficiencies in Pakistan that groundwater management is poor across the world and rainwater harvesting might be more helpful. The consideration of the TVA model led to different perspectives from the panelists.

On the one hand it was opined that the exportation of the TVA model had failed and that there were controversies around this model even in the USA. On the other, it was pointed out that there were several examples of successful schemes developed along the lines of the TVA model in the world. There was a need to take into account issues of scale, stakeholder participation, cross subsidization, sizing of infrastructure etc. There was a need to contextualize the TVA model.

During the second round of discussions, following the presentations of Mr. Ashe and Mr. Waltz, several questions were posed to the panelists. With reference to big dams being constructed in South America to supply the aluminum industry, it was asked who is to be consulted, who receives the benefits and how was the sharing of benefits to be balanced. Further, it was opined that governments take loans for dams that are to be repaid by taxpayers, though not everyone benefits from these dams. The question was whether it could not be arranged in such a manner that payments are only to be done by those that benefit. Concerning disaster management, it was pointed out that the benefits from dams can be high. The question was how these are dealt with in the design of dams. Though flood control measures might be known in advance, experience is that society usually has to wait long for mitigation measures to be put in place until floods have happened. Traditional project planning may not be adequate to address this dilemma. The panelists in their responses noted that enforcement of flood control plans was difficult at local level. Communities around the dams are to be consulted. However, if each community is to apply the “not in my backyard principle”, it would be bad for the society as a whole. In terms of benefit sharing, it was said that interconnection of power from dams contributes to sharing the benefits nationally. One panelist opined that when climate change is taken into consideration, large dams do not control floods and small dams are more effective. Concerning who is to be consulted, it was pointed out that processes are not always democratic and transparent, resulting in the construction of dams that should never have been built due to poor EIAs and corruption.

The third round of discussions after the presentations of WWF and UNEP-DDP started pointing out that the discussion should not be just about dams but the application of IWRM. It was important that dams were built in an integrated way. Planning dams was an important part of IWRM. It was noted that dams are to be developed with minimal environmental impacts. The questions were how minimal environmental impact is defined; how are acceptable processes determined; what are the binding obligations from the rights perspectives.

It was also noted that planning processes have changed considerably, though it was pointed out as an example that the consultation process on the Nam Theun 2 started very late. The question remained whether planning had really changed very much. It was voiced that the original zeal to use the WCD report seem to have gone down and queried whether it would be an indication that there has been a shift.

Responses from the panel expressed that it was necessary to determine energy needs, how much additional energy is required, for what use and subsequently establish what the set of power plants to be developed is. This set should be determined against a background of projects with minimal environmental impacts. One should look at options; this is why this process has to be mainstreamed in the planning process. For options assessment, it is important to look into the needs that are to be satisfied. It was also indicated that decision making involves addressing trade offs and risks. To address them, an open decision making process with stakeholder participation should be put in place. Such a process will establish the acceptable environmental impacts. In the Mekong river basin, improvements have been made concerning designing and planning of diverse measures in consultation with stakeholders. Consultation is also being made in the construction and operations of dams. There are no easy answers to minimal environmental impacts. Options assessment and multi-criteria assessment helps at strategic planning level. EIAs help too. It should be noted that in every structural measures, there are non-structural measures to be taken into account.

Closure

The Moderator thanked panelists and all the participants for their contributions. In closing the session, the Chair thanked all participants for the dialogue. He welcomed the new technologies and experiences being made. He noted that there is need to consider different visions and scales and angles needed in particular situations. There is need to allow stakeholder participation. He encouraged the adoption of new approaches and consideration of intra and intergeneration equity as well as climate change, multipurpose use of dams and integrated approaches. There is need for holistic approaches and taking into account the interest of the people. He hoped the discussion had made some positive contribution to the dialogue about dams and sustainable development.

Outcomes of the session

It can be concluded that two issues mainly overarched the discussions between presenters before and during the session as well as the floor discussions: how to serve better the needs

of the poor in the context of achieving the development goals adopted by the international community and how to appropriately address the environmental and social aspects surrounding dams. Regarding the first, the opinion of the majority was that while a large effort should be done in terms of addressing the needs of the rural poor through strong support to small scale decentralized solutions, large scale approaches involving dams and reservoir were required as well because they also provided services for poverty alleviation and constituted an option where there was a need to manage significant quantities of water². There was general agreement that comprehensive assessment of needs and of the full range of options including demand side management and improved performance of existing facilities are the appropriate measures to select the best response that would benefit from both approaches.

Regarding the second issue, it was agreed that in all cases careful planning and participatory decision making processes were needed to achieve solutions that involve minimum acceptable environmental and social impacts. While it was highlighted that strategic environmental assessments, integrated river basin planning and environmental impact assessments all contribute in this regard, stakeholder involvement was seen as a fundamental component of the decision making process enabling to address the trade-offs, risk and uncertainties inherent to infrastructure planning and management.

Policy and regulatory frameworks, including robust licensing systems, were considered fundamental elements of the institutional platform that needs to be in place to ensure sound planning and decision-making. Their strengthening, together with the building of managerial capacities, were seen as important actions to ensure that resources are mobilized and time allocated to appropriately address these emerging environmental and social issues as well as carry out meaningful informed participatory decision making processes. Raising awareness and building political will at all relevant levels in this regard was emphasized as a necessary first step.

² IRN did not agree that large scale approaches involving dams and reservoirs offered good solutions for poverty alleviation, and that they constituted a realistic option in arid regions

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Annex V Ministerial Declaration of the 4th World Water Forum

We, the Ministers assembled in Mexico City on the occasion of the Fourth World Water Forum (4th WWF), “Local Actions for a Global Challenge” on March 21st and 22nd, 2006,

1. Reaffirm the critical importance of water, in particular freshwater, for all aspects on sustainable development, including poverty and hunger eradication, water-related disaster reduction, health, agricultural and rural development, hydropower, food security, gender equality as well as the achievement of environmental sustainability and protection. We underline the need to include water and sanitation as priorities in national processes, in particular national sustainable development and poverty reduction strategies.
2. Reaffirm our commitment to achieve the internationally agreed goals on integrated water resources management (IWRM), access to safe drinking water and basic sanitation, agreed upon in Agenda 21, the Millennium Declaration and the Johannesburg Plan of Implementation (JPOI). We reiterate the continued and urgent need to achieve these goals and to keep track of progress towards their implementation, including the goal to reduce by half, by the year 2015, the proportion of people unable to reach or afford safe drinking water.
3. Reaffirm, in particular, our commitment to the decisions adopted by the 13th session of the United Nations Commission on Sustainable Development (CSD-13), in April 2005, on policy options and practical measures to expedite implementation in water, sanitation and human settlements. We note with interest the importance of enhancing the sustainability of ecosystems and acknowledge the implementation and importance in some regions of innovative practices such as rain water management and the development of hydropower projects. Further reaffirm the importance of the involvement of relevant stakeholders, particularly women and youth, in the planning and management of water services and, as appropriate, decision-making processes.
4. Take note of the Ministerial Declaration of the Third World Water Forum and recognize the work done within the UN System in support of member States, in order to reach the aforementioned goals. In this regard, we support the coordinating role of UN Water and highlight the need to strengthen its work within its mandate among the relevant UN organizations, funds and programs. We appreciate the inputs from the UN Secretary General’s Advisory Board on Water and Sanitation to reinforce ongoing implementation efforts towards reaching water and sanitation targets. We express our continued support to initiatives like the Water for Life Decade and our interest in the United Nations Secretary General’s WEHAB Initiative.
5. Recognize the contributions of the 4th WWF and its preparatory regional process to building capacity at international, regional and national levels and promoting the exchange of best practices and lessons learned on international water and sanitation issues.
6. Acknowledge the input of the Forum for the follow up segment on water and sanitation of the 16th Session of the CSD, to be held in 2008 which will play an important role to monitor and follow-up decisions on water and sanitation and their inter-linkages taken at CSD-13, and as an example of coordinated participation and involvement of governments at all levels, civil society, intergovernmental organizations, non-governmental organizations, private sector, scientific institutions, partnerships, and international financial institutions regarding water issues and other relevant stakeholders.
7. Reaffirm also the decision of the 13th Session of the Commission of Sustainable Development regarding, inter alia:
 - a) that a substantial increase of resources from all sources, including domestic resources, official development assistance and other resources will be required if developing countries are to achieve the internationally agreed development goals and targets, including those contained in the Millennium Declaration and the JPOI, and
 - b) that Governments have the primary role in promoting improved access to safe drinking water, basic sanitation, sustainable and secure tenure, and adequate shelter, through improved governance at all levels and appropriate enabling environments and regulatory frameworks, adopting a pro-poor approach and with the active involvement of all stakeholders;
8. Recognize the importance of domestic and international policies that foster and assist building capacities and cooperation at all levels to mitigate water-related disasters including prevention, preparedness, risk assessment, community awareness, resilience and response.
9. Recognize the important role that parliamentarians and local authorities are playing in various countries to increase sustainable access to water and sanitation services as well as to support integrated water resource management. An efficient collaboration with and between these actors is a key factor to meet our water related challenges and goals.
10. Note with appreciation the work of stakeholders at the regional preparatory process towards the 4th WWF as well as during the Forum itself, and take note of the documental output of the said regional preparatory stakeholder process, included as annex to this declaration.

As appropriate, this output can be used as source of information for our tasks. We also thank participating parliamentarians and local authorities for their valuable views and opinions expressed during our joint working session at the Fourth World Water Forum, and take note of their statements included as annex to this declaration.

11. Welcome the launch at the 4th WWF of the CSD Water Action and Networking Database (CSD WAND), as a means of implementing the decision from CSD-13 to develop “web-based tools to disseminate information on implementation and best practices” on water and sanitation. The CSDWAND will serve as a platform for exchanging information and best practices, lessons learned and relevant international agreements and policy recommendations. We note that the CSD WAND has been built upon information collected during the 2003-2005 CSD Cycle, in the Portfolio of Water Actions – as an output of the Ministerial Conference of the Third World Water Forum--, and in the database of local actions of the 4th WWF.

12. Encourage all stakeholders, including national and international agencies, and other international and regional fora, such as World Water Week in Stockholm and the water weeks of the regional development banks, to contribute to and exchange information through the WAND.

13. Thank the Government of Mexico and the World Water Council for the organization of the 4th WWF and for their determination to promote better water management through dynamic local actions for a global change.

Mexico City, March 22, 2006.

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LIST OF ACRONYMS

AFREC	-	African Energy Commission
AMCOW	-	African Ministerial Conference on Water
ANEEL	-	Brazilian Electric Energy Agency
CSD WAND	-	CSD Water Action and Networking Database
CV	-	Core Values
DDF	-	Dams and Development Forum
DDP	-	Dams and Development Project
EU	-	European Union
FEMA	-	Forum of Energy Ministers of Africa
GACG	-	Government Advisory Consultative Group
ICOLD	-	International Committee on Large Dams
IRN	-	International Rivers Network
IWRM	-	Integrated Water Resources Management
JPOI	-	Johannesburg Programme of Implementation
MDG	-	Millennium Development Goals
NEPAD	-	New Partnership for Africa's Development
PADELIA	-	Partnership for Development of Environmental Law and Institutions in Africa
REC	-	Regional Economic Communities
SP	-	Strategic Priorities
UNCED	-	United Nations Conference of the Environment and Development
UNCSD	-	United Nations Commission on Sustainable Development
UNECA	-	United Nations Economic Commission for Africa
UNEP	-	United Nations Environment Programme
USACE	-	US Army Corps of Engineers
WCD	-	World Commission on Dams
WEHAB	-	Water, Energy, Health, Agriculture and Biodiversity
WSP	-	UNEP Water Policy and Strategy
WWF	-	World Water Forum

LIST OF THE DDP SECRETARIAT STAFF

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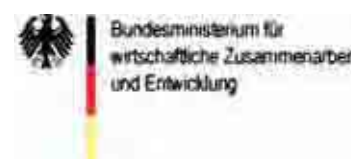
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Swedish International
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 Agency (SIDA), Sweden



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