WWF POSITION STATEMENT

Hydroelectric Power and Dam Development in Malaysia

Malaysia, challenged by depleting fossil fuel, needs to source for other alternative sources of energy which include the development of dams for hydroelectric power (HEP). HEP can provide the supply to meet large energy demands as well as contribute to socio-economic benefits. However, it can have serious adverse impacts on water resources, freshwater ecosystems, fisheries, terrestrial biodiversity, agriculture and livelihood of the community if it is not planned and built sustainably.

WWF-Malaysia recognizes the need for the country to generate sufficient energy and water supply to meet its development needs. WWF-Malaysia does not oppose the development of dams in principle provided it is planned and developed in a sustainable manner. It is acknowledged that dams do provide important economic and social services such as electricity generation, flood control, water supply and irrigation for the community and the society at large. Where a dam is identified as the best option to meet energy and water needs, WWF-Malaysia believes that the environmental and social damage caused by the development can and must be minimised to a level that is acceptable to all stakeholders.

This paper elaborates WWF-Malaysia’s position as well as its policy principles for dam development in Malaysia. It covers assessment for all development stages from early planning, construction to operating phase.

Dam development, in WWF-Malaysia’s view, must be guided by the following key principles:

Comprehensive view in development planning

The planning for a dam project should take into account all the options to meet energy and water needs including improving efficiency of current consumption and generation, considerations of the full range of types of energy and the option of no dam development where more sustainable alternatives are available. Priority should be given to upgrading or improving efficiency of current existing infrastructures and selection of options with the least environmental and social impacts. Environmental and social aspects should be afforded the same priority as technical, economical and financial factors in the assessment of options.

Planning and management should also be seen within the wider context of the river basin to meet the needs of affected people including upstream and downstream stakeholders. The development of a new dam should only be pursued when it is identified as the best option in a comprehensive
needs and option assessment taking into account the overall energy and water supply demand scenario, future economic development and support for the demonstrated needs of multi stakeholders. WWF-Malaysia calls for Strategic Environmental Assessment (SEA) to be conducted for the overall energy and dam development planning in Malaysia to assess environmental, social, health, cultural and heritage issues associated with dam development and to facilitate for a more comprehensive view in dam development planning, particularly at the options assessments stage. SEA should also enable for inappropriate or unacceptable projects to be screened out at an early stage. WWF-Malaysia also calls for a review of the proposed and planned dam developments in Malaysia based on the SEA.

Comprehensive impacts assessments

One of the most sensitive factors in dam development is siting, especially large scale impoundment dams that inundate huge areas. Siting assessments should be comprehensive, adopt holistic basin-wide and landscape level approach, take into account associated infrastructure and the cumulative ecological, environmental and social impacts of all proposed dam projects. Siting should avoid environmentally sensitive areas or areas of ecologically, socially or economically high conservation values. Considerations should also be afforded to keeping dams in areas which are already degraded and maintaining a representative sample of free-flowing rivers and their ecosystem services.

Comprehensive environmental impact assessment (EIA) and social impact assessments (SIA) should be conducted prior to approval and financing of dams. Impact assessment processes must not only meet the basic local legal requirement but also provide a platform for consultative and two-way engagement with stakeholders and allow for comprehensive mitigation measures to be implemented including changes to the design of the dam. It is important to ensure that the EIA & SIA fully encompass all environmental and social aspects and mitigation of the impacts on a basin-wide basis including the cumulative impacts on ecosystem goods and services and the social impacts associated with the loss of such services.

Transparent and inclusive decision-making

Processes for decision making in dam developments should embrace principles called for by the World Commission on Dams and the Hydropower Sustainability Assessment Protocol. Consistent with those principles, inclusive and transparent decision making processes should be implemented at all stages of development to ensure stakeholder needs are adequately captured and assessed, conflicting interests are resolved and access to benefit sharing from the development is made available. A transparent decision making process should include all relevant stakeholders such as project proponents, financing institutions, governmental and approving authorities, local community and non-
governmental organisations. In addition, access to information of the project development should be made available to the public and particularly to the affected stakeholders for their effective and informed participation in decision-making processes. As a whole, decision-making on dam development should result from negotiated outcomes with all affected stakeholders.

**Fair and equitable processes to address social impacts**

All communities affected by the development of any dam, including upstream and downstream users of ecosystem services, should benefit from the dam. Dam developments that cause detrimental impacts to local communities and indigenous peoples, and any infringement of their rights must be adequately addressed in a fair and equitable manner.

Clear and effective processes, structures and frameworks should be established which would enable such an approach to be comprehensively implemented. Opportunities to engage and solicit views of these communities must be included at various levels of the project planning and decision-making process of the dam development.

**Adherence to International Best Practises**

International best practices provide the benchmark for the sustainability performance of a dam development. Malaysia, as a developing country committed towards sustainable development, should strive to go beyond compliance with local and national legal requirements and adopt relevant world class standards and protocols which guide environmental, social and economic sustainability. WWF-Malaysia calls for dam development to adhere to the principles of development called for by the World Commission on Dams, particularly in addressing fundamental issues related to dam development, which are not addressed by local and national legislations, e.g. requirements for social impact assessments, consultative and inclusive decision making and cumulative impacts assessments. The Government plays a critical role in making this possible through the establishment of an up-to-date and comprehensive legal framework in accordance to such practices.

WWF-Malaysia recommends the use of the Hydropower Sustainability Assessment Protocol as a performance measurement tool to assess the sustainability of all HEP dam developments both current and planned. The Protocol’s broad endorsement by all stakeholder groups namely, the hydropower industry, commercial and development banks and the World Bank, environmental and social NGOs, and developing and developed countries, makes it a reliable global reference for measuring the performance of a HEP development project.
References
Hydropower Sustainability Assessment Forum (HSAF)
http://www.hydropower.org/sustainable_hydropower/HSAF.html

International Hydropower Association Sustainability Assessment Protocol
http://www.hydropower.org/sustainable_hydropower/IHA_Sustainability_Assessment_Protocol.html

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http://www.hydropower.org/sustainable_hydropower/IHA_Sustainability_Guidelines.html

WWF Dams Position (November 2004).

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