



## World Bank Authorizes Inspection into Massive Dam Projects in Argentina and Paraguay



For Further Information, Contact [Marcos Orellana](#) or [Anne Perrault](#)



or [Oscar Rivas](#) and [Elias Diaz Peña](#) at SOBREVIVENCIA ([survive@ax.apc.org](mailto:survive@ax.apc.org)).



### THE YACYRETA CLAIM



**March 3, 1997 (Washington, DC)** - In an unexpected meeting on Friday, February 28, the Executive Directors of the World Bank agreed to authorize the Inspection Panel to conduct an inspection into the environmental and resettlement problems associated with the Yacyretá dam project. The massive, 67-kilometer long dam is located on the Rio Paraná, on the border between Argentina and Paraguay. The Board's decision to authorize an investigation is a significant step towards vindicating the claims of citizens affected by the dam that the World Bank has failed to enforce adequately its policies regarding social and environmental mitigation. The Panel will conduct its investigation over the next four months and issue a report containing its findings and recommendations to the Board of Executive Directors.



The Board decision is an important step in the review process, which was triggered by a claim filed with the Inspection Panel by SOBREVIVENCIA, a Paraguayan NGA representing itself and individuals living on the banks of the Paraná River. The Inspection Panel's preliminary review of the project led to its recommendation to the Board that there be a thorough and careful review of the implementation problems that have plagued the project.



The Board's decision on Friday is hailed as a sign of renewed commitment to the Inspection Panel process. The decision to authorize an inspection of a project involving a powerful borrower such as Argentina was difficult for the Board, which failed to reach a consensus when it first confronted the decision three weeks ago. It appears that strong leadership, presumably coming from Bank President James Wolfensohn, led the Board to reach consensus decision to authorize a "review" of the claim and an "assessment" of Management's action plan. Despite the use of these new terms, there appears to be no reduction whatsoever in the investigatory powers of the Panel to look into the allegations raised in the claim.

Elias Diaz Peña of SOBREVIVENCIA notes that the Board decision to authorize an inspection raises their hopes that much-needed environmental and social mitigation plans will be adequately developed and implemented. "We feel that this is proof that the people affected by big projects can not be completely left out of the process. This claim demonstrates that people's concerns can reach the decision-making levels within the Banks. This decision also reinforces our hope that the financial organizations will abandon support for massive socially and environmentally destructive projects, such as Yacyretá, and respond to the real priorities of local communities contributing to their establishment of sustainable societies."

The decision is also important for the Inspection Panel process, which has repeatedly run into political problems when decisions reach the Board level. This is the first claim in nearly two years to receive Board approval of an inspection. According to Dana Clark, attorney for

the Center for International Environmental Law, "the decision to authorize an investigation into Yacyretá hopefully marks a renewed commitment to the accountability and transparency that is the hallmark of the Inspection Panel process. The Panel cannot continue to work effectively without the continued support of the Board."