
Chile: World Bank acknowledges mistake and impacts in the Bio Bio Pangué dam

In a press conference during the recent Summit of the Americas held in Santiago, Chile, Mr. James Wolfensohn, President of the World Bank, admitted that the Bank's support to the Pangué hydroelectric project in the Bio Bio River watershed, in Chile, had been a mistake. Mr. Wolfensohn said that the WB had performed "bad work" during the evaluation of the environmental impact of the project, since the Pehuenche indigenous peoples that inhabit the area had not been consulted.

The Pangué hydroelectric plant, that began operating in March 1997, cost U\$S 340 million and the International Financial Corporation -an agency of the WB that supports private sector projects- lent U\$S 150 million of the total investment.

During a visit to the region Mr. Wolfensohn saw for himself that the Pehuenche communities had been removed from their territories by Endesa, the company responsible for the project. When asked about this action, Endesa answered that this was the result of an "agreement" between the company and the dwellers of the area. "I am personally involved for those families to be treated with equity and consider myself morally responsible for the indigenous people". According to Wolfensohn, the WB feels obliged to find a solution to the problem it has contributed to create and will take actions to do so.

Source: Aleta Brown, 22/4/98