



Damming the Mekong River
THE XAYABURI DAM

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Outline

- Brief history of the Mekong mainstream dams
- Impacts of the Xayaburi Dam
- Politics surrounding the Xayaburi Dam
- What recently happened and what next?

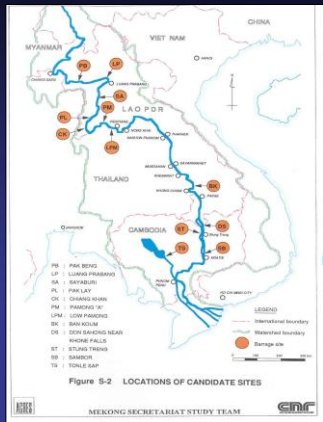


First plans for Mekong mainstream dams
1950s – 1970s




- Plans for seven multipurpose mainstream dams were first developed in the 1950s
- Promoted by United States (US) Bureau of Reclamation and developed under the Mekong Committee (1957)
- Design claimed to provide 23,300 MW hydropower, flood control, irrigation and improved navigation
- Plans cancelled in 1975, as Mekong Committee dissolved

Reemergence of Mekong mainstream dams
1994 - 1997



- Plans reformulated in 1994 as nine “run of river” dams (13,350 MW) with 600 km of reservoir, displacing 57,000 people
- Mekong River Commission formed in 1995
- MRC tried to secure funding for pre-feasibility studies for Don Sahong, Sambor and Ban Koum dams for its 1996 programme




Since 2006 ...

- 11 mainstream dams have been proposed
- Project developers are from China, Malaysia, Thailand, Russia and Vietnam
- The electricity is largely for cities in Thailand and Vietnam
- Xayaburi Dam is at the most advance stage of decision-making

Xayaburi Dam, Northern Laos

Project developers/ financiers

- Ch Karnchang (57.5%)
- Partners since March 2011:
 - PTT plc (25%)
 - EGCO (12.5%)
 - PT Construction and Irrigation (5%)
- Proposed Financiers
 - Kasikorn Bank,
 - Bangkok Bank,
 - Siam Commercial Bank
 - Krung Thai Bank



Project data

- 820 m long, 48 m high
- 1,260 MW
- 95% of electricity exported to Thailand
- Cost is US\$3.5 billion

Project Agreements Signed

- MoU signed in May 2007
- PDA signed in November 2008
- EIA submitted to Lao Government in February 2010
- Electricity tariff MoU signed in July 2010
- Concession agreement signed March 2011


Governments of Thailand and Lao PDR hold MoU to collaborate in power project development in Lao PDR for 7000 MW (signed 22 December 2007).



Impacts of Xayaburi Dam

– Impacts

- Inundate approximately 2,130 people from 10 villages.
- More than 200,000 people located nearby would be affected:
 - Impacts to fisheries
 - Loss of agricultural land and riverbank gardens,
 - Gold panning activities
 - Loss of NTFP



Impacts of Xayaburi Dam

- Food Security
 - Changes to aquatic habitat and ecosystem of the river by blocking a fish migration route to upper reaches to Chiang Khong, Thailand (At least 23 migratory fish species)
 - Loss of wild-capture fisheries of between 270,000 and 600,000 tonnes per year
 - Mekong total harvest is approximately 2.6 million tonnes per year
 - Impacts potentially basin wide, including to Mekong Delta, and beyond fisheries to agriculture and river-bank gardens
- Replacing lost food sources will be challenging, if possible at all



Fish are the main ingredient to many of the region's most popular dishes

Impacts of Xayaburi Dam

- Health Impacts
 - Health impacts from undernourishment a real risk if resettlement and livelihoods programs are inadequate
 - New infrastructure in resettlement villages, such as public water supply and clinics, could improve health
- Environmental impacts
 - Up to 41 fish species would be at risk of extinction, including the critically endangered Giant Mekong Catfish.
 - Hydrological, sediment and ecosystem changes, including trans-boundary impacts may deteriorate regional security relations
 - c.f. China's Lancang Dams



Impacts of Xayaburi Dam

- Personal Security
 - Threat of violence if opposing the project
 - Gender differentiated impacts
- Indigenous communities
 - Indigenous communities are located in area
 - Some households in Nam district would be displaced for the fourth time in 15 years, largely without assistance
- Poor process
 - Threats to individual rights may be threatened
 - Lack of access to information, justice, or participation



Local, Regional and international politics

Local and National

- Heated politics, especially in Thailand and Vietnam

Regional

- Mekong River Commission
 - Strategic Environmental Assessment
 - Procedures for Notification, Prior Consultation and Agreement

ASEAN

- ASEAN Intergovernmental Commission on Human Rights (AICHR)
- ASEAN Peoples Forum

International

- Intervention of USA, including Hillary Clinton and Senator Jim Webb



Regional civil society movement



- Since 2008, in a context of closed democratic space, a regional platform created a partial democratic space
- Civil Society networks in Thailand, Cambodia and Vietnam have pushed government agencies to challenge the Xayaburi Dam
- NGOs in donor countries, especially US, Australia and Finland, have lobbied their government aid agencies.



- Photograph exhibition at Central World, March 2009.
- 16,000 postcards handed to Prime Minister Abhisit in July 2009
- 23,000 signature petition sent to all Prime Ministers in October 2009 and the MRC in December 2009
- Cantho University (February 2010) and Chulalongkorn University (November 2008, April 2010)
- ASEAN Peoples Forum (Hua Hin, September 2009; Hanoi September 2010; Jakarta May 2011)



Strategic Environmental Assessment

- An MRC-commissioned report in June 2009
 - Playing catch up with the dam developers proposals
 - Process involved wide-ranging desk based review and 3 rounds of regional expert consultations
- Final report launched in October 2010
 - Identifies significant knowledge gaps and scientific uncertainty
 - Recommends allocating sufficient resources to carry out approximately 50 additional studies
 - Recommends any decision to proceed with the mainstream dams should be deferred by at least 10 years

Strategic Environmental Assessment

- The MRC in the end distanced itself from the report
 - No regional dissemination or further consultation
 - Remains a “consultants” report
- Why?
 - The MRC (secretariat) is in a Catch 22 situation between government ownership and neutrality
 - The Xayaburi PNPCA pre-empted the SEA launch by three weeks.



Procedures for Notification, Prior Consultation and Agreement (PNPCA)

- Announced on 22nd September 2010
- Lao and Thai Government, MRC and its donors criticized
 - Pre-empting the SEA report
 - Unclear process
- No disclosure of project documents
 - Environmental Impact Assessment (EIA) was released after “public consultations” were finished – extremely poor quality
- “Information sharing meetings”
 - None in Laos
 - Two in Vietnam, Two in Cambodia, Three in Thailand

National politics: Thailand

- Many Thai civil society actions over the PNPCA period
 - Statements, letters, protests
 - Community groups representing 24,000 people submitted a letter to Satit Wongnongtoey, the minister to PM's office, September 2010
 - April 18, more than 100 villagers present a 10,000 signature letter to the Lao embassy, the Thai Prime Minister and CH. Karnchang company
- Senate and House committees recommend against Xayaburi Dam
- EGAT committed to buy power, and Ch. Karnchang certain the project will proceed
- Administrative court case pending if EGAT signs the Power Purchase Agreement



National politics: Vietnam

- Led by Vietnam Rivers Network
 - Worked with academics, NGOs and local government officials in the Mekong Delta
 - Encouraged VUSTA to convey concerns to the Prime Minister
 - Letter to Prime Minister citing concerns on impact to delta
 - Held Press Conference on April 18
- Extensive media coverage in Vietnam, with quotes from scientists



Expose

Bangkok Post
17th April 2011

The outcome of April 19 unclear!

- Decision deferred to Ministerial Level meeting
- MRC press release states:
 - “Lao PDR insisted there was no need to extend the process since this option would not be practical, while transboundary environmental impacts on other riparian countries are unlikely”
 - “... Cambodia, Thailand and Viet Nam, however raised their concerns on gaps in technical knowledge and studies about the project, predicted impact on the environment and livelihoods of people in the Mekong Basin and the need for more public consultations”
 - “We appreciate all comments, but we will consider to accommodate all concerns,” said Viraphonh Viravong, head of the Lao Delegation.”
- MRC itself uncertain on the status of the PNPCA, or the timing of the meeting....

Regional political maneuvers, April 2011

- On 18th April, AICHR’s Chair announced she would ask the commission to investigate Ch Karnchang’s practices at the Xayaburi Dam
- On 23rd April,
 - “Energy Minister Wannarat Charnnukul said yesterday that the ministry would proceed with signing the power purchase agreement (PPA) with the project’s developer, Xayaburi Power”
 - “CK’s Chief Executive Plew Trivisvavet said the Lao government has already decided to build the dam”
 - Prime Minister Nguyen Tan Dung met Cambodian Prime Minister Samdech Hun Sen in Phnom Penh. Both expressed their deep worries over the negative impacts on the environment of the Xayaburi Dam
- Vietnam indicates it would like to see a 10 year moratorium

The ASEAN Summit, May 2011

- Lao Prime Minister Thoongsing Thammavong agreed to a request by Vietnam Prime Minister Nguyen Tan Dung to postpone the Xayaburi Dam, and conduct further studies with international experts.



18th ASEAN Summit in Jakarta, Indonesia, May 7

Why is Ch Karnchang so sure?

- Relationships between the boards of Ch. Karnchang, project co-developers, EGAT and the banks – and cross shareholdings
 - Ch Karnchang shares two board members with EGCO
 - EGCO shares two board members with EGAT, and a 25% share holding
 - PTT shares three board members with Krung Thai bank
- Ch. Karnchang is the lead developer of Nam Ngum 2, building close links to Lao govt (EDL holds 25%).
- EGAT’s PDP has long been criticized for its bias towards large-scale projects
- The project’s price-tag of US\$3.5 billion is very attractive to investors and the host government



Banks move towards CSR commitments?

- Although slow and weakly implemented, there has been an indicative move towards improving CSR and Corporate Governance amongst Thai banks
- Siam Commercial Bank
 - “Artit Nanwittaya, deputy managing director of Siam Commercial Bank said the Bank could not sign loan agreement with other 3 banks for Ch Karnchang’s Xayaburi dam as scheduled this month, as there has been a strong opposition from local network in 8 Mekong provinces in Thailand and neighbor counties. As well, the Xayaburi project needs agreement from 4 countries that would be environmentally affected” Post Today, 25 April 2011
- Kasikorn Bank and Krung Thai Bank also indicated they were still reviewing the loan application.

What next ... and what to do?

- The final decision on the Xayaburi Dam is still open and undecided
 - Uncertainty in Lao National Assembly and Thai upcoming elections
 - Future role of MRC is unclear?
 - Will Vietnam’s government continue to challenge the project?
 - The role of China?
- We need to:
 - Keep up the media coverage to inform the public
 - Support civil society movements throughout the region
 - Inform (and pressure) government agencies
 - Challenge the bilateral donors and investors (Australia, Finland, Japan + Mekong Summit/ Green Mekong...)
 - TEPCO + Mitsubishi (25%EGCO) involvement – CSR?

Thank you for listening



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