

13 August, 2014
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Fate of Nam Ngiep River and Thousands of Lao Villagers in the Hands of ADB's Board

Bangkok, Thailand - Tomorrow, the fate of thousands of villagers living on the Nam Ngiep River in central Lao PDR will be in the hands of thirteen people sitting over 2,000 kilometers away, at the headquarters of the Asian Development Bank (ADB). The ADB's Board of Directors will vote on whether to approve a US\$ 50 million private sector loan for the construction of the proposed Nam Ngiep 1 Hydropower Project, a dam which is planned on the Nam Ngiep River, 40 kilometers from the confluence with the Mekong mainstream.

The 290 MW Nam Ngiep 1 Dam is being advanced by the Nam Ngiep 1 Power Company, a consortium comprised of Japan's Kansai Electric Power Company (45%), Thailand's EGAT International Company (30%) and the Lao Holding State Enterprise (25%). Over 90% of the power generated will be exported to Thailand. More than 3,000 people, primarily ethnic Hmong and Khmu, will have to involuntarily resettle to make way for the project. According to a group of villagers interviewed in Pou, a community located in the proposed reservoir area, "We have lived in this place for more than thirty years, we have worked on the land; we don't want to leave the land now. There is no way the compensation offered to us by the company can replace the livelihood we have."

The situation of the villagers to be impacted by the dam starkly contrasts with the environmental, indigenous peoples' and involuntary resettlement safeguard standards promoted by the ADB, which require that affected people are meaningfully consulted in culturally appropriate ways throughout the project cycle, in an atmosphere free of coercion. According to Tanya Lee, Lao Program Coordinator for International Rivers, "When I interviewed villagers who will be affected by the proposed Nam Ngiep 1 project, they said they do not have enough information about the impacts of the dam and are concerned for the future well-being of themselves and their families. Villagers explained that because government officials support large dams like Nam Ngiep 1, raising fundamental concerns could lead to them being labeled as trouble-makers and jeopardize their own security. Since it is impossible for the ADB's safeguard standards on meaningful consultation to be upheld, we question why they would even consider investing in the Nam Ngiep 1 project."

Toshi Doi, Senior Advisor of Mekong Watch states that, "It is difficult for villagers to speak out about projects like Nam Ngiep 1. Already, access roads are under construction, and it appears as if communities have no options other than to obey orders to move. Nevertheless, representatives within the affected villages have put themselves in a potentially risky situation to explain that they do not want to live in the designated resettlement site, where the soils are of a comparatively substandard quality for agriculture.

The situation at hand makes it questionable how the ADB can follow their own Indigenous Peoples Safeguard policy standards to respect the right of communities' free will to consent - or withhold consent - to a project."

Environmentally, the project fails to meet the ADB's own standards of ensuring a 'precautionary approach', including their provisions that require completion of comprehensive baseline and cumulative impact studies prior to the project construction phase. Of particular concern is that the proposed depth of the project's reservoir and location in a steep valley means that thorough biomass removal will be impractical. The resulting deterioration of water quality downstream is yet to be comprehensively assessed, but could be devastating for communities that rely on the water for drinking, cooking and bathing. This design would also lead to significant volumes of greenhouse gases being emitted.

As Tanya Lee explains, "Tomorrow's board session should not just be a rubber-stamping exercise to blindly approve financing for a project that fundamentally fails to meet the ADB's own minimum safeguard standards. It is our hope that board members recall that they are accountable for safeguarding the rights of project-affected Indigenous Peoples and for the impacts to biodiversity. We trust they will have courage to act with a conscience by putting forward critical questions before the vote proceeds."

More information: <http://www.internationalrivers.org/node/8372>

International Rivers is an international non-governmental organization working around the world to protect rivers, support the aspirations of people who depend upon rivers for their livelihoods, and promote development alternatives that meet peoples' energy and water needs.

Mekong Watch is a Tokyo-based environmental non-governmental organization which monitors large-scale development projects in Mekong River basin, especially those involving Japanese public and private funds.