

2-2. Mainstream Dam Development: Construction of the Xayaburi Dam Forges Ahead without Agreement

According to a strategic environmental impact assessment (SEA) commissioned by the Mekong River Commission (MRC), implementation of the 11 planned dam projects on the Lower Mekong River would deal a destructive blow to the region, as outlined below¹:

- 1) 55% of the river basin would become stagnant reservoirs or experience sudden changes in flow due to dam discharge;
- 2) There would be a 26% to 42% decrease in the number of fish species, resulting in an annual loss of 50 million USD. Reservoir fisheries would only make up for one tenth of this loss;
- 3) Some 100 endemic and endangered species, such as the Irrawaddy dolphin and Mekong giant catfish could face extinction;
- 4) Agricultural damage due to submersion would reach an annual 5 million USD. There would be more than 50% reduction in sediment load, blocking nutrients and making more fertilizer use necessary, incurring additional annual expenses of 24 million USD. Losses in riverbank farming would result in a loss of more than 21 million USD. The effect of irrigation from the dams would only bring in about an annual 15 million USD;
- 5) Impacts would be felt on fertile flood plains and shores in places like Cambodia's Tonle Sap Lake and Vietnam's delta region. Agricultural production and fishing in inland waters and along the coast would suffer damage. In the delta region, there would be an acceleration of erosion on coastlines and in riverine systems; and
- 6) The livelihood and steady food supply for the approximately 30 million people who make their living from fishing would be threatened.



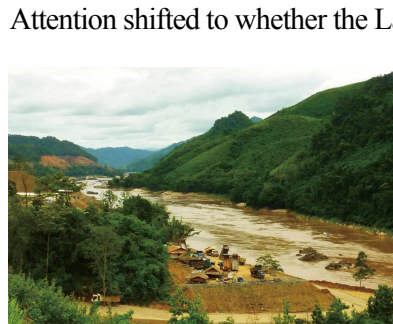
A lookout onto the Mekong River Koogkoo Rapids in northeastern Thailand's Loei Province, Chiang Khan District. Local people are concerned about the Xayaburi dam's impacts on the area (May 2010).

One challenge that the mainstream dams bring to light is the need for joint management and use of natural resources in the Mekong Region. This necessity can already be seen in the Sesan River Basin, where dam projects in Vietnam are having transboundary environmental impacts on downstream communities across the boarder in Cambodia, and effective solutions have yet to be implemented either by the governments involved or MRC². In regard to mainstream development, Laos, Thailand, Cambodia, and Vietnam signed the Mekong Agreement in 1995. This agreement established procedures for negotiation among the signatories, giving MRC its mandate. The MRC's effectiveness is now being put to the test³.

The Xayaburi Case: The Lao Government Makes Mockery of the MRC

The project progressing most rapidly in the middle and downstream regions of the Mekong River is the Xayaburi Dam project in northern Laos. In September 2010, the Lao government notified the MRC of the dam plans, and the negotiation procedures defined by the Mekong Agreement were used for the first time. Civil society—including local and international NGOs and community organizations that had already been voicing concerns and objections—and “development partners,” i.e., governments of Japan, western nations and international financial institutions all became embroiled in the negotiation

procedures. Also, in addition to the aforementioned SEA, additional surveys on impacts on fisheries and cost effectiveness calculations were conducted. As negotiations progressed, the Vietnamese and Cambodian governments raised concerns, and Thai media revealed that the Lao government had already begun construction related to the dam before negotiations were complete. This resulted in even more criticism. The MRC, which civil society had been critiquing for its lack of transparency and failure to disclose sufficient information, held its annual Council meeting (ministerial meeting) in December 2011, and there it was decided to implement an additional survey on mainstream dam development to be funded by the Japanese and other governments. Prior to the Council meeting, the Lao government pledged to halt construction until an agreement was reached among member nations.



The Xayaburi Dam under construction (July 2012 by International Rivers).

Attention shifted to whether the Lao government would hold to its promise to stop construction in accordance with the MRC Council agreement, and whether or not additional studies were being done with sufficient information disclosure and stakeholder participation. The Lao government, however, continued construction. Based on its own studies, it decided that the impacts of the Xayaburi Dam would be minimal and unilaterally claimed that the MRC negotiation process was complete. More recently, not only are the benefits of the Xayaburi Dam being trumpeted in the government public relations paper, *the Vientiane Times*, Laos is even beginning to launch projects such as the Pak Beng Dam in the north, and the Don Sahong

Dam near the Cambodian border. While Laos is forcefully pressing forward with its Xayaburi Dam plans, the MRC and development partners have not been able to come up with an effective course of action, and the MRC in particular is finding that the Mekong Agreement, the foundation of its own existence, is falling apart.

Evidence-Based Consultations are Needed

As mentioned in the beginning of this paper, the two main challenges posed by dam projects on the Mekong's mainstream are: 1) a wide range of environmental and social impacts threatening food security and the livelihoods of tens of millions of people living in the Mekong Basin; and 2) the need for an effective framework for joint resource management and use. The Lao government neglecting the Mekong Agreement procedures and forging ahead with the construction of the Xayaburi Dam are about the worst things that could happen in regard to these two challenges. Proponents of the Xayaburi Dam should objectively review the studies which have made the dam's negative impacts very clear, recognize the current problems from a broad and long-term perspective, immediately stop construction, and resume meaningful consultations with civil society. The MRC's development partners must provide financial and technical support to conduct supplementary studies to fill in the knowledge gaps (especially regarding transboundary impacts of the Xayaburi Dam) and make other such efforts to create an environment for discussion among member countries.

References

- International Rivers (IR). 2011. *Key Findings of the MRC's Strategic Environmental Assessment on Mekong Mainstream Dams*. Berkeley, California: IR. <http://www.internationalrivers.org/resources/foretelling-the-mekong-river-s-fate-2634>
- Mekong River Commission (MRC). *Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin 5 April 1995*. <http://www.mrcmekong.org/assets/Publications/agreements/agreement-Apr95.pdf>

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1. Based on International Rivers (2010)
2. See BP 2-4 *Cross-Border Environmental Issues: The Sesan, Srepok, and Sekong (3S) Rivers Dam Developments*.
3. See BP 2-1 *The Mekong River Mainstream: Looking back on Hydropower Dam Development*.