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## The legacy of Lao dams for Thai power

**This week, Thailand's new energy minister, Dr Piyasvasti Amranand signed an agreement to buy up to 5,000 megawatts (MW) of hydropower from Laos by 2015 - 2,000 MW more than envisioned by his predecessor.**

Dr Piyasvasti claims its eastern neighbour will provide Thailand with a reliable supply of electricity. But that strategy is extremely expensive, particularly for the hundreds of thousands of Lao villagers who will be forced to bear the cost.

For Lao farmers and fishers, dams are not power generators but threats to their rivers and livelihoods. Today, tens of thousands of Lao await reparations for lands that were taken for dam construction and fisheries that were destroyed. With each new dam come new promises: assurances of better compensation, electricity, drinking water and irrigation. But time and again, these promises are broken and villagers are left without recourse. Furthermore, revenues from power sales have not trickled down from the government to local people. This is the legacy of hydropower in Laos, a legacy driven by power sales to Thailand.

Take, for example, the Theun-Hinboun dam in central Laos. When it was completed in 1998, the Asian Development Bank's magazine called it a "winner" with "little for the environment lobby to criticise". But our field investigations soon uncovered a different story. Today, the Theun-Hinboun Power Company admits that 25,000 people in 61 villages - mostly subsistence farmers - have lost fish, rice, vegetables and drinking water as a result of the dam. Some assistance was provided but villagers still have not been compensated for fish losses of up to 90 per cent of their pre-project catch.

And the company has proposed an expansion of the dam, which would generate additional electricity for Thailand as part of the new deal. For more than 10,000 Lao who have lived along the Hinboun for generations, a new dam will mean more flooding, erosion and livelihood loss.

Further south near Pakse is the Houay Ho dam, built by Daewoo in 1998 and later bought by Tractebel, a Belgian company. More than 2,000 villagers there tell a similar story of livelihoods destroyed and promises broken. In the resettlement area, where villagers were forced to move 10 years ago to make way for the dam, residents have no land for their livestock or for agriculture. More than two-thirds of the re-settlers have returned to their former villages, approximately 30 kilometres away, where they have access to land and forests. The remaining villagers have asked for help many times, but their requests have been ignored.

And then there's the biggest of all Lao hydropower projects, the massive Nam Theun 2 dam in central Laos, which will negatively affect approximately one in 50 Lao. Nam Theun 2 construction began in 2004, and in 2005 it received financial support from the World Bank, the ADB, and a host of Thai and international financial institutions. Power generation is scheduled to begin in 2009. By that time, more than 6,000 minority people on the Nakai Plateau will have been forcibly displaced. They have been promised new and improved livelihoods, but if history is any indication, these promises are bound to be broken.

Nam Theun 2 will affect up to 100,000 villagers along the Xe Bang Fai, the Mekong tributary into which Nam Theun's waters will flow once the dam is operational. Xe Bang Fai villagers can expect fisheries to be devastated, as was the case at Theun-Hinboun. Solid plans for compensating villagers and somehow replacing this critical source of food and income have yet to materialise.

Dam builders, the Lao government and the financial institutions that support these projects are to blame for their failures. But Theun-Hinboun, Houay Ho and Nam Theun 2 were developed precisely to feed Thailand's energy appetite and to provide the Lao government with revenue. Thai power consumers are unwitting parties to the destruction of Lao rivers and the livelihoods of hundreds of thousands of subsistence farmers and fishers.

If Dr Piyasvati is sincere about finding a sustainable energy path for Thailand, Lao hydropower is not the way to go. It is inconsistent with the Thai government's policy of developing a self-sufficient economy and ignores the fact that better options do exist. First, official power demand forecasts - which are consistently overestimated - should be re-calculated. Second, Thailand should invest in demand side management, energy efficiency measures, and renewable energy technologies. These options provide more benefits at lower costs to Thai consumers and the environment. Surely this is a better way forward for Thailand and the region.

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