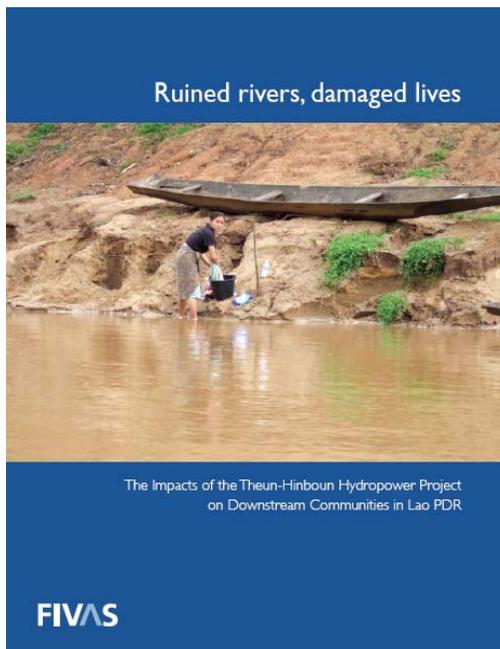


Ruined Rivers, Damaged Lives: The Impacts of the Theun-Hinboun Hydropower Project on Downstream Communities in Lao PDR

Almost a decade ago, the Theun-Hinboun Hydropower Project in Lao PDR started generating power amidst much fanfare. The project was the first public-private hydropower project built in Lao PDR for export of power to Thailand, and as such was heralded as a “winner” by the Asian Development Bank (ADB) and other project funders.



However, soon after project operations began in early 1998, field investigations by International Rivers uncovered a story of lost livelihoods and damaged ecosystems. Pressure from International Rivers, FIVAS and other NGOs later forced the ADB and the Theun-Hinboun Power Company (THPC) to admit that the project had caused serious impacts to the livelihoods of at least 25,000 people in 57 villages. A decade later, the project’s social and environmental toll is mounting, while the power company’s attempts at mitigation and compensation for affected communities have largely failed. Today, more than 30,000 people continue to suffer as a result of the project. Many of these people live along the Hai and Hinboun Rivers, where water is diverted after passing through the powerhouse. To add insult to injury, the power company is now planning an expansion project that would displace around 4200 people in the new reservoir area and double water diversions to the downstream Hai and Hinboun Rivers.

THPC is owned by the Lao government, GMS Power of Thailand and Statkraft of Norway. As well as receiving funding from the ADB, the project received support from NORAD (the Norwegian aid agency) and the Nordic Development Fund. Earlier this year, after repeated reports that downstream communities along the Hai and Hinboun Rivers were suffering greater impacts than previously thought, FIVAS commissioned a researcher to undertake field surveys in a sample of impacted communities. The research team interviewed numerous affected people in five villages along the Hai and Hinboun Rivers over ten days in May 2007. The following are the major findings of the field survey:

- Fish and aquatic resources have continued to decline since project operation, causing hardship and loss of livelihood to local people. No compensation has been paid for lost fish productivity, and small communal fish ponds built in a few villages as mitigation measures have not had any measurable impact.
- Fluctuating water levels and stronger flows have caused serious erosion along the Hai and Hinboun Rivers leading to loss of fertile agricultural land, riverbank gardens and vegetation. These losses have not been compensated and efforts by THPC to restore riverbank gardens on higher land have met with limited success.
- Flooding has become increasingly severe over the last nine years, a problem linked to water releases from the dam and increased sedimentation. Villagers have experienced repeated loss of wet season rice crops, leading to widespread paddy field abandonment. The problem of rice mortality is not just a function of flooding, but is related to the increased turbidity of the water since damming.

- The abandonment of paddy fields has forced villagers to rely on upland rice cultivation. However, a massive eucalyptus plantation project owned by Japanese company Oji is taking over villagers' upland forests, impeding their ability to grow upland rice and collect non timber forest products. Food security is becoming a serious issue for thousands of households.
- The increased flooding has also caused water contamination and skin diseases; drinking water scarcity; death of livestock from drowning and disease; loss of fruit and other trees and plants; temporary food shortages and loss of income; and difficulties with access and mobility for many families.
- The fluctuating water levels in the Nam Hai would appear to have led to the deaths of several people in recent years, including that of a young child of five. Villagers sometimes lose boats or fishing gear due to sudden water releases, and these losses are not compensated.

The Expansion Project

The Theun-Hinboun Expansion Project is scheduled for construction from 2008-2011 and would double flows in the Hai and Hinboun Rivers for much of the year. As well as affecting over 50,000 people, the extra erosion, sedimentation and aggravated flooding from additional flows in the Hai and Hinboun Rivers could be disastrous and require massive resettlement.

The proposed Expansion Project poses numerous risks to the livelihoods and well-being of the downstream communities. People have not been adequately informed or consulted about the changes that would result from the extra water flows down the river, and many are living in fear of resettlement, where the terms and conditions are still uncertain. While THPC claims that the resettlement would be voluntary, the reality is that the villagers will have little choice in the matter.

Given the unresolved impacts of the existing project and uncompensated losses for affected persons in all of the impacted areas, it is highly irresponsible to be considering compounding these impacts with a larger project which would actually increase flows into the Nam Hai and Hinboun rivers. Food security for thousands of households, already seriously compromised by the present flow releases, would likely become an issue of critical magnitude and massive out-migration from the affected communities could be anticipated.

The report recommends that THPC suspend plans to implement the Expansion Project until full and satisfactory compensation for existing losses has been paid to all affected people and adequate measures are put in place to address the ongoing social and environmental impacts in the downstream areas.

The report *Ruined Rivers, Damaged Lives* is available at www.fivas.org and www.internationalrivers.org.

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