

Abstract

Water and Energy security in the Mekong Basin

The Mekong River is the 12th longest in the world, stretching over 4300 kilometers and draining a basin just under 800,000 km². Through agriculture, fisheries and forestry the Mekong sustains the livelihoods of millions of people and is home to a wealth of bio-cultural diversity. The Mekong is also a river under threat. Dozens of dams are being constructed on Mekong tributaries and there are plans for 11 mainstream dams to be constructed on the lower Mekong in Thailand, Lao and Cambodia. These dams, which are increasingly funded by private investment, are part of a renewed dam building agenda in the region designed to usher in modernization and development to some of the poorest states. However, much of the dam construction is progressing with an alarming disregard for local livelihoods and the environment. This case uses impact assessments as a lens to explore the interconnections between energy demand, development and water security in the Mekong Basin.

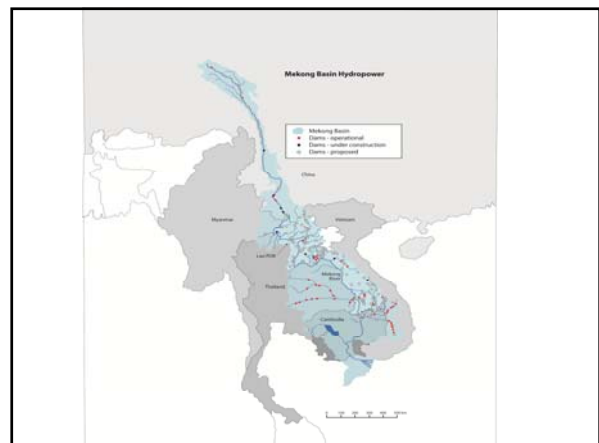
Using impact assessments as a lens to understand hydropower decision making in the Mekong Basin: Case study Lao PDR

SN3. Water-Food-Trade-Energy-Investment Nexus

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Outline

- Current Situation
- Why Impact Assessments?
- Methods
- What the research is uncovering (5 key points)
- Conclusions





Why Impact Assessments (IAs)

- Mandated by law
- An important engagement point for civil society, government, and the media
- The IA process is an allegory for the larger hydropower decision making processes

Methods

In-depth interviews with government officials, industry representatives, consultants and academics in Laos, Thailand and China.

Extensive review of academic and grey literature.

What the research is uncovering: 5 Key points

Context

1. Government and Industry issues
2. Manufactured consent in the NGO sector
3. A Failing Independent Power Producer Model

Outcome

Inadequate IAs

Government and Industry issues

- Weak rule of law.
- Build-Operate-Transfer Model (BOT)
- All interviewees responsible for hiring reported that cronyism was occurring.
- All interviewees reported that corruption existed in the hydropower sector with estimates ranging from 20-35% of dam costs.
- Most of the spending in priority sectors is carried out by the provinces which often lack administrative, legal and technical capacity.

Manufactured consent in the NGO sector

- The government of Laos controls the space that NGO + INGOs operate within.
- NGOs and INGOs cannot say “no” so they use knowledge generation as a strategy
- The government of Laos is seen to work with civil society, but civil society is controlled by the government.
- Is the INGO community repressing a grassroots civil society movement?

A Failing Independent Power Producer Model

- The IPP model has both good and bad points
- Opened up the sector to private investment, but much of this is investment without conscious
- IPP only in name → PPP
- Politics and to an extent economics are key drivers

Inadequate IAs

- The Xayaburi EIA looked at impacts only 10 km downstream
- EIAs are very easy to manipulate both politically and economically
- There is no follow-up on IAs implementation

Conclusion

All these factors:

- Government and Industry issues
- Manufactured consent in the NGO sector
- A Failing Independent Power Producer Model
- Lack of long term thinking
- Inadequate EIAs

are allowing neighbouring countries to externalise the social and environmental costs of energy development, and export their hydraulic mission.

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