

## International Rivers' Statement on Nam Theun 2 Reservoir Flooding

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The Nam Theun 2 Power Company, the Lao government and the World Bank announced that the Nam Theun 2 reservoir will begin filling this week with the sealing of the diversion tunnel. Dam gate closure to initiate full reservoir impoundment is planned for mid-June 2008.

Shannon Lawrence, Lao Program Director for International Rivers, says: "By flooding the reservoir before addressing outstanding problems, Nam Theun 2 is once again prioritizing construction deadlines over social and environmental commitments. This two-track approach to such a risky project has left villagers unequipped to face the dam's impacts."

Nam Theun 2's International Panel of Experts notes that living standards of resettlers are likely to decline further once reservoir filling begins.<sup>1</sup> Delays and shortcomings in livelihood development programs have increased the vulnerability of resettled villagers, who are coping with losses of land, livestock and resources in addition to displacement. There are still unanswered questions about where villagers will sell the vegetables they grow, and if more of their promised community forest area will be taken and zoned for other uses.

Poor planning and the failure to commit sufficient resources mean that less than 5 percent of the biomass has been cleared from the reservoir area. More vegetation should have been cleared before reservoir filling to avoid significant water quality problems in the reservoir and downstream. The burning of the biomass instead of removing or mulching it will create other air and water pollution risks.

Below the reservoir area near the downstream channel, between 300 and 400 households affected by Nam Theun 2 construction activities are still waiting – some for more than two years now – for replacement land and income restoration.

Downstream, problems with Nam Theun 2's mitigation and compensation program for the Xe Bang Fai River, including its inadequate budget, have not been addressed.<sup>2</sup> And consultations with villagers below the dam site on the Nam Theun River, who will be immediately affected by fisheries losses, have only just begun.

International Rivers will keep monitoring construction of the Nam Theun 2 hydropower project. We will continue to raise concerns about the project's social and environmental impacts, and will work to hold the developers as well as the international financial institutions, governments and private banks which are funding Nam Theun 2 accountable for these impacts.

For more information on Nam Theun 2, see <http://www.internationalrivers.org/en/southeast-asia/laos/nam-theun-2>.

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<sup>1</sup> Lao PDR Nam Theun 2 Multipurpose Project, Thirteenth Report of the International Environmental and Social Panel of Experts, February 8, 2008 (disclosed April 9, 2008), p. 11. Available at:

<http://www.poweringprogress.org/updates/news/press/2008/POE%20Report%2013%20&%2014.pdf>

<sup>2</sup> Ibid, pp. 26-27.