

## A new geopolitics of mekong dams?

**The dispute over the Xayaburi dam has caused a shift in relations between countries on the river and made unilateral moves unlikely**

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On April 19, the four country members of the Mekong River Commission (MRC) met to consult on Thai company Ch Karnchang's proposal to build a 1,260MW dam in Xayaburi province on the mainstream of the Mekong River in Laos. The dam would be financed by Thai banks and sell most of its power to consumers in Thailand. At the meeting, members of the MRC Joint Committee, made up of senior officials from Cambodia, Laos, Thailand and Vietnam, agreed to disagree and to elevate the decision to the Ministerial Council level.

Messy and inconclusive though the interim outcome on the Xayaburi dam may seem, it nevertheless carries considerable significance for the way in which river policy decisions are conducted in the Mekong. It reflects a maturing of the relationship between the four riparian countries, and it represents a tentative step toward a much more inclusive and informed process of decision-making and influence around the all-important question of the Mekong's future as a flowing river or a stepped series of lakes.

To date, two main constraints have limited rational, balanced and open decision making around dams with potential transboundary impacts in the Mekong River basin. The first is that transboundary discussions have been restricted to governments, which have wanted to maintain good political relations with one another and hence avoid any impression that they are imposing on their neighbours' sovereign rights to develop resources within their own countries. Moreover, within governments the decisions have been devolved mainly to ministries with an in-built predisposition to support hydropower.

The second main constraint is that decisions have been made behind closed doors, with little opportunity for public scrutiny. Proposals for dams have been assessed by interested parties, and environmental assessments have been limited in scope and well below international quality standards. As a consequence, environmental and social impacts and costs have been dismissed and ultimately passed on to relatively powerless rural communities whose livelihood dependence on the river makes them vulnerable to impacts on fisheries, fluctuating water levels, and so on. Where affected communities have had a voice, it has mainly been articulated through post-construction grievances, as in the case of the Pak Moon Dam's decimation of fishing livelihoods or Vietnam's Yali Falls project and its downstream impact in Cambodia \_ in other words, after the fact.

The case of Xayaburi has seen a shift in both these limitations. While consultations within the country concerned, Laos, have been very limited, a series of meetings facilitated by the MRC through its prior consultation procedures has provided for a wider degree of public input into the decision-making process. Similarly, by commissioning a set of technical reviews of the documentation submitted by the country nominating Xayaburi, the MRC provided a more reasoned basis on which the Joint Committee could make a recommendation. At one level, therefore, the interim outcome represents a success of MRC's procedures for notification, prior consultation and agreement under which the consultation was mandated.

But all this would not and could not have happened without prior building of awareness and knowledge about the implications of mainstream dams on the Mekong. For some years, NGOs have mobilised under the Save the Mekong Coalition, bringing together a wide range of civil society groups including riverside communities, livelihood- and environment-oriented NGOs, environmental scientists and other university-based academics. A petition with 23,000 signatures was presented to four heads of government who met in April 2010 at the MRC summit in Hua Hin, expressing concern over mainstream dams and demanding that they not go ahead.

The MRC commissioned a strategic environmental assessment, which pulled together the best available knowledge on the Mekong to give an objective picture of what mainstream dams would mean for the river, its fisheries and the people who depend on them. The picture that emerged was not a pretty one, and the MRC's team recommended putting the dams on hold for at least 10 years while further studies were carried out and alternatives sought. Yet even here, it was not the MRC report itself that carried the day, so much as the championing of its findings and recommendations by civil society groups, MRC donors and others. Probably the most significant development has been the emergence of a courageous, articulate and strategically organised group of scientists within Vietnam, who helped convince the Vietnamese National Mekong Committee, and more senior political leaders, of the threat posed by mainstream dams to the livelihoods and well-being of 20 million people in the Mekong Delta.

There are other political factors that have brought the four countries to this point. It seems that downstream countries have called the bluff of the upstream dam proponents. Prior to the meeting, the Lao government gave the impression that the dam was a fait accompli. It brought up the valid legal point that MRC rules and prior consultation ultimately have no regulatory bearing on what Laos may do within its own national territory, whatever the opinion of its neighbours may be. The bluff in this, it seems, was that by taking such a strong stand the Lao authorities believed that other countries would follow past practice and put consensus and the political culture of non-interference above concerns over downstream impacts. With the benefit of hindsight, it seems that this was a misreading of neighbouring countries' resolve over such a key issue. The strong statement issued last week by prime ministers Nguyen Tan Dung of Vietnam and Hun Sen of Cambodia sent an unequivocal message to the Lao authorities and the Thai developer that to proceed with the dam would be unacceptable.

Of course, the process is far from over. In the less than two weeks since the Joint Committee consultation, events have moved fast and continue to do so. Initially, both the Lao government and the project developer indicated an intention to proceed regardless. At its annual general meeting just a few days after the Joint Committee meeting, Ch Karnchang's CEO indicated to shareholders that the project would proceed, implying that their expectations of dividends were well founded. A few days later, the Lao government quite properly responded to its partner countries' concerns by stating that it would commission a review of the critiques of the environmental impact assessment, even though this may take months or years. At least one of the Thai banks lending money to the project has since stated that loans will not be forthcoming in this climate of uncertainty, which could foreshadow an unravelling of the commercial arrangements necessary for the project to proceed.

Formally, the consultation process over Xayaburi has been elevated to the council, which meets once a year in October. It is conceivable that a special meeting could be convened prior to this. In principle, Laos could even go it alone, but just as decisions to date over dams have been bound in a wider regional geopolitics geared at respecting national sovereignty, the Xayaburi decision is now caught up in a regional geopolitics in which a decision to proceed would represent a snub to downstream countries and also poison the normally close relationship between Laos and its larger political ally to the East.

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