

Mr Liu Fengqiu  
Sinohydro International Corporation

2 February 2015

Dear Manager Liu,

Further to our discussions on Sinohydro's role in the Don Sahong Hydropower Project in December last year, we are writing to update you on recent developments following the meeting of the Mekong River Commission on the January 28 regarding Don Sahong Hydropower Project in Lao PDR.

All three countries - Thailand, Cambodia and Vietnam – have requested extensions of the regional consultation process to allow for more time for the assessment of the transboundary impacts of the Don Sahong Hydropower Project. The time extensions requested range from six months to the end of 2015. Countries want to use the additional time to conduct independent studies on the project's transboundary impacts with the involvement of the Mekong River Commission, member countries and most concerned stakeholders.

All countries have formally criticized the Government of Laos for the lack of studies on the social and environmental transboundary impacts. Cambodia has also criticized the project developers' documents noting that it included no baseline data, no transboundary impact information, or detailed studies on the social impacts – particularly of the downstream communities.

During the regional consultations, significant opposition was recorded against the project. Vietnam noted that Vietnamese experts and local communities in the Mekong Delta had “deep concerns and constant worries” about the potential impacts caused by Don Sahong Hydropower Project. Cambodia added to civil society concerns. Cambodia stated that the Don Sahong Project does not comply with the basic principles set by the Mekong River Agreement for the “sustainable, reasonable and equitable use of water and should not cause any significant harmful effects to the neighboring countries (paragraph 3, page 3).”

Finally, the matter of the Don Sahong Hydropower Project has been referred to the Mekong River Commission Council as a result of the disagreements between Laos and Thailand, Vietnam and Cambodia. The Council usually meets every 12 months, with the last meeting occurring on 24 January 2015.

Our team has translated sections of each of the “Formal Country Reply” for Cambodia, Vietnam and Thailand from English to Chinese for your further information. The above statements are drawn from these documents. We trust you will consider the responses and develop your own assessment of the situation.

As you know, the position of International Rivers on the Don Sahong Hydropower Project, we oppose it based on the significant environmental and social impacts on the Mekong River mainstream. However, we have observed that Sinohydro International as the proposed EPC contractor for Don Sahong Hydropower Project has already attracted international scrutiny for its connection with the project. Based on our understanding of hydropower issues the Mekong Region, we have judged that there will be significant consequences should Sinohydro, a Chinese state-owned corporation, sign a contract with the project development, to effectively interfere with the good faith negotiations currently underway. This is an extremely sensitive time for the region with much attention and debate on the costs of hydropower development of the Mekong River. We hope that Sinohydro will support these discussions, the need for further scientific studies, and utmost respect the decisions and formal requests from the Governments of Cambodia, Thailand and Vietnam.

Yours Sincerely,

International Rivers