



Nam Theun 2 Hydropower Project, Lao P.D.R.

Field Report: 6 - 9 February 2018



The Nam Theun 2 Hydropower Project (NT2) is a dam that was constructed in central Laos' Khammouane Province to acquire foreign currency by exporting electricity to Thailand. The World Bank and Asian Development Bank (ADB) decided to support the NT2 project in 2005, and operations began in 2010. Approximately 6,200 people, most of them ethnic minorities and indigenous people, were forced to relocate to make way for the project reservoir. Many other environmental and social impacts have occurred as a result of the project, including negative impacts on livelihoods due to increasing floods and unnatural changes in water levels downstream of the dam that affect riverbank farming and fishing, and destruction of habitats that support rare and endangered species.

During a four-day visit from 6 to 9 February 2018, Mekong Watch and International Rivers visited villages affected by the Nam Theun 2 Hydropower Project (hereafter the "Project"). We visited and conducted interviews with 18 households/groups in 8 villages relocated from the reservoir area on the Nakai Plateau (Thalang, Nakai Neua, Sop Phene, Sop Hia, Sop Ma, Nakai Tai, Nong Boua Sathid, Sop On villages), and one village in the downstream area on the Xe Bang Fai River (Ban Boua Khai village, Xaybouri, Savannakhet).

During our field research, we identified a number of ongoing and unresolved issues for resettled communities and those downstream. These include: delays in additional land allocations and land titling; land degradation due to cash crop cultivation; lack of sufficient grazing land; decrease in fish catch and income that raise questions over the sustainability of reservoir fisheries; lack of information transparency and support around the closure of the Resettlement Implementation Period (RIP); and the need for ongoing financial support for off-farm livelihoods development. Downstream in the Xe Bang Fai, we found persistent and unresolved issues of riverbank erosion and resulting loss and damage to property without compensation. The findings of our field research and interviews are summarized in further detail below.

Due to time and other constraints for our research, including concern for the security of the affected villagers and the sensitivity of the issues surrounding the project, we were unable to conduct a more extensive or comprehensive survey or undertake quantitative research. Therefore, it cannot be concluded that the findings of this study reflect the overall conditions of the villagers affected by the Project. Nonetheless, the findings of our fieldwork and interviews confirm, at a minimum, that the priority items listed in the Comprehensive Action Plan towards the closure of the Resettlement Implementation Period (RIP) have not been achieved despite the closure of the World Bank-funded Nam Theun 2 Environmental and Social Project (ESP) at the end of December 2017. These priority items have been explicitly pointed out by civil society and highlighted in the 26th Report of the International Environmental and Social Panel of Experts (POE). The findings also build on and reconfirm many of the issues identified during Mekong Watch's visit to the site and fieldwork among affected communities in January 2017.

As with Mekong Watch's previous research in January 2017, we see no clear evidence of the effectiveness of the RIP, and the path to long-term livelihood restoration for many families remains fraught and uncertain. Due to these issues, during our fieldwork, interviewees expressed serious concerns about their future and those of their families and communities.

Nakai Plateau Resettled Villages

Land Issues

Delay in additional land allocations and lack of information dissemination:

According to the 26th POE report, 45% of the first generation of relocated households who are entitled to additional land allocations and the subsequent growth households have not yet received additional land. Although the report listed land allocations to all entitled households as one of the priority actions by December (p.22), during our research we heard multiple complaints about not receiving land. There is a concern that not all of the additional land allocations have been completed prior to the December deadline and the closure of the project. In addition, the conditions for additional land allocations have not been adequately communicated. A married couple, aged in their thirties, from Nakai Tai village complained about unfairness. They said: "we did not receive any additional land even though we now have more children and there are more than 6 people in our household."

Delay in issuing land titles for compensation farmland:

Most of the villagers that we interviewed did not have titles for their compensation farmland, despite commitments to ensure registration of community land titles and training on the land titling process. For instance, a male group in Sop Hia village reported, "the government said that they would give us titles for our land last year, but there was no training after that." Land titling was identified as a priority item in the Comprehensive Action Plan towards closure of the RIP, and our research shows that this was not achieved prior to the World Bank withdrawal.

The 26th POE report stated that, "the Project may also struggle to achieve its target of issuing land titles for additional agricultural land to 75% of eligible SG households by December 2017" (p.v). Based on the discussions during our research, it appears highly likely that this target was in fact not achieved. As the report pointed out, there are significant problems with the district government in terms of their will and capacity to issue land titles. The report states that, "there appears to be plenty of land available but a lack of institutional will to allocate it" (p.22). There are therefore major questions about whether the land titles will be issued promptly after the closure of the RIP.

Agriculture

Land degradation due to failures in cash crop cultivation:

Seventeen (17) people among the persons we interviewed reported that they have adopted cassava cultivation on their compensation farmland. All of these felt that it was going nowhere. The major problem was the reduction of yield due to soil degradation. Most of the farmers we interviewed reported that the yield of cassava is decreasing every year and that they are not able to raise enough profits to recover their investment outlays, including cultivation costs and seedling purchases. Due to these problems, many of the farmers who adopted cassava cultivation for 2-4 years have now stopped cultivation or plan to stop their cassava cultivation this year. One farmer reported that his land was so deteriorated following cassava cultivation that it now could not be used for rice farming and could only be used as fallow land for cattle grazing.



Soil degradation at a cassava plantation (Photo credit: Mekong Watch)

In northern Nakai and central Nakai in particular, many farmers reported that they were forced to purchase rice with cash because their 0.66 hectares of compensated farmland had deteriorated and could not produce a sufficient amount of rice. Many villagers said that they now rely on fisheries for cash income, and described difficulties in securing sufficient rice due to decreasing fish catch. Among the villagers for whom cassava cultivation on compensation land has failed and those who cannot produce sufficient rice due to land degradation, several reported that they are forced to receive rice from their relatives who live outside of Nakai. In Sop Ma village in central Nakai in particular, 10 households had family members who had departed to other districts to search for land to cultivate rice, leaving other family members behind, including children and elders.

Our research re-confirmed our earlier findings demonstrating the failure of the livelihood restoration program through agriculture on compensation farmland. The research further revealed that insufficient and/or low-quality land may be forcing affected families to disperse.

Inadequate results for extension work on soil improvement:

The 26th POE report identifies, “meet targets for extension work on soil improvement for vegetables, agro-forestry and paddy” and “advice and support to all cassava farmers on mitigating soil impacts or alternative uses of land” as priority actions (p.vi). However, none of the 18 households / groups that we interviewed have participated in a soil improvement training conducted as part of the RIP. Asked whether they have received training on soil improvement, villagers replied, “I have not heard about the training”, and “I heard at the village meeting that there will be a training, but after that I did not hear that it was actually conducted”. Our research confirmed that the extension work on soil improvement was inadequately implemented and that information about the project was not appropriately provided or communicated to the villagers.

Fisheries

Decrease in fish catch and income from fisheries:

In all affected villages, most of the households/groups that we interviewed stated that fisheries are their main source of cash income. Because they are not able to produce a sufficient amount of rice and crops from their farmland, many villagers depend on fishing as a primary means of income. The 26th POE report stated that “the number of fish in the reservoir appear to be increasing” (p.38), and no specific problems related to fish yield were reported during Mekong Watch’s previous field research in January 2017. In this survey, however, most people who spoke about fisheries mentioned a decline in fish catch, as described below. Many households reported that they were spending several days to travel considerable distances to fish because the fish stocks have declined and the villagers are no longer able to catch fish in the area that they had previously been fishing.

“I go fishing for four to five days or sometimes for two weeks, but I cannot get much fish now because there are many fishermen in the reservoir.” (a man in his forties from Nakai Thai village)

“There are too many fishermen competing.” (a man in his fifties from Sop Hia village)

“There are many fishermen fishing in the reservoir and the fish are decreasing.” (a man in his fifties from Thalang village)



(Photo credit: Mekong Watch)

In addition, several villagers whom we interviewed during the current research said that due to strong winds there are more days in the winter that they are not able to go fishing, affecting their income as fisheries provide the primary source of cash income. It was evident from the interviews that it is not possible for the villagers to secure stable livelihoods by relying solely on fisheries.

Livestock

Insufficient grazing land:

The 26th POE report states that: “total large livestock now well exceed the carrying capacity of the plateau estimated in a survey in 2010” (p.vi). During our survey, we also heard testimonies backing up the issue of overgrazing and lack of adequate grazing land.

“I have 15 buffaloes. They are not healthy because of the lack of grass.” (a man in his sixties from Sop Phene village)

“There is no place for grazing, so villagers cannot have livestock.” (a man in his fifties from Sop Hia village)



Lack of grazing land for livestock (Photo credit: International Rivers)

Off-Farm Livelihoods

Need for economic support toward self-sustainability:

Our interviews confirmed that in northern Nakai, where tourism is promoted, there are more off-farm job training opportunities than in other areas. There are increasing numbers of foreign tourists in Thalang, and we spoke to a woman who wished to start a tourism business. However, multiple women among those we interviewed said that they had attended job training but were not able to start a business due to lack of capital.

Closure of the Resettlement Implementation Period (RIP)

Insufficient communication about the RIP's closure:

When asked about the closing of RIP, all of the interviewed households/groups knew about the termination of assistance. However, they did not understand the closure in concrete terms and how it could affect livelihoods or income support. They were not aware of what assistance had specifically ended and from what sources. The relocated villagers had not heard about the commencement of the Nakai Plateau Livestock, Agriculture and Fisheries Project (NP-LAF). They expressed concerns and uncertainty about the ending of the assistance and closure of the RIP.

Downstream Villages – Xe Bang Fai



Xe Bang Fai – Riverbank erosion in Boua Khai village (Photo credit: Mekong Watch)

Damage due to riverbank erosion:

In Boua Khai village, Xaybouri, Savannakhet, there is damage caused by riverbank erosion as a result of the Nam Theun 2 hydropower Project. When Mekong Watch visited the same village in July 2016, villagers we spoke to described the damage from riverbank erosion and their anxiety about their future. We communicated the villagers’ concerns to the World Bank by email in August 2016 and again at a meeting in September 2016. Despite these efforts, we learned through the current survey that no concrete measures have been taken in the village to address the issues.



Riverbank erosion opposite shore of Boua Khai village (Photo credit: Mekong Watch)

Our current research found that, since the construction of Nam Theun 2 Dam, the riverbank has eroded by about 3 meters. A village temple that was originally built on the riverbank has had to be relocated twice. In addition, 7 houses on the riverbank have been forced to relocate. The households had to find new land for the relocation, and purchase the land and the soil needed to support the foundation at their own expense. Without any support from the Nam Theun 2 Power Company (NTPC), the villagers have had no choice but to use their own resources to arrange the relocations. One household was forced to spend 90,000 THB on relocation costs. According to the villagers we spoke to, the problem of riverbank erosion is not only experienced by Boua Khai village, but also nearby villages, including Nasong village and Dan Pak Xe village.

Lack of adequate response and information disclosure:

The village submitted a request concerning this issue to the district government in July 2017, and following this the district government and NTPC investigation team visited the village to investigate the issue. However, no compensation has been provided to date.

If the World Bank or NTPC claims that the impact of river erosion is not significant, the "six channel geomorphology cross section survey (1995-2013)" and "annual photographic survey (2010-2035)" should be released as the basis of their conclusion. Despite requests, these documents have not been disclosed.

References

David K. McDowell et al. 2017. *Twenty-Sixth Report of the International Environmental and Social Panel of Experts*. World Bank Nam Theun 2 Environmental and Social Project.

Mekong Watch, *Laos Nam Theun 2 Hydropower Project Field Report*, 5-7 January 2017.