

The sensible course on Lao hydropower

Yong Chanthalangsy

In September, representatives of the Lao and Thai governments convened an important forum in Bangkok to discuss ways of ensuring the development of hydropower by the two countries was socially and environmentally sustainable. Importantly, the gathering reaffirmed that the economic benefits of hydropower development would go to reducing Laos' widespread poverty.

Also participating in talks were hydropower operators and developers, banks and financial institutions, NGOs and the media, as a part of the country's open and pragmatic approach to hydropower development.

It should not be forgotten that Laos is one of the poorest nations in the world. Mountainous, densely forested and landlocked, we have few options for sustainable economic development. With our enormous and complex river system, hydropower, however, gives us one such option – and a real opportunity. And it is far and away our best for lifting our people out of poverty.

To this end, the Lao government has committed itself to reach Middle Income Status by 2020; the sustainable development of hydropower is one of the main drivers for this to be achieved.

Sure we recognise there are challenges: the resettlement of villagers, questions over water flow and the possible threats to aquatic life and the effect on forests. We are acutely aware of the need to manage the social and environmental impacts of the hydro projects. And we are doing so. With the largest hydro project, Nam Theun 2, we are on the record as committing ourselves to pursuing the best internationally recognised practices; in fact, this project is the only one of its kind in Asia. Most significantly, the experience gained on earlier projects offers possible solutions for projects that will follow, solutions that can be adapted on a case by case basis.

At the same time, we are highly conscious of our responsibility to deliver to our people some of the prosperity so freely enjoyed by many other nations. And we remain committed to improving the population's standard of living. It is not only the Lao people or government who sees this – many eminent personalities, too, have voiced their opinions about the importance of projects such as Nam Theun 2 in helping us achieve our goals of economic development.

It should be kept in mind that the September forum was not something hurriedly convened overnight. Laos and Thailand have worked together for some 20 years on the development of the hydro sector. The only difference, it was the first time hydropower has been discussed publicly in this way. Proof

that the Lao government takes very seriously its obligations to transparency and openness; and is facing up to the challenges.

One of the key issues on the table for discussion was finding ways all parties represented at the forum could work together to ensure Laos' hydro sector attracted the right kind of investment – investment that is structured in a sound way and satisfies agreed guidelines.

Since then, the Lao government has continued to work to ensure close adherence to its National Sustainable Hydropower Policy, such as the undertaking of sound environmental and social assessment, including provision for public consultation. The consultation on the proposed expansion of the Theun Hinboun hydro project held recently is a good example of this preparedness to talk publicly. Our position is to encourage dialogue. In fact, we invite and welcome all activists, critics and NGOs to openly and constructively discuss our hydropower projects and work with us in facing up to the challenges.

Laos is on a long journey – one that is vital for the country's future as it slowly increases the capacity of its national infrastructure. As we proceed down this road, we will progressively improve and refine our approach to the development of

hydropower.

Laos does not hide from the fact hydropower also enables us to help our neighbours with their energy needs. At the same time, one of those neighbours, Thailand, as the main buyer of our energy, has also demonstrated a commitment to ensuring that the energy it purchases is socially and

environmentally "clean", even if this means paying a higher price. It appreciates, too, the imperative of the Lao government to reduce poverty. And our constructive dealings with the Electricity Generating Authority of Thailand underpin this cooperative approach to development.

Of course, establishing appropriate policies and processes can't be done with the wave of a magic wand. Implementing the policies and processes takes time. But with a practical framework already in place, the country is moving forward. We will continue our sensible and pragmatic approach, one involving:

A strong commitment to achieving the best possible outcomes.

Recognition that it will be a long process demanding perseverance.

Constructive dialogue at all levels.

We are realistic, though. Laos has a monumental task ahead of it. But we are committed to succeed – for the benefit of all.

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