

LAO WORKING GROUP – DISCUSSION POINTS

MRC SEA of hydropower of the mainstream Mekong River Regional
Avoidance, Mitigation and Enhancement Workshop: 28-29 June 2010.

Strategic options

1. Decide not to proceed with the mainstream projects
2. Defer a decision on whether or not to proceed and in what form and circumstances
3. Proceed with mainstream development on a gradual phased basis
4. Proceed with "rapid" development of all 12 projects

Adjustments need to be made before the mainstream HPD are built in the following categories:

- Institutional structural innovations
- Policy and procedural innovations
- Additional studies where there are knowledge gaps or uncertainties
- Capacities that may need to be strengthened
- Actions required to improve management and enforcement

1. Decide **not** to proceed with the mainstream projects

STRATEGIC OPTION	
1. Decide not to proceed with the mainstream projects	
IMPACTS	ACTIONS AND ADJUSTMENTS NEEDED
a) Power supply of mainstream not available	Regional /National • Economy-wide structural adjustment packages: to mitigate the foregoing or delaying mainstream projects in Lao PDR.
b) Benefits lost from mainstream HP	• Reorientation of energy plans away from a dependence on mainstream hydropower. Accelerate other renewable energy supply alternatives, this alternative is very unrealistic.
c) Ineffective use of water resources potential to help reduce the poverty	• Donor support packages to promote the investigation of alternative energy options: -Lao PDR: potential for accelerated tributary development
d) Intensification and improvement of undeveloped agriculture	- Integration of these options into existing and planned regional programs • Donor support for development of key sectors in Lao PDR
e) Retard the chance to develop modern industries	- Agriculture, mining and manufacturing industry - Health and education - Tourism, improvement of livelihood

2. Defer a decision on whether or not to proceed and in what form and circumstances

STRATEGIC OPTIONS	
2. Defer a decision on whether or not to proceed and in what form and circumstances	
IMPACTS	ACTIONS AND ADJUSTMENTS NEEDED
a) Dams are deferred for reasonable period	Regional /National
b) Additional studies undertaken to inform decision/ policy maker.	Economy-wide structural adjustment packages: to mitigate the foregoing or delaying mainstream projects in Lao PDR. Reorientation of energy plans away from a dependence on mainstream hydropower. Accelerate other renewable energy supply alternatives, this alternative is very unrealistic.
c) Impact on regional and national energy plan.	Possible studies and research in: multiple use of reservoirs, Environmental Flows, a review of culture assets sustainability assessment of each dams
d) Less negative impacts of mainstream dam	Capacity development and public awareness programs at all levels of government and local communities with wide participation.

3. Proceed with mainstream development on a gradual phased basis

Strategy Option	
3. Proceed with mainstream development on a gradual phased basis	
IMPACTS	ACTIONS AND ADJUSTMENTS NEEDED
a) Better optimization study	Regional /National Local Investment maximization: ensure local labor and goods by providing subsidies, training programs etc
b) Lessons learned from each dam development	Sustain economic growth and livelihood Compensation: compensation payments for affected communities, etc. Benefit Sharing Fund: to fund activities and mainstream projects. From directly from revenues (either on power tariff or water charges)
c) To ensure knowledge gaps and uncertainties regarding HP impacts filled	Capacity development and public awareness programs at all levels of government and local communities with wide participation. Studies and research in: multiple use of reservoirs, Environmental Flows, a review of culture assets sustainability assessment of each dam. Catchment Management

4. Proceed with “rapid” development of all 12 projects basis

Strategy dyOption	
4. Proceed with “rapid” development of all 12 projects basis	
IMPACTS	ACTIONS AND ADJUSTMENTS NEEDED
	Regional /National
a) Too ambitious plan!	Dam projects will be implemented according to national regional needs and cooperation (GMS, ASEAN)
b) Very dynamic economic activities (ineffective control)	Local Investment maximization: ensure local and foreign labor and goods by providing subsidies, training programs etc Livelihood adjustment package: Support for alternative fisheries - Reservoir and aquaculture production, alternative skills training, micro finance, Re-training programs for households/employees
c) Possible over supply of electricity	Compensation: compensation payments for affected communities, etc. Benefit Sharing Fund: to fund activities and mainstream projects. directly from revenues (either on power tariff or water charges)
d) Possible oversight of social economic and environmental circumstance	Capacity development and public awareness programs at all levels of government and local communities with wide participation. Catchment Management
e) Very high debt	

Strategy option 3: Proceed with mainstream development on a gradual phased basis

Would the group like to make a suggestion for a strategic option? Which strategic option is preferred and why? Reason?

- Sustainable social benefit, and economic growth
- Minimized environmental impacts
- Better optimization study
- Lessons learned from each dam development
- To ensure knowledge gaps and uncertainties regarding HP impacts filled
- Dam projects will be implemented according to national / regional needs and cooperation (GMS, ASEAN)

Recommendation for SEA Report

- Before finalizing the draft final SEA report, set up national working group for review (technical and financial support needed)
- National consultation workshop
- Translation of the final SEA report into the four riparian languages
- Circulation of the final report to line agencies (e.g. submit final report to policy maker)