

The Continuing Impacts of the ADB-Funded Nam Song Diversion Project, Lao PDR

Field Research and Report

by

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Completed in 1996, the Nam Song Diversion Dam was funded by the Asian Development Bank (ADB) at a cost of US\$31.5 million. It was designed to divert water to the Nam Ngum reservoir to increase the generating capacity of Nam Ngum Dam.

In October 2001, a study funded by the ADB, *Nam Song Diversion Project ADB TA 5693 – Draft Impact Analysis Report and Action Plan* found that Nam Song “has caused severe impacts on aquatic ecosystems and human use by 13 villages, of the river downstream of the Diversion Weir. Negative impacts of smaller magnitude have been experienced along the Diversion Canal (3 villages) and on the Headpond and the Nam Song upstream of the Diversion Weir (2 villages).” The report estimated total losses since diversion (a period of 6 years) to be valued at nearly US\$2 million. According to the consultants, the “magnitude of unidentified and unmitigated impacts ... points to failings in the studies carried out prior to construction, the review process, and the compliance monitoring framework designed to prevent these types of events from occurring for this extended period of time.”

According to the *Draft Impact Analysis Report and Action Plan*, the impacts caused by the Nam Song Diversion Project include severe declines in fisheries for over 1,000 families and loss of boats and fishing nets, loss of agricultural land through flooding or erosion, and lack of clean washing and bathing water.

So as to determine whether the ADB and the Government of Laos have recognized the extent of the impacts caused by the Nam Song Diversion Project and whether the ADB and the Government of Laos have taken any action since October 2001 to mitigate these impacts and alleviate the suffering of people affected by the Nam Song project, field research in 10 villages in the project area was conducted in early 2006.

The findings of this research indicate that the Nam Song Diversion Project continues to have a severe impact on the food and livelihood security of the communities affected by the project. Neither the ADB, the state-owned electricity utility Electricité du Lao, or the Government of Laos have acknowledged the severity of these impacts or their collective responsibility to provide comprehensive compensation and development assistance to the communities affected by the Nam Song Diversion Project.

The following summarizes the key findings from each of the villages visited.

1. Ban Vang Khee, Hin Heup District

This is an ethnic Lao village. Three men and two women from Ban Vang Khee were interviewed. These representatives reported the following problems.

Due to the Nam Song dam, the people have lost agricultural land for gardening next to the Nam Song River, and boats and fishing gear have been washed away by surges of water released downstream from the dam. In addition, there is a lack of fish, especially during the months of May to December. This has proven to be a major impact on the food security of the families in this village.

Some of the most productive agricultural land in the village, adjacent to the Nam Song River, which was used as vegetable gardens, has been washed away, mainly during the months of June and July. Water released downstream has affected the riverbanks and is continuously causing soil erosion.

Electricité du Laos (EdL) has not been interested in the affected people's problems and have not visited the village. There has been no compensation for these losses from the Nam Song Project. In addition, EdL did not assure villagers that they will be compensated nor did they provide any explanation of the project other than, "this is a government project, no one can interfere."

The villagers would like to be compensated for past losses, and they would like the project to find suitable land to replace the dry season garden agricultural land that has been lost due to erosion of the riverbanks. They would also like the project to build family fish ponds and provide fish fry to compensate for lost fisheries, and they would like the project to conduct a survey to determine what can be done to increase villager incomes to levels equal to that before the dam was built, and then help ensure that such improvements are funded and implemented in the future.

2. Ban Vang Mon, Vang Viang District

This is an ethnic Lao community. Seven men from the village of Ban Vang Mon were interviewed. The villagers from Ban Vang Mon had to move from Ban Vang Mon to an area near the village of Ban Phong Song because it was expected that the Nam Song dam reservoir would flood Ban Vang Mon. The village representatives stated that they did not receive any compensation for their resettlement and had to pay for the costs of moving their houses and other belongings themselves. The only assistance villagers received was in the form of electricity from the EdL, but as each household had to pay for the electricity connection this can not be considered as compensation. Each family received a 600 square metre plot of land for their houses, but since no land was given to villagers for cultivation, many went back to farm in their former village. The District told villagers that they would be compensated as a result of the project flooding their land, but no compensation has been paid.

Villagers have lost lowland paddy rice farming land and dry season vegetable gardening land due to the project. They have also lost boats and fishing gear, including gillnets, that have been washed away by water releases.

The people of Ban Vang Mon found it hard to adjust to their new location, particularly when they first arrived in the area and found that there was no land for cultivation to sustain their livelihood. EdL did not do much to assist villagers but do come to collect electricity fees at the end of each month.

Families that have attempted to cultivate fields in the resettlement area received little return for their work. During the rainy season there is too much water and in the dry season there is not enough water for the crops, thus making farmers worse off than they were before. The only assistance villagers received were mung bean seeds from the project.

Before construction of the Nam Song project began, District government officials who visited the affected areas told the people that the project would include the building of a road to the village and pay full compensation to the villagers for their losses. Then, the District officials told the people of Ban Vang Mon that they would need to relocate. The new site was supposed to have a clean drinking water supply and a new school for the children, but neither have been provided. Children have to walk a great distance to attend school in Ban Phong Song.

The people of Ban Vang Mon would like the project to build them a school near their present settlement. The district promised them that the project would do this when they were first moved, but nothing has materialized. Secondly, the villagers desperately want the project to find them suitable agricultural land, because there is presently a critical shortage. They would also like to be compensated for other losses and the costs of resettling, and they would like permission to return to do agriculture near their old village, where there is still some land that can be cultivated.

3. Ban Somsanouk, Hin Heup District

Mainly ethnic Hmong people, along with some ethnic Thai Dam, Khmu and Lao people, populate this village. A prominent woman in the village was interviewed, together with some other villagers.

This village has been negatively impacted by the project in a different way than all the other villages. A new canal used to divert water from the Nam Song to the Nam Ngum reservoir is negatively affecting Somsanouk village. The canal runs through Somsanouk's productive agricultural land. Five families that have lost agricultural land as a direct result of this canal have received some compensation. There are still nine families who have not been compensated for the loss of their land. All villagers interviewed confirmed that the families that did receive compensation got 700,000 kip, 820,000 kip or 1,000,000 kip as compensation. However, the land compensation was based on the value of land in previous years, and was only compensation for the labor invested to create these rice fields. In other words, the compensation was not provided for the land, just for the labour used to open up the land. Today the market value has increased, and it would be impossible to buy even a fraction of the land lost using the compensation money received. Compensating villagers at the value of 700,000 Kip per *lai* (0.16 hectare) is certainly not fair. Village people estimate that the compensation payment is probably less than a quarter of what would be required to buy new land of similar quality.

Villagers have expressed to EdL that they would like a bridge across the canal and EdL promised that they would construct one. Today, there is still no bridge across the canal. Villagers lost more land to the project when EdL claimed that a strip of land between the canal and the Route 13 road belonged to EdL and would be used for a transmission line corridor. Villagers claimed that this area makes up about half of the village's land (there are 225 households in Ban Somsanouk). EdL claims that villagers have been compensated for this loss, but according to the villagers this is not the case. Villagers claimed that only some families received initial funds from EdL to cover the labour costs of opening up the lost fields. As for the loss in agricultural land, villagers were told that EdL will find new land for them. Until now, no new land has been awarded to villagers, and as mentioned earlier, the compensation that some have received is not nearly enough to buy land to replace what has been lost. The families of Ban Somsanouk have effectively lost 50 per cent of their agricultural land to the Nam Song project and EdL without receiving any compensation. They want to receive land to compensate for the land taken by the project and EdL.

Most villagers want to have access to new productive land. Some households do not have the funding or resources to open up new fields. For instance, an area of four *lai* would cost approximately seven to eight million kip to clear.

Since EdL implemented the Nam Song Diversion Project, three people from Ban Somsanouk have died as a result of the abrupt water released from the dam. When villagers crossed the canal, the sudden surge of water destabilized their boats, thus resulting in the loss of the boat and their lives. There is no warning system in place to inform the villagers about the sudden water release. That is why they desperately want a bridge for crossing the canal. The families of the people who drowned should also be compensated for the deaths of their family members.

4. Ban Nam Pat, Vang Vieng District

Ethnic Khmu people populate this village. Seven village men were interviewed, including village leaders. The main impacts in Ban Nam Pat are related to loss of boats and gill nets and loss of land. Fisheries have also been badly impacted. Like in other villages, boats and fishing gears have been washed away, although not as many as in some of the other villages. Villagers also cannot catch as much fish as before the implementation of the Nam Song project.

The main issue is the lack of new arable land since EdL annexed about 50% of villagers' land west of the Route 13 road for a transmission line corridor. EdL officials would not comment on this issue, instead they told villagers that they would bring it to the attention of higher levels (of government) to see whether or not they could do something about it. Since EdL annexed their land, EdL has apparently not attempted to find new land for them.

EdL thus far have assisted villagers by providing bricks to build fences around the school. No compensation has been given for the losses of boats and gill nets. Villagers have proposed the creation of fishponds and clean drinking water facilities and EdL provided them with water wells and pumps. Presently, villagers would like to propose that EdL create some fishponds and

provide more clean drinking water facilities. There is not enough clean drinking water to meet the demand of the village, especially during times of merit making and celebration.

The villagers want the parties involved in the project to assist in finding new land. Villagers are uncertain about their future living conditions unless they get more farming land. Ban Nam Phat village people would like EdL or the project to help them build fish ponds and provide related support in ensuring that the fish ponds would be productive, since it is no longer possible for villagers to get fish from the Nam Song River like they did before the project was built.

5. Ban Phon Thong, Hin Heup District

Ethnic Lao people populate this village, and ten representatives of the village were interviewed. Problems with water quality and rapid water releases from the Nam Song dam to this downstream village are issues that impact the people of Ban Phon Thong. The water from the river is no longer consumable. People have to boil the water now to drink it, whereas before they didn't have to boil the water. They also get rashes and hives when they bathe in the river. Villagers have also lost boat and gillnets to these water releases, and these losses are continuing to occur. Villagers receive no advance notice regarding when large surges of water will be released from the dam's reservoir, and sometimes the releases rapidly result in the river becoming full of water from previously having very little water in it. Villagers have also lost dry season gardening land near the edge of the river to erosion caused by rapid releases of water. Fisheries livelihoods have been particularly badly affected due to the drastic negative impacts of the dam on the aquatic ecosystem of the Nam Song River. These losses have not yet been resolved.

EdL has surveyed the area. They made no commitment to compensate villagers who experience hardship nor did they commit to creating fishponds and provide clean drinking water facilities.

At present, villagers do not know if EdL will assist them in any way. Three years ago, villagers proposed to EdL that it compensate them by providing them with fishponds and clean drinking water. However, nothing has materialized. Villagers need assistance in raising fish and with other livelihood activities that would help increase their food security and income.

6. Ban Tao Than, Hin Heup District

Ethnic Khmu people populate this village. Village leaders and other villagers were interviewed. The villagers have lost boats and fishing gear as a result of project water releases, and they have also complained of lost livelihood income as a result of project impacts on fish populations in general. Villagers have also lost access to good quality river water, and have lost important dry season agriculture land adjacent to the Nam Song River, as well as some lowland rice paddy land adjacent to the Nam Song River, due to the project. Fishing practices are harder to carry out. Gill nets and boats have been damaged because of the sudden release of water from the Nam Song project. EdL has not compensated villagers for any of these losses.

Villagers said their boats cost about 1,200,000 Kip each, which were damaged as a result of the sudden water surge from the Nam Song. District staff that visited the affected area blamed

villagers for the riverbanks erosion due to their upland agricultural practices. Villagers, however, declared that before dam construction, soil erosion was never a problem.

There are five drinking water pump wells available for the village. Most have deteriorated and therefore are not convenient for villagers' use..

A company from France, known as "Bolisat Sambathdii" in Lao, built four wells. The Lao Red Cross built the fifth well. The Sambathdii company also created a fishpond on one of the streams. When water level rises, the pond is often badly damaged, making this method of pond building not very effective. Villagers do not know what they should do to resolve these issues since government officials seldom visit the village. Those that came are sympathetic, but often do not know much about the issues. At the present time, villagers would like to propose the following:

1. Provide clean drinking water in the form of a gravity feed system
2. Provide new land as compensation for the eroded land
3. Provide appropriately designed fishponds as compensation for the loss in fishing in Nam Song
4. Compensate the loss of boat and gill nets

7. Ban Houay Dok Mai, Hin Heup District

Ethnic Khmu people populate this village, and ten villagers were interviewed from the village. The families of Ban Houay Dok Mai depend on the Nam Song for their means of livelihood and the impacts affecting this village are similar to the problems faced by other villages, including losing access to good quality river water, declines in fisheries and losses of agriculture land adjacent to the Nam Song River. In addition, they have also had some of their agricultural land confiscated without compensation by EdL as part of the Nam Song project. These problems are persisting and have not been resolved. EdL officials visited the village once and told village people that they would inform the government about the situation. To date, no assistance has been provided to the people of Ban Houay Dok Mai.

The EdL did not provide any explanation about the Nam Song project and did not inform the people of Ban Houay Dok Mai about how they would be affected by the project. They only asked the village headman to join in meetings at the District level.

A French agency installed three water pumps in the village, but they are not enough to meet the demand that was formerly supplied by water from the Nam Song River. Currently some of the pumps are wearing out and deteriorating.

Villagers request that they receive compensation for all their losses, including receiving compensation for lost fisheries and other river-based livelihoods and lost agriculture land. They particularly want compensation in the form of:

1. Providing fishponds
2. Providing clean drinking water and all purpose water (if possible villagers would like running water)
3. Providing land to compensate for agricultural land lost to the impacts from the Nam Song project.

8. Ban Pak Vang, Hin Heup District

Ethnic Lao people populate this village. A group of village elders were interviewed. The situation of Ban Pak Vang is more serious than other villages that depend on the Nam Song River as a source of livelihood. Aside from losing their valuables, like boats and fishing gears, as well as riverbank land for dry season vegetable gardening, the village does not have any wells to supply drinking water. In addition, the villagers were very reliant on the Nam Song River for their livelihoods before it was destroyed by the dam. Currently, the Nam Song River gets very murky in May and will cause those who come in contact with the water to develop rashes and hives. Despite these problems, villagers have no choice but to continue to use water from the Nam Song for drinking and everyday usage. The health of the people of Ban Pak Vang village is at risk in addition to experiencing other losses.

There were talks to build water pumps in the past since villagers mentioned that a gravity feed water system would be too expensive to install. Officials have visited the village for this purpose, but so far there have been no resultant activities in the village. Villagers have to bear the consequences and continue to use the Nam Song River as their main source of water. The village of Ban Pak Vang has made five different appeals to government officials for the construction of wells but thus far their appeals have not been answered.

9. Ban Houay Hin Thit, Hin Heup District

Ethnic Lao people populate this village. Village leaders and some women were interviewed. There are four families whose agriculture land along the edge of the Nam Song River has been affected by soil erosion since the operation of the Nam Song project began. They have not received any compensation. Villagers have also lost fishing gears and boats to water surges from the dam, and their livelihoods have been negatively impacted by losses in fishing resources.

The villagers would like to receive compensation for all their losses, including help with livelihood replacement. In addition, they want to install twelve faucets to their existing gravity feed running water system. Villagers have asked that the existing gravity feed water system receive an additional 3,000 meters of PVC pipes from the project so that the faucets can be added. They have been told that they would need to provide some funding of their own to do this, but they do not have the money. To date, the people of Ban Houay Hin Thit have not received any compensation for their losses.

10. Ban Phong Song, Vang Vieng District

Ethnic Lao people populate this village. A large group of village leaders and other villagers were interviewed. Similar impacts and losses have occurred in this village as other villages; lost access to good quality water from the Nam Song, river-based livelihoods have been negatively impacted, loss of boats and fishing gears due to water surges, and agriculture land adjacent to the river lost to soil erosion caused by the project.

The people of Ban Phong Song would like to be fairly compensated for all their losses, including providing fish to raise so as to compensate for the destruction of the river's fisheries. However, villagers have made requests for help many times without success, and they expressed that they are tired of making demands. Villagers felt ashamed and depressed for having to present their case to government officials many times. They are also afraid of those in powerful positions. They feel that if they are viewed as frequently stating their grievances, they will not create a good image for themselves in the eyes of higher officials of various levels. As one village elder stated, "You don't want to speak up too much because if you do you will create problems for yourself." This type of dilemma is not limited to just this village, but applies to all the villages bearing the impacts of the Nam Song project.

Villagers announced that if there is a request that they could make, it would be a request for some fish fingerlings to raise in ponds. They are so demoralized by the lack of compensation and the failure of their requests for compensation that they expect that other requests will probably not be successful, even though providing comprehensive compensation would seem to be the only just course of action.