

**BOB McMULLAN MP**

Parliamentary Secretary for International Development Assistance
Member for Fraser

Mr Michael Simon
michaels@oxfam.org.au

19 MAY 2009

Dear Mr Simon

Thank you for your recent email regarding plans to build hydropower dams in the Mekong region and the role of the Mekong River Commission (MRC).

As you know, the Australian Government is currently working with governments and institutions in the Mekong region to promote sustainable river basin development.

Plans and actions by Burma, China, Cambodia, Thailand, Vietnam and Laos to build hydro-electric dams on the Mekong River and its tributaries are being closely monitored. The proposed dams could bring significant benefits to the people of the Mekong region, including domestic electrification and export earnings when electricity is transmitted to neighbouring countries.

I am also aware that the effect of dams on rivers can produce serious negative economic, social and environmental consequences if their development is not adequately planned. In the Mekong, there is potential for serious adverse impacts on highly productive fisheries upon which millions rely for food, employment and livelihoods.

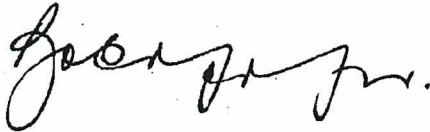
That is why Australia, together with other MRC donors, has urged the MRC to increase transparency and public consultation about further basin development options. Australia has registered concern about the efficacy of particular projects, such as the Don Sahong project in southern Laos, and called for more attention to the cumulative impacts of dams on fisheries, food security, livelihoods and ecosystem health.

I understand that the MRC is now responding more seriously to these calls. An example is the proposed MRC Strategic Environment Assessment on Lower Mekong mainstream dams. This and other MRC efforts should make a positive contribution to inform the decision making of MRC members states.

While the MRC secretariat has a significant role to play, it does not have the power to stop dams and other water-related developments. These decisions lie with the governments of Basin countries, whose representatives form the MRC Council and Joint Committee. Australia will continue to monitor any dam proposals closely, will advocate careful assessment of environmental and social impacts by relevant national governments, and will advocate even more careful management of possible impacts if proposed dams go ahead.

Thank you for bringing your concerns to my attention.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bob McMullan', written in a cursive style.

BOB McMULLAN

15 December 2010

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The Hon Kevin Rudd MP
Minister for Foreign Affairs and Trade
Parliament House
Canberra ACT 2600

Dear Minister Rudd

RE: Australia's support for a 10 year deferment on the Mekong mainstream dams

I write to request that the Australian Government joins the United States Government, the World Bank and other key donors in supporting a 10 year deferment of new dam construction on the lower mainstream of the Mekong River. The reasons for this request are outlined below, with more background provided in the attached document.

Currently 11 new dams are being considered for the lower Mekong mainstream.

The first of these – Xayaburi – was tabled before the Mekong River Commission by the Lao Government in September 2010, thereby triggering the formal Procedures for Notification, Prior Consultation and Agreement (PNPCA). The PNPCA requires formal negotiations across riparian member states for any mainstream development. The Australian Government has provided funding to the MRC for these procedures, which should be completed within a 6 month period – that is, by March 2011. To date, no information on the PNPCA for Xavaburi Dam has been publicly released. Of particular concern is the absence of published environmental and social impact reports. The lack of transparency undermines confidence in the PNPCA process.

A Strategic Environmental Assessment (SEA) carried out for Mekong River Commission by the Australian International Centre for Environmental Management was released in October 2010. Based on a comprehensive study of the environmental and social impact of new dams on the Lower Mekong Basin, the SEA recommended a 10 year pause on construction decisions. It concluded that new mainstream dams would have immitigable impacts on the river, its eco-systems and its peoples, adversely affecting the livelihoods of 2.1 million people in riparian communities.

Australia is an important donor to the governments of the Mekong region and to the Mekong River Commission, and has been doing important work on these issues in the region. Other key actors, including the United States Government and the World Bank, have publicly supported the SEA recommendations.

Accordingly, Oxfam urges you to:

- support in public and through Australian diplomatic activities the recommendations from the Mekong River Commission's Strategic Environmental Assessment (SEA) for a ten year deferment of decisions on mainstream dams;
- work with the member Governments of the Mekong River Commission to ensure that the PNCPA for the Xayaburi dam is both comprehensive and transparent; and
- promote the SEA recommendations for work on a new approach to development of the Mekong that would protect eco-systems, livelihoods and food security.

I would be happy to discuss these issues or to provide further information should you need it.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Hewett', with a horizontal line underneath the name.

Andrew Hewett
Executive Director

18 March 2011

The Hon Kevin Rudd MP,
Minister for Foreign Affairs
PO Box 622
House of Representatives
Parliament House
Canberra ACT 2600

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Further Australian Government statement urgently needed on the proposed Xayaburi Dam in Laos

Dear Minister,

We, the undersigned organisations and individuals, are deeply concerned about imminent plans to dam the mainstream of the Mekong River in Laos.

We would like to express our appreciation of the leadership role which the Australian Government played in drafting and delivering a strong and clear statement by donors to the Mekong River Commission (MRC) at the 17th Meeting of the MRC Council in January.

We note the very sensitive political environment in which these issues are playing out, and appreciate that strident intervention by donors at this point could well be misinterpreted. We believe the January statement sent the right messages about evaluating dam impacts, considering alternatives, utilising the recommendations of the *Strategic Environmental Assessment of Hydropower on the Mekong Mainstream*, and the need for a transparent and rigorous Procedures for Notification, Prior Consultation and Agreement (PNPCA process for the Xayaburi Dam).

Since the delivery of that statement, there have been four significant developments.

1. The consultation phase of the PNPCA has drawn to a close without having heeded the recommendations of MRC donors or the demands of civil society throughout the Mekong region. In particular we note that:

- there was no disclosure of the Xayaburi Dam Environmental Impact Assessment, so the “public consultations” were held in the absence of the key project documentation
- there was no consultation meeting in Laos
- there was no extension of the consultation process despite the information above not being disclosed.

We believe that this now represents a grievous failure of process in the PNPCA.

2. It has become clear through the PNPCA meetings that did take place in Vietnam, Thailand, and Cambodia, that there is a consistent and strongly expressed view across the region that there has not been enough study of the Xayaburi Dam impacts to proceed responsibly. It still remains to be seen whether the National Mekong Committees of those countries can faithfully represent the sentiments of these meetings to the Joint Committee (JC) of the MRC through the respective Joint Committee members.

3. We also note with concern a recent statement by the Government of Laos seeking to distance the PNPCHA from its own decision making process. The effect of such a statement given at such a moment has only served to further weaken confidence in the PNPCHA.

4. On 23 February 2011 there was an earthquake measuring 4.6 on the Richter scale in the vicinity of the proposed Xayaburi Dam. It now appears that the region of the proposed dam straddles an active fault line, graphically highlighting the inadequacy of the information that has been released about the dam, and raising further serious doubts about the quality of the studies that have been done. We have also since learnt that the Environmental Impact Assessment (that was never released) only dealt with impacts 10km downstream of the dam; hence, the failure to consult further within Laos effectively disenfranchised those who could be expected to bear the most immediate downstream impacts.

The PNPCHA has already failed in the areas of prior consultation and transparency, there are grave doubts about the underlying science, and the overall relevance of the PNPCHA to the final decision has been seriously undermined.

We believe that this is a critical time for the Mekong River and its people, and a critical time for the future credibility and viability of the MRC. This application of the PNPCHA is a test case of the MRC's ability to facilitate 'informed deliberations' that support the Australian Government's intention to promote 'the effective use of the Mekong's water resources to alleviate poverty and achieve sustainable development.'¹

As such, we urge that:

- as a funder of the PNPCHA, the Australian Government send a strong signal to the MRC Secretariat and Joint Committee that it sees the Xayaburi process as a test case of the ability of PNPCHA to achieve meaningful prior consultation the outcome of which reflects the concerns, science and preferences that emerged from the process;
- the Australian Government once again provides a leadership role amongst MRC donors, to make a collective representation to Mekong Governments through the Mekong Council, re-iterating the recommendations made in the Joint Development Partner Statement, namely: responding to the recommendations of the Strategic Environmental Assessment, requesting a delay in the process, disclosing key project documents, and considering alternatives to the dams;
- the Australian Government and other MRC donors strongly indicate to Mekong Governments through the Mekong Council that failure to fulfill basic international standards of consultation or to take account of the available science and of the views and preferences of the wider Basin stakeholders by the Xayaburi PNPCHA potentially jeopardises continued support for this and related work by the MRC;

Once again we thank you for the leadership adopted by Australia at this critical time for the Mekong.

While the sensitivities are well recognised, we feel that donors like Australia, can play a constructive role to support the science, the officials and the communities and citizens of the region who will bear the brunt of the decisions; and whose concerns remain under-represented in deliberations and decision making. The important political leverage available to Australia and other donor country Governments can contribute towards consistency and effectiveness in governance processes through the MRC and in the region; consistent with Australia's ODA programs.

Making another public statement of concern prior to the Preparatory Meeting of the Joint Committee on 22 March would continue the important work to date.

Yours Sincerely

¹ AusAID Mekong Water Resources Program – Delivery Strategy 2009-2012, p.7.

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Australian Government

AusAID

To Prade
James Engor
Michael Simoni

30 MAY 2011

Mr Andrew Hewett
Executive Director
Oxfam Australia
132 Leicester Street
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Dear Mr Hewett

Andrew

I am writing to provide you with an update on the Australian Government position on the Procedures for Notification, Prior Consultation and Agreement (PNPCA) process for the proposed Sayaboury Dam in Laos.

The Australian Government welcomes the agreement by the Mekong River Commission (MRC) Member Governments on 19 April 2011 to elevate the decision-making process on the proposed Sayaboury Dam to the ministerial level. This is in line with Australian Government calls for an extension to the decision-making process, including at the MRC Council Meeting in January.

Australia delivered the Joint Development Partner Statement at the MRC Council Meeting on behalf of over 20 bilateral donors and multilateral banks. The statement, extensively drafted by Australia, emphasised the need for full disclosure of impact assessments, the probable need for an extension to the PNPCA process, and the need for further analysis of costs and benefits.

Australia continued its advocacy through diplomatic channels in March, making bilateral representations to Ministers from MRC Member Governments. Minister for Foreign Affairs Mr Rudd also discussed Australian Government views with his Vietnamese counterpart in April.

The Australian Government will continue to advocate for MRC Member Governments to use the extension of the PNPCA to further assess the transboundary impacts of the proposed Sayaboury Dam. Australia will stand ready to support any further studies into the impacts of mainstream dams, and any further public consultation processes.

Furthermore the Australian Government will be encouraging MRC countries to undertake further public consultations underpinned by impact assessment reports, the MRC Secretariat Technical Review Report, and other in-depth assessments.

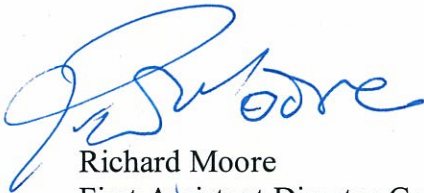
However, the Australian Government acknowledges that decisions affecting how the Mekong River is developed are the responsibility of the relevant sovereign government, in consultation with other MRC member states.

The Australian Government's aim is to support the development of robust deliberative processes in the Mekong Region, including via the MRC-facilitated PNPCA process, to ensure the benefits and costs of dam proposals are fully considered, and that as a result, informed negotiations can be held, and appropriate decisions taken.

In your coordination role among relevant NGO networks, I would appreciate if you could share this letter with interested members.

I trust this information is of assistance.

Yours sincerely



Richard Moore
First Assistant Director General
Asia Division