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## Laos: Ongoing problems with the Asian Development Bank's "successful" Nam Leuk dam

The Nam Leuk dam has caused serious problems for local communities, as documented in a recent report by Lao researcher Phetsavanh Sayboulavan. Based on a visit to seven villages affected by the dam in May 2003, Phetsavanh's report describes increased health problems, food shortages, flooding, destroyed fisheries, dead livestock, illegal logging and corruption associated with the project.

The 60 MW Nam Leuk dam was completed in 2000, with funding from the Asian Development Bank. The ADB denies any ongoing problems caused by the project.

"Where there were environmental and social impacts, these have been adequately remedied," states the ADB's 2002 project completion report on Nam Leuk. The project is "successful" according to the Bank.

Some of the indigenous Hmong people who were forced to move to make way for the reservoir now live in Thang Deng village. An old man in Thang Deng told Phetsavanh, "I want to move to another place, if there are relatives there. That is because this new village is difficult. There is not enough land to do agriculture, and the land that is available is not good quality either. Hunger is increasing all the time."

Rice supplies promised by the government sometimes do not arrive. Many villagers have moved from Thang Deng to try to find better land to farm. "If one sees the people, their problems are obvious from how thin they are. Their bodies are not in good condition," writes Phetsavanh.

Water from the Nam Leuk reservoir is diverted into the Nam Xan River. Villagers living along the Nam Xan told Phetsavanh that in 1999 many of their cows and buffaloes died after drinking the bad smelling water from the reservoir. Villagers' vegetable gardens have been flooded and fisheries largely destroyed.

Downstream of the dam, the Nam Leuk River has far less water than previously. Villagers attribute increased illness to poor water quality in the river. Fishing is no longer viable.

The Nam Leuk dam was built in the Phou Khao Khouay National Park, habitat to rare and endangered species including tigers, elephants and gibbons, as well as large numbers of fish species.

The ADB argues that Nam Leuk is "unlike traditional hydropower projects" as profits from the dam are supposed to help fund conservation in Phou Khao Khouay. Indeed, according to the ADB, building the dam "will improve overall prospects for successful and sustainable protection of the natural resources".

Villagers report that logging associated with the project was excessive and uncontrolled. A company

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run by the Lao military, Bholisat Phattana Khed Phoudoi (BPKP - the Mountain Region Development Company), won the contract to log the reservoir area.

BPKP is the same company that clearcut the reservoir area of the proposed Nam Theun 2 dam (see WRM Bulletins 44 and 50). On the Nam Theun 2 contract, in addition to the reservoir area, BPKP also logged several areas of forest above the reservoir.

At Nam Leuk, the ADB estimates the value of the timber that BPKP logged to be worth between \$2 million and \$3 million. Of this, according to the ADB, three per cent was cut illegally from outside the reservoir area.

BPKP's contract was paid for by the ADB. The ADB was effectively funding illegal logging inside a National Park. Yet the ADB's completion report makes no mention of what happened to the money from the illegally logged trees, or whether BPKP was penalised in any way for breaking the law.

Villagers told Phetsavanh that BPKP logged good quality trees, but reported the timber as being of low quality, allowing BPKP and government officials to make illegal profits. Villagers ask why government officials were allowed to benefit from cutting large areas of forest, while villagers are not even allowed to cut small trees for their own use.

In February 2002, the ADB reported problems with the disbursement of funds from the Nam Leuk dam to Phou Khao Khouay. "Much remains to be done for the development of the Phou Khao Khouay National Park to make it into a real national park", states the ADB's project completion report.

More than two years later, in June 2004, ADB's Country Director in Laos, James Nugent, told Aviva Imhof of International Rivers Network that there is still no management plan for the Phou Khao Khouay National Park.

Villagers have not been adequately compensated for the losses caused by the construction of the Nam Leuk dam. Phetsavanh concludes that villagers have become cynical, and do not believe that the government and the ADB are serious about addressing the problems. "They can only hope that their voices are heard in the future," writes Phetsavanh.

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Phetsavanh Sayboulavan's report, "The Forgotten Victims of the Nam Leuk Dam in Laos: Summary of Fact-Finding Trip to Affected Villages" is available at [http://www.rwesa.org/document/Nam\\_Leuk\\_2004.pdf](http://www.rwesa.org/document/Nam_Leuk_2004.pdf)