



NEWS RELEASE

Responsible governments and implicated companies must ensure safety and effective access to information of communities living near the **Nam Theun 1 dam** in Laos

23 August 2022

#JustTransition #CorporateAccountability



WE WANT #PEOPLEOVERPROFIT

NEWS RELEASE

Responsible governments and implicated companies must ensure safety and effective access to information of communities living near the Nam Theun 1 dam in Laos

23 August 2022, Bangkok - On July 16, 2022, videos circulated on social media revealing substantial amounts of water leaking from the Nam Theun 1 dam^[1], a joint hydropower project between a Lao private investor as well as Lao and Thai governments located on the Kiang River, Bolikhamxay Province, Lao PDR. The news raised concerns over the structural integrity of the dam among local residents who fear for their safety, worrying that the Xe-Pian Xe-Namnoy dam collapse from 2018 will repeat. Collapse of the Nam Theun 1 dam would likely trigger social and environmental damage far greater than that caused by the Xe-Pian Xe-Namnoy dam, impacting Lao and Thai communities alike.^[2]

No effective access to information

Nam Theun 1 Power Company (NT1PC) Limited, an entity in charge of the Nam Theun 1 dam^[3] and EGCO, a subsidiary of the Electricity Generating Authority of Thailand (EGAT)^[4] with a 25% stake in the project,^[5] both attempted to quell unrest soon after the videos went viral.^[6] Of the 650 MW power generated by the dam, 80% (520MW) will be sold to Thailand while the remaining 20% (130 MW) will be for domestic use.^[7] Effectively, while the Lao people bear most of the risks, the project benefits, for the great majority, Thai consumers.^[8]

Since the incident had been reported in online media, NT1PC had restricted public access to the area surrounding the dam, thus preventing local communities from receiving updates other than the company's scarce official communications.^[9] Local residents are definitely not reassured.^[10]

Joseph Akaravong, a Lao Environmental and Community Rights Activist, has been ardently reporting the Nam Theun 1 incident through his personal Facebook. *"The Nam Theun 1 leak does not come as a surprise considering the Lao government's unwillingness to carry out a thorough social and environmental impact assessment in most projects. The constant lack of transparency in project development undeniably leads to substandard construction which in turn highly increases the risk of man-made disasters. In the end, it is always the people who bear the risks and impacts,"* he said.

Lack of transparency and disclosure of the Environmental Impact Assessment (EIA)

Despite its claims about a comprehensive Environmental Impact Assessment conducted for the project and compliant with national and international standards,^[11] neither the NT1PC nor the Lao government has provided this assessment publicly. The company also claims to have developed an Environmental and Social Management Monitoring Plan (ESMMP) in compliance with international standards. This plan, however, has likewise not been disclosed.

A dam engineer working on another hydropower project in Laos commented on the water leak happening at the Nam Theun 1 dam *"Water leaking from the side wall's rocky crevices is not normal and is a clear sign that the geological composition of the area surrounding the dam is too porous and not suited for holding millions of cubic meters of water."* *"Proper studies in the development phase could have easily come to this conclusion,"* he added anonymously.^[12]

Instead of publishing such studies, the Lao government continues with its plan to expand its hydropower portfolio,[13] despite the dangers presented by extreme weather incidents related to climate change.[14] The overflowing of hydropower dams on the Nam Ou River and consequent floods following the tropical depression Mulan in August 2022[15] are a stark warning of the future risks that hydropower development will bring to landlocked Laos.

Poor attempts to fix the situation

One month after NT1PC's vow to address the seepage and conduct further probe, the company claimed to have now partially stopped the leak without providing proof or explanation on the nature of the repair.[16] According to some employees on the Nam Theun 1 dam who wished to remain anonymous for security reasons, the company grouted the leak with chemical products.[17] Generally, grouting can only be effective in combination with proper reinforcement procedures that eliminate the actual cause of the leak.[18] At this stage, it would be critical for the company to inform the public about its Emergency Action Plan (EAP) for dam safety and whether the measures taken to repair the leak are viable and long-term solutions guaranteeing the protection of the environment and the lives of local communities.

Lack of corporate accountability

In spite of the many parties involved,[19] none has been proactive in providing the general public with regular and adequate information on the incident. The Lao and Thai governments have prioritized profit over people and the planet and have consistently failed to seriously address the incident by demanding a transparent investigation from NT1PC and other implicated companies. *"While the Thai government adopted a National Action Plan on Business and Human Rights in October 2019[20] to promote sustainable responsible business of companies inside Thailand and Thai companies abroad, this is clearly not enough. Laos and Thailand are both lacking mandatory human rights due diligence legislation and measures that would effectively regulate business activities, prevent and mitigate future risks of business operations, and hold corporations into account for the harms caused to local communities,"* said Emilie Palamy Pradichit, Founder and Executive Director of Manushya Foundation. In addition to both governments' inaction, the recent torrential rains and flash floods in parts of the country only add to the worries of the local residents.[21]

Despite the dam's numerous drawbacks and ongoing leak, and local communities' fears, the hydropower plant officially kicked off commercial operation on 12 August 2022.[22] In the official notification, Mr. Thepparat, EGCO Group's President commented that the hydropower project is in line with the group's sustainable growth diversification strategy.[23] The statement comes out as highly ironical in light of the recent events, where the cracks might leave Nam Theun 1 as an environmental ticking time bomb waiting to collapse.

Urgent need for a Just, Inclusive, Green and Feminist Transition with local communities at the center

Laos' heavy reliance on hydropower, combined with insufficient environmental impact assessments, has grown increasingly unsustainable. *"With an ambitious target of 100 constructed hydropower plants in the country by 2030, [24] it is crucial that the Lao government, through legislative means, strengthen companies' due diligence and compel them to conduct a thorough Environmental and Human Rights Impact Assessment for each project."* said Emilie Palamy Pradichit. *"The Lao government must stop trading its people's safety for economic development. It is time Lao authorities put people and the environment over profit and shift to a Just, Inclusive, Green and Feminist Transition,"* she concluded.

Ensure safety and effective access to information of communities living near the Nam Theun 1 dam

Manushya Foundation calls on the Lao and Thai governments as well as the implicated companies, including the developers, investors, lenders and contractors, to take immediate action to effectively address the leak, to guarantee public access to information regarding the incident and to take every necessary step to ensure that ongoing and future environmental impact assessments are conducted thoroughly and transparently with effective public participation of local communities. We also urge both governments to stand up to their international human rights obligations to foster a fair, inclusive and sustainable economic development that benefits all and not only the richest 1%.

Background

As is the case with numerous other hydropower projects in the Lao PDR, international organizations had been wary of the Nam Theun 1 and called for thorough assessments of environmental and human rights impacts prior to its construction.[25] Lack of transparency is a recurring issue in Lao-backed development projects. Lao authorities frequently restrict access to impact assessment findings if not altogether neglect to conduct such assessments, despite being obliged by its own domestic law.[26] A case in point is the Luang Prabang hydropower project initiated in 2019. Experts from the Mekong River Commission discovered that affected communities were entirely excluded from public consultations while construction was underway, and environmental impact assessments were never carried out.[27]

Nam Theun 1 dam Hydropower Project Corporate Structure

The Nam Theun 1 dam Hydropower Project brings together many stakeholders within a multi-scale and multi-level organization.

Through a concession agreement, NT1PC was authorized by the Lao Government to develop, own and operate the Nam Theun 1 Hydropower Project.[28] NT1PC is a joint-venture owned by four stakeholders: Phongsack Group or PSG (32 %), Chaleun Sekong Energy Company or CSE (28%), Electricity Generating Public Company of Thailand or EGCO (25%), and EDL-Generation Public Company (15%)[29]

To conduct civil and hydro-mechanical works for the project's construction, NTPC1 contracted in December 2016 three companies who formed the CMC/ITD/SONG DA joint-venture: the Italian-based Cooperative Muratori & Cementisti - C.M.C di Ravenna (40%), the Italian-Thai Development Public Company Limited (30%) and the Vietnamese state-owned Song Da Corporation (30%).[30]

The 1.3-billion-dollar project is financed by a consortium of Thai banks including Bangkok Bank, the Export Import Bank of Thailand, Siam Commercial Bank, and TISCO Bank.[31]

Finally, in accordance with the Power Purchase Agreement signed with NT1PC, 80% (520 MW) of the electricity generated by the dam will be sold to the Electricity Generating Authority of Thailand (EGAT) while Électricité du Laos (EDL) would purchase the remaining 20% (130 MW). [32]

All you need to know about Manushya Foundation's previous work on Laos, the Attapeu dam collapse and our campaign to [#FreeMuay](#) from jail:

- [News release](#): *Laos must undertake transparent and independent investigation to ensure effective remedies for the victims of the dam collapse – and Thailand should also bear responsibility*, 20 August 2018;
- [Statement](#) of the Thai Business & Human Rights Network on the Lao Dam Collapse, 20 August 2018;
- [Manushya Foundation's Submission](#) to the UN Special Rapporteur on Extreme Poverty and Human Rights on the situation in Lao People's Democratic Republic (PDR), March 2019;
- [Joint Submission](#) with the Asia Indigenous Peoples Pact (AIPP) to the UN Universal Periodic Review (UPR) for Lao PDR Third UPR Cycle, 21 July 2019;
- [Joint Statement](#): *One year after Xe Pian-Xe Namnoy dam collapse, civil society from Korea and the Mekong call for immediate accountability and redress*, 23 July 2019;
- [Manushya's Foundation UPR Factsheet to inform Lao PDR's Third UPR](#): Overview of the Human Rights Situation in Lao PDR – Legal Framework, Challenges, Case Studies & Community-led UPR Recommendations, January 2020.
- [#Freemuay from jail in Laos](#): Campaign to Free Lao woman human rights defender Ms. Houayheuang Xayabouly (Muay) and stop the human rights violations against her.
- [Joint Complaint to the United Nations on the Human Rights Violations faced by Ms. Houayheuang Xayabouly \(Muay\), Lao Woman Human Rights Defender](#), 30 March 2020.
- [Joint Individual Complaint to the United Nations Working Group on Arbitrary Detention \(UNWGAD\) concerning the case of Houayheuang \("Muay"\) Xayabouly](#), 15 December 2020.
- [Follow-up UN Complaint](#) to seek Justice for the Survivors of the Xe-Pian Xe-Namnoy Dam Collapse, in Attapeu Province, Laos, 28 February 2022.
- [News Release](#): *Lao Government and Implicated Companies Must Deliver Justice for Survivors of 2018 Attapeu Dam Collapse*, 26 July 2022.

For media enquiries, please contact Manushya Foundation at WeAreManushyan@manushyafoundation.org

1. Manushya Foundation, News Release: *Lao Government and Implicated Companies Must Deliver Justice For Survivors of 2018 Attapeu Dam Collapse*, (26 July 2022), available at: <https://www.manushyafoundation.org/laogovernment-and-implicated-companies-must-deliver-justice-for-survivors-of-attapeudamcollapse>; Radio Free Asia, *Unease downstream despite assurances that leaking Lao Nam Theun 1 is safe*, (20 July 2022), available at: <https://www.rfa.org/english/news/laos/dam-worry-07202202183610.html>; Joseph Akaravong Facebook Page, Public posts of 16 July 2022 sharing the accident at the Nam Theun 1 dam, (16 July 2022), available at: <https://bit.ly/3BhgjSu> and <https://bit.ly/30b4em7>; Thai PBS News, สทท.ประเมินเขื่อนน้ำเทิน 1 ในลาวรั่วซึมจากการก่อสร้าง ไม่กระทบน้ำโขง, (17 July 2022), available at: <https://news.thaipbs.or.th/content/317589>; Office of the National Water Resources Facebook Page, Public post of 17 July 2022 regarding the accident at the Nam Theun 1 dam, (17 July 2022), available at: <https://www.facebook.com/onwrnews/posts/pfbid02Xm3NnRrhgBL7Jtmxsrvb9fFnYSF7BBX1Y292pzD1nt8sSXHoc2WoJKBidrnYrFHSI>
2. See Manushya Foundation, *Follow-Up UN Complaint to seek Justice for the Survivors of the Xe-Pian Xe-Namnoy Dam Collapse in Attapeu Province, Laos*, (28 February 2022), available at: <https://www.manushyafoundation.org/followup-un-complaint-on-attapeu-xpxn-dam-collapse>
3. Nam Theun 1 Power Company, *Project Overview*, (2018), available at: <https://www.nt1pc.com/>
4. EGCO Group, *History*, (2017), available at: <https://www.egco.com/en/corporate-profile-history>
5. Chaleun Sekong Energy Company Limited (CSE), *Nam Theun 1 (General Information)*, (2022), available at: <https://csenergy.la/our-business/hydropower-plants/power-plants-under-construction-2/nam-theun-1-2/?lang=en>
6. RFA Lao, *Unease downstream despite assurances that leaking Lao Nam Theun 1 is safe*, (20 July 2022), available at: <https://www.rfa.org/english/news/laos/dam-worry-07202202183610.html>; Electricity Generating Public Company Limited or EGCO Group, *Clarification of Water Leak of Nam Theun 1 Hydropower Project at Lao PDR*, (17 July 2022), available at: <https://www.egco.com/en/news-update/2022/statement-namtheun1>; Bangkok Post, *Laos dam leaks normal, says Thai partner*, (18 July 2022), available at: <https://www.bangkokpost.com/business/2348408/laos-dam-leaks-normal-says-thai-partner>
7. Nam Theun 1 Power Company, *Project Overview*, (2018), available at: <https://www.nt1pc.com/>; EGCO Group, *EGCO Group Expands its Portfolio in Lao PDR as Shareholders' Agreement and PPAs of "Nam Theun 1" Hydropower Project Successfully Reached*, (25 September 2017), available at: <https://www.egco.com/en/news-update/2017/nam-theun-1-ppa-signing>
8. Such practices have been denounced by a group of 37 Lao villagers negatively impacted by the Xayaburi dam in Laos, who brought to Thai courts the power purchase agreement between the Xayaburi dam and EGAT buying 95% of the energy produced there. On 17 August 2022, the Supreme Administrative Court in Bangkok issued a verdict dismissing the villagers' claim. See Panu Wongcha-um, *Thai court throws out decade-long legal fight over Laos dam*, (17 August 2022), available at: <https://www.reuters.com/world/asia-pacific/thai-court-throws-out-decade-long-legal-fight-over-laos-dam-2022-08-17/>
9. Information was obtained through a private conversation with employees of the dam and local residents.
10. RFA Lao, *Lao power officials say no danger from 'seepage' at Nam Theun 1 Dam*, (18 July 2022), available at: <https://www.rfa.org/english/news/laos/dam-seepage-07182022181706.html>
11. Nam Theun 1 Power Company, *Environment*, available at: <https://www.nt1pc.com/environment/environment-4/>
12. Information was obtained through a private conversation with the expert.
13. Vientiane Times, *Conflict over power generation in 3 dams ruled out*, (16 December 2020), available at: https://www.vientianetimes.org.la/freeContent/FreeContent_Conflict_244.php
14. ProCEED - Promotion of Climate-related Environmental Education, *10 Facts on Climate Change in Lao PDR*, available at: <https://www.giz.de/en/downloads/giz2014-en-10-facts-climate-change-laos.pdf>
15. Vientiane Times, *Overflow alert issued for Mekong communities*, (15 August 2022), available at: https://www.vientianetimes.org.la/freeContent/FreeContent2022_Overflow156.php
16. RFA, *Leak 'partially fixed' at Laos' Nam Theun 1 Dam*, (10 August 2022), available at: <https://www.rfa.org/english/news/laos/dam-08102022140955.html>
17. Information was obtained through a private conversation with employees of the dam and local residents.
18. SMAR 2019 - Fifth Conference on Smart Monitoring, Assessment and Rehabilitation of Civil Structures, *Use of cement-based grouts in the rehabilitation of concrete dams: a review by João Ricardo Marques Conde Da Silva*, (2019), available at: <https://www.ndt.net/article/smar2019/papers/We.2.B.8.pdf>
19. Please refer to the 'Background' section of the release for more detailed information regarding the corporate structure of NTIPC.
20. Rights and Liberties Protection Department, Ministry of Justice of Thailand, *1st National Action Plan on Business and Human Rights in Thailand (2019-2022)*, (October 2019), available at: <https://www.undp.org/asia-pacific/bizhumanrights/publications/first-national-action-plan-business-and-human-rights-thailand>
21. The Star, *Lao weather bureau issues flood, landslides alert*, (10 August 2022), available at: <https://www.thestar.com.my/aseanplus/aseanplus-news/2022/08/10/lao-weather-bureau-issues-flood-landslides-alert>
22. Market Screener, *EGCO Group Kicks off Commercial Operation of "Nam Theun 1" Hydropower Plant to Supply Electricity to EGAT*, (14 August 2022), available at: <https://www.marketscreener.com/quote/stock/ELECTRICITY-GENERATING-6492378/news/Electricity-Generating-EGCO-Group-Kicks-off-Commercial-Operation-of-Idquo-Nam-Theun-1-rdquo-Hydr-41313426>
23. Market Screener, *Electricity Generating: 15 August 2022 Notification of Commercial Operation Date of Nam Theun 1 Hydropower Project under Power Purchase Agreement with Electricity Generating Authority of Thailand*, (15 August 2022), available at: <https://www.marketscreener.com/quote/stock/ELECTRICITY-GENERATING-6492378/news/Electricity-Generating-15-August-2022-Notification-of-Commercial-Operation-Date-of-Nam-Theun-1-Hyd-41313329/>
24. Vientiane Times, *Conflict over power generation in 3 dams ruled out*, (16 December 2020), available at: https://www.vientianetimes.org.la/freeContent/FreeContent_Conflict_244.php
25. International Rivers, *International Rivers' Letter to Gamuda and EGCO on Nam Theun 1*, (24 January 2008), available at: <https://www.riverresourcehub.org/resources/international-rivers-letter-to-gamuda-and-egco-on-nam-theun-1-3179/>
26. Government of Laos (GOL), *Decree No. 21/GOAL, Decree on Environmental Impact Assessment*, (31 January 2019), available at: https://data.thailand.opendevlopmentmekong.net/en/laws_record/decree-on-environmental-impact-assessment (Lao) https://fleglaos.com/wp-content/uploads/formidable/5/Decree-on-EIA-No.21-dated-31Jan2019_ENG.pdf (English)
27. Manushya Foundation, *3rd UPR Cycle of Lao PDR - UPR Factsheet - Business and Human Rights in Lao PDR (page 3)*, available at: <https://www.manushyafoundation.org/lao-pdr-upr-factsheets>
28. Nam Theun 1 Project Company Limited, *Project Overview*, (2018) available at: <https://www.nt1pc.com/>
29. Chaleun Sekong Energy Company Limited (CSE), *Nam Theun 1 (General Information)*, (2022), available at: <https://csenergy.la/our-business/hydropower-plants/power-plants-under-construction-2/nam-theun-1-2/?lang=en>
30. Italian-Thai Development Public Company Limited, *18 January Contract Signing for Nam Theun 1*, available at: <https://www.itd.co.th/document-file/ir/18%20January%202017%20Contract%20Signing%20for%20Nam%20Theun%201.pdf>
31. Clifford Chance, *Clifford Chance advises on US\$1 billion Nam Theun 1 Power Project in Laos*, (3 April 2018), available at: <https://www.cliffordchance.com/news/news/2018/04/clifford-chance-advises-on-us-1-billion-nam-theun-1-power-projec.html>
32. Nam Theun 1 Power Company, *About Us*, (2018), available at: <https://www.nt1pc.com/about-us/>; Asian Development Bank, *Lao People's Democratic Republic: Energy Sector Assessment, Strategy and Road Map*, (November 2019), available at: <https://www.adb.org/sites/default/files/institutional-document/547396/lao-pdr-energy-assessment-2019.pdf>; Phayboune Thanabouasy, *Laotian Times, Nam Theun 1 Hydropower Project Now 85 Percent Complete*, (6 April 2021), available at: <https://laotiantimes.com/2021/04/06/nam-theun-1-hydropower-project-now-85-percent-complete/>



About Manushya Foundation

Manushya Foundation was founded in 2017 with the vision to build a movement of Equal Human Beings *#WeAreManushyan*. Manushya is an intersectional feminist human rights organization reinforcing the power of humans, in particular women, human rights defenders, indigenous peoples, forest-dependent communities, environmental defenders, LGBTI groups, and Youth, to be at the heart of decision-making processes that concern them and to speak truth to power at the forefront of their fight for Human Rights, Equality, Social Justice and Peace. Through coalition building, capacity building, community-led research, advocacy and campaigning, and sub-granting, local communities become Agents of Change fighting for their rights and providing solutions to improve their lives and livelihoods, pushing back on authoritarian governments and harmful corporations. Manushya defends local communities and seeks justice with them before the United Nations, focusing on women's rights and gender equality, digital rights, climate & environmental justice, and corporate accountability across Asia.

For further information on the work of Manushya Foundation, visit:

<https://www.manushyafoundation.org/>