

# Theun–Hinboun Power Company’s Monitoring System Still Shrouded in Secrecy

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In May 2014, the General Manager of the Theun - Hinboun Power Company (THPC), Mr. Robert Allen, was appointed as chair of the Lao

[Hydropower Developers' Working Group](#)

([http://www.ifc.org/wps/wcm/connect/lao\\_ext\\_content/sustainable\\_hydropower/sustainability\\_hydropower/news/hydropower+developers+working+group+appoints+governance+committee+and+pr](http://www.ifc.org/wps/wcm/connect/lao_ext_content/sustainable_hydropower/sustainability_hydropower/news/hydropower+developers+working+group+appoints+governance+committee+and+pr)

. The Working Group, which is a platform for dam companies established by the World Bank Group’s International Finance Corporation and the Lao National Chamber of Commerce and Industry, aims to support companies to “develop hydropower that meets environmental and social best practices” and “improve environmental and social risk management.” Yet, despite Mr. Allen assuming a leadership position in the Working Group, his own company has yet to follow international standards and principles of accountability.

THPC’s 220MW Theun-Hinboun Expansion Project (THXP) began operations in December 2012 and was built as an addition to the original 220 MW Theun-Hinboun Hydropower Dam in central Laos. It effectively doubles the amount of water diverted into the Hai and Hinboun rivers, exacerbating downstream erosion, flooding and sedimentation of the Hinboun river. According to THPC’s estimates, over 55, 000 people have been affected by the expansion project’s upstream, downstream and reservoir inundation zone areas.

## Sideline Principles of Best Practice?

In contrast to the company’s enthusiastic public relations exercises celebrating the sponsorship of the September 2014 meeting of ASEAN Energy Ministers and community events at resettlement sites, THPC has kept the public in the dark about the process of monitoring the environmental and social impacts of the THXP to which they have committed. Notably, they have avoided issuing any comment on whether or not they will uphold industry best practice on this matter. The commitment to establish independent oversight with the development of a Panel of Experts (PoE) was outlined in the expansion project’s Resettlement Action Plan (RAP) as follows:

*“The mandate [of the PoE] is to provide GoL and the THXP with an independent assessment and review of environmental and social issues associated with the Project. The PoE is required to act independently of both GoL and THPC and in accordance with relevant ADB guidelines related to the environment and social aspects.” (Part 1, Section 8.8.3)*

While it was commendable that THPC initially pledged to develop a PoE at a time when only one other large-scale dam company in Laos had taken a similar initiative, it currently appears to be a promise on paper rather than a meaningful commitment to implementation. Accordingly, THPC has agreed in writing to use the social and environmental safeguard standards of the Asian Development Bank (ADB) as the reference point for project monitoring. Yet, since August 2013, the company has repeatedly disregarded correspondence about the PoE from civil society groups, including International Rivers, requesting improved transparency and calling for compliance with the principles of best practice developed by the World Commission on Dams (Guideline 22 on Independent Review Panels for Social and Environmental Matters). THPC’s [website](http://thpclaos.com/index.php?option=com_content&view=article&id=38&Itemid=204&lang=en) ([http://thpclaos.com/index.php?option=com\\_content&view=article&id=38&Itemid=204&lang=en](http://thpclaos.com/index.php?option=com_content&view=article&id=38&Itemid=204&lang=en)) has also failed to provide further updates on the matter, apart from a one sentence description and a broken hyperlink to the PoE’s terms of reference (as of 27 October 2014).

## Recommendations From Independent Study and Affected People Ignored

This year, International Rivers commissioned an independent [assessment](#) ([node/8348](#)), of the current social and economic plight of villagers living downstream from the Theun – Hinboun Expansion Project. The report’s findings and its recommendation of the importance of establishing an independent PoE, appear to have been wholly ignored by THPC. The report recommended that as a first step, a PoE should conduct an evaluation of reparations owed to villagers for lost fisheries and living aquatic resources, while also assessing economic losses due to riverbank erosion and flooding in order to calculate corresponding compensation for land and assets lost. The report also suggested that the PoE could develop guidelines and procedures for temporarily turning off the dam’s turbines during times of exceptional rainfall, in order to help minimize risks faced by downstream communities. In failing to respond to this report, THPC has essentially snubbed the perspectives of the very people affected by their two dam projects, whose viewpoints formed the basis of the study’s recommendations.

Matters that will determine whether THPC’s PoE will be accountable to affected people, while simultaneously being able to alert the company, financiers, and the public to emerging concerns have yet to be answered. Several critical questions regarding the PoE remain up in the air, including:

- (a) if the Panel’s reports will be made publicly accessible in both English and Lao languages online, as well as in print in THPC site offices;
- (b) if the Panel will have the autonomy to examine issues of social, environmental, health and cultural concerns that are not limited to the scope of the current THPC Social and Environmental Division’s Monitoring Program; and
- (c) if the Panel can be retained over the entire duration of the project’s Concession Agreement.

It is yet to be seen whether THPC, as a company that prides itself on going “[beyond its legal obligations](http://www.thpclaos.com/index.php?option=com_content&view=article&id=157&Itemid=374&lang=en),” will take their responsibilities outlined within the resettlement action plan along with the public’s expectations of transparency and accountability seriously. As a first step, THPC will need to provide clear assurances that the



composition of the membership, particular indicators to be assessed, and reports of the PoE will be available in both Lao and English text and widely accessible to the public.

**Date:**

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[\(/sites/default/files/styles/600-height/public/images/blog\\_entry/Tanya%20Lee/family\\_in\\_theun-hinboun\\_relocation\\_village.jpg?itok=bXelKxOF\)](http://sites/default/files/styles/600-height/public/images/blog_entry/Tanya%20Lee/family_in_theun-hinboun_relocation_village.jpg?itok=bXelKxOF)

***Will THPC's Panel of Experts be accountable to the families who live upstream, downstream and around the reservoir of the company's expansion project?***

Credit: International Rivers