



LMI: Sustainable Hydropower in the Mekong Basin

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Photo: ECO-Asia

Through ECO-Asia, USAID helps develop new tools for promoting sustainable hydropower in the Mekong River Basin.

BACKGROUND

The Mekong River plays a central role in the lives of millions of people in South East Asia who depend on it for their food, water, income, and transportation. Yet it is precisely because of its importance that the river faces many challenges as the countries of the Lower Mekong – Cambodia, Laos, Thailand, and Vietnam -- look to the future.

It was with these challenges in mind that the four states of the Lower Mekong Basin (LMB) – Cambodia, Laos, Thailand and Vietnam -- established the Mekong River Commission (MRC) in 1995 to help preserve the river basin’s natural resources and environment and promote regional economic growth. The two are interdependent, for the river is an engine of that growth, and thus growth depends on the river’s health. Yet economic growth demands energy, and many are looking to the Mekong’s huge hydropower potential to supply it. How to balance the region’s need for energy growth and revenues with the protection of the river’s eco-system upon which much of that growth will depend is one of the MRC’s most important and difficult challenges.

There is considerable interest in hydropower development on the Mekong and many proposals for dam construction have been put forward by the four countries and private businesses both on the river’s mainstream and its tributaries. Through its Initiative on Sustainable Hydropower, the MRC works with a range of partners to build their capacity, to conduct targeted studies and to share information to promote more sustainable hydropower in the region.

As part of the Lower Mekong Initiative (LMI), the U.S. Agency for International Development (USAID) works with the four states of the Lower Mekong Basin and the MRC, providing technical assistance and capacity building through strategic tools and studies.

PROGRAM ACTIVITIES IN THE LOWER MEKONG BASIN

Participating Countries: Cambodia, Laos, Thailand, and Vietnam

Part of the LMI, ECO-Asia is a \$29 million, seven-year regional project of USAID which was started in 2005 to promote sound environmental governance in Asia. Two of the project’s key components are described below.



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USAID supports the MRC in promoting improved planning processes and transboundary collaboration in the Lower Mekong Basin.

Rapid Basin-Wide Hydropower Sustainability Assessment Tool

In partnership with the MRC, Asian Development Bank and World Wildlife Fund, USAID is supporting development of the Rapid Basin-wide Hydropower Sustainability Assessment Tool (RSAT), a process to assess planned hydropower projects in a basin-wide context. Initiated in 2008, the RSAT enables practitioners and various partners in the LMI region to assess the economic, social and environmental impact of hydropower projects for an entire river basin.

The RSAT process is designed for a wide range of users including decision-makers, government agencies, hydropower developers, development banks, the MRC, and national river basin commissions. Based on the results from case studies conducted in river basins in Cambodia, Laos, Thailand and Vietnam in 2011, the MRC will use RSAT to evaluate LMB projects.

Assessing the Costs and Benefits of Hydropower Development

In 2011 USAID financed a report by Portland State University (PSU) and Mae Fah Luang University (MFU) in Chiang Rai, Thailand to support better water resources planning in the Mekong Basin by building on the MRC's Basin Development Plan (BDP) and the Strategic Environmental Assessments (SEA) of various proposed mainstream dams. The report assesses additional aspects of the costs and benefits of hydropower development in the mainstream Mekong by conducting sensitivity analyses of the losses and gains of key ecosystem services.

The report also applies a broader range of methods to deal with the valuation of these services and of projected benefits of development and shed more light on potential risks and uncertainties. Apart from providing additional information for policy makers in the region, the report aims to assist the MRC in further reconciling BDP and SEA findings, while offering methodological suggestions for consideration by the MRC in planning the third phase of the BDP program. Following consultations with the MRC, a copy of the report was posted to the Portland State University web site in July 2011 and left open for public comment for 60 days.

PARTNERS

Implementing Partner: AECOM International Development.

Cooperating Partners: Mekong River Commission, Asian Development Bank, World Wildlife Fund for Nature