

Mekong River Commission
Procedures for Notification, Prior Consultation and Agreement
Form/Format for Reply to Prior Consultation

1. **Replying State(s):** The Socialist Republic of Viet Nam
2. **Date of reply:** 27 March 2019
3. **Replying Ministry(ies)/Agency(ies):**
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5. **Name of the proposed use/project:** Pak Lay Hydroelectric Power Project
6. **Location of the proposed use:**
Km 1829, Pak Lay District, Xayaburi Province, Northwestern Lao PDR
7. **Nature of proposed use:**
 Inter-basin diversion from the mainstream during wet season
 Intra-basin use on the mainstream during dry season
 Inter-basin diversion of the surplus water from the mainstream during dry season
8. **Date of receipt of the documents:** 13 June 2018
9. **Reply to proposed use:**

Viet Nam takes note and express high appreciation to the Government of Lao PDR for its cooperation and responsibility in implementing the 1995 Agreement on Cooperation for Sustainable Development of the Mekong River Basin and the Procedures for Notification, Prior Consultation and Agreement of the Mekong River Commission by submitting their proposals to exercise the required Prior Consultation process for their hydropower projects planned on Mekong mainstream, with the Pak Lay Hydropower Project as the most recent. During the Prior Consultation for Pak Lay Hydropower Project, Viet Nam do appreciate the efforts of Government of Lao PDR in sharing data and documents related to the Project, organizing field trips, conducting additional assessments and studies, and always showing willingness to accommodate the contributing inputs and comments from relevant stakeholders in the region.

The Prior Consultation process for Pak Lay Project takes place in a favorable context of the Mekong cooperation, especially when MRC Member's Leaders, in the Siem Reap Declaration at the 3rd Summit of the Mekong River Commission (April, 2018), noted that "while Mekong River Basin development has been essential for economic growth of riparian countries, it also yielded adverse environmental and socio-economic impacts including trans-boundary impacts that need to be jointly addressed". The Mekong River Commission has also reached an important milestone in its endeavor of implementing the Mekong Agreement 1995 by, for the first time, achieving a consensus on a Mekong mainstream hydropower project (in a Joint Statement for Pak Beng Hydropower Project), and is now on track to implement it. Additionally, our basin is witnessing increasing impacts of climate change and the growing concern from regional communities on the dual impacts of development activities and climate change to the downstream region.

Basing upon recommendations from the MRC Secretariat's Technical Review Report, outcomes of regional and national consultations, lessons learned from the MRC's Council Study on Sustainable Management and Development of the Mekong River, including the impacts of the mainstream hydropower projects, as well as inputs from international and regional experts and from our own studies, it came to our findings that the Project's documents submitted by the Developer were not entirely satisfactorily, notably in not mobilizing all reliable and available sources from the MRC data, introducing some inappropriate analyses/assessment methods, proposing design's mitigation measures lacking proven demonstration of their efficiency and effectiveness, and having yet to develop a comprehensive monitoring programme for

both construction and operation stages. In addition, like previous consultation processes for Mekong mainstream hydropower projects, Viet Nam also shared the views of international experts given in the MRC Technical Review Report that there were still lacking appropriate and comprehensive assessments for trans-boundary and cumulative impacts. The above-mentioned limitations in the documents have posed difficulties to the efforts of the Mekong River Commission and notified countries to thoroughly assess the cumulative impacts of Pak Lay Project in the operation of the cascade of all Mekong mainstream hydropower projects of the upstream countries. Additionally, according to the outcomes of the aforementioned studies, the accumulative impacts of mainstream hydropower cascade would be very severe, causing environmental and ecological catastrophes and damages firstly on Lao PDR's territory as the recent incident of Xe Pian Xe Namnoy Project in southern Lao PDR, before spreading further to the downstream, particularly to the Mekong Delta's parts of Viet Nam amid the increasing impacts of climate change, drought and salinity intrusion in this area.

Having thoroughly studied and assessed the submitted Project's documents, Viet Nam kindly recommends that the Government of Lao PDR, in close collaboration with the MRC Secretariat, spend more time and resources on additional activities of data collection, enhancement of applied impact assessment in order to handle the trans-boundary and cumulative impacts of mainstream hydropower projects in a more comprehensive manner, further verification of the effectiveness of the proposed mitigation measures, improvement of the structure designs and application of widely recognized modern and advanced technologies, development of a comprehensive program for monitoring the impacts of the project during construction and operation stages, establishment of operation rules for the whole hydropower cascade, and conducting of additional studies.

It is also Viet Nam's recommendation that the above-mentioned actions needed to be undertaken before the project's ground-breaking should base upon the objective and scientific MRC outputs, particularly those from the MRC Council Study and related MRC's technical guidelines on the design of the mainstream hydropower projects and technical guidelines on the trans-boundary environmental impact assessment. Viet Nam also suggests that Lao PDR regularly update other Member Countries on the follow-up activities of the Pak Lay Hydropower Project and realization of the Joint Statement on Prior Consultation Process for the Pak Beng Hydropower Project. Viet Nam wishes that all MRC Member Countries would

promote the Mekong cooperation spirit from the consultation of the Pak Beng Project in order to make decisions with highest responsibility toward reaching a consensus once again for the Pak Lay Hydropower Project.

With the global trend of seeking alternative energy sources, Viet Nam is of the view that the MRC should further its efforts in exploring the potential of renewable, clean and environment-friendly energy sources in the Mekong River Basin, such as wind and solar powers, as replacements for hydropower in the future. The effort would not only meet the energy security demand of the riparian countries, but also contribute to the protection and sustainable utilization of Mekong water resources as well as preventing negative impacts on people's livelihoods.

Taking this opportunity, with the spirit of close cooperation and neighbors, Viet Nam wishes to reaffirm once again its support to the efforts and plans for socio-economic development of all MRC Member Countries. Moreover, Viet Nam is committed to preserving the special friendship with the Mekong riparian countries and the essential common values of the Mekong River that require our joint preservation efforts. Viet Nam wishes to join all other Mekong Riparians, including Lao PDR, to manage and utilize the Mekong water resources in an efficient and sustainable manner for the common benefits of all inhabitants in the basin, the future of next generations, and the invaluable solidarity among the riparian countries./.