

# Largest dam heralds 'new era' for poor Laos: ADB

December 9 2010

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This handout picture released by the Asian Development Bank (ADB) on December 9, 2010 shows the Nam Theun 2 power station located in Laos' Khammouane province. The largest hydropower project in poverty-stricken Laos has opened a "new era" in the country's development, the ADB said Thursday.

The largest hydropower project in poverty-stricken Laos has opened a "new era" in the country's development, the Asian Development Bank (ADB) said Thursday.

"The importance of this hydroelectric project to the Lao economy cannot be overemphasised," Haruhiko Kuroda, the ADB president, said at a ceremony to formally inaugurate the Nam Theun 2 power station.

It signals "a new era for growth, development and poverty reduction" in the country, according to a statement from the bank.

After five years of construction and development costs of more than 1.4 billion dollars, the plant began supplying neighbouring Thailand with power in March.

The project on the Nam Theun River, a tributary of the Mekong, will contribute two billion dollars to the Lao treasury over its first 25 years of operation, according to the company operating the facility.

With a generating capacity of 1,070 [megawatts](#), the development is jointly owned by communist Laos, Electricite de France, and the Electricity Generating Public Company of Thailand.

"Funds are earmarked for primary education and health service improvement, rural electrification, and other nationwide poverty alleviation programmes," said the ADB.



This handout picture released by the Asian Development Bank (ADB) on December 9, 2010 shows a woman walking near the Nam Theun 2 power station located in Laos' Khammouane province. After five years of construction and

development costs of more than 1.4 US billion dollars, the plant began supplying neighbouring Thailand with power in March.

According to an advance copy of his speech, Kuroda said the project will also reduce Laos's dependence on international aid and contribute to deeper integration of the surrounding Greater Mekong area.

Laos, a rural-based society highly reliant on foreign donors, has a population of about six million.

The ADB said the power project will contribute seven to nine percent of the country's national budget and approximately three percent of [gross domestic product](#) (GDP) growth.

GDP last year was almost 5.6 billion dollars.

However, environmentalists have long-opposed the Nam Theun 2 project.

US-based watchdog International Rivers says there are still questions about the sustainability of livelihoods for the more than 6,000 villagers relocated for the dam, and tens of thousands more downstream.

"It's way too early to call this project a success," said Ikuko Matsumoto, Lao programme director for the group.

The ADB said the vast majority of relocated villagers consider their lives better.

"There are, of course, still challenges ahead to ensure sustainable livelihoods for affected people, monitor and respond to downstream

impacts and protect the watershed area, which represents one of the few remaining wildernesses in the planet," Kuroda said.

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Citation: Largest dam heralds 'new era' for poor Laos: ADB (2010, December 9) retrieved 26 April 2024 from <https://phys.org/news/2010-12-largest-heralds-era-poor-laos.html>

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