

---

## [Vietnam: Swedish involvement in dam that will hit Cambodians](#)

Built at a cost of \$1 billion on the Se San River in Vietnam, the Yali Falls dam has caused devastating impacts on downstream communities in Cambodia (see WRM Bulletin 42). At least 32 people have drowned in flash floods caused by sudden releases of water from the dam and villagers have lost livestock, crops and fishing equipment. Poor water quality in the river has led to skin rashes and stomach problems for downstream communities. Fisheries in the Se San River have been dramatically reduced. The dam has affected 50,000 people living in the Cambodian provinces of Ratanakiri and Stung Treng.

Despite these problems, Vietnam is building another dam, the Se San 3, about 20 kilometres downstream of the Yali Falls dam. The Vietnam News Agency reported that construction work started at the dam site on 15 June. Communities downstream in Cambodia were not consulted before the Yali Falls dam was built and have not been consulted about the Se San 3 dam.

Two years ago, the Asian Development Bank planned to give a \$80 million loan for the Se San 3 dam, and offered a further \$1.8 million loan to conduct downstream impact studies. In October 2000, however, the Vietnamese government "formally advised ADB that it no longer requires ADB's assistance to proceed", according to the ADB's web-site. The Se San 3 dam is to be funded through \$140 million of loans from four Vietnamese banks and \$100 million from Russia for supplies, equipment and goods manufactured in Russia.

The Swedish consulting firm, SWECO, has played a key role in promoting the Se San 3 dam and is currently employed by Electricity of Vietnam to produce the technical design of the dam.

In November 1997, SWECO (together with Statkraft, the Norwegian state-owned electricity utility) produced a review of the Vietnamese government's Master Plan for hydropower development of the Se San River with funding from Sweden's international cooperation agency Sida. In their report, SWECO and Statkraft's consultants admitted that, "No study has yet been realized on the impacts of hydropower development related to the changing flow conditions in the lower part of the Se San River in Cambodia." Despite this, they recommended that the Se San 3 dam should be built.

In February 1999, SWECO completed a feasibility study on the Se San 3 dam, again with funding from Sida. In a critique of the study, Wayne White of Foresight Associates, pointed out that SWECO had overstated the annual power production of the dam by more than 350 per cent. White explained that in the dry season the reduced outflow from the Yali Falls dam may mean that electricity production at Se San 3 will be even lower. SWECO's river flow figures were based on records from before the construction of the Yali Falls dam, although construction was well underway by 1999 and the dam has completely changed the flow of the river.

SWECO also underestimated the potential cost of the project by as much as 50 per cent. SWECO's feasibility study did not examine the social and environmental problems caused by the Yali Falls dam but stated, "the Se San 3 Hydropower project will not introduce any new type of environmental impact but only extend the prevailing impact further downstream."

---

Based on his analysis of SWECO's study, White concluded that the dam is not economically viable, that the study does not consider the impacts on communities and their environment downstream of the dam in Cambodia, and that the feasibility study does not form the basis for sound investment decision making. Perhaps not surprisingly, given that the company stood to win further lucrative contracts if the dam went ahead, SWECO concluded that the project was feasible.

Sten Palmer, SWECO International's representative in Hanoi, is reluctant to discuss the apparent conflict of interest when a consulting firm gives advice when they may benefit if the project goes ahead. He said, "Our engineers [give] good advice in the best interest of our Client without reflection whether this is advantageous for SWECO or not."

In late 2001, SWECO submitted a proposal to Electricity of Vietnam (EVN) to carry out a study of the hydrological impacts of the Yali Falls dam. The proposed study was intended to model the flow of the river under normal operating conditions of the Yali Falls dam and to study the effects of sudden releases of water from the dam. EVN did not respond to this proposal, according to Palmer.

In January 2002, SWECO won a \$700,000 contract to produce the design, construction drawings and tender documents for the dam. Asked whether SWECO has attempted to apply the World Commission on Dams guidelines and recommendations to the Se San 3 dam, Palmer replied that it is "not at all applicable on the Se San 3 Project, since SWECO's assignment only includes advisory services as sub-consultant on details for the technological equipment".

Villagers in Cambodia are outraged that Vietnam is building another dam on the Se San. In June, Culture for Environment and Preservation Association, a Cambodian NGO, organised a meeting attended by representatives from 30 villages on the Se San River in Cambodia. The Phnom Penh Post reported that a local village woman said at the meeting, "What more can they do to us? Nearly everything has already been destroyed. If they build another dam there will be even more destruction. More people will die."

By: Chris Lang; e-mail: [chrislang@t-online.de](mailto:chrislang@t-online.de)