

OECD Complaint Ends with Mekong Dam Turbine Company Committing to Seek Resettlement Information and Strengthen CSR Policies

Remy Kinna, Mekong Legal Director, Email: remy@earthrights.org

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Today, EarthRights International (ERI) and its allies ended three years of mediated talks advocating on behalf of Mekong River communities who alleged human rights and environmental abuses related to the 1,285 megawatt Xayaburi dam in Laos. These talks ended with the Austrian manufacturer of the dam's turbines, Andritz AG, promising to continue dialogue around alleged negative impacts in the dam's resettlement site and to develop human rights due diligence policies.

The OECD Guidelines for Multinational Enterprises mediation process does not provide an adequate platform to address the economic and political power imbalance between Andritz, one of the biggest hydropower companies in the world, and subsistence farm and fisher folk living along the Mekong River. Despite a frustrating mediation process and lengthy delays, a [Joint Statement](#) was ultimately agreed upon by ERI, [Finance and Trade Watch](#) (FTW), Andritz and a mediating body of the [Organisation for Economic Co-operation and Development \(OECD\)](#). This statement crucially outlines the steps that Andritz will take to address these alleged abuses in regards to information at the resettlement site and improving their internal due diligence policies. The Austrian company is the holder of a \$300 million contract to supply turbines to power the Xayaburi Dam.

Andritz has promised to respect human and environmental rights, as required by OECD guidelines, and to develop human rights policies. ERI and FTW will push the company to fulfill this promise outside of the OECD process. The [Joint Statement](#) will also be an important reference to ensure that Andritz is held to account for alleged human rights violations at the Xayaburi resettlement site.

In April 2014, ERI, FTW, Thai communities along the Mekong River and an international coalition of civil society groups from Thailand, Cambodia and Vietnam [brought a complaint](#) against Andritz under the [OECD Guidelines for Multinational Enterprises](#). [The complaint](#) alleged that the Xayaburi dam risks driving many already-impooverished families into poverty and malnutrition. This complaint initiated a mediation process, facilitated by the OECD National Contact Point (NCP) for Austria, in which communities at the resettlement area and along the Mekong voiced their concerns. ERI advocated strongly in partnership with these communities.

In their [original submission](#), ERI and the co-complainants voiced grave concerns based on a variety of [scientific research](#) and [expert reviews](#) that the project will [lead to increased malnutrition due to impacts on fisheries](#) and to increased income inequality

due to impacts on livelihoods and repeated resettlement of communities. These findings asserted that the dam will likely block nutrient-rich sediment, negatively impact agriculture and may lead to the [extinction of 41 fish species](#). The complainants also alleged that the project will likely [threaten the livelihoods of 200,000 people and the food security of millions of people](#). Despite the independent expert scientific data, throughout the mediation process Andritz consistently denied any negative impacts, especially in relation to the impacts on fisheries along on the Mekong River, one of the largest inland fisheries in the world.

“ERI still considers the Xayaburi Dam to be a very destructive hydropower project,” said Remy Kinna, Mekong Legal Director at ERI. “During three years of negotiations, Andritz hasn’t sufficiently demonstrated how the project will mitigate its huge environmental and human rights impacts on the communities forcibly resettled along the dam site, as well as those who are living along the Mekong that were specified in the complaint. These [communities rely on the river’s biodiversity, fish population and agricultural sediment for food and livelihoods](#).”

In May 2015, International Rivers decided to pull out of the mediation process because it was not as transparent as they believed it needed to be. As the process continued, the OECD mediator, the NCP, proved itself to be an ineffective forum to find resolution. Ultimately, all the parties agreed that the NCP process was no longer an effective way to continue debating most of the environmental and social impacts. In early 2017, the six organizations* that represent communities along the Mekong also chose not to sign the Joint Statement because it did not address key issues with project, especially its [transboundary impacts](#). ERI and FTW fully support these Mekong Complainants and International Rivers in their decisions to withdraw.

“Throughout this drawn out process, ERI, in coordination with Finance and Trade Watch and especially the Mekong civil society groups, has always sought to use this OECD complaint to bring the [stories of communities impacted by the Xayaburi dam](#) to Andritz and the NCP in the hope of having their concerns adequately addressed,” said Kinna. “Their rights and concerns always needed to be at the center of this mediation. Despite presenting first-hand testimonies and [scientific research](#) to support the communities’ grounds for the complaint, Andritz has continually refused to concede on the nature and extent of these very real impacts.”

A key outcome of [today’s announcement](#) is Andritz’ statement that it will support ERI and FTW’s continuing efforts to address resettlement issues, by seeking further information through its contacts with the developer of the dam, Ch. Karnchang, and the Lao government. The company has also promised to adhere to Lao law, including rules [mandating Environmental Impact Assessments](#) and, crucially, the disclosure of information. Andritz has promised to publicly share its new policies on environmental and human rights.

“ANDRITZ HYDRO GmbH acknowledges its obligation to respect international human rights and environmental standards, as laid down in particular in the [OECD](#)

[Guidelines for Multinational Enterprises](#), in its due diligence procedures for all future projects.” - [Final Statement](#) by ERI, FTW, Andritz AG and the Austrian NCP

Kinna said that despite the frustrating process and outcomes for the Mekong communities, the commitments from Andritz to respect human rights in future projects, engage in further dialogue to shape its due diligence policies, and use its contacts with the developers and the Laos government to access additional information in order to address resettlement site issues were key reasons for ERI finally signing on to the [Joint Statement](#). Said Kinna, “ERI, as part of the coalition who filed the complaint on behalf of Mekong communities, now strongly calls on Andritz, in conjunction with the developer Ch. Karnchang and the Laos Government, to enact the NCP’s recommendations and those agreements in the [Joint Statement](#) providing for further information about the resettlement site issues and enacting policies that adhere to the [OECD Multi-national Enterprise Guidelines](#).”

* These organizations are: the Community Resources Center of Thailand, Fisheries Action Coalition Team, Samreth Law Group, Law and Policy of Sustainable Development Research Center, Centre for Social Research and Development, and the Northeast Community Network of 7 Provinces of the Mekong River.