

Press Release: Finland To Investigate Pöyry's Role in Xayaburi Dam

FOR IMMEDIATE RELEASE

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Helsinki, Finland – The Government of Finland has announced plans to investigate the role of the Pöyry Group in the controversial Xayaburi Hydropower Project on the Mekong River in Laos. Since 2011 the Pöyry Group has played an active role in the high-profile, water conflict that has emerged between four Mekong governments over whether or not to build the dam.

“The Pöyry Group has encouraged the controversial Xayaburi Dam to move forward, despite concern among neighboring countries that the project’s impacts have not been fully studied,” said Otto Bruun, Campaign Manager at Siemenpuu Foundation in Finland. “This is part of a larger pattern of unethical behavior in Pöyry’s overseas operations. For years, Pöyry has acted at odds with Finland’s foreign policy in Southeast Asia.”

The investigation follows a complaint brought against Pöyry in June 2012 by fifteen civil society organizations from seven countries.

The complaint alleges that Pöyry violated Finland’s responsible business standards through its involvement in the Xayaburi Hydropower Project, the first of eleven large dams proposed on the Lower Mekong River. In 2010, a scientific study funded by the Government of Finland and led by the Mekong River Commission found that the dams would have dramatic impacts if built—decimating the river’s fisheries and agriculture and affecting up to 40 million people. A 1995 agreement requires the four Mekong governments to seek agreement before deciding whether to build any dams on the river.

“Laos has rapidly advanced construction on the highly destructive Xayaburi Dam, despite ongoing opposition from Cambodia and Vietnam,” said Ame Trandem, Southeast Asia Program Director for International Rivers. “Pöyry has played a central role in this diplomatic conflict, urging Laos to unilaterally move forward and to build the dam without first studying the project’s transboundary impacts as requested by neighboring countries.”

Numerous stakeholders in the Mekong region have raised concerns about Pöyry’s role in the project. Lam Thi Thu Suu, Coordinator of the Vietnam Rivers Network said, “Both Vietnam and Cambodia are in favor of responsible study of the Mekong River before deciding if we should move ahead with any Mekong dams. Pöyry’s misleading information about the impacts of the Xayaburi Dam has prevented joint cooperation from advancing.”

Last week, Vietnam’s Minister of Natural Resources and the Environment urged the Prime Minister of Laos to conduct comprehensive scientific research on the environment impacts of the projects before further construction takes place on the Xayaburi Dam and other Mekong mainstream projects.

Finland’s Minister of Employment and the Economy, Lauri Ihalainen, signed the decision to proceed with the investigation on October 16th and informed the civil society complainants on October 25th.

The Xayaburi Hydropower Project is the most advanced of 11 proposals to construct dams on the Lower Mekong’s mainstream. The project is being built by the Government of Laos and a

Thai company Ch. Karnchang, which will sell the electricity to the Electricity Generating Authority of Thailand.

Despite much disagreement and continuing opposition from Cambodia and Vietnam, construction of the Xayaburi Dam is now ongoing.

The Finnish Ministry of Employment and the Economy functions as Finland's "OECD National Contact Point," a type of complaint mechanism used in OECD countries to raise corporate responsibility concerns with companies' activities abroad. The mechanism provides a "mediation and conciliation platform." Complainants must demonstrate how Pöyry has failed to follow the OECD Guidelines on Multinational Enterprises, which the Government of Finland has committed to uphold and promote.

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More Information

[To read a more detailed summary of Pöyry's role in the Xayaburi Hydropower Project](#)

[To read the complaint to the Finnish government](#)

[For more information about the Xayaburi Dam controversy](#)