

## ‘We’re Talking About Big Projects’ in Mekong

*His Excellency Roland Eng has been Cambodia’s Ambassador to the United States since 1999. From 1994-99, he served as Ambassador to Thailand, Malaysia, and Singapore. Educated in France, Ambassador Eng has been an official of the United Front for an Independent, Neutral, and Peaceful Cambodia (Funcinpec), the party founded by King Norodom Sihanouk, which is now part of a coalition government in Phnom Penh. Ambassador Eng played a leading role in the first-ever summit of the six members of the Greater Mekong Subregion (GMS)—Cambodia, Vietnam, Thailand, Laos, Myanmar and Yunnan Province, China—held in Phnom Penh in November 2002. He was interviewed for EIR by Gail and Michael Billington in Washington on June 10.*

*We also include, at his recommendation, excerpts from a presentation made recently by the Ambassador at a private meeting on Mekong development.*

**Ambassador Eng:** As I emphasized in my presentation on the Mekong project, the [November 2002] meeting in Phnom Penh was a truly historic event. It was the first summit since the Mekong Subregion was created ten years earlier. It was historic also because it was held in Cambodia, a country that had surmounted the tragedy of genocide and decades of war—not only to host such an important summit, but to be a broker for peace in the GMS region, is quite an achievement.

We have achieved especially a code of conduct with China. This was a very important move for China. We had not only ASEAN+3 [the ten members of the Association of Southeast Asian Nations, plus China, Japan, and South Korea], but also ASEAN+India, and ASEAN+South Africa, on behalf of the Non-Aligned Movement. It was fascinating.

Cambodia itself was able to build an important diplomatic bridge during the summit. Chinese Premier Zhu Rongji presided over the signing of a \$12.5 million interest-free loan to Cambodia, and announced that Beijing would write off \$200 million in debts that Cambodia owed China.

The summit also saw the signing of a \$4.5 billion Southeast Asia-wide power grid, with China’s help, which is due to be completed by 2019, and would be the first-ever comprehensive power grid in the region’s history. China also committed more than \$2 billion to the Kunming-Bangkok Highway, and will certainly commit to the completion of the Kunming-Singapore railway line.

The good spirit of the GMS Summit without doubt sent a strong and positive signal to the whole ASEAN+3 summit

over the next days, resulting in the signing of the ASEAN-China Free Trade Area, to be implemented over the next decade—the largest trade agreement in the world, with a combined market of 1.7 billion people and more than \$2 trillion GDP.

Japan was a bit surprised, by the way the Chinese were very smooth. I believe that ASEAN could play a role in connecting the inherently rivaling economic powers of China and Japan.

**EIR:** The Schiller Institute co-sponsored a meeting in India in May, with people from India, China, Korea, and Russia, together with Mr. and Mrs. LaRouche, addressing both the post-Iraq War situation, and the question of the Eurasian Land-Bridge as essential to any solution to the global economic crisis.

**Ambassador Eng:** LaRouche has a long-term vision. There is no secret on that. I’m glad he points out that the infrastructure is so important. This is how Europe built up, you know? You look at Europe today—without the basic infrastructure, you wouldn’t have Europe as it is right now. You have connections between all places—rail, highway, air. You have to have the same here. You can’t leave it out of Laos, or anywhere. This is the key.

Look at Afghanistan. That’s why they are calling so loud for infrastructure. You need road access, or you can’t do anything. Your vegetables will cost twice as much, because of bumpy roads, and many checkpoints. But if you have a highway, you can’t have the local checkpoints, local bribes. That’s a major problem in developing countries. On the road between Phnom Penh and Sihanoukville, in 1991, the road wasn’t finished yet, so we had 72 checkpoints charging “local taxes”! But once we had the highway, built by the U.S.A., we have 1,000 cars a day, and no checkpoints.

**EIR:** The United States built that road? When?

**Ambassador Eng:** It was 1991.

**EIR:** That was before the United States decided it wasn’t going to finance infrastructure any more!

**Ambassador Eng:** Right—just before—it was one of the last things. But the result is there. Look at the legacy of all the roads that the United States built. In Thailand, for example, during the Vietnam War, they built roads to get up to the airbases; but it also meant that people in the middle of nowhere could sell their vegetables, and get to the town to get medicine, and so forth.

**EIR:** You said at the conference here in Washington that there was a powerful will among the ASEAN leaders to proceed with the Mekong project.

If you run into an economic breakdown, together with the change in the United States away from supporting infrastructure, and the general global financial crisis, do you believe there is still the internal will to proceed, through internal financing?

**Ambassador Eng:** You need people with vision, leadership with vision, who can see that it will pay back. This is not a waste. Look at the all the crises in the world. We are sending rice everywhere, grain. This is not just a natural disaster, but we are fighting against poverty. In the fight against poverty, have we won yet? Terrorism is tied to poverty, and drugs. The question right now is the fight against poverty, we have not won it; the fight against drugs, we have not won it. So, how can we win the war against terrorism?

To emphasize this infrastructure building—the ASEAN leaders can see that this is essential.

**EIR:** Such infrastructure is for several generations ahead, not just for tomorrow. Afghanistan is the negative example, where without the infrastructure, it has become again the leading drug producer in the world, despite the U.S. military occupation.

**Ambassador Eng:** We're talking big projects. And there is no more need for major physical studies. All the physical studies have been done over the past 30 years.

**EIR:** What is your reading on the environmental problems in the various projects?

**Ambassador Eng:** As to roads, it should be OK. If you talk about dams, this is another problem. [Cambodia] Prime Minister Hun Sen, at the GMS, in his speech, he emphasized the environmental impact. It was a very strong message to all the leaders. But at the same time, they must be realistic.

**EIR:** Do you think the environmental issues can be met, and still build the dams that are needed for water control, power, and so on?

**Ambassador Eng:** It depends on the sources, who is paying—this will play a big role. If the ADB [Asian Development Bank] guarantees the loan, it can say: "You cannot do this, because the environmental impact will be enormous."

We are confident that nowadays, we have something that 20 years ago we did not have—the impact of the NGOs [non-governmental organizations]. You cannot hide anything, because there are a lot of NGOs everywhere, like in the SARS [sudden acute respiratory syndrome] case in China.

**EIR:** But on the negative side, many of the NGOs are part of the anti-growth movement. Do you think they may actually undermine these developments in some ways?

**Ambassador Eng:** All will have to play a role. Any corpora-



*Cambodian Ambassador to the United States Roland Eng with EIR's Gail Billington. Ambassador Eng played a leading role at the November 2002 Phnom Penh summit on development plans for the six-country Greater Mekong Subregion.*

tion in the world, must take into consideration the return on the investment. If a major project will end up causing damage to the environment, damage the image—remember, with infrastructure, we are engaged in projects that will affect generations. The contract can be reviewed at any time. I'm pretty confident, that as with a banker, they will think twice to make sure it is done right. They cannot afford to ignore that. Corporations are spending a lot of resources, a lot of money, studying the environment.

I am confident that the environmental issues will be answered, and that the projects will proceed.

**EIR:** What is your reading on the issue of blowing out the channels in the river for navigation?

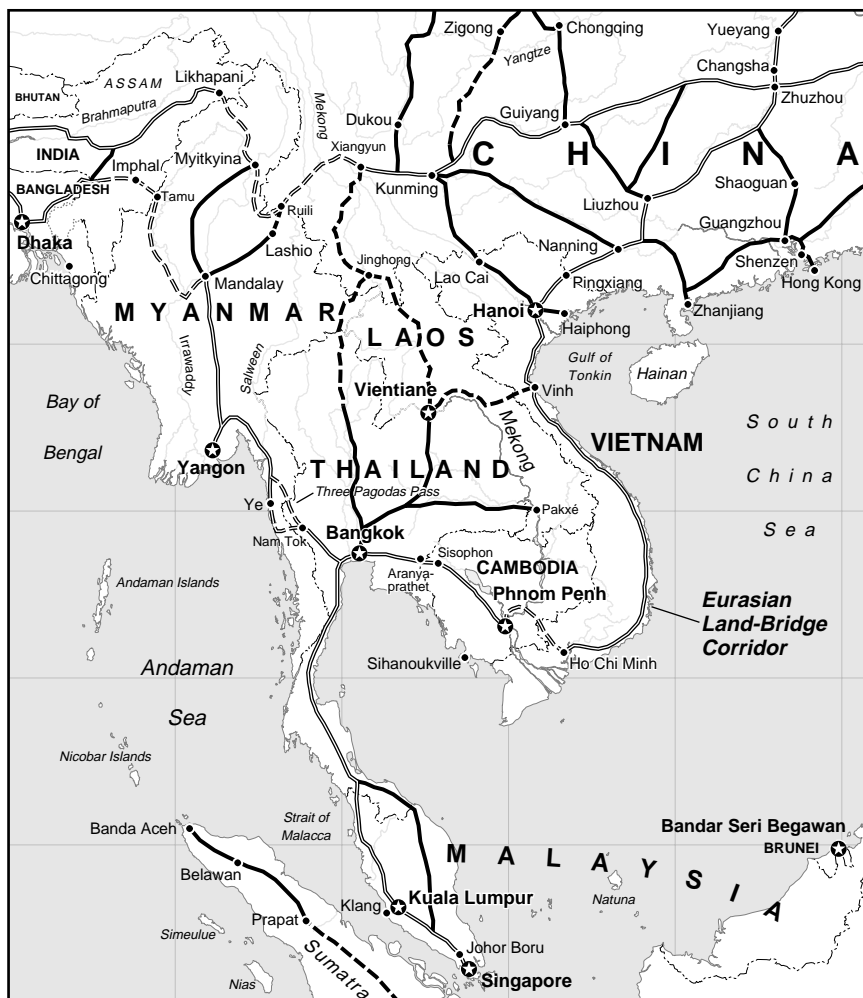
**Ambassador Eng:** From Thailand down, everybody is concerned about the three dams built in China. So far, we just have the assurance of the Chinese. This is a huge responsibility for the Chinese. If this hurts the water resources, or if the dam breaks someday, damaging six countries—can China afford that kind of responsibility? They must be so careful—it is a source of war. Everything is linked to water. It is a major source of conflict, and it will remain a source of conflict throughout the world.

**EIR:** There will be a meeting in July of the Mekong countries to review the clearing of the channel.

**Ambassador Eng:** They must have an enormous PR effort, to make sure people know exactly what is going on, to make it as transparent as possible. In the beginning the IMF [Inter-

FIGURE 1

## Gaps To Be Filled In Southeast Asia Rail Grid



A railroad construction map of the Greater Mekong Subregion countries (which include China's Yunnan Province) shows the stretches to be constructed in the crucial north-south railroad from Kunming, China to Bangkok and into Malaysia; and the southern Eurasian Land-Bridges' gaps in Cambodia, Thailand, and Myanmar.

national Monetary Fund] was going to finance this, but they are saying now they will not. Now the Chinese are doing it themselves. They stand ready to take the heat, to take full responsibility, huge responsibility.

**EIR:** That's one of the reasons that some people in the United States and in the financial institutions don't like China—they refuse to follow the idea of post-industrial society, and are proceeding to act very much the way Franklin Roosevelt did in the 1930s and '40s, using these great projects to transform the country. Many people don't like this, and don't want to see it spread into Southeast Asia.

**Ambassador Eng:** It's too late. Once the three dams start up, we will see the impact. Southeast Asia is still suffering

from flooding; even Thailand, a country as developed as Thailand! It *may* help, but it may damage—we don't know yet. Put yourselves as a Chinese leader: "We're doing this with the taxpayers' money, affecting five other countries." So they must do it right. But we must also have emergency plans, and a second emergency plan, for a worst-case scenario.

**EIR:** Does Cambodia have hydro-power generation at this point?

**Ambassador Eng:** Yes. We have some dams, but we have an enormous potential, and all the studies have been done, across Southeast Asia. We don't need any more plans! We have located all the hydropower potential. It all depends on the finances—who will put in the money, for the long term.

**EIR:** The launching of the Asia Bond: Could this be a factor for this, creating funding for infrastructure?

**Ambassador Eng:** I was so pleased to see that the ADB, the American Chamber of Commerce, Singapore, and others are coming in. A lot of sources now are looking to diversify away from the dot.coms bubble. Thailand, Singapore had a lot of money in dot.com, and are now looking to come back to the basics. There is some private U.S. money involved in infrastructure, such as in Thailand, airports, even in some dams.

**EIR:** What about the special features of the Tonle Sap? Have these problems been adequately studied in regard to the dams to be constructed?

**Ambassador Eng:** I think so. I'm not an expert, but a lot of studies have been carried out, by government, private, NGOs, ESCAP [UN Economic and Social Commission for Asia and the Pacific]. There are already less and less fish in the Tonle Sap. The river is getting much more shallow now. In the dry season, the lake is shrinking. Also, shallow water is hot water, and many fish are dying. The Tonle Sap is one of the most fished lakes in the world. We had something like 8,000 varieties of fish. Now, the latest statistics show that there are far less.

**EIR:** How do you rectify that?

**Ambassador Eng:** You have to control the water, but also you have to dredge the mud out, to make the river less shallow.

That is beginning to happen now. The difference between the dry season and the wet season is 12 meters [in depth]! The Tonle Sap doubles its size.

In our culture, one of the main foods is fish. So you have, during the fishing period, all the ox carts, from all over Cambodia, from every single province of Cambodia—you can see all shapes of ox-cart, from every region, moving toward the Tonle Sap Lake, to fish. The whole area—millions of people come to fish, coming with empty jars, and returning with full jars of fish, and survive for one year. This provides the income for the life of the Cambodians.

**EIR:** Vietnam also built a dam, which impacted Cambodia.

**Ambassador Eng:** We challenged Vietnam as soon as they began building that dam, and they had to arrange for a visit by some NGOs. That's why I say that the good side of what's going on now, is that no one can ignore the NGOs.

**EIR:** How will the people of Cambodia respond when you begin these large-scale projects?

**Ambassador Eng:** Water, don't forget, everywhere in the world, is a source of conflict. If you don't deal with the people who will be impacted, there will be demonstrations and pressure. It's happening in Cambodia already. That's why the government had to show concern over the dam in Vietnam. It went ahead, but at the same time Vietnam had to explain. Any responsible government cannot play around with that. We want to give a better life to a few million people, but we must be careful.

**EIR:** What plans are on the books in Cambodia?

**Ambassador Eng:** I don't have the details, but mostly highways, and a dam with Thailand, as a joint project, in the Trat area. Thailand needs to supply the eastern seaboard, and we need to develop our west coast. The reservoir is in Cambodia, but the dam is in Thailand. It is being financed by loans from the ADB, Exim Bank, IMF, with guarantees from the two countries.

There is also work to build the missing link on the train line between Cambodia and Thailand. The track exists already, through Aranyaprathet and Batambang, but there is now a 28 kilometer missing link—it is nothing, just a matter of political will.

**EIR:** On June 14, the two Koreas are going to hold a celebration, laying the final track on both the eastern and western rail links between the North and the South, despite all the furor about the crisis there.

**Ambassador Eng:** You know, you need vision, like LaRouche. He is someone who has vision. In addition to vision, you have to put a realistic project into place. Then you have to put a group of people who are working seriously on that, to create a working group, and act aggressively.

Look at my idea about the "Mekong Airlines," in which every country would have a share. Each one, 10%; and then

we can have 30% for the private sector; and it will be run by the private sector. We don't get involved. This kind of idea is daring, but it will build cooperation, will build trust along the GMS region. Each one will have an equal share, and it will not be run by any specific country. It will be run by the private sector.

**EIR:** Do you still hope that will come to fruition?

**Ambassador Eng:** I still have hope. It will be a package tour with which no one can compete. The time you can fly from Bagan, to Siem Reap, to Danang to Hué to Sukothai, for example: How can you compete with that, for one vacation? You can offer six countries. But you must be able to offer e-tourism, e-passport, e-visa, and get new planes, if you are serious about a great tourism operation; and I was serious [as Tourism Minister]. If these countries had to promote this on their own, they couldn't do it—you need a lot of investment. But if you have a combined market, everyone would want to invest in it—guaranteed by six countries, and you had a 30% share?

**EIR:** As Gail has pointed out in her articles on the Mekong, the only reason this is possible, is because there is finally an end to the "Thirty Years' War" in Indochina. But you still have the problem in Myanmar.

**Ambassador Eng:** Engagement is not only politics. Engagement also requires economics, which is much more efficient. If you are part of a six-nation agreement, what you do affects five others. You cannot, one night, just decide: "I'm going to close my airport, I'm going to close my township"—come on, you'll have six ministers calling you, asking, "What are you doing here?"

**EIR:** India is now establishing better ties with Myanmar, just as Thailand and China are also, which can undercut the problems in the region and internally.

**Ambassador Eng:** We don't have a choice, as in North Korea. Russia has changed, China has changed—everybody has changed. The rules of communism have changed. Take the SARS case. If that had happened 20 years ago, no one would have had a clue what was going on. Now, a small community in China has a global impact, WHO [World Health Organization] people will fly in, and so forth.

**EIR:** How do you deal with the anti-Chinese sentiment among some in the United States, who argue that the Chinese should be kept out of Cambodia?

**Ambassador Eng:** You cannot keep them out. There are two kinds of investment. There is the investment that favors speculation, and you have the kind that favors real economy investment. You must have an investment law which doesn't favor speculation. You cannot blame the Chinese! Cambodia is very underdeveloped. We must promote a form of investment that is more protectionist, which says, "We welcome you, but it has to be a majority Cambodian share," or some-

thing like that. We cannot sell everything. If you are promoting relations that do not conform to that, don't blame the Chinese.

**EIR:** Is that a problem now?

**Ambassador Eng:** There is great competition. If we get strong enough, I hope that we can absorb the Chinese, as they do in Thailand, where they even adopt Thai names, and now many of the Thai companies are Chinese, Thai-Chinese. It's like we cannot say that we don't want any Jewish business! We have to absorb them, and make them feel proud on their own, to be part of the society.

**EIR:** How would Cambodia react if the United States tried to open a military base in Thailand, as was reported today?

**Ambassador Eng:** Cambodia has always been neutral, in the sense that we don't allow any foreign military bases, from anyone—not the Chinese, not the Americans, whatever. During the Vietnam War, and before the Vietnam War, we wanted to be the Switzerland of Southeast Asia. Because of the past, with Thailand allied to the United States—we can see the United States shifting its military now, remapping its positions, moving to Australia, the Philippines, Singapore, Thailand. As long as it will not affect the security of the whole region, as long as it will not affect the spirit of cooperation, and peaceful behavior is established, then it will be all right.

**EIR:** I think it's a "slippery slope." Did you read my article on "The Chicken-Hawks as China-Hawks" (*EIR*, May 23)?

**Ambassador Eng:** Yes. That's a good one! I agree. That's literally the danger. It's the question: "Are you with us, or are you with China?" One day, you will realize, that, if you wish to have the Southeast Asians—if you ask us to choose between the United States and China—you'll be surprised!

On the one hand, the U.S. presence in Asia creates stability—I agree with that. But at the same time, there is the question of how to shape the world's security? You can't go around destabilizing all over the world. How do you *make* stability?

**EIR:** We are doing a project on the extensive control over the U.S. media by the neo-conservatives.

**Ambassador Eng:** You want to learn about propaganda—when I was in the jungle, during the war, I was dealing with psychological warfare. I learned a lot about psychological warfare—but I learned *so much* in the year 2003!

In the end, because of you [LaRouche] guys, there is, right now, a pressure for transparency, not only in the United States, but everywhere, to get at the truth. I thought that if the war started six months ago, it would have gone more easily. Then it was all "Saddam, Saddam." But then they had to use this weapons of mass destruction line, and then they had to *prove* it!

**EIR:** This is coming in the midst of an economic collapse of

the dollar-based system.

**Ambassador Eng:** I am very pessimistic about the economy. Some of my colleagues are optimistic, but I think with the U.S. dollar falling, and with SARS—every Asian economy right now, despite being the most dynamic region in the world, is getting hit. The Japanese economy doesn't take off; only China survives. We are entering deflation, with the dollar falling. If the deflation lasts for a few more months, we are in for a serious crisis. In the short term it may *appear* to favor the U.S. economy, because the dollar is low, and that will help exports, but not in the long term.

**EIR:** What is your sense about whether or not the United States will really get involved in the Mekong project?

**Ambassador Eng:** Only a few people have seen the implications of this. There is a fascinating development taking place, but in the United States, few have noticed. It is a matter of marketing right now. There are a few places—Malaysia, Inc., and so forth—and they will call on a few corporate guarantees, and a few banks, and OPEC [Organization of Petroleum Exporting Countries] may guarantee some investment; then it will lead to something. But for the corporations now, everybody goes to China.

But the United States is not involved in infrastructure. The trend is in trade, in retail. There are not many countries going into infrastructure, except China—not even the EU [European Union], because the EU are so angry about Iraq. Not much is pushing in this direction, except LaRouche.

**EIR:** Will the Mekong project help to produce that shift?

**Ambassador Eng:** I believe so, in the medium term. It will probably be in ports, and in highways. That may bring the United States in. It will come as a complementary aspect for the United States to see the potential. It's a growth investment—it will pay off in the long run. You cannot estimate the buying power of the Chinese, of the Cambodians, the Burmese, in the next ten years. In the past year, Chinese tourism became number one in Thailand. It will become number one in Malaysia, in Singapore, in Cambodia. So you have a potential buying power. When I tried to sell the idea of the Mekong Airlines, it was not for nothing, because the airline industry will be the main promoter of the tourist industry; the rest will come. One million tourists go to Angkor Wat; you have to feed them. How many eggs do you need? How many chickens, and so on? The same thing with Luang Prabang [in Laos]—how will you feed them? You need transportation, and then they will come, but you must have an economy.

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# Mekong Cooperation Project Comes of Age

by Gail G. Billington

Over 50 years ago, the Mekong River, one of the world's largest, was selected as the top "international river" by United Nations reconstruction officials, for post-World War II infrastructure development. The Mekong is the greatest single natural resource for millions of people in the six countries along its flow through Southeast Asia, arising in the high Tibetan Plateau, and emptying into the South China Sea. From hydro-power, to rice output, to navigation, and beauty itself, the resources of the Mekong Basin are spectacular. The engineering challenge it presents, is dealing with such features as the monsoonal rainfall pattern (80-90% of the precipitation comes from May through September); cascades higher than Niagara Falls; and such unique features as the Tonle Sap—a great lake, which expands and contracts as its intake flow from the Mekong reverses direction!

But great economic infrastructure development of the Mekong Basin has been thwarted—above all, by war. On three separate occasions since World War II, when peace seemed close at hand—upon the signing of the 1954 Geneva Accords, in the 1970s at the end of the Vietnam War, and again in 1990—plans for harnessing the Mekong River were put forward to foster regional stability and cooperation. But no concerted backing came forth.

In particular, there was the idea in the 1960s in the United States, for the "Mekong Project" to be pursued *as the alternative to what became the Vietnam War*, and later as the exit path, or "4th Solution" to end that conflict.

But as of 2000—the 25th anniversary of the American troops leaving Saigon—the plans have all been written and reviewed; what remains to be done is the completion of the physical-economic infrastructure.

Now, all that is changing. Southeast Asia's great river and the countries along its banks are receiving unprecedented attention, in Asia, and recently, in Washington and Europe. On Nov. 3, 2002, the first-ever summit meeting of heads of state and government of the Greater Mekong Subregion (GMS) countries—Vietnam, Cambodia, Laos, Thailand, Myanmar, and China's Yunnan province—was held in Phnom Penh, Cambodia, chaired by Cambodian Prime Minister Hun Sen, whose country holds the rotating chairmanship of the ten-member Association of Southeast Asian Nations.

In April 2003, a unique off-the-record conference was

held in Washington on the GMS. In Bangkok, June 12-13, Thailand's *The Nation* newspaper hosted an international conference oriented to the international business investment community on the GMS, along with NGO and civil society groups. Some 500 delegates were expected, while conference organizers anticipated nearly 1,200 visitors would attend some part of the conference.

The week of June 16-20, the GMS countries will join their fellow members of the Association of Southeast Asian Nations, ASEAN, for their annual ministerial meetings in Phnom Penh, including 23 "dialogue partners" in the security-oriented Asean Regional Forum, and the now annual "ASEAN+3" bilateral talks with South Korea, China and Japan.

Rounding out this dense schedule is yet another conference on the Greater Mekong Subregion in Washington on June 26, hosted by *Foreign Policy* magazine.

## Once and Future Alternative to War

The attention is long overdue, but thoroughly appropriate, especially at a time when the world is grappling with the most serious global political crisis since the Indochina Wars and the rapid unraveling of what is left of the post-1971 Bretton Woods financial system.

The story of Mekong cooperation is that of an attempt to pursue great infrastructure projects in a time of war, in order to find an alternative to war. In the 1960s and 1970s that intention was overwhelmed by war, as the colonial wars in former French Indochina mutated into a subset of the Cold War in Asia. The GMS countries suffered their own Thirty Years' War, but are today eagerly seeking to make up for that interlude in hell. Today the nations that were swallowed up by those wars are forging the institutional relations and cooperation necessary to realize the creation of a just, new political and economic order.

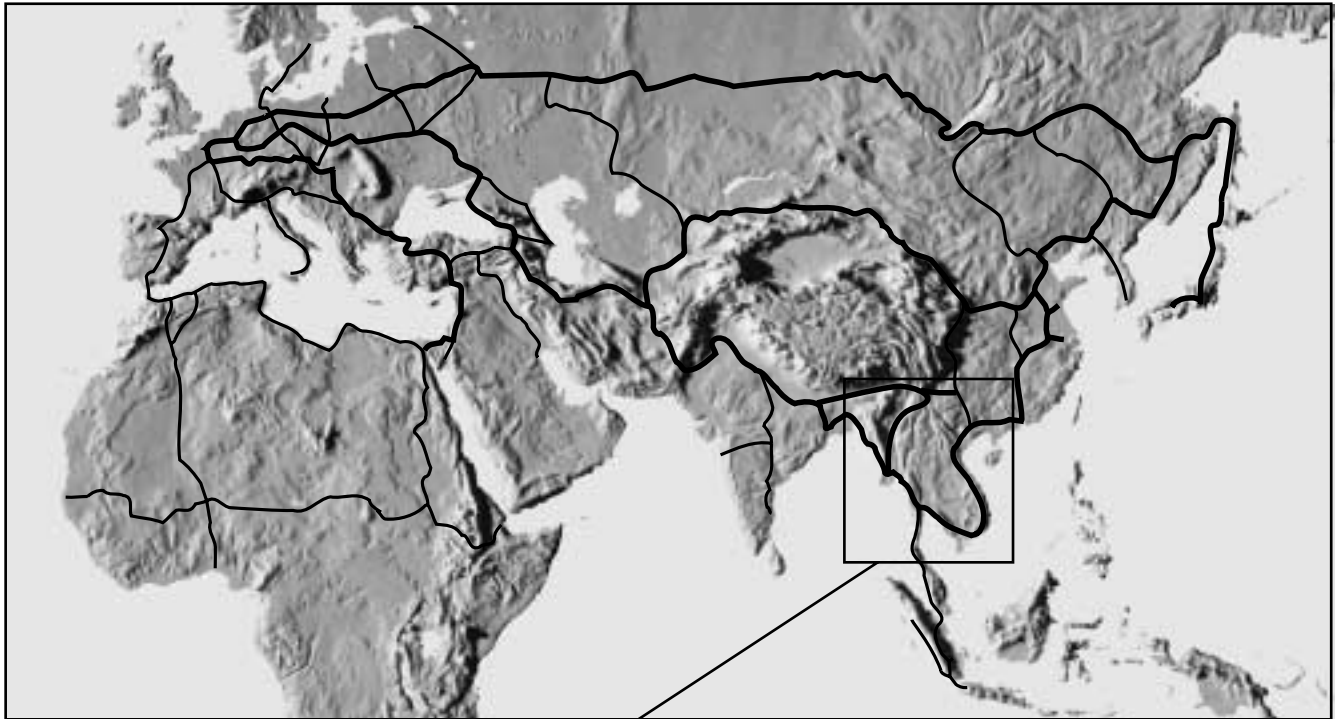
This is the exact perspective backed by *EIR*'s founding editor, Lyndon H. LaRouche, Jr., over four decades. In the late 1960s, he intervened in the U.S. anti-Vietnam War movement, around the necessity for the "Mekong Project," and for restoring the economic development as the basis for U.S. foreign policy. In 1976, LaRouche issued a proposal on the occasion of the Non-Aligned Movement summit in Colombo, Sri Lanka, calling for the creation of a new International Development Bank to fund precisely the kind of great infrastructure projects required to rebuild what at that time was already, clearly, a broken system.

In 1975, the Vietnam War officially ended, but in Cambodia, which now chairs ASEAN, hell was just beginning under the Khmer Rouge, and lasted for the next 3 years, 8 months, and 28 days, until Jan. 7, 1979, when now-Prime Minister Hun Sen was supported by Vietnam in a counteroffensive against the Khmer Rouge.

During July and August 1983, LaRouche went to Thailand, India, and Japan for talks on the necessity of regional

FIGURE 2

# Topographical Map of Eurasia, with Some Main Development Corridors



*Figure 1* is a relief map of Eurasia, with priority “Land-Bridge” routes shown, indicating important development corridors to link nations all across the intercontinental expanse. There are key links to Southeast Asia for modern rail routes, both around the peninsular coastline, and importantly, across the highlands near Kunming, China.

The map at left shows in more detail, a principal physical geographic feature of the Southeast Asian peninsula—the Mekong River Basin. The Mekong is over 4,000 kilometers long, ranking 16th in length, and is also among the top 10 in volume of discharge, among the world’s rivers.

Along its course, the Mekong drains a total catchment area of 795,000 square kilometers—well over twice the land area of Japan. In its lower region, an area of over 609,000 square kilometers, its drainage basin comprises almost the whole of Laos and Cambodia, one-third of Thailand, and one-fifth of Vietnam.



infrastructure development projects. At the same time, an *EIR* Policy Research Study by LaRouche was released, titled, *A Fifty-Year Development Policy for the Indian-Pacific Oceans' Basin*, in which one of the "Principal Projects" described, was "Developing the Mekong River Basin."

Over this same time period, Japanese interests campaigned for Mekong River development as part of a list of world priority projects, proposed for financing by a new agency, to be called the Global Infrastructure Fund.

## The River and Its History

The Mekong River has for centuries linked southern China and Southeast Asia in their efforts to use and control it. Author Milton Osborne in his book *The Mekong, Turbulent Past, Uncertain Future*,<sup>1</sup> reported that archaeological evidence reveals the existence of a seaport at Oc Eo on the edge of the Mekong Delta in the 1st Century A.D., which had links both to China and to the Mediterranean. From the 2nd-6th Centuries A.D., Chinese records spoke of "Funan," a state established in the Mekong Delta region, which is believed to have consisted of a number of minor states, rather than a single entity. In the 3rd century B.C., Chinese built a bridge across the Mekong in western Yunnan province. Between the 6th-9th

Centuries, Chinese records no longer speak of Funan, but of "Chenla," a state in two parts, one in what is today Cambodia, the other in southern Laos at Wat Phu. The civilization that built Angkor Wat reigned from the 9th-15th Centuries.

In the 19th Century, both England and France believed the Mekong was the back-door route to the riches of China, but the attempt to reach that pot of gold and other riches cost many adventurers their lives.

Author Nguyen Thi Dieu complemented Osborne's report in his excellent book, *The Mekong River and the Struggle for Indochina: Water, War and Peace*,<sup>2</sup> pointing out: "For thousands of years—beginning as early as circa 3500 B.C.E.—the peoples of the lower Mekong basin have founded their societies on rice cultivation, particularly on the cultivation of irrigated rice."

The *Me Kong* or "Mother of Rivers," is the seventh-longest river in Asia, and is said to run variously 4,800 or 4,350 kilometers (2,600 miles) according to historians; 2,395 kilometers flow through the lower basin. Average annual discharge is 475,000 million cubic meters. It was not until the current decade that the location of the river's headwaters in Tibet were exactly determined by Chinese geographer Liu Shao Chaung, using remote sensing technology. Its course runs through waterfalls larger than Niagara Falls, through thousands of rocky rapids, cascades, and islands.

Its minimum flow of 1,700 cubic meters per second puts the Mekong in third place, in terms of volume, after the Yangtze and the Ganges Brahmaputra, and is the third largest watershed in the world after the Amazon and Congo.

The Mekong flows from the Tibetan plateau, southward through the Chinese provinces of Xinjiang and Yunnan—where it is known by its Chinese name, the *Lancang*—and enters its lower basin as it forms a border between Myanmar, Thailand, and Laos. The lower Mekong basin begins near the Myanmar town of Chiang Saen, and has a drainage area of 620,000 square kilometers.

The Greater Mekong Subregion (GMS) covers an area of 2.3 million square kilometers and is home to 250-300 million people. The population in the lower Mekong alone—Laos, Thailand, Cambodia, Vietnam—is about 163 million. In Cambodia and Laos, more than half of the population are under age 15. Nearly 40% in Cambodia, Laos, and Vietnam live below the poverty line; 16% are reported below the poverty line in Thailand.

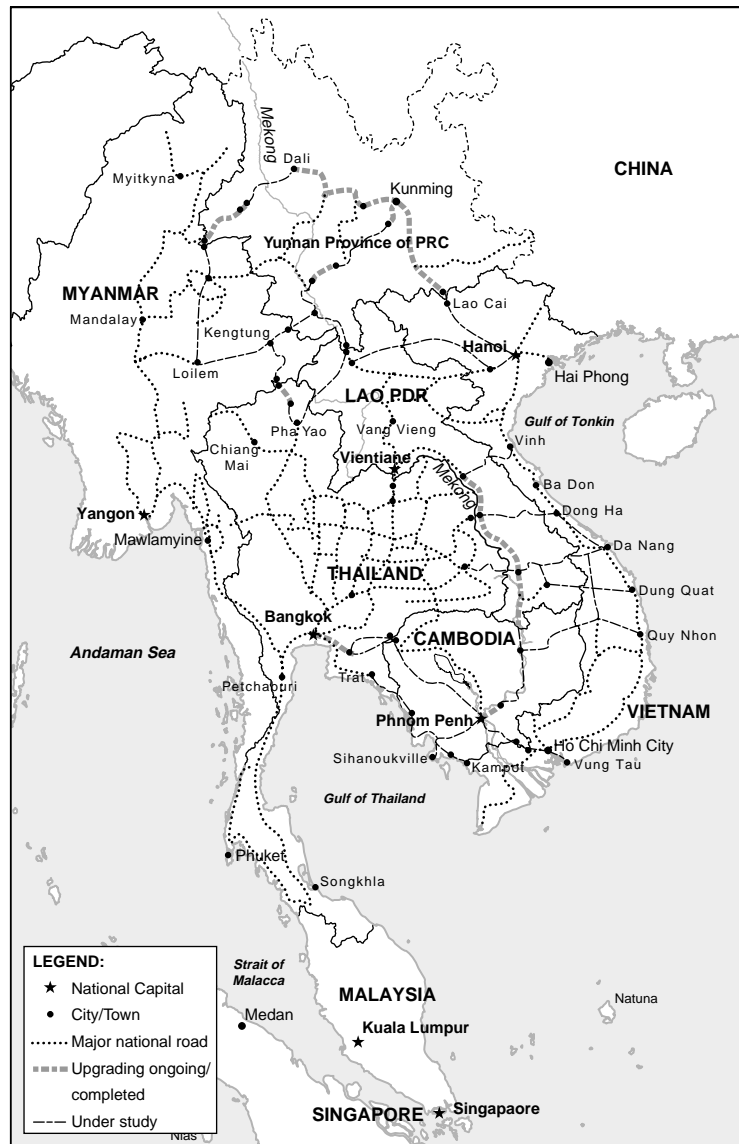
A unique phenomenon of the Mekong is Tonle Sap, or "Great Lake," of Cambodia. The Mekong, (called Tonle Thom in Cambodia), traverses the country for 480 kilometers, entering a plain that transversally has the shape of a basin, at the bottom of which is the Tonle Sap. During the dry season (November-June) the Tonle Sap, with a surface of 2,700 square kilometers, flows southeast into the Mekong. In the wet season (June-October), monsoon rains cause the river to

1. Milton Osborne, *The Mekong, Turbulent Past, Uncertain Future*; New York: Atlantic Monthly Press, 2000.

2. Nguyen Thi Dieu, *The Mekong River and the Struggle for Indochina, Water, War and Peace*; Westport, Conn.: Praeger, 1999.



FIGURE 3

**Greater Mekong Subregion Rail Projects**

Source: Asian Development Bank

*The most important of the railroad corridors now being funded by China and ASEAN is the Kunming-to-Bangkok railroad originating in China and running down the coast of Indo-China and to Bangkok, then southward through Malaysia.*

reverse its course. It rises slowly and regularly to pour its overflow northward into the lake, which then expands almost five-fold, covering an area of 10,000 square kilometers.

The Mekong River Commission has shown that the water flow in the dry months is reduced to 2,000 cubic meters of flowing water per second, less than 5% of the monsoon months' flows rate of 50,000 cubic meters per second. During the monsoon season, the Tonle Sap can absorb 19% of the water volume of the Mekong River. As the Mekong reaches

the lowland plains of the delta in Vietnam, the Mekong breaks into nine separate streams, known as the Song Cuu Long, or "Nine Dragons River."

**The First International River Project**

Mekong cooperation began with the formal signing of the 1954 Geneva accords, when Cambodia, Laos, and Vietnam gained independence from France. Studies of the Mekong were first conducted by the UN's Economic Commission for Asia and the Far East (ECAFE), founded in 1947, and by the U.S. Bureau of Reclamation.

ECAFE, headquartered in Bangkok, was one of three commissions set up through the UN Economic and Social Council (Ecosoc) in March 1947, to address post-war reconstruction, very much in line with Franklin Roosevelt's commitment to eradicate colonialism in the post-World War II world. Economic Commissions were set up for Europe, Latin America, and the Far East.

Author Nguyen Thi Dieu wrote, "The creation of an Asian commission, equal in rank to the one for Europe, was greeted with dismay by European delegates, who had no desire to contribute to the emancipation of their colonies."

On Sept. 2, 1945, the Democratic Republic of Vietnam (D.R.V.), under the leadership of Ho Chi Minh, declared its independence. In 1947, the D.R.V. applied for membership in ECAFE, but was rejected, jointly, by the United States, Britain, Australia, and France, who chose, instead, to support the membership of the State of Vietnam (S.O.V.), led by the Emperor Bao Dai. At the second ECAFE meeting in 1947, Laos and Cambodia were admitted, and the State of Vietnam was admitted in October 1949. In 1954, Laos, Cambodia, and S.O.V. became full ECAFE members.

At ECAFE's 7th meeting in Lahore, Pakistan in 1951, the decision was taken for the first time to take on development of an international river. The candidates were the Yangtze, the Indus, or the Mekong. The Yangtze and the Indus were ruled out for political reasons, as Mao Zedong had come to power in China and tensions were running high between India and Pakistan.

In May, 1952, ECAFE's study was published, "Preliminary Report on Technical Problems Relating to Flood Control and Water Resources Development of the Mekong—an International River."

Author Dieu reports that it was "under the Eisenhower Administration that, for the first time, at the highest levels, the Mekong River and its development were discussed and its use viewed from a political and strategic perspective. The National Security Council, formulating the key elements of U.S. policy in mainland Southeast Asia in its report *NSC*

5612/1 of Sept. 5, 1956, stipulated: 'In order to promote increased cooperation in the area and to deny the general area of the Mekong River Basin to Communist influence or domination, assist as feasible in the development of the Mekong River Basin as a nucleus for regional cooperation and mutual aid.' " A Presidential report to Congress in June 1955 had signaled the Eisenhower Administration's hopes of reproducing a Tennessee Valley Authority on the Mekong.

This was only two months after the historic April 1955 Asia-Africa Conference in Bandung, Indonesia, the first meeting of Third World nations to discuss among themselves, without their former colonial masters present, the necessary course of action required to foster peace and development.

Eisenhower, despite howls of protest from London and from the Dulles brothers in his own Cabinet, endorsed the Spirit of Bandung. His call for the development of the Mekong reflected the policy later expressed by John F. Kennedy—that the only way to counter communist insurgency was to demonstrate through real physical development the superiority of republican institutions.

The Mekong Committee began its work in 1957. It was the first international body to take on responsibility for financing, construction, management, and maintenance of projects on an international river, involving multiple countries. Members were Vietnam, Thailand, Cambodia, and Laos. China was not a member, as it was not a UN member at the time, and Burma was in the throes of its independence struggle.

## 'Let Us Build a Bridge'

*Mid-June saw new momentum for the Mekong Basin project reflected in two important conferences: "The Mekong Region Comes of Age," a business-oriented meeting held in Bangkok on June 12-13; and the ASEAN Foreign Ministers Conference held in Phnom Penh on June 17.*

### **At the Bangkok Conference:**

- Chen Xiaoya, Assistant Governor of China's Yunnan Province, stole the show, according to reports, with her powerful presentation in Mandarin, in which she declared: "Greater contributions will be made by Yunnan province to making the Mekong Region the new frontier of growth in Asia, in the face of new opportunities for GMS [Greater Mekong Subregion] economic development in the new century." Pointing to the region's 250-300 million people, she added: "This region will become a continental bridge between Southeast Asia, South Asia and East Asia, and a hotspot for international investment from countries around the world in the 21st Century."

Recalling the first-ever summit of GMS member states in November 2002 in Phnom Penh, Chen said: "Our enthusiasm and our optimism about progress and prosperity in the Mekong region are great. This conference offers an opportunity for us to share with all of you the reasons why we are bullish on the Mekong." The conference, she said, presented a rare opportunity for dialogue on the shared future for the Mekong nations. "Our nations and peoples share the vision of regional peace, growth and prosperity. Thus our perspectives on the future must be focussed on this common, intertwined objective and interest. We can only realize our common objectives by deepening solidarity and cooperation between our nations."

- Thailand's Deputy Prime Minister Somkid Jatu-

sripitak announced that Prime Minister Thaksin Shinawatra intends to invite leaders of the six member states of the Greater Mekong Subregion to a summit on GMS strategic coordination. Minister Somkid said he would lead an official delegation to Yunnan Province on June 15 to propose a "GMS architecture and a road map. . . . Only this way can we realize the maximum potential of the GMS."

- Khalid Rahman, director of the infrastructure division of the Asian Development Bank's Mekong department, indicated how the Greater Mekong Subregion corridors would play a strategic role in linking Southeast Asia with South and East Asia. "A new subregional economic cooperation scheme involving India, Myanmar, and Thailand has already been initiated, which could provide a natural westward extension of the Greater Mekong Subregion corridors," he said.

### **At the ASEAN Conference:**

- Japanese Foreign Minister Yoriko Kawaguchi said that Japan has already "supported two flagship projects in the ambitious Mekong Subregion development," pointing to Japan's role in building roads and bridges along the two East-West Corridors. She then announced that Japan will build another bridge across the Mekong on the Second East-West Highway at Neak Loeung (60 km. from Phnom Penh), adding: "Today, I saw the Mekong River for the first time. . . . The Mekong crosses borders, brings fresh water, rich soil, and possibilities for progress to its people, and eventually flows into the bright sea."

"When faced by a river, we feel compelled to cross it and build a bridge to the other side of the river, no matter how wide the gulf of water may appear. Let us build a bridge between the past, the present, and the future. Let us build a bridge between each of us. Let us build a bridge to fill the economic gaps, based on our ownership and partnership. . . . I am convinced that the future generation will hear the lively sounds of our bridge-building as tolling the dawn of our success story."

FIGURE 4



*The economic development corridors of the Greater Mekong Subregion. As Japan's Foreign Minister told ASEAN this week, roads, rails, and bridges are being constructed across the two main East-West corridors. The Kunming-to-Bangkok railroad line is the major project of the main North-South corridor.*

## The 'Fourth Solution' for Peace in Vietnam

The episodic voicing of a Mekong-development-for-peace plan through the Administrations of Lyndon B. Johnson, was a tragedy of the defeat, by war, of a war-avoidance economic strategy half-heartedly pursued; the cost was many hundreds of thousands of lives, and continued widespread

poverty.

In 1961, President John F. Kennedy sent Vice President Lyndon Johnson on a study mission to Asia. Prior to his departure, Arthur Goldschmidt, Director of Special Fund Activities and Assistant Secretary of the Interior, brought to Johnson's attention the Mekong Project's "ability . . . to train representatives of four countries, with differing political views, to work effectively together even in a period otherwise characterized by a lot of fussing." In Bangkok, Johnson was fully briefed on the initiative, and came away from the visit saying that "he could think of nothing that could help Thailand, Laos, Cambodia and Vietnam more than by working together on a river since, if they could work together on a river, they could work together on anything else."

Johnson told a fellow Texan and Mekong-UN worker that he was himself "a river man. All my life I have been interested in rivers and their development." Upon his return to the United States, Johnson briefed Kennedy on the Mekong project, urging that the United States take up the initiative, and U.S. support continued at the March 1964 ECAFE meeting in Tehran. By early 1965, the Mekong Project had been funded to the tune of \$67 million, and UN Secretary General U Thant declared on a CBS radio broadcast that the project "was one of the most important and one of the most significant actions ever undertaken by the United Nations."

By 1965, however, President Johnson's senior advisors, William and McGeorge Bundy, Robert McNamara, and Assistant Secretary of Defense McNaughton were demanding an expanded U.S. military presence in the Vietnam civil war. McGeorge Bundy and Robert McNamara wrote an "explosive" memo in January, stating the current policy would "lead only to disastrous defeat." UN Secretary General U Thant, with the knowledge of

## Priority Mekong Projects

In 1996, the Asian Development Bank (ADB), based in Manila, released an overview report of the priority infrastructure projects agreed to by the Greater Mekong Subregion countries, in eight areas: transport (road, rail, air, and water), energy, telecommunications, environment, human resource development, tourism, trade facilitation, and investment. Sector studies, completed under ADB technical assistance programs, included recommendations regarding nearly 100 subregional projects and initiatives in these priority areas.

It should be readily apparent from the included maps that the 1996 plans were actually a giant step down from those conceived in earlier decades. Water control projects, which could prevent massive damage from periodic flooding, were most absent. Nuclear power had been ruled out,

and in general, the vision was limited by the idea that half of the projects would have to be financed by private means—a virtually impossible condition if there is to be extensive modernization of major infrastructure.

However, the recent explosion in interest and political will may jumpstart the project and again overcome the limits on development.

Currently, the priority projects for the next decade are projected to cost \$14 billion. Since the scheme was created in 1992, the ADB has spent only \$1 billion on them over the last ten years. In the longer term, the ADB projects that \$40 billion will be required over the next 25 years.

In the transport sector, studies identified 34 priority subregional projects, as follows: Nine relate to roads, eight to rail lines, ten to water transport, six to air transport, and one to institutional development. In the energy sector, 12 priority subregional projects have been targetted, of which eight relate to power generation and transmission, two to hydrocarbon development, and two to institution building.

Dean Rusk and McNamara, attempted to open channels to North Vietnam and the South Vietnamese insurgents, to find a peaceful solution.

The Mekong Project became what was known as the “fourth solution,” for exiting the war. In December 1964, the Executive Secretary of the Northwest Power Association, Gus Norwood, had urged Johnson “to consider the Mekong River Basin development as the strategic solution or as a key to the ultimate solution to the impasse in Southeast Asia.” Gilbert F. White, author of the Ford Foundation report on the socio-economic aspects of the Lower Mekong Basin development, mentioned in an article published in December 1964, the multiple advantages of such a solution: “If the UN were to designate this area for international development, there is a strong possibility that peace could be achieved in a common pursuit of agricultural and industrial growth. . . . The lower Mekong River may be the key to a fourth course of action, a more constructive and humane one than any of the others.”

In March 1965 Sen. George McGovern wrote in *The Progressive* proposing “cooperative planning to benefit North and South Vietnam from the Mekong River development,” which for the North, “could mean hydroelectric power for industry.”

On April 7, 1965, President Johnson read a speech titled “Project for Peace in Southeast Asia” at Johns Hopkins University in Baltimore, which author Dieu said “embodied the two conflicting facets of U.S. policy in the region.” Johnson said: “For, what do the people of North Vietnam want? They want what their neighbors also desire—food for their hungers, health for their bodies . . . and they would find all these things far more readily in peaceful association with others than in

the endless course of battle . . . For our part, I will ask the Congress to join in a billion dollar American investment in this effort as soon as it is under way. And I would hope that all other industrialized countries, including the Soviet Union, will join in this effort to replace despair with hope, and terror with progress. . . . The vast Mekong River can provide food and water and power on a scale to dwarf even our TVA.”

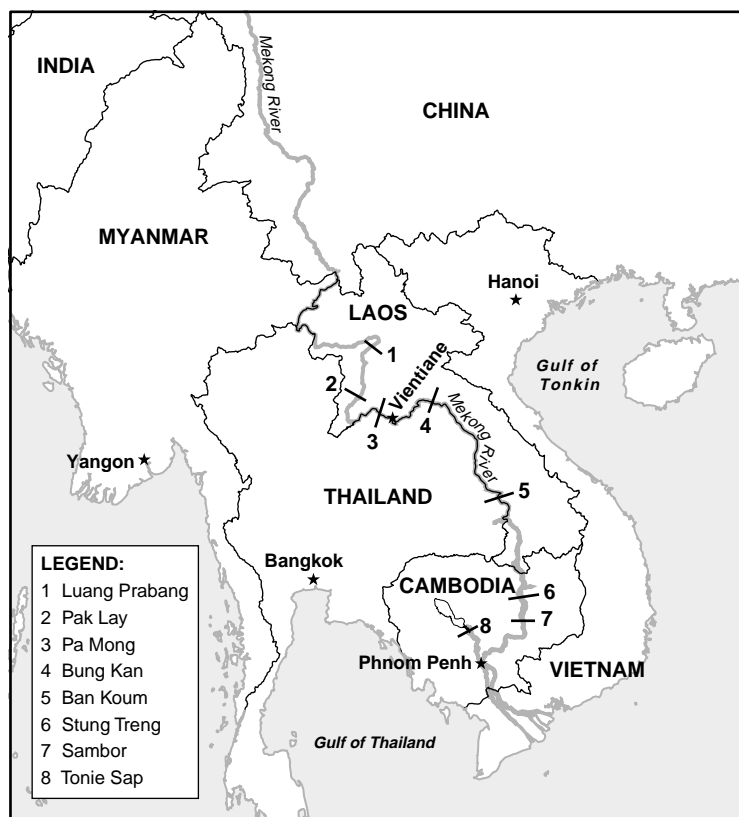
Some 60 million Americans heard the speech via radio or TV, and more than 1 million copies of the speech, translated into Vietnamese, were dropped over cities in North and South Vietnam.

It is the tragic irony of the Johnson Presidency, that he delivered this speech five weeks *after* launching the U.S. air campaign, code named “Rolling Thunder”; and barely 24 hours after the speech, he ordered the deployment of two U.S. Marine battalions, the first combat troops, into South Vietnam. North Vietnam responded by declaring the action a breach of the 1954 Geneva Agreements.

On March 31, 1968, Johnson revisited the Mekong Project, on the occasion of his announcement of a partial halt to the bombing and his decision not to seek re-election. Johnson said: “At Johns Hopkins University, about three years ago, I announced that the United States would take part in the great work of developing Southeast Asia, including the Mekong Valley, for all the people of that region, as part of our determination to help build a better land . . . for men on both sides of the present conflict . . . has not diminished in the least. . . . So, I repeat on behalf of the United States again tonight what I said at Johns Hopkins, that North Vietnam could take its place in this common effort just as soon as peace comes.” Subsequently, during a stop in Honolulu in April 1968, Johnson

FIGURE 5

### Proposed 'Mekong Cascade' System of Dams and Reservoirs



These eight proposed dam locations were part of the integrated system of impoundments for regulating the lower 2,000 kilometers of Mekong flow, according to many studies, beginning with ECAFE in the 1950s, to the 1989 Mekong Secretariat. The Pa Mong proposal (3) has been withdrawn, because of concerns for relocating people, and downstream flow effects.

stated: "We wish to see Asia—like Europe—take an increasing responsibility for shaping its own destiny. And we intend and we mean to help it do so."

### Taming the Mighty Mekong

The first dam project was signed for in May 1966 between Laos and Thailand, the Nam Ngum, built on a small tributary of the Mekong. Thailand purchased the electricity generated. Next came Pa Mong, the first mainstream dam, beginning with studies in June 1965; but this was subsequently put on hold with claims that 200,000 people would have to be relocated, and concerns about the downstream impact of the dam.

The first major undertaking with regard to dam building came in 1971, when the Mekong Committee issued its Indicative Basin Plan, 1970-2000. The plan estimated that by 2000, energy demand in the lower Mekong basin would reach 22.772 gigawatts in peak capacity; the irrigated area essential for agricultural production was estimated at 1,868,000 hect-

ares, involving flood control, and saltwater intrusion evaluation. The plan proposed 16 mainstream dams, a delta development project, and 180 tributary projects in the four member countries: Laos, Thailand, Cambodia, Vietnam. It also analyzed their cumulative and reciprocal impact over a 30-year period.

The projects were divided into two groups: a short range group to be built between 1971-1980, including single and multipurpose tributary projects focusing on hydro-power, flood control, and pioneering agricultural stations that each nation could implement independently from the others and which should not have any detrimental effect on the mainstream.

The second group involved a number of projects that, because of the large scale of their construction and possible far-ranging repercussions, were to be implemented over a longer period, 1981-2000, with costs estimated in the billions of dollars. It included 15 mainstream multipurpose projects and one flood-control project on the Tonle Sap.

In addition to these 16 mainstream projects that could be attempted in different combinations, the central one included a cascade of seven mainstream dams, the Mekong Cascade (**Figure 5**). There was also a subset of ten minor hydro-power projects in the Vietnamese central highlands to provide Cambodia and Vietnam with power, targeted for the years 1980-85. The plan emphasized the priority of Pa Mong, Stung Treng, Sambor, and the delta.

### Wars of Mass Destruction

The Indochina War continued officially until Spring of 1975, but the after-effects linger to the present. Cambodia, the Lao People's Democratic Republic, and Vietnam emerged from their respective wars with economies that not only remained

unchanged since colonial days, but what little infrastructure had existed was damaged or destroyed by saturation bombing, the laying of millions of landmines, and the effects, more than a generation later, of massive use of herbicides to clear the tropical rain forest.

An estimated 500,000 Cambodians were killed in the U.S. bombings that preceded the Khmer Rouge victory in 1975. The bombings themselves contributed to rapid recruitment to the Khmer Rouge, swelling its ranks from 3,000 to 50-60,000 by 1975. There is still no final tally on the bomb tonnage dropped on Cambodia, but author William Shawcross, in *Sideshow*, reported that "in 1971, a single B-52 squadron still dropped in one year half the tonnage dropped by U.S. planes in the entire Pacific Theater in World War II."<sup>3</sup> When the Khmer Rouge were finally driven out of

3. William Shawcross, *Sideshow: Kissinger, Nixon and the Destruction of Cambodia*; New York: Simon & Schuster, 1979, p. 211.

Phnom Penh (in less than three weeks) in January 1979, an estimated 10 million landmines were left behind, roughly one per person, much of them in the richest rice-growing province of Batambang.

In Laos, during 1965-75, an estimated 2-3 million tons of ordnance were dropped on a population of 3 million, equal to one planeload of bombs dropped every eight minutes for nine years.<sup>4</sup> In Vietnam, the combination of bombings and landmines contributed to the deaths of an estimated 1 million soldiers and 2 million citizens, with 300,000 missing in action. Herbicide spraying, estimated at 20 million gallons, killed or injured 400,000 directly and is believed to have contributed to severe deformities in another half-million children born to North Vietnamese soldiers who fought in the South.

Cambodia dropped out of ECAFE around 1970, and was nearly destroyed as a nation at the hands of the Khmer Rouge from April 1975 to January 1979, with an estimated 1-2 million killed, roughly one-fifth of the population, largely from starvation and disease.

## Mekong Commission Launched

Given those wars' destructiveness, it is notable that in today's revived push to develop the Greater Mekong infrastructure projects, Vietnam, as well as China through Yunnan Province, is leading the way. In particular, Vietnam's hydroelectric power construction program to modernize its economy, is virtually the only such rapid electric power development going on in Southeast Asia.

In 1977, Lao P.D.R., Vietnam and Thailand formed the Interim Mekong Committee. Cambodia reclaimed its membership in 1991, and in 1992 the Manila-based Asian Development Bank launched the Greater Mekong Subregion, which includes Laos, Thailand, Cambodia, Vietnam, Myanmar, and Yunnan Province, China.

In 1995, Laos, Thailand, Cambodia and Vietnam signed the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin, with the Mekong Committee becoming the Mekong River Commission (MRC). In the 1980s, under growing environmental pressures, the focus shifted to "sustainability," with a diminishing focus on "big dams."

One of the most ambitious projects on the Mekong, conducted by China, involves a three-phase clearing of a navigation channel in the Upper Mekong. Phase 1 includes blasting a channel that will allow 150-ton ships to ply between Yunnan and the town of Chiang Saen, Thailand. Phase 2 would facilitate 300-ton ships, and phase 3, 500-ton vessels.

In the first phase, 11 reefs would be cleared, 9 in Laos, 1 near the Yunnan/Myanmar border, and the Khon Phi Luang rapids in Thailand's Chiang Saen and Chiang Khong districts. Phase 2 would open the whole 360 kilometer (224 mile) stretch to Laos' Luang Prabang, to 500-ton ships.

Yunnan Province and Myanmar are not signators to the 1995 Mekong River Commission accord, and are not subject to its rules on such matters as notifying MRC member states on projects. However, reflecting the increasing cooperation among the Mekong countries, as of June 4, 2003, blasting has been delayed on the Khon Phi Luang channel, pending a meeting scheduled for July 2003 with Yunnan, Myanmar, Laos and Thailand. This meeting will re-examine the environmental impact of the channel-clearing downstream, which includes concerns of potential shifts in national borders between Laos and Thailand, and broader issues related to the dependence of 50 million people who live off the bounty of the river. Reefs in this stretch of the upper Mekong are up to 2 kilometers long and are breeding grounds for migratory fish, which account for 70-80% of protein in the regional diet.

Since the 1995 accord, further agreements have been signed covering Procedures for Data and Information Sharing and Exchange, a Flood Management and Mitigation Strategy, and Exchange of Hydrological and Other Data with China.

The original Mekong Committee had begun setting up 31 hydrological and meteorological testing stations in 1957. Today there are 531 stations measuring rainfall and 253 hydrological stations measuring water levels, flow and quality along the Mekong. The Hydrological yearbook has been published every year since 1964, and posts the data daily via Internet.

Vietnam's contribution, noted above, is a crash rural electrification program Vietnam has an ambitious plan to build nine power plants during 2003, with aid from Japan's Official Development Assistance fund covering 86% of the plants' \$440 million construction cost, with the balance covered by Vietnamese loans.

In total, Vietnam will invest in 28 power plants to increase capacity by 9,600 megawatts. The new plants will include 28 hydro-power plants with total capacity of 4,000 MW, and ten thermal power plants, with total capacity of 5,600 MW. Electricity of Vietnam (EVN) plans to invest \$665 million in Ho Chi Minh City's electric grid, to increase capacity from 25.5 to 64.6 kilowatt-hours per day per capita, over seven years. In March-June 2003, the city suffered from extreme temperatures, with power consumption rising 20%, resulting in 110 power outages. Ho Chi Minh City (formerly Saigon) accounts for 25% of national power consumption.

EVN plans investment of \$140 million in Co Long in the Mekong Delta, to upgrade power access to 1,100 rural communes. Demand is expected to rise 13% annually to 2010. Longer term energy development includes construction of two gas-fired thermal plants by 2005, one in O Mon District of Can Tho province, and another in Ca Mau Province. Funding comes from a combination of the World Bank, Asian Development Bank, and the Japanese Bank for International Co-operation.

4. Ibid.