

Salween Watch

Newsletter



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Hatgyi Dam: Abhisit-Appointed Committee Recommends More Study, but Refuses to Stop EGAT's Destructive Project

Last Year, the Thai Government responded to calls from Salween Watch and others to stop planning and construction of the Hatgyi Dam by creating a Committee to Monitor and Solve the Human Rights Violations. The committee was chaired by Sathit Wongnongtoey of the Prime Minister's Office, and it investigated ongoing human rights and environmental violations in the dam area. Hearings were held in Bangkok and on the Salween River in Ban Mae Sam Laeb, and in January a report was issued.

With regard to human rights, the committee stated that "Thailand should make explicit its concern over the impacts of the dam construction, including the impacts on human rights, and seek cooperation from the Burmese government to regulate the relocation of local people affected by the dam construction without the use of force, which may have led to human right abuses in the area."

Furthermore, EGAT should "coordinate with Burma's Department of Power Generation in order to amend the Memorandum of Agreement (MOA)... The plan should

ensure that the relocation of people is implemented properly without the use of force, which may have led to human right abuses against the people who stand to be affected by dam construction."

This is a feeble response to a decade of constant war waged on local ethnic groups, including torture, murder, rape, extortion and forced relocation for hundreds of thousands of people. Empty Thai statements about human rights have no effect on the Burmese military junta, which has openly ignored universal calls for better treatment of its people. The Committee's weak response to the perpetually deplorable human rights situation in Burma indicates that Thailand is happy to accept more refugees as long as the profits from the Hatgyi dam go to EGAT's shareholders.

Regarding environmental protection, the Committee states "[a]lthough an environmental impact assessment has been carried out inside Burma, (Thai) civil society holds that the EIA in Burma remains incomplete, with insufficient consideration of impacts on the ecology and fishery in the Salween Delta. In addition, the project will cause impacts in Thailand, particularly to the livelihood of people living by the rivers, and the fisher folk along the Salween and her tributaries. Therefore, in order to provide clear information on the environmental impacts and ensure transparency and compliance with Thai legal standards, the government should instruct EGAT to carry out an EIA along the rivers in Thailand, including villages situated along the Salween and tributaries which may be affected, and to explore mitigations and solutions for the problems."

While calls for more study of environmental impacts and mitigation are helpful, there is no requirement to halt the project due to poor data quality or insufficient analysis. Thus, problems will not be prevented, they will only be fixed after the damage is done. After-the-fact mitigation is ineffective and expensive, and damage always costs more to the local people while having little effect on payments to shareholders. (Cont pg. 2)



The Salween River on the border between Thailand and Burma.

China plans seven new dams in volatile Eastern Shan State

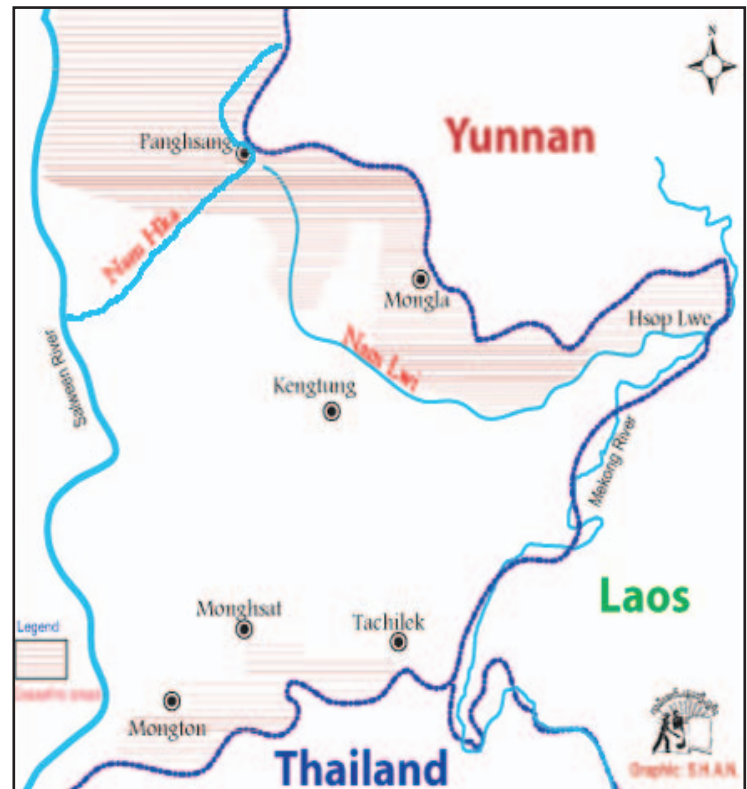
Two Chinese companies are planning to develop seven new dams in eastern Shan State, where fresh conflict is threatening to erupt between ethnic ceasefire armies and the Burmese military regime.

On February 4, 2010, the Yunnan Power Grid Corporation and the State Development and Investment Corporation (SDIC) Huajing Power Holdings signed a “formal stage agreement” to develop one dam on the Nam Kha, a tributary of the Salween River, and six dams on the Nam Lwe River, a tributary of the Mekong. Project pre-feasibility studies have already been completed.

The Nam Kha flows through territories of the United Wa State Army (UWSA), and the Nam Lwe flows through areas controlled by the National Democratic Alliance Army (NDAA). Both armies, which have been at ceasefire with the Burmese regime for over 20 years, have refused to succumb to mounting pressure to come under the regime’s direct control as Border Guard Forces before the planned 2010 election.

The regime has been reinforcing troops around these ceasefire territories, and military tension is high. A resumption of fighting will lead to a massive influx of refugees into China, as already seen during the regime’s assault on the Kokang ceasefire group in August 2009, which drove over 37,000 refugees across the border from northern Shan State.

“The [Chinese dam builders] could be the SPDC’s scheme to borrow Chinese hands to eliminate us,” a source close to the Mongla leadership told the Shan Herald Agency for News (SHAN). “The generals know it is easier for us to oppose them than oppose the Chinese.” SHAN also reported that Maj Gen Kyaw Phyoe, Commander of the Burma Army’s Kengtung-based Triangle Region, said that the ceasefire groups could be destroyed without the Burma Army having to fight, following the assassination of Mongla’s # 6 leader.



The Nam Hka and Nam Lwi Rivers flow through heavily militarized areas.

PM Abhisit on Hatgyi Dam (continued from page 1)

The Committee suggests that Thailand hold “a public forum and release the project’s information to keep all concerned parties fully and truthfully informed of all relevant information, to address any questions and to explore solutions, as well as to encourage exchange of opinions and suggestions” in order to demonstrate “the transparency of the government and all concerned agencies.” However, there is little chance that Thailand will offend its Burmese partners and release all sensitive information about the dam project, instead hiding behind archaic “state secrets” policies.

Finally, the Committee suggested (and PM Abhisit concurred) that the forgoing recommendations be put into effect, but gave no timetable or resources to complete these tasks. Without hard deadlines, money and staff, and the political will to undertake such controversial actions, it is highly unlikely that there will be any real delay or change to the Hatgyi project based on the real concerns of local people and interested civil society.

So it seems that the Thai government is saying that they are concerned about Hatgyi Dam impacts, but it is refusing to put any real effort into solving those concerns. As a result, the rich stockholders of EGAT and the Burmese junta will make billions of baht in profit, and the local people will suffer more physical and mental abuse and environmental damage.

SPDC, China Push Forward with Tasang and Kun Long Dams in Shan State

Two of the five proposed dams on the Salween River in Burma are planned for Shan State: Tasang, and Kun Long on the Upper Salween. The SPDC, Burma's military regime, initially signed deals with Thailand's MDX Group for construction of the Tasang Dam. Amidst rumors of dissatisfaction with MDX, the China Gezhouba Group Company (CGGC) won a contract for initial dam construction in early 2007.

In November 2007 the Burmese regime gave CGGC a 51% stake in the Tasang project, reducing the MDX share to 24%. Burma's Department of Hydropower Implementation maintains a 25% stake. MDX did not confirm the change at the time, but Burma's Ministry of Electric Power said that "(MDX Group) has been implementing the project for a decade but there has been no significant progress. So the government handed it over to the Chinese consortium."

Kun Long Dam

In addition to the Tasang Dam, Chinese companies are planning to build the Kun Long dam (or Upper Thanlwin dam) in Shan State. The dam site is located on the mainstream Salween at Ton Gyap village in Kun Long Township, approximately 25 kilometers from the border with China's Yunnan Province.

On February 24, 2010 the Burma's Ministry of Electric Power signed a Memorandum of Agreement with Hanergy Holding Group (formerly Farsighted Investment Group) and Goldwater Resources Limited

to develop the Kun Long dam. As proposed, the dam will have a total installed capacity of 2,400 MW. A team of Chinese and Burmese technicians have been conducting feasibility studies for the project, including collecting geological samples.

Impact and concerns

The regime has been carrying out forced relocation and terror for decades in the ethnic states of Burma. The Tasang dam site is located directly in a war zone in Shan State, where the regime has been pushing local people out to control the area since 1996, the same time that MDX started surveying in the area. Over 300,000 people have been forced from their villages, most fleeing to Thailand.

The ecologically unique area of Keng Kham, located 35 miles upstream of Tasang, held 15,000 people who were forcibly relocated over ten years ago; the majority have fled to Thailand. Today the estimated 3,000 people that remain are managing to maintain their livelihoods and culture despite the constant terror of the Burma Army and the impending Tasang dam, which will flood their villages.

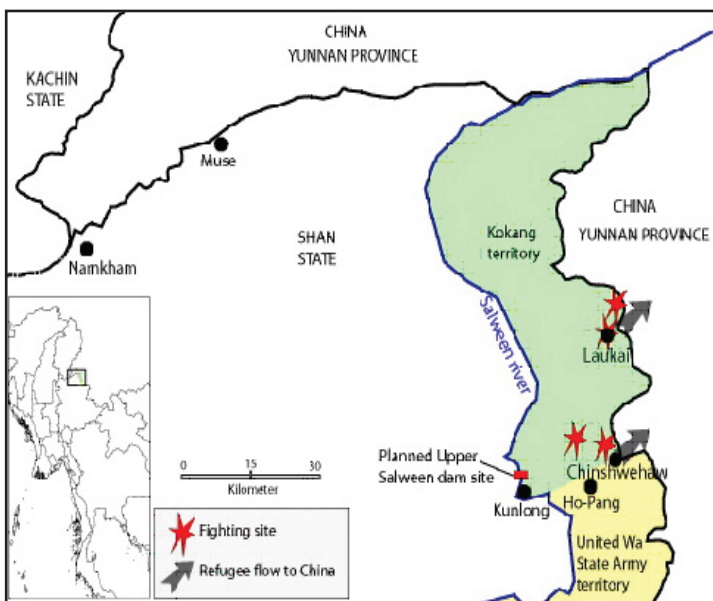
Fresh fighting has also erupted in Shan State, as the regime has attempted to bring ceasefire armies under its control as "Border Guard Forces." Imminent attacks against the United Wa State Army, which controls the access routes between the planned 7,110 megawatt Ta Sang dam and the Thai border, would lead to a massive new refugee influx into northern Thailand.

The regime's attacks against the Kokang in August 2009 in northern Shan State drove over 37,000 refugees into China in August, and secured control of areas around the Kun Long Dam.

Construction of the Kun Long dam will be undertaken by China's Hanergy Holding Group, which has pledged "integrity, generosity and sagacity" and being "Low-profile and Down-to-earth."

Hanergy also advocates "gratefulness to the society. While providing clean energy for the society, the enterprise has long been enthusiastic in donating money for the poor and for public welfare, such as helping the orphans of AIDS victims, building Guangcai schools for relocated residents in the reservoir area, environmental protection, medical and research institutes, leaving a trail of honorable marks."

If the Kun Long dam results in human rights atrocities, forced relocations and ecological devastation, Hanergy will have to explain to the world how the dam fits in with their corporate culture and image.



Fighting around Kun Long has already forced many refugees into China.

China's Sinohydro Group Failing to Protect People and Environment

After helping build China's Three Gorges Dam, Sinhydro is trying to expand into global megstructure construction, but the corporation faces problems with its reputation after a series of mishaps.

Chinese President Hu Jintao worked at Sinohydro in the 1960s and 1970s, giving it a vast amount of political clout. However, Sinohydro was also recently fined by Beijing for shoddy work, and it has been criticised over the human rights violations and environmental devastation caused by its projects in Burma and Africa.



In August 2009, a landslide at a Sinohydro construction site in Sichuan Province killed 9 people.

Poor Work - The Exception or Normal?

The company trumpets about being “a leading Chinese brand in the international hydroelectric construction industry.” But Sinohydro faces a huge amount of fence-mending. Managing director Liu Qitao admitted recently that the company had lax internal disciplinary system and was fighting corruption.

In 2004, Sinohydro and several partners were fined by Beijing for poor quality construction work on flood control structures on the Yangtze River. They also received a scathing report by the National Audit Office.

Next, in 2006, the State Assets Supervision and Administration Commission (Sasac), which manages state-owned enterprises, reprimanded Sinohydro in a performance review for safety or environmental

pollution breaches. Sinohydro got a D rating, on a scale of A to E. Executives at D-rated firms face the possibility of salary cuts, transfers or dismissal.

Sasac previously published those ratings, but since the Sinohydro report created a huge problem, they are no longer made public. One expert noted that “it’s obviously sensitive information. I guess some companies were not happy with the ratings being published.”

“Sinohydro is becoming a more international company,” said Peter Bosshard, a policy director of International Rivers, an international environmental non-government organisation.

“Through their recent stock offering, they will present themselves to international investors and they have to position their mission and their brand. That includes the environmental quality of their work. They have to be more accountable in their commitments.”

Sinohydro has encountered international criticism of its projects in various countries, including a multibillion-dollar mine-for-infrastructure deal in Congo involving itself and China Railway Group.

Global Concern Increases

Last year, the International Monetary Fund voiced concern at the deal, saying it would saddle Congo with billions of dollars of additional debt, which might prevent the IMF from forgiving US\$10 billion of the African nation’s debt. The matter was amicably resolved late last year, when the deal was scaled down from US\$9 billion to US\$6 billion.

Lizzie Parsons, a campaigner for Global Witness, criticised the new deal as lacking in transparency. “We can’t see the new contract and that demonstrates the problem with the deal,” she said. “I haven’t seen much improvement in the corporate social responsibility of Chinese SOEs like Sinohydro.”

The firm is also facing problems closer to home. In a petition to the prime minister of Thailand in September 2006, Salween Watch said: “We are gravely concerned about the likely environmental and social impacts from hydropower projects on the Salween River [in Myanmar], a joint project between the Thai and Burmese governments, Sinohydro Corp, and Thailand-based MDX subsidiaries.”

***For More on the Salween River,
Please See www.salweenwatch.org***