



Mr. Zhao Jianguo,  
Chief Executive Officer,  
China Southern Power Grid Co., Ltd.  
6 Huasui Rd., Guangzhou, 510623  
People's Republic of China.

May 30, 2008

**Re: CSG's Initial Public Offering and Project Risks in Southeast Asia**

To Director Zhao:

International Rivers is a U.S.-based civil society organization that works globally to protect rivers and to promote better solutions for meeting water, energy, and flood management needs. We write to express concern with projects that CSG may be pursuing in Southeast Asia, concerns that should be addressed before CSG completes an Initial Public Offering.

In recent years, CSG has increasingly sought opportunities within the Greater Mekong Subregion, especially investment in power generation projects and electricity trade. These overseas ventures create major new opportunities and challenges for CSG. They are intended to diversify the company's revenue base, but these projects are accompanied by social and environmental impacts that may bring risks to the company's reputation. On the other hand, by investing in projects that are socially and environmentally responsible CSG will make a significant positive contribution to Southeast Asia's development needs.

According to media reports, CSG has submitted an application for an Initial Public Offering to the competent authorities. We believe CSG needs to address the challenges of its expansion into overseas power generation before moving forward with an IPO. We write to recommend policies with which CSG could address these challenges, and to raise concerns regarding specific projects CSG is considering in Burma, Cambodia, and Laos.

International hydropower projects are a new business area for CSG. International institutions such as the World Bank and high-level expert bodies such as the World Commission on Dams have developed guidelines which help address the social and environmental impacts of hydropower projects.

- **The World Commission on Dams (WCD)** was created in May 1998 by the World Bank and the World Conservation Union IUCN. Its mandate was to review the development effectiveness of dams, and to develop standards and guidelines for future water and energy projects. The Commission consisted of twelve members from governments, industry, academia, and civil society, and carried out the most comprehensive evaluation of large dams ever done to date.

To improve development outcomes of water and energy projects, the WCD in 2000 presented a new framework for decision-making based on recognizing the rights and assessing the risks of all interested parties. This framework puts forward 26 recommendations, which are grouped under the following seven strategic priorities: Gaining Public Acceptance; Comprehensive Options Assessment; Addressing Existing Dams; Sustaining Rivers and Livelihoods; Recognizing Entitlements and Sharing Benefits; Ensuring Compliance; and Sharing Rivers for Peace, Development and Security. Annex 2 contains a more detailed summary of the WCD framework.

- The **Equator Principles** are a framework for managing social and environmental risk in large and complex projects. They require financiers and developers to check projects based on host country laws, regulations and permits; the Performance Standards of the International Finance Corporation (IFC); and IFC's Environmental, Health and Safety Guidelines. The Equator Principles cover the following ten issues: Review and Categorization; Social and Environmental Assessment; Applicable Social and Environmental Standards; Action Plan and Management System; Consultation and Disclosure; Grievance Mechanism; Independent Review; Covenants; Independent Monitoring; and Reporting. More information is available at [www.equator-principles.com](http://www.equator-principles.com).

The Equator Principles have been adopted by financial institutions which among them account for more than 85% of project finance in developing countries. China's State Environmental Protection Agency introduced the Principles in its Green Credit Policy in January 2008. The World Commission on Dams framework constitutes international best practice in developing water and energy projects. We recommend that before carrying out its Initial Public Offering, CSG should adopt the WCD framework and the Equator Principles, or should develop its own environmental policy based on these best practice guidelines.

Below are our key concerns regarding power generation projects CSG is currently pursuing:

- **Sambor Hydropower Project, Cambodia:** Located on the Mekong River mainstream, this project would hinder critical fish migrations, destroy fish habitats, and interrupt the river's hydrological, sediment and nutrient cycles. The project will threaten the food security of many riparian communities in Cambodia and Lao, and damage commercial fishing activities. The project also threatens a number of endangered species, including the Irrawaddy Dolphin.
- **Stung Cheay Areng Hydropower Project, Cambodia:** The proposed project is located in a densely populated area. Its reservoir would flood nine villages and extend into the Central Cardamom Protected Forest. It would inundate the habitat of 31 endangered fauna species, including the world's most important breeding site for the endangered Siamese Crocodile.
- **Nam Tha 1 Hydropower Project, Laos:** Nam Tha 1 requires the resettlement of almost 8,000 mostly indigenous people. An independent assessment of the project's environmental and social impact assessment concludes that its impacts on the river and affected communities are underestimated and that the project's economic viability is also questionable. In violation of Laos law, construction of Nam Tha 1's access road has

reportedly commenced before adequate reporting on the dam's environmental and social impacts is complete.

- **Myitsone Hydropower Project, Burma.** This project will create a reservoir of 766 square kilometers and displace 10,000 people. The area is widely recognized for its ecological value, and is described by prominent conservation organizations as one of the world's eight "hottest hotspots of biodiversity." The dam, if built, will prevent the seasonal migration of fish and impact the river system's hydrological and sediment cycle, resulting in serious repercussions for river-based livelihoods downstream. Typically large-scale development projects in Burma are accompanied by increased military presence and often result in increased harassment of local people, including extortion, land confiscation, and forced labor. In May 2007, twelve respected elders and leaders from townships across Kachin State sent an objection letter to Senior General Than Shwe requesting that the project be cancelled.
- **Shweli 1 Hydropower Project, Burma** Construction of this project has impoverished 700 local Palaung farmers. Many villagers have had their land, livestock, and natural resources seized by Burmese soldiers that have guarded the project's development. Local residents have also had their lands confiscated or destroyed without compensation for the construction of the dam, access roads, and transmission lines, and were forced to work for the project's access roads for unfair pay or no pay at all.
- **Salween Dam cascade, Burma** This proposed mainstream dam cascade will be built in areas inhabited by ethnic minority groups, many of whom have suffered under Burma's State Peace and Development Council. The cascade's impact on fisheries and agriculture will threaten the livelihoods of hundreds of thousands of people. In December 2007, over 50,000 people, including villagers from the proposed dam sites, signed a petition calling on the Chinese government to halt the construction of Chinese dam projects in Burma until international standards of best practice can be met.

We draw your attention to a number of scientific studies and research reports prepared by international organizations and civil society groups that substantiate our concerns, detailed in Annex 1. The projects have also attracted critical coverage by reputed national and international news organizations. We attach several recent articles for your reference (Annex 3).

We believe that the projects listed above do not comply with important policy documents of the People's Republic of China such as the State Council's "Nine Principles on Encouraging and Standardizing Foreign Investment", SASAC's "Guidelines on Fulfilling Social Responsibility by Central Enterprises", and the Equator Principles which were recently adopted by SEPA as part of its Green Credit Policy.

We recommend that given these problems, CSG should not move forward with the Sambor, Stung Cheay Areng, Myitsone, and Salween hydropower projects. In the case of the Nam Tha 1 Project, CSG should instigate an independent study of the economic and technical feasibility and a participatory social and environmental impact study to determine whether the project should proceed. In the case of the Shweli 1 Project, which has almost been completed, CSG should

ensure that affected people receive fair compensation for their losses and share in the project's benefits.

We would be glad to discuss with you how CSG's environmental policy could be strengthened and project-specific concerns addressed either through further correspondence or in a personal meeting.

We look forward to your response.

Sincerely,



Peter Bosshard,  
Policy Director,  
International Rivers

**Endorsed by:**

***Burma Rivers Network*** (Burma Rivers Network is comprised of representatives of different ethnic organizations from potential dam affected communities in Burma. Burma Rivers Network's mission is to protect the health of river ecosystems and sustain biodiversity, rights and livelihoods of communities)

***Rivers Coalition of Cambodia*** (An Alliance of Civil Society Organizations Working to Protect and Restore River Ecosystems and River-based Livelihoods in Cambodia).

***Xinjiang Conservation Fund*** (A non-governmental organization dedicated to conservation of Xinjiang and to national and international environmental awareness).

**cc:**

Mr. Yuan Maozhen, President, Board of Directors, China Southern Power Grid

Mr. Liang Zhou, Director, International Cooperation Department, China Southern Power Grid

Mr. Pan Yue, Director, Ministry of Environmental Protection

Mr. Yang Chao, General Manager, China Life Insurance Company

Mr. Liu Fucai, Director, Guangdong Province State-owned Assets Supervision Administration Commission

Mr. Zhang Yujin, General Manager, Shanghai Stock Exchange

Mr. Shang Fulin, Chairman, China Security Regulatory Commission

## Annex 1: Details of Concerns about CSG Projects

### Sambor Hydropower Project, Kratie Province, Cambodia

- CSG signed a Memorandum of Understanding (MoU) with the Government of Cambodia to study the project's feasibility in October 2006.
- According to newspaper reports, CSG is considering two design options<sup>1</sup>. A larger 3300 MW scheme, originally proposed by the Mekong Secretariat in 1994, would barrage the entire Mekong River mainstream. A smaller 465 MW scheme would barrage part of the Mekong River mainstream.
- CSG is yet to conduct detailed evaluation of the environmental and social impacts of the Sambor Hydropower Project. However, the 1994 Mekong Secretariat estimated 5,120 people would be resettled by the 3300 MW design<sup>2</sup>, a figure that would most likely be higher today. The dam also threatens the 100 Pillar Preah Vihear Thom Pagoda, a renowned Cambodian cultural site<sup>3</sup>.
- A study undertaken by the Mekong Secretariat in 1994 on the Sambor Hydropower Project's potential impacts noted that it would block upstream and downstream fish migration, and that the "effect of isolating fish stocks from historical spawning and rearing areas will have effects far upstream to perhaps Pakse [in southern Laos] and beyond, and on the Great Lake [Tonle Sap] fishery."<sup>4</sup>
- The Tonle Sap fishery contribute almost two thirds of Cambodia's total annual fish catch, largely comprised of migratory fish stocks, and, as such, is of vital importance to Cambodia's food security and economy. A recent policy brief by the WorldFish Center and the Cambodian National Mekong Committee (CNMC) indicates the serious impacts that dams could have on Cambodia's fisheries<sup>5</sup>: "Because these migratory species make up a dominant part of Cambodia's annual fish harvest, these changes caused by damming [e.g. blocking of migration, hydrological changes and degradation of habitats] could seriously impact Cambodia's fisheries. The loss of even a small percentage of this fishery represents tens of thousands of tons and millions of dollars worth of fish."
- The Mekong River Commission's Fisheries Programme estimated that at least 75 per cent of the total catch from the Tonle Sap *dai* fishery depends on deep pool habitats in northern Cambodia<sup>6</sup>. The paper goes on to note that the Sambor rapids and associated deep pools are important fish habitats, particularly for spawning and refuge purposes, and as such construction of the Sambor Hydropower Project would have "significant" impacts on migratory fish stocks because:
  - The dam would change the hydrology and water levels for a significant distance upstream and downstream of the proposed dam site, including the

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<sup>1</sup> Chinese Firm To Study Possible Mekong Dam Site, *Cambodia Daily*, 5-6 May, 2007

<sup>2</sup> "Mekong Mainstream Run-of-river Hydropower", Mekong Secretariat, December 1994.

<sup>3</sup> Oeur Il (2007) "100 Preah Vihear Thom"

<sup>4</sup> Mark. T Hill and Susan A. Hill, Don Chapman Consultants, 1994, Fisheries Ecology and Hydropower in the Mekong River: An Evaluation of Run-of-the-River Projects, Mekong Secretariat, Bangkok, p.80

<sup>5</sup> CNMC and WorldFish Center, 2007, Infrastructure and Tonle Sap fisheries: How to balance infrastructure development and fisheries livelihoods? The challenge facing decision-makers in Cambodia, Policy Brief, p.3

<sup>6</sup> MRC Technical Paper No. 8, October 2002, "Fish migrations of the Lower Mekong River Basin: implications for development, planning and environmental management"

deep pool stretch between Kratie and Stung Treng. This would eventually lead to deep pool refuge habitats filling up with sediment and disappearing.

- The dam would cut, or significantly impair, migration corridors between floodplain habitats in the south and refuge habitats in the north.
- The dam would interfere with the larval drift system, causing increased direct mortality as well as indirect mortality due to the fact that changed hydrological patterns would prevent larvae from reaching their “intended” destination.
- The World Conservation Union (IUCN) has identified the Sambor Dam to be a serious threat to the habitat and movements of the endangered Irrawaddy dolphin and its prey, whose territory include numerous deep water pools close to the location of the dam<sup>7</sup>. A thriving local tourism industry has grown around the Irrawaddy Dolphin habitats<sup>8</sup>.

#### Stung Cheay Areng Hydropower Project, Koh Kong Province, Cambodia

- CSG signed an MoU with the Government of Cambodia to study the project’s feasibility in October 2006.
- The project’s current design will inundate nine villages located in the proposed reservoir area that are comprised mostly of indigenous communities with a combined population of over 1,500 people<sup>9</sup>. The reservoir will flood between 1,500 and 2,000 hectare (ha) of indigenous land belonging to these villages, including 500 ha of sacred forest.
- The reservoir of the proposed project will extend along the Upper Areng Valley into the Central Cardamom Protected forest. This region is the known habitat of some of Cambodia’s rarest wildlife, including 31 species of mammals, birds, reptiles, fish, and amphibians that are globally threatened with extinction. These include the Siamese Crocodile, one of the world’s rarest crocodile species whose global population is less than 200 individuals and for whom the Upper Areng Valley is the most important of only six known breeding sites. Other endangered species that will be affected include the Asian Elephant, White-winged Duck, six species of Tortoises and Freshwater Turtles, and the Asian Arowana.
- Downstream of the proposed dam location, the river’s flow regime presently seasonally inundates 600 ha of rice paddy belonging to 500 families in Trapeang Rung village. It also flushes out saline water entering the river in the dry season thus ensuring the viability of approximately 1,500 ha of rice paddy in the coastal zone upon which at least 1,800 people depend. Dam construction threatens both areas of rice production.
- Changing the Stung Cheay Areng River’s hydrology also threatens the wider ecology of the river in the Lower Areng Valley, including wet-season fish production in 1000 ha of seasonally inundated swamp forests. These wild-capture fisheries are an important source of protein for the area’s population, as well as a source of income.

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<sup>7</sup> <http://www.iucnredlist.org/search/details.php/44555/doc>

<sup>8</sup> <http://www.mekongdolphin.org/default.htm>

<sup>9</sup> Conservation International (2007) “A summary of the social and environmental impacts of the proposed Areng Valley hydroelectric dam, southwest Cambodia”. Field report prepared by *Conservation International*.

## Nam Tha 1 Hydropower Project, Bokeo Province, Laos.

- CSG signed an MoU with the Government of Laos to study the project's feasibility in August 2006.
- Nam Tha 1 would require the resettlement of an estimated 7,979 people, most of whom are indigenous peoples. The local terrain will make it impossible to provide new rice paddy fields for resettled villagers, and it must be assumed that any resettlement will involve the extensive clearance of forest for upland rice growing. Villagers' basic food security will be compromised, perhaps for many years into the future. At least 4,600 people living downstream of the dam will also be affected by changes in flows, water quality, sediment and nutrient transport, and declines in fisheries and other aquatic resources that will seriously impact their livelihoods.
- Whilst Nam Tha 1's Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) reports have not been publicly released, leaked copies of the reports, dated August 2007, shows that the scale and magnitude of the expected impacts are underestimated.<sup>10</sup> In particular, the reports fail to identify expected project impacts on water quality and living aquatic resources, both of which are relatively well documented in reports from other hydropower projects in the region. The reports also incorrectly assume that most of the project's impacts will occur during the construction phase and underestimates the challenges that will arise from the forced resettlement of almost 8,000 people in the upland terrain of northern Laos, where few suitable resettlement sites exist.
- Nam Tha 1 threatens to undermine existing development activities with communities that would be resettled. A number of foreign development institutions have worked in the Nam Tha Basin over the past decade including GTZ, Action Contre le Faim, the World Bank, the ADB, the European Commission, and Concern. They have invested funds directly and indirectly in the villages to be inundated through infrastructure projects and livelihoods assistance, including the construction of roads, schools, health clinics, piped water systems, and wells, and the establishment of numerous local institutions such as micro-finance facilities for supporting village livelihoods.
- Significant questions remain regarding the project's impact on forest and wildlife resources, which are also inadequately addressed in the EIA. Although only a relatively small area of forest will be inundated by the reservoir (estimated at 12.69 square kilometers), areas of the Bokeo Reserve and the Nam Ha National Protected Area (NPA) will be directly and indirectly impacted by the Nam Tha 1 project through losses of aquatic resources, increased hunting pressure, increased likelihood of logging and NTFP collection, loss of forest to roads and power transmission lines, and the possible threat of resettlement of villages into the Nam Ha NPA.
- Nam Tha 1 was reportedly considered only marginally viable economically when first studied with a larger design and power output (originally 264 MW, now 168 MW) in the mid 90s, yet the project's cost (US\$340 million) has not changed despite its reduction in size, raising questions surrounding the current design's economic feasibility.

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<sup>10</sup> Independent research commissioned by International Rivers, February 2008.

- The construction of an access road for Nam Tha 1 has reportedly already begun<sup>11</sup>, before adequate steps have been taken to study and report on the dam's environmental and social impacts as required by Lao law.

### Myitsone Dam, Kachin State, Burma<sup>12</sup>

- CSG signed a cooperation framework agreement on co-development of hydropower projects in the N'mai Hka, Mali Hka, and Irrawaddy River Basins in Kachin State, Burma with China Power Investment Corporation (CPI) in May 2007.<sup>13</sup> Previously, in December 2006, CPI signed an MoU with Burma's Ministry of Electric Power No. 1 to develop the Myitsone Dam (3600MW) and the Chibwe Dam (2000 MW) on the N'Mai. In May 2007, it was reported that seven hydropower projects would be developed on the Irrawaddy and M'Mai rivers.
- The Myitsone Dam is estimated to create a reservoir of 766 square kilometers, inundating 47 villages and displacing 10,000 people who will lose their means to livelihood that includes farming, fishing, and non-timber forest product collection. In Burma, where governance and law enforcement is weak, the likelihood of any compensation, resettlement, or recourse for affected people is slim. The project will exacerbate existing problems of unemployment, drug addiction, and HIV/AIDS in the area. Roads that link between major towns in the remote state will be cut off by the reservoir, affecting communication, transportation, and trade.
- The Irrawaddy River originates at the confluence of the Mali Hka and N'Mai Hka rivers in Kachin State, Burma, whose headwaters originate in the Southeast Himalayas. The United Nations Environment Programme's World Conservation Monitoring Centre lists the Irrawaddy River as one of the world's top thirty high priority river basins due to its support of high biodiversity and its high vulnerability to future pressures.<sup>14</sup> Kachin State itself is located on the border between two of the most bio-diverse and threatened ecological regions on earth: the South Central China and the Indo-Burma "hotspots". The Indo-Burma "hotspot" has been recognized as one the worlds eight "hottest hotspots of biodiversity" by number of prominent conservationists.<sup>15</sup> The confluence of the Mali and N'mai rivers falls within the Mizoram-Manipur-Kachin rainforests, one of the 200 eco-regions recognized by the World Wide Fund for Nature (WWF) as outstanding examples of biodiversity.
- Barraging the confluence will prevent the seasonal migration of fish to their upstream spawning areas, which would have wider repercussions for the number and diversity of fish and would affect those dependent on the river's fisheries both upstream and downstream of the proposed dam. Fishing is an important part of local livelihoods and diet in the confluence area.
- The dam will block sediment flows and alter the river's flooding cycle, disrupting the natural replenishment of water and nutrients to wetlands and floodplain areas

<sup>11</sup> Vientiane Times, 14 January 2008. Work to start on Nam Tha 1 hydropower dam.

<sup>12</sup> Information based on the report "Damming the Irrawaddy" (2007) by Kachin Development Networking Group (KDNG)

<sup>13</sup> <http://eng.cpicorp.com.cn/news.do?cmd=show&id=24580>

<sup>14</sup> World Conservation Monitoring Center, (1998), "WCMC Biodiversity Series No. 8 Freshwater Biodiversity: a preliminary global assessment"

<sup>15</sup> [http://multimedia.conservation.org/cabs/online\\_pubs/hotspots2/cover.html](http://multimedia.conservation.org/cabs/online_pubs/hotspots2/cover.html)



downstream. Many people conduct agriculture downstream of the project along the banks of the Irrawaddy, and further downstream, the delta region provides nearly 60% of Burma's rice.

- According to data from the Global Seismic Hazard Assessment Program, Burma lies in a region with high to very high seismic hazard that increases steadily to the north.<sup>16</sup> The Myitsone Dam is less than one hundred kilometers from a major fault line. As such, earthquakes threaten the dam's infrastructure.
- The area that will be submerged is integral to Kachin identity and history. The project will submerge a number of historical churches and temples, as well as a sacred banyan tree at the Mali Hka and N'Mai Hka rivers' confluence. Local tourism at the confluence, a significant source of income for villagers living in the area, will be impacted.
- In Burma, the militarization of sites of proposed large scale projects is commonplace. It has been documented that, in Burma, an increase in troop levels often results in increased pressures and harassments on local people, including extortion, land confiscation, and forced labor. Increased troop presence leaves women particularly vulnerable to abuse, including to sexual violence.
- Burma's government has not officially informed the local people about the Myitsone dam plans, although many have become aware due to recent activity at the dam site. On 21 May 2007, twelve respected elders and leaders from townships across Kachin State sent an objection letter to Senior General Than Shwe.

#### Shweli 1 Hydropower Project, Shan State, Burma<sup>17</sup>

- In December 2006, the Yunnan Joint Power Development Company (YUPD) signed a Build-Operate-Transfer (BOT) agreement with Burma's Ministry of Electric Power Number 1 to develop as a joint venture the Shweli 1 hydropower project. CSG's subsidiary, Yunnan Power Grid Company, is one of three shareholders in YUPD.
- Feasibility studies for the 600 MW Shweli 1 dam commenced in 2000. An official opening ceremony was held in 2003. The first turbine is expected to start generating electricity by the end of 2008. The project's electricity will be exported to China, and to factories and mining operations within Burma.
- Man Tat village is a hamlet of 700 Palaung people, whose occupations, until 2000, were primarily tea and rice farming, fishing, and hunting. The village is located in Northern Shan State on the bank of the Shweli River, a tributary of the Irrawaddy River.
- In late 2000, 300 soldiers established a camp in Man Tat village in preparation for the development of the Shweli 1 hydropower project. The soldiers commandeered local land for the camp and required that local farmers clear the land and build the camp. Afterwards, the soldiers took further land for their own crop production, and have extracted money, assets, domestic livestock, and materials from the Man Tat villagers. Local residents have also had their lands confiscated or damaged for the construction of associated roads, the dam site, and transmission line routes. In total, approximately half of Man Hat village has been impacted by land loss or damage since the project

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<sup>16</sup> <http://asc-india.org/maps/hazard/haz-myanmar.htm>

<sup>17</sup> Information based on the report "Under the BOOT" (2007) by Palaung (Ta'ang) Youth Network Group (PYNG).

commenced. Whilst the authorities had said they would pay compensation when the dam construction was finished, to date villagers haven't received any compensation even though construction is almost complete.

- Shweli 1 project's development has caused increased hardship and joblessness within Man Tat village. There is now an increased sense of anxiety in the village, as well as restriction on movement, that has completely changed the nature of the village.
- Improved roads, that should have benefited the villagers, have many check points that levy fees, constituting a disincentive to villagers to utilize them. The roads have, however, enabled traders and drug dealers to access the village, and some of the village's young people have become addicted to opium or methamphetamines.
- Man Tat's villagers were forced to work on the project road for unfair pay or no pay at all. Villagers were unable to gain employment on the dam construction site itself, which was staffed only by Chinese workers.
- Man Hat's villagers were not consulted about the Shweli 1 project beforehand. They have no avenues to voice their concerns or claims for compensation.

### Salween Dam Cascade, Burma<sup>18</sup>

- In April 2008, CSG signed a Strategic Cooperation Framework Agreement with Sinohydro Corporation and Three Gorges Project Development Corporation, the details of which have not been publicly announced.<sup>19</sup>
- The Salween River<sup>20</sup> supports a wealth of biological and cultural diversity; it is the habitat of at least 140 species of fish, a third of which are endemic. From its headwaters in the Tangula Mountain in the Himalayas in the Tibetan plateau to its estuary in Mon State, Burma, its rich natural resources support up to 10 million people.
- Four large dams are planned for the Salween River in Burma:
  - The Hat Gyi Dam (between 600 and 1800 MW), located 40 kilometers downstream of the Salween-Moei River confluence in Karen State, is officially slated as the first dam that will be developed; in June 2006 the Electricity Generating Authority of Thailand (EGAT) signed an MoU with Sinohydro Corporation to jointly develop the project. EGAT earlier signed an agreement with the Burmese Department of Hydropower for the project in December 2005.
  - The Ta Sang Dam (7100 MW), located in southern Shan State, would be 228 meters high - the tallest dam in Southeast Asia - and create a reservoir 475 kilometers long. In March 2005, Thailand's MDX Power Plc. entered into an agreement with Burma's Department of Hydroelectric Power to co-develop the

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<sup>18</sup> Visit [www.salweenwatch.org](http://www.salweenwatch.org) for extensive information on the Salween River cascade. Major reports include: Salween Watch, SEARIN and Center for Social Development Studies (2004) "The Salween Under Threat"; Karenni Development Research Group (2006) "Damned by Burma's Generals"; Mon Youth Progressive Organization (2007) "In the Balance"; Karen Rivers Network (2004) "Damming at Gunpoint"; Shan Sapawa Environmental Organization (2006) "Warning Signs".

<sup>19</sup> China Economic Times, April 28, 2008 "Chinese companies signed Myanmar's Salween River strategic cooperation framework agreement" <http://info.jrj.com.cn/news/2008-04-28/000003585891.html>

<sup>20</sup> Known as the Thanlwin River in Burma.

project. In November 2007, according to the *Myanmar Times*, China Gezhouba Water and Power Group Co. agreed to a 51% stake in the project.<sup>21</sup>

- The Wei Gyi Dam (4,540 MW) site is located on the Thai-Burma border in Karen State. The reservoir, located mainly in Karenni State, will stretch 380 km upstream.
- The Dagwin Dam (500-900 MW), located downstream of the Wei Gyi site, will function mainly as a regulator and storage reservoir for water released from the Wei Gyi Dam, and is planned to pump water back up to the Wei Gyi dam using surplus off-peak power.
- The estimated cost of the entire cascade is at least US\$10 billion. Burma is ranked by Transparency International as one of the world's five most corrupt countries.
- Increased militarization around the dam sites has been linked to escalating abuse and massive internal displacement of people. At the Tasang Dam site, since studies on the project commenced in 1996, over 300,000 people have been forcibly relocated from near the dam site. In 2006, intensification of military activity in areas nearby the lower dam sites displaced thousands of people. At least 73,000 people in Burma will be directly impacted by the projects<sup>22</sup>. The projects would incur high costs on the rich cultural diversity of the Salween communities.
- The Salween Dam cascade would incur large impacts on the Salween River's ecosystems, including to pristine teak and other hardwood forests, and rare and endemic plant and fish species. Fisheries and agriculture that the river sustains that are vital to the livelihoods of river-dependent communities would be affected. The Hat Gyi Dam will flood part of Kahilu Wildlife Sanctuary in Karen State. The Tasang Dam will flood scarce farmland and dense riverine forests. The Wei Gyi Dam will inundate one of the two main wet-rice producing areas of Karenni State.
- The decision-making process for the planning and implementation of the Salween Dam cascade has been conducted in secrecy, with no participation from the communities that would be affected in Burma. Under the current conditions in Burma, few, if any, affected communities can expect to share the benefits from the proposed dams or receive compensation.
- In December 2007, a petition signed by over 50,000 people called on the Chinese Government to halt Chinese investment in Burmese hydropower projects until the projects can be made to comply with Chinese national and international standards. These include ensuring people's informed participation in decision-making processes, and the preparation of comprehensive environmental and social impact assessments that are made available to the public and that are genuinely taken into account in the decision-making process.

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<sup>21</sup> <http://www.mmtimes.com/no393/b004.htm>

<sup>22</sup> Letter from NGO Consulting Committee on Development (NGO-CORD-NORTH) to the Prime Minister of Thailand "Subject: Request withdrawal from cooperation with the Burmese military regime for the construction of hydropower dams on the Salween River", dated 28 February 2007.

## **Annex 2: The World Commission on Dams Framework - a Brief Introduction**

With support from the World Bank and IUCN, the independent World Commission on Dams (WCD) was created in May 1998. Its mandate was to review the development effectiveness of dams, and to develop standards and guidelines for future dams. The Commission was chaired by South Africa's water minister Kader Asmal and consisted of twelve members from governments, industry, academia, and civil society.

During its two-year lifetime, the WCD carried out the most comprehensive evaluation of large dams ever done to date. It commissioned 130 technical papers, studied seven dams and three dam-building countries in great depth, reviewed another 125 dams in less detail, carried out consultations in different parts of the world with 1,400 participants, and accepted 950 submissions from experts and the interested public. Altogether, the WCD reviewed experiences from 1,000 dams in 79 countries.

The WCD concluded that while “dams have made an important and significant contribution to human development,” in “too many cases an unacceptable and often unnecessary price has been paid to secure those benefits, especially in social and environmental terms, by people displaced, by communities downstream, by taxpayers and by the natural environment.” For example, dams have physically displaced 40-80 million people worldwide, and most of these people have never regained their former livelihoods. In many cases, dams have led to a significant and irreversible loss of species and ecosystems, and efforts to mitigate these impacts have often not been successful.

To improve development outcomes of water and energy projects, the World Commission on Dams presented a new framework for decision-making based on recognizing the rights and assessing the risks of all interested parties. The WCD framework puts forward seven general “strategic priorities” each based on a set of “policy principles.” A set of 26 “guidelines for good practice” lay out specific actions for complying with the strategic priorities at five key stages of the project development process. The list below summarizes the WCD's recommendations in ten points.

After publishing its final report in November 2000, the WCD dissolved. Yet the WCD framework lives on and has become the most important benchmark in international dam building. Several governments – including Germany, Nepal, South Africa, Sweden and Vietnam – have organized dialogue processes to integrate WCD recommendations into national policy. The World Bank, export credit agencies and the International Hydropower Association, while critical of specific recommendations, have endorsed the WCD's strategic priorities. The member states of the EU have decided that carbon credits from large dams can only be sold on the European market if the projects comply with the WCD framework. International Carbon Investors & Services, a group of international banks and other bodies involved in carbon trading, also require WCD compliance for large hydro projects.

The requirement for dams to comply with the WCD framework under EU and other policies has created a demand for guidance on how to implement the framework and assess compliance with it. The “criteria checklists” and guidelines in chapter 9 of the WCD report

are key to these tasks. Some governments have also prepared their own checklists and guidelines. The following list is not a checklist for developers, but an illustrative sample of key WCD recommendations.

Key WCD recommendations:

1. Development needs and objectives should be clearly formulated through an open and participatory process, before various project options are identified.
2. A balanced and comprehensive assessment of all options should be conducted, giving social and environmental aspects the same significance as technical, economic and financial factors.
3. Before a decision is taken to build a new dam, outstanding social and environmental issues from existing dams should be addressed, and the benefits from existing projects should be maximized.
4. All stakeholders should have the opportunity for informed participation in decision-making processes related to large dams through stakeholder fora. Public acceptance of all key decisions should be demonstrated. Decisions affecting indigenous peoples should be taken with their free, prior and informed consent.
5. The project should provide entitlements to affected people to improve their livelihoods and ensure that they receive the priority share of project benefits (beyond compensation for their losses). Affected people include communities living downstream of dams and those affected by dam-related infrastructure such as transmission lines and irrigation canals.
6. Affected people should be able to negotiate mutually agreed and legally enforceable agreements to ensure the implementation of mitigation, resettlement and development entitlements.
7. The project should be selected based on a basin-wide assessment of the river ecosystem and an attempt to avoid significant impacts on threatened and endangered species.
8. The project should provide for the release of environmental flows to help maintain downstream ecosystems.
9. Mechanisms to ensure compliance with regulations and negotiated agreements should be developed and budgeted for, compliance mechanisms should be established, and compliance should be subject to independent review.
10. A dam should not be constructed on a shared river if other riparian States raise an objection that is upheld by an independent panel.

### **Annex 3: CSG Projects Media Coverage**

#### **Sambor Hydropower Project, Kratie Province, Cambodia**

*For a summary of newspaper articles on the Mekong Mainstream Dams, including the Sambor Dam, see [http://www.searin.org/Th/Mekong/sub\\_lowerdam.html](http://www.searin.org/Th/Mekong/sub_lowerdam.html).*

#### **Dams may damage Mekong River; species in danger**

*China Daily 15 Nov. 07*

BANGKOK, Thailand -- Six proposed dams on the Mekong River could displace up to 75,000 villagers and harm hundreds of species like the endangered giant catfish and Irrawaddy dolphin, conservationists warned Tuesday.

Premrudee Daoroung, director of the Bangkok-based environmental group TERRA, said 13-year-old plans to build four dams in Laos and one each in Thailand and Cambodia have been revived as part of efforts to find new energy sources for their growing economies.

“The natural flow of the river will all be completely changed,” Premrudee said. “Of course, it will affect all the vegetation and fish on the river. Many species of fish will be lost because the river will become shallower and some parts may have no water at all during the dry season.”

The proposed dams would add further pressure to the beleaguered Mekong, which runs through China, Myanmar, Laos, Thailand, Cambodia and Vietnam.

The river and its vast tributary network already face threats from pollution and climate change and have caused water levels to drop sharply on the upper Mekong.

Conservationists urged the Mekong River Commission -- which is made up of Cambodia, Vietnam, Laos and Thailand and tasked with managing navigation and development along the river -- to take a public stance on the dam projects at its annual meeting starting Thursday in Cambodia.

They also called on the commission to release any studies or surveys on the six dams' effects on the river.

“Despite the serious ecological and economic implications of damming the lower Mekong, the Mekong River Commission remained notably silent,” a coalition of 175 environmental and civic groups charged in a letter sent to the commission Monday. “We find this an extraordinary abdication of responsibility.”

Conservationists fear that without some outside pressure, the dams will fail to include affected communities in their planning, to compensate relocated villagers for possible lost land and livelihoods, and will refuse to incorporate environmental and social safeguards into their projects.

No one from the commission could immediately be reached for comment on the environmentalists' statements.

[http://www.chinadaily.com.cn/photo/2007-11/15/content\\_6256364.htm](http://www.chinadaily.com.cn/photo/2007-11/15/content_6256364.htm)

### **Cambodia seeks billions for dams**

*Bangkok Post*

Phnom Penh (dpa) - Cambodia is seeking private investment to build 14 new hydropower dams worth more than \$3.2 billion, according to a government report obtained Sunday.

The report entitled Prime Investment Information in Cambodia details potential private investment opportunities around the country, including hydroelectric dam construction.

According to the report, 14 dams of various sizes and capacities are estimated to be able to generate a minimum of 1,850 megawatts.

Four are also earmarked to provide irrigation, although all but two of the 14 are currently only at desk study stage.

Only one of the proposed sites is on the Mekong river at Sambor Falls in eastern Kratie province, according to the report, and the project there is listed in two stages.

But a government source said despite the tremendous potential of the Sambor dam, it may only go ahead if northern neighbour Laos builds controversial dams higher upstream which Cambodia fears will destroy its fisheries and leave it nothing to lose.

The report estimates Kratie, where the Mekong runs strong, is currently producing a capacity of 1,570 kilovolt-amperes but could potentially have a capacity of 2,290 with dams in place.

The rest of the proposed dams are dotted along various tributaries around the country.

Cambodia's rapid economic growth has caused it to outstrip its electricity supply, with rolling brown outs common in the capital, and many rural areas without power altogether.

The country is seeking ways to generate its own power and minimise the amount it has to buy from neighbouring countries.

[http://www.bangkokpost.com/breaking\\_news/breakingnews.php?id=127466](http://www.bangkokpost.com/breaking_news/breakingnews.php?id=127466)

Stung Cheay Areng Hydropower Project, Koh Kong Province, Cambodia

## **Chinese dams threaten Cambodia's forests, farmers**

*Reuters, 26 March 2008, By Ek Madra*

CHAY ARENG RIVER, Cambodia (Reuters) - Along the Chay Areng valley in Cambodia's remote Cardamom mountains, children still scamper barefoot through one of mainland southeast Asia's last remaining tracts of virgin jungle.

If they take the same paths in a few years, they will probably have to be swimming.

Faced with a rapidly growing but power-starved economy, Prime Minister Hun Sen has decided the rivers flowing from one of the few elevated spots in a relentlessly flat country should become its battery pack.

With this in mind, in the last two years he has agreed to at least four Chinese-funded hydropower projects as part of a \$3 billion scheme to boost output from a measly 300 MW today to 1,000 MW in a decade, enough to power a small city.

The indigenous communities who have lived off the forests in the Cardamoms since the dawn of time appear to be the ones who will be paying the biggest price.

"We have been living here without a dam for many generations. We don't want to see our ancestral lands stolen," said 78-year-old Sok Nuon, lighting a fire inside her wooden hut nestled in among the trees near the Chay Areng river.

"I do not want to move as it takes years for fruit trees to produce crops. By then, I'll be dead," she said.

## **WAR ON BLACKOUTS**

Few people argue that Cambodia's 14 million people need more power.

After decades of war and upheaval, including the Khmer Rouge "Killing Fields" of the 1970s, the economy has finally taken off, growing at nearly 10 percent a year.

But its antiquated, mainly diesel-fuelled power plants can meet only 75 percent of demand, meaning frequent blackouts and unit prices around twice those of neighboring Thailand and Vietnam -- both factors inhibiting faster expansion.

With the closer ties Hun Sen has cultivated with Beijing in the last five years, Chinese cash and dam-building expertise has become a logical solution to what is one of the inevitable pains of breakneck growth.

"Chinese investment in hydropower is so important for Cambodia's development," Foreign Minister Hor Namhong said in January after meeting with his Chinese counterpart Yang Jiechi.



But critics maintain that much of the planning is taking place with scant regard for the long-term impact on the environment in a country where (80) percent of people still rely on agriculture for their livelihoods.

“Poorly conceived and developed hydro-power projects could needlessly and irreparably damage Cambodia’s river system with serious consequences,” said Carl Middleton of the U.S.-based International Rivers Network.

## MUDDY WATERS

The Chinese embassy in Phnom Penh denied Beijing was taking any short-cuts in dam construction in Cambodia -- part of a massive aid package designed to ensure a compliant friend in the region.

“They comply with environmental standards and are approved by the Cambodian government,” said a Chinese diplomat who did not wish to be named. “We just want to help Cambodia as much as we can.”

But the Chay Areng project hardly appears to be a model of transparency.

The deal was signed in late 2006 with China Southern Power Grid Co (CSG), one of China’s two grid operators, to build a 260 MW plant at an estimated cost of \$200 million and with a completion date of 2015.

With no prior consultation, the first villagers knew of the project was when Chinese engineers turned up this year to start working on feasibility studies -- details of which CSG and the government are reluctant to discuss.

Environmentalists who have conducted their own studies say the dam’s lake will cover 110 sq km (42 sq miles) and displace thousands of indigenous people in nine villages.

More than 200 animal species, including elephants, sun bears, leopards and the endangered Siamese crocodile, would be affected upstream, said Sam Chanthy, head of the NGO Forum, a foreign-funded non-governmental organization in Phnom Penh.

Downstream, the delicate ecosystem of the flooded forest, home to some of the world’s rarest turtle species as well as hundreds of types of migratory fish, would also be hit by disruptions to water flow, he said.

“It won’t take long for these invaluable assets to disappear when the dam is built,” said Eng Polo, of wildlife group Conservation International.

<http://uk.reuters.com/article/environmentNews/idUKBKK1675520080326?sp=true>  
Nam Tha 1 Hydropower Project, Bokeo Province, Laos.

## **Lao Government reminds Chinese enterprises not to start alternative plantation project in the proposed Nam Tha 1 Hydropower station's flooded area**

Source: Yunnan Provincial Office of Commerce's Border Trade Division. (*Unofficial translation*)

13 February 2008.

<http://yunnan.mofcom.gov.cn/aarticle/sjshangwudt/200802/20080205376109.html>

Recently, an environmental panel meeting for the proposed Nam Tha 1 Hydropower project was held in the Lao's Bokeo Province. The representatives of the Nam Tha and Bokeo Provinces who attended the meeting reminded Chinese enterprises not to carry out long-term alternative cultivation in the flooded areas of the proposed Nam Tha 1 hydropower project.

It is learnt that the proposed Nam Tha 1 Hydropower Station, which is located between Nam Tha and Bokeo Provinces, has the installed capacity of 168MW, the dam height of 93 meters, the reservoir area of 64 square kilometers, and the capacity 17.5 billion cubic meters. The 82km-long 125kV-transmission line will be erected to the capital of Bokeo Province, Huayxai. 34 villages will have to be relocated.

### Myitsone Dam, Kachin State, Burma

#### **Dam builders roll on amid signs of a Beijing shift**

*Financial Times, 1 November 2007*

In a former national park 1,000kms up the Yangtze River from the Three Gorges, construction has already begun on the massive Xiluodu and Xiangjiaba hydropower stations. These will be China's second- and third-largest dams respectively and involve the forced relocation of nearly 100,000 people.

Despite finally acknowledging the many problems associated with the Three Gorges project, Beijing's state-owned dam-building machine rolls on, with hundreds of smaller dams planned for the Yangtze and its tributaries.

Elsewhere in the world, hydroelectric dams are increasingly viewed as anachronisms. This is particularly true of the US, where huge sums are being invested to remove ageing dams and clean up rivers. In China, however, a surging demand for power and the country's reliance on heavily polluting coal for more than 70 per cent of its energy are driving a boom in hydropower construction.

The dam-building frenzy is not confined to the Yangtze. Countless projects are planned for Chinese portions of the Mekong, the Brahmaputra and most other rivers that flow out of the Himalayas. China's hydropower companies are also peddling their technology and services to the rest of the world.

Not everyone welcomes China's dam exports. Last week, an environmental group in Burma appealed to China to stop work on a hydropower station being built on the Irrawady River.

Chinese companies will build and operate the dam, which will displace around 10,000 people and is intended in part to supply power to China. The group warns that the project will have serious environmental consequences and is being built less than 100km from an active seismic fault line.

Considering it did not heed the warnings of its own citizens and officials over the Three Gorges, the Chinese government is unlikely to listen to a Burmese environmental group, especially at a time when Beijing is actively encouraging its state-owned firms to invest around the world.

But there are signs that the disastrous effects of the Three Gorges dam have provoked a reassessment at the highest political level in Beijing. In the past two years there has been a revolution in the Communist party's rhetoric on environmental issues. Wen Jiabao, the premier, and other top leaders have publicly questioned the merits of giant hydropower projects.

There is an actively encouraged impression among officials that problems related to the Three Gorges are the result of mistakes made under Jiang Zemin, the former Chinese president. Even the new line-up at the top of the party suggests a change in attitude towards giant infrastructure projects - the proportion of engineers in the 28-person ruling Politburo was reduced in mid-October from three-quarters to just half.

“We are hoping the lessons from the Three Gorges will convince authorities to allow a more open and balanced decision-making process when building new dams,” says Ma Jun, a prominent water-pollution activist and founder of the non-governmental Institute of Public and Environmental Affairs.

It is too late to stop the Xianjiaba and Xiluodu dams but Li Yongan, deputy director of the State Council's Three Gorges Project Construction Committee, concedes that the greener political atmosphere in Beijing will probably force his company to reconsider at least one or two of the 14 large new dams it has planned for the upper reaches of the Yangtze River.

### Shweli 1 Hydropower Project, Shan State, Burma

#### **Villagers forced to do repairs on the hydropower dam project**

*S.H.A.N. 30 April 2008*

Junta authorities in Namkham Township, Northern Shan State, have been forcing villagers to repair the collapsed bank of the Shweli Hydropower Dam Project which is established on the Shweli River, according to a reliable local source.

*By Hseng Khio Fah*

On 21 April, Man Tat based commander from Light Infantry Battalion 144, Captain Kyaw Than ordered villagers of Wangmeng, Hangkarm, Hinlong, Kawngkart and Wiangkang village tracts to repair the collapsed bank of the Shweli Hydropower Dam Project.

On 24 April, a villager from Kawngkart village tract ran away from the project but the authorities caught him and beat him until the blood came out from the body. Afterwards, the rest of the villagers also were beaten and given punishments.

“We did nothing wrong and we did not run away, but we were beaten too,” said a villager in anonymity. “If we don’t have people in our family to work there, we have to pay Kyat 10, 000 (\$10).”

There were over 350 people from 5 village tracts at the project. The authorities announced that 70 people from each village tract were required to go to the project site. The junta is still eager to call more people for the repairing project, the source said.

The project was signed between Burmese Ministry of Electric Power and Chinese Yunnan Machinery Equipment Import and Export Company Limited (YMEC) in 2002. It was started in 2003, and the installed capacity of the project will be 600MW. The actual power supply will be 174.8 MW; the annual power output 4,033 GWh. The electricity will be transmitted to both Burma and China through 230 KV and 220 KV cables, according to a report from Palaung Youth Network Group.

The Shweli River, known by Shans and Palaungs as the Mao, is a main tributary of the Irrawaddy. Its sources lie in China’s Yunnan province at 11,000 feet above sea level. The river runs past Burma’s Muse and Namkham and flows into the Irrawaddy north of Mandalay. The project is near Man Tat village, 17 miles southwest of Namkham, Northern Shan State.

<http://www.shanland.org/humanrights/2008/villagers-forced-to-do-repairs-on-the-hydropower-dam-project>

### **China’s dams in Burma a cause for concern, say activists**

*Bangkok Post, 4 December 2007*

Ethnic and human rights groups have urged China to strictly regulate the construction of dams in Burma, saying the dams are leading to massive human rights violations and the destruction of ecology along rivers. “The dam projects are going to cause an influx of ethnic people being forced out of the dam construction areas to relocate and move into Thai territory for refuge,” said Sai Sai, coordinator of the Salween Watch Coalition.

Mr Sai Sai and 30 activists yesterday submitted a petition to Chinese President Hu Jintao via the Chinese consul in Chiang Mai, urging the Chinese government to strictly regulate the activities of Chinese dam builders in Burma.

The petition, signed by more than 50,000 affected people from 98 organizations in Burma and 24 international organizations, said at least 10 Chinese companies were involved in 20 major hydropower projects in Burma, with a combined capacity of about 30,000 megawatts and costing more than US\$30 billion (about 925.5 billion baht).

“These projects are being handled with a complete lack of transparency, no environmental or social impact studies and no notification of intent to local communities. Many are located in conflict areas where ethnic peoples have suffered for decades from systematic abuses by the troops of Burma’s military regime,” the petition says.

Mr Sai Sai said Thailand would also bare the brunt if China refuses to withdraw its investment from the projects, especially the Tha Sang and Hutgyi dams, which will be built on the Salween River that forms the Thai-Burmese border.

“The Thai government will have to receive a large number of Burmese people who are likely to take refuge on Thai soil after being chased out from their homeland to pave way for the dam projects,” said the Chiang Mai-based activist.

The degradation of the Salween River from the dam projects would also badly affect Thai people’s livelihoods, he said.

Aung Ngyeh, a spokesperson for the Burma Rivers Network, said: “These Chinese dams will not only cause huge environmental and social damage for the people of Burma, but also damage China’s international image.”

The submission of the petition coincided with the release of the report Under the Boot, by the Palaung Youth Network Group, describing the implementation of the Shweli Dam near the China-Burma border, China’s first Build-Operate-Transfer hydropower project under an agreement with the Burmese junta.

The report, which contains exclusive photos and testimonies from a remote village near the China-Burma border, uncovers how Chinese dam builders are recruiting and using Burmese troops to secure Chinese investments.

Since 2000, the Palaung village in Man Tat, the site of a 600-megawatt dam project, has been overrun by hundreds of Burmese troops and Chinese construction workers. Villagers have been suffering land confiscation, forced labour and the restriction of movement ever since, says the report.

[http://www.bangkokpost.com/News/04Dec2007\\_news12.php](http://www.bangkokpost.com/News/04Dec2007_news12.php)

### Salween River Dam Cascade, Burma

*For a summary of newspaper articles on the Salween River Dam cascade visit*  
[http://www.searin.org/Th/SWD/sub\\_lowerdam.html](http://www.searin.org/Th/SWD/sub_lowerdam.html)

### **Salween: Regional River in jeopardy**

*Thai News Agency 3 November 2007*

The Salween River starts in Tibet and flows through China, Myanmar and Thailand. For most of its over 2,800-kilometre route, the international river is of little commercial value as it

passes through deep gorges. In fact, it is currently the longest undammed river in mainland Southeast Asia.

But that will be only a chapter in history in the near future, because a certain number of dams have been initiated in Thailand and Myanmar to meet the growing demand for electricity.

One of them is now under construction on the Thai-Myanmar border near the northernmost province of Mae Hong Son.

Sob Moey village is one village already being affected by the new hydro-power dam “Hut-gyi” developed by Thailand’s Electricity Generating Authority of Thailand or EGAT. Most of the 70 or so farming families in the remote village are of Karen minority.

Three years ago, EGAT staff came to install solar cells in the heart of the village as well as to distribute some necessities among the poor villagers. None of them however was informed of the dam construction.

Today, villagers are worried about possible flooding and subsequent relocation of the village.

“The new dam will surely threaten our livelihood. If our village is flooded, we need to move out,” said Jo Samajitphol, a Sob Moey villager.

Sob Moey is one of four villages in Thailand to be affected by the dam construction in Salween. Another 28 villages in Myanmar will also be affected, according to non-government organization South East Asia Rivers Network.

Forests on either side of the river will be submerged while hundreds of fish species might be on the brink of extinction. In short, the livelihood of these villagers will be in jeopardy.

“Many villagers rely on fishing in the Salween River. Although their villages may not be flooded, their livelihood is jeopardized. In fact the ecological damage is hard to calculate,” said Phianporn Deethet of South East Asia Rivers Network.

The NGO activist urged the Thai government to reconsider the advantages and disadvantages of constructing dams on the last free-flowing international river in Southeast Asia. - (TNA)

### **Egat urged to assess impact of Burma dams**

*Bangkok Post 29 October 2007*

Mae Hong Son \_ The National Human Rights Commission has completed an initial environmental and social impact study of a controversial hydro-power dam project on the Salween river.

The report is the first of its kind as the Electricity Generating Authority of Thailand (Egat), the developer of the Hutgyi dam, has yet to come up with a report on the proposed dam's potential impact on the environment and local communities.

“As far as I know, there is no study of the possible impact of the dam on the Thai side. Our report will reveal the impact [of the Hutgyi dam], which has never been raised by the state agency,” said human rights commissioner Vasant Panich who spearheaded the study.

Egat has only conducted an environmental impact assessment study for the Burmese side. The report, to be released tomorrow, covers various aspects of the dam's impact, including damage to the livelihoods of ethnic groups living on Thai territory along the Salween river who might have to be relocated and possible devastation to the river's ecology.

Originating in Tibet, the Salween is considered the last free-flowing international river in Southeast Asia.

Mr Vasant said the National Human Rights Commission would also invite Egat officials to discuss the report.

“They (Egat) should be informed about the plight of minority people on the Thai side who will be affected by the dam construction, so that they can get well-rounded information about the dam's adverse impact,” he said.

Representatives from minority groups living in Mae Hong Son as well as environmental and human rights protection groups will be invited to voice their opinion about the proposed dam. The Thai and Burmese governments signed a Memorandum of Understanding to study the possibility of dam constructions along the Salween river in 2005. Hutgyi dam is one of six projects that have been heavily pushed.

The project, which is about 30 kilometres from the Thai border in Mae Hong Son, has an estimated capacity to produce 1,200 megawatts of electricity.

Construction work on the 36-billion-baht dam was scheduled to begin next year. However, Egat recently temporarily suspended its survey of the proposed site after a Thai engineer was killed in an artillery attack on Egat construction workers last month. Another Egat employee was killed in a landmine accident in May 2006. Over 40 Egat workers were evacuated to Thailand following last month's incident.

Montree Chantawong, campaign coordinator from the Foundation for Ecological Recovery, urged the Office of Natural Resources and Environmental Policy and Planning to instruct Egat to conduct an environmental impact assessment of the proposed dam's impact on Thai territory as well.

“Egat might claim that the dam is located in Burma, so it is not deemed by Thai law to conduct an environmental impact assessment,” he said.

“But in fact, the project will cause massive adverse impact on Thai people who rely on the Salween for their lives.”

[http://www.bangkokpost.com/News/29Oct2007\\_news11.php](http://www.bangkokpost.com/News/29Oct2007_news11.php)