BRN responds to interview on Myitsone dam by CPI president

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Mizzima News - The following quotations come from an interview with the president of the China Power Investment Corporation (CPI) Lu Qizhou about Burma’s Myitsone dam project. The interview appeared in the Chinese media on October 3. The umbrella activist group Burma Rivers Network (BRN) here releases its response to key points made by the CPI president. Burma’s president Thein Sein announced a halt to the controversial Myitsone Dam project on September 30. Thein Sein also said that discussions would follow with China.

LU-Qizhou-cpi

CPI chairman Lu Qizhou. Photo: eng.cpicorp.com.cn

Lu Qizhou: “I also learnt about this through the media, and I was totally astonished. Before this, the Myanmar side never communicated with us in any way about the ‘suspension’.”

BRN: The villagers at the dam site, numerous political and community organizations, and international human rights organizations have attempted to contact CPI and discuss the concerns about the impacts and process of the project. Even though CPI never responded to these attempts at a dialogue, they cannot claim to be unaware of the feeling about this project by the people of Burma.

It is impossible that CPI could not have been aware that Burma is in the midst of civil war and that the Irrwaddy-Myitsone dams project is in an active conflict zone. The armed ethnic group in this area, the Kachin Independence Organisation, had directly warned the Chinese government that local people were against the project earlier this year and that proceeding with the dams could fuel further fighting. Without national reconciliation and peace, all investments in Burma face these types of risks.

Lu Qizhou: “Ever since CPI and Myanmar Ministry of Electric Power No. 1 MOEP (1) signed the MOU in December 2006, CPI has always followed the principle of mutual respect, mutual benefit and win-win result”

BRN: Up to now all major investment projects in Burma are negotiated by Burma’s military government and the main benefits have gone to the military. Any win-win result has only been for the military and this is resented by the people of Burma. The lack of transparency by the military and foreign investors increases this resentment. The role and share of the Burmese companies should also be disclosed, including the benefits to Asia World Company and whether military holding companies, the Union of Myanmar Economic Holdings Ltd. (UMEHL) and the Myanmar Economic Corporation (MEC) are involved.

Lu Qizhou: “We hired topnotch hydropower design institutes, research institutes, consultancies and authoritative experts in China to carry out planning, design, specific study, consultation and supervision for the upstream-Ayeyawady hydropower project.”

BRN: The impact assessment jointly carried out by the Chinese Changjiang Institute and the Burmese BANCA stated very clearly that the Myitsone dam should be scrapped and that the majority of the local people were against this project. Why did CPI hire “topnotch” institutes and then not follow their advice? The original EIA was completed in October 2009, which was only leaked earlier this year. CPI
has just released an edited version of the EIA and dated it March 2010, which has deleted the key findings and recommendations.

Although it was recommended, the original assessment did not include a social impact assessment or an assessment of the impacts on the entire river, particularly downstream.

In the current political context, where there is civil war and where communities fear retribution by Burma’s military government, assessors are unable to genuinely access affected communities or collect reliable data.

Lu Qizhou: “In February this year, Myanmar’s Prime Minister (Thein Sein) urged us to accelerate the construction when he inspected the project site, so the sudden proposal of suspension now is very bewildering.”

BRN: Thein Sein should explain his actions if he indeed wanted to accelerate the project. In addition, the Burmese military government must disclose all agreements signed with CPI so that this is a transparent process for everyone to see.

Lu Qizhou: “The upstream-Ayeyawady hydropower project is located near the China-Myanmar border, developing hydropower resources here not only can meet Myanmar's power demand for industrialization, but also can provide clean energy for China. It is based on this consideration that we decided to invest in this mutually beneficial and double winning hydropower project.”

BRN: We understand that this is a double winning project for China as it can receive 90 per cent of the energy from the dam while Burma has to bear all the social and economic costs.

Lu Qizhou: “The Myanmar government will gain economic benefits of USD $54 billion via taxation, free electricity and share dividends, far more than CPI's return on investment during our operation period.”

BRN: Over the past several years, Burma’s military government has received billions in revenues from the sale of natural gas to Thailand, yet the country remains impoverished with some of the worst social and economic indicators in the world. The “economic benefits” therefore do not reach the broader public and do not contribute to the genuine development of the country.

Lu Qizhou: “As far as I know, in the more than 100-year history of hydropower development, no flood or destructive earthquake has ever been caused by dam construction. We are able to ensure the safety of dam construction.”

BRN: Given the increasing frequency and severity of earthquakes, there cannot be a guarantee of safety. No studies about the safety of the dam or about disaster preparation have been disclosed to the public.

The world’s worst dam disaster occurred in Henan Province in central China in 1975. Twenty years after the disaster, details started emerging that as many as 230,000 people may have died.

Lu Qizhou: “It has become a common consensus that hydropower is the only renewable energy suitable for large-scale development now.”
Rural communities in Burma and Kachin State are utilizing the appropriate technology of small hydropower to realize their electricity needs on their own. The Kachin capital of Myitkyina is one of the few cities in Burma that currently receives 24-hour electricity due to an existing small hydropower project. Decentralized management and the right of local people to manage and utilize the electricity generated by small hydro needs to be promoted in Burma, not large scale projects that are environmentally destructive and export electricity rather than using it domestically.

Lu Qizhou: “The Myanmar government attaches significant importance to resettlement for the upstream-Ayeyawady hydropower project, and has effectively led and organized the planning, design and implementation of resettlement… According to the agreement, we assisted in the resettlement work and proactively fulfilled our social responsibilities and obligations, while fully respecting local religion, ethnic customs and the wish of migrants.”

BRN: Villagers fear for their lives if they complain or resist relocation at the hands of armed military personnel and have thus been forced to give up their farmlands, accept inadequate compensation, and be herded into a relocation camp where there is not enough farmland and water for livelihoods. People now either have no jobs or low-wage temporary jobs and they cannot continue cultural practices linked to their original homelands. Villagers living in the relocation camp are restricted in movement and are constantly under military surveillance.

Over 60 villages, approximately 15,000 people, will eventually be permanently displaced from their homelands due to the Irrawaddy Myitsone project. This dislocation will cause many secondary social problems including conflicts over jobs and land, and an increase in migration and trafficking to neighboring countries. Women will be particularly impacted.

Lu Qizhou: “When Myitsone Hydropower Station is completed, it will effectively control and reduce the flood peak, raise the anti-flooding standard in downstream area, and reduce life and property losses caused by downstream flood on people living on both banks.”

BRN: Water releases from hydroelectric dams are entirely dependent on the electricity generating needs of the electricity buyer. In this case, all seven dams of the Irrawaddy Myitsone project will serve China’s electricity needs, not the downstream agricultural, transportation or health needs of Burma. Chinese engineers running the dams will decide how much water to release downstream according to orders from Beijing, not Naypyidaw. As seen with the Mekong, this can cause unexpected and devastating water surges and shortages.