JUSTICE FOR MYANMAR

MEDIA RELEASE

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European firms paid millions by illegal Myanmar junta to consult on disastrous dam projects

AFRY AB and ILF Group failing to meet international human rights responsibilities

Two European engineering corporations have been paid millions consulting for the Myanmar military junta on harmful hydropower projects, Justice For Myanmar has revealed through an analysis of leaked tax filings, some of which were provided by Distributed Denial of Secrets.

The Swiss arm of the Swedish publicly listed company AFRY AB earned US$4.68 million in service fees for consulting work on the Upper Yeywa and Middle Paunglaung Hydropower Projects in Myanmar from February 2021 to September 2022.

The Myanmar branch of the Austrian-based ILF Group earned US$1.1 million in consulting fees from the junta from February 2021 to April 2022. ILF Group's local branch is working on another dam scheme in Myanmar, the Tha Htay Hydropower Project.

Both companies are paid by a department of Myanmar's electricity ministry which is illegally controlled by the military junta. They are advising the junta under tenders awarded in 2020 by the democratically-elected government, preceding the military's brutal coup attempt.

AFRY did not respond to specific questions from Justice For Myanmar regarding the current status of their operations in Myanmar, but confirmed they have projects in the country.

ILF Group responded, "our activities were discontinued some time ago, and most recently focused on dam stabilization and slope stabilization for spillway purposes." ILF Group did not disclose the date their activities were discontinued.

Both companies remain registered on Myanmar's corporate registry.

The illegitimate military junta is building dams while attempting to crush freedom of expression, assembly, and association. Since the military's coup attempt, the junta has created a state of terror, committing deliberate killings, arbitrary arrests, indiscriminate airstrikes and shelling, rape and torture. The junta has killed more than 3,100 people, and arbitrarily arrested over 20,000.

The Upper Yeywa dam is a 280MW hydropower project on the Namtu River, which is also known as the Myitnge River. It was conceived under the former military dictatorship in Myanmar in 2008, and has been opposed by local communities because of its devastating social and environmental impacts, lack of transparency, threat to ancestral lands and fuelling of conflict.

In 2020, the Shan Human Rights Foundation documented grave human rights violations by the Myanmar military near the Upper Yeywa project, including an extrajudicial killing and torture. The group called on foreign companies to withdraw from the dam project or risk complicity in the Myanmar military's atrocities.

In December 2022 a local community network, the Namtu River Protectors, warned that more than 40,000 people living in villages near the dam could be impacted by flooding.

Following the military coup attempt, communities have courageously continued to protest the Upper Yeywa Dam, despite grave risks, and a group of workers from the dam project joined the Civil Disobedience Movement against the junta.

On the 2022 International Day of Action for Rivers, communities throughout Shan State protested against the junta's dam projects, including Upper Yeywa.

The Tha Htay Chaung dam is a 110MW hydropower project in Thandwe Township, Rakhine State. In 2013, a coalition of Rakhine civil society and political parties demanded a halt to the dam, along with other infrastructure developments in the state, until Myanmar has a federal democracy which would ensure ethnic people have control over the management of their resources.

The Middle Paunglaung dam is a 152MW hydropower project on the Paunglaung River, near Naypyidaw. The dam threatens villagers with forced displacement, according to researchers.

Justice For Myanmar calls on AFRY and all other companies to responsibly suspend any remaining work on hydropower projects in Myanmar until there is federal democracy.

In the meantime, Justice For Myanmar calls for AFRY, ILF and all other involved companies to disclose their human rights due diligence and justify their reasoning and decision-making to advise on hydropower projects in Myanmar, and to remediate damage already incurred in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Justice For Myanmar spokesperson Yadanar Maung says: "It is deplorable that AFRY and ILF Group have been collaborating with the Myanmar military junta, supporting socially and environmentally destructive dams while their business partner wages a campaign of terror against the people of Myanmar.

"AFRY and ILF Group have disregarded the voices of local communities and their international human rights responsibilities by carrying out business as usual with war criminals.

"These dams displace communities, destroy livelihoods and harm Myanmar's rivers, while emboldening an illegal military junta attempting to use infrastructure to gain control of territory.

"We call on AFRY to stop any remaining work for the military junta and for AFRY and ILF to remediate damage already incurred in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

"We urge AFRY's shareholders to take concrete action urgently to ensure the company fulfills its human rights responsibilities, or to divest."

More information:

Read our investigation, European firms paid millions by illegal Myanmar junta for disastrous dam projects

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Justice For Myanmar, a group of covert activists campaigning for justice and accountability for the people of Myanmar, is calling for an end to military business and for federal democracy and a sustainable peace.