

OPEN LETTER TO THE PEOPLE'S REPUBLIC OF CHINA ON THE INFLUX OF CHINESE
DAM BUILDING COMPANIES TO BURMA/MYANMAR

November 2007

To:

His Excellency President Hu Jintao

Zhongnanhai, Xichengqu, Beijing

People's Republic of China

cc. Bo Xilai, Minister of Commerce of PRC

Dear President Hu,

We, the Burma Rivers Network and organizations and individuals listed below, are writing to express grave concerns about the many large hydropower projects that have recently been agreed upon between Chinese corporations and Burma/Myanmar's military regime in ethnic lands where ceasefires are tenuous or there is active conflict. We commend the Chinese government's 'peaceful development' policy guiding foreign relations and we respectfully request the Chinese government to consider the repercussions of these transnational development projects, to review the procedures and laws regulating such investments, and to release information regarding the dam plans to affected communities.

In recent years the number of Chinese businesses involved in hydropower projects in Burma/Myanmar has increased dramatically. At least ten Chinese corporations have been named in connection with these dams on the Irrawaddy, Salween (Nu), Shweli and Paunglaung rivers, including Sinohydro Corporation, Yunnan Machinery and Equipment Import and Export Co., and China Power Investment Corporation. The dams would represent over US\$30 billion in investment. This would be by far the biggest inflow of money to a military regime that Transparency International rates as the world's second most corrupt. Revenues would be used to pay for the regime's arms acquisitions and its military operations that oppress the people.

The current unrest in Burma and the junta's brutal handling of the recent protests highlights the enormous political and financial risks associated with these hydropower investments in Burma. All of the planned sites of the dams in Burma/Myanmar are in ethnic areas that have experienced devastation from decades of civil war. Burning and looting of villages, forced relocation, systematic sexual violence, and extra-judicial killing by the regime's troops are commonplace. Any dam construction will therefore compound the suffering of ethnic people living in both ceasefire and non-ceasefire areas, many of whom have already become internally displaced people or refugees. Furthermore, the impacts of the proposed dams in border areas will lead to instability and increased refugees flows into China creating further opportunities for the spread of HIV/AIDS and drug trafficking into China.

The entire decision-making process for the planning and implementation of the hydropower development projects has been conducted in secrecy, with the barest minimum of information revealed. There has been a total absence of public participation among the dam-affected communities in Burma. So far there has been no evidence that any social impact assessments (SIA) or adequate and timely environmental impact assessments (EIA) have been carried out for the dams, despite agreements having been concluded and in some cases construction having already begun. The vast majority of the communities who will bear the negative impacts of dam construction will get no benefit or compensation.

There are many international standards applicable to the construction, operation and financing of hydroelectric projects. The World Commission on Dams' guidelines are the most comprehensive, requiring EIAs as well as public participation and disclosure. The need for EIAs and consideration of the rights of indigenous peoples are widely recognized in international law. The international community has increasingly recognized the need for corporate responsibility, as laid out in the draft UN Norms on the Responsibility of Transnational Corporations, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises.

In recent years, China has included environmental assessment, public participation, environmental reporting, and resettlement benefits in its own laws and policies. Since 2003, the Environmental Impact Assessment Law has required EIAs for all major development projects; the process also includes public participation and the release of the EIA. The State Environmental Protection Agency (SEPA) issued a Bulletin on Information Disclosure for Corporate Environmental Performance in 2003 which recognizes the need for corporations to report on the environmental impacts of their projects and release them to the public. Furthermore, in 2006 the State Council implemented Order No. 471 Regulations on Land Requisition Compensation and Residents Resettlement in Construction of Large and Medium-sized Water Conservancy and Hydroelectric Projects. While it is understood that these laws and regulations govern Chinese businesses within China, they present an opportunity for China to extend its same commendable domestic standards to its projects in other countries.

Again, we commend the Chinese government's 'peaceful development' policy guiding foreign relations. However, this official position is being undermined by the unregulated actions of Chinese corporations investing in countries such as Burma/Myanmar. By constructing, operating, and/or financing hydroelectric projects in volatile areas without EIAs or SIAs, participation and acceptance of the affected people, or transparency as to the dam and resettlement plans, the Chinese corporations involved in Burma/Myanmar are not contributing to development for peace. Concerns have been expressed that China's moves to increasingly regulate companies domestically are leading to a rush of companies relocating to countries where there are much lower standards. Given the likelihood of increased political tensions and violence in the areas surrounding the dam sites, we urge the Chinese government to also consider the safety and security of Chinese citizens and companies working in these areas.

Many of the dam plans involving Chinese hydropower corporations in Burma/Myanmar are still in the initial stages, although some of them are rapidly progressing. This presents an opportunity for the Chinese government to put its policy of 'peaceful development' into practice in relation to transboundary development projects, incorporating relevant international standards.

In this spirit, we respectfully request the Chinese government to monitor and regulate Chinese corporations operating and financing hydropower development and other natural resource extraction projects abroad. Businesses should be made to comply with Chinese national and international standards ensuring people's informed participation in decision-making and accountability. Specifically, this includes:

1. Carrying out comprehensive environmental and social impact assessments (EIAs and SIAs) on projects abroad and make those publicly available, in order to adequately determine the feasibility of projects before concluding any agreements.
2. Keeping affected communities informed from the outset of all plans regarding hydropower development projects and involved in decision-making regarding those projects. This includes publicly releasing dam feasibility studies, investment and financial agreements, MOUs, MOAs, and clear information regarding responsible parties.

We look forward to a positive response.

Respectfully,

Burma Rivers Network

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

Signed by the following civil society organizations:

Sincerely,

[The Undersigned](#)