



คณะกรรมการประสานงานองค์กรพัฒนาเอกชนภาคเหนือ (กป.อพช.เหนือ)
NGO Coordinating Committee on Development (NGO-COD-NORTH)

77/1 หมู่ 5 ต.สุเทพ อ.เมือง จ.เชียงใหม่ 50200 โทร/แฟกซ์. (053) 810623-4

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28 February 2007

Subject: Request withdrawal from cooperation with the Burmese military regime for the construction of hydropower dams on the Salween River

To the Prime Minister of Thailand, through the offices of the Thai Minister of Energy,
cc. Governor of Electricity Generating Authority of Thailand (EGAT)

We, the individuals and organizations from Burma, Thailand, and other countries listed below, are gravely concerned about the likely environmental and social impacts from the planned hydropower projects on the Salween River with joint ventures between the former Thai government and the Burmese regime. Ecological integrity, human security, and local livelihoods will be jeopardized if the stepped series of dams is built from Shan State down to Mon State along the Thai-Burma border. NGO Coordinating Committee on Development (NGO-COD-North), the Salween Watch Coalition and the undersigned strongly urge the current Thai administration to take this opportunity to withdraw from plans to cooperate with the Burmese military regime on the hydropower projects planned for the Salween River for the reasons below:

Lack of Transparency in Project Implementation

The entire decision-making process for the planning and implementation of the Salween hydropower development projects has been shrouded in secrecy. There has been a total absence of public participation among the dam-affected communities in Burma already suffering the atrocities of civil war or the over fifty ethnic Thai-Karen villages living along the Salween River in Thailand's Mae Hong Son province.

The Memorandum of Understanding (MoU) between the Thai Ministry of Energy and the Burmese Ministry of Electric Power was signed in May 2005 for the development of five hydropower projects on the Salween and Tanaosri river basins, including the Ta Sang Project (7,000 MW), Hutgyi Project (600 MW), Upper Thanlwin (Salween) Project (5,600 MW), Lower Thanlwin (Salween) Project (900 MW), and Tanintharyi Project (600 MW). Then in December 2005, a Memorandum of Agreement (MoA) was signed for joint-investment and implementation



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of the Hutgyi dam construction between EGAT Plc and Burmese Department of Hydropower stating that the construction would commence in late 2007. Subsequently, EGAT and Sinohydro Corporation, a state enterprise from the People's Republic of China signed an MoU in June 2006 for the development of the first of the series to be built, the Hutgyi dam.

Lack of Good Governance

The planned Salween hydropower projects have been conceived using double standards and legal loopholes to avoid compliance with relevant laws in Thailand as described below.

1. It remains unclear whether the MoA signed by EGAT Plc. stands valid and legally binding given the reinstatement of the status of EGAT as a state enterprise. At the time of signing the MoA with the Burmese Department of Hydropower in December 2005, EGAT was still a public company. Yet, there was a subsequent ruling from the Supreme Administrative Court of Thailand later the same month to revoke the legal basis for the privatization of EGAT which then led to the reinstatement of EGAT as a state enterprise. Amidst this ambiguity, EGAT rushed to sign an MoU in June 2006 for the study, development and funding of the Hutgyi Dam with state-owned Sinohydro Corporation from PRC. This could give rise to international conflict in the future if the legal status of any of the agreements is later found invalid and thus not legally binding due to the ruling for the revocation of the listed status of EGAT.

2. As a state enterprise, EGAT is strongly urged to maintain the same standards of practice for projects implemented in other countries as for those in Thailand. This includes compliance with the Thai Constitution and other relevant laws and regulations. The following laws and regulations are currently being violated in the planning process for the Salween dams: complete disclosure of project information to the public; a hearing process to receive input from as many groups of affected people as possible; and the official public hearing of the Environmental and Social Impact Assessment report, and the review and approval process of such a report as required by the Thai Enhancement and Conservation of Environmental Quality Act B.E. 2535 (1992).



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In addition, the reservoir that would be created by the Hutgyi dam would change the width or deepwater channel of the Salween River, which currently acts as the demarcation line between Thailand and Burma, and thus may lead to geo-political conflicts in the future.

Highly Distorted Energy Forecast

Previous energy demand forecasts in Thailand have been subject to unacceptable levels of inaccuracy, due to the tendency to overestimate the energy demand by simply basing the figures on the over-forecasted economic growth rate. Taking the latest Power Development Plan (PDP) issued last April for the next 10-15 years, the projection of energy demand already exceeds the actual demand by at least 900 megawatts. Therefore, power development planning needs to be subject to scrutiny and input from other stakeholder groups to ensure more accurate estimates of power demand. We call for a more accurate power forecast, effective demand-sided management, increased efficiency in electricity utilization, and consideration of alternative and renewable sources of fuels, all of which would lead to a reassessment of the need to construct dams on the Salween River.

Funding Brutal Oppression of Ethnic Groups by the Burmese Junta

Notorious for its severe human rights violations, the Burmese junta over the past many decades has been waging a civil war against ethnic peoples in various parts of the country. This has included the burning and looting of villages in ethnic areas, forced relocation, forced labor, systematic rape, extra judicial killings, and repeated military offensives. At least 540,000 people inside Burma have been displaced and many more have fled across the Thai border. Over 140,000 refugees are now seeking shelter in refugee camps along the Thai/Burma border, a large proportion of them from the areas where the dams are planned. The one billion dollar joint-investment with the Burmese junta for Hutgyi dam will provide revenues for more military resources for the Burmese Army to enable further military occupation of ethnic areas, which in turn will lead to further human rights violations. Because of this Thailand stands accused of being complicit in the grave human rights violations being committed by the Burmese junta. In addition, Thailand has to bear the cost of increasing waves of refugees who seek shelter in Thailand from violent oppression. Many will have no home to return to should these hydropower projects on the Salween River materialize.



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The Thai government should stop these hydropower projects as they directly aid the Burmese regime's efforts to consolidate their hold over contested ethnic territory in the world's longest running civil war.

A High Risk Investment

All the proposed sites for dam construction on the Salween River are situated within areas of ongoing civil war. For example, the Hutgyi dam site is located in an area with thousands of land mines and unexploded ordnance (UXO). EGAT lost one of its employees to a landmine blast in May 2006 during a survey of the site for the construction of Hutgyi Dam. The incident attests to the lack of security and the volatile situation in the area. It is not reasonable or acceptable for the Thai government to risk the life of EGAT personnel and others.

Environmental Impacts

The dams and future reservoirs will adversely impact local ecosystems, including pristine teak and other hardwood forests, rare and endemic plants and fish, as well as increase seismic risk. The dams will adversely affect local livelihoods on both sides of the Salween River and tributaries. New dam-related infrastructure and disruption of the livelihoods of many will also lead to increased forest encroachment, logging and wildlife hunting around the reservoir area as we have seen with all previous hydropower plants and dams in Thailand. The planned Salween dams will create vast reservoirs, with a loss to flooding of up to 2,000 km², and certainly no less than 1,000 km² of villages, forests and farmland.

The Salween dam in Shan State will create an estimated minimum 800 square kilometer reservoir whilst the Upper Salween Dam will flood approximately 960 square kilometers. This will permanently destroy the rich and unique ecosystem in the Salween river basin including rare and highly endangered animals and plants, including many of the local fish which are economically important for local people. At least 10,000 people in Thailand and 73,000 in Burma will be directly impacted.

The Hutgyi project in Burma, located about 30 kilometers downstream from Sop Moei, Mae Hong Son district, is likely to flood the Thai/Burma border in this area. The planned Salween River hydropower projects will also affect downstream ecosystems along the Salween



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River, all the way down to the delta area in Pa-an, Moulmein and Mataban, including the rich estuarine and offshore fisheries.

A Request for Stopping the Projects

For the reasons listed above, Northern NGO-COD-North, Salween Watch coalition and the undersigned below request the Prime Minister of Thailand and all relevant agencies to withdraw from all the planned hydropower projects on the Salween River, and from related cooperation with the Burmese junta. There are many more power development alternatives that can be explored under the principles of the sufficiency economy.

We sincerely hope the Prime Minister will take the suffering of people in neighboring countries as much into account as you would the Thai people's suffering and realize the immense environmental and social damage that will not just affect the two countries, but the whole region. If Thailand withdraws from these hydropower project plans on the Salween River, it will demonstrate to the international community responsible leadership in the region.

In good faith and respect,

NGO Coordinating Committee on Development (NGO-COD-North)

Salween Watch Coalition

Signed by civil society organizations from various countries including:

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