

ORDERED OUT:

The costs of building Burma's Upper Paunglaung Dam

A group of European and Chinese investors is currently building a dam to power Burma's military capital which will force 8,000 mostly indigenous people from their homes by October this year. The forced relocation will leave villagers destitute: each household must tear down their home and abandon their farm fields, receiving in return just US\$50 in compensation. Security for the dam project has led to increased militarization and abuse of local populations while workers constructing the dam are toiling night and day for a mere US\$30 per month.

Dam builders often tout the benefits of dams as a key to a country's development. In Burma, nearly every day state-controlled media boasts progress on various dam projects as a sign of success. Yet dam projects in Burma lead to an increase in militarization, exacerbate ethnic conflict, and have been linked to forced relocations and forced labor. The Upper Paunglaung Dam is no exception. Therefore the companies involved in the project must be called on to stop this dam.



Threatened Valley

The Upper Paunglaung dam project is on the Paunglaung River, a tributary of the Sittaung, one of Burma's major rivers. It is located southeast of Pyinmana Hill in southwestern Shan State, just 50 kilometers from Burma's new military capital of Nay Pyi Taw.

The dam is at the southern end of the Paunglaung Valley, the only fertile plain along the river. The dam's 61 square kilometer reservoir will flood the entire valley which is home to 23 villages, or 8,000 people, who are mainly Kayan, Pa-Oh, and Burmese. The project started in 2004 and aimed to finish in 2009 but is currently only about 60% finished.

Companies Involved

AF-Colenco

AF-Colenco Ltd., a Swiss engineering company, was awarded a contract for a feasibility study of the project in 2004, for its design in 2006, and for the construction design of civil works in 2008. According to the company's newsletter, specialists from AF-Colenco "will advise the local contractor and supervise the dam construction." AF-Colenco is a part of the international **AF Group** based in Sweden.

Malcolm Dunstan and Associates

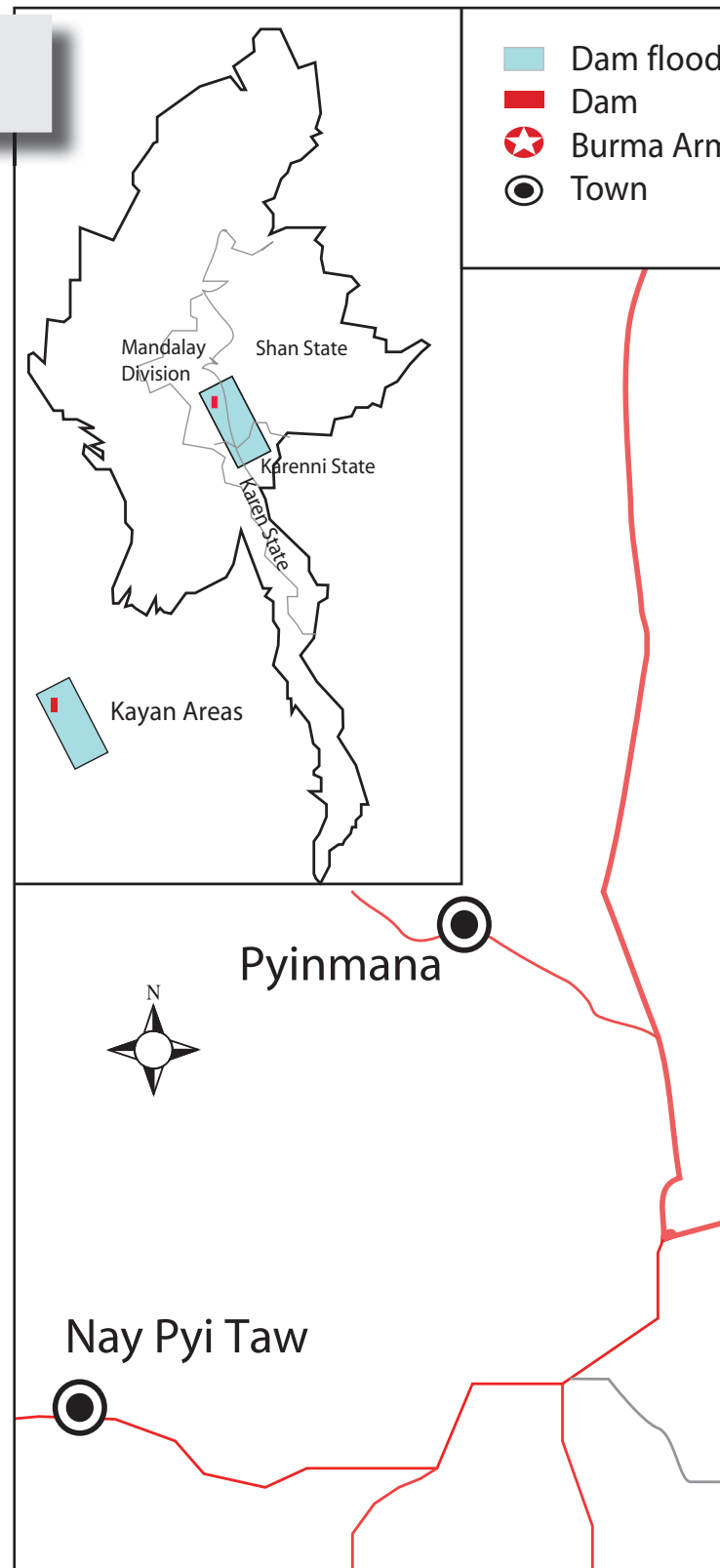
Based in London, Malcolm Dunstan is an engineering firm which specializes in the design and construction of Roller Compacted Concrete or RCC dams and has also consulted on Burma's Yeywa and Tasang dams. In 2009, Dr. Dunstan made his first visit to the Upper Paunglaung dam site to review developments of the project.

Yunnan Machinery and Export Company (YMEC)

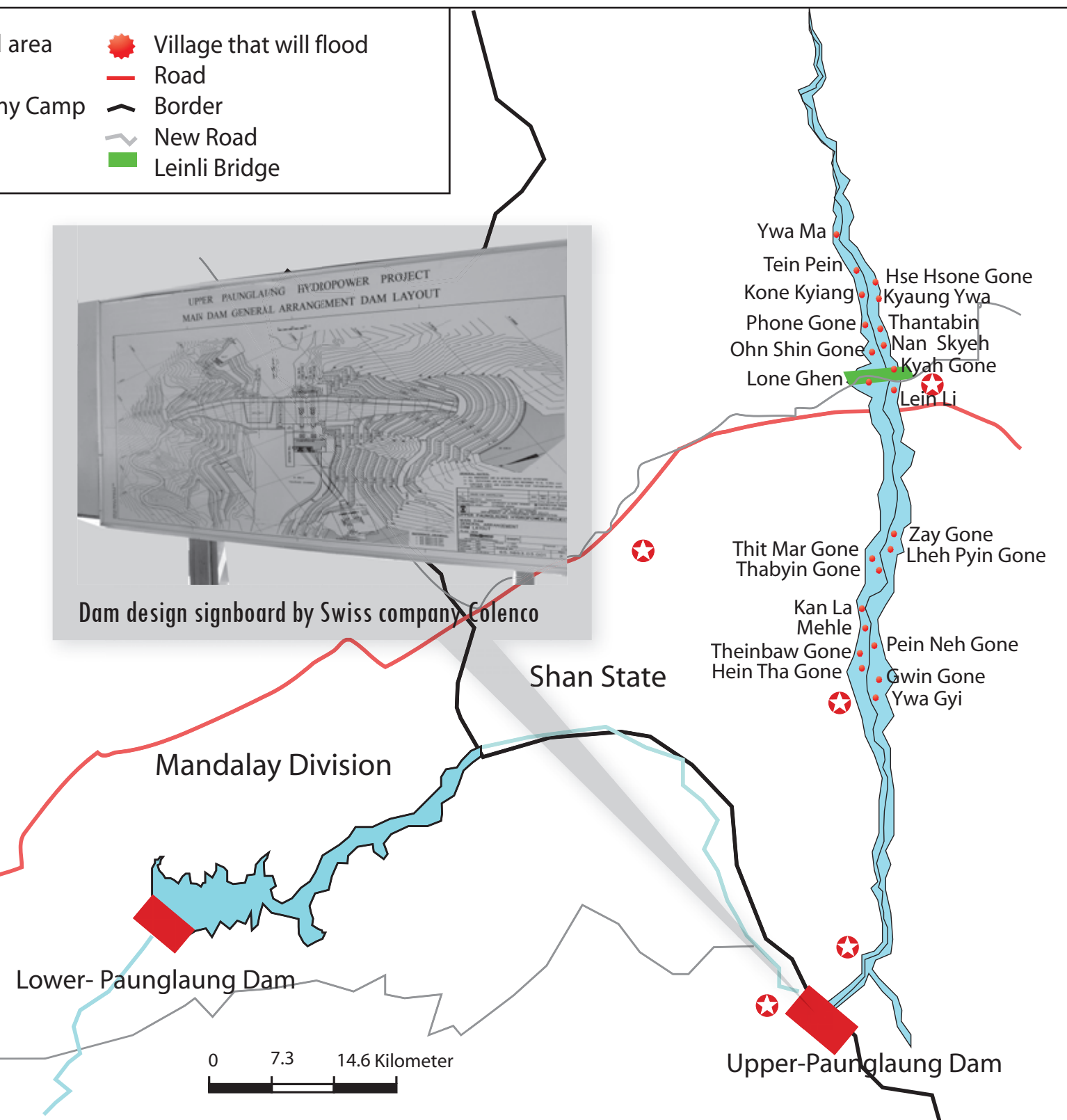
According to its website, YMEC signed a contract with Burma's the Department of Hydroelectric Power (DHP) under the Ministry of Electric Power for the Upper Paunglaung project in early 2006. YMEC has agreed to provide machinery and equipment for the Upper Paunglaung Dam under an 80 million USD contract.

China Exim Bank

China's Export-Import Bank provided over one billion Yuan (over US\$120 million) to build the Lower Paunglaung Hydropower Station. It is not known if the bank already has or plans to provide further funds for the Upper Paunglaung project.



The fertile plain along the river will be entirely submerged



Project details

Height: 103 meters

Installed capacity: 140 MW

Reservoir: 61 square kms

Usage: Supply Lower Paunglaung Dam, powering Nay Pyi Taw

Expected completion: 2012

Impending Flood

Every year for the past three years, township authorities together with the Eastern Nay Pyi Taw Commander, Captain Yang Pyit, and experts have visited and held meetings four times per year in Thabyin Gone and Tein Pein village tracts. They show villagers on a project map which areas will be flooded after the dam is finished.

Villagers have been warned that they will have to move out and told to choose a new area for their village to settle higher up the nearby mountains. The authorities say they will help bulldoze the new area and after villagers move, each household will be given 50,000 kyat (less than US\$50). Even this paltry amount is not guaranteed; already in 2010, the Eastern Commander came and announced that instead of giving 50,000 kyat to each household, he would build a water tank for villagers. Even if the compensation is given, it is more an insult than a help.

Until now, no village has moved, but all 23 villages have been informed that they must move out no later than October 2011.

A few villages have chosen a new place but the majority have no idea where to go and where are the best places to survive. The looming date has already affected developments in the villages as no one wants to improve their homes:

“Since 2004 I have been buying concrete to build my house. But now instead of losing those materials under water I donated them the monastery. Nobody dares to build a new house now and we are not sure where we will have to move.”

The villagers are facing relocation later this year but so far they have not been able to complain to the authorities because they do not know to whom they should complain and how to make their voice heard.

Over two thousand acres of prime lowland paddy field lands and thousands more in hillside gardens will be lost under the flood. Villagers will be forced to try to survive by expanding fields in the (less fertile) surrounding hills. This will contribute to an increase in deforestation as settlements are established.



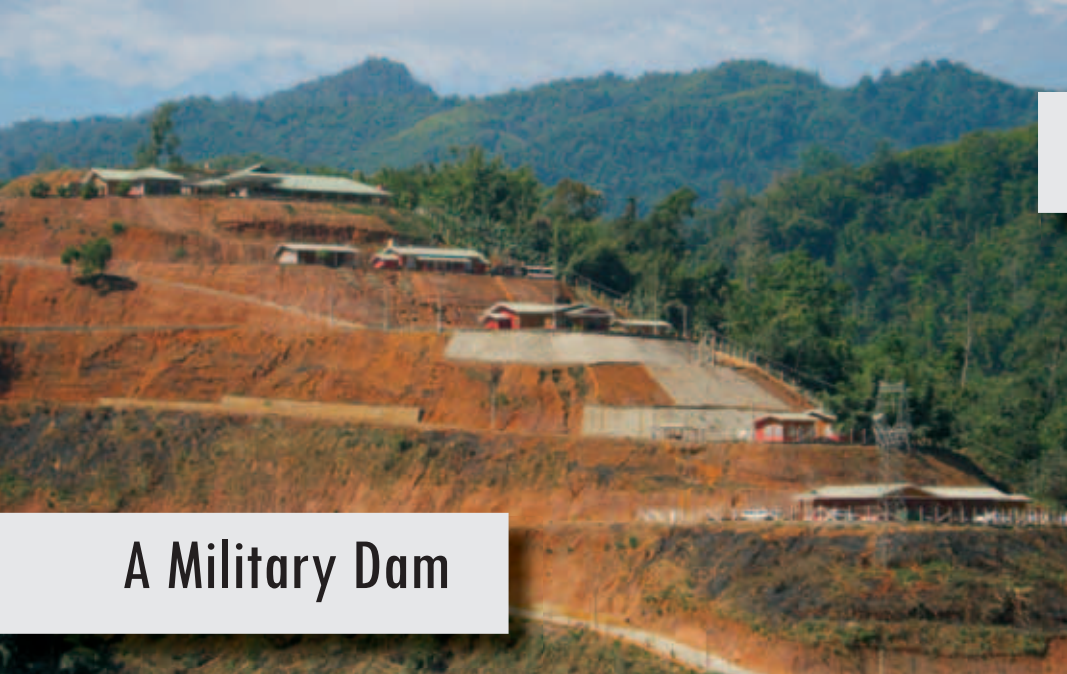


“50,000 kyat (US\$50) is nothing for us. Don’t say it will help us rebuild our house and plant new fields, it is not even enough to remove my current house!”

Villages that have to move for Upper Paunglaung Dam construction

No	Village Name	Households	Population
Tein Pein village tract			
1	Tanthabin	50	233
2	Kyah Gyi	30	150
3	Nan Skyeh	40	104
4	Ohn Shin Gone	55	263
5	Tein Pein	195	815
6	Ywa Mah	115	683
7	Kyaung Ywa	80	426
8	Kone Kyang	60	223
9	Hse Hsone Gone	57	218
10	Phone Gone	90	473
11	Lone Ghen	95	468
12	Lein Le	75	382

No	Village Name	Households	Population
Thabyin Gone village tract			
13	Zay Gone	60	275
14	Lheh Pyin Gyi	40	192
15	Thit Mar Gone	75	399
16	Thabyin Gone	129	520
17	Meh Le	10	55
18	Kan Lah	93	482
19	Pein Neh Gone	30	152
20	Theinbaw Gone	40	210
21	Hein Tha Gone	70	421
22	Gwin Gone	65	284
23	Ywa Gyi	116	570
TOTAL			7,998



Housing for engineers and military soldiers taking security for the dam

A Military Dam

As soon as the project was approved in 2004, Light Infantry Battalion 606 from Nay Pyi Taw was sent to secure the area. Abuses against the local population began immediately. Today there are two battalions based in the area, with four troop units guarding access to the dam site as well as patrol soldiers taking security duty in the surrounding villages.

Forced labour

In late 2006, Battalion 606 ordered villagers from Ywa Gyi, Thinbaw Gone, Heintha Gone and Gwin Gone to build temporary military camps on Myitwa Hill for the security of Nay Pyi Taw. Until today villagers have to collect and provide bamboo and leaves to these temporary military camps every year. They must also clear the weeds around the camps and all along the road from the bottom to the top of mountain. This work is done without pay and cannot be refused for fear of punishment.

Strict security and forced taxation

When the project is finished, the dam site and flood zone will be demarcated as Nay Pyi Taw, so the area is now very restricted. In Thabyin Gone and Tein Pein village tracts, villagers have had to build temporary security posts at every entry gate of each village. Two soldiers from Battalion 606 from Nay Pyi Taw and Battalion 122 from Pinlaung take weekly security duty at these village posts and every household has to give 1,000 kyat per month for the security fee.

Villagers must inform the authorities of any guest in the village or else the guest is fined 50,000 kyat and the house owner where the guest is staying is fined 10,000 kyat. No outside groups are allowed in the villages. One villager explained:

“No NGO or other organizations are allowed to do social work in this area. In 2007, the WFP (World Food Programme) was blocked from coming here. I think the block is linked to the dam project.”

Also for security of the project, since 2008 villagers are not allowed to practice their traditional hillside farming (Taung Ya in Burmese). Orders were issued against villages in Tein Pein tract in both 2008 and 2009 by Battalion 122, while the Pynmana Township leader ordered villages Thabyin Gone tract in 2009 not to practice Taung Ya.



Exploiting workers

Approximately 250 workers from Pynmana, Magway and Sagaing in central Burma are currently constructing the dam both by day and by night. The basic salary for the workers is 30,000 kyat (US\$30) per month. These workers received full payment in the first 3-4 months of work but later did not receive full payment or were paid late (10 days after the end of the month). The workers are not satisfied but do nothing because jobs in Burma are so difficult to get.



The Costs: Expected negative impacts

A destroyed economy

8,000 people in the Paunglaung River valley rely on agriculture as their main economic activity. Rich fertilized soil along the sides of the river's banks has allowed local people there to grow crops such as turmeric, chili, wet paddy, dry paddy, peanuts and also perennial crops such as bananas, oranges and tea. Lowland paddy farming in the valley is particularly productive, yielding more rice per acre than other areas. Crop traders from Pinlaung town come to buy seasonal crops. Yet this local economy will be destroyed by the dam, with no alternative means of survival provided.

Resource base exploited and flooded

Since 2009 logging in the area has increased, especially near Hi Thar Kong village. Gold mining that was previously done on a small scale near Htein Pein has increased; in 2009 a big company entered the area and began mining with large machines.

Due to the height of the dam, the forests along Paunglaung River will be submerged and the animals and their grazing grounds will be submerged. Wild animals such as deer, bears and turtles will lose their habitat. The dam will also decrease the number and variety of fish species, affecting local food security for thousands who rely on fishing to supplement their diet and incomes.



Kayan women from Paunglaung area wear their traditional dress

Community fabric torn apart

If the dam is built, the flooding of houses and lands will be devastating for the local people and subsequent generations. As there is no systematic plan for the resettlement of the 23 villages and there is no adequate compensation, the loss of land and lack of jobs will lead to further social problems, such as conflicts over land. Community schools and healthcare structures (such as proper sanitation infrastructure) will have to be re-built and as the priority will be on struggling to establish new farms, these sectors will suffer, impacting women and children the most. Sacred and historical places, such as pagodas and cemeteries, will be submerged and disappear forever, further obliterating their cultural foundations.

Photos: Women collect forest products for their domestic animals and harvest bamboo from groves in the plain area to cook soup for their families. The bamboo groves will be flooded by the dam while forest areas will degrade as villagers move into the mountains. Children are most vulnerable to the effects of displacement.

The World Commission on Dams recommends that local communities be the first to benefit from a dam project and that their standard of living should not only be maintained but improved.



Construction is going on now - call on companies to **STOP THE DAM!**

Recommendations

Foreign Companies: Withdraw all mega-development projects in Burma which lead directly to forcible land confiscation and other human rights abuses, destroy the environment, and do not bring any benefit to the local people.

Burmese Military Government: Stop building the Upper Paunglaung Dam immediately as currently there have been no public impact assessments of the project. At the same time it is going ahead with no appropriate compensation or resettlement process, without respect for local cultures, and with no plans to properly provide for the health and education needs of the impacted population.

International community and civil society organizations: Put pressure on the Burmese military government so that this dam project be ended immediately; pressure the companies involved to stop the project and review their policies; enforce sanctions on Burma's regime and stop investing in development projects that harm human beings and the environment.

Local communities: Seek ways to defend your rights and to protect your lands and environment.

www.kngy.org
www.burmariversnetwork.org



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Kayan New Generation Youth
Contact: kngy.org@gmail.com