



# SHWELI UNDER SIEGE

Dams proceed amid war in Burma

published in November 2011

### **About this report**

The Ta'ang Students and Youth Organization (TSYO) released *Under the Boot*, a report on the Shweli Hydropower Dam 1 in December 2007 which documented the construction of Shweli Dam 1 and its impacts to the local Ta'ang community. This report is a follow up to *Under the Boot* and aims to shed light on the ongoing impacts of Shweli Dams 2 and 3.

TSYO has been monitoring the situation at the dam sites since the publication of *Under the Boot* in 2007. Local researchers conducted interviews with affected villagers, community leaders, loggers, and workers for three months in 2010 and again for three months in 2011, focusing on the three townships of Momeik, Namkham, and Mangtong. Permission to use the information in this report was requested from the interviewees during the interview process and identities have not been revealed for security reasons. Secondary information was also collected and is referenced accordingly.

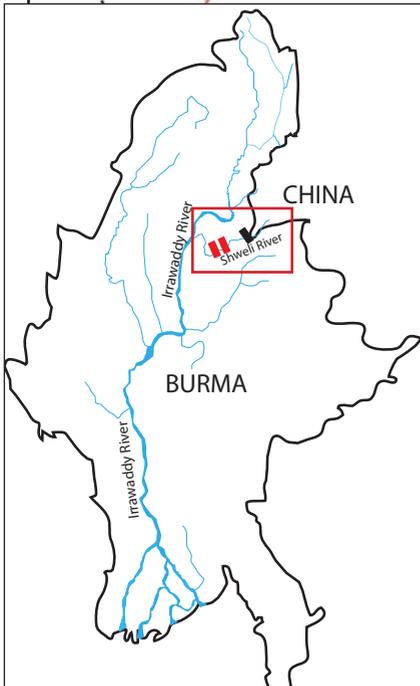
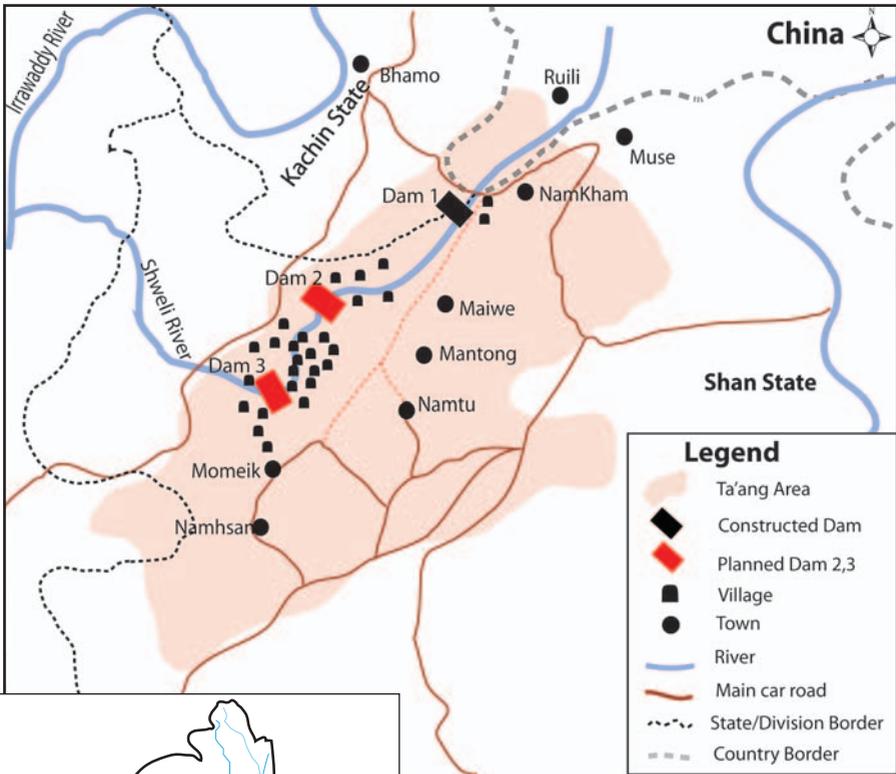
As the projects are shrouded in secrecy and Burma's military is tightly controlling access to the dam sites, producing this report has been a difficult challenge. Yet we remain determined to expose what is happening at the dam sites, to educate affected peoples about the impacts of these dams, and support them to exercise their rights to voice their concerns.

***Front page photo:*** Burma Army base camp at Shweli Dam 2 site.

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## Dams on the Shweli

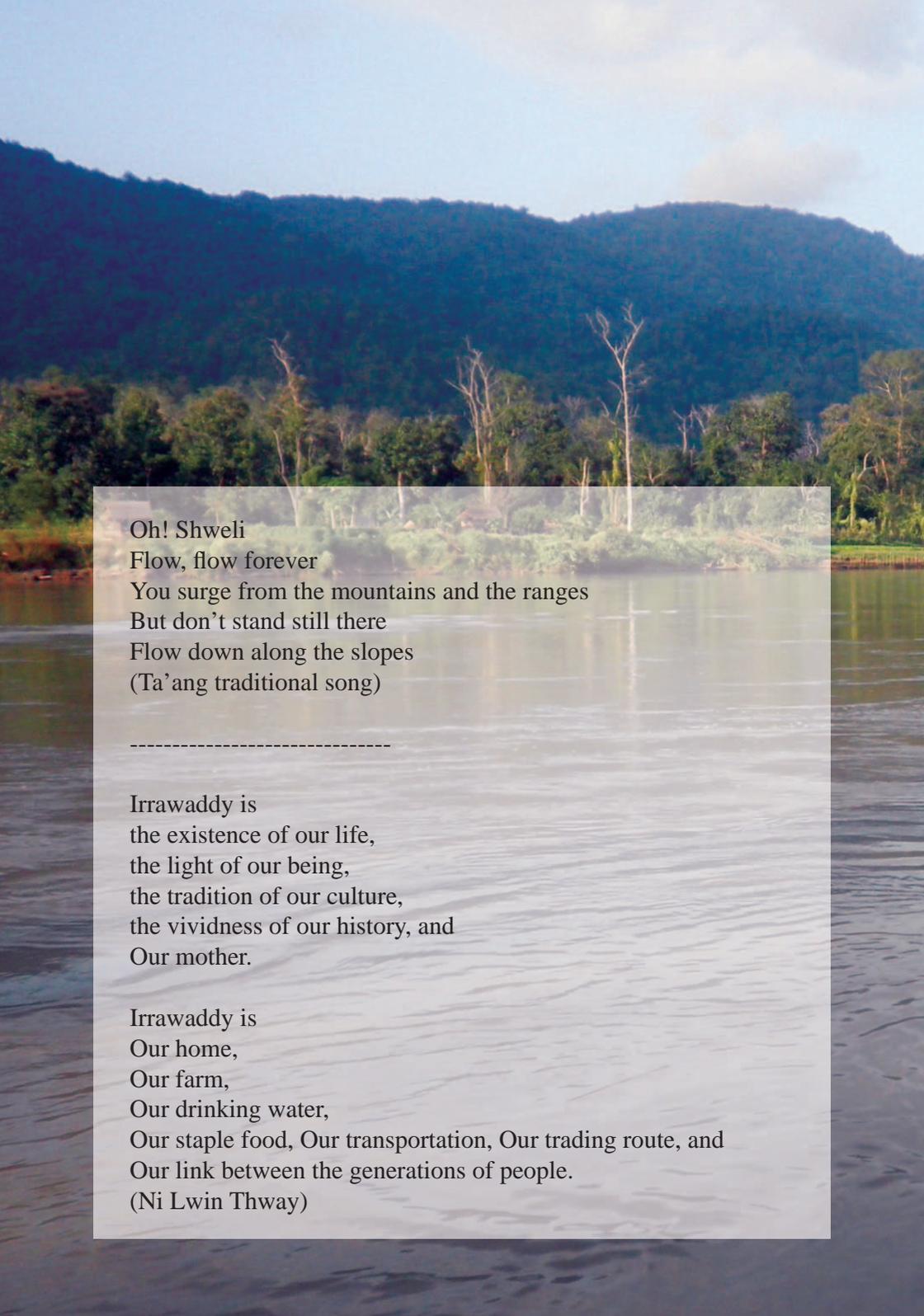


**Shweli Dam 1: 600 MW**  
**Shweli Dam 2: 520 MW\***  
**Shweli Dam 3: 1,050 MW\***

\*Source: <http://www.mrtv3.net.mm/open7/210710for.html>

## *Summary*

- Despite its recent suspension of the Irrawaddy Myitsone dam, Burma's regime, together with Chinese and Swiss companies, is planning to build two mega dams on the Shweli, a tributary of Burma's great Irrawaddy River. The Shweli is a critical river for the economy and culture of Shan State, particularly for the Ta'ang (Palaung) people.
- Nearly 15,000 people will be impacted by the planned Shweli dams. Over 3,000 people have been ordered to move out by 2013 without any guaranteed compensation.
- Over 700 acres of local farmlands and community forest areas have already been seized during the construction of new roads and establishment of military camps near the dam sites. Burma Army soldiers deployed to the dam sites have put local fishing grounds off limits, and forced women to restrict their movement. Rampant and unregulated logging by Burmese and Chinese companies has destroyed large sections of forests near the dam sites.
- Battles between the Kachin Independence Army and Burma's military troops broke out in a village between Shweli Dam 1 and Dam 2 in June 2011, forcing Chinese workers to flee. To date no one has returned, clashes continue in the area, and access to the Dam 2 site is prohibited without military permission.
- Construction of the first dam on the Shweli, completed in late 2008, led to increased militarization, forced labor and land confiscation. The vast majority of electricity generated at Shweli Dam 1 is exported to China.
- A completed dam and two planned dams on the Shweli River are already having a series of negative impacts while providing little benefit to local peoples. There is almost no public information about the dams, affected peoples have not been consulted, and no impact assessments have been disclosed. Therefore any further plans to dam the Shweli must be stopped.



Oh! Shweli  
Flow, flow forever  
You surge from the mountains and the ranges  
But don't stand still there  
Flow down along the slopes  
(Ta'ang traditional song)

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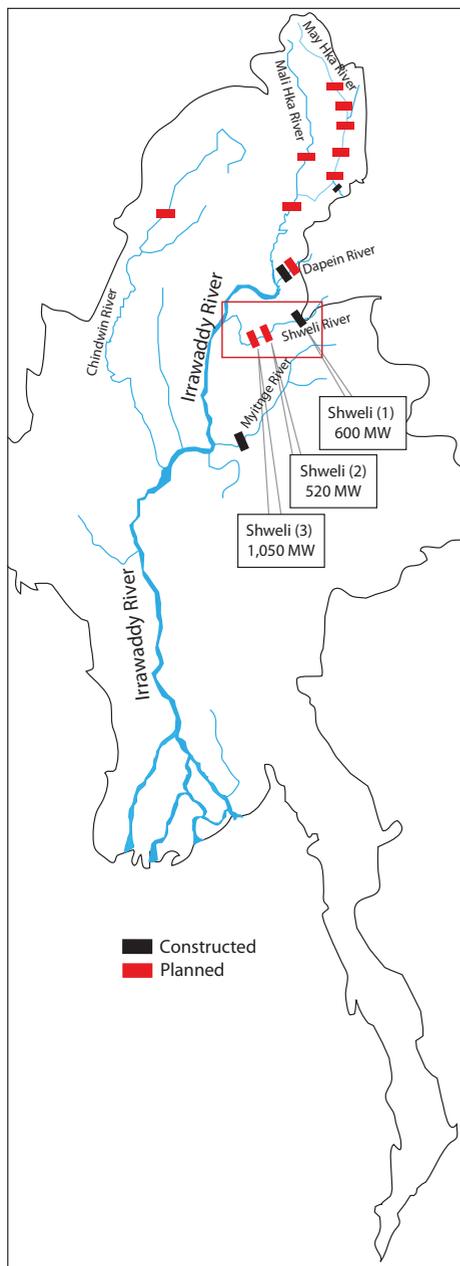
Irrawaddy is  
the existence of our life,  
the light of our being,  
the tradition of our culture,  
the vividness of our history, and  
Our mother.

Irrawaddy is  
Our home,  
Our farm,  
Our drinking water,  
Our staple food, Our transportation, Our trading route, and  
Our link between the generations of people.  
(Ni Lwin Thway)

# *Introduction*



## Dams on the Irrawaddy and its tributaries



Millions of people depend on the Irrawaddy River in Burma as it forms the main waterway and lifeline through the center of the country. Plans to build a giant dam across this majestic river and a series of six more on the Irrawaddy's headwaters have sparked concerns about unpredictable water levels, disastrous potential dam breaks, and the sovereignty of the river itself. Dams will be built by a Chinese company for export of electricity to China.

In September 2011 mounting calls against what would have been the first dam on the mainstream Irrawaddy – the Myitsone Dam – forced the newly elected president to announce its suspension. Whether the dam will be permanently cancelled, or indeed how long it will be suspended, remains to be seen. The additional six dams on the N'Mai and Mali rivers (see map) will proceed.

Prior to the suspension announcement, Burma's government defended its plans to dam the Irrawaddy and its source rivers in an article entitled "We also love river Ayeyawady." The article argued that there would be no negative impacts from the dams, particularly as there are many

rivers that join the Irrawaddy, not only the N'Mai and Mali. Yet these other rivers are also either dammed or planning to be dammed, which will most certainly impact the natural flow of the Irrawaddy. One of these tributaries is the Shweli River.

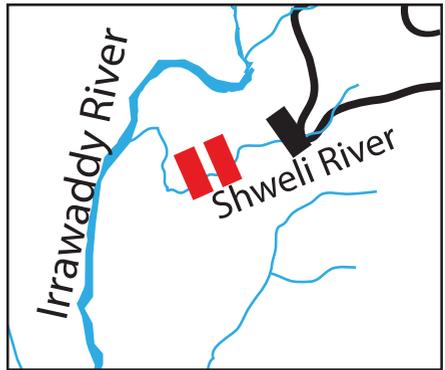
The Shweli's source lies in China's Yunnan province at 11,000 feet above sea level. The river runs past Burma's Muse and Namkham towns before flowing into the Irrawaddy north of Mandalay. The river is called Ohnmtamao in Ta'ang (Palaung) language. The Shweli is one of the major geographical landmarks and natural treasures of the Ta'ang people who rely on it for their livelihoods.

One dam has already been built on the Shweli and Burma's regime is allowing Chinese and Swiss companies to build two more mega dams on this important river. To date there has been no consultation with local people about these dams and no impact assessments have been disclosed. There is little information available at all about the impending dams on the Shweli.

Lack of information, consultation, and participation of affected peoples in decisions around

dams, coupled with increased militarization to secure dam projects, is fuelling resentment, ethnic tension and armed conflict in Burma. In June 2011, battles broke out between the Kachin Independence Organization and Burma's Army at the Dapein dams in Kachin State after Burma Army troops had been sent in to secure the dam projects. The conflict quickly spread and within days clashes broke out between Shweli Dam 1 and Dam 2. The area remains unstable.

We hope that this report will be a first step in shedding light on what is happening on the Shweli River in order to inform not only locally affected peoples but also downstream communities along the Shweli and the Irrawaddy that will be impacted by the Shweli Dams.





*The lush greenery of farmlands and forest near Dam 2 site on the Shweli River*

## *Life along the Shweli River*

Along the Shweli River Ta'ang people live together with many different ethnic peoples including Kachin, Shan and Burmese. Like the millions living along the mainstream Irrawaddy downstream, local people rely on the Shweli for their livelihoods and survival, fishing and cultivating different crops on the river banks and nearby fields. They also use the river for washing and as a source of drinking water.

In the lowland areas villagers cultivate rice paddy and beans in the respective seasons. The rest of villagers are totally dependent on upland shifting cultivation, tea plantations, fishing, hunting, and harvesting seasonable wild mushrooms and bamboo.



*Ta'ang people call themselves Ta'ang in their native language but are known as Palaung in Burmese. Above, Ta'ang home along the Shweli*

## *The Ta'ang people*

Ta'ang (Palaung) people are one of the ethnic nationalities of Burma. They have a long history and a strong sense of unique identity, their own language and literature, a distinctive traditional culture, their own territory, and a self-sufficient economy. Ta'ang people are predominantly Buddhist; less than ten percent of the population is animist or Christian.

There are about one million Ta'ang people; most live in the mountains of the northwestern Shan State where their customary lands are rich in many minerals and gems. The Ta'ang people are famous in Burma for the high quality tea that is grown in their highland farms. They also grow a variety of temperate climate fruit crops such as apples, plums, avocados and pears, which are highly valued in the lowland area. The Ta'ang people have not been able to live on and tend their lands in peace due to a series of military regimes controlling Burma.



## *Shweli Dam 1*

The Shweli hydropower Dam No. 1, located in Mantat village, Namkham Township, Northern Shan State, began producing power in late 2008. During construction of the dam, a battalion of 300 armed soldiers moved into the village of Mantat. Local farmlands were confiscated, army checkpoints restricted travel, and local women were forced to marry soldiers. The construction of the dam destroyed some local farms and wildlife in the area has begun to disappear. Forced labor was used to clear roads to bring in machinery and set up transmission lines.<sup>1</sup> Since the completion of the dam, signboards have been posted on the river warning local people to stay away from the river banks due to unexpected water surges.

Based on the experience of the Shweli Dam 1, local people expect many negative impacts from Shweli Dams 2 and 3 with very little benefits.



*“Danger! River water levels may change at any time.” Signboard warns locals to stay away from the river; it is not written in local languages.*



*Burma Army battalion sent to secure Dam 1*

## *Shweli Dam 2*

The Shweli hydropower Dam 2 is 30 miles from Shweli Dam 1, located on the river where it flows southwesterly in an ‘S’ shape between Mantong and Namkham townships through Htonphot, Pinlon, Sawlon, Octkar, and Kaungsoe villages. The 520 MW dam will be built at the mid-point of the ‘S’ and diversion tunnels will be constructed through the hill north of the river. According to workers at the dam site, the main transmission line from Dam 2 will go to China and others to factories either run by the regime or by private tycoons linked with the regime.

### **Chinese and Burmese companies to build Shweli Dam 2**

In November 2009 Burma’s Ministry of Electric Power 1 signed a Memorandum of Understanding with China’s Huaneng Lancang River Hydropower Co. Ltd. and Burma’s Asia World Co. Ltd. for construction of the Shweli Dam 2 under a Build-Operate-Transfer system. A more advanced Memorandum of Agreement was signed in November 2010.

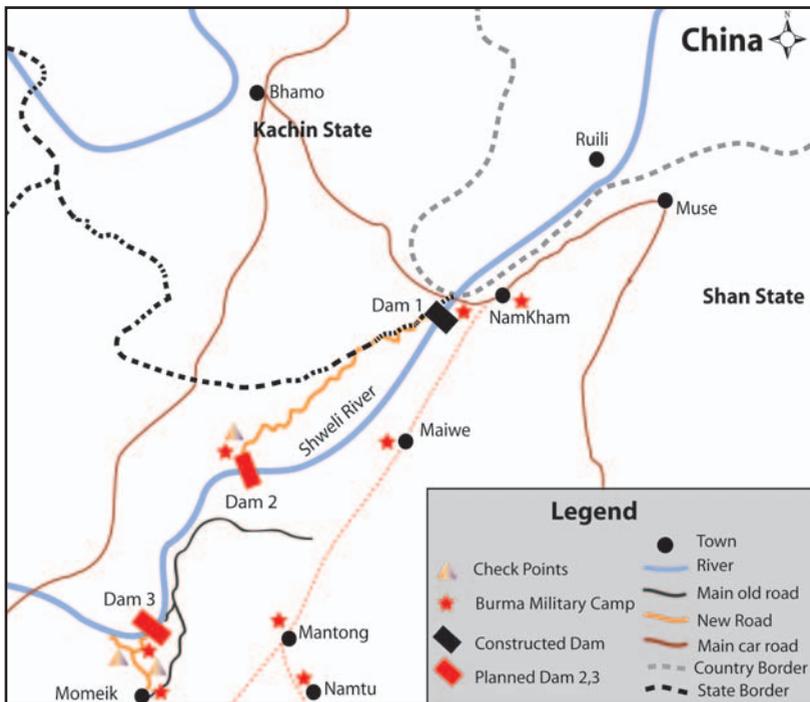
#### **Huaneng: Projects suspended in China for poor standards**

Huaneng Lancang is a member of the Huaneng Group, a key state-owned power company in China. Although it claims to follow best business practices, the company has failed to follow required reviews of its projects in China. In 2009 China’s environmental ministry suspended Huaneng’s construction of two dams because the company started the projects without necessary environmental assessments.

#### **Asia World: Drug money, military connections**

Asia World Company is one of the largest conglomerates in Burma and has close ties to the military. It was founded by the infamous opium drug lord Lo Hsing Han and is managed by his son Steven Law who is suspected of drug trafficking. The company was blacklisted by the United States Treasury Department in 2008. It is mainly involved in construction and materials and equipment supply.

## Militarization and road construction for Shweli Dams



## Population living along the river near Shweli Dam 2

No	Village	Ethnicities	Households	Population
1	Thun Poke	Ta'ang, Kachin	60	540
2	Pin Lon	Ta'ang	180	1,620
3	Saw Hlan	Ta'ang, Shan	48	432
4	Outkar	Ta'ang	64	576
5	Kaung Son	Ta'ang	40	360
<b>Total</b>			<b>320</b>	<b>3,528</b>



*The majestic Shweli River at the Dam 2 site*



*The dams will decrease fish populations by impacting breeding patterns*

## **Shweli ecosystem under threat**

The landscape around the Dam 2 project site is simply stunning, rich in natural beauty with evergreen trees and natural waterfalls. There is an abundance of fish in the river and animals in the surrounding woodlands. There used to be lush forests with many natural herbal plants and roots along the Shweli River near dam sites 2 and 3. Elephants, deer, wild pigs, peacocks and a variety of other wildlife roamed these forests. Since road construction, land confiscation and logging began, however, wildlife in the forests have fled. The imminent construction of Dam 2 will cause further deforestation and destroy habitats of wild and endangered species. People, particularly women, who rely on harvesting forest products for extra income, medicines and food, are suffering due to decreased forest resources. Soldiers using dynamite in local fishing areas have also reduced fish populations.





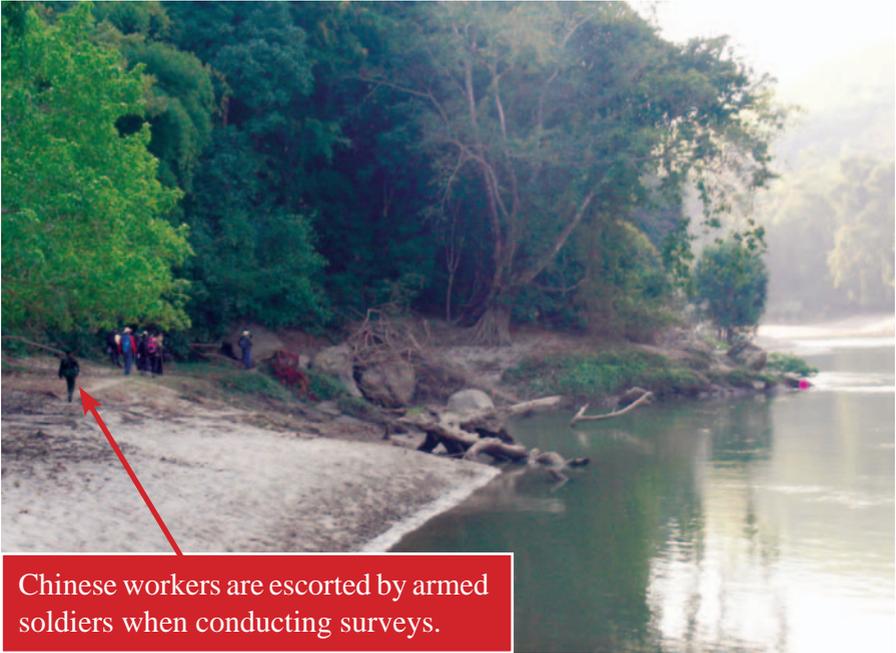
## **Dam project begins amid armed security**

In 2009, twenty-five Burma Army soldiers from Light Infantry Battalion (LIB) 144 were sent from Dam 1 to secure the Dam 2 site. The soldiers built a camp near the river bank; seven soldiers live permanently at the camp and the remainder patrol in the surrounding area. Local police also patrol the area, checking all strangers who come in to the villages near the dam site. Since the arrival of the soldiers, there have been more human rights abuses within the villages near the dam site as soldiers take land, food, livestock and other property without permission from the owners.



Eighteen Chinese workers arrived at the Dam 2 site in early 2010 and built a house next to the military camp. To date actual dam construction has not begun but workers have conducted several surveys at different points along the river, including taking core samples for testing back in China as seen in this photo.





*Chinese surveyors at Dam 2 site in June 2010*

## **Destruction of local means of survival**

### ***Road construction leaves farmers without fields***

In order to construct the dam, Asia World Company constructed a new main road from the Dam 1 to Dam 2 site. During construction, local lands and homes along the road's route were seized, causing local farmers to suffer immensely. Those that did receive compensation for their land were given a mere 1,000 kyat (less than US\$1) for every 4 square feet of land taken.

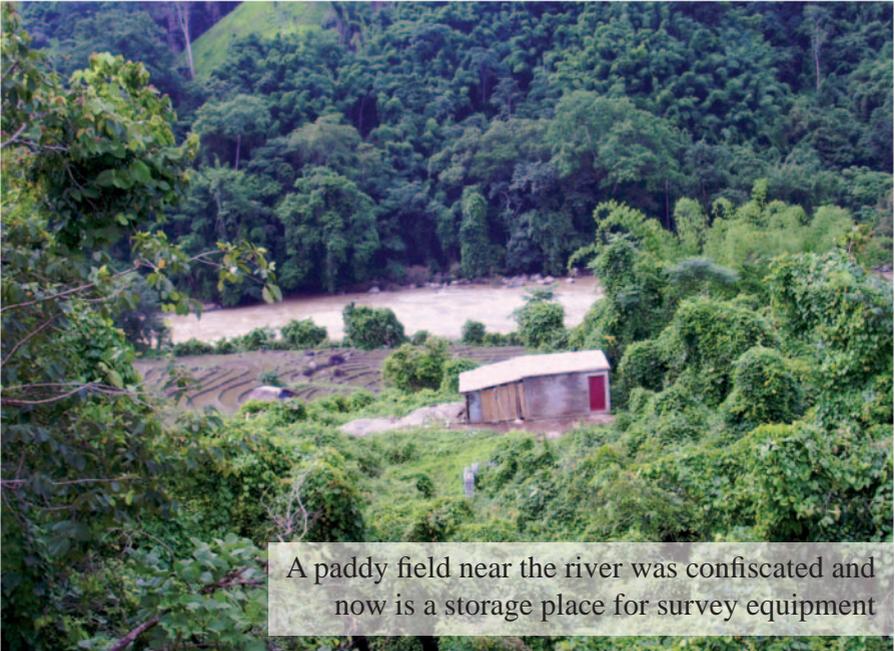
*“Our lands such as paddy and hillside fields, tea farms, and community forests were confiscated for this road, causing us many difficulties. Then, the compensation they gave did not correspond with the price of these farms and their products. On top of that, in the rainy season the road turns to mud, making it difficult to walk.”*  
(Pinlon villager)

### ***Soldiers take over riverbed farms and fishing areas***

In addition to farms along the road route, lands have also been confiscated in the villages close to the river. In order to survive villagers have had to find new fields up the mountain to plant rice but the productivity of these lands is not as good as their riverbank farms.

*“The soldiers came to my house and said ‘starting now you cannot grow on the farms near the river’ and I asked him back: ‘why’? He gave the reason that they will build the dam in that area. They confiscated the land from my farm, it was about 18 acres.”* (local farmer)

*“My cultivation covered over 20 acres near the river but it was confiscated. I had to cut down some forest land that is located far from my village for planting a new hillside field. I cannot say or guess exactly how much rice it will yield this year as there is a lot of sand and stones and the land is not very suitable for farming.”*  
(local Ta'ang female farmer)



A paddy field near the river was confiscated and now is a storage place for survey equipment

Some farmers that lost their lands tried to make a living by fishing instead, but the soldiers then confiscated their fishing nets and forbade them to fish in the river, saying “this is our area now.” Fishers are struggling to make ends meet for their families because fishing is the only job they know. They need to borrow land from others to grow vegetables to sell to the market to get an income.

*“I’ve been a fisherman for over 10 years. I was fishing to get an income for the survival of my family. Last year after the battalion came, they ordered that no one can fish in the river but it is my livelihood and my skill. I have no idea how to do any other job. One day I went to fish and 2 soldiers came up and took my fishing net.” (local fisher)*

Since soldiers came to secure the dam project, they have prohibited locals from fishing but they themselves use dynamite to catch fish in the Shweli River. Villagers are angry about this as it goes against the traditional ways of catching fish.

## **Permanent Loss**

Due to the low-lying geography along the river, local villagers estimate that 2,000 acres of community forests and cultivated farms upstream of the dam will be inundated (see table on page 40).

## **Impacts to women**

When soldiers were sent to Dam 2 boost security, it directly impacted the daily lives of local women. Now it is often unsafe to go out alone because of the increase in military presence near the river. Women who were once free to visit or go to anywhere they wished are now forced to remain indoors or wait to be accompanied by others to leave their homes. Families fear that local women will be forced to marry Burmese soldiers as they have been near Dam 1.

*“I used to go alone to my fields before the soldiers came to stay here. But I don’t dare to go alone to the fields, the market, or to visit friends now as the soldiers often make inappropriate advances and sexually harass women.” (local Ta’ang woman)*



Ta’ang woman picks tea leaves on her farm; women are now afraid to go alone to fields

## Civil war erupts, dam project temporarily shut down

In early June 2011, armed clashes between the Kachin Independence Army (KIA) and Burma's military troops erupted at a Chinese hydropower project in Kachin State. The fighting soon spread to Shan State and regime-backed militias clashed with the KIA in a village between Dam 1 and Dam 2 on June 15. Chinese engineers and ordinary workers returned to China and the dam site was shut down. When leaving, Chinese workers told locals that they would be back after the fighting dies down.

To date workers have not come back yet and local people remain fearful of further battles. Clashes continue in the area and now no one has access to the Dam 2 site without military permission. One local source said:

*“I heard the sound of fighting from nearby the Shweli Dam 1. After that Chinese workers and their experts who came to work on the Dam 2 construction went back to China and postponed the construction temporarily and the local workers also returned back to their homes.”*

If Huaneng and Asia World continue to build the Shweli Dam 2 under the current conditions of conflict, it is certain that increased numbers of troops will be sent in to secure the dam protect. This will lead to additional confiscation of lands and other human rights abuses.



*Kachin refugees  
flee fighting*

Photo: W.P. Ninghtoi



*Farmlands of Molo village pictured here will be flooded by Shweli Dam 3*

## *Shweli Dam 3*

Shweli 3 Dam will be built in Momeik township, where the river flows through a picturesque valley of paddy farms surrounded by green forests. Teak, kino and other hardwood tree grow naturally along the Shweli River. Sixteen villages are located upstream of the dam and 4 villages are located immediately downstream (see map on page 31).

Between Lwai Yar village and the Dam 3 site there is a large plain in which teak, ironwood, and other hardwood trees grow. In Molo village, the people depend on the Shweli River to access drinking water as there is an insufficient amount of mountain streams flowing into this plain. Local people farm, fish and hunt in order to survive. They use the main local road and sometimes boats to trade goods between villages and to and from Momeik town.

### **MOU signed to build Shweli Dam 3**

In February 2010, officials from the Ministry of Electric Power No 1 and Executive Vice President Mr. Jean Francois Belin of Colenco Power Engineering from Switzerland signed a Memorandum of Understanding (MOU) for consulting services in building Shweli Dam 3. According to the Ministry of Electric Power, the dam will have an installed capacity of 1,050 Megawatts and construction is planned to be completed in 2015.<sup>2</sup>

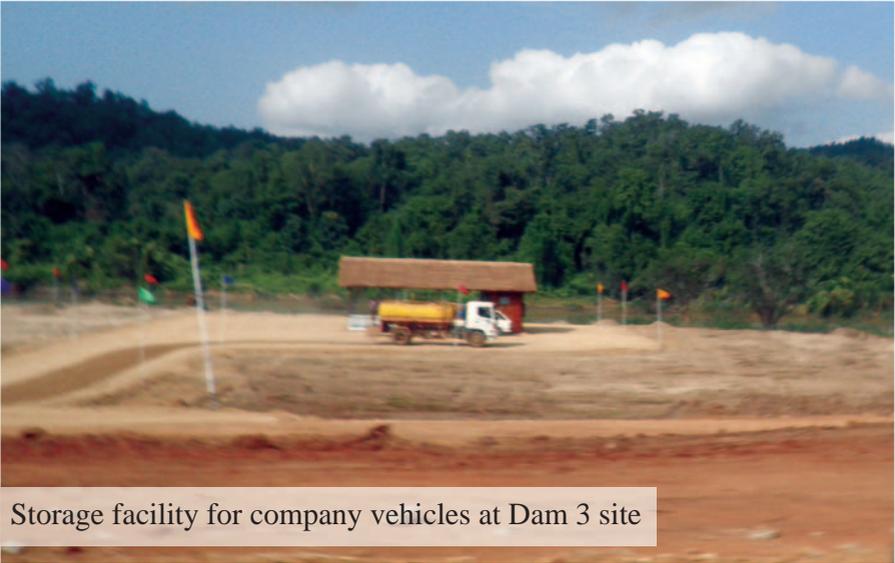
### **Soldiers Move In**

After the MOU was signed, twenty troops from Light Infantry Battalion (LIB) 302 based in Momeik town moved in to the project area to secure the site. They set up check points in some villages near the site. Villagers have to feed the soldiers and are often threatened and intimidated into giving them money as well.

### **Lands seized for new road to Dam 3 site**

Construction of a new road from the town of Momeik to the Shweli Dam 3 site (12 miles distance) began in 2009. According to local sources, both the Htoo Company and Asia World are involved in the road construction. Both these companies are also logging in the area.





Storage facility for company vehicles at Dam 3 site

*“The company didn’t tell me anything, they just destroyed one acre of my paddy farm without compensation and now I have just a few fields to grow paddy. Other families also had paddy and vegetable farms destroyed by this new road.” (64 year old Ta’ang farmer)*

So far, local rice and vegetable farms as well as community forests have been confiscated from an estimated fifty families in three villages (Ownkyawthint, Kyauktaung, and Shwezarli). Although authorities promised that they would compensate half the value of the property confiscated, local people have not received any compensation whatsoever. The companies and Ministry of Electric Power No 1 have built worker camps and machine storage areas in three villages along the route.

Another farmer explained emotionally that his family was uncertain how they would survive the coming year:

*“I only own 15 acres of paddy fields. My primary livelihood for my family is based on this small plot of land. Now, because of these roads, I cannot cultivate most of my paddy fields. Currently, my family and I survive by last years’ paddy store but how can we survive the coming year if the supplies are emptied?”*

## Forced relocation

In October 2010, local authorities demanded that one person from each house in the five villages immediately upstream of the dam attend a meeting. In the meeting an administrator from Momeik announced that all the villages would have to move out within three years. A local person that attended the meeting explained what the authorities said:

*“The construction of Dam 3 is being carried out by the government company Asia World. The aims of building this dam are to produce much needed electricity to cities in Burma. Therefore relocation arrangements near Momeik are being organized for villagers who live closest to the Shweli River in Momeik Township. You must move within three years. Senior sources have communicated that the villages located upstream of the dam site will be flooded.”*  
(reiterated by local villager from Molo village)

Villagers were shocked and saddened by the announcement and now worry for their future. Authorities have said a “new place” will be arranged and some compensation will be given, but villagers have no idea if this is true or not and do not want to move. Villagers are also upset that local sacred religious sites will be destroyed by the dam project. Despite their concerns and desires, most found it too difficult to complain or raise their voice in the meeting due to the intimidation by the presence of soldiers.

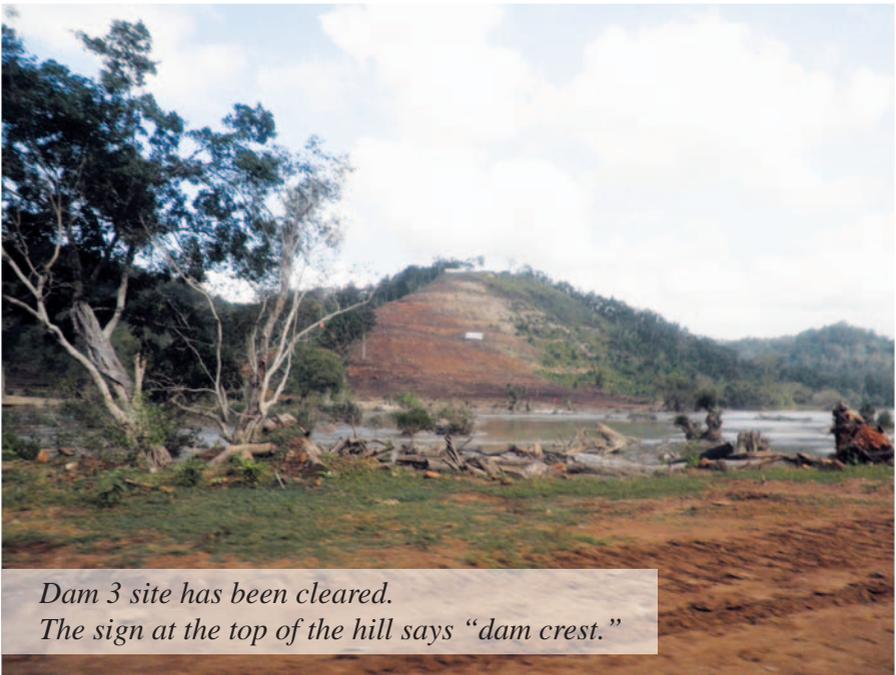
*“One person from each house attended the meeting. The authorities ordered the villagers to move out. They said that local authorities will provide some space outside of Momeik for us. I found this difficult to take in as I have just finished building my house but now it will be destroyed. The Government said it will give half the worth of land and property as compensation, but I absolutely do not believe that they will pay this compensation.”* (Molo villager)

*“I have lived here for 15 years. We will be so sad if the dam is constructed because not only will the monasteries and pagodas flood but I will also have to move with the villagers.”* (monk from an affected village)

One local villager said: *“I have grown up in this village since I was born by drinking the water from the Shweli River. My livelihood is fishing which is related directly to this river. Recently in October the order letter from the Momeik administration said that we must relocate within three years. No one dared to complain mainly because of fear. We don’t want to move to another place. After we leave we do not know what we will do for our livelihoods or how to earn money to survive.”*

Authorities have said they will build a relocation camp between Momeik and Dam 3 and have started to clear out forests in this area. Once the relocated people move in, however, there will likely be land disputes with the nearby villages of Shwezarli, Nar Yoke, Ownkyawthit, Kunit mile, and KyuSar.

Aside from the five villages that will be completely inundated and have been ordered to move, the main trade road to Momeik town will also be under water. Additional villages that rely on this road to buy and sell



*Dam 3 site has been cleared.  
The sign at the top of the hill says “dam crest.”*



*Village that will be flooded by Dam 3.  
Sacred pagodas and monasteries will go under water.*

tea, rice, oil, salt and onions will have to buy commodities from further afield in Mantong Township and will face further hardships when their transportation link is blocked.

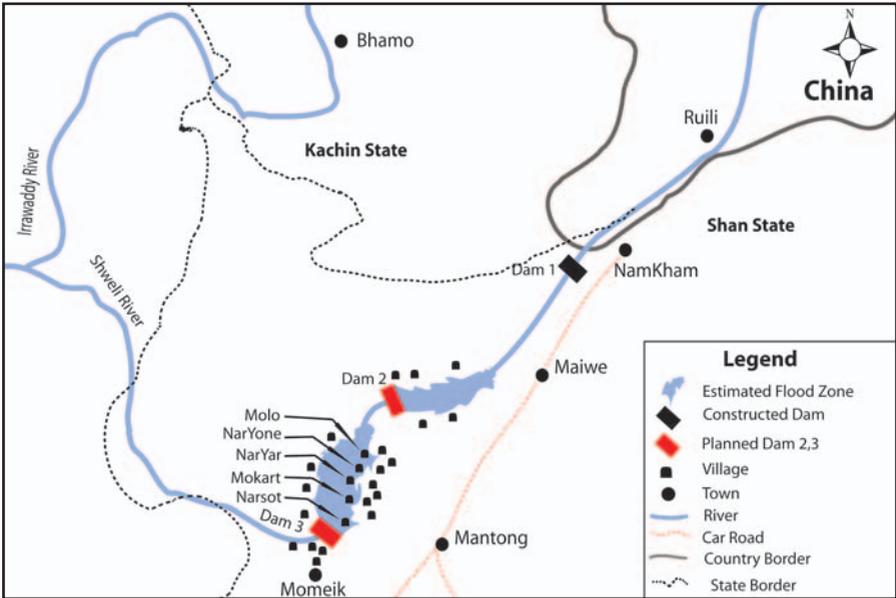
*“Uncle has lived here since in the time of my grandfather. Now, the government is going to build the dam. They are forcing people in this village to move house and there is no room for compromise or way to negotiate with them. I am very disappointed because I’m being ordered and forced to move by the local authorities but I am not able to bring my house, tea farms, paddy fields, and other cultivated lands. They said that we are to live in Momeik but my family and I cannot move there. For the time being, I will continue living here and I will live in the mountains if the flooding occurs.”*

*(Ta’ang family in Naryon village)*

**Table: Impact of Shweli Dam 3 Flood Zone**

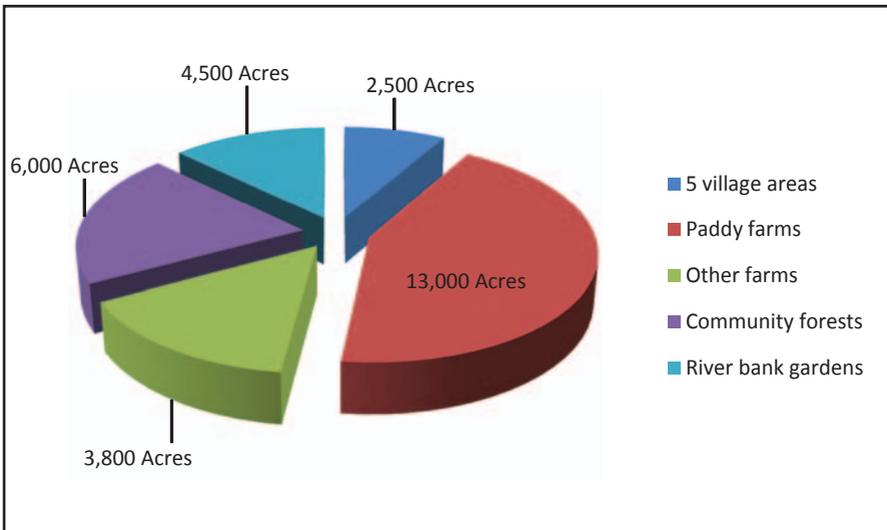
No	Village Name	Household	Population	Ethnicities
<b>Ordered to move out by 2013, village will be flooded</b>				
1	Molo	252	1,704	Ta'ang, Shan, Burmese, Kachin
2	Nar Yone	56	243	Ta'ang and Shan
3	Naryar	80	480	Ta'ang
4	Mokart	60	365	Ta'ang, Shan, Burmese
5	Narsot	100	648	Ta'ang and Shan
<b>Trade road will be flooded, loss of farmlands and forest areas</b>				
6	Myitsone	230	1,568	Ta'ang, Shan, Burmese
7	Pantin	70	395	Ta'ang
8	Khopan	90	535	Ta'ang and Shan
9	Manpyaine	90	546	Ta'ang and Shan
10	Manswan	50	285	Ta'ang
11	Pantain	78	460	Ta'ang, Shan, Kachin
12	PanBain	67	323	Ta'ang
13	Pankar	50	297	Ta'ang and Kachin
14	Kyuttoun	79	476	Ta'ang, Shan, Kachin
15	Bokepint	55	324	Ta'ang
<b>Land loss from road construction and impending relocation camp</b>				
16	Shwezarli	84	507	Ta'ang and Shan
17	Ownkyawthit	185	1,200	Ta'ang, Shan, Burmese
18	KyuSar	46	270	Ta'ang and Shan
19	Nar Yoke	66	390	Ta'ang
20	Kunit mile	58	346	Ta'ang, Burmese, Shan
	<b>Total</b>	<b>1,846</b>	<b>11,190</b>	

## Estimated flood zones of Shweli Dams 2 and 3



Estimate based on relocation orders and land contours near dam sites

## Estimated lands that will be flooded by Dam 3



For lands flooded by Dam 2 see appendix

Logs await transport near Dam 3 site



### **Logging along the Shweli River**

Logging of teak, kino and other hardwood trees by Chinese and Burmese businesses was rampant along the Shweli River during the dry season from November 2010 to May 2011. Big trucks carried timber to China daily, and now large sections of the important forests along the Shweli River near Dam 3 have been destroyed. Two Burmese companies with close connections to military generals, the Asia World Company and Htoo Wood Products Company Ltd, cooperated together to build the new road from Momeik to the dam site and are among the biggest logging companies along the Shweli River.

*“A lot of people are cutting down teak trees at the Shweli Dam 3 site. They use machines and elephants in the forests to bring the logs to the highway and sometimes over 40 and 50 trucks per day carry out teak from the dam site and we send it to the China border. The company trucks already have escorts that drive ahead of them to look after the costs of the gates and documents so we can proceed without hassle through the checkpoints.” (Namkham truck owner)*

Burma Army troops force truck owners to pay bribes in the area under their control from Dam 3 to the China border. Local soldiers from LIB 302, 130, and 144, as well as the Mantong and Pansay pro-regime militia groups based in Namkham town, and the Forestry Department, force most truck owners to pay bribes for logging in northern Shan State. But the Htoo Company and Chinese company trucks have already received special passes from higher authorities and are therefore allowed to pass freely from the dam site to China.

People from different villages and towns from Shan State and central Burma come to work in the logging areas where they earn more money than in other jobs. Some people cut down trees or carry the timber to put in the trucks while others take responsibility to check security along the forest road or warn truck owners where the police are waiting to collect bribes. Local people who work in the logging area have to carry timber into the trucks at night time depending on the security situation.



*Forestry Ministry signboard in Momeik township forbids cutting wood but all the large trees have already been removed by the logging companies*



*Sign permits locals to use forest for traditional medicine and grazing cattle; now locals told by military not to enter as it is being cut by the logging companies*

## Local teak resources stolen by companies

Before the project began, local people near Dam 3 were able to cut wood from the rich teak forests for building houses and schools. They did not cut wood for commercial profits but only for local use.

“We have a rich amount of teak in our village. The teak is only cut to use for building

houses, animal pens, and schools. Small teak trees were cut for our needs but big trees were preserved. But since the beginning of the project, enormous teak trees have been cut on a huge scale for commercial use by the companies and now, only some small teak trees are left.”(resident of Molo village)

## Free drug use and selling in the project zones

The townships of Namkham, Mantong, Namhsan and Momeik in northern Shan State are under the control of the Burma Army. The production of opium and drug trafficking in these areas has been immense in 2011. Drugs are easily trafficked or traded especially around the logging and dam construction sites.<sup>3</sup> Chinese workers, truck drivers, local youths and villagers are using amphetamines, heroin and opium. The amphetamines can be bought in every village on the way to the logging sites and some of the logging bosses give amphetamines to their workers. Local authorities cooperate with drug sellers to sell amphetamines and they share the profits.

*“Many different people come to buy amphetamines from me. I can sell 50 pills in a day, some days more than that. There are two different kinds I sell but most people ask for pills from Pansay Kyaw Myint which cost about 2,000 kyat depending on the quality.<sup>4</sup> I have to pay local authorities 50,000 kyat per month in order to sell my drugs without any hassle. Often local police and soldiers come to use amphetamines at my home.”* (Kachin man from Momeik)

Local authorities don't take action to protect local people from drugs; although they know the drug sellers they do not arrest them but instead squeeze drug dealers for some of their profits or drugs. If the dealers pay money and give amphetamines to the police or soldiers then they can sell drugs in their village or town. Many police and soldiers who live in these townships are themselves already addicted to drugs. Groups of soldiers from Momeik that stay in Pan Tain village sometimes get drunk and take amphetamines and don't come back and stay in the forest for up to three days. The troops force the villagers to find the soldiers in the forest and the local people have to bring them food. Villagers found one soldier deep in the forest where they spent four days trying to find him.

One village headman said: *“They came to stay at my house for 10 days and were waiting to collect taxes from timber carrying trucks. They forced some drivers to pay taxes but the drivers didn't pay money, they just bought amphetamines which they took at my house every day. I was very angry with them but I couldn't say anything to and they forced me to cook chicken and pork for them every day.”*



Drug users in Ta'ang area

Photo by PWO

## *Few useful benefits*

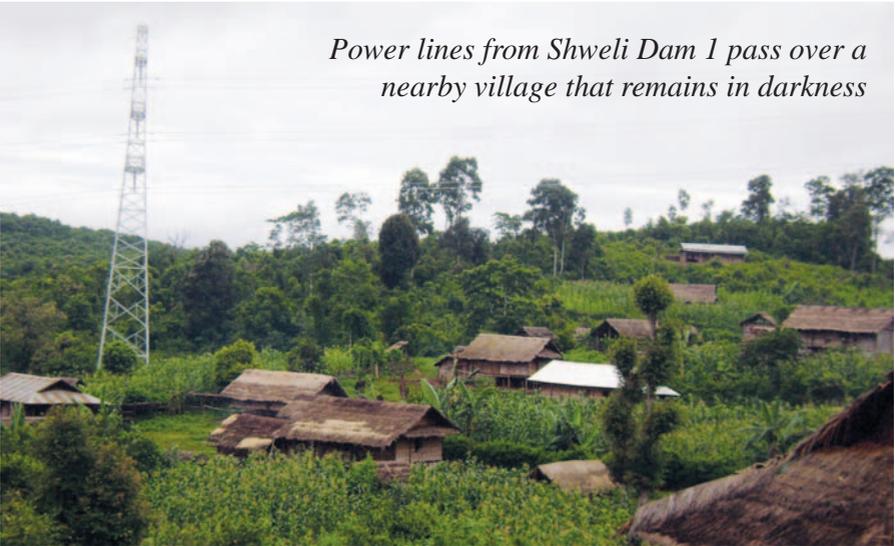
The majority of power produced by Shweli Dam 2 and 3 is expected to be exported to China. Yet even if the power generated is distributed in Burma, based on the experience of Shweli Dam 1, local people do not expect much benefit. Electric power produced from Dam 1 is exported to China, sent to military factories in Burma, and sold to some household and business customers in surrounding townships at a high cost.

## **Villagers in darkness at dam site**

Mantat, the village where Shweli Dam 1 was built, remains dark today after all turbines are fully operational at the hydropower plant. Only a monastery and the military camp are allowed to use electricity from the dam. A few families manage to use micro-hydro engines to generate a little electricity for their homes. One local woman explained how expectations were dashed after the dam was complete:

*“The electricity is free only for the monastery in our village. Before the local authorities said they would give us 24-hour electricity. At that time, we were really happy because we hoped we could watch a movie. Now our hope has disappeared. We can never depend on our government and must create electricity by ourselves.”*

*Power lines from Shweli Dam 1 pass over a nearby village that remains in darkness*



## **Electricity prioritized to military and military businesses**

In 2009 an electric transfer station was built in Mansan village in Namtu Township to transfer electric power from Dam 1 to Lashio Township. The majority of the electricity is sent to military factories and relatives of military families. During the 2010 election campaigns, General Mg Mg Swe promised local people in Namhsan Township that they would get electricity from Shweli Dam 1. Now, however, power is mainly sent to two tea factories run by the military and a military-linked company.

## **Electricity not regular and not affordable**

Customers in Muse and Namkham townships have been able to buy dependable and affordable electricity from China since 1990 but after the dam's completion, they were ordered in April 2010 to only use electricity from Dam 1's power plant. Although they can now access locally produced power, customers complain of irregular service, the high cost of the electricity, and arbitrary fees. The irregular service is also affecting the ability for businesses to operate smoothly. Customers also have to buy or change their electric meter box at the exorbitant cost of approximately 700,000 kyat (nearly US\$700). Some families have not changed the box because it is too expensive for them and therefore cannot receive power at all. In Namhsan Township, families have applied to get a meter box but don't know how they will afford it.

*“We didn't have to pay a power meter box maintenance fee when we used electricity from China, but now have to pay many different fees for the Shweli electricity, and we receive irregular service. We use it because we are forced to.”<sup>5</sup> (owner of a manufacturing plant)*

Residents in Namhsan Township that do get electricity also complain of extortion by electricity department staff.

*“The Village Electricity Committee and the electricity department staff are corrupt; they think that the villagers do not know anything about the electricity and they haven't used the electricity from the government before so they charge extra fees.”<sup>6</sup> (Namhsan villager)*

## *Conclusion*

The Shweli River is a main artery of the Ta'ang people. A completed dam and two planned dams on the river in Burma are already having a series of negative impacts while providing little or no benefit to local people. Approximately 15,000 living near the dam sites will be directly impacted if the two planned dams on the Shweli are built. Three thousand people have already been ordered to relocate. The villagers' houses and sacred pagodas and monasteries upstream of the dams will be flooded as well as vital resources such as traditional medicine. The whole ecosystem of the Shweli area will be affected, threatening the livelihoods of fishers and farmers.

There is little information about the dams, affected people have not been consulted, and no environmental or social impact assessments have been disclosed. Additional dams on the Shweli River will also directly affect the natural flow of Burma's main waterway, the great Irrawaddy River.

The Ta'ang Students and Youth Organization (TSYO) therefore calls for the planned Shweli Dams to be stopped.

## **Recommendations**

### *To the Ta'ang people:*

- Learn more about these projects and protect the environment and the Shweli River for future generations.
- Work together to stand up for our rights.

### *To the Ta'ang National Party (TNP):*

- Fulfill their obligations as a political party by properly representing in Parliament the needs and issues faced by the Ta'ang people including the unfolding impacts of the Shweli dams.
- Build better relationships and trust with the Ta'ang community and support the local people to preserve the Ta'ang way of life, local livelihoods and the environment.

***To Burma's military government:***

- Cancel planned dams on the Shweli River and stop all human rights abuses associated with these dams. Projects need more transparency, consultation with and informed consent of affected peoples before they begin. A government should protect its citizens, not abuse their rights.
- Stop lining their pockets by selling our natural resources to other countries while giving no benefits to affected peoples.
- Return lands that have been confiscated for this project.
- Implement a nationwide ceasefire, withdraw troops and enter into genuine dialogue to meaningfully address the root causes of the ongoing civil war.

***To the Huaneng Lancang Company and the Chinese government:***

- Stop the Shweli Dam 2 project because it is not conforming to Chinese laws on environmental impact assessments, public participation, and proper compensation.

***To Colenco Power Engineering of Switzerland:***

- Stop involvement in the Shweli Dam 3 immediately. The company should adhere to the same levels of transparency and accountability that they are required to meet when working in their own country.

***To foreign governments, the UN and ASEAN:***

- As a prerequisite to any further diplomatic or economic engagement with Burma's military government, demand that it implements a nationwide ceasefire and enters into genuine dialogue with ethnic leaders to address the root causes of Burma's ongoing civil war.

## Appendices

### Lands confiscated for Shweli Dam 2 to date

Type of land	Amount (in acres)	Impacted families	Confiscator	Reason
Hillside farms	20	12 Ta'ang families	LIB 144	Military camp and military farm
Tea, rice, and hillside farms, forests	>72	30 Ta'ang, Kachin, Shan families	Asia World and LIB 144	New road from Dam 1 to Dam 2
Tea and hillside farms	>33	10 Ta'ang families	Asia World and Huaneng	Dam workers' housing
Farms and forest areas	>60	20 Ta'ang, Kachin families	Asia World and Huaneng	Dam construction
Community forests	<80	25 Ta'ang, Kachin, Shan families	Chinese company and LIB 144	Test drilling
<b>Total</b>	<b>265 acres</b>			

### Impact of Shweli Dam 2 Flood Zone

Type of lands that will be flooded	Amount (in acres)	Impacted people	Village
Rice, riverbank, tea farms	>100	30 Ta'ang families	ThunPoke
Rice, riverbank, tea farms	>150	42 Ta'ang, Kachin families	PinLon
Rice, riverbank, tea farms	< 80	35 Ta'ang, Shan, Kachin families	SawHlan
Rice, riverbank, tea farms	>70	19 Ta'ang families	Outkar
Rice, riverbank, tea farms	>70	27 Ta'ang, Shan families	Kaung Son
Forest areas	1,500	320 families	All above
<b>Total</b>	<b>2,000</b>		

### Lands confiscated for Shweli Dam 3 to date

Type of land	Amount (in acres)	Impacted families	Confiscator	Reason
Paddy and vegetable farms, community forests	145	Ta'ang, Shan, Burmese, Kachin	Military government and companies	Dam construction
Paddy and corn farm	10	Ta'ang Shan and Kachin	LIB 302/130	Military camp
Paddy and vegetable farms	26	Ta'ang, Shan	Companies	Building for workers
Paddy and vegetable farms	40	Ta'ang, Shan, Kachin, Burmese	Companies	Building to store construction trucks
Paddy and vegetable farms, community forest	50	Ta'ang, Shan, Burmese	Companies and military	Building new road
Community forests	230	Ta'ang, Shan, Kachin	Military and companies	Logging
<b>Total</b>	<b>501 acres</b>			

## Footnotes

- <sup>1</sup> For a detailed study of Shweli Dam 1 see Under the Boot, Ta'ang Students and Youth Organization, 2007 at <http://burmariversnetwork.org/images/stories/publications/english/underthebootenglishwithcover.pdf>
- <sup>2</sup> <http://moep1.wordpress.com/>
- <sup>3</sup> For more background on the serious problem of opium cultivation and drug addiction in Ta'ang areas, please see Poisoned Flowers (2006), Poisoned Hills (2010) and Still Poisoned (2011), Palaung Women's Organization at [www.palaungwomen.com](http://www.palaungwomen.com)
- <sup>4</sup> Pansay Kyaw Myint (also known as U Win Maung) is head of a paramilitary force and member of Burma's parliament since the 2010 election. He controls opium cultivation and drug trading in the Pansay area of Namkham township.
- <sup>5</sup> "Hydro-power Electricity Erratic in Shan State," The Irrawaddy, July 22, 2010.
- <sup>6</sup> [http://www.palaungwomen.com/index.php?option=com\\_content&view=article&id=230:2011-07-29-09-19-23&catid=3:latest-news&Itemid=18](http://www.palaungwomen.com/index.php?option=com_content&view=article&id=230:2011-07-29-09-19-23&catid=3:latest-news&Itemid=18)

Note: for more information about dams on the Shweli River in China, please see *High and Dry: The trans-boundary impacts of China's Longjiang Dams* at <http://burmariversnetwork.org/resources/publications.html>

## **About Ta'ang Students and Youth Organization (TSYO)**

The Ta'ang Students and Youth Organization (TSYO) is a non-profit organization that develops the social status of Ta'ang people, particularly youth, and works toward peace, justice and equality. TSYO aims to protect communities against human rights abuses, environmental destruction and the unsustainable use of natural resources in the Ta'ang region. This is done by promoting the capacity of Ta'ang students and youth. The goals of TSYO are:

- To work for peace and development in the Ta'ang area.
- To increase the number of Ta'ang youth leading the people.
- To achieve gender equality.
- To end the military dictatorship system in Burma.
- To form a federal, democratic country with equality and self-determination.

TSYO works on health, education, community development, human rights, and the environment. The Ta'ang Environmental Action (TEA) Team is a department of TSYO that works to preserve natural resources and the environment in the Ta'ang area.

TSYO is a member of the Burma Rivers Network.

## **CONTACT**

palaungyouth@yahoo.com

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For more information

**[www.palaungland.org](http://www.palaungland.org)**  
**[www.burmariversnetwork.org](http://www.burmariversnetwork.org)**



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The Shweli, a vital river for the Ta'ang (Palaung) people and an important tributary of Burma's great Irrawaddy River, is under threat by a series of mega dams. The first dam, completed in 2008, provides few useful benefits to people in Burma yet Chinese and Swiss companies are proceeding with plans to build two additional dams on the Shweli. The dams are located in the middle of an active war zone and are contributing to rising ethnic conflict. This report sheds light on what is happening at the dam sites and what the dams will mean to those that rely on the Shweli.