



# The New Great Walls

A GUIDE TO CHINA'S OVERSEAS DAM INDUSTRY

## About International Rivers

International Rivers is a non-governmental organization that protects rivers and defends the rights of communities that depend on them. International Rivers' China Global Program works with its partners to communicate the experiences of the international movement for "people, water, and life" to new dam financiers and builders in China. In addition, International Rivers' China Global Program provides information about China's role in global dam building and supports groups in countries affected by Chinese dams.

## Acknowledgments

This guide was made possible by the generous support of the Blue Moon Fund and Oxfam America. The author also thanks Peter Bosshard, Meng Fong-Wah, and Feng Yun for their contributions to this guide. Carl Middleton, Lori Pottinger, Shannon Lawrence, Misti Duvall (and others at Earth Rights International), Ali Askouri, Terri Hathaway, and Wen Bo provided valuable feedback on early drafts. The experiences and insights of many organizations, individuals, and communities around the globe are part of the knowledge set presented in this guide.

*This guide is dedicated to communities around the world whose lives have been disrupted by dams.*

## Publication Information

By Nicole Brewer  
nicole@internationalrivers.org



Published by International Rivers  
1847 Berkeley Way  
Berkeley, CA 94703 USA  
Tel: +1 510 848 1155  
Fax: +1 510 848 1008

internationalrivers.org

Design by Design Action Collective

Cover photo: MALAYSIA: The 2400 MW Bakun Dam is being funded by China Exim Bank and built by Chinese companies. Its reservoir will drown critical rainforest habitat in Sarawak and displace 9000 mostly indigenous people who rely on the rainforest for survival.

Photo: Philip Hill, [Philipphotography.com.my](http://Philipphotography.com.my)

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## PERSPECTIVES ON CHINA'S NEW GLOBAL IMPACT

"The Chinese are doing more than the G8 to make poverty history. If a G8 country had wanted to rebuild the stadium, we'd still be holding meetings! The Chinese just come and do it. They don't hold meetings about environmental impact assessment, human rights, bad governance and good governance. I'm not saying it's right; just that Chinese investment is succeeding because they don't set high benchmarks."

**Sahr Johnny, Sierra Leone's ambassador to China, 2005**

"We don't have enough electricity. China is developing that for us. We don't have the resources to build mines and harvest our resources. China does. And China has been here for a long time and will stay here for a long time."

**Huot Pongan, Cambodia's Under-Secretary of State for Industry, Mines and Energy,  
December, 2007**

"China has adopted the principle of non-interference of other nations' internal affairs in its foreign relations. China does not accept any country imposing its values, social systems and ideology upon China. Neither will China allow itself to do so to others."

**Liu Jianchao, China's Foreign Ministry Spokesperson, 2006**

"The Chinese banks are prepared to finance our Five Works (water, electricity, education, health, and transport). For the first time in our history, the Congolese will really feel what all that copper, cobalt and nickel is good for."

**Joseph Kabila, Congo's President, 2007**

"It's political; if the leadership wants to stay in power they have to support China..."

**Vinay Inthavong, a Lao entrepreneur, 2007**

"China's approach to our needs is simply better adapted than the slow and sometimes patronizing post-colonial approach of European investors, donor organizations and non-governmental organizations. In fact, the Chinese model for stimulating rapid economic development has much to teach Africa."

**Abdoulaye Wade, Senegal's President, 2008**

"It's not right to say we don't care about the environment and social responsibility. You can't stop a country's development because of some corruption. That doesn't help. You cannot refuse to eat because you might choke."

**Li Ruogu, China Export-Import Bank's President, 2008**





## Introduction

China's dam industry has become the global leader in dam construction. In the past several years, Chinese financial institutions have stepped in to fill the gap left by traditional dam funders such as the World Bank. The Chinese government sees the new role Chinese enterprises and financiers are playing as “win-win” for China and the host countries involved. But evidence from projects such as the Merowe Dam in Sudan, the proposed dams on the Salween River in Burma, and the Kamchay Dam in Cambodia, demonstrates that these projects can have serious costs for host communities and the environment.

The purpose of this guide is to support groups addressing the impacts of dams built by Chinese companies and financiers. The guide is intended for use by non-governmental organizations (NGOs) and individuals working with communities affected by these dams. It describes how Chinese companies and financiers and the Chinese government are involved in overseas dams.

### LAOS:

Sinohydro may build up to seven dams on the Nam Ou River, including the 640 megawatt Nam Ou 2 and the 680 megawatt Nam Ou 8. The project could affect up to 50,000 people and would inundate part of a National Biodiversity Conservation Area.

*Photo: Michael Kebbekus*

## THE GUIDE INCLUDES:

- **Facts** about the global rise of the Chinese dam industry (page 5)
- **Who's who** in the Chinese dam industry (page 7)
- A summary and excerpts of **policies** guiding Chinese companies involved in overseas projects (page 18 and Appendix 2)
- A **map** of dam projects around the world in which Chinese firms and financiers are involved (page 14)
- Examples of **campaigns** that have addressed China's overseas industries (page 22)
- A **campaign toolkit** for use in addressing dams built and financed by Chinese companies and financiers (page 24)
- **Contact information** for Chinese dam building companies and financiers (Appendix 1)

ZAMBIA:  
One of the world's  
largest wetlands,  
Kafue Flats along  
the Zambezi River,  
would be damaged  
by the proposed  
Lower Kafue Gorge  
Dam. China Exim  
Bank agreed to  
fund the project  
after the World  
Bank backed out.  
*Photo: WWF-  
Canon/Sarah Black*

This guide complements two publications previously produced by International Rivers:

*Dams, Rivers and Rights* (2006) provides general information for dam affected communities about dams and their impacts, and gives concrete ideas about how to challenge dams.

*A Citizen's Guide to the World Commission on Dams* (2002) introduces the findings and recommendations of the World Commission on Dams (WCD).

Both of these publications have been translated into many languages. They can be downloaded for free, and hard copies can be ordered at low cost, at the International Rivers web site: [internationalrivers.org](http://internationalrivers.org).

# Facts about China's Role in Global Dam Building

## WHAT IS CHINA'S ROLE IN DAM BUILDING?

Since 2000, the government of China has advanced policies that encourage domestic companies and banks to conduct business overseas. Dam building companies such as Sinohydro are taking a lead role in new projects around the world, and the China Export-Import Bank (China Exim Bank) has become a major funder of the world's large dams. Further, the Chinese government has increased its lending to foreign governments, and dams are often part of aid packages that the government of China provides.

## WHY ARE MORE DAMS BEING BUILT BY CHINESE COMPANIES AND FINANCIERS?

- The Chinese dam industry has great **capacity** for dam construction: China has half of the world's large dams and there are many Chinese dam building companies and dam equipment suppliers.
- There is strong **domestic competition** within China for dam contracts, which has prompted Chinese engineering firms and construction companies to seek overseas business.
- The government of China believes it must secure **access to natural resources** around the world to guarantee China's future economic development. Trade and investment agreements with resource-rich countries, which often include infrastructure projects such as large dams, allow China to access such raw materials.
- **Traditional dam funders** have gradually withdrawn from large dam projects, making room for the financial services of Chinese banks and export credit agencies (ECAs).
- Chinese companies operate at **low cost**, and can often out-bid contractors from wealthier nations on dam projects.
- The **“going out”** strategy is a hallmark of the current Chinese government leadership, and provides incentives to companies to pursue international markets.



## WHERE ARE CHINESE COMPANIES AND FINANCIERS BUILDING DAMS?

As of May 2008, Chinese companies and financiers have at least **97 large dam projects in 39 different countries** across the globe. (See page 14-17 of this guide for a map and list of these projects). Many of these projects are located in Southeast Asia and Africa, but governments in Latin America, the Middle East, and Eastern Europe are also cooperating with Chinese firms to build new dams. The majority of these dams are for hydropower generation.

## WHY ARE CHINESE COMPANIES AND FINANCIERS BUILDING MORE DAMS IN SOUTHEAST ASIA?

The Chinese government supports investment in Southeast Asia to secure regional peace and stability, and to facilitate cross-border trade. For example, Burma (where China is helping to build several dams) offers overland access to the Andaman Sea. This area is vital for diversifying routes for oil imports from the Middle East and Africa. Hydroelectric investments in Southeast Asia also provide employment for Chinese workers. Southeast Asian governments welcome the resources and technical capacity China can bring to new infrastructure projects.

## WHY ARE CHINESE COMPANIES AND FINANCIERS BUILDING MORE DAMS IN AFRICA?

The Chinese government's investment policies in Africa are closely tied to the continent's natural resources. In many countries, hydropower projects allow Chinese companies to access and export oil, minerals and other resources.

## WHAT ARE THE CONCERNS ABOUT IN THE OVERSEAS EXPANSION OF THE CHINESE DAM INDUSTRY?

- China's dam industry has a **poor social and environmental track record**, as shown by projects such as the Three Gorges Dam.

- A key strategy of Chinese investors is to make previously inaccessible resources accessible. This includes remote areas, politically unstable regions, and **parks and other protected areas**.
- Few Chinese dam builders and financiers have adopted environmental policies in line with international standards. And Chinese financiers have provided funding for projects previously rejected by other financing institutions due to **non-compliance with social and environmental standards**.
- The Chinese government's promises of "non-interference in domestic affairs" means that it has been willing to support governments with records of corruption and **human rights abuses**.

## CAN DAM-AFFECTED COMMUNITIES WORK WITH CHINESE INSTITUTIONS?

The Chinese government wants to be a responsible and respected international actor. It is interested in international experiences implementing environmental and social standards. But it is not always receptive to direct criticisms raised by western institutions. Concerns raised by southern NGOs, on the other hand, may be better received. Thus, it is important for China's government, industry, and financial leaders to hear from dam-affected communities and civil society organizations about the problems associated with large dams. At the same time, NGOs are new to China and the Chinese government tends to be mistrustful of citizen activism. This guide provides suggestions on how to best work with Chinese institutions to influence their dam projects overseas.





## Who's Who in China's Overseas Dam Industry

This section describes Chinese government institutions, dam builders, equipment suppliers, and financial institutions and their role in building dams overseas.

Dam projects are usually initiated by the host country. Dams may be funded in whole or in part through an aid package arranged between the **Chinese government** and the host country. This aid is often provided in exchange for access to resources by Chinese companies (which are often state-owned). In other cases, dam projects are initiated by the host country through a competitive bidding process. Chinese **dam builders** have

become increasingly successful in winning overseas dam contracts.

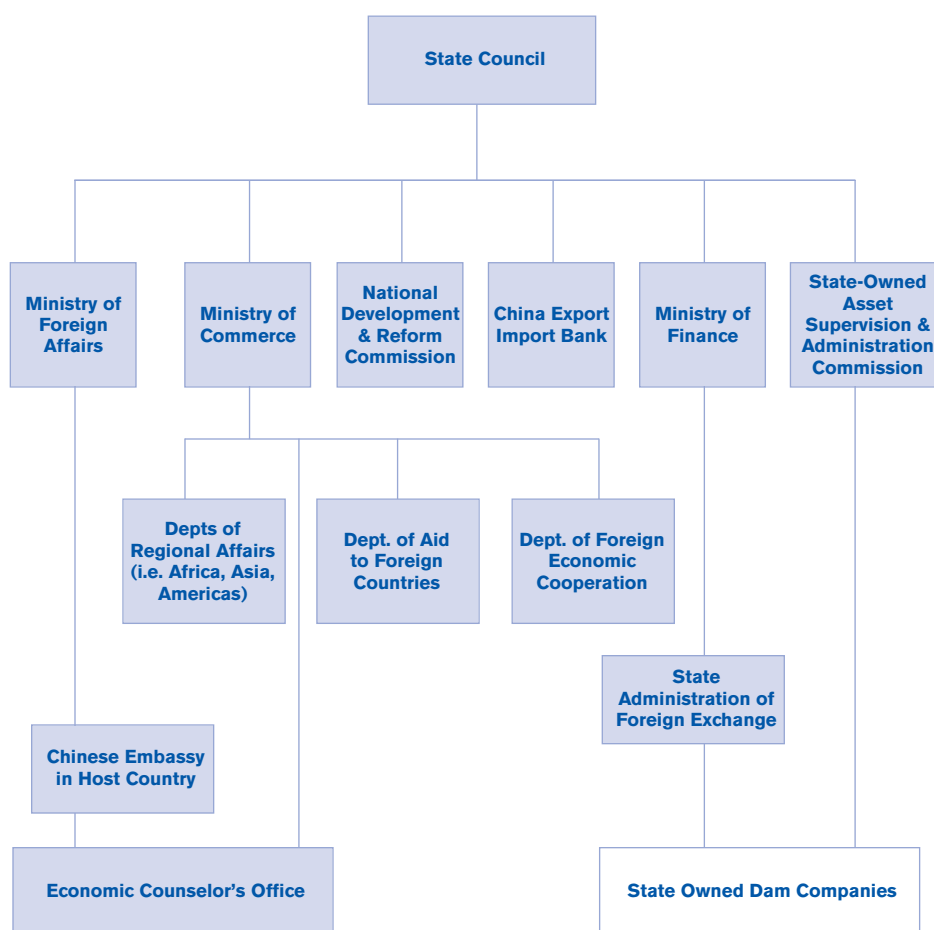
Chinese dam building companies must receive approval from the Chinese government before they can build overseas. Once a Chinese company is approved to work on a project, it will usually need to seek project funding. This funding may be provided by Chinese **banks** or other financiers. The

Chinese embassy in the host country may monitor the implementation of the dam project.

The “What You Can Do” action guide on page 24 provides more information on how and when to

contact the different actors involved in Chinese dam building. These actors are described in more detail in this section.

## Chinese Government Offices Involved in Dam Building Overseas



## Government Institutions

Many Chinese government institutions are involved in approving overseas dams. Project size and whether or not the applicant is a state-owned enterprise are the two main factors determining at what level the project is approved. State-owned enterprises are companies whose majority share-holder is the Chinese government.

The **State Council** is China's top government institution. It is involved in overseas dam projects in two ways. First, State Council leaders (such as China's Premier, Wen Jiabao) meet with leaders from foreign countries. These meetings may lead to promises of development assistance, such as help with a dam project.

Second, the State Council must approve very large (greater than US\$200 million) overseas projects and China Exim Bank loans greater than \$100 million. Many overseas dam projects are large enough to require State Council approval. The State Council also supervises the **National Development and Reform Commission**, and the **Ministry of Commerce**, the two institutions responsible for approving smaller overseas dam projects.

The **National Development and Reform Commission** (NDRC) is the planning arm of the Chinese government. NDRC creates regulations and standards for Chinese industries, including China's energy sector. It also creates regulations for overseas investment and determines which sectors will be given preferential access to overseas markets (such as the oil and natural gas sectors). Projects with a total investment of over \$30 million or with over \$10 million in foreign exchange must be approved by NDRC. Provincial and municipal

development and reform commissions can approve overseas projects below this threshold.

**Ministry of Commerce (MofComm):** through its **Department of Aid to Foreign Countries**, MofComm manages the budget for the Chinese government's foreign aid. MofComm also approves overseas projects that are less than \$30 million total investment or less than \$10 million in foreign exchange and are initiated by central state-owned enterprises.

MofComm is also responsible for ensuring China's export and import needs are met. Thus, it is concerned about the reputation of Chinese companies and the impact it may have on Chinese exports. MofComm has taken steps to strengthen the standards that must be adopted by Chinese companies investing overseas. In August 2006, the Ministry issued recommendations urging Chinese companies to hire local workers, respect local customs, and adhere to international safety standards in their projects. In 2007, MofComm jointly issued guidelines with the State Forestry Administration to improve the performance of Chinese logging companies operating overseas.

**Ministry of Finance (MoF):** The Ministry of Finance works with MofComm to set the budget for China's overseas aid. Through its **State Administration of Foreign Exchange** office, MoF approves the amount of foreign exchange Chinese companies can use.

**Ministry of Foreign Affairs (MoFA) and China's Embassies:** The Ministry of Foreign Affairs advises other bureaus on China's foreign relations. MoFA advises MofComm on aid matters, and researches overseas markets for Chinese goods and



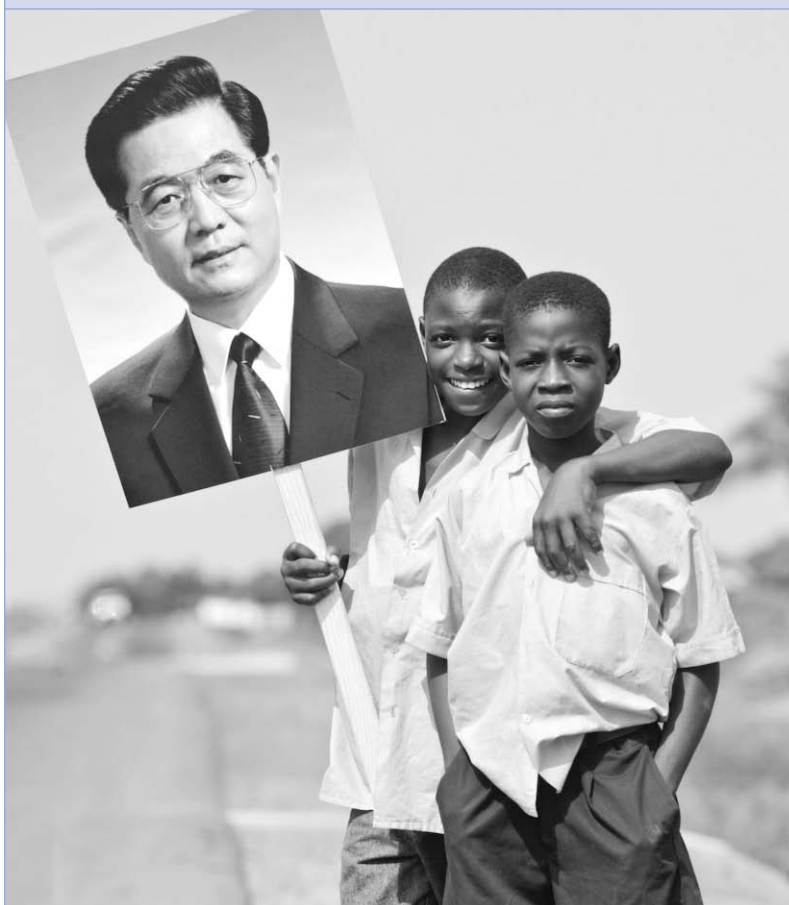
services. MoFA also oversees China's embassies. Embassies monitor the implementation of Chinese dam projects through the **Economic Counselor's Office** (which is part of MofComm). MoFA is also concerned with ensuring China's good reputation in foreign countries.

**Ministry of Environmental Protection (MEP)** In March 2008, China's State Environmental Protection Agency (SEPA) became the Ministry of Environmental Protection. This reflects the Chinese government's greater prioritization of environmental issues. While MEP still has limited authority compared to other ministries, it is an important ally in efforts to improve China's environmental performance. SEPA developed several important environmental policies including an Environmental Impact Assessment Law (in 2003). In January 2008, SEPA signed a deal with the International Finance Corporation (IFC) to intro-

duce the Equator Principles in China. (The Equator Principles are social and environmental standards for private banks; see page 21).

**State-owned Asset Supervision and Administrative Commission (SASAC):** SASAC is a special commission of the State Council founded to take charge of China's state owned enterprises (SOEs). SASAC acts as the majority shareholder of Sinohydro and other dam building companies. It performs yearly audits of SOEs and reprimands companies that have poor financial performance, or that violate safety and environmental standards. SASAC also has the authority to appoint and to fire top managers in SOEs. In December 2007, SASAC issued "Corporate Social Responsibility Guidelines for State Owned Enterprises" in an effort to introduce a corporate social responsibility reporting system (see page 20 and **Appendix 2**).

## The Forum on China-Africa Cooperation



The Forum on China-Africa Cooperation (FOCAC) is a mechanism for state-level cooperation between China and many African countries. The Forum is co-chaired by China's Vice Ministers of Foreign Affairs and Commerce. It was launched at its first ministerial meeting in October 2000 in Beijing. The third meeting took place in November 2006 and attracted high-level delegates of 48 African countries. At the meeting, President Hu Jintao announced that China would double its assistance to Africa by 2009. And Premier Wen Jiabao stressed that "Chinese assistance to Africa is sincere, unselfish and has no strings attached." He also stated that China's assistance projects in Africa would be "in line with international practices and the principle of being open, fair, just, equitable and transparent." China's follow-up committee of FOCAC consists of 27 ministries and bureaus including the National Development and Reform Commission, the Ministry of Environmental Protection, the Ministry of Finance, and China Exim Bank.

*LIBERIA: Chinese President Hu Jintao is welcomed during a 2007 visit.  
Photo: Christopher Herwig*



## Dam Builders and Equipment Suppliers

Prior to 2002, China's State Power Company, a giant state-owned enterprise, controlled China's dam industry. In 2002, the State Power Company was disbanded and its assets handed to five power generating companies, two power grid companies, and four engineering institutes. Many of these new companies and other state and non-state companies have since become increasingly involved in overseas dam construction. This section introduces the Chinese companies most involved in building dams overseas.

**Sinohydro:** also known as China National Water Resources and Hydropower Engineering Corporation, Sinohydro is a state-owned enterprise and transnational corporation. It is the largest

hydropower dam building company in China and is comprised of 23 subsidiary companies and two shareholding companies. About 80% of hydropower projects within China are built by Sinohydro.

Sinohydro has a poor environmental and safety record within China. In 2004, 2005, and 2006, China's State Assets Supervision and Administration Commission (SASAC) reprimanded Sinohydro during its annual performance review. SASAC gave Sinohydro a rare "D" grade in 2006 due to violations of environmental and safety standards.

Sinohydro has the largest number of overseas dam projects of any Chinese company. It has worked in

## Merowe Dam in Sudan: Chinese Funding Key to Destructive Dam



SUDAN: Children in a community to be relocated for the Merowe Dam pose for a photo. The Merowe Dam, built by Chinese companies, will force the relocation of at least 50,000 people from communities along the fertile Nile valley into the harsh desert.  
*Photo: David Haberland*

With a planned capacity of 1,250 megawatts, the Merowe Dam in Sudan is one of the largest hydropower projects currently under construction in the world. The project will more than double Sudan's power generation capacity. It will create a reservoir with a length of 174 kilome-

ters and a surface area of 476 square kilometers.

To make way for the dam, more than 50,000 people are being displaced. They are being forced to move from the fertile Nile River valley to arid desert locations. The project authori-

ties have promised to provide irrigation water to the resettlement sites. But the soil in these sites is poor and does not offer displaced farmers a realistic source of income. EAWAG, the Swiss Federal Institute of Aquatic Science and Technology, carried out an independent review of the project in 2006. They predicted that strongly fluctuating water levels and sedimentation would have serious negative impacts on aquatic ecology, water quality and public health.

In the late 1990s, a Sudanese delegation had visited Europe and Canada in search of funding for the dam. But the social and environmental problems with the dam repelled traditional financiers. The Merowe Dam only went ahead because Chinese and Arab institutions agreed to finance it. With loans of US\$520 million, China Exim Bank is now the project's main funder.

over 50 countries and has worked on many controversial large dams. These include the Merowe Dam in Sudan, the Chalillo Dam in Belize, and the Kamchay Dam in Cambodia. Sinohydro Engineering Bureau Number One, which has many overseas projects, is ISO 14001 certified. ISO 14001 is an environmental standard system created by the International Organization for Standards (see page 19). It requires certified companies to have an environment policy. But Sinohydro has yet to adopt company-wide environmental and social standards and make these available to the public.

**China Southern Power Grid (CSG)** builds and manages southern China's energy transmission infrastructure, but recently it has become involved in building several dam projects in Southeast Asia. These include the controversial Sambor Dam on the main stem of the Mekong River in Cambodia, the Stung Cheay Areng Dam in the Central Cardamom Protected Forest, and the Nam Tha dam in Laos. CSG and its subsidiaries are widely involved in dam

development in Burma. CSG is a state-owned company and its majority shareholder is the Guangdong Provincial SASAC. But in early 2008 CSG applied for permission to list publicly, and its ownership structure may change.

#### **China Gezhouba Group Corporation**

(Gezhouba) is a large state-owned development company which builds and finances dams overseas. Gezhouba has worked in over 30 countries in Asia and Africa. Its dam projects include the Tekeze Dam in Ethiopia and the Yeywa Dam in central Burma.

Many other Chinese companies are involved in supplying equipment and infrastructure for dam projects overseas. These include **China International Water and Electric Corporation, China National Heavy Machinery Corporation, China Machine Corporation, and China Electric Power Technology Import and Export Corporation** (for a full list of Chinese companies building dams overseas, see **Appendix 1**).

## **Banks and Financial Institutions**

Chinese export credit agencies, banks, and private investment groups support China's overseas dam industry through offering financial support.

Export credit agencies are institutions owned or backed by national governments which promote a country's exports. The Chinese government's official export credit agency, **China Exim Bank**, funds most of China's overseas dams. It was founded in 1994, and has already become the world's largest export credit agency. Its services include export credits, guarantees, and concessional loans. China Exim Bank's concessional loans are provided to governments for use in payment of services and goods provided by Chinese companies. Concessional loans are an important part of Chinese government aid to foreign countries.

Through use of concessional loans, China Exim Bank finances many dams, particularly in Africa and Southeast Asia. Its hydropower projects include Kamchay (Cambodia), Mepanda Nkuwa (Mozambique), Merowe (Sudan), and Yeywa (Burma), as well as other dams in Albania, Cambodia, Guinea, Laos, Malaysia, Mozambique,

Nepal, the Republic of Congo, Zambia, and elsewhere. China Exim Bank adopted an environmental policy in November 2004, and released it to the public in April 2007. In August 2008, China Exim Bank released a more comprehensive "Guidance for the Environmental and Social Impact Assessment of China Export and Import Bank's Loan Projects." The guidance requires offshore project developers complete social and environmental impact assessments before China Exim Bank will approve a loan (see Appendix 2 for an excerpt of this guidance.)

Other state-owned banks involved in dam building overseas include **Bank of China**, which has been involved in dam building in Ecuador and Nepal. The **Industrial and Commercial Bank of China** has also provided financing for dams in Nepal. Private investment companies **Hanergy (formerly Farsighted Investment Group)** and the **Goldwater Investment Group** are developing dam projects on the Salween River in Burma. And **CITIC**, a large state-owned investment company, is providing capital for projects in Burma and Uganda.

**China Development Bank (CDB)** is one of China's three "policy banks" under the direct control of the State Council. CDB manages the China-Africa Development Fund, the world's largest equity fund aimed at Africa. In January 2008, it provided its first

set of loans to Chinese companies working in Africa in the power and infrastructure sector. This funding is being used on a large Nile River project in Uganda. CDB is also funding a dam project in Kazakhstan.

## Partnering with Chinese NGOs



CHINA: The Yangtze River's breathtaking Tiger Leaping Gorge may be spared due in part to citizen action to stop a proposed dam. *Photo: Joani Carpenter*

Chinese citizens are increasingly concerned with environmental issues. In the past ten years, the number of Chinese environmental organizations has grown significantly. Chinese civil society organizations, as well as international civil society organizations working in China, can claim a number of successes. These include expanding China's nature reserve system, saving endangered species, halting

construction of the dams on the Nu (Salween) River in China, and expanding recognition of the need for Chinese companies to act responsibly.

But Chinese NGOs still face a number of challenges. They are often overwhelmed by environmental problems within China, such as increasingly serious water and air pollution. They are limited by Chinese govern-

ment regulations on citizen organizing. They are usually held accountable to a government institutional sponsor, or "mother-in-law." They can rarely engage in protests, speeches, or large-scale community events.

Addressing China's global dam building role presents particular challenges to Chinese NGOs. They have limited experience targeting the corporations and banks who back these dams. Moreover, dams are a touchy issue in China, and controversial dams both within and outside of China are risky targets for these groups. Criticisms of overseas projects may be viewed by the Chinese government as an attack on its foreign policy. In addition, Chinese organizations must be careful when partnering with overseas counterparts. They often face negative repercussions if they are perceived to be too closely linked with foreign interests.

At the same time, some Chinese organizations have been able to encourage Chinese companies to adopt environmental and social standards (see "Campaigns to Address Chinese Overseas Industries", page 22). They have worked to push the Chinese government to provide greater oversight of corporations' activities. And government leaders are starting to pay more attention to environmental groups' warnings. Groups outside of China can benefit from the insight Chinese NGOs have on their governments' political priorities and decision making processes.

# Dams Built Around the World by Chinese Institutions

## Abbreviations

CWE: China International Water and Electric Corporation  
 CNEEC: China National Electric Equipment Corporation  
 CHMC: China National Heavy Machinery Corporation  
 CSG: China Southern Power Grid Corporation  
 CPIC: China Power Investment Group Co. Ltd  
 CMEC: China National Machinery Import and Export Corporation  
 YMEC: Yunnan Machinery Export and Import Corporation  
 CHECC: China Hydropower Engineering Consulting Group Co.  
 CEIEC: China National Electronics Import Export Corporation  
 Dongfang: Dongfang Electrical Machinery Corporation  
 Gezhouba: China Gezhouba Water and Power Group Co. Ltd  
 Norinco: China North Industries Corporation



## Iran

- ① Lorestan Dam  
Roudbar River (450 MW), Gezhouba
- ② Mollasadra Dam  
Core River (100 MW), Gezhouba
- ③ Taleghan Dam  
Taleghan River, Sinohydro, CHECC

## Kazakhstan

- ④ Moinak Hydropower Project  
Charyn River (300 MW, \$310 million), China Development Bank

## Kyrgyzstan

- ⑤ Kambaratin Dam  
Naryn River (360 MW, deal pending)
- ⑥ Sarydjaz Hydropower Project  
Sarydjaz River (750 MW, \$3 billion deal pending)

## Nepal

- ⑦ West Seti Dam  
West Seti River (750 MW), CMEC, China Exim Bank, Industrial and Commercial Bank, Bank of China
- ⑧ Upper Trishuli 3 A and B  
Trishuli River (61 MW, 44 MW, \$125 million), China Exim Bank
- ⑨ Shikta Irrigation Project  
Narayani River, Sinohydro

## Pakistan

- ⑩ Allai Khwar Hydropower Station  
Allai Khwar River (121 MW, \$121 million), Guangxi Water and Electric Power Construction Group
- ⑪ Dubowa Power Station  
(130 MW, \$71.3 million), Sinohydro
- ⑫ Gomal Zam Dam  
Gomal River (17.4 MW, \$190 million), Sinohydro
- ⑬ Jinnah Hydropower Station  
Indus River (96 MW, \$128 million), Dongfang, MWH, CMECC, Guangxi Water and Electric Power Construction Group

- ⑭ Khan Khwar Power Station  
Khan Khwar River (37 MW, \$86 million), Sinohydro
- ⑮ Mangla Dam Extension  
Jhelum River (\$240 million, CWE)
- ⑯ Neelum-Jhelum Dam  
Neelum River (969 MW, \$1.5 billion), Gezhouba, CMEC

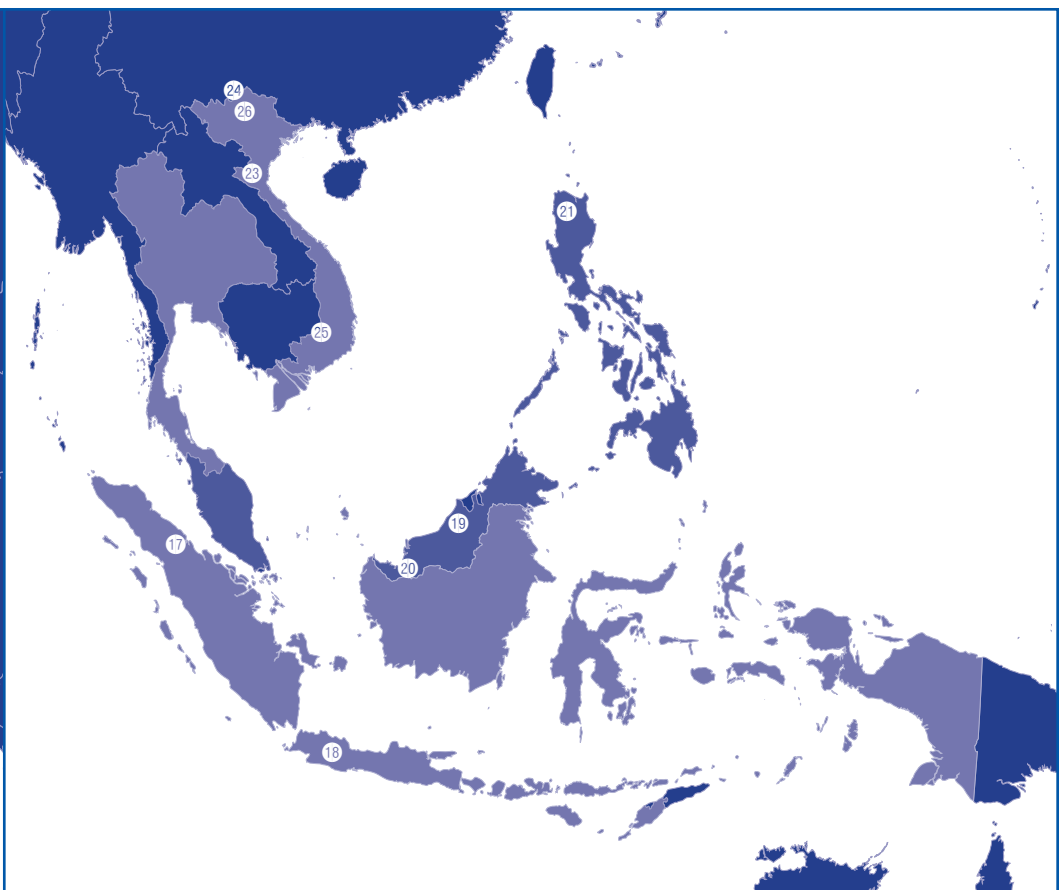
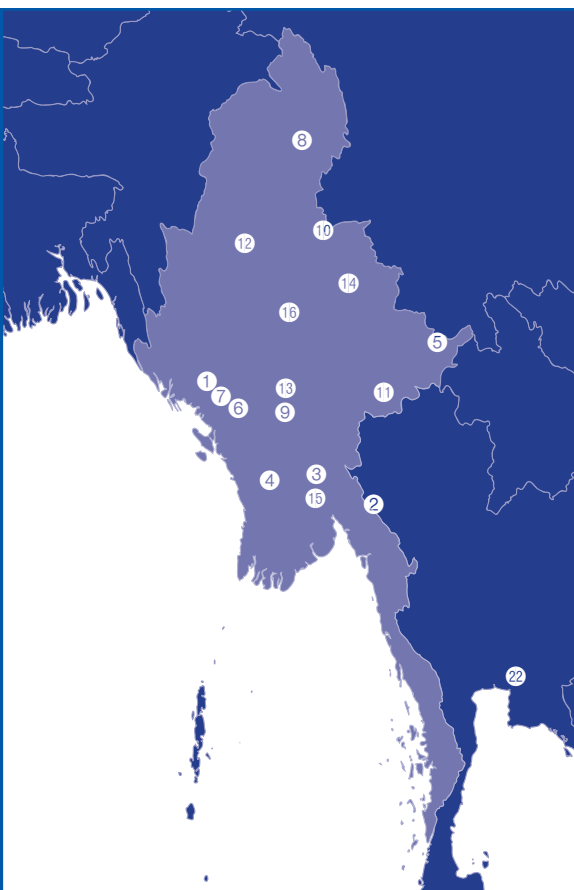
## Tajikistan

- ⑰ Yovon Hydroelectric Power Station  
Zarafshon River (150 MW), Sinohydro

## Uzbekistan

- ⑱ Andijan Hydropower Plant  
(50 MW, \$17 million - with Ahangar) China Exim Bank, CNEEC
- ⑲ Ahangar Hydropower Plant  
(21 MW, \$17 million - with Andijan) China Exim Bank, CNEEC





## Burma

- 1 Bu-ya Hydropower Plant  
Mone River (60 MW, \$20 million),  
Guangdong New Technology Import and Export  
Group
- 2 Hatgyi Dam  
Salween River (1,200 MW, \$1 billion),  
Sinohydro
- 3 Kun Dam  
Sittang River (84 MW), CHMC, Guangxi  
Power Survey & Design Institute, Sinohydro
- 4 Kun Chaung  
(60 MW), CHMC
- 5 Kyaing Tong  
Pawm River (54 MW, \$20 million),  
CNEEC, Zhejiang Orient Holdings Group  
Limited, YMEC
- 6 Kye-ohn Kye-wa Hydropower Plant  
Mone River (60 MW, \$20 million), Guangdong  
New Technology Import and Export Group
- 7 Mone Dam  
Mone River (75 MW), Sinohydro
- 8 Myitsone Dam & 6 others  
Mali, Nmai, and Irawaddy Rivers (11,760 MW),  
China Power Investment Corporation
- 9 Paunglaung Dam  
Sittang River (280 MW), Sinohydro, YMEC

- 10 Shweli River, 3 dams  
Shweli River (1,420 MW, \$150 million),  
Yunnan Joint Development Corporation  
(Yunnan Power Grid Corporation, YMEC,  
Yunnan Huaneng Lancang River  
Hydropower Company)
- 11 Tasang Dam  
Salween River (7,100 MW, \$6 billion),  
Gezhouba, CSG
- 12 Thaphanseik Dam  
(30 MW, \$20 million), CITIC, Sinohydro, YMEC
- 13 Upper Paunglaung  
Sittang River (140 MW, \$60 million), YMEC
- 14 Upper Thanlwin Dam  
Salween River (2,400 MW), Hanergy and Gold  
Water Resources Group
- 15 Yenwe  
Sittang River (25 MW), CITIC, CNEEC
- 16 Yeywa Dam  
Dokhtawady River (790 WM, \$700 million),  
China Exim Bank, CITIC, CNEEC,  
Sinohydro, Gezhouba, CHMC

## Indonesia

- 17 Asahan 1 Hydropower Dam  
Asahan River (180 MW), Gezhouba
- 18 Jatigede Dam Project  
Cimanuk River (\$239.5 million), Sinohydro

## Malaysia

- 19 Bakun Dam  
Balui River (2,400 MW, \$1.26 billion),  
China Exim Bank, Sinohydro, Norinco,  
CNEEC
- 20 Bengoh Water Supply Project  
(\$45 million), Sinohydro

## Philippines

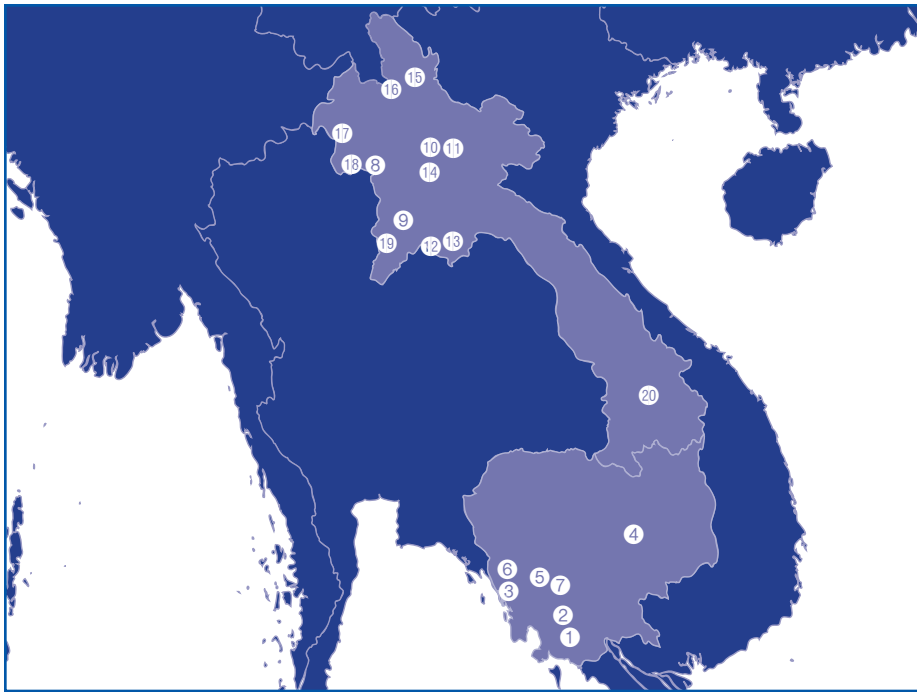
- 21 Baligatan Hydropower Station  
Magat River, CNEEC

## Thailand

- 22 Chon Buri Power Station  
Sinohydro

## Vietnam

- 23 Cua Dat Hydroelectric Dam  
Chu River (97 MW, \$100 million), Sinosure,  
CHMC, Dongfang
- 24 Nammu Hydropower Station  
(12 MW), YMEC
- 25 Puoc Hoa Gate Dam  
Be River (\$37.6 million), Sinohydro
- 26 Tuyenquang Hydropower Project  
Gam River (314 MW), YMEC, CHECC



## Cambodia

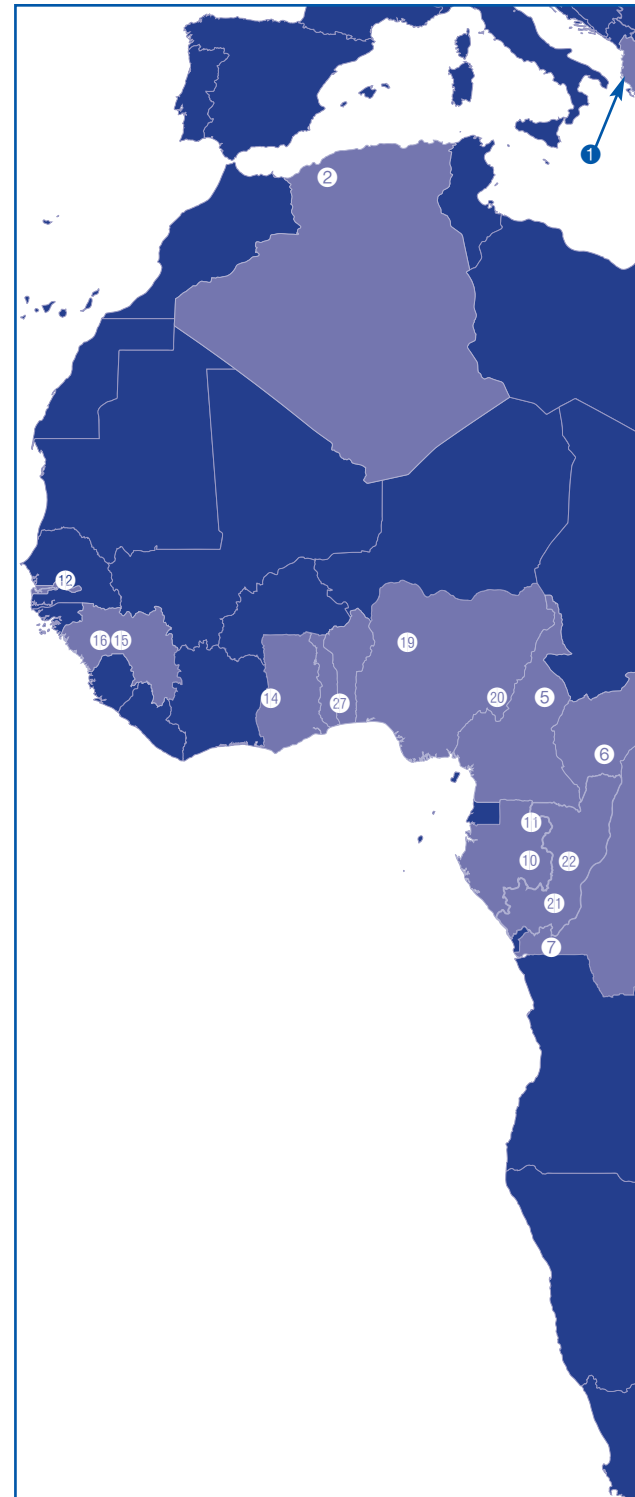
- ➊ Kamchay Dam  
Kamchay River (193 MW), China Exim Bank, Sinohydro
- ➋ Kirirom III Hydroelectric Station  
(18 MW, \$47 million), China State Grid Xinyuan International Investment Co. Ltd
- ➌ Lower Stung Russey Hydropower Dam  
Stung Russey Chrum River (235 MW), China Yunnan Corporation for International Techno-Economic Cooperation
- ➍ Sambor Hydropower Project  
Mekong River (7,110 MW), CSG, Guangxi Power Industry Surveying and Design Institute
- ➎ Stung Cheay Areng  
Stung Cheay Areng (260 MW), CSG
- ➏ Stung Atay Dam  
Atay River (140 MW), China Yunnan Corporation for International Techno-Economic Cooperation
- ➐ Stung Tatay Hydropower Project  
(80 MW), CHMC



- ➑ Nam Mang 3  
Mang River (40 MW), China Exim Bank, CWE
- ➒ Nam Ngum 5  
Ngum River (165 MW), Bank of China, Sinohydro
- ➓ Nam Ou 2  
Ou River (640 MW, \$700 - 800 million), Sinohydro
- ➔ Nam Ou 8  
Ou River (680 MW), Sinohydro
- ➕ Nam Tha  
Tha River (263 MW), CSG
- ➖ Pak Beng  
Mekong mainstream (1,300 MW), DaTang International Power Generation Co. Ltd.
- ➗ Paklay Dam  
Mekong mainstream (1,320 MW, \$1.6-\$1.8 billion), China Exim Bank, Sinohydro, CEIEC
- ➘ Xeset 2  
Set River (76 MW), China Exim Bank, Norinco, CMECC

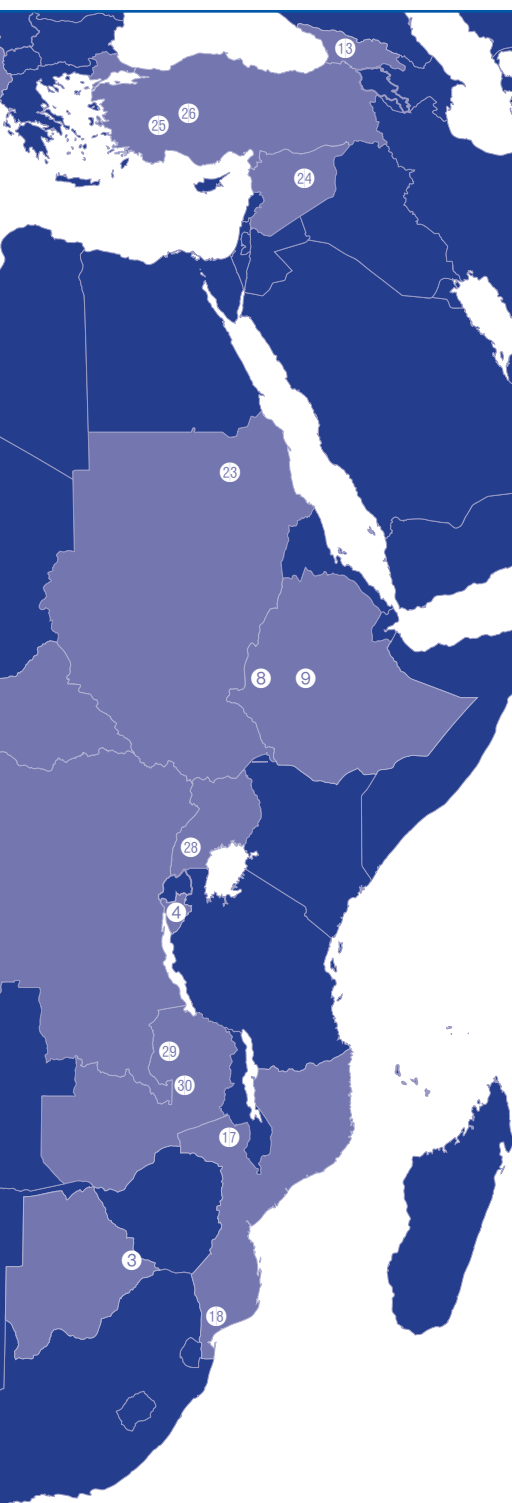
## Lao PDR

- ➙ Nam Beng  
Beng River (50 MW), CNEEC
- ➚ Nam Feuang  
Feuang River (60 MW), Yunnan Provincial Power Investment Corporation
- ➛ Nam Khan 2  
Khan River (130 MW), Sinohydro
- ➜ Nam Khan 3  
Khan River (95 MW), Sinohydro
- ➞ Nam Lik 1 & 2  
Lik River (100 MW), CWE



## Belize

- Chalillo Dam  
Macal River (7 MW, \$30 million), Sinohydro, Yangtze River Commission
- ➣ Mollejon Hydropower Station  
Macal River (25 MW), CNEEC, Yangtze River Commission



## Albania

- ❶ Bushat Hydropower Station  
Drin River (40 MW), China Exim Bank, CWE

## Algeria

- ❷ Boukourdane Dam  
Boukourdane River, CWE

## Botswana

- ❸ Dikgatlong Dam  
Shashe and Tati Rivers (\$203 million),  
SinoHydro

## Burundi

- ❹ Mugere Hydropower Station  
Mugere River (8 MW), CWE, Guangxi Water  
and Electric Power Construction Group

## Cameroon

- ❺ Lagdo Hydropower Station  
Benoue River (4.18 MW), CWE

## Central African Republic

- ❻ Mbali Dam  
Mbali Lim River, CWE

## Congo, Democratic Republic of

- ❼ Grand Inga (Inga 3)  
Congo River (39,000 MW - total combined  
3 dams, \$80 billion), SinoHydro

## Ethiopia

- ❽ Neshi River Hydroelectric Dam  
Neshi River (100 MW), Gezhouba
- ❾ Tekeze Hydroelectric Dam  
Nile River (25 MW, \$224 million), SinoHydro,  
Gezhouba, Yangtze River Commission

## Gabon

- ❿ Grand Poubara Power Station  
Ogooue River (320 MW, \$83 million),  
China Exim Bank, SinoHydro
- ⓫ Belinga Dam  
Ivindo River (\$3.5 million), CMEC,  
China Exim Bank

## Gambia

- ⓬ Sambangalou Dam  
Gambia River, SinoHydro

## Georgia

- ⓭ Khadori Hydroelectric Power Plant  
Pankisi River (23 MW, \$33 million),  
Sichuan Electric Power Import and Export  
Company

## Ghana

- ⓮ Bui Dam  
Black River (400 MW, \$700 million),  
China Exim Bank, SinoHydro

## Guinea

- ⓯ Souapiti Dam  
Konkoure River (508 MW, \$1 billion),  
China Exim Bank, SinoHydro
- ⓰ Kaleta Dam  
Konkoure River (238 MW, \$257 million),  
SinoHydro

## Mozambique

- ⓱ Mphanda Nkuwa Dam  
Zambezi River (1,500 MW, \$3.2 million), China  
Exim Bank (MOU signed with government)

- ⓲ Moamba Major Project  
Incomati River (\$360 million), China Exim Bank  
(MOU signed with government)

## Nigeria

- ⓳ Mambila Hydropower Dam  
Benue River (2,600 MW, \$1 billion), China  
Exim Bank, China Geo-engineering  
Corporation, Gezhouba
- ⓴ Zungeru Dam  
Kaduna River (950 MW, \$2 billion),  
China Exim Bank, SinoHydro

## Republic of Congo

- ⓴ Imboulou  
Lefini River (120 MW, \$280 million), China  
Exim Bank, CMEC
- ⓶ Moukokuou Dam  
(repairs: \$4.6 million), China Exim Bank, CMEC

## Sudan

- ⓷ Merowe Dam  
Nile River (1,250 MW, \$1.2 billion),  
China Exim Bank, CWE, SinoHydro

## Syria

- ⓸ Tishrin Hydropower Project  
Kabir Ash Shamali River (630 MW  
\$430 million), CHECC

## Turkey

- ⓹ Adiguzel Hydropower Station B  
Menderes River (62 MW), CNEEC
- ⓺ Karacaoren Hydropower Station  
Karacaoren River (47 MW), CNEEC

## Togo (and Benin)

- ⓻ Adjarala Dam  
Mono River (96 MW, \$36.5 million),  
China Exim Bank

## Uganda

- ⓼ Ayago North and South  
Hydropower Dams  
Nile River (530 MW, \$900 million),  
China Development Bank, CITIC  
and Gezhouba

## Zambia

- ⓽ Lower Kafue Gorge Power Station  
Kafue River (750 MW, \$1 billion +), SinoHydro
- ⓿ Kariba North Bank Hydropower  
Station (extension)  
Zambezi River (360 MW, \$243 million),  
SinoHydro





# Policies Guiding Chinese Dam Building

This section outlines Chinese law governing domestic dam building, Chinese policies on overseas dams, and international guidelines that can be applied to Chinese overseas dam projects. Excerpts from important laws and policies are found in Appendix 2.

## CHINESE DOMESTIC LAWS ON DAM BUILDING

China's environmental laws have been significantly strengthened in recent years. In September 2003, China's People's Congress approved a new **Environmental Impact Assessment Law**. The law requires that enterprises proposing projects within China with significant environmental impacts must conduct an environmental impact assessment (EIA) prior to project construction. The assessment must be approved by Ministry of Environmental Protection (MEP).

China's EIA law requires **public participation**. This requirement was clarified in February 2006

when MEP (then SEPA) issued "Provisional Measures for Public Participation in Environmental Impact Assessment." The public participation measures provide basic instructions on:

- Procedures for disclosing EIAs to the public;
- When to engage the public in the EIA process;
- Who should be included in public participation;
- Methods that can be used to facilitate public participation (hearings, soliciting comments, public forums, expert forums, etc.);



- How to address, incorporate, and preserve public input on the EIA.

China also has laws on the **displacement of people for dam projects**. The most important of these is the 2006 “Rules of land compensation and people resettlement in medium and large hydraulic and hydroelectricity projects.” This law states:

- Displaced people must be provided with a level of livelihood *similar to or greater than* that which they enjoyed prior to dam displacement;
- Resettlement plans must include economic development plans, not just cash payments for land and resources lost;
- Resettlement plans should create jobs for displaced people;
- If rural communities are to be displaced, resettlement plans must include a plan for reclaiming new farmland (to avoid over-crowding in resettlement areas).

While the compensation law applies only to people displaced by dam projects in China, it can serve as a

model for the standards Chinese companies should use overseas. It is important to note, however, that in practice, few communities displaced by dams in China have received new jobs or training. But they usually do receive some kind of payment for their land.

In May 2008, new **regulations on the disclosure of government information** came into effect in China. This regulation requires that Chinese government offices release information on a timely, regular basis. It also creates a mechanism through which Chinese citizens can demand government information. This regulation may make it easier for citizens and NGOs to access information on the initiation, approval and regulation of overseas dam projects.

While China’s laws and regulations are promising, they have been difficult to implement in practice. MEP, many Chinese environmental NGOs, and concerned citizens in China are working hard to strengthen China’s legal safeguards. They are doing so through education and awareness campaigns, legal measures, and by working directly with Chinese companies.

CHINA:  
Three Gorges Dam  
site, Sandouping,  
Hubei Province.



## CHINESE LAWS AND GUIDELINES ON OVERSEAS PROJECTS

There are no laws or regulations that specifically address social and environmental impacts of dams Chinese enterprises build overseas. But in response to mounting criticisms of Chinese companies working overseas, the State Council in October 2006 issued nine **Principles Governing the Activities of Foreign Investment Firms**. These principles include:

- Mutual respect, equality and mutual benefit, complementarity, and “win-win” cooperation;
- Ensuring protection of environmental resources;
- Caring for and supporting local communities and local people’s livelihoods;
- Complying with local laws and regulations;
- Cultivating and protecting the interests of local employees;
- Strengthening project safety;
- Creating a friendly environment for public opinion.

The State Council is the most powerful government body in China. Its message to Chinese firms working overseas should be referred to in communications with Chinese dam builders. **Appendix 2** of this guide contains the full text of the State Council’s nine principles.

SASAC, which supervises China’s state-owned enterprises (SOEs) has taken steps to ensure SOEs set the standard for corporate social responsibility. In

January 2008, SASAC issued **Corporate Social Responsibility Guidelines for State-owned Enterprises**. These standards can be applied to SOEs such as Sinohydro and China Southern Power Grid. The guidelines state that SOEs should “set an example of honesty and trustworthiness, resource conservation, environmental protection, and people-centeredness.” Excerpts from these regulations are found in **Appendix 2**.

In addition, **China Exim Bank** and **China Development Bank** have their own **environmental and social responsibility** policies. Excerpts from China Exim Bank’s policy are included in **Appendix 2**. China Development Bank has a brief summary of its environmental policy publicly available on its web site. The policy states, “In recent years, environmental compliance has become an aspect of our loan evaluation process. We will not consider a loan application complete until the applicant has obtained approval from the relevant environmental agencies and we are otherwise satisfied with its environmental compliance.”

**China Southern Power Grid** has an environmental policy, but it is very brief and general. **Sinohydro** does not appear to have an environmental policy. But Sinohydro Engineering Bureau Number One, which has a number of overseas dam projects, is certified under ISO 14001 (see next page).

**Ministry of Environmental Protection (MEP)** has recently taken steps to help improve environmental standards of Chinese companies that operate overseas. In October 2007, MEP and the **Ministry of Commerce** announced that Chinese exporters who caused environmental harm *within* China may be punished by having their export operations suspended.

SUDAN:  
Chinese workers  
at the Merowe  
Dam site. Photo:  
David Haberlah





## INTERNATIONAL ENVIRONMENTAL GUIDELINES

In 2000, the **World Commission on Dams (WCD)** established the most comprehensive guidelines for dam building. The WCD's final report describes an innovative framework for planning water and energy projects. The framework is intended to protect dam-affected people and the environment, and to ensure that the benefits from dams are more equitably distributed.

The WCD framework covers key areas for improved planning of dams, including the need to fully assess all available options for meeting water and energy needs; addressing outstanding social issues from existing dams before building new ones; gaining public acceptance for key decisions; and the importance of protecting healthy rivers. The WCD recommendations are being adapted to national contexts in various public dialogue processes around the world.

A summary of the WCD recommendations is included in **Appendix 2**. For detailed information on the WCD's recommendations and priorities, refer to International Rivers' *Citizen's Guide to the World Commission on Dams*. This report can be downloaded for free at [internationalrivers.org](http://internationalrivers.org).

The **International Hydropower Association (IHA)** is a membership organization for hydropower companies. In 2004, IHA published "sustainability guidelines." These are less stringent than the WCD recommendations and overemphasize the benefits of dams. But they do instruct companies to include stakeholder participation and to improve living conditions of affected communities. **Sinohydro** is a member of the IHA and should be reminded of its duty to apply the IHA guidelines in all of their dam projects. The IHA guidelines can be read at [www.hydropower.org](http://www.hydropower.org).

In January 2008, SEPA announced it would cooperate with the International Finance Corporation (IFC) to bring the **Equator Principles** to China. The Equator Principles were developed by leading private banks and are based on World Bank standards. Environmental organizations have criticized the principles for lacking enforcement mechanisms. Nevertheless, SEPA's efforts to use the principles as a benchmark for Chinese financial institutions are a positive step.

In addition, hundreds of Chinese companies, including **China Development Bank** and **Hanergy** have signed up to participate in the **UN Global Compact**. This compact provides "a framework for businesses that are committed to aligning their operations and

strategies with ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption." For more information, see [www.globalcompact.org](http://www.globalcompact.org).

Finally, many companies in China are certified under the International Organization for Standards 14001 series (**ISO 14001**). This series requires the adoption and release to the public of an environmental policy as well as regular internal audits. Sinohydro Engineering Bureau Number One has achieved this certification. It is unclear whether this has been applied to its overseas hydropower projects. For more information, see [www.iso.org](http://www.iso.org).

## CHINA'S UNITED NATIONS COMMITMENTS AND INTERNATIONAL TREATY OBLIGATIONS

The Chinese government has signed on to a number of international treaties, participates in various international bodies, and recognizes several "soft laws" relevant to dam building. These obligations apply to activities inside China, but they also represent a commitment to the international community. The Chinese government should ensure companies and financiers acting under its regulation abide by China's treaty commitments when operating abroad.

Particularly relevant to overseas dam building is the **United Nations Norms on the Responsibility of Transnational Corporations**. Approved in 2003, the norms state that transnational corporations are responsible for upholding human rights as set forth in the Universal Declaration of Human Rights. The norms state that transnational corporations must ensure protection of human rights as set forth by national and international law, equality of employment opportunity, safe and healthy working environments, compliance with environmental laws of host countries and international agreements, and compliance with the goal of sustainable development.

In September 2007, China voted in favor of the **Declaration on the Rights of Indigenous Peoples**, which "emphasizes the rights of indigenous peoples to maintain and strengthen their own institutions, cultures and traditions and to pursue their development in keeping with their own needs and aspirations." This may be important to acknowledge if a dam project will impact an indigenous community.

A list of major environmental and human rights treaties to which China is a party is included in **Appendix 3**.

# Campaigns to Address Chinese Industries Overseas

There are few examples of campaigns by affected communities or civil society organizations to address the impacts of dams built by China. One exception is the international campaign to oppose dams being built on the Salween River in China and Burma. This case and two other examples from the forestry sector are presented below. These examples illustrate how grassroots and civil society organizations can impact development and resource extraction projects China undertakes in foreign countries.

## REFORMING CHINA'S LOGGING COMPANIES

In 1998, China adopted a national forest protection law which banned logging in many areas. As a result, logging companies began to shift more of their operations to places like Cambodia, Burma, Russia, and Indonesia. In 2004, China became the second largest importer of wood, following the United States.

Since 2005, Beijing-based environmental organization Global Environmental Institute ([www.geichina.org](http://www.geichina.org)) has worked to reform China's logging industry overseas. GEI launched a program in cooperation with China's State Forestry Administration to introduce an "integrated policy package." The program compiled relevant laws and policies governing logging companies overseas. GEI hoped to convince China's State Forestry Administration to take responsibility for regulating Chinese forestry corporations operating overseas. It also sought to train

forestry corporations on how to implement relevant laws and regulations. And it hoped to convince banks to adopt lending criteria for overseas timber extraction, such as requiring that environmental impact assessments be performed.

As a result of GEI's efforts, in August 2007, China's State Forestry Administration cracked down on Chinese companies' overseas illegal logging operations. It also issued new guidelines for logging companies operating overseas. The guidelines aim to ensure sustainability and biodiversity protection in Chinese overseas logging projects. They specifically call on Chinese enterprises to formulate sustainable forestry programs, to provide work opportunities to members of host communities, and to improve the livelihood of local people. The guidelines will serve as a model for other industry-specific standards GEI will help develop in the future.



### PROTECTING FORESTS IN CAMBODIA

In May 2004, the Wuzhishan Group was established by a Chinese investor along with two Cambodian business people. They sought to begin a logging operation in northern Cambodia's Mondolkiri Province, home to several indigenous communities who opposed the project. No environmental or social impact assessments were conducted for the company's proposed nearly 200,000 hectare pine plantation. If completed, the plantation would have destroyed local peoples' grazing areas, spirit forests, farm lands and burial grounds. The plantation would have impacted parts of a biodiversity conservation area.

Numerous land and property conflicts with Wuzhishan prompted local communities to register formal complaints with the government of Cambodia. Communities then organized large protests including blockades of logging roads. In March 2005, Wuzhishan pulled its operation out of the area. The company made no official statement as to why they decided to discontinue the project. But campaigners believe the victory was prompted by local and NGO efforts to speak out against the project, negative publicity about human rights abuses and environmental destruction, and expert studies showing the project lacked economic viability.

### INTERNATIONAL CAMPAIGN TO SAVE THE SALWEEN RIVER

A series of 17 dams on the Salween (Nu) River in Burma and China will force the resettlement of numerous ethnic minority communities. They will harm downstream fisheries and spoil an area rich in biodiversity. A campaign to stop these dams was started in Thailand by a network of environmental and social rights groups. 82 different organizations signed on to a letter to the Chinese Embassy in Bangkok calling for an end to the dams. Thai activists contacted friends in China to ask for their support in opposing the Nu River dams. The campaign grew to include major international media reports, celebrity endorsements, and high-level lobbying in Beijing. Between 2003 and 2005, the Nu River dams became a popular topic of debate among academics as well as average Chinese citizens.

While efforts to stop the projects in Burma have not yet succeeded, in China, the originally proposed dam cascade has been halted. In 2004, China's Premier Wen Jiabao announced thorough environmental and social impact assessments were required before the dams could move forward.

### CHINA:

A proposal to build thirteen dams on the scenic Nu River is being reconsidered, in part due to the involvement of Chinese civil society. Four more dams backed by Chinese companies are scheduled for the downstream section of the river in Burma. *Photo: Wang Yongchen*





THAILAND:  
Thai citizens protest  
at the Chinese  
Embassy in  
Bangkok in  
response to the  
blasting of rapids  
on the Mekong  
River, which threat-  
ens fish popula-  
tions. The Chinese  
and Thai govern-  
ments have sought  
to utilize the  
Mekong as a  
transport route to  
inland China.

## What You Can Do

Campaigns to stop dams or to decrease human and environmental impacts of dams make use of many different tactics. These tactics may include research, media work, legal approaches, corporate campaigns, legislative tools, and peaceful protest. This section describes tactics that are specifically useful for addressing a dam built or financed by Chinese companies and financiers. The International Rivers publication *Dams, Rivers and Rights* (2006) provides more general information for dam affected communities about dams and their impacts, and gives concrete ideas about how to challenge dams. It can be downloaded for free in several languages at [internationalrivers.org](http://internationalrivers.org).

What can people and groups do to impact overseas Chinese dams projects? In some ways, dealing with Chinese companies, financiers and government bureaus presents particular challenges. Within China, environmental regulation and participatory decision making are still new ideas. Many Chinese companies have only recently started doing business overseas, and so far, the Chinese government has by and large enjoyed friendly, equitable relationships with host country governments. And Chinese government leaders are resistant to imposition of other countries' standards on overseas aid and investment. For these reasons, blunt pressure tactics aimed at improving China's overseas practices may not work.

But in other ways, China is no different than other donor countries. Chinese investors have an interest in long-term relationships in foreign countries. They are interested in long-term stability, including peace and environmental sustainability. The Chinese government is eager to ensure Chinese companies do not tarnish the country's reputation. It wants China to be seen as a modern, responsible, high-performing partner. Chinese companies themselves have begun to adopt environmental and social standards. Civil society groups can take advantage of the pressure Chinese leaders already feel to improve their country's image overseas.

### STRENGTHEN YOUR DOMESTIC AND INTERNATIONAL TIES

Having a strong coalition can increase the power of your voice and may help deflect pressure from adversaries. Research laws in the host country that Chinese companies should comply with. Contact other local and international environmental and human rights groups before launching a campaign. Raise awareness of your issue among respected academics, media figures and politicians. The more widely the problems with a dam are recognized at home and abroad, the more responsive Chinese companies and the Chinese government will be. International Rivers can help bring your message to environmental groups and media contacts in China as well.

**Establish ties with Chinese partners.** Learn what Chinese groups are doing to address China's overseas projects. If possible, visit their offices in China. Have your campaign information translated into Chinese and disseminate this information among potential Chinese partners. International Rivers may be able to assist with finding resources for translation.

### CONDUCT RESEARCH AND FACT-FINDING

**Do your own research.** Finding out who is building, funding and benefiting from a project can help determine campaign targets. Study Chinese policies and guidelines and review compliance. Academic institutions or international civil society organizations such as International Rivers may be able to organize independent research of a dam project.

Dams built by Chinese companies may lack adequate **pre-dam studies** and plans for compensation. Or, they may not take into account specific community concerns. Conduct your own studies of pre-dam conditions. Identifying what might be lost when a dam is built may strengthen arguments for stopping or modifying a destructive dam.

Researching pre-dam conditions can also help form a baseline for making compensation demands. Simple maps of existing community resources that may be lost when the dam comes can be useful. (For a guide to making and using maps, see "Tools for Activists" at [internationalrivers.org](http://internationalrivers.org)). More extensive field studies of biological diversity and cultural heritage might be arranged through academic institutions or organizations.

### Get copies of dam studies and review them.

Many countries require environmental and social impact assessments of proposed dam projects. According to the 2007 China State Council guidelines for Chinese companies working overseas, companies must abide by the local laws of host countries. They also must improve transparency, pay attention to the environment, and take care of local peoples' livelihoods. Chinese dam builders should ensure environmental and social impact assessments are done prior to dam construction. These studies should be made available to the public. Contact Chinese companies directly or contact the Chinese embassy for copies of impact assessments.

### CONTACT THE CHINESE EMBASSY AND OTHER GOVERNMENT OFFICES

Other than the appropriate host government office, embassies are the most direct and most appropriate point of contact for groups concerned with Chinese dam projects overseas. Staff at the Chinese embassy will usually speak English as well as the language of the host country. The **Economic Counselor's Office** of the embassy supervises Chinese companies working overseas on dam projects. They may be the best source to first seek information on a dam project. Embassies may be asked to help locate



**LAOS:**  
A Khmu woman returns home from a fishing trip along the Nam Tha, which in addition to small fish, yields insects and shrimps, plus bamboo shoots from the riverbanks. These vital food species will largely disappear after the Nam Tha dam is built by China Southern Power Grid.  
*Photo: David Blake*

Chinese dam building companies' feasibility plans, construction plans or resettlement plans. They may also be the best point of contact for raising concerns about environmental impacts, displacement issues, compensation and resettlement, or benefits sharing.

When contacting the Chinese embassy in a foreign country, **referencing Chinese laws, standards, or regulations** may help strengthen your hand. For example, China's law on the displacement of citizens for dam projects requires that dam-affected communities obtain adequate compensation. Companies must first survey land and housing that will be lost, and publicize these findings. Citizens then have a chance to review and correct the survey results. If you are concerned with dam displacement and compensation, tell the embassy that foreign citizens impacted by Chinese dams should have the same rights as Chinese citizens.

**Petitions or sign-on letters** can be helpful in get-

ting the Chinese embassy to recognize widespread concern about a dam project. Getting international groups to sign on will demonstrate that your issues have broad public appeal. Copies of letters can also be sent to host country governments, dam companies, funders, and the United Nations.

### **CONTACT COMPANIES AND FUNDERS**

**Chinese companies** want to be seen as responsible partners in the countries where they do business. Contacting company representatives directly (through a letter, phone call or visit) may be an



important way to get your message across. Keep in mind that engineers at a project site will have little authority in a dam project. Instead, it may be more effective to contact companies through their local headquarters or in China. Chinese companies and funders are not used to receiving letters. Keep in mind though letters to Chinese companies and funders may not produce a response, they will likely be taken seriously. Letters written to Chinese companies may be more effective if they are copied to government agencies (both the host country government, the Chinese embassy, Ministry of Commerce, and Ministry of Foreign Affairs).

Before you contact a company, **review the “who’s who” and “policies” sections of this guide** to find out whether or not a company has adopted social and environmental standards for its projects. Review relevant local and Chinese guidelines. Find out what kinds of studies the company has done on the social and environmental impacts of the project. In your communications, make sure they understand your concerns as well as your awareness of relevant international, Chinese government, and company standards. A sample letter to a Chinese company is included in **Appendix 4**.

Often, **finance is the weakest link** in dam projects because dams are high risk investments. Funders often decide which projects go forward, and which standards dams have to meet. Problems with Chinese dam projects should be brought to the attention of the banks funding them. If dam construction has already started and is going badly, it may be a particularly good idea to target dam funders. Funders may change their mind about a project. For example, if there is suspicion that resettlement funds have been misused, the bank or investment firm may decide to cut off project funding.

Chinese banks may have their own social and environmental standards and should be reminded to uphold these standards. For example, China Exim Bank, which funds the majority of Chinese overseas dam projects, has adopted environmental and social standards for its projects (see **Appendix 2**). Become familiar with these standards and refer to them in letters and media statements. Many private Chinese banks also have investors in the United States and Europe. These investors should be warned that they may be violating their own social and environmental standards by buying bonds issued by Chinese banks.

## MEDIA WORK

Alerting domestic and international media about problems with Chinese dam projects may help put pressure on the Chinese government and Chinese companies involved. Contacting the media may be particularly important if companies, government bureaus and funders do not respond. **Take photos and write press releases** about the dam project. **Post reports, pictures and videos** on the internet. In your communications with the media, refer to relevant policies and guidelines that should be followed. Work with international groups such as International Rivers to publicize your concerns.

## OTHER TACTICS

**Corporate campaigns:** Most Chinese dam building companies are state-owned. But in recent years, the Chinese government has sought to encourage state-owned companies to “go public” by selling shares of stock on the stock exchange. Selling shares or going through an **initial public offering** opens opportunities for NGOs and concerned communities. Going public requires an extensive review process. During this process, the potential risks of the companies’ activities, including environmental and social risks, are evaluated. This is a good time to raise concerns about projects the companies may be involved in and about policies they should follow. These concerns can be raised with the company. They can also be brought to the China Security Regulatory Commission, or the relevant stock exchange.

Once companies have listed on the stock exchange, organizations and individuals can **buy shares** and raise concerns as shareholders. Or they can encourage other shareholders such as pension funds to raise their concerns with the companies. You may wish to contact International Rivers for help with corporate campaigns.

## Contact United Nations Human Rights

**Bodies:** If there are human rights abuses at a dam site, you may wish to contact the UN Human Rights Council or another UN human rights body. For example, the UN Committee on Human Rights may dispatch special rapporteurs to a dam site to investigate conditions. Chinese authorities and companies will be under greater pressure to acknowledge any concerns raised by UN bodies. For information on how to engage with UN human rights bodies, such as sending a complaint of human rights abuses, see: [www2.ohchr.org/english/bodies/petitions](http://www2.ohchr.org/english/bodies/petitions)



KYRGYZSTAN: The pristine Sarydjaz River flows out of the “Heaven Mountain” (Tianshan) range into China. It is the site of a proposed 750 MW, five-dam cascade that has evoked Chinese investors’ interest. Photo: Central Asian Institute for Applied Geosciences

**Organize demonstrations:** The best target for demonstrations is the **Chinese embassy** in the host country. The Chinese government is very sensitive to criticism, however. And the Chinese government’s policy of “non interference in domestic affairs” means it may not respond directly to demonstrators. Embassy staff may be hesitant to meet with civil society organizations. They may prefer to deal directly with host country governments. Nevertheless, peaceful demonstrations voicing concern over Chinese projects will draw the attention of the Chinese government as well as media.

#### WHAT TO DO AT EACH STAGE OF A DAM PROJECT

The tactics listed above can be useful at any stage of a dam project. But some tactics are most useful at particular stages of the project:

**Before Construction Starts** is the best time to influence a dam project.

- Conduct research
- Define goals and demands
- Strengthen ties with allies at home and abroad

- Contact the Chinese embassy, dam building company, and funders

#### During Construction

- Monitor, research, and record dam impacts
- Work with the media
- Contact Chinese embassy, dam building companies, and funders
- Conduct peaceful protests

#### During Dam Operation

- Contact Chinese embassy or government to demand reparations
- Contact the UN if human rights abuses have occurred

#### HOW INTERNATIONAL RIVERS CAN HELP

- An **online version of this guide** can be downloaded for free at [internationalrivers.org](http://internationalrivers.org). The China Global section of our website also includes case studies on overseas dam projects that Chinese companies and financial institutions are building. In addition, we have a frequently

updated database of overseas dams built by Chinese companies and financiers. Our **Tools for Activists** section provides more guides on how to campaign for rivers.

- International Rivers' **China Global listserve** provides subscribers around the world with timely news. We regularly comb several news outlets for stories related to Chinese companies and financiers involved in overseas projects, and Chinese government decisions that have an impact on China's investments abroad. You can subscribe at [internationalrivers.org](http://internationalrivers.org) under "Act."
- International Rivers can provide **contacts** for other groups in your area or in China who are working to stop destructive dam projects.
- International Rivers can help you develop a **strategy** for addressing dams Chinese companies and financiers are building in your area.

## RESEARCH TOOLS AND CONTACTS

### Academic Institutions

**Center for Chinese Studies**, Stellenbosch University, South Africa is the first research center dedicated to the study of China's role in Africa ([www.ccs.org.za](http://www.ccs.org.za)).

**Stanford Global Projects Portal** offers information and resources about large, complex, global projects (<http://crgp.stanford.edu/portal/>).

### Civil Society Organizations

Across the globe, there are many organizations involved in protecting rivers and communities that depend on them.

- **ECA Watch** monitors Export Credit Agencies (ECAs) such as China Exim Bank ([www.ea-watch.org](http://www.ea-watch.org)).
- **BankTrack** is a network of 24 civil society organizations and individuals tracking the operations of the private financial sector (commercial

banks, investors, insurance companies, pension funds) and its effect on people and the planet ([www.banktrack.org](http://www.banktrack.org)).

- **Friends of the Earth** has a program dedicated to monitoring private banks in China ([www.foe.org](http://www.foe.org)).
- **Chinese NGOs:** Contact International Rivers for information on which groups in China may be able to help you.

### Blogs and News Sites

A number of English and bilingual blogs and news sites are useful for finding news on China's overseas projects:

- **Corporate Social Responsibility China** ([www.csrchina.net](http://www.csrchina.net)) aims to help Chinese businesses develop corporate social responsibility practices.
- **China Dialogue** ([www.chinadialogue.net](http://www.chinadialogue.net)) is a bilingual website devoted to promoting dialogue on the search for solutions to our shared environmental challenges.
- **Syntao** ([www.syntao.com](http://www.syntao.com)) is a bilingual site that offers a wide collection of news and information on ethical investment in China and elsewhere.
- **Responsible China** ([www.responsiblechina.com](http://www.responsiblechina.com)) is a blog about sustainability and corporate social responsibility in China.

# Appendix 1:

## Contact Information

### Government Offices

State Council ( ):  
9 Xihuangchenggen Beijie, Xicheng District, Beijing  
( 9 )  
+86 10 63070913  
+86 10 66180114  
<http://english.gov.cn/links/statecouncil.htm>

Ministry of Water Resources ( ):  
Baiguang Road 2 Tiao, #2, Beijing ( 2 2 )  
+86 10 63202114  
<http://www.mwr.gov.cn/english>  
[zwgk@mwr.gov.cn](mailto:zwgk@mwr.gov.cn)

National Development and Reform Commission  
( ): 38 S.Yuetan Street, Beijing 100824  
( 38 100824 )  
<http://en.ndrc.gov.cn>  
[wss@ndrc.gov.cn](mailto:wss@ndrc.gov.cn)

Ministry of Environmental Protection ( ):  
No.115 Xizhimennei Nanxiaojie, Beijing 100035  
( 115 100035 )  
+86 10 66556497/66556499  
<http://english.mep.gov.cn/>

State-owned Assets Supervision and Administration  
Commission ( ):  
No.2 Xuanwumen Xidajie, Beijing 100053  
( 26 100053 )  
+86 10 63193616  
<http://www.sasac.gov.cn>  
Contact: YAN Xiaofeng ( ), [waishi@sasac.gov.cn](mailto:waishi@sasac.gov.cn)

Ministry of Foreign Affairs ( ):  
No. 2, Chaoyangmen Nandajie, Chaoyang District, Beijing  
100701 ( 2 100701 )  
+86 10 65963300/65961114  
<http://www.fmprc.gov.cn/eng>

Ministry of Commerce ( ):  
No.2 Dong Chang'an Avenue, Beijing 100731  
( 2 100731 )  
+86 10 65121919  
<http://english.mofcom.gov.cn>

China Securities Regulatory Commission ( ):  
Focus Place A-19, Jin Rong Street, Xicheng District, Beijing  
100032 ( 19 A 100032 )  
+86 10 88060124  
<http://www.csrc.gov.cn>  
[hljb@csrc.gov.cn](mailto:hljb@csrc.gov.cn)

### Banks

Export-Import Bank of China ( ):  
No.77, Bei He Yan Street, Dongcheng District, Beijing  
100090 ( 77 100090 )  
+86 10 64090988  
<http://english.eximbank.gov.cn>

Bank of China ( ):  
1 Fuxingmennei Avenue, Beijing 100818  
( 1 100818 )  
+86 01066596688  
Fax: +86 10 66016871  
<http://www.boc.cn>

Sinosure/China Export & Credit Insurance Corporation  
( ):  
Fortune Times Building, No.11 Fenghuiyuan, Xi Cheng  
District, Beijing 100032  
( 11 100032 )  
+86 10 66582288  
<http://www.sinosure.com.cn/English>



China Development Bank ( ):  
29 Fuchengmenwai Street, Xicheng District, Beijing 100037  
( 29 100037)  
+86 10 68306688  
<http://www.cdb.com.cn/english>

Industrial and Commercial Bank of China ( ):  
No.55 Fuxingmen Nei Street, Xicheng District, Beijing  
100032 ( 55 100032)  
<http://www.icbc-ltd.com/indexen.jsp>

### Corporations

China Electric Power Technology Imp. & Exp. Corp.  
( ):  
No.5, Liupukang St., Xicheng District, Beijing 100011  
( 5 100011)  
+86 10 64015511  
<http://www.cetic.com.cn/English>

China Geo-Engineering Corporation  
( ):  
Bldg A. No 92 Xiangshan South Road Haidian District,  
Beijing 100093 ( 92 1  
100093)  
+86 1082408454  
<http://www.chinageo.com.cn/en>  
[cgcint@cgicint.com](mailto:cgcint@cgicint.com)

China Gezhouba (Group) Corporation  
( ):  
12th F, Building B, Wantong New World Plaza, No 2  
Fucheng Menwai Dajie, Xicheng District, Beijing 100037  
( 2 , B 12  
100037)  
+86 10 68066660  
<http://www.gzbgj.com/english/gcieda@cggc.cn>

China National Electric Equipment Corporation  
( ):  
1 Lianhuahe Hutong, Beijing 100055  
( 1 100055)  
+86 10 63264477 /63269302  
<http://www.cneec.com.cn/English>  
[cneec@cneec.com.cn](mailto:cneec@cneec.com.cn)

China National Heavy Machinery Corporation  
( ):  
No. Jia 23, Fuxing Road, Gongzhufen, Beijing 100036  
( 23 100036)  
+86 10 68211861/68296001  
<http://www.chmc2003.com>

China National Machinery & Equipment Import & Export  
Corporation ( ):  
178 Guang'anmenwai Street, Beijing 100055 ( 178 100055)  
+86 10 63451188  
<http://www.cmec.com>  
[cmec@mail.cmec.com](mailto:cmec@mail.cmec.com)

China North Industries Corporation ( ):  
12A Guang An Men Nan Jie, Beijing 100053  
( 12 100053)  
+86 10 63529988  
<http://www.norinco.com>  
[norinco@norinco.com.cn](mailto:norinco@norinco.com.cn)

China Power Investment Corporation  
( ):  
Building 3, No. 28, Financial Street, Xicheng District, Beijing  
100032 ( 28 3 100032)  
+86 10 66216666  
<http://eng.cpicorp.com.cn>

China Southern Power Grid Corporation ( ):  
6 Huasui Road, Zhujiang Xincheng, Tianhe District,  
Guangzhou, Guangdong Province 510623  
( , 6 510623)  
+86 20 38121080/38121082  
<http://eng.csg.cn>  
[international@csg.net.cn](mailto:international@csg.net.cn)

Hanergy (formerly Farsighted Investment Group)  
( ):  
North Floor 11, Office Building of Capital Times Square,  
No.88 Xichang'an Jie, Xi Cheng District, Beijing 100031  
( 88 , 11  
100031)  
+86 10 83914567  
<http://www.hanergy.cn>  
[fgoffice@hanergy.cn](mailto:fgoffice@hanergy.cn)

Sinohydro Corporation ( ):  
No 22. Che Gongzhuang West Road, Haidian District Beijing  
100044 ( 22 100044)  
<http://www.sinohydro.com>  
[infocenter@sinohydro.com](mailto:infocenter@sinohydro.com)

Yunnan Power Grid Corporation ( ):  
49 Tuodonglu, Kunming, Yunnan 650011  
( 49 650011)  
+86 871 3012222  
<http://www.yndw.com>

# Appendix 2:

## Text of Relevant Laws, Regulations, and Guidelines

### World Commission on Dams Key Recommendations (summary by International Rivers)

- 1 Development needs and objectives should be clearly formulated through an open and participatory process, before various project options are identified.
- 2 A balanced and comprehensive assessment of all options should be conducted, giving social and environmental aspects the same significance as technical, economic and financial factors.
- 3 Before a decision is taken to build a new dam, outstanding social and environmental issues from existing dams should be addressed, and the benefits from existing projects should be maximized.
- 4 All stakeholders should have the opportunity for informed participation in decision-making processes related to large dams through stakeholder fora. Public acceptance of all key decisions should be demonstrated. Decisions affecting indigenous peoples should be taken with their free, prior and informed consent.
- 5 The project should provide entitlements to affected people to improve their livelihoods and ensure that they receive the priority share of project benefits (beyond compensation for their losses). Affected people include communities living downstream of dams and those affected by dam-related infrastructure such as transmission lines and irrigation canals.
- 6 Affected people should be able to negotiate mutually agreed and legally enforceable agreements to ensure the implementation of mitigation, resettlement and development entitlements.
- 7 The project should be selected based on a basin-wide assessment of the river ecosystem and an attempt to avoid significant impacts on threatened and endangered species.
- 8 The project should provide for the release of environmental flows to help maintain downstream ecosystems.
- 9 Mechanisms to ensure compliance with regulations and negotiated agreements should be developed and budgeted for, compliance mechanisms should be established, and compliance should be subject to independent review.

- 10 A dam should not be constructed on a shared river if other riparian States raise an objection that is upheld by an independent panel.

### State Council's "Nine Principles on Encouraging and Standardizing Foreign Investment"

#### *Unofficial translation*

(October 25, 2007) In order to seize economic globalization and regional cooperation opportunities, and encourage qualified enterprises to actively and steadily participate in international economic and technological cooperation, and to further enhance the level of opening up, the meeting stressed:

- 1 Insistence on mutual respect, equality, and mutual benefit, complementarity and win-win cooperation.
- 2 Strengthening of policy guidance, coordinating and standardizing orderly and rational distribution, preventing disorderly competition, and safeguarding national interests.
- 3 Improving the policy-making mechanism, the implementation of overseas investment enterprises, the autonomy of scientific studies and careful decision-making, and prevention of investment and operational risks.
- 4 Strengthening supervision of state-owned assets overseas, and supervision of sound evaluation and examination systems, establishment of security risk assessment and project cost accounting systems, and preserving and increasing the value of assets.
- 5 Complying with local laws and regulations, and adhering to fair, transparent public works project contracts, making a commitment to and fulfilling the necessary social responsibility to protect the legitimate rights and interests of local employees, paying attention to environmental resource protection, caring for and supporting the local community and people's livelihood.
- 6 Increasing the level of offshore project building contracts, improving product quality and efficiency, and constantly enhancing overall competitiveness.
- 7 Strengthening safety training, improving safe production responsibility systems, increasing protection of foreign-funded enterprises, institutions and property safety.

- 8 Accelerating personnel training, paying attention to the cultivation of operating in the international talents, and enhance their transnational operations management capabilities.
- 9 Creating a friendly environment for public opinion, walking the road of peaceful development policy, and preserving our good image and a good corporate reputation.

#### **China Exim Bank Guidance for the Environmental and Social Impact Assessment of Loan Projects**

*Excerpt; unofficial translation; the full guidance can be found at [internationalrivers.org](http://internationalrivers.org)*

China Exim Bank (August 2008) Article 12, offshore project assessments should abide by the following principles:

- (1) Environmental impact assessment should be done during the pre-loan and loan-period review, and monitoring of environmental impacts should occur during post-loan management.
- (2) The host country's environmental policies and standards are the basis for evaluation. Offshore projects should abide by the requirements of host country laws and regulations, and should obtain corresponding environmental permits. When the host country does not have a complete environmental protection mechanism or lacks environmental and social impact assessment policy and standards, China's standards or international practice should be referred to.
- (3) Respect for local peoples' rights to land and resources, and proper handling of resettlement problems.
- (4) For projects that have serious negative impacts on the local environment, open consultation with the public in accordance with the host country's requirements.

Article 13, China Exim Bank follows these procedures of environmental and social assessment for offshore projects:

- (1) The borrowers or project owners hand in the approval document and environmental and social impact assessment report issued by the authorities of the host country.
- (2) China Exim Bank reviews the loan application documents submitted by the borrower, and will hire independent experts when necessary.
- (3) China Exim Bank negotiates with the project owners or the borrowers to amend the construction project proposal, based on the environmental and social assessments.

Article 14, China Exim Bank, if necessary, requires the inclusion of environmental and social responsibility in the loan contract, in order to monitor and restrain the behaviour of borrowers.

#### **State-owned Assets Supervision and Administration Commission (SASAC): "Guidelines on Fulfilling Social Responsibility by Central Enterprises"**

*Excerpt; unofficial translation*

(National Resource Development Research #2008-1, January 4, 2008) Fulfilling social responsibility is an action taken by central enterprises for implementing the concept of scientific development. It requires central enterprises to be human-oriented and act according to the view of scientific development, and to be responsible to stakeholders and the

environment, so as to realize a harmony between the growth of enterprises, society and environment.

Overall requirements: Central enterprises shall enhance awareness of and perform social responsibility actively, and become the backbone of the national economy and models of legal operation, faithfulness and credit, energy-saving, environmental protection, and human-oriented, harmonious corporations for all Chinese enterprises.

#### **Requirements on Fulfilling Social Responsibility:**

- Legal operation on the basis of honesty and credit: Central enterprises shall obey laws, regulations, social morality, business morality, and industry rules, pay taxes in time and in full, protect the rights and interests of investors and creditors, protect intellectual property rights, perform contracts faithfully, maintain high credit-standing, and fight against unfair competition and corruption in business activities;
- Improvement of product quality and service: Central enterprises shall ensure safety of their products and services...protect the rights and interests of, and handle properly claims and suggestions from consumers, and make efforts to provide more value to consumers, so as to become enterprises trusted and recognized by consumers;
- Saving resources and protecting environment: Central enterprises shall take responsibility in energy saving and pollution reduction, develop energy-saving industry, products, and recycling to improve the comprehensive utility efficiency of resources, increase input in environmental protection, improve processes to reduce discharge of pollutants, implement clean production, and stick to the practice of growth with high efficiency but less input, consumption, and pollution;
- Promoting innovation and technical progress;
- Ensuring safe production;
- Protecting the legal rights of employees;
- Participation in activities for public welfare.

#### **Measures for Fulfilling Social Responsibility:**

- Establishing social responsibility performance and reporting systems;
- Enhancing communication between enterprises and international collaboration: central enterprises shall learn from foreign companies' good practices and experiences on social responsibility, communicate with those companies with high performance on social responsibility, find out the gap and improve their work. They also need to communicate with international organizations and participate in activities for making international standards on social responsibility.

## Appendix 3:

### Selected International Agreements to which China is a Party

The following Conventions, Declarations, and Norms hold the Chinese government accountable to upholding certain standards within China. But they also represent a commitment to broad principles that can and should be applied in overseas projects.

International Agreement	Key aspects of agreement relevant to overseas dams	Date signed and ratified by China or adopted at the United Nations
Universal Declaration of Human Rights	The Declaration defines basic human rights such as the right to employment, the right to property, and the right to equal protection before the law. Article 25 states, "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."	Adopted by United Nations General Assembly December 10, 1948
International Covenant on Economic, Social and Cultural Rights	The covenant includes many human rights commitments. For example, forced evictions, defined as "the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection," are a violation of the Covenant.	Signed by China October 27, 1997; ratified March 27, 2001
UN Declaration on the Rights of Indigenous People	This Declaration "emphasizes the rights of indigenous peoples to maintain and strengthen their own institutions, cultures and traditions, and to pursue their development in keeping with their own needs and aspirations."1 It also promotes indigenous peoples' "full and effective participation in all matters that concern them and their right to remain distinct and to pursue their own visions of economic and social development."2	Adopted by United Nations General Assembly September 2007



International Agreement continued	Key aspects of agreement relevant to overseas dams continued	Date signed and ratified by China or adopted at the United Nations continued
Convention on the Rights of the Child	The convention requires that states act in the best interest of children.	Signed by China August 29, 1990; ratified March 2, 1992
UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights	The norms state that transnational corporations are responsible for upholding human rights as set forth in the Universal Declaration of Human Rights. They further state that transnational corporations must ensure protection of human rights as set forth by national and international law, equality of employment opportunity, safe and healthy working environments, compliance with environmental laws of host countries and international agreements, and compliance with the goal of sustainable development.	Adopted by United Nations Environment and Social Council April 13, 2003
Rio Declaration on Environment and Development	The Declaration sets forth a code of environmental responsibility for states, particularly in the area of sustainable development. Principle 22 states, "Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development." Principle 23 states, "The environment and natural resources of people under oppression, domination and occupation shall be protected."	Adopted by United Nations Committee on Environment and Development June 1992
Convention on Biological Diversity (CBD)	In signing the CBD, the Chinese government demonstrated its commitment to the philosophy of sustainable development. The CBD also states that the precautionary principle should be employed if and when there is a lack of scientific data on threats to biodiversity.	Signed by China June 11, 1992; ratified January 5, 1993

<sup>1</sup> *Frequently Asked Questions: Declaration on the Rights of Indigenous Peoples* United Nations Permanent Forum on Indigenous Issues.

<sup>2</sup> *United Nations adopts Declaration on Rights of Indigenous Peoples* United Nations News Centre, September 13, 2007.

# Appendix 4:

## Sample Letter to a Chinese Dam Building Company



(date omitted)

Mr. Zhao Jianguo,  
Chief Executive Officer,  
China Southern Power Grid Co., Ltd.  
6 Huasui Rd., Guangzhou, 510623  
People's Republic of China.

**Re: China Southern Power Grid's Initial Public Offering and Project Risks in Southeast Asia**

To Director Zhao:

International Rivers is a U.S.-based civil society organization that works globally to protect rivers and to promote better solutions for meeting water, energy, and flood management needs. We write to express concern with projects that China Southern Power Grid (CSG) may be pursuing in Southeast Asia, concerns that should be addressed before CSG completes an Initial Public Offering.

In recent years, CSG has increasingly sought opportunities within the Greater Mekong Subregion, especially investment in power generation projects and electricity trade. These overseas ventures create major new opportunities and challenges for CSG. They are intended to diversify the company's revenue base, but these projects are accompanied by social and environmental impacts that may bring risks to the company's reputation. On the other hand, by investing in projects that are socially and environmentally responsible CSG will make a significant positive contribution to Southeast Asia's development needs.

According to media reports, CSG has submitted an application for an Initial Public Offering to the competent authorities. We believe CSG needs to address the challenges of its expansion into overseas power generation before moving forward with an IPO. We write to recommend policies with which CSG could address these challenges, and to raise concerns regarding specific projects CSG is considering in Burma, Cambodia, and Laos.

International hydropower projects are a new business area for CSG. International institutions such as the World Bank and high-level expert bodies such as the World Commission on Dams have developed guidelines which help address the social and environmental impacts of hydropower projects.

- The **World Commission on Dams** (WCD) was created in May 1998 by the World Bank and the World Conservation Union IUCN. Its mandate was to review the development effectiveness of dams, and to develop standards and guidelines for future water and energy projects. The Commission consisted of twelve members from governments, industry, academia, and civil society, and carried out the most comprehensive evaluation of large dams ever done to date.

To improve development outcomes of water and energy projects, the WCD in 2000 presented a new frame-



work for decision-making based on recognizing the rights and assessing the risks of all interested parties. This framework puts forward 26 recommendations, which are grouped under the following seven strategic priorities: Gaining Public Acceptance; Comprehensive Options Assessment; Addressing Existing Dams; Sustaining Rivers and Livelihoods; Recognizing Entitlements and Sharing Benefits; Ensuring Compliance; and Sharing Rivers for Peace, Development and Security. Annex 2 contains a more detailed summary of the WCD framework.

- The **Equator Principles** are a framework for managing social and environmental risk in large and complex projects. They require financiers and developers to check projects based on host country laws, regulations and permits; the Performance Standards of the International Finance Corporation (IFC); and IFC's Environmental, Health and Safety Guidelines. The Equator Principles cover the following ten issues: Review and Categorization; Social and Environmental Assessment; Applicable Social and Environmental Standards; Action Plan and Management System; Consultation and Disclosure; Grievance Mechanism; Independent Review; Covenants; Independent Monitoring; and Reporting. More information is available at [www.equator-principles.com](http://www.equator-principles.com).

The Equator Principles have been adopted by financial institutions which among them account for more than 85% of project finance in developing countries. China's State Environmental Protection Agency introduced the Principles in its Green Credit Policy in January 2008. The World Commission on Dams framework constitutes international best practice in developing water and energy projects. We recommend that before carrying out its Initial Public Offering, CSG should adopt the WCD framework and the Equator Principles, or should develop its own environmental policy based on these best practice guidelines.

Below are our key concerns regarding power generation projects CSG is currently pursuing:

- **Sambor Hydropower Project, Cambodia:** Located on the Mekong River mainstream, this project would hinder critical fish migrations, destroy fish habitats, and interrupt the river's hydrological, sediment and nutrient cycles. The project will threaten the food security of many riparian communities in Cambodia and Lao, and damage commercial fishing activities. The project also threatens a number of endangered species, including the Irrawaddy Dolphin.
- **Stung Cheay Areng Hydropower Project, Cambodia:** The proposed project is located in a densely populated area. Its reservoir would flood nine villages and extend into the Central Cardamom Protected Forest. It would inundate the habitat of 31 endangered fauna species, including the world's most important breeding site for the endangered Siamese Crocodile.
- **Nam Tha 1 Hydropower Project, Laos:** Nam Tha 1 requires the resettlement of almost 8,000 mostly indigenous people. An independent assessment of the project's environmental and social impact assessment concludes that its impacts on the river and affected communities are underestimated and that the project's economic viability is also questionable. In violation of Laos law, construction of Nam Tha 1's access road has reportedly commenced before adequate reporting on the dam's environmental and social impacts is complete.





- **Myitsone Hydropower Project, Burma.** This project will create a reservoir of 766 square kilometers and displace 10,000 people. The area is widely recognized for its ecological value, and is described by prominent conservation organizations as one of the world's eight "hottest hotspots of biodiversity." The dam, if built, will prevent the seasonal migration of fish and impact the river system's hydrological and sediment cycle, resulting in serious repercussions for river-based livelihoods downstream. Typically large-scale development projects in Burma are accompanied by increased military presence and often result in increased harassment of local people, including extortion, land confiscation, and forced labor. In May 2007, twelve respected elders and leaders from townships across Kachin State sent an objection letter to Senior General Than Shwe requesting that the project be cancelled.
- **Shweli 1 Hydropower Project, Burma** Construction of this project has impoverished 700 local Palaung farmers. Many villagers have had their land, livestock, and natural resources seized by Burmese soldiers that have guarded the project's development. Local residents have also had their lands confiscated or destroyed without compensation for the construction of the dam, access roads, and transmission lines, and were forced to work for the project's access roads for unfair pay or no pay at all.
- **Salween Dam cascade, Burma** This proposed mainstream dam cascade will be built in areas inhabited by ethnic minority groups, many of whom have suffered under Burma's State Peace and Development Council. The cascade's impact on fisheries and agriculture will threaten the livelihoods of hundreds of thousands of people. In December 2007, over 50,000 people, including villagers from the proposed dam sites, signed a petition calling on the Chinese government to halt the construction of Chinese dam projects in Burma until international standards of best practice can be met.

We draw your attention to a number of scientific studies and research reports prepared by international organizations and civil society groups that substantiate our concerns, detailed in Annex 1. The projects have also attracted critical coverage by reputed national and international news organizations. We attach several recent articles for your reference (Annex 3).

We believe that the projects listed above do not comply with important policy documents of the People's Republic of China such as the State Council's "Nine Principles on Encouraging and Standardizing Foreign Investment", SASAC's "Guidelines on Fulfilling Social Responsibility by Central Enterprises", and the Equator Principles which were recently adopted by SEPA as part of its Green Credit Policy.

We recommend that given these problems, CSG should not move forward with the Sambor, Stung Cheay Areng, Myitsone, and Salween hydropower projects. In the case of the Nam Tha 1 Project, CSG should instigate an independent study of the economic and technical feasibility and a participatory social and environmental impact study to determine whether the project should proceed. In the case of the Shweli 1 Project, which has almost been completed, CSG should ensure that affected people receive fair compensation for their losses and share in the project's benefits.

1847 Berkeley Way, Berkeley CA 94703, USA | Tel: + 1 510 848 1155 | Fax: + 1 510 848 1008  
[info@internationalrivers.org](mailto:info@internationalrivers.org) | [www.internationalrivers.org](http://www.internationalrivers.org)



We would be glad to discuss with you how CSG's environmental policy could be strengthened and project-specific concerns addressed either through further correspondence or in a personal meeting.

We look forward to your response.

Sincerely,

Peter Bosshard,  
Policy Director,  
International Rivers

**Endorsements** (omitted)

**cc:**

Mr. Yuan Maozhen, President, Board of Directors, China Southern Power Grid  
Mr. Liang Zhou, Director, International Cooperation Department, China Southern Power Grid  
Mr. Pan Yue, Director, Ministry of Environmental Protection  
Mr. Yang Chao, General Manager, China Life Insurance Company  
Mr. Liu Fucai, Director, Guangdong Province State-owned Assets Supervision Administration Commission  
Mr. Zhang Yujin, General Manager, Shanghai Stock Exchange  
Mr. Shang Fulin, Chairman, China Security Regulatory Commission

1847 Berkeley Way, Berkeley CA 94703, USA | Tel: + 1 510 848 1155 | Fax: + 1 510 848 1008  
info@internationalrivers.org | www.internationalrivers.org







**This guide will be useful for groups and individuals concerned about dams being built by Chinese companies and financiers around the world. It aids non-governmental organizations and others who work with communities impacted by these dams. Inside, you will find information on the Chinese companies and financiers and Chinese government bureaus involved in overseas dams, policies they should follow, and how to effectively advocate for people and environments impacted by these projects.**

