

China Reins in Dam Builders

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By Antoaneta Bezlova

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BEIJING, Jun 18 (IPS) - Beijing has reined in China's unbridled dam-building spree, issuing warnings to power-hungry developers that stimulating the economy in a time of crisis should not be used as an excuse to forego environmental reviews of big hydroelectric projects.

Nevertheless, the country remains committed to a series of dam schemes outside of its borders as its role grows as a global financier and builder.

Over the last few months, Beijing has pulled the plug on several highly controversial dam projects in resource-rich southwestern China - delighting environmentalists and sending a warning to wayward localities to toe its line.

"What we see now reflects a decision made by the very top leadership to balance development with environmental protection," says Ma Jun, director of the Institute of Public and Environmental Affairs. "It is not an easy decision to make in the middle of an economic crisis and it illustrates Beijing's determination."

Last week, China's environmental watchdog suspended approval for hydropower stations along the middle reaches of the Jinsha (Yangtze) river. It made the decision after finding out that two of the mainland's biggest power companies have begun illegal construction to dam the river.

The announcement comes on the heels of a reported decision by Beijing in late May to halt work on another controversial dam planned on the Nu river - also called the Salween by downstream countries.

The Liuku hydropower station on one of China's last free-flowing rivers in Yunnan province has been subject to a long-term debate about its impact on ecology and local communities, and will be reviewed once more before construction of the dam is allowed to proceed, the Hong Kong press reported.

All three suspended projects were to have been constructed in a region of China known for its outstanding natural beauty and riches. At its core lies the protected area of the Three Parallel Rivers of Yunnan - a World Heritage site with diverse ethnic minority cultures and home to some of China's most important biodiversity.

It is also where three of Asia's greatest rivers - the Nu (Salween), Lancang (Mekong) and Jinsha (Yangtze) run almost parallel before two of them wind their way into Southeast Asia.

But the area is also one of China's last untapped sources of hydropower, and local authorities have been eager to capitalise on this wealth. They contend that developing hydropower is essential to give an economic boost to one of the country's most impoverished areas, help eradicate poverty, and meet other regions' demands for electricity.

When plans to build up to 13 dams on the Nu river were announced in the early 2000, they caused an international outcry that prompted Premier Wen Jiabao to suspend preparations for the projects in 2004.

Fierce opposition from downstream countries and warnings by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) that the dams would endanger the Three Parallel Rivers site led to downscaling of the Nu river hydropower plan. Four dams are now being proposed, including the one at Liuku.

Another system of cascading eight hydropower works is being planned for the middle reaches of the Jinsha (Yangtze) river, with a total investment of 30 billion dollars. The power stations are expected to generate as much electricity as the controversial Three Gorges Dam - about 20 gigawatts.

Beijing's latest move to block construction on the Jinsha comes as two Chinese companies - Huadian and Huaneng - ignored legal procedures for conducting an environmental assessment of hydro-works and began damming the river.

"To protect the management of the environment... and to punish the violation of the environment and illegal acts regarding the environment, the environmental ministry decided to suspend the construction projects in the middle reaches of the Jinsha River," a statement from the Ministry of Environmental Protection said.

Huaneng Power and Huadian Power are among China's top five state-owned companies, created after the break-up of the state power monopoly in 2002. Since its inception, Huaneng has been dominated by the family of former Premier Li Peng - a long-time advocate of large dams, and a key figure in the Three Gorges Dam project.

Both companies have been heavily involved in developing the water resources of China's southwest.

After Beijing unveiled a 4-trillion yuan (585 billion dollar) economic stimulus package last fall - allowing many localities to fast-track projects in order to revive growth - Yunnan and Sichuan provinces accelerated work on planned dam projects.

Hydrologist Liu Shukun estimates that if all of the planned hydropower stations in southwestern China are built over the next 10 years, the amount of electricity generated would equal the output of five Three Gorges Dams.

"Abundant power is all good, but the problem is that exploitation of water resources at such scale has also a greater range of negative effects on everything from nature to local communities," Liu said.

For now, the suspension of the Ludila hydropower project by Huadian and the Longkaikou project by Huaneng has given the green lobby fresh hope. Both projects are downstream of China's famous Tiger Leaping Gorge - one of the deepest river canyons in the world that power companies and local officials have targeted for projects in the past.

What seems particularly encouraging to observers is the fact that in announcing this suspension, environmental ministry spokesman Tao Detian highlighted the connection between the two downstream projects and the Tiger Leaping Gorge.

Confronted with public opposition to controversial projects in the past, the power companies' strategy has always been to build downstream works first, and then argue that without completing the projects upstream, the investment made will be wasted.

"The latest decision of the environmental ministry targets this particular line of thinking - that more investment should be made on the assumption that all dams will be unquestionably approved," said Ma Jun. "In many cases, a lot of money is invested even before the official approval of the projects."