

Media Response

Project: Mong Ton Hydropower Project, Myanmar
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SMEC's Response

1. SMEC's Experience

EIA & SIA Experience:

SMEC has in depth experience in conducting Environmental Impact Assessments (EIAs) and Social Impact Assessments (SIAs) on a global scale. SMEC has delivered numerous EIAs and SIAs, including many for large hydropower projects that adhere to international best practice, as well as World Bank and Asian Development Bank guidelines.

ASEAN Experience:

SMEC has operated in Myanmar and the broader ASEAN Region since the late 1960s, delivering thousands of projects and key services on a diverse range of infrastructure and development projects, for public and private clients.

2. Overview: Mong Ton Hydropower Project

The Mong Ton Hydropower Project (also referred to as 'Upper Thanlwin Hydropower Project') is a new hydropower development. If the Project proceeds, a key element will be the construction of a concrete dam with a height of 241 metres above the bed of the Thanlwin River.

The objective of the Project is to improve both the capacity and reliability of electricity throughout Myanmar. If the Project proceeds, the hydropower plant will produce more than 34 billion KW hours of electricity, annually. Electricity generated will first meet local demands, and surplus electricity will be sold to neighbouring countries, providing a revenue stream for the Government to invest in the local economy. SMEC understands the Government of Myanmar has not agreed with Developers (or any other party) about the specific details regarding arrangements for the potential sharing of electricity, if the project were to proceed.

As the project is only at feasibility stage, no decision has yet been made as to whether the project will proceed or not. As such, no construction has commenced on the project by Developers, or any other party. Any activity that has occurred to date, is part of studies associated with the feasibility stage of the project.

3. SMEC's Role on the Project:

SMEC has been engaged as an Independent Technical Consultant responsible for undertaking an Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for the Project. SMEC is collecting and reporting the facts, both positive and negative, from a neutral perspective. It is not SMEC's role to provide recommendations as to whether the Project should proceed. The findings of the EIA/SIA will be presented to the Government of Myanmar, who will make the decision (based on the outcome of various studies, including the EIA/SIA) about whether to proceed with the Project. SMEC's contract is not linked in any way to the environmental approval of the hydropower project.

4. Best Practice:

The EIA for this project has been conducted by SMEC in line with international best practice and Myanmar's newly developed EIA guidelines. Conducting EIAs and SIAs to international standards is relatively new in Myanmar, with the Mong Ton Hydropower Project one of the first that is subject to such scrutiny.

SMEC has invested in the skills and capacity development of local employees to ensure they understand the basis of an objective EIA/SIA process and are carrying it out in line with best-practice.

The objectives of the EIA / SIA for the Mong Ton Hydropower Project are to:

- *Provide information for decision-making that analyses the biophysical, social, economic and institutional consequences of proposed actions*
- *Encourage and promote transparency in decision-making*
- *Encourage and promote public participation*
- *Identify procedures and processes for follow-up in policy, planning and project cycles.*
- *Contribute to environmentally sound and sustainable development.*

As part of following best practice (and in accordance with the current draft Myanmar EIA Guidelines), the Developers of the Mong Ton Hydropower Project have committed to publically disclosing the results of the EIA / SIA. Currently, SMEC is still in the data collection and assessment phase of the Study, and the Developer has not released any formal assessment document.

5. Stakeholder Consultation:

SMEC's aim is to conduct an EIA/SIA process that is inclusive, constructive and transparent. Stakeholder consultation is an essential element of the process, and the objective of SMEC's team is to provide a balanced perspective of the Project and encourage stakeholders to actively participate in the consultation process.

SMEC has attempted to engage with NGOs and CSOs and has had some success in meeting with certain groups. As part of the engagement process, SMEC has formally written to many groups (including the Karen River Watch, Karen Environmental Social Action Network, and Salween River) requesting their cooperation to complete a questionnaire regarding their concerns, views and suggestions about the Project. Very few questionnaires have been returned to the Project Team. SMEC has continued to openly encourage consultation with NGOs and CSOs in an appropriate forum, so that any issues can be amicably raised and discussed. SMEC is committed to recording the issues raised to inform part of an objective and science-based EIA and SIA process.

International best practice requires both meeting minutes and a record of all participants to be kept and included in EIA documentation, as proof that consultation took place. SMEC has followed best practice and has kept both meeting minutes and signatures of all participants. During consultation meetings, it is accepted practice and a courtesy to provide participants with refreshments.

Consultation for the EIA/SIA has been conducted by SMEC in various formats, and has not been limited to large meetings. SMEC has undertaken significant consultation to date, including:

- *Numerous meetings with national-level government*
- *Briefings with state-level Government in all States / Regions that may be impacted by the project*
- *Ongoing meetings with Shan Government representatives at State, District and Township levels*
- *Public meetings in the district capitals of Taunggyi and Mong Hsat, and the Township of Mong Ton*
- *Meetings with civil society organisations and various NGOs*
- *Village and household level focus group discussions, individual interviews and household surveys*

SMEC conducted stakeholder consultation in the district towns of Lashio, Taunggyi and Tachileik as they represented areas that will be impacted if the Project proceeds. Areas within these District administrations will be impacted by other project elements including transmission lines and the proposed main access road between Tachileik and the dam site.

Contrary to media reports, SMEC has tried to engage with local Civil Society Organisations on numerous occasions, with limited success. SMEC's EIA/SIA team will continue to present invitations to stakeholder groups to discuss the details of the Project at a mutually convenient time and place.

If stakeholders choose not to participate in the consultation process they will potentially miss out on the opportunity for their concerns to be raised, as part of the EIA/SIA process. Engagement in the process does not imply support for the Project. Contrary to media reports, SMEC has not prevented any stakeholders from participating in the consultation process. SMEC has been highly consultative and will continue to actively encourage all stakeholders to participate.

6. Government Organised Meetings:

Public meetings have been organised by the Government without SMEC's knowledge or participation. A public meeting held on 27 April 2015 was organised by the Shan State Minister of Industry and Electricity in Kunhing. Contrary to media reports, SMEC had no prior knowledge of the meeting, was not involved in the planning of the meeting, and did not participate in the meeting.

7. SMEC's Position on Bribery & Corruption:

SMEC's policies expressly prohibit bribery in all business dealings, this includes giving or receiving an undue benefit (including payments and gifts) to influence behaviour and obtain commercial advantage. This prohibition applies to parties who deal with others on behalf of SMEC. There has been no breach of these policies on the Mong Ton Hydropower Project.

As part of conducting an EIA/SIA, SMEC has held Stakeholder Workshops and has provided workshop participants with basic refreshments (a non-alcoholic beverage and biscuits) and a project brochure (Public Information Booklet). This is both a courtesy to participants for their time and accepted practice. These refreshments are in no way to be construed as gifts to gain support for the Project. They are small perishable refreshments intended for consumption whilst stakeholders actively participate in the EIA and SIA process.