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**Title: Hydropower threatens peace in Myanmar**



Myanmar faces a critical moment for its energy system development. For more than a decade, the proposed Myitsone dam has instilled concerns and controversies for vulnerable populations living near the river. Tensions over the project could compromise peace negotiations between the federal government and rebel forces in Kachin state.

Construction of the dam, financed by China, stalled in 2011. However, the \$3.6 billion dollar project represents a turning point for one of the last free-flowing rivers on Earth, the Irrawaddy river. The current approach has violated trust of local stakeholders and cascaded conflict and security concerns across the region, stretching from intergovernmental bodies such as ASEAN and Chinese government officials.

We have analyzed through a series of meetings with Department of Rural Development, National League for Democracy, Kachin leaders, and local villagers the existing policy environment for independent power producers, or IPPs. Through field surveys and stakeholder analysis, we have estimated that the “free power and free share” model – under which Myanmar is entitled to free electricity from the project-- fails to deliver benefits to the local populations. Fair mechanisms for distributing electricity and payments are not institutionalized. Often, local communities do not receive electricity and lose out on alternative investments in renewable electricity that requires less transmission and distribution infrastructure. Our field survey in Shweli1 revealed that neighboring towns must purchase electricity at 4-8 cents/kWh and villages that are not adjacent to the hydropower facility re-import electricity generated in China at 20 cents/kWh, paying tariffs higher than the grid, further fueling conflict and inequality among civilian groups. Conflict and security remain a significant challenge due to attractive financing from China. Electricity would mostly be exported to China with only 15% estimated going to state-owned mining and military camps and not civilians. The potential reconfiguration of the entire basin threatens many fish species and villagers who live and work along the Irrawaddy. This work is part of a book exploring energy, peace, and conflict, to be published this fall on how energy projects can exacerbate ongoing conflicts and contribute to peace negotiations.