

EGRAM FROM BRITISH EMBASSY BEIJING, 21.12.2005

Subject CHINA: THE THREE GORGES DAM; SCENERY AND STURGEON
MAKE WAY FOR CONCRETE

Summary Three Gorges Dam nears completion. Water level will rise a further 20 metres next year, inundating more towns as it does so. Major top-down investment in projects to mitigate environmental effects of the Dam, but better strategic sustainable development planning remains elusive. 1.2 million resettled out of the reservoir area. For some new towns offer better living standards, but for many, including farmers, uncertainty over future. Corruption has plagued relocation efforts. Power from the Dam will play important role in meeting energy demands and generating revenue. More large dams are under construction and planned.

Material for this e-gram was gathered during a visit by the Embassy to Chongqing and the Three Gorges area.

Background

1. The Three Gorges Dam has been constructed in three phases, with two-thirds of its length now completed and 14 of the planned 26 turbines operating. The final phase is due to be completed next year. The water level is currently at 135 meters. This will increase to 156 meters next year and then 175 meters by 2009, finally flooding one of the most famous scenic attractions in China.

2. The Dam is a Chinese statistician's dream, with an array of world beating figures: the completed dam will be 2,309m long and 185m tall (taller than the Golden Gate bridge); it will use some 27.15 million cubic meters of concrete; when the water level is at its planned highest point (175m) the reservoir will be 600 km long and flood an area of 632 sq. km.; in Chongqing Municipality it will flood 2 cities, 7 county towns and 1,397 factories and enterprises; in total it will force some 1.2 million people to move from their homes; officially it is expected to cost at least US\$24 billion, but unofficial estimates say it could cost three times that amount; the completed dam will have 26 700 MW turbines installed, with a planned annual electricity generating capacity of 84.7 billion kWh.

Environmental issues

3. During the Embassy's visit, environmental officials stressed the level of investment in preventing pollution, and the opportunity presented by the construction of the dam to upgrade environmental services in the area. Major investment is being made into environmental infrastructure, mainly water treatment and solid waste treatment plants, along the length of the reservoir to be created by the Dam. Nearly \$US 5 billion is reported to be invested by 2010 in projects to alleviate water pollution (to treat waste water and clear solid waste from areas to be flooded) in the reservoir area and upper reaches of the river.

4. The projects have been planned, and money has been allocated for implementation, by Beijing. Interlocutors focussed almost exclusively on infrastructure construction, with little reference to the need to invest in training, maintenance and operation of the new facilities. Interlocutors said that water quality in the main body of the Yangtse is little changed, contrasting with media reports that water pollution in the reservoir is at worrying levels.

5. Along the route of the reservoir, relocation of industry away from areas to be flooded is an opportunity to consolidate and close down plants. However, the primary factor for determining closure is the plant's profitability, not its environmental performance (unlike in Chongqing, where polluting industries are being relocated away from the city centre to alleviate air pollution). Industrial development, including of heavily polluting industries, will be welcomed, in the context of continuous pressure to meet GDP growth, employment and inward investment targets.

6. The Three Gorges Dam is considered as a project that will benefit the whole of China, and will supply power to much of China's energy hungry eastern seaboard. Power may also be exported internationally. The areas affected by the Dam and its reservoir are expected to benefit from improved flood control, but will not be given priority for power supply produced by the Dam, despite the considerable burden they face in meeting Beijing's demands for managing the environmental and social impacts of the project..

Resettlement issues

7. The scale of the project means a total of 1.2 million people have had to be resettled from the two provinces of Chongqing and Hubei. An official report from March this year stated that 85% of this total had been moved. About half of the total investment in the Three Gorges Project is pledged to resettlement work. Resettlement was complicated by the mountainous terrain along the Three Gorges reservoir and the fact that it is already one of the most intensively settled and farmed areas in China. Wherever possible towns have simply relocated to areas above the flood line higher up the valley side, but the local authorities have also encouraged many to move out of the area entirely: of the nearly 1 million in Chongqing Municipality already resettled, 140,000 have been moved to different provinces.

8. Planning was undertaken at the provincial level with local county governments and rural townships responsible for implementation. There appears to have been little public consultation over allocation of new housing, where individuals will be moved to, or compensation for lost businesses etc. Officials have made it clear that barriers to rural-urban migration were preserved, with rural residents not being allowed to resettle in newly built towns. For urban residents lucky enough to be given a flat in one of the new towns the move was probably relatively painless, although the closure of factories noted above means many are likely to face difficulties finding new employment.

9. Farmers have been hit on two fronts, with land being lost both to flooding and to the development of new towns. Officials in Fengdu cited five options for farmers: use their compensation to buy new land from neighbouring farmers, work with

neighbouring collectives to see if they are willing to redistribute land, buy an urban residence permit, move out of the area, or move in with relatives. In an area of intensive cultivation the first two options are unlikely to be successful, leaving farmers little recourse but to move out of the area in search of employment.

10. Corruption has dogged resettlement work. One official from Wushan in Chongqing Municipality was sentenced to death with a two year reprieve in November this year after being found guilty of embezzling RMB 4 million (US\$ 500,000). By the end of 2003, a total of 310 cases involving the misuse of resettlement funds had been uncovered, involving 349 suspects and RMB 58.67 million (US\$7.07 million).

COMMENT

11. Given China's rapidly growing demand for power, there was an inevitability to the construction of the Three Gorges Dam as part of an energy strategy under which all possible sources- fossil fuels and non fossil fuels alike- will be developed to the maximum possible capacity. For China's leaders dams are seen as a way of meeting energy needs in a way which combines economic growth and environmental protection. China's President, Hu Jintao, trained as a hydro-electric engineer. China has noted the environmentalists' criticism of the Dam, and, taking construction of the Dam as a given, has invested heavily in environmental protection. But the environmental concerns have their limits: the Chinese sturgeon, nicknamed the underwater panda because of its rarity, has found its traditional migration routes blocked by this and other dams on the Yangtse. It is now condemned to a life in breeding ponds.

12. China has ambitious plans to build more dams. Reports suggest that only around one third of China's potential hydropower capacity is currently being utilised. Many large dams are under construction, including two dams upstream on the Yangtse from Chongqing which will in total produce more than double the power of the Three Gorges Dam. In the case of the Yangtse, which flows within China's borders only, the effects of the dams will largely be felt and managed domestically. But plans to dam rivers which flow across international borders, including the Salween river, which flows into Burma, bring with them a possibility of increased international tension as the dams affect the water supply of countries downstream. (Further details of China's overall policy on dam construction can be found in the Embassy's report on this subject, not to all).

13. [Text withheld - contains commentary by the British Embassy Beijing which if made public would be likely to prejudice relations between the United Kingdom and China.](#)

And at the Dam itself, described in the official promotional video as an example of harmony between man and nature, gardeners were resorting to painting the grass green for the benefit of the tourist's cameras.

Sign Off

HUM