

To  
Andrew Jeffries  
Senior Energy Specialist  
South Asia Regional Department  
Asian Development Bank

2nd July 2011

Subject: A report on the 'Himachal Clean Energy Development Programme'

Dear Mr. Jeffries

This letter is in reference to the project titled 'Himachal Clean Energy Development Programme' being financed by Asian Development Bank in the state of Himachal Pradesh. We, as civil society organisations, environment groups and affected communities are writing to you to bring your attention towards our concerns in relation to this project. We attach here for your perusal a report 'In the name of Clean Energy' which has detailed documentation of the adverse socio-economic and environmental impacts identified in case of the four Hydro Electric projects being funded by your bank under this project. The study was undertaken to assess the efficacy as well as the implementation of ADB's safeguard measures to address public concerns as well as to examine compliance to existing legislations related to environment and social issues. The report presents the picture based on detailed field investigations, site visits and local interviews. In brief we have found the following issues that deserve immediate attention and review by the bank as well as the Himachal Government.

1. **Absence of free and fair public consultations and prior informed consent** as fundamental principles in all four projects. Callous attitude of the implementing agency – HPPCL – in interacting with affected communities and responding to concerns. (Please refer to section 6.6 and 6.7 Pg 33 to 39 of the report)
2. **Poor and inadequate Environment Impact Assessment Reports** completely ignoring socio-economic concerns as well as ecological impacts and carrying capacity issues. Underplaying of environmental impacts and misleading public by calling it 'clean energy'. (Please refer to full section 5 and 6.1 Pg 17-27 of the report)
3. **Reliance on state power against people's interest by use of forced acquisition** through draconian section 17/4 of the Land Acquisition Act 1894. (Please refer to section 6.4 Pg 30-31 of the report)
4. **Adoption of differential compensation and rehabilitation policies** based on local protest rather than Public Consultation (Please refer to section 6.6 Pg 34 of the report)
5. **Non recognition of the impacts on common property resources** and the non compliance to the Forest Rights Act 2006 (Please refer to section 6.6 Pg 34 of the report)
6. **Absence of separate Grievance Redressal Committees** promised under the safeguard measures (Please refer to section 6.6 Pg 35 of the report)
7. **No effort by the bank to study the efficacy or the effectivity of mechanisms like CAT and LADA.** Blind acceptance of these as adequate mitigation measures (Please refer to section 6.2 Pg 27-28 of the report)
8. **Attempt by ADB compliance and mid term evaluation reports** to maintain the image that progress on the projects has been smooth overlooking the public agitations and opposition which have not been registered (Please refer to section 6.3 Pg 28 of the report)
9. **Overlooking poor performance of hydropower projects** in Himachal Pradesh which has been deteriorating on every count including in terms of power generation terms over the years and power generation promised versus actual.

ADB would have steered clear of projects in ecologically sensitive areas and sites that are important from the conservation point of view, like Kinnaur and Sainj, if its commitment towards a cleaner environment and climate justice was genuine. In the current scheme of things, we find that ADB's support to Hydropower in Himachal is reflective purely of its economic interest and giving it a 'green' colour amounts to a serious lack of ethics.

The report has a series of recommendations for the Himachal Pradesh government but in reference to the ADB projects we would strongly put forth the following recommendations:

- 1) That the Sainj, Shongtong Karchham, Kashang II and III HEPs should be immediately scrapped. While the Kashang project's II and III stage are clearly being locally opposed, the Shongtong Karchham project on the Sutlej will only add to the severe ecological destruction and disappearance of the Sutlej river that is on-going. The same is the case of the very fragile Sainj valley that needs a serious carrying capacity review.
- 2) As far as the Sawra Kuddu HEP is concerned, since a large part of the construction is already under way, there needs to be a series of public consultations and grievance Redressal Committees with genuine local representation needs to be set up to take on board local concerns which currently include. Till these are achieved, the work on the project should stop and ADB should stop disbursing money for it.
- 3) Compensation in perpetuity for the loss of common property resources
- 4) Tunnel affected villages and those affected as a result of construction activity, pollution, muck disposal should all be considered as affected and compensated. (Please refer to the case of the Sawra Kuddu Project)
- 5) LADA committee is not a grievance redressal committee – separate committees to be set up for Grievance Redressal
- 6) Employment opportunities to be provided to affected family members on priority
- 7) Compensation should be disbursed in a timely manner and the rates be revised as per local demands and keeping in mind their concerns
- 8) Section 17/4 of the Land Acquisition Act being used for acquisition should be immediately revoked
- 9) Since the integrated Kashang project's environment clearance stands challenged all the work should be stopped till the matter is sub-judice.
- 10) In case of Sawra Kuddu project, the a credible, independent, transparent and accountable compliance mechanism needs to be put in place. The compliance mechanism will have at least 50% members from the local, affected communities and will have access to all the information, all the documents and all the sites related to the project. The mechanism will make corrective recommendations when the social and environment management plans are not being implemented at the pace and in manner required. The corrective steps could include stoppage of construction and further studies where required. Till such a legally empowered mechanism is in place, the work on the project should be stopped.

We appeal that the ADB take immediate action to resolve these issues. Moreover, we are seriously concerned about loans to the Himachal government in the Hydropower sector, which is ridden with serious problems of ecological damage, unfulfilled promises to locals and targets for outputs that have never been met. Even as we continue to pressurise our government to impose a moratorium on

all Hydro projects till the existing policy is reviewed and independent cumulative impact assessment studies are conducted for existing projects, we urge the Bank to withhold and review its funding to hydropower in Himachal Pradesh.

Sincerely

1. Medha Patkar; National Alliance of People's Movements
2. Bharat Jhunjhunwala; Post: Lakshmoli, PO Maletha, Kirti Nagar Uttara Khand
3. Rohan D'Souza Assistant Professor Centre For Studies in Science Policy School of Social Sciences; Jawaharlal Nehru University
4. Manoj Misra, Yamuna Jiye Abhiyaan
5. Soumya Dutta - Bharat Jan Vigyan Jatha
6. Vijay Pratap - South Asian Dialogues on Ecological Democracy
7. Samir Mehta, International Rivers Network
8. Kanchi Kohli, Kalpavriksh, Environment Action Group
9. S.S Negi, President and Devi Gyan, Vice-president, Paryavran Sankrahshan Sangarsh Samiti Village- Lippa, District- Kinnaur, Himachal Pradesh
10. R S Negi, Him Lok Jagiriti Manch, Kinnaur
11. Rahul Saxena, Researcher and Activist, Palampur, Himachal Pradesh
12. Himanshu Thakkar, South Asia Network on Dams, Rivers and People; c/o 86-D, AD block, Shalimar Bagh, Delhi, India. Contact details- 09968242798
13. Manshi Asher and Prakash Bhandari, Him Dhara- Environment Research and Action Collective; Vanshika Niwas; Vill- Diffarpat; PO- Bindravan; Palampur- 176061; Kangra; Himachal Pradesh. Contact details- 09418745198 & 09816089920