To
The Members
CDM Executive Board
UNFCCC

25th August 2010

Objections to the proposal for CDM benefits to
The Malana II Hydroelectric project in Himachal Pradesh, India

Madam/Sir

We are submitting herewith our comments and objections on the application by the Everest Power Private Ltd. For allocation of CDM benefits for their Malana II Hydroelectric Project (HEP) in Kullu Himachal Pradesh. We would like the CDM Executive Board to take note of the following:

1. **Ecological Sensitivity, Cultural and Social Importance of the Project Area**

The Malana Project is located in the Malana Nallah of the Parvati river Valley. The Parvati river is a tributary of the Beas, one of the major Himalayan rivers. The valley is regarded as pristine in many ways – for its flora and fauna and for its rich cultural heritage. The Parvati valley is home to the hot springs around which the Manikaran religious site has developed. And the Malana Nallah is where the famous Malana village is located at an altitude of about 3000 metres. One of the oldest settlements in India the ancestors of the village are believed to be the soldiers of Alexander's army who fled and settled in the mountains. Their own unique language, culture and system of governance is what the village is known for.

The main occupation of the villagers is cultivation but the produce is not enough to suffice the needs of the inhabitants, thus cattle rearing and collection of medicinal herbs are the other sources of livelihood. The people with their herds climb down to the areas of Mandi and Suket during winter. The main food crops include wheat, millet and maize. The whole land is in the name of the god of the village known as Jamlu Devta.

Several tourists and researchers visit the area to document and learn about the practices of the Malanis. The spectacular landscape of the area with the majestic peaks of Chandrakhani and Deotibba shadowing over the village.

2. **Socio-economic and Environmental Impacts of the Project Impacts of the project**

- The company has disposed off the muck and debris from the 12 kms road constructed from Brash, the power house construction site of Malana II to Dam and for two Adit points on the lower hill where communities have their grass lands. This has badly impacted the livestock rearing in the area. This has also rendered unstable the fragile strata (mentioned on PDD pg 23) and landslides have become a common phenomenon every year and the debris is dumped in grasslands. The company has compensated the owners of the land on which road is constructed but no compensation was paid for the sites where the muck has been disposed off.
- During construction of road for dam site and for Adit-II lot of blasting material is used to cut

the road just opposite to Malana village. As this is a very narrow valley the vibrations from the blasting has caused havoc in the Malana village where many landslides have occurred due to which agriculture fields and houses are sliding down and many natural water springs have dried up. The people of Malana submitted a memorandum about this but the company refuses to accept that the damage happened due to their road construction activity.

- Taking serious note of illegal felling of trees near 100 MW Malana-II power project in Kullu district, the Himachal Pradesh High Court last month (July 2010) has summoned the Principal Chief Conservator of Forest and Member Secretary of the State Pollution Control Board on August 6 and also directed him to file an affidavit explaining what action had been taken by the board to protect the environment. Even in 2009 The High Court took the suo motto cognizance of the story, "Forest dept role under scanner", (dated November 25), that highlighted how the company damaged or dried up a large number of deodar trees and destroyed over "115 bighas of forest areas and unaccountable number of trees" (See Annexure 2)

- According to EPPL there is no major wildlife existing in the area (in page 41 of PDD document) but considering the existing secondary information about flora and fauna in the Parvati Valley and the prevalance of dense forest it seems rather impossible to believe that there is no wildlife in the area. According to people from Malana village the whole forest area has wild life like black bear, leopard, barking deer, wild goat, thar and other found in high altitude area and are very sensitive to this kind of development activity.

- The distance between Malana-II power house and diversion weir of Malana-I is not more than 20 meters and another project is proposed above Malana-II. This means that a major part of stream will flow in tunnel and not in its natural course. Looking at the level of impact there is a need to do a larger river basin study for the viability of this project and this has not been done.

- Every Hydro-electric project is developing its own power transmission lines for evacuation of power which causes felling of trees, great risk to human habitations on the mountain sides. Already there is a existing transmission line for Malana-I HEP and yet this project is coming up with its own transmission line

- The minimum flow of water to be left in the stream as proposed by EPPL is very less and for that also there are no monitoring mechanisms in place which can track compliance

- While EPPL admits that this kind of project in such a terrain and area is a huge risk but after still have not carried out any downstream impact study in general and in case of emergency. Tambu ward of Malana village is on left bank of stream below the project tunnel, which is not only facing the problem of muck dumping and sliding of trees and boulders and stones falling from the hill due construction of road but will also get affected if any untoward incidents occur with the dam or tunnel.

- The local communities use and have forest usage rights like collection of fuelwood, fodder and medicinal plants on the 52 hectare of forest and acquired for the project. To divert this land neither the company has took consent from Malana village nor paid any compensation to community for losing usage access over forests. This is a violation of the current Forest Rights Act 2006

- The project proponent has provided employment to only 10 people from Malana village. Out of which only 2 persons are hired by the Everest Power Private Limited and 8 by the Abir Construction Private Limited, which is executing agency. These 8 persons will lose their job once the construction phase is over. This shows how serious project proponent is in providing employment to affected community. The PDD claims related to employment are highly unrelieble and false.

- The work on social infrastructure as promised in the PDD on page 42 is also all false claims. There is only a drinking water tank that has been built by EPPL but without any water supply mechanism, two public toilets have been made that too without water supply and in few areas of village water channels are constructed.

- No work has been done on the improvement of hospital (Photos annexed), strengthening of paths, construction of Saria and cable network to village as promised in PDD document on page 42.

- Trainings programmes suggested by project proponent in the PDD (PDD page 43) seem to be a 'cut and paste job' from some other document without considering viability of these activities in this area. For instance EPPL says that they will be providing bamboo furniture making training in a area where no bamboo is found, it's a remote area and not on the road head where dhabas cab be opend (This is a historically famous village where people have developed good staying and food facility for the limited tourist visit this village), There is a taboo on piggery in the village but that has been suggested as an income generating activity by EPPL. This shows lack of sincerity of the project proponent and also indicates that no consultations or interactions have been held with the affected community by EPPL.

- In the PDD the project proponent has promised promotion of horticulture in the area but project proponent has not even compensated the people for the apple trees standing on their private land which was acquired for the project. And still, many families have not recieved the compensation amount for the private land acquired for the project.

- There was a tin shed on power house site (from where there is walking path for Malana village) provided by Malan HEP-I, which was used by local people as rain shelter and as storage space, this whole tin shed has been dismantled by project proponent without any consultation with people.

- Malana is a village which has unique historical tradition and remained as an independent democratic entity. People still follow their traditions and culture and have preferred to protect themselves from the external world. Due to this there is a lack of awareness about their rights. Taking advantage of this EPPL has neither fulfilled any demands of the people and nor compensated for the damaged they have caused. When people protested to demand their rights EPPL has exercised coercion by showing them fear of police action

3. Objections to previous CDM application still hold ground and Opposition to the Project Continues due to unfulfilled promises

- We are aware that this is the second time that the project proponent has brought this proposal forward for CDM benefits. Even the first time around several objections were raised

essentially on two aspects – one, relating to the additionality of the project and second in relation to the lack of public consultation and inadequate environment impact assessment by the project proponent EPPL. We would once again like to place that the points raised in realtion to the additionality raised by SANDRP in their representation dated 2nd Feb 2008 are still valid. We are attaching here the comments for your reference. (See Annexure 3)

- Secondly, several objections were raised by the same organisation related to violation of environment impact assessment and public hearing related norms and procedures, which we are also also attaching here for your reference and assessment. We have verified this information from the affected communities who have confirmed that they were not in favour of the project due to its impacts – especially on their socio-cultural environment. They, however, have never been given full information about the project and its impacts as is necessary as per the norms. (See Annexure 4)

The local community has opposed this project on grounds of negative impacts on the environment and their culture in the public hearing held on 18th and 19th May 2004. Already due to insensitive behaviour of company towards demands of affected community affected people have stopped the work three times before. There was an agreement between the company and affected community but still none of the demands have been met by EPPL. So, in the weeks to come the people of Malana are again planning to stall the work on the project as a sign of protest.

4. Hydroelectricity is not really clean energy hence HEPs do not deserve CDM benefits

- Over the years, the state of Himachal has seen affected communities and environmental groups up in arms against Hydro-electric projects for the widespread environmental destruction caused due to the construction activity, soil erosion, diversion and tunelling of rivers and the heavy deforestation affected local livelihoods. And today there are studies and government reports which indicate that Hydro-electric projects have wreaked havoc on the Himalayan environment in the name of 'clean energy'. The most recent report is one submitted to the High Court of Himachal Pradesh by the a government committee – called the Shukla Committee report which has admitted that the policy on hydropower needs to be reviewed and river basin studies need to be done for the same. (See Annexure 5)
- The construction of such a big project like Malana II in a high altitude area which is an "ecologically sensitive zone" will cause immense damage to fragile geology and biodiversity of the area. These areas remain under snow cover for six montha and so the vegetation found in this region gets only six month to grow and hence the ecological footprints of this kind of construction are massive and irreversible. To compensate this kind of a project through CDM in such an "ecologically sensitive zone" is inviting more such projects and hence more destruction in the fragile Himalayan terrain, also threatening existing forms of sustainable livelihoods

On the above grounds, we strongly object to the granting of CDM benefits to the MalanaII Hydro-electric project.

Thankyou

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