

**ALLAIN DUHANGAN HYDROELECTRIC
PROJECT
REPORT OF THE PUBLIC HEARINGS**



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New Delhi

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Manali, Kullu District, Himachal Pradesh

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A. The Project¹

The Rajasthan Spinning and Weaving Mills Ltd. (RSWML), a private limited company incorporated in India, proposes to set up Allain – Duhangan Hydroelectric Project (ADHEP) of 2 x 96 MW (192 MW hydropower generation facility on Allain and Duhangan tributaries of Beas river) in tehsil Manali, district Kullu, Himachal Pradesh in India. The project is located near village Prini, approximately 3km SE of Manali town.

ADHEP has been contemplated as a run-of-the-river scheme to utilise the combined discharge of Allain and Duhangan streams. RSWML has not yet finalised the route for the transmission line. However, as per the existing plans, a 220 kV power transmission line (of approximately 185-km) will evacuate the power to the northern grid at Nalagarh, in Solan district of Himachal Pradesh.

At the proposed ADHEP has an estimated capital cost of 9220 million Indian rupees. Its construction is expected to take about 66 months with a maximum of about 1500 people working at site. The project will employ 100 people during the operation phase.

The proposed project will consist of high head underground power plant that would utilise flows from a combination of glacial snow melt and monsoon rains to supply peaking reservoirs via tunnels from catchment basins of the two streams. The setting for the project is the steep terrain of the Himalayas with diversion structures on the two streams and an intermediate storage reservoir.

The combined flows of the two streams, via a 1.69 km long pressure shaft, will feed a single powerhouse with two units each of 96 MW capacity to be located in a rock cavern. The water from the powerhouse will be led back to Allain stream through a tail race tunnel followed by an open channel.

The hydroelectric power facility will require around 77 hectares of land over the life of the project. The impoundment areas will be at Allain and Duhangan diversion structures, while submergence area will be at “live storage” in the Allain barrage and intermediate reservoir (relatively small ones of 12.5 ha-m. and 19.5 ha-m. respectively), consistent with the project’s run-of-the-river character.

¹ Extracted from: *Allain Duhangan Hydroelectric Project: Tehsil Manali, District Kullu, Himachal Pradesh. Environmental and Social Impact Assessment. Non-Technical Executive Summary (Revised)*. Environmental Resources Management. December 2003

B. Background to the Public hearings

The RSWML has sought partial funding for the project from the International Finance Corporation (IFC), the private sector development arm of the World Bank Group. As part of the procedures of the IFC, the RSWML is required to have public consultations with the various stakeholders. According to the IFC:

“Public consultation plays a critical role in raising awareness of a project’s impacts and gaining agreement on management and technical approaches in order to maximise benefits and reduce negative consequences. Furthermore, consulting and collaborating with the public makes good business sense. Public consultations can lead to reduced financial risk (from delays, legal disputes, and negative publicity), direct cost savings, increased market share (through good public image) and enhanced social benefits to local communities.”²

In keeping with these requirements, the RSWML had organised a public consultation in January 2004. However, a demand was made in that meeting, by the local people and NGOs, for another public consultation after they had received the Hindi translation of the project documents and had had an opportunity of studying them. They also demanded that the public consultation (or hearing) be conducted by an independent panel.

Accordingly, the International Finance Corporation contacted Shri Shekhar Singh (SS) in the middle of February, 2004 to explore the possibility of his being involved as an independent facilitator for conducting public hearings for the Allain Duhangan Project (ADP) in Manali, Kullu District, Himachal Pradesh. Around the same time, representatives of some NGOs involved with the ADP also contacted SS and requested him to accept the responsibility of conducting these public hearings.

Subsequently, a meeting was fixed between the IFC, the company and SS. At this meeting there was a discussion on the project and on the role that the independent facilitator/panel needed to play. Subsequently, a draft terms of reference was also formulated and finalised, taking into consideration the comments of the various parties (copy at annex 1).

SS, along with Dr Richard English of the IFC and Mr Sushil Handa of the ERM, visited Manali in the middle of March 2004. SS had meetings with the villagers of Prini and of Jagatsukh (report at annex 2). Based on these meetings and on the expressed wishes of the villagers, that they wanted to have a public meeting, it was decided to constitute an independent panel and to organise the meetings keeping in mind the following:

² *Doing Better Business through Effective Public Consultation and Disclosure: A Good Practice Manual*. IFC, Washington DC. 1998, p 3.

1. That public hearings are organised, separately for each village cluster, after giving at least thirty days notice.
2. These hearings are organised after the elections, as most of the villagers felt that would be preferable.
3. It is ensured that copies of the Hindi translation of the project documents are made available to those ten or fifteen people who have asked for them.
4. In addition, a team is sent out to hold public meetings for explaining the project and the project documents.
5. That the comments on the documents, sent by Mr. Himanshu Thakkar of SANDRP (which many of the villagers were aware of), be answered point by point and the original questions, along with answers, also be translated into Hindi and be made available to the villagers.
6. That the Chairman of the Company be requested to attend the public hearings so that decisions and agreements can be made on the spot and the people feel reassured.
7. That the public hearing be conducted in a manner such that all the villagers who want to speak get a reasonable opportunity of expressing their views.
8. That the report of the public hearing be put in the public domain and copies translated in Hindi and made available to the concerned villagers.
9. That the other points raised by the villagers, as mentioned in the report at annex 2, also be appropriately accommodated.

Based on the suggestions made by SS, the company had additional copies of the Hindi translation of the project document circulated among the people, with individual copies being given to those who had specifically asked for them. In addition, meetings were organised by ERM, in Prini and Jagatsukh, in advance of the proposed public meeting, in order to explain the project document and to ensure that the villagers understood the project and the project document. Members of Kalpavriksh, an NGO based in Delhi and Pune, were requested to participate in these meetings and to act as “neutral observers and facilitators of information dissemination and discussion with affected villagers”.

These preliminary meetings, called the focus group meetings, were scheduled for 30th April and 1st May, 2004. Unfortunately, the flight from Delhi on 30th April was cancelled due to bad weather at Kullu. As a result, the Kalpavriksh team could only reach Kullu late on 30th April. Nevertheless, the ERM team, along with representatives of the company, held the scheduled focus group meeting, at Prini, on 30th (report at annex 3).

The Kalpavriksh team did manage to attend the meetings at Jagatsukh on 1st May, one with all the villagers (report by Kalpavriksh at Annex 4, and by ERM and the company at Annex 5), and another with the women of Jagatsukh (report by ERM at Annex 6). On May 3, a meeting was also organised with the villagers of Aleo, a nearby village, where representatives of the ERM and the Company explained and discussed the project with the villagers (report at Annex 7).

It appears that the distribution of project documents in Hindi and the holding of focus group meetings served the purpose of communicating project details to the villagers. This is borne out by the fact that very few of the participating villagers in the subsequent public meetings complained that they had not been adequately informed about the project.

Of the other preconditions specified (see Annex 1) only two were not fulfilled prior to the public meetings. The first, regarding the presence of the company chairman at the public meeting, did not appear to be a very critical precondition and its non-fulfilment did not significantly compromise the integrity of the process. However, the lack of a detailed response to the issues raised by SANDRP did appear to be a major constraint. In the Jagatsukh meeting, at least some of the villagers raised the same issues that SANDRP had raised earlier.

A panel consisting of Sejal Worah (independent consultant), Arvind Kejriwal (Parivartan) and Shekhar Singh (Centre for Equity Studies) was constituted to facilitate the public hearings. Vishai Uppal (Centre for Equity Studies) very kindly agreed to join the panel and help in recording the proceedings of the public hearings and in preparation of the report.

C. The Public Hearings

Two public hearings were organized, one each in Prini (20 May 2004) and Jagatsukh (21 May 2004), after giving the villagers notice of over a month. The detailed proceedings are given at Annex 8 and 9. A matrix of some of the main issues raised by the villagers in one or more of the earlier meetings, was prepared by the panel and formed a basis of the proposed public hearings (copy at Annex 10). A summary of some of the points raised in each of the meetings, though by no means a comprehensive list, is given below.

Prini

The hearing at Prini started cordially and the panel put before the people the proposed structure of the public hearing, for their approval. However, from the very beginning the villagers seemed adamant to first get agreement on an enhanced rate for their land, before they discussed any other issue. It was pointed out that the land issue could only be discussed after the Deputy Commissioner, Kullu, who had chaired the earlier committee that had fixed

the land price, arrived. As he was only expected around 12.30 pm, it was suggested that, in the meanwhile, the various other issues could be discussed. Initially, the villagers agreed to this and some discussion took place on concerns about the security of the women and about the project labourers not being provided latrines and thereby creating sanitation problems.

The Company was asked why it had neither provided security for the villagers nor latrines for the workers, even though 200 workers were already present in the area. The Company representative stated that most of the contracts at the moment were being executed by local contractors. However, some of the labourers had rented accommodation from the local villagers. These labourers were the ones that were defecating in the fields. The Company, however, was willing to construct latrines, if land was made available, wherever the villagers wanted.

At this point a village representative again asserted that no other issue would be discussed unless the land issue was settled.

On the arrival of the DC, the villagers once again put forward their grievances and demands regarding their land. Essentially these were:

1. That after their negotiations with the Company, in the presence of the DC, on 29 August, 2003, they had been assured that they would get compensation for their land (at Rs. 75,000 per biswa for the best category of land) by 15 October 2003.
2. That, however, it was now May, 2004, and they had still not received compensation.
3. That, in the meantime, expecting their land to be acquired, they had left it fallow and had, consequently, suffered losses.
4. Also, some of the villagers had paid advances to book land for purchase. As they were not able to get their compensation in time and thereby pay the balance, they had lost their advances.
5. Recently, a power company building a 1 mw power station had acquired land in Aleo village for Rs. 82,000 per biswa, with this rate being uniformly applicable to all categories of land.
6. As their land in Prini was far better quality than the land acquired in Aleo, they had decided that they wanted a minimum of Rs. 1,50,000 per biswa for their land, uniformly for all categories of land.
7. After negotiations, they reduced this demand to 100,000 per biswa, and then seemed willing to agree to even Rs. 90,000 per biswa, as long as that rate was applicable for all categories of land.

In response, the Company clarified that:

1. The delay in paying them compensation was not due to any fault of the Company. Subsequent to the agreement, there had been a complaint to the Government of Himachal Pradesh that the Company was acquiring more land than they needed. Consequently, the government set up a committee that had visited the area and given its report to the government. Their report had only recently been accepted by the HP Government Cabinet, which had now approved the acquisition. This was confirmed by the DC
2. The Company further said that they had the money ready and, actually, they were also adversely affected as they could not start work for many months while waiting for government's approval.
3. However, the Company initially expressed its inability to raise the rate of compensation. However, on the request of the DC, they finally seemed willing to consider an upward revision of upto Rs. 87,500 per biswa, but on the same terms and conditions as earlier, namely, with variable rates for poorer lands. They were not willing to consider a flat rate for all categories of land.

The DC also intervened from time to time and stated that:

1. The Company cannot be blamed for the delay in disbursing compensation, as the government caused the delay.
2. Those villagers who have given advances for land purchases which they now stand to lose, will be helped by the district authorities. An effort will be made to forge a compromise between the concerned parties. If that did not work, the DC took the personal responsibility of compensating the affected party on compassionate grounds.
3. He also said that the rates given for the purchase of land at Aleo should not form the basis of discussion here because, for one, the area purchased in Aleo was less than 3 bighas, while nearly 150 bighas was being acquired in Prini. Also, he clarified that in Aleo the land was directly purchased, while in Prini it was being acquired.
4. He also explained to the villagers that he had already intervened, in August last year, and got the villagers a much higher price than what they would ordinarily have been entitled to if their land was acquired according to prevailing rates. He reminded them that, in August, the Company was willing to pay Rs. 50,000 per biswa, which was also higher than what had been paid for other land acquired in

- the region. However, as the villagers were demanding Rs. 100,000 per biswa, he had intervened and split the difference, and got both sides to agree to Rs. 75,000.
5. He stated that he was again willing to suggest that same formula, and suggests Rs. 87,500 per biswa as the mid point between the Rs. 75,000 per biswa agreed to by the Company and the Rs. 100,000 asked for by the villagers.
 6. However, he could not agree to a flat rate for all categories of land, as that was contrary to the law.
 7. He also informed the villagers that their land could also be acquired giving only the official rate, which would be much less. They would then have to go to the courts for relief. He gave the example of another acquisition that was done in the area, where the people got only Rs. 30,000 per biswa, and went to the Sessions Court. The Sessions Court raised the amount to Rs. 60,000, but the government has gone in appeal to the High Court. And, if they lose in the High Court, they will then move the Supreme Court. The final sufferers are the people who have to wait for a long time.

The people of Prini were, however, not willing to accept Rs. 87,500 per biswa for the best quality of land, with lesser rates for poorer quality of land. They, therefore, declared, that they did not want to give their land and they did not want the project.

The panel made an effort to get the people to discuss some of the other issues, but despite there being some interest among a few villagers to take up some of the other issues, other villagers started removing the chairs to ensure that the hearing could not continue. The hearing was, consequently, closed.

Jagatsukh

The villagers of Jagatsukh seemed agitated right from the start. For one, most of them refused to sit on the chairs laid out for the public hearing, but preferred to sit outside and on the periphery of the *pandal* put up for the hearing. The women, who mostly sat behind the *pandal*, carried placards expressing opposition to the project. Though, when asked by the panel, the villagers initially expressed their willingness to allow a dialogue to take place, soon emotions started running high. Concerns about the availability of water dominated the discussions. Various other issues were also raised, though not really discussed. Some of the issues raised by the villagers included:

1. That they did not accept the calculations relating to water availability and requirements of the villagers put forward by the Company and the ERM, and that therefore they did not want their water to be diverted to any other stream.

2. A few villagers expressed the opinion that they wanted the Company to pay for experts chosen by them to independently investigate the availability and demand for water. However, this suggestion did not seem acceptable to a large number of villagers, who said that they just did not want their water to be diverted.
3. Responding to assurances from the Company and ERM that enough water would be available for them, some of the villagers made the point that even if enough water is available, they have religious and cultural sentiments attached to the stream. If the waters of the stream were diverted, then its sacredness would be violated. One villager even suggested that the implications of this would be far more serious for the project proponents than for the villagers.
4. Other villagers pointed out that as glaciers were shrinking all over, the availability of water in the stream will also shrink and, if the project comes up, the people would not get even the basic minimum promised. They wanted to know if any studies were done to determine the impact of receding glaciers.
5. Another villager pointed out that there were disputes around water in many different parts of the country, and as none of them had been resolved it was unlikely that the one here could also be resolved.
6. One view that seemed to emerge as a popular view was that, whereas the villagers did not want their water diverted to another stream, they were willing to discuss the setting up of a separate power project for Duhangan stream.
7. The villagers also objected to the police being present at the meeting and threatened to walk out, till they were reassured that the Company had not called the police.
8. The issue of the no-objection-certificate for the project was also raised by some of the villagers, who claimed that it had only been given for explorations. When shown a copy that was for the project itself, the villagers stated that it had no validity, as it had been issued by the Sarpanch without a resolution of the Panchayat.
9. Some villagers also stated that the Company had committed fraud by using such an NOC.
10. Some of the women raised concerns about their safety and security.
11. Some other women listed out the various gaps and weaknesses in the ESIA report done by ERM and appealed to the IFC not to sanction funds for the project till the

ESIA had been properly completed. However, other villagers said that they did not want the reports as they did not want the project.

12. There were claims from the villagers that the Company had provided very few employment opportunities to the villagers affected by the Malana project. However, when a villager from Chauki village, which was affected by the Malana project, tried to speak, he was shouted down as the villagers said that they would not allow anyone from outside to speak at the hearing. Reportedly, this villager from Chauki was also manhandled after the hearing was over.
13. When the Company representatives presented statistics about the number of jobs created for local people in the Malana project, one villager stated that people in Jagatsukh did not want the project's jobs, as every one already had jobs.
14. Some women also alleged that the villagers affected by the Malana project had to take the permission of the project authorities before going into the forest. This was unacceptable to them.
15. There were apprehensions expressed that the rock in the mountain was not adequately hard and, consequently, if the tunnel that is carrying the water burst, six villages would be inundated. There was also the concern that the tunnel might leak.
16. A concern was also expressed that the dust and gas released because of the project would have adverse impact on the health of the villagers and on their apple orchards.
17. One village representative stated that though she had asked for a copy of the memorandum of understanding that the Company had signed with the government, two years had passed and she still had not got it. How, then, can the villagers trust the Company.
18. Villagers also expressed their skepticism about the Forest Department's ability to reforest the area and wanted to know how the forest department had given a non objection certificate and certified that very little wild life was found in the area. Another villager stated that the Himachal Pradesh State Department of Science and Technology had carried out a survey and found 30-40 endemic and endangered species here.
19. The villagers also wanted to know that how would it be ensured that the Company would stand by the undertakings it was giving.

The Company, despite their best efforts, were able to respond to very few of the issues raised, as the villagers did not seem inclined to listen. Some of the points made by the Company and the ERM included the following:

1. The Company representative told the villagers that if the project actually had significant adverse impacts on their life, then it would be much better if the project was not made at all. He, however, assured them that the Company would ensure that their problems, if any, about the availability of water for drinking and for irrigation were solved, and solved in collaboration with them.
2. The ERM representative explained to the villagers, using diagrams, how the flow of water even after the project was set up was much greater than their requirement.
3. In response to a specific question, the ERM representative admitted that they had not done a study of the impact, if any, of receding glaciers. However, a representative of the Company gave an undertaking that even if the flow in the stream went down because of the receding of glaciers, the Company would ensure that the minimum flow promised is maintained, even if the project has to be closed down. He said he was willing to give this undertaking both to the state government and to the Panchayat.
4. On a question from the DC, the ERM representative clarified that the data they had did not show that there was a reduction of flow in the 22 years for which they had data. He also admitted that their data was not current as no monitoring of water flow had been done for the last ten years.
5. A Company representative also stated that as the Company was going to do a lot of afforestation work, this might inhibit the receding of the glaciers. However, the villagers disagreed with this claim.
6. On a request from the DC, the Company representatives described the various benefits they had given to the villagers affected by the Malana project. These included repair of temples and the building of roads. They also gave figures of the number of local people employed by the Malana project. The Company representative also offered to take villagers from Jagatsukh, free of cost, to visit the Malana project area and to assess for themselves the impact of the project.
7. The Company representatives repeatedly appealed to the villagers to let them respond to the various other points raised by the villagers, but the villagers did not seem so inclined.

The deputy Commissioner also intervened from time to time. Some of the points he made include the following.

1. The DC appealed to the people that they should be willing to have a meaningful dialogue with the Company representatives. He stated that the Company and the foreign funders had not come there to steal from them but to help them.
2. The DC stated that as the NOC was signed by the Sarpanch without a resolution of the Panchayat, it cannot be considered valid.
3. He, however, refuted the charge that the Company had indulged in fraud, stating that how was the Company to know that a resolution of the Panchayat was required. This is a provision in the Panchayat Act that the Company is not expected to be familiar with.
4. He further stated that if the people did not want the project, he would inform the government accordingly. However, the decision was not his, but the governments.
5. He also requested the villagers to give him a petition outlining their reasons why they did not want the project.
6. The DC also suggested that the villagers form a committee to discuss the project with the Company representatives. The villagers informed him that they already had such a committee.
7. In response to a question from the villagers on how it can be assured that the Company stands by all their promises, he stated that the Company cannot function in that area without the permission of the government and that the government would ensure that the promises made are fulfilled.

D. Conclusions

Though, on the face of it, it would appear that all or most of the villagers in Prini considered the enhancement of price being paid for the land being acquired as by far the most important issue, looking at the records of earlier public meetings and taking into consideration the numerous other discussions held with individual and groups of villagers, we are inclined to think that, perhaps, the public hearing on 20 May, 2004 was dominated by those few or many (but certainly not the majority or entirety) who were primarily interested in the land issue. It seemed as if the villagers had strategised and “agreed” not to let the discussion progress unless the land price was fixed to their satisfaction.

Some of the statements made by the village representatives in Prini (also subsequently reflected by some of the Company representatives), suggest that the renegotiation of the land price is the only or primary issue for the village, and that once this issue is satisfactorily

resolved, all other issues would either disappear or be easily resolved. We would, however, strongly advise against such an understanding.

We think such an understanding would be unjust to the other villagers, especially to the women and the poorer sections of the village, who clearly have many other critical and legitimate concerns. We also think that, in the long run, this focusing only on the land issue would not be in the interest of the project as the other issues would not go away and would continue to haunt the project.

Though at Jagatsukh, other issues were raised, the majority of the discussion revolved around one issue, that of the impact of the project on short and long term adequacy of water for the villagers. Here, again, there seemed to be some prior agreement among the villagers to not let the discussion wander far from the water issue. Though some other issues were raised, and one or two of them even discussed (like the legitimacy of the NOC and employment for local people in the Malana project), the major concern continued to be water.

The dominant opinion expressed seemed to be that they did not want their water “taken away”. Another opinion, though this was not enunciated as often or as forcefully as the first, seemed to be that they, therefore, wanted separate projects for Prini and Jagatsukh, with a power house at Jagatsukh. There were others who simply said that they did not want the project. Period. A few also questioned the data about water availability and requirements of the dependent villages put out by ERM and wanted an independent assessment, by experts nominated by the villagers. However, this latter suggestion did not find favour among the dominantly vocal group!

The high level of aggression and antagonism, towards the project, took most of us by surprise. This was especially so as recordings of past meetings showed much less antagonism, and much more civility, on the part of the villagers. Also, meetings with the villagers as a lead up to the public hearing, in March 2004 by SS to ascertain whether they wanted the public hearings (see annex 2), and in April and May 2004, by Kalpavriksh, ERM and the Company representatives, to explain the project (see Annex 3 to7) also did not give a clue to the resolve of the villagers not to allow the meetings to progress. In fact, the impression that the ERM and Company representatives seemed to have, and shared with the panelists, was that the focus group meetings and other discussions and interactions in the weeks leading to the public hearing had cleared up the air and the people were now far more positively inclined to the project.

The physical disruption of the meeting in Prini, by removing the chairs, the constant threats to walk out, the reported man-handling of the villager from Malana at Jagatsukh, and

the general tendency to rudely shout down every one, including the independent panel and the representatives of the district authorities and the Company, were unfortunate. In our opinion, the villagers did not serve their cause well by their behaviour. However, it is also important to try and analyse why there was this seemingly increased level of hostility among the villagers.

Part of the explanation might lie in the fact that the villagers seemed to have consciously strategised and one can only assume that they believed that being aggressive was in their best interests. The fact that we could not see any village leaders or elders convincingly trying to get the people to participate more meaningfully in the hearing further strengthens this impression. Of course, this could also mean that there was no real leadership in the villages and that the people were spontaneously but individually expressing their anger. However, we consider this less likely.

Also, since the last public hearing (May 2003), there appears to have been much that has happened (or not happened) that has angered the villagers and shaken their faith in the Company. For one, the promised compensation was not paid by the promised date and, even though this might not in actuality be the fault of the Company, it is widely seen as their fault. Also, various incidents related to the implementation of the project have also angered the villagers, for example the alleged falling of stones and debris on their fields and sometimes almost on them, the cutting of trees by project labourers, defecation by the labourers in the fields and orchards of the people, and near their water sources, the threat to the security of the women, etc. etc. And, there seems to be no effective grievance redressal mechanism in position to raise or address these issues.

Also, familiarity with the project documents and the experiences of other projects (especially Malana) seems to have grown in the last one year, and this has created a large number of apprehensions (right or wrong) among the villagers. The fact that the one detailed assessment of the project documents done by what the villagers consider an agency that is independent of the Company and the IFC (namely SANDRP), was not adequately and comprehensively responded to by the Company and the IFC, has also added to their suspicion of the project.³

³ Having said this, we would be less than fair if we did not record our appreciation at the efforts being made by the Company and the IFC, with the help of the ERM, to engage the affected communities in a meaningful dialogue. We are heartened by the willingness of the Company to tread this new path and hope that this would be an example to other Companies in India and elsewhere, and especially to the government and the public sector.

One can also not ignore the possibility that perhaps the independent panel constituted to facilitate the public hearings was not up to the task, especially in terms of the support they got, especially at the local level, from the NGO community, and in terms of their own ability to handle the situation at the village, once the aggression and the resolve of the villagers became obvious.

E. Recommendations

1. It seems obvious to us, notwithstanding all the points made above, that the Company needs to significantly strengthen their capacity to interact and interface with the villagers. To this end, they need to build in-house capacity of trained and competent people who can constantly interact and liaise with the people and significantly strengthen the process of providing factual information to the people, addressing their questions and understanding their concerns.
2. They also need to identify and engage an independent facilitating agency which could supplement the in-house efforts of the Company, particularly at the initial stages of re-engagement and focus on addressing the information needs of the community, especially by facilitating joint investigations, involving the local people and/or their nominees) in areas of special concern.
3. The Company also needs to set up an in-house mechanism for quick grievance redressal. However, it must ensure that the grievance redressal cell is manned (or womanned) by people trained for the task. The tendency to depute engineers or non-specialists to perform social tasks is as fraught with danger as deputing social scientists to construct dams and tunnels!
4. The grievance redressal cell must have the authority and mandate to quickly investigate all grievances (reported or un-reported), and to address comprehensively the genuine ones. It must also function transparently and in a time bound manner.
5. In addition, the Company should also set up a transparent and sensitive independent appeal mechanism to ensure that the grievance redressal system works well. This mechanism should involve persons of standing, independent of the Company, as also representatives of the local community and of the local administration. And the grievance redressal system must come into existence as soon as grievances are felt, and not wait for the formal inauguration of the project.
6. In fact, the required best practices in terms of project implementation should be in position right from the start and should not await full project implementation as the difference between what is being practiced on the ground today and the promises

made by the company on how implementation will actually occur is the basis of much of the anger and suspicion of the villagers..

7. For Prini, while the negotiations on land continue (and we do not have an opinion on that), efforts should be made, through the mechanisms suggested in 1 and 2 above, to develop consensus solutions to the various other identified problems (and to new ones that might be identified). These could initially be done in small groups (ideally using an independent facilitator or at least a different group of people than those that have been interacting with the villagers so far) and another public hearing might be organized only when there is confidence that workable and acceptable solutions have been found.
8. With regards to the water issue in Jagatsukh, we recommend that a joint team be set up with the villagers, their technical representatives, and the ERM, to verify the data about the water availability and the requirements of Jagatsukh and other dependent villages. We also recommend that the details relating to the economic feasibility of having a power station at Jagatsukh also be shared with the villagers so that they can evaluate the Company's stand on this option.
9. Even for Jagatsukh, an approach similar to the one recommended at 6 above could be adopted to deal with all the other issues.
10. The Company (along with ERM and IFC) should immediately respond comprehensively to the various issues relating to the ESIA report raised by the villagers and by SANDRP. They must recognize that they cannot ignore the SANDRP comments as "just one of many", for they are clearly those that have a significant influence on the thinking and behaviour of the villagers and, we dare say, on the viability and integrity of the project itself.
11. The Company must make public a time frame within which they would address the various legitimate issues with the environmental and social assessment of the project.
12. The Company must immediately initiate the task of addressing these various issues, which can broadly be classified into the following heads:
 - a. Those that are related to a mistrust of, or disagreement about, the data contained in the ESIA report (like the data on water availability and requirement in Jagatsukh).
 - b. Where there is inadequate or incomplete data (like the data on how many people will be impacted and how).
 - c. Where the methodology of collecting or analyzing data is inappropriate (like the data on wild life and biodiversity).

- d. Where the data are missing (like the data on the impact of the transmission lines).
13. The Company and IFC must also differentiate between three types of gaps and infirmities in the ESIA documents:
 - a. Those that could have a bearing on the economic, social or ecological viability of the project. These must, obviously, be settled before the project is approved.
 - b. Those that could have a bearing on the scope and design of the project, but not on its viability. These must be settled prior to project initiation.
 - c. Those that need preventive and/or mitigatory measures only. These should be determined and acted on in time to ensure that the prevention and/or mitigatory measures are effective.
 14. Clearly, the time frame and action plan adopted by the Company and the IFC, for addressing each of the gaps and infirmities, must be in consonance with the temporal and sequencing requirements of that issue, as per the classification given above.
 15. As promised, we are appending some suggestions on the further studies required, especially with regards to the wildlife and biodiversity parameters (Annex 11). These are only some suggestions and not necessarily a comprehensive list.
 16. Finally, there should be an independent mechanism to ensure that all the undertakings and agreements between the Company and the people are respected. For this purpose, a committee should be constituted with representatives of the Company, of the local people, of the state and district administration, of IFC and with some independent persons of repute. This committee should be empowered to assess compliance, and non-compliance should be linked to convincing disincentives for the Company. This committee should be supported by two technical monitoring agencies, one monitoring the field situation regarding the environment and the other regarding social parameters.

Annexure 1

Terms of Reference Allain Duhangan Hydro Electric Project Public Meeting Facilitation April, 2004

Background of Assignment

The Allain Duhangan Hydro Electric Project (ADHEP) is a 196 MW run-of-river project being developed by the Rajasthan Spinning and Weaving Mills Ltd. (the Company) near Manali in Kulu District, Himachal Pradesh. The International Finance Corporation (IFC) is considering financing the project. The Company requires services of a specialist consultant to facilitate a public meeting of all project stakeholders to review and discuss the potential environmental and social impacts of the project and the Company's proposals for mitigating those impacts.

Specific Requirements

- Consult with representatives of the company and IFC to familiarize him/herself with the background and current status of the project, including IFC's requirements for public consultation and public disclosure of project information.
- Undertake a scoping mission to the project area to identify, and consult with, project stakeholders (e.g., project-affected people, NGOs and other civil society organizations, administrative officials, the media and representatives of project management, etc.) to obtain a broad perspective of opinion regarding the project and to seek stakeholder suggestions on the public participation process.
- Review project-related documents (e.g., the project's Environmental and Social Impact Assessment, other related technical reports, correspondence between stakeholders and IFC, records of prior public consultations about the project, media reports, etc.) to obtain a comprehensive understanding of the project's environmental and social impact, the Company's plans for mitigating those impacts, and the issues that stakeholders have raised concerning the project.
- Advise the Company on the relative strengths and weaknesses of various approaches to organizing the public meeting by sharing his/her past experiences on stakeholder consultation and lessons learned.
- Advise the Company on the types of role a facilitator can play to assist in the organization and execution of the public meeting and the participation of all stakeholders.
- Establish methods for providing input, informal and formal, to the public meeting as well as to the overall public consultation process based on the needs and the abilities of the stakeholders.
- Identify and retain additional support as required for the implementation of the public meeting to ensure all informational needs are met during the meeting.
- Provide a draft agenda for the meeting to the Company and IFC, and identify key participants from the Company, IFC and the environmental consultants who should attend the meeting.

- Advise the Company, IFC and other officials, who will be presenting or responding to questions at the meeting, on the best way to respond to the public's questions and concerns.
- Identify key stakeholders and coordinate with the Company to ensure that adequate information is available to support the participation of those stakeholders.
- Prepare a final agenda for the meeting and guidelines for participation that will maximize the success of the meeting.
- Facilitate and manage the public meeting. Prepare meeting notes and a final report of the outcome of the public participation process for dissemination to all participants.
- Document the lessons learned and debrief the project teams

Qualifications

The specialist should have expertise and experience in convening stakeholder consultations in international settings focused on environmental conflict resolution, with specific skills and experience in:

- Designing multi-stakeholder processes.
- Designing participatory processes for civic engagement and consultation.
- Building consensus and gaining trust of multiple parties.
- Assisting parties to communicate effectively in difficult situations.
- Acting as facilitator and guiding public interaction.
- Convening international multi-stakeholder events.
- Designing and leading collaborative decision-making processes.
- Conducting problem solving processes through negotiation and mediation.
- Analyzing the outcome of public proceedings and providing a balanced, accurate written record.

Terms

Approximately 20 working days between March 1 and April 30, 2004 will be required to complete the assignment. The Company will provide logistical support, including transport to and from the project site, and meals and accommodation at the project site for the specialist and any additional support personnel required by the specialist to fulfill the assignment. The Company will remunerate the specialist for all services rendered in a lump sum amount.

Payment Terms - *Proposal requested*

Annex 2

MY VISIT TO MANALI

I travelled up to Manali, along with Dr. Richard English (IFC) and Dr. S. Handa (ERM), on 16 March and returned on 18 March, 2004.

On 16 March I travelled to the site of the proposed power house, near Prini village, to Prinui village itself, to Jagatsukh village and to the bridge, on the main road, on the Duhangan Nala.

I also tried to see the Hindi translations of the project documents kept in the Panchayat House of both villages. The effort was to determine how easily they were accessible and how often they were being read.

The Panchayat House of Prini (located actually in a neighbouring village cluster) was locked when I visited it (along with a representative of the project). We could not find any one who could open the building or give us information. Similarly, the Panchayat House of Jagatsukh village was also locked. We were told that it only opened twice a month when quorum was taken. We tried to meet the Pradhan but she was away because of some family illness.

Later in the day I met with some local people from both Jagatsukh and Prini villages. They agreed to organise a meeting of the villagers in each of their villages the next day, so that I could meet with other villagers.

I also met some officials of the forest department and discussed some of the ecological issues related to the project. From them, I got details about the environmental impacts and management procedures of the Paravthi project in the area.

Public Discussions

Next day (17 March) I had meetings in both Prini (9 am) and Jagatsukh (11 am).

In Prini there were about 35 people, but very few women. The organisation of the meeting was facilitated by Shri Shiv Dayal and Shri Bal Krishen, who were also present. We talked for about an hour and a half. I posed to them three questions:

1. Do they want to have a public hearing (*jan sunwai*) on the project.
2. If so, what should be the structure and process of the hearing.
3. What, if any, are the preconditions that need to be fulfilled before the hearing is organised.

The villagers discussed these questions but also expressed various concerns and views on the project. In short, they seemed to think that:

1. They wanted a public hearing.
2. They wanted the hearing to be such that:
 - a. The Company was represented by the owner/chairman, as they wanted someone who had the authority to take the necessary decisions. (They said that

- in the past when issues were raised the Company representatives often said that they did not have the authority to give any decision/assurance.)
- b. All the villagers who want to speak on the project should be allowed to speak. They were ready to sit through a hearing that took more than one day, if necessary, as long as every one who wanted to speak was given a chance.
 - c. The report of the hearing should be a public document.
 - d. A process should be agreed upon to ensure that the decisions/agreements reached in the hearing were implemented.
3. Preconditions:
- a. They wanted access to information about the project in advance of the hearing. They felt that the present system of placing a copy in the Panchayat House was not working and copies should also be made available to those villagers who ask for them.
 - b. They also reacted positively to the suggestion that a group could come and make a presentation on the project and that some people from their village, who had read and understood the documents by then, could also attend these presentations and help in the process of dissemination of information.
 - c. They also wanted at least thirty days notice for the hearing.

The meeting at Jagatsukh was much better attended, with over a hundred people, and a large number of vocal women. Shri Dinesh Sharma facilitated the organisation of the meeting, and was also present at the meeting. The meeting went on for over two hours.

I posed the same three questions to them. They also responded, in many matters, like the Prini villagers: they also wanted a hearing, wanted it to be open to every one, wanted to have access to information in advance, and get one month's notice. However, they also wanted their meeting to be separate from that of Prini village.

General Comments

My impression (although preliminary) is that in Prini there is less opposition to the project than in Jagatsukh. In both places there is scepticism about claims made by the Company regarding the project, its benefits, its impacts and the assurances given by the Company. There was also concern on whether the villagers would be able to understand all the complexities of the project documents. In my opinion, apart from concerns about facts and processes, there are also major concerns among the villagers about the credibility of the Company. A large number of people, in both the villages, mentioned various instances where they felt that the Company had gone back on commitments or had misinformed them.

Recommendations

I find the demands made by the villagers in both the meetings to be reasonable and acceptable. I would, therefore, recommend that:

10. That public hearings are organised, separately for each village cluster, after giving at least thirty days notice.
11. These hearings are organised after the elections, as most of the villagers felt that would be preferable.
12. It is ensured that copies of the Hindi translation of the project documents are made available to those ten or fifteen people who have asked for them.

13. In addition, a team is sent out to hold public meetings for explaining the project and the project documents.
14. That the comments on the documents, sent by Mr. Himanshu Thakkar (which many of the villagers were aware of), be answered point by point and the original questions, along with answers, also be translated into Hindi and be made available to the villagers.
15. That the Chairman of the Company be requested to attend the public hearings so that decisions and agreements can be made on the spot and the people feel reassured.
16. That the public hearing be conducted in a manner such that all the villagers who want to speak get a reasonable opportunity of expressing their views.
17. That the report of the public hearing be put in the public domain and copies translated in Hindi and made available to the concerned villagers.
18. That the other points raised by the villagers, as mentioned above, also be appropriately accommodated.

I would be happy to facilitate these public hearings, if the concerned parties so want, subject to mutually convenient dates, the inclusion of two other independent facilitators in the panel and the acceptance of the recommendations given above. I would also send some comments on the project documents and look forward to a discussion on these after my return to India in the first week of April, 2004.

Shekhar Singh

18 March, 2004
New Delhi

Annex 3

May 3, 2004

Sub: Allain Duhangan Hydroelectric Project – Focus Group Consultations with Village Prini
as per IFC requirement

Minutes of meeting held at 11:00 am at Village Prini, Tehsil Manali, District Kullu, Himachal Pradesh on April 30, 2004 to discuss the project, impacts and suggested mitigation measures as proposed in the Environmental & Social Impact Assessment Report (ESIA) of the 192 MW Allain Duhangan Hydroelectric Project (ADHEP) with the Prini villagers.

PRESENT

Environment Resource Management (ERM)

Sh. Sushil Handa/ Mrs. Neena Singh/ Sh. Lalit Kumar

Villagers

**Prini Pradhan Sh. Tek Singh/ Sh. Shiv Dayal/ Sh. Jindu Ram/ Sh. Chaman Lal/ Smt. Sita Devi/
Sh. Gyan Chand/ Sh. Dava Ram/ Sh. Chet Ram/ Sh. Thakur Das/ Sh. Roshan Lal/ Smt. Savitri
Devi/ Sh. Keshab Ram/ Sh. Gehru Ram**

Rajasthan Spinning & Weaving Mills Ltd. (RSWM), LNJ Bhilwara Group

**Sh. Sharad Kumar/ Dr. J.K. Thakur/ Sh. D.K. Singh/ Ms. Shivani Maudgal/ Sh. Rakesh
Sharma/ Sh. Cherring**

1. RSWM (also the Project Authority (PA)) informed the gathering that the purpose of this meeting was to ensure that the assembled people understood the project details well enough to ask informed questions in the public meeting called on May 20. RSWM introduced ERM that would explain the project details to the villagers using a simple chart.
2. ERM explained the project layout chart prepared by them highlighting the project components and their locations to the villagers. The chart also showed photographs of Malana HEP as it looks today to give an understanding of the project.
3. A villager enquired about the height of the dam to be constructed in the project.
4. RSWM clarified that the project involved construction of a barrage and not a dam. In a run-of-the-river scheme, a barrage is built in which an intake is constructed where the water is diverted and led to a desilting chamber to flush out the silt. The barrage at Allain is estimated to have a water storage capacity of 90,000 m³, height of 14.5 m and area spread over 2 ha. At Duhangan, there is a trench weir in which the water continues to flow without any restrictions.
5. The same villager enquired about the leakage of water in Malana tunnel and any slides seen there.

6. RSWM clarified that there is no leakage in Malana at the present date. However, leakage in Malana tunnel, when it occurred was at one point only and it has already been plugged using concrete.
7. Villager enquired what the report meant when it stated that vibration due to blasting of tunnels would last upto 80 m.
8. RSWM explained that the tunnel is 70 m below Pahali Nallah and the effect of surface vibration does not last after 80 m. However, what it means is that there should be no kuccha house within the 80 m of the blast. The rock strength is tested to ascertain its strength and ability to withstand stress. These tests are of two kinds: 1) Using boreholes in which holes are drilled into the rock which is known as machine destructive mechanism, and 2) seismic refraction survey in which sound waves are released to judge rock strength and no holes need to be drilled. And it was found that the rock was good.
9. Villager says that testing of rock was not done at Prini and that the testing at Hamta had resulted in drying up of the natural springs. He expressed concern that blasting may divert the underground water into another channel at Prini resulting in water problems for the villagers.
10. RSWM responded that all studies done until now showed that the rock strength was good and there was no indication of any leakages. However, if the need arises, we can get the rock tested at Prini and in case of any water problem, the project would set up a water supply scheme for the affected people. RSWM said that the drying up of drinking water sources was a new issue that had cropped up and the project would consider various solutions to this issue.
11. RSWM also explained that the bend in the Duhangan Head Race tunnel is solely to maintain maximum vertical distance from Pahali stream.
12. Villager said that the people were concerned that due to the rock tests, the water sources had dried up and the maximum impact had been seen at Hamta.
13. Another villager, who was member of the Parvati Valley R&R Committee, said that the sources had dried up due to the blasting for tunnels.
14. RSWM explained that the drying up of sources depended upon the rock quality. For example, at Malana, the only reports are of leakage of water, never of sources drying up. At Allain Duhangan, all the reports had suggested that the quality of rock is very strong and that is why this project is underground.
15. Villager requested that the company should talk on issues of land, environment, compensation at the higher level.
16. RSWM explained that this meeting was only to explain the project in small groups to the villagers and no decisions were being taken in this meeting.
17. The villagers suggested that the company must meet them again before the meeting on the May 20 to settle and discuss other issues.

18. RSWM agreed to hold another meeting with the villagers before the meeting on May 20.
19. The Pradhan said that meetings keep happening but there is no outcome.
20. RSWM also mentioned that in October 2002, the Himachal Pradesh State Pollution Control Board conducted a study to ascertain the sources of underground and surface waters. After this study, the HPSEPPCB has taken an undertaking from the company that in case of any adverse impact on the water sources, the company will fulfill the water shortages.
21. The villagers said that such an undertaking should also be signed with the Prini village.
22. The villagers also said that the labour working on the project road was using fuel wood of the villagers and asked what the project was doing to prevent the same when the report mentions that monetary provisions have been set aside for supply of fuel to labour force.
23. RSWM responded that the project had not yet started and that is why the labour camps with requisite facilities could not be set up. Unlike other companies, RSWM had been engaging in consultations with the affected villages to understand their concerns. RSWM explained that during construction phase, there would be losses but the entire process was directed to mitigate these losses to their minimum or to eliminate them altogether.
24. ERM explained that in its ESIA study, which it had conducted on behalf of the villagers, it had assessed project-induced impacts and had provided mitigation measures for the same, which it wanted to explain to the villagers using this forum. The major impacts would be loss of land and crops leading to impact on income. Additionally, the report had classified and identified the villagers losing more than 25% of their total land holding as vulnerable.
25. The villagers enquired what would happen in cases of informal family division of land.
26. RSWM explained that in such cases, only the Village Panchayat or Patwari could decide as they are the people who know exactly who is using which land. RSWM also requested the villagers to come up with suggestions on this issue in the meeting before the May 20th meeting because the company could not go against the government rules in this regard.
27. Villager complained of the long delay after land prices were negotiated. they reported loss of crop since they did not take care of the orchards. on the other hand they haven't received the compensation.
28. Villager also said that the road land has not been notified to the villagers and they were unaware of which parcel of land was to go for the project road.

29. RSWM explained that this was because the Section 4 has not been issued for the land required in road. Only one Section 4 has been issued upto now and that was for the land on which negotiations have been conducted. RSWM also informed that the staff from the Revenue Department had accompanied the company staff during the land survey and the revenue records have complete details on land belonging to the forest, private land, etc.
30. ERM pointed out that apart from the issues of land, there were other issues that villagers from Jagatsukh had raised and these issues included acquisition of pastureland for the project. ERM requested the villagers to think of any pasture areas being disturbed by the project.
31. A villager said that the project barrage site is a pastureland and the villagers access route to the pastureland would be affected by the road to the barrage.
32. ERM observed that the Company was already trying to think of ways of giving the villagers and the livestock, access to approach the pasturelands over the road.
33. RSWM also explained that a total of 10, 35,000 cum of muck would be excavated from the project and this would be spread over three disposal sites near the potato farm, near the proposed switchyard, and one in Jagatsukh and two plant areas located 1 ha. near Khanul and 2 ha. near Allain barrage.
34. Villagers enquired if these places were sufficient for disposing the muck?
35. RSWM confirmed that the identified sites were enough and that the process of muck dumping involved compaction after filling the muck in the sites. It was also explained that in Malana HEP, the guesthouse was built over the muck disposal site and that the villagers must not compare the muck disposal sites of Larji project with the proposed sites of the ADHEP.
36. Another villager enquired if the project roads would be allowed to be used by the villagers?
37. RSWM confirmed that the roads were public roads and everyone was allowed to use these roads. However, security posts would be established to safeguard the project components.
38. A villager said that whenever they went to the project site office with their problems, the site office said that they did not have the power to address these problems.
39. RSWM said that in such a case, we must meet again before the May 20th meeting.
40. Another villager said that the actual road width was 9 to 12 m and not 7 m because 7 m was the actual road width and the remaining 2-5 m was being used for setting up of retaining walls. This meant that more land was being used than legally acquired.
41. RSWM said that this was not true for the entire road stretch and the road was 7 m at the straight stretches. However, it could become 9 m to 10 m at the extreme curvature

points where the retaining wall base had to be stronger. However, the road width, even in that case, was still 7 m only. RSWM committed to look into the matter if true.

42. The villager said that the 3 m land being used was extra and had not been notified.
43. ERM said that in such a case, it would be ensured that proper compensation would be provided.

No need for this point.

44. RSWM said that the villagers should use this meeting to ask for as much information as they wanted so that they were fully informed before the May 20 meeting.
45. The villager said that outside contractors were getting easier work of road trace-cut contracts whereas the local village contractors were being given work where the terrain was difficult. He said that clear discrimination was being practiced. He said that since the work given to the local contractors was difficult and they could not complete it on time, they were unable to get more work as the second time, the project staff would club them as defaulters.
46. RSWM said that it would look into this matter and we would look into the presence of the project authority.
47. ERM brought up the issue of impacts at the entire village level like health issues, impact on pastureland, safety issues, etc. Independent assessment of ERM was what the villagers have read in the ESIA report and have commented upon. And ERM also feels that the village by itself should also independently suggest a plan that could be acted upon involving Bhagidari of the village, the Company and the Government, if possible.
48. This would help in development of the village on a long-term basis even when the present participants involved in the process leave after some time. This committee would also have a monitoring mechanism in which there would be various levels of monitoring involved to ensure cross checks at all level.
49. A villager commented that they had experienced that when they commented on a company staff's work procedure, they were told that this was the way it was done.
50. RSWM clarified that technical procedures could not be compromised with. However if there were any complaints of the villagers then it would assess the facts before taking any action.
51. A villager said that the labour force was using an entire stretch of land as a toilet and was taking away the dry wood and cutting small plants for fuel.
52. RSWM said that this point had been noted and public toilets will be provided to the labour force.
53. The villager also said that if this was not done, then it would be very difficult to control the labour from soiling their lands and they could not stay on guard all the time.

54. The villager also enquired when the blasting would take place and how they would protect themselves and their livestock from the explosions.
55. RSWM clarified that the initial blasting involved set time patterns and during the blasting, a siren is sounded that signals that a blast will be occurring. However, the blasts inside the tunnel could be carried out without intimation to the villagers.
56. The villager requested that the blast timings be provided to them. RSWM agreed to provide the blast timings.
57. The villager also mentioned that the Village Shuru was also impacted by the project and it belongs to the Prini panchayat and its name was not included in the ESIA.
58. RSWM said that the village Shuru had been included in the ESIA report. ERM said that that was why we wanted to hold a similar meeting with the people in Shuru also. However, they could not give us time due to the ongoing festival.
59. The villagers enquired if the meeting with the DC during land negotiations was a public meeting. They also said that the May 7 meeting was not a public meeting because there was no dissemination of project information.
60. RSWM said that because there was no project information available before the May 7 meeting, that was why the January 6 meeting was held and now again, another big meeting was being held at Prini on May 20, 2004. All these meetings have been advertised in the newspapers. All the other meetings are informal.
61. RSWM also enquired if another meeting could be fixed for May 2, 2004 with the external mediators, Kalpavriksha.
62. The villagers said that the festival would continue upto May 3, 2004 and they could not spare time before that.
63. ERM enquired if the villagers could come to attend the meeting at Jagatsukh on May 1, 2004
64. The villagers refused to attend the meeting at Jagatsukh because they were busy in the festival.
65. RSWM asked if the local villagers had some general information on the project.
66. The villagers said that everyone knew about the land to be acquired in the colony but were not aware of the land to be acquired for the road.
67. In conclusion, RSWM thanked the villagers for attending the meeting.

Annex 4

Allain-Duhangan Hydro-Electric Project: Report of a pre-public hearing focused group meeting at Jagatsukh village, 1.5.2004

Kalpavriksh⁴

1. Background and Purpose

A 192 MW installed Hydro Electric Project has been proposed on Allain and Duhangan tributaries of Beas River in Tehsil Manali, District Kullu, Himachal Pradesh. The project proponents, the Rajasthan Spinning and Weaving Mills Limited (RSWML), hereafter referred to as “the Company” have sought funding from the International Finance Corporation. The project has got the mandatory forest clearance and environmental clearance from the MoEF.

The International Finance Corporation while considering funding the project proponent felt that the Environment and Social Impact Assessment (ESIA) on the basis of which a clearance was given for the project by the Ministry of Environment and Forests (MoEF), needed updating and enhancement. It therefore requested the company to update the ESIA.. IFC also requested the company to carry out public consultations with the affected villagers. Environment and Resource Management (ERM) was commissioned by the Company to carry out the new ESIA as well as organize the public consultations.

As part of the public consultations a public hearing with the affected villagers, facilitated by a neutral panel is to be organised on the 20th and 21st of May 2004. However, Shri Shekhar Singh, one of the members of the neutral panel as also villagers and NGOs, expressed the need to have pre-public hearing meetings with the concerned villagers. These meetings would attempt impartial sharing of information with the villagers about the impacts/issues related to the project to facilitate their effective and informed participation in the public hearing. These meetings were also considered important to give the company time to prepare its responses to the concerns of the villagers at the public hearing. Kalpavriksh, an Environmental Action Group, was requested to act as a neutral facilitator in these pre-public hearing meetings, termed by IFC as “focused group meetings” (IFC’s letter to Kalpavriksh is attached as an annex). It was hoped that this would also set an important precedence of a process by which local people are adequately informed before any public consultations with them. It was also agreed that Kalpavriksh would carry out the exercise on a voluntary basis with no remuneration from either IFC or the Company, and would act as a neutral facilitator irrespective of its own stand or views on the project. However, outside of this process Kalpavriksh would be free to take any stand or position on any of the issues concerning the project.

⁴ The Kalpavriksh team that undertook the field visit and wrote this report consists of Ashish Kothari, Kanchi Kohli, and Neema Pathak. The team would like to acknowledge the hospitality of the people of Jagatsukh who willingly came for the meeting despite such short notice. It would also like to thank the representatives of ERM, RSWML, and SANDRP, and Shri Shekhar Singh, for help provided before and during the field visit, and for critical inputs in the making of this report.

The dates of the meetings were suggested by Kalpavriksh, and accepted by ERM, and the public hearing panel members. ERM also requested 4-5 meetings in 3 or 4 of the affected villages/settlements, including separate meetings with the women or other disadvantaged groups in these villagers. However, a few days before the meeting dates it came to be known (informally, through local groups) that one of the main villages, Prini (where two meetings were proposed) had their annual religious fair (village *mela*) on the same days as the proposed meetings. Kalpavriksh was told that given this, it would be important to hold the Prini meeting on 30th April (when the mela would not be in full swing), and Jagatsukh (which did not have the celebrations) on 1st May. Kalpavriksh conveyed this information to ERM. Considering the logistical difficulties in reorganizing the meetings to a more suitable time, it was decided by the organizing team to go ahead with two meetings at Prini and one each at Jagatsukh village, Aleo, and possibly Shuru.

Unfortunately, due to bad weather conditions, the flight to Kullu was cancelled. The Kalpavriksh team (consisting of Ashish Kothari, Kanchi Kohli, and Neema Pathak) considered cancelling the trip since there would have no way to reach Prini in time, but then decided to take a vehicle up so that at least the Jagatsukh meeting could be attended. As per information given by ERM, the general Prini meeting was nevertheless held, and was attended by a small number of people. The second proposed meeting, specifically with women, could not be held because of the *mela*. A much smaller discussion also took place at Aleo with the ERM and Company representative. The Kalpavriksh team could only attend the meeting at Jagatsukh village, on 1st May 2004. This report is therefore based on the discussions and observations from this meeting, as well as those separately held with the Company, ERM, and Shekhar Singh. It also uses as its base an independent reading of the ESIA and related documents, including a critique by the NGO SANDRP.

2. Description of meeting at Jagatsukh

Prior to the village meetings, the following persons met in Delhi (on 28th April) to discuss the purpose, structure, and issues related to these meetings: Shekhar Singh, member of the neutral public hearing panel; Himanshu Thakkar, South Asia Network on Dams Rivers and People (SANDRP); Neena Singh and Sumati, ERM; and Ashish Kothari, Kanchi Kohli and Neema Pathak, Kalpavriksh. Prior to this, the Company had also been given a chance to comment on the proposed structure, and its views were conveyed by ERM. The structure finally agreed to was as follows:

1. Explanation of the purpose of the meeting and the role of Kalpavriksh: Ashish Kothari, Kalpavriksh.
2. Explanation of the project and the project impacts: Neena Singh and colleagues, ERM; supplemented by Kalpavriksh if necessary.
3. Questions of clarification, or other observations by the local people and NGOs, responded to by ERM/Company/IFC representatives: moderation by Kalpavriksh.
4. Summing up of the main issues raised and answers given; and of the main issues/questions that remain or need further clarification, in the opinion of the local people/NGOs: Kalpavriksh.

It was suggested that the explanation of the project, and subsequent question/answer/observations session, could be divided into three parts (a) process of project formulation including public consultation; (b) social impacts and their mitigatory measures (c) environmental impacts and their mitigatory measures.

The meeting at Jagatsukh largely followed this structure with modifications as and when needed. Initially, there was low attendance, but as the meeting progressed, over 60 villagers attended the meeting. Of these, almost half were women. The group appeared to be fairly representative of all age groups also, though not all groups were equally vocal. A large number of villagers, including women, were extremely vocal throughout the meeting. Although at the end of the general meeting a separate meeting was held with the women, but the emerging issues were not much different because of their active participation in the general meeting itself. The meeting was also attended by a few NGOs including Navrachna. According to the villagers the participation was comparatively low because they came to know about the meeting only on that morning, also many villagers were busy with the upcoming elections. They also expressed certain amount of frustration about one meeting after the other without the process coming to a logical conclusion. During the interactions with the villagers it was clear that many of them had read the project documents, and also had a fair amount of knowledge about other hydroelectricity projects under construction or operation in the area.

After a short introduction of the team members, and the objectives of the meeting by Kalpavriksh, the ERM representatives explained the project. A chart with pictorial presentation of what a reservoir, barrage, powerhouse etc would look like after construction was also shared with the villagers. Each of the impacts (including forest loss, flow of water, access to pasture land, labour influx, dumping, blasting, etc) was discussed in broad terms, along with the proposed mitigation measures for each one of these as proposed in the ESIA. ERM representatives indicated that they are open to suggestions from villagers in filling the critical gaps in the ESIA, relating to both baseline information and the mitigation measures.

The villagers on their part had several questions to ask the company and ERM representatives, related to the process of public consultation, the project itself as well as information in the ESIA. These concerns and questions included shortage of water in the village because of the project, safety of women, impacts on livelihood, access to and availability of natural resources, increased earthquakes, spiritual association with the stream and so on. The Company representatives and/or ERM responded to the issues raised.

Rather than provide factual details of the above sessions, and then a critical analysis separately, we are combining the two below. To put the following in context, however, we would like to record that the ERM representatives' explanation of the project was technically competent and genuine, and that both they and the Company representatives were open to answering all the villagers' questions and doubts. As we note below, however, there are more fundamental issues that need resolution.

3. Critical issues raised at the Jagatsukh meeting:

- (i) *Process of focused group meeting:* The meetings seem to have been organised at very short notice, though Kalpavriksh had informed its preferred dates well in advance. The Company representatives claimed to have informed the villagers in advance, but it is not clear whether this was in any form other than a poster put up at the village. Villagers claimed that verbal intimation of the meetings reached them only the day before or on the morning of the meeting. The *pradhan* of Jagatsukh said that she and others should have been consulted about the dates before finalising them. We were also told that the Company and/or ERM depended on Dinesh Sharma, of the local NGO

Paryavaran Evam Kalyan Sansthan, to inform villagers about the meeting, which if true, was somewhat improper. A combined effect of the proximity of elections, coinciding dates of the religious *mela*, and the lack of timely information to the villagers, is likely to have affected the number of meetings that could be organized, and the attendance in those meetings which were held.

Secondly, we felt that the description of the project and its impact provided by ERM at the meeting, was at points too technical and often used English terms even in cases where Hindi equivalents were available. It is of course not easy to explain technical aspects of such a project to an audience that is not used to such technicalities, but this is a challenge that needs to be met by devising appropriate tools and language. ERM's use of a map and pictures was a good idea, but not quite adequate.

- (ii) *Process of project formulation:* It seemed to come out from the discussions at Jagatsukh village that there was very little consultation with the villagers at the time of the initial surveys (which began over two decades back) till the time when the environmental and forest clearances were procured. The consultation process began only after ERM was asked to prepare the ESIA document. However, even at this stage when baseline information was being collected, it was not clear to the villagers that the project had been cleared. Further, the ecological data collection and analysis does not seem to have been carried out with the people. Villagers pointed out that some of the mitigatory measures like alternate routes to pasture land etc are not feasible and that they would have indicated so if they had been asked during preparation of the ESIA. At the meeting ERM suggested that they would undertake a walk up the streams, with villagers, to identify specific points and issues of concern so that these could be incorporated into the final ESIA and environment management plan.

During the discussions it also emerged that the *Aam Sabha* (village council) consent had not been sought for the project. Such a consent is required as per the MoEF circular No. 11-30/96-FC(pt.), dated 26.2.1999, which specifies that 'it has been decided that whenever any proposal for diversion of forest land is submitted, it should be accompanied by a resolution of the '*Aam sabha*' of the Gram Panchayat/Local Body of the area endorsing the proposal that the project is in the interest of people living in and around the proposed forest land.' An NOC was given by the then *pradhan* of the village in 1997, which, he pointed out, was meant for some surveys that the government wanted to undertake and not for any project as per his understanding. Villagers realized that the project was underway only when they noticed some labourers and other activities in the area.

- (iii) *Issues of concern regarding the project:*

Water issues: The issue of diversion and availability of water was clearly the one most worrying the villagers. They mentioned that the Duhangan stream is their only source of water. The Company's assurance that a minimum flow of water will be maintained in the stream (greater than what is being diverted by villagers in two *kuhls* or channels), and that in the years when there is a shortage, the Company will release more water, did not satisfy the villagers. They pointed out that the Company or ERM had not made an assessment of actual water being used by villagers, and that what they get now from the stream is already not adequate to meet the drinking water as well as irrigation requirements of the village. Over the years the availability of water is decreasing while

the water needs are increasing. Some villagers also expressed concern about the reported shrinking of glaciers, and wanted to know if ERM had taken this into account. Under these circumstances, villagers felt that diverting the water will mean a very serious impact on the culture, everyday lives as well as livelihoods of the people.

The village also has one main source of drinking water close to where the roads are proposed to be constructed by the company. This is called “Chor Pani”, because it sometimes suddenly shifts position. Villagers fear that the construction and blasting activities will affect the aquifers and thus this water source. In addition, the presence of labour in that area will affect the quality of the water. These points (or that of the receding of glaciers) could not be addressed by the Company or the ERM; their main argument was that “enough” water would continue to be released into the stream.

Women’s issues: Women at Jagatsukh highlighted that the construction and labour activity in the area is likely to restrict the freedom of movement into the forest and pastureland which they regularly access. This is both in terms of their personal security as well as blockage of access due to road construction. Women regularly go into the forest to collect herbs, grass, fodder and for cattle grazing. Many of them also stay for long periods of time in the seasonal village, Hamta. Though the project authorities have given assurances about labour being restricted to labour colonies, women are not at all satisfied with these assurances. They related a number of incidents in the other hydro-electric projects in the region where despite assurances the safety of the women has been seriously affected. The Company representative stated that the main project colony will be far from the village; however villagers pointed out that during construction and other activities, labour will be camping near the village. They also recounted an incident that has already occurred of project-employed labourers cutting down 6 trees and defecating close to the stream. This point about women’s safety could not be adequately addressed by the Company or ERM representatives.

Spiritual Association: Responses of the villagers, in particular of the women, indicated that there is a very strong spiritual and cultural association with the Duhangan stream. People fear the wrath of the Gods, if the stream is disrespected. This fear is very strong was clear from the number of stories recounted by the villagers. They went to the extent of saying that its either the misfortune of the village or that of the company that this project has been envisaged to desecrate this abode of Gods! It seems that this point has been completely missed out in the ESIA.

Pressure on natural resources: Villagers felt that influx of hundreds of outside labourers in the area will increase the existing pressure on the natural resources in particular, firewood, fodder and water. In addition they fear that the outside labourers may over extract and misuse resources once they find their commercial value, for example the medicinal plants that are found in the area and collected by women for personal use. Labour according to them could also get involved in hunting as was the experience with other projects in the area. ERM said that it had recommended provision of fuel and other needs to the labour colonies, and a process of monitoring to ensure that illegal activities did not take place. Villagers were not convinced that in practice this would happen, as it was not happening in other project in the region.

Villagers also raised concern that the project would result in the loss of a large number of oak trees, which are very important for the environment as well as to sustain local

livelihoods. ERM's reponse regarding compensatory afforestation and catchment area treatment was met with scepticism; villagers pointed out that afforestation of species like Oak is extremely difficult. They suggested that when and if it was done, afforestation should be done by the youth club and the women's groups in the village and not by the forest department. Their contention was that none of the forest department's plantations succeed and eventually it's the villagers who would look after these trees and not the department.

Access to pastures: Villagers were very concerned that when road construction begins, their access to pasture lands in the higher reaches would be cut off. This was admitted by ERM, which however suggested that an alternative route during this period could be worked out. Villagers pointed out that there was no alternative possible, since other possible routes had either precipitous slopes, or apple orchards whose owners would not allow passage to livestock. This point could not be addressed by ERM or the Company except to say that some solution would be found.

Geological disturbances: The tunnel will be constructed and run over the village. Blasting for the same will also take place, which villagers fear could lead to turbulence in the rocks and affect the geological formations. The tunnel may leak as has been experienced in another nearby project (Mallana), thus endangering the villagers. The Company representative explained that the rock structure here was different and harder, and that all precautions including new technology was being employed to minimise blast impacts and ensure that no leakage takes place.

Dust generated: The fact that the dust generated during the project would cause health implications and would also mean a loss of apple and other crops, was also raised by the villagers. This would eventually severely affect the livelihood of the people. ERM admitted that this could happen, and said it had therefore recommended strict dust-control measures. They were unable to convince the villagers, however, that such measures would be implemented or would work.

Compliance: The villagers at Jagatsukh repeatedly highlighted their lack of trust in both the Company and the IFC, especially with regard to compliance of all conditions of compensation and mitigation measures. They mentioned that this was because of their observations and experiences with other hydro-electricity projects in the region. Their belief that the Company cannot be trusted with compliance was intensified when, a few days after making a promise to organise a public hearing and not carry on work till then, a group of labourers were sent to the village for some work, who cut 6 trees and spoilt sources of drinking water in January 2004. The Company representative clarified that compliance would take place, because if the company does not comply the funding agency would not give them the next quarterly payment. However villagers said they did not trust IFC either, for one or two letters addressed by them to IFC had not been responded to. The level of distrust was clear from the fact that most villagers even refused to sign the attendance register for the meeting, which was circulated by the company. They feared that their signatures could be used against them in some way.

(iv) Concerns about the new ESIA document:

Some of the villagers felt that the new ESIA document has either completely missed or inadequately addressed some of the points. Villagers were also concerned with the fact that analysis was often based on incomplete and single-season data. Some of the

concerns raised seemed to be based on inadequate reading of the ESIA (such as the criticism that the ESIA does not say anything about health and women's safety issues). However, many others seemed well-founded. Some of the concerns raised included:

Socio-economic issues:

Number and types of impacts: Villagers asked whether there was a precise assessment of which family will be impacted in which way. ERM responded that a broad assessment had been carried out, and that a family-wise assessment had been recommended. A local NGO wondered how social impacts could be estimated in the absence of such specific information.

Water needs: Although the report mentions that the company will maintain a certain minimum flow in the stream, villagers felt that this was not based on an actual assessment of the actual drinking water or irrigation requirements of the village. The fact that the existing amount of water is already not enough to meet the needs of the villagers has not been highlighted in the ESIA.

High dust levels: Though the report deals with the health implications of having a large population of outside labourers in the area, it does not adequately address the issue of health and agricultural productivity implications because of high levels of dust raised by construction etc.

Safety of women: The report does mention the concerns of women about their safety because of the presence of labour, but mitigation measures for this are inadequately addressed.

Spiritual Association: The strong spiritual association of the villagers with the Duhangan stream and other cultural associations with the stream as well as the surrounding forests do not find any mention in the ESIA

Incorrect assumptions regarding mitigatory measures: Villagers felt that ERM's suggestions regarding some mitigatory measures are impractical, for instance the one about alternative access to pasture lands mentioned above.

Environmental issues:

Loss of oak trees: The villagers felt that while it is the fact that a large number of oak trees will be lost has been mentioned in the report it has not addressed the issue that this is an extremely difficult tree to regenerate. These trees are of great importance for maintaining the biological diversity as well as important source of fodder in winters.

Inadequate assessment of ecological impacts: It was pointed out that an ecological assessment based on only one season's data was inadequate, and that ERM had not properly looked into the biodiversity of the stream to assess the impacts of the project. ERM mentioned that it had recommended a full year's study at a later date, for this.

Technical issues:

Diverting the water: A local NGO wondered why there was a need to divert the Duhangan to the Allain, and why not two separate smaller projects on the Allain and the Duhangan? This has not been mentioned in the report. The Company representative explained that two separate projects were investigated, and found to be economically unfeasible, hence the combined project.

Leakages in tunnels: Villagers also felt that the risks of leakages in the tunnels are not adequately addressed in the ESIA and thereby the mitigation measures don't cover it. Villagers highlighted the leakages in the Mallana hydro electric project, reportedly another project handled by the same company.

- (v) **Overall feelings of villagers:** The villagers present at the meeting were clearly opposed to the project. This was especially strongly voiced by the women. Some of them even said 'Hum Khoon Denge, Lekin Paani Nahin' (We will give our blood but not water) and asked the company not to mess with the sacred stream. This was restated when they refused to even discuss the issue of compensation in case the project was undertaken (when Kalpavriksh members asked whether they would prefer land for land or cash compensation). There was one person who mentioned that he was not opposed to the project if all the mitigatory measures they want are actually put into place and promises are kept. However, women vehemently opposed this viewpoint clearly mentioning that those who are not opposed to the project are the ones who do not depend on natural resources, and rather earn their living from tourist or other outside activities. Such people expect the company to help with developing infrastructure for tourism and hence do not oppose the project. Villagers clearly mentioned that from all the information that has been shared with them so far and all the consultations that have been organized, they have gathered that this project means "all loss and no benefit" situation for them.

4. Key Recommendations from the Jagatsukh meeting

- (i) Since there was a *mela* in Prini, the gathering there was very small. This and the fact that a neutral facilitator could not be present, means that the meeting at Prini did not serve the purpose of the pre-public hearing focused group meetings as envisaged earlier. There is therefore a need to organise a meeting such as was held at Jagatsukh, at Prini, as also at Shuru and Aleo, so that all the critical points can be discussed in a relatively neutral atmosphere. We were told that Prini villagers are generally in favour of the project since they stand to gain handsome compensation for their lands. However it is not clear whether they have been properly explained the entire implications of the project, and whether Prini's women have had a chance to articulate their opinions. The women at Jagatsukh raised the need to organise a joint meeting with the women of Prini (who they said were otherwise shy to speak up) so that common issues can emerge. Such a meeting could then also include women from Shuru and Aleo. **We would strongly recommend pre-public hearing meetings at Prini, Shuru, and Aleo, of the nature of Jagatsukh, as also a combined meeting of women from all these settlements and Jagatsukh.**
- (ii) As mentioned above, though an attempt was made by ERM representative to explain the project, impacts and mitigatory measures in Hindi, there were several times when technical terms were used and that too in English. As a result the points may not have

gotten across completely to the villagers. **We recommend that a proper preparation is done before such meetings to ensure that points can be explained in simpler terms and in Hindi.**

- (iii) The ESIA document is detailed and clearly states some of the impacts. But there are a number of issues, as has also been pointed out by the villagers, which will need to be elaborated, clarified and/or updated. ERM seemed open towards an exercise of that kind, and repeatedly stated that it would complete such studies for “the final report”. However, one basic problem is that the ESIA seems to work on the assumption that the project is definitely going to come up and the impacts need to be mitigated. **Our recommendation would be that a fuller ESIA is conducted as a pre-requisite to consideration of funding the project. This should be based on data collected over a period of at least one year, and involving the local villagers more intensely. This should cover all the aspects raised by villagers above (pl. also see additional observations by Kalpavriksh below). This ESIA (and not the current one) should then be used to assess the irreversible impacts, the feasibility of available beneficial alternatives to the villagers, and the overall viability of the project. The ESIA needs to clearly highlight the impacts that cannot be ameliorated.**
- (iv) The issue of water availability is clearly critical, especially for Jagatsukh. We would recommend that **a study on the current and possible future requirements of water by the villagers (based on actual measurement of use and need) be carried out** to determine whether indeed the proposed amount to be released by the project is adequate. Such an assessment seems to be missing from the ESIA; also not assessed is the possible impact of the project on groundwater levels on both sides of the stream, which is presumably being fed by the stream at present. ERM’s idea of a walk up the streams with the villagers to identify sites and issues of concern, is a good one, and would be needed as an essential step in completing the ESIA.
- (v) **The project should proceed ahead only if there is full consent of the villagers at Jagatsukh, Prini, and other affected villages.** In particular, since Jagatsukh seems to be the village most affected, its consent is critical. In addition, if and when the project proceeds ahead it should be done after putting clear, transparent and independent compliance measures into place. The present monitoring mechanisms suggested by ERM do not appear adequate. We suggest that appropriate compliance monitoring measures should be arrived at with the villagers, rather than externally deciding on committees and measures and expecting villagers to take part in the same.
- (v) **We also recommend that the ESIA documents includes a section on the impacts and compliance experiences from other similar projects in the region** and build from their experiences. Concerns emanating from such projects were repeatedly brought up by the villagers, hence also the need for such a section.
- (vi) To maintain full transparency, and to inform villagers, **we would recommend that this report be urgently translated into Hindi**, and circulated to the villagers before the public hearing.
- (vii) Given the need for more pre-public hearing meetings as mentioned above, and also given that a full ESIA should be available for public review before a public hearing, **we would recommend that the public hearing be postponed till after at least these two steps are taken.** A public hearing in the absence of full information to the public would be improper.

5. Additional observations by Kalpavriksh (independent of the village meetings)

Kalpavriksh members who were part of the exercise read through the relevant documents of the project including the ESIA. Following are some observations based on such a reading, and on conversations with Company representatives, ERM representatives, the NGO SANDRP's Himanshu Thakkar, and Shekhar Singh:

- (i) **Assumptions of the ESIA:** The ESIA is clearly written with the assumption that the project is a *fait accompli*, and that its main task is to suggest mitigatory measures. This is one reason why, even when it finds irreversible impacts or impacts that may not be possible to mitigate, it simply suggests that mitigatory measures be taken, or that further studies be done. Kalpavriksh has requested a copy of the Terms of References (TOR) issued for the ESIA either by IFC or the Company. We are given to understand that ERM was asked to review and update the ESIA, assess impacts, and suggest mitigatory measures. It was not their understanding that the ESIA should also feed into an overall assessment of the feasibility of the project; in other words, that the project was not a *fait accompli*. **This is a serious flaw; any ESIA must be geared towards feeding into an overall assessment of the feasibility of the project itself.** It should therefore point to impacts that are not possible to mitigate, or whose mitigation would only be partial; it should also thoroughly assess the feasibility of ameliorative measures being suggested. The current ESIA does not adequately do this. Nor, it seems, were the local people consulted while finalising the TOR of the ESIA, which reportedly is a requirement by IFC.
- (ii) **Faulty clearance:** The forest and environmental clearance of the project has been granted based on an incomplete ESIA. Further, there is no full ESIA of the proposed transmission line, and of the impacts of a proposed road construction in Hamta settlement. A full understanding of the environmental impacts of the project cannot be determined without looking into the impacts of the transmission line which, as per ERM's preliminary investigation, is likely to cut across considerable amount of forest and pasture land including near two wildlife sanctuaries; similarly an understanding of the social impacts of the project cannot be obtained without looking at impacts on Hamta. **We are shocked that the Ministry of Environment and Forests could give clearance to the project without a full ESIA, and with no ESIA at all of the transmission lines, given that this is an essential component of the project.**
- (iii) **Specific inadequacies in the ESIA:** There are number of discrepancies in the present ESIA which need to be rectified: (a) One of most important is that there is no complete baseline survey of the **aquatic life** of the Allain and Duhangan streams. For the Duhangan stream the ecological data is only for fish and that too collected only in winter months. This baseline data is not enough to determine the real impact on the aquatic diversity in the stream (especially downstream), and further to state what is the minimum flow required so that aquatic life can survive. ERM could not answer the question of why it assumed that a minimum flow they recommended (which in one case was only one-fifth of the current minimum flow) was adequate to maintain the ecological integrity of the stream. This is extremely critical. It is not adequate to recommend a full year assessment (as ERM has done) once the decision on the project is taken and construction starts; such an assessment is needed as part of the judgement of the feasibility of the project. Suppose, for instance, it is found that the flora and fauna in/around the stream is unique, and would survive only if the full or most of the current flow is maintained? This would surely affect the viability of the project! (b) Secondly the **cultural impacts** (including the spiritual association) has been very

weakly dealt with in the ESIA document. We understood from the discussions with the Company representatives they were prepared to go to great lengths to resolve social impacts, but ecological considerations were not much of an issue to them at this stage. This is not acceptable as both social and ecological aspects are important. (c) There is no assessment of the **impacts of loss of forests and other lands on the livelihood or cultural dependence** of the villagers on such lands; indeed the statement that common lands are not to be affected is erroneous, as both waterbodies and forests are common lands on which villagers are dependent. This is needed for a full ESIA. (d) The assessment of the **precise number of villagers and property to be affected** is as yet incomplete, and needs to be completed as part of a full ESIA. (e) There is no assessment of the **impacts on agricultural biodiversity**; the ESIA talks only of apples. However it seems that there are a number of other crops being grown on the lands to be acquired, or the lands that may be affected by dust or other impacts, and it is important to know what the impacts of the project might be.

- (iv) **Assessments by NGOs:** Critical assessments of the ESIA and the clearance procedure by non-governmental organizations like SANDRP, would be valuable while updating and completing the ESIA document. In particular, we would concur with the points made regarding inadequate assessment of alternatives, unwarranted assumptions regarding compliance in the absence of a clearly defined and independent compliance procedure, and the lack of assessment of cumulative impacts of the various projects in the Beas basin.
- (v) **Consent of the villagers:** Given that loss of forest land is involved, the project invokes the requirement of the Government of India to obtain Am Sabha clearance (vide letter cited above). In any case in the spirit of decentralisation such consent from the villages would be needed for development projects that affect them. **We recommend that such consent be obtained from each of the affected settlements (i.e. from their gram sabhas or panchayats) before a decision is made on the project.**
- (vi) **Compliance mechanism:** If this or any other project in the area is finally decided upon, it must have built into it a mechanism that can independently monitor the status of compliance, *and be capable of stopping operations if violations of conditions are detected.* Monitoring measures are mentioned in ERM's report, but measures to ensure compliance need to be specified. This is a chronic weakness in the case of development projects in India, where the government or private entities are happy to give all the promises needed to get clearance, but are shockingly bad at following up on these promises. In the case of dams, for instance, the MoEF's River Valley Assessment Committee had found that almost 90% of dams cleared were in violation of compliance conditions...and yet in none of these cases had action been taken against the project authorities.

Overall, though we are appreciative of the attempts made by the Company and ERM to be open to a consultative process and to revising their plans and documents, we strongly feel that IFC should not consider funding this project till the above steps are taken. In the absence of a full ESIA, a full assessment of alternatives, the explicit written consent of the affected villages, and a credible plan for compliance, providing funds for the project would amount to a violation of basic ecological and social requirements.

9 May, 2004

IFC Letter to Kalpavriksh

April 26, 2004

Mr. Ashish Kothari
Kalpavriksh - Environment Action Group
Apt. 5 Shree Datta Krupa
908 Deccan Gymkhana
Pune 411004, India

Dear Mr. Kothari,

The International Finance Corporation (IFC) is the private sector arm of the World Bank Group. IFC is considering financing a 197 MW run-of-river hydropower project on the Allain and Duhangan nullahs near Manali in Himachal Pradesh. The promoter of the ADHEP project is the Rajasthan Spinning and Weaving Mills, Ltd. As part of the ongoing consultation with people living in the project area, the project promoter is sponsoring a series of focus group meetings to be held in various locations within the project area between April 30 and May 2. The purpose of these meetings is to explain the physical impact of the project components on the local human and natural environment to as many project affected people as possible. The goal of these meetings is to ensure that the local population will be adequately informed about the project to participate in the larger-scale public meetings concerning the project scheduled for May 20 and 21.

To ensure that these focus group meetings provide a balanced and comprehensible explanation of the project to the local population, IFC invites you and other members of Kalpavriksh to participate in these meetings as neutral observers and facilitators of information dissemination and discussion with affected villagers. We understand that, if you accept this invitation, you and any other member of Kalpavriksh will participate in the focus group meetings on a voluntary basis, and that you will receive no remuneration from either IFC or the project promoter. We also understand that involvement in this exercise does not in any way affect Kalpavriksh's right to take an independent position regarding the project, before or after the village level focus group meetings.

Should you accept this invitation, IFC will welcome your views on the effectiveness of the project's public consultation process.

Sincerely,



Richard English
Senior Specialist
Environmental and Social Development Department

Annex 5

May 7, 2004

Sub: Allain Duhangan Hydroelectric Project – Focus Group Consultations with Village Jagatsukh as per IFC requirement

Minutes of meeting held at 12:00 am at Village Jagatsukh, Tehsil Manali, District Kullu, Himachal Pradesh on May 1, 2004 to discuss the project, impacts and suggested mitigation measures as proposed in the Environmental & Social Impact Assessment Report (ESIA) of the 192 MW Allain Duhangan Hydroelectric Project (ADHEP) with the villagers.

PRESENT

Kalpavriksha

Sh.Ashish Kothari/ Ms. Neema/ Ms. Kanchi Kohli

Environment Resource Management (ERM)

Sh. Sushil Handa/ Mrs. Neena Singh/ Sh. Lalit Kumar

Rajasthan Spinning & Weaving Mills Ltd. (RSWM), LNJ Bhilwara Group

Sh. Sharad Kumar/ Dr.J.K.Thakur/ Sh.D.K.Singh/ Ms. Shivani Maudgal/ Sh. Rakesh Sharma/ Sh. Cherring

1. Kalpavriksha introduced itself to the gathering as an independent observer and explained the purpose of this meeting as an effort to provide information to the villagers on the ADHEP so as to prepare them for the meeting on the May 21, 2004. It then requested ERM to explain the project to the villagers.
2. ERM explained the project layout through a chart and the impacts it had studied for Jagatsukh in the ESIA due to the construction of the road and disposal site. ERM explained that the land negotiations were not being covered in this meeting. It was observed that out of the 10 ha. of pastureland at Khanun, only 1 Ha. was to be acquired for the project's plant area. Apart from this, about 1300 trees were to be felled for the project.
3. A villager asked to confirm if the release of 150 lps of water would be sufficient to take care of the water needs including irrigation and ecology of the Duhangan.
4. ERM informed that presently there is a combined water flow of 100 to 120 lps in the left and right bank irrigation channels (kuhls) and informed villagers of water available through other perennial channels flowing downstream the proposed diversion structure on Duhangan stream. It was also explained that more details will be provided in the final ESIA documents. ERM also talked of other probable impacts of concern like the safety of women, economic gains and losses due to the project, fear of land slides, prevalence of diseases, etc.
5. ERM explained the various environmental impacts of the project including the commitment to develop 64.334 ha of degraded forestland in lieu of the 32.167 ha. of forest land being acquired for the project. It was observed that the Company was

bound to afforest 800 ha of the catchment and develop 200 ha of pastureland. The arrangement of proper sanitation facilities and provision of fuel wood to the labour force had also been provided for in the project. For the issue of increase in dust levels during vehicular movement, road cutting and other project works, water would be sprinkled over the road to settle the dust, tin roofs would be provided to the near by residents to muffle the noise. To stabilize the soil, check dams would be built wherever required. The blasting of tunnels would lead to noise pollution and ground vibrations. To mitigate this, the timing of the blasting would be communicated to the villagers to forewarn them about the blasts and advanced technologies like detonator delays would be used that would lead to zero impacts after about 80 m of the blast point. The tunnel excavations would lead to generation of 10,35,000 cum of muck of which 30% would be used in the road and 70% would be put in the three disposal sites at the Hamta Potato farm, near the proposed switchyard area and in the land near the crusher in Jagatsukh. ERM informed the villagers that a quick construction period was the best route to minimize the duration of the maximum impacts on the people and the wildlife. The major impact was on water and it was stated that the Company would maintain electronic and manual monitoring of the discharge released from the intake points for maintenance of irrigation needs and ecological sustenance downstream. It was suggested that the Company and the village committee would monitor the daily discharge data to ensure that the promised discharge of 150 lps was being released.

6. ERM also offered to take the villagers on a walk up the Duhangan so that they could point out their concerns and offer suggestions to chart out a better location, if necessary for the plant area at Khanun. ERM also clarified that an independent monitoring committee that included IFC and other external agencies would monitor the Projects commitments made to the IFC.
7. Sh.Amarnath Thakur, Vice President, Jagatsukh enquired if the current meeting was based on practical issues or was only theoretical. For example, there were no toilets for the labour in Allain.
8. RSWM clarified that all the mitigatory measures were applicable for after the start of the project. The current problem of sewerage was being faced because the project was facing start-stop situations and there was no land on which treatment systems could be set up. The Company's idea was to use local labour in the pre-construction stage to avoid problems of sanitation.
9. A villager said that the local contractor might not be able to fulfill the Company's formalities and therefore there was little possibility of locals getting jobs
10. RSWM clarified that it had taken permission to trace cut for the road and build retaining walls from the forest authorities. It was also explained that initially, the Company did not keep any formal conditions to allow as many local contractors to work as was possible. However, the Government has set down some norms for employing labour, for example, issue of labour license to the contractor, etc. without which, the Company could be liable for prosecution under the law. RSWM also said that initially, it was felt that giving work to the local contractors would help them in obtaining experience certificates to meet the government labour laws.

11. A lady villager said that on January 11, 2004, the labour had cut six trees overnight for making their tents.
12. The Jagatsukh Pradhan commented that the blasting and excavation would lead to a dust layer settling over the leaves of the trees.
13. ERM explained that the spread of dust levels would be controlled using water sprinkling measures and other mitigation measures. Apart from this, ERM also said that two streams were already running on the left and right banks of the Duhangan and this water flow would be maintained at all times.
14. The villagers said that this water was less than the amount required to meet their needs even on the current date.
15. ERM suggested use of retaining walls in baffle arrangement within the Duhangan stream to delay the flow time of the stream water thereby allowing it to permeate into the riverbed and recharge any underground channels and allow the villagers to take the water. ERM also said that the Company was committed to maintain the water flows in the stream at the level prescribed in the ESIA.
16. The Pradhan said that the village wanted an agreement with the Chairman of the Company to be satisfied that the Company would meet its commitments as specified in the ESIA.
17. RSWM explained that only IFC could give such a commitment to the villagers as it would finance the project based on the commitments specified in the ESIA.
18. Sh.Dinesh Sharma listed out the following points for consideration:
 - a. Why there could not be two different projects on Allain and Duhangan streams?
 - b. IFC is an eye-wash because it did not react in the stone throwing incident.
 - c. The Company's experience in rehabilitation with Malana HEP is not good.
 - d. The ESIA report is biased in favour of the Company.
 - e. The ESIA is an incomplete report and the public hearing for the project has not been done upto now.
 - f. The environment baseline data was conducted in winters and not done in the other seasons.
 - g. The ESIA does not talk of the impacts on pastureland and felling of trees and the impact on the people who are losing land growing crops other than apples.
 - h. The cumulative impact of the projects on Beas basin have not been studied.
 - i. How does the Company ensure safety of women from the labour force?
 - j. The project tunnel runs over the Pahali stream and there is a danger of leakage from the tunnel because Malana HEP's tunnel also had leakage.
 - k. Cultural issues
 - l. Muck disposal on pasture land
 - m. The source of water to be affected.
 - n. The NOC given by the village is not valid.

19. Kalpvriksha asked Sh.Dinesh Sharma to put up his points one by one so that they could be answered.
20. Sh.DS said that the water of the Duhangan had religious attachments and related an episode in which a bus fell down because of the curse of Hidimba Devi. He said that the villagers performed sacrifices in this water and misuse of the Duhangan would amount to playing pranks with the Devta (God) and therefore, the villagers need water in the stream.
21. A lady villager said that if there was no rain, then the land gets dry and what would the villagers do if there were no water in the stream?
22. ERM explained that the ESIA based its study on the minimum water level observed in the Duhangan in the last 22 years to prevent such a situation.
23. A villager (Sh.Thakur) mentioned that the water survey data was not provided in the ESIA.
24. ERM replied that Himachal Pradesh State Electricity Board had conducted the study, which had been used to arrive at the water figure to be released into the Duhangan.
25. Another lady villager said that the Duhangan was sacred and was known as Dhaumya Ganga.
26. Sh.Thakur said that the construction period was of six years and there was also a dumping site at Khanun.
27. RSWM explained that the forest clearance accorded to the project specified that no forestland may be used for disposal sites. Thus, the disposal sites had to come on the private land only.
28. Sh.Chand Kishore said that the ESIA was wrong on the following accounts and therefore could not be trusted:
 - a. Personal source of water
 - b. Private land has not been acquired yet the ESIA says that the private land has been acquired
 - c. The number of primary schools in the panchayats of Prini and Jagatsukh is specified as two in the ESIA whereas, Jagatsukh itself has three primary schools.
29. Mr.Ghanshyam (Sunder Mahanat) said that the glacier fed rivers in Himachal are melting due to global warming. He said that according to the survey carried out by an association called Sagar-Matha, the glacier – fed Himalayan rivers would dry up.
30. RSWM said that the life of the project is 40 years and after that, it would go back to the government.
31. Kalpvriksha intervened and asked RSWM to answer Sh.Dinesh Sharma's query on the possibility of having two projects on the two streams.

32. RSWM explained that the idea of setting up a hydropower project at a particular location becomes viable only if the common man can buy the electricity generated by the project, i.e. the financial costs involved are fairly sustainable. RSWM said that projects like the infamous ENRON where the cost of each unit was Rs.7 was unviable and had to close down. The ADHEP in its present form was ranked at No.2 in the technical assessment conducted by the Central Electricity Authority. Setting up another project on Duhangan would mean construction of a separate pressure-shaft, powerhouse, switchyard, transmission line system, etc. which would increase the project cost by a margin that would make it totally unviable. RSWM stressed that the viability of the project remained only when the waters of both Allain and Duhangan were tapped together.
33. Sh.Dinesh Sharma enquired on the arrangements that would be kept for irrigation and drinking water.
34. Another elderly villager Sh.Balak Ram said that water was the biggest issue and asked what would happen if Kala nallah would dry up and could the Company give in writing that it would ensure that water was provided to the villagers.
35. RSWM agreed that the issue of water was the basic issue and informed the gathering that the Himachal Pradesh Government had taken an undertaking from the Company on stamp paper to ensure compensation of riparian rights in case the Duhangan and Kala streams dry up due to the implementation of the project.
36. After this, there was utter confusion and everyone started talking at the same time. The Jagatsukh Pradhan, Ms.Meera Sharma intervened and said that this was a question answer session and it should not be converted into a physical combat.
37. Sh.Balak Ram explained that he wanted a 5-foot wide road at Khanun and two bridges over the Nalini and Kala streams so that he could have access to the pasturelands. He also confirmed that the project was not acquiring any villagers home and that the project colony would not be built at Jagatsukh.
38. RSWM confirmed that no villagers' home was being acquired and the colony was not at Jagatsukh.
39. Another villager enquired about the authenticity of the HPSEB measurements and wanted to know if the company had made its own measurements.
40. RSWM said that the HPSEB data was authentic and covered a span of 22 years. The company had also collected the daily hydrology data for Duhangan stream over the past two years and this could be made available to the villagers if so required.
41. Sh.Dinesh Sharma enquired how the Company had determined how much water the villagers consumed for irrigation and drinking water?
42. ERM explained that the study on hydrology was based on facts and figures compiled for the area. It was informed that the although the Town & Country Planning

Department had asked for 100 lps of water in the Allain and Duhangan streams, the Company would be releasing 300 lps of water in the two streams.

43. Sh.Dinesh Sharma asked why only one season's baseline data had been collected in the ESIA?
44. ERM explained that one more season's data was to be included. Additionally, the fisheries in the two rivers were to be monitored for a 12-month period.
45. Sh.Dinesh Sharma asked that the pasturelands developed by the Company would grow after years. Till then, how was the livestock going to get its fodder from?
46. RSWM said that it agreed that the roads were cutting into the villager's footpaths. However, it must be kept in mind, that out of 12 km of road, only the first 4 km would disturb the footpaths for which also, alternate routes are available.
47. A lady villager said that the alternate paths went through or around the fields of other villagers and they did not allow them to use these paths.
48. An elderly lady intervened with a emotional statement that the Company could take their blood, but the villagers would not give the water.
49. A villager asked what fodder would be grown in the pasturelands to be developed.
50. RSWM clarified that the pasturelands would be developed in consultation with the forest department and indigenous species that could sustain the climate would be grown.
51. Kalpvriksha enquired if the digging of the road could dry up Chorpani (hidden drinking water source)?
52. RSWM explained that the road in the section was being built using filling and not cutting and it was at a distance of 50 m from the river hence the possibility of water dryingup was minimal.
53. Sh.Dinesh Sharma asked that although a family wise survey had been conducted, there were no indicators of how much compensation was to be provided to each affected family.
54. ERM said that the first survey was conducted over a sample of 25% of project-affected families to develop a broad plan. Subsequently, a census survey has been conducted to ascertain the impacts on each family.
55. A lady villager said that even if someone's land was not being acquired, the project could still affect such persons.
56. ERM said that the common problems faced by the villagers were being recorded in all the consultations held uptil now and solutions to these problems were being formulated.

57. RSWM explained that the labour colony was temporary and would be set up by the contractor after leasing land and the permanent colony that would house the project staff would be located near Prini.
58. Smt.Meera Sharma said that the 15 member labour force under one contract had felled 6 trees and used them to make their tent. They were also using the top of the water tank as a toilet and she complained that the villagers had to drink bad water the day it had happened.
59. Sh.Dinesh Sharma said that the impact on the apple tree would happen whether it was acquired for the project or not.
60. ERM said that some compensation could be provided for the particular period of time if the generation of crop decreased during the construction period of the project.
61. Sh.Dinesh Sharma asked how the project would impact tourism?
62. ERM explained that the area over Jabri was accessible via helicopter and there was a trekking route that went up till the barrage. The project road would allow more and more tourists to come up till the skiing point.
63. A lady villager said that the Larji project had set up a bad example for muck disposal and the Malana – II project had not rehabilitated the people.
64. Sh.D.Sharma said that the influx of 2000 people may compromise the safety of women.
65. ERM said that all these concerns had been written in the ESIA. The project had made a provision for fuel for labour force, proper sanitation facilities and health check-up of the labour force and their treatment.
66. A lady villager said that in parbati, a lady was abducted by a project person. She asked what guarantee could the company give because the village women had to go to the forests all alone to gather fuelwood, etc.
67. Sh.DS said that the tunnel adit would go right up to the village and if the water leaked in it, then the safety of the village could be compromised.
68. RSWM explained that the project had tunnels because the rock was strong. The tunnel adit would be plugged using concrete and therefore, there would be no chances of water leakage.
69. A villager asked if seismic activity could lead to cracks in the rock and the possible damage to project components.
70. RSWM explained that the rock in the project area was strong and made of granite. It could sustain the seismic activity. RSWM also explained how seismic activity occurs in the tectonic plates using a sheet as an aid.

71. A lady villager asked why cloudbursts have started occurring after interventions such as Hydro Power projects?
72. RSWM replied that cloudbursts always occurred but it was just that it came into media focus only after incidents of labour camps (generally situated at vulnerable locations) getting swept away resulting in loss of lives.
73. Another villager said that the Duhangan route to Chandratal was famous for trekking and that would be disturbed because of the road.
74. RSWM explained that the Duhangan trekking route and the road were the same only till the first 4 km and then the road diverted away from the trekking route.
75. The Ex-Sarpanch of the village said that the local residents would have to face the same problems as the labour force. However, the labour force will get medical facilities in the permanent colony, but what would the villagers get?
76. ERM said that the idea was also to set up and enhance the existing health treatment facilities for the villagers.
77. Another villager said that the facilities should be of the PGI, Chandigarh level. He said that the dispensary available at Malana HEP was already available at Jagatsukh. He also said that out of One lakh trees that would be planted, only 10,000 would survive. So how would the Company ensure that adequate afforestation was carried out? He said that there was a difference between what the Company said and did.
78. RSWM agreed that there was a difference between what the Company said and did because the Company actually did more than it said it would. RSWM informed that at Malana HEP, the Company had made a school building and a playground for the school kids. Two dispensaries were opened and their treatment facilities improved by providing funds for X-ray machines and the Kullu Health Center.
79. Kalpvriksha wrapped up the meeting and brought out the following pre-covered points:
 - a. The trust of the villagers on the Company and the commitment levels of the Company would have to be ascertained.
 - b. A discussion on the water requirement in the two streams diverted from Duhangan was required.
 - c. The approach to the pasturelands was to be studied.
 - d. It was noted that the labour camps would be far away but during construction, there would be intermingling and that would have to be taken care of.
 - e. The impact of dust settlement on the Apple trees during construction activity should be assessed.
 - f. Whether the increase in tourism was in the interest of the villagers or not?
 - g. Whether any more health facilities were required?
 - h. The issue of land compensation.
80. A villager said that the NGO's had been a party of the Company and said that he was with the project and also against the project. The villager said that the project required

a big sewage treatment plant. He also said that a committee to save the trees even within the project area should be formed that should include the village Panchayat, the Mahila Mandal and individuals employed to protect the forests.

81. The Ex-Pradhan said that the village always took its decisions through the Gram-Sabha. He said when he was the Sarpanch from 1995 to December 2000, the NOC that he had signed was in his individual capacity as Pradhan and the Gram-Sabha had not passed the NOC. Therefore, he said that this NOC was not truly authorized.
82. The Pradhan, Smt.Meera Sharma said that the proceedings regarding employment facilities to the Jagatsukh people were sent to the Company by the village but there was no response from the Company till date.
83. Kalpvriksha said that the Hindi translation of the document should be provided to the villagers.
84. The Pradhan said that the entire village would feel the impacts of the project even if the land being acquired for the project was of only four people.
85. RSWM clarified that according to the Implementation Agreement it had signed with the Government of Himachal Pradesh, the people whose land was being acquired or the project were the vulnerable families and at least one member from each of those families was to be provided employment in the project. Out of the remaining families, RSWM asked the Pradhan to provide the Company with a list of names of the people who were qualified, for example, BA, MA or skilled people like drivers, etc. and had the will to work so that the Company was aware of them and could offer them work whenever it was available.
86. A lady villager asked what would happen to the people who were uneducated?
87. RSWM replied that the people who were skilled and knew work, should work.
88. The meeting concluded with RSWM and Kalpvriksha thanking the gathering for their time.

Annex 6

May 7, 2004

Sub: Allain Duhangan Hydroelectric Project – Focus Group Consultations with women of
Village Jagatsukh as per IFC requirement

Minutes of meeting held at 3:00pm at Village Jagatsukh, Tehsil Manali, District Kullu, Himachal Pradesh on May 1, 2004 to discuss the project, impacts and suggested mitigation measures specifically on women as proposed in the Environmental & Social Impact Assessment Report (ESIA) of the 192 MW Allain Duhangan Hydroelectric Project (ADHEP) with the villagers.

PRESENT

Kalpavriksha

Sh.Ashish Kothari/ Ms. Neema/ Ms. Kanchi Kohli

Environment Resource Management (ERM)

Sh. Sushil Handa/ Mrs. Neena Singh/ Sh. Lalit Kumar

Rajasthan Spinning & Weaving Mills Ltd. (RSWM), LNJ Bhilwara Group

Sh. Sharad Kumar/ Dr.J.K.Thakur/ Sh.D.K.Singh/ Ms. Shivani Maudgal/ Sh. Rakesh Sharma/ Sh. Cherring

1. A lady villager said that the main problem with Jagatsukh was the impact of the project on women. She said that the women went to the forests to search for medicinal plants, fodder and even on picnics. She expressed fears that with a labour force of 2000 men working on the project, the women would be highly insecure throughout. She cited the example of Delhi where a foreign tourist was abducted, robbed and murdered by the taxi driver.
2. ERM said that the ESIA report had observed the above and asked the villagers what they thought could be done about this?
3. Another lady villager said that road of the project was a trekking route and also cut into the route to the pasturelands.
4. Another lady villager said that the Duhangan stream was special and it is mentioned in the Dev-Bhagwati. She said that the villagers performed their sacrifices etc. on the waters of the Duhangan.
5. Another point was raised of the labour force that would create competition for the medicinal plants, lay traps for the wild animals and eat them.
6. ERM asked the women if they had planted some trees as part of some development programme in the village.

7. The women said that they had planted them but they did not survive. They said that rice could not be grown in the area anymore because the water was not enough.
8. A lady said that she needed neither the project's money nor the trees because after the project comes, a woman would not be able to go up alone to the forest to do her work.
9. The villagers asked Kalpvriksha where they came from and whether they were part of the Company.
10. Kalpvriksha said that it was an environmental NGO based at Pune and Delhi. Sh. Shekhar Singh who had come to the site earlier had informed IFC that the villagers did not have much information. Therefore, Kalpvriksha had come here to help the villagers in understanding the impacts and mitigation measures given in the ESIA well enough so that they could raise informed questions on the meeting scheduled for the May 21st.
11. A villager said that the project had no good impacts, only negative impacts.
12. Kalpvriksha said that an external agency should ask the local people how it could make conducting the survey more easy for them.
13. A lady villager asked ERM to help the village women and expressed happiness to see three-four women in the independent team.
14. Another lady villager refused to sign the attendance sheet but asked ERM to write that the villagers did not need the project.
15. Kalpvriksha gave its address to the Mahila Pradhan of the Mahila Mandal.
16. ERM enquired that the Prini women would also face the same problems, so why were they not talking about these issues?
17. The Mahila Pradhan of the Mahila Mandal said that probably the Prini women could not visualize the impact of the project on their safety.
18. RSWM asked the women to show where the Devta places were located.
19. The women said that Gadra and Sankhnal were two villages and Jagatsukh held the rights to the forest on the other mountain.
20. A lady villager said that there was the problem of language with the labour force, as they would speak another language. She also said that she did not want jungle raj in Jagatsukh.
21. On being explained that the project was in the larger interest of development of the society a lady villager replied that they don't need any industry anywhere and they don't care for development and neither do they understand development. She said that Jagatsukh was self-sufficient and did not need any project.

Annex 7

May 7, 2004

Sub: Allain Duhangan Hydroelectric Project – Focus Group Consultations with residents of
Village Aleo as per IFC requirement

Minutes of meeting held at 11:00am at Village Aleo, Tehsil Manali, District Kullu, Himachal Pradesh on May 2, 2004 to discuss the project, impacts and suggested mitigation measures specifically on women as proposed in the Environmental & Social Impact Assessment Report (ESIA) of the 192 MW Allain Duhangan Hydroelectric Project (ADHEP) with the villagers.

PRESENT

Environment Resource Management (ERM)

Mrs. Neena Singh/ Sh. Lalit Kumar

Villagers

Sh.Roshan Thakur/ Sh.Daulat Ram/ Sh.Nihal Chand/ Few men and women

Rajasthan Spinning & Weaving Mills Ltd. (RSWM), LNJ Bhilwara Group

Dr.J.K.Thakur/ Sh.D.K.Singh/ Ms. Shivani Maudgal

1. The villagers showed an initial resentment to the project as they thought that the project had a dam and would lead to a water crisis.
2. ERM explained the project layout and the details to the villagers with the help of a chart.
3. A lady villager said that there were economic benefits from the project like increased market for milk, more tenants, etc.
4. Another villager said that the Aleo people had rights over the forest near the barrage area. He said that Prini village was affected only by acquisition of private land but Aleo was being affected as its forests were being acquired by the project.
5. RSWM suggested that the villagers should hold a meeting to understand the project and asked for contact details.
6. A villager said that the project would impact the apple business, as the pollution would reduce the apple crop. He said that the project would only give employment to those people whose land was being acquired. He wanted that the employment should be given to all the villagers because all of them would be affected.
7. Another villager asked whether there would a restriction on use of the project road.

8. RSWM explained that the project road would belong to the government and everyone could use the roads. However, the company would put up security posts near the project components for safety reasons.
9. A villager said that they had called a press meeting with the journalists on May 1, 2004 in which they had decided that they did not need the project. The press reporters from Amar Ujala, Punjab Kesri, Divya Himachal were called for the meeting.
10. Sh.Roshan Thakur, Devta Kardar said that he owned land near the project road but he was not interviewed.
11. ERM said that it would check up on this fact.
12. Sh.Roshan Thakur said that he had read a report circulated in the meeting held on January 6, 2004 by an NGO in which Aleo village was not even mentioned.
13. ERM clarified that the report must have been some other NGO's report because ERM's ESIA contained the detailed social profile of Aleo.
14. The villagers said that they took drinking water via a 6' pipeline from one of the tributaries of the Allain stream.
15. RSWM clarified that the project was not interfering with the tributaries of Allain stream.
16. The villagers said that a mini hydel scheme of the government was also coming up on the Allain stream that was acquiring land at a rate of Rs.84,000 per Biswa.
17. RSWM said that the mini hydel scheme was based on the perennial streams and would not affect the project. Doubts were also raised on whether such a scheme could co-exist with the ADHEP.
18. The villager asked about the benefits from the project and cited an example of Malana HEP where 300 people were initially working but only 3 people were working now.
19. RSWM clearly rejected this claim and said that it was wrong to say that only three people from Chauki were employed at the Malana site. Four people from Chauki were working at the ADHEP project site and twenty-five people from Chauki were permanently working at the Malana HEP site. In addition, the people who had left voluntarily had received Rs,50,000 and were given regular employment if they so desired.
20. RSWM suggested that the villagers must go to Malana HEP and see for themselves rather than believing in hearsay.
21. RSWM also asked the villagers to provide the Company with a list of names of people who wanted to work in the project.
22. The villagers confirmed that they would come to the project office and study the detailed ESIA reports in Hindi.

23. RSWM repeatedly offered that the villagers could meet Dr.J.K.Thakur and/or Sh.D.K.Singh at the project office to understand the ESIA documents.
24. The interaction with the villagers ended with a proposal to organise a meeting between the project staff and all the concerned villagers to describe the project components, understand the concerns of villagers and jointly identify the mitigation measures.

Annex 8

These reports on the Prini and Jagatsukh hearings are based on notes taken by the panelists and on the video recording made available by the Company. Though efforts have been made to ensure that all the important points raised are reflected in these reports, they cannot claim to be a complete record of the proceedings.

Prini

The Public Meeting at Prini village started at 11.15 am, on 20 May 2004. At the outset, Shri Chauhan, of the Rajasthan Spinning and Weaving Mills Limited (RSWML – henceforth called the Company) introduced the independent panel and the IFC representatives present at the meeting. He then handed over the meeting to the independent panel.

The panel introduced the objectives of the meeting, which were to identify the issues and concerns of the people regarding the ADP, to understand the solutions proposed by the company, to discuss whether the solutions proposed were acceptable to the people and, if not, to evolve acceptable solutions.

The panel also clarified that their role was to facilitate the discussion in a fair and impartial manner so that every one could have a fair hearing, and to finally summarise the discussions, agreements and disagreements, and decisions taken at the meeting. The panel would also, subsequently, prepare and circulate their report.

The panel, then, suggested a format for the meeting. They explained that they had compiled the various issues that had been raised by the people in the various meeting held in the past. These various issues had been classified under ten broad heads (see Annex 10 for details). These included:

- Security (especially of the village women)
- Impact on forests and the environment
- Employment for local people
- Impact on local economy
- Health concerns
- Impact on water availability
- Issues related to land
- Safeguards and implementation processes

If the people agreed, it was proposed that each of these issues could be taken up, one by one, in the order given above. For each issue, the ERM representative, with the help of a flip chart, could list out the concerns expressed by the people. The people could, then, add any

other concerns that they might have on that issue. After that, the Company could respond, with, where appropriate, their suggested solutions. The people could then express their satisfaction or dissatisfaction with the response or the suggested solutions. Where the people were dissatisfied with the response or the proposed solution, there would be a discussion on why they were dissatisfied. The alternate solutions suggested by the people would be discussed and an effort would be made to find a solution that was acceptable to all. The people were then asked whether they agreed with this proposed agenda.

At this point, Shri Gopal Singh Negi, a Prini resident, came to the mike and stated that he had been authorised by the villagers of Prini to speak on their behalf. He first stated that the villagers all agreed that electricity is necessary for our country and they were not opposed to the project. They also realised that wherever such projects have come up, people have been affected and rehabilitated. He went on to say that the villagers had discussed together and made a list of the various concerns they had. However, the villagers had decided that the most important issue was the price being given for the land acquired by the project. He stated that in an earlier meeting, where the Deputy Commissioner of Kullu (DC) was also present, it was agreed that Rs 75000 per biswa⁵ would be paid, by 15 October 2003, for the land being acquired. However, it is now May, 2004 and they have still not received the payment. He said that, as the Company had not respected the agreement, and the villagers have had to bear very heavy loss as a result, they also do not want to stand by the agreement and want to renegotiate the price of land.

Meanwhile, according to him, another company, that is setting up a 1 MW power station, has acquired land in Aleo, a neighbouring village, at Rs 82000 per biswa. Also, in their village, land was classified, based on revenue records, into three categories, and the rate of Rs. 75000 was applicable only for the best category of land. For the other two categories, a lesser rate was applicable. However, a flat rate of Rs. 82,000 per biswa has been paid for all the land acquired in the neighbouring village, irrespective of its quality. He further added that, as their land was far better quality than the land acquired in Aleo, the villagers had resolved that they would only give their land if they were paid a minimum of Rs. 150,000 per biswa for their land, with a uniform rate for all categories of land. He also stated that the villagers had further decided that until this issue was settled, they would not like to discuss any other issue.

⁵ One acre is equal to 20 *bighas*, and one *bigha* is equal to 5 *biswas*.

The panel suggested that, as the land issue was obviously the most important issue for the villagers, it could be kept for the end to ensure that it was discussed at length and perhaps the other issues discussed first. The panel also suggested that as the DC, who was the chairperson of the committee that had fixed the land price, was not yet here but was expected soon, perhaps other issues could be discussed till his arrival, after which the land issue could be taken up.

There seemed to be a view among the villagers that they would be willing to discuss other issues, but would not like to commit themselves to anything till the land issue was decided.

Accordingly, Shri Sushil Handa of the ERM was requested by the panel to present the concerns related to the first issue, that of security. Shri Handa stated that concerns had been expressed by the villagers about the security of women who go to the forest to collect fodder, fuelwood etc. He said that the concern could be addressed by one or more of the following measures:

- The company could hire security guards and deploy them at various places
- The police could establish a police *chowki* (post) in the village
- Labour camps could be located at a distance from the village

In response, Shri Karamchand, ex pradhan of Prini, asked the Company why they had not already taken steps to ensure the security of the village women, considering that workers had already been there for many months. Another villager, Shri Bhagat Singh, complained that the workers employed by the project were defecating in their orchards and fields, and creating a health hazard. He alleged that they were also defecating in the common lands, in the higher reaches above the village, where there were sites that were sacred to the villagers. These sites were being desecrated.

Shri Chauhan, of the Company, responded by saying that very few contracts were currently being executed, and most of these had been given to the local villagers themselves. He further stated that these workers were brought in by contractors, and had rented houses from the villagers. However, their rented accommodation did not have any toilets, and therefore they were using the open areas. He also clarified that, when project construction was at full swing, the labour colonies would be built at a distance from the villages and also have toilet facilities. Right now, as there were small contracts and the location kept shifting, it was difficult to provide toilets. He, however, assured the villagers that the company was willing to provide toilets, if some land was made available for these.

Regarding the security of the women, the villagers did not seem to think that the solutions suggested by the Company were adequate or appropriate. They felt that it was not possible to put a security guard with each woman. The panel then asked the village people to suggest a possible solution to the problem.

At this point, Shri Negi once again intervened and said that no further discussion should take place unless first the land issue was settled. This view point seemed to be supported by many of the villagers, who shouted their support for the proposal. Therefore, the public hearing was suspended temporarily, pending the arrival of the DC.

As soon as the DC arrived, the public hearing began once again. Mr Negi again went over the land issue and complained to the DC that the villagers had not got any payment for their land, despite promises and undertakings.

Mr. Chauhan, of the Company, explained that the money could not be disbursed in time as there was a complaint to the Himachal Pradesh Government that the Company was acquiring more land than required. Consequently, the Government set up a committee to enquire into the complaint. The committee had submitted its report and, after examining the report, the cabinet had only recently given its approval to the acquisition of land. The file conveying the approval of the government was expected back soon at the DC office and, as soon as it was received, compensation would be paid out. Therefore, the delay was not due to the fault of the Company. The Company further said that they had the money ready and, actually, they were also adversely affected as they could not start work for many months while waiting for government's approval. The DC confirmed this.

The DC also stated that the Rs. 82000 per biswa being paid in the neighbouring village was only for purchase of less than four bighas of land⁶. The amount of land being purchased was so small that even the DC was not involved and the purchase was finalised at the level of the SDM. Besides, it was purchase made through direct negotiation and not through acquisition. Therefore, that price should not form a basis for negotiations here, as nearly 150 bighas of land was being acquired here.

Responding to the demands of the villagers, the DC suggested that their rate could also be raised to Rs. 82,000 per biswa by adding the interest due to them. Though the interest for only six months was currently due, he requested the Company to pay interest for an additional three months to bring the payable amount to Rs. 82,000 per biswa.

⁶ One *bigha* is equal to 5 *biswas*

However, this figure did not seem acceptable to the villagers and most of them started shouting their disagreement and stating that if their demand was not met then they would not give their land.

In the middle of all this, a villager got up and said that he had made a deposit of Rs 50,000 for booking some land that he was to purchase from the compensation amount that was due to him. However, as the compensation was not paid by the due date, he has lost his deposit. Who will now compensate him for his loss. The DC took his papers and said that he will try and sort out all such cases and ensure that the people did not have to suffer such losses. He would try and get the two parties to agree and, if this did not work, he would ensure that the person was paid the amount on compassionate grounds. However, despite these assurances, the suggested price of Rs. 82,000 did not seem acceptable to the villagers and they all walked out en masse from the meeting, shouting that if their price was not met they did not want the project.

The DC then called some of the local leaders and asked them to reason with the villagers and to bring them around. After about half an hour, most of the villagers came back and said that they had discussed it among themselves and they were willing to reduce their demand to Rs. 100,000 per biswa, as a flat rate for all types of land. This was, however, not acceptable to the Company.

The DC then reminded the villagers that, in the initial negotiations, he had helped the villagers by increasing the rate from Rs. 50,000, which was the rate offered by the Company, based on the market price etc. of the land in the area, to Rs. 75,000, as a mid point between what the Company was offering and the Rs. 100,000 that the people wanted. He was willing to do that again, and proposed Rs. 87,500 per biswa, as the mid point between Rs. 75,000 that the Company was offering and the Rs. 100,000 that the people were demanding. Though the Company was initially reluctant, at the request of the DC they finally agreed to this figure.

However, the DC clarified, that this rate would only be applicable to the best category of land, and for all other categories, the rate would be in the same proportion as earlier. He clarified that this was as per the law and he did not have the authority to agree to a flat rate. He also informed the villagers that their land could be acquired giving only the official rate, which would be much less. They would then have to go to the courts for relief. He gave the example of another acquisition that was done in the area, where the people got only Rs. 30,000 per biswa, and went to the Sessions Court. The Sessions Court raised the amount to Rs. 60,000, but the government has gone in appeal to the High Court. And, if they lose in the High Court, they will then move the Supreme Court. The final sufferers are the people who

have to wait for a long time. Therefore, he suggested that the people accept the Rs. 87,500 agreed to by the Company, for the best quality of land, and lesser rates, in the same proportion as before, for poorer quality land.

Though this was not acceptable to the villagers, they said that they were willing to accept the rate of Rs. 90,000 per biswa, but only if this was a flat rate, applicable to all categories of land. This was not acceptable to the Company and the negotiations broke down at this point, with most of the villagers again walking off.

The panel then made an effort to persuade the people of Prini to discuss some of the other issues and concerns that they had. Though it appeared that some of the villagers were inclined to do this, they appeared to be intimidated by other villagers and asked to leave the meeting. So much so that some of the Prini villagers even started removing the chairs and asking every one to leave their village. They refused to let anyone else, including some villagers from Aleo, who had come for the meeting, to continue the discussion. The meeting had to be terminated because of the refusal of the Prini villagers to allow any further discussion or dialogue.

A brief discussion did take place with some of the villagers from Aleo village. They complained that the labourers were spoiling their water sources by using the area for defecation and also about problems with their pasture lands. The Company was subsequently requested to send a representative to check out the problems. As the Prini villagers were not allowing any discussion, the villagers from Aleo were requested to come and attend the Jagatsukh meeting next day, so that their concerns could be discussed. Unfortunately, none of them either turned up for, or spoke up at, the Jagatsukh meeting next day.

Annex 9

Jagatsukh

The hearing in Jagatsukh was scheduled for 11 am on 21 May, 2004. Though many villagers were present by 11 am, or soon after, most of them refused to sit on the chairs laid out for the hearing and insisted on sitting around the meeting place. The women mostly sat behind the *pandal* (the meeting enclosure), on raised platforms and many of them carried placards against the project.

Though an appeal was made to the villagers to come and sit in the *pandal*, they refused to oblige. The meeting started at around 11:35 am and a representative of the Company (Mr Chauhan) introduced the panel and other guests. The panel then addressed the villagers and reminded them that one of the panellists (SS) had visited their village about two months back and had asked them whether they wanted have a public hearing on the ADP. This hearing was fixed because they had expressed a desire to have a public hearing. Therefore, the panel hoped that the villagers would participate in the hearing. The villagers responded by saying that they wanted the hearing. They said that first they will listen and then they will speak.

However, before the panel could invite the Company and ERM representatives to start outlining the issues, various villagers spoke up. The villagers asserted their resolve not to let any water be taken from their stream to any other stream. One villager got up and said that water is the main issue. If the company promises that they will not take away our water, then we can go ahead with the hearing. He also wanted to request the world Bank to reflect on this issue. If the water is taken away, then we do not want the hearing. They also said that the no objection certificate claimed to have been got by the Company was not valid, as the 2/3rd majority has not been given.

At this juncture, some of the villagers objected to the presence of the two or three policemen who were present at the meeting. They wanted to know why the Company had called the police? What sort of a threat did the company apprehend in the village? The company representatives clarified that they had not called the police. In the middle a villager (Himanshu) said that the village has not invited the company to come and start the project here. All the villagers are apprehensive about the project as they do not have adequate information and feel that the project will have a negative impact on agriculture, apple orchards and our livelihoods. He also added that if the tunnel carrying the water burst, six villages would be inundated. He wanted that an independent panel should be set up whose

members would be appointed by the Gram panchayat to look at the project. The panel should submit its findings to the gram Panchayat, after which the Panchayat can take a decision..

One of the villagers said that water was the major issue of contention and this was the situation all over the country since even the Cauvery Waters dispute had been going on for quite sometime and had not been sorted out despite even the intervention of the Supreme Court.

The discussion then returned to the first issues to be discussed, namely the availability of water. The panel requested the villagers to allow the Company to respond to the people's concerns about water. Some voices from the back said that we do not want to listen to the company.

One of the villagers again got up and said that there are water disputes all over the country and none of them have been solved, especially the Cauvery, and the Punjab-Haryana dispute. He said that in future when there will be water scarcity, then all our agriculture will perish. He said that the ESIA report states that water will be released at 150 litres/sec in the Duhangan nala. He said that this amount of water is too little and will freeze in the winter before it reaches the village. He stated that in future they might have to get their drinking water also from the stream.. He also said that the company or the government can carry out lots of developmenet works but they cannot create water. He said water is essential for us and we do not want to compromise at all. He said a soultion should be found that our water remains here only . We need to ensure that for our future generation. The panel then requested the Company to respond to these concerns and requested the villagers to hear what the Company had to say.

Shri Chauhan got up and said that the surveys carried out showed that the two main problems were the village's drinking and irrigation needs. At this point the women sitting at the back protested. Since they did not have a mike, what they were saying was not totally clear, but by and large they also said that they were against the diversion of any water from the Duhangan Nala and were also worried about their security.

At this point the Deputy Commissioner (DC) of Kullu, who had just joined the meeting, intervened and said that he had also been informed that the people were protesting about the water that has to be diverted, so he has also come to this hearing, despite having many other pressing engagements. He also said that the project has come to Kullu with the Government of India and the state government's approval. Whatever is happening is being done under the law of the land. So the hearing should not be turned into a slanging match.

A villager (Himanshu) agreed and repeated his demand of a non-partisan and independent panel. He added that the costs of constituting such a panel and its investigations should be borne by the company. The DC intervened and clarified that the present panel was not representing the Company but comprised NGO representatives. Several villagers intervened at this point to say that unless their apprehensions on the issue of water were addressed, they would not agree to the project.

The panel then requested the Company to respond to the concerns that they had been raises so far, in order to take the dialogue further. Mr Chauhan took the mike and reminded the villagers that an informal dialogue process between the company and the villagers had been going on for over an year. He assured the villagers that any adverse impacts of the projects would be mitigated/neutralised by the company to the satisfaction of all parties. He told the villagers that if the project actually had significant adverse impacts on their life, then it would be much better if the project was not made at all. He mentioned that ERM India had been commissioned to carry out an investigation and had come up with an assessment of the requirements of water for drinking and irrigation. He further assured the villagers that the Company would ensure that their problems, if any, about the availability of water for drinking and for irrigation were solved, and solved in collaboration with them. He then requested Shri Sushil Handa, from ERM, to explain the water issue.

However, before Shri Handa could speak, Shri Haricharan Sharma, ex pradhan, Jagatsukh, got up and said that water is the main issue in this village. He said that he did not agree with the ERM report, which states that water availability of 150 litres/sec would be adequate for Jagatsukh. In fact he felt that this amount would not be sufficient for the village's irrigation and drinking water needs. He then went on to state that, therefore, the villagers would not allow the water of Duhangan to be diverted to Alain, under any circumstances. He also added that the stream has religious sentiments attached to it. It is called Dhaumya Ganga and all the devtas and rajas that cross this village have a bath in this holy stream.

He also said that the dust and gas, which will envelop the area due to blasting, will have a bad impact on our health as well as on our apple orchards. There was also, according to him, a possibility of leakage from the tunnel, like in Malana, that would pass over the village. He finally said that because of all this, the villagers were opposed to the project.

At this point the DC tried to intervene and asked the company to inform the villagers about the lean season flows. However, he was shouted down and one of the villagers again reiterated that the waters of the Duhangan Stream could not be allowed to be diverted under

any circumstances. He stressed upon the religious significance of the stream, and also said that even though solutions could perhaps be found for shortages of drinking and irrigation water, there could be no solution to mitigate the religious sentiments of the people.

Mr. Rana, another ex pradhan, stated that their glaciers were melting and, in future, the water will not be sufficient for both the project and their needs. He also reiterated that water disputes were taking place all over the country since water supply was going down and one example of this was the Cauvery water dispute which had not been resolved. In addition, he suggested that the government think of a development scheme in which there would be no need for the diversion of the waters of Duhangan Stream, unlike the current project. Jagdish Sharma said that the mountains in the area do not have hard rocks Therefore the tunnel is not safe. Shri H. Sharma, ex pradhan (May 1996-1997), claimed that the no-objection certificate (NOC) given by him on behalf of the Panchayat was only for conducting a survey for the project and not for the project itself. It was, therefore, given without the resolution of the Panchayat. A lot of people got up at this point and said that the NOC is not valid.

At this point, the present Sarpanch, a lady, got up and said that she had asked for a copy of the MOU signed between the company and Government, but had still not received it. How, then, could the Company expect the villagers to have faith in them. Another woman intervened and said that that she did not want to talk only about water but also about the security of women in the village. She questioned how the women would go to the forests safely once labour is deployed on the project works. She also felt that cloud bursts had taken place due to such projects in Jari. She ended by firmly and repeatedly stating that she as well as the other women of the village were totally opposed to the project and did not want it. Another woman reiterated the same points and then lots of women shouted out loud that they would give their blood but not the water.

Mr. Kamnath Rohit, another resident of Prini, stated that this nala has a lot of religious sentiments attached to it. Its water produced a crop of silver stalk and gold cob wheat. This is our Ganga and it is not wise to divert it. He also stated that in general all development projects have a negative impact which should be taken on board before carrying out any work.

At the request of the panel, Shri Chauhan read out the NOC and also showed it around to the people. The NOC was, in fact, for the project and specifically mentioned that local people should be given employment in the project. However, there were shouts from all around that the NOC was not valid as it was not given after a resolution of the Panchayat. At this point, the DC intervened and said that one should not bother about the NOC. He stated

that, as the NOC was not based on a resolution of the Panchayat, it was not valid. However, responding to a demand from a villager that the Company should be prosecuted for fraud, he clarified that the Company did not commit any fraud as they were not expected to know what was required under the Panchayati Raj Act. They accepted the NOC in good faith.

Since the people were getting very agitated, the panel again Singh intervened and requested them to allow the company to respond. He handed over the mike to Mr. Chauhan, who briefly described that even at the time of the leanest flow in the nala in February, there would be about 500 litres/sec of water flow available to the villagers. This was far beyond the requirements of the village. He also stated that the river would always have water in it. He then asked Shri Sushil Handa of ERM to make a presentation about the water requirement of the village. Shri Handa described the usage and availability patterns month wise, using the image of pipes of different diameters to show current and future water availability. Several villagers started asking questions of which one was on how old the data that had been used by ERM was. Mr. Handa responded by saying that the data had been compiled by the HP government over a period of 22 years. However, these data did not cover the last ten years as the Government of Himachal Pradesh had not collected data for that period.

Shri Himanshu and a few others interrupted him to ask whether the impact of the receding glaciers on water availability had been accounted for in the report and whether Shri Handa could tell them what is the rate at which the glaciers are receding.

Shri Handa could not answer this question. At this point, the DC intervened and asked Mr. Handa to inform the gathering about the trends of water flow in the past 8-10 years and if there had been a decline. Mr. Handa asserted that there had not been a decline in the water flows. Mr Handa also said that they had not studied either the rate at which glaciers were receding, or the impact, if any, that this might have on the availability of water in the stream. However, representatives of the Company clarified that their commitment to ensure that the promised amount of flow of 150 litres per second in the stream, downstream of their project, was unconditional. In case the flow became less in the stream, because of the recession of glaciers or any other cause, they would, if necessary, even close down the project in order to ensure that the promised flow continued downstream of the project. They were also willing to sign an agreement to this effect with the district authorities and the Panchayat.

Mr. Chauhan also stated that as the Company was going to do a lot of afforestation in this project, the glaciers will increase and not decrease. A local mountaineer said that this has been tried a lot but nowhere has it been successful. The glaciers have never increased anywhere because of afforestation.

Following the above, however, there was a lot of commotion and agitation among the people and a lot of villagers said that they had no belief in the company and started to walk out. The panel and the DC requested the people to give the Company a chance to respond to the issues raised and to not walk out of the hearing.

Another villager made the point once again that the waters of Duhangan should not be diverted and a project be designed in a manner in which electricity could be produced without diverting the water.

The villagers also expressed their apprehension about the Company implementing the agreement to release at least 150 litres/sec of water even at the cost of shutting down the project. The DC responded by assuring the villagers that there was no way that the Company could go back on implementing such an agreement that would be signed by the government as well as the Company. He also pointed out that this was so because the Company was dependent on the government for all manner of things including the various clearances that they need as well as for purchasing the power that would be generated.

Dinesh Sharma pointed to page 260 of the ESIA which states that during the construction and operation phase of the project, further studies on water use are needed. He wanted to know what these studies were and why would they be carried out then and not now. Dinesh Sharma also started saying that till the ESIA was complete they did not want a public hearing, but other villagers also started shouting at the same time. Mr. Handa clarified that there is a 5 year construction phase where the flow of the nala will not be disrupted. And during the operation phase, the company was bound to release atleast 150 litres/sec of water into the Duhangan Nala at all times. However, Mr. Handa was interrupted by another commotion.

When things got a bit quiet, a lady from the back of the crowd again said that the villagers did not want to give their water. At this point the panel again intervened and asked the villagers if they would want to have data collected through independent sources, as had been suggested by some of them earlier, since the dispute was on how much water the villagers actually need. However, the villagers said that the consensus within the group was that the project was unacceptable and that only an alternate project formulated without diversion of Duhangan would be acceptable. Another villager got up to say that the data in the ESIA was faulty since it shows a lean flow only in February, whereas the lean flow exists from January to April 15. This was followed by further commotion.

The DC got up and said that he would inform the government that the villagers are against the Alain-Duhangan project. However, the government would finally decide on what

to do since it also has the responsibility to generate electricity. He also said that the villagers should write to him and inform him about their decision formally. The villagers responded by saying that they had already given written petitions to him and the SDM.

One lady from the back again said that the ESIA has a lot of problems and issues like religious sentiments, biodiversity, security, water flows etc. have not been addressed properly. The DC again said that all these reasons should be given to him in writing in order to help the government to decide whether this project could go ahead as it is or modified. He also suggested that the villagers form a committee to negotiate with the government in future

Some of the villagers asked why so many projects were being set up in the Kullu District. They also said that these projects should be relocated to Lahaul and Spiti and other Districts.

The DC said that many rumours had been spread about the Malana Project and wanted to know whether there was any truth in these rumours. A person from Chauki village, which was affected by the Malana project, got up and said that there have been no disasters in Malana and that they all are living there without any problems. However, the crowd shouted that people from other villages would not be allowed to speak, and the microphone was taken away from him.

Mr. Chauhan described what benefits have accrued to the people in Malana and in Kullu district because of their project. An ex-pradhan said that we agree you can do all developmental works but can you promise us water after 40 years.

A person asked Mr. Chauhan if he could inform the villagers how many locals are employed in Malana project. Mr Chauhan read out some of the figures and then gave the papers to the DC. The DC read out the monthly report that goes to the government. According to that, out of a total of 99 people employed at Malana at present, 24 were from Jari, 36 from Kullu valley and 26 outsiders. However, another villager got up and said that no one needs jobs in this village as all are self employed. This was because of the abundance of natural resources in the area. He said that the villagers do not want the project as the project has a lot of adverse impacts. According to him, the Himachal Pradesh State Council of Science and Technology has carried out a survey in the project site and found over 30-40 unique species of flora and fauna. He said that this was a part of the National and local ancestral heritage and should not be destroyed for just a few megawatts of electricity.

He requested the NGOs and the DC that they should inform the relevant authorities about these impacts of the project. In addition, he said that many people depend upon the upper reaches of the area where the project was to be setup for their livelihood through

grazing and herb collection. He also added that it is not possible to reforest the area and bring it back to its pristine form as could be seen from where the forest department had tried to afforest a patch of forest that had been worked on by the forest corporation. He also apprehended that the vibrations and landslides caused by blasting of the rock face would have an adverse impact on the agriculture of the village. He also demanded that the forest department should be asked to explain how they have given a no objection certificate since the impacts on the forests and wildlife, which were a national heritage, would be devastating.

The lady who had earlier criticised the ESIA said that the World Bank should not fund the project until all the studies had been carried out properly and the reports disseminated to the villagers. Following on, a large number of people shouted that they do not want the reports as they do not want to give water to the project.

Despite efforts by the panel to get the people to discuss some of the other issues raised, the villagers did not want to proceed further with the hearing. Finally, because no progress seemed possible, the meeting was called to a close

Annex 10

ISSUES RELATED TO THE ADP, MANALI

SUMMARY

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
WATER		
<p>1. The issue of diversion and availability of water was clearly the one most worrying the villagers. They mentioned that the Duhangan stream is their only source of water. The Company's assurance that a minimum flow of water will be maintained in the stream (greater than what is being diverted by villagers in two <i>kuhls</i> or channels), and that in the years when there is a shortage, the Company will release more water, did not satisfy the villagers. They pointed out that the Company or ERM had not made an assessment of actual water being used by villagers, and that what they get now from the stream is already not adequate to meet the drinking water as well as irrigation requirements of the village. Over the years the availability of water is decreasing while the water needs are increasing. Under these circumstances, villagers felt that diverting the water will mean a very serious impact on the culture, everyday lives as well as livelihoods of the people.</p>		<p>The major impact was on water and it was stated that the Company would maintain electronic and manual monitoring of the discharge released from the intake points for maintenance of irrigation needs and ecological sustenance downstream. It was suggested that the Company and the village committee would monitor the daily discharge data to ensure that the promised discharge of 150 lps was being released. ERM suggested use of retaining walls in baffle arrangement within the Duhangan stream to delay the flow time of the stream water thereby allowing it to permeate into the riverbed and recharge any underground channels and allow the villagers to take the water.</p> <p>RSWM agreed that the issue of water was the basic issue and informed the gathering that the Himachal Pradesh Government had taken an undertaking from the Company on stamp paper to ensure compensation of riparian rights in case the Duhangan and Kala streams dry up due to the implementation of the project.</p>
<p>2. Drinking water supply to the villages will be affected. The village also has one main source of drinking water close to where the roads are proposed to be constructed by the company. This is called "Chor Pani", because it sometimes suddenly shifts position. Villagers fear that the construction and blasting activities will affect the aquifers and thus this water source. In addition, the presence of labour in that area will affect the quality of the water. These points (or that of the receding of glaciers) could not be addressed by the Company or the ERM; their main argument was that "enough" water would continue to be released into the stream.</p>		<p>RSWM said that the drying up of drinking water sources was a new issue that had cropped up and the project would consider various solutions to this issue.</p> <p>RSWM also mentioned that in October 2002, the Himachal Pradesh State Pollution Control Board conducted a study to ascertain the sources of underground and surface waters. After this study, the HPSEPPCB has taken an undertaking from the company that in case of any adverse impact on the water sources, the company will fulfill the water shortages.</p> <p>The villagers said that such an undertaking should also be signed with the Prini village.</p>
SECURITY		
<p>3. Women regularly go into the forest to collect herbs, grass, fodder and for cattle grazing. Many of them also stay for long periods of time in the seasonal village, Hamta. Though the project</p>		

ISSUE	PEOPLE'S RESPONSE	INSTITUTIONAL RESPONSE
<p>authorities have given assurances about labour being restricted to labour colonies, women are not at all satisfied with these assurances. They related a number of incidents in the other hydro-electric projects in the region where despite assurances the safety of the women has been seriously affected. The Company representative stated that the main project colony will be far from the village; however villagers pointed out that during construction and other activities, labour will be camping near the village. They also recounted an incident that has already occurred of project-employed labourers cutting down 6 trees and defecating close to the stream. This point about women's safety could not be adequately addressed by the Company or ERM representatives.</p>		
<p>4. Increased traffic on the roads will pose a risk to pedestrians, especially to children.</p>	<p>Perhaps a separate footpath needs to be constructed to ensure that the villagers are not threatened by the traffic.</p>	
<p>5. The tunnel will be constructed and run over the village. Blasting for the same will also take place, which villagers fear could lead to turbulence in the rocks and affect the geological formations. The tunnel may leak as has been experienced in another nearby project (Mallana), thus endangering the villagers.</p>		<p>The Company representative explained that the rock structure here was different and harder, and that all precautions including new technology was being employed to minimise blast impacts and ensure that no leakage takes place.</p>
<p>6. The villager also enquired when the blasting would take place and how they would protect themselves and their livestock from the explosions. The villager requested that the blast timings be provided to them.</p>		<p>RSWM clarified that the initial blasting involved set time patterns and during the blasting, a siren is sounded that signals that a blast will be occurring. However, the blasts inside the tunnel could be carried out without intimation to the villagers. RSWM agreed to provide the blast timings. Also, advanced technologies like detonator delays would be used that would lead to zero impacts after about 80 m of the blast point.</p>
FORESTS AND ENVIRONMENT		
<p>7. How is the <i>malba</i> (debris/overburden) from the tunnel and other excavations going to be disposed off? Will it find its way on to the fields, grazing lands, rivers or the vegetation?</p>		<p>The tunnel excavations would lead to generation of 10,35,000 cum of muck of which 30% would be used in the road and 70% would be put in the three disposal sites at the Hamta Potato farm, near the proposed switchyard area and in the land near the crusher in Jagatsukh. RSWM explained that the forest clearance accorded to the project specified that no forestland may be used for disposal sites.</p>

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
		Thus, the disposal sites had to come on the private land only.
8. There is a discrepancy about the number of trees said to be felled (by the project) and actually being felled (between 1400 odd and 4000).		
9. Villagers also raised concern that the project would result in the loss of a large number of oak trees, which are very important for the environment as well as to sustain local livelihoods. ERM's reponse regarding compensatory afforestation and catchment area treatment was met with scepticism; villagers pointed out that afforestation of species like Oak is extremely difficult.	They suggested that when and if it was done, afforestation should be done by the youth club and the women's groups in the village and not by the forest department. Their contention was that none of the forest department's plantations succeed and eventually it's the villagers who would look after these trees and not the department.	
10. The project will have an adverse impact on the apple trees in the region, again causing economic hardships.		ERM said that some compensation could be provided for the particular period of time if the generation of crop decreased during the construction period of the project.
11. Will there be a provision for sewage disposal from the workers colonies or will all that sewage also flow into the local rivers?		
12. A villager said that the labour force was using an entire stretch of land as a toilet and was taking away the dry wood and cutting small plants for fuel. The villager also said that if this was not done (public toilets were not provided), then it would be very difficult to control the labour from soiling their lands and they could not stay on guard all the time.		RSWM said that this point had been noted and public toilets will be provided to the labour force. RSWM also clarified that all the mitigatory measures were applicable for after the start of the project. The current problem of sewerage was being faced because the project was facing start-stop situations and there was no land on which treatment systems could be set up. The Company's idea was to use local labour in the pre-construction stage to avoid problems of sanitation.

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
LOCAL EMPLOYMENT		
13. What employment will be provided to the local people? When? Why cannot they be trained to fill the existing jobs?		
14. Outside contractors were getting easier work of road trace-cut contracts whereas the local village contractors were being given work where the terrain was difficult. He said that clear discrimination was being practiced. He said that since the work given to the local contractors was difficult and they could not complete it on time, they were unable to get more work as the second time, the project staff would club them as defaulters.		RSWM said that it would look into this matter and we would look into the presence of the project authority.
LAND ACQUISITION		
15. Villagers complained of the long delay after land prices were negotiated. They reported loss of crops since they did not take care of the orchards. On the other hand they haven't received the compensation.		RSWM explained that this was because the Section 4 has not been issued for the land required in road. Only one Section 4 has been issued upto now and that was for the land on which negotiations have been conducted.
IMPACTS ON LOCAL ECONOMY		
16. Though the villages will have to pay a cost for the project, what benefits will come to the village?		
17. The villager's access to grazing grounds will be disrupted by the project, causing economic hardships. Villagers were very concerned that when road construction begins, their access to pasture lands in the higher reaches would be cut off. This was admitted by ERM, which however suggested that an alternative route during this period could be worked out. Villagers pointed out that there was no alternative possible, since other possible routes had either precipitous slopes, or apple orchards whose owners would not allow passage to livestock. This point could not be addressed by ERM or the Company except to say that some solution would be found.		
18. Villagers felt that influx of hundreds of outside labourers in the area will increase the existing pressure on the natural resources in particular, firewood, fodder and water. In addition they fear that the outside labourers may over extract and misuse resources once they find their commercial value, for example the medicinal plants that are found in the area and collected by women for personal use. Labour according to them could also get involved in hunting as was the experience with other projects in the area. ERM said that it had recommended provision of fuel		

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
and other needs to the labour colonies, and a process of monitoring to ensure that illegal activities did not take place. Villagers were not convinced that in practice this would happen, as it was not happening in other project in the region.		
19. The fact that the dust generated during the project would cause health implications and would also mean a loss of apple and other crops, was also raised by the villagers. This would eventually severely affect the livelihood of the people. ERM admitted that this could happen, and said it had therefore recommended strict dust-control measures. They were unable to convince the villagers, however, that such measures would be implemented or would work.		
20. Villagers asked whether there was a precise assessment of which family will be impacted in which way. ERM responded that a broad assessment had been carried out, and that a family-wise assessment had been recommended. A local NGO wondered how social impacts could be estimated in the absence of such specific information.		
21. Regarding the identification of project affected families and the disbursement of benefits and compensation, the villagers enquired what would happen in cases of informal family division of land.		RSWM explained that in such cases, only the Village Panchayat or Patwari could decide as they are the people who know exactly who is using which land. RSWM also requested the villagers to come up with suggestions on this issue in the meeting before the May 20 th meeting because the company could not go against the government rules in this regard.
ROADS		
22. There should be no restrictions on the local villagers use of the roads being made by the project.		RSWM confirmed that the roads were public roads and everyone was allowed to use these roads. However, security posts would be established to safeguard the project components.
The increased traffic on the existing roads will increase the wear and tear of the roads. What will be done to make up for this?		
OPTIONS		
23. It would be better if there are two projects, one in Jagatsukh and the other in Prini.		RSWM explained that the idea of setting up a hydropower project at a particular location becomes viable only if the common man can buy the electricity generated by the project, i.e. the financial costs involved are fairly sustainable. RSWM said that projects like the infamous ENRON where the cost of each unit was Rs.7 was unviable and had to close down. The ADHEP in its present form was

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
		ranked at No.2 in the technical assessment conducted by the Central Electricity Authority. Setting up another project on Duhangan would mean construction of a separate pressure-shaft, powerhouse, switchyard, transmission line system, etc. which would increase the project cost by a margin that would make it totally unviable. RSWM stressed that the viability of the project remained only when the waters of both Allain and Duhangan were tapped together.
HEALTH		
24. What would be the health impacts on the villagers because of the project, especially because of the external labour force? What steps will be taken to minimise the adverse impacts.		
SAFEGUARDS/IMPLEMENTATION PROCESS		
25. How will it be ensured that the promises made to the villagers are kept, once the project work starts or the project is completed?		ERM clarified that an independent monitoring committee that included IFC and other external agencies would monitor the Projects commitments made to the IFC.
26. What mechanism is there to deal with unforeseen and emergent issues? For example, if the project disrupts the current water supply channels.		
27. If this or any other project in the area is finally decided upon, it must have built into it a mechanism that can independently monitor the status of compliance, <i>and be capable of stopping operations if violations of conditions are detected</i> . Monitoring measures are mentioned in ERM's report, but measures to ensure compliance need to specified. This is a chronic weakness in the case of development projects in India, where the government or private entities are happy to give all the promises needed to get clearance, but are shockingly bad at following up on these promises. In the case of dams, for instance, the MoEF's River Valley Assessment Committee had found that almost 90% of dams cleared were in violation of compliance conditions...and yet in none of these cases had action been taken against the project authorities.		
28. The villagers at Jagatsukh repeatedly highlighted their lack of trust in both the Company and the IFC, especially with regard to compliance of all conditions of compensation and mitigation measures. They mentioned that this was because of their observations and experiences with other hydro-electricity projects in the region. Their belief that the Company cannot be trusted with compliance was intensified when, a few days after making a promise to organise a public hearing and not carry on work till then, a group		

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
<p>of labourers were sent to the village for some work, who cut 6 trees and spoilt sources of drinking water in January 2004. The Company representative clarified that compliance would take place, because if the company does not comply the funding agency would not give them the next quarterly payment. However villagers said they did not trust IFC either, for one or two letters addressed by them to IFC had not been responded to. The level of distrust was clear from the fact that most villagers even refused to sign the attendance register for the meeting, which was circulated by the company. They feared that their signatures could be used against them in some way.</p>		
<p>29. The village wanted an agreement with the Chairman of the Company to be satisfied that the Company would meet its commitments as specified in the ESIA.</p>		<p>RSWM explained that only IFC could give such a commitment to the villagers as it would finance the project based on the commitments specified in the ESIA.</p>

ISSUES RELATED TO THE ADP, MANALI

DETAILED STATEMENT

<i>ISSUE</i>	<i>PEOPLE'S RESPONSE</i>	<i>INSTITUTIONAL RESPONSE</i>
THE APPROVAL PROCESS		
1. Whether there was a No Objection Certificate (NOC) from the Panchayat? Was this, as is claimed by a former Sarpanch, only for investigations or was it for the project? Was it issued with the authority of the Panchayat, or by the Sarpanch, on his own?		
2. Copies of the required clearances from the Government of India should be given to the villagers.		
3. The next public hearing should be conducted by an independent panel.		Done
4. Project documents should be translated in Hindi and made available to the people.		Done
5. As many of the responsibilities of the project are the state governments, they should also be involved in the public hearings.		
6. The ESIA is clearly written with the assumption that the project is a <i>fait accompli</i> , and that its main task is to suggest mitigatory measures. This is one reason why, even when it finds irreversible impacts or impacts that may not be possible to mitigate, it simply suggests that mitigatory measures be taken, or that further studies be done. This is a serious flaw; any ESIA must be geared towards feeding into an overall assessment of the feasibility of the project itself. It should therefore point to impacts that are not possible to mitigate, or whose mitigation would only be partial; it should also thoroughly assess the feasibility of ameliorative measures being suggested. The current ESIA does not adequately do this. Nor, it seems, were the local people consulted while finalising the TOR of the ESIA, which reportedly is a requirement by IFC.		
WATER		
7. The issue of diversion and availability of water was clearly the one most worrying the villagers. They mentioned that the Duhangan stream is their only source of water. The Company's assurance that a minimum flow of water will be maintained in the stream (greater than what is being diverted by villagers in two <i>kuhls</i> or channels), and that in the years when there is a shortage, the Company will release more water, did not satisfy the villagers. They pointed out that the Company or ERM had not made an assessment of actual water being used by villagers, and that what they get now from the stream is already not adequate to		The major impact was on water and it was stated that the Company would maintain electronic and manual monitoring of the discharge released from the intake points for maintenance of irrigation needs and ecological sustenance downstream. It was suggested that the Company and the village committee would monitor the daily discharge data to ensure that the promised discharge of 150 lps was being released. ERM suggested use of retaining walls

<p>meet the drinking water as well as irrigation requirements of the village. Over the years the availability of water is decreasing while the water needs are increasing. Under these circumstances, villagers felt that diverting the water will mean a very serious impact on the culture, everyday lives as well as livelihoods of the people.</p>		<p>in baffle arrangement within the Duhangan stream to delay the flow time of the stream water thereby allowing it to permeate into the riverbed and recharge any underground channels and allow the villagers to take the water.</p> <p>RSWM agreed that the issue of water was the basic issue and informed the gathering that the Himachal Pradesh Government had taken an undertaking from the Company on stamp paper to ensure compensation of riparian rights in case the Duhangan and Kala streams dry up due to the implementation of the project.</p>
<p>8. Some villagers also expressed concern about the reported shrinking of glaciers, and wanted to know if ERM had taken this into account.</p>		
<p>9. Water availability to villages downstream of Jagatsukh would be affected and this has not been assessed.</p>		
<p>10. Drinking water supply to the villages will be affected. The village also has one main source of drinking water close to where the roads are proposed to be constructed by the company. This is called “Chor Pani”, because it sometimes suddenly shifts position. Villagers fear that the construction and blasting activities will affect the aquifers and thus this water source. In addition, the presence of labour in that area will affect the quality of the water. These points (or that of the receding of glaciers) could not be addressed by the Company or the ERM; their main argument was that “enough” water would continue to be released into the stream.</p>		<p>RSWM said that the drying up of drinking water sources was a new issue that had cropped up and the project would consider various solutions to this issue.</p> <p>RSWM also mentioned that in October 2002, the Himachal Pradesh State Pollution Control Board conducted a study to ascertain the sources of underground and surface waters. After this study, the HPSEPPCB has taken an undertaking from the company that in case of any adverse impact on the water sources, the company will fulfill the water shortages.</p> <p>The villagers said that such an undertaking should also be signed with the Prini village.</p>
<p>SECURITY</p>		
<p>11. Women regularly go into the forest to collect herbs, grass, fodder and for cattle grazing. Many of them also stay for long periods of time in the seasonal village, Hamta. Though the project authorities have given assurances about labour being restricted to labour colonies, women are not at all satisfied with these assurances. They related a number of incidents in the other hydro-electric projects in the region where despite assurances the safety of the women has been seriously affected. The Company representative stated that the main project colony will be far from the village; however villagers pointed out that during construction and other activities, labour will be camping near the village. They also recounted an</p>		

incident that has already occurred of project-employed labourers cutting down 6 trees and defecating close to the stream. This point about women's safety could not be adequately addressed by the Company or ERM representatives.		
12. Increased traffic on the roads will pose a risk to pedestrians, especially to children.	Perhaps a separate footpath needs to be constructed to ensure that the villagers are not threatened by the traffic.	
13. The tunnel will be constructed and run over the village. Blasting for the same will also take place, which villagers fear could lead to turbulence in the rocks and affect the geological formations. The tunnel may leak as has been experienced in another nearby project (Mallana), thus endangering the villagers.		The Company representative explained that the rock structure here was different and harder, and that all precautions including new technology was being employed to minimise blast impacts and ensure that no leakage takes place.
14. The villager also enquired when the blasting would take place and how they would protect themselves and their livestock from the explosions. The villager requested that the blast timings be provided to them.		RSWM clarified that the initial blasting involved set time patterns and during the blasting, a siren is sounded that signals that a blast will be occurring. However, the blasts inside the tunnel could be carried out without intimation to the villagers. RSWM agreed to provide the blast timings. Also, advanced technologies like detonator delays would be used that would lead to zero impacts after about 80 m of the blast point.
FORESTS AND ENVIRONMENT		
15. How is the <i>malba</i> (debris/overburden) from the tunnel and other excavations going to be disposed off? Will it find its way on to the fields, grazing lands, rivers or the vegetation?		The tunnel excavations would lead to generation of 10,35,000 cum of muck of which 30% would be used in the road and 70% would be put in the three disposal sites at the Hamta Potato farm, near the proposed switchyard area and in the land near the crusher in Jagatsukh. RSWM explained that the forest clearance accorded to the project specified that no forestland may be used for disposal sites. Thus, the disposal sites had to come on the private land only.
16. There is a discrepancy about the number of trees said to be felled (by the project) and actually being felled (between 1400 odd and 4000).		
17. Villagers also raised concern that the project would result in the loss of a large number of oak trees, which are very important for the environment as well as to sustain local livelihoods. ERM's reponse regarding compensatory afforestation and catchment area treatment was	They suggested that when and if it was done, afforestation should be done by the youth club	

<p>met with scepticism; villagers pointed out that afforestation of species like Oak is extremely difficult.</p>	<p>and the women's groups in the village and not by the forest department. Their contention was that none of the forest department's plantations succeed and eventually it's the villagers who would look after these trees and not the department.</p>	
<p>18. The project will have an adverse impact on the apple trees in the region, again causing economic hardships.</p>		<p>ERM said that some compensation could be provided for the particular period of time if the generation of crop decreased during the construction period of the project.</p>
<p>19. Will there be a threat of acid rain because of the SOX emissions from diesel generators?</p>		
<p>20. Will there be a provision for sewage disposal from the workers colonies or will all that sewage also flow into the local rivers?</p>		
<p>21. There is no complete baseline survey of the aquatic life of the Allain and Duhangan streams. For the Duhangan stream the ecological data is only for fish and that too collected only in winter months. This baseline data is not enough to determine the real impact on the aquatic diversity in the stream (especially downstream), and further to state what is the minimum flow required so that aquatic life can survive. ERM could not answer the question of why it assumed that a minimum flow they recommended (which in one case was only one-fifth of the current minimum flow) was adequate to maintain the ecological integrity of the stream. This is extremely critical. It is not adequate to recommend a full year assessment (as ERM has done) once the decision on the project is taken and construction starts; such an assessment is needed as part of the judgement of the feasibility of the project. Suppose, for instance, it is found that the flora and fauna in/around the stream is unique, and would survive only if the full or most of the current flow is maintained? This would surely affect the viability of the project!</p>		
<p>22. A villager said that the labour force was using an entire stretch of land as a toilet and was taking away the dry wood and cutting small plants for fuel.</p> <p>The villager also said that if this was not done (public toilets were not provided), then it would be very difficult to control the labour from soiling their lands and they could not stay on guard all the</p>		<p>RSWM said that this point had been noted and public toilets will be provided to the labour force. RSWM also clarified that all the mitigatory measures were applicable for after the start of the project. The current problem of sewerage was being faced because the project was facing start-stop</p>

time.		situations and there was no land on which treatment systems could be set up. The Company's idea was to use local labour in the pre-construction stage to avoid problems of sanitation.
23. Biological studies should be done over at least two years.		
LOCAL EMPLOYMENT		
24. What employment will be provided to the local people? When? Why cannot they be trained to fill the existing jobs?		
Outside contractors were getting easier work of road trace-cut contracts whereas the local village contractors were being given work where the terrain was difficult. He said that clear discrimination was being practiced. He said that since the work given to the local contractors was difficult and they could not complete it on time, they were unable to get more work as the second time, the project staff would club them as defaulters.		RSWM said that it would look into this matter and we would look into the presence of the project authority.
LAND ACQUISITION		
25. Villagers complained of the long delay after land prices were negotiated. They reported loss of crops since they did not take care of the orchards. On the other hand they haven't received the compensation.		RSWM explained that this was because the Section 4 has not been issued for the land required in road. Only one Section 4 has been issued upto now and that was for the land on which negotiations have been conducted.
26. Villager also said that the road land has not been notified to the villagers and they were unaware of which parcel of land was to go for the project road.		RSWM also informed that the staff from the Revenue Department had accompanied the company staff during the land survey and the revenue records have complete details on land belonging to the forest, private land, etc.
27. Another villager said that the actual road width was 9 to 12 m and not 7 m because 7 m was the actual road width and the remaining 2-5 m was being used for setting up of retaining walls. This meant that more land was being used than legally acquired. The villager said that the 3 m land being used was extra and had not been notified.		RSWM said that this was not true for the entire road stretch and the road was 7 m at the straight stretches. However, it could become 9 m to 10 m at the extreme curvature points where the retaining wall base had to be stronger. However, the road width, even in that case, was still 7 m only. RSWM committed to look into the matter if true. ERM said that in such a case, it would be ensured that proper compensation would be provided.
IMPACTS ON LOCAL ECONOMY		
28. Though the villages will have to pay a cost for the project, what benefits will come to the village?		
29. The villager's access to grazing grounds will be		

<p>disrupted by the project, causing economic hardships. Villagers were very concerned that when road construction begins, their access to pasture lands in the higher reaches would be cut off. This was admitted by ERM, which however suggested that an alternative route during this period could be worked out. Villagers pointed out that there was no alternative possible, since other possible routes had either precipitous slopes, or apple orchards whose owners would not allow passage to livestock. This point could not be addressed by ERM or the Company except to say that some solution would be found.</p>		
<p>30. Given the costs that the villagers will have to pay, Should not a part of the profits from the project be shared with the panchayats?</p>		
<p>31. Loans should be given to the local villagers to purchase the trucks and other vehicles needed for the project, as also loans for other economic activities.</p>		
<p>32. The existing grazing lands and <i>ghasnis</i> of the village will be destroyed. How will they be replaced?</p>		
<p>33. Villagers felt that influx of hundreds of outside labourers in the area will increase the existing pressure on the natural resources in particular, firewood, fodder and water. In addition they fear that the outside labourers may over extract and misuse resources once they find their commercial value, for example the medicinal plants that are found in the area and collected by women for personal use. Labour according to them could also get involved in hunting as was the experience with other projects in the area. ERM said that it had recommended provision of fuel and other needs to the labour colonies, and a process of monitoring to ensure that illegal activities did not take place. Villagers were not convinced that in practice this would happen, as it was not happening in other project in the region.</p>		
<p>34. The fact that the dust generated during the project would cause health implications and would also mean a loss of apple and other crops, was also raised by the villagers. This would eventually severely affect the livelihood of the people. ERM admitted that this could happen, and said it had therefore recommended strict dust-control measures. They were unable to convince the villagers, however, that such measures would be implemented or would work.</p>		
<p>35. Villagers asked whether there was a precise assessment of which family will be impacted in which way. ERM responded that a broad assessment had been carried out, and that a family-wise assessment had been recommended. A local NGO wondered how social impacts could be estimated in the absence of such specific</p>		

information.		
36. Regarding the identification of project affected families and the disbursement of benefits and compensation, the villagers enquired what would happen in cases of informal family division of land.		RSWM explained that in such cases, only the Village Panchayat or Patwari could decide as they are the people who know exactly who is using which land. RSWM also requested the villagers to come up with suggestions on this issue in the meeting before the May 20 th meeting because the company could not go against the government rules in this regard.
ROADS		
37. There should be no restrictions on the local villagers use of the roads being made by the project.		RSWM confirmed that the roads were public roads and everyone was allowed to use these roads. However, security posts would be established to safeguard the project components.
38. The increased traffic on the existing roads will increase the wear and tear of the roads. What will be done to make up for this?		
39. OPTIONS		
40. It would be better if there are two projects, one in Jagatsukh and the other in Prini.		RSWM explained that the idea of setting up a hydropower project at a particular location becomes viable only if the common man can buy the electricity generated by the project, i.e. the financial costs involved are fairly sustainable. RSWM said that projects like the infamous ENRON where the cost of each unit was Rs.7 was unviable and had to close down. The ADHEP in its present form was ranked at No.2 in the technical assessment conducted by the Central Electricity Authority. Setting up another project on Duhangan would mean construction of a separate pressure-shaft, powerhouse, switchyard, transmission line system, etc. which would increase the project cost by a margin that would make it totally unviable. RSWM stressed that the viability of the project remained only when the waters of both Allain and Duhangan were tapped together.
RELIGIOUS AND CULTURAL		
41. The gods and idols of the village will be disturbed by the construction work. The water of the Duhangan had religious attachments. A bus fell down because of the curse of Hidimba Devi. The villagers performed sacrifices in this water and misuse of the Duhangan would amount to playing pranks with the Devta (God) and therefore, the villagers need water in the stream. Another lady villager said that the Duhangan was sacred and was known as Dhaumya Ganga.		

42. Responses of the villagers, in particular of the women, indicated that there is a very strong spiritual and cultural association with the Duhangan stream. People fear the wrath of the Gods, if the stream is disrespected. This fear is very strong was clear from the number of stories recounted by the villagers. They went to the extent of saying that its either the misfortune of the village or that of the company that this project has been envisaged to desecrate this abode of Gods! It seems that this point has been completely missed out in the ESIA.		
43. There is no assessment of the impacts of loss of forests and other lands on the livelihood or cultural dependence of the villagers on such lands; indeed the statement that common lands are not to be affected is erroneous, as both waterbodies and forests are common lands on which villagers are dependent. This is needed for a full ESIA.		
HEALTH		
44. What would be the health impacts on the villagers because of the project, especially because of the external labour force? What steps will be taken to minimise the adverse impacts.		
SAFEGUARDS/IMPLEMENTATION PROCESS		
45. How will it be ensured that the promises made to the villagers are kept, once the project work starts or the project is completed?		ERM clarified that an independent monitoring committee that included IFC and other external agencies would monitor the Projects commitments made to the IFC.
46. Whatever is agreed to in the public meeting should be recorded in writing and copies distributed to the villagers.		
47. What mechanism is there to deal with unforeseen and emergent issues? For example, if the project disrupts the current water supply channels.		
48. Who will monitor the afforestation that is to be done? The local people must be involved in the monitoring.		
49. If this or any other project in the area is finally decided upon, it must have built into it a mechanism that can independently monitor the status of compliance, <i>and be capable of stopping operations if violations of conditions are detected</i> . Monitoring measures are mentioned in ERM's report, but measures to ensure compliance need to be specified. This is a chronic weakness in the case of development projects in India, where the government or private entities are happy to give all the promises needed to get clearance, but are shockingly bad at following up on these promises. In the case of dams, for instance, the MoEF's River Valley Assessment Committee had found that almost 90% of dams cleared were in violation of compliance conditions...and yet in none of these cases had action been taken against the project authorities.		

<p>50. The villagers at Jagatsukh repeatedly highlighted their lack of trust in both the Company and the IFC, especially with regard to compliance of all conditions of compensation and mitigation measures. They mentioned that this was because of their observations and experiences with other hydro-electricity projects in the region. Their belief that the Company cannot be trusted with compliance was intensified when, a few days after making a promise to organise a public hearing and not carry on work till then, a group of labourers were sent to the village for some work, who cut 6 trees and spoilt sources of drinking water in January 2004. The Company representative clarified that compliance would take place, because if the company does not comply the funding agency would not give them the next quarterly payment. However villagers said they did not trust IFC either, for one or two letters addressed by them to IFC had not been responded to. The level of distrust was clear from the fact that most villagers even refused to sign the attendance register for the meeting, which was circulated by the company. They feared that their signatures could be used against them in some way.</p>		
<p>51. The village wanted an agreement with the Chairman of the Company to be satisfied that the Company would meet its commitments as specified in the ESIA.</p>		<p>RSWM explained that only IFC could give such a commitment to the villagers as it would finance the project based on the commitments specified in the ESIA.</p>

Annex 11

A Note on Biodiversity Impact Assessment and Monitoring

A study of the earlier EIA (RITES, January 1996), the Summary Report on Diversion of Forest Land & Catchment Area Treatment Plan (RSWML, December 2000) does not add much value to the forest, wildlife and biodiversity studies done as a part of the fresh ESIA by ERM. In fact, the RITES EIA has almost no information either on the baseline of fauna and flora, or on the impacts of the project on these. It seems primarily a compilation of the lists of a few animals and some tree species listed from the district (and not even from the project site), and a list of five tree species found in the submergence area. It is difficult to understand how, on the basis of such an incomplete EIA, the MoEF saw it fit to give environmental clearance to the project.

While many of the potential impacts to biodiversity as a result of the project, both direct and indirect, have been documented in the ERM ESIA, along with suggested mitigation measures, the baseline data/biodiversity profile is incomplete. This therefore affects the impact assessment and the development of mitigation measures which will also tend to be incomplete or inadequate. Gaps in the biodiversity baseline assessment include:

- available studies carried out in only one season within one year (therefore not representative)
- inadequate sample size (length of transects not mentioned so difficult to determine percentage of total area sampled)
- no geo-referencing of transects or plots (difficult to determine if geographical coverage was adequate and to repeat for monitoring)
- limited assessment of high altitude areas because of seasonal constraints (gaps in information)
- does not appear to have involved thematic experts in all the surveys (e.g. the list of birds recorded is clearly incomplete as might be the case for other areas)
- only random sampling may not be enough to assess impacts in high intensity zones (need to have some data from areas where project impacts are likely to be higher to assess impacts and suggest mitigation during project implementation)

In terms of biodiversity profiling, the ESIA needs to cover:

- a) Baseline assessment of current status (for assessing impacts and monitoring)
- b) Impact assessment (i.e. how will the current status be affected by the project)

c) Mitigation measures (to minimise impacts and which can be monitored)

All of these need to be assessed in relation to:

a) Flora (forests & alpine meadows)

b) Fauna (terrestrial wildlife)

c) Aquatic/riverine biodiversity

This note provides some suggestions on methodology for a more detailed and complete biodiversity profiling – it is not suggesting approaches for impact assessment or mitigation.

Floristic surveys

- to be done over at least one year covering all seasons
- transects to cover all major ecological/floristic zones
- some selective surveys in areas of potentially high project impact
- sample size should cover approximately 10% of total area
- transects and quadrants should be geo-referenced using a GPS
- in addition to taxonomic information, current human use/impacts should also be recorded
- use experienced botanist, especially with respect to difficult-to-identify alpine shrub/herb species as well as lichens/mosses (which are important indicators of disturbance in the alpine zone)
- should also have knowledgeable local person on survey team to help with information on distribution, local names, uses, importance, impacts, etc.

Wildlife surveys

- to be done ideally over two years but at least one year, covering all seasons – surveys should be done at different times to include nocturnal and crepuscular species
- survey design and locations should be based on habitat diversity (including known habitat preferences of important and endangered species), high/low project impact areas, known migratory routes of key species
- transects and key sites/location of sightings of keystone species should be geo-referenced using a GPS
- in addition to presence/absence, also important to note behavioral characteristics such as flight distance which will give indication of increase in disturbance/hunting and preferred habitats for different activities (such as feeding, cover, breeding, etc.)
- use experienced team with specialists on mammals, birds, reptiles & amphibians, insects

- should also have knowledgeable local person on survey team to help with information on movement and behaviour, location, etc.

Aquatic/Riverine biodiversity

- to be done ideally over two years but at least one year, covering all seasons and in particular looking at species change during periods of differing water flows
- survey design and locations should be based on habitat diversity within the riverine ecosystem, as well as high/low project impact areas
- survey sites should be geo-referenced using a GPS and should cover multiple sites as this ecosystem will be the most affected due to the project
- survey should cover fish species as well as other biodiversity such as mammals and birds, amphibians & reptiles, insects, mollusks, and flora
- assessment should cover behaviour/requirements of key species in relation to seasonal water flows in order to be able to assess impacts of reduced flow as a result of the project
- use experienced team with specialists on riverine ecosystems as well as taxonomists
- should also have knowledgeable local person on survey team to help with information on seasonal changes in water and biodiversity

Impacts on species

The baseline surveys would indicate the species of plants and animals (and fungi, mosses and lichens) that are especially vulnerable to project impact. These should be studied in a focused manner, to develop baselines and for designing prevention and mitigation measures. Special attention also needs to be paid to the identification and conservation of medicinal plants.

Possible Agencies

For the wildlife and biodiversity studies, it is recommended that separate agencies with the relevant expertise be engaged for terrestrial fauna, terrestrial flora and aquatic/riverine biodiversity. Our recommendations for each are as follows:

- Terrestrial Fauna: World Pheasant Association-India. They have already been requested by the Government of Himachal Pradesh to study the *in situ* status of pheasants in Himachal Pradesh. (Contact: Shri Samar Singh)
- Terrestrial Flora: Dr. G.S. Rawat, Wildlife Institute of India, Dehradun. He is currently involved in a survey of the Himalayan flora.
- Aquatic/Riverine biodiversity: Emmanuel Theophilus, Foundation for Ecological Security, Munsiri 262554, Dist. Pithoragarh, Uttaranchal