



The Reality of Aid

IFI
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Upper Trishuli 1 Hydropower Project



COUNTRY
Nepal

INCLUSIVE DATES OF IMPLEMENTATION
2019 - Unknown

STATUS
Approved/ For implementation

Upper Trishuli 1 Hydropower Project

The project comprises the design, construction, commissioning, operation and maintenance of a 216 MW run-of-river hydro power plant, 1.2 kilometers of transmission lines, and associated infrastructure on the Trishuli River.

The electricity generated will be sold for domestic consumption to the Nepal Electricity Authority. Nepal has suffered from a severe shortage of power and frequent load shedding. The project will help reduce imports of electricity into Nepal during the dry season with indigenous renewable sources.



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NAME OF IFI/DFI
Asian Development Bank



TOTAL COST
USD 60 million

NATURE OF FUNDING
No Data

TYPE OF ASSISTANCE
Loan



PRIVATE SECTOR PARTNER/S
Nepal Water and Energy Development Company Private Limited
Bkesh Pradhanang
Daelim Industrial Company Limited
International Finance Corporation
Korea South-East Power Company
Kyeryong Construction Industrial Company Limited

CSO PARTNER/S
None

OTHER PARTNER/S
None



POSSIBLE/EXISTING IMPACTS ON COMMUNITIES/HUMAN RIGHTS

Right from the start land acquisition was portrayed as something inevitable – a situation in which affected families had little or no choice to say no. The affected communities were not made aware of their rights and entitlements in relation to the project. As a result they had weak bargaining power and were unable to assert their rights. Displaced families said the project representatives persuaded the communities to sell their land in return for cash compensation. In addition, project representatives gave them false assurances that the project would build a house for each of the families that would lose their land, as well as provide them employment in the project. The families lamented that the project had neither built them houses nor given them jobs.

POSSIBLE/EXISTING IMPACTS ON THE ENVIRONMENT

The EIA contained a timely warning of the possible mega earthquake and its impact on the project area. The “seismic hazard risk” section in the EIA 2011 had identified a high degree of seismic risk in the project area because: 1) a mega earthquake was due in this segment of the Himalaya, and 2) the existence of the Main Central Thrust (MCT) in the project area further increased the seismic risk. The study states that, “A detailed seismicity study is recommended to derive the seismic design coefficient during the detailed design study.” There are no available reports indicating that such a study was conducted. The findings of such a study would have been critical in shaping the design of the project and its mitigation measures. Likewise, the EIA states that since the construction work is likely to exceed the threshold for industrial and construction noise exposure – i.e., criterion level I 90dB (A) – it could affect humans, wildlife and livestock in the project area. The report further states: “Noise exceeding 90 dB (A) has the potential of harming human health by psychological and ontological (sic) (ear diseases) effects.” But even the potential harm related to noise exposure has not been addressed in the mitigation plan.

All the houses in wards 8 and 9 of Haku VDC were completely destroyed by massive landslides triggered by the earthquake. Much of the land was swept away and at least 60 people lost their lives. The settlements in the two wards are located approximately 300 metres above the access road. According to affected communities, the drilling and blasting that went on continuously for about nine months made the land weak and increased its vulnerability to landslides.



Does the project have an environment/social impact assessment?

Yes, and accessible by the public.

Does the project target the SDGs?

No.



COMPLIANCE/NON-COMPLIANCE TO DEVELOPMENT EFFECTIVENESS (DE) PRINCIPLES

Democratic country ownership of national development priorities

During the baseline studies carried out for the project, the researchers/study team drew on the affected communities' knowledge of the environment and ecosystem in the project area. But the affected communities were not given a role in shaping decisions regarding the project. The knowledge that the communities generously shared with the project representatives was used largely for the benefit of the project. Meanwhile, project-related information/findings gathered by project representatives were not adequately disseminated to the affected.

Focus on results

One of the concerns that they raised most frequently was related to provision of jobs/employment for affected communities. But affected communities lamented that instead of giving them job opportunities as agreed upon during the consultation, the project brought most of the construction workers from outside Rasuwa district.

Forty households whose private and Guthi land was acquired received compensation amounts at the rate of NPR 500,000 per 0.05 hectare. According to the project document, 15 houses got compensation for their houses that stood on the land acquired by the project. The compensation amount provided for the houses is not mentioned in the project documents. However, 15 HHs in wards 8 and 9 of Haku reported during interviews that the project has not provided them compensation for the houses that stood on the private land acquired by the project in 2013-2014. Some of the affected members said they had made several attempts to get the compensation amount, but the project representatives have been delaying the process. The exact number of displaced families remains unclear, and will have to be confirmed after a review. The project needs to review and update the data on displaced families, and provide compensation based on IFC standards and other laws applicable to project-affected people.

Majority of the families who lost their land to the project were non-literate. They lacked the knowledge and skills required to manage the cash compensation they received. Also, the cash may seem large by village standards, but it was hardly enough for them to buy adequate land for resettlement in a new location. Many of those interviewed had already used the money to meet household expenses, such as their children's education, loan repayment, and daily necessities. They have not only lost their land but also lack the means to find their footing in a new place. As non-literate members of a marginalized community, they are likely to face numerous social challenges on top of financial hardship.



Inclusiveness

Despite the scale of impact on indigenous communities, the project has not obtained their Free Prior and Informed Consent. According to PS 7, para. 10 on Participation and Consent, “The engagement process includes stakeholder analysis and engagement planning, disclosure of information, consultation, and participation, in a culturally appropriate manner.” Although all affected families, particularly women, speak the Tamang language as their mother tongue, all communication/consultation regarding the project was carried out in Nepali.

Project developers did not disclose adequate and relevant information about the project to affected communities during consultation, which is in breach of the provision PS 1 para2. For instance, a synopsis of the EIA was distributed to participants during the public hearing, but the document didn’t provide sufficient information on the project’s impacts on affected communities. Furthermore, it downplayed the adverse impacts of the project and concluded that the project would cause minimal physical and biological harm.

Transparency and mutual accountability

Contrary to the provisions PS 1, para 2, and PS 1, para 35, the project did not establish a grievance mechanism to receive and address the communities’ concerns regarding the project’s social and environmental performance. Due to the delay in establishing an effective grievance mechanism, affected communities have not been able to seek remedy for harms caused by the project.



SOURCES:

<https://www.adb.org/projects/49086-001/main#project-pds>

http://www.lahurnip.org/uploads/articles/UT%201%20Report_FINAL_ENG.pdf

