

January 24, 2008

**Comments on review of proposed Jorethang Loop for CDM
Needs to include appraisal, stakeholder consultation requirements**

Dear CDM Executive Board members,

Jorethang Loop is a proposed 96 MW hydro project in Sikkim in India which the Executive Board will consider reviewing in its 37th meeting.

It is our hope that the project review will not only assess the additionality claims, but also whether the developers met the basic appraisal and stakeholder consultation requirements, among others.

We had filed comments during the validation period of this project, but the project proponents have completely failed to respond to the fundamental issues we had raised. We had stated in our comments that they never received a response to their request for a copy of the environmental impact assessment and other project documents from the project developer, documents which the PDD states were publicly available. In the validation report for the project, the proponents say that the documents were available with so and so party. But this is totally unacceptable answer. It is the project proponent's primary responsibility to make available these documents, as claimed in the PDD, they cannot refuse to even respond and then say that the documents were available elsewhere. Almost all other responses of the proponents similarly fail to respond to the issues raised and are largely misleading, wrong or irresponsible responses.

In September 2006, NESPON, an NGO in West Bengal in India, visited villages directly affected by the Jorethang Loop hydropower project. This was after the public hearing that took place on April 9, 2006. NESPON found that many people from these villages had not been aware of the public hearing and were not aware of basic aspects of the project that would affect them. In a number of villages NESPON visited, including Manjhitar village where the pumping station would be constructed, and several villages through which the headrace tunnel would pass, NESPON found that people were not even aware of the public hearing or about the project documents or project impacts. The proponents response that this is wrong and that they have completed procedural requirements only shows that they are least interested in welfare of the people or clean, sustainable development and more interested in the project and CDM credits.

The guidelines for the stakeholder consultation requirements are minimal¹. But they do provide a few basic principles. The guidance is: "An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity..." But stakeholders consultations cannot be possible till they know about the project, its impacts in language and manner that they can understand and have chance of an informed participation.

"Facilitating comments" requires as a minimum that that all people directly affected by a CDM project should be informed of the project and of opportunities to provide comments on the project. While the developers claim that they put ads in local newspapers and posters up in the affected

¹ See the Guidelines for Completing the Project Design Document (CDM-PDD), and the Proposed New Baseline and Monitoring Methodology (CDM-NM)

http://cdm.unfccc.int/Reference/Documents/Guidel_Pdd_most_recent/English/Guidelines_CDM_PDD_NM.pdf

villages, the lack of awareness of the people living in the villages NESPON visited implies that the measures taken were not effective. Also, enabling 'local stakeholders to understand the project activity' implies that requests for publicly available information to the project developers must be properly responded to.

DNV, in its validation report, almost exclusively of copied statements made by DANS Energy Private Limited. Though these statements were often contradictory to what we and NESPON said, it appears as if DNV simply took DANS Energy's comments at face value, failing to verify the validity of the statements, and the validity of our concerns that the stakeholder consultations were inadequate.

We hope that the Executive Board might take this opportunity to assert the seriousness of the public consultation requirements and other issues raised in our comments. They must be validated by the DOEs based on basic common sense regarding the fulfillment the principles specified. Also, validators must take public comments regarding the public consultations seriously and examine the concerns raised.

We have in the past been very disappointed with the totally non serious treatment given to the comments we have filed on various CDM Hydro projects and seen how totally destructive projects (a case in point is the 192 MW Allain Duhangan Hydropower project from India, among many others) are validated, registered under the CDM and given carbon emission reduction credits, when they do not deserve these. We are not sure about the usefulness of the whole process that the CDM projects go through if this is the treatment that is given to the comments raised from the ground. Many of the projects registered are neither clean, green and in fact are only destructive for the people and environment where they come up.

Thanking you for your attention,

Himanshu Thakkar (ht.sandrp@gmail.com)

South Asia Network on Dams, Rivers & People, Delhi, India (www.sandrp.in)

+91 11 27484655