

Sida evaluation of Uri dam in India comes under heavy critique

The Swedish International Development Cooperation Agency (Sida) is considering its response to a detailed critique by an Indian environmental group of the Uri hydropower project's evaluation.

The 480-megawatt Uri plant, located in Kaslunir, Northern India, was cofinanced by Sida and was commissioned in 1997.

The environmentalists' comments point to the thorny issue of donor responsibility for problems that may arise or persist with hydro projects financed many years ago.

In this case, the South Asia Network on Dams, Rivers & People makes three main points: that Uri was over-sized; that compensation issues were never resolved; and that environmental impacts remain unmonitored. The group accuses the British consultancy Scott Wilson of offering "weak recommendations" and of lacking independence in relation to its client, Sida.

"In spite of some instances of critical comments, on the whole the evaluator has not been able to hide its bias in favour of such projects and in favour of continued SIDA involvement in such projects... The least one would have expected the evaluator to say about future such projects is to recommend that [they] follow the [World Commission on Dams (WCD)] recommendations," the group writes. Instead, only "lip service" is made to WCD.

The Indian network is an association of mostly Indian organisations supporting resistance to dams on the Narmada River, as well as the US-based International Rivers Network, a staunch supporter of the WCD process.

INDIAN OWNERSHIP

Commenting to *Development*

Today, Anne-Charlotte Maim, Head of Sida's Infrastructure Division, says that in general "this is now an Indian project, it is owned by India, and Sweden no longer gives aid to India in this field."

However, she acknowledges that the environmentalists' critique "raises some question marks". Sida will discuss the issues with Scott Wilson. She points out that the evaluators' work was interrupted by the tragic earthquake two months ago, and that this may have

affected their results.

The evaluation report is currently in draft form. Malm indicates that Sida's responses to questions will be included in the final report, which is due in January.

Contacted by *DT*, Mike McWilliams at Scott Wilson comments that although the consultants were in India when the earthquake struck, most data gathering had already been completed by October 8.

"The earthquake did not substantially affect our work," he says.

On the other hand, the lack of comprehensive socio-economic studies from the 1980s was a more serious problem. Because affected people did not get land-for-land, there exists no resettlement village, and people have dispersed throughout the area over a ten-year period, says McWilliams.

Scott Wilson's draft report acknowledges that paying cash for compensation instead of land "has led to a loss of livelihood and reduced standard of living" and that some compensation claims remain unresolved. Scott Wilson recommends to Sida that in future... "the determination of constant or variable compensation flows should be determined and agreed before giving support to river-related projects".

NO RESETTLEMENT PLAN

The South Asia Network criticises Sida for approving the project in 1989 with no resettlement plan in place. The group describes the situation of unresolved compensation as "shocking and unacceptable" and regrets that the evaluator does not suggest that this injustice be set right. If such issues remain unresolved at Uri, which had a relatively small number of affected people, "how can there be any justification for projects that have larger social impacts?" the group asks.

As for the size of the plant, the environmentalists argue that the developer has not adhered to mandatory flow releases and Uri has not functioned at full capacity. On this basis, they argue that the project is over-sized.

McWilliams tells *DT* that Scott Wilson also assumed initially that energy estimates had been wrong and the project was over-sized. But the consultants came to a different conclusion after studying the flows of several nearby river systems. They determined that the Jhelum River has experienced a seven to eight-year dry spell, which they assume to be part of a cyclical weather pattern.

NO TIED AID

In the draft report, Scott Wilson's final recommendation to Sida on future support to hydroelectric and water resource schemes is to adopt "similar approaches" to financing or cofinancing as was the case with Uri. But the British consultant adds: "This can occur without the tied-aid model which is no longer appropriate."

Scott Wilson won the contract for this evaluation in competition against Swedish Development Advisers and Norplan, Nordic Consulting Group Sweden and the Swedish office #of Arthur D Little. (See *DT 13/05*)

McWilliams notes that the company's detailed response to all queries about the Uri draft report will be consolidated by Sida.

Uri survives October earthquake unscathed

□ The Swedish engineering consultancy SWECO reports in a press release that the Uri hydropower plant has survived the recent massive earthquake in Kashmir unscathed.

SWECO, which planned and designed Uri, notes that the plant automatically shut down during the October quake but was able to continue delivering electricity after only a few hours.

The plant is located four kilometres from the city of Uri, an area of Kashmir that was hit hard by the earthquake.

SWECO notes that Uri was one of Sweden's largest development assistance projects of all time, built by a consortium consisting of Skanska and NCC, with the bulk of funding for construction provided by Sida.

"When we designed the plant we took the earthquake risk into consideration," says Björn Kvist, Assistant Assignment Manager for the Uri project.

"The structure of the plant was engineered to withstand significant seismic activity." ■