

OPEN LETTER TO THE WORLD BANK INDIA COUNTRY DIRECTOR

**Stop these sham consultations!  
Stop funding destructive projects**

June 26, 2012

Dear Mr. Roberto Zagha,

Thank you for the invitation to Consultations for developing the World Bank's Country Program Strategy 2013-16 to be held on **June 26th 2012**.

A serious process would require at least wide consultation, inclusive of people and organizations working on the social and environmental impacts of Bank funded projects, advance notice and adequate time for deliberations. It is disappointing not seeing any of those in the CPS process.

People affected by the Bank funded projects currently and some of the major ones in the past should also be part of any such consultation process for future funding. Since Bank is not doing this, it is not learning any lessons and continues to fund disastrous projects. For example, in case of the Rampur hydropower project now being implemented with the World Bank funding (which the World Bank agreed to, not learning any lessons from its disastrous funding for the Narmada Projects), we have pointed out to the World Bank officials in the past the violations that the project indulges in, and the situation remains same today, but there is not even an empowered monitoring mechanism in place in participation with the affected people to ensure compliance with the most basic norms required under Indian law.

The project itself diverts more than 15 km length of the Sutlej River in addition to the LONG river length that the upstream Nathpa Jhakri also funded by the WB has destroyed. The affected people are not even being paid basic compensation for the damage to houses, the muck continues to be dumped in the river and in vicinity of villages, the houses of people continue to get cracked and damaged, their water sources continue to get dried up and YET, without their knowledge, and in most fraudulent way the Bank supported the developer application to get CDM credits. The project is neither additional (the agreements were signed even before the first CDM project came into existence), nor sustainable, and hence the application for CDM credits was clearly fraudulent.

Moreover, the Bank funded a Spanish consultant AENOR to provide a certificate that the project is WCD compliant. A perusal of the Consultant document shows that the consultant never visited the dam or the project area, never talked with any affected people, did not talk with any of the critical NGO or media voices, and sitting in a foreign soil, produced a report saying that the project is WCD compliant! Example of more fraudulent situation would be rare! The entire consultant report is only based on the documents provided by the project proponent and the Bank! To illustrate how shocking the report is, it says, "Therefore, the average annual river runoff before and after the Project's implementation stay unchanged." How can the average annual river runoff (which any case is the least relevant parameter) remain same after the river is diverted into the tunnel that brings back the water about 15 km downstream? How can there be any credibility of such a report and such a certificate? And yet the WB used that document and submitted it to the Swedish Energy Agency so that SEA can buy the credits from Rampur, heaping another fraud on the local people, environment and global climate.

Shockingly, after destroying the Long stretch of the Sutlej river for Nathpa Jakhri and Rampur, now the Bank wants to fund Luhri project, which will have the LONGEST tunnel, bypassing about 50 KM of the river, which is the last stretch of undammed, untunneled part of the river in this region. PLEASE DO NOT DO THAT! The Bank will face the worst ever risk to its reputation if they do that.

In fact the WB needs to IMMEDIATELY institute an independent enquiry into the violations indulged in the Rampur project and also the fraudulent WCD compliant report from AENOR that the Bank funded. Pending these, the Bank should put a hold on funding Rampur.

Here we would like to bring to people's attention a new trick the Bank has been playing with the people and environment. For example in case of Rampur project, the bank signed the funding agreements only AFTER the EIA, public hearing and environment clearance from Indian regulator is already in place. But since the Bank knows and Bank officials have said so in clear words in the past, the EIA done for the project, which is used for this clearance process is of unacceptably poor quality, the Bank gets a NEW EIA done, as it did for Rampur. But it is a mystery for everyone as to what happens to that NEIA? Is the NEIA done through participatory process? Is it available to local people in their language? Is the NEIA part of any regulatory process? Is there any credible consultation process based on NEIA? Is there any credible monitoring process in place to ensure implementation of the management plan suggested in NEIA? Does this management plan from NEIA have any legally mandatory compliance process? Does this NEIA have any value beyond being in the files of the Bank? The answer to all these questions, to the best of our information is NO. The question then is why is the Bank doing this deceitful trick? The Bank followed the same path in case of Vishnugad Pipalkoti project it is now funding in Uttarakhand and plans to do the same for Luhri project in Himachal Pradesh.

In neighbouring Uttarakhand, the Bank is funding destruction of the Alakananda River by funding the Vishnugad Pipalkoti project. You may know that a very large section of Indian society has stood up against such destruction of the Ganga River. The THDC, which is developing the project, has one of the worst track record on social and environment issues in its implementation of the Tehri dam and yet the Bank has decided to fund THDC project!

And as if to wash its sins off for destroying Ganga in the upstream, the Bank has said it is ready to fund USD 1 Billion for Ganga cleaning programme in the downstream. The trouble is that Bank has shown no will, willingness or capacity to learn lessons as to why the Ganga, Yamuna and other river action plans have failed in the past. It is not for lack of technologies or infrastructure or money alone that these have failed. The Bank itself has been a partner in these failures in the past. The biggest trouble with these efforts in the past is that there has been absolutely no participatory, democratic governance of any of these efforts and there was absolutely no role for the people whose lives and livelihoods depend on the river. Without a central role for such communities, there is no hope for any river action plan in future either.

Even on basic transparency issues, the Bank has miserably failed, sir. To illustrate, following the WB's declaration of New Info disclosure policy and setting up of commission for the same, I had filed a request on July 2, 2010 regarding the Bank funded Rampur Hydropower project in HP, the request said: PI provide copies of supervision reports, mid term reviews, back to office reports regarding the Bank funding for the Rampur Hydropower project in Himachal Pradesh in North India, including agenda notes and minutes of the meetings held in this regard.

The Bank took 27 calendar days (19 working days against their norm of 20 working days) to REJECT this request, I though rejection should be faster!! The Bank's (the response came from [wbackcess@worldbank.org](mailto:wbackcess@worldbank.org) on July 29, 2010) claim was that this is deliberative information. How can this be described as deliberative information when the project was under implementation then? My appeal to the Secretariat to the Access to Information Committee against this decision drew a blank. It is clear that the Bank is not only not being transparent in the most fundamental way, it's information policy and mechanism is completely non responsive to issues of public interest.

A statement issued by nearly 25 CSOs early this month, around the time of Bangalore CPS consultation, expressed serious concerns about the process in which the Bank is conducting its consultations in India. Nearly none of the CSOs whom we work with, who work on Bank financed projects around the country, were invited in the CPS consultations you held in other parts of the country. Unfortunately this was our experience in the previous consultations on Energy Policy and AIP as well.

In view of all this, we see no point in participating in this exercise that is no more than a facade. However, if you have credible answers to the issues raised above, we would love to see them.

Thanking you.

Best wishes,

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For South Asia Network on Dams Rivers & People ([www.sandrp.in](http://www.sandrp.in))