

Scam: UNFCCC registers Rampur hydro

In a shocking move, UNFCCC (United Nations Framework Convention on Climate Change) approved the extremely controversial Rampur hydropower project in Himachal Pradesh (India), which is set to increase global CO2 emissions by 15 million tons, at a cost of \$164 million to energy consumers in Sweden. The project exemplifies how hydropower companies and other investors, with support from the World Bank, are using the system of climate finance to reap benefits, degrade ecology, harm local communities and yet get a license to call their projects 'green'.

Rampur is a 412 MW hydropower project on the Sutlej River being developed by the Sutlej Jal Vidyut Nigam Limited (SJVN). SJVN signed an agreement with the local govt to implement the project back in 2004. The World Bank approved a loan of \$400 million for Rampur in 2007. **Throughout this process, SJVN assured the public & lenders that the scheme was a least cost project and would remain financially viable even under adverse hydrological conditions.** At no time did it indicate that the project needs carbon credits to go forward.

A key condition of the CDM is that carbon credits are only awarded if a project would not go forward without them, also known as additionality test. However,

- The project had signed implementation agreement with HP govt way back in 2004, claiming its financial viability. This fact has been conveniently omitted from the PDD.
- It had applied for techno economic clearance from the CEA in June 05, which had assessed its economic viability.
- There are no barriers to large hydro projects. It is the govt policy to push large hydro to the maximum possible extent, with provision of all the available resources. In case of Rampur, the financial resources are already in place with the debt portion being funded by the World Bank, and the equity portion coming from SJVN and the Himachal Govt. The decisions to allocate these resources have

been taken long back. This provides further support to the conclusion that project is non additional.

The Validation report by the DOE has stated several times that, "Barriers have been removed from Project Design Document during the course of validation." In that case the old PDD is no longer adequate or valid document. ***If indeed the PDD is changed so drastically as claimed, it qualifies for new round of stakeholder comments.***

SANDRP and Himadhara had written to the DOE, UNFCCC board & the Swedish Energy Agency about the blatant procedural and ecological violations involved in the project. Local communities from HP, including workers from the project site have been protesting against the project, its many violations including incomplete EIA & EMP reports, since 2006. The submission to the UNFCCC stressed how the project has been turning a deaf ear to community concerns & is

It is particularly shocking that the UNFCCC Executive Board is incapable of seeing through the fraudulent claims of the projects like Rampur. Most disappointing aspect is that we can see the fraud being indulged in front of us, but nothing can be done about it!

facing protests. Considering all the aspects, it is difficult to understand the basis on which UNFCCC has approved the project for carbon credits. It seems there is a huge scam, considering the amounts involved if the project were to be approved as a CDM project.

Now it seems the Swedish polluters can emit 15 m tons of CO2 more than they are entitled to under the Kyoto Protocol, and SJVN will sugar-coat its profits with an extra \$164 m, harming the local communities and ecosystems. The Rampur case also sheds light on the dubious role which the World Bank plays in abetting the scams that Wiki leak exposed. ***The Bank claims that its projects are financially viable when it lends to them, and pretends that they are not when it arranges carbon credits for some of the same projects. Indeed, these decisions are raising pertinent questions regarding the ability of the CDM mechanism in curtailing emissions or promoting sustainable development, without swaying to external pressure.*** (SANDRP, International Rivers 051011)