

NHPC: People don't matter





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For more information on their work see:

<http://www.actsikkim.com/>
<http://www.weepingsikkim.blogspot.com/>
<http://www.narmada.org/>
<http://www.kalpavriksh.org/>
<http://www.sandrp.in/>
<http://www.freewebs.com/anti-htamanthi/>

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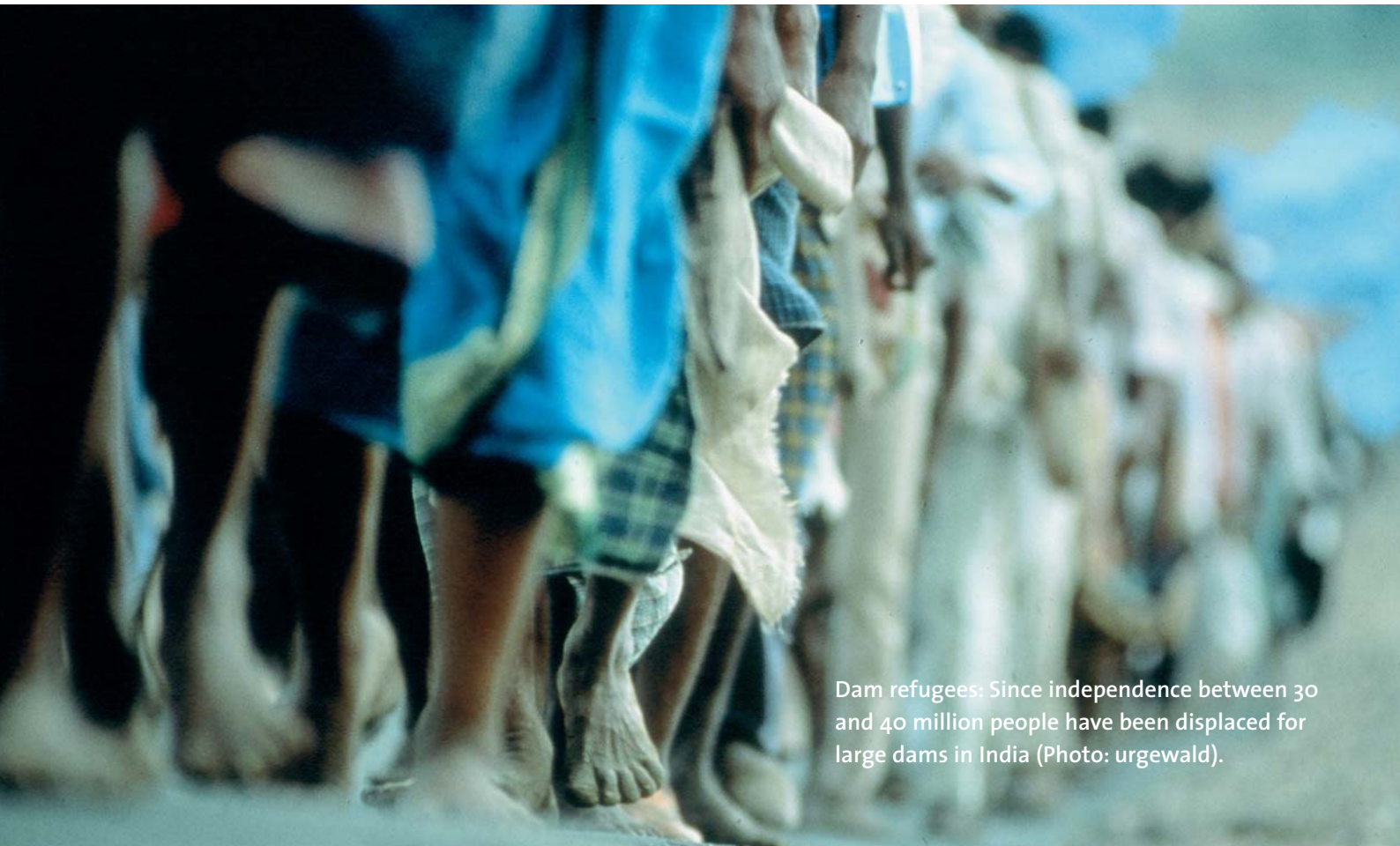
NHPC: People Don't Matter

If there were an international competition for the title of “Most Ruthless Corporation,” India’s entry should undoubtedly be the **National Hydroelectric Power Corporation** (NHPC). As the name implies, NHPC’s business is building and operating dams. In fact, it prides itself on being the country’s premier dam building agency. And in that role, it’s managed to set a new standard for corporate social irresponsibility and sheer callousness.

As a state-owned corporation, NHPC has been allowed to virtually ignore the conditions set out by India’s Environment Ministry, state legislation, court judgments and in project agreements to guarantee the rights of people affected by its projects. It has made a name for itself by flooding inhabited villages, using force and intimidation to push communities off their traditional lands, destroying pristine natural areas and endangering the lives and livelihoods of downstream communities. Perversely, this behaviour has even brought NHPC acclaim by India’s Prime Minister, Dr. Manmohan Singh, who recently gave the corporation top Performance

Awards for finishing two of its projects “ahead of schedule.”¹ Of course, Mr. Singh was neglecting the fact that in both projects many families had to run for their lives because they were not notified that their villages would be flooded.

Under the protection of the Government, NHPC is aggressively expanding its operations and is currently angling to acquire new capital both on the domestic and international markets. The following briefing aims to inform the public, investors and financiers about NHPC’s track record and expansion plans. It compiles information from three regions: the Narmada Valley in Central India, the States of Sikkim and Arunachal Pradesh in Northeastern India and the lands of the Kuki people in Northwestern Burma, where NHPC is building a dam for the military junta. The experiences in these three regions are exemplary for NHPC’s mode of operation and signify the corporation’s basic tenet: People don’t matter.



Dam refugees: Since independence between 30 and 40 million people have been displaced for large dams in India (Photo: urgewald).

NHPC IN THE NARMADA VALLEY: DISPLACEMENT WITHOUT RESETTLEMENT

In 2000, NHPC formed the Narmada Hydroelectric Development Corporation (NHDC) as a joint venture with the Madhya Pradesh Government, whereby NHPC holds 51% of the corporation's shares. NHDC has recently finished two dams on the Narmada: the Indira Sagar and Omkareshwar projects. Both exemplify the special brand of ruthlessness and negligence that characterize NHPC's operations.



The Omkareshwar Dam: Forcing people to destroy their own homes

Panthiaji was a small village nestled in the hills just upstream of the famous temple town of Omkareshwar on the River Narmada. Its 70 families were mainly Adivasis (tribals) and made a living through farming and collecting produce from the nearby forests. That is up until a day in mid-August 2003, when officials from NHDC came with police and bulldozers and told the villagers they had 24 hours to vacate their homes. When the villagers asked, where they were to go, what they were to do, the officials said they would be given new house plots, but only if they helped break down their houses before the next morning. Ramphere Yadav from Panthiaji tells the story of what happened that day:

“First we refused to go, but then the people from NHDC said that they would break our houses with their bulldozers and smash our belongings. So there was no choice. It was raining heavily, but we were forced to leave our homes, and all our belongings were lying in the rain. So we worked all night. We took out our belongings, took down our roofs and broke our homes because the pressure was so much. People were crying, and we were in extreme distress. Having to break our village was like breaking our own heart.”²

Panthiaji was cleared to make way for the construction site of the 520 MW Omkareshwar dam. Once this dam's reservoir is filled, 30 villages will be submerged, and all in all some 50,000 people will be displaced. According to the conditions set out in the project's clearance by India's Environment Ministry, NHDC must resettle these oustees and provide them with new agricultural land before submergence takes place.

In March 2007, the construction of the Omkareshwar Dam was finished and NHDC announced that it would begin filling the reservoir in April 2007. This was a brazen violation of both the project's clearance and the resettlement plan as not a single oustee family (including those who had been displaced from Panthiaji in 2003) had received new agricultural land.

As in many other projects, NHPC has come to rely on the fact, that the Government of India sets little store on enforcing the conditions of its project clearances. As a matter of fact, a study carried out in 1994 found that around 90% of project clearances are violated with the Government's full knowledge.³

The oustees of Omkareshwar, however, decided to put up a fight. They organized themselves under the auspices of the Narmada Bachao Andolan (NBA), one of India's most renowned grassroots movements, and took NHDC to court. In its judgment of May 18th 2007, the



Wrecked house in Panthiaji: The wall poster depicts an image of Lakshmi, the goddess of prosperity (Photo: urgewald).

High Court of Madhya Pradesh put a stay on the filling of the reservoir and ordered NHDC to first provide agricultural land to the affected communities as per the conditions of the environmental clearance.⁴ In June 2007, however, NHDC took the matter to the Supreme Court. On the basis of technicalities and NHDC's affidavit stating that the first 5 villages in the Omkareshwar submergence had already been evacuated, the Supreme Court overruled the High Court's stay and allowed NHDC to fill the dam's reservoir up to 189 meters (the full reservoir level lies at 196.6 meters). In the meantime, 12,000 oustees had taken to the streets to protest against NHDC's policy of displacement without resettlement. They congregated in Khandwa and Bhopal and sat in front of government and district headquarters for over a month, while two of the oustees' leaders went on hunger strike for 37 days.⁵

As the Supreme Court ruling had not dealt with the issue of resettlement and, in fact, had referred the matter back to the High Court, the High Court reiterated its stay for the submergence of the remaining 25 villages and forbid NHDC to take any further steps to displace villagers.⁶ NHDC ignored this order in several ways: It raised the water level to 190 (instead of 189) meters, so that altogether 8 villages were totally or partially submerged and continued its campaign of intimidation in the remaining villages. The unexpected submergence led to dramatic scenes, for example, in the village Gunjari where 10 women refused to flee from the rising waters and spent 9 days standing in the water to protest against the total lack of resettlement and rehabilitation measures.⁷

At the same time, as the Gunjari women were standing in hip-deep water, NHPC presented a 52-page draft resettlement policy on its webpage in order “to consult and ask for feedback from civil society.” Nothing could better emphasize the corporation’s dishonesty. In order to attract international funding, it has put up a smoke screen of environmental and social policies and certifications, while denying the people affected by its projects even the most basic rights accorded to them by laws, regulations and project clearances.

Nowhere to go: Women from the village Gunjari spend nine days standing in the rising waters to protest the lack of resettlement measures.



गुजारी में जलमग्न होते मकान के सामने महिलाओं द्वारा जलसमाधि सत्याग्रह।

Indira Sagar: Flooding without warning

Easily the most controversial of NHPC’s projects, the 92-meter high Indira Sagar dam has created the largest impoundment in South Asia and will displace over 200,000 people, once its reservoir is completely filled.

From the start, the arithmetic of this dam was highly questionable. In order to irrigate 123,000 hectares (the so-called ‘command area’), Indira Sagar is submerging

91,000 hectares of prime agricultural land and forest, an area equivalent to 74% of the command area.⁸ This makes even less sense, when one considers that probably half of the command area is already irrigated. But these are not the kind of details NHPC worries about - as far as it is concerned, EVERY dam is a good dam. Construction of the Indira Sagar dam was completed in 2005, but NHDC already began impoundment in 2003.



Indira Sag: Over 200,000 villagers are forced out of their homes to make way for the dam (Photo: NBA).

It effectively enforced a regime of terror in the project area, forcing people to leave their villages through intimidation, threats and the use of special armed forces.⁹ During the 2004 monsoon, NHDC even began submerging villages that had not yet been evicted. The villages Junapani, Kukshi, Bargaon Raiyyat, Gambhir, Semrud, Lachora Mal, Kasrawad, Gondikheda, Mohnia Kala, Mohania Khurd, Dantha, Nandana, Nagarbeda, Mahatpura and Mahendgaon were caught unawares when the reservoir claimed their lands and houses in August 2004.¹⁰ There had been no prior warning about the impending submergence nor had the lands of these people yet been acquired. Local newspapers carried reports like the following: “A tribal family from village Mahendgaon climbed a tree to save their lives from the waters of the Indira Sagar Dam.” “12 year old Rahul Solanki risked his life to keep a three-year old child from submerging.” The daily newspaper Naiduniya reported: “On 23rd of August during heavy rains and increase of water because of the dam, the villagers took refuge in the school building close by village Karanpura. Only two days before the village was submerged, the Land Acquisition Officer had informed these tribals that their village would not be submerged this year. Absolutely nothing remains of the houses, clothing and food provisions of these submergence affected families. These people were only able to survive because the residents of the next village came to their rescue.”

In 2006, when the reservoir level was brought up to 260 meters (the full reservoir level lies at 262 meters), a group of oustees appealed to the High Court of Madhya Pradesh, which finally ordered a resurvey of the submergence area. The resurvey has not yet been completed, but it has already emerged that NHDC produced faulty surveys in 106 villages, thereby overlooking some 3,000 houses that would be submerged.¹¹ “We are not at all surprised by this,” says Chittaroopa Palit from the NBA.

“NHDC has shown itself to be both technically inept and corrupt. Over the past years, many of its officials were caught extorting bribes in the submergence area and families who couldn't pay were often not counted as project-affected.”

But even those who were counted have been unable to rebuild their livelihoods. As in the case of Omkareshwar, none of the oustees received new agricultural land.

Instead, NHDC only dealt out paltry sums of cash compensation and completely ignored court orders specifying that adult sons and daughters were also entitled to compensation. In effect, NHDC has turned a population of self-sufficient, independent farmers into refugees and paupers. Many are now living on the edges of the Indira Sagar reservoir, can no longer send their children to school and do not know where the next meal will come from.

For the past two years now, the High Court of Madhya Pradesh has not allowed NHDC to finish filling the Indira Sagar reservoir. The Court found that NHDC violated virtually all of the social provisions laid down in Government clearances as well as a decisive Supreme Court judgment, which stipulated that “Rehabilitation should be done so that at least six months before the area is likely to be submerged, rehabilitation should be complete in respect of homestead, substitution of agricultural property and such other arrangements which are contemplated under the rehabilitation scheme.”



The outcome of NHPC's projects: independent, self-sufficient farmers are turned into refugees and paupers (Photo: urgewald).



Protecting the river: Villagers protest against large dams on the Narmada (Photo: R. Hörig).

Evidently, the courts are the only part of the governance system, upholding the rights of oustees to be resettled. However, their means to enforce justice are limited, so that NHDC has up to now been able to ignore judgments affirming its duty to replace the agricultural lands it took away.

In view of these events in NHPC's largest project, it is all the more bizarre that the World Bank noted in its 2004 draft Country Assistance Strategy for India: "While for many years the hydropower business had a poor reputation, some major actors (including the NHPC) have started to improve their environmental and social practices." After all, if a corporation as a rule neglects to resettle people before submerging their lands, even the World Bank should realize that something is amiss.

The tragedy of Dharaji: Dams can kill

The village of Dharaji is situated on a spectacular stretch of the Narmada, where the river cuts full force through volcanic rock and cascades around ancient rock towers, rising from the flow. It is a place of great religious and cultural significance, where tens of thousands of pilgrims gather twice a year to celebrate the religious festival Bhootdi Amasvasya by bathing and praying on the banks of the river.



Dharaji, 2005: During a religious festival on the banks of the Narmada, NHPC releases large amounts of water from the Indira Sagar dam without prior warning. Over 200 pilgrims are killed in the man-made flood (Photo: Adeel Halim).

On April 7th 2005, over 50,000 people had assembled for the festival in Dharaji, when a two-meter high flood wave hit the site and hurled pilgrims against the razor-sharp rocks or swept them into the river. It was a man-made flood, caused by unannounced water releases of the Indira Sagar dam, which is 25 km upstream from Dharaji. All in all, the death toll was over 200, with some 70 bodies found and 150 people gone missing. The bodies that could be recovered were badly mutilated, testifying to the force with which the victims were swept across the rock-strewn riverbed by the released waters.¹²

NHPC simply claimed that it had been unaware of the ritual festival downstream of the dam, and its chief managing director, Mr. Dodeja, attributed the tragic event to “a communication gap.”¹³ Families of the victims and NGOs such as the South Asia Network on Rivers, Dams and People (SANDRP) called for an independent judicial inquiry into the event, but without success. Himanshu Thakker from SANDRP comments:

“NHDC’s claim that it was unaware of one of the most significant religious festivals of the region, which regularly draws up to 100,000 pilgrims to the area, only shows how far removed officialdom is from the welfare of the people living along the Narmada. It is a scandal that not one official was held responsible for the man-made flood that caused this tragedy.”



Taking the river away from the people

The events at Dharaji raise fundamental questions about NHPC's role as a dam operator. As a perennial river, Narmada was once known for its predictable nature even in the monsoon. For centuries, it has been the centre of life, economy and culture for the communities along its banks. The river not only provides water and silt for the farmer's fields; it sustains a multitude of occupations such as sand-mining, fishing and river bed cultivation during the dry season, so that even villagers, who do not own land, have been able to provide for their families. The areas, which are today downstream of Indira Sagar, prospered and even provided seasonal labour opportunities for people from other regions. As the farmer Luharia Shankaria says: "We had more than we needed, the river looked after us."

Now that 1/3 of the Narmada's waters are impounded in the Indira Sagar reservoir, the regime of water flow has been drastically altered. In the past year, nearly 75% of the 15,000 families of the Kewat and Kahar castes, who are engaged in riverine occupations, have been unemployed because of the changed regime of down-stream water releases. Riverbed cultivation, an important source of livelihood for the poorest has become impossible. In a place where the economy of hundreds of thousands of people depend on the regular cycles of the river, NHPC has taken control of the waters and operates the dam in a way that wreaks havoc on the river's ecology and the communities along its banks.

As there are no laws or regulations which prescribe a minimum flow regime, NHPC has alternately exposed and flooded the riverbed for its own purposes, with no heed to the downstream impacts. In 2003, for example, when NHPC began impoundment of the Indira Sagar reservoir, it did so without considering the rights and needs of downstream water users. It effectively cut off the river for several weeks, so that farmers were unable to water their fields, harvests were lost, the city of Indore experienced a drinking water crisis and fish populations were wiped out through the man-made drought.

At other times, without warning, huge volumes of water have been released, fields and irrigation pumps submerged, boats and fishing nets swept away. Because of NHPC's massive intermittent water releases, already tens of thousands peoples' livelihoods have been destroyed. As Chittaroopa Palit says: "Life has suddenly become perilous for people living below the dam. And with further dams coming up on the Narmada, heavy rains paired with a lack of communication and poor safety standards among the dam operators, will lead to even more catastrophic man-made floods."

Hundreds of thousands of farmers in the Narmada Valley depend on the regular cycles of the river. Large dams such as Indira Sagar are disrupting a prosperous rural economy by alternately flooding and starving down-stream communities of water (Photos: urgewald).



NHPC IN THE NORTHEAST: RISKY BUSINESS

India's Northeast consists of 8 states (Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim). It is a remote region of immense cultural and biological diversity, harbouring over 100 tribal peoples, whose cultures and economies are closely tied to the land. It is also the region, where NHPC has its most ambitious expansion plans and is pushing through a bonanza of new hydropower projects with the help of the Central Government.



NHPC in Sikkim: Destroying a culture



Dzongu, Sikkim: The homeland of the Lepcha people has been protected for over 100 years.

Travellers to North Sikkim are enthralled by the beauty of the Teesta River as it flows through deep valleys nestled in the eastern flanks of the Himalayas. The river connects a multitude of unique tropical, temperate and alpine ecosystems that belong to one of the World's biodiversity hotspots, and make tourism the second most important mainstay of Sikkim's economy.

Sikkim's original inhabitants are the Lepcha, an Indo-Tibetan buddhist people, who today make up around 10% of the State's population. The heartland of Lepcha culture is the region "Dzongu" and is nurtured by the Teesta River. It is a paradisiacal landscape of mist and orchids, which overlaps with the Khangchendzonga National Park and Biosphere Reserve, the crown jewel

of Sikkim's conservation areas. For the Lepcha, Dzongu is not only their home; it is sacred ground. As the head of the Lepcha Tribal Association, L.S. Tamsang explains:

“All of our cultural traditions, from birth to marriage to funeral rites centre around Dzongu. For us there is no heaven and hell. When we die, our soul returns to the mountains and valleys of this place.”

In recognition of the Lepcha's unique culture and their deep bond to nature, Dzongu was declared a reserve for the Lepcha people over 100 years ago. These rights go back to the times, when Sikkim was an independent Buddhist Kingdom and royal decrees determined that only Lepchas are allowed to settle and own land here.¹⁴ When Sikkim became the 22nd State of the Indian

the Teesta V dam, is already under construction. Although the dam site itself lies outside of Dzongu, the area of impact includes part of the reserve. When Teesta V was approved on the basis of a very sketchy environmental impact study, India's Federal Environment Ministry had promised that no further dams would go



Union in 1975, its laws and traditions were recognized under article 371 (F) of the Indian Constitution, thus reaffirming Dzongu's protected status. Today, this small reserve is the only place in Sikkim, where the Lepcha are still in the majority and where their culture remains vibrant.

In spite of these protections, the Lepcha have been forced into a desperate battle to protect their ancestral homeland against destructive hydro-development. One of their prime opponents is NHPC, who along with other companies, is planning a series of dams on the Teesta and its tributaries. The first of these projects,



Fighting for survival: Leaders of the Lepcha people wage a 63-day hunger strike to protest the large dams threatening their ancestral lands (Fotos: Weeping Sikkim).



ahead, until a detailed study was undertaken to determine the total carrying capacity of the river.¹⁵ NHPC, however, was not about to wait. It immediately took up further projects, including the Teesta IV Project, located at the main entrance to the Lepcha reserve and the Lachen dam, just north of Dzongu and adjoining the Khangchendzonga National Park. Other companies followed suit and there are now plans to build three further dams (Panan, Rangyong and Lingza) in the heart of Dzongu.

In the summer of 2007, two of the Lepcha's leaders undertook a 63-day hunger strike to protest these

developments and to call upon the State Government to review the contracts it has signed with NHPC and other companies. Both the State and the Federal Government are, however, ignoring the legal protections accorded to the Lepcha Reserve and the Khangchendzonga National Park and Biosphere Reserve. In fact, the complete environmental and social assessment process has become a sham. The Environmental Impact Assessment (EIA) for the 300 MW Panang hydropower project, for example, only devotes a single sentence to the Lepcha and ignores the tremendous impacts of the project both for Dzongu and the Khangchendzonga National Park. As Dawa Lepcha, one of the hunger strikers says:

“The only law the Government is currently upholding is the Land Acquisition Act, which allows it to displace people. All other laws and regulations have been thrown to the winds.”

The cumulative impacts: Destroying the Teesta

The Teesta River is the main water source and lifeline of Sikkim, sustaining not only the livelihood of the Lepcha, but the entire populace, for whom farming is the major occupation. The river's silt deposits, water balance and regular flooding cycles are vital for the cultivation of food staples like rice and the State's main cash crops such as cardamon, flowers and vegetables. Currently, some 29 mega-hydropower projects are planned on the Teesta and its tributaries – a gargantuan scheme, whose impacts are beyond imagination.¹⁶ In a mountainous state where agricultural land is already scarce, prime areas of fertile land along the riverbanks will be submerged in reservoirs, and long stretches of river between the reservoirs will be diverted into tunnels. In fact, if all of the envisaged dams are built, 70% of the Teesta's course will be moved underground. And what was once a mighty, free-flowing river will become a series of stagnant pools connected by under-

ground channels. “This is not development, it is mindless devastation,” says Dawa Lepcha. “There has been no consideration whatsoever of the cumulative impacts on the river system and the people depending on it. If these plans go forward, they will destabilize the ecology and agriculture of the entire region.”

The environmental assessments put forward by NHPC and other developers completely ignore not only the downstream impacts of the proposed projects, but also the risks associated with building dams on snow and glacier-fed rivers in a seismically active region. The Teesta River originates from the Zemu Glacier on Mount Khangchendzonga and is a highly volatile, flood-prone river. Its basin is among the most landslide-prone areas of the country, and there have been at least 8 major earthquakes along the Teesta's course over the past 100 years.¹⁷ All of these factors as well as the risk of



so-called “Glacial Lake Outburst Floods” pose a serious threat to river infrastructure projects and the populations living downstream of them.¹⁸ In spite of these very real dangers, NHPC has seen no need to undertake independent safety assessments or develop emergency plans for its projects. And India unfortunately, has no dam safety legislation defining minimum engineering criteria or regulations for the inspection of dams.

29 dams are planned on the Teesta and its tributaries. According to the plans, long stretches of the river would be diverted into tunnels. If all of the dams are built, 70% of the Teesta's course will be moved underground (Photo: Weeping Sikkim).

The tale of Lower Subansiri

For anyone who wants to understand, how NHPC manages to manipulate, break and evade the law, it is instructive to look at the Lower Subansiri Project in Arunachal Pradesh, another of India's Northeastern States. Located on the border to Assam, the 2,000 Megawatt project will dam the Subansiri River, the largest tributary of the mighty Brahmaputra. One bank of the dam will be in Assam and the other in Arunachal Pradesh, where most of the submergence will take place.

The dam will destroy river dolphin habitat, block an important elephant corridor and submerge part of the Tale Valley Sanctuary, a unique valley swamp ecosystem. According to the well-known naturalist, Dr. Anwaruddin Choudhury: "This forest belt has over 500 elephants and blocking the corridor through further development will be disastrous. Other endangered species recorded in the vicinity of the dam site are tiger, leopard, clouded leopard, marbled cat, golden cat, dhole, gaur, serow, capped langur, slow loris and gharial, all listed in Schedule I of the Indian Wildlife Protection Act."¹⁹ It is an area rich in endangered species and has been recognized as a conservation area of international importance.

India's Environment Ministry was nonetheless determined to give clearance to the Lower Subansiri Dam, but as parts of the Tale Valley Sanctuary were to be submerged, the project also had to be cleared by the Indian Board for Wildlife (IBWL). In accordance with its mandate, the IBWL termed the studies of the project's biodiversity impacts to be grossly inadequate and

asked for accurate, detailed, scientific information on the entire impact zone before taking a decision.

NHPC, however, saw no reason to wait. It began construction of Lower Subansiri over 2 years before procuring the necessary legal clearances and even erected a long fence in the surrounding Subansiri forest reserve to "protect" its site from elephants. This is a serious violation of both the Forest Conservation and the Wildlife Protection Acts and led to an increase of human-elephant conflicts in the surrounding areas.²⁰ But as Neeraj Vaghlikar from the environmental NGO Kalpavriksh comments: "NHPC consistently behaves as if it is outside the law."

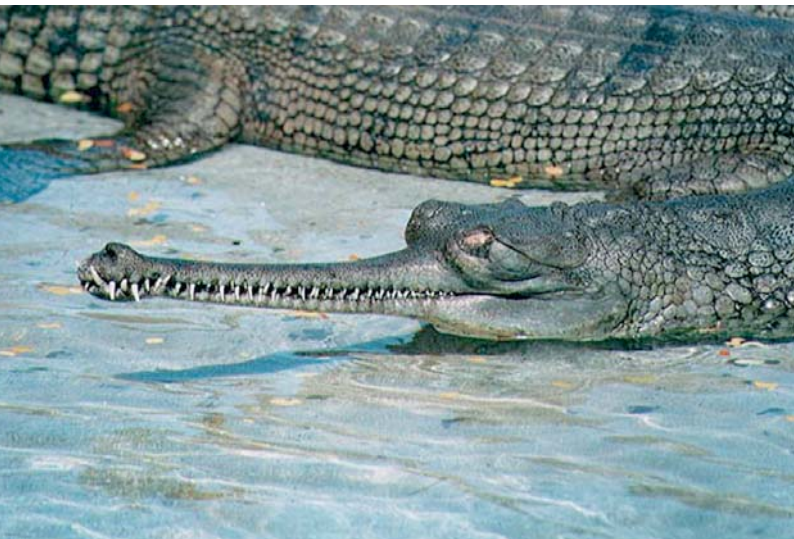
In the meantime, the Environment Ministry presented some additional documentation to the IBWL, but the Board also termed this study to be slipshod and inadequate, so that several of its members continued to refuse clearance for the project. What happened then was recounted by Dr. L.M. Nath, one of the IBWL's former expert members: "During the deliberations of the meeting, the non-official members were informed that if the Lower Subansiri proposal is not cleared, a reconstituted IBWL would be able to clear it in 6 weeks time."²¹ Under severe pressure, the IBWL therefore cleared the project on stringent conditions.²² When the Ministry, however, attempted to dilute these conditions, environmental specialists appealed to the Supreme Court, which reinstated most of the said conditions, confirming that no further dams should be built upstream of Lower



Elephant bathing in the river

Subansiri and that “under no circumstances, the excavated material be dumped either in the river or any part of the national park/sanctuary or surrounding forests.”

Just one month after the Supreme Court’s final order came out in April 2004, researchers from Kalpavriksh visited the Lower Subansiri site and found (surprise, surprise) NHPC dumping huge piles of muck and debris into the river. As in other projects, NHPC did not feel obliged to follow either clearance conditions or court orders. The only area, where the corporation feels bound to demonstrate an environmental conscience, seems to be the public relations area. While the local forest department and environmentalists were trying to stop the corporation from desecrating the Tale Valley, NHPC, in a classic case of double-speak, took out large ads in Indian newspapers for World Environment Day to advertise its environmental sensitivity.



The gharial is one of the many species that will disappear, if NHPC carries on with its plans to dam the Subansiri (Photo: Tim Knight).

By the time of the Supreme Court order, the State Governments in Arunachal Pradesh and Assam were becoming increasingly nervous and disillusioned with NHPC. In August 2004, the Government of Assam voiced its concern about the flurry of dam projects coming up in Arunachal Pradesh, and more specifically about the Lower Subansiri Project, as no attention had been paid to the downstream impacts in Assam. In 2004, Assam had already experienced catastrophic floods in the wake of excess waters released by dams in Arunachal Pradesh.²³ In January, March and May of 2005, the Arunachal Pradesh Government sent 3 letters to NHPC repeatedly asking it to suspend work on Lower Subansiri. In the letter from January 30th 2005, it

says the State Government “feels that the activities connected with development of hydro power potential at the proposed Lower Subansiri site might aggravate prevailing boundary disputes between the people of Arunachal Pradesh and Assam,” and requests that NHPC suspend all activities connected with the project till pending issues are resolved including non-compliance of Supreme Court orders. In the March 2005 letter, the Arunachal Pradesh Power Secretary writes to NHPC: “Your action to proceed with the implementation of the project would therefore be tantamount to contempt of court.”

NHPC, however, continued its work full-speed, ignoring the State Government’s refusal to sign off on the project as well as the conditions laid out in the Supreme Court order. Finally in June 2005, the Arunachal Pradesh Government put forward a petition to the Supreme Court, seeking a directive to restrain the implementation of the Lower Subansiri Project and stated publicly that it would not allow construction of any new reservoir-based large dams in the State.

This was not news that NHPC wanted to hear and in an August 1, 2005 meeting between the Central Power and Water Resources Ministries, NHPC and others, the minutes say: “Secretary (Power) stated there was an urgent need to frame laws to ensure that large storage projects can be taken up (...) without hindrance.”²⁴ The participants agreed to initiate steps, so that the Government can impose its decisions to build large storage dams on State Governments, thus bypassing both constitutional provisions and democratic norms.

NHPC is therefore continuing, not only with its work on the Lower Subansiri Project, but with preparations to build dams on the upper and middle stretches of the river. As long as the corporation is privy to the “no-matter-what-support” it enjoys from the Central Government, neither the Supreme Court nor State Governments have been able to stand in its way.

Crowding out sustainable options for the electricity sector

The Indian Government envisages over 100 dam projects in Arunachal Pradesh alone. Such megalomaniac plans are not only to the detriment of affected people and the environment – they constitute an enormous wastage of public resources. The Indian electricity sec-

tor suffers from the highest transmission and distribution losses in the world (35 - 40%), so that pouring resources into new projects is akin to pouring water into a leaking tub. Although scores of experts have pointed out that the cheapest and most rational investment would be to upgrade transmission and distribution systems, the Indian water establishment continues to focus only on new build options. Even the maintenance and rehabilitation of existing dam structures is completely sidelined. Every year, the equivalent of 2/3 of the added storage capacity is silting up in existing dams and the government is doing nothing to address this issue.

Least-cost options such as energy efficiency and demand-side management are ignored, although even the Indian Power Ministry admits that demand-side management could free up over 25,000 MW of energy.²⁵ Moreover, only marginal sums are invested into renewable energy forms, in spite of their immense potential. According to KPMG, India ranks fourth in the world in wind energy potential and India's Wind Energy Association estimates that up to 65,000 MW could be installed.²⁶ KPMG calculates the potential for photovoltaic solar power to be around 50,000 MW.²⁷ The Government's narrow-minded pursuit of large dams is thus closing out cheaper and more sustainable options to meet the country's power needs.

And what about global warming? In India, large dams are not only responsible for 1/5 of the country's global warming impact,²⁸ the dams themselves are extremely vulnerable to climate change. This is especially true for projects being built on glacier-dependent rivers, such as those in Arunachal Pradesh and Sikkim. The International Commission on Snow and Ice has warned that glaciers in the Himalaya are receding faster than in any other part of the world, and are likely to disappear by 2035. In all probability, this will lead to increased flow for a few years, followed by a stark reduction as glaciers disappear. None of the planned hydroelectric projects in the Northeast seem to even consider this an issue.

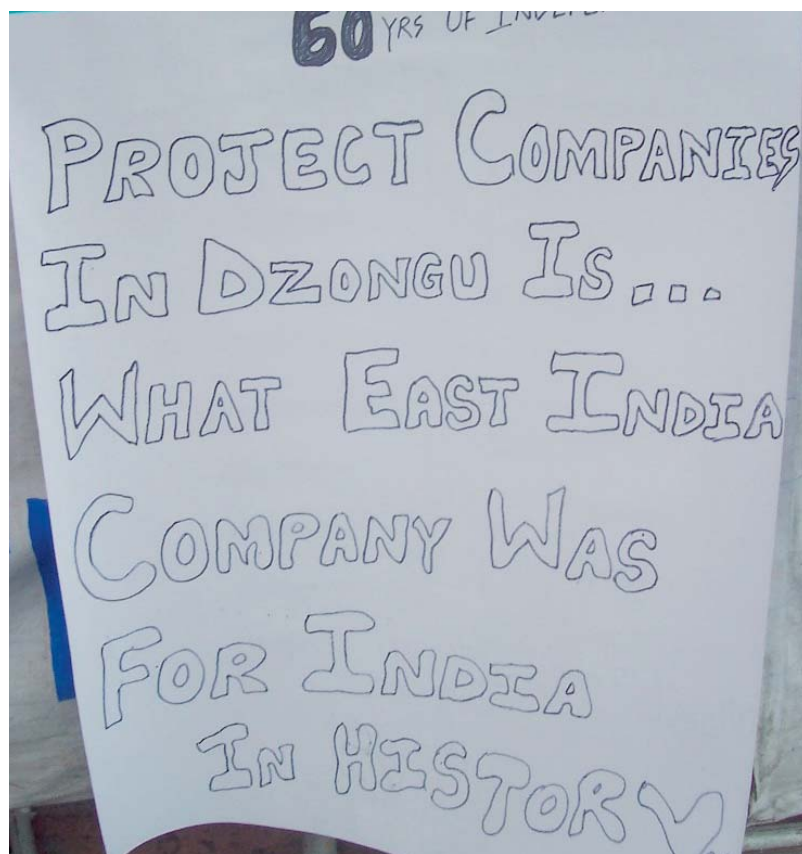
While the government is planning 168 large dams of a cumulative capacity of 63,328 MW in the Northeast, it has completely failed to take note of the region's fragile geology and strong seismicity. In 2007, the NGO Environment Protection and Sustainable Society initiated a court case, asking that 13 of the large dam pro-

jects in Arunachal Pradesh be dropped, as they pose an enormous hazard to downstream populations. These projects are located in a very sensitive seismic zone that has witnessed two massive earthquakes in the past 100 years.

What stands out is, that none of these projects are geared towards the modest energy needs of the Northeast, where dispersed populations would be better served with smaller decentralized projects. Instead, the unique cultures and biodiversity of the region are being sacrificed to meet the projected energy needs of other parts of the country. To put the Government's expansion plans into perspective: The hydro capacity envisaged in Arunachal Pradesh over the next 10 years, is almost equal to the hydropower capacity that has been developed nationwide in the last 60 years. As Bamang Anthony from the organisation Arunachal Citizens Rights says:

"The government is auctioning off Arunachal Pradesh without the consent of its people. Our land and water rights are being transferred to large companies to generate hydro-dollars for the elite."

Today, NHPC is to the Northeast, what the British East India Company was once to India.



NHPC ABROAD

NHPC's ambitions do not stop at the borders of India. In recent years, the corporation has begun to set its sights on the water resources of neighbouring countries, such as Bhutan, Nepal and Burma.



Burma: Collaborating with the Generals

After 45 years of military dictatorship, Burma's monks staged peaceful demonstrations throughout the country in September 2007. Ten thousands of citizens followed their lead in calling for democracy until the junta's special forces opened fire on the demonstrations. Monastery doors were smashed in and hundreds of monks seized, beaten and dragged away. Thousands of civilians and monks are imprisoned, facing torture or secret execution. Hundreds have been killed or disappeared.²⁹

Shortly before the demonstrations began, the International Red Cross had published a report documenting the severe and systematic human rights violations of the "State Peace and Development Council," the bizarre name used by the Generals who are bleeding dry what was once one of Asia's richest countries. Among other crimes, the report cites arbitrary arrests, extra judicial killings, torture, rape, forced labour, destruction of villages and vividly documents the horror of life under the Generals.³⁰ The most egregious human rights violations have taken place in the areas, where Burma's indigenous peoples live. The magazine "Der Spiegel" talks about a "Burmese Darfur," when describing the ethnic cleansing that has caused 2 million Burmese to flee to neighbouring countries.³¹ Already, some 600,000 people have died in the country's civil war against its minorities.

Where others see a human rights disaster, NHPC, however, sees a prime business opportunity. In 2004, NHPC negotiated a turnkey contract with the military junta to build the Tamanthi Hydroelectric Project, a 1,200 MW dam on the Chindwin River. The Chindwin flows

through the lands of the Kuki people, an indigenous tribe in the northwest of Burma.

The site of the Tamanthi dam is Leivomjang, a Kuki village between the towns of Tamanthi and Homalin. Once the dam is completed, its reservoir will submerge over 35 villages and 17,000 acres of prime agricultural land. It will displace at least 30,000 people and flood part of the country's second largest wildlife sanctuary. In contrast to its operations in India, NHPC does not need to bother with environmental or social impact assessments or holding consultations in Burma. Under the military regime, large-scale development projects have become synonymous with intimidation of local populations, slave labour and environmental destruction. Tamanthi is no exception.

In March 2007, 380 households were forced to leave Leivomjang and the neighboring village of Tazong. The Burmese army destroyed their houses and forced villagers to relocate to a place called Luang min ("barren land"). According to a Kuki woman's report: "Most of the villagers refused to go to the new site and some went into the jungle to hide. Some are temporarily staying in farm huts. No one dares to remain in their village."³²

Other Kukis report that the project is accelerating human rights violations and will be completed with the help of slave labour. Already, people from the area are forced to participate in the construction of roads, army camps and other state facilities. A secretary from one village describes the system: "One person from each

family is subjected to unpaid forced labour for 120 days a year. Failure to attend such forced labour summons, for example due to sickness, results in physical torture and the doubling of the volume of the work to be done.” Lu Lun, the coordinator of the Anti-Tamanthi Dam Campaign Committee says:

“First, they robbed our forests, now they are stealing our water resources. The Tamanthi Dam is yet another weapon in the hands of the military junta.”³³

At least 80% of the 1,200 MW produced by the Tamanthi dam will be exported to India, and the proceeds will fill the military’s coffers.

Large energy development deals are, in fact, the most important source of financial and political support to the illicit regime of General Than Shwe. The junta has plans for some 200 further dam projects, generating altogether 40,000 MW (Burma currently uses only around 1,200 MW for its own needs).

The Kuki Student Democratic Front has been staging regular protests against the Tamanthi Dam in New Delhi. The organization is calling on NHPC and the Indian Government to withdraw from the project as such partnerships directly support the arms acquisition of the junta and its military offensives against Burmese citizens.



July 2007: Students in New Delhi demonstrate against human rights violations in the Tamanthi dam project and NHPC's partnership with the military junta in Burma (Photo: Anti-Tamanthi Dam Campaign).

Conclusion:

Since the National Hydroelectric Power Corporation was set up in 1975, it has left a trail of tears and destruction in its wake. Although the corporation has – over the past few years - formulated environmental and social policies, and filled its website with moving quotes from Mahatma Gandhi, this is just a pretty mask it dons for prospective financiers. The brutality of its day-to-day operations tells a different story. A story of stolen lands and forced evictions, of broken project agreements and mismanagement of rivers. And in each NHPC project, the ending of the story is the same: self-reliant farming

communities are stripped of their assets and turned into paupers and beggars.

NGOs from all over India and from around the world are therefore calling upon public and private financial institutions, development banks and export credit agencies to cease funding this corporation. Any institution with a social ethic, with a concept of responsible lending, with respect for the rule of law - any institution for which people matter, needs to blacklist NHPC. 🟡

Annex:

The Who's Who of NHPC's friends

Shares

NHPC's number one ally is the Government of India, which is also the corporation's sole shareholder. The Government currently finances 51% of the company's assets with tax-payers' money. In addition, it guarantees over 92% of the company's foreign exchange borrowings.

NHPC, however, aims to widen its shareholder base and is currently planning an Initial Public (IPO) Offering on the Bombay and National stock exchanges. During the IPO, the government will sell 559 million shares and NHPC will issue 1,117 million new shares. As a result, the Indian government's share in NHPC will be reduced to 86.4%. The company thus hopes to raise Rs 16,700 million (197 million Euro) to finance six new projects with a combined capacity of 3,080 megawatts. The IPO was originally expected to take place in June 2007, but has now been delayed until sometime in 2008.

Banks

The second tier of NHPC's friends are Indian and foreign banks, which are currently financing 28% of the company's total assets. NHPC has outstanding loans to the following Indian banks:

Name of bank	Loans in million rupees¹
Allahabad Bank	872
Andhra Bank	1,000
Bank of Baroda	150
Bank of India	4,500
Canara Bank	5,720
Central Bank of India	1,905
Corporation Bank	837
Dena Bank	1,000
HDFC	1,000
Indian Bank	1,000
Indian Overseas Bank	1,418
Jammu & Kashmir Bank	1,000
Life Insurance Corporation of India	13,480
Oriental Bank of Commerce	6,255
Punjab & Sindh Bank	1,500
Punjab National Bank	4,469
Small Industries Development Bank of India (SIDBI)	1,273
State Bank of Hyderabad	500
State Bank of India	1,393
State Bank of Patiala	900
Syndicate Bank	2,458
Union Bank of India	3,511
United Bank of India	1,628

¹ The exchange rate is about 40 Rupees to 1 US\$ or 62 Rupees to 1 Euro.

In addition, NHPC has outstanding loans to a number of foreign financial institutions:

Export Development Canada: a C\$ 175 million loan granted in November 1999 for the Chamera II power project.

Nordic Investment Bank: a SEK 420 million loan granted in October 1989 for the Uri power project.

Japan Bank of International Cooperation: three loans with a total value of ¥ 35,871 million² for the Dhauliganga power project, granted in January 1996, December 1997 and March 2004.

- Syndicate headed by **Deutsche Bank** (Germany): a ¥ 18,240 million loan granted in October 2002 for the Teesta V project. Participating in the syndicate were:

HSBC	United Kingdom
ING Bank	Netherlands
Société Générale	France
Standard Chartered	United Kingdom
State Bank of India	India

- Syndicate headed by **Credit Commercial de France**, which is part of HSBC (United Kingdom): a 214.3 million Euro loan granted in September 1989 for the Dulhasti power project. Participating in the syndicate was:

Natixis	France
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- Syndicate headed by **Barclays** (United Kingdom): a US\$ 50 million loan granted in December 2003 for the Dulhasti power project. Participating in the syndicate were:

Banca Monte dei Paschi di Siena	Italy
Chiao Tung Bank	Taiwan
Emirates Bank International	United Arab Emirates
National Bank of Kuwait	Kuwait
Natixis	France
Persia International Bank	Iran
Standard Chartered	United Kingdom
State Bank of India	India

In November 2005, NHPC reported that it had reached agreement with **Coface** (France) on a Rp 4,500 million loan for the Lower Subansiri project. However, at the end of 2007, this loan had not yet been granted.

Bonds

Currently, bonds only make up 3% of NHPC's assets. The trustee of the bonds issued by NHPC is the **UTI Bank** (India).

Grants

From December 2006 to May 2007, NHPC received a US\$ 495,000 grant from the **Asian Development Bank** (ADB) for "capacity building." The money for the grant was provided by the Government of the United Kingdom as part of a cluster of technical assistance projects, which was in turn managed by the ADB.

² The exchange rate is approximately 103 Yen to 1 US\$ or 158 Yen to 1 Euro.

Footnotes

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- 13 Quoted in „Apathy follows man-made Narmada River disaster,“ Ranjit Devraj, Asia Water Wire, April 2005
- 14 „Environmental and Social Impacts of Teesta V Hydroelectric Project,“ Manju Menon and Neeraj Vagholikar, Kalpavriksh, 2004
- 15 „For Whom the Teesta Flows,“ NESPON, no date given
- 16 „Hunger Strike over India's lost Paradise,“ Andrew Buncombe, The Independent, July 27, 2007
- 17 „Taming the Teesta,“ Dr. Kalyan Rudra, The Ecologist Asia, March 2003
- 18 High altitude lakes formed as a result of glacial melt are extremely dangerous. They are held back by relatively unstable natural dams formed by debris and a sudden breach can lead to the discharge of enormous volumes of water and endanger river infrastructure downstream. In recent years, Glacial Lake Outburst Floods have impacted Nepal, India, Bhutan, Pakistan and China.
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- 20 „NHPC charged with destroying forest areas,“ The Assam Tribune, 17.12.2005
- 21 Quoted in „Undermining the Subansiri,“ Neeraj Vagholikar, The Statesman, 13.11.2004
- 22 Subsequently, the IBWL was reconstituted, and it is no coincidence that all of the members who opposed the Lower Subansiri clearance were dropped, including even the renowned Bombay Natural History Society, one of the founding members of the IBWL in 1952.
- 23 „Assam worried over mega hydel projects in Arunachal,“ www.sentinelassam.com, 3.8.2004
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- 25 www.powermin.nic.in
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- 27 India Energy Outlook, KPMG, 2007
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- 29 „Schüsse auf Buddahs Söhne,“ Der Spiegel 40/2007
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- 31 „Genozid auf Raten,“ Der Spiegel, 36/2007
- 32 „Over 380 houses compelled to relocate for Tamarandi dam,“ Mizzima News, March 5, 2007
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ECA Watch is a network of over 70 NGOs working towards a reform of export credit agencies. ECA Watch members work on issues related to the environment, development, community and human rights as well as labour and anti-corruption efforts. ECA Watch's secretariat is based in Paris, France. <http://www.eca-watch.org/>

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BankTrack is an international network of 27 non-governmental organizations monitoring activities and investments of commercial banks, insurance companies and pension funds with the aim of steering the financial sector towards sustainability. It coordinates and supports campaigns that prevent harmful impacts of private financial sector operations on the environment and people. BankTrack's secretariat is located in the Netherlands. <http://www.banktrack.org/>

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The NGO Forum on ADB (FORUM) is an Asian-led network of non-government and community-based organizations that support each other to amplify their positions on the Asian Development Bank's policies, programs, and projects affecting the environment, natural resources and local communities. The NGO Forum was established in 1990 and its secretariat is based in the Philippines. <http://www.forum-adb.org>

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urgewald is a non-profit German environment and human rights organisation. Its mission is to support NGOs and communities in developing countries in their struggle against destructive projects that are being backed by German companies and banks or by international financial institutions, in which Germany is a member. <http://www.urgewald.de>

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