

 CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)	
<p>This form should be used only by project participants and other stakeholders for submitting a “Letter to the Board” in accordance with the latest version of the <i>Modalities and procedures for direct communication with stakeholders</i></p>	
Name of the stakeholder ¹ submitting this form (individual/organization):	SANDRP
Address and contact details of the individual submitting this form:	Address: c/o Plot 18, Prabhat Society, Pune Telephone number: +91 9860030742 E-mail address: parineeta.dandekar@gmail.com
Title/Subject (give a short title or specify the subject of your submission)	Request to Review 10 MW Manjanadka Hydro Project
Please mention whether the submitter of the form is:	<input type="checkbox"/> Project participant yes <input type="checkbox"/> Other stakeholder, please specify NGO
Specify whether you want the letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input type="checkbox"/> YES To be publicly available (UNFCCC CDM web site)
Please choose any of the type(s) below ³ to describe the purpose of this submission.	
<input type="checkbox"/> Type I: <ul style="list-style-type: none"> <input type="checkbox"/> Request for clarification <ul style="list-style-type: none"> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference <input type="checkbox"/> Revision of existing rules 	
<input type="checkbox"/> Type II: Request for Introduction of new rules <input checked="" type="checkbox"/> Type III: Provision of information and suggestions on policy issues	
Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).	

¹ DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

² As per the applicable modalities and procedures, the Board may make its response publicly available.

³ Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

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A. Breach of Project Standard: CDM-EB65-A05-STAN**Breach of Project Standard: Local Stakeholder Consultation 7.5 (66)**

- Validation report is ambiguous about how local stakeholders were invited for consultation. At places it states they were invited by **personal invitation**. (Validation Report Page 44, Section 3.9)
- This is not open and transparent consultation and affected stakeholders can be excluded from such exclusive consultations.
- The proponents website displays a press notice in local language, but it does not have any date or stamp, and is hence, entirely non conclusive (http://www.bhorukapower.com/images/press/Stakeholder_meeting_of_Manjanadaka.pdf)
- There is strong local opposition to the specific project <http://www.hindu.com/2007/09/08/stories/2007090852000300.htm>

Hence, the project has breached Project Standard CDM-EB65-A05-STAN about stakeholder participation and has not “invited comments in a way that facilitates comments to be received” (CDM-EB65-A05-STAN)

Breach of Project Standard: 6.3. Demonstration of prior consideration of the clean development mechanism

- The project was allotted to the proponent (BPCL) in 24.05.2001 (GO Nos: DE 74 NCE 1999)
- Even permissions from State Irrigation Department were given in 19.11.2002, indicating serious investment decision
- The Detailed Project Report of the Project, which includes costs, debt equity ratio, financing mechanisms, and entails considerable investment to prepare, it self was made prior to Board's resolutions to avail CDM benefits
- The project has been allotted to the proponent by the Karnataka Renewable Energy Development Limited, in **24.05.2001 (GO Nos: DE 74 NCE 1999)**. This allotment is a government process and entails serious financial commitment decision from the proponent.
- Hence, This should have been considered as the date of first investment decision. But, CDM credits were not even considered at this date.

Hence, it is clear that this is a business as usual project and had not considered CDM benefits at all while making the first investment decision.

Breach of Demonstration of Additionality 8.6.2

- The project has been commissioned in 2009, and has been running for the past 4 years without CDM credits.
- This fact was hidden from the UNFCCC in the original PDD
- This fact itself demonstrates clearly that the project is non additional and does not depend on CDM credits
- The debt equity ratio of the project stated in its DPR (as seen in the PDD) is 70:30. No financial institution would support a project, like it has done, if it not represented as a profit making scenario
- Financial support has been availed prior to receiving CDM benefits, which again clearly indicates non additionality of the project

The project is entirely non additional and hence, breaches CDM Project Standard.

Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).

Breach of Stakeholder Consultation 7.5

- **The Validation report has edited an important Global Stakeholder consultation Comment.**
- Comment from SANDRP said: "BPCL website also displays this project as a commissioned project: <http://www.bhorukapower.com/manjanadka.htm>. It says "BPCL has started execution of 2x5MW Manjanadka Mini Hydro Project across River Manjanadka near Karikke village about 22kms from Bhagamandala in Kodagu District from February 2007. Project commissioned on 2009." (Page 2)
- But the Validation Report has misrepresented the commented and has edited it. ***It has removed reference to BPCL (Proponent's) website from our comment***
- **This is a serious breach of transparency and Stakeholder consultation**
- **This is also a breach of VVS Standards**

Breach of Transparency 5.6 and Stakeholder Consultation 7.5

- The proponent has not disclosed sufficient and appropriate project-related information in a truthful manner to allow intended users to make decisions with reasonable confidence.
- **Technical details of project like height of reservoir, gate, approach channel, tail race channel, river diversion, amount of water impounded, area of forest land submerged, area of land affected are not stated in the Validation Report or modified PDD**
- This is despite the fact that this point was raised while submitting comments and the proponent replied "Project technical equipment details and Project relevant parameters will be incorporated in the revised PDD."**Contradictorily, these facts have not been included still in the revised PDD.**

B. Breach of Validation and Verification Standard: CDM-EB65-A04-STAN

Local Stakeholder Consultation (7.14.2)

- Validator has not ensured that comments from 'stakeholders that are relevant for the project activity' have been invited.

C. Sustainable Development

CDM process has an explicit mandate to promote sustainable development. 10 MW Manjanadka Mini Hydel has come up very close to a Sanctuary in World Heritage Site of Western Ghats and has affected forests in the Sanctuary and region around it.

It has already threatened habitat of endangered and vulnerable species like King Cobra, which was found entangled in the turbines (<http://www.deccanherald.com/content/89228/content/215869/wind-change.html>). The proponent will not provide electricity to local village, neither will it contribute CDM benefits to local region. Hence, the project will not contribute to sustainable development in any way. On the other hand, by affecting forests in Brahmagiri Wildlife Sanctuary, it is causing ecological damage.

Therefore, we recommend rejection of the request for registration of the project and request for a thorough and credible review of 10 MW Manjanadka Mini Hydel Project

We also request action against the validating agency for doing a shoddy job of the validation by supporting the project for registration.

If necessary, list attached files containing relevant information (if any)

Resolution of Local Communities in Western Ghats, Karnataka against Mini Hydel Projects

Section below to be filled in by UNFCCC secretariat

Date when the form was received at UNFCCC secretariat	20 August 2013
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History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
Decision Class: Regulatory Document Type: Form Business Function: Governance		

Affected people, Env Groups to Karnataka Government

**“HALT SMALL HYDEL PROJECTS
PENDING REVIEW, REGULATORY MECHANISM”**



On the 4th and 5th of August 2012, Civil Society Organisations Prakruti, South Asia Network on Dams, Rivers and People (SANDRP) and Save Western Ghats Movement organised a two day workshop on Impacts of Mini Hydel Projects (MHPs) on Communities and Ecology in Karnataka, with a main objective to give voice to the numerous unrecorded impacts and hardships of Karnataka’s mini hydel (Mini hydel projects are hydroelectricity projects with installed

capacity less than 25 MW) spree on local communities and fragile ecosystems. Despite heavy rains and overflowing rivers, the workshop was attended by over 60 affected local farmers, fishermen, scientists, activists and researchers from Dakshin Kannada, Uttar Kannada, Shimoga and Hassan. Panduranga Hegde from Prakruti, Jannardana GL from ESC, Shimoga, H. A. Kishore Kumar from Malanadu Janapara Horata Samiti, Niren Jain from Kudmukh Wildlife Foundation, Shri. Ratnakar, noted micro hydel specialist, SANDRP, besides affected communities, were a part of the meeting. Swamiji from Kukke Matth inaugurated the meeting. Participants shared multiple impacts of MHPs in their regions, and brainstormed about a way forward. **The meeting culminated in a joint statement ‘Subramanya**



Declaration’ put forth by communities, researchers, scientists and organisations which calls for halting the current unregulated development, greater regulation of the sector, cancelling projects which affect biodiversity and livelihoods, encourage sub mega-watt options like micro hydel projects and stop privatisation of natural resources. Participants have demanded that unless these outstanding issues are resolved, no new mini hydel projects should be sanctioned and agencies and departments which have given permissions in a hurry or for other causes should be immediately brought to the books.



Left: Niren Jain from Kudremukh Wildlife Foundation talking about impacts of MHPS in Western Ghat Forests Photo: SANDRP

Background Karnataka is in the forefront of setting up numerous MHPs on its rivers and streams. KRDEL (Karnataka Renewable energy Development Limited) Website states that Karnataka Government is considering 836 mini hydel projects with a combined capacity of over 4000 MW¹. In Dakshin Kannada District alone there are nearly 108 mini hydel projects commissioned, under construction or in planning stages on Netrvathi, kumaradhra and Gundis Rivers, which are some of India's ecologically richest rivers, while Cauvery Basin has 146 such projects!

MHPs can indeed be clean, green and welcome *if* they make an effort to have minimum ecological impacts, are participatory and democratic in planning and functioning, and if they contribute to sustainable local development in some way while producing electricity. Simply assuming that a Mini Hydel Project will be green and clean by default is clearly wrong. To be sustainable, the project proponents as well as sanctioning bodies will have to make a conscious effort in that direction. **Unfortunately, the ground reality in Karnataka is shocking to say the least.**



Left: Shri. Ratnakar about installing micro hydel plants Photo: SANDRP

The current MHP development in Karnataka is happening like an extremely hurried Gold Rush, entirely unregulated and with serious questions being about its sustainability and transparency. Private players are competing with each other to set up maximum MHPs on rivers. These projects which supply energy to the grid do not need Environmental Impact Assessment (EIA), Public Hearing, Environmental Clearance (EC) or Environmental Monitoring. Though called 'mini,' they entail dams which are at times higher than 10mts. This onslaught is having a huge negative impact on the ecology and local livelihoods of the region. The administration has no time to look at impacts borne by locals and ecosystems, but is busy sanctioning more and more projects. Many of these undemocratic, unsustainable projects have applied for Carbon Credits under the Clean Development Mechanism (CDM) of the UNFCCC. They are getting millions of rupees additional revenue, in addition to tax rebates and subsidise from the centre and state that they enjoy. None of these benefits are passed on to the local communities and many claims made by the proponents in the document submitted to UNFCCC are fraudulent. Projects coming up by destroying globally threatened biodiversity are false solutions to climate change. The current unchecked flood of MHPs in an effort to make a fast buck and is neither clean nor green. Serious steps will have to be taken by

¹ <http://www.kredltest.in/hydroreport.aspx>

the administration to make the mini hydel sector sustainable. Karnataka High Court had ordered a stay on 72 MHPs in Western Ghats , back in April 2011, following a petition filed by Western Ghats Forum. However, projects in Western Ghats and other ecologically fragile areas are still being sanctioned.

These unregulated projects by 'mini hydel mafias' are giving a bad name to small scale clean energy initiatives.

As a sanctioning agency, KREDL, Karnataka Forest and Environment Department, Fisheries Department, Pollution Control Board, the Ministry of Environment and Forests, National CDM Authority have been turning a blind eye to all this blatant destruction and are responsible for this. It is high time that they look into this seriously. Mini Hydel Projects are being taken up all across the country and it will be wise to set a good example starting from Karnataka.

Fraudulent practises Galore

- In order to claim CDM benefits and government subsidies, projects are being clubbed together example: AMR Perla and Rithwik Shemburi projects nearly Bantwal, Mangalore. On paper, both are 24.75 MW, with separate CDM claims, while on the ground, the project is one huge dam across Netravathi near Mangalore **which has caused large submergence and even deaths due to sudden release of water in the downstream.**² Locals have filed a case against this project in the Karnataka High Court.

Below: Perla and Shemburi Projects in Bantwal: Two on paper, one on site Photo: SANDRP



- In a remarkable case which seems like a tip of the iceberg, Maruthi Power Gen actually showed two different projects on paper and in reality built a project bigger than 25 MW³, affecting more than 5 hectares of dense Western Ghats Forest in a bid to fool the Forest Department and milk the clause of no EIA needed for projects below 25 MW.
- 12.5 MW Nekkiladi Sahasralingeshwara project coming up near Puttur has started construction despite huge opposition from gram sabhas from both banks. Dam construction has started on one bank, while land acquisition is not even initiated on the other!⁴
- In case of 24.75 MW Kukke project near Hosmata on Kumaradhara River, the villagers are not given any details of submergence from the proponent. Although KRDEL has ordered the proponent to furnish these details immediately and stop work in the time being, it has still not done so! Even when Chairperson of the Western Ghats Task Force actually visited the place and assured locals that the project will not come up in the present form, land

² http://www.daijiworld.com/news/news_disp.asp?n_id=124443

³ http://www.dnaindia.com/bangalore/report_maruti-power-gen-s-hydel-project-an-environmental-disaster_1617237

⁴ http://www.dnaindia.com/bangalore/report_they-need-little-land-to-build-this-dam_1715606

acquisition is going on in full swing⁵! This project will submerge not only houses and agricultural lands, but also highly endangered biodiversity including a plant *Madhuca insignis* rediscovered after 125 years. To top it all, it is also set to submerge a smaller hydel project in the upstream!⁶

- Projects like 24.75 MW Kukke Satge I MHP, 24 MW Kukke Satge II MHP, Sampladi MHP near Subramanya, etc., are set to affect community conserved fish sanctuaries, which are extremely special and protect rich endemic fish diversity of Karnataka Western Ghats. The Fisheries Department, instead of protecting these sanctuaries, is giving sanctions to projects without batting an eyelid, no questions asked!



Above: Forest Destruction by a MHP in Hassan Photo: With thanks from Kishore Kumar, Hassan

- In the Cauvery basin, Projects like Limbavalli MHP are encroaching upon elephant corridors and have increased man-elephant conflicts ⁷while projects barely one kilometre and 4 kilometres from Ranganthittu and Gende Hosahalli Bird Sanctuaries are being sanctioned by KREDL and are also applying for CDM credits.
- Cauvery Wildlife Sanctuary is already ravaged by multiple MHPs operating near Shivanasamudram Hydel plant and the Power Minister actually had to make a statement that new projects will not be allowed near this KPCL as they are diverting water and affecting power generation of the government project. ⁸
- **The cumulative impacts of such bumper to bumper projects on the protected areas and forests are beyond imagination and shockingly unaddressed.**
- Modus operandi of the mini hydel operators seems to be getting a project of smaller installed capacity sanctioned and then keep on increasing the capacities and ownership by leaps and bounds.

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http://sandrp.in/hydropower/Why_the_24_MW_Kukke_Hydro_in_Karnataka_should_not_get_CDM_credits.pdf/view?searchterm=kukke

⁶ http://www.dnaindia.com/bangalore/report_a-hydel-project-that-will-submerge-another_1698006

⁷ http://www.dnaindia.com/bangalore/report_dna-exclusive-minister-plants-12-mw-mischief-for-elephants_1716882

⁸ http://www.dnaindia.com/bangalore/report_karnataka-govt-will-buy-out-mini-hydel-plants_1561066

Meeting On the first day, 8 local groups presented the range of destruction caused by MHPs in their areas. Main issues raised were submergence, which was hidden by the project proponent till the last minute, absence of proper compensation, affected local water supply, increased man animal conflicts due to blockage of wildlife corridors, non-transparent and high handed behaviour of the proponent, frauds and lies, buying and breaking village solidarity with money, etc. The groups claimed that though they have raised these problems with the administration a number of times, they are being consistently overlooked. Gram Sabha resolutions against projects are not being respected.

This was followed by discussions by scientists, researchers, lawyers and activists about various facets of impacts of these projects. Niren Jain from Kudremukh Wildlife Foundation highlighted impacts of these projects on protected areas and threatened wildlife, while Kishore Kumar from Malanadu Janapara Horata Samiti talked about several illegalities of the projects, increased man animal conflicts and destruction of crops by elephants due to encroachment of projects on elephant corridors. Shr. Ratnakar, who has helped set up more than 200 micro hydel projects in Karnataka talked about the participatory, sustainable nature and distributed benefits of micro projects as against mini hydel projects.

The meeting culminated in a set of resolutions made by the stakeholders. These have been sent to the decision makers involved in planning and sanctioning Mini Hydel Projects in Karnataka like KREDL, Karnataka Forest and Environment Department , KSWB (Karnataka State Wildlife Board), KSBB (Karnataka State Biodiversity Board), , Fisheries Department, MoEF, etc.,

Subramanya Declaration

- 1. Rivers are a natural resource, not a private property. Water besides being a basic human right, belongs to all, including the ecosystem. First right to plan and manage water lies with the local community which inhabits the river basin. Government should not lease out rivers to private companies to maximise their profits, without even the consent of affected communities who depend on rivers.**
- 2. Many MHPs are destroying lives and livelihoods of people** who have traditionally depended on rivers like fishermen and farmers. The extent of destruction by MHPs is out to see, but the government continues to ignore this. **We urge the government to assess the impacts of these projects on existing livelihoods and cancel projects which severely affect local ecosystem-based livelihoods.**
- 3. Numerous MHPs are being set up in ecologically fragile areas, ESZ I areas according to Western Ghats Expert Ecology Panel (WGEEP) REport, Western Ghats Forests and reserve forests. They are affecting elephant corridors and community conserved areas like Devaranya and Fish Sanctuaries. They are causing sustained loss to the biodiversity through blasting, construction, tunnelling and transmission lines. All this is increasing man animal conflict, besides affecting invaluable biodiversity. However, the government is sanctioning these projects with no question being asked, no preconditions and no monitoring mechanisms in place. We urge the government to cancel projects in and affecting protected areas, forest areas, community conserved areas and wildlife corridors.**

4. We urge the government to upgrade the status of the forests within the Nethravathi River Catchment area in the Western Ghats to a Wildlife Sanctuary notified under the Wildlife Protection Act. Wherein such a notification will stop all such destructive projects from coming up in the Western Ghats and there will be no displacement of villages from the forests as the provisions in a wildlife sanctuary allows continuation of forest dwellers in their existing land along with their traditional rights'. In addition, the government should take urgent steps to notify and strengthen ecologically sensitive zones around 10 kms radius of protected areas according to Environment (Protection) Act and Rules.
5. Regulation of the sector: Mini Hydel Projects are entirely unregulated currently. Neither are their impacts studied beforehand, nor is there a monitoring or management mechanism in place to address these impacts. All costs of impacts are externalised to the communities and ecosystems while private companies only pocket the profit.
 - **We demand that individual mini hydel projects should conduct EIA, public hearing and Environmental Clearance process with community participation.**
 - **Before setting up the project, the proponents should disclose all the details about the impacts of the projects including submergence, water release details, compensation, etc.**
 - **No Objection Certificates should be solicited not only from gram panchayats where dam is built, but also from those Pachayats in the upstream and downstream which will be affected by the project.**
 - **There should be a stringent safety mechanism in place warning locals about sudden water release beforehand. People have lost their lives due to sudden water releases by mini hydel projects.**
 - **The administration should constitute an empowered monitoring committee with 50% local participation to periodically monitor projects.**
 - **Cumulative Impact Assessment should be mandatory for rivers which have more than 3 MHPS on them.**
 - **Distance of free flowing rivers between two projects should be decided. In any case, a single village should not have more than one project.**
 - **The projects should release eflows in the downstream at all times to fulfil the needs to the ecosystem. They should have fish ladders and passes for fish migration.**

We request the government that in view of the people and ecology of Karnataka, all MHP development should be halted until the points raised above are addressed and resolved.

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