

NGO CONSULTATION FORUM: HYDROPOWER AND DAMS *
Thursday, 10 May, 10:00-12:00
ADB 34th Annual Meeting, Honolulu, Hawaii

What 11 WCD guidelines are ADB not complying with?

- Government is sovereign owner and decisions rest with them, but all projects must follow ADB guidelines. ADB cannot achieve 100% adherence to WCD guidelines, but there must be informed consultation.
- Multi-criteria analysis
- Life cycle assessment. Looking 60 years in the future at decommissioning is difficult – 60 years makes no economic sense. Could include scenarios
- Trust bonds. Actually have done similar things, such as 1% of proceeds for conservation
- Military?
- Procedures for shared rivers. ADB would not get involved – this is better left with other regional agencies.

Independent Power Producers are very costly, e.g., Nepal. Micro hydel power is less costly.

How to address multi-purpose aspect of dams?

How to minimize social impacts and rehabilitation of displaced persons and real EIA?

Need regional integration in South Asia (Pakistan, India, Nepal, Bangladesh)

- This is in pipeline (less Nepal)

Will ADB have a policy on dams?

- Unlikely. ADB is incorporating WCD guidelines into existing guidelines across sectors
- Have a policy on energy – Energy 2000
- Need to make public ADB's stand on WCD recommendations – will put on Web

Can ADB provide retroactive support for displaced persons?

- Already doing this in some cases, e.g., Theun-Hinboun and Nam Song

Will ADB follow WCD suggestions for participation in all sectors?

- Will be done across sectors

What will the effect be if there is a shift to thermal power because of hydropower impacts?

- ADB is supporting research on greenhouse gas related to hydropower
- Gas is a likely replacement

Will ADB provide more support for micro-hydel?

- Yes, if can be made viable. It minimizes transmission system/costs

What about bilateral support ?

- ADB is cooperating with the private sector and other donors

Public comments are not needed for IEEs – how will the public be allowed comment on such projects?

- Hydropower projects will always need an EIA, which requires extensive consultation.

Subregional power trade is a very sensitive and political issue. Smaller countries that supply to big countries can lose out.

* Forwarded to NGO FORUM ON ADB by Maria Lauren E. Laurito <laurito@adb.org>, Office of Environment and Social Development, Asian Development Bank.

- A power purchase agreement is always needed before starting any project to ensure that the price is fair. For example a PPA was agreed between Nepal and India before starting Kali Gandaki construction

Reformation of the tariff structure is causing higher prices—how should ADB address this issue? In Nepal if you push Government, then this will add to civil unrest. Price should be pegged to ability to pay.

- ADB doesn't pursue higher price, but more efficiency. But higher prices are better than subsidies.
- The ability to pay is part of pending policy

How can you reduce cost of electricity to poor? ADB has ignored small-hydro in favor of big projects

- Small hydro is usually < 5 MW so low impact normally
- Much more suitable for remote areas
- But big power projects also distribute power to rural areas

Is there information on downstream impacts of hydropower development in Nepal and other upper watershed countries?

- Computerized models have been done for Kali Gandaki.

Prior informed consent for indigenous and tribal people is recommended by WCD because of the body of experience of unmitigated impacts on them in the past. Prior informed consent is used in several countries and can work. It saves time during project construction period. NGO participation is needed in this process.

Of the 26 WCD recommendations, ADB is picking what it is already doing and rejecting the ones it is not, including fundamental recommendations.

- In some countries (PR China, Lao PDR) the ADB and the Governments work closely together to promote good social policies. In some other countries there has to be a long negotiated process.

It is important to disseminate the best practices, share them with the DMCs.

Is there any plan to set up a fund within the Bank to correct problems caused by past projects that were not funded by ADB?

- ADB has funds only on project basis. Our charter does not allow it.
- It is difficult to apply recent policy to problems that were created in the past. What is possible is that new projects should consider the problems made in the past as lessons learnt.

If policy reform is forced and the government has no capacity to do it, it will cause a backlash.

Does ADB apply consultative processes in all other projects?

What can local NGOs do?

- ADB needs the NGO community for such things as awareness programs. NGOs should encourage the government to comply with policy.