

The Inspection Panel
1818, H St. NW
Washington D C 20433
U S A

REQUEST FOR INSPECTION
NTPC POWER GENERATION PROJECT Cr. 3632

1. The undersigned, Madhu Kohli, files this claim on her own behalf and on behalf of persons whose names and addresses are attached. I represent the case of residents of Singrauli, India. The Singrauli region consisting of approximately 400 villages is situated in one of the remote parts of India about a 1000 Km away from Delhi. The claimants are all small and marginal cultivators and are directly affected by the World Bank (WB) loan (Cr.3632 approved on June 1993) to National Thermal Power Corporation Limited (NTPC) for the expansion of coal fired power plants in Singrauli. For fear of reprisal against the claimants, the names of those persons who have authorised the undersigned to represent their interests have been made available to the Inspection Panel, but are otherwise to remain confidential.

2. Ms Madhu Kohli who initially came to Singrauli as a representative of a Delhi based NGO - Public Interest Research Group (PIRG) has since September 1995 been working as an independent activist living in Singrauli. She has been concerned about the adverse social and environmental impacts of pursuance of an intensive thermal power development programme in Singrauli region in Central India. She has been particularly concerned about the dubious role of World Bank as 'lead investor' in recklessly financing a disastrous energy development model despite the knowledge of its consequences for hundreds and thousands of people and natural resources of the region through a plethora of studies many of which were sponsored by the Bank itself For the last two years she has been living in Mitihini village and supporting the people's struggle who have been suffering the consequences of WB financing without proper monitoring of the ground level reality. She has been authorized by the villagers who are continuing to struggle for fair rehabilitation to put in a claim at the Inspection Panel. The authorization of these people in Hindi (along with English translation) is attached to the claim.

3. The issues and concerns in this claim are pervasive throughout the project area. The only official concern in these projects is that the civil works proceed unhampered, come what may. The NTPC has had WB involvement in Singrauli

region since 1977 and the experience-past and present - of Project Affected Persons (PAPs) has been the same. The NTPC and the WB consider in their actions, rehabilitation to be a matter of low priority. The outlook towards rehabilitation has been adhoc, casual bordering on cruelty, and the relief granted depend on the level of popular resistance. Often, in the case of power and mining projects in Singrauli, people's resistance has been weakened by repeated experience of displacement, increasing poverty and continuous betrayal.

4. The thousands of residents of Singrauli have been repeatedly and haphazardly displaced by a multiplicity of power and mining projects since 1960. The construction of Rihand dam in 1960 marks the beginning of industrial development in this region and also the beginning of the woes of the people and their continuous betrayal.

5. The main objective of the Rihand dam was irrigation and hydro power and in this sense it has failed since the dam is now being used for cooling water for thermal power generation and as a sink for absorbing hazardous and toxic wastes from a host of power stations, dries and hazardous industries that have come up all around it. The Singrauli region at present houses six thermal power stations, nine open cast coal mines, an aluminum extraction project, a pesticide manufacturing industry, several explosive factories, three cement manufacturing units, hundreds of stone crushing units besides the Rihand and Obra dams. Obra dam was built in 1960s downstream of the Rihand dam.

6. Since 1980 the World Bank became a lead investor to promote an ambitious thermal power programme in Singrauli and involved numerous bilateral financiers in the region. Vast stretches of the Singrauli area are being surveyed for the last several years for presence of uranium. The master plan of the Singrauli region is targeted to produce "cheap" electricity from the estimated 10000 MT of coal reserves in the region -up to 20000 MW is the estimated power potential of Singrauli. The cost of this development model is being disproportionately borne by the local people whose lives have been disrupted and destroyed. The legacy of the World Bank's involvement in Singrauli includes greater impoverishment, the whole sale disruption of communities, abuse of basic human rights and an increasingly bleak future for the local people.

7. The Singrauli region is spread over two States of Central India, Uttar Pradesh (Sonebhadra district) and Madhya Pradesh (Sidhi district). A map of the region showing major power plants, mines and proposed expansion of power stations is attached to the claim. The region was once known for its natural and forest wealth. It was the home to the famous white tiger and the Kaimur mountain range was once known for its rich biodiversity. The people of this region were

predominantly tribal, numerous ethnic groups included the Khairwar, Dhangar, Kol, Baigas, Gonds, Dharkars, Panikas, Agarias, Kevat, Bakwars - all very peace loving communities. These groups primarily lived a sustainable agricultural existence, cattle raising being an integral part of the local economy. People depended for a host of their daily needs like fuel, fodder, medicinal herbs, timber on the surrounding forests. They lived a near self sufficient life with very little dependence on the market economy.

I WB Investments in Singrauli

8. The influx of multilateral and bilateral capital which brought with it high technology has destroyed the landscape, economy, the very identity and peace of this region. The World Bank had alone invested till 1990, over US \$850 million in Singrauli. The past Bank investments include an IDA credit No. 685 -Singrauli Thermal Power project I (approved March 1977, closed June 1984), IDA credit 1027 for second Singrauli Thermal Power project (approved May 1980, closed March 1989), IBRD LN. 2393 for Dudhichua Stage I open cast mine and IBRD LN. No. 2555 (approved May 1985 Narmada closed December 1992), for Rihand Power Transmission. The NTPC has been a major recipient of World Bank loans - in fact it was established in 1975 under WB advice to enable the State to play a major role in thermal power generation through creation of a public sector utility. Of the six power projects in Singrauli three are owned and run by NTPC. These are Singrauli I and II and Rihand I and II (proposed) in Uttar Pradesh (UP) and Vindhyachal I and II (proposed) in Madhya Pradesh (M.P.) The current WB loan No. Cr. 3632 of US \$400 million (approved June 1993) will finance expansion of Rihand and Vindhyachal power plants of NTPC. The Bank has played a central role in shaping the policies of NTPC ever since its inception. As such the Bank has had the leverage to influence policies and practices on rehabilitation and resettlement. Not surprisingly, it has not used this leverage to benefit the PAPs at large. The Dudhichua mine is owned and managed by Northern Coalfields Ltd (NCL) - a subsidiary of Coal India Ltd. (CIL) - a public sector coal mining company. CIL is also a recipient of WB funds and a major WB loan for restructuring CIL is in the pipeline.

9. The power projects of Singrauli have been at the centre of an intense national and international debate for causing social and environmental havoc. In the forefront of the debate in 80s were several local NGOs, national groups and international organisations including Srijan Lokhit Samiti- a Singrauli based NGO Lokayan - a Delhi based group and US based Environmental Defense Fund. The Berne Declaration, a Swiss NGO, has been actively monitoring the WB investments in Singrauli since 1993. The worldwide criticism of the devastating effects of WB investments in Singrauli was at its peak in late 1980's. The pressure

of this criticism compelled the Bank to appear to take stock of the impact through an Environmental Impact Assessment (EIA). The study (popularly known as the EdF study) was financed out of an undisbursed loan to NTPC for Singrauli Power Project II at a phenomenal cost of US dollars 4.9 million. The EIA was contracted to Electricite des France (EdF) one of the 8 most powerful power companies in the world also known as the E 7 Network. The report in 1991 confirmed the extent of damage to society and environment of the region caused by huge investments as significantly alarming. An OED evaluation of the Bank's NTPC projects came to critical conclusions in 1993). The Bank wide resettlement report of 1994 called the current WB loan for expansion of power stations in Singrauli to be a test case on R&R.

10. The region has no doubt been a gold mine for multilateral and bilateral capital multinational corporations to dump their technology and machinery; for big and medium contractors; for the local administration and police, and for migrant traders. But for most people who lost their livelihood and homes because of land acquisition, the investments in Singrauli have brought their pauperisation and deterioration of quality of life.

II Impacts of Past Investments

11. The EdF study as well as later studies brought out some significant findings which should have formed the basis for a serious analysis by the Bank of the impacts of future investments. However, the Bank has failed to ensure mitigation of the damage from past projects and did not adequately incorporate those experiences in its current investments. The studies, for instance, reported that :

- two-thirds of the PAPs of power projects and half of those affected by mines are without employment.
- prospects of jobs in future scenario are limited and least promising for those who were expropriated and deprived of their land and other life support systems. Less than 20% of permanent jobs in industry presently go to the local population and almost all of them are jobs requiring little skill.
- building of new power stations would be incapable of solving employment problems of the region.
- opportunities for small trading are restricted severely.
- land acquisition has been in excess of requirements (huge areas of land lie unused for more than 12 years).
- the prevailing contract labour system is plagued with corruption and other mal practices despite safeguards. (In the case of NTPC projects In Singrauli it is at the behest of WB that thousands of jobs of perennial nature are put out on contract).

-the rehabilitation policies do not work well and the relation between local people and major corporations are governed by one ruling principle which is that they (people) must not be allowed to get in the way of production process.

-the altered land use pattern has made the area food deficit. A large part of its food needs are imported.

-the remaining fertile patches of land must be saved at any cost.

-politically and from the point of view of order maintenance "it may at present be possible to pull the wool over the eyes of the (local) population. Absurd, but wonderful promises have been made and majority of peasants do not understand any of the issues at stake. They are extremely divided by old and new divisions and some of their leaders and representatives have taken sides with expropriators for political and financial reasons "

"...these people (reference is to the people of Waidhan plain where proposed large scale acquisitions will uproot them from a fertile area) will form the greatest social drama of the decade to come in the region, if nothing is done to slow down present developments." (EdF chapter 3 socio-economies-para 4.2.3.4. P 88).

12. The EdF study also concluded that the drinking water sources had been contaminated and water was not fit for drinking, dust pollution was severe and in some areas as many as 50% of people were affected by pulmonary infections, mercury was present in the food chain in the region - the stacks of thermal power projects being an important source. The large scale and haphazard acquisitions had resulted in rapid loss of forest cover and replacement of biodiverse vegetation with monocultures predominantly fast growing species. Expansion of power projects would put further stress on the environment and the remaining natural resources of the region.

13. The above account brings out some of the elements of the volatile situation in Singrauli within which to locate the current WB investment to support further expansion of the same devastating model of energy production. Additional harms and abuses are described below.

14. The Bank without paying heed to the findings of EdF and other subsequent studies floated yet another major investment in 1993. In so doing, the Bank also ignored the findings of studies on Indian power sector which confirmed the potential for conservation of at least 36000 MW at a much less cost than setting up more thermal power stations (USAID, Opportunities for Improving End-use Electricity Efficiency in India, November 1991). This failure to adequately consider alternatives and to accurately gauge the impacts of Bank lending is in violation of Bank policies. World Bank energy policy requires its investments in the energy sector to be directed towards development of integrated sustainable strategies which include demand side management components such as energy

conservation and efficiency. The current loan has not adequately considered these possibilities.

III The Latest WB Financed Project

15. The World Bank is financing NTPC Power Generation Project (Loan No. 3632). This is a sectoral loan involving a first disbursement of 400 million dollars to NTPC. It is meant to enable NTPC to enhance generation by 1000 MW each at two of its existing utilities -Rihand project in Sonebhadra (U.P.) and Vindhyachal project in Sidhi (M.P.). The loan is meant to help NTPC enter into joint ventures with private power companies - in other words, to facilitate privatisation of NTPC. The project also has as its objective strengthening of resettlement and rehabilitation (R&R) and environment and bringing the R&R component in compliance with Bank policies. This aspect of the loan applies to all NTPC projects, not just to those being expanded pursuant to the loan. The present claim therefore points out the adverse impact of continuous denial of appropriate R&R and unaddressed environmental issues on the persons affected by past and current investments in NTPC projects. The situation of people affected/to be affected by expansion of Vindhyachal and Rihand power plants, it must be emphasised, is not unique but is a repetition of the experience of thousands of others who were affected during the first stage. Viewed in this sense, categorisation of PAPs into old and new projects of NTPC in Singrauli does not appear to be justified as has been done while appraising the present World Bank project. We would like the investigation to include the general condition of PAPs in all three projects of NTPC in Singrauli for which the WB is largely responsible and for whom adequate and appropriate R&R has been denied. The NTPC Power Generation Project covers Mitigation of social and environmental impacts in the old NTPC projects through remedial action plans based on socio-economic surveys.

16. The World Bank must share a major responsibility for causing hardship and further impoverisation of the PAPs affected by ash dike of Rihand and Vindhyachal. Like a majority of people of Singrauli, the villagers affected by ash dikes have a history of displacement and will always be at high risk of displacement wherever they would resettle. In the absence of a proper R&R package many of them are being pushed by circumstances to encroach forest lands where they will inevitably face further harassment.

IV Borrower Habitual offender

17. In the first project of NTPC viz Singrauli, financed by WB, the PAPs were given a very raw deal. Rehabilitation was never a part of the project SAR, budget and time schedule. The resettlement was left to the last minute when construction had already begun and demeaning ways were used to drive them out. The approach in the present funding remains the same, rhetoric and fancy reports/magazines and other expensive publicity materials on R&R notwithstanding. The PAPs of the first NTPC project i.e. Singrauli power project were displaced in 1978 but remain to be resettled properly. They are at a high risk of further displacement because the site where they were relocated in 1978 is adjacent to the Coal Handling Plant (CHIP) of Khadia coal mine of NCL speedily under construction. The people of this resettlement site in late 80s had valiantly fought an attempt to dump them elsewhere because a part of the land on which they had been resettled was in a non-transparent transaction, sold out by NTPC to NCL at a phenomenal price. Whereas NTPC had paid only Rs 4500 per acre to PAPs of Singrauli project it sold off the land to NCL at nine times the price paid to people. This tendency on part of corporations and government agencies to make money on lands acquired cheaply from PAPs is very common.

18. The PAPs of Singrauli power project would, however, be compelled to leave once the CHP is complete. The people are at present divided and burdened with the struggle for survival and do not realise the real danger ahead. The WB despite the knowledge of their precarious situation did not act. The general approach is that once the civil works finish the people will be forced to leave. Eg. the Rihand management is at present planning to force the people affected by expansions to abandon their land by dumping fly ash on those lands. The Bank failed to take account of the failure of the past projects and approved the current loan without adequate safeguards that the sordid history would not be repeated.

V Destroyed Livelihoods

19. While the most critical issue has been that of livelihood this has remained fundamentally unaddressed in Singrauli. Promise of jobs were made to all, but jobs were given only to a few most of whom were the socially and economically influential. This has been the case in all the three projects of NTPC (Singrauli, Rihand, Vindhyachal). People were interviewed, sometimes repeatedly in case of Vindhyachal, but were not given jobs. All that was offered were casual jobs with contractors, petty contracts, training for setting up income generation ventures again with false promises of assistance with capital. Eg. the PAPs in Vindhyachal

were asked to form committees if they wanted petty contracts. Once they formed committees only a few were given contract. The next precondition was that they should form cooperatives. The option of self employment is being projected as the best for people by NTPC and the Bank even though an internal memorandum of WB ridiculed this as a meaningful option. Land was not given as alternative mode of livelihood. People were resettled on sites based on an urban pattern of residence completely unsuited to the people from rural and tribal background. People were not given a genuine option of maintaining their agricultural lifestyle. The compensation was given in the form of money to a community which had little experience of handling monetary transactions. Even this money was inadequate to reestablish their former living standards or to purchase replacement land and rebuild lost assets. The WB policy on involuntary resettlement recognises the insufficiency of cash compensation particularly in situations such as Singrauli. The policy stresses the importance of land based compensation schemes, even in areas with a high population density. The pattern of resettlement in Singrauli runs completely counter to the WB policy on resettlement. The pathetic condition of many people even after 12 years of moving out, says it all. People have not been able to build their homes to their satisfaction, much less to re-acquire the lost assets. Living next to well-equipped and affluent townships of NTPC the younger generation aspired to live the same kind of life but without adequate means. It is no great surprise that many spent their compensation money on consumerables like motor cycles, radio etc. It is strange that the reality of overall degradation of quality of life so obvious to even a casual observer is not acknowledged by visiting World Bank missions who have instead given clean chits to NTPC and arguing in their defense.

20. Land use pattern in Singrauli has changed drastically so has ownership of livestock and milch cattle. The nutrition standards and income from these sources has been drastically affected. The skills and tools of production relevant to the agricultural- rural set up have become irrelevant for most people years after displacement. Worst of all the projects have destroyed the thinking of the people where most youngsters have developed an apathy for agriculture. Promise of jobs has been used as a strategy in all the three projects to get physical possession of their land especially when there was stiff resistance. And when verbal assurances did not work then the patent method was to seek the 'cooperation' of state machinery, the Central Industrial Security Force (CISF) to drive out the PAPs. This continues to be the strategy to this day. Eg. a PAP affected by Rihand I belonging to a socially depressed community was bluffed and taken to the police station while his house was being bulldozed in 1992. Many people who struggled valiantly had to give in after being manhandled by the police and CISF. It is in this background of a sordid history of resettlement and continuous violation of WB

policy directions that the current WB project and the situation of the claimants has to be seen.

VI Rehabilitation in Current Loan

21. The rehabilitation of villagers affected by expansion under the current loan brings home the point that while thousands affected by earlier stages of NTPC projects in Singrauli remain to be rehabilitated even the rehabilitation of little over 500 families in the ash dyke areas could not be planned and implemented after taking into account lessons from past experience.

22. The people affected by the expansion of power plants face displacement for second time, the first was because of the 'deluge' caused by Rihand hydro power project. They were somehow able to overcome the trauma of the 60s because the then UP Government, had permitted the oustees of Rihand dam (about hundred and fifty thousand) to resettle anywhere they could find a place of their choice. While many of them moved out to far off locations, the others decided to resettle on the banks of the reservoir. Another factor which governed their decision in 1960 was that they could be close to the banks of the reservoir which meant they had access to water for irrigation. In addition the land of reservoir which was periodically released from submergence was also used to reap the winter crop. In this way they slowly overcame the shock and rebuilt their shattered lives making good some of the loss. There was a lot of exchange of population at the time of Rihand dam. Some people tried resettling in several places before resettling at the present location.

23. But now when they are being forcibly dispossessed because of construction of ash dike the people are full of bitterness. They are being neither given the promised job nor land nor the replacement value of their assets. The people of several villages affected by the ash dikes for Vindhyachal project in MP. and Rihand project in UP. are facing immediate threat of being dispossessed. Their repeated efforts to draw the attention of the Bank did not yield satisfactory response.

VII Rights and Interests

24. First and foremost the people of Singrauli have a right to be treated as human beings. They have a right to a livelihood that enables them to live with dignity and self-reliance. They have a right to timely information about the project, and the manner in which it would affect their lives. They have right to participate in the planning of the projects that will so dramatically affect them. They have a right to a life without fear of being deprived again and again for the sake of

abstract "public interest" which is not defined in a democratic way. They have right to make choice about their future, a right to be consulted about their future. They have right to benefit from the project. They have right to voice their opinions and negotiate for fair compensation without being assaulted, insulted, intimidated and driven from their lands. Their interest lies in being treated as a community and not as 'disparate' individuals - a community sharing common resources, relationships of mutual support, a culture and a way of life and common interests and concerns. They have a right to information about World Bank directives and procedures. None of the above rights and interests were ever acknowledged much less respected under the present project.

V111 World Bank Directives/Procedures Violated

- a) Involuntary Resettlement Land Acquisition, Compensation and Rehabilitation OD 4.30
- b) Environmental Assessment OD 4.01
- c) WB Policies on Supervision Directive 13.05
- d) OD 4.20 on Indigenous peoples
- c) OD 10.04 Economic Evaluation of Investment Operations

IX Violation of its Own Policies and Procedures by the Bank

25. According to OD 10.04 para 3 consideration of alternatives is one of the most important features of proper project analysis throughout the project cycle. Considering the unmitigated adverse social and environmental effects of past investments in the Singrauli region, the present project did not adequately examine the sustainable alternatives. Energy options based on demand side measures and renewable sources are not only more sustainable, financially and environmentally, but in Indian context would have helped in avoiding involuntary resettlement. Such options were not analysed by the World Bank while appraising the 1993 NTPC project. Nor did the economic analysis of the NTPC 1993 project examine its consistency with Bank's poverty reduction strategy. The fact that the expansions envisaged under the current project would further impoverish the communities affected by it, contradicts the Bank's CID 10.04.

26. The Bank guidelines OD 4.30 require that involuntary resettlement must be avoided in the projects. However, there is no evidence that any attempt was made at any stage to avoid displacement. When the Borrower had failed to resettle PAPs of Rihand and Vindhyachal Stage I even after 12 years the Bank should have stopped further displacement. Disrupting the people of Singrauli again before ensuring that past displacements had been adequately mitigated is dangerous and is leading to further impoverishment of the people of the region.

Basic amenities like water, drainage, electricity, roads, pavements, health services had not been provided adequately in the resettlement sites in the last several years. In fact, facilities are created on the same pattern without examining their usefulness to the community, and without consulting the people who would be using them. The infrastructure created is often an occasion for contractors to make profits by using substandard equipment and materials. Compensation money remains to be paid even after 12 years of displacement. Not all the people displaced during the earlier stages had been provided with an alternative livelihood with which they could have regained their former living standards, a requirement of WB guidelines. Eg. only 125 people out of thousands affected in first stage of Rihand project (mostly the well to do and influential) were given permanent jobs the rest were left to fend for themselves or to rely on unstable, unviable options like contract labour, income generating projects and temporary work given and withdrawn at the will of the Borrower.

27. The Bank did not ensure that the various alternatives were considered carefully so as to avoid involuntary resettlement. The alternatives in the Singrauli region would have also meant managing with the existing ash dikes and upgrading them, or back-filling the excavated coal mine. In fact back filling of mines was included as a possibility in the Environmental Assessment Summary for the project. This negligence on the part of the Bank has caused the people avoidable hardship and is pushing them to further vulnerability. In the case of PAPs of Rihand 11, the borrower had initially planned to site the ash dike in two nearby villages namely Jheelo and Parwatwa village but later changed the decision and relocated the ash dike at the present site.

28. In a paper prepared by the Borrower for the WB Task Manager, NTPC argues that a decision to change location of "permanent ash dike" from Riijo-Parwatwa village to Mitihini Khain was based on the concern to reduce social impact (Letter No 0 1 /CP/4. 01 Feb, 2), 1995 from S.L. Kapoor Addl. GM NTPC to Task Manager, "). Our contention is that this decision was guided by purely commercial considerations. -the proof of this is that the Borrower has not surrendered any of the private land/cultivated land in Jhilo-Parwatwa. Nearly 500 families will be directly affected in those villages. While payment of compensation in Jheelo-Parvatwa villages has yet not been completed, there are allegations of outsiders having forged land records on a large scale depriving the real owners including some of the most vulnerable tribal groups like Gond, Baigas and Harijans. This allegation also finds a mention in the report of a socio-economic survey (Tata Institute of Social Sciences - Socio-economic Survey of Oustees of Rihand Stage 1, March 95) carried out in compliance with the provisions of the 1993) R&R policy. The situation in Jhilo-Parwatwa villages is at present marked by confusion and uncertainty.

29. Here, it would be pertinent to also state that the Environmental Assessment Summary for the 1993 project admits that for the expansion of Rihand and Vindhyachal thermal power plants "no alternatives sites(s) for the plant and township has been considered" because "11 sufficient land has already been acquired". In his letter to the Berne Declaration dated April 5, 1995 India Country Director Heinz Vergin further argued that "the suitability of the locations (for the expansions of the power stations) was already established". In this context, it is significant to point out the criteria that were used for selection of sites for power plants. The Executive Summary of the 1991 EdF report lists six specific criteria which range from "proximity to the lake for cooling requirements" to "accessibility to roads" (p.-32). Although "relatively large population displacements" was acknowledged as a problem, the inhabitation and agricultural use of the sites by large groups of people was not a criterion for selection of sites. We have no indication that the Bank ever tried to alter the criteria which is a clear violation of OD 4.30 (para 3a).

X Development Perspective

30. According to OD 4.30, para 3(b), "all involuntary resettlement should be conceived and executed as development programmes, with resettlers provided sufficient investment resources and opportunities to share in project benefits". In Singrauli region, the only possibilities for the majority of oustees to share in project benefits are land or secure jobs. The 1993 NTPC project offers neither. The Rehabilitation Action Plan in practice focuses on self employment schemes, training to upgrade skills, and the award of petty contracts. In practice these schemes are handled in a very arbitrary manner by NTPC and, as far as numbers are concerned, do not measure up to the promises made by NTPC and the World Bank. There is only an extremely limited market for self-employment (such as carpet-weaving) and petty contracts in the Singrauli region in the first place. NTPC jobs (a second option) are mostly handed out on a contractual basis, which is highly exploitative. This practice is reinforced by World Bank rules which measure the efficiency of power utilities by an output-workforce ratio. The potential for sharing in project benefits through land-for-land options (the third option) is elaborated later in the claim.

XI Negative Impact even before Acquisition

31. Even before the land in Mitihini and Khairi villages was acquired the people had started being affected by the impact of acquisition in surrounding villages of Bijpur, Dodhar, Sirsoti and Adhaura for construction of 2x500 MW Rihand I. The construction of Rihand I began in 1983 and the influx of thousands of labourers

put pressure on nearby forest which used to be the source of fuel wood, fodder and medicinal herbs. The commissioning of the Rihand 1 in 1989 also reduced the area that used to be released from submergence. This meant reduction of area available for cultivation, a decline in the quantum of fodder for cattle. The health of the cattle started deteriorating and the milk yield declined very sharply. Milk and milk products used to be a regular part of the people's diet and income. The ash from the temporary ash dikes in Bijpur also affected adversely the yields of some of the major crops. So even before actual acquisition of their own lands the earning capacity, production and health of the villagers was affected because of acquisition in surrounding areas. The PAPs of Singrauli projects feel strongly that since power plants are responsible for their deteriorated health, the least that the NTPC could have done was to provide them with free access to its hospitals.

XII Compensation not at Replacement Value of Assets

32. According to OD 4.30 para 8 valuation of lost assets should be made at their replacement cost. The rate at which people were compensated did not take into account the various losses elaborated in the above paragraph. The rate did not take into consideration the cost, which PAPs incurred in developing the poor quality land into fertile fields. The rate did not include the cost involved in raising and nurturing trees and the real income from fruit bearing trees like mango, guava and so on. Nor did it take into account the loss of area available for cultivation in the land periodically out of submergence. The compensation or the rehabilitation package does not reflect cognizance of loss of grazing grounds, disappearing forests, loss of water available from the Rihand dam and many other direct and indirect losses that would be suffered by the people because of displacement.

33. The resettlement and rehabilitation package was prepared without consulting the PAPs. The only consideration that went into it was the least cost to be borne by the borrower. The Bank failed to incorporate resettlement planning in design and financing of the project. This is a violation of OD 4.30 according to which "planning and financing resettlement components or free standing projects are an integral part of preparation of projects that cause involuntary resettlement. "

34. The budget for the NTPC Power Generation Project did not reflect the cost of rehabilitation. Nor did the project schedule reflect the timing of rehabilitation. The Resettlement Action Plan approved by the Bank as part of the project was based on a R&R policy that was prepared without consulting the PAPs. In fact the policy was approved despite strong criticism against it within the World Bank. Nor did the policy take into account the real impact of the project. It did not take into consideration the fact that even this most inadequate compensation was staggered over several years. People had to pay 5-10% as bribe to functionaries of Revenue

Department of State Government just to be able to get their compensation. The R&R policy and package did not take into account that people were compelled to spend a substantial amount of compensation on litigation. The acquisition of land led to emergence of many land disputes inspite of a major land records operation. People who had left the village in 1960 returned to reap the benefit of compensation by staking claim on some of the land. The callousness of the state authorities and the borrower dragged the people into a series of court cases that are still undecided. With construction going on unhampered all ground level proofs of occupation will disappear making it difficult for PAPs to get justice. The NTPC by acquiring their land and not ensuring proper rehabilitation further compelled the people to spend their meagre resources on seeking justice from courts. Litigation in India is not only expensive but often takes a long time to get decided.

35. Worst of all, the borrower argued that the Resettlement Action Plans have not "seen the light of the day and hence there is not question to enforce the same". The arrogance of the borrower and its attitude towards the PAPs is best reflected in the statement filed in August 1995 by NTPC at the High Court of Allahabad, according to which the implementation of RAP as a condition of 1993 Bank loan was "entirely an internal matter between the NTPC and the World Bank" the PAPs or their representatives have no locus standi in the matter.

Consultation

36. The Bank guidelines require participation of the affected persons and their representatives in every stage of project preparation and implementation. But there exists no genuine mechanism for meaningful consultation to take place. Even the Village Development Advisory Committee (IMAC) is an undemocratically constituted mechanism completely in the hands of NTPC. In spite of the acknowledgement by the Bank of the ineffective structures for participation very little was done by the Bank to press for change. The routine interactions between the PAPs and the staff of NTPC where the latter would insist that the people must vacate the lands were projected by the borrower as examples of participation and consultation, Even the unannounced visits of the WB missions were cited as illustrations of consultation meetings. One such visit took place in July 1992 when some W-B officials, the representatives of borrower and district officials enquired about the choice of PAPs for rehabilitation. This visit (about which there was no prior information to PAPs) was projected as a consultative meeting in the Staff Appraisal Report annexures. It is during this visit that an attempt was made by the borrower and the Bank to influence the PAPs to opt for income generation programmes instead of land or job whereas the PAPs had given a clear preference to jobs and agricultural land. Such interactions can hardly be termed as consultation meetings. The atmosphere at the other so-called consultations has

been authoritative with senior police officials present at some of these meetings. It is at such meetings that PAPs were sometimes openly warned of harassment if they did not vacate the village. The attitude of the officials completely lacked sympathy for the PAPs.

37. Daily contacts between NTPC and PAPs whether in the community or at the public information centres are marked by extreme distrust, mutual hostility and tension. The staff at the R&R cells harbour a condescending and scornful attitude towards the PAPs. Systematic attempts are made to keep the trusted representatives of PAPs out of the consultative meetings. The WB OD 4.01 listing the Bank's expectations on consultations requires that the borrower takes the views of affected groups, local NGOs fully into account in project design and implementation and in particular in the preparation of environmental assessment. In the case of Singurali projects the structures for consultation, participation have been set up for satisfaction of the Bank and can at best be termed mere formality. The Public Information Centres (PICs), the VDACs etc. can in no case be accepted as structures that can help in drawing genuine inputs from affected persons and their representatives including NGOs. There was no participation of the people and their representatives in the preparation of the EA.

XIV Land Based Compensation

38. In the R&R policy of 1993 land option had been restricted without any justification to Stage II which has been defined technically in such a way that smallest possible number of PAPs fell within its ambit. (Although the socioeconomic survey concluded that sixty-three percent of the affected persons in Rihand II opted for land as the most preferred form of rehabilitation. Further the land option even for Stage 11 PAPs was made virtually impractical by placing several preconditions like PAPs should return compensation money before land could be provided; the option offered did not even comply with the WB directive (4.30 para 13) that land at least equivalent to that lost should be provided. A study conducted in 1993 by GHK/MRM International prepared a draft plan for the displaced people of Singrauli region. This draft also discusses the restrictive nature of the land option offered as part of the 1993 R&R policy of NTPC as well as the inadequacy of RAPs for Rihand & Vindhyanchal Stage-II (Ref Displaced Peoples' Action Plan: Development and Environmental Management Strategy in Singrauli region, GHK/MRM International 1994, p.19). The policy restricted the extent of land to a maximum of 5 acres. All these were for the borrower and WB cost cutting measures that guided the formulation of R&R policy. Such a policy naturally would have been resisted and PAPs of Vindhyanchal and Rihand did not accept the provisions. Even these limited provisions were arbitrarily withdrawn. The resistance of PAPs to the specific parts of the land option were conveniently

construed to conclude that PAPs were not interested in land-for-land (see minutes of so-called Land Purchase Committees meeting). In case of PAPs of Rihand II contradictory explanations were given for the inability of the borrower to arrange land. It was stated in the NTPC paper dated 23.2.95 addressed to Task Manager (para 8.3) that PAPs were reluctant to nominate any representative on Land Purchase Committee. However, a circular received on 20.9.94 from NTPC corporate office indicates the composition of LPC which shows three nominees of PAPs of Mithihini. Their disagreement with the package was construed as meaning that PAPs did not want land! Nor were PAPs affected by Vindhyachal extensions provided with land.

39. Interestingly, the 1993 policy was hailed by the Bank as landmark development for inclusion of land for land as an option, but during the July 1992 visit of WB officials PAPs had already been told that land would not be possible to provide! While land was included theoretically in the policy, the option was never given effect in reality.

40. According to OD 4.30, para II "socioeconomic surveys... should be conducted as early as possible to prevent inflows of population in ineligible for compensation". But the socioeconomic surveys of PAPs affected by the expansion of power stations were carried out long after the process of land acquisition and compensation had already started. The land was acquired between 1986-1989 whereas the survey was conducted in 1992 for PAPs of Rihand and Vindhyachal extensions. In case of Rihand II the survey conducted in 1992 by an agency called MODE was followed by an in-house survey copies of which were never made available. Nor did these socioeconomic surveys carried out in compliance with the new R&R policy include any analysis of the adequacy or inadequacy of compensations already paid to the people in helping improvement or at least restoration of their living standards. The socioeconomic surveys did not include an assessment of the scale and impact of resettlement on displaced people. Information in the surveys did not include incomes derived from common property resources, forests and so on, The Bank failed to ensure that the rehabilitation action plans developed within the framework of the policy were based on rigorous feasibility studies of various rehabilitation options. In fact, an internal memorandum of the Bank castigated the R&R policy by maintaining that the "policy is weak on what will be done to ensure that PAPs restore or improve income levels, and is particularly weak on the issue of providing land for land to those who want it." And yet the Bank failed to ensure that the final version of the policy actually came up to the Bank standards, It is understood that concerns had also been raised within the Bank on the absence of any resettlement plans for the two coal mines that would feed the expansion of Rihand and Vindhyachal power plants. The debate within the Bank warned "the first project the Bank financed in

Singrauli area caused so much aggravation and pain, that we should (not) fall into the same trap again."

XV Access to Information

41. The Bank failed to ensure the existence of a genuine mechanism for ensuring that the PAPs have timely access to relevant information. The Public Information Centre (PIC) which were set up in 1994 as a result of pressure from NGOs are again an eye wash. The complaints filed by PAPs remain unattended or not attended to their satisfaction. Most documents of any relevance to PAPs are in English - a language they cannot comprehend. Even for activists, like us who can comprehend find it hard to obtain documents. One out of several requests for information may get attended. A report in the PIC at Rihand was not made available to the visiting team of NGOs from Switzerland and USA in November 96 despite the promise made by a responsible officer of the R&R department. The response at the end of their visit was that the Corporate office has advised against making the said report available. The document were finally made available to Berne Declaration after 3 months! The Indian counterparts are not even as privileged. A series of progress reports sent by the borrower to the WB were to be sent to the local activist according to a letter dated January 2, 1997 of David Marsden, Chief of the Social Development Unit of New Delhi World Bank Office. These documents had not been provided till the filing of this claim. The PAPs also do not have any idea about the role of the Bank in the project nor about the policy guidelines relating to WB investments.

XVI Role of Sociologists

42. The Bank had been reporting since 1995 satisfaction with progress of R&R efforts of the borrower and appointment of sociologists at the power stations was repeatedly cited as an evidence of borrowers commitment. (Eg. letter dated July 12, 1995 from Task Manager to Dr. Peter Bosshard of Berne Declaration). But the appointment of sociologists since June 1995 made matters even worse for the PAPs. The sociologists were merely an addition to the battery of officials who could harass and pressurize the people to move out. This is all that the company will give, it is better to leave or else you would have to be forced to leave". The sociologists efforts were also to prevent PAPs from complaining or testifying before independent investigating teams. There is not a bit of difference in the attitude and behaviour of NTPC officials from civil works department and those from rehabilitation department. All of them including the sociologists have one and only one concern - how to get the work site cleared obstruction PAPs are seen as nothing more than obstruction in the way of project work. The sociologists are known to be rude to PAPs who visit the PIC to seek opportunities for even

temporary work. A woman from Rihand 1 was rudely turned away by the sociologist who advised her not to visit the PIC and that she would be informed if and when there is work. The Bank saw improved R&R only as technical issue requiring recruitment of trained persons. Whereas what was critically missing was political will. The people's feedback on the role of sociologists had no effect on WB officials attitude. The response of WB Resident Mission was diplomatic, exasperating and frustrating to say the least.

XVII Repression Associated with Resettlement

43. The WB guidelines censure use of force, intimidation, repression as means to resettle PAPs. Yet, repression has been a regular feature in all the projects of NTPC in Singrauli. The PAPs have been manipulated by the borrower, their identity as a community has been negated, their organisations were sidelined. Eg. the borrower systematically avoided reference to the villagers organisation namely the Grameen Kalyan Sangharsh Samiti (GKSS). The borrower took every opportunity to sharpen feelings of rivalry and competition among communities of people who were in fact all similarly affected by the project. The use of 'Divide and rule' tactics and manipulations were repeatedly brought to the attention of the Bank but the latter ignored these grievances of PAPs or dismissed them as unsubstantiated. If anything, the versions of the pliable amongst the PAPs and those of the borrower were accepted by the Bank as the last word. The Bank's attitude was extremely casual towards complaints of harassment by the police and a ministration which were in act engineered y the borrower. The Bank chose to ignore the complaints that PAPs were beaten, sent to jail, the women folk were manhandled and taken into police custody, men and women were implicated in false criminal cases, their crops were wantonly destroyed. That the borrower resorted to demeaning ways such as letting the ash slurry on to the villagers fields with a view to destroy their economic base and secure their consent to move were not startling enough for the Bank. The Bank did not pay any heed to reports that the borrower had even resorted to use of muscle power in a bid to drive out the PAPs. The repression included surveillance of the movements of the activists by the intelligence agency of the borrower, the administration and the Central Industrial Security Force. A man was even deputed from the intelligence department of NTPC as an escort with an investigating team of National Human Rights Commission (NHRC) in October 1996. Even a PAP was prevented by the borrower from appearing as witness before the NHRC investigating team and there were others who were threatened with reprisals for having deposed before the investigating team.

44. Abuse of the media to discredit the genuine cause of the PAPs and the activists supporting their struggle was also brought to the attention of the World

Bank to no avail. Such indifference from the Bank is not surprising when even reports of threat to life did not move the Bank officials. The continuous indifference of the Bank, however, encouraged the borrower to become even more repressive. An activist of GKSS had a narrow escape when he was run over by a dumper truck in September 1996 at the instigation of an engineer of NTPC. Even the telephone lines were disrupted or interfered with by the borrower in times of grave tension with the PAPs. The Bank responded coldly to the issue of repression - the standard response was "we have asked NTPC to give their comments on allegations."

45. The nexus operating between the borrower, the state machinery, the contractors and many outsiders has been very strong. This nexus broke the resistance of the PAPs. Inducements of small money, unofficially giving extra benefits/facilities to some to the exclusion of others, rewarding the villagers who first of all disrupted the unity of the villagers and sided with the borrower, the contractor, and the police, implicating the others in false cases' destroying the fields with standing crops thereby eroding the economic base of those who continued to resist, putting the resisting villagers in jail - so demeaning have been the ways of securing the PAPs "will" to shift.

XVIII Indigenous Peoples

46. The Bank guidelines on involuntary resettlement and indigenous people provide for extra caution to be exercised in projects while dealing with indigenous groups. None of the World Bank financed projects in Singrauli gave any special consideration to tribal and ethnic groups. The OD 4.30 require that land, housing, infrastructure and other compensation should be provided to the adversely affected population, indigenous groups, ethnic minorities and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project. The directives clearly state that absence of legal title to land by such groups should not be a bar to compensation. These groups were amongst those hit hardest by the projects. The customary rights of these communities over the lands they cultivated for ages were not recognised and they were therefore not compensated for the same. Some of the most vulnerable groups such as the dharkars, gond, baigas have been driven to a life of utter misery in terms of complete erosion of their livelihood and cultural identities. Their traditional occupations and way of life were rendered irrelevant because of disappearance of forests. The dharkars who engaged in bamboo work as a traditional occupation are finding it hard to practice it because of lack of access to the remaining bamboo groves in the region.

XIX Impact on Women

47. Often women's weak position in the social structure made them bear the worst consequences of land acquisition. From being active producers and workers well integrated into the agricultural economy they suddenly moved to being either out of work or casual labourers in the market economy. There have been several instances where the men deserted their women after taking compensation leaving them to fend for themselves. The other impacts for women include greater burden of adjustments after displacements. Women also faced repression while resisting forcible dispossession and were sent to the police station, ill-treated during the detention and charged with criminal offences.

48. The effect of moving out from the present locations will be such that many of the PAPs who are now able to send some of their children to schools may have to withdraw them. The burden on family budget already borne by women-folk would be increased several fold as people will not be able to reacquire all the assets lost. Many of them, out of desperation are encroaching on forestland with the risk of being driven out at any point. As it is the PAPs have very little benefit from the nearby NTPC hospital and most of them depend on private practitioners and quacks. Such has been the effect of industrialization. Earlier when the forest was intact people relied on it for various medicinal herbs. Now many of them are under debt for seeking medical help from private practitioners. This situation will only worsen in the time to come. The availability of nutrition would also be affected because of loss of land and inability to replace all of it. The effect of WB financing would also be to further consolidate the structural inequalities. Domestic electric connection is being made available after much noise at Rihand but only those who have permanent jobs will be able to deposit the required money and get their homes electrified. That, villages in a region, which contributes 20% of energy generated in the country, should remain without electricity is the biggest paradox. It is this paradox that the WB is helping to strengthen.

XX. Jobs

49. While promise of jobs was made to all during Stage 1 only a few were actually given. Many people who were made to go through the farce of interview for job feel very bitter and frustrated. They spent money on completing formalities but got no jobs. In case of Vindhyachal PAPs allege bribe being paid for jobs. In Riland outsiders were given jobs on the basis of forged records. The Bank failed to take note of these realities while approving the R&R policy.

50. The rehabilitation option offered by the borrower include income generation schemes. The much publicized schemes are an eye wash whether it is in Rihand or Vindhyachal. At Rihand many of these projects are planned and implemented through a management sponsored and controlled NGO -Chetna - which the Bank refers to as an innovative creation (Ref SAR, NTPC Power Generation Project, June 4, 1993), Part-11, Annexes-page 18, paras 1.12 and 1.13). Most of the income generation activities are either non-existent or have not graduated. In beyond the pilot phase. Any support organised through Chetna is given and withdrawn at the whims and fancies of those manning it. Examples of harassment by the so-called NGO abound. The structure of the NGO is inherently undemocratic. It gives extra right of vote to members who make a monetary contribution of over 1000 rupees. (See the by laws of Chetna in the annexures to Rehabilitation Action Plan for Rihand 11).

51. The experience in Singrauli shows that the contract work which is projected as a rehabilitation option, is ridden with all kinds of problems-the worst is the fear of being thrown out anytime. The hazards of contract work are all too well known. It is a cost cutting measure, a measure to make the operations more 'efficient'. The policy of the borrower under the advice of WB has been to put out most jobs of perennial nature, on contract. These include some of the most dangerous jobs in the boiler sections, coal handling where accidents are not infrequent. The R&R Manager of NTPC Rihand admitted openly in the presence of WB representatives on February 14, 1996 that WB has restricted the manpower ratio norm so that recovery of loans would be ensured. The cost of such an unjust notion of efficiency is being borne by thousands of contract workers engaged in some of the most dangerous processes inside the power station without adequate protection and social insurance. The liability of dealing with accidents is conveniently passed on to private contractors whose effort is to hush the matter and dispose it off with least cost. This is how profits are posted and claims of efficiency made. With ever new people being rendered without livelihood as a result of land acquisition, the number of people seeking work swells ensuring that real wages always remain depressed.

52. The SAR for the current project refers to the existing legal framework for acquisition in India as responsible for limiting the efforts that Government can make to adequately compensate PAPs. But has the WB ever brought this up before the government and used its leverage to get the relevant legislations amended in the interest of PAPs. In the SAR itself a detailed analysis of legal Framework regulating participation of private sector in power generation and distribution has been made. The Bank as part of Structural Adjustment Programme (SAP) loans has used its leverage to get the various legislations amended to allow for greater participation of private sector. It is not clear why the Bank could not

have similarly undertaken an analysis of laws governing compensation and suggested their amendment as well to bring them in tune with its directives on involuntary resettlement. When ever we brought such aspects to the attention of WB their response was that its hands were tied and that it cannot interfere with sovereignty of the Government. But the Bank has been using the stick in issues like recovery of bills, tariff rate, privatization, amendment of laws to bring them in line with the objectives of liberalization without in the least caring for issues like sovereignty.

XXI Corruption

53. During the visit to Singrauli area in April 1994 many project affected people told a delegation of national and foreign NGOs that R&R officers were charging bribes for providing NTPC jobs. Certain names had been mentioned in particular. Rumours of corruption keep surfacing again and again. There have been instances where outsiders were given jobs against forged records. In 1996, the representatives of NTPC spread a rumour that an activist had left the region after accepting bribe from NTPC. While such accusations were obviously targeted at demoralising the PAPs, they nevertheless lend credence to the theory that bribes are indeed given as a reward to those who can secure submission of unwilling PAPs. Well known power brokers are invited as representatives of PAPs to VDACs. In one case infrastructure created out of R&R funds has been allowed by the borrower to be appropriated by a local power broker. Senior officials of NTPC have been named by this power broker as having colluded to defame activists/NGOs working amongst the displaced.

XXII Induced development

54. According to OD 4.10 Annex A2, "induced development and other socio cultural aspects" of a project should be addressed by Environmental Assessment (EA) where applicable. The annex elaborates that "secondary growth of settlements and infrastructure, often referred to as "induced development" or "boomtown" effects, can have major indirect environmental impacts, which relatively weak local governments may have difficulty addressing.

55. The May 1992 report of World Bank Environmental Department India Sustainable Development in the Singrauli Region - Towards an Action Plan, elaborates that this issue is indeed very applicable to the Singrauli region. According to this report, a key lesson of development in the region to date is that the pace of development should not exceed the capacity of the development process and institutional arrangements to successfully accommodate growth. Existing problems are the direct result of this occurring, (p iii). As a short-term

consequence, the pace of regional development should be contain[ed] to a level able to be accommodated by an evolving development process without undue strain (p. 1v). The Executive Summary/Main Report of the Environmental Study of Singrauli Area submitted by Electricite de France (EdF) in July 1991 equally warned that further development of thermal power in Singrauli will have unquestionable direct impacts (p. 15, emphasis in the original text). The report spells out land use issues, socioeconomic issues, pollution generated by new industries, etc., and concludes that their impacts on the regional environment will be exacerbated under any development scenario for the region which continues to disregard them (p. 15 emphasis in the original text).

56. As a consequence of these findings, the May 1992 report recommended that the EA for the 199-33 NTPC project embrace both the direct effects of the proposed investment on the physical environment and its impact on the broader social environment (emphasis in the original text). The EA Summary gives the impression that this recommendation by the 1992 report was completely ignored by the actual EA. The impact of the 1993 NTPC project on the broader social environment was not analysed at all.

XXIII Environmental Violations

57. The Bank is well aware of the environmental problems of Singrauli which was once a densely forested area rich in biodiversity. The environmental study of the Singrauli area by EdF had been the most expensive and voluminous study financed out of an undisbursed loan to NTPC. The 1993 NTPC project was supposed to support a series of environmental mitigation measures following the EdF study. One of the three main components of the 1993 project was an Environmental Action Plan (EAP). This included the environmental upgrading of power plants, technical assistance to improve environmental capacities of NTPC and strengthening of R&R activities and capacities. The Bank for several years, since 1993, has been claiming that the EAP was being implemented as scheduled. But inquiries into the status of the EAP which NGOs made in November/December 1996 pathetically expose the fallacy of World Bank claims. To cite only a few examples, EAP includes the analysis of ash leach from ash ponds which have the potential to contaminate the groundwater. The analysis supposed to have been finalized by November 1993 had not been completed in November 1996. A study on the fate and transport of mercury was supposed to have been carried out between November 1993 and January 1996, the study is now expected to be carried out only in May 1998 or possibly not at all! An analysis of food crops in Singrauli revealed mercury contamination above levels of concern and high flouride and chromium levels. As part of the EAP food crops were to be analysed every two to five years starting in 1992. NTPC could not provide an

executive summary of the latest crop monitoring report to NGO representatives in spite of promise to do so. A base line survey on community health in areas surrounding the power stations was supposed to have been conducted as a condition for clearance from Ministry of Environment and Forest. The borrower in a meeting with NGOs in December 96 was completely ignorant about any such obligation! The Bank had also tried to undermine the contribution of power plants to the problem of mercury in the food chain. In a letter to Berne Declaration, the Bank's India Department claimed that the principal source of mercury in Singrauli area was the Kanoria chemical plant and not the power plants. Yet, the EdF study (1991) had revealed that Singrauli power plants topped in the emission of mercury - the power plants released 720kg per annum whereas the Kanoria plant was responsible for only 90kg per annum! The Bank has turned a Nelson's eye to such shocking negligence of the borrower in the implementation of EAR. The few examples cited above demonstrate that neither the borrower nor the Bank are concerned about the environmental impacts of the power plants. The borrower has on the contrary used these impacts against hapless PAPs. In November 1995 ash slurry was suddenly allowed to be dumped on to the fields of a PAP at night gravely damaging her hut and other possessions besides causing severe trauma. Such barbaric actions of the borrower were brought to the attention of the World Bank officials but they paid no heed. Given such a situation the EAP and its implementation can only be termed an eye wash.

58. The unmitigated environmental effects have adversely affected the health of the people of Singrauli. The region north of the Rihand reservoir is crowded with power plants, coal mines, and other heavy industries and has taken its toll on the health of the people. Unattended ash pipe leakage is a common sight. The leakage have contaminated drinking water sources, the soil and the crops. The current expansions would further endanger the health of the people. The area on the southern bank of the reservoir faces a social and environmental havoc of similar intensity as experienced by people on the north. The fact that the affected people do not have a regular source of income and lack access to the expensive but better equipped township hospitals compounds the risks to their health many times over.

XXIV Failure of Supervision by the Bank

59. The OD 13.05 clearly states that project supervision is one of the Banks most important activity. It requires that the borrower implements the project with due diligence to achieve agreed objectives. It further requires that problems are identified promptly and the borrower is helped to resolve them. The Bank has failed to supervise the project effectively and violated its own directives on supervision. The PAPs often had no information about World Bank mission visits. Mostly it was through hearsay that they learnt that a WB team was in the project

area. Unless hijacked, the WB representatives preferred not to meet PAPs in situations where NTPC representatives did not have a dominating presence. The Bank missions, often relied on NTPC officials to translate statements of PAPs and vice versa. The latter has been known for distorting messages. To a team of foreign NGOs in February 1995 a Bank official is understood to have stated that the Bank should not even try to meet PAPs without the NTPC officials. This official further suggested to the NGOs that if PAPs felt intimidated by the presence of NTPC officials they should resort to legal action. With such arrogant and uncaring attitude the Bank missions can hardly be trusted to make unbiased and accurate reports. The very purpose of missions becomes meaningless. The people of Singrauli have the experience of humiliation of cascades of World Bank jeeps cruising through their villages without stopping. When the World Bank mission reports in rare situations did acknowledge problems, for example the March 1995 mission report severely criticized undemocratic structure of VDACs, little was done to follow up on these inadequacies during subsequent visits. Instead, the Bank officials have eagerly defended the omissions of the borrower.

60. False progress reports, status papers were provided to the WB by the borrower based on which latter concluded that there were real improvements. The Bank never thought it necessary to verify the contents of such reports. Twice police force in large numbers was summoned to crush the resistance of PAPs of Rihand 11. The second time force came was in June 96 inspite of assurance from WB, New Delhi office chief of Social Development Unit, to the contrary. The police came even though WB had been forewarned that such a possibility existed (letter of M. Kohli to David Marsden Chief Social Development Unit dated 30.5.96). Reports of threats, intimidation to PAPs as well as to those who supported their cause were regularly given to WB officials, to no avail. Even statements of the borrower made in the Flight Court at Allahabad arguing that the Rehabilitation Action Plan cannot be challenged because it had not come into force, or that the compliance of the conditions of the loan was a matter between the NTPC and the Bank with PAPs having no say, were taken most casually. Supervision and monitoring through WB missions was extremely superficial and ignored the fact that NTPC projects in Singrauli had a very poor track record on social and environmental mitigation.

VXV The Responsibility of World Bank

61. We hold the World Bank responsible in pushing the PAPs of Singrauli towards a situation of impoverisation. World Bank is well aware of the impacts of large scale investments in this region. Nor is NTPC a borrower of WB funds for the first time. In giving yet another loan to NTPC the Bank has not taken into account the feedback available through numerous official studies and NGO

reports. An important report of a delegation of NGOs-national and international - which visited Singrauli in 1994 was ignored by the Bank which did not respond to any of the issues raised therein. Since February 1995, after the construction of ash dike in Rihand began in the presence of police force, World Bank has been repeatedly informed about the violations through a series of letters, meetings with New Delhi office as well as representatives of the Country Department in Washington. Each time the response was to accept the denials by the borrower. For example, even the police action and repression of villagers on June 27, 1996 was not taken seriously. NTPC denied with impunity that any force had been used or any crops had been bulldozed. The World Bank officials did not consider it necessary to obtain first hand information from those affected. Neither Corporate office representative of NTPC nor WB representatives came to the site to talk to the PAPs. Even when David Marsden, Chief Social Development Unit came to the area in August end, he did not meet with affected people and went back after attending a closed door meetings with selected people arranged by the NTPC.

62. The World Bank officials did not believe aggrieved peoples testimonies. For example, at a meeting on February 14, 1996 the WB officials (David Marsden and Sam Thangaraj) were given details about an incident that took place on 22 Jan 96 when contractors' men came armed with sticks and rods with the intention of fomenting trouble and to force their way onto the villagers' fields. Testimony by a respected leader of the region who was present on that day was not given any importance to by the WB representatives. In the end the Bank concluded that the allegations were unsubstantiated.

63. The experience of correspondence and meetings with WB representatives have been long since 1995, but frustrating. Not even once did they take any stem action against the borrower or put adequate pressure on them of which people know. On the contrary they praised the borrower for their commitment to R&R-setting up of a full-fledged department of R&R, appointment of sociologists were pointed out by the Bank as proofs of this commitment. In a meeting with WB officials held in Delhi on April 12, 1995 the representatives of PAPs stated that the actions of borrower had been violative of the WB guidelines and that an important condition of the loan had been breached in the very first test case. They appeared to note our concerns but did nothing.

64. Enclosed are important correspondence and record of meetings with WB representatives. A letter dated Dec. 26, 1996 to WB President remains unanswered, receipt of which was confirmed.

65. We believe that the WB response to our complaints has been casual, indifferent and unsatisfactory. The typical response has been to pass on our letters to NTPC or

at most to District officials asking them for their reactions. Instead, the response should have been to institute independent investigation, arrive at the truth and suspend the loans till the borrower complied with the commitments relating to R&R and environment. On the contrary, the WB officials have even tried to defend the borrowers omissions and commissions. The classic example is the letter from David Marsden dated January 2, 1997 wherein he has tried to explain in defense of the borrower why the progress on R&R has been slow. He attributed the same to the pending suits filed by PAPs in various courts. It is strange that pending suits did not restrain the borrower from resorting to police action, destruction of villagers' fields, imprisoning them but prevented them from doing the best that they could have done to minimise the loss being suffered by the PAPs.

XXVI Other Actions to Resolve the Problem

In addition to the above PAPs and their representatives took the following steps to try to resolve the problem.

- A question raised in the Upper House of Indian Parliament on May 5, 1995.
- A writ in High Court at Allahabad was filed in February 1995 seeking a stay on construction of ash dike till the people were properly and fairly rehabilitated. NTPC had filed its reply to the petition but the petition still remains to be heard. The stay was not granted. The petition has now been admitted for hearing. An application for expediting the hearing has been moved in the court.
- In June 1996, a plea in the High Court was made to quash the criminal proceedings against villagers instituted illegally by the sub-Division Magistrate at Dudhi. The court in its decision on 21.6.96 quashed the proceedings.
- In April 1996 the Peoples Union of Civil Liberties (the LT Chapter) investigated the situation of PAPs of Singrauli and brought out a report of its findings.
- The National Human Rights Commission was approached in June 1996, to investigate the harassment by police and Administration. The Commission sent a team for fact-finding in October. The report is out and presents only the version of NTPC and District Administration ignoring the testimonies of the aggrieved persons.
- A revision in the District and Sessions Court was filed in February 1997, against illegal continuation of criminal proceedings against 23) men and women of Mitihini and Khairi instituted against them by the Sub Division Magistrate on 27.6.96. The court vide an order dated April 1, 1997 struck down the proceedings as Illegal.

- The PAPs of Churchuria village affected by extension of ash dikes for Vindhyachal approached the Apex court.
- Besides the people of Singrauli made numerous petitions to the district and State and central authorities seeking redressal of their grievances.

67. We believe that the above actions of the borrower and omissions of the WB were contrary to the policies and procedures of WB. These actions/omissions have adversely affected the people and jeopardized their basic rights and interests. We request an investigation into the same towards a resolution of the problems of people of Singrauli affected by the projects. We also seek the Panel's intervention for advising the Bank on remedies which should be implemented to compensate the people affected by the project for the adverse impacts they have suffered and will suffer due to inadequate social & environmental mitigation. We reiterate that provision of alternative livelihood acceptable to the people of past and present projects of NTPC remains the most critical issue for redressal. Remedial action for dealing with social and environmental effects of old projects had also been envisaged as a condition of the R&R policy approved as a condition of NTPC power project 1993. Provision and upgradation of basic infrastructure in existing resettlement sites with involvement and participation of the affected people is also a priority. We expect the Panel to further advise the Bank on provision of adequate financial and institutional arrangements to enable the borrower to carry out its commitments in conformity with WB guidelines. And finally we would like the Panel to pressurize the Bank such that resolution of existing social and environmental impacts must become a condition for remaining disbursement under the project.

We can provide any further information, if and when required. We also request that the claim be made public.

Madhu Kohli

Contact address.

In view of the remoteness of the project area it would help greatly in easier and faster communication if the Panel could use all the following addresses and fax numbers-.

I. Madhu Kohli, C/O Grameen Kalyan Sangharsh Sarniti, Village - Mitillini, Post - Bijpur, Dist. Sonbhadra, - 231223), Uttar Pradesh, India. Fax. 0091-54464-219 (is valid only Monday to Saturday between 10.00 a.m. and 430 p.m.) Attn. Madhu Kohli.

2. Madhu Kohli, C/o Mr. Narendra Neerav, F-28/7, Sector -B, Dalla, District-Sonebhadra - 23 1207, Uttar Pradesh, India. Fax. 0091-5445-62168, Attn. Madhu Kohli.

3. Madhu Kohli, C/O Delhi Forum, F10/12, Malviya Nagar, New Delhi- 1100 17, India, Fax- 0091-11-6237724.

Attachments: 1. Authorization Letter of villagers 2. Map of Singrauli Region 3. Copies of Correspondence Aith WB.