



LAHURNIP
LAWYERS' ASSOCIATION FOR
HUMAN RIGHTS OF NEPALESE INDIGENOUS PEOPLES



October 5, 2018

Hakan Lucius
Head of Civil Society Division
European Investment Bank

Olivia Saunders
Civil Society Officer
European Investment Bank

Via Electronic Mail

Re: Your preliminary letter dated September 21, 2018 responding to our letter about gaps in implementation of the Marsyangdi Corridor Nepal Power System Expansion Plan European Investment Bank Project # 2013-0599

Dear Mr. Lucius and Ms. Saunders:

Thank you for your constructive response to our letter dated August 9, 2018. We are grateful for your positive engagement on the concerns raised by communities in the Lamjung district of Nepal, who are affected by the European Investment Bank (EIB) funded 220 kV Marsyangdi Corridor high voltage transmission line and associated hydropower sector development in the region.

We shared your preliminary comments with affected local community members. Community members expressed that they felt encouraged by your response. They explained that they have repeatedly raised their issues with the Nepal Electricity Authority (NEA), and Nepali authorities, but have seen little change in the project's implementation. Affected peoples would have preferred their concerns to have been resolved earlier and directly by the project promoter. However, they report feeling unheard, vilified and intimidated by project and government authorities. Community leadership shared instances of being labeled as instigators and puppets of non-governmental organizations, and sometimes facing threats of retaliation from authorities. However, after reading your letter, the community leaders were more hopeful.

We hope the EIB appreciates that the issues raised in our initial letter are broader than merely being critiques of the Initial Environmental Examination conducted for the Udipur-Markichowk-Bharatpur segment of the Marsyangdi Corridor. Our letter pointed to larger issues, including: lack of consultation, lack of information sharing in an accessible and complete manner, and lack of a process to seek the free, prior and informed consent of Indigenous Peoples (and other local communities) affected by the project. Our letter also included concrete requests for forward-looking actions from the EIB and NEA, about which we look forward to your response.

Additionally, the affected communities acknowledged that the issues raised in our letter were complex. We have all struggled with the complexity of the project and its impacts, and appreciate that you are not rushing a response. However, the project appears to be moving ahead as is. So, please can you provide a timeline about when we can expect a more substantive response to the concerns raised in the letter? The communities are also eager to know in greater detail: what steps the EIB has taken to raise the communities' issues with the NEA, local authorities, and other financiers; who all the EIB have reached out to at these various entities; and what their initial responses have been.

We understand that the EIB is moving forward with other investments in Nepal's infrastructure sector. We urge the EIB to use its influence as a financier, including through contractual mechanisms, to ensure that the NEA and Nepali authorities are taking requisite steps to remedy actual and potential harms to affected Indigenous Peoples and other local communities.

The affected communities, EIB, NEA, Nepali authorities, and other players have shared goals to ensure that the Marsyangdi Corridor, and associated hydropower sector development in the region, are implemented in compliance with the EIB's environmental and social standards, and international and domestic law. A collaborative dispute resolution process may be well suited to address communities' concerns, and bring an amicable resolution to these issues, including the discussion in your letter relating to fauna or flora, mitigation measures, and cumulative effects.

Thank you for remaining open to further communication on this matter. Please let us know if you have any questions. We look forward to hearing from you as soon as possible.

Sincerely,

Shankar Limbu

Secretary, Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP)

Siddharth Akali

South Asia Consultant, Accountability Counsel

c.c. Christopher Hurst, Director General, Projects Directorate
Donal Cannon, Head of Regional Representation for South Asia
Gunnar Muent, Deputy DG, Safeguards & Quality Management, Projects Directorate
Francois Trevoux, Director, Energy, Projects Directorate
Angela Marcarino Paris, Head of Division, Public Sector – Asia & Pacific
Sonja Derkum, Head of Division, Complaints Mechanism
Alfredo Abad, Deputy Head of Division, Complaints Mechanism

n.b. This letter may be made public.