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Evropska investicijska banka
Euroopan investointipankki
Europeiska investeringsbanken

Shankar Limbu

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

Siddharth Akali

South Asia Consultant, Accountability Counsel

Sent by email to: siddharth@accountabilitycounsel.org and shankar1database@gmail.com

Reference: Deficiencies in Initial Environmental Examination for the 22 kV Marsyangdi Corridor Transmission Line (Udipur-New Bharatpur segment). Your letter of 9 August 2018.

Luxembourg, 21 September 2018

SG/CR/CS/2018-1290/OS/HL/hd
EIB- Corporate Use

Dear Messrs Limbu and Attali,

We refer to your letter in reference addressed to the European Investment Bank (EIB) at the request of Indigenous and other communities in the Lamjung district of Nepal, concerning the "Marsyangdi Corridor" component of the EIB's *Nepal Power System Expansion project*. We would be grateful if you could share this reply with the communities concerned.

We would first like to thank you for bringing the issues raised in your letter and its accompanying report to the Bank's attention. The EIB welcomes and encourages constructive comments from all stakeholders regarding its activities, as these can provide a valuable input to the Bank in order to further enhance the public benefits and minimise the risks of the projects it finances.

The relevant services of the Bank are therefore looking into these issues in detail. They will raise them with the project promoter – the Nepal Electricity Authority (NEA) - and the other financiers, as part of their ongoing monitoring of the project, in order to ensure that it complies and is aligned with the relevant national laws and regulations, as well as with the EIB's Environmental and Social Standards. We will revert to you on the different issues raised as soon as possible.

As a preliminary comment, we note that your observations are based on an evaluation of the Initial Environmental Examination (IEE) of the Marsyangdi Corridor. Within this context, we would like to point out that the IEE is a statement of the likely impacts of a proposal and how these can be mitigated and managed. It is a decision document, not a compendium of technical information. As such, the IEE report should be both rigorous and easily understood and is not, therefore, exhaustive. At times, in projects of this complexity, it can happen that an IEE under reports certain issues which have, in fact, been adequately addressed. As indicated above, the EIB will nevertheless follow up on all the issues raised as part of its ongoing monitoring of the project.

In the meantime, the Bank would naturally welcome further details or proposals from your side regarding issues such as: any additional fauna or flora sensitivities that you believe have not been sufficiently identified for the project; any additional mitigation measures that could be considered for mitigating the impacts on forests, or any examples you might have of significant cumulative effects that you believe should be addressed.

Notwithstanding the above, we would like to underline that NEA, as the project promoter, has the ultimate responsibility for the proper implementation of the different schemes under the EIB project in compliance with national law and in line with the EIB Environmental and Social Standards. We therefore encourage you to continue working directly with the promoter to obtain further clarifications on the issues raised in your correspondence.



We hope you find this information useful and remain at your disposal should you wish to provide us with additional information about this project or should you need any further clarifications¹.

Yours sincerely,

EUROPEAN INVESTMENT BANK

Hakan Lucius
Head of Division

Olivia Saunders
Civil Society Officer

Civil Society Division
Corporate Responsibility Department
General Secretariat

¹ In line with Article 5.31 of the EIB Group Transparency Policy, please be informed that, should you consider this reply as unsatisfactory, you have the right to make a confirmatory application or lodge a complaint with the EIB Complaints Mechanism regarding this request.