

Human rights concerns in European Investment Bank' projects

NEPAL POWER SYSTEM EXPANSION

WHAT THE PROJECT IS ABOUT

The European Investment Bank (EIB) is funding parts of **NEPAL'S ELECTRICITY TRANSMISSION GRID** with a 95 million EUR loan under the Nepal Power System Expansion Project. The project is implemented by the state-run Nepal Electricity Authority and provides a way to transport electricity towards Kathmandu and India.

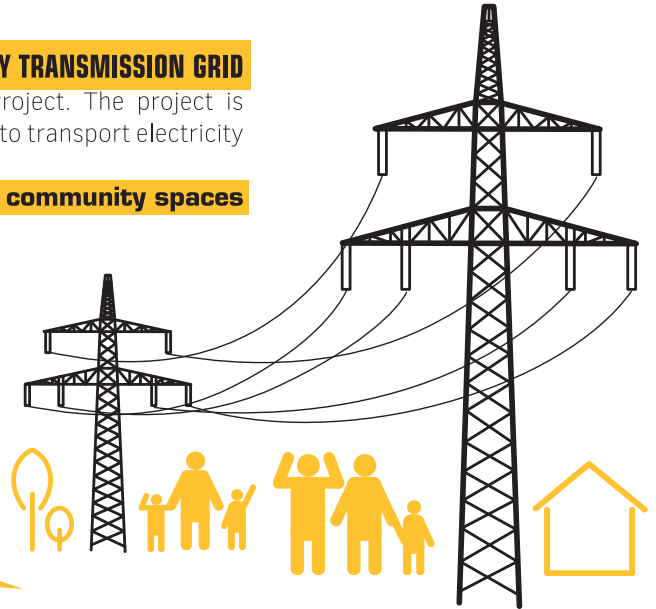
The Marsyangdi Corridor passes over homes, lands, forests and community spaces in the Western region of Nepal, including through Lamjung district.

WHO IS AFFECTED

The Gurung Indigenous peoples are the most populous group in Lamjung district. They are a "listed" Indigenous group under Nepali law. Other listed Indigenous groups are also present in the region. Affected Indigenous and non-Indigenous Peoples have come together under an umbrella organisation called The FPIC & Rights Forum to protect their rights violated by the project.

COMMUNITIES WANT SOLUTIONS FROM EIB

The FPIC & Rights Forum submitted a complaint to the EIB Complaints Mechanism in 2018, requesting a mediation with key project decision-makers and financiers to bring a resolution to their issues.

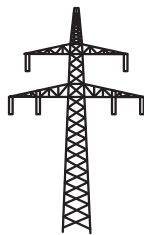


The principle of free, prior informed consent (FPIC) refers to Indigenous Peoples' right to say yes or no to a proposed intervention on their lands. FPIC is embedded in Indigenous Peoples' right to self-determination and protected under various international and national laws.

HUMAN RIGHTS CONCERNS

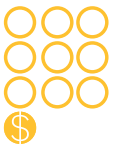
LACK OF FREE, PRIOR AND INFORMED CONSENT

The project appears to be moving ahead without the free, prior and informed consent of affected Indigenous Peoples, even though it will impact their forests, community resources, livelihoods, health and spiritual practices.



INVOLUNTARY DISPLACEMENT AND PROPERTY LOSS

The EIB's Nepali project will only pay **10% of the value for land under the transmission wires**. This is too low since landholders experience numerous impacts, such as: economic losses, land devaluation, challenges securing mortgages, restrictions on use under the right of way, losing control over access land, increased actual (and perceived) health and safety risks, etc. The best practice in Europe is to compensate communities at 100% or greater of market value. Lamjung communities want this fair practice to be followed in Nepal as well.



RIGHT TO INFORMATION VIOLATIONS

Community members in the way of the transmission line report **a lack of adequate information disclosure, public consultations and individual outreach by project authorities**. Many affected people have never spoken to any of the project authorities.



FEAR OF RETALIATIONS TOWARDS HUMAN RIGHTS DEFENDERS

Some affected community leaders report being directly or indirectly intimidated by local authorities for raising their voices about the project. Other transmission line affected communities in Nepal have faced being beaten by armed police forces, detention, false criminal cases and other forms of intimidation for raising the very same issues that the Lamjung communities are currently raising.



RIGHT TO LANGUAGE VIOLATIONS

Project documents have been provided primarily in English only, not in Khas Nepali nor in the affected Indigenous Peoples' languages.



EIB NOT KEEPING ITS SOCIAL COMMITMENTS

An independent expert has found numerous gaps in the EIB's environmental and social due diligence for the project, including inadequate assessment of the project's strategic and cumulative impacts.

Counter Balance Challenging Public Investment Banks



Source of information: Complaint submitted to EIB Complaints Mechanism by the Chairperson and Secretary of FPIC & Rights Forum of Lamjung district in Nepal, the Lawyers' Association for Human Rights of Nepalese Indigenous Peoples, and Accountability Counsel.

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