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Sent: 16 September 2013 08:09
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Subject: [CMW Global Network] IFC's controversial funding on CDM

To
Dr Jim Yong Kim
President - World Bank Group

Urgent: Recognize the massive social and environmental violations by Tata-Mundra and IFC; withdraw funding to CGPL; ensure reparation to the social, environmental and economic damages caused by IFC lending.

Dear Dr Kim,

Amidst the controversial role of the World Bank in recognizing/approving and/or financing projects related to CDM(which of course includes IFC's dubious policy of financing Eucalyptus-based A/R CDM projects with a plea of safeguarding the farmers' interest though the reality is that Eucalyptus, or other such exotic non-food crop virtually takes away from them their land that could have been used for climate-hardy and nutritious indigenous crops such as millets) , we now learn from the Climate & Energy Group, Beyond Copenhagen collective, India that the Compliance Advisor Ombudsman (CAO) is submitting their final audit report soon, along with the management response to you on the Tata Mundra - Coastal Gujarat Power Ltd. for your approval. CAO prepared this report based on a complaint filed by the local communities affected by the 4000 MW coal power project in Gujarat, western India.

We look forward for your actions on the report. Your recent pronouncements about the urgency to tackle fast-increasing climate change, and the need to move away from fossil fuel based energy sources have given flicker of hope to people who are affected by increasing climate extremes, and by dirty and destructive coal plants.

We urge you to direct IFC to acknowledge violation of its policies. Further, a time-bound action plan is prepared for mitigation and restoration of social and environmental damages. IFC should implement this action plan under the supervision of CAO, and in full deciding-participation by the affected community.

We also urge that IFC should withdraw its lending to Tata Mundra. This is an economically non-viable project, having violated many a policy of IFC and Indian laws, its energy is not targeted at the poor and it's not meeting Bank's energy development goals.

Machhimar Adhikar Sangharsh Sangathan– MASS (Association for the Struggle for Fishworkers' Right), the local organisation representing the fishing communities affected by project had repeatedly complained about the massive violations of both social and environmental safeguards policies by CGPL, and the abject failure of IFC to monitor or rectify these. Some of them include:

Flawed Assessment and no prior information:

The project is based on erroneous social and environmental impact assessments. It failed to recognize the fishing communities, who are the single largest segment severely affected by the project. Apart from failing in recognizing the fishing communities as affected in the impact assessments, it also failed to recognize salt-pan workers/owners and pastoralists as affected communities.

The company failed in consulting the affected communities before the project started. Neither was relevant documents provided in local languages, nor were they told about the possible impacts of the project.

Damage to fragile environment and impact on livelihood:

Ground water table have depleted rapidly in the last few years. In an area with little rain, the gigantic construction projects, along with port & other factories, have withdrawn massive amounts of water from the precious aquifers, depleting them extensively.

The loss / destruction of mangroves and creeks resulted in drastic reduction in fish availability in the region, pushing the fishing communities to extreme social and economic difficulties. Access routes to fishing and

grazing grounds have either been blocked or unusually lengthened by the Tata's water channels.

Large areas of inter-tidal zones, used as commons both by the fishworkers and pastoralists, were made inaccessible by gated boundary walls - resulting in high distress for both communities. The lives and livelihoods of nearly 10,000 fishworkers and about 4000 pastoralists are threatened as a result of this.

Fly ash emanated from the project falls on the fish put out for drying, making it inedible and non-marketable. The fish also will get contaminated with the toxic fly ash falling on it, making it highly unsafe to consume, particularly for women of child bearing age.

Due to intense pollution and coal dust emitted from the project, production of horticulture has gone down severely.

Impact on health:

A recent study – Coal Kills<<http://www.greenpeace.org/india/en/publications/Coal-Kills/>> – estimate about 100-120 people are killed every year within this region only because of the impact of the thermal power projects in this area. There is a roughly 20% increase in children's respiratory diseases in the past two years, since the CGPL is functioning.

The full operational CGPL is invading houses all around the plant with coal dust. Coal dust has engulfed all walks of life, whether food, drinking water or even their houses. Fly-ash is intense. CGPL is using about 13 million tons of imported coal, putting out nearly 40 million tons of CO2 each year - close to the entire CO2 emission of Bangladesh - a climate change threatened nation of 150 million.

The question of adverse health impacts due to both huge amounts of coal dust from CGPL and fly-ash from CGPL (& the adjacent 4600 MW Adani power), is a critical one, as these two together are bringing in and burning nearly 28 million tons of coal every year in that small area.

Cumulative impact:

Neither the company, nor IFC carry out a cumulative impact assessment on a small stretch of the Kutch coast where there are a number of projects coming up, including Tata Mundra. In the absence of cumulative impact assessment, companies will dodge the responsibility by passing it on to the other industry while the people will suffer endlessly.

There are also issues related to employment and migrant labourers. While the project is in part premised on improving the living standard of local communities, only very few locals are employed by the company.

As a result of migrant labourers indulging in alcohol consumption, the local men folk are now being impacted directly, getting hooked onto this, and domestic violence has increased sharply in this area.

The World Bank cannot ignore the growing evidence against projects like Tata Mundra on its poor social and environmental track record. Hope you will not crush the voices of poor communities who dared to bring this to the notice of CAO, against all odds. We support the communities in their struggle for justice and efforts to protect their natural resources and livelihood. Dr. Kim, we hope you will not disappoint them, and us.

Yours

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