THE U.S. EXPORT-IMPORT BANK’S DIRTY DOLLARS

U.S. tax dollars are supporting human rights, environment, and labor violations at the Sasan Coal-Fired Power Plant and Mine, in India.
EXECUTIVE SUMMARY

In January and May 2014, a coalition of non-governmental organizations (NGOs), the Sierra Club, 350.org, Carbon Market Watch, Pacific Environment, and Friends of the Earth U.S. (hereafter referred to as the Fact Finding Team), undertook two field visits to Singrauli, India, to meet with communities affected by Reliance Power’s Sasan Ultra Mega Power Project (UMPP) and its associated mine to assess the project’s effect on local communities and the environment.

Since the U.S. Export-Import Bank (Ex-Im Bank) approved over $900 million in financing for the coal project in October 2010, little information has been provided by the agency about Sasan’s compliance with Ex-Im environmental, social, human rights, and corruption policies. This includes the Bank’s commitments under the Equator Principles and the International Finance Corporation (IFC) Performance Standards, the agency’s environmental, social, human rights and corruption policies, as well whether or not the project has lived up to the expectations laid out in the Environmental and Social Management Plans, ESIA, and its associated mine to assess the project’s effect on local communities and the environment.

KEY FINDINGS

Reported wide-ranging effects related to resettlement including:

- Residents who protested the forced relocations were abducted and never found.
- Houses were demolished in the middle of the night while families were still living in them.
- Residents were not compensated or were compensated at levels below the legal requirement.
- Housing at resettlement colonies was not made available to all people facing removals.
- Colonies lacked basic amenities, including those that villagers previously had access to, such as water pumps and schools.
- Displaced persons did not receive priority in hiring and training, contradicting the ESIA, and locals financially affected by the project were denied jobs in favor of contract workers from other states.
- Elderly residents have not received the pensions promised in the ESIA.
- Children promised education stipends in the ESIA have not received them, and some been actively blocked from attending school.
- A meaningful grievance process has not been created or utilized, leaving complaints levied against the project unaddressed and allowing human rights violations to continue.

DIRECT ENVIRONMENTAL CONTAMINATION INCLUDING:

- There were reported irregularities in worker time stamps, where workers were clocked in after their shifts, allowing injuries and deaths at the project to be recorded as having taken place outside of the site.
- Workers handling toxic materials such as coal ash have reported skin diseases, suggesting necessary safety precautions are not taken.
- A meaningful grievance process for each of the groups has not been created, leaving complaints levied against the project unaddressed and allowing labor violations to continue.
- The hiring of contract workers from other of states has made it easy to cover up accidents, as families do not reach Singrauli to look for lost loves ones until long after these incidents occur.

MISTREATMENT OF INDIGENOUS RESIDENTS AND RIGHTS INCLUDING:

- Free, prior, and informed consent was not practiced with the indigenous people moved for the project.
- The ESIA states that affected indigenous families do not rely on forest land cleared for the mine, but community members return daily to the area where they used to live to collect traditional plants, forest produce and other means of sustenance, despite massive boulders rolling down from the overburden above.
- Relocated families were often not compensated or were compensated at levels below the legal requirement for indigenous people.
- Many families are still waiting in temporary housing, and have not been moved to relocation colonies.
- Some families either refused to leave or returned to the edge of the project site because they could not maintain their way of life at the resettlement colonies.
- Children were denied access to schools in violation of laws protecting indigenous people.
- A meaningful grievance process has not been created or utilized, leaving complaints levied against the project unaddressed and allowing violations of indigenous rights to continue.

WITHHOLD INFORMATION AND A LACK OF OVERSIGHT:

Ex-Im Bank failed to make documents — including environmental and social management plans, supplemental environmental reports, and related monitoring reports — publicly available despite legislative and agency policy requirements that it do so. Despite numerous attempts by NGOs to document violations of Ex-Im Bank policies, the Bank’s unwillingness to supply these documents makes it impossible to fully catalogue the harm done. With regards to environmental contamination specifically, without the reporting documents or independent testing there is no way to assess pollution levels, although our observations and reports from local residents suggest severe contamination.
The clear evidence of human rights, labor, and environmental violations we found speaks to a lack of meaningful oversight at Ex-Im Bank.

RECOMMENDATIONS

Based on the fact-finding team’s findings, we support a full investigation of Sasan by the Ex-Im Bank Office of the Inspector General. Moreover, Ex-Im Bank must use its influence to discourage any planned expansion of the Sasan coal project. Ex-Im Bank is responsible for working with the borrower to bring the project into compliance with the IFC Performance Standards, the Equator Principles, and the agency’s environmental, social, human rights and anti-corruption policies. Should this prove impossible, it is imperative that Ex-Im Bank withdraw its support of Sasan. To do anything less calls into question the legitimacy of the institution and worse, by abdication of responsibility, it implicates the Ex-Im Bank in the violations we have unearthed.

METHODOLOGY

The fact-finding team interviewed affected community members and were provided with various documents demonstrating the validity of the community members’ claims. Reliance Power and its subsidiary refused requests to meet during these fact-finding trips, although the fact finding team was able to meet with two Corporate Social Responsibility officials who followed the participants during the field visits. Our team reviewed available literature and documents procured under India’s Right to Information Act (RTI), met with medical doctors, trade union leaders, lawyers and media professionals to gather additional facts. This process uncovered evidence of multiple violations of Ex-Im Bank environmental, social, human rights and anti-corruption policies, the IFC Performance Standards, and the Equator Principles, as well as broken promises from the ESIA.

PROJECT BACKGROUND

Early in the Obama Administration, NGOs became concerned that, despite pledges from the Administration to phase out fossil fuel subsidies, the Ex-Im Bank was embarking on a new, billion dollar fossil fuel binge. The outdated, heavily polluting projects receiving Ex-Im Bank support cause significant harm to the environment and to local communities and will contribute to global climate disruption.

In particular, NGOs became concerned about Ex-Im Bank financing for the Sasan UMPP, Reliance Power’s 3,960-megawatt coal-fired power plant and associated mine in Madhya Pradesh, after Indian-based organizations and affected communities reached out to U.S. groups with reports of human rights and environmental abuses. U.S. based NGOs met with Ex-Im Bank before and after the project’s approval to discuss the controversies surrounding Sasan, including how affected people had already been displaced multiple times for other projects, and the fact that Sasan is located in a district already suffering from severe pollution. After initially rejecting the Sasan coal project due to violations of the Bank’s carbon policy, Ex-Im Bank reversed its decision and approved $900 million in financing for the project in August 2010, despite the lack of adequate impact assessments and mitigation plans. In order to secure the financing, Reliance promised to generate 250-megawatts of clean energy as a part of an offset provision, a fraction of the proposed 4,000-megawatts of coal generation the project created.

UMPPs are a series of power projects planned by the Government of India, each with a capacity of 4,000-megawatts or higher. Of the six initial sites proposed, only two projects are currently advancing — Tata Mundra and Sasan — and both have raised serious human rights and environmental concerns. In late 2012, India’s Comptroller Auditor General’s office (CAG) released an audit report on the UMPPs, condemning the government for letting project developers dictate the terms of construction. Instead of providing oversight, the government has been simply tracking the projects’ progress, allowing large scale violations to continue unchecked. In addition to discrepancies in land use, the CAG’s report also found that a lack of transparency and fair play has dogged the projects from start to finish. The Sasan coal-fired power plant is also registered under the Clean Development Mechanism (CDM), despite evidence brought forth by NGOs that it would not lower carbon emissions. The CDM is a flexible project-based offsetting mechanism implemented under the Kyoto Protocol that allows crediting of emission reductions from greenhouse gas (GHG) abatement projects in developing countries. This mechanism has a dual purpose. On the one hand, sustainable development is generated in countries hosting CDM projects, and on the other hand, industrialized countries are able to cost effectively reduce emissions. When Sasan was registered in October 2010, the project became one of six coal power projects implemented under the CDM. Over a crediting period from December 2011 to December 2021 Sasan is projected to accrue an estimated 20 million carbon offset credits, which can be purchased by countries and companies to meet emission reduction obligations.

The registration of coal projects under the CDM has been highly controversial. In 2011, a United Nations Panel found that the methodology under which projects were applying was overstated emissions reductions by 25-50 percent. This led to a suspension of the methodology for coal plants under the CDM. Moreover, several studies show that coal power projects are not additional—an essential CDM requirement—and will cause an increase in emissions if offset credits generated by such projects are used against emission reduction obligations. Since a new methodology was adopted, no projects have been registered.

The Sasan project sits in the Singrauli District, which straddles states of Uttar Pradesh and Madhya Pradesh. The dense forests Singrauli was once famous for have been almost completely leveled to make way for large, industrial projects. Today, Singrauli is rapidly emerging as India’s energy capital, and the total installed capacity of all thermal power plants in the district amounts to around 10 percent of the total installed capacity in India. At present, there are 17 large power projects in the works, resulting in large scale displacements of local communities. However, Singrauli lacks a proper channel and implementing agency to facilitate the resettlement and rehabilitation of locals, leaving people exposed to irregularities and corruption. Many residents have faced multiple resettlements since energy development began in the 1960s.

Environmental degradation is so great that in 2009 the Environment Ministry imposed a moratorium on clearances in the district’s coalfields. The moratorium was lifted in 2011 after Uttar Pradesh and Madhya Pradesh developed action plans for improving environmental quality, but as of September 2013, Singrauli’s Comprehensive Environmental Pollution Index remained critically high. A 2011 study of contamination from just two of the many thermal projects in Singrauli—the Anpara and Renusgar coal-fired power plants—found that concentration of metals in drinking water were higher than the maximum acceptable limits set by the World Health Organization.

Given the history of the district, it is not surprising that NGOs began reporting corruption, human rights, and labor violations early in the construction of Sasan, including a smokestack collapse that reportedly killed 30 workers and the disappearance of community members who protested forced relocations. Foreshadowing the “coal gate scandal” that would rock Indian politics and force former Prime Minister Manmohan Singh to defend himself before parliament, the Fact Finding Team learned that a former official with the Indian state-owned coal company did not follow the proper process when allotting the Moher Basin to Reliance Power for Sasan’s coal mine. Afterwards, the official took a job at the power project.

Under pressure over reports of violations, Ex-Im Bank arranged to meet with Reliance in Singrauli. However,
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**The U.S. Export-Import Bank’s Dirty Dollars**

by Ex-Im Bank is required to provide compensation for resettlement effects. Communities in Singrauli to give voice to affected people This report is an attempt by NGOs working with local communities made it impossible for the Bank to gain a full understanding of what was happening on the ground. Ex-Im Bank’s refusal to meet with people in their hotel, which caters mostly to coal company officials, was not a safe place for them to speak about their concerns despite initially promising to meet with the affected community members represented by Srijan Lokhit Samiti (Committee for the Development of Peoples’ Welfare), the local people’s movement in Singrauli, Ex-Im Bank reversed course and instead insisted that community members travel to the hotel where its representatives were staying. Most of the affected community members did not have reliable access to transportation, and they feared that the hotel, which caters mostly to coal company officials, was not a safe place for them to speak about their concerns with the project. While communities await justice, even greater harm could be on the way; Reliance has proposed expanding the already massive Sasan project.

Ex-Im Bank’s refusal to meet with people in their communities made it impossible for the Bank to gain a full understanding of what was happening on the ground. This report is an attempt by NGOs working with local communities in Singrauli to give voice to affected people and develop a more complete picture of the project’s effects.

**RESETTLEMENT**

Under IFC Performance Standard 5, any project supported by Ex-Im Bank is required to provide compensation for losses incurred by people facing involuntary resettlement, as well as compensation for people losing their livelihoods, regardless of resettlement. It also provides for the improvement or, at the very least, the restoration of livelihoods and living standards for displaced persons, and improved living conditions among displaced persons. IFC Performance Standard 4 ensures the safeguarding of property and the investigation of unlawful or abusive acts against affected people, while IFC Performance Standards 1 and 5, as well as the 6th Equator Principle, require the creation of a grievance mechanism where affected people can raise concerns and have them resolved in an impartial manner. The Equator Principles also make it clear that all local laws regarding resettlement will be applied (Principle 3). The Project ESIs also provided for old age pensions for the elderly and education stipends for children.

**THE SASAN COAL PROJECT FALLS SHORT OF ALL OF THESE REQUIREMENTS.**

The Fact Finding Team documented reports from local villagers that Reliance failed to compensate residents facing involuntary resettlement, sometimes by not meeting the level required by Indian law and sometimes by not compensating people at all. These villagers said that many displaced persons also did not receive housing in resettlement colonies.

“They acquired my land, asked us all to vacate the place, and made the boundary wall for Reliance Company’s Sasan plant. For the past four years they are just moving us from one place to another. They took away all my land and my house. We even approached the High Court and filed our petition regarding the displacement, compensation, rehabilitation, and jobs. The High Court passed an order in our favor. Yet, neither the company nor the government officials listen to our demands. Recently, I went to the District Magistrate (DM) (Mr. Selvendran) to submit a petition on this issue whereas he just threatened me and asked me to keep my mouth shut. I had two and a half acres of land out of which the government compensated only for one acre and said the rest one and a half acres comes under public property and hence could not be compensated for.”

- RAMDEEPA S/O DEVNOORAK, Gidda Khaani village, residing in Siddhi

“They displaced us and built an ash dike in our land. They destroyed our father’s house which was an ancestral property. It is almost five to six years now, they promised to give us two houses and some agricultural land. Nothing is given so far and we lost hope now.”

- RAM KAILASH SHAH S/O KUBER SHAH, Ghidha Khaani village, residing at Siddhi Khurd

“They have given us rehabilitation cards, but have not rehabilitated us in so many years. What is the purpose of giving this card?” (Rehabilitation cards are given to displaced people entitled to rehabilitation.)

- RAJU LAL, Ghidha Khaani village. Residing at Siddhi Kot

Instead of investigating abuses against those who resisted resettlement, threats and even violence were routinely employed.

“My husband, Sudarshan Rajak, went missing in May 2009 after he was picked up from our place by the Tehsildar Babulal Tiwari. Our house was inside the Sasan plant’s compound wall and we refused to move out as we did not receive proper remuneration or rehabilitation. The company goons as well as the government officials came several times to threaten us. Once they wanted to speak to my husband in private wherein our family denied and said they cannot take him to the station alone if they want they can arrest the entire family. And, in two to three days, he went absconding. We searched everywhere and found him nowhere. We went to file a complaint in the local police station and they neither accepted the complaint nor did they file an FIR (First Information Report). When we asked why they did not want to file an FIR the reply that the police officials gave to me is, “You must have been a disrespectful wife that is why your husband ran away from you, you wouldn’t have done your duties properly” and I responded saying, “If that was the case he would have eloped when we were young and not in his old age.” The irony is now they are telling us that they have deposited Rs.7,00,000 (Rupees) in my husband’s account as compensation, but the bank account is not operational as it is in my husband’s name.”

- SAGARMATHI RAJAK

“Around nine of us had houses very close to the SUMP’s (Sasan Ultra Mega Power Project) gate; the others moved when the company threatened them and built houses elsewhere. Owing to my economic condition, I refused to move until the company pays remuneration and provides job for me. Then, the company said they will compensate but the amount offered was not according to the High Court’s decision.

- RAMKISHOR S/O KUMAR, Giddha Khaani village, residing in Siddhi

“Education for our children and water are the two main issues. The school informed us that they will register our kid’s name in the school only if we vacate from our current house and settle down in a house near the school, but the company said that they will provide facilities like school and water for us in our rehabilitation colony or the settlement site. It has been two years and we are walking to the company and school since then, nothing really moved. Also, they took a long time to allocate us a house in the rehabilitation site and our old house almost got flooded…We are three brothers but they have given only one displacement card for all of us. We are peaceful people and they give the card &

Those who were displaced report that they have also found their standard of living greatly reduced. Children no longer have access to schools, and critical infrastructure—such as roads and water pumps are lacking at rehabilitation sites. Meanwhile, some people are unable to get replacement housing in the rehabilitation sites at all. Elderly residents promised old age pensions in the EISA are also being denied.

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facilities only to people who protest and fight.”
- RAM NARESH PRAJAPATI, Ghidda Khaani village, residing in Siddhi Khurd

“We moved of our house because they forced us to take the plot offered and they also gave Rs. 15,000 as compensation. They have not kept their promises neither did they give jobs to us nor are they admitting our kids in the schools. We are running behind the company and the government for the past two years for the admission of our children in schools.”
- HIRA MOTI SAKET, Ghiddha Khaani village, residing in Siddhikot

“Leave alone the big promises for remuneration, rehabilitation, and jobs the company did not even fulfill the basic promises of hand pumps to the villages who got rehabilitated and proper road facilities connecting the rehabilitation sites.”
- KASI RAM S/O DADAI RAM, Ghidda Khaani village, residing at Siddhi Khurd

“Our family had agricultural fields and we planted potatoes. 1 quintal of potatoes got spoiled just because of lack of water. The pipes were destroyed while they were being built. We were in huge loss and they also came and demolished our house. Till today we haven’t got compensation or any kind of support or help. We are living in Surya vihar slum now”
- WIFE OF RAMKUMAR, Ghiddha Khaani village, residing at Siddhikot

“They promised us, the old people, and pension amount of Rs. 7,000/month. Now, neither did they give us land, house, or facilities nor that pension amount as promised. The company failed in keeping up to its promises and we are totally disappointed. We, old people do not have any strength to fight.”
- RAM SARORAL PANDEY, Ghiddha Khaani village, residing at Siddhi Khurd

To mitigate the loss of livelihoods, local residents were promised in the ESIA documents priority access to jobs at the coal mine and power project. These promises were also given in the Project Design Document (PDD) for the CDM. The PDD is the key document involved in the validation and registration process of a CDM project. Since then, the company has shown a preference for hiring outside workers, adding additional hurdles for local residents applying for positions and threatening those who persist.

“I have met the DM (District Magistrate) several times and also the minister at home as there was an accident in boiler no. 5 at around 11 a.m. A man fell off from a 24 foot high boiler. We work in a sanjak (iron girders) setting. They told us the worker who fell off is still alive and they rushed him to the hospital. The IOT contractor (Iotech company contractor handling the iron girder work) brought in this worker and hence they have sent off all the workers who came in through IOT contractor in order to prevent any kind of agitation. When some of us try to protest or go on a strike against the company we will be having many false cases and will be arrested. They will file us under section 307. The person who fell down today is from Jharkhand and hence there won’t be much agitation as he would have only 2-3 friends from his same town with him who cannot raise their voices. We do not have safety belts

“The people who do not have the PAP (Project Affected People) card get their jobs easily inside the plant whereas, people who actually have the PAP cards need to go through a painful procedure to get collector’s approval letter and walk several times to the company gate and wait patiently. In the past five years we have seen so many people getting charged under section 307 (section 307 of the Indian Penal Code defines attempted murder*) and hence we all feel patience is the only option we have.”
- RAM PYAARE SAAG, Ghiddha Khaani village, residing at Siddhi Kot

With complete disregard for requirement to safeguard the property of affected people, Reliance began dismantling homes in villages like Harrahaawa before the land acquisition was even complete.

“No notice was given to us before our house was broken down. At night when we were sleeping a huge portion of our house was razed. When I opened the door of my house in morning, an entire portion of the house was demolished. We have nowhere to go except for that rehabilitation colony which has no facilities and is far away from our source of employment.”
- KRISHNA DAS SAHA, Harrahaawa village

The CDM requires public participation, including local stakeholder consultation. While there are no specific rules governing how to conduct such consultation, local villagers report that Reliance did not provide avenues for local stakeholders to comment on the project. According the PDD for Sasan, stakeholders were identified by Reliance Power and invited to a local stakeholder consultation meeting announced in a local Hindi language daily newspaper. This local stakeholder consultation was the only means provided to involve and inform local residents in the process. However, that the majority of local people living in the Singrauli cannot read, and the local newspaper chosen to publicize the date and venue of the consultation has a very small circulation. Therefore, most people in areas directly affected by the project activity did not receive the information and were effectively excluded from the consultation.

LABOR

IFC Performance Standard 2 provides for the safety, protection, and health of workers, the recognition of collective bargaining units, and an impartial grievance mechanism. However, those employed in the Sasan power project and the mine complained of numerous accidents, health concerns, and deaths, many of which were avoidable with the use of proper safety equipment and protection. Furthermore, the workers outlined how the company underreported and in some cases even covered up these incidents by taking workers time cards and only filling them out after the employee left the facility, allowing any accidents to be reported as taking place off the premises and not on work time. Local workers were also more likely to have family nearby who would quickly notice their absence, while it took much longer for loved ones connected to contract workers from other states to become aware of a disappearance and to travel to Singrauli. It was suggested by community members that this played into the practice of rejecting applications from local residents. Additionally, those who protest unsafe working conditions were subject to violence and false charges.

“Accidents are a frequent thing inside the plant. When someone dies in an accident the company people take them out of the plant saying that the person is alive and needs to be hospitalized but throw the dead body in a dump yard which would be found after a day or two. When people get agitated and protest against it outside the factory gates, they file false cases against them. In some cases the person is kidnapped like in the case of Sudashran Rajak. The coal mines are so close and hence the place is always filled with coal dust. The effects of coal dust are disastrous.”
- RAM PYAARE SAAG, Ghiddha Khaani village, residing at Siddhi Kot

“I work inside the Sasan plant and today they sent us all home as there was an accident in boiler no. 5 at around 11 a.m. A man fell off from a 24 foot high boiler. We work in a sanjak (iron girder) setting. They told us the worker who fell off is still alive and they rushed him to the hospital. The IOT contractor (Iotech company contractor handling the iron girder work) brought in this worker and hence they have sent off all the workers who came in through IOT contractor in order to prevent any kind of agitation. When some of us try to protest or go on a strike against the company we will be having many false cases and will be arrested. They will file us under section 307. The person who fell down today is from Jharkhand and hence there won’t be much agitation as he would have only 2-3 friends from his same town with him who cannot raise their voices. We do not have safety belts
and safety equipment and most of them are migrant workers and hence if they die nobody really cares. We do not even know if their dead bodies are handed over to the family. Today only civil work is going on inside the plant rest of us are sent home.”

- SHIVLAL, Ghidda Khaani village, residing at Siddhi Kot

“There was this day when I went inside the plant for duty and there was an accident. Gaun Shankar, a local resident of Ghidda Khaani fell down inside the boiler tank and he was taken to hospital and has since been missing. It has been two years now and who ever protested against this injustice are having criminal cases under section 307 filed against them. Fourteen of us were booked under various different cases. The tehsildar, Vikas Singh asked us to vacate our houses. I and some others were booked under various different cases. The one has to face Police violence as well as false cases & trials.”

- KANHAIYALAL SAHU, Ghidda Khaani village, residing at Siddhi Khurd

“When we asked for jobs they took us for the jobs of making bricks from the ash pond material, which is the reason for a rare kind of skin disease (showing his hand): Around 30-40 of us work in the brick plant near fly ash pond from this village (both men and women). We work for around 12 hours a day and earn around Rs. 150/day (about $2.50).”

- RAMADIN PANDU, Baiga Basti

“My son got a job in the company and went to work in the dumping site at 5 a.m. one day and died the same day. We filed a complaint in the company for justice and compensation and there is absolute no action taken against the company so far. Many such accidents happen and goes unnoticed or not punished.”

- RAMJI BASUR, Moher, Krishna Vihar rehabilitation colony

INDIGENOUS PEOPLES

There are specific protections for indigenous peoples under IFC Performance Standard 7. In addition to the same safeguards outlined for displaced persons, the borrower is required to respect and preserve the culture, knowledge, and practices of indigenous peoples, as well as foster an ongoing and culturally appropriate relationship with these communities based on the principle of free, prior, and informed consent. However, Baiga members—members of one of the Scheduled Tribes in India—face particularly harsh effects from the Sasan coal project. The ESIA for the mine stated: “The Scheduled Tribes (ST) population residing in the area have minimum dependence on the Minor Forest Produce for their sustenance,” but the Fact Finding Team found the opposite to be true. Even after relocation, tribal people made the long trek to the mine on foot, through the clear-cut forests and past their destroyed homes, in order to collect traditional plants.

Once again, facilities at relocation centers failed to fully serve affected persons and lacked critical resources like schools and water. Several families displaced by the Sasan power project have since returned to the border of the project because they could not maintain their way of life at the relocation facilities.

Additionally, many Baiga members did not receive the required compensation, and there is evidence of corruption surrounding payments—including coercion of local people to agree to lower compensation, the company “losing” checks, and the collection of PAP cards, which were never returned. Elderly residents report that they have not received their promised pensions, and those who complain face violence and intimidation.

“When Reliance came in for the first time inside our Basti, they said they will provide us water, jobs, and other facilities. When we go now to them demanding these things, they literally shoed us away. They displaced every one of us from our village which was inside the forest. Around 95 of us got displaced out of which only five people had pattas (title to land) for the land. They gave us a compensation of 7 lakh (700,000) for 14 acres which is worth much more...We used to be farmers but the land is gone completely. The compensation money which we got mostly was spent in treating my mother in law who died because of cancer. Reliance promised to give us a package with facilities like land, water, education, occupation, medical and pension scheme and they never spoke about it after displacing us. Ram Beoran one of the officials collected all our PAP cards and never returned it back to us.”

- RAMADIN PANDU, Baiga Basti

“The Reliance Company acquired around 63 dismill (0.63acres) land from us to build the conveyor belt and have not compensated us yet. Company agents took around 60-70 lakhs (the 6,000,000-7,000,000 rupees or USD $99,000-$115,000, all the displaced tribal member were supposed to receive) and when we go and demand our compensation they always respond to us in an irresponsible manner. They said to me that the check that was in my name got lost.”

- SOBHA SAHU, Moher, Krishna Vihar rehabilitation colony
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For example, the ESIA for the mine states: "Coal from contamination. and reports by local residents, which suggest severe levels near Sasan, we relied on visual observations hazardous materials (Standard 4) were the most difficult requirement to protect communities from exposure to obligation to do so. With regards to the IFC Performance Im Bank's refusal to release the reporting documents, in which case Ex-Im Bank is failing in its these violations are either covered up in the reporting documents, in which case Ex-Im Bank is failing in its

Finally, there is no grievance mechanism in place to address negative impacts from a CDM project. This means there is no way to bring forward complaints against previously registered and implemented CDM projects, even though some projects, such as Sasan, cause significant harm to local populations and the environment.

SECRECY AND LACK OF OVERSIGHT
The secrecy surrounding the coal project has hampered efforts to investigate Sasan's compliance with Ex-Im Bank's policies and the effect on local communities, particularly in relation to pollution levels, the use of pollution control technology, safety measures, labor practices, and mitigation. There are numerous documents Reliance is required to submit to Ex-Im Bank during construction and operation of Sasan, which the Bank's Environmental and Social Due Diligence Procedures and legislation require be made available on request. This includes environmental and social management plans, supplemental environmental reports, and related monitoring reports. Pacific Environment first requested these documents in the months after the project was approved in 2010, and the Sierra Club reinitiated the request in March 2014. As of September 2014, the only documents supplied by Ex-Im Bank are the Greenhouse Gas Studies for the mine and power project, the ESIA for the power project, and a partial ESIA for the mine. However, it is clear from the evidence we have collected that serious violations are taking place at the Sasan UMPP. These violations are either covered up in the reporting documents, in which case Ex-Im Bank is failing in its own due diligence to hold Reliance Power to the Bank's standards, or Ex-Im Bank knows the violations are taking place and the Bank is failing to act. Either way, it is clear that there is a critical lack of oversight at Ex-Im.

How a project will contribute to these categories and the exact actions that will be implemented to achieve the sustainable development benefits must be outlined in the sustainable development action plan. However, there is no international sustainability assessment process under the CDM system. As it stands, to receive carbon credits under the CDM, only GHG emissions are monitored and measured. Also, there is no mandatory monitoring or reporting process. Projects therefore lack incentives to fulfill the promised sustainable development benefits.

Reconciliation
We welcome the Ex-Im Bank Office of Inspector General's recommendations. However, it is imperative that Ex-Im Bank withdraw its support of Sasan. To do less calls into question the legitimacy of the institution and its ability to effectively monitor the use of U.S. taxpayer dollars abroad.
ENDNOTES

3 Ex-im Bank Reauthorization Act of 2006, Section 18, Environmental Matters
9 Ghio, “Sierra Club India Trip.”
10 Ghio, “Sierra Club India Trip.”
11 Ghio, “Sierra Club India Trip.”
13 ESIA Captive Coal Blocks: Page E-12.
15 ESIA Power Project: Page 16.
18 The ESIA states: “Every displaced person above 60 years of age will be given pension of Rs. 1000/month. This pension will be separate from the govt. pension.” ESIA Power Project: Page 16.
19 http://www.vakilno1.com/bareacts/indianpenalcode/indianpenalcode.html#Section_307_Attempt_to_murder
21 ESIA Captive Coal Blocks: Page E-12.
23 ESIA Power Project: Page 16.