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1. Letter from DGIS dated 22 December 1994, in which the Commission has been asked to submit an advisory report
2. Project information
3. Office Memorandum of the World Bank dated 22 August 1995

INTRODUCTION

Upon invitation by the Minister of Development Cooperation the Netherlands Commission for Environmental Impact Assessment published an Advisory Review of the Environmental Assessment Executive Summary of the Ghazi Barotha Hydropower Project in Pakistan. The document was published in April 1995. In his letter formulating the request^{1]}, the Minister for Development Cooperation has foreseen a review in a step-by-step approach. On 22 August 1995 the World Bank has formulated reactions on the Commission's Advisory Review in an Office Memorandum^{2]}. The present document formulates comments on this Memorandum and represents a second step in the advisory process. Summary information on the project is available in appendix 2.

1. COVER LETTER

The World Bank's Office Memorandum of 22 August 1995 formulates reactions on the concerns with regard to guidance and monitoring of project realisation, expressed by the chairman of the Commission for EIA in his cover letter of the Commission's advice of 10 April 1995.

The Commission greatly appreciates the attention paid by the World Bank to the points raised by the Commission in her advisory review of the Summary EIA for Ghazi Barotha. Study of the Office Memorandum results in the following observations.

The Commission's first concern was the 'independence of the monitoring bodies'.

From the Office Memorandum it does not become clear under which provisions the PNGO, the Environment and Resettlement Panel and the Technical Panel will function. Therefore, the independence of their functioning cannot be assessed.

A recapitulation of the mandates and/or statutes of the PNGO and the Panels may provide the information confirming the independency of their functioning.

The second concern was related to the wish to have adequate technical expertise in the monitoring panel. The Office Memorandum provides evidence that adequate technical expertise is available. The point is herewith settled satisfactorily.

The third concern was the continuity in the functioning of the 'Project Information Centre' during the operational phase of the dam. The Memorandum indicates that funding is available and that the government will decide on continuation of the functioning of the 'PIC'. The point is herewith addressed satisfactorily.

2. THE ADVICE

1 See appendix 1

2 See appendix 3

The Office Memorandum formulates reactions on several review findings formulated in the advice of the Commission. With reference to these reactions the Commission would like to make the following remarks:

2.1 Supplementary information

2.1.1 **Analysis of alternatives**

The memorandum mentions two studies in which options for realisation of small-scale hydropower exploitation were addressed (SHYDO/GTZ and WAPDA). It does not explain to which extent and level the studies of these alternatives have been executed and, moreover, details about reasons for their rejection have not been given.

2.1.2 **Disaster management plan**

From the Office Memorandum it cannot be concluded that a disaster management plan has been made for the Ghazi Barotha dam. Moreover it does not become clear whether the environmental effects of failure of the Tarbela Dam, eventually resulting in subsequent failure of the Ghazi Barotha Dam, have been assessed.

The Operational Manual Statement 3.80, to which the Office Memorandum refers, relates to review of dam design and to periodic inspections, both preventive actions. It does, however, not address the subject of disaster management.

2.1.3 **Indus river bed**

The Commission formulated review findings with regard to quantification of the water flow in the Indus River. In the Office Memorandum these points have been satisfactorily addressed.

2.2 Observations

The Office Memorandum formulates reactions on observations and questions put forward in the advice of the Commission. With reference to these reactions the Commission would like to observe as follows:

2.2.1 **Environmental impacts**

The point of sustainability of the power generation in relation to eventual filling-up of the reservoir has been answered satisfactorily in the Office Memorandum. The other questions related to environmental impacts: "What will happen when the Tarbela Reservoir will be completely filled and what will then be the effect of extreme floods on the Ghazi Barotha Reservoir and Dam?" are not addressed in the Office Memorandum.

2.2.2 **Social impacts**

In the Commission's advice a question was raised about the results of the consultation of the list of persons and organizations referred to in the Summary EIA for Ghazi Barotha. The Office Memorandum does not answer this question. Other questions on social impacts have been addressed satisfactorily.

2.2.3 **Institutional considerations**

The point referring to coordination and tuning of the activities of the Environmental cell, the EPA and other agencies has been addressed sufficiently in the Office Memorandum.

2.3 **Summary**

It is the impression of the Commission that the point made in the Commission's advice has not been fully understood by the World Bank. The point raised by the Commission relates to the methodology of handling alternatives in the EIA-study for Ghazi Barotha.

Alternatives were discussed and the preferred alternative – the project – was selected prior to the assessment of environmental impacts. The consequence of this approach is that the social and the environmental costs are not included in the comparison of the alternatives, nor is the institutional sustainability of the 'project'. An overall comparison of the alternatives has thus not been done.

The question of the Commission was to perform an additional summary-comparison of the Ghazi Barotha Dam project and a set of alternatives on the basis of social, socioeconomic and environmental criteria/costs.

The Office Memorandum does not indicate that this has been done.