
April 2016
INTRODUCTION
Communities affected by the Khimti-Dhalkebar 220 kV Transmission Line in Sindhuli district, Nepal, have been raising their concerns about the project for nearly a decade without adequate or timely response. This has resulted in the present situation in which armed police forces guard the construction site of this so-called development project, initiated and primarily funded by the World Bank.

The World Bank’s failure to follow its own social and environmental safeguards had a role in creating the current standoff between communities and their government. World Bank Management has not made a single public effort to resolve the situation or facilitate dialogue between the communities and implementing agency since the Inspection Panel found Safeguards non-compliance in July 2015.

The communities’ requests of the World Bank are simple: remove armed police forces from their communities, support a fair dialogue between the communities and project authorities, and suspend funding to the borrower until an amicable resolution has been reached. The World Bank can and should work with communities to meet these requests to ensure successful completion of this project, and to set a positive example for future sustainable and inclusive development projects in Nepal’s energy sector.
BACKGROUND

In May 2003, the World Bank approved a US$84.11 million loan for the Nepal Power Development Project (NPDP). One component of the NPDP involved construction of the Khimti-Dhalkebar 220 kV Transmission Line by the Nepal Electricity Authority (NEA). According to the NEA’s own documents, **114,516 people** and **21,668 households** risked being affected by the Project. Despite the Project’s potential impact, including on many indigenous households, the communities were not properly informed or consulted about the project.

When communities tried to raise concerns about the project through peaceful protest, they were met with excessive force. The Government of Nepal deployed armed police forces in April 2013 to ensure that protests did not obstruct surveying and construction, leading to the beating of several women. Despite raising their concerns to relevant government agencies and various officials in the Government of Nepal, the affected communities did not receive an adequate response or redress.

In July 2013, 103 families in three villages of Sindhuli district filed a complaint to the World Bank Inspection Panel. The Panel conducted an investigation in 2014-15, finding serious non-compliance with the Bank’s social and environmental policies in the planning and implementation of the project. The Panel found that the Bank “did not ensure adequate, timely and meaningful consultations during project preparation and implementation.”
The Bank failed to ensure the NEA had assessed alternative routes for the power line and whether the NEA even had capacity to implement the project in compliance with the Bank’s rules. The Panel also found the Bank did not provide prompt and effective compensation to families forcibly displaced by the project, nor did it create a local and accessible way for people to register their complaints.

The Management Action Plan in response to the Panel’s findings attempted to address the violations found, but did not go far enough to result in a peaceful resolution of the conflict. Significantly, the Bank did not include plans to consult with affected communities about the project design or impacts.

**RECENT EVENTS**

On Sunday, April 10, 2016, the Chief District Officer (CDO) of Sindhuli deployed both armed and civilian police to forcefully disperse community members who were peacefully protesting the transmission line. As a result of the police’s use of force, several community members sustained injuries, including many elderly residents and women. Police physically dragged people from the protest site and beat some with lathis, or long bamboo sticks, on the back, legs, and arms.

Shortly after clearing the protesters, armed police erected a barbed wire fence around the field and set up tents for 24-hour surveillance of the site. At all hours, a group of 5-6 armed officers patrolled the construction of a transmission line tower, located close to homes, fields, and the local primary school. Communities resumed their peaceful sit-in at the site of another transmission line tower.
The same day as the protest, six community leaders were detained by police forces as they left a meeting with district authorities. The CDO had invited community leaders to his office to discuss their concerns. One district authority claimed the reason for the detention was to allow for the smooth dispersal of protesters. The community leaders were released the following day after being coerced into signing a form giving their assurance that they would no longer obstruct project construction. Community leaders reported that they were not allowed to read the document and were threatened with criminal charges and further imprisonment if they did not sign. Local authorities, including the CDO and the Superintendent of Police in Sindhuli district, repeatedly refused to disclose a copy of the document. A week after this incident, communities held a protest at the CDO’s office to continue to voice their concern about the continued project construction.

A PEACEFUL WAY FORWARD
Communities seek a peaceful resolution to the conflict that has affected their lives for over a decade. They strive to participate in the development of their communities and their country, which is also a principle of the World Bank’s goal of promoting shared prosperity. In order to achieve a peaceful resolution of this conflict and to set a precedent for successful energy sector projects in the future, the Bank must immediately do the following:

- Demand that the Government of Nepal, including the Ministry of Energy, Nepal Electricity Authority, Ministry of Home Affairs, and
Sindhuli’s Chief District Officer, withdraw all armed police forces from the affected communities.

- Facilitate a fair, inclusive, and transparent dialogue process about the transmission line design, impacts, community concerns, and potential solutions. All relevant stakeholders should be present, including the communities and their representatives, in the presence of an independent, unbiased facilitator. This process should take place in Sindhuli district so that community members are able to participate in the process.
- Until such time that the Government of Nepal withdraws police forces and agrees to a dialogue process, the World Bank must suspend all disbursements of existing and new loans and grants to the Nepal Electricity Authority and the Ministry of Energy.

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