

RIA IN HYDRO SECTOR IN HIMACHAL PRADESH

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Outline

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- Process of Land Acquisition
- Issues to Ponder
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Brief Overview

- HP has second largest potential for hydro power generation in India- 20,000 MW.
- Private sector has 56 % share in hydro generation in HP
- Land acquisition and diversion of forest land are major challenges
- 30 % of the pending proposals for diversion of forest land comes from HP

Source: CEA, 2014

Legislations Identified

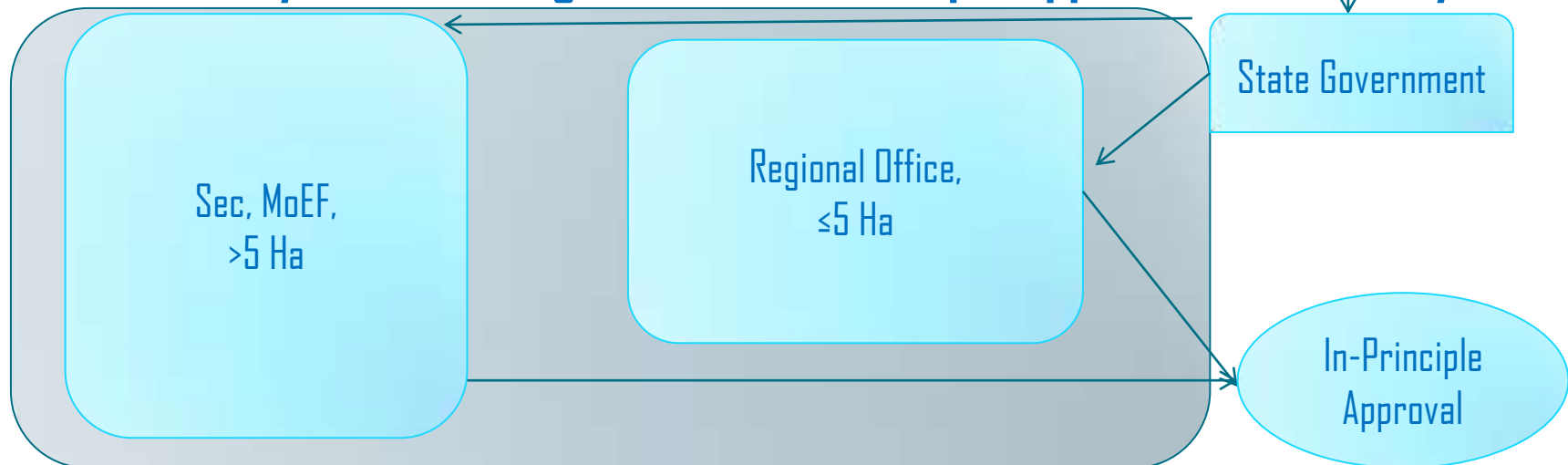
- Forest Conservation Act (FCA), 1980
- Forest Conservation Rules, 2003
- Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013
- The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Social Impact Assessment and Consent Rules), 2014 (Draft Rules)

Process for Diversion of Forest Land under FCA, 1980

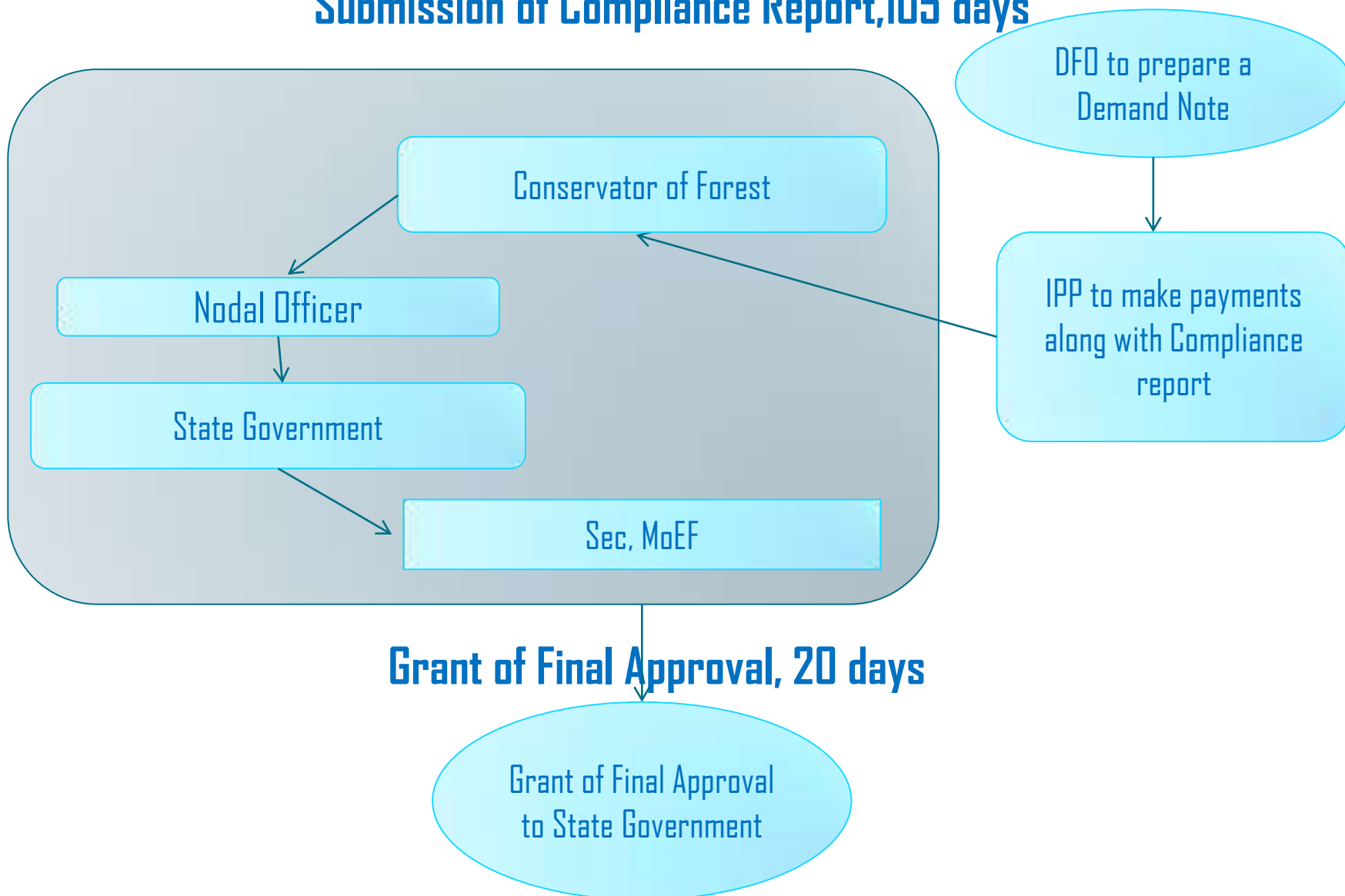
Submission of Proposal and fact finding, 50-100 days



Scrutiny & Processing to obtain In-Principle Approval, 100-180 days



Submission of Compliance Report, 105 days

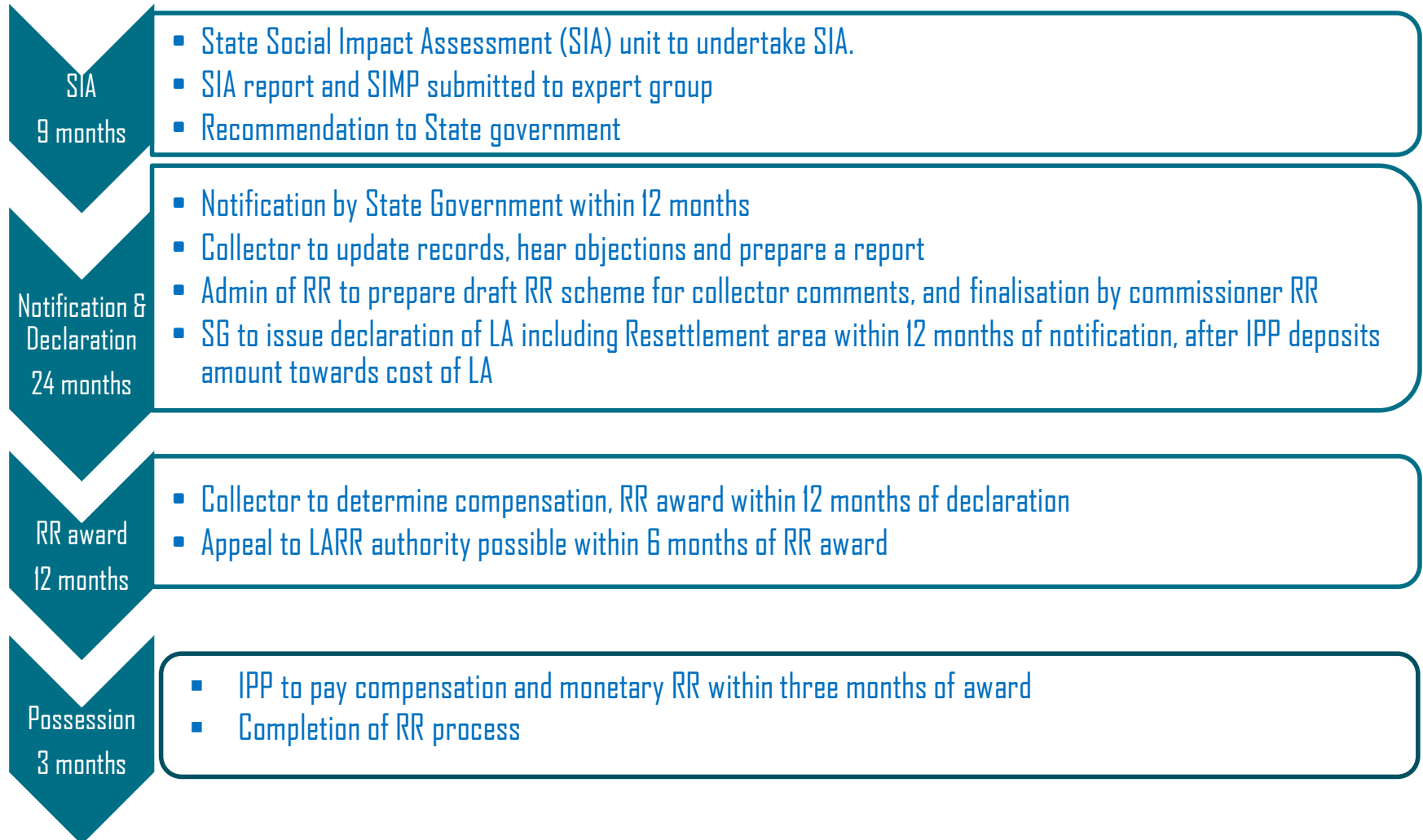


Issues to Ponder

- Multiple authorities
 - 7 authorities (including state and central level)
- Centralisation of power to give approvals
- Several checkpoints for completeness
- Relevance of transit time
 - 45 transit days

Land Acquisition, Rehabilitation and Resettlement Act, 2013

Process of Land Acquisition



Issues to Ponder

- SIA for all sizes of land
- Scope of Affected families
- Time taken by SG to issue notification and declaration
- Constituents of Compensation and RR award
- Ensuring that RR process is completed in all aspects before displacement

Comparison of Legislations

Indicators	LARR, 2013 and Draft SIA Rules	Forest Conservation Act, 1980 and Forest Rules
1. Number of approvals	Land Acquisition (SIA, Notification, Declaration and RR scheme)	Approval for Diversion of forest Land (In- principle approval, Final approval)
2. Time Taken	48 months	10-14 months
3. Direct Cost	SIA cost, cost of land acquisition, compensation and RR award	Proposal, Compensatory Afforestation (Demand Note)
4. Number of authorities involved	11 different authorities	7 different authorities
5. Documentation required	Land Acquisition proposal, SIA report, Social Impact management plan	Project plan, maps,
6. Reporting requirements	Completion of RR process	Report of compliance to Demand note and in-principle approval

Initial Stakeholder Feedback

- Layout and design of small hydro is similar to large hydro power plant
- Major challenge under both the processes is to obtain consent from land owners
- Both land and forest approval are subject to a thorough feasibility report
- Feed-in-tariff contract and Power Purchase Agreements (PPA's) are major challenges faced by small hydro power plants

Issues for Discussion

- Which is the most relevant legislation on which RIA should be undertaken?
- LARR is comparatively new act, hence no evidences to undertake Ex-post RIA
- From July 1, 2014, forest clearance proposals to central government will be accepted only through online mode. How is this expected to impact the selection of legislations?
- The Supreme Court has directed the government to establish national regulator. How is this expected to impact the project?

THANKYOU