

**Barclays**

**Mr. John Varley, Group Chief Executive**

**Subject:**

**Barclays involvement in Omkareshwar**

**Date**

**Amsterdam, 13 September 2004**

Dear Mr. Varley,

On behalf of the undersigned organisations I am writing to you today to share our concerns regarding Barclays' involvement in the Omkareshwar Dam Project in the Indian State of Madhya Pradesh. As the Omkareshwar Dam was already turned down by a number of international banks and financial institutions, we are surprised that Barclays is willing to risk its reputation by becoming involved with this controversial project. Among the institutions that turned down the Omkareshwar project are the World Bank's Multilateral Investment Guarantee Agency (MIGA), Deutsche Bank and ABN AMRO.

In view of Barclays' role as one of the initiators of the Equator Principles, we are especially disturbed that your bank has opted to back a project that is in such evident and flagrant violation of these principles.

Although the Omkareshwar reservoir will flood over 5000 hectares of one of Central India's last remaining natural forests - forests that harbour an enormous array of biodiversity, including endangered species such as the Indian Tiger - there is not even an Environmental Impact Assessment (EIA) for the project.

Although the dam's reservoir will displace some 50,000 people, many of whom are indigenous and are thus awarded special protection under the Indian Constitution and ILO Convention 107 (to which India is a signatory), there is no Resettlement Plan for Omkareshwar. These are not only serious transgressions of the Equator Principles but also violations of India's Federal Environmental Protection Act and Madhya Pradesh's Resettlement Policy.

Barclays' 2003 Corporate Social Responsibility Report highlights your commitment to human rights, based on relevant UN and ILO Conventions and Treaties. It also mentions Barclays' role in the Business Leaders' Initiative on Human Rights. We therefore wish to draw your attention to the fact, that the Omkareshwar Project has already led to human right

violations and that the project's sponsor, the National Hydroelectric Power Corporation (NHPC) is known to have an extremely poor track record on human rights.

A recent international NGO mission to the Omkareshwar Project area documented how NHPC officials and police evicted an entire village over night, even forcing people to dismantle their own houses, through threat of force and intimidation. In the case of the neighbouring Indira Sagar Project, which is also under the auspices of NHPC, the local newspaper Dianik Bhaskar reports that „the administration is threatening people at gun point and is bent on emptying the villages through threats even though the issue of compensation is yet to be resolved.“<sup>1</sup>

It is therefore hardly surprising that the Omkareshwar Project, like many of the other large dams along the Narmada River, is encountering massive public opposition in the form of demonstrations, rallies and legal petitions. The Indian writer and winner of the Booker Prize, Arundhati Roy, in fact, calls the Narmada Bachao Andolan ('Save the Narmada Movement') „India's most important resistance movement since the independence struggle“.

In light of your commitments to sustainability, human rights and the Equator Principles, we urge Barclays to re-evaluate its involvement with Omkareshwar and its sponsor, NHPC. As international non-governmental and community-based organizations, who are committed to supporting the struggle of villagers in the Narmada Valley, we would like to ask you to clarify the following questions:

- 1) What is the exact nature of Barclays' involvement with the Omkareshwar Dam?
- 2) Will Barclays apply the Equator Principles to this project and if no, why not?
- 3) Has Barclays already entered into contractual obligations with Omkareshwar's sponsor, NHPC?
- 4) Is Barclays willing to meet a representative of the international NGO mission that investigated the Omkareshwar Project?

We look forward to your response in this urgent matter.

Respectfully,

Johan Frijns,  
Coordinator BankTrack

On behalf of –see next page–:

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<sup>1</sup> Outlook, one of India's largest weekly magazines, recently ran a cover story on the brutal evictions taking place in the Indira Sagar Project. See: [www.outlookindia.com/full.asp?fodname=20040726&fname=Cover+Story+%28F%29&sid=1](http://www.outlookindia.com/full.asp?fodname=20040726&fname=Cover+Story+%28F%29&sid=1)

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