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Protection of Environment is our  
Moral and Legal Obligation

**Environmental Protection Agency**  
Azad Govt. of the State of Jammu & Kashmir.

Ref #: EPA/1759-69/2016

Date: 22-12-2016

**a. Name & Address of Proponent:**

**Kohala Hydro Company  
Pvt. Ltd. (KHCL)**

**b. Description of Project:**

**Construction of 1124 MW  
Kohala Hydropower  
Project (KHPP)**

**c. Location of Project:**

**Diversion Weir on River  
Jhelum, at Saran, District  
Jhelum Valley, and Power  
House at Barsala, District  
Muzaffarabad**

**d. Date of Filing of Application:**

**September 05, 2016**

### **CONDITIONAL ENVIRONMENTAL APPROVAL**

(Under Section-11 of AJK-Environmental Protection Act, 2000 read with AJK Review of IEE/EIA Regulations, 2009)

Whereas, the *Kohala Hydro Company Pvt. Ltd.*—the Proponent of 1124 MW Kohala Hydropower Project; hereinafter referred to as 'the Proponent' has filed Environmental & Social Impact Assessment Report (ESIA) to the Azad Jammu & Kashmir Environmental Protection Agency; hereinafter referred to as 'the Agency', under Section 11 (1) of the AJ&K Environmental Protection Act, 2000; hereinafter referred to as 'the Act' read-with regulation 8 of the AJ&K Review of IEE & EIA Regulations, 2009; hereinafter referred to as 'the Regulations'

2. Whereas, the Agency, in consultation with all stakeholders, has carefully reviewed the ESIA based on quantitative and qualitative assessment of the documents and data furnished by the proponent, comments from the general public and the concerned Government Agencies received under Regulation 10 of the Regulations and while undertaking onsite visits of the concerned areas, i.e. weir, power house, adits, tunnel, proposed camps sites, etc.

3. Therefore, in exercise of powers conferred under Sections 5(1) and 11 of the Act, read-with Regulation 12 of the Regulations, after the review of Environmental & Social Impact Assessment Report (ESIA), the undersigned hereby accord Environmental Approval in favor of *Kohala Hydro Company Pvt. Ltd.* (the proponent) for the Construction of 1124 MW Kohala Hydropower Project (KHPP); subject to the fulfillment of conditions by the proponent as enumerated hereunder.-

**A. Environmental Flow (e-flow):**

- (i). The Proponent shall implement KHPP with a provision of agreed Environmental Flow downstream not less than 30 m<sup>3</sup>/s, during lean period;
- (ii). The construction of a small scale 24 MW Hydropower Project at dam site named, *E-Flow Hydropower Project (E-flow HPP)*, has already been agreed upon. During implementation of this E-flow HPP, the proponent shall ensure

such arrangements or mechanism in-place, well before the time, that electricity produced from this 24 MW be distributed or utilized for local consumption.

**B. Compensations, Resettlement Action Plan (RAP) and Grievance Redressal System.**

- (iii). The Proponent shall pay compensation to the owners for land, loss of crops, business, livelihood, property, usage rights etc. with rates as agreed upon under prevalent laws & practices to the satisfaction of affectees;
- (iv). The Resettlement Action Plan (RAP), once finalized, shall be submitted to EPA for endorsement. The Resettlement Action Plan (RAP) should preferably be implemented through Public Grievances Redress and Settlement Committee (PGRSC);
- (v). The Proponent shall establish and maintain a 'Grievance Redressal System' (CGRS) as provided in ESIA. The Grievance Redressal Committee, formulated under CGRS, headed by respective Deputy Commissioner and should have the representation of Affectees, EPA, NHA, C&W, Forest & Wildlife and Agriculture Departments;
- (vi). The Proponent shall submit quarterly report to the EPA showing the status of grievances and actions taken to redress them.

**C. National Environmental Quality Standards (NEQSs):**

- (vii). The Proponent shall ensure compliance to National Environmental Quality Standards (NEQSs);
- (viii). The mechanized plants, machinery and other equipment must be fitted with noise abatement devices and should have the conformity to NEQSs;
- (ix). The Proponent/Contractor shall ensure water sprinkling to suppress dust at all construction sites;
- (x). In case independent **Environment Specialist Companies** are to be hired as a compulsory arrangement to undertake measurements of different parameters, in order to ensure effective compliances of NEQSs, the findings of quality analysis and report of compliance to NEQSs should be shared with EPA AJK on regular basis during the construction phase of the project.

**D. Environmental & Social Environmental Management Plan (ESMP):**

- (xi). All mitigation measures, as suggested in the ESIA Report & Environmental & Social Management Plan (ESMP), shall be strictly adhered to. This should be indicated or reported as a "**Commitment**";
- (xii). Institutional arrangements for implementation of **Environmental & Social Management Plan (ESMP)** may be finalized well before the commencement of construction of project, so that an efficient & effective mechanism for environmental protection & management should be operative well on time.

**E. Jobs/Employment for Local People**

- (xiii). The Proponent will devise a proper employment policy for KHPP, and, thereunder, it shall be obligatory on Contractor to provide employment to local people for all semi-skilled and unskilled jobs. Preference may also be given to local people for skilled jobs as well. Employment record for all positions shall be provided to EPA AJK on quarterly basis;



- (xiv). For labor and all other types of workforce, the Contractor shall ensure strict compliance to Labor Laws.

**F. Quarrying Sites & Spoil Dumps**

- (xv). Given to geomorphology, terrain, topography and demographic settings of project areas; pre-identified and EPA approved sites shall be used/utilized for quarrying purpose so that the issues like land degradation, soil erosion, sedimentation of waterbodies and potential threats to human life & properties and public infrastructure could be avoided;
- (xvi). The Proponent shall bound Contractor and strictly ensure dumping of spoil or excavated material on pre-identified and designated sites/places; duly approved by EPA. The free roll-down of spoil on hillslopes shall be strictly prohibited to avert damage to vegetative cover, perennial & non-perennial drains, irrigation channels, communication routes and productive lands. The dumping of spoil into waterbodies like rivers or streams shall be considered a sheer violation of this Approval. During transportation of spoil, adequate measure must be in- placed to avoid littering of roads or dust emission, etc;
- (xvii). The Proponent shall bound Contractor to prepare Site-specific Environmental Management Plan (SPEMP); as provided in Environmental and Social Management Plan. In order to ensure best environmental management during construction phase, besides quarrying sites and spoils dumps, the SSEMP preferably be developed for all construction related activities as well, and submitted to AJK-EPA well before undertaking these;
- (xviii). The Proponent/Contractor shall strictly avoid acquisition of aggregate or construction material from open source from sites other than identified and approved by EPA.

**G. Vibration Impact on Property:**

- (xix). All public or private buildings within 200 m of the blasting site will be surveyed prior to start of blasting. The survey will be undertaken independently by the Owner's Engineer, the Proponent, or a Third Party and will be undertaken to determine the pre-Project conditions of the buildings structure including any pre-existing damages. The survey results will be used to settle any damage claims arising out of the blasting activities.

**H. Springs Vanishing:**

- (xx). The phenomenon of spring vanishing under gravity affect has been noticed/reported under similar nature tunneling projects. Therefore, under KHPP, the location and present condition of all springs within 500 meters of the tunnel alignment shall be recorded and submitted to the EPA AJK. The flow rate of the springs within 100 m of the blasting zone will be regularly monitored to ascertain any change in the flow due to blasting. In case of any change in the flow, which can be directly attributed to the tunnel construction, the Proponent shall support the community in development of alternate water supply schemes.

**I. Community Water Supply at the Dam and Powerhouse Sites:**

- (xxi). In anticipation of the impact of the Project on community water supply at these locations where major construction activities will take place, the Proponent shall construct two Water Supply Units inclusive of treatment facilities of

capacity that would be similar to that constructed for the permanent water supply for the Contractor camps and offices at these two premises. The Water Supply Unit at Dam Site, should have the provision to cater the drinking water requirements of the communities living downstream from Dam as a goodwill gesture and confidence building measure;

- (xxii). The Proponent will transfer the Water Supply Units to the Government of AJK for operation prior to commissioning of the Project.

**J. Protection and Conservation of Saran Lake:**

- (xxiii). Saran Lake has ecological, historical, and aesthetic significance and shall be protected and preserved. The Proponent shall not locate any project facility within 15 meters of the highest water mark of the lake. The Proponent shall take measures to ensure that surface run-off from the construction site shall not flow to the lake and the water of the lake is not contaminated from any project-related activity. Following the completion of the construction phase, the Proponent will prepare a restoration plan for the lake surroundings which will be implemented following approval from EPA AJK.

**K. Creation of Waterbodies Downstream:**

- (xxiv). The EPA anticipates that, due to reduced flow in lean period during operational phase of the project, the aesthetic beauty of River Jhelum downstream would be seriously affected. In order to reclaim the aesthetics of river and to rule out the chances of its encroachment, minimize the possibilities of change in microclimatic conditions, providing facilities for recreational activities, promote tourism and enhancing livelihood opportunities; the Proponent shall consider the option of creating/constructing at least 05 Waterbodies downstream.

**L. Construction Camps, Sewage & Waste Management:**

- (xxv). The Construction Camps shall be located/constructed at suitable distance from any settlement to avoid disturbance or intrusion into the privacy of local communities. Independent arrangements shall be made for sewage disposal/treatment and solid waste. The sewage treatment facilities/septic tanks shall be constructed at a suitable place from any permanent or seasonal water source and should not be located/constructed in the areas where high ground water table exists;
- (xxvi). For construction camps, rather putting the local resources under stress, independent arrangements should be made/laid for commodity services;
- (xxvii). The waste, chemical and oil spill generated during construction activities should be managed scientifically to avoid any damage to flora & fauna and overall ecology of the area, etc.

**M. Traffic Management:**

- (xxviii). The Proponent shall bound Contractor to work out a proper Traffic Management Plan, during construction phase, while working near settlements, towns, schools and hospitals. An early warning or announcement system shall be in-placed well before the time to avoid traffic jams and inconvenience for commuters and residents nearby;
- (xxix). Adequate traffic signs, barriers, reflecting tapes should be in-placed particularly during peak working hours;



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- (xxx). The timings for transportation of construction material, aggregate & spoil, movement of heavy machinery and equipment should be fixed and predetermined to avoid traffic jams, inconvenience for commuters and local community.

**N. General Conditions:**

- (xxxi). The Proponent shall bound Contractor select sites to install the asphalt/concrete mixing plant in consultation with EPA AJK. In this respect, special consideration shall be given to critical installations like school, hospitals, mosques, community hall, etc;
- (xxxii). The Proponent shall bound Contractor to ensure efficient Occupational Health & Safety (OHS) measures in-placed for workers and labor throughout the construction period;
- (xxxiii). In the case, the articles of Archeological importance like artifacts, coins rock-arts and other archeological relics are discovered, the work at the site should immediately be stopped and the concerned department or agency should be consulted for the appropriate action;
- (xxxiv). The Proponent shall ensure all public utilities, such as water supply pipes, power/phone lines be not disturbed during any construction activity of the project. If removal of such installations is inevitable then alternative may be provided to the people of the area beforehand, in consultation with respective agencies under intimation to AJK EPA;
- (xxxv). The Proponent/contractor shall make sure the safety & security of wild animals and their habitats at the project site and in its environs with the prior consultation and strictly adhering to the guidelines of Wildlife Departments;
- (xxxvi). The proponent shall rehabilitate all sites to their natural conditions affected by temporary use during the construction phase.

**O. Provision of Conditional Environmental Approval to Contractor:**

- (xxxvii). The Proponent shall provide a copy of this Conditional Environmental Approval and ESIA Report to the contractor for efficient & effective implementation of obligatory mitigation measures. A regular Training Program preferably be devised for workers, labor, implementing & management staff of the Contractor to ensure effective compliance from them during construction activities.

**P. Independent Environmental Monitoring Consultant (IEMC):**

- (xxxviii). Reporting implementation progress of ESMP and Environmental Approval is considered as a crucial aspect of the project implementation. In order to ensure transparency and accuracy in reported data or facts, this is strongly advised that the Proponent should appoint an independent Environmental Monitoring Consultant or Firm (IEMC), in consultation with EPA AJK. The role of IEMC shall monitor and report the impact of the project during construction on the socio-economic, ecological and physical environment.
- (xxxix). The scope of the IEMC will include monitoring of the impact on quality and quantity of water resources (in particularly springs), impact of ground vibration, ambient air quality, ambient noise levels, road and traffic conditions and community safety, conditions of Saran Lake, and socio-economic

conditions including local employment. The IEMC will prepare quarterly monitoring reports based on regular visits to the site and submit to EPA AJK.

**Q. Corporate Social Responsibility (CSR)/Community Investment Plan (CIP):**

- (xi). In the light of Outlines agreed upon, the Proponent shall submit a CSR or CIP within 06-Months from the date of Financial Close, to be implemented under KHPP for the socio-economic uplift of the project areas communities and as Confidence Building Measures (CBMs). The CSR or CIP supposed to be finalized, in consultation of EPA, later on but, in this respect this is strongly advised that development initiatives like; *Establishment of Mother-Child Health Care Centers, Polytechnic Institute, Upgradation of Health & Education Facilities in Project areas, Development of Parks and Recreational Sites, Upgradation of Communication Infrastructure (roads & bridges), Establishment of a joint 'China and Environment Corners' in AJK Central Library (Khurshid National Library, Muzaffarabad) Capacity Building of Govt. Departments & Agencies, Declaring Towns and Cities of Muzaffarabad and Hattian Bala as Sister Towns or Cities of China and to undertake development initiatives therein; agreed upon later on; for the socio-economic uplift of people, Professionals' Exchange Program for Nature conservationists, Medical Professionals, Engineers, Media Person etc. 'Strengthening of Central Press Club Muzaffarabad and establish an information & learning exchange arrangement through connecting it with similar institution of China, Scholarships for students, etc.*

**R. Biodiversity Management Plan (BMP):**

- (xli). The Proponent shall prepare a BMP and share with EPA AJK within four months from the issuance of this Approval;
- (xlii). The Proponent will sign an agreement with the government of AJK to implement the BMP. This agreement may be preferably signed within six months of issuance of this Approval;
- (xliii). The Proponent will engage an Implementation Organization, preferably with the consultation of EPA AJK, to implement the watch and ward system as provided in the BMP within one month of the Financial Close of the Project. Watch and Ward reports of BMP, prepared by Implementation Organization, shall be shared regularly with the EPA;
- (xliv). The ecological monitoring of Biodiversity Management Plan must be undertaken by a qualified independent monitoring consultant specializing in monitoring of biodiversity in river. The Proponent will engage the monitoring consultant and initiate biodiversity monitoring at least one year prior to the initiation of construction any construction activity in river bed like construction of coffer dam for the Project;
- (xlv). The Biodiversity monitoring reports as specified in the BMP shall be shared with the EPA on a regular basis;
- (xlvi). The Proponent, in consultation with the EPA and Fisheries and Wildlife Department, will make appropriate budget provisions in the BMP to contribute to establishment and operation of a *Biodiversity/River Ecology Research Institute* (as described in the Cumulative Impact Assessment report submitted with the ESIA) throughout the life of the Project. The other hydropower projects, located on the Jhelum River and impacting the Jhelum River, shall



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also have to contribute to the establishment and operation of the Institute in a reasonable manner in proportionate to their generation capacities and impact on the river ecosystems;

- (xlvii). The mechanisms for establishment and operation of *Biodiversity/River Ecology Research Institute* shall be developed in consultation with the concerned hydropower projects, EPA and other concerned Govt. Departments. The Institute will preferably be situated at the location of the Powerhouse on acquired land that will become surplus after completion of the project. The operation of the Institute will be facilitated by the Proponent to the extent possible;
- (xlviii). The Proponent, in consultation with the EPA, shall make appropriate budget provisions in the BMP to contribute for establishment, and operation of Watershed Management Institutions in its area of impact (as described in the Cumulative Impact Assessment report submitted with the ESIA) throughout the life of the Project. A community based participatory model preferably be followed for implementation. The mechanisms for establishment and operation of the Institute should be developed in consultation with the concerned hydropower projects under intimation to EPA AJK.

4. The proponent shall be liable for the correctness and validity of the information furnished by the environmental consultant;
5. The Proponent shall be liable for compliance of regulations 13, 14, 17 & 18 of IEE/EIA Regulations 2000, which enunciate the conditions for approval, confirmation of compliance, entry, inspection and monitoring of the proposed project;
6. The Proponent shall facilitate EPA team during inspections and monitorings of the Project etc;
7. Any change hereinafter in the approved project shall be communicated to AJK-EPA and shall be commenced after obtaining the approval in respect thereof;
8. This approval does not absolve the proponent of the duty to obtain any other approval or clearance that may be required under any law in force or by any competent forum/court of law, etc.
9. This Approval shall be valid for a period of three years from the date of issuance under Section 16 of IEE/EIA Regulation, 2009;
10. The EPA AJK, in continuation or supersession of any of the Conditions mentioned herein before for the construction of KHPP, may impose additional conditions as and when the situation may warrant so;
11. The proponent shall be bound by Regulation 13 (2) read-with Schedule VII of the Regulations to furnish an UNDERTAKING to the Agency in terms that the proponent solemnly affirms and declare that the proponent fully understands and accept conditions contained in the approval accorded by the AJK-EPA and undertake to design, construct and operate the project strictly in accordance with the said conditions and the ESIA;
12. This approval shall stand null and void if any of the conditions, mentioned herein before, are not fully complied with;

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13. This Approval may be considered for review and withdrawal at any stage, as per stipulated procedure, if deemed appropriate in the larger public interest.

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22-12-2016

**(Raja Muhammad Razzaque)**  
Director General, EPA-AJK

**Mr. Zhang Jun**  
CEO/Team Leader,  
Kohala Hydro Company (Private) Ltd.  
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**Islamabad.**

No.EPA/1759-69/2016

Dated: December 22, 2016

CC:

1. PSO to the Chief secretary
2. Secretary Environment/ACS (Dev)
3. Senior Member Board of Revenue
4. Secretary Electricity/PDO
5. Secretary Forest, Wildlife & Fisheries
6. Managing Director, PPIB, Govt. of Pakistan, Islamabad.
7. Director General, Private Power Cell/PDO, Muzaffarabad.
8. Commissioner, Muzaffarabad Division.
9. Deputy Commissioners, Muzaffarabad/Jhelum valley.
- ✓ 10. Master File.

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