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SUBJECT: Call for redressing depletion and poisoning of water resources in Thar coalfield under “Green Development Guidelines for Foreign Investment and Cooperation”

Dear LIU Liange, and LIU Jin!

We represent Alliance for Climate Justice and Clean Energy (AJCCE), comprising the civil society organizations¹ from Pakistan, which have been endeavoring for defending human rights and Pakistan’s transition away from fossil fuels to clean and green renewable energy so as protect our planet earth from the perils of climate change in the processes of what is called development in common parlance. To maintain our planet earth safe and healthy, we realize that the challenges posed by climate change, which have become all the more dangerous, can be coped with international cooperation and involvement of different stakeholders, including the governments, regulatory authorities, environment protection agencies, state operated enterprises, national and multinational companies, banks, financial institutions, civil society and last but not least the native people. It is the time for all the stakeholders to come together and find a common ground for ensuring social and environmental justice in national and international development processes.

Green Development Guidelines and water woes induced by coal power projects in Thar:

We believe that social and environmental justice is a must for a development that is socially inclusive, economically just, and environmentally sustainable. We welcome “Green Development Guidelines for Foreign Investment and Cooperation” issued by China’s Ministry of Environment and Ecology (MEE) together with Ministry of Commerce (MOFCOM) on 6th January 2022². The guidelines specify the activities and responsibilities of Chinese enterprises working abroad to integrate environmental considerations along the whole project lifecycle—(1) project planning and evaluation phase, (2) project construction, (3) project operation (4) project reporting and (5) decommissioning.

We hope the guidelines can go a long way in redressing the adverse water impacts emanating from four BRI projects—including (1) 660MW Engro Thar Coal Power Project, (2) 1320 SSRL Thar Coal Block-I 7.8 mtpa & Power Plant (2×660MW) (Shanghai Electric) (3) 330MW HUBCO Thar Coal Power Project (Thar Energy) (4) 330MW HUBCO Thal Nova Thar Coal Power Project—in Thar, one of the most water scarce regions of Pakistan. An overwhelming majority of local population depends on groundwater/dug-wells for drinking, domestic use and animal husbandry, which is the major source of livelihood, in Thar Desert.

We demand the Chinese banks, investors, private companies and SOEs—including Bank of China, Export and Import (Ex-Im) Bank of China, Industrial and Commercial Bank of China (ICBC), China Machinery Engineering Company (CMEC), Shanghai Electric and SSRL, a subsidiary of Global Mining

¹ The ACJCE members include: (1) Visionary Forum, (2) The Knowledge Forum, (3) Indus Consortium, (4) Alternative Law Collective and (5) /Policy Research Institute for Equitable Development (PRIED)

² <https://greenfdc.org/interpretation-2022-guidelines-ecological-environmental-protection-of-foreign-investment-cooperation-and-construction-projects/>



China—to redress depletion and poisoning of water resources in Thar under Article 8, 9 and 10 of “Green Development Guidelines for Foreign Investment and Cooperation”.

It is also incumbent on us to inform you that coal mining and power generation in the Thar coalfields are resulting in the violation of Pakistani law, more specifically:

1. The release of effluent water breaches the Sindh Environment Protection Act 2014 (particularly S. 11) as well as the Hazardous Substance Rules 2014 (Rule 10). It also violates more general principles of protection of water from contamination enunciated in the National Water Policy 2018;
2. These actions are also in breach of the ‘Generation License’ granted by National Electric Power Regulatory Authority (NEPRA) which enunciates mandatory provisions for the treatment and use of wastewater;
3. Both the effluent release, and in particular the practice of reinjecting wastewater into the aquifers are in clear violation of established water jurisprudence from the courts in Pakistan — from violation of Public Trust Principles to clear rulings prohibiting reinjection practices.

In the following paragraphs, we apprise you of the nature and impacts of harmful water impacts.

1. Dewatering for coal mining and depleting water table:

Dewatering is an essential component of mining as the Thar coal buried under three layers of aquifers— (i) dune sand aquifer (located at a depth of 50m to 60m), (ii) coal seam roof aquifer (depth 120m), and (iii) coal seam floor aquifer (depth 180m to 190m)³. The coal power companies have installed submersible sumps at the bottom of pits to drain the groundwater. Due to dewatering for coal mining, water table is lowering in five villages—including Jaman Samoo, Bitra, Aban Jo Tar, Khemay Ji Dhani and Thario Halepoto—neighboring the mining sites. With the expansion in coal mining and the resultantly increasing volume of groundwater being drained out, the problem of groundwater depletion in Thar will become acute in the years to come.

2. Seepage of toxic water from reservoirs and contamination of groundwater:

For the disposal of saline/brine water drained from the coal mines, the companies operating in two blocks of Thar coalfield have built two reservoirs at Gorano and Dukar Chaou. Since these reservoirs have not been lined with a geo-membrane or a soil sealant, percolation of saline water has already started adversely impacting the nearby villages, particularly in 12 villages around the Gorano reservoir, including Gorano, Burd, Gawaran, Shivay Jo Tar, Gopay Ji Dhani, Bhopay Ji Dhani, Khokhar Jo Tar, Mutu Jo Tar, Nibbay Ji Dhani, Suleman Hajjam, Kattan, Chothay Ji Dhani and Esan Shah Jo Tar. Water in dug wells is increasingly becoming contaminated; trees and local plant species are drying up; farmland is becoming barren; diseases of animals/livestock have increased; and biodiversity is eroding due to contamination of groundwater in these villages. We apprehend that with the expansion in mining operations, more reservoirs will be built for the disposal of increasing volume of wastewater and it will multiply these harmful impacts on groundwater and biodiversity in Thar.

4. Contamination of groundwater due to reinjection of wastewater:

All the wastewater discharged from mines and thermal power plants in Thar is not being dumped only on the surface. Apart from dumping wastewater in two reservoirs, the Sindh Engro Coal Mining Company (SECMC)—a joint venture of China Engineering Machinery Corporation (CEMC)—has been reinjecting surplus mine water into the aquifer. The company has laid a pipeline from the mining site in Block-II to Meghay Jo Tar village, where a reinjection plant has been installed. World over mining companies reinject ‘treated’ water into underground aquifer but it requires rigorous environmental analysis, stringent

³ Development and Catastrophe <https://www.thenews.com.pk/tns/detail/568851-development-catastrophe>



regulatory framework and monitoring mechanism because reinjection involves serious environmental impacts like potential seismic activity arising out of aquifer reinjection; increase or decrease in groundwater pressure; changing the flow paths between the aquifers; mixing of different groundwater chemistries; and groundwater contamination⁴. However, reinjection of ‘treated water’ at Meghay Jo Tar is shrouded in mystery. There is a wider perception in the area that the SECMC has been reinjecting untreated water at Meghay Jo Tar.

5. Wastewater disposal beyond designated sites:

Disposal of wastewater involves certain costs i.e. installing treatment plants, laying pipelines, building reservoirs, lining reservoirs with geo-membrane or soil sealant, installing reinjection plants to operate and control the pollution induced by the coal mines and coal power plants. To save these costs, the coal companies have been shifting the price onto local communities, forcing them to deal with heavily-polluted water that endangers their health and safety. The companies have been dumping wastewater in an arbitrary, irresponsible and dangerous manner. Tilwaiyo, Warwai (TCB-I), Jaman Samoon and Bitra (TCB-II) are the most affected villages. For last several months a number of livestock heads—camels, cows, sheep and goats—have died after drinking wastewater released in these villages. Moreover, the wastewater discharged from coal mines and power plants have seriously damaged houses, crops and plants and provided breeding ground for mosquitos and caused increase in the incidence of malarial fever.

Conclusion:

We believe that the social and environmental problems emanating from depletion and poisoning of water resources and resultant biodiversity losses are not only the violation of certain Pakistani laws and international treaties/standards but also against the spirit of China’s Green Credit Guidelines. They pose serious reputational risks to the Chinese investors and companies including China Engineering Mining Company (CEMC), Shanghai Electric, Industrial and Commercial Bank of China (ICBC) and Export-Import (ExIm) Bank of China. Here we request the Chinese companies, banks, financial institutions and investors to sort out the issue of wastewater disposal from coal mines and power plants in the light of “Green Development Guidelines for Foreign Investment and Cooperation”. As the Article 23 of the guidelines⁵ binds the Chinese enterprises working abroad to engage with the local communities/civil society, we ask the Chinese stakeholders to hold a multi-stakeholder dialogue on the water woes of Thar. The proposed dialogue can go a long way to have inclusive, transparent and effective policy measures and governing mechanisms of water management by coal companies for overcoming the problem of wastewater and groundwater depletion. Hope you will consider our concerns and request positively. Please let us know if you have any questions or need more information regarding our concerns and request. We expect an open and positive communication with Chinese stakeholders.

Sincerely,

Azhar Lashari
On behalf of ACJCE

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aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/WaterUseGovernance/Report/c04

⁵ http://www.mee.gov.cn/xgk/2018/xgk/xgk05/202201/t20220110_966571.html