

commission for environmental impact assessment

FMO, Finance for Development ORET Programme To: Mr. A. van Elteren, Mr. R. Vriezen and Mr. I Meister P.O. Box 93060 2509 AB The Hague The Netherlands

your reference	your letter of
-	23 August 2006
subject	direct dial

subje Advice on Terms of Reference for an EIA + 31 30 234 76 54 for the complementary dredging of the Amaluza reservoir, Ecuador

070-ab Sh/Jz Utrecht, December 2006

our reference

Dear Mr. van Elteren, Mr. Vriezen and Mr. Meister,

By letter, dated 23 August 2006, you requested the Netherlands Commission for Environmental Impact Assessment (EIA) to advise on Terms of Reference for an EIA for the complementary dredging of the Amaluza reservoir in Ecuador.

It is my pleasure to submit herewith the Advice on Terms of Reference prepared by a working group of the Commission. I would like to draw your attention to the following:

Hirdropaute is probably the most powerful player in the Paute river watershed. For water supply and erosion control, needed for optimizing the energy generation, it depends on the land and water management of the entire basin. Therefore an attitude of 'noblesse oblige' is required towards all efforts related to integrated watershed management. At the moment there are efforts, in particular with financial support of the European Union, to establish a strategy of integrated natural resources management in the Paute watershed, through the CG Paute (Consejo de Gestión de Aguas de la Cuenca del Río Paute). Its functioning seems to leave much to be desired. Hidropaute has been an important financial contributor to this initiative in the past. It is essential that Hidropaute does not limit its involvement in the future only to the areas affected by the environmental management plans of the three (existing and future planned) dams under their supervision, but also actively supports the integrated management of the entire Paute river watershed.

The Commission is willing to perform an independent review of the EIA study once ready, both for (and preferably together with) the authorities in Ecuador (Ministry of Environment and CONELEC) as well as for FMO.

The Commission would appreciate to be kept informed about the use that is made of this advice.

Yours sincerely,

Klaas Jan Beek

MArch

Chairman of the Working Group EIA for the complementary dredging of the Amaluza reservoir, Ecuador