



EL MOLINO AND SAN MATIAS HYDROELECTRIC PROJECTS

ENVIRONMENTAL IMPACT STUDY VOLUME III OF V CHAPTER 11

DOCUMENT 2148-04-EV-ST-020-11

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11 INVESTMENT PLAN OF 1%

11.1 LEGAL FRAMEWORK

- **Law 99 of 1993.** In the article 43 of Law 99 of 1993, on charges for use of water, in its paragraph stipulates that "All project that involves in its execution, water use, taken directly from natural sources, either for human consumption, recreation, irrigation or any other industrial or agricultural activity, shall allocate no less than 1% of the total investment for the recovery, preservation and monitoring of the Hydrographic Basin that feeds the respective water source.

The owner of the project must invest this 1% in the recovery work and actions, preservation and conservation of the basin to be determined in the project's environmental license."

- **Law 812 of 2003.** Which is approved by the National Development Plan 2003-2006. In paragraph 1 of article 89 establishes that: "The resources from the application of article 43 of Law 99 of 1993, would be devoted to protection and recovery of water resources in accordance with the respective plan for the development and management of the basin
- **Decree 1729 of 2002.** In which defines the Forest Management Plans, and management of the Hydrographic Basin, and in paragraph 5 of article 23, provides that the financing and development of those plans can be done "with the resources from the 1% of the section of article 43° of Law 99 of 1993 ".
- **Decree 1900 of 2006.** Its first article establishes that "every project that involves in his execution the use of the water taken directly from natural sources and is subject to environmental licensing, shall allocate 1% of the total investment for the recovery, conservation, preservation and monitoring of the Hydrographic Basin that feeds the respective water source; in accordance with paragraph of article 43 of Law 99 of 1993"

Article 2 °, defines what projects are bound to the compulsory investment of 1 %, which are those that meet all of the following conditions:

- That the water will be taken directly from a natural source, either surface or underground;
- That the project requires environmental license;
- That the project, facilities or activities uses the water in its implementation phase, understanding by this, the corresponding activities to the processes of construction and operation;
- That the water taken is utilized in any of the following uses: human consumption, recreation, irrigation or any other industrial or agricultural activity "

Section1 of this article states that "the investment referred to in article 1° of this decree, shall be carried out only once, by the beneficiary of the environmental license".

Article 3 establishes the way of calculating the value of 1 %, which is estimated on the costs base of:

- Acquisition of land and buildings;
- Civil Works;

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- Acquisition and rental of machinery and equipment used in the civil works;
- Constitution of easements.

Article 5 sets out the projects that can be financed with resources from the 1 %:

- Elaboration of the Management and orientation Plan and Hydrographic Basin Management in a percentage determined by the Ministry of Environment, Housing and Territorial Development;
- Restoration, conservation and protection of vegetation coverage, vegetation enrichment and isolation areas to facilitate the natural succession;
- Real estate acquisition or improvements in mountain areas, foggy forests and influence areas of birth and recharge of aquifers, star flows and hydro rounds. In this case the ownership of the sites and enhancements will be of the environmental authorities;
- Instrumentation and monitoring of water resources;
- Limnological and hydro biological Monitoring of the water source;
- Construction projects and activities for the control of flow rates, rectification and handling of channels, runoff control, erosion control, geo technical facilities and other biomechanical facilities and activities for the management of soil, water and vegetation;
- Interceptors and domestic wastewater treatment systems. For the implementation of the respective studies, it may invest up to 10% of the total investment value. In this case the ownership of the facilities and the studies will be of the municipalities or districts according as the case may be;
- Environmental training of community promoters in related topics in the previous paragraphs, in order to assist in the environmental management of the Hydrographic Basin;
- Preservation and conservation of the National Parks System that are within the respective basin in accordance with management plans.

11.2 ACTIVITIES TO DEVELOP

11.2.1 Diagnosis with environmental and municipal authorities

A review of the developed projects in the basin of the San Matias River, with the purpose of prioritizing them. This activity will be conducted jointly with the municipality administration of Cocorná and Granada, and in company of CORNARE, by means of workshops.

11.2.2 Diagnosis with the community

Within the activities to be carried out in the management programs of socio-economic management, is to identify projects that seek to improve the quality of life of the population of the direct influence area, reflected in the optimization of the natural resources of the area.

It should be clearly explained to the community the types of projects that can be financed with these resources.

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11.2.3 Selection of projects to finance

Of the identified projects in the two previous phases, it will continue with the stage of consultation, to define the projects to be implemented with resources from the 1 %.

The consultation will be carried out with the municipal administrations, CORNARE and the community.

These projects must consider the possibility of continuing the conservation program, restoration and compensation of the vegetation covering, expanding the areas which will promote the process of succession.

11.2.4 Execution of the projects

Once selected the projects to be financed, its implementation will begin .

11.3 BENEFICIARY POPULATION

The inhabitants of the basin of the San Matias River where it will be fund El Molino hydroelectric project, which includes the Veredas of Quebradona Abajo and Las Faldas in the municipality of Granada; and San Juan, El Chocó, El Molino, Campo Alegre, Los Mangos, La Inmaculada, San Lorenzo, in the municipality of Cocorná.

11.4 STAFF REQUIRED

The Environmental Management Group will be responsible for leading the project, coordinating all the participants that have relation with this program.

11.5 INDICATORS

- **Investment checking of 1 %:** This indicator appears at the end of performing all the investments in the selected projects, this must be 100%

$$\text{Verificación inversión } 1\% = \frac{\text{Valor de los proyectos ejecutados y financiados con el } 1\%}{\text{Valor del } 1\%} \times 100$$

11.6 RESPONSIBLE FOR THE EXECUTION

The owner of the project

11.7 SCHEDULE AND BUDGET

The cost of staff is included within the Environmental Management Group. The resources available for this project are US\$ 274,259, whose implementation schedule is presented in Table 11-1.

Table 11-1 Schedule program for the implementation of the 1%

Activity	Month													
	1	2	3	4	5	6	12	29	
Diagnosis with authorities														
Community Diagnostic														
Selection projects														
Execution														



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