



**View of the project participants on the contribution of the project activity to sustainable development**

Ministry of Environment and Forests, Govt. of India has stipulated the following indicators for sustainable development in the interim approval guidelines for CDM projects<sup>1</sup>.

- Social well being. The CDM project activity should lead to alleviation of poverty by generating

additional employment, removal of social disparities and contribution to provision of basic amenities to people leading to improvement in quality of life of people.

- Economic well being. The CDM project activity should bring in additional investment consistent with the needs of the people.

- Environmental well being. This should include a discussion of impact of the project activity on resource sustainability and resource degradation, if any, due to proposed activity; bio-diversity friendliness; impact on human health; reduction of levels of pollution in general.

- Technological well being. The CDM project activity should lead to transfer of environmentally safe and sound technologies with a priority to the renewable sector or energy efficiency projects that are comparable to best practices in order to assist in up gradation of technological base.

Each of the above criteria is studied in the context of the project activity to ensure that the project activity contributes to the sustainable development and meets the above criteria.

a) Social well being:

The project activity results in alleviation of poverty by generating direct and indirect employment during construction of the project as well as during operation. The project will have a positive impact on the employment opportunities in the region during construction. The project creates indirect employment opportunities for the local people. Thus the project provides additional source of income for the local people. The project will have staff for operation and maintenance of the plant which will lead to permanent employment for some people during operation of the plant which would further help in the economic well being of the local people.

b) Economic well being:

The project is implemented in a rural area where, the power supply is erratic. This would be transformed as a 33KV line is being put up as a part of the project. More and more cottage & rural industries will be set up and new opportunities for development will be created as a consequence. This will result in infrastructure development, which would ultimately lead to the rural development and prevent the migration of rural poor to cities.

Hence the local population would be empowered.

Project proponents mobilized additional investment to the region. Project proponents invested in the project about Rs. 314.2 million (US\$ 7.85 million, taking exchange rate as \$1 = Rs.40) which otherwise would not have happened in the absence of the project. This is a very significant investment in an underdeveloped area.

To further carry out the work of sustainable development the Project Proponents would carry out the following activities.

Stabilisation of hill slopes and construction of bended walls to ensure safety of villagers.

Extension of temples and construction of Panchayat Ghar.

Health Programs for the villagers including Eye Check up Camps.

Extending scholarship's to the under privileged students from the villages. Construction and maintenance of tracks to the remote villages.



The above benefits due to the project activity ensure that the project would contribute to the social and economic well being in the region.

c) Environmental well being:

Since, the project utilizes hydro potential available in the river for power generation; the project will not result in rise of GHG emissions and cause no negative impact on the environment.

Further, the project does not result in degradation of any natural resources, health standards, etc. at the project area.

Hence, the project contributes to the environmental well being

d) Technological well being:

The project will result in utilisation of environmentally safe and sound technologies in small scale hydroelectric power sector.

Further the project demonstrates harnessing hydro potential at a small level and encourages setting up such new projects in future.

Hence, the project leads to technological well being.

In addition, the project is consistent with the future plans of the Ministry of Non-Conventional Energy Sources (MNES) of the Government of India to establish 14,000 MW of Renewable Energy Projects by 2012<sup>2</sup>.

In view of the above, proposed project activity strongly contributes to the sustainable development.