

## **Contribution of sustainable development**

The Designated National Authority, The Ministry of Environment and Forests (MoEF) India, has stipulated four indicators to prove sustainable development. These are social, economical, environmental and technological well-being. The project activity fulfils the stipulated obligations as follows:

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

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.
Economical 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 project that are comparable to best practices in order to assist in upgradation of technological base

### **Social Well-Being**

- The project activity involves no displacement of people living near the project area and hence presents no need for rehabilitation and resettlement.
- The project activity will be a source of direct and indirect employment opportunity during the period of construction and after its subsequent commissioning. This results in poverty alleviation in the region.
- As the project activity is set against a rural backdrop, it will contribute to the development of the region by giving the local populace access to electricity.

### **Economical Well-Being**

- As mentioned above the project activity will lead to alleviation of poverty by providing direct and indirect employment to the residents of the region.
- Generation of power from local renewable sources will reduce the load on the national grid and also help in reducing T&D losses. The project has been sanctioned under the Decentralized Distributed Generation Scheme, with The Rural Electrification Corporation as the Nodal Agency. The scheme's objective is to bring electricity to the rural areas with a lower carbon footprint through use of Renewable Energy with lower requirement for Transmission and Distribution Infrastructure.<sup>1</sup>

### **Environmental Well-Being**

- The project activity utilizes environmentally safe and sound technologies of small-scale hydroelectric power generation and demonstrates harnessing of hydro potential thus encouraging setting up of similar projects
- The project activity is part of the the Integrated Northern, Eastern, Western, and North-Eastern regional grids (NEWNE) of India, which is dominated by fossil fuel generation mix. Since the project activity uses a renewable resource, such as hydro, for power generation it would mitigate the emissions that would have otherwise occurred in its absence.
- The project activity helps the country take steps towards environmental sustainability by avoiding exploitation and depletion of natural, non-renewable resources such as coal/petroleum/gas while at the same providing a clean energy.

### **Technological Well-Being**

- The project activity makes use of efficient and environmentally safe technology for power generation.
- The generation of electricity from the project activity leads to strengthening of the grid, increasing the energy availability and quality of power in the nearby rural areas thereby meeting the energy demand to a certain extent leading to technological well being.

In view of the facts stated above, it can be concluded that the project activity strongly contributes to sustainable development.

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<sup>1</sup> <http://www.idfc.com/pdf/report/Chapter-11.pdf>