

Contribution of the project activity to sustainable development

Ministry of Environment and Forests, Govt. of India has specified the social well being, economic well being, environmental well being and technological well being as the four indicators for sustainable development in the interim approval guidelines of host country approval eligibility criteria for Clean Development Mechanism (CDM) projects⁵.

Social well-being:

- The project activity will generate many direct and indirect employment opportunities. It has been estimated that during construction period, the skilled and unskilled labours will be required up to 2500 persons. The operation of this plant also creates new employment opportunities for the region.
- It has increased income security of vulnerable sections of the rural communities in the vicinity of the project site through redistribution of benefits on account of the new direct and indirect employment opportunities associated with the project.
- The project activity will indirectly help in infrastructure development in the neighbouring villages like better roads, telecommunication etc.

Environmental well-being:

- The electricity generated by the project activity will be supplied to NEWNE grid, which otherwise would have been generated by fossil fuel fired power plants in the grid.
- The project activity will help in reduction of the greenhouse gas emissions and air pollutants (especially NO_x and SO₂).
- The project activity also helps in conservation of depleting fossil fuels such as coal, oil, natural gas which at present are predominantly used for power generation.
- The project activity being run-of-the-river power project will have minimum environmental impact than a reservoir based hydro power plant

Economic well being

- The construction of the hydro power plant will create employment opportunities and opportunities for the allied sectors that supply services to the local population that is expected to increase once the project is operational. This will eventually raise the economic standards of the people residing near the project activity.
- The stakeholders' in the vicinity of the project site have tourism as a major income source and the project activity of this scale is expected to boost that further⁶

Technological well being

- Clean technology application in renewable hydro electricity generation
- The successful implementation will encourage private entities and finance corporations to enter renewable power generation

The project proponent undertakes to spend an amount equal to 2% of the net realization from out of Carbon Credits on any or all of the following and other sustainable development activities in consultation with the local community either directly or through

the GVK Foundation, which is involved in similar activities. A detailed plan towards this submitted to DNA is given as Annex 1.

Thus, the project activity contributes the sustainable development criteria of the host country. The project activity has been awarded the Host Country Approval on 06/02/2009.