

Contribution of project activity to Sustainable Development:

The India Designated National Authority (MoEFCC) has developed social wellbeing, economic wellbeing, environmental wellbeing and technological wellbeing indicators for sustainable development as part of the interim approval guidelines for Indian CDM projects. The project will contribute strongly to the environmental, social and economic wellbeing of the region in the following ways:

- The project creates direct employment opportunities for skilled and unskilled labourers during the construction phase. It will also create a number of direct permanent jobs for local residents during the operational phase of the plant.
- The project activity increases the availability and reliability of power supply within villages in the surrounding area, reducing the need for firewood for meeting daily energy needs. This has the effect of improving the integrity of nearby forest stands, soil erosion and soil fertility by increasing local access to a reliable electricity supply.
- The royalty paid to the state i.e. 13 % free energy for the first 15 years generation and 16% free energy from the 16th to 35th year of generation, would greatly help to improve infrastructure such as schools, health care, community centres, sanitation facilities and other amenities in the local area.
- As required by the Indian DNA, the project participant proposes to spend 2 % of the revenue from sale of CERs towards local area and community development. The detailed monitorable action plan is provided in Annex 5 of the PDD.
- The project activity will also lead to the diversification of the national energy supply, which dominated by the conventional fuel based power plants.
- The electricity to be generated will reduce the carbon intensity of the unified INDIAN grid by reducing the emission of greenhouse gasses on a per MWh basis across the entire system.
- As the project is a run of river project it will not result in any adverse effects on aquatic wildlife or fish stocks. There will be no significant changes in the velocities of water in the river and hence there will be no changes in the ambient conditions for the aquatic fauna or fish migration patterns. Additionally, at the time of migration during the summer months, river flows are high making negotiation of weirs simple. This preserves fish resources for upstream and downstream users, as well as for future populations.
- The project developer proposes to undertake plantation forestry in the area to enhance the area's environmental, social and economic development further.
- In order to offset minor environmental impacts associated with the project, a Biodiversity Conservation plan, Catchment Area Treatment plan, Public Health delivery system, Fisheries development program, landscaping and Greenbelt development plan and other measures have been proposed. Financial provisions have been made to the tune of INR 46.676 million for various environmental improvement measures. This would improve environmental wellbeing leading to sustainable development.
- NGOs will be associated with the project to disseminate knowledge about the benefits of the project activity and participate in conservation efforts in the local. An amount of INR 0.40 million have been proposed for this activity.

The project activity has been developed in line with India's National Electricity Policy¹. Section 5.2.5 of the policy outlines the Government's emphasis on the full development of feasible hydro potential in the country. Thus, the project is in accordance with interim approval criteria of the Indian National Designated Authority, Ministry of Environment, Forest and Climate Change, Government of India for CDM projects.

¹http://powermin.nic.in/indian_electricity_scenario/national_electricity_policy.htm