

### **Contributions of the Project Activity to Sustainable Development**

The Project Activity contributes positively to the sustainable development framework of the municipality, the province and the country in general. It has many economic, environmental, and social benefits.

#### **Environmental dimension**

- The Project Activity is in compliance with environmental policies and standards, as evidenced by the Environmental Compliance Certificate (the “ECC”). It has no adverse effects on land-use and no hazardous water to dispose of. It promotes sustainable use of natural resources<sup>1</sup>.
- By utilizing clean, renewable and sustainable energy resource, the Project Activity results in eliminating pollutants discharged to the environment.
- By potentially reducing the possibility of new power plants that operate on fossil fuels, the Project Activity avoids additional pollutants and greenhouse gas emissions from such power plants.

#### **Economic dimension**

- The host communities benefit economically from the Project Activity as the Local Government Units (LGUs) experience an increase in revenues through the payment of government fees, taxes and royalty share.
- As conditioned under the ECC issued for the Project Activity, the PP supports agricultural-based livelihood projects based on the skills and resources available in the community to increase economic activity in the area.
- It promotes fuel diversification and reduces dependence on fossil fuels for electricity generation. Hence, it reduces fossil fuel consumption and enhances energy security and sufficiency.
- It creates direct and indirect employment opportunities both during construction (completed) and operational phases of the Project Activity.
- It stimulates economic activity in the region through employee’s spending.
- It promotes the growth of the renewable energy industry in the country.
- After the Project became operational, the PP implemented various livelihood and social programs throughout the life of the Project (refer to Appendix 2).

#### **Social dimension**

- The Project Activity spurs the creation of economic opportunities in the community<sup>2</sup>.
- It results in generation of employment opportunities for both skilled and unskilled labour during construction as well as operation phase.
- It also provides training in partnership with universities and government-accredited training facilities in the host Communities. The PP intends to provide skills training to members of the host communities who will then be targeted for employment during the construction and operation phases of the Project Activity.
- Information, Education and Communication (IEC) activities to be implemented which will be an important tool to ensure a good feedback mechanism, creating an atmosphere of trust between the Project Activity and the local community. Frequent consultations with the community through IEC activities will be conducted.

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<sup>1</sup> Described in Section D of the PDD “Environmental Impacts”

<sup>2</sup> The project activity, following the government’s provision of ER 1-94, will provide financial benefits to the host community.