



# **HYDRO AID:**

## EFFECTIVE SUPPORT TO ENERGY AND DEVELOPMENT?

### A CASE STUDY OF KHIMTI HYDROPOWER PROJECT

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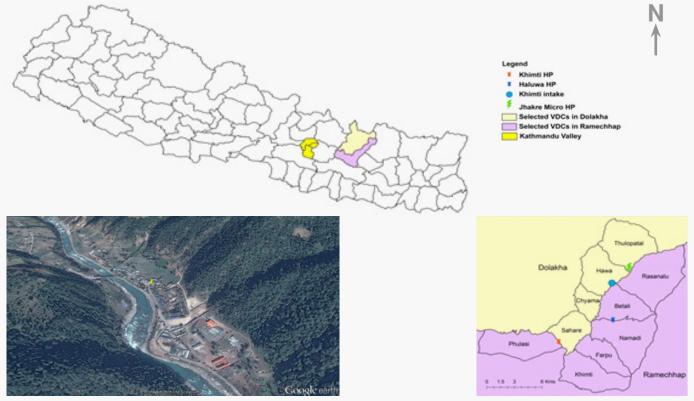
#### **PROJECT OBJECTIVE**

To study the effectiveness of assistance to water resources and energy development in Nepal (Case study of Khimti Hydro Power Project)

#### **RESEARCH QUESTIONS**

- How has hydropower sector terrain evolved over the last 20 years?
- How do the strategies of donors, government, private sectors align with existing sustainability criteria, and to what extent do these strategies mesh?
- What have been the outcomes of previous projects?
- How do outcomes inform current policies and strategies, and how are the voices of multiple stakeholders taken account of?

### PROJECT SITE AND DEPENDENT VDCS



Khimti project site







(Transmission line)

#### **FINDINGS**

**Economic:** The project created employment opportunities during construction, helped develop local infrastructure, enabled expansion of hotel/business, and promoted establishment of cottage industries. The project also provides Rs 100, 0000 each year to the VDCs in the project's watershed.

**Social:** Health centers and schools are established, literacy classes run, women's drudgery reduced though increased use of rice cooker and opening of rice mill, time spend in household chores is reduced, access to energy supply has allowed use of TV and flow of news and information.

**Capacity building:** Capacity building activities such as skill trainings in sewing, vegetable farming jam /sauce production, safety in electricity use has helped build social capacity.

**Unintended Consequences:** Fishes in river have decreased; water diversion has affected agricultural production, inflow population during construction and flow of cash led to price hike of commodities. Similarly, there have been rise incidences of theft

and increase in production of solid waste, local trees and crops have been destroyed during installation of transmission pylons. Tunnel construction has damaged local sources and water seepage from tunnel caused people to move.

#### REFLECTIONS

- Opportunities to the local people through distribution of shares can help generate a sense of ownership of the hydropower plant
- This would require revisiting benefit sharing provision including examination of the provision in other projects
- The progress on livelihood enhancing program and environmental protection issues needs to be examined from the perspective of compliance.
- Not everyone were benefitted as the, dalits, indigenous people, women and ultra poor were left out.
- The management practice of Khmiti Rural Electricity Cooperative need to augmented and efforts made to seek its sustainability
- The communication gap between the HPL and the local community needs to be bridged