

Sharing benefits of hydropower at the local level will expedite energy and water resources development in Uttarakhand



OVERVIEW

Uttarakhand State is richly endowed with hydropower potential of 27,000 MW, which is 18% of the total hydropower potential of India. However, only 3,970.95 MW (14.7%) is currently harnessed. Uttarakhand Jal Vidyut Nigam Limited (UJVNL, the state owned hydropower company) declared that development is at a standstill despite the favourable hydropower policies developed by the State and Central Governments.

Among many challenges are local level impediments. The present research program found that hydropower projects experienced cost and time overruns due to local agitations and protests. Hydropower developers have few incentives for further investment.

Local residents continue to resist hydropower and are often suspicious of hydropower projects. Existing policies have not explored the solutions to local challenges. “Hydropower Policy 2008 of India” and “Hydropower Policies of Uttarakhand for Small, Medium and Big Projects” acknowledge that affected people must be adequately compensated and grievances should be addressed. Yet institutional mechanisms to address the grievances at the local level are inadequate or wholly lacking.

“The Hydropower Policy for Developing Small Hydropower Projects 2015” is more innovative in local-level sharing of hydropower revenue but institutional mechanisms on how such revenue will be used have yet to become effective.

RECOMMENDATIONS

- Local benefit sharing is a necessity to increase acceptability and reduce conflicts in hydropower development at the local level
- Include local people in planning and implementation of local area development activities
- Policy needs to effectively address these issues and create a mechanism to actually share benefits which can improve the living standards or the development of the local region
- Create a dedicated institutional mechanism for addressing all the local issues. This institution must be an honest mediator between the power developers and the affected local people
- Projects should be built with least impact to the society and the environment and with maximum benefits to the affected people and region
- The Local Area Development Fund (LADF) should be used to provide better health facilities, education, employment and improved local living standards

It is therefore recommended that local institutional mechanisms be created for addressing grievances, distributing power locally, sharing revenue, and enforcing policy guidelines.

Research Findings

- Hydropower projects studied suffered cost and time overrun due to local agitations and protests. In the 3 MW Agunda-Thati project, a single affected village is fighting six court cases after seven years of project operation. In the Bhilangana (22.5 MW) project, agitated local people were taken to custody three times. In the Bhilangana III (24 MW) project, there was a hunger strike for 18 days. These protests caused delays in

construction leading to increased costs for developers.

- There is no notable enhancement of livelihood or living standard for local communities where hydropower projects have been developed.
- Hydropower developers are dissatisfied and further investments in hydropower development are not forthcoming.
- Affected people resist hydropower development in their backyard. There are conflicts over compensation, drying out of springs, impacts on livelihoods and on water use for irrigation, festivals and cremations.
- Existing policies related to hydropower development have not looked to find solutions for the local issues. There is

no authorized platform where all the disgruntled parties could come and discuss their grievances and find a possible solution.

- There is a lack of clear communication, participation, transparency and accountability. E.g. after nearly two years of notification of the 'Policy for developing small hydropower (less than 25 MW) in Uttarakhand', the district administration, local administration, local people and power developers are not aware that this policy exists.

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Successful Benefit Sharing: Case Study of Bhilangana 22.5 MW Hydropower Project

Following the continuing local protests in response to the Bhilangana 22.5 MW hydropower project, there was a negotiation at different levels: developer-local people, developer-district administration and local-hydropower developer and district/local administration.

The resulting mediation led to agreed benefits for the local community and unhindered project implementation for the developers. The project is now providing development funds every year to four affected villages. It has also provided a school vehicle for transporting children from the affected Phalenda village to the nearby city.

The primary school is under construction and the project will run this school for five years and then transfer the management to the local people as per the demand from the people.

Although it was not affected by the project, continuous negotiation between local people and the power developer has led to the project providing irrigation water to local agricultural land.



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