

**SOCIO-ECONOMIC IMPACT OF KHIMTI 1 HYDROPOWER PROJECT: A  
CASE STUDY OF SAHARE VDC  
OF DOLAKHA**

**A Thesis**

**Submitted to the Faculty of Humanities and Social Sciences,  
Central Department of Rural Development in Partial  
Fulfillment of the Requirements for the Award of  
Degree of Master of Arts in  
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## LETTER OF RECOMMENDATION

This is to certify that Mr. Rishi Raj Acharya has prepared this dissertation entitled "**Socio-Economic Impact of Khimti 1 Hydropower Project: A Case Study of Sahare VDC of Dolakha District**" under my guidance and supervision. He has studied the ward No. 4 of Sahare VDC of Dolakha district. I therefore forward this dissertation for final approval and acceptance.

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## APPROVAL LETTER

This is to certify that the thesis entitled "**Socio-Economic Impact of Khimti 1 Hydropower Project: A Case Study of Sahare VDC of Dolakha District**" written and submitted by Rishi Raj Acharya has been examined. It has been declared successful for fulfillment of the academic requirements toward the completion of Masters of Arts in Rural Development.

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**March, 2009**

**Rishi Raj Acharya**

## **ABSTRACT**

*In general, this study entitled “Socio-economic Impact of Khimti I Hydropower Project: A Case Study of Sahare VDC of Dolakha District” tries to appraise the overall efforts made by Khimti I project for the neighborhood development of its catchments area. Khimti I Hydropower Project is the first largest project, with installed capacity of 60MW, launched by private sector in Nepal. The plant is located in Sahare VDC ward no. 4 of Dolakha district. Besides hydroelectricity generation, it has been directly involved in the community development activities in the catchments area by launching various programs. The study is entirely guided by the main question whether the efforts of Khimti I Hydropower Project have been instrumental to bring the desired changes in the social and economic aspects of the people living in the study area or not. A descriptive cum exploratory research design has been coined for the study. Both the primary and secondary data collected through various tools and techniques have been used to reach the conclusion. The data have been analyzed qualitatively and quantitatively as per the requirement. The project has been found to have had a very good impression in the study area. The impact on education, health, sanitation, drinking water, irrigation and employment has been found distinctive whereas efforts of Khimti I project in income generation and self-employment promotion activities are found to be less visible than it ought to have. The infrastructural development in the study area is solely the contribution of the project. The overall Income, Expenditure and Saving trend of the people have been noticeably increased. Because of the increased income level, the food intake of the families has gone up which obviously guarantees the optimum calorie supply. A noteworthy impact on Children and Youth of the study area has been observed. The project’s sister organizations (School, Clinic and Club) have influenced the Children and Youth in their academic, health and social aspects. With the commencement of the project, some new practices in the local culture have been added and something from the indigenous culture have got substituted. On the basis of these all positive and praiseworthy impacts of the project, Khimti I Hydropower Project can be taken as the*

*oasis of development. It has contributed a lot in the development of the catchments area and the nation as well. However, there always remain some rooms for the improvements, the project has to think and rethink to ensure the people's ownership which will help the project overcome the frequent strikes, political interferences and threats seen in its premises. More focus on income generation and self-employment promotion activities in its program will flourish the project's image in the eyes of the poor, vulnerable, deprived and socially excluded people. There is extreme need for paradigm shift in the project's development practices. The shift of the development approach from Need-based to Right-based will ensure the project a safer and respectful place in local peoples' heart and mind.*

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## **ABBREVIATION AND ACRONYMS**

ADB/N	Agricultural Development Bank of Nepal
AEPC	Alternative Energy Promotion Central
CBS	Central Bureau of Statistics
DDC	District Development Committee
DED	Department of Electricity Development
DOTS	Directly Observed Treatment Shortcourse
FGD	Focus Group Discussion
GoN	Government of Nepal
GWh	Giga Watt hour
HHs	Households
HPL	Himal Power Limited
IPPs	Independent Power Producers
JREDP	Jhankre Rural Electrocutation and Development Project
KFHP	Khimti 1 Hydropower Project
KiND	Khimti Neighborhood Development
KPS	Khimti Project School
KREC	Khimti Rural Eclectic Cooperative

KSC	Khimti Staff Club
KSPL	Khimti Services Private Limited
KW	Kilo Watt
MHP	Micro Hydropower Project
MoF	Ministry of Finance
MoWR	Ministry of Water Resource
MW	Mega Watt
NEA	Nepal Electricity Authority
NORAD	Norwegian Agency for Development
PDF	Power Development Fund
PPA	Power Purchase Agreement
PPP	Purchasing Power Parity
STI	Sexually Transmitted Infection
SWOT	Strength, Weakness Opportunity and Threat
UNDP	United Nations Development Programme
VDC	Village Development Committee
WECS	Water and Energy Commission Secretariat