

Khudi Hydropower Project “A Model for Village Development during Conflict”



Introduction: Khudi Hydropower Limited (KHL) was established on 2057 for developing the 3.45 MW Khudi Hydropower Project in Ghanapokhara, Simpani and Khudi VDCs of Lamjung District of Nepal. The capacity of the scheme has been revised to 4 MW during detail design and optimization study. The 4 MW power plant has been completed & put into commercial operation on Poush 15, 2063 (December 30, 2006) and from then onwards generating & supplying electricity to National grid continuously.

Project features: Khudi Hydropower Project is Run of the River (RoR) type scheme with boulder armored diversion weir, side intake, double chamber settling basin, 2467m long steel penstock 1.75m diameter and surface powerhouse. It is the first power plant in Nepal having long penstock without surge tank and forebay. Pressure relief valves have been used first time in Nepal to manage the surges during load rejection. It has installed 2 sets of Francis turbine generating units with SCADA system. The power plant can be monitored & operated from Kathmandu with the help of computers SCADA system.

Shareholders: Butwal Power Company (BPC) holds 60%, SCP Hydro International Inc, Canada (SCPHI) 25% and Lamjung Electricity Development Company (LEDSCO) holds 15% shares of KHL.

Project Cost: About NRs. 570 million.
Construction Period: About 18 months.



Khudi Hydropower Project is an example of cooperation between the domestic business houses, foreign investors and local partners. A great care has been given to share the benefits of the project to the local community. To mitigate the environmental and socio-economic impacts of the project the Canadian International Development Agency's (CIDA) Industrial Development Programme has provided grant for mitigating the negative impacts and enhancing the positive impacts of the Project. The project has implemented following mitigation programmes:

- Electrification of affected villages of the 3 VDCs
- Rural road and bridges construction in affected VDCs
- School support programme to 26 schools of the three affected VDCs
- Job related training programmes like bar bending, mason, gabion works, carpentry, welding, electrician etc
- Health support programme providing medicines, medical equipment & additional health workers to support the local health posts
- Establish a new health post and provide medicines, medical equipment & health workers to run it smoothly
- Awareness programmes against STD, girl trafficking, child labour, drug and alcohol etc.
- Training related to small business promotion, cooperative, vegetable farming, toilet making etc.
- Distribution of 8000 coffee plants to the community peoples of 3 affected VDC under income generation program

- Implementation of GREEN KHUDI program under which rigorous plantation program has been launched
- Sponsoring for higher technical education of 6 students (3 boys & 3 girls) from the 3 VDCs to study in BTI Butwal
- Sponsoring for higher secondary school level education of 6 students (3 boys & 3 girls) from the 3 VDCs
- Generous donations to local Mother's Groups, youth clubs, schools, libraries & community development organizations in their regular programs
- Providing vehicle & communication facilities during urgency to the local community peoples
- Providing technical assistances in design & construction of local schools & Mother's Group buildings
- Providing water supply pipes, construction materials like cement, sand & aggregates for the construction of local water supply schemes
- Providing regular financial assistances to local community peoples to continue their traditional KOT PUJA & other rituals

These assistances & support programs helped in building up the confidence level of the community towards the project even in the worst hit conflict situation in the country. The diversified support programs addressing the true demands of the community turned the project as their real friend in all time. Neither any of the political parties functioning in the project area nor any social or government bodies attempted to discourage the project development activities.



Two cheque bearing Rs. 506,412.50 (US\$ 8000) and Rs. 100,000 handed over to Mother's Group

Apart from the donations, various financial & materials support to various community beneficiary works provided by the project the promoters of the project

individually also donated generously to the Unified Mother's Group "Trishakti Mahila Sanjal" (TMS). The Chairman of KHL and his wife donated Rs. 100,000 to TMS while 8 Canadian individuals visiting the project during the inauguration ceremony donated US\$ 1000 each with a total of US\$ 8000 to the TMS.

Apart from these benefits received by the local community peoples, part of the revenue generated from the power plant shall also be provided to the local VDCs for their development activities. Lumjung Electricity Development Company (LEDCO) is one of the shareholders of KHL. LEDCO is the community based company having more than 240 local shareholders of Lamjung District. Therefore the part of the benefits of this project shall go directly to the local community people.

In this way Khudi Hydropower Project has become a good example of cooperation between local community, domestic business community and International hydropower developers. Such cooperation shall contribute to the successful development of natural resources in the nation building process. Such coordinated approach where all stakeholders (International investors, Domestic business communities & Local community peoples) play harmoniously towards achieving a common goal "Hydropower Development side by side Community Development". In this context the views expressed by KHL Chairman during the Grand inauguration that "Development of Hydropower brings Development to Villages" comes true.