

Status of the 100 Village EmPower Partnership Program Start of the first batch of projects

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I. The 100 Village EmPower Partnership Program:

To recapitulate, the primary objective of the program is to empower the villagers comprehensively: self-sustaining local supplies of utilities (electricity, water, lighting, etc.); capacity building with focus on women for total management of the local activities; creating non-agriculture local jobs; lowering pollution and reducing Greenhouse Gas Emissions. The socio-economic development of villages is achieved through the provision of efficient electricity and energy services based on local renewable energy sources and job creation in villages jointly with the villagers, especially women.

From 1999 to 2003, DESI Power built nine pilot and demonstration projects based on biomass gasification power plants in different locations in India, 7 of them under the Pilot Phase of the AIJ / Clean Development Mechanism. Using the experience, DESI Power launched its 100 village EmPower Partnership Program in Araria District, Bihar simultaneously with the start of the Kyoto Protocol on 16th February 2005. When completed, every village will run a small biomass gasifier based power plant to provide energy services and electricity for micro industries to create local jobs. The EmPower Partnership plants and business units are promoted jointly by DESI Power, village cooperatives and entrepreneurs and create at least 25 – 30 direct and perhaps 50 – 60 indirect jobs in each village. The program helps reduce the poverty of the participating families and promotes and catalyses other economic and social activities of the community which improve the overall living conditions of the villagers.

A Management Training Centre (DESI_MANTRA) has been set up to train local staff, especially women, for all levels of work and management. Till date almost 60 local men and women have been trained, 25 of whom are now working in DESI Power.

The program is being implemented in batches.

II. Status of the First Batch of Four Projects:

Financial:

The sources of funds for the four projects are:

- Equity from a local society, DESI Power and a German social-investor (fairPlanet, Muenster).
- World Bank Development market Place Award 2006.
- Up-front payment from the sale of CERs to a Swiss buyer.
- Subsidy from MNRE, Government of India.
- A commercial loan from ICICI Bank.

The financial closure has been finally been achieved with the signing of the bank loan agreement.

Implementation:

The first four projects (Gaiyari I and II, Vebhra, and the up-gradation of the existing Baharbari EmPP) are in their Erection and Commissioning phase. The completion has been delayed mainly due to the time taken in finalising the commercial loan whose procedures have turned out to be quite complicated, perhaps because it was the first ever loan for such a rural project.



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Three projects are now under commissioning and the fourth one under construction. The commercial operation is scheduled to start in January '08.



Power plant building with guest hose in Gaiyari



Erected gasifier & gas engine at Gaiyari



Local stockholders of Vebhra



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III. Status of CDM:

DESI Power's 100 Village EmPower Partnership Project has been validated and **registered** successfully under UNFCCC/ CDM procedures. The project validation report and the PDD under the project title "**Bundle of 100 village biomass gasifier based power plants totalling 5.15 MW for Decentralised Energy Systems India Pvt. Ltd. in Bihar, Ref No. 00001187**" is also available on the UNFCCC / CDM website (<http://cdm.unfccc.int/Projects/registered.html>) under the "registered project" section.

IV. Restructuring and Organisational Development of DESI Power

A restructuring of DESI Power has been undertaken in order to strengthen its organisation and finances for the successful completion of the 100 Village EmPower Partnership Program.

- SCI, a Swiss fund, has become a new shareholder of DESI Power, agreeing to the commitment of the current shareholders on not taking any dividend on their investment.
- New funds are now available for strengthening the management and project staff of DESI Power.
- A non-for-profit trust called DESI Power Foundation has been created to take responsibility for running DESI_MANTRA, and provide support to DESI Power and the village enterprises for training, running the Cluster Centres and extension services.

V. Financing the Next Batch of EmPower Partnership Projects in Twenty New Villages:

- SCI has agreed to make an upfront payment for the CERs to be generated by the next batch of twenty EmPower Partnership Projects for which villages have been identified.
- The phasing of the construction of the next 20 projects has been tentatively worked out.
- The training of first batch staff for the 20 villages at DESI_MANTRA is over.
- The trained staffs have started interaction with villagers in five villages selected for the first phase and village surveys have been started there.
- A detailed biomass generation (energy plantations, agro-forestry) and management plan is being finalised.
- Micro enterprises have been identified and their business plans are under preparation. An agreement is being signed with DA/Tara, our NGO partners specialised in rural technologies, for implementing business developed by them in these villages. Selection of micro-enterprises and businesses in each village will start as soon as village surveys are completed.
- Subsequently, detailed PFPR will be prepared and the financing requirements worked out for the 20 villages.
- Proposals for bank loans for the power plants and micro-enterprises are under preparation.
- DESI Power is negotiating with some new investors for equity participation or soft loan.

VI. DESI Power Management Training Centre for Rural Women (DESI_MANTRA):

- The second batch trainees at DESI_MANTRA completed their course. 60 women and men applied for the course and 20 of them were selected. Class room and on site training have been provided. 17 trainees have completed the course successfully and presently two trainees have put under job as Trainee Project Engineer & Assistant Manager, Village Development. Remaining successful students will be selected by DESI Power as per requirement.



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- DESI_MANTRA trained women (1st batch) working with DESI Power are responsible for the project development activities for the next batch of 20 villages.
- Grants are needed for running DESI_MANTRA and DESI Power Foundation is working on the fund raising plans.



2nd batch of DESI MANTRA



Class room & on site training of trainees at Gaiyari site