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CARBON
STANDARD
A Global Benchmark for Carbon



Babilonia small-scale hydro, Honduras

Honduras is rich in terms of natural resources. The country's potential to reduce its dependence on fossil fuel through the use of clean energy is huge but not widely tapped yet.

Location



The project is located in eastern Honduras on the Babilonia River in the sparsely populated, mountainous highlands of the Department of Olancho. The region forms the headwaters of several rivers that are important for the water supply of agricultural fields in the rolling plains below.

Project



The area where the Babilonia Hydropower Project is located is mountainous with no direct access by road. Before the installation of the project, neighbouring villages had no access to electricity, so wood and diesel fuel met most of the energy needs of the locals.

Now, with the sustainable, small-scale hydro plant in operation, the region is benefiting from a source of clean energy, and the natural environment is recovering. The project did not involve any displacement or flooding (as often associated with large hydro plants).

The project did not involve road construction. All necessary items were transported to and from the construction site by simple means: animal drawn vehicles, human labor and a cable car. The project is a pioneer project that could have a multiplying effect on other projects in Honduras and throughout Central America..



Technically, the project consists of a run-of-river hydroelectric project with 3.2 km of high-pressure tubes, a power station and 2.5 km of power transmission lines, which are installed along existing roads that connect the substation to the national grid.

The project seeks to generate electricity through sustainable means using hydropower resources and sell the generated output to the state-owned National Electric Energy Company. Without carbon finance, the project would not have been financially viable.

Project achievements



Socio-economic impact:

- 400 new jobs were created during the construction phase, and between 19 and 49 jobs will be created during the operation phase in a rural area with few employment opportunities. The incomes and associated quality of life factors of residents impacted by the project have improved (and will continue to do so as the project unfolds).
- A technical assessment of the population that works in crop cultivation near the river basin is being provided. This assessment aims to reduce the alteration of the regional flora and fauna via agricultural activities and create a “culture of preservation” of natural resources.
- The project is granting scholarships for students from the area that will allow them to attend elementary school, high school and university.
- The project owner supported the electrification of five isolated villages, which provided new opportunities for economic activities to be set up in the area.
- Donations by the project owner led to the construction of a police station and the purchase of a police car. As a consequence, assaults on the rural highway have decreased by 90 percent.
- To improve child/youth health, the project owner financed a mobile dental health unit for schoolchildren.

Ecological impact:

- A reforestation program of several hundred hectares with native species has been carried out by the project owner.

Checklist Project 300 129



✓ Additionality and permanence:	according to the rules of the VCS
✓ 3 rd party verified:	by TÜV Nord
✓ Transparency:	provided by Markit Environmental Registry
✓ Annual CO ₂ -reduction:	12,000 tCO ₂ e
✓ Social and environmental benefits:	as documented in our database
✓ Marketing material:	pictures available